

Know Your ETF Investor

As an advisor, you know you need to understand your clients and prospects to deliver solid advice, good service and great products. CETFA knows this too. So CETFA worked with Credo Consulting to identify key attributes of ETF investors.

65+ Cohort



65+



Represent **19%** of all ETF investors

Who They Are

This cohort is the most male dominated and most evenly split among Ontario and the West; they're also the most advised and most likely to be driven by their life priorities when it comes to their money.

Those 65+ are most attached to their homes, believe they're best protected from disasters and are most comfortable speaking with an advisor.



Finances

Sole financial responsibility: **59%**

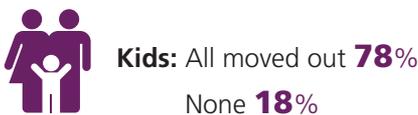
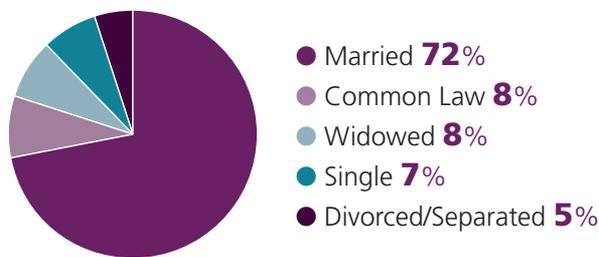


Manage finances without guidance

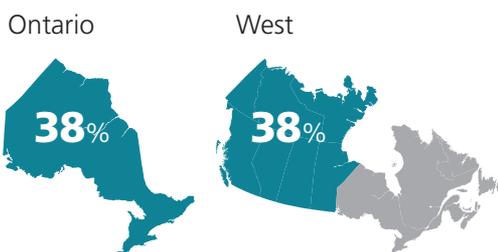
Receives guidance from financial professionals

ETF Owners 65+

Personal



Location



Employment & Education



8% Employed part-time

88% Retired

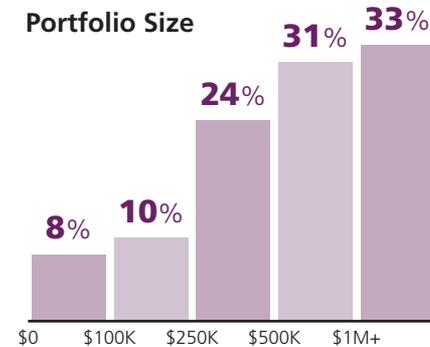


26% Undergraduate



26% Graduate

Portfolio Size



Numbers may not equal 100%. Many respondents did not answer this question, especially those 55+.

Much more likely to get advice: **28%** vs. **19%** out of all others

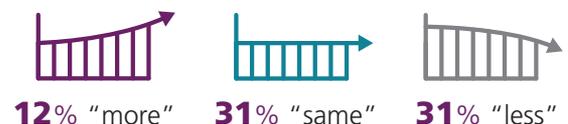
"Life priorities guide my money"

+19% agree vs. overall

ETFs

22% own ETFs vs. **19%** out of all others

Future use of ETFs:



Please Turn Over



How They Think/Behave*

- Manage own finances: **29%**
- Take financial risks: **26%**
- Like taking financial risk: **24%**
- Maximize tax-advantaged vehicles: **40%**
- Regularly check progress to financial goals: **43%**
- Only robo-advice: **15%**
- Financial jargon “confusing”: **44%**
- Has DIY knowledge: **97%**
- Good grasp of finances needed for life stage: **98%**
- Has FA, does own research: **+5.8x** vs. **5.3x** for all others

*% = Strong + medium agreement combined.



ETF Appeal†

- Deliver diversification in simple way: **95%**
- Very liquid: **93%**
- Low acquisition cost: **91%**
- Deliver performance: **91%**
- Trade like a stock: **91%**
- Easy to work with: **90%**
- Low MERs: **90%** (very appealing: **65%**)
- Closely track index designed to follow: **88%**
- Easy to understand: **85%**
- Passive options available: **80%**

†Strong + medium agreement combined. Ranking reflects percentage reporting cited attribute.



ETFs: Men & Women

Consideration	Men	Women
Use because FA recommends - agree + strongly agree	61%	54%
Appeal: If FA feels appropriate for client's needs - moderately + very appealing	80%	69%
Appeal: Performance - very appealing	36%	38%
Appeal: Low MER - very appealing	59%	62%
Offer as much opportunity to diversify as MF - agree	49%	54%



Target Marketing Potential

Older/Retired: A “sweet spot” depending on financial goals, time horizon and risk tolerance.



Donations

This cohort is far more likely to cite the importance of charitable giving than any other demographic: **32%** vs. **18%** for 35–44 and **17%** for 25–34.

About the Data

Credo Consulting and Transcontinental (TC) have surveyed a representative panel of 1,000 Canadian investors monthly since 2015. The Financial Comfort Zone (FCZ) study has captured data from 36K+ investors, including 2K+ who own ETFs. It analyses key attributes of ETF investors and non-investors.

All data generated by Credo Consulting and TC and valid as of March 2019.
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About CETFA

The Canadian ETF Association (CETFA) is the national voice of Canada's ETF industry, representing 97% of the \$160B+ invested in Canadian-listed ETFs. CETFA works with its members and regulators to adopt best practices and standards and works to educate Canadians on how best to use ETFs.

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