



ONTARIO
SECURITIES
COMMISSION

SELF-DIRECTED INVESTORS: INSIGHTS AND EXPERIENCES

April 2021





KEY FINDINGS

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In a year defined by the uncertainty of a pandemic, many retail investors became active in the capital markets. The demand for self-directed investment accounts surged so rapidly that Order Execution Only (“OEO”) dealers struggled to meet the demand at times. There was also a dramatic increase in the amount of retail trading activity.

To gain a better understanding of this phenomenon, the Investor Office conducted a survey of 2,000 Canadian retail investors who either have a self-directed (also known as “OEO” or “DIY”) account as their primary account or who have an advisor but also have their own secondary self-directed account. The survey was in field from November 17 to December 6, 2020.

10% OF SELF-DIRECTED INVESTORS OPENED THEIR OEO ACCOUNT DURING THE PANDEMIC

- 50% of self-directed investors have held their self-directed account for 5 years or more.
- 16% of self-directed investors started investing through an advisor due to the COVID-19 pandemic.
- 17% of self-directed investors have had an issue entering or completing a trading order during the pandemic.
- 11% of self-directed investors had issues accessing or logging into their self-directed account during the pandemic.

KEY FINDINGS

44% CHOOSE TO BE A SELF-DIRECTED INVESTOR BECAUSE THEY ENJOY IT

- 34% do so because they see advice as too expensive.
- Advised investors who have a secondary self-directed account do it for the following reasons: they enjoy trading stocks (32%), they only want their advisor to manage some of their portfolio (28%), or they want to take more risk (27%).
- Overall, seven-in-ten (69%) self-directed investors are satisfied with their experience as an investor.

11% OF SELF-DIRECTED INVESTORS HAVE AN AGGRESSIVE ATTITUDE TOWARD RISK

- Nearly half (45%) are willing to accept a moderate level of risk, while 14% perceive themselves to be conservative.
- Investors with higher risk preferences are more likely to own cannabis stocks, venture stocks and crypto assets.

KEY FINDINGS

41% OF SELF-DIRECTED INVESTORS BELIEVE THEIR OVERALL KNOWLEDGE OF FINANCIAL MATTERS IS HIGH

- When asked a series of questions about marketplaces and trading, the average investor was able to answer two out of five correctly.
- These questions were technical and would require a high degree of sophistication to answer correctly.
- 66% of self-directed investors admit they do not know how many equity marketplaces there are in Canada. Only 1% of investors knew there were 12 or more.
- Only half knew that TSX listed stocks can be traded on an exchange other than the TSX.
- One-third (32%) of investors know that 'best execution' means getting the best possible result considering many factors.

KEY FINDINGS

25% OF SELF-DIRECTED INVESTORS SIGN-IN TO THEIR ACCOUNT DAILY, 28% SIGN-IN WEEKLY, AND 20% MONTHLY.

- 21% trade using their mobile phone, 56% using their computer and 11% by phone.
- 43% of investors make 10 trades or less per year, 31% make 11 to 50 trades per year and 10% make 51 to 350 trades a year.
- More than half (56%) say it is very important to know the prevailing buying and/or selling price (bid/ask) when making a buying or selling decision. 38% say it is very important to know the volume (number of shares) available at the prevailing buying and/or selling price.

60% OF SELF-DIRECTED INVESTORS ARE MEN AND A QUARTER ARE 18-34.

- 74% are entirely self-directed investors while the remaining 26% have an advisor but also have a secondary self-directed account.
- 21% have traded cannabis stocks, 19% have traded junior stocks, 14% have traded leveraged or inverse ETFs, 9% crypto assets, and 6% options/puts.
- The most common investment return for self-directed investors over the last year (to December 2020) was 4-6% and this jumps to 7-9% over a three-year period.

KEY FINDINGS

THE MOST IMPORTANT INFORMATION USED BY SELF-DIRECTED INVESTORS IS THEIR PERSONAL VIEWS ON COMPANIES

- 13% consider posts on **social media** and online message boards such as **Reddit**, Twitter and Facebook to be important sources of information.
- 25% think that **ESG factors** are highly important while 13% think they are not important.
- One-third (33%) of investors say that available ESG information helps them make better investment decisions.
- 18% find information on ESG factors to be important, but do not find the currently available information to be useful.
- Two-thirds (67%) of investors use at least one tool offered by their dealer to help manage their investments:
 - The most popular are tools that help assess the performance of their investments (50%), tools that help them to manage their finances (43%), and tools that compare their portfolio against benchmarks (39%).
 - For those who don't have a given tool, two-thirds of investors would use one, if it were available (such as a tool to assess the performance of their investments (74%), or a tool to show how their costs impact returns over time(71%).

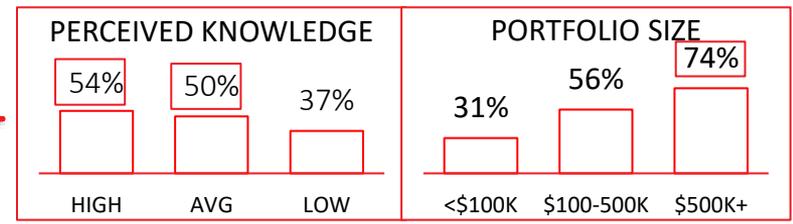
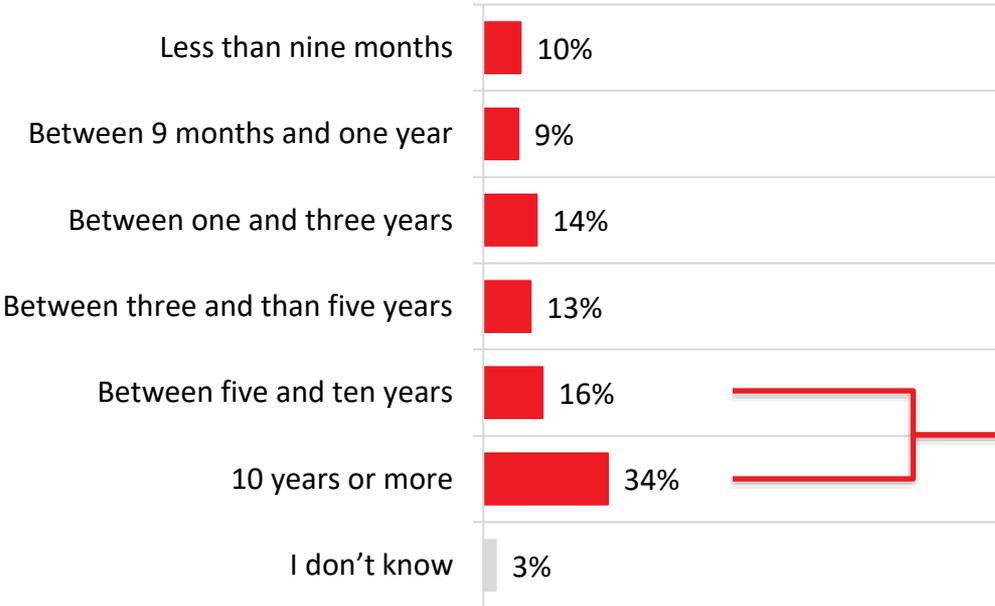
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THE IMPACT OF THE COVID-19 PANDEMIC

10% OF INVESTORS OPENED THEIR SELF-DIRECTED ACCOUNT DURING THE PANDEMIC

Two-in-ten have held their direct investing account for less than a year, while a quarter (27%) have had it between 1-5 years and half have had their account for more than 5 years. 10% of investors opened their self-directed account during the pandemic. Investors that perceive their knowledge as high or average are more likely to have had their account for more than 5 years.

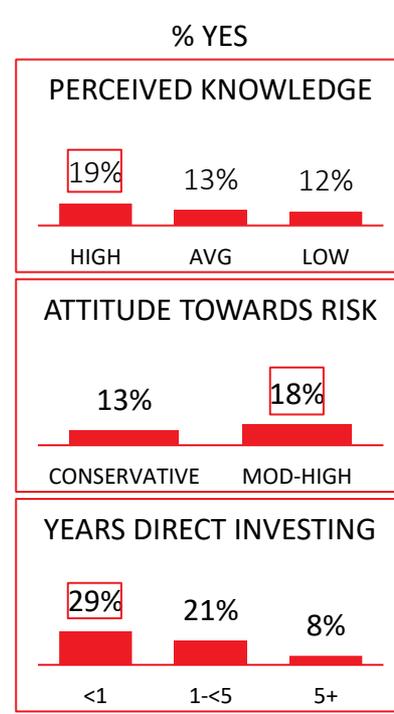
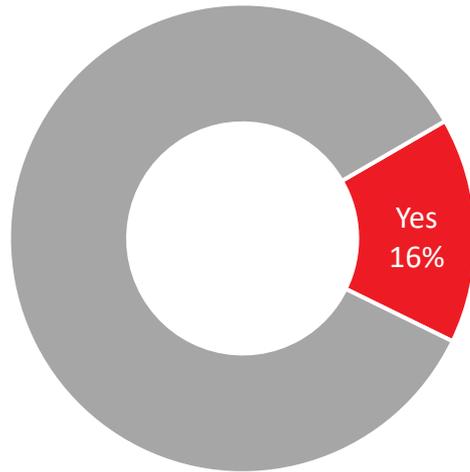
HOW LONG HAVE YOU HELD YOUR DIRECT INVESTING ACCOUNT?



ONE-IN-SIX SELF-DIRECTED INVESTORS STARTED USING AN ADVISOR AS A RESULT OF THE PANDEMIC

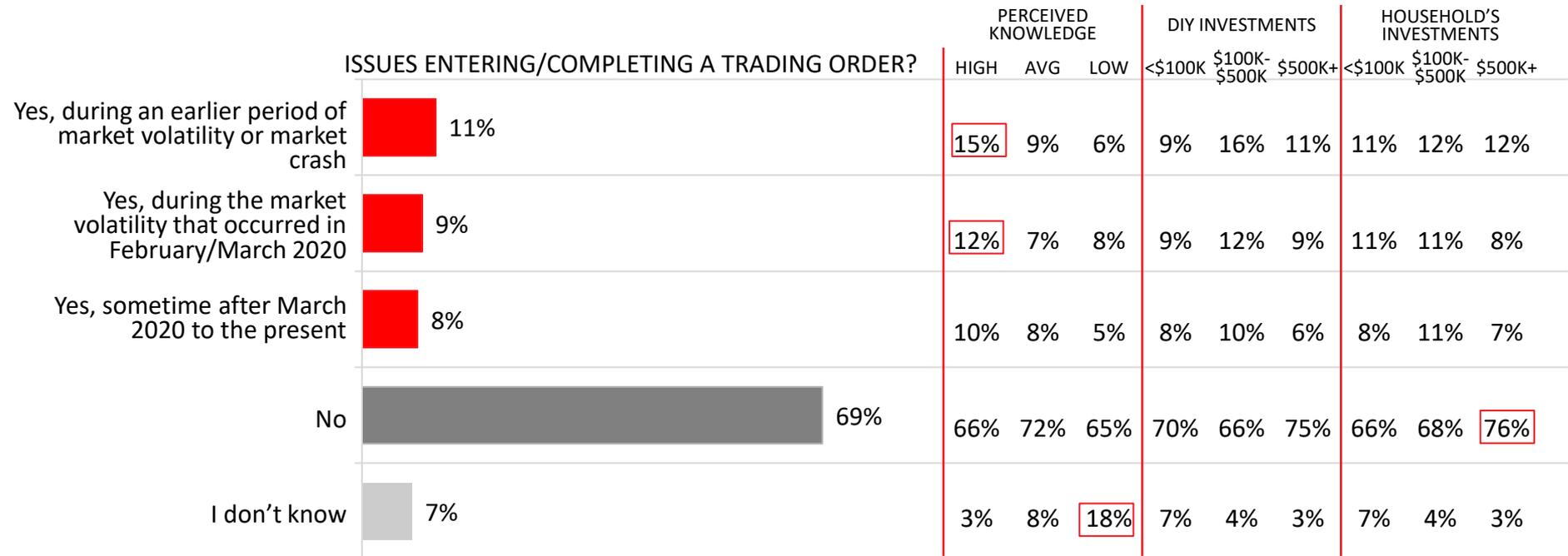
As result of the pandemic, 16% have started investing through an advisor for their primary investment account. This is especially true among those who believe they have high knowledge about financial matters, those that take a moderate to high level of risk, and those who have less than a year of experience in direct investing.

HAVE YOU STARTED INVESTING THROUGH AN ADVISOR AS RESULT OF THE PANDEMIC?



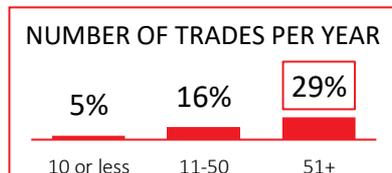
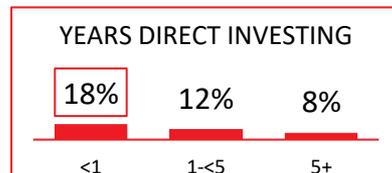
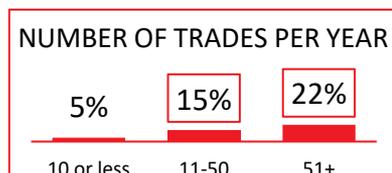
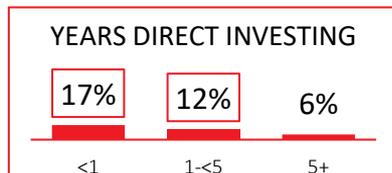
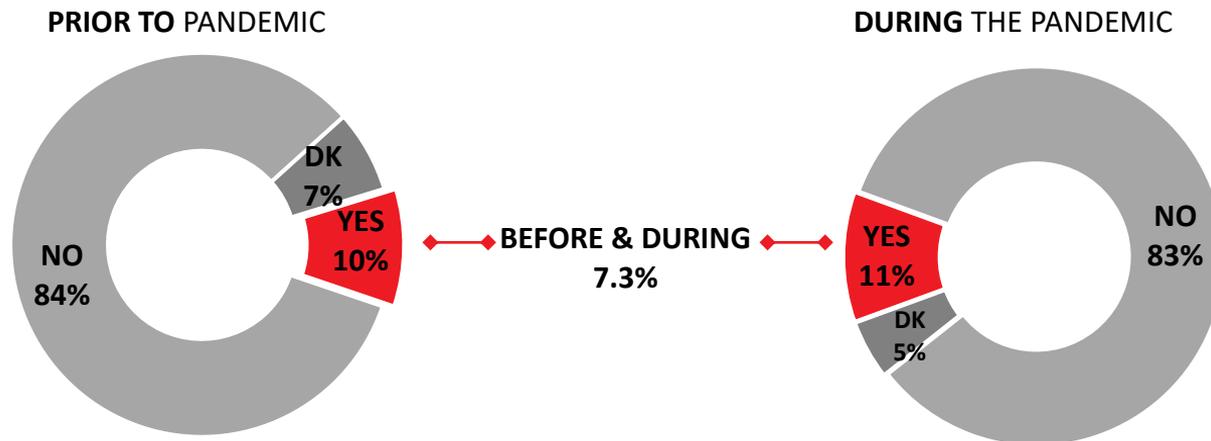
ONE-IN-TEN SELF-DIRECTED INVESTORS HAD ISSUES COMPLETING TRADES DURING PANDEMIC-RELATED VOLATILITY IN FEB/MARCH 2020

One-quarter (24%) of self-directed investors have ever had an issue with being able to enter or complete a trading order. 9% said this happened during the market volatility in February and March 2020, 8% since March 2020, and 11% said this happened before the pandemic during an earlier period of market volatility or crash.



TECHNICAL ISSUES CAUSE ISSUES ACCESSING ACCOUNTS

Prior to and during the pandemic, one-in-ten self-directed investors say that they experienced issues with accessing or logging into their DIY investment account due to technical issues of their broker/ investment dealer. 7.3% experienced issues logging in both before and during the pandemic. Those who trade more frequently and those who more recently became self-directed investors were more likely to experience these issues.



0038 Did you have any issues with accessing or logging into your DIY investment account prior to the COVID-19 pandemic due to technical issues of your broker/investment dealer? Base: All (n=2008)

 Significantly higher

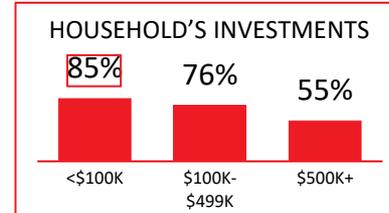
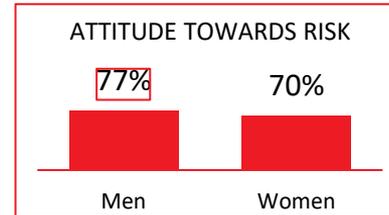
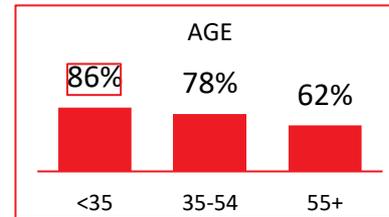
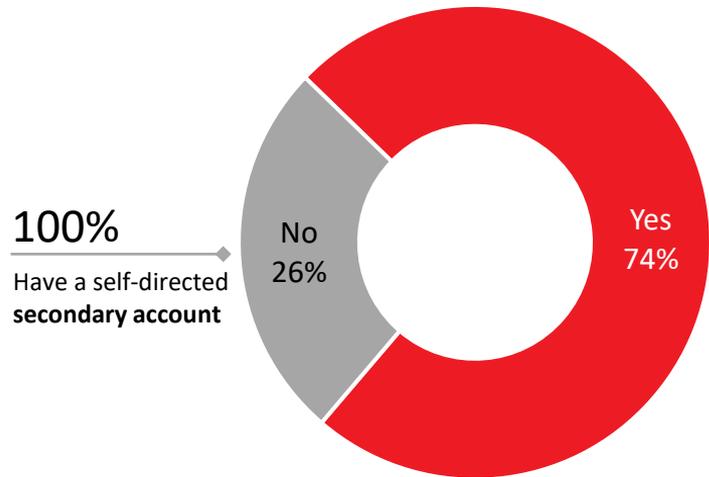
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PRODUCTS AND PERFORMANCE

THREE QUARTERS OF SELF-DIRECTED INVESTORS ARE DIY FOR THEIR PRIMARY INVESTMENT ACCOUNT

26% percent use an advisor for their primary account and have a secondary account that is self-directed. Those who are younger investors (<35), men, and those who have less than \$100k invested are significantly more likely to be self-directed for their primary account. Investors with a higher trading frequency per year are also more likely to be self-directed (11 or more trades per year).

ARE YOU A SELF-DIRECTED INVESTOR FOR YOUR PRIMARY ACCOUNT?



 Significantly higher

0006 Are you a self-directed investor? Base: All (n=2008)

0007 Do you have another, secondary investment account? Base: Investors who don't have a self-directed primary account (n=495)

SELF-DIRECTED INVESTORS OWN A MIX OF PRODUCTS

Mutual funds (63%), individually held stocks (59%) and ETFs/REITS (31%) are the most commonly held products. Investors with higher sums of investments (self-directed or household) are generally more likely to say they own most types of products which indicates higher levels of diversification. Investors with higher perceived knowledge and risk tolerance are significantly more likely to hold individual stocks.

	PRODUCTS OWNED EITHER INSIDE OR OUTSIDE OF AN RRSP, RESP, RRIF OR TFSA	ATTITUDE TOWARDS RISK		PERCEIVED KNOWLEDGE			HOUSEHOLD'S INVESTMENTS		
		LOW	MED/HIGH	HIGH	AVG	LOW	<\$100K	\$100K-\$500K	\$500K+
Mutual funds	63%	62%	64%	62%	64%	60%	58%	68%	67%
Individually held stocks	59%	53%	65%	69%	54%	47%	49%	61%	80%
Pension plan through employer	43%	44%	43%	43%	43%	45%	39%	46%	50%
GICs or Term deposits	35%	39%	32%	35%	38%	26%	23%	41%	46%
Exchange-traded units (ETFs and REITS)	31%	23%	37%	41%	26%	16%	23%	35%	47%
Other securities or derivatives	13%	13%	14%	16%	11%	13%	12%	13%	17%
Bonds or notes	13%	11%	15%	16%	11%	8%	8%	13%	23%
Canada Savings Bonds	10%	12%	9%	11%	8%	12%	11%	11%	11%
Segregated funds	8%	7%	9%	10%	7%	5%	5%	9%	16%

0004 Which of the following investment products do you own either inside or outside of an RRSP, RESP, RRIF or TFSA?

Base: All (n=2008)

 Significantly higher

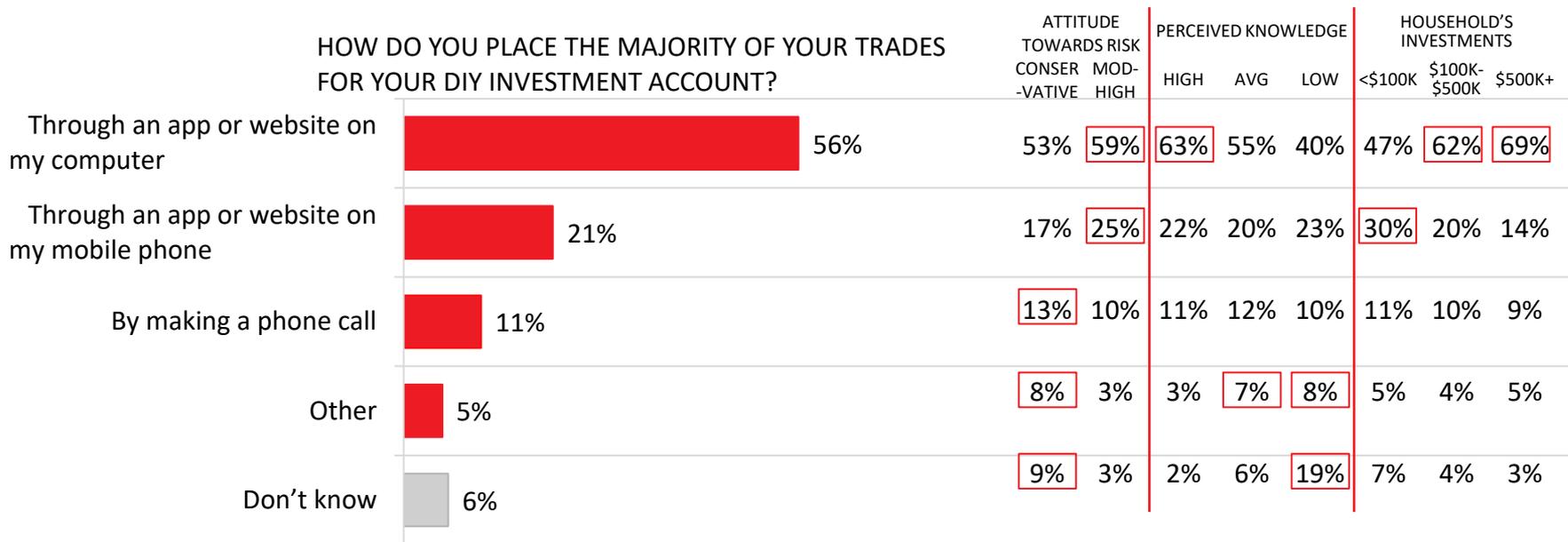
TWO-IN-TEN HAVE BOUGHT CANNABIS STOCK OR STOCKS LISTED ON VENTURE EXCHANGES

Two-in-ten self-directed investors say they have bought or sold Cannabis stocks (21%) or Junior stocks listed on the CSE or TSX-Venture exchanges (19%). Fewer have bought/sold leveraged/inverse ETFs (14%), OTC investments (12%) or private equity investments (12%). Investor attitude towards risk is highly correlated with their willingness to buy these products. Those with a conservative attitude towards investing were the least likely to own any of these advanced investments.

BOUGHT/SOLD ANY OF THE FOLLOWING INVESTMENTS...	ATTITUDE TOWARDS RISK				
		Very conservative	Conservative	Moderate	High
Cannabis stocks	 21%	10%	18%	24%	33%
Junior stocks listed on the CSE or TSX-Venture exchanges	 19%	8%	14%	23%	27%
Leveraged or Inverse exchange trade funds (ETFs)	 14%	7%	11%	17%	19%
Over the Counter (OTC) investments also known as penny stocks through the OTCBB	 12%	4%	13%	13%	17%
Private equity investments	 12%	12%	10%	12%	14%
Non-North American stocks by trading on foreign stock exchanges	 9%	6%	6%	10%	16%
Crypto assets, including cryptocurrencies, stablecoins, ICO tokens and security tokens	 9%	5%	6%	9%	19%
Non-North American stocks by buying American Depository Receipts	 7%	4%	5%	7%	16%
Derivatives such as Options or Puts	 6%	3%	4%	6%	14%
Hedge Funds	 5%	2%	6%	5%	7%
None of the above	 43%	62%	50%	36%	26%

THREE-QUARTERS COMPLETE THE MAJORITY OF THEIR TRADES ONLINE

Three-quarters (77%) place the majority of the trades for their self-directed investment account through an app or website, with 56% using their computer and 21% their mobile phone. Those with a perceived high level of knowledge in financial matters are significantly more likely to complete their trades online, primarily through their computer. Those with less than \$100K in investments are significantly more likely to say they use their mobile phone to place the majority of their trades. Conservative investors are significantly more likely to say they prefer trading over a phone call.



 Significantly higher

ABOUT HALF HAD LESS THAN 6% RETURNS OVER THE CALENDAR YEAR

Two-in-ten (21%) self-directed investors say they had a return of 3% or less over the last year, and one-quarter (27%) had between 4% and 6% returns. The S&P/TSX composite index returned 5.6% in 2020. Almost four-in-ten (38%) say their investments yielded 7% or more, especially among self-directed investors who perceive themselves as highly knowledgeable. There is a strong correlation between trade frequency and self-reported return with those trading more frequently reporting higher returns. A significant minority (13%) did not know how much their rate of return was over the last 12 months.

APPROXIMATE RATE OF RETURN ON YOUR INVESTMENTS OVER THE CALENDAR YEAR TO DATE		PERCEIVED KNOWLEDGE			NUMBER OF TRADES/YEAR		
		HIGH	AVERAGE	LOW	10 or less	11-50	51+
3% or less	21%	15%	23%	34%	27%	14%	9%
4% to 6%	27%	26%	29%	21%	29%	29%	22%
7% to 9%	17%	21%	17%	6%	15%	21%	25%
10% to 12%	11%	15%	9%	5%	7%	18%	18%
13% to 15%	3%	5%	2%	1%	2%	3%	9%
More than 15%	7%	11%	4%	3%	5%	10%	13%
Do not know	13%	7%	15%	28%	15%	6%	4%

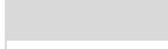
6% OR LESS
48%

7% OR MORE
38%

 Significantly higher

HALF HAD RETURNS OF 7% OR MORE OVER THREE-YEAR PERIOD

Over a three-year period, about half made 7% or more in returns. Those with perceived higher knowledge, and with higher volume in number of trades tend to declare higher investment returns than their counterparts. Again, there is a strong correlation between trade frequency and self-reported return with those trading more frequently reporting higher returns. Nearly two-in-ten (17%) do not know their rate of return investment over three-year period.

	APPROXIMATE RATE OF RETURN ON YOUR INVESTMENTS OVER A THREE-YEAR PERIOD	PERCEIVED KNOWLEDGE			NUMBER OF TRADES/YEAR		
		HIGH	AVERAGE	LOW	10 or less	11-50	51+
3% or less	 11%	6%	12%	21%	13%	7%	5%
4% to 6%	 24%	22%	27%	18%	29%	22%	15%
7% to 9%	 24%	28%	23%	13%	22%	27%	27%
10% to 12%	 13%	17%	12%	6%	10%	18%	22%
13% to 15%	 5%	8%	3%	<1%	4%	5%	10%
More than 15%	 7%	10%	5%	5%	5%	9%	13%
Do not know	 17%	9%	19%	37%	17%	12%	7%

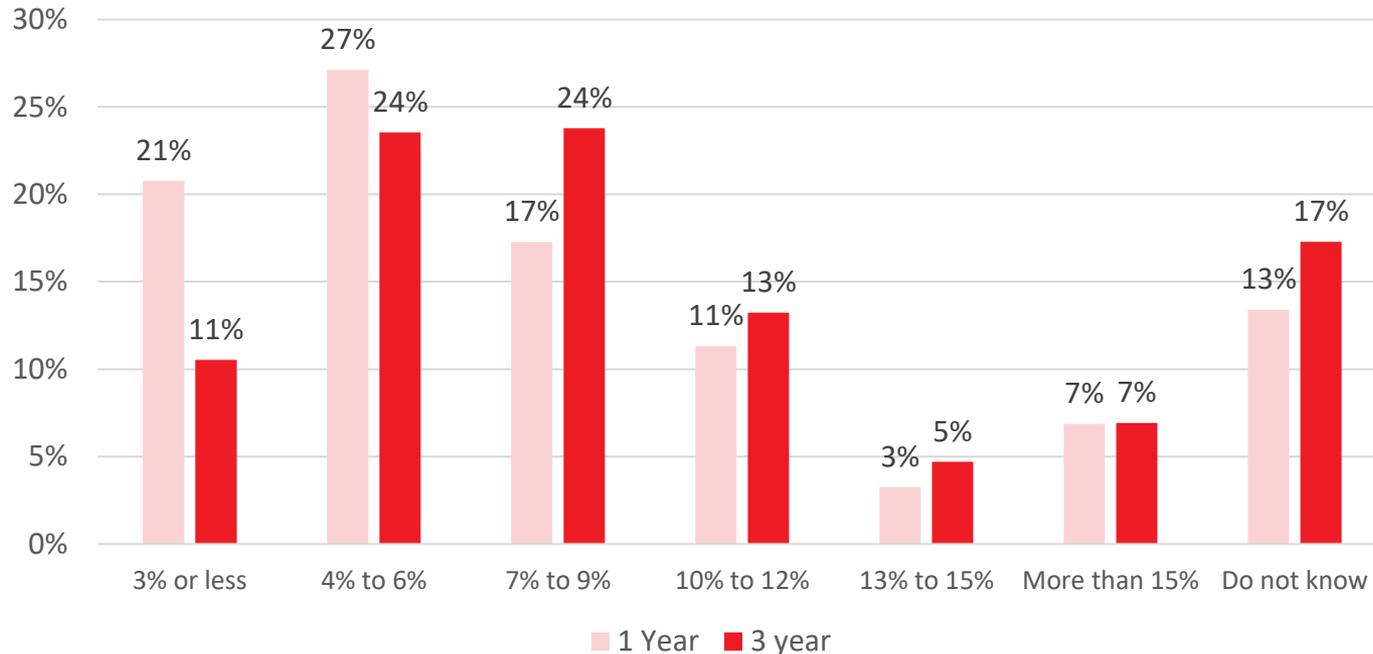
6% OR LESS
35%

7% OR MORE
49%

 Significantly higher

THREE-YEAR RETURNS EXCEEDED ONE-YEAR RETURNS ON AVERAGE

One average, self-directed investors reported that their three-year returns were higher than their one-year returns. This is not surprising given the performance of the markets over the last 3 years and the volatility during the COVID-19 Pandemic.



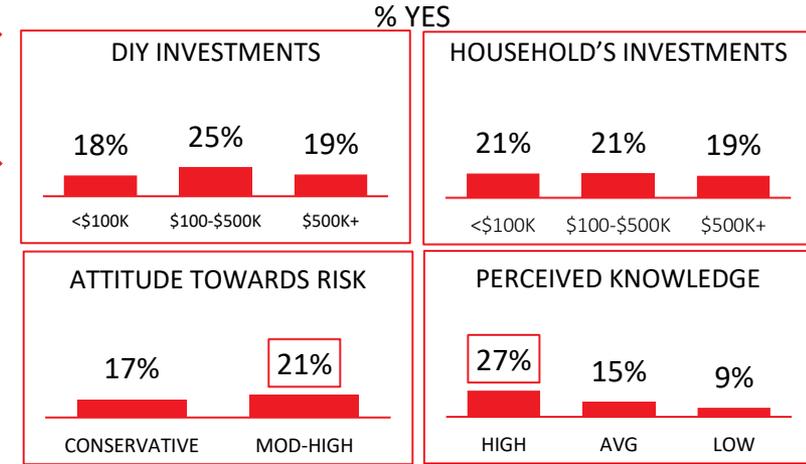
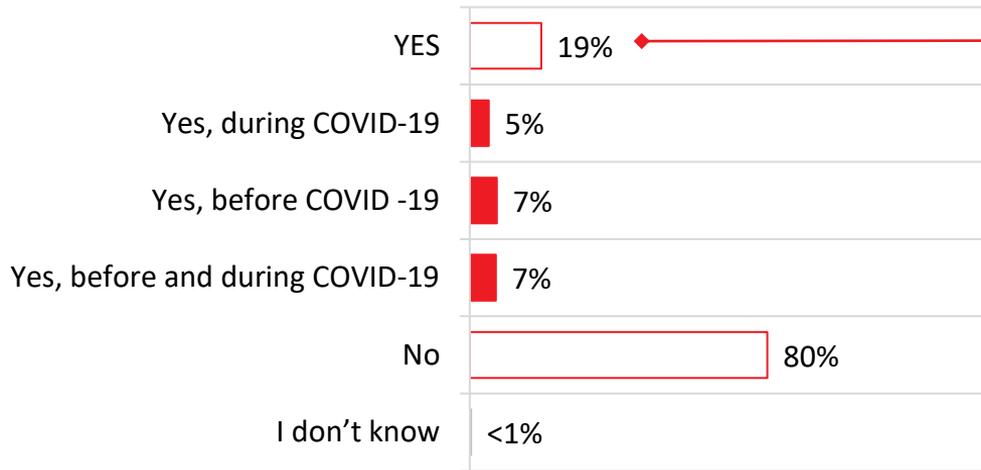
0011A What has been the approximate rate of return on your investments...Over the calendar year to date?

0011B What has been the approximate rate of return on your investments...Over a three-year period? Base: All (n=2008)

SELF-DIRECTED INVESTOR ARE MAKING LEVERAGED INVESTMENTS

A significant minority (20%) borrowed money or used credit to buy any of their investments either during or before the COVID-19 pandemic. Those who have a moderate/aggressive attitude towards risk and a high perceived knowledge of financial matters are significantly more likely to have borrowed / used credit to buy investments. Portfolio size does not seem to have a significant impact on the use of leverage.

BORROWED MONEY OR USED CREDIT TO BUY ANY OF YOUR INVESTMENTS DURING OR BEFORE COVID-19?



0015 Have you borrowed money or used credit to buy any of your investments during or before COVID-19?

 Significantly higher

Base: All (n=2008)

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REASONS FOR BEING SELF-DIRECTED

HALF OF SELF-DIRECTED INVESTORS ENJOY MANAGING INVESTMENTS

When asked why they do not use an advisor, nearly half (44%) of self-directed investors say they enjoy managing their own investments. Other significant factors include the cost of using and advisor (34%) and having too small a portfolio to rationalize having an advisor (24%). Perceived knowledge is an important factor for many with a quarter (26%) of respondents indicating that they are knowledgeable enough to manage their own investments. Self-directed investors with high perceived knowledge are significantly more likely to indicate that they can get a better return on their own (32%) and they do not value the advice from advisors (16%).

	REASONS FOR NOT USING AN ADVISOR	PERCEIVED KNOWLEDGE			HOUSEHOLD'S INVESTMENTS		
		HIGH	AVERAGE	LOW	<\$100K	\$100K-\$500K	\$500K+
I enjoy managing my own investments	 44%	56%	40%	22%	39%	45%	64%
It is too expensive	 34%	34%	33%	37%	33%	36%	40%
I am knowledgeable	 26%	47%	15%	3%	21%	29%	45%
Not enough money invested to be worth paying someone else to advise me	 24%	15%	27%	42%	34%	19%	9%
I can get a better return doing it myself	 22%	32%	18%	6%	18%	25%	34%
I do not trust financial advisors	 18%	20%	18%	11%	14%	20%	22%
Worried that they would lose my money	 15%	11%	18%	18%	15%	15%	14%
I don't value their advice	 12%	16%	9%	6%	10%	13%	15%
Bad experience	 11%	12%	11%	8%	8%	13%	19%
I don't know how to get an advisor	 6%	4%	5%	14%	8%	6%	1%
Other	 3%	2%	3%	5%	3%	3%	5%
I don't know	 4%	1%	5%	5%	4%	2%	1%

ADVISED INVESTORS HAVE SECONDARY SELF-DIRECTED ACCOUNTS TO TAKE MORE RISKS

One-quarter (27%) of investors who primarily invest with an advisor have a secondary self-directed account because they want to take risks with their self-directed account while their advisor manages their retirement portfolio. One-third of these investors also have their secondary account because they enjoy buying and selling stocks. One-in-ten have their self-directed account so that they can engage in active day trading.

	WHY DO YOU MANAGE SOME OF YOUR OWN INVESTMENTS?	PERCEIVED KNOWLEDGE			HOUSEHOLD'S INVESTMENTS		
		HIGH	AVERAGE	LOW	<\$100K	\$100K-\$500K	\$500K+
I enjoy buying and selling some of my own stocks	 32%	47%	24%	17%	26%	37%	34%
I only wanted to let my advisor manage some of my portfolio	 28%	27%	27%	37%	28%	28%	25%
My advisor manages my retirement portfolio and I like to take more risk with my DIY account	 27%	33%	25%	21%	28%	31%	33%
I know enough to do it myself	 21%	39%	12%	5%	9%	14%	39%
I had a DIY account before opening my primary account with an advisor or online investment service	 16%	18%	17%	6%	9%	17%	20%
I like to engage in active day trading	 11%	18%	7%	9%	11%	16%	10%
Other	 13%	10%	14%	15%	11%	10%	12%
I don't know	 6%	1%	10%	5%	6%	8%	2%

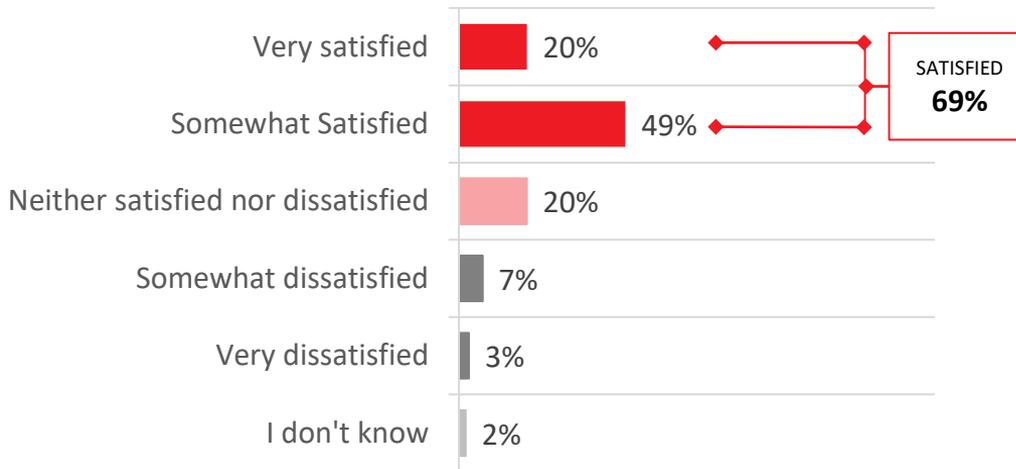
0010 Why do you have an account that you manage some of your own investments through? Base: Investors who don't have a self-directed primary account (n=495)

 Significantly higher

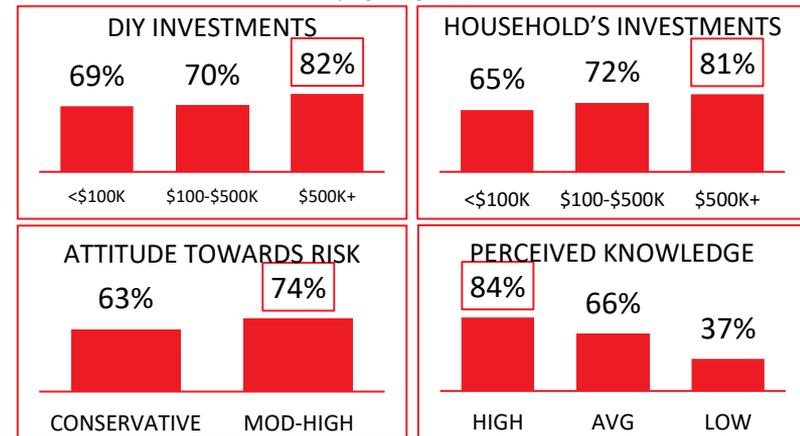
SEVEN-IN-TEN INVESTORS ARE SATISFIED WITH THEIR EXPERIENCES

In general, seven-in-ten (69%) do-it-yourself investors are satisfied with their experience as an investor, while 20% feel neutral about their experience. Few (10%) investors are dissatisfied. Self-directed investors with more money invested (\$500K or more), whose household's investments total \$500K or more, those who are willing to take a moderate to high level of risk with their investments, and those who believe their knowledge of financial matters is high, are significantly more likely to be satisfied with their overall experience as an investor.

OVERALL SATISFACTION WITH EXPERIENCES AS AN INVESTOR:



% SATISFIED

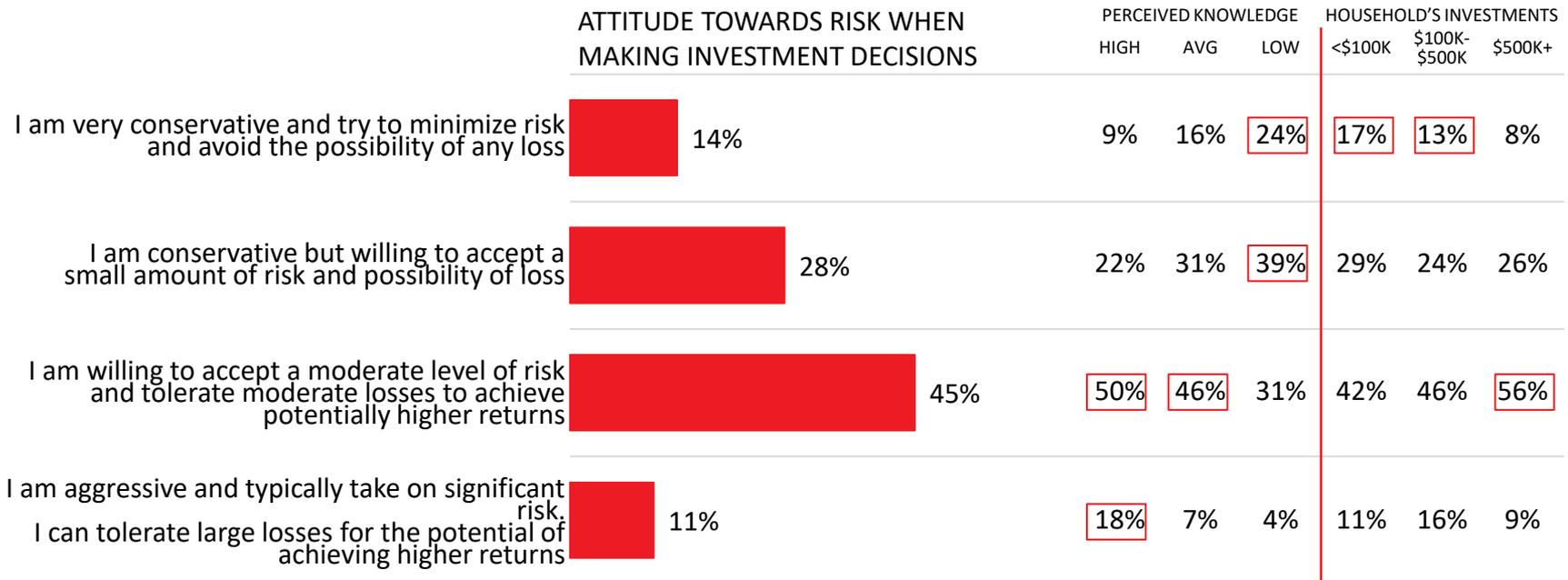


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RISK PREFERENCES

OVER HALF OF SELF-DIRECTED INVESTORS HAVE MODERATE OR AGGRESSIVE ATTITUDES TOWARDS RISK

Nearly half (45%) are willing to accept a moderate level of risk, while 11% perceive themselves to be aggressive. Investors who believe their level of knowledge about financial matters is high and who have a larger investment portfolio are more likely to take a moderate level of risk when investing.



Significantly higher

SELF-DIRECTED INVESTORS PLAY IT FAIRLY SAFE WHEN GAMBLING ON A BIGGER PAYOUT

To get a sense of self-directed investors objective approach to risk, we asked them to choose between a series of gambles. Gamble 1 was the least risky and the level of risk increased for each subsequent gamble. Gamble 6 was the riskiest but had the highest potential payout. These objective gambles were correlated with subjective attitudes towards risk. Those who took the conservative gamble were more likely to have a conservative attitude towards investment risk and vice-versa.

	GAMBLE CHOSEN WITH A 50-50 CHANCE TO WIN...	ATTITUDE TOWARDS RISK		PERCEIVED KNOWLEDGE		
		CONSERVATIVE	MOD-HIGH	HIGH	AVERAGE	LOW
Gamble 1: Win \$280 or \$280	14%	18%	11%	14%	14%	17%
Gamble 2: Win \$240 or \$360	16%	19%	13%	16%	16%	17%
Gamble 3: Win \$200 or \$440	24%	20%	27%	24%	26%	16%
Gamble 4: Win \$160 or \$520	10%	6%	14%	13%	9%	9%
Gamble 5: Win \$120 or \$600	10%	6%	12%	12%	8%	9%
Gamble 6: Win \$20 or \$700	15%	15%	14%	13%	15%	15%
I don't know	12%	15%	8%	9%	12%	17%

54%

34%

 Significantly higher

The background of the slide is a composite image. It features a stack of silver coins in the center, with a blurred city skyline at night in the background. Overlaid on the image are several data visualization elements: a yellow line graph on the left, a blue line graph on the right, and a blue bar chart in the lower right. A semi-transparent dark grey horizontal bar spans across the middle of the image, containing the title text.

MARKETS AND ORDER TYPES

INVESTORS ARE UNSURE ABOUT WHAT HAPPENS TO THEIR ORDERS DURING A MARKET OUTAGE

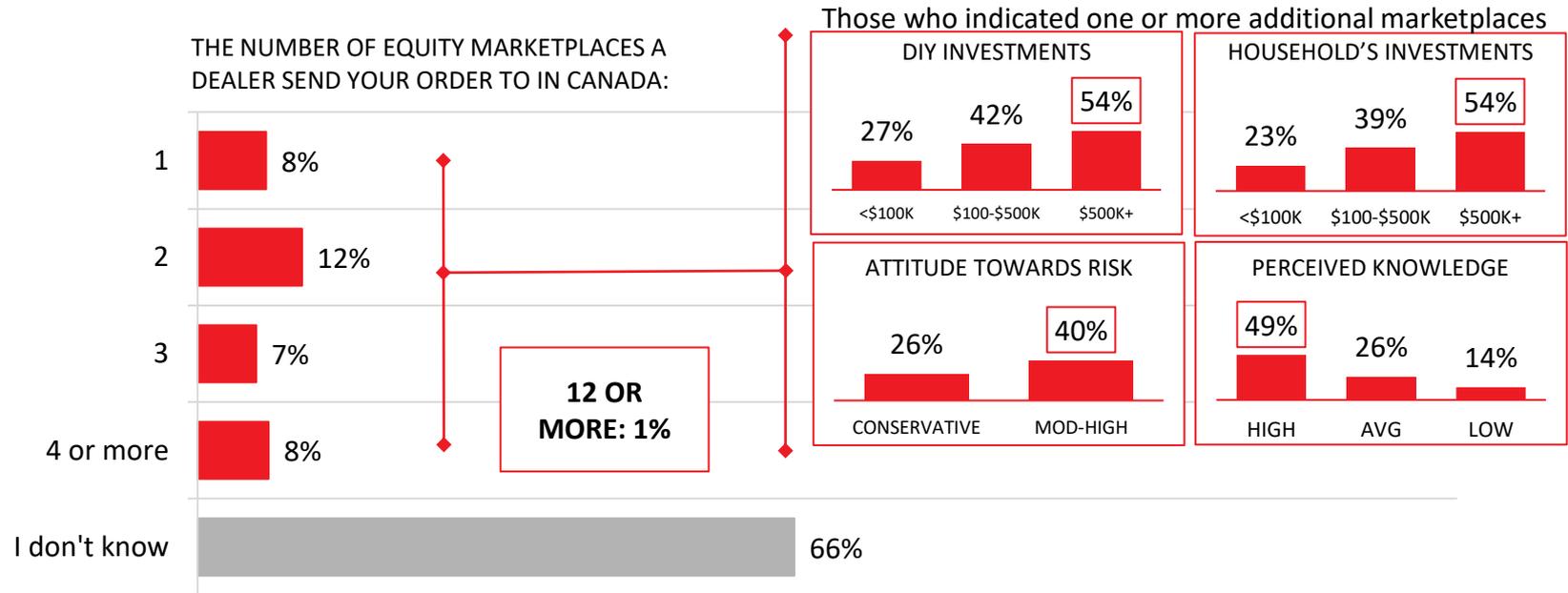
During a market outage, three-in-ten (29%) investors believe that their dealer would place the order and the trade would be delayed but ultimately completed. Others believed that they could choose not to place the order (19%), and another 11% thought that their dealer would place the order but the trade would not be completed. 25% of investors said that they did not know what would happen in the event of an outage.



Significantly higher

MOST SELF-DIRECTED INVESTORS DO NOT KNOW HOW MANY EQUITY MARKETPLACES THERE ARE IN CANADA

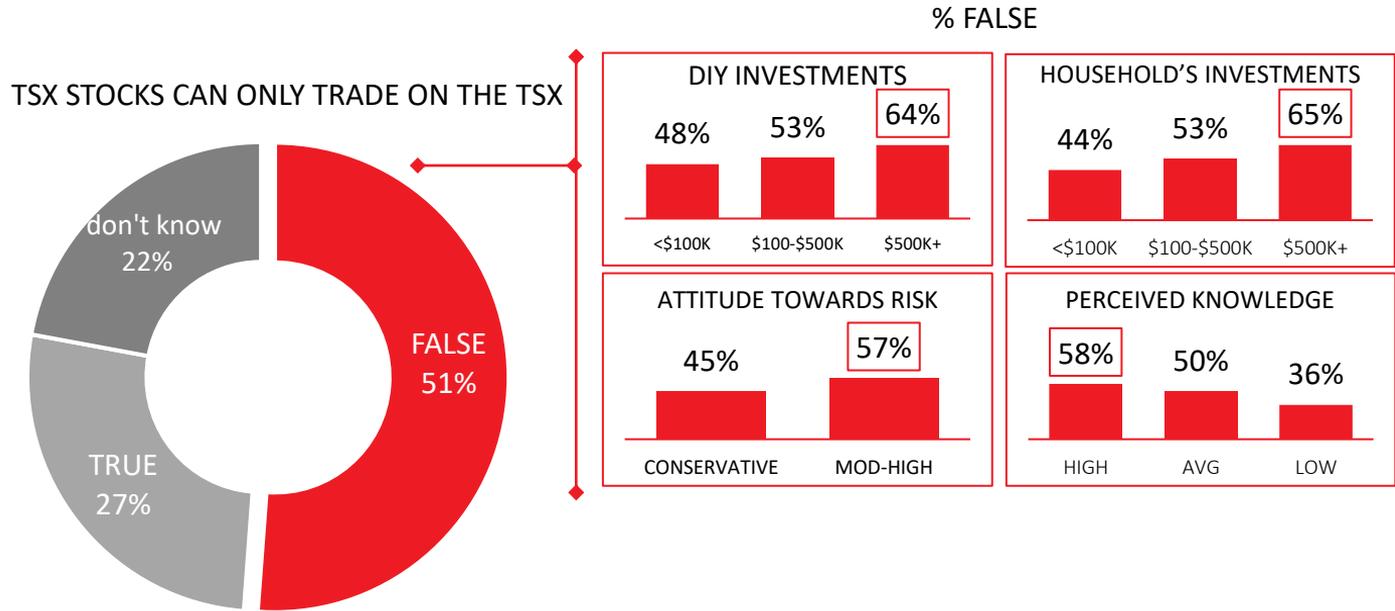
Two-thirds (66%) of self-directed investors do not know how many equity marketplaces their dealer can send their orders to. Of the one-third who thought they knew, less than 1% actually knew how many marketplaces there are. There are more than 12 equity marketplaces, but the most common answer was only 2. Those who believed they had high financial knowledge were more likely to provide an incorrect answer to this question.



0017 The largest equity marketplace in Canada is the Toronto Stock Exchange (TSX). How many other equity marketplaces could a dealer send your order to in Canada? Base: All (n=2008)

[Red Box] Significantly higher

HALF CORRECTLY IDENTIFIED THAT THE TSX LISTED STOCKS CAN BE TRADED OUTSIDE OF THE TORONTO STOCK EXCHANGE



Half (51%) of self-directed investors correctly identified that it's 'false' that TSX listed stocks can only trade on the Toronto Stock Exchange, with 27% saying it's 'true' and 22% admitting they don't know.

Investors with \$500K+ in self-directed investments or household accounts, those with a moderate or aggressive attitude towards risk, and those with a perceived high knowledge of financial matters are significantly more likely to believe this statement is false.

 Significantly higher

ONE-THIRD OF SELF-DIRECTED INVESTORS DO NOT KNOW WHICH MARKET DATA IS PROVIDED BY THEIR DEALER

When presented with a list of options and asked which Canadian marketplace their dealer provides market data for, 33% of respondents said that they do not know. Just over half (53%) selected the Toronto Stock Exchange and the almost a quarter (22%) indicated TSX Venture Exchange. This list included a decoy response, Wealthsimple Trade, which is not a real exchange. 10% of investors indicated that they received data from this decoy.

	WHICH CANADIAN MARKETPLACE DOES YOUR DEALER PROVIDE MARKET DATA FROM?	ATTITUDE TOWARDS RISK		PERCEIVED KNOWLEDGE			HOUSEHOLD'S INVESTMENTS		
		CONSERVATIVE	MOD-HIGH	HIGH	AVG	LOW	<\$100K	\$100K-\$500K	\$500K+
TSX (Toronto Stock Exchange)	 53%	44%	60%	64%	49%	28%	44%	57%	72%
NYSE (New York Stock Exchange)	 27%	18%	35%	39%	22%	9%	20%	27%	45%
TSX Venture Exchange	 22%	16%	27%	32%	16%	11%	16%	23%	35%
CSE (Canadian Stock Exchange)	 16%	15%	17%	21%	14%	10%	16%	18%	20%
Wealthsimple Trade	 10%	8%	13%	13%	9%	7%	15%	10%	7%
Neo (Neo Exchange Inc.)	 2%	2%	3%	4%	1%	2%	2%	4%	3%
Omega ATS	 2%	1%	2%	3%	1%	1%	1%	3%	1%
I don't know	 33%	41%	26%	19%	39%	56%	34%	30%	21%

MOST COMMON ORDER TYPES ARE MARKET AND LIMIT ORDERS

Four-in-ten self-directed investors say that they consider market order and limit order (40% each) when placing an order, with about half as many indicating they consider GTC/GTD (20%) and Stop Loss Order (18%). The list of options contained a decoy, “Stop loss market order”, one-in-ten (10%) incorrectly selected this option.

	CONDITIONS CONSIDERED WHEN PLACING AN ORDER	ATTITUDE TOWARDS RISK		PERCEIVED KNOWLEDGE			HOUSEHOLD'S INVESTMENTS		
		CONSERVATIVE	MOD-HIGH	HIGH	AVG	LOW	<\$100K	\$100K-\$500K	\$500K+
Market Order	 40%	30%	48%	51%	35%	23%	35%	41%	54%
Limit Order	 40%	32%	46%	53%	34%	18%	36%	44%	50%
Good 'til Cancelled (GTC) / Good 'til Date (GTD)	 20%	15%	25%	27%	17%	12%	14%	21%	34%
Stop Loss Order	 18%	14%	22%	24%	15%	12%	16%	22%	21%
Stop Loss Market Order	 10%	10%	10%	14%	7%	5%	9%	13%	10%
Immediate or Cancel (IOC)	 9%	7%	10%	11%	8%	5%	9%	11%	8%
All or None (AON) / Fill or Kill (FOK)	 9%	7%	10%	12%	7%	5%	5%	9%	16%
I don't care which order type I use	 12%	13%	10%	8%	14%	12%	13%	10%	10%
I don't know	 20%	27%	14%	9%	22%	47%	22%	15%	10%

 Significantly higher

ONE-THIRD OF INVESTORS KNOW WHAT ‘BEST EXECUTION’ MEANS

When processing trades on behalf of investors, dealers and advisors are required to make reasonable efforts to achieve ‘best execution’. 32% correctly identified that this means *getting the investor the best possible result considering many factors*. Nearly as many (28%) say it is *acting in the investor’s best interest*. Investors with a perceived high level of financial knowledge (compared to those with average or low knowledge), are significantly more likely to say it means *completing trades as quickly as possible*.

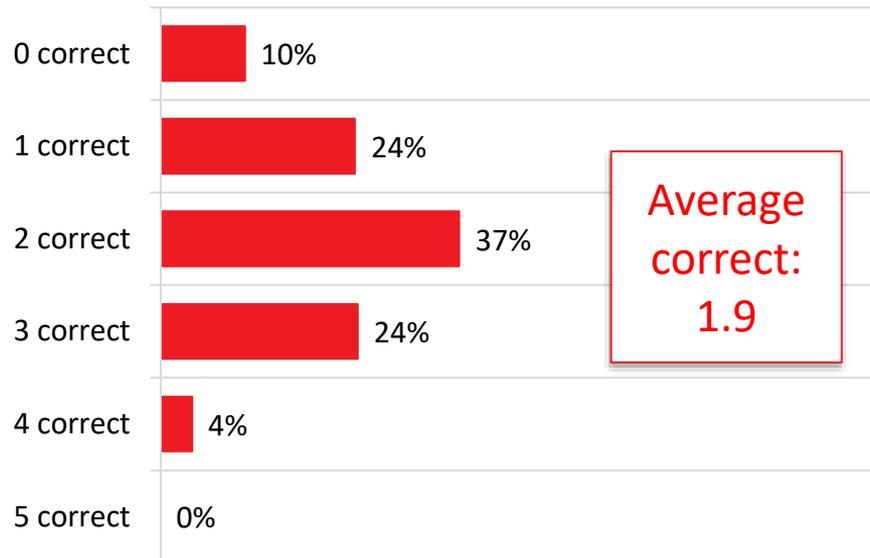
MEANING OF ‘BEST EXECUTION’	ATTITUDE TOWARDS RISK		PERCEIVED KNOWLEDGE			HOUSEHOLD’S INVESTMENTS		
	CONSERVATIVE	MOD-HIGH	HIGH	AVG	LOW	<\$100K	\$100K-\$500K	\$500K+
Getting you the best possible result considering many factors	32%	33%	32%	32%	33%	29%	33%	34%
Acting in your best interest	28%	28%	28%	28%	26%	27%	25%	30%
Getting you the best price possible	13%	12%	14%	12%	9%	13%	12%	13%
Completing trades as quickly as possible	7%	11%	12%	8%	5%	9%	11%	11%
Waiting for the best time to buy and sell	9%	8%	7%	10%	7%	11%	8%	4%
I don’t know	10%	10%	7%	11%	21%	10%	11%	7%

0025 When processing trades on your behalf, dealers and advisers are required to make reasonable efforts to achieve “best execution”. What does this mean? Base: All (n=2008)

 Significantly higher

FEW INVESTORS COULD CORRECTLY ANSWER QUESTIONS ABOUT MARKETPLACES AND ORDERS

SUMMARY OF SKILL TESTING QUESTIONS:

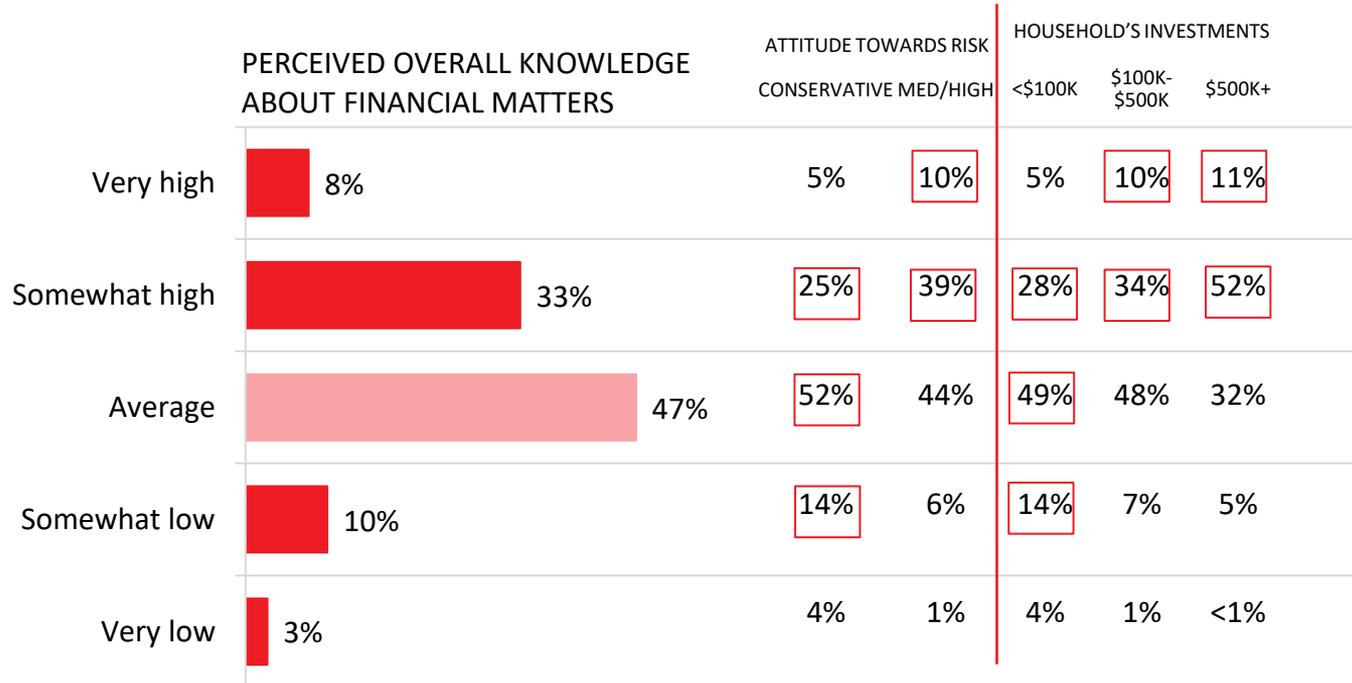


Slides 29 to 33 featured a series of five questions that had correct answers. Some of these questions featured “decoy” answers that were incorrect options to select.

These questions were highly technical and would require a high degree of sophistication to answer correctly. We used these questions as a measure of objective knowledge. No participant answered all questions correctly and the average score was 1.9 out of 5.

FOUR-IN-TEN BELIEVE THEY HAVE HIGH FINANCIAL KNOWLEDGE

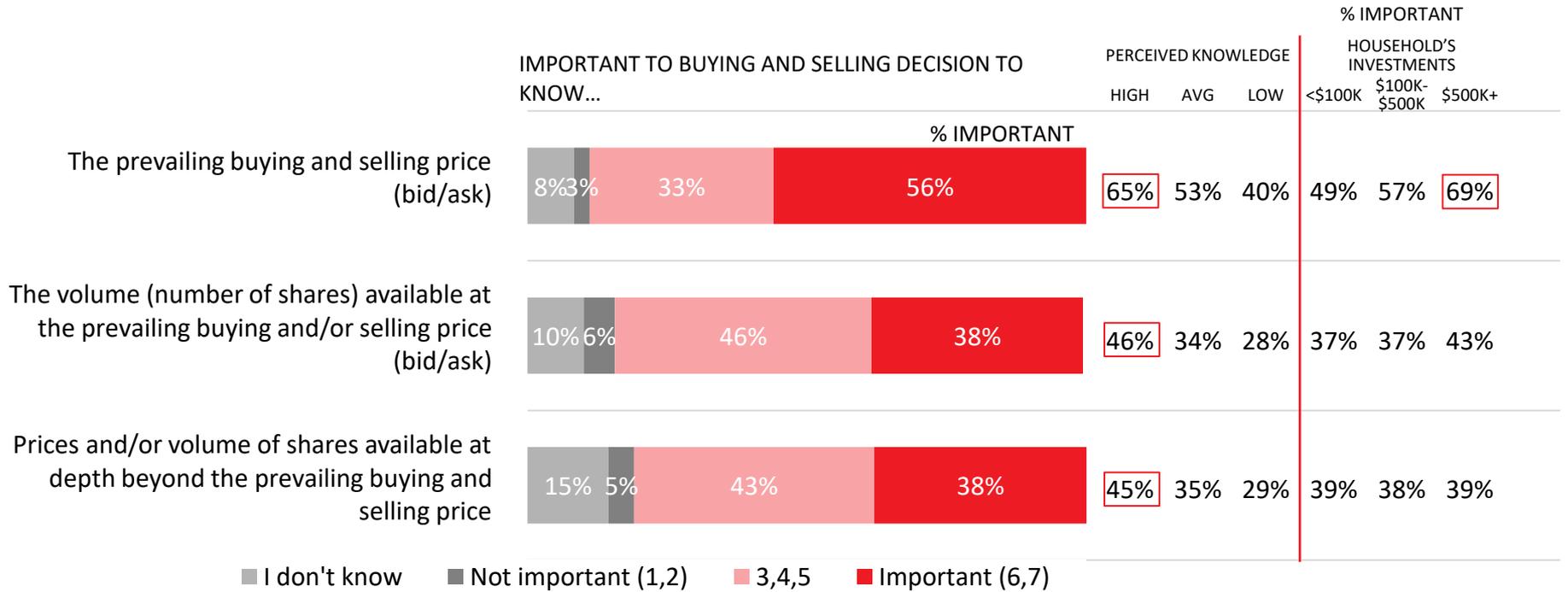
Four-in-ten (41%) self-directed investors believe their overall knowledge about financial matters is 'high', while about half (47%) say they have an 'average' level of understanding when it comes to financial issues. Just 12% rate their knowledge as 'low'. Those whose have a moderate/aggressive attitude towards investment risk are significantly more likely to rate their knowledge of financial matters as 'high'.



 Significantly higher

BUYING/SELLING DECISIONS ARE PRIMARILY BASED ON PRICE

When it comes to their buying and selling decisions, 56% say it's important to know the prevailing buying and selling price, while four-in-ten say they want to know the number of shares available at that price (38%) and the prices and/or volume of shares available at depth beyond the prevailing buying/selling price (38%). Those with a perceived high knowledge of financial matters are significantly more likely to say all factors are important to them to know before making a buying and selling decision.

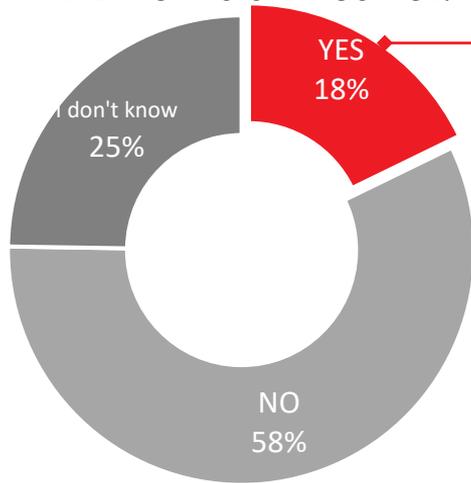


■ I don't know ■ Not important (1,2) ■ 3,4,5 ■ Important (6,7)

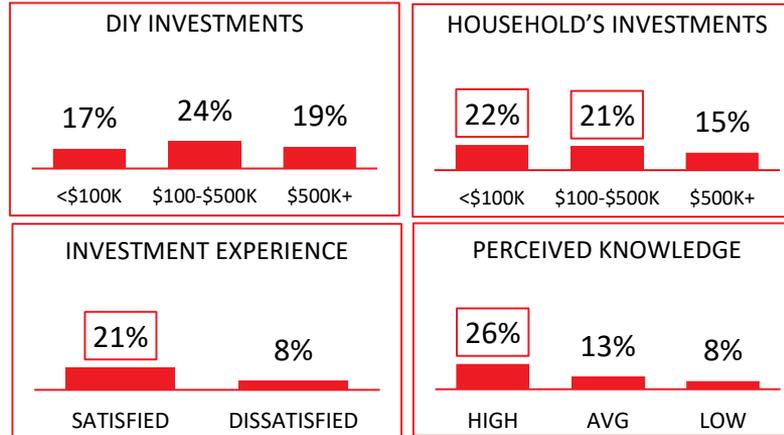
□ Significantly higher

JUST TWO-IN-TEN SAY THEIR DEALER HAS INFORMED THEM OF POLICIES FOR HANDLING ORDERS IN THE EVENT OF A SYSTEM OUTAGE

HAS YOUR DEALER INFORMED YOU OF POLICIES FOR HANDLING ORDERS IN THE EVENT OF A SYSTEM OUTAGE?



% YES - INFORMED



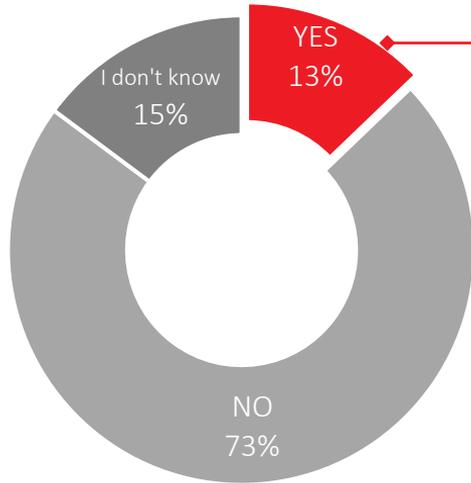
Two-in-ten (18%) say their dealer has informed them of its policies and procedures for handling their orders in the event a system outage occurs in an exchange such as the TSX.

Investors with *less than \$500K+* in household accounts, those with a perceived high knowledge of financial matters, and self-directed investors who say they are satisfied overall with their experiences as an investor, are significantly more likely to say they've been informed of what would happen in the event of an outage.

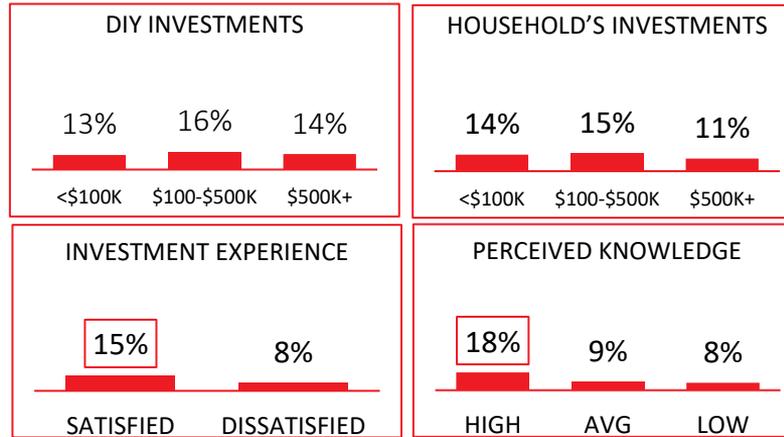
Significantly higher

MORE THAN ONE-IN-TEN HAVE ASKED THEIR DEALER FOR MARKET DATA FROM MORE MARKETPLACES THAN OFFERED AS A DEFAULT

HAVE YOU EVER ASKED YOUR DEALER FOR MARKET DATA FROM MORE CANADIAN MARKETPLACES THAN OFFERED?



% YES - ASKED FOR MORE



More than one-in-ten (13%) have ever asked their dealer for market data from more Canadian marketplaces than offered under the dealer's default service offering.

Those who are satisfied overall with their experiences as an investor and those whose perceive their financial knowledge as high are significantly more likely to have asked their dealer for market data from more Canadian marketplaces than is offered.

0022 Have you ever asked your dealer for market data from more Canadian marketplaces than offered under the dealer's default service offering? Base: All (n=2008)

Significantly higher

The background of the image is a complex financial visualization. It features several stacks of silver coins in the foreground, some in sharp focus and others blurred. Overlaid on this are various data charts: a yellow line graph on the left, a blue line graph on the right, and a blue bar chart in the center-right. The background also shows a blurred cityscape at night with lights from buildings and a street. A semi-transparent dark grey banner is positioned across the middle of the image, containing the main text.

INFORMATION USED TO DETERMINE
INVESTMENTS AND TRADING DECISIONS

INVESTORS VALUE PERSONAL VIEWS AND EARNINGS INFORMATION

Investors were presented with a list of 13 sources of information and then scored the importance of each sources on a 7-point scale from “not important at all” to “very important”. The options were presented in random order to each respondent. The average score of importance was then calculated based on the rating of all respondents.

Rank	Information Source	Score
1	My personal views based on my experiences or impressions with a company’s products and services	5.3
2	Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	5.3
3	Accessibility / availability of a marketplace or trading facility to trade	5.3
4	Annual Reports	5.1
5	Debt to Equity ratios or Return on Equity measures such as the CAPE ratio	5.1
6	Summary disclosure documents such as Fund Facts and ETF Facts	5.1
7	Continuous disclosure documents	5.0
8	Stock picks and research reports provided through my online discount brokerage account	5.0
9	Established news media when deciding to buy or sell an investment	4.8
10	Prospectuses	4.8
11	Advice from a knowledgeable friend, or family member or colleague	4.4
12	Environmental, social and governance (ESG) factors	4.4
13	Posts on social media and online message boards such as Reddit, Twitter and Facebook	3.1

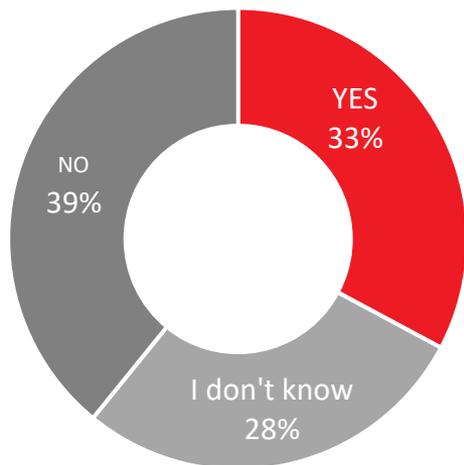
0028 When deciding to buy or sell an investment, how important to your decision is the following types of information: Base: All (n=2008)

Significantly higher

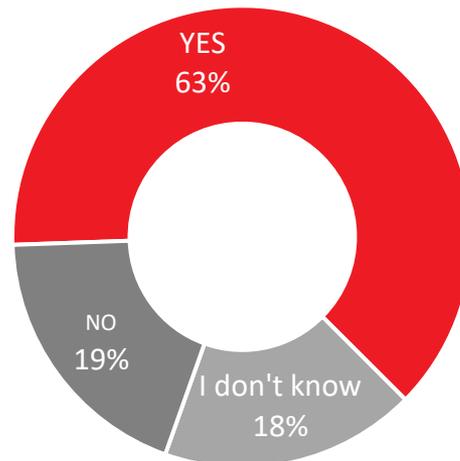
THE AVAILABLE ESG INFORMATION HELPS ONE-THIRD OF INVESTORS MAKE BETTER INVESTMENT DECISIONS

Only one-third say that available Environmental, Social and Governance (ESG) information helps them make better investment decisions. Those who say that ESG factors are important when deciding to buy or sell an investment (slide 42), are significantly more likely to say that the available ESG information helps them make better investment decisions. There is a significant minority (18%) of self-directed investors who find ESG factors important but do not believe the available ESG information helps them make better decisions.

ALL RESPONDENTS



THOSE WHO FIND ESG FACTORS IMPORTANT



SELF-DIRECTED INVESTORS HAVE MIXED OPINIONS ABOUT THE PERFORMANCE OF ESG INVESTMENTS

Overall, 10% of self-directed investors say they expect ESG investments to perform better than non-ESG. Three-in-ten expect ESG investments to perform just as well as non-ESG. Two-in-ten (22%) say it depends and few (just 7%) expect ESG investments to perform worse than non-ESG investments. However, three-in-ten (30%) say they just don't know, with conservative investors, those with lower knowledge, and with less than \$100K in self-directed investments significantly more likely to admit they aren't sure.

DO YOU EXPECT ESG INVESTMENTS TO PERFORM...	ATTITUDE TOWARDS RISK		PERCEIVED KNOWLEDGE			DIY INVESTMENTS			
	CONSERVATIVE	MOD-HIGH	HIGH	AVG	LOW	<\$100K	\$100K-\$500K	\$500K+	
Better	10%	8%	12%	13%	9%	4%	11%	8%	17%
The same	30%	31%	29%	33%	31%	18%	30%	37%	26%
Worse	7%	6%	8%	8%	5%	9%	7%	8%	12%
It depends	22%	20%	25%	25%	21%	19%	20%	22%	21%
I don't know	30%	34%	27%	21%	33%	49%	32%	25%	24%

The background of the slide is a composite image. It features several stacks of silver coins in the foreground, with a blurred city skyline at night in the background. Overlaid on the image are several data visualization elements: a yellow line graph on the left, a white line graph on the right, and a blue bar chart in the lower right quadrant. A semi-transparent dark grey horizontal band runs across the middle of the image, containing the text 'TIME SPENT INVESTING' in white, all-caps, sans-serif font.

TIME SPENT INVESTING

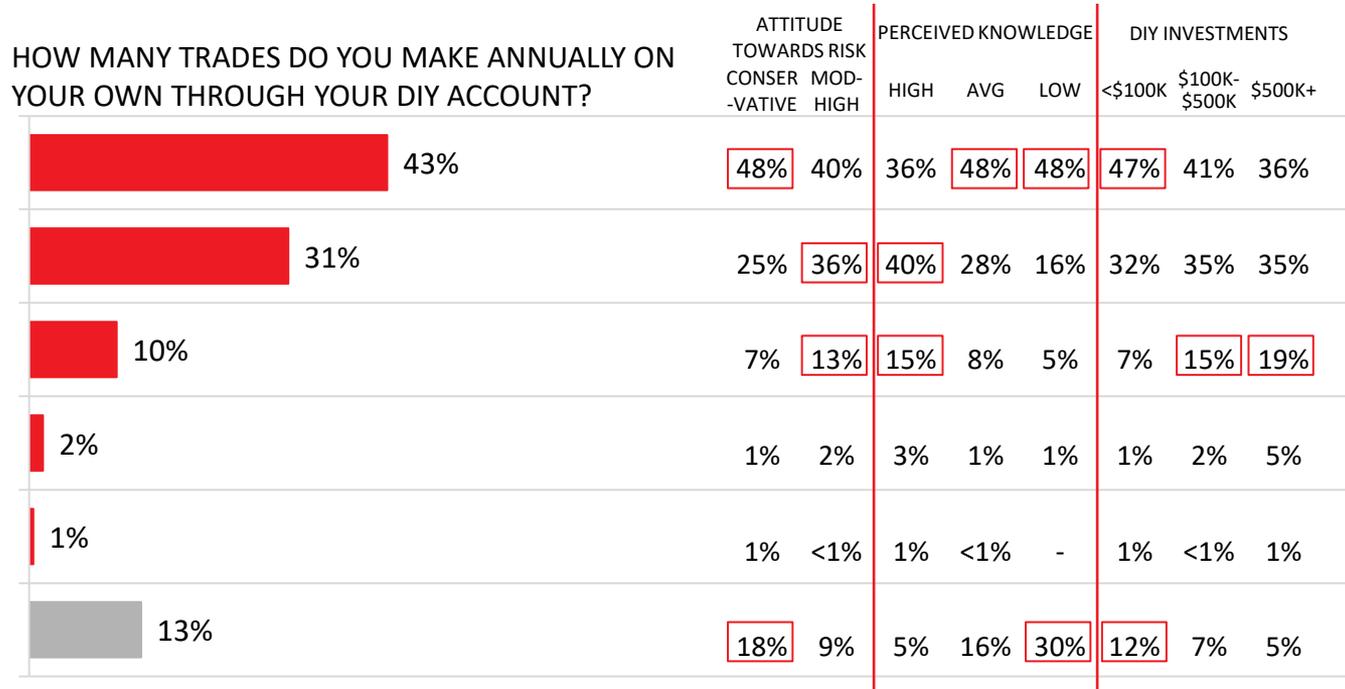
HALF SIGN-IN TO THEIR DIY ACCOUNTS AT LEAST WEEKLY

Half (53%) of self-directed investors say they sign-in to their DIY investment account at least weekly (25% sign-in daily). The higher the dollar value of their portfolios (both DIY and household accounts), the more aggressive the attitude towards risk, and the higher the knowledge level of financial matters, the more often an investor logs in to their DIY investment account. Those with a more conservative attitude and a perceived lower knowledge level are significantly more likely to say they log in just quarterly, bi-annually, or yearly.

	HOW OFTEN DO YOU SIGN-IN TO YOUR DIY INVESTMENT ACCOUNT?	ATTITUDE TOWARDS RISK		PERCEIVED KNOWLEDGE			DIY INVESTMENTS			
		CONSERVATIVE	MOD-HIGH	HIGH	AVG	LOW	<\$100K	\$100K-\$500K	\$500K+	
	Daily	 25%	18%	31%	35%	21%	12%	23%	25%	43%
	Weekly	 28%	25%	30%	33%	27%	17%	28%	30%	28%
	Monthly	 20%	21%	19%	19%	22%	19%	20%	24%	15%
	Once per quarter	 11%	13%	8%	6%	13%	16%	12%	9%	5%
	About two times per year	 4%	6%	4%	2%	5%	9%	6%	4%	4%
	Yearly	 4%	7%	2%	2%	5%	9%	4%	3%	3%
	I don't know	 7%	9%	5%	3%	7%	18%	7%	4%	2%

MAJORITY OF INVESTORS MAKE 50 OR FEWER TRADES PER YEAR

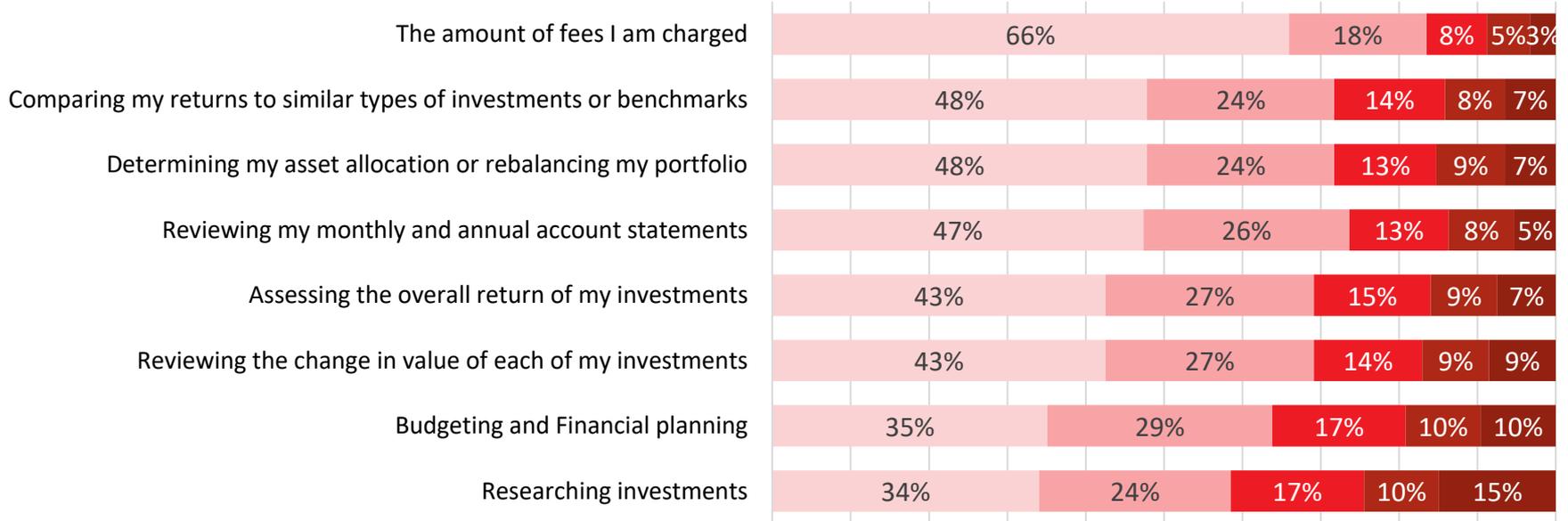
Three-quarters (74%) of self-directed investors say they make 50 or fewer trades per year. Conservative investors, those with an average or low level of financial knowledge, and those with less than \$100K in DIY investment accounts are more likely to trade less often. Investors with a moderate to aggressive attitude towards risk, have a high perceived level of knowledge when it comes to financial matters, and those with a higher portfolio value (either DIY or household accounts) are significantly more likely to trade more often.



MOST DIY INVESTORS SPEND LESS THAN 1 HOUR EACH MONTH MANAGING THEIR INVESTMENTS

When it comes to spending time each month around their finances and managing their investments, at least seven-in-ten spend less than three hours each month on any specific activity. The most time is spent researching investments followed by budgeting and financial planning. Self-directed investors spend the least amount of time reviewing the amount of fees that they are charged.

TIME SPENT PER MONTH...



■ Less than 1 hour ■ 1 to 2 hours ■ 2 to 3 hours ■ 3 to 4 hours ■ More than 4 hours

The background of the slide is a composite image. It features several stacks of silver coins in the foreground, some in sharp focus and others blurred. Overlaid on this are various financial data visualizations: a yellow line graph on the left, a blue line graph on the right, and a blue bar chart in the lower right. The background also shows a blurred cityscape at night with lights from buildings.

TOOLS, FEATURES AND APPS

TWO-THIRDS OF DIY INVESTORS USE AT LEAST ONE TOOL TO HELP MANAGE THEIR INVESTMENTS

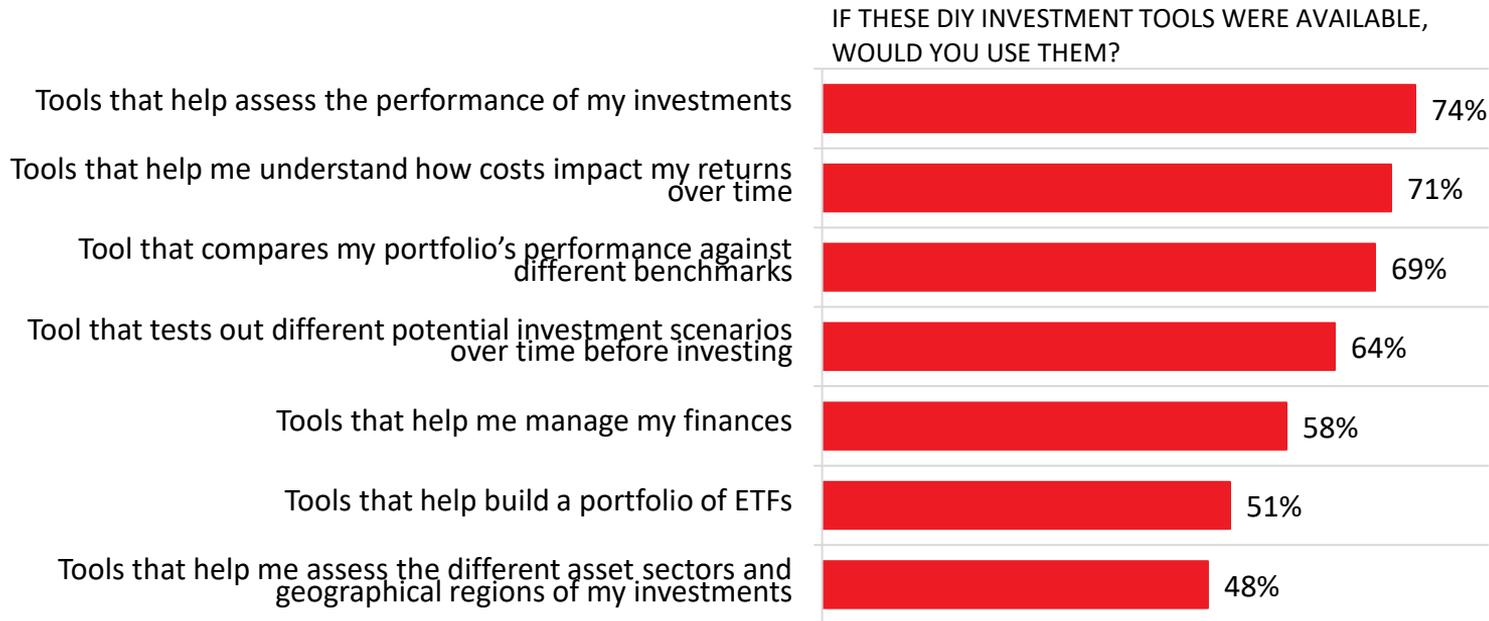
Two-thirds (67%) say they use at least one tool in their DIY investment account to help with managing their investments. The most common tools used are ones that help assess the performance of their investments (50%), manage their finances (43%), and that compare their portfolio's performance against different benchmarks (39%). This is based on the tools that are available in their account.

DO YOU USE THE FOLLOWING TOOLS IN YOUR DIY INVESTMENT ACCOUNT TO HELP WITH MANAGING YOUR INVESTMENTS?	ATTITUDE TOWARDS RISK		PERCEIVED KNOWLEDGE			DIY INVESTMENTS			
	CONSERVATIVE	MOD-HIGH	HIGH	AVG	LOW	<\$100K	\$100K-\$500K	\$500K+	
ANY (NET)	67%	62%	71%	76%	64%	46%	68%	70%	71%
Tools that help assess the performance of my investments	50%	45%	53%	58%	49%	27%	49%	52%	56%
Tools that help me manage my finances	43%	42%	43%	48%	41%	33%	44%	46%	42%
Tool that compares my portfolio's performance against different benchmarks	39%	35%	43%	50%	35%	20%	36%	41%	51%
Tools that help me understand how costs impact my returns over time	34%	33%	36%	41%	32%	24%	36%	37%	30%
Tools that help me assess the different asset sectors and geographical regions of my investments	30%	26%	33%	39%	26%	17%	30%	32%	39%
Tool that tests out different potential investment scenarios over time before investing	28%	26%	30%	34%	24%	22%	28%	31%	27%
Tools that help build a portfolio of ETFs	27%	25%	29%	33%	25%	14%	28%	30%	27%

0036 Do you use the following tools in your DIY investment account to help with managing your investments? Base: All (n=2008) Significantly higher

HALF OF DIY INVESTORS WOULD USE ADDITIONAL TOOLS IF AVAILABLE

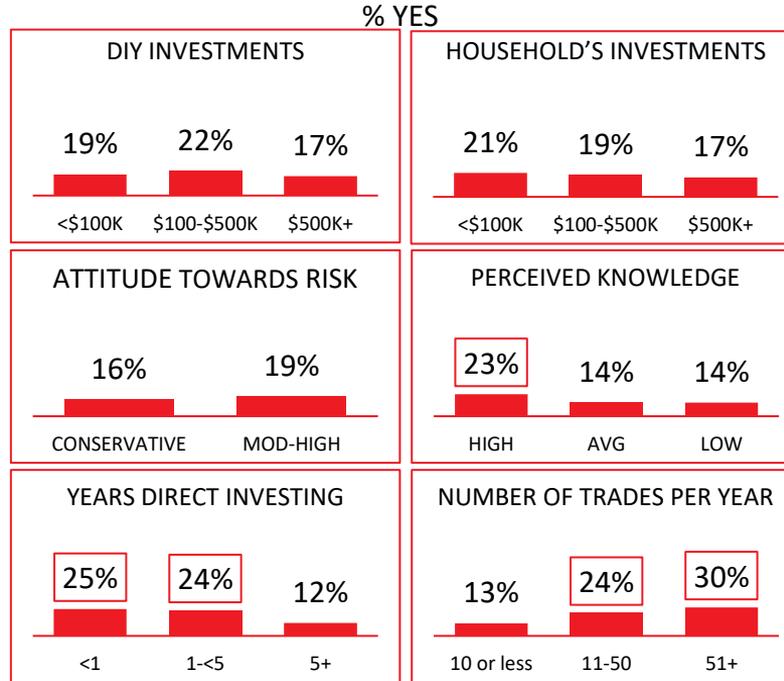
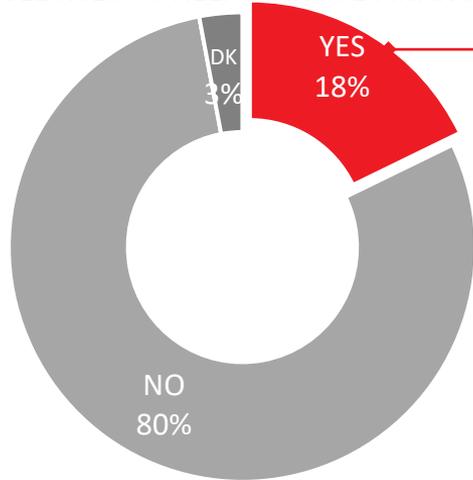
If in the previous question a respondent indicated that a tool was unavailable in their account, they were asked if they would use it if it was available. Three-quarters (74%) indicated that they would use a tool that helps assess the performance of their investments if it were available, while seven-in-ten would use a tool that helps them understand how costs impact their returns over time (71%), and a tool that compares their portfolio's performance against different benchmarks (69%).



0036C If the following tools were available, would you use them? Base: All – respondents were shown tools they answered 'not available' to in Q36B (n=2008)

TWO-IN-TEN SELF-DIRECTED INVESTORS USE THIRD-PARTY APPS, SOFTWARE, OR WEBSITES TO HELP MANAGE THEIR FINANCES

USE THIRD-PARTY APPS, SOFTWARE, WEBSITES TO HELP MANAGE FINANCES?



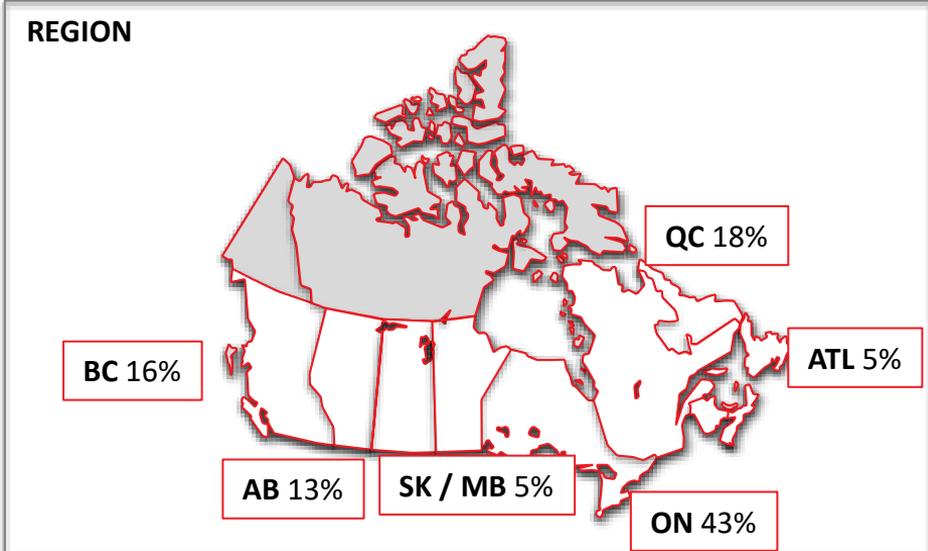
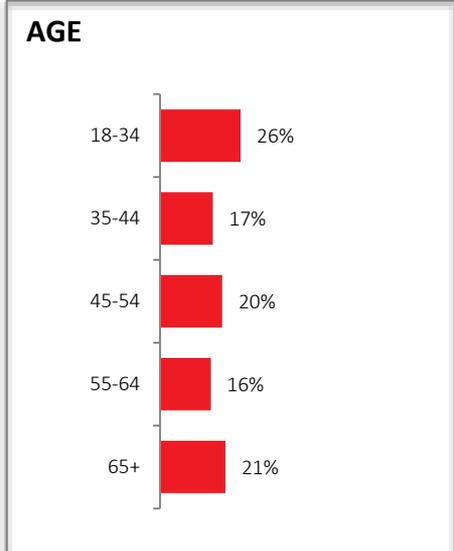
Two-in-ten (18%) use some sort of third-party apps or software or third-party websites to help manage their finances (ie: budgeting, savings, or bill paying/bill tracking apps such as MINT, Mylo, YNAB, Planswell, etc.).

Those whose perceived financial knowledge is high, investors who have been direct investing for less than five years, and those who make 11 or more trades per year are significantly more likely to say they use a third-party app, software or website to help manage their finances in some way.

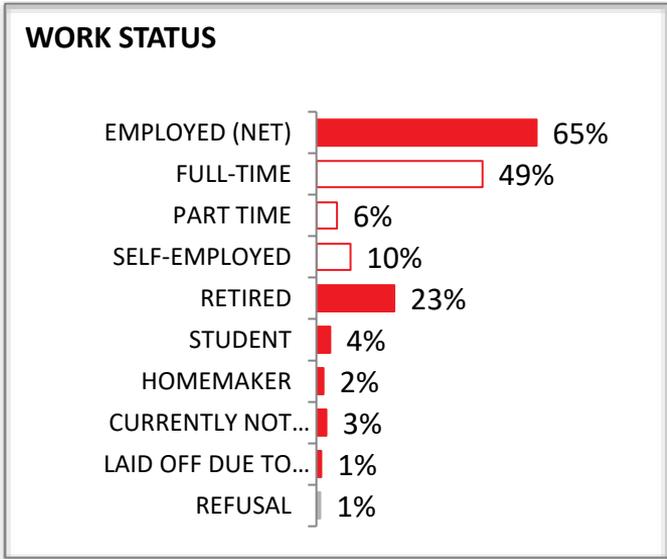
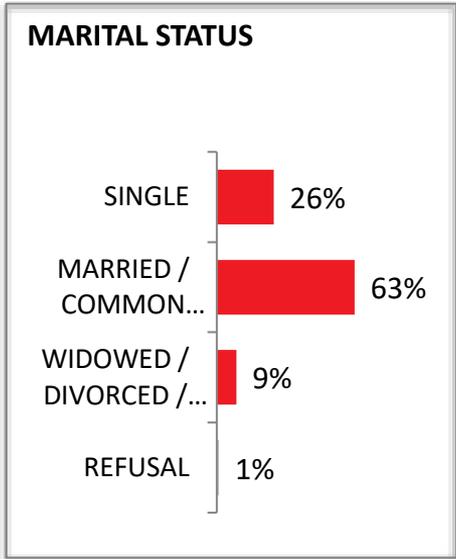
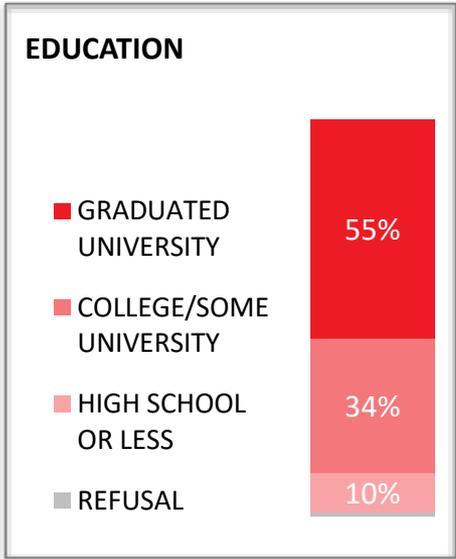
 Significantly higher

RESPONDENT PROFILE

RESPONDENT PROFILE



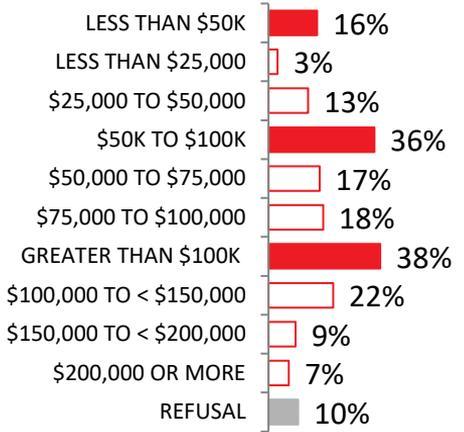
RESPONDENT PROFILE



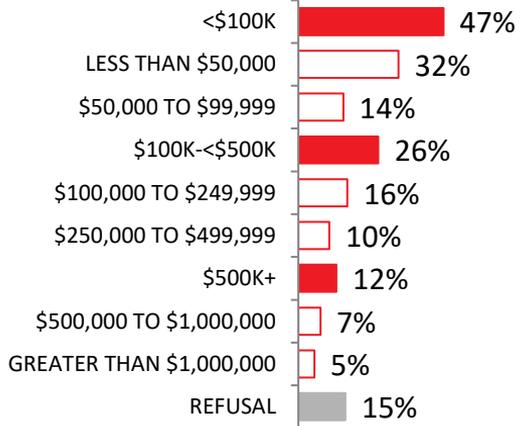
RESPONDENT PROFILE



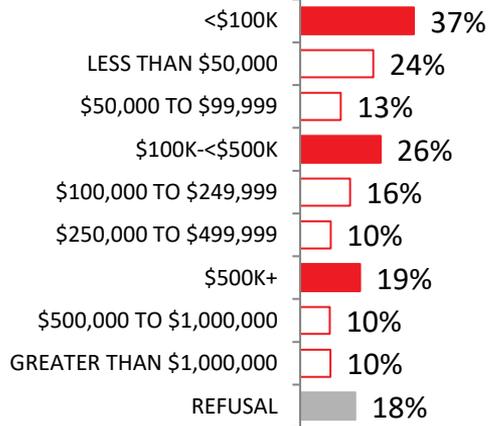
HOUSEHOLD INCOME



VALUE OF DIY INVESTMENTS



VALUE OF HOUSEHOLD INVESTMENTS





METHODOLOGY

METHODOLOGY

QUANTITATIVE RESEARCH INSTRUMENT

An online survey of 2,000 Canadian investors was completed between November 17-December 6, 2020, using Leger's online panel.

To qualify for this survey, respondents must have had at least one of the following investment products:

- Individually held stocks
- Exchange-traded units (ETFs and REITs)
- Other types of securities or derivatives
- Bonds or notes other than Canada Savings Bonds
- Mutual funds

And, identify as a self-directed investor for one of their accounts.

NOTE: investors were terminated if they only had:

- Segregated funds
- A pension plan through my employer
- Canada Savings Bonds
- GICs or Term Deposits

The data was weighted using the following steps:

1. All qualified, terminated and incomplete respondents were weighted by a matrix of age, gender, and region.
2. Data was filtered by those who qualified (both completes and incompletes) to see their distribution by age, gender and region.
3. Final weighting based on this distribution was applied to the qualified completed respondents.
4. For comparative purposes, a probability sample of 2000 respondents would have a margin of error of $\pm 2.0\%$, 19 times out of 20.

QUALITY CONTROL

Stringent quality assurance measures allow Leger to achieve the high-quality standards set by the company. As a result, its methods of data collection and storage outperform the norms set by WAPOR (The World Association for Public Opinion Research).

The logo for the Ontario Securities Commission, featuring the letters "OSC" in white on a dark teal square background.

ONTARIO
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