

Update on New Market Funds Society Investment Readiness Program Research

Everyday Retail Investor Research 2020 Package - Expanding Access to Impact Investment Initiative

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Background, Objectives & Possible Uses Summary:

The Expanding Access to Impact Investment (EAI) initiative is one of three projects undertaken by New Market Funds Society in its role as an Ecosystem Mobilization partner for the Government of Canada's \$50 million Investment Readiness Program (IRP) – an initiative to prepare social purpose organizations and social finance intermediaries for the Social Finance Fund, a \$755 million Federal government fund that will be invested over 10 years.

The EAI initiative is focused on market development strategies to engage and enable a broad range of investors to pursue impact investing with a vision to grow the marketplace and capital sources for the social finance sector in Canada and increase access to social impact investment opportunities. In particular, this project focuses on how to better enable social finance intermediaries, for example social impact private equity funds, community loan funds, affordable housing funds, social venture capital and indigenous venture funds to expand their investor base and their ability to sustainably attract investment.

The EAI project includes conducting research to better understand the behaviours and mindset of different Canadian non-institutional investor segments. The initiative also includes an investigation of the opportunity to use technology-driven portals or platforms to increase and simplify access to social impact investment opportunities.

In the summer 2020 a **pan-Canadian survey of 'Everyday Retail Investors'**, a group defined as a subset of **non-institutional investors** having investable assets ranging from **\$25,000 to \$1 million** was undertaken. EAI co-developed and executed the research with research strategist, Majid Houry. Research was conducted in **July 2020** with **910 respondents** in **(English and French)** through the **Angus Reid Forum**.

Key Research Objectives:

1. Understand investing knowledge and behaviours of the Everyday Retail Investor
2. Assess awareness and perception of Impact Investing and barriers and motivators to such investing
3. Measure level of interest in investing in a representative group of Canadian Social Impact Funds, as well as an assessment of what is driving or limiting interest

The research undertaken sought to have respondents understand the differences between publicly traded Responsible, Sustainable & Ethical Impact Investments and private (Purpose-led) Social Impact Funds in order to obtain more relevant data. As noted above, one objective is to determine the level of investor interest for social impact funds in particular (described in the research as purpose-led investment).

This research may be of value to **various stakeholders**, including: (See next page for potential uses)

- Impact Funds (public and private) seeking investment from Retail Investors
- Wealth Advisors who plan to include any type of impact investing into their practices
- Policy makers and government agencies looking to understand barriers and opportunities to direct more non-institutional capital to impact investment vehicles
- Academic institutions looking to support the growth of impact investing
- Financial and investment dealers looking to identify new opportunity areas in the market
- Impact Investing and Social finance intermediaries and associations

If you have any questions about this research and/or it's possible uses, please contact info@newmarketfunds.ca.

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Lena Courcol (lcourcol@newmarketfunds.ca) - Project Coordinator



POV on Post Everyday Investor Impact Investing Survey July-August 2020 - Activation of Results – October 2020

The Research

The study conducted by New Market Funds is what we refer to in research lingo as a Market Understanding Study. These studies are conducted by companies as they explore new targets, assess potential change in business strategy and/or identify new positioning spaces for brands.

These studies are typically conducted by a company every 5 to 10 years, in line with market dynamics and changes.

The companies we have conducted such studies for in the past 2 – 3 years include financial institutions, retailers, recycling organization, casinos, educational institutions and packaged goods.

Activation of Results and Other Post Survey Possible Uses:

The below are suggested post survey uses of the results. These are based on what we have seen implemented by other organizations following a market understanding study.

1. Internal Education/Alignment of Internal Stakeholders

This is typically done via different presentations of results to internal stakeholders, activation workshops within the organization and summary of information and learning via internal communications tools.

2. Marketing/Communications Strategy Development

This study can be the launching pad for marketing/communications development. For example, the research identified key targets with their profiles and where the target look for information on purpose led investments. This can support marketing and sales targeting. The study also identified blockers and motivators that could be addressed via communications programs.

3. Public Relations/Media Relations

Media is always intrigued by data and data-based stories. The research study has a wealth of information that can be used for a series of press-releases over the next 6 to 9 months.

4. Education Programs

Whether these are targeted to potential investors or to advisors, the research learning can both enrich the education programs and serve as proof-points around the education topics.

5. Benchmark for Future Tracking

Future tracking surveys do not need to be as extensive as this study. Tracking survey should only include the metrics that reflect success of your marketing activities. This market study can serve as the baseline for future tracking. Depending on the scope of marketing activities, we recommend that any future tracking does not take place before 2 years from now.



Impact Investments

NEW MARKET FUNDS

October 2020

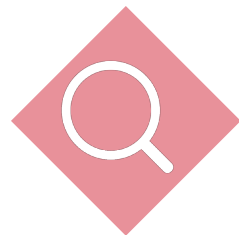


Majid Khoury

Purpose of the Research

New Market Funds in support of the Expanding Access to Impact Investment (EAI) initiative is in the process of understanding the non-institutional Canadian Investor when it comes to their current investing knowledge and behaviors, and their probability of investing in a particular key subset of Canadian Social Impact Funds (Key SIFs).

This research project is a component of the Expanding Access to Impact Investment (EAI) project, delivered through New Market Funds as an initiative of the Investment Readiness Program (Canadian Government) 2019-2020



OBJECTIVES

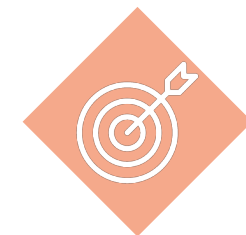
- ◆ Understand investing knowledge and behaviours of the Everyday Retail Investor.
- ◆ Assess awareness and perception of Impact and Purpose led Investing and the barriers and motivators to such investing.
- ◆ Measure level of interest in investing for 7 Key Social Impact Funds (Key SIFs) and what is driving or limiting interest.



METHOD

17-minute online survey with 910 Canadians with investible assets between \$25K-\$1M.

The research was conducted July 20 – July 26, 2020 with panelists from Angus Reid Forum online community.



SAMPLE ACCURACY

With 910 respondents, results of this research are accurate within +/- 3.2%, 19 times out of 20.

Accuracy levels vary slightly depending on the number the reader is looking at and/or because the sample size of sub-groups answering some questions was less than the total 910 respondents.

Definitions of Impact and Purpose-Led Investments – as presented in the research to respondents.

IMPACT INVESTMENTS DESCRIPTION (product referred to in questions as socially responsible, ethical and/or sustainable investments)

As you may or may not know, the term “Impact Investing” is often used interchangeably to reference a range of investments, including:

Socially Responsible Investing

Ethical Investing

Sustainable Investing

These involve actively removing or choosing **which companies to invest in** based on specific ethical guidelines. Investments are usually cashable, public mutual funds, ETFs or portfolios available through traditional sources (e.g., bank, investment firms). The general objective of this approach is to generate a financial return, do less harm and support a shift to more sustainable environmental, social and governance business practices.

Some examples of such investments are: NEI Ethical Growth Fund, Desjardins SocioTerra Portfolios, BMO Balanced ESG ETF.

PURPOSE LED IMPACT INVESTMENTS DESCRIPTION

Now we are going to ask you some questions about a less known, more specific type of impact investing we’ll call **Purpose Led Impact investing**.

These investments provide equity or debt to organizations, projects, or programs intentionally created to solve a social and/or environmental problem.

They are often longer-term, private investments you can make directly, **or** with investment funds run by expert fund managers who also have deep experience in the particular area of purpose (e.g., clean energy, affordable housing).

The objective of this approach is to create measurable high impact outcomes **and** to generate a financial return for investors.

Some examples of such investments are: New Market Affordable Rental Housing Fund, CoPower Clean Energy Bond, Raven Indigenous Capital Partners.

12 Key Insights

- ◆ This document focuses on these key insights from the research.
- ◆ The following slides present high-level details for each of these insights.
- ◆ A comprehensive, detailed report is provided under separate cover.

1. The Everyday Investor at large is not necessarily the right target for Purpose-Led investments given they are highly risk averse, not investment savvy and half of them have no understanding of or interest in Impact and/or Purpose-Led investments.
2. However, a sizeable segment (46% of Everyday Investors), which we named *Supporters*, are an ideal target for Purpose-Led investments. This group is already pre-disposed to such investments being aware and somewhat familiar with Impact/Purpose-Led investments and showing interest in these investments.
3. *Supporters* tend to be younger investors, not highly risk averse, have strong confidence in their investment knowledge and more interested in the greater good than an average Everyday Investor.
4. Given their savviness/confidence when it comes to investing, *Supporters* tend to rely less on advisors than a typical investor. This may impact the role of the advisor in this case to become a source of education on such funds.
5. There are three key blockers to tackle in communications to increase interest in Purpose-Led investments among *Supporters*: (a) building awareness and familiarity with the different funds, (b) education/debunking myths related to perceived high risk levels of these funds and (c) communication around the funds' reputation/assurances of how the benefits are applied.
6. Communications and education tackling these key blockers need to target both the *Supporters* and the advisors as well as being part of any digital tools facilitating Purpose-Led investments.

12 Key Insights (continued)

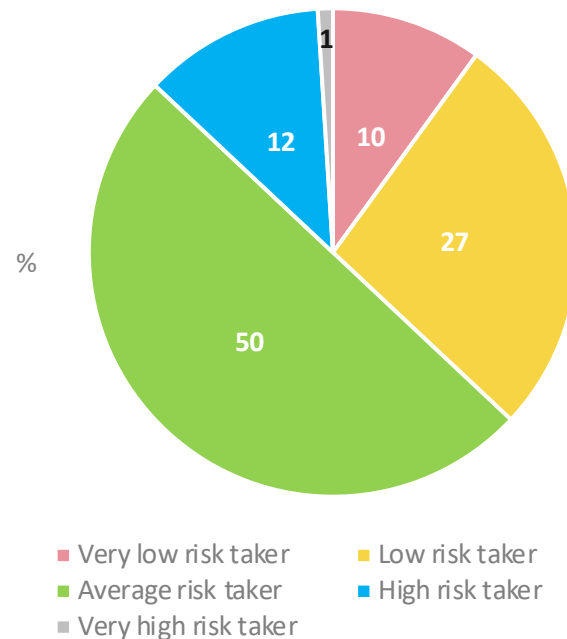
- ◆ This document focuses on these key insights from the research.
- ◆ The following slides present high-level details for each of these insights.
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7. The most important motivators to focus on are assurances around risk levels and the investment's alignment to causes important to *Supporters* - preferably impact in Canada, with highest areas of impact being clean energy, clean water, sustainable health in terms of sources of food and affordable housing.
8. As *Supporters* demonstrate general 'caring' attitudes and behaviours, using emotional language in communications will resonate well with them. These include themes around 'for better future', 'feel good about investing', 'do what is right', 'investments reflecting your values'. Having said this, such language will not be an effective motivator on its own. It needs to be coupled with/part of the most important motivators listed in Insight 7 above.
9. As you develop strategies around the above insights, keep in mind that data suggest Impact Investments will likely be an efficient gateway into Purpose-Led investments. As such, those currently holding Impact Investments need to be an immediate and primary target given their higher openness to the concept of impact investment in general.
10. Just under half of *Supporters* claimed to very likely to use an online portal to browse/be educated on Purpose-Led investments. Among those, two thirds are also likely to use it for online investment.
11. Interest in 7 proposed Key SIFs is soft overall. Affordable housing funds garnered the highest interest followed by Green loans to support clean energy. Both of those funds address one of the top 5 causes of interest to *Supporters* (see Insight 7).
12. Based on their responses to why not interested in the specific funds, increasing interest in Social Impact Funds can be achieved with detailed information including proof-points as to the benefit and use of funds. Narrower targeting to align with the impact generated by each of the funds will also likely increase interest levels in them.

Insight 1

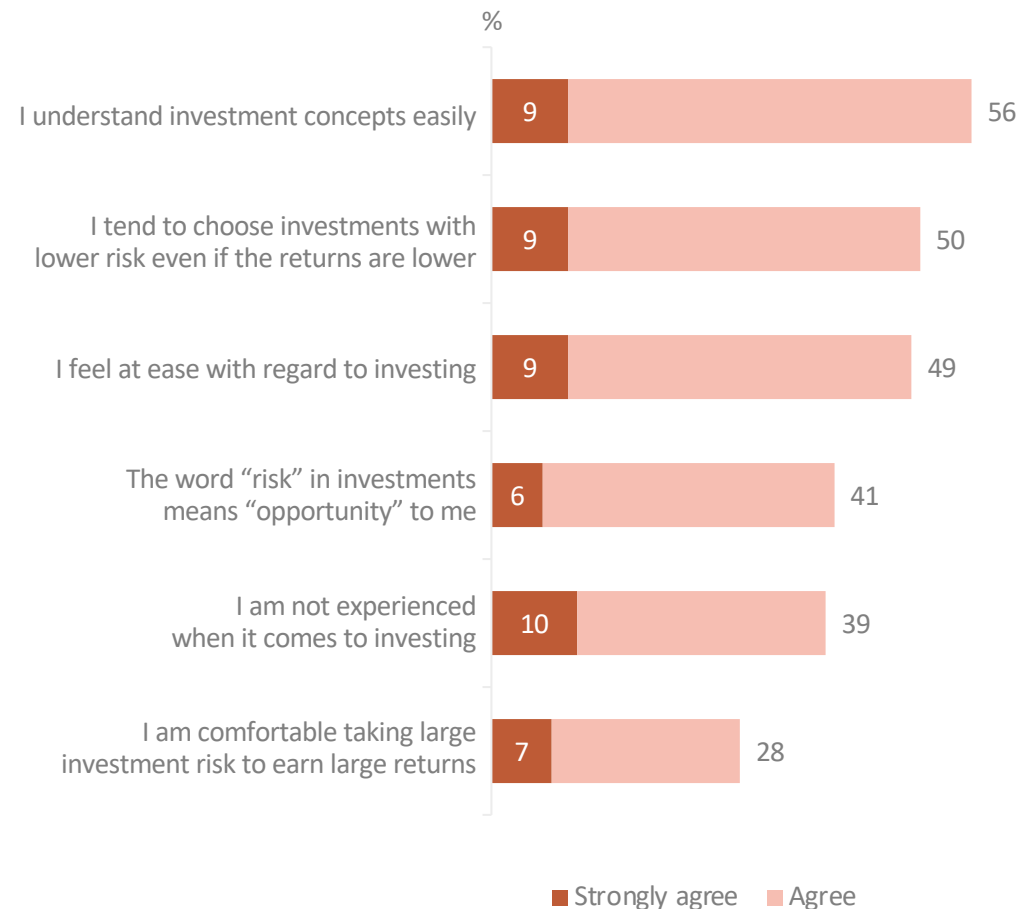
The Everyday Investor at large is not necessarily the right target for Purpose-Led investments given they are highly risk averse, not investment savvy and half of them have no understanding of or interest in Impact and/or Purpose-Led investments.

WILLINGNESS TO TAKE FINANCIAL RISKS



Consistent with other research, males and/or those who are younger (18-34) are more risk tolerant and feel more confident with investing

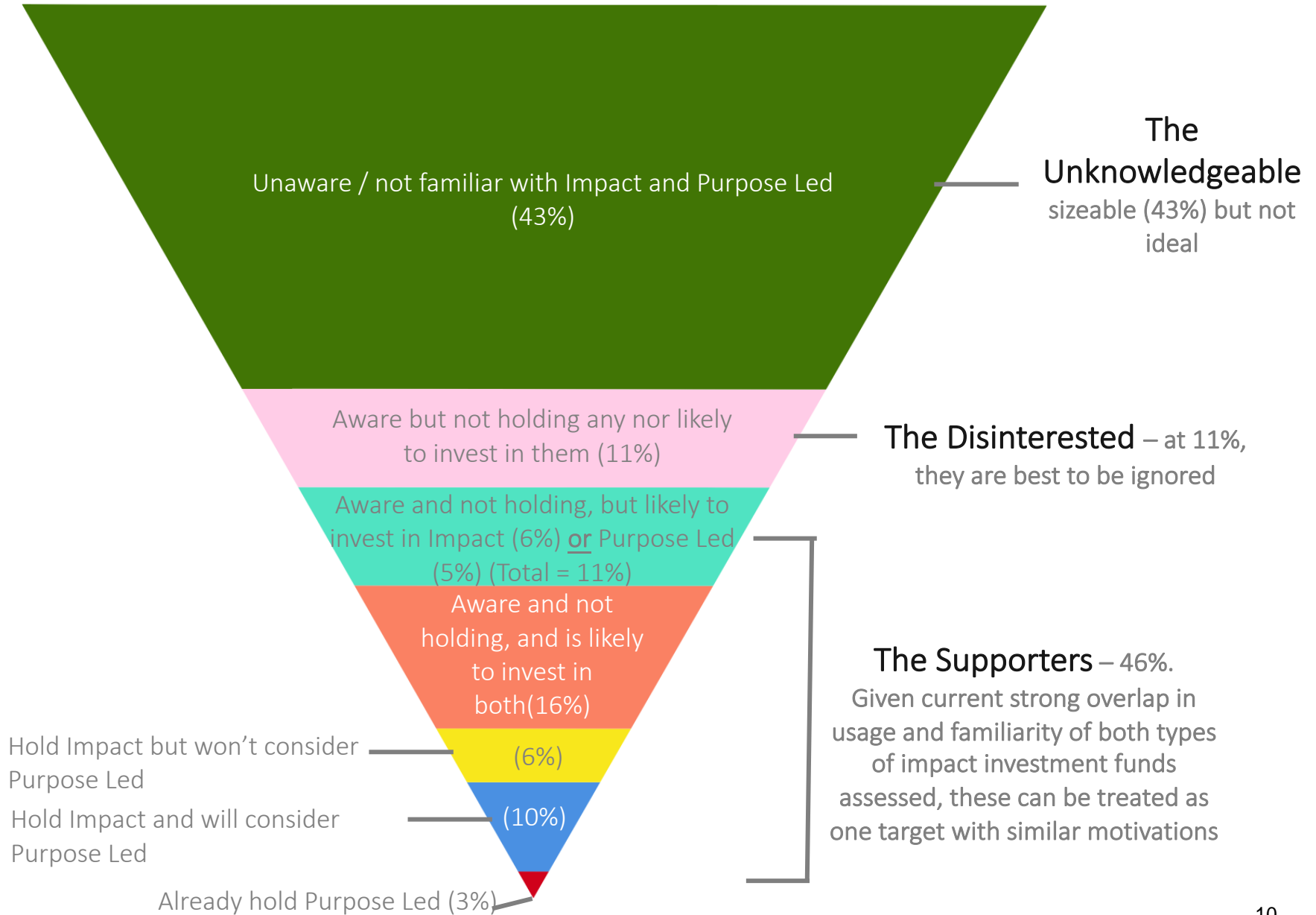
ATTITUDES TOWARDS INVESTMENTS



More 'seasoned' and older investors also tend to be more risk seeking. These tend to be investors that feel they are experienced, have 4+ investment products, and/or have investible assets of \$100K+

Insight 2

A sizeable segment (46% of Everyday Investors), which we named *Supporters*, are an ideal target for Purpose-Led investments. This group is already pre-disposed to such investments being aware and somewhat familiar with Impact/Purpose-Led investments and showing interest in these investments.



Insight 3

Supporters tend to be younger investors, not highly risk averse, have strong confidence in their investment knowledge and more interested in the greater good than an average Everyday Investor.

Supporters Demographic profile makes them easy to target

- ◆ Young with (38%) being 18 – 34 years old
- ◆ Slightly skew male
- ◆ Emerging investor with majority (39%) having \$100K - \$300K investible assets
- ◆ Over a third (34%) read financial newspapers/magazines and close to half (44%) get information from financial websites/blogs/podcasts
- ◆ 27% volunteer regularly and 35% volunteer occasionally

Interested in the Greater Good

- ◆ Almost all (94%) currently donate to and/or volunteer with non-profits
- ◆ Twice as likely as others to claim personal interest in areas of investment is a very important choice driver (27%)
- ◆ Have stronger understanding of impact investing

They have HIGH Risk Tolerance

- ◆ The majority claim to be average to above average risk takers
- ◆ Two-thirds feel having a risk level they are comfortable with is very important when deciding on investments
- ◆ Are statistically significantly more likely to agree that they feel at ease investing (58%), risk = opportunity (47%), understand investing (66%) and comfortable taking large investments for large returns (36%)

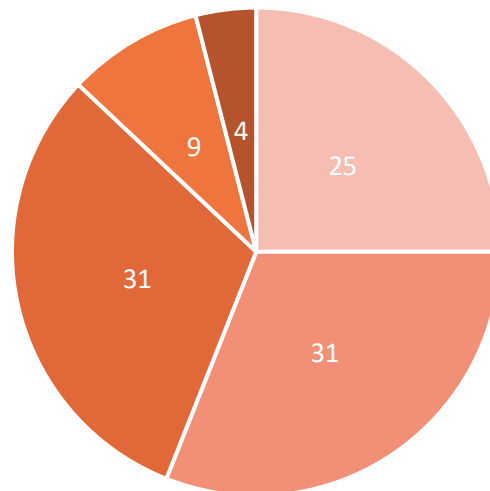
Open to Diversified Portfolio

- ◆ A third (29%) hold 4 – 6 different types of traditional investments
- ◆ Just over half (53%) hold publicly traded stocks. Twice as likely to hold Alternative Investments and Crowd Funding or similar investing compared to others.
- ◆ 38% already hold Impact and 9% already hold Purpose Led investments

Insight 4

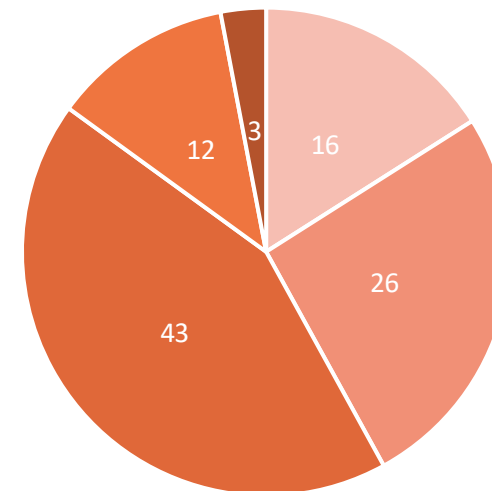
Given their savviness/confidence when it comes to investing, *Supporters* tend to rely less on advisors than a typical investor. This may impact the role of the advisor in this case to become a source of education on such funds.

RELIANCE ON FINANCIAL ADVISORS – UNKNOWLEDGEABLES



- 1 – I rely completely on my advisor’s recommendations
- 2
- 3 – The decision is equally shared between myself and my advisor
- 4
- 5 – I am the only one that decides what to invest in

RELIANCE ON FINANCIAL ADVISORS - SUPPORTERS



- 1 – I rely completely on my advisor’s recommendations
- 2
- 3 – The decision is equally shared between myself and my advisor
- 4
- 5 – I am the only one that decides what to invest in

Insight 5

There are three key blockers to tackle in communications to increase interest in Purpose-Led investments among *Supporters*: (a) building awareness and familiarity with the different funds, (b) education/debunking myths related to perceived high risk levels of these funds and (c) communication around the funds' reputation/assurances of how the benefits are applied.

KEY BARRIERS

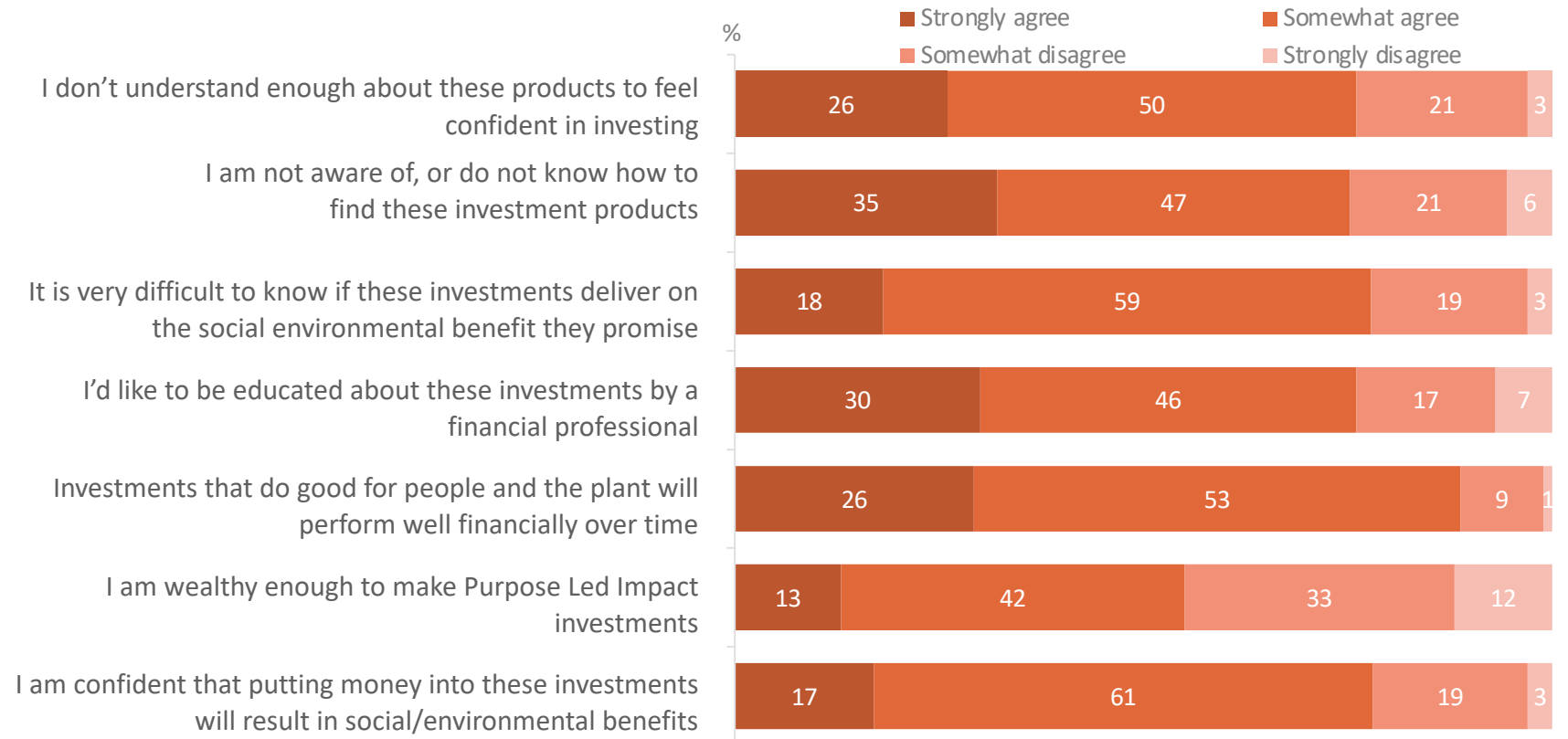
While *Supporters* have much stronger understanding of Impact Investments than those unknowledgeable and uninterested, lack of understanding / education remains a barrier and is one of the most important factors when deciding on any investment.

Less than half know that Impact Investments often have similar returns as traditional investments and is not always higher in risk than traditional investments.

Need for proof-points related to the investments' returns delivering on the promised social/environmental benefits.

Reputation of funds and regular reporting on performance / impact are important drivers reflecting some key 'proof-points'.

AGREEMENT LEVELS RE PURPOSE-LED INVESTMENTS - SUPPORTERS



Insight 6

Communications and education tackling these key blockers need to target both the *Supporters* and the advisors as well as being part of any digital tools facilitating Purpose-Led investments.

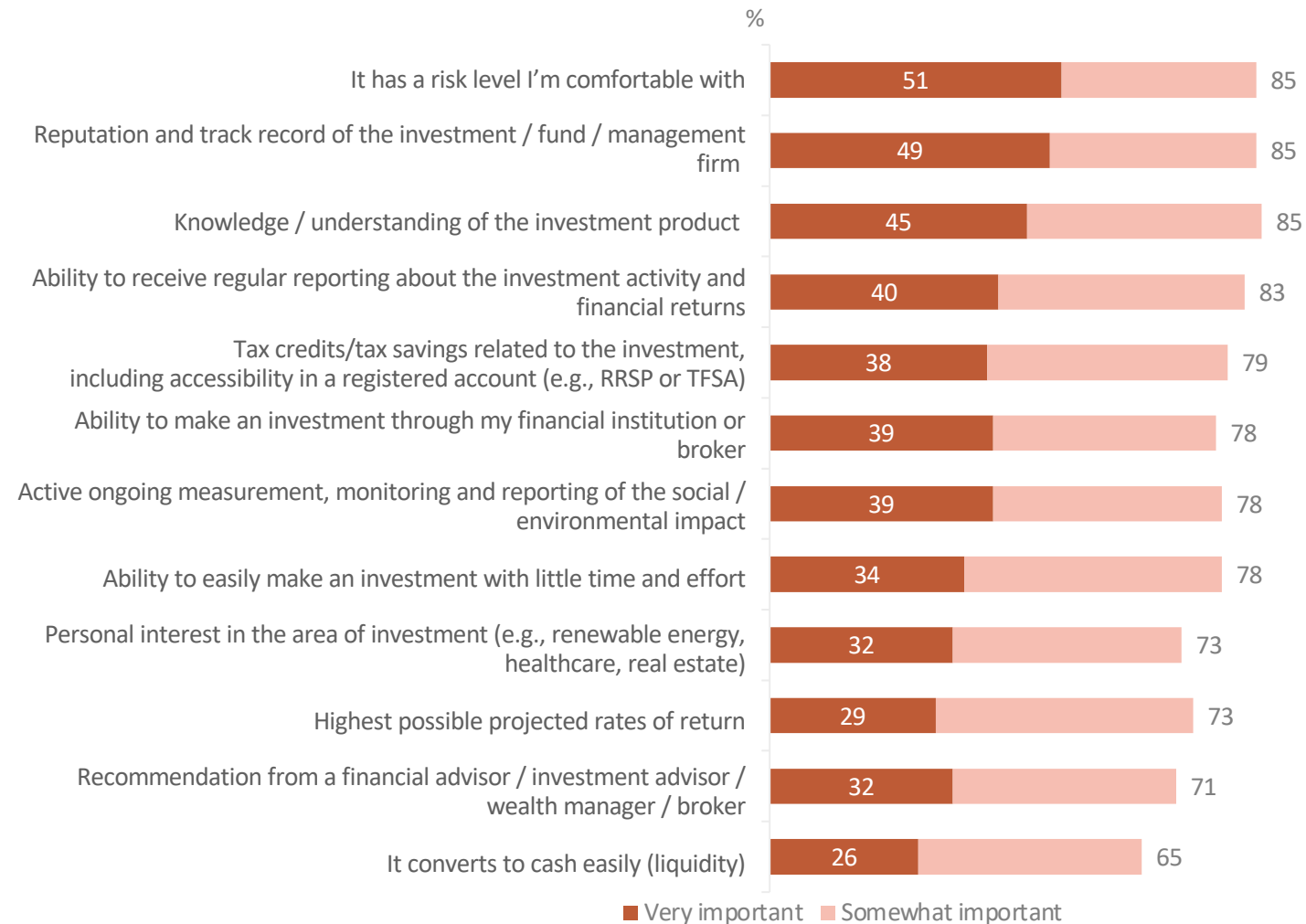
% Strongly agree	Likely to invest in Purpose Led	Not likely to invest in Purpose Led
I'd like to be educated about these investments by a financial professional	38	13

Wealth Advisors playing the role of educator will work better than a recommender given the higher financial savviness of *Supporters* and their lower reliance on Advisors' recommendations.

Insight 7

The most important motivators to focus on are assurances around risk levels and their alignment to causes important to *Supporters* - preferably impact in Canada, with highest areas of impact being clean energy, clean water, sustainable health in terms of sources of food and affordable housing.

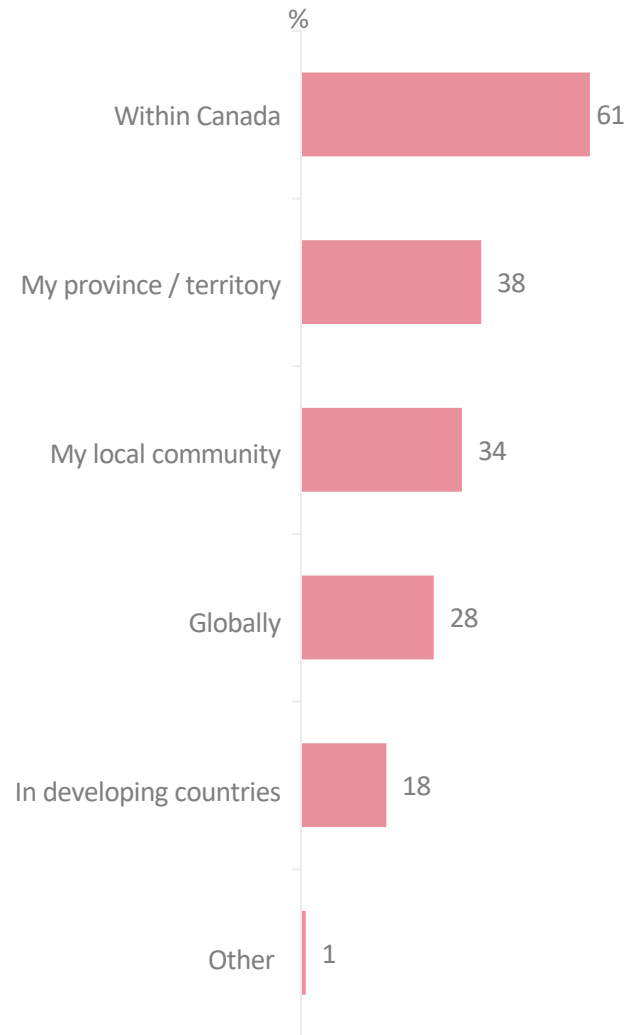
IMPORTANCE OF FACTORS WHEN DECIDING ON INVESTING IN PURPOSE LED INVESTMENTS



Insight 7

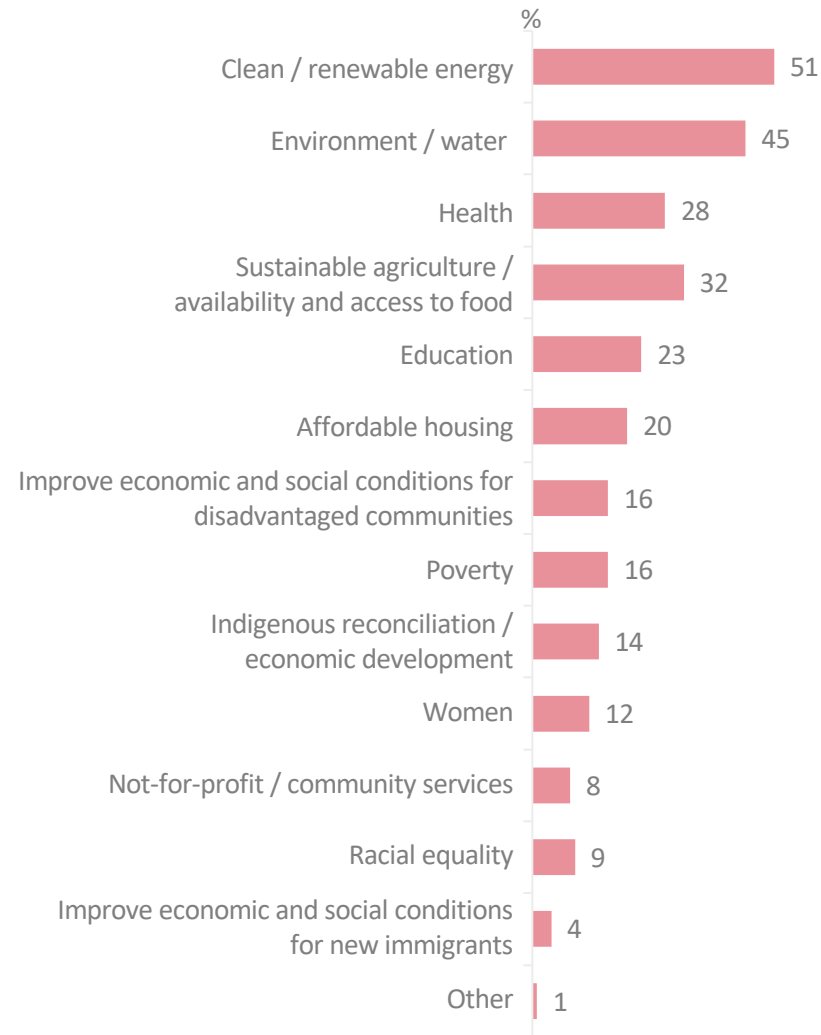
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REGIONS SUPPORTERS PREFER PURPOSE-LED INVESTMENTS TO IMPACT



Those aged 18-34 and/or females are more likely to be interested in making a difference in their local community compared to those who are older and/or male

AREAS SUPPORTERS PREFER PURPOSE-LED INVESTMENTS TO IMPACT



Female investors are more interested in impacting affordable housing and women, whereas males are more interested in clean / renewable energy.

Insight 8

As *Supporters* demonstrate general ‘caring’ attitudes and behaviours, using emotional language in communications will resonate well with them. These include themes around ‘for better future’, ‘feel good about investing’, ‘do what is right’, ‘investments reflecting your values’. Having said this, such language will not be an effective motivator on its own. It needs to be coupled with/part of the most important motivators listed in Insight 7.

Verbatim comments describing barriers and motivators included emotional words and phrases.

These can be the basis for the tone of communications around Purpose Led Investments but not as the key messaging/motivators

Investments that reflect...

- My views on the world
- My moral values
- My ethics
- My philosophies

Feel good investments

- Feel good about myself
- Investments that make me feel good
- It’s like being on the positive side of the fence

Doing what’s right

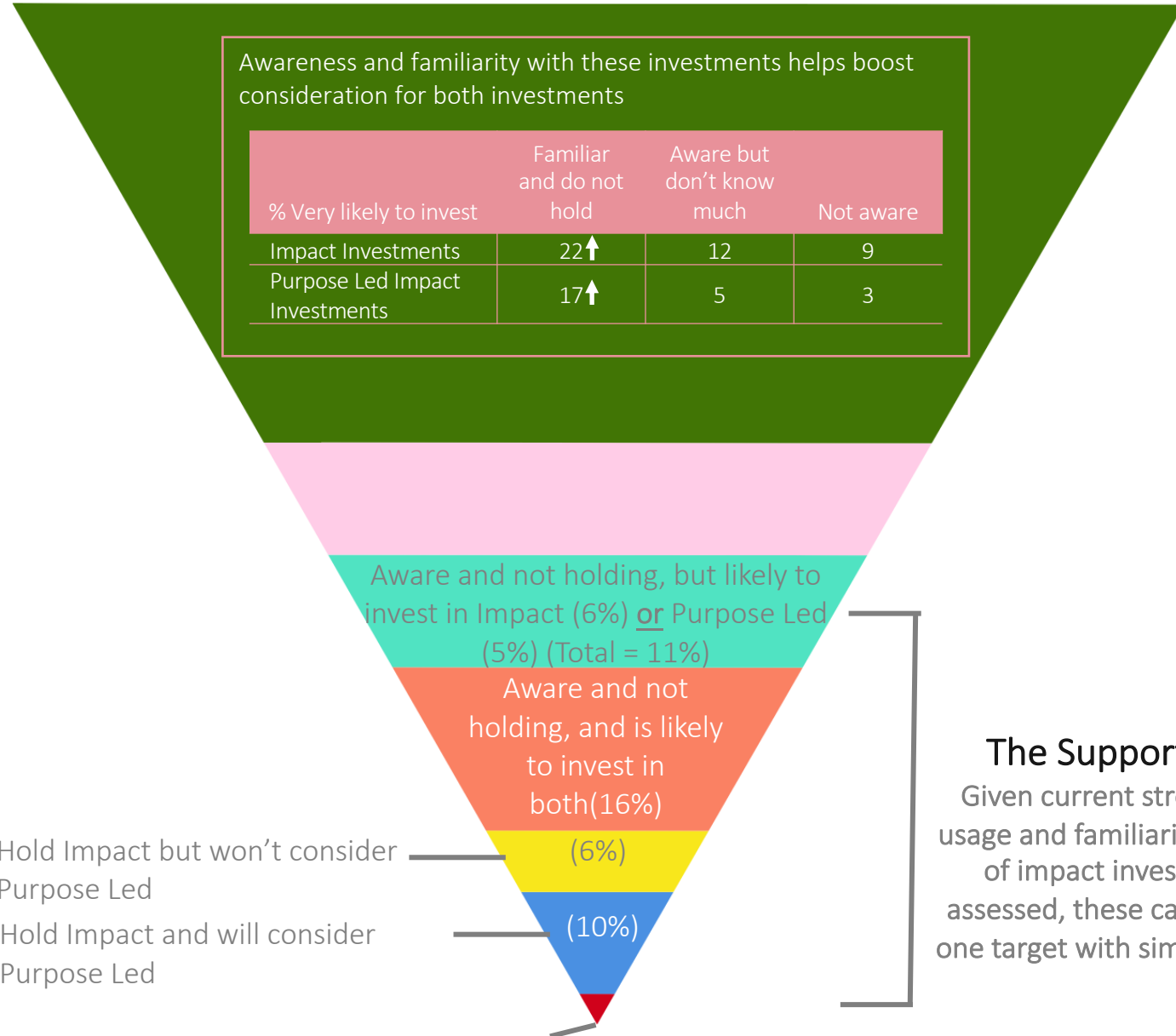
- It’s the right thing to do
- It’s the moral thing to do
- Helping those in need

A better future

- Helps build a better future
- Builds a better world

Insight 9

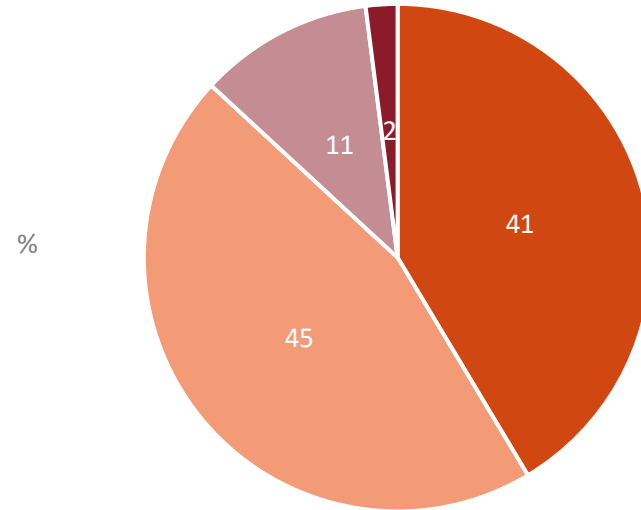
As you develop strategies around the above insights, keep in mind that data suggest Impact Investments will likely be an efficient gateway into Purpose-Led investments. As such, those currently holding Impact Investments need to be an immediate and primary target given their higher openness to the concept of impact investment in general.



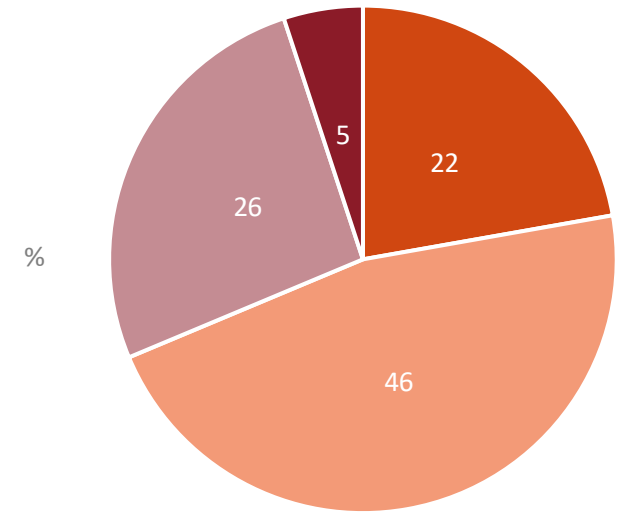
Insight 10

Just under half of *Supporters* claimed to very likely use an online portal to browse/be educated on Purpose-Led investments. Among those, two thirds are also likely to use it for online investment.

SUPPORTERS' LIKELIHOOD TO USE ONLINE PORTAL TO BROWSE AND EDUCATE THEMSELVES ON PURPOSE-LED



SUPPORTERS' LIKELIHOOD TO USE ONLINE PORTAL TO INVEST IN PURPOSE-LED



■ Very likely ■ Somewhat likely ■ Not very likely ■ Not likely at all

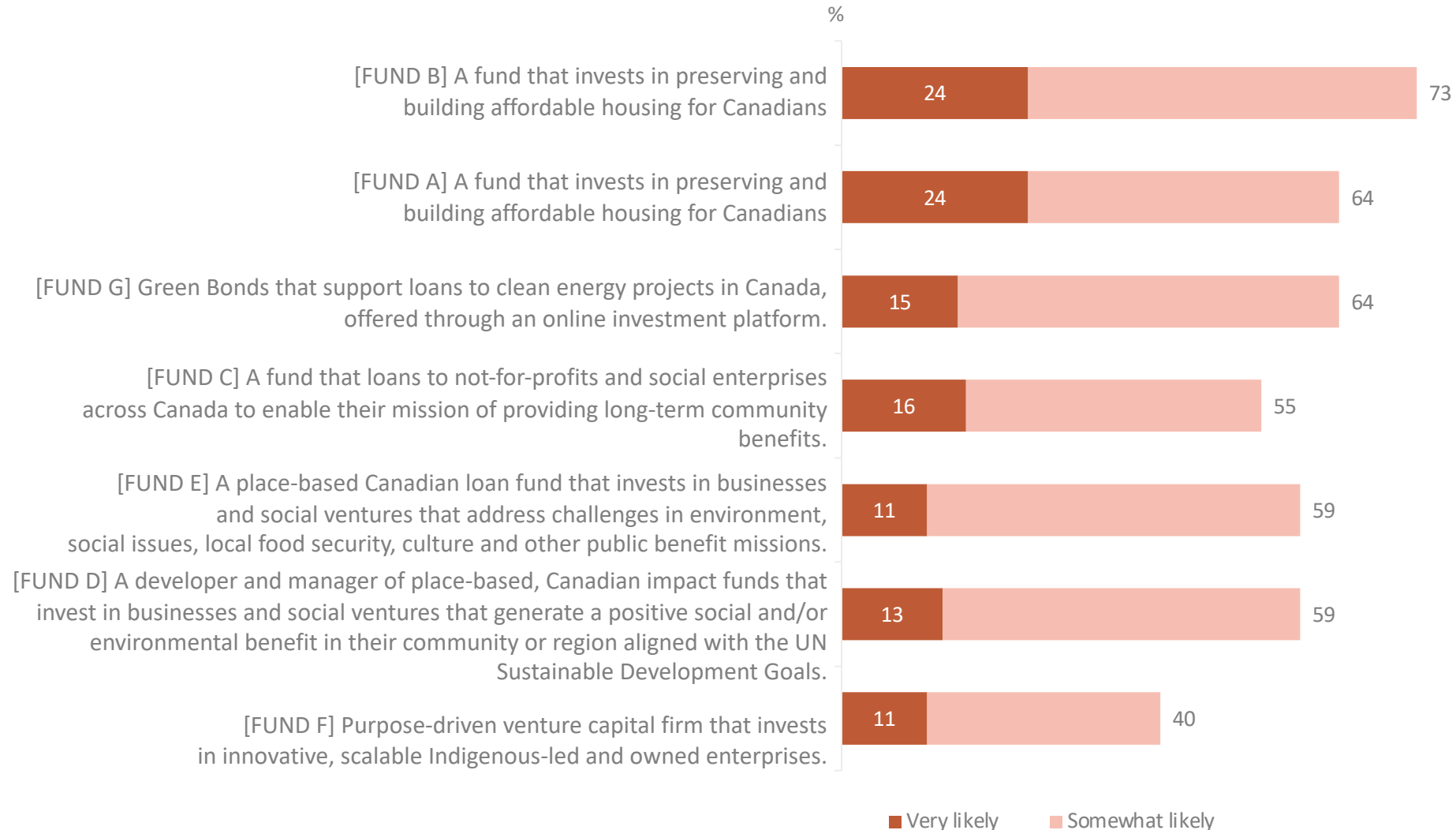
Just over two thirds who are likely to use the portal to browse and educate are also likely to use it to invest

	%	Likely to browse portal	Not likely to browse portal
Very / somewhat likely to use portal to invest	68	5	
Not very / not likely at all to use portal to invest	32	95	

Insight 11

Interest in 7 proposed Key SIFs is soft overall. Affordable housing funds garnered the highest interest followed by Green loans to support clean energy. Both of those funds address one of the top 5 causes of interest to *Supporters* (see Insight 7).

LIKELIHOOD TO INVEST AMONG SUPPORTERS



Insight 12

Based on their responses to why not interested in the specific funds, increasing interest in Social Investment Funds can be achieved with detailed information including proof-points as to the benefit and use of funds. Narrower targeting to align with the impact generated by each of the funds will also likely increase interest levels in them.

	FUND A	FUND B	FUND C	FUND D
Motivators	<ul style="list-style-type: none"> ◆ Good returns ◆ The cause is important to me personally ◆ Fair hold time ◆ Housing crisis and need is easy to understand and relate to 	<ul style="list-style-type: none"> ◆ Feels safe since it is guaranteed by the government ◆ The cause is important to me personally/can relate to ◆ Fair risk and returns ◆ Like that there are dividends 	<ul style="list-style-type: none"> ◆ Low risk ◆ Short hold time ◆ Secondary motivator is the social responsibility aspect of this fund 	<ul style="list-style-type: none"> ◆ Good returns ◆ Manageable risk ◆ Secondary motivator is positive impact on the community
Barriers	<ul style="list-style-type: none"> ◆ Risk is too high ◆ Investment horizon too long for older/retired investors 	<ul style="list-style-type: none"> ◆ Hold time is too long 	<ul style="list-style-type: none"> ◆ Low rate of returns 	<ul style="list-style-type: none"> ◆ Risk is too high ◆ A few are skeptical about the UN Sustainable Development Goals

	FUND E	FUND F	FUND G
Motivators	<ul style="list-style-type: none"> ◆ Fair risk and return 	<ul style="list-style-type: none"> ◆ Interested in supporting indigenous communities ◆ Good return 	<ul style="list-style-type: none"> ◆ Interested in sustainability / environment ◆ Short hold time ◆ Low risk
Barriers	<ul style="list-style-type: none"> ◆ Low returns ◆ Long hold time 	<ul style="list-style-type: none"> ◆ Risk is too high 	<ul style="list-style-type: none"> ◆ Low returns ◆ Some mentions risk is too high

Thank you

For more information please contact:

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Impact Investments

NEW MARKET FUNDS

OCTOBER 2020



Majid Khoury

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Research Program



Key Insights & Implications



The Everyday Investor



Impact Investing



Interest in 7 Key SIFs

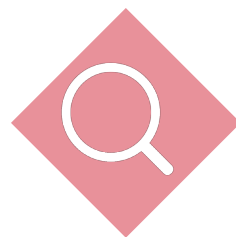


Appendices

Purpose of the Research

New Market Funds in support of the Expanding Access to Impact Investment (EAI) initiative is in the process of understanding the non-institutional Canadian Investor when it comes to their current investing knowledge and behaviors, and their probability of investing in a particular key subset of Canadian Social Impact Funds (Key SIFs).

This research project is a component of the Expanding Access to Impact Investment (EAI) project, delivered through New Market Funds as an initiative of the Investment Readiness Program (Canadian Government) 2019-2020



OBJECTIVES

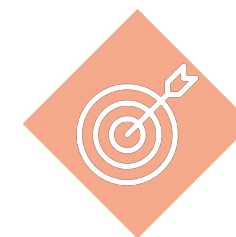
- ◆ Understand investing knowledge and behaviours of the Everyday Retail Investor.
- ◆ Assess awareness and perception of Impact and Purpose led Investing and the barriers and motivators to such investing.
- ◆ Measure level of interest in investing for 7 Key Social Impact Funds (Key SIFs) and what is driving or limiting interest.



METHOD

17-minute online survey with 910 Canadians with investible assets between \$25K-\$1M.

The research was conducted July 20 – July 26, 2020 with panelists from Angus Reid Forum online community.



SAMPLE ACCURACY

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Accuracy levels vary slightly depending on the number the reader is looking at and/or because the sample size of sub-groups answering some questions was less than the total 910 respondents.

Key Insights & Implications

- ◆ The Everyday Investor is highly risk averse, not investment savvy and relies heavily on advisors and/or financial institutions for investing decisions. Half of them have no understanding of, nor interest in Impact Investing. Variations in their demographic profile or investment savviness did not vary by level of investible assets held.
 - **Implication: avoid general/mass targeting of Purpose Led investments.**


- ◆ The most discriminant segmentation variables were those related to familiarity, interest and/or current usage of general sustainable/ethical/socially responsible and Purpose Led investments (these two types of impact investments were highly correlated in their familiarity, interest and usage). The key identified segment, deemed the *Supporters*, represents 46% of Everyday Investors. These investors skew 18 – 34 years old, hold between \$100K - \$350K investible assets, are highly risk tolerant and interested in the greater good. Quebec has the highest incidence of *Supporters* while BC and AB have proportionately less.
 - **Implication: target *Supporters*.**

- ◆ Purpose Led investments, by definition, appeal to *Supporters'* key motivation of impacting areas that interest them. Canadian impact (as opposed to global) on areas such as the environment/clean energy, improved health and sources of food have a higher appeal than impact on more niche segments such as women, indigenous, and newcomers.
 - **Implication: this does not mean you should avoid niche Purpose Led funds; rather focus targeting for such funds to the relevant group within *Supporters*.**

Key Insights & Implications

- ◆ There are two key barriers to overcome for this segment are: (a) the need for increased education/understanding of impact investing, particularly Purpose Led and (b) credible proof-points and assurances that the funds are actually benefiting the areas they're meant to be. There is also a direct relationship between familiarity with these investments and likelihood to invest.
 - Implication: The key activities that will increase interest levels in Purpose Led Investments from somewhat to very likely to invest revolve around these two areas:
 1. Education focused digital marketing via financial websites, podcasts, and webinars. A dedicated portal for browsing, education and potentially investing is of interest to them. Wealth Advisors may also play an educator role with *Supporters*.
 2. Reputation of funds and regular reporting will be key to tackling skepticism of the real impact and help assure them on how the funds are actually benefiting what they are meant to be benefitting.
- ◆ Interest in the proposed Key SIFs is soft with affordable housing funds garnering the highest interest.
 - Implication: low interest is most likely driven by the fact that there is a lack of knowledge on Purpose Led funds in general. More detailed communication and information about such funds than presented in the survey, proof-points and focused audience targeting will likely increase levels of interest reported herein.

1. Overview of the Everyday Investor

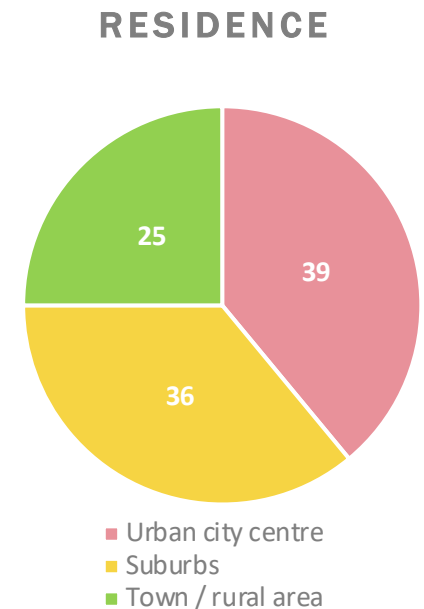
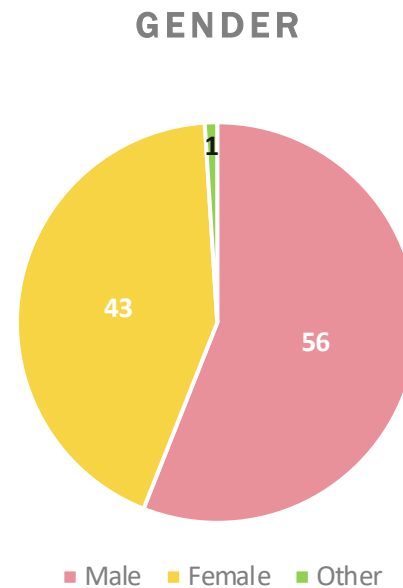
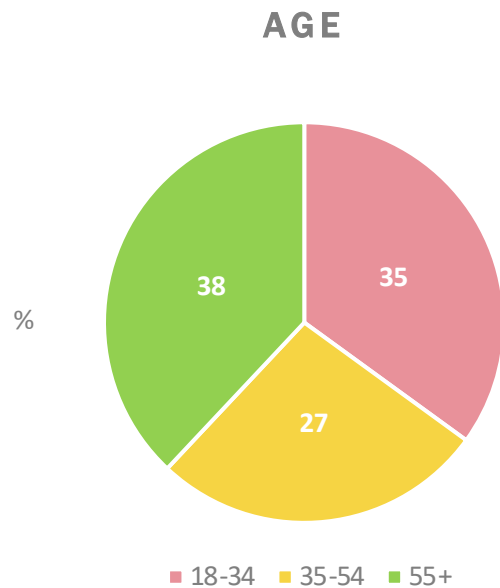
A man in a dark suit is walking on a city street. He is looking down at a smartphone in his right hand and carrying a black bag in his left hand. The background shows a city street with cars and buildings.

The Everyday Investor, compared to the average Canadian, is younger and skews male. They are primarily English speaking with a higher average household income of \$130K and a net worth 1.5 times higher than the average Canadian.

The youngest investor (18 – 34), though having the lowest net worth, are fully employed (with an average household income of \$92K). Two-thirds are a primary decision maker on investments.

Demographic profile

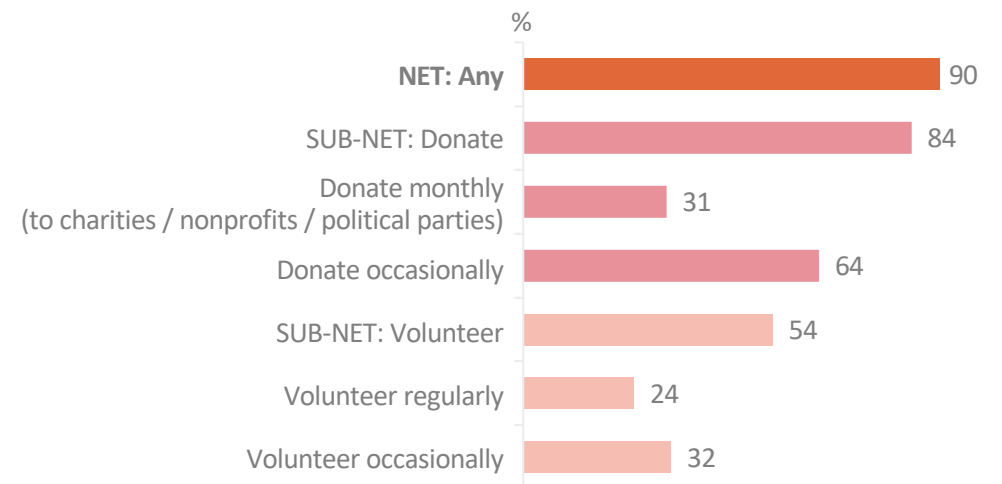
- ◆ Everyday Investors skew slightly male and primarily reside in urban / suburb areas.
- ◆ They also skew younger than the average Canadian, with 18-34 years old investors indexing 1.2 times higher than the general population in that age bracket.
- ◆ 86% claimed English as their primary language and 80% live outside of Quebec, higher than the total Canadian Population. (21% of Canadians speak French and 24% live in Quebec)
- ◆ A third donates monthly and just under a quarter regularly volunteers. Donations and volunteering did not vary by age or amount of investible assets.



LANGUAGE



DONATIONS / VOLUNTEERING

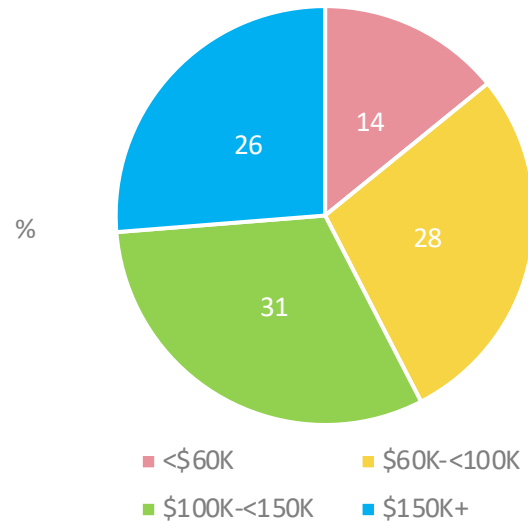


Base: Total respondents (n=910)
Multiple questions: QS4, QS5, QS2, QE1, QE

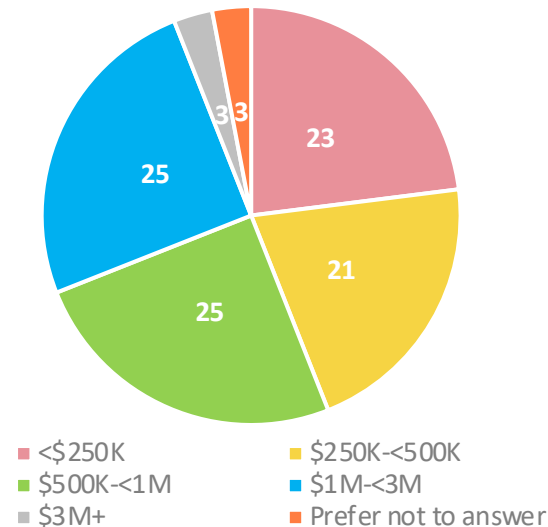
Socio-economic profile

- ◆ The Everyday Investors' average household income is \$130K, almost twice the level of the average Canadian household income.
- ◆ Their net worth is, on average, 1.5 times higher than the average Canadian.
- ◆ Distribution of investible assets is in line with data we see from other research for this segment.
- ◆ 6 in 10 are employed full time / part time, and a quarter are retired.

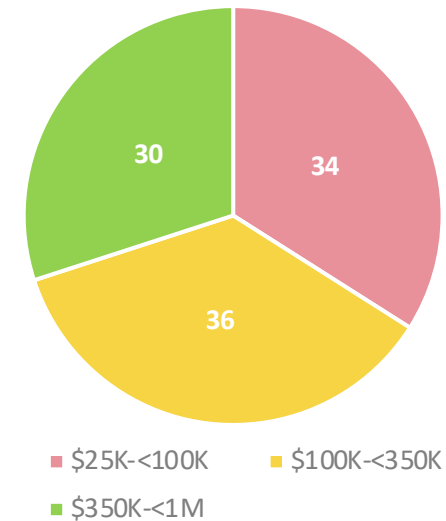
HOUSEHOLD INCOME



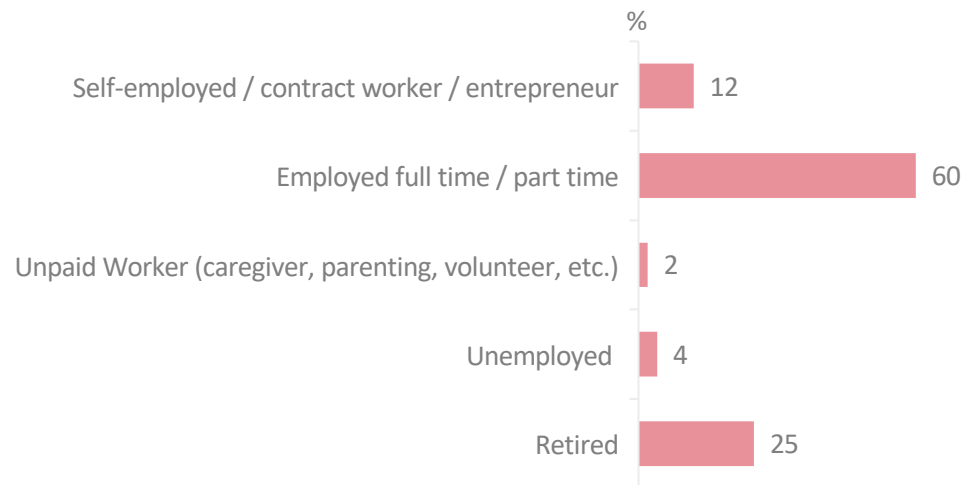
NET WORTH



INVESTABLE ASSETS



EMPLOYMENT STATUS



Base: Total respondents (n=910)
Multiple questions: QE4, QE5, QS6, QE3



Generally, Everyday Investors lack understanding and sophistication when it comes to investing.

They are typically risk averse, do not feel at ease with investments and do not necessarily understand all investment concepts.

As a result, they invest primarily in low risk investments. Just over half have a Wealth Advisor and among those, half rely primarily on this advisor for investment decisions and learning about investments.

Data show variations in the above along gender / age, but not behaviours:

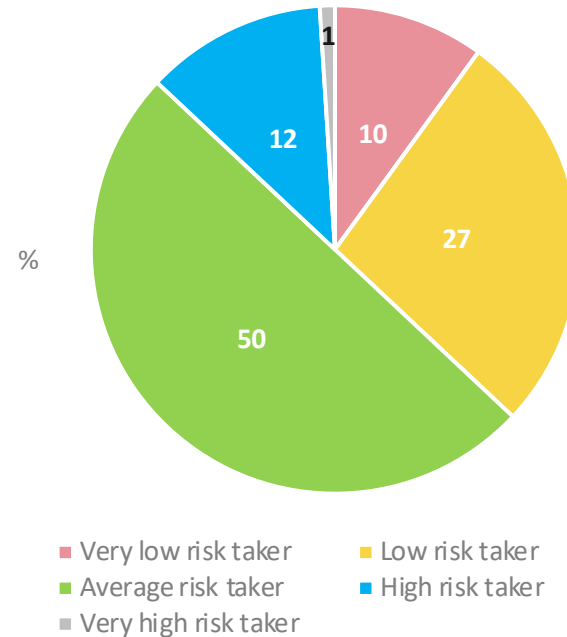
- Younger investors and males claim to be more open to taking higher risks in investing and self-claim a higher understanding of investing.
- Older investors and females are more risk averse and less confident in their understanding of investments. This is consistent with other research data we have on women and investing.

Behaviours, including type of investments held, working with a financial advisor or not, and DIY investing, did not correlate with age and gender. Rather, these correlated with level of investible assets.

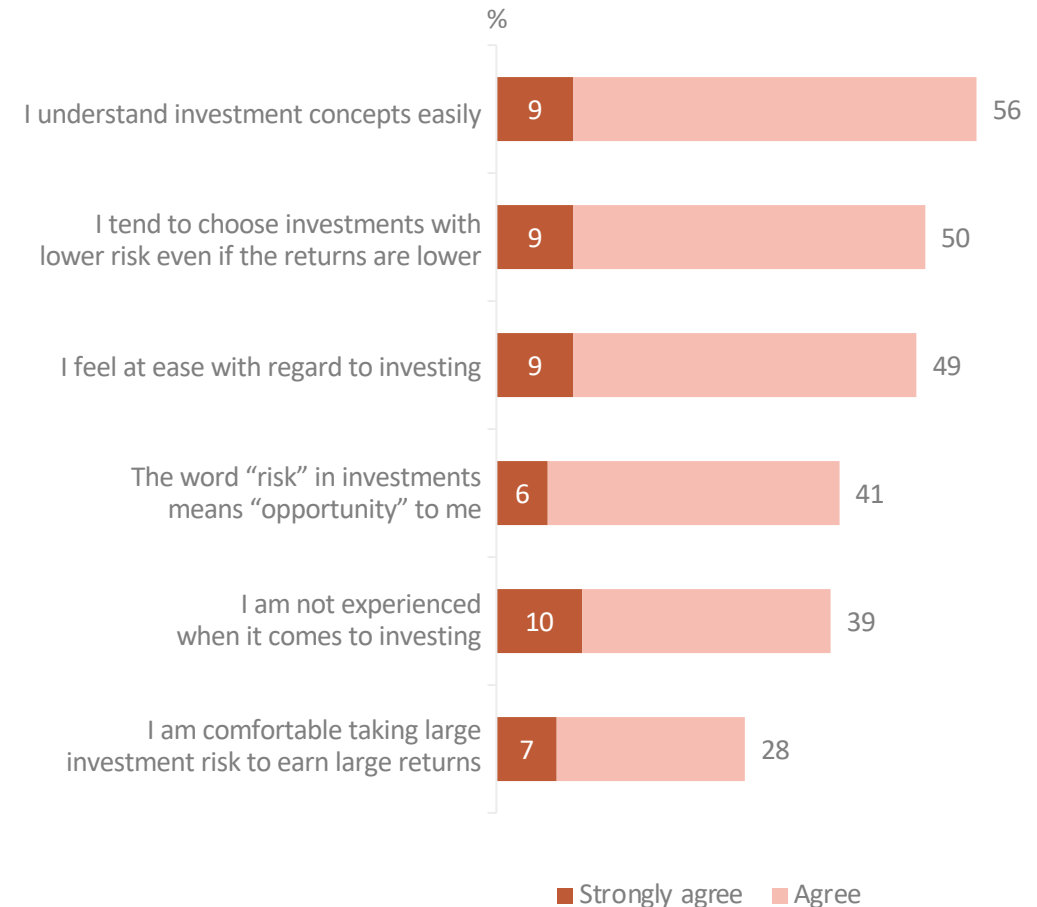
Investment sophistication

- ◆ The Everyday Investor is risk averse, with 37% claiming to be low risk takers and 50% average risk takers.
- ◆ This investor is also not savvy. Only a minority strongly agree to statements around investing attitudes. Also, about half claim not to understand investment concepts easily nor feel at ease with regards to investing.

WILLINGNESS TO TAKE FINANCIAL RISKS



ATTITUDES TOWARDS INVESTMENTS



Consistent with other research, males and/or those who are younger (18-34) are more risk tolerant and feel more confident with investing

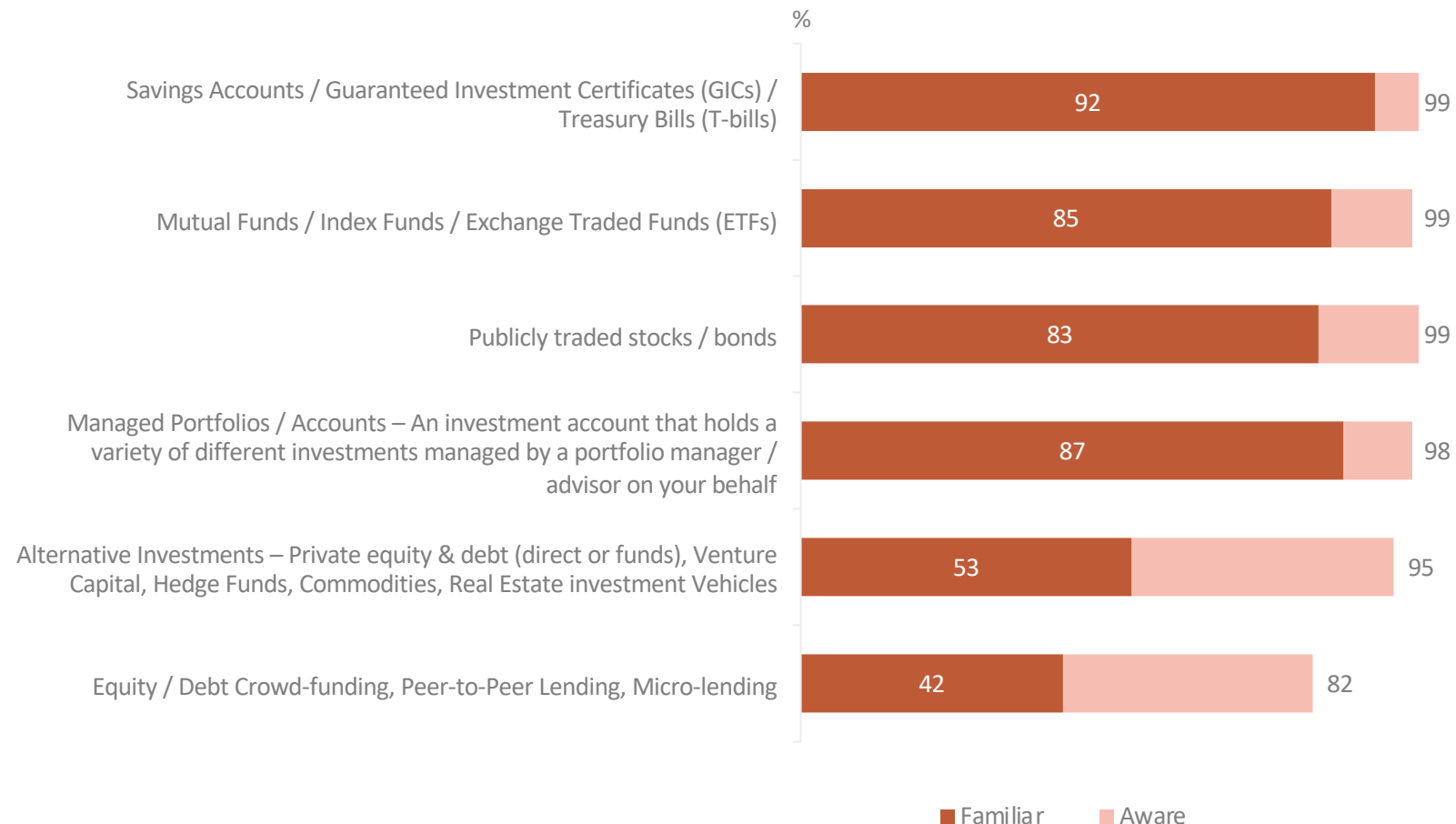
More 'seasoned' and older investors also tend to be more risk seeking. These tend to be investors that feel they are experienced, have 4+ investment products, and/or have investible assets of \$100K+

Base: Total respondents (n=910)
 QA1. In general, would you say your willingness to take financial risks is best described as...?
 QA2. How much do you agree or disagree with the following statements about investments?

Awareness and familiarity with investments

- ◆ Familiarity with most traditional investment types is strong.
- ◆ The investments with the lowest familiarity are alternative investments and equity / debt crowd-funding / P2P lending / micro-lending.
- ◆ Familiarity did not vary by age or gender, but by increased levels of investible assets.

AWARENESS & FAMILIARITY WITH TYPES OF TRADITIONAL INVESTMENTS



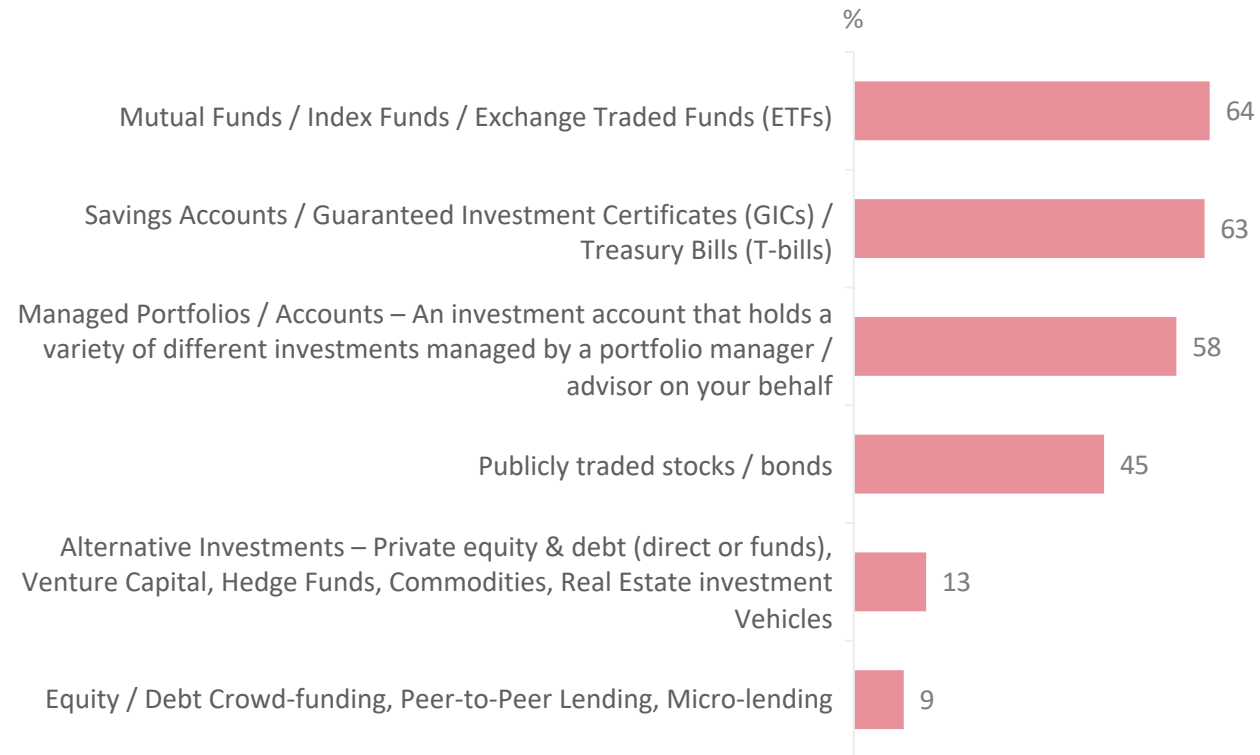
Base: Total respondents (n=910)

QA3. How familiar are you with each of these types of investments?

Investment portfolio

- ◆ Given most Everyday Investors are risk averse, it is unsurprising the top two investment products are mutual funds / index funds / ETFs and savings accounts / GICs / T-bills.
- ◆ Less than half invest in publicly traded stocks and bonds.
- ◆ The proportion with Alternative Investments is minimal.
- ◆ When asked what other investments they hold, many listed TFSAs/RRSPs/RESPs and real estate.
- ◆ No one mentioned, unaided, any impact or purpose specific investments.

INVESTMENTS CURRENTLY HELD



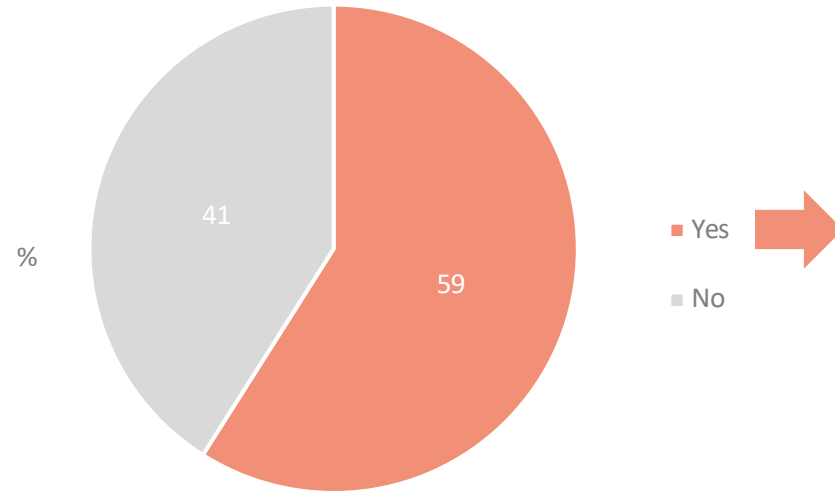
Those with higher investible asset levels (\$350K-\$1M) and those who claim to understand investing and/or feel at ease with investing are more likely to hold more investment products

It is interesting to note that Quebec investors are significantly more likely to hold equity / debt crowd-funding / P2P lending / micro-lending than investors in English Canada

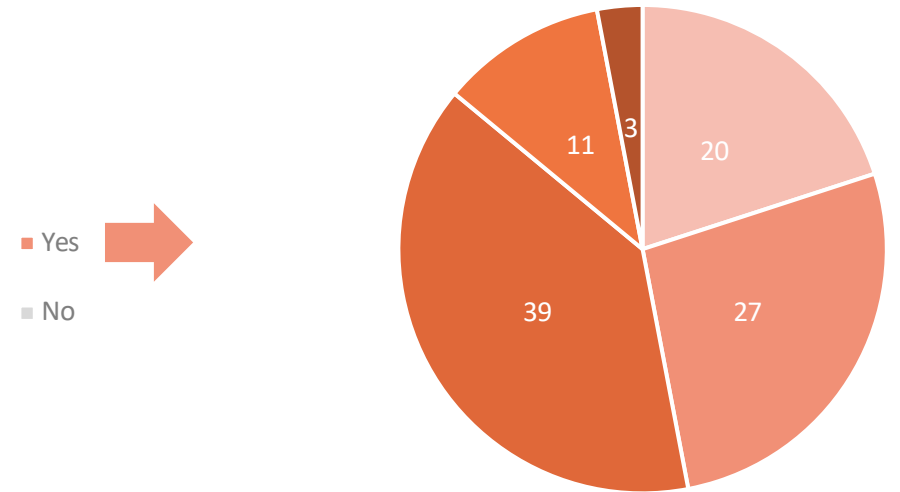
Reliance on financial advisors

- ◆ 6 in 10 have a financial advisor, who they either share an equal responsibility in deciding on what to invest in or they rely on for investment decisions.
- ◆ Only 14% of those who have an advisor are more likely to drive their own investment decisions.

HAVE A FINANCIAL ADVISOR



RELIANCE ON FINANCIAL ADVISORS



Older investors aged 55+, have high investible assets (\$350K-\$1M) and/or live in the suburbs or town / rural areas are more likely to have an advisor

Those who have financial advisors are more likely to use them when buying investment products. However, those who do not have an advisor are more likely to be using DIY websites or robo-advisors

- 1 – I rely completely on my advisor’s recommendations
- 2
- 3 – The decision is equally shared between myself and my advisor
- 4
- 5 – I am the only one that decides what to invest in

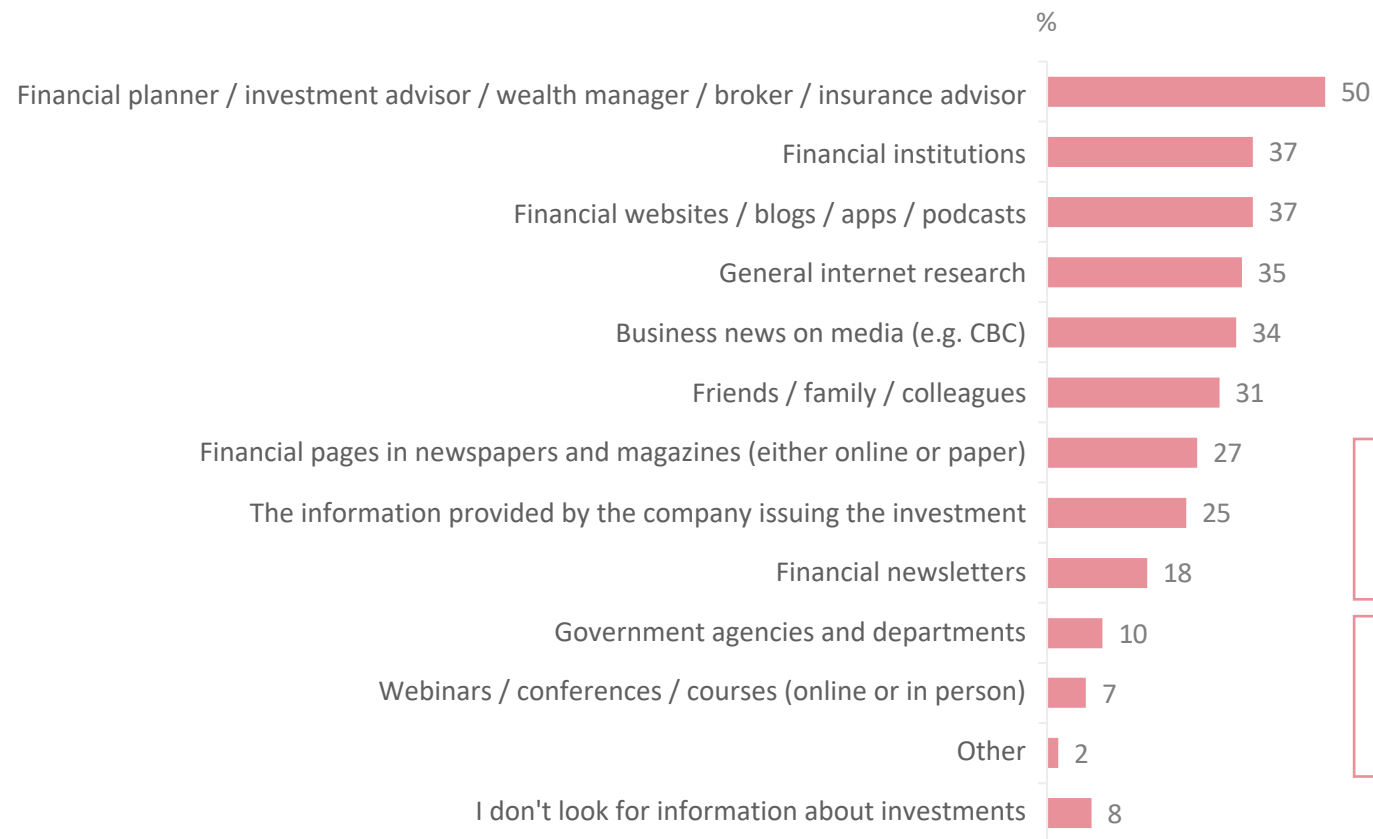
Investors that are older (55+), very low / low risk takers, and/or not experienced with investing are more likely to rely on their advisor

Base: Total respondents (n=910)
 QA7. Do you currently have a professional financial advisor etc. you deal with on a regular basis?
 Base: Respondents have a professional advisor (n=540)
 QA8. Overall, how much do you rely on your financial advisor etc. when deciding what to invest in?

Where they look for information

- ◆ Half of Everyday Investors look for information on investments from a Wealth Advisor (across any of the professions).
- ◆ Speaking with financial institutions and conducting personal research (online / news / personal contacts) are secondary.

WHERE THEY TYPICALLY LOOK FOR INFORMATION ON INVESTMENTS



Quebec residents are more likely to look for information from financial newsletters than other regions

Younger investors use online resources and friends/family/colleagues more so than older ones

Those with advisors are more likely to look for information solely from them, while those that do not have advisors are more likely to seek information from multiple sources (investment issuer, newsletters, webinars / conferences / courses, government, business news, internet)

More 'seasoned' investors with a higher risk tolerance and more investments held are more likely to look for information across multiple sources

Base: Total respondents (n=910)
QA6. Where do you typically look for information on investments?

Method of investment

- ◆ Those with managed portfolios rely primarily on their wealth advisors.
- ◆ Savings/GICs and Mutual/Index Funds are invested via multiple methods including financial institutions, advisors, workplace pensions, and to a lesser extent, DIY.
- ◆ Those investing in publicly traded stocks are divided into those going through their Wealth Advisors and those via DIY.
- ◆ DIY usage did not correlate strongly with age of investor.


Base: Respondents hold the investment and asked QA5. Which of the below have you used to invest in the following?

* caution: small base size

METHOD OF INVESTMENT BY TYPE OF INVESTMENT

	%	SAVINGS ACCOUNTS / GICS / T-BILLS	MUTUAL FUNDS / INDEX FUNDS / ETFS	MANAGED PORTFOLIOS / ACCOUNTS	PUBLICLY TRADED STOCKS / BONDS	ALTERNATIVE INVESTMENTS	EQUITY / DEBT CROWD-FUNDING, PEER-TO-PEER LENDING, MICRO-LENDING
		n=227	n=204	n=217	n=129	n=41*	n=23*
Bank / credit union customer service representatives	59	40	24	23	24	26	
Financial advisors / investment advisors / wealth managers / brokers	48	67	77	53	49	48	
Workplace pensions	33	40	46	41	34	22	
DIY online banking or investment websites	30	30	16	54	34	35	
Robo-Advisors - investment management services online	5	8	3	12	2	9	
Direct investing in start-ups and other private companies	5	4	3	6	17	22	
Other professional investment service providers	<0.5	1	2	2	2	4	

Note: In reading the above data, please note that the number of respondents answering for each product is low for some products (indicated in the n=X on top of the columns). This widens the margin of error and some of the levels reported (e.g., 6% of those investing in publicly traded stocks invest directly in start ups or private companies – this number, with margin of error, may actually be 0%). Also, there is the impact of respondent error in understanding/completing surveys. These errors are reduced with larger sample sizes.



Given the Everyday Investor's attitude towards risk, it is not surprising to see the primary decision driver for what to invest in is "a risk level I am comfortable with".

In fact, being comfortable with the risk level is twice as important in driving investment decisions versus having the highest possible projected levels of return.

Understanding the funds, logistics of investing and tax savings are secondary drivers, important to only 4 out of 10 Everyday Investor.

The importance of their advisors' recommendations and fund reputation correlate with having a higher level of investible assets and with being a female.

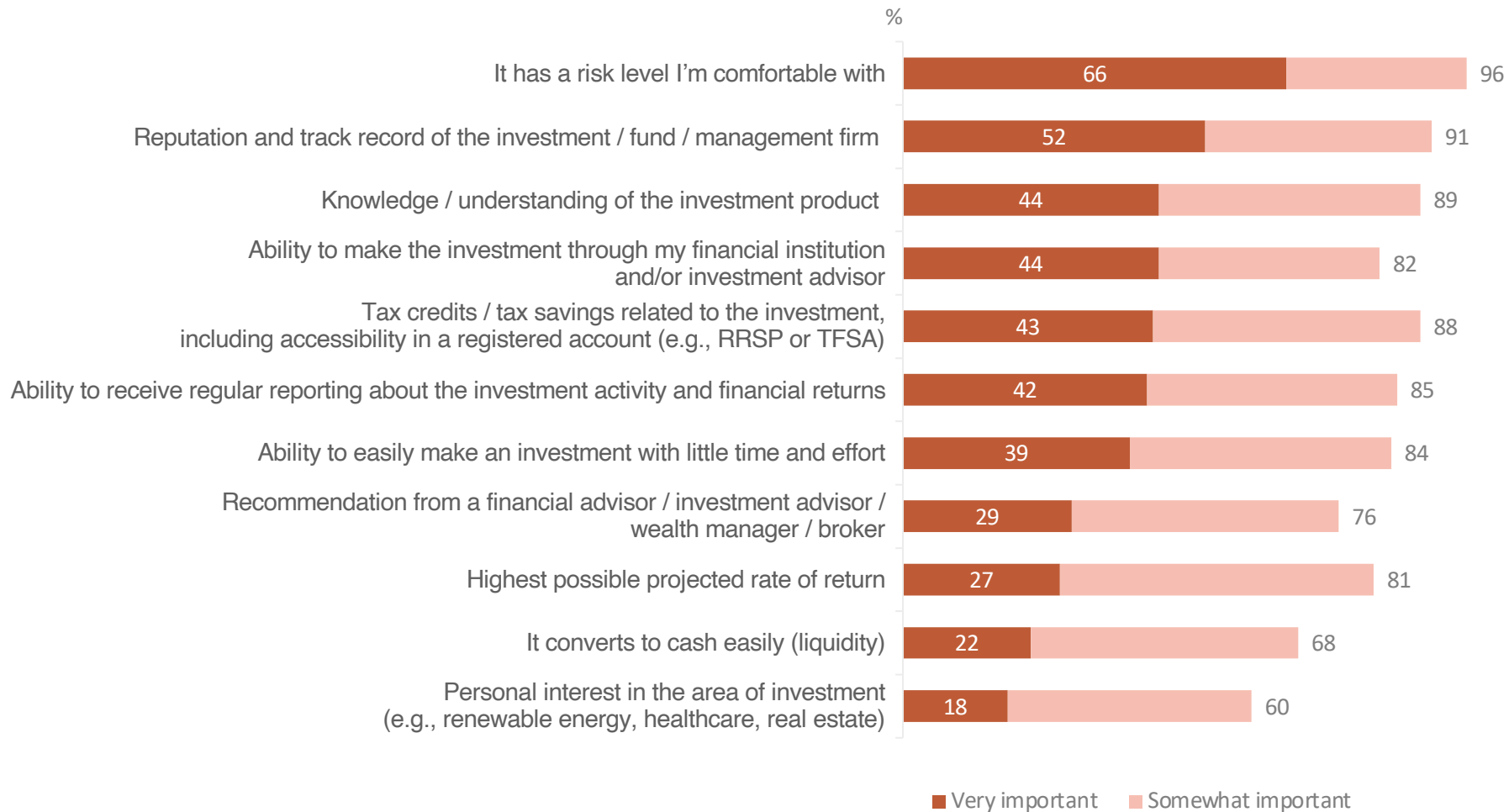
Women also stress more importance on ease of making investments.



Key decision drivers for traditional investing

- ◆ An appropriate risk level is the most important decision driver for investments.
- ◆ Reputation, understanding, ability to invest through a financial institution, tax savings, regular reporting and ease of investing are secondary.
- ◆ Having a personal interest in the area of investment is the least important.
- ◆ Variations by sub-groups are minimal, reflecting the high level of risk aversion among the general investor.
- ◆ Females stress more importance than males on ease of investing, recommendations from advisors and fund reputation.

IMPORTANCE OF FACTORS WHEN DECIDING WHAT TO INVEST IN



Older investors aged 55+ and/or have high investible assets (\$350K-\$1M) are more likely to value a recommendation from a Wealth Advisor, the reputation of the investment firm, and the ability to invest through a FI / Advisor.

Those that are very low / low risk takers tends to find recommendations from a Wealth Advisor, comfortable risk level, liquidity, and reputation as more important.

Base: Total respondents (n=910)
QA9. How important are each of the below when deciding on what to invest in?

2. Impact Investing



Almost half of Everyday Investors have a good understanding of impact investing in general. Though, their understanding of Purpose-Led investing is lower.

Those familiar with impact investing tend to be younger in general and Quebecers.

Older investors with higher levels of investible assets and/or working with an advisor is less likely to be familiar with impact investing.

There are hints in the verbatim comments that the term ‘impact’ may be confused with financial (positive) impact for the investors themselves. As such, avoiding this term in describing Purpose Led investments may in fact make it easier to understand.

When asked for words that come to mind when hearing the term impact investment, half could not provide a response

- ◆ The other half generally understands that it means investments that positively impacts society / communities but does not connect this with the idea of also generating a financial return for themselves.
- ◆ There is also some confusion with the term 'impact' as several interpreted this as investments with immediate / strong returns that likely have a high risk – i.e., financial impact to the investor.
- ◆ French Canadians focused more on environmental benefits when talking about impact investment than others.

QUOTES FROM THE HALF THAT GENERALLY UNDERSTAND 'IMPACT INVESTING'

It's an investment where you are making both a financial and generating another measurable benefit to a social or environmental cause

Un investissement qui aura des retombées sur un domaine respectueux des valeurs communautaires, durable et responsable

An investment that has a positive effect on areas pertinent to the common good such as the environment, for example

Maybe socially responsible investing? Investing in companies that have a triple bottom line/corporate social responsibility? Have a product that contribute positively to society or the environment?

Investing with purpose beyond monetary return

Investing in something like green energy sources that may have an impact on world issues

Investments made to effect some sort of change

Impact investments make me think that the money I'm investing is going to be put to good use. It will be beneficial to society and the environment

MISUNDERSTANDING THE TERM 'IMPACT'

Investing that makes an immediate financial impact

High risk with high reward potential.

Lots of bang for your buck

Fluid with strong returns

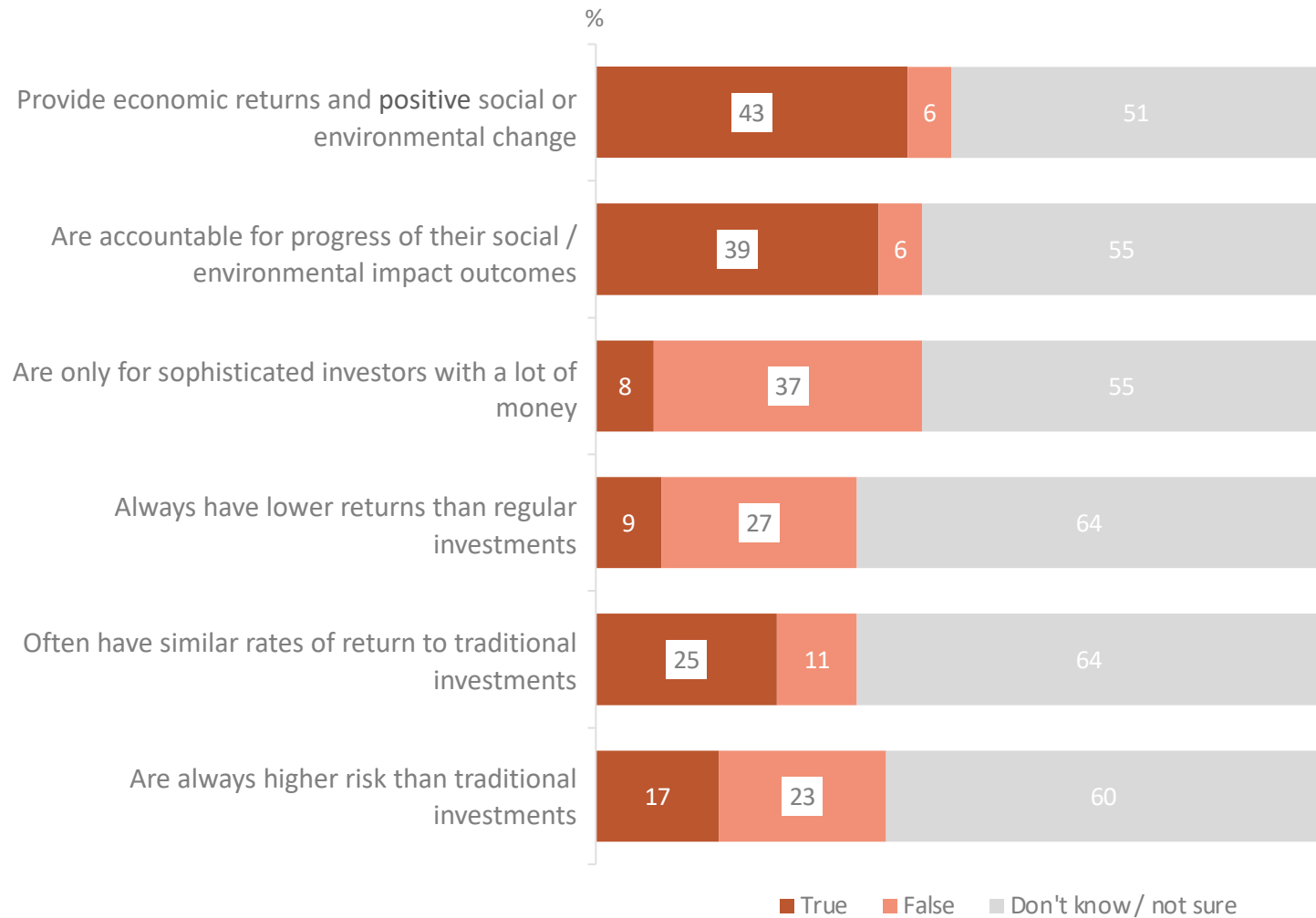
Base: Total respondents (n=910)

QB1. What words come to mind when you hear the term impact investing?

Aided understanding of impact investing

- ◆ Consistent with unaided understanding, when shown a list of statements about impact investing and asked to indicate whether each is true or false, half to two-thirds did not know what to answer.
- ◆ That said, the majority of those who were able to answer gave the correct one.
- ◆ French Canadians, younger investors and males were more likely than others to provide a correct response.
- ◆ Those who had little understanding of impact investing skewed to females, older investors (55+) with low risk tolerance and high reliance on advisors for investment recommendations.

RESPONDENTS WERE ASKED TO INDICATE IF EACH OF THE BELOW IS TRUE OR FALSE. CORRECT ANSWERS HAVE % SHOWN IN A WHITE BOX



Base: Total respondents (n=910)

QB2. Please indicate if each is a true or false reflection of impact investing.

Respondents were shown a description of each of Impact Investments and Purpose Led Investments (one at a time) then asked questions about each.

IMPACT INVESTMENTS DESCRIPTION (product referred to in questions as socially responsible, ethical and/or sustainable investments)

As you may or may not know, the term “Impact Investing” is often used interchangeably to reference a range of investments, including:

Socially Responsible Investing

Ethical Investing

Sustainable Investing

These involve actively removing or choosing **which companies to invest in** based on specific ethical guidelines. Investments are usually cashable, public mutual funds, ETFs or portfolios available through traditional sources (e.g., bank, investment firms). The general objective of this approach is to generate a financial return, do less harm and support a shift to more sustainable environmental, social and governance business practices.

Some examples of such investments are: NEI Ethical Growth Fund, Desjardins SocioTerra Portfolios, BMO Balanced ESG ETF.

PURPOSE LED IMPACT INVESTMENTS DESCRIPTION

Now we are going to ask you some questions about a less known, more specific type of impact investing we’ll call **Purpose Led Impact investing**.

These investments provide equity or debt to organizations, projects, or programs intentionally created to solve a social and/or environmental problem.

They are often longer-term, private investments you can make directly, **or** with investment funds run by expert fund managers who also have deep experience in the particular area of purpose (e.g., clean energy, affordable housing).

The objective of this approach is to create measurable high impact outcomes **and** to generate a financial return for investors.

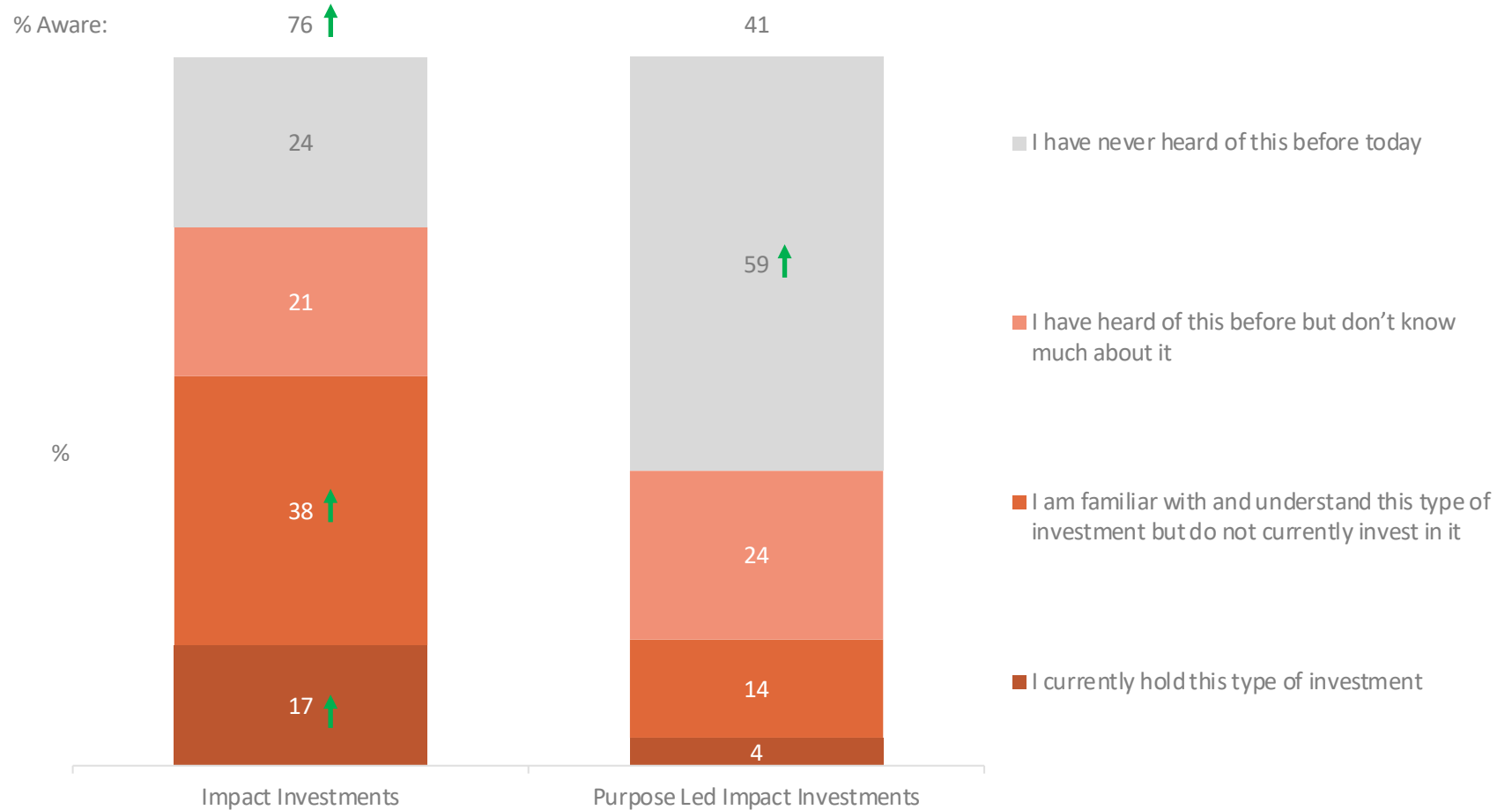
Some examples of such investments are: New Market Affordable Rental Housing Fund, CoPower Clean Energy Bond, Raven Indigenous Capital Partners.

Awareness, familiarity and usage

- ◆ Just over half of Everyday Investors are familiar with Impact Investments, and 17% are currently holding this type of investment.
- ◆ Awareness and familiarity of Purpose Led Impact Investments are significantly lower, with less than 1 in 5 that are familiar and only 4% that are currently holding this type of investment.
- ◆ There is a direct relationship between awareness and/or holding Impact Investments and awareness/usage of Purpose Led Investments – 16% of those holding Impact Investments also hold Purpose Led (versus 1% among others).

Base: Total respondents (n=910)
 QB3. Based on this description, please select which response best applies to you.
 QC3. Based on this description, please select which response best applies to you.

AWARENESS, FAMILIARITY AND USAGE



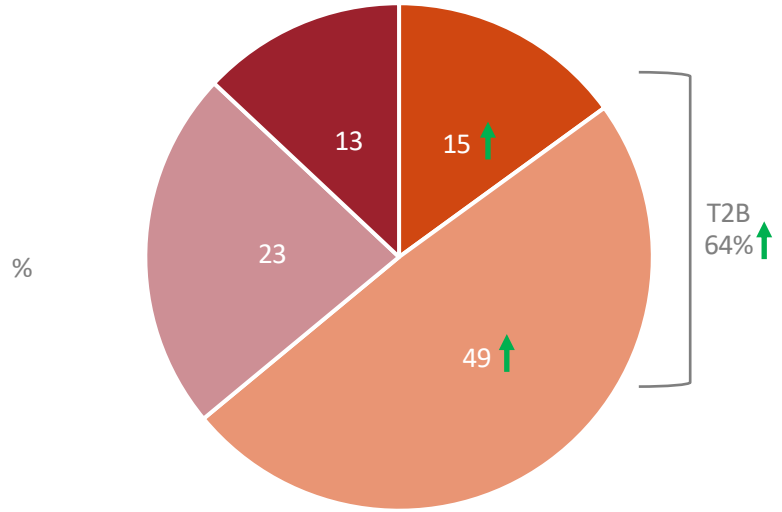
It is interesting to note those in Quebec are most likely to hold Impact Investments and are more likely to be aware of Purpose Led Impact Investments than other regions. This explains the stronger understanding of these funds among Quebecers.

↑ Significantly higher than other group @ 95% confidence level

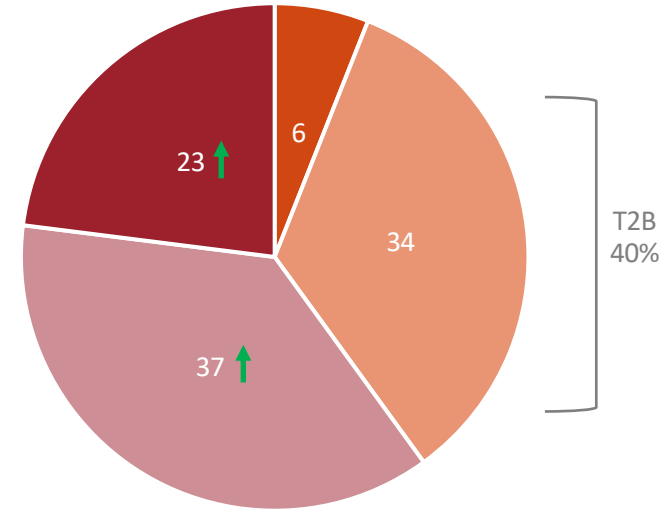
Consideration among non-current holders

- ◆ Just over 2 in 3 would be likely to invest in Impact Investments, although interest is soft as most are only 'somewhat likely' to invest.
- ◆ Consideration of Purpose Led Impact Investments is lower, with 4 in 10 likely to invest.
- ◆ Younger investors (with investible assets of \$25K-\$350K, aged 18-34, and/or living in urban / suburbs) and females are slightly more interested in both investments.

IMPACT INVESTMENTS



PURPOSE LED IMPACT INVESTMENTS



■ Very likely ■ Somewhat likely
■ Not very likely ■ Not likely at all

Awareness and familiarity with these investments helps boost consideration for both investments

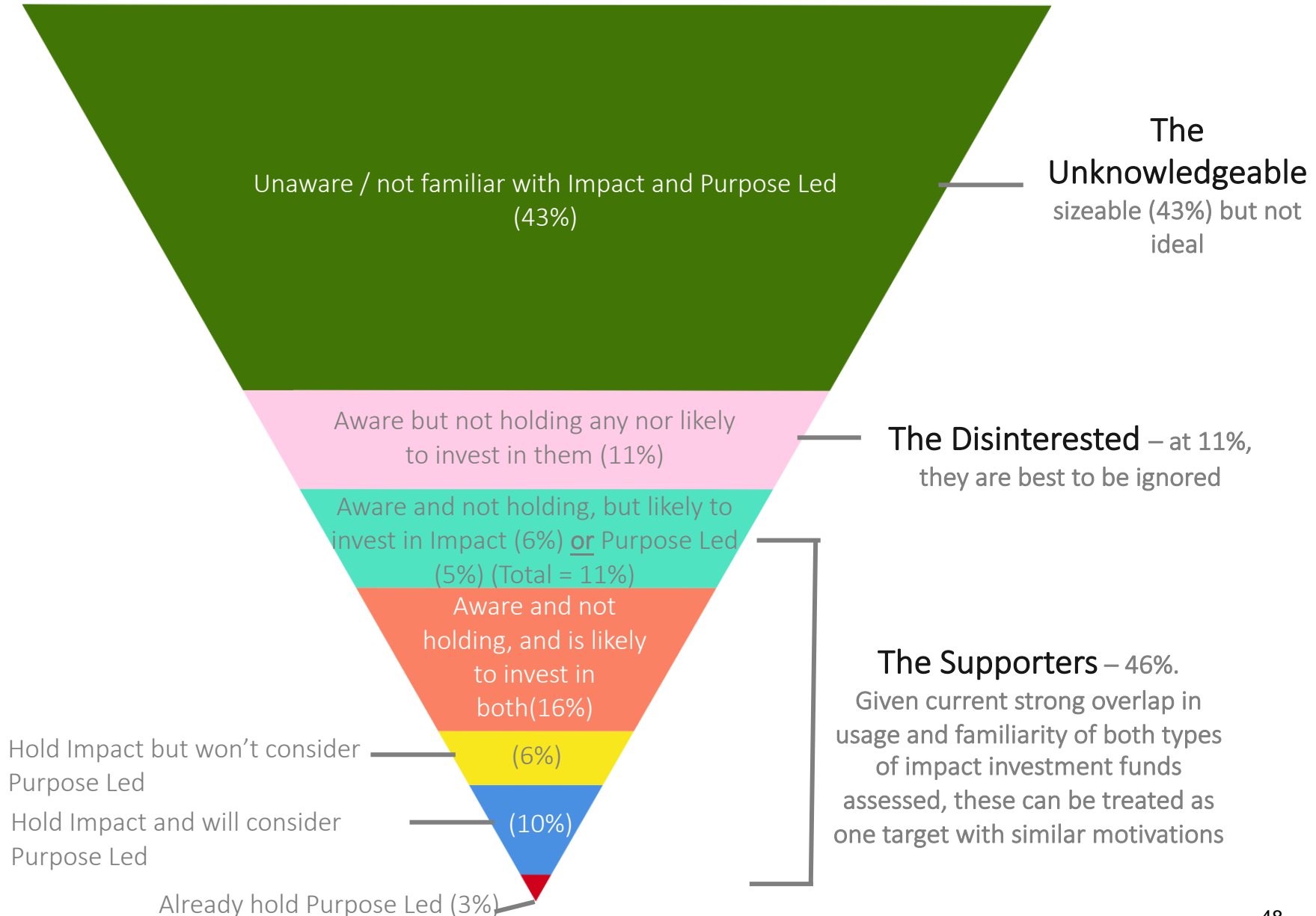
% Very likely to invest	Familiar and do not hold	Aware but don't know much	Not aware
Impact Investments	22%	12	9
Purpose Led Impact Investments	17%	5	3

Those that are very high / high risk takers with multiple investment products are more likely to consider investing in Purpose Led Impact Investments.

↑ Significantly higher than other group @ 95% confidence level

Base: Respondents do not currently hold (n=753)
 QB4a. How likely is it that you would invest in socially responsible, ethical, and/or sustainable investments?
 Base: Respondents do not currently hold (n=875)
 QC4a. How likely do you think you would invest in such Purpose Led Impact investments?

To better size the opportunity and strategies for the new funds, we segmented Everyday Investors along understanding of, consideration for, and current usage of impact investing options.





Based on the data, *The Supporters* (46% of Everyday Investors) represent the key target given their profile, attitudes towards risk and investing, affinity for the greater good and an existing general understanding of impact investing. The next few slides describe this segment.

The Unknowledgeable tend to be older investors with low current investible assets and are very risk averse. They are also not knowledgeable of impact investing. This suggests that despite their size (43% of Everyday Investors), the cost of conversion will outweigh the benefits.

The Disinterested are best to be ignored. They are a small segment (11% of Everyday Investors) that are older (4 out of 10 are 55 years or older) and close to three quarters prefer to make their own choice of investments even when working with an advisor. 72% of this segment live in Alberta or BC.

The Supporters



Demographic profile makes them easy to target

- ◆ Young with highest incidence (38%) being 18 – 34 years old
- ◆ Slightly skew male
- ◆ Emerging investor with the majority (39%) already having \$100K - \$300K investible assets
- ◆ Over a third (34%) read financial newspapers/magazines and close to half (44%) get information from financial websites/blogs/podcasts
- ◆ 27% volunteer regularly and 35% volunteer occasionally

Interested in the Greater Good

- ◆ Almost all (94%) currently donate to and/or volunteer with non-profits
- ◆ Twice as likely as others to claim personal interest in areas of investment is a very important choice driver (27%)
- ◆ Have stronger understanding of impact investing

HIGH Risk Tolerance

- ◆ The majority claim to be average to above average risk takers
- ◆ Two-thirds feel having a risk level they are comfortable with is very important when deciding on investments
- ◆ Are statistically significantly more likely to agree that they feel at ease investing (58%), risk = opportunity (47%), understand investing (66%) and comfortable taking large investments for large returns (36%)

Uses various information sources

- ◆ 63% have a professional advisor they deal with on a regular basis
- ◆ 69% are likely to use an online platform that provides access to invest in Purpose Led Impact Investments, which is significantly higher than Unknowledgeable and Uninterested audiences

Open to Diversified Portfolio

- ◆ A third (29%) hold 4 – 6 different types of traditional investments
- ◆ Just over half (53%) hold publicly traded stocks. Twice as likely to hold Alternative Investments and Crowd Funding or similar investing compared to others.
- ◆ 38% already hold Impact and 9% already hold Purpose Led investments

Motivators and barriers for impact investing

◆ Motivators and barriers were analyzed via assessment of:

- Unaided verbatim comments for reasons likely to consider/not consider investing in Impact Investments and Purpose Led Investments.
- Agreement on a series of factors related to how these investments work.
- Importance of different drivers in choosing impact investing.
- Areas of interest that Purpose Led investments can impact.

KEY BARRIERS

While *Supporters* have much stronger understanding of Impact Investments than those unknowledgeable and uninterested, lack of understanding / education remains a barrier and is one of the most important factors when deciding on any investment.

Less than half know that Impact Investments often have similar returns as traditional investments and is not always higher in risk than traditional investments.

Need for proof-points related to the investments' returns delivering on the promised social/environmental benefits.

Reputation of funds and regular reporting on performance / impact are important drivers reflecting some key 'proof-points'.

KEY MOTIVATORS

Having a risk level that investors feel comfortable with. For *Supporters* this is twice as important as having high positive returns or liquidity.

You can capitalize on an already existing belief among *Supporters* that investments that do good for people/society/environment will perform well over time.

Alignment with personal interests/causes that are important to *Supporters*. These include:

- Generating impact in Canada (less so globally)
- Environmental impact (clean energy, water, environment)
- Better health including sustainable agriculture and better food access

AREAS TO ADDRESS CAREFULLY

Wealth Advisors playing the role of educator will work better than a recommender given the higher financial savviness of *Supporters* and their lower reliance on Advisors' recommendations.

Purpose Led Investments impacting niche areas or groups are not necessarily interesting to all. Rather customize targeting and communications of funds impacting areas such as women, Indigenous, lower income, new immigrants, etc.



The barriers and motivators outlined on the previous slide are primarily functional.

However, the verbatim comments describing barriers and motivators included emotional words and phrases.

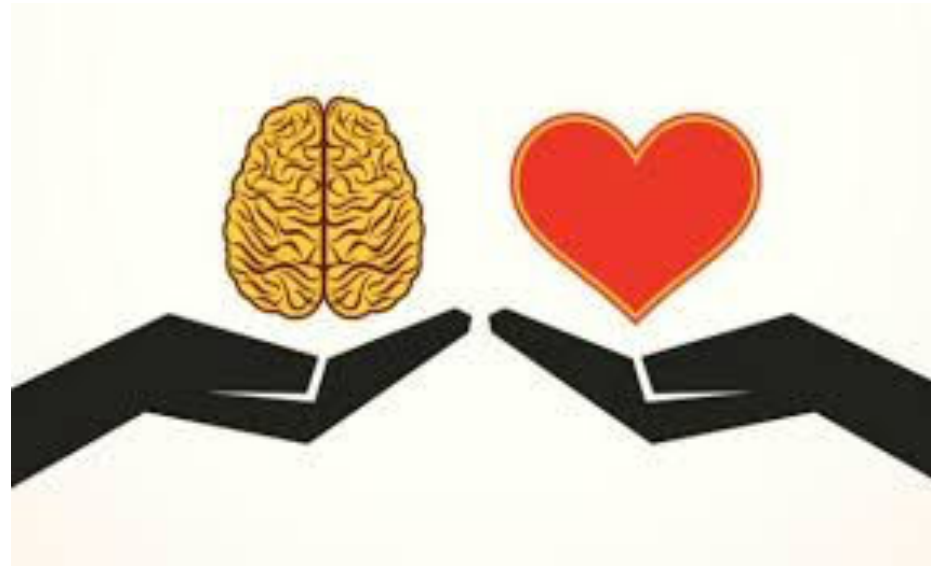
The following slide summarizes key emotional spaces reflected in the verbatim. These can be the basis for the tone of communications around Purpose Led Investments.

INVESTMENTS THAT REFLECT...

- ◆ My views on the world
 - ◆ My moral values
 - ◆ My ethics
- ◆ My philosophies

FEEL GOOD

- ◆ Feel good about myself
- ◆ Investments that make me feel good
 - ◆ It's like being on the positive side of the fence



DOING WHAT'S RIGHT

- ◆ It's the right thing to do
- ◆ It's the moral thing to do
- ◆ Helping those in need

A BETTER FUTURE

- ◆ Helps build a better future
- ◆ Builds a better world

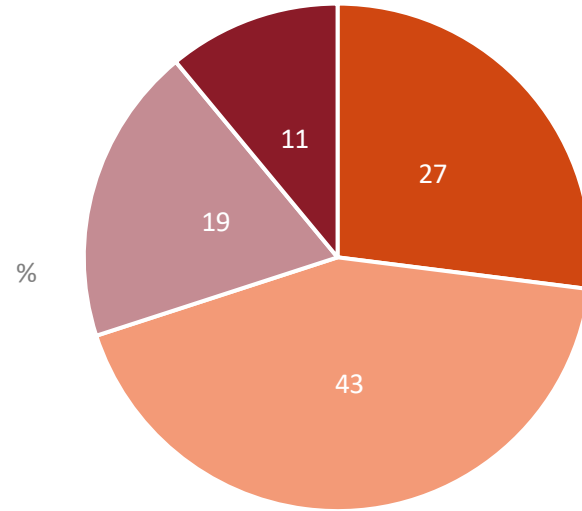
When asked for interest in an online portal to browse and educate themselves on Purpose Led investments or to invest directly, intent to use is stronger for browsing /education.

Over half of *Supporters* were very interested in such a portal for browsing and education versus less than a fifth of *Unknowledgeable*. Levels of very likely to use the portal for education among those not likely to invest in impact/purpose-led investments is minimal (2%).

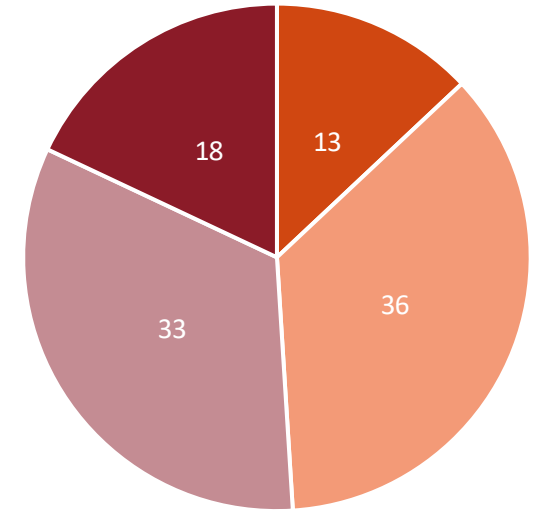
Using it for investing is best positioned as a ‘one-stop-shop’ for both learning and investing.

“I think investments can be daunting but if all the information is accessible and clear online, and if investing is simple and straightforward online, more people, especially young people who tend to be passionate about these issues, will be more inclined to invest their money in Purpose Led Impact Investments.”

BROWSE AND EDUCATE



USE TO INVEST



■ Very likely ■ Somewhat likely ■ Not very likely ■ Not likely at all

Just over two thirds who are likely to use the portal to browse and educate are also likely to use it to invest

	%	Likely to browse portal	Not likely to browse portal
Very / somewhat likely to use portal to invest	68↑	5	
Not very / not likely at all to use portal to invest	32	95↑	

↑ Significantly higher than other group @ 95% confidence level

3. Interest In 7 Key SIFs

Respondents were presented each of the following 7 funds, one at a time, and asked for their likelihood to invest in each and why/why not

FUND A	A fund that invests in preserving and building affordable housing for Canadians	Risk: Medium/High (investing at an early stage of development) Target Annual Returns: 14-17% Type: Debt (loans) Investment horizon / hold: 5-7 years
FUND B	A fund that invests in preserving and building affordable housing for Canadians	Risk: Medium * 50% of principal guaranteed by Government of Canada Type: Equity (ownership) Target Annual Returns: 6.5% Target Annual Dividend Distributions: 4.5% Investment horizon / hold: 10 years
FUND C	A fund that loans to not-for-profits and social enterprises across Canada to enable their mission of providing long-term community benefits.	Risk: Low Type: Debt (fixed income) Target Annual Returns: 3.5% Investment horizon / hold: 5 years
FUND D	A developer and manager of place-based, Canadian impact funds that invest in businesses and social ventures that generate a positive social and/or environmental benefit in their community or region aligned with the UN Sustainable Development Goals.	Risk: Medium-High Type: Equity (ownership) Target Annual Returns: 6-15% Investment horizon / hold: 8-10 years
FUND E	A place-based Canadian loan fund that invests in businesses and social ventures that address challenges in environment, social issues, local food security, culture and other public benefit missions.	Risk: Medium Type: Debt (fixed income) Target Annual Returns: 4.5-5% Investment horizon / hold: 7-10 years
FUND F	Purpose-driven venture capital firm that invests in innovative, scalable Indigenous-led and owned enterprises.	Risk: High Type: Equity (ownership) Target Annual Returns: 7% Investment horizon / hold: 5-7 years
FUND G	Green Bonds that support loans to clean energy projects in Canada, offered through an online investment platform.	Risk: Medium Type: Debt (fixed income) Target Annual Returns: 3-5% Target Distributions: Quarterly interest payments, or interest compounded quarterly Investment horizon / hold: 3-6 years



Both funds that invest in affordable housing across Canada had the highest likelihood to invest in. This is driven primarily by tackling an issue that is relevant to many and generates impact across Canada (with the latter a key motivator for Purpose Led investments).

The levels of *very* likely to invest in each of the two affordable housing impact funds were identical despite difference in risk levels. Lower risk increased the level of those *somewhat* likely to invest.

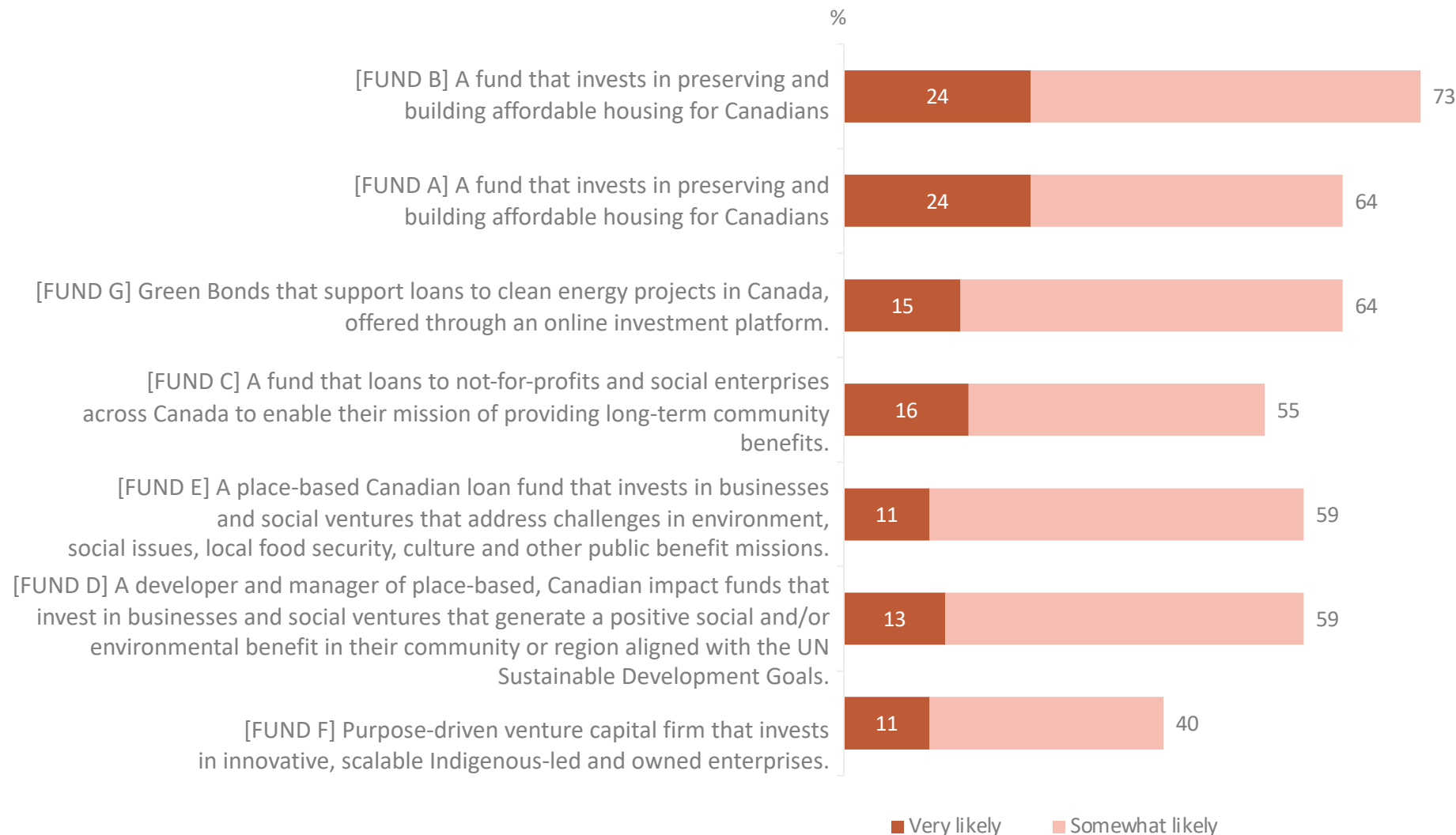
The Green bond for clean energy also generated good levels of likelihood to invest in line with an area that is important to *Supporters*. Also, this fund's presentation was specific.

Other funds presented had lower interest in line with the identified barriers – high risk, lack of clarity/specificity/proof points of impact area, and niche focused (e.g., indigenous, UN sustainable goals).

Likelihood to invest in the 7 Key SIFs

- ◆ Likelihood to invest across all funds is soft with the majority of those interested being 'somewhat likely' to invest based on the description shown.
- ◆ Likelihood to invest will most likely further increase with education about Purpose Led investments and addressing barriers around this.
- ◆ This is supported by seeing over a third of those few currently holding Purpose Led investments claiming to be very likely to invest in each of these funds.

LIKELIHOOD TO INVEST AMONG SUPPORTERS



Base: Supporters (n=411)

QD1. Based on what you just read, how likely is it that you would invest in this?

Motivators and Barriers for each fund

- ◆ These are based on analysis of verbatim comments

	FUND A	FUND B	FUND C	FUND D
Motivators	<ul style="list-style-type: none"> ◆ Good returns ◆ The cause is important to me personally ◆ Fair hold time ◆ Housing crisis and need is easy to understand and relate to 	<ul style="list-style-type: none"> ◆ Feels safe since it is guaranteed by the government ◆ The cause is important to me personally/can relate to ◆ Fair risk and returns ◆ Like that there are dividends 	<ul style="list-style-type: none"> ◆ Low risk ◆ Short hold time ◆ Secondary motivator is the social responsibility aspect of this fund 	<ul style="list-style-type: none"> ◆ Good returns ◆ Manageable risk ◆ Secondary motivator is positive impact on the community
Barriers	<ul style="list-style-type: none"> ◆ Risk is too high ◆ Investment horizon too long for older/retired investors 	<ul style="list-style-type: none"> ◆ Hold time is too long 	<ul style="list-style-type: none"> ◆ Low rate of returns 	<ul style="list-style-type: none"> ◆ Risk is too high ◆ A few are skeptical about the UN Sustainable Development Goals

	FUND E	FUND F	FUND G
Motivators	<ul style="list-style-type: none"> ◆ Fair risk and return 	<ul style="list-style-type: none"> ◆ Interested in supporting indigenous communities ◆ Good return 	<ul style="list-style-type: none"> ◆ Interested in sustainability / environment ◆ Short hold time ◆ Low risk
Barriers	<ul style="list-style-type: none"> ◆ Low returns ◆ Long hold time 	<ul style="list-style-type: none"> ◆ Risk is too high 	<ul style="list-style-type: none"> ◆ Low returns ◆ Some mentions risk is too high

Base: Total respondents (n=910)

QD2a. Why are you likely to invest in this particular impact investment?

QD2b. Why are you not likely to invest in this particular impact investment?



Appendices

Respondent profile

	%	TOTAL
		n=910
Age		
18-34	35	
35-54	27	
55+	38	
Gender		
Male	56	
Female	43	
Other	1	
Prefer not to answer	<0.5	
Province		
Quebec	20	
Ontario	36	
Alberta	12	
British Columbia	15	
Manitoba	6	
Saskatchewan	5	
Maritimes	6	
Language		
English	86	
French	14	
Investment Decision Maker		
Primary	54	
Equal with someone else	46	

	%	TOTAL
		n=910
Donation & Volunteering Behaviour		
Donate monthly (to charities / nonprofits / political parties)	31	
Donate occasionally	64	
Volunteer regularly	24	
Volunteer occasionally	32	
None of the above	10	
Employment Status		
Self-employed / contract worker / entrepreneur	12	
Employed full time / part time	60	
Unpaid Worker (caregiver, parenting, volunteer, etc.)	2	
Unemployed	4	
Retired	25	
Area of Residence		
Urban city centre	39	
Suburbs	36	
Town / Rural area	25	

	%	TOTAL
		n=910
HHD Income		
<\$60,000	14	
\$60,000 to less than \$100,000	28	
\$100,000 to less than \$150,000	31	
\$150,000 or more	26	
HHD Net Worth		
<\$250,000	23	
\$250,000 to less than \$500,000	21	
\$500,000 to less than \$1,000,000	25	
\$1,000,000 to less than \$3,000,000	25	
\$3,000,000 or more	3	
HHD Total Investable Assets		
\$25,000 to less than \$100,000	34	
\$100,000 to less than \$350,000	36	
\$350,000 to less than \$1,000,000	30	

Base: Total respondents
Multiple questions: QS1, QS2, QS3, QS4, QS5, QS6, QE1, QE2, QE3, QE4, QE5

Respondent profile by investable assets

	%	\$25K-100K	\$100K-350K	\$350K-1M
		n=312	n=329	n=269
Age				
18-34	48 ↑	39	14 ↓	
35-54	25	31	24	
55+	27	30	62 ↑	
Gender				
Male	53	57	58	
Female	46	42	42	
Other	1	1	<0.5	
Prefer not to answer	<0.5	-	-	
Province				
Quebec	21	23	16	
Ontario	37	33	39	
Alberta	13	13	10	
British Columbia	13	14	18	
Manitoba	5	5	7	
Saskatchewan	5	4	5	
Maritimes	6	8	4	
Language				
English	85	84	89	
French	15	16	11	
Investment Decision Maker				
Primary	63 ↑	50	49	
Equal with someone else	38 ↓	50	51	

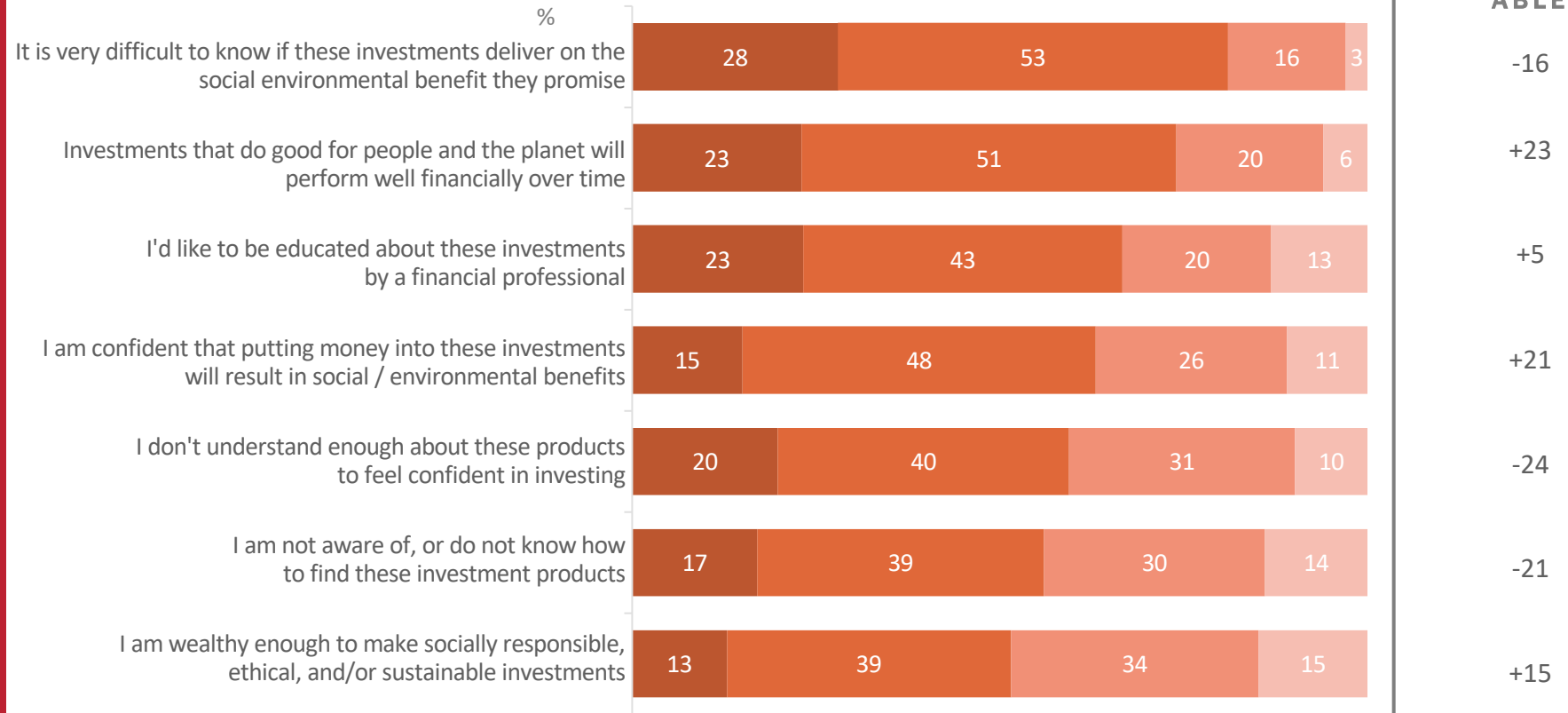
	%	\$25K-100K	\$100K-350K	\$350K-1M
		n=312	n=329	n=269
Donation & Volunteering Behaviour				
Donate monthly (to charities / nonprofits / political parties)	27	32	36	
Donate occasionally	64	66	62	
Volunteer regularly	21	24	26	
Volunteer occasionally	28	34	33	
None of the above	11	10	10	
Employment Status				
Self-employed / contract worker / entrepreneur	10	12	14	
Employed full time / part time	67	67	44 ↓	
Unpaid Worker (caregiver, parenting, volunteer, etc.)	3	2	2	
Unemployed	5	4	1 ↓	
Retired	19	18	40 ↑	
Area of Residence				
Urban city centre	45	41	30 ↓	
Suburbs	34	36	39	
Town / Rural area	21	23	31 ↑	

	%	\$25K-100K	\$100K-350K	\$350K-1M
		n=312	n=329	n=269
HHD Income				
<\$60,000	27 ↑	8	6	
\$60,000 to less than \$100,000	36 ↑	21	26	
\$100,000 to less than \$150,000	27	40 ↑	25	
\$150,000 or more	9 ↓	30	42 ↑	
HHD Net Worth				
<\$250,000	47 ↑	19	<0.5 ↓	
\$250,000 to less than \$500,000	26	30	6 ↓	
\$500,000 to less than \$1,000,000	16 ↓	30	28	
\$1,000,000 to less than \$3,000,000	6 ↓	16	58 ↑	
\$3,000,000 or more	1	3	6	

↑↓ Significantly higher / lower than all other groups @ 95% confidence level

Aspects related to Impact Investments

AGREEMENT AMONG TOTAL SAMPLE



STRONGLY AGREE GAP SUPPORTERS- UNKNOWLEDGE ABLE

■ Strongly agree ■ Somewhat agree
■ Somewhat disagree ■ Strongly disagree

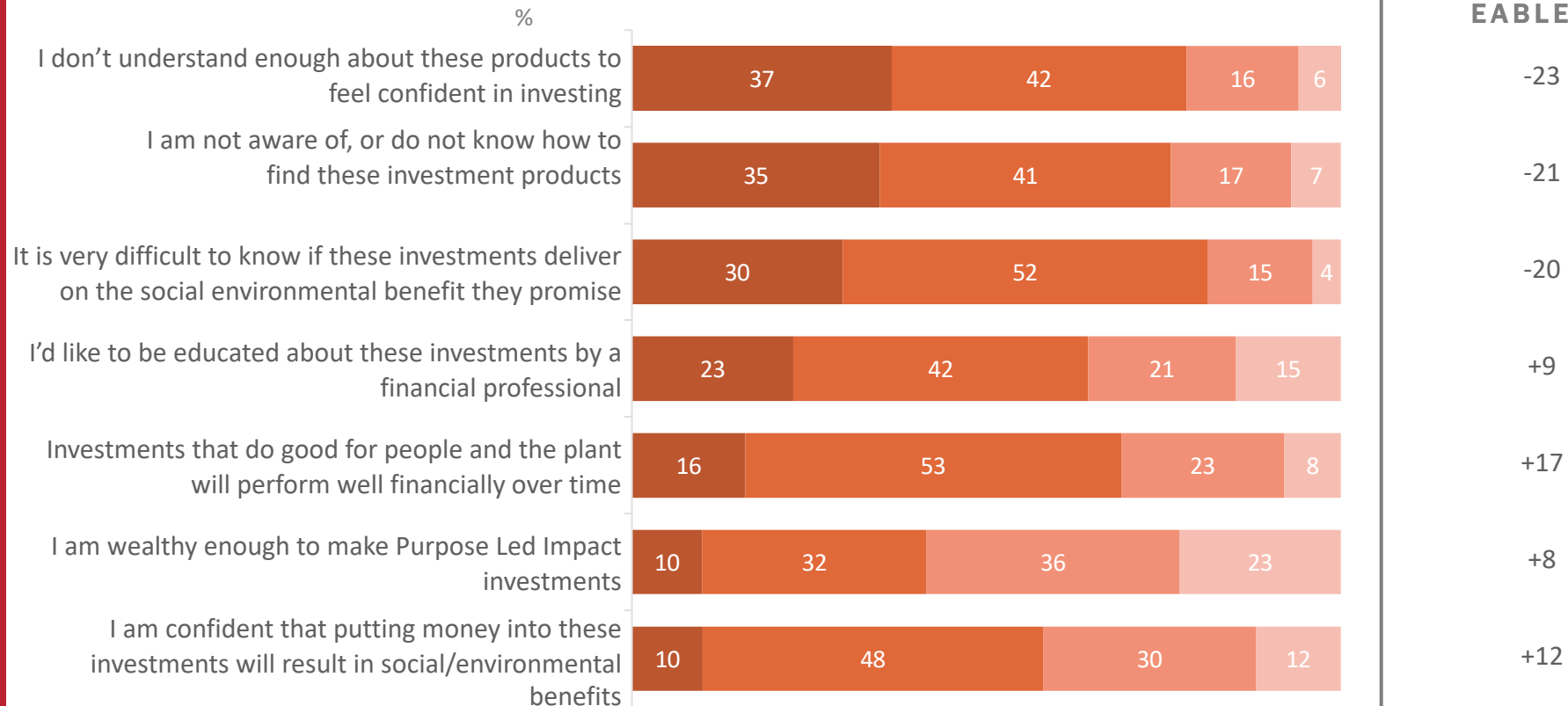
% Strongly agree	Likely to invest in Impact Investments	Not likely to invest in Impact Investments
I'd like to be educated about these investments by a financial professional	31 ↑	7

↑ Significantly higher than other group @ 95% confidence level

Base: Total respondents (n=910)
 QB5. Still thinking of these socially responsible, ethical, and/or sustainable investments, how much do you agree or disagree with the following statements?

Aspects related to Purpose Led Impact Investments

AGREEMENT AMONG TOTAL SAMPLE



% Strongly agree	Likely to invest in Purpose Led	Not likely to invest in Purpose Led
I'd like to be educated about these investments by a financial professional	38↑	13

■ Strongly agree
■ Somewhat agree

Base: Total respondents (n=910)
QC5. Still thinking of these Purpose Led Impact investments, how much do you agree or disagree with the following statements?

Key decision drivers for Impact Investing

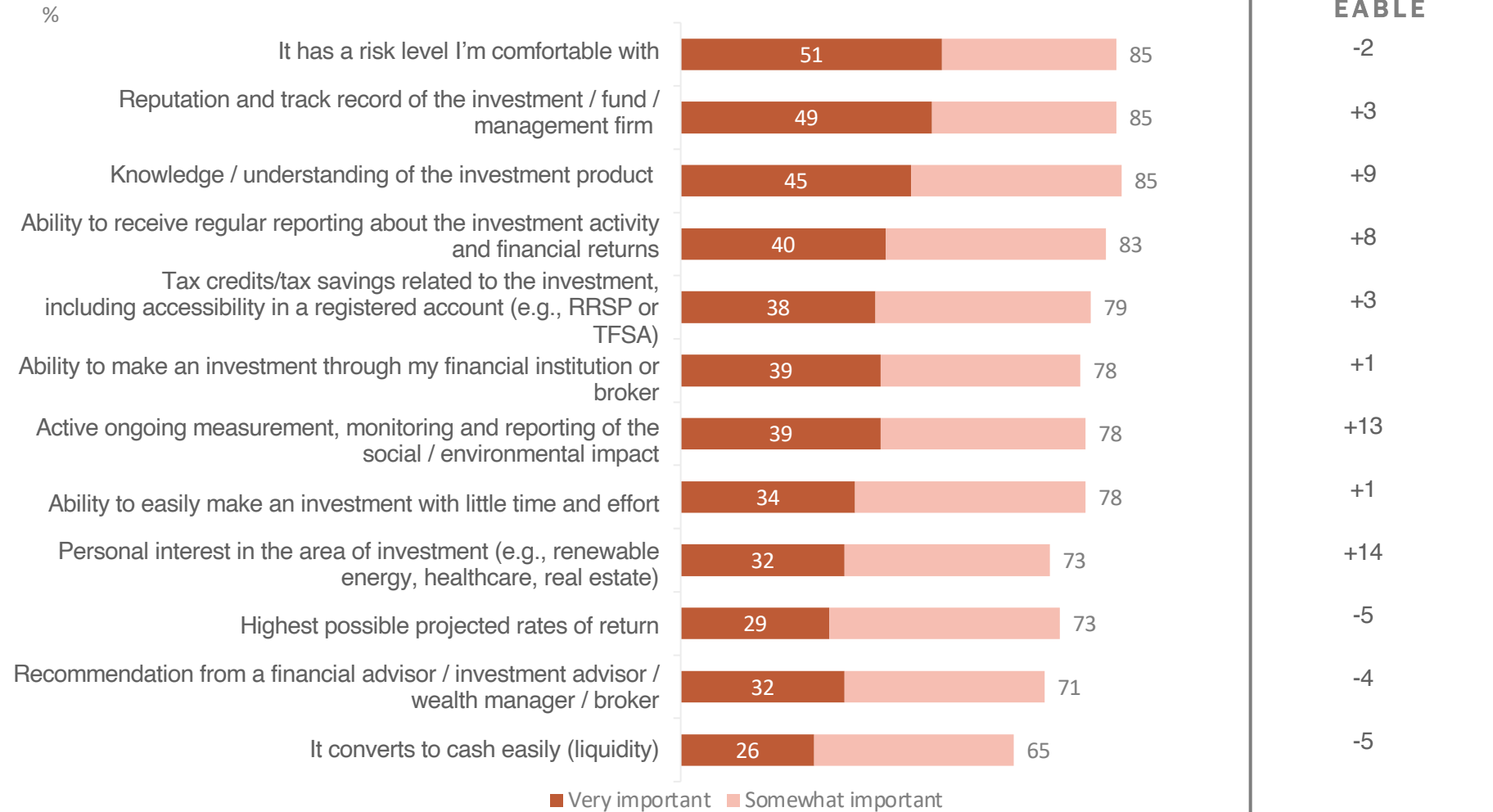
IMPORTANCE OF FACTORS WHEN DECIDING ON INVESTING IN IMPACT INVESTMENTS



QB6. How important are each of the below when deciding on investing in these socially responsible, ethical, and/or sustainable investments?

Key decision drivers for Purpose Led Investments

IMPORTANCE OF FACTORS WHEN DECIDING ON INVESTING IN PURPOSE LED INVESTMENTS



Reasons to invest in Impact Investments

Verbatim Comments

I like the idea of my investments supporting positive societal change, or that I am not investing unknowingly in a corrupt/detrimental/irresponsible company

Because I am old and my children and grandchildren and the health of the planet are far more important to me than % growth.

I try to spend money as ethically as possible - I try not to shop from companies if I don't agree with their values and business practices, so I would consider extending this to investments as well.

I like the idea that my money could help fund causes that would be beneficial to the world

Moral obligation

I want my money to contribute to the development of the community and our environment. It is a moral and individual responsibility to contribute to our community.

Wealth comes at a cost to our environment, and I wish to encourage and support companies that are doing what they can to be as sustainable as possible

It is an easy way to align my financial and social interests.

I would feel better knowing that I was investing in something that was generating positive social or environmental change.

Ease of conscience, feel good about investing in something that may impact the planet

It would have to relate to a cause I believe in and align with my investment goals.

It seems like the moral thing to do.

Reasons to invest in Purpose Led Impact Investments

Verbatim Comments

I like to have investments aligned with a particular purpose

This is a concrete way to have a positive impact on society, which fits with my values.

To meaningfully contribute to a cause which is important to me.

Want some of my investments to 'pay it forward'

It would be good to invest in specific things that I care about

I like the social responsibility angle.

Diversify my portfolio while hopefully supporting businesses and organizations that looking to 'do good'.

I like the idea of my money going towards specific measurable causes

Sounds interesting and potential for growth

The opportunity to help an organization while still getting a return

The opportunity to help an organization while still getting a return

An opportunity to diversify and feel good about my investment

Reasons not to invest (aligned for both Impact and Purpose Led investments)

Verbatim Comments

SKEPTICISM

I think it is for fools. It is nothing but virtue signaling and will cost me returns in the long run and will likely achieve none of its goals

As previously indicated I would uncouple investing decisions from marketing promises of social good, as I can not ensure that these funds will actually drive beneficial changes and may in fact be a form of “green washing”

COMMON MISCONCEPTIONS

I want to make money. This sounds like it’s for people whose primary focus is on something other than that

Sounds like a high risk low reward venture. Would have to see some examples of sustainable models

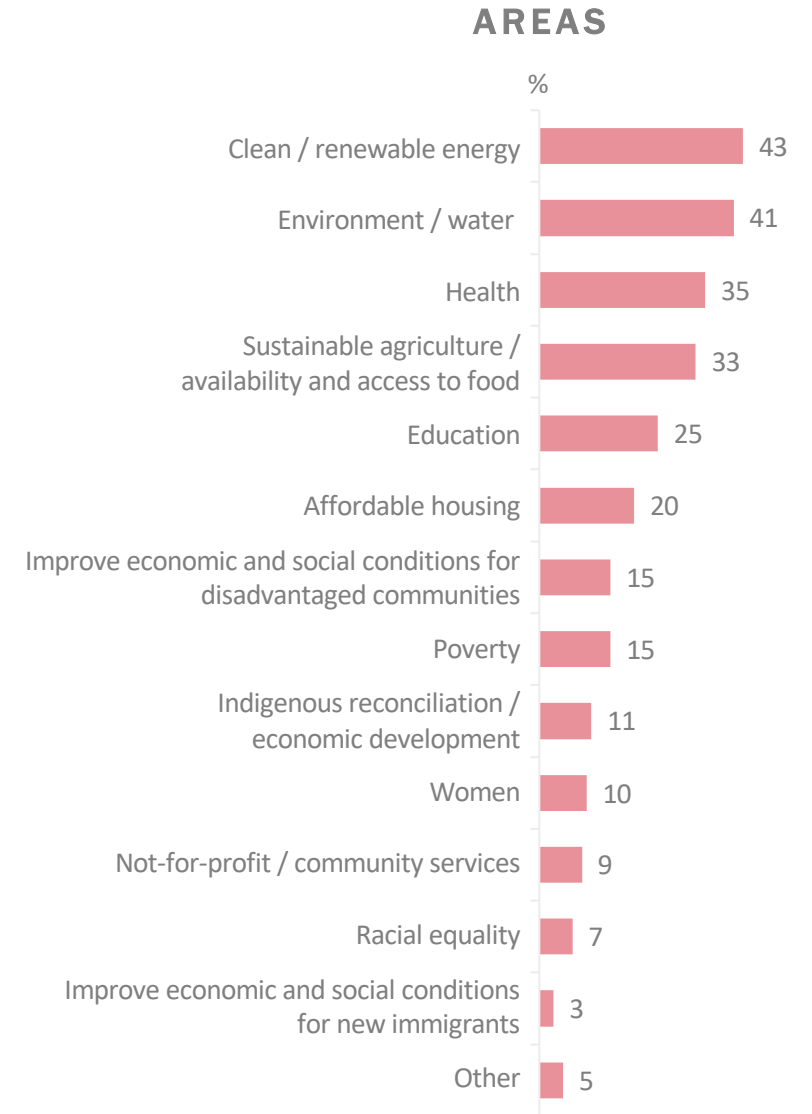
HAPPY WITH EXISTING PORTFOLIO

My investments are already in place, and I don’t want to change anything.

At our age, 69 & 74, we are not looking to invest and hold for a long period of time. I am unfamiliar with this investment option, but if it is a buy and hold instrument, it is not a good fit for us.

Base: Respondents not likely to invest (n=268)
QB4c. Why are you not likely to invest in this type of investment?
Base: Respondents not likely to invest (n=526)
QC4c. Why are you not likely to invest in this type of investment?

Regions / areas of interest



Those aged 18-34 and/or females are more likely to be interested in making a difference in their local community compared to those who are older and/or male

Female investors are more interested in impacting affordable housing and women, whereas males are more interested in clean / renewable energy.

Base: Total respondents (n=910)
 QC7. If you were to invest in Purpose Led Impact investments, which of the following areas would you prefer these investments to make an impact on?
 QC8. Which of these would you prefer Purpose Led Impact investments to have an impact on?

Reasons to use an online portal

INTERESTED IN LEARNING MORE

The concept sounds interesting to me and something I would like to be educated about in more detail.

I would like to find out more about this type of investing and having the opportunity to invest online would be great

I am curious to learn more about what it is and how success is measured and what investment options exist in Canada.

This sounds like an exciting, worthwhile opportunity. I look forward to researching this more

CENTRALIZED + ONE STOP SHOP

Having a one stop shop to education and knowledge on Purpose Led Impact Investments would make things more transparent and easy to use

I think investments can be daunting but if all the information is accessible and clear online, and if investing is simple and straightforward online, more people, especially young people who tend to be passionate about these issues, will be more inclined to invest their money in Purpose Led Impact Investments.

Helpful to have a central source for information. Could then look into specifics for certain options.

Using a platform like wealthsimple for this type of investing would make it convenient.

Reasons not to use a portal

NOT INTERESTED IN THIS INVESTMENT

Because I don't want to invest in social causes through commercial investment instruments

I would rather stick with a traditional, more broadly diversified portfolio.

PREFER SPEAKING WITH AN ADVISOR

Because I think it might be biased (aimed at giving it a more favorable light than might be based on truth). I would rather present it to my own advisor to hear his opinion on it and discuss it also with a retired financial advisor friend.

I prefer to listen to the advice of an advisor before making investment choices.

DO NOT WANT ANOTHER ACCOUNT

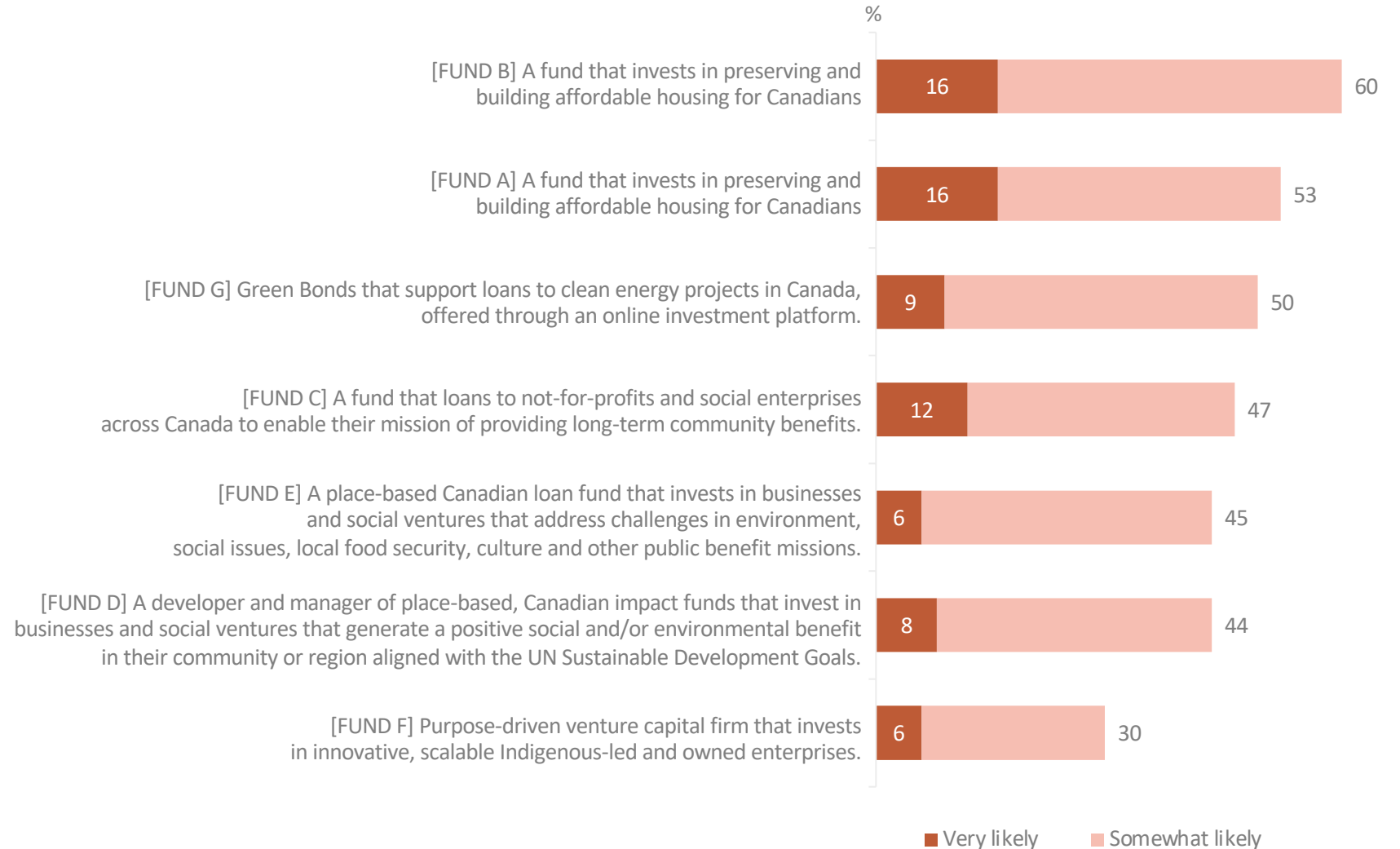
I want to use existing platforms to invest. I have too many accounts already

Well served by my current discount brokerage and not looking to open new accounts. The asset would need to be available for me to purchase via my existing discount brokerage or offer an extremely compelling case (ie return) for open a new account elsewhere.

Base: Respondents unlikely to browse and educate (n=153), unlikely to invest (n=218)
 QC11. [ASK AT RANDOM FOR ONE OF QC9/QC10, KEEP ON SAME PAGE AS QUANT QUESTION] Why did you give this rating?

Likelihood to invest in New Funds

LIKELIHOOD TO INVEST AMONG TOTAL SAMPLE



Base: Total respondents (n=910)
 QD1. Based on what you just read, how likely is it that you would invest in this?

Thank you

For more information please contact:

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