

IFIC's Year in Review

August 2019 – July 2020



IFIC

THE INVESTMENT
FUNDS INSTITUTE
OF CANADA

L'INSTITUT DES FONDS
D'INVESTISSEMENT
DU CANADA

Agenda

- About IFIC
- Policy Initiatives
- Advocacy Efforts
- Research and Statistics
- Tools and Initiatives
- Conclusion

About IFIC

About IFIC

- IFIC aims to strengthen the integrity of the investment funds industry, foster public confidence in investment funds, and enable investors to achieve good outcomes.
- Approximately 150 member firms including fund managers, dealers, professional and back-office service providers
- Members represent 84% of retail mutual fund AUM, 86% of ETF AUM
- Primary role is public policy advocacy and response, research, industry sales & asset data collection and reporting, resources for investors, advisors and firms.
- Broad membership provides unique perspectives on issues and access to expertise
- Policy positions are evidence-based, through the use of in-house and independent research
- Institute of Financial Services Education (IFSE) provides financial services education

IFIC's Policy Initiatives

Key Policy Submissions

- **CSA National Electronic Systems Renewal Project**
 - Leading advocacy to support timely completion of a critical capital markets infrastructure project
 - Renewal of national filing systems has potential to improve the user experience and reduce regulatory burden
- **Reducing the regulatory burden for investment fund issuers**
 - Responded to CSA request for comment with a number of recommendations
 - Recommendations included reassessing and streamlining all aspects of investment fund disclosure; eliminating the requirement to annually renew and file a prospectus; and removing duplicative information within and across disclosure documents

Key Policy Submissions

- **Restrictions on the use of deferred sales charges option for mutual funds**
 - Responded to OSC request for comment with a number of proposed recommendations intended to help alleviate financial hardship for investors in light of the COVID-19 pandemic
- **Enhanced protection of older and vulnerable investors**
 - Responded to CSA request for comments with recommendations to help advisors working with clients facing cognitive decline or financial exploitation
 - Recommended a safe harbour for representatives and dealers who rely on temporary hold provisions

IFIC's Advocacy Efforts

IFIC's Advocacy Efforts – Regulators

- Ongoing extensive collaboration with provincial regulators and self-regulatory organizations
- FSRA consultation on titles
- Annual meeting with CSA Investment Funds Committee

IFIC's Advocacy Efforts – Governments

- Multiple meetings with elected and unelected officials:
 - Ontario
 - Quebec
 - Capital Markets Modernization Taskforce
- Presentation to Standing Committee on Finance and Economic Affairs
 - Proposals on modernization of Ontario Securities Act, title reform and OSC power to issue blanket orders

IFIC Advocacy Efforts – Governments

IFIC Briefing Breakfast at Queen's Park

- On December 5, 2019, IFIC hosted its first Briefing Breakfast
- IFIC senior management and members of the Board of Directors provided Ontario MPPs with an overview on the investment funds industry
- Highlighted recent regulatory initiatives like regulatory burden reduction and the industry's economic footprint in Canada
- Attendees included Finance Minister Rod Phillips, President of the Treasury Board Peter Bethlenfalvy and other MPPs



IFIC's Advocacy Efforts – Other Stakeholders

- **Bank of Canada**
 - Initiated relationship with the Bank to share research and insights on systemic issues
 - Responded to Bank requests during global pandemic to discuss mutual fund flows and investor behaviour in turbulent markets
- **Morningstar**
 - Engaged with Morningstar to address gaps in methodology and commentary regarding Canadian fund industry
- **Investor Advocates**
 - Built and maintained collaborative relationships with investor advocacy groups

COVID-19 Response and Advocacy

On March 16, IFIC staff made a seamless transition to working remotely while continuing to communicate with members and advocate on important industry issues

- COVID-19 web page
 - Launched web page to provide up-to-date information on developments affecting the industry
- CSA relief on short-term borrowing limits
 - Advocacy work related to the CSA's offering of temporary blanket relief through the increase of short-term borrowing limits for mutual funds invested in fixed securities and COVID-19 tax relief
- DSC waiver requests
 - Developed framework to assist members receiving deferred sales charge (DSC) waiver requests from investors due to financial hardship amidst the pandemic

IFIC Research and Statistics

IFIC Research Reports

- **15th Annual Pollara Investor Survey**
 - Data around attitudes and opinions of Canadian mutual fund holders, to identify their needs, expectations, behaviours and opinions

- **Can Dynamic Interactive Design Improve Investment Disclosure?**
 - Explored the use of an online interactive design and its potential to enhance the understanding of investment fee and performance reporting



IFIC Research Reports

- **Saving for the Future: Impacts of Financial Advice on the Canadian Economy**
 - Evaluates the impact of receiving financial advice on individual savings and the resulting positive effects on the Canadian economy
- **Report on Responsible Investment**
 - Created to expand investor awareness and advocate for greater clarity on the range of approaches

**The Conference
Board of Canada**



IFIC Statistics

- Expanded asset and sales data coverage
 - IFIC's detailed fund reporting has now expanded to include all Canadian mutual fund and ETF firms
- Assisted with OSC request for multi-year asset and sales data
 - IFIC submitted data directly to the OSC on behalf of member firms
- 2019 Investment Funds Report
 - Detailed data and analysis of mutual fund and ETF sales activity and assets under management



IFIC Tools and Initiatives

IFICConnect

- New member database enhances our ability to reach expanded number of member records, and provides social functionality to more effectively engage with members
- Newly integrated event management system has enabled us to generate a more user-friendly registration process for members attending IFIC events
- IFICConnect is home to IFIC's Job Board



Webinars

- IFIC hosted seven webinars with over 2,500 registrants
- Topics supported IFIC's research and policy initiatives:
 - Pollara Annual Investor Survey
 - Report on Responsible Investment
 - IFIC and Conference Board of Canada Report on the Impacts of Financial Advice
 - Can Dynamic Interactive Design Improve Investment Disclosure?
 - IFIC'S 2019 Investment Funds Report
 - IFIC and Conference Board of Canada Economic Footprint
- Partnered with BEworks to host *Helping Investors Stay Rational in Irrational Times* in response to pandemic



Thought Leadership

- Six Investment Executive columns developed to highlight topics and issues that affect the investment funds industry
 - Topics included:
 - The case for self-regulation
 - Responsible investing: A growing priority for Canadians
 - Canadian fund investors stay the course
 - Outside business activities
 - Canadian investors value advice
 - CSA's renewed system project

IE INVESTMENT
EXECUTIVE

Social Media

- Utilized social media as a strategic communications tool to amplify initiatives and strengthen investor understanding and confidence
- Worked to position IFIC as the authoritative voice of the investment of the industry across its social media channels
- 3,682 followers on Twitter, 3,861 on LinkedIn
- Launched 'Importance of Advice' campaign during COVID-19 pandemic



IFIC Annual Conference

- IFIC hosted its 2019 Annual Leadership Conference on September 26 in Toronto with more than 270 participants in attendance
- Leaders panel explored the current state of the investment funds industry and developments
- Fireside chat on self-regulation with Canada's SRO Leaders
- Other session topics included: women in investing, regulatory technology, diversity and inclusion, and much more
- Guest speakers included financial commentator Preet Banerjee and innovation and disruption strategist Shawn Kanungo



IFIC Annual Conference – 2020

- IFIC will host its first virtual conference on Monday, September 21, 2020
- Agenda includes:
 - International Leaders Panel
 - 2020 Pollara Investor Survey
 - Canadian Leaders Panel
 - Regulatory Leaders Panel
- Pricing: \$75 – IFIC Members; \$100 – Non-Members
- To register, please visit IFIC.ca or contact events@ific.ca



Conclusion

Conclusion

IFIC remains committed to:

- Collaborating with government and regulators to promote the industry as a respected participant in policy development
- Undertaking timely, credible research to inform IFIC's regulatory and policy positions
- Highlighting the value of investment funds and their importance in savings
- Providing timely, accurate and authoritative data and tools
- Enhancing the use of technology to improve service