



CLIENT RESEARCH REPORT 2022

AN ONGOING LOOK INTO CLIENTS, MEMBERS
AND ADVISORS



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PART I: BACKGROUND

MFDA Members provide services to the largest concentration of mass-market households in Canada (i.e. households with less than \$100,000 in financial wealth). Protecting vulnerable investors, including seniors and investors with limited financial resources, is a key priority of the MFDA. While access to financial advice is important to all Canadians, it is especially so for those with limited financial resources. This collection of data allows us to monitor access to financial advice and the availability of choice in advisory services. With the aging population and decline in the number of defined benefit plans in Canada, it is imperative that Canadians, particularly mass-market households, continue have access to financial advice and the ability to choose services that meet their needs. Maintaining knowledge and awareness of client circumstances, outcomes, and issues that impact Canadian investors through the use of this data is key to meeting our investor protection mandate.

Data Request

In 2016 and 2018, the MFDA undertook client research projects requesting that MFDA Members provide detailed information on the investments held by their clients.

MFDA continued the client research project for 2020 to continue to provide transparency and insight into MFDA Members, their advisors and their clients as well as identify potential industry trends. The ongoing data collection will also improve our understanding of relationships between clients, advice, costs and returns. MFDA Members were required to provide anonymized information for each client account and each household.

The final aggregated database contains millions of individual pieces of information in respect of:

- 86 MFDA Members;
- 16.9 million client accounts;
- 9.4 million households; and
- 39.1 million individual investment positions reported in client accounts.

Key Highlights

2020 DATA

- MFDA Members serve approximately 9.4 million households, 78% of which have less than \$100,000 in financial wealth (i.e. mass-market households) with MFDA Members
- Mass-market households own only 4% of the \$5.6 trillion in total financial wealth in Canada
- 64% of MFDA households are invested in a balanced or more conservative portfolio
- 85% of all client accounts are registered accounts
- 62% of households over age 65 have less than \$100,000 with MFDA Members
- MFDA advisors represent 85% of all securities licensed individuals in Canada who provide advice to retail investors

CHANGES SINCE 2018



22% INCREASE
in assets administered
by MFDA Members



15% DECREASE
in deferred sales charge
(DSC and LL) mutual funds
held by clients



35% INCREASE
in mutual funds in
fee-based accounts



NO CHANGE
in the number of advisors in the
Financial Advisory channel

PART II: RESEARCH RESULTS

SECTION A: Client Demographics

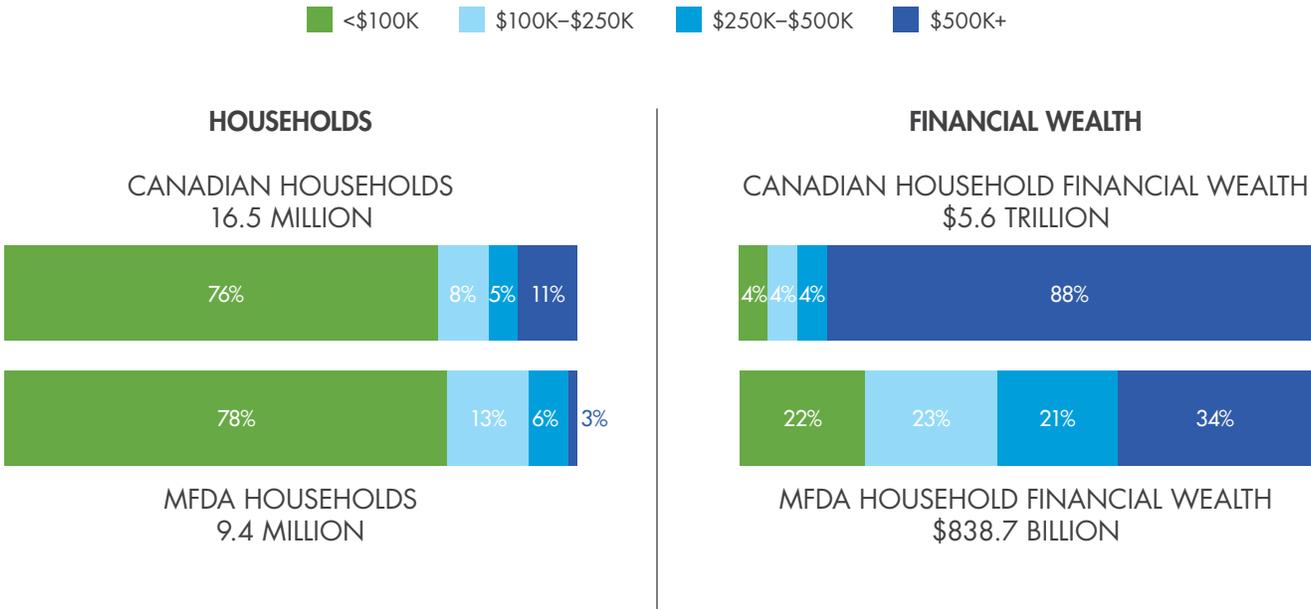
Financial Wealth

As in previous reports, households have been categorized into the following financial wealth segments:

HOUSEHOLD CATEGORY	FINANCIAL WEALTH
MASS-MARKET	<\$100K
MID-MARKET	\$100K-\$250K
	\$250K-\$500K
AFFLUENT	\$500K+

Financial wealth includes cash and investments. MFDA household financial wealth includes cash and investments held with or recorded on the books of MFDA Members.

(A.1) Comparing Canadian Households and the MFDA Client Household Base



Canadian Households¹

Most households in Canada (76%) are mass-market households who own less than \$100,000 in financial wealth. However, mass-market households only own 4% of the \$5.6 trillion in financial wealth in Canada. Conversely, affluent households represent only 11% of all households in Canada but own 88% of the \$5.6 trillion in financial wealth. Mid-market households represent 13 % of all Canadian households and own 8% of total Canadian household financial wealth.

MFDA Member Households

MFDA Members provide advisory services to 9.4 million Canadian households (or 57% of Canadian households) and administer \$839 billion in financial assets.

Of the 9.4 million households serviced by MFDA Members, 78% (or 7.3 million households) are mass-market households with less than \$100,000 in MFDA financial wealth. Average household wealth of all MFDA Member clients was approximately \$89,000.

While the distribution of households serviced by MFDA Members in the various financial wealth segments is relatively consistent with the Canadian demographic, the assets managed by MFDA Members for each financial wealth segment continues to be significantly different from the Canadian household distribution of financial wealth.

Unlike the household segmentation of financial wealth across Canada where almost 90% of financial wealth is held by affluent households, the four financial wealth segments across MFDA households contributed similar amounts to the \$839 billion in MFDA Member total assets under administration (AUA). The distribution of households across those four segments was, however, similar for both MFDA households and total Canadian households with the exception of a greater share of MFDA households in the mid-market segment and much a lower share in the affluent segment compared to Canadian households in total. The driver of this difference has been the competition MFDA Members faced from full-service brokerage firms and private investment counsel firms. Specifically, affluent MFDA households made up only 3% of total MFDA households, while affluent Canadian households in total made up 11% of all households in Canada. Affluent households were also only 3% of all households serviced by MFDA Members but they contributed more (34%) to MFDA Member total AUA than mass-market households (22%). Even though mass-market households only own 4% of total financial wealth in Canada and 22% of total MFDA AUA, in terms of number of households, they were the largest and most significant segment of the Canadian population (76%) and the MFDA client base (78%).

The above data demonstrates that mutual fund dealers continue to provide the most accessible advisory service to retail investors in Canada.

Trends

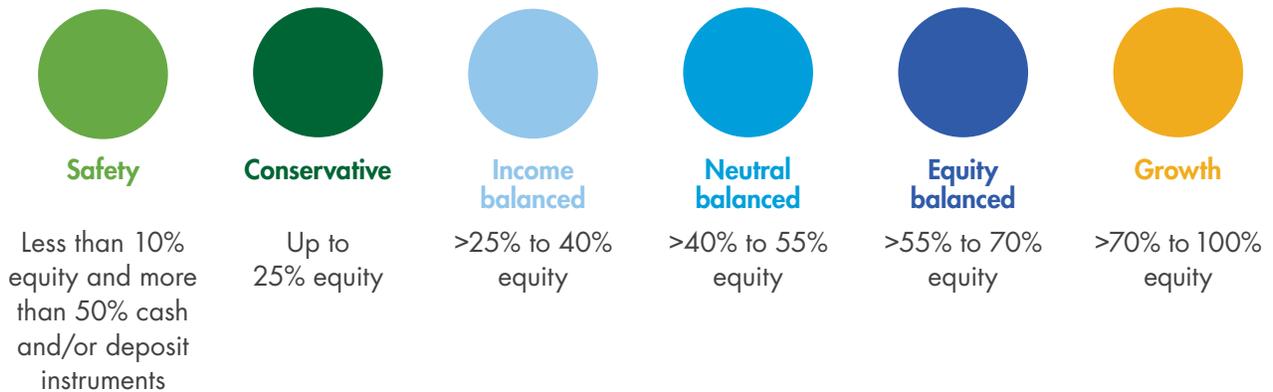
Since 2018, there has been a slight decrease in the percentage of mass-market households and increase in the percentage of mid-market and affluent households in Canada. Similarly, the percentage of mass-market households serviced by MFDA Members has slightly decreased and the percentage of mid-market and affluent households slightly increased. Since clients tend to accumulate more financial wealth as they age, this slight shift in household financial wealth can be attributed to an aging population and to improved equity markets since the end of 2018. This overall trend has been occurring since 2016.

¹ Investor Economics, 2021 Household Balance Sheet Report—Canada.

Of all households serviced by MFDA Members, the affluent household segment has also increased from approximately 2% to 3% since 2016. This increase is significant when looking at the impact on the affluent household share of total MFDA Member AUA. Financial wealth held by affluent households serviced by MFDA Members increased from 25% of total membership AUA in 2016 to 34% in 2020.

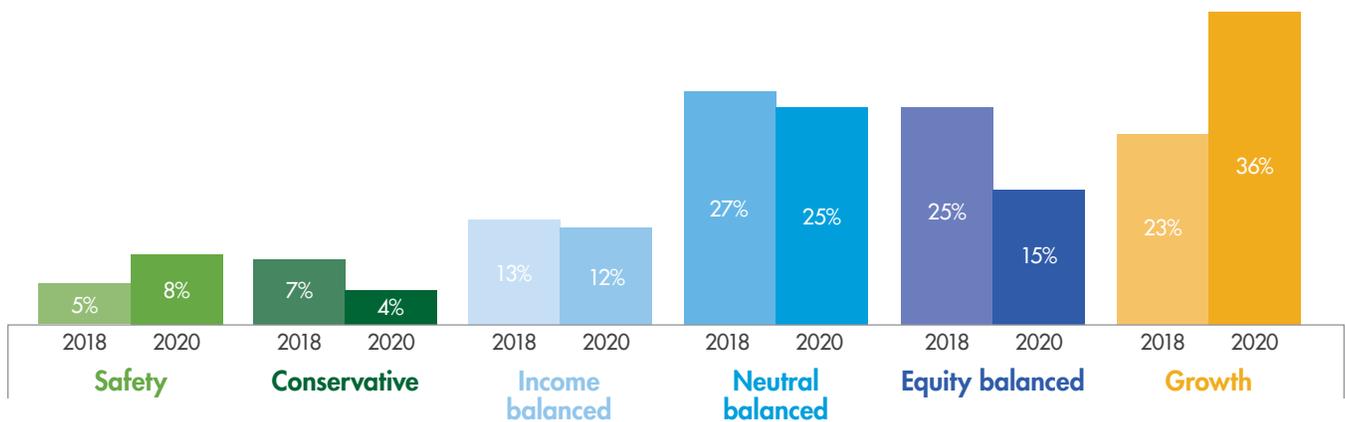
Client Investment Profiles

To account for differences in asset mix, we categorized client portfolios into the six investment profiles outlined below.



Distribution of Investment Profiles

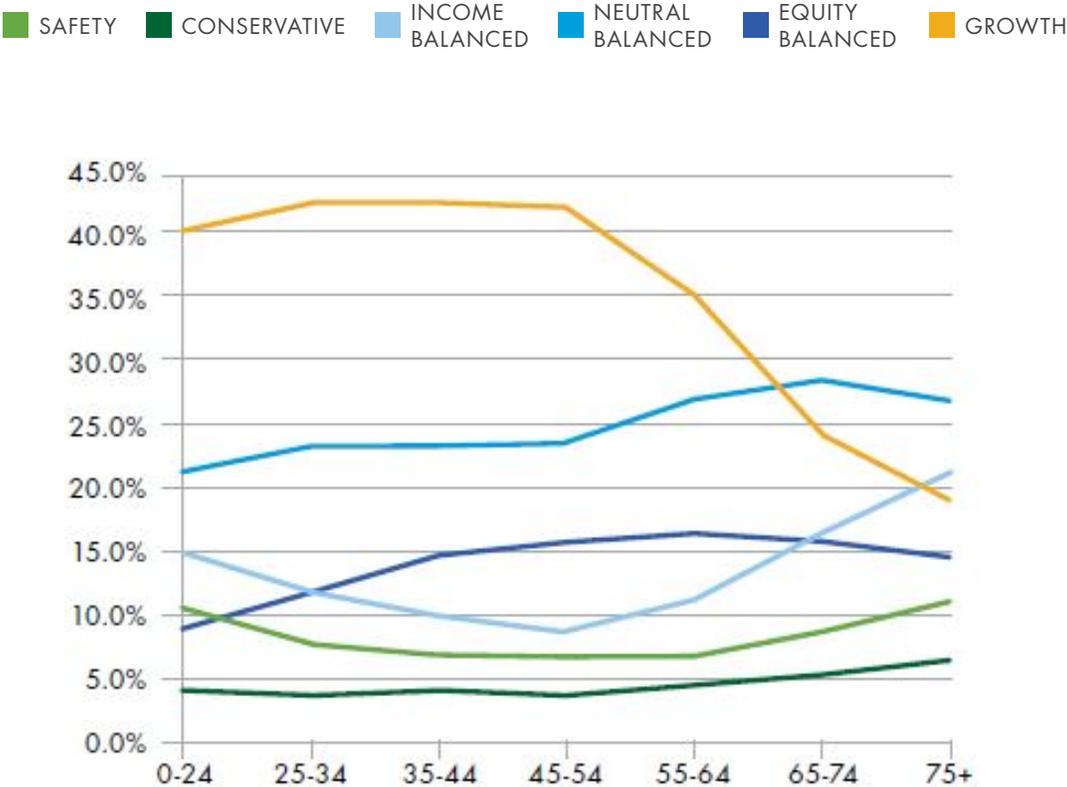
(A.2) Distribution of Households by Client Investment Profiles 2018 vs 2020



36% of households serviced by MFDA Members have a growth mandate. This is a significant increase from 2018.

Most households continued to have a balanced mandate. However, as noted in the chart above, there were significant shifts with the Growth investment profile increasing from 23% in 2018 to 36% in 2020. This made Growth the most common of the 6 profiles in 2020. There are a number of potential factors contributing to this change including equity market swings and end point sensitivity with the data. The data for 2018 was collected as at December 31, 2018 when there had been a drop in the equity markets which caused portfolios to be less weighted towards equity compared to the stronger equity performance as at December 31, 2020.

(A.3) Percentage of Households in Each Client Profile by Age



Households reached peak equity exposure before age 55. After age 55, households shift from growth and equity balanced profiles to income balanced and, to a lesser extent, neutral balanced profiles. Once households reached age 65, there was an increase in the most conservative investment profiles (safety, conservative, income balanced) with most households still having balanced mandates, particularly neutral balanced profiles. We note, however, that MFDA Members and their advisors may offer GICs and high interest savings accounts outside the firm and these assets would not be reflected in the above profiles.

Deposits and Withdrawals

Deposit and Withdrawal Activity Across all MFDA Members

According to the data, MFDA households made net investments of \$49 billion during 2020. In 2020, approximately 44% of all households were in a net deposit position and approximately 17% were in a net withdrawal position.

(A.4) Proportion of Households Making Deposits and Making Withdrawals – By Household Financial Wealth



More households made deposits than withdrawals in all financial wealth segments as shown in the chart above. In the mass-market category, over twice the number of households made deposits than made withdrawals. This difference narrows as we move through the mid-market and affluent households levels, likely as clients with greater assets tend to be older and more likely to be drawing down their assets to fund their retirement. This is further evidenced in the chart below.

(A.5) Proportion of Households Making Deposits and Making Withdrawals – By Household Age

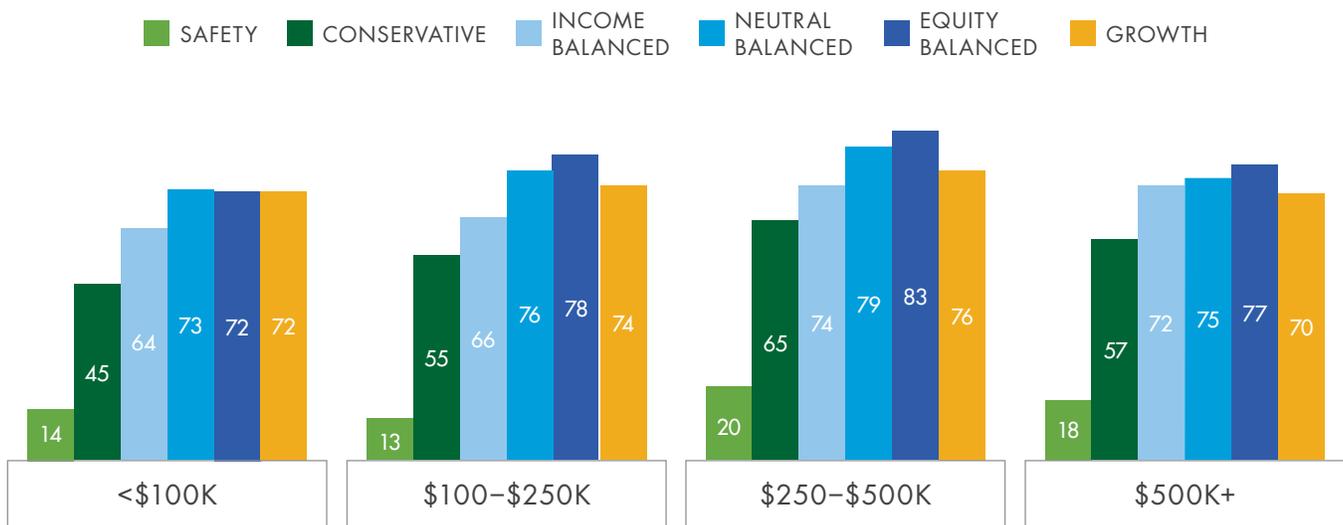


As is depicted in the chart above, the difference between accounts receiving deposits compared to those with withdrawals is the greatest and remains fairly consistent up to age 44. After age 44, the proportion of households making deposits declines and those taking withdrawals begins to increase. For those 55-64, we begin seeing the impact of RIF accounts as RIF accounts represented approximately 33% of accounts in a withdrawal stage in this age segment. For those over age 65, RIF accounts increase to 45% of all accounts in withdrawals as clients begin converting retirement savings to income.

Cost Data

On average, households paid an amount equivalent to 75 basis points (bps)² or 0.75% on the assets they held at the end of 2020. Across all MFDA Members, 92% of all households paid less than 100 bps. By comparison, the average relative cost for 2018 was 83 bps. As was noted in our 2018 report, this calculation methodology had a degree of endpoint sensitivity related to the changes in market valuations at the end of 2018 and throughout 2019 and 2020. The market downturn at the end of 2018 may have somewhat inflated the cost and compensation for 2018 expressed as a percentage of those impacted assets. Conversely, in 2020, market valuations experienced significant increases in the last three quarters of the year. The combination of those events may have slightly deflated the cost and compensation for 2020 expressed as a percentage of those year-end assets.

(A.6) Average Costs per Client Profile based on MFDA Household Financial Wealth (in basis points)



The cost data reported above includes cost and compensation amounts for distribution and client service received by MFDA Members, directly from clients and/or from product manufacturers/issuers. With very few exceptions, it does not include other costs of owning a mutual fund such as fund management fees and operating costs.³

Account structures and fees can vary which is why we recommend clients work with their advisors to understand what they are paying for and their total cost of investing.

As indicated in the graph above, cost varied depending on client investment profile, reflecting the mix of products held and the asset mix that underlay profile determination. Less clear was the relationship of household financial wealth across each client profile.

For affluent households, the presence of fee-based programs, which have shifted towards a blended pricing model rather than asset-class-based pricing models, have impacted pricing across profiles. The reduced cost sensitivity of fee-based programs with respect to asset class allocation may have helped buffer the differences in cost between profiles in that segment.

² One basis point is equal to 1/100th of 1%, or 0.01%.

³ With the exception of fee-based programs holding non-embedded funds. See page 11 for a further explanation of non-embedded fee-based programs.

Fee-based Models

The fee-based pricing models referenced here are focused on service/advice fees that are generated externally and not included as part of the embedded management expense ratio (MER) of most funds. These fees are calculated as a percentage of assets—either at the fund level or at the account level for assets held in a fee-based account structure. These fees are often tiered and decline as assets increase. Our research looks at these in two ways. The first is the traditional fee-based account structure where the fee is calculated and administered by the dealer and is based on assets in the client account. The account typically holds a broad mix of F-class (“F”) mutual funds but can hold other products as well (i.e., deposits). The second approach charges the fee external to the asset, but that calculation is executed at the fund level by the fund manufacturer and the fees are remitted to the dealer. In our analysis of funds by load structure, these are referred to as F and non-embedded (“NE”) funds respectively.

The fee-based approaches offered by MFDA Members vary. In most cases, MFDA Members establish a fee schedule that applies to all clients. In other cases, MFDA Members may provide advisors with a degree of fee discretion. Fee-based entry thresholds also vary by firm, but this pricing approach is not generally offered to clients with less than \$100,000 in financial wealth). In fact, 85% of F funds were held by households with more than \$250,000 in financial wealth.

In all cases of fee-based account programs using F funds, the fee that was charged to clients covered compensation to dealers for their advisory services. The fund management fees paid to the fund manager are included (i.e. embedded) in the fund’s management expense ratio. In the case of the NE approach to fee-based, clients may be charged one combined fee that includes both advisory service fees as well as fund management fees. Fee-based programs with NE funds are predominantly offered by MFDA Members who are either affiliated with a fund manufacturer or have an exclusive distribution arrangement with a fund manufacturer

Fee-based programs continue to become more prevalent within the MFDA membership

As can be seen in (C.2) *Distribution by Mutual Fund Load Structure*, F and NE funds have increased by \$89 billion or 135% since 2016 (\$54 billion or 35% since 2018). They now make up almost 20% of mutual fund assets across all MFDA Members.

(A.7) Average Cost in Fee-based Accounts based on MFDA Household Financial Wealth in bps



The chart above shows the average costs for F and NE fee-based accounts. As mentioned previously, costs reported for fee-based account programs holding F funds include only the advisory fees charged on the assets. As mentioned

with the NE fund approach to fee-based, however, costs can also include the fund management fees, hence the appearance that these programs have higher costs than those charged on F and even costs reported for embedded fee funds.

While fees for both types of programs decrease as portfolio size increases, fees in NE programs decrease at a greater pace. In NE programs the manufacturer and dealer are typically affiliated which provides them with operating efficiencies and greater flexibility in establishing fee rates for both advisory and fund management revenues earned by the corporate group.

Fee-based Account Programs and Exchange Traded Funds (ETFs)

The MFDA continues to see an increase in the number of MFDA Members offering ETFs, and ETFs assets did increase in their share of overall MFDA Member assets since 2018. ETF availability, however, remains limited to fee-based account programs and they do not make up a significant proportion of MFDA Member AUA. Mass-market households (who represent 78% of the MFDA Member client base) generally do not have access to fee-based accounts in any wealth management channel. Accordingly, we expect a continued increase in MFDA Members offering ETFs to midmarket and affluent households but it remains unclear whether this will be the case for mass-market households.

SECTION B: Distribution Models

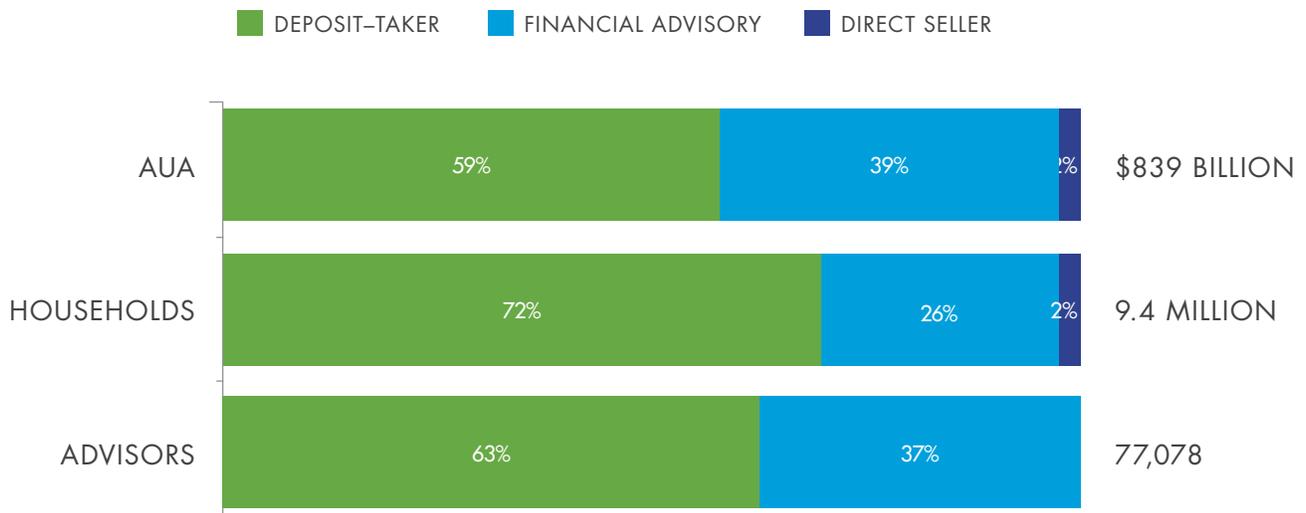
There are different distribution models that operate within the MFDA membership. They vary by size, nature of employment of their sales force, investment products recommended and affiliation with fund manufacturers or other financial services entities. For the purposes of this Report, we have grouped MFDA Members into the following three categories:

DEPOSIT TAKERS	FINANCIAL ADVISORY FIRMS	DIRECT SELLERS
<p>These firms are affiliated with Canadian banks or credit unions. Advisors are generally salaried employees of the affiliated financial institution. Mutual funds are distributed through retail banking or credit union locations. While some deposit-takers do have advisors who are assigned clients and develop a client base, in general, most advisors with deposit-taker firms are not assigned to service specific clients. Rather, the advisors provide service to any client of the bank or credit union as needed.</p>	<p>These firms almost exclusively employ advisors as agents and the advisors are responsible for developing their own book of business and financing their own business operations. These firms may be affiliated with an insurance carrier, fund manufacturer or completely independent of a product manufacturer. With one exception, all Financial Advisory firms offer third party funds (or have "open" product shelves).</p>	<p>These firms are affiliated with fund companies and typically operate as call centres. Advisors are salaried employees of the affiliated fund company and only sell proprietary mutual funds. Advisors generally do not have their own books of business but instead service clients of the fund company.</p>

DISTRIBUTION MODEL	NUMBER OF FIRMS
DEPOSIT TAKER	12
FINANCIAL ADVISORY	66
DIRECT SELLER	8
TOTAL	86

MFDA Assets and Households

(B.1) MFDA Assets and Households by Distribution Model



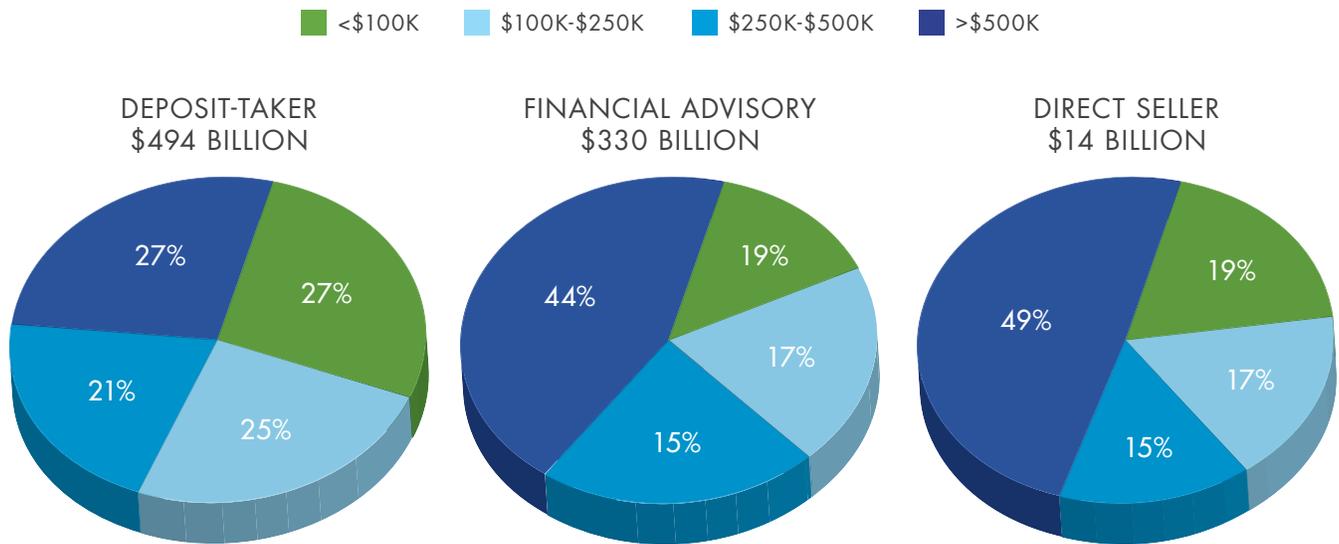
Although there has been a significant increase in assets to \$839 billion (up 22% from 2018), the share of AUA, households and advisors for each distribution channel within the MFDA has remained relatively static since 2016. Deposit-Takers continue to have the majority of household relationships (72%), AUA (59%) and advisors (63%) within the MFDA membership. Financial Advisory firms serviced 26% of all households but managed 39% of total AUA and employed 37% of all MFDA Member advisors. Direct sellers still represent a relatively small segment of the MFDA membership servicing only 2% of households and managing 2% of MFDA Member AUA. Direct sellers predominantly operate on-line or through call centers and employ less than 1% of all MFDA advisors.

When breaking down the data provincially, the market share between the three distribution channels generally follows the national pattern with the exception of Saskatchewan and Manitoba.

Saskatchewan and Manitoba continue to be the only provinces where the Financial Advisory channel has a greater share of assets than the Deposit-Takers channel.

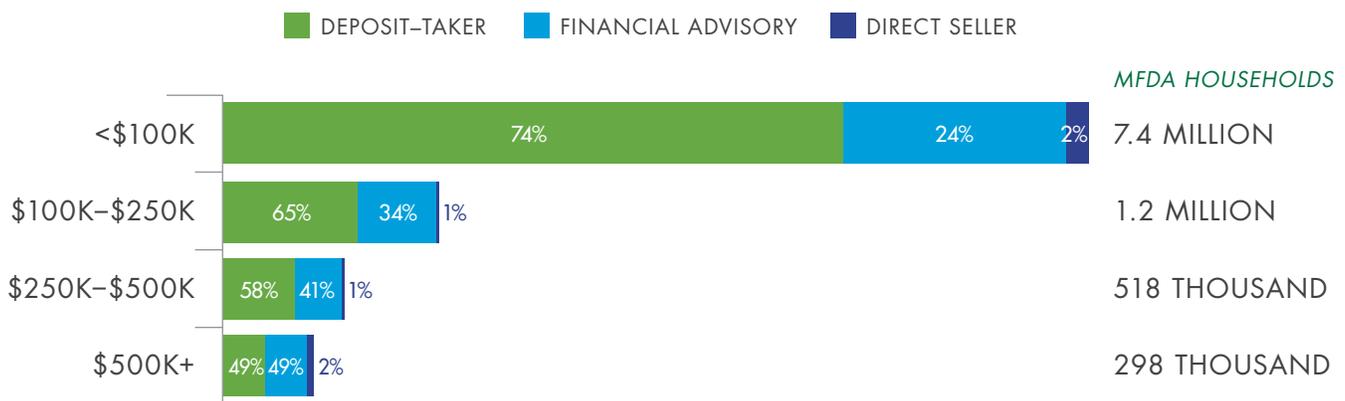
Financial Advisory firms manage 51% of household assets in Saskatchewan and 54% of household assets in Manitoba. Additional segmented data by province can be found in Appendix A.

(B.2) Asset Distribution in each Channel by MFDA Household Financial Wealth Level



The graph above provides an overview and comparison of household segmentation within each distribution channel segmented by household financial wealth. Amongst the three channels, Financial Advisory firms and the relatively small Direct Seller channel continued to hold the largest proportion of client assets in the affluent household segment at 44% and 49% respectively. Deposit-Takers had the most even distribution of assets across the 4 household financial wealth segments, while having the highest share of assets situated in mass-market households (27%). As noted in past reports, Deposit-Takers have a lower percentage of affluent households because there is significant internal competition for affluent households from other distribution channels, including full-service brokerage and private investment counsel firms. Since 2018, affluent household asset share increased in all 3 channels while mass-market household assets share decreased.

(B.3) Distribution of MFDA Households by Financial Wealth Segment, by Distribution Channel



The graph above provides a breakdown of the number and distribution of households serviced by MFDA Members based on household financial wealth and further segmented by distribution channel. Deposit-Takers serviced 74% of all mass-market households within the MFDA membership. Financial Advisory firms also play an important role in providing advisory services to the mass-market segment. While Financial Advisory firms provided services to 24% of all mass-market households, these households only contributed 14% to Financial Advisory firm AUA. Deposit-Takers

however, continued to hold the majority of the household relationships in all household wealth segments except affluent households where the share is almost identical to Financial Advisory firms.

Client Age

(B.4) Household Distribution by Age Group

HOUSEHOLD AGE	MFDA	CANADA ⁴
0-24	2%	5%
25-44	31%	31%
45-54	22%	17%
55-64	22%	18%
65+	23%	29%

The household age segmentation of the MFDA Member client base is generally aligned with the age segmentation of the Canadian population as noted above. This alignment did not deviate materially from past reports. In 2020, 22% of MFDA households were approaching retirement, falling between the ages of 55 and 64, while 23% of MFDA households were 65 years of age or older and already potentially in retirement. Furthermore of those households 65 or older, 62% of them fell in the mass-market segment—households with less than \$100,000 in financial wealth.

(B.5) Age By Distribution Channel

HOUSEHOLD AGE	DEPOSIT TAKER	FINANCIAL ADVISORY	DIRECT SELLER
0-24	3%	2%	3%
25-44	32%	27%	41%
45-54	21%	22%	21%
55-64	22%	24%	18%
65+	22%	25%	17%

As with the overall MFDA household age segmentation, there is no significant change from past reports in household age segmentation by distribution channel. Not surprisingly, the greater tendency for younger and middle aged households to gravitate towards direct channels, in terms of both banking and investment, is reflected in the age distribution of the Direct Sellers.

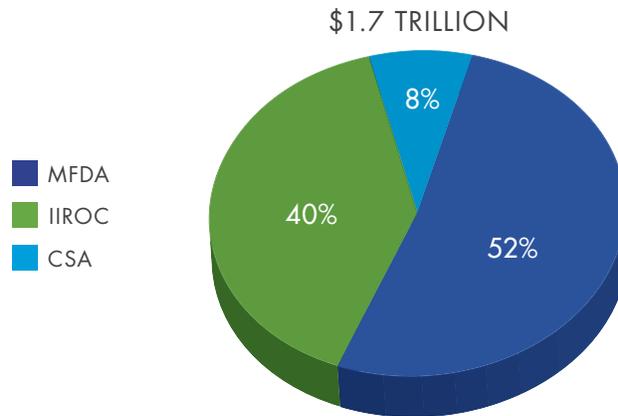
⁴ Investor Economics Household Balance Sheet 2021.

SECTION C: Investment Products

Mutual Funds

Almost 95% of total MFDA Member AUA is in mutual funds. Close to 4% of total MFDA Member AUA is in GICs and cash. The bulk of the remaining AUA is comprised of segregated funds and principal protected notes.

(C.1) Mutual Fund Distribution by Regulatory Channel⁵



In 2020, Canadian investors held approximately \$1.7 trillion in mutual funds. Clients of MFDA Members held the majority of mutual funds in Canada (52%). Approximately 40% of mutual funds were held by clients of IIROC Members and the remaining 8% were held by clients of private investment counsel firms who were directly regulated by the Canadian Securities Administrators (CSA).

Investment Funds AUA by Load Structure

Explanation of load structures:

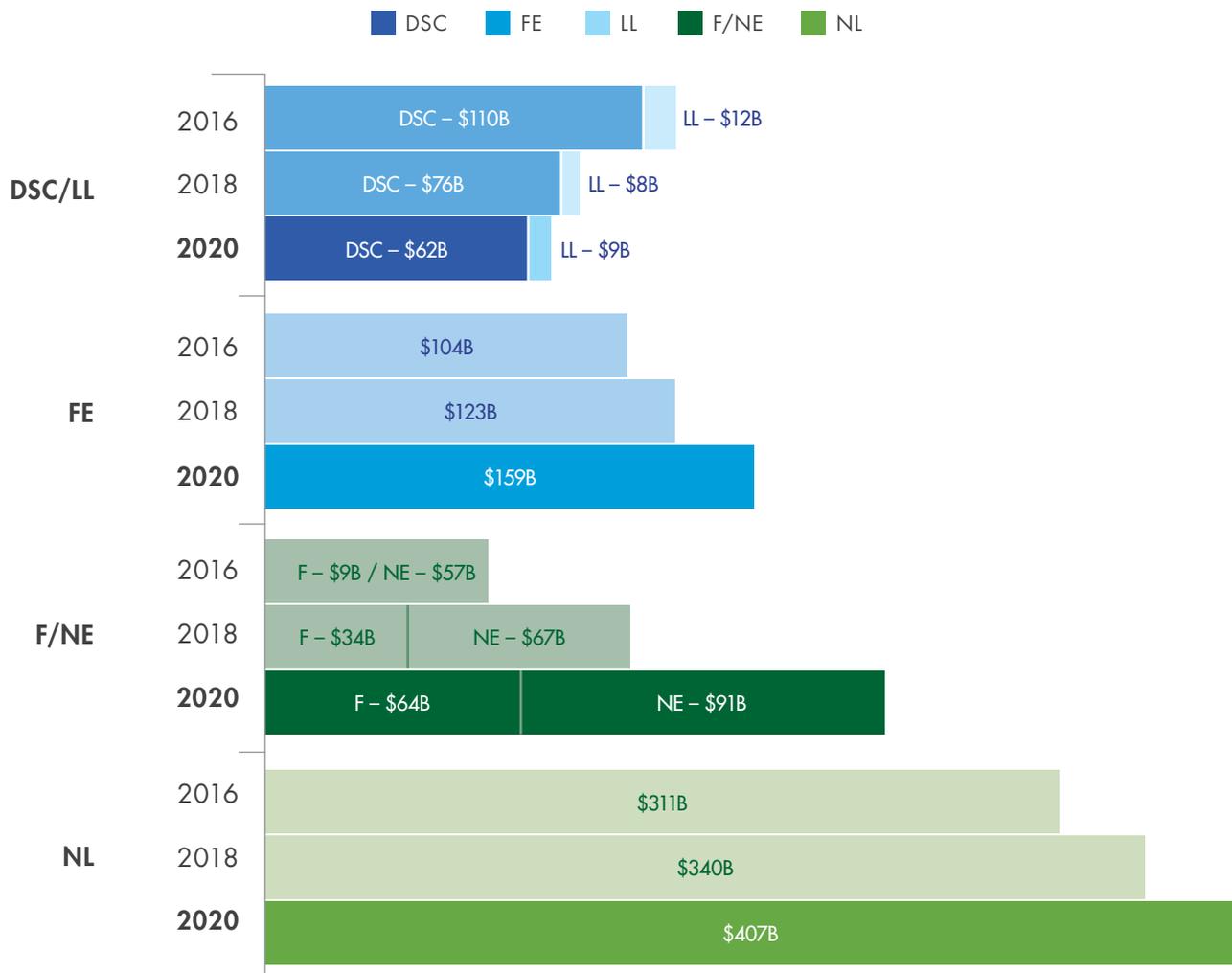
Mutual fund assets were segmented into the following load structures:

	DSC DEFERRED SALES CHARGE	FE FRONT-END LOAD	LL LOW-LOAD	F/NE F-CLASS/ NON-EMBEDDED	NL NO-LOAD
POINT OF SALE COMMISSION	Embedded	Client paid	Embedded	None	None
TRAILER FEE	Embedded (30–50bps)	Embedded (60–100bps)	Embedded (40–70bps)	None	Embedded (50–100bps)
COMMENTS	Up-front commission paid by issuer 5–7 year redemption schedule	Commission paid by client at purchase (deducted from amount invested)	Lower up-front commission paid by issuer Shorter redemption schedule (e.g. 3 years)	No up-front commission No trailer fee F: advisory fees are non-embedded but fund management fees are embedded NE: fund management fees are also non-embedded	No up-front commission

⁵ Investor Economics Distribution Research 2021. Does not include exchange-traded funds.

Change in Distribution by Mutual Fund Load Structure

(C.2) Distribution by Mutual Fund Load Structure



Mutual funds increased from \$603 billion to \$792 billion from 2016 to 2020.

The most significant change since 2016 was a decline in DSC funds held by clients and an increase in F/NE funds.

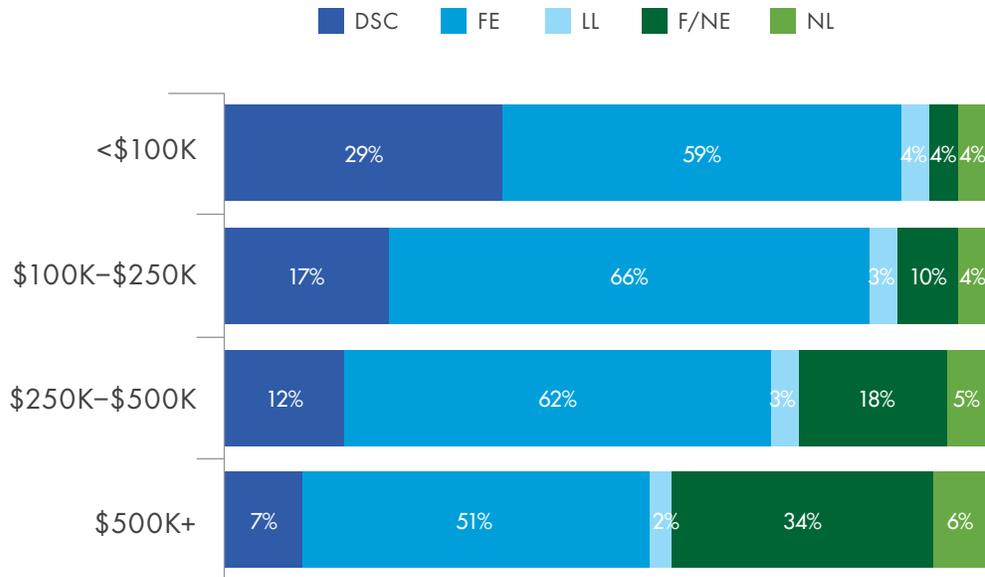
As noted in the chart above, DSC fund assets decreased by \$48 billion or 44% between 2016 and 2020. While the decline between 2018 and 2020 appeared to ease at 19%, it is important to consider that overall fund assets grew by over 20% in the same period. This created a 40% growth differential between overall fund assets and DSC fund assets. This highlights the general trend within the industry to limit or prohibit the sale of DSC funds, well ahead of the effective date of the DSC ban on June 1, 2022.

NE and F funds have experienced the greatest relative growth since 2016 and now stand at \$155 billion or almost 20% of all fund AUA, surpassing DSC/LL and almost level with FE funds. The shift to dealer administered fee-based account programs among both Financial Advisory firms and Deposit Taker firms has driven the growth in F funds.

Despite the rise of fee-based programs, the focus of Deposit Taker firms remains on the NL structures with their embedded asset management and advice fees. NL funds continue to be the most common type of fund held by MFDA Members representing approximately 51% of all fund AUA, relatively unchanged since 2016. FE funds represent 20% of total fund AUA, with a greater weighting among Financial Advisory firms.

Financial Advisory Firms

(C.3) Load Type Share of Assets by MFDA Household Financial Wealth Level – Financial Advisory Firms⁶



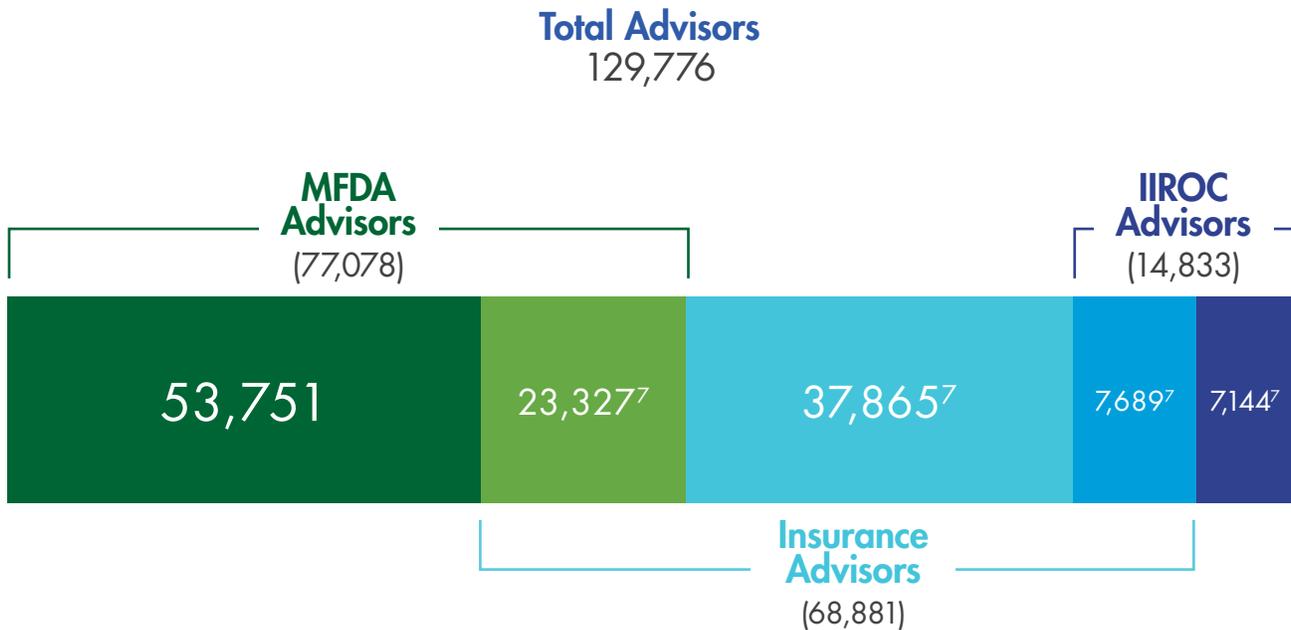
Overall, there has been a continued decrease in DSC funds held by clients in all financial wealth segments as the industry continued to shift away from them and towards funds without a load.

Financial Advisory firms have the most diverse mix of load structures. FE has become the most prevalent fund fee structure among Financial Advisory firms since 2018 with the move away from DSC. In our experience, advisors typically switch 10% of DSC funds annually and the balance of those funds upon expiration of the DSC redemption schedule. We noted an increase in F and NE funds since 2018 as advisors moved towards the fee-based approaches. The trend was most pronounced in the affluent household category where over one-third of assets are held in F and NE funds.

⁶ Includes only Financial Advisory firms with open product shelves.

Advisors

(C.4) MFDA Share of Advisors in the Canadian Financial Services Landscape



There are 77,078 MFDA advisors across the country to serve investors, as noted above, which is the largest proportion of securities registered advisors that work with retail clients in Canada. Almost all MFDA advisors are dually employed or licensed with a bank, credit union, or insurance agency. As a result, MFDA advisors are not limited to providing securities related advice but are able to provide financial advice across multiple financial service sectors. In the Financial Advisory channel, insurance advice is an important aspect of the advisory services provided to clients. Advisors' insurance activity also provides another source of revenue which means that they are not solely reliant on mutual fund activity to finance their business.

⁷ Investor Economics Distribution Research 2021. All numbers are approximate. IIROC advisors only include those in a direct advisory role with retail clients.

(C.5) Advisors by Book Size – Financial Advisory Firms

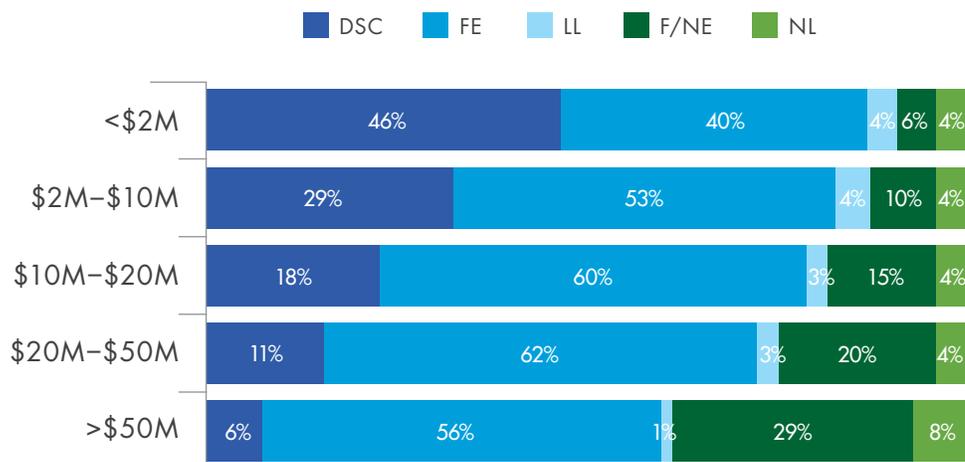
BOOK SIZE	2020 ASSETS (MILLIONS)	2020 HOUSEHOLDS*	2020 ADVISORS**	2018 ADVISORS**	CHANGE IN ADVISORS
<\$500K	\$1,361	59,487	8,944	8,816	128
\$500K–\$2M	\$5,636	132,686	5,144	5,385	-241
\$2M–\$10M	\$33,474	484,508	6,634	7,123	-489
\$10M–\$20M	\$42,229	389,632	2,935	2,945	-10
\$20M–\$50M	\$100,808	650,444	3,214	2,888	326
\$50M+	\$146,449	792,586	1,648	1,131	517
TOTAL	\$329,956	2,509,343	28,519	28,288	231

*excludes households with no advisor code.

**based on advisor codes submitted to MFDA.

The number of advisors at Financial Advisory firms (28,519) was unchanged from 2018 to 2020. This was in sharp contrast to the period from 2016 to 2018 where the number of Financial Advisory firm advisors decreased by 5,681 or 17%. The biggest drop in that period occurred in the cohort of advisors that had books of business under \$10 million. Advisors in those lower book size cohorts also had the highest percentage of DSC funds across the households they served and thus were likely the most affected by the DSC ban. By contrast, from 2018 to 2020, there was a less than 3% decrease in these lower book size cohort advisors. It is also noted that the effects of the DSC ban likely dissipated for the most part by the end of 2020, especially with larger firms that employ the bulk of advisors.

(C.6) Asset Load Type by Advisor Book Size – Financial Advisory Firms⁸



As previously mentioned, the importance of DSC to advisors in the early growth phase of their practice is still evident in the above chart. While assets in DSC funds decreased significantly from 2016 to 2020, DSC funds made up almost half of the assets administered by advisors with less than \$2 million in total assets as noted above. However, these advisors accounted for only 2% of total Financial Advisory firm assets. Not surprisingly, larger book advisors tend to embrace fee-based practice approaches more than their less successful colleagues as they service a higher proportion of affluent households.

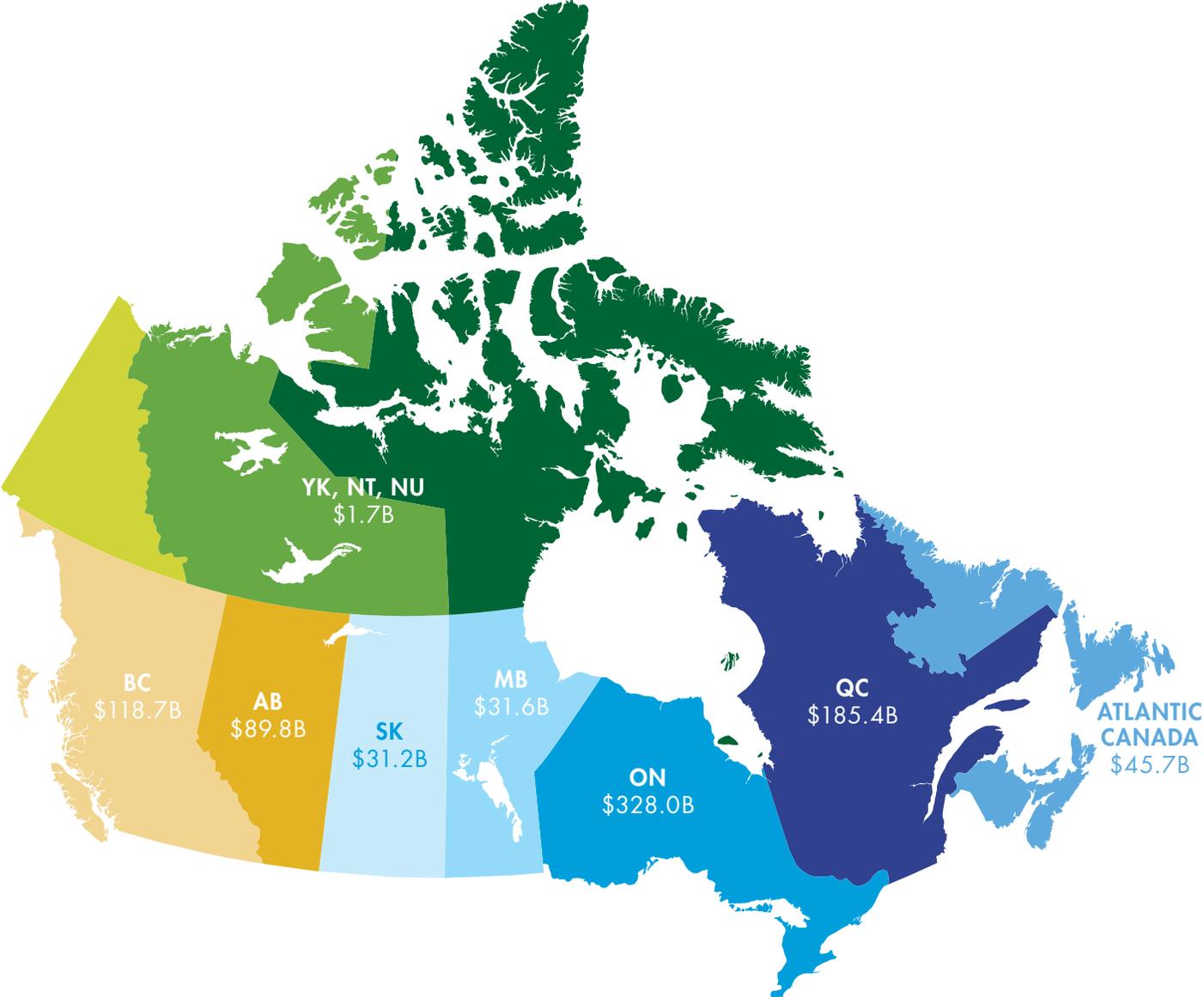
⁸ Includes only Financial Advisory firms with open product shelves.

APPENDIX A: PROVINCIAL DATA

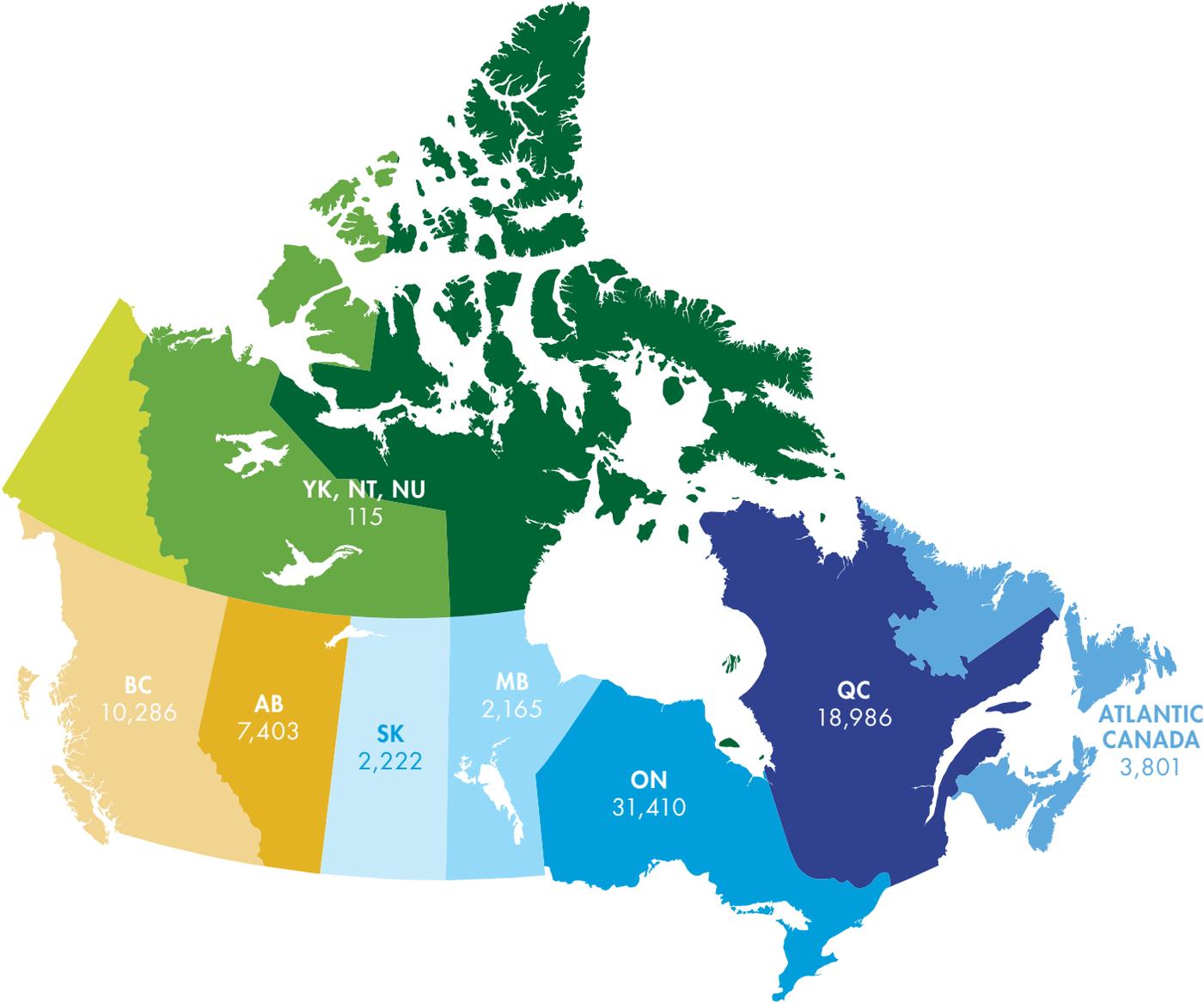
MFDA Households Across Canada ('000s)



MFDA Assets Across Canada



MFDA Advisors Across Canada





**Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels**

121 King Street West, Suite 1000, Toronto, Ontario M5H 3T9

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