

Hybrid DIY Investing: Research Summary Report



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

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Research Overview & Summary Methodology

A note on this summary

This summary report combines the findings from two complementary research projects focused on hybrid self-directed investing.



1. An online survey with n=600 hybrid self-directed investors



2. Four focus groups among hybrid self-directed investors with more high-risk investing behaviours/attitudes, and either no financial plan or a plan they only developed themselves

Methodology Comparison:

Research	Sample	Method	Profile	Objective
Survey	600 hybrid investors	Online survey	All-risk levels	Broad attitudes/behaviours + segmentation
Focus groups	26 higher-risk hybrid investors	Online focus groups	High-risk, no plan/self-made plan	Deep exploration on risk & advisor relationships

Background

Background:

- The CSA Investor Education Committee has identified that self-directed or “DIY” investing is an important area of focus for their work.
- Previous research indicated that hybrid investors, those who have both a “DIY” and advised account, are more common than initially anticipated and show higher levels of risk taking and speculative behaviour.
- The Committee felt that hybrid investors were an under-explored group in previous research and wanted to conduct research to better understand this group of investors.

Research Approach:

- INNOVATIVE and The Committee developed a mixed-methods research plan with two stages:
 1. A national online survey of hybrid investors;
 2. Focus groups with higher risk hybrid investors.
- A detailed overview of the survey and focus group objectives follow on the next two slides.

Survey Objectives



As part of a broader research project on self-directed investing, the **Canadian Securities Administrators (CSA)** commissioned **Innovative Research Group (INNOVATIVE)** to conduct a survey focused on hybrid self-directed investors.

Three major themes: This survey intends to investigate hybrid self-directed investing in three dimensions:

1. **Account Usage** – When and why did hybrid self-directed investors begin using each method (advised vs. self-directed)? How do they divide assets between, and what drives that split? How do risk tolerance, investment goals, and decision-making differ between their advised and self-directed approaches? Are they aware of or using disclosures? Prior research shows hybrid investors may take more risks—how does this vary by motivation, experience, and background?
2. **Advisor & Self-Directed Relationship** – How do hybrid investors perceive the connection between their advised and self-directed portfolios? Do they integrate them into a single financial strategy? Do they discuss self-directed activity with their advisor, and if so, what topics come up—e.g. fraud, strategy, risk?
3. **Motivations and Future Plans** – Why do hybrid investors maintain both approaches? What are their future intentions—do they plan to remain hybrid, switch, or formalize their strategy? If they have a plan, what does it include?

The specific questions this survey seeks to answer include:

1. Why do hybrid investors choose to use both self-directed and advised accounts?
2. How do they allocate assets between these accounts, and what strategies do they employ?
3. What are the behavioural differences in how they manage these accounts, including risk tolerance and product selection?
4. What role do advisor relationships play in their self-directed investing (and vice versa)?
5. What are their long-term intentions regarding advised and self-directed accounts?
6. What role do advisor relationships play in recognizing, mitigating and reporting fraud?

Focus Group Research Objectives



The **Canadian Securities Administrators (CSA)** commissioned **Innovative Research Group (INNOVATIVE)** to recruit and conduct focus groups among hybrid DIY Investors who indicate one or more of the risky behaviors/attitudes and have no plan, only an unwritten plan, or only a self-made plan.

Note: For the Quebec (French) group, participants only need to satisfy the first criteria.

The goal of the groups is to explore participants' experiences and decision-making with higher hybrid DIY investing to uncover insights on how higher-risk hybrid DIY investors:

- Approach hybrid DIY investing and their goals for DIY vs advised.
- Perceive risk for different types of investments and their comfort level with risks.
- Recognize fraud and evaluate investments' legitimacy.
- Engage with advisors for their DIY investments.

Executive Summary

Summary

- 1 About 1-in-8 Canadians are hybrid investors, higher among younger investors and men:**
 Twelve percent (12%) of initial survey respondents were identified as hybrid investors. Hybrid investors tend to skew younger and more male than all respondents. They are also more likely to have a university degree.
- 2 Hybrid self-directed investing is poised to continue:**
 A strong majority of survey respondents (68%) intend to remain hybrid and are completely or mostly certain in that decision (93%). This was also evidenced in focus groups—where more were consciously choosing to maintain both methods than planning to change.
- 3 Many hybrid investors use their self-directed accounts for a variety of more speculative investing behaviours:**
 Buying and selling frequently, checking frequently, and owning speculative products are all common. Hybrid investors also report higher risk tolerance in both account types than Canadian investors overall. Younger hybrid investors show the most risk-taking behaviours, as do those who report having a “self-made” financial plan.
- 4 Goals differ by account type, with income generation the most common goal in DIY accounts:**
 Generating additional income and having fun are more likely goals for self-directed than advised accounts by at least 12 points. Saving for retirement and long-term goals is the most common goal in advised accounts.
- 5 Hybrid investors report a close advisor relationship, but evidence was mixed during the focus group discussions:**
 In the survey, hybrid investors report a close relationship with their advisor. A majority report their advisor is aware of their self-directed investments, and report using advice from advisors to make decisions about those investments. In contrast, during the focus groups, most participants expressed a more distant relationship.
- 6 Focus group participants were not very ‘fraud aware’ and took a ‘do-it-yourself’ approach to fraud prevention**
 In the focus group discussions, higher-risk hybrid investors were not very aware or concerned with fraud. The few that could describe how they identify frauds mostly relied on intuition that an opportunity was “too good to be true”, or part of a risky asset class. On fraud prevention, the few who articulated an approach indicated it was mostly informal checks online, Google, Reddit, etc.

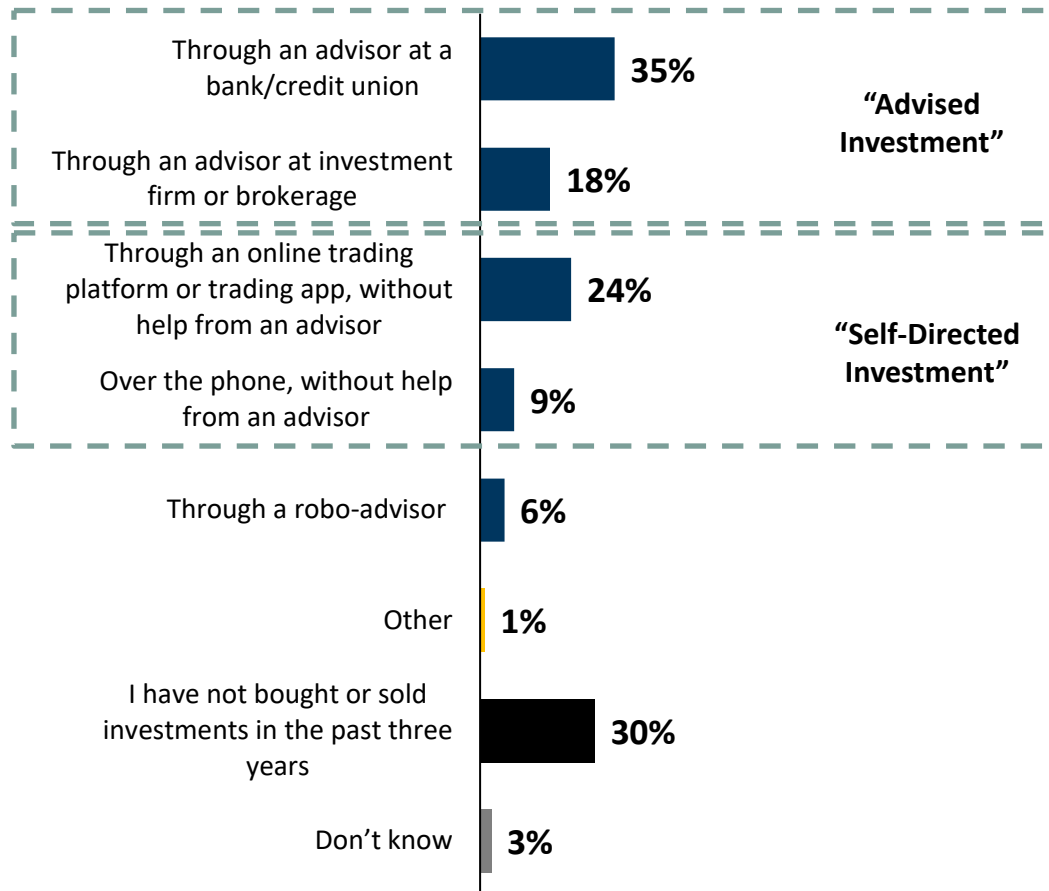
Investment Channels: Hybrid self-directed investors are most likely to use online trading platforms, followed by an advisor at a bank



In the past three years, have you bought (i.e., contributed to) or sold (i.e., withdrawn) investments in any of the following ways? **Please select all that apply.**

LEFT CHART: [asked of those who report having a type of account that could hold investment products ; n=4,101]; RIGHT CHART: [asked of all hybrid self-directed investors; n=600]

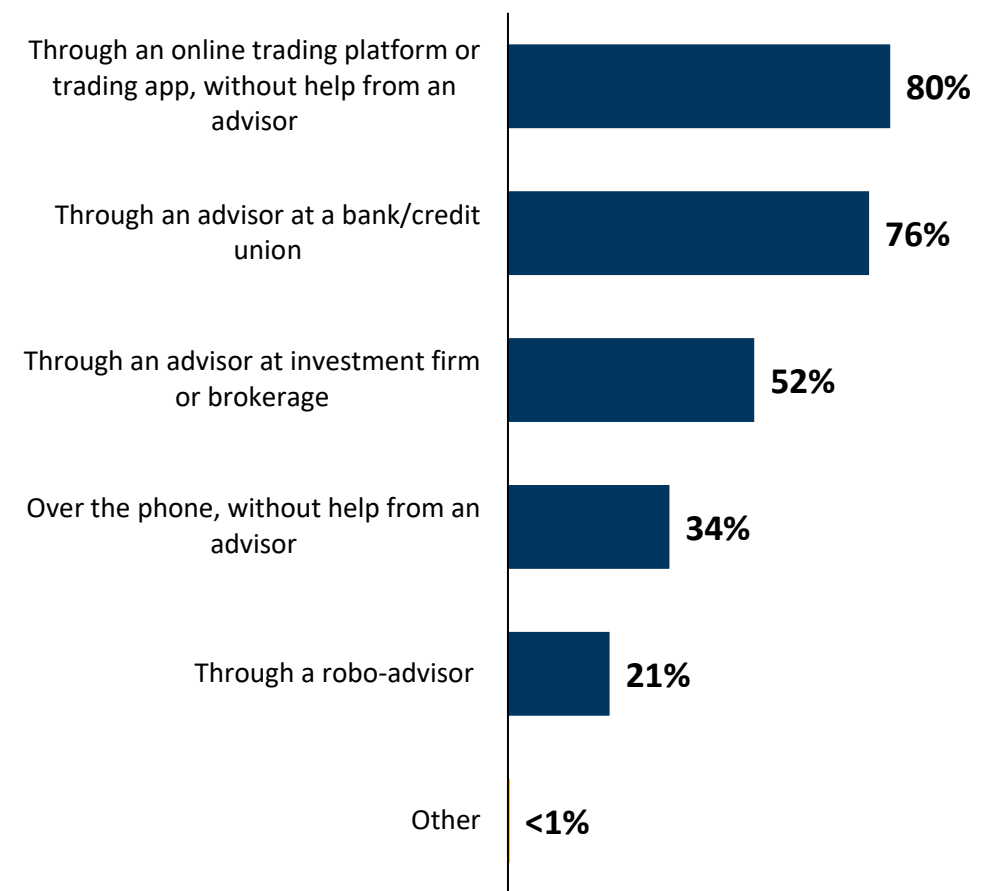
All Respondents



Respondents who have **both** advised investment and self-directed investment are **"hybrid self-directed investors"**

12%
of respondents qualified as hybrid

Hybrid Self-Directed Investors



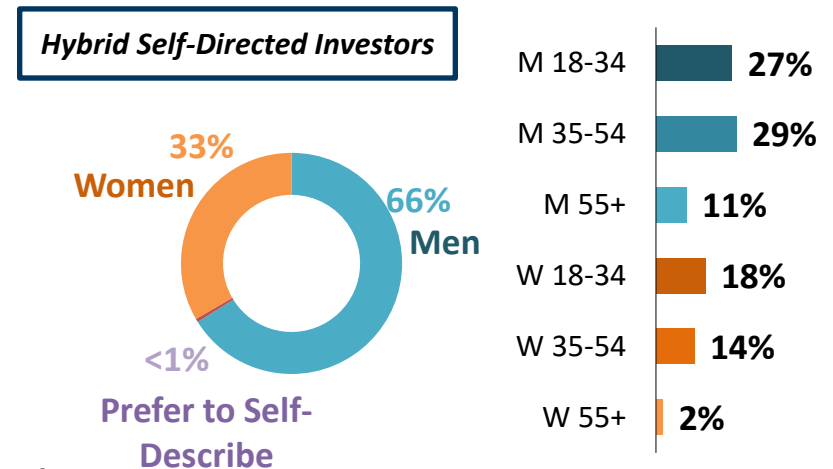
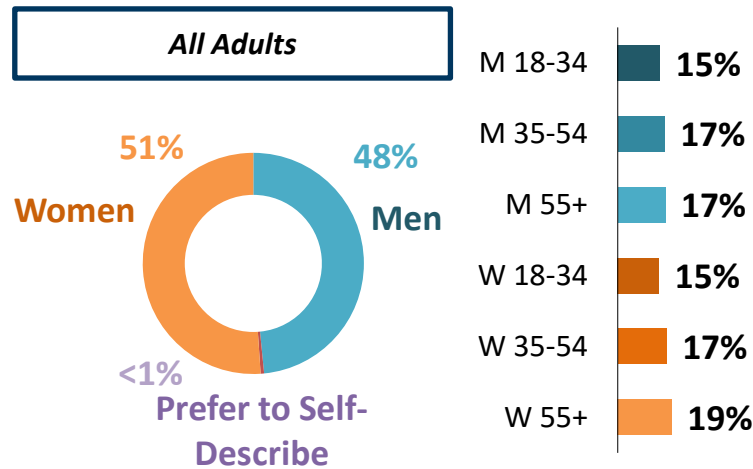
Note: Multiple mentions allowed; totals may exceed 100%.

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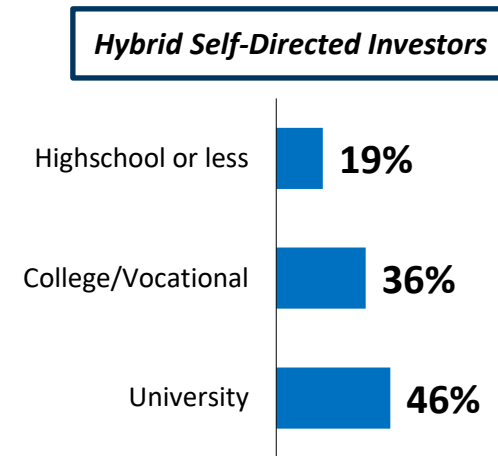
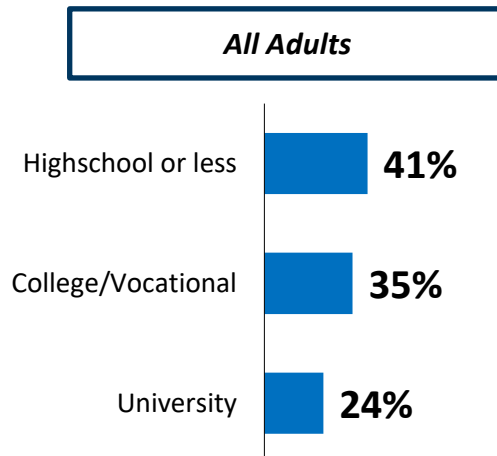
Demographic Differences

- Hybrid self-directed investors tend to skew **younger and more are men**, with 27% being men aged 18–34 compared to just 15% among all respondents.
- They are also more likely to have a **university degree** than adults in general (46% vs 24% having a university degree).

Gender and Age



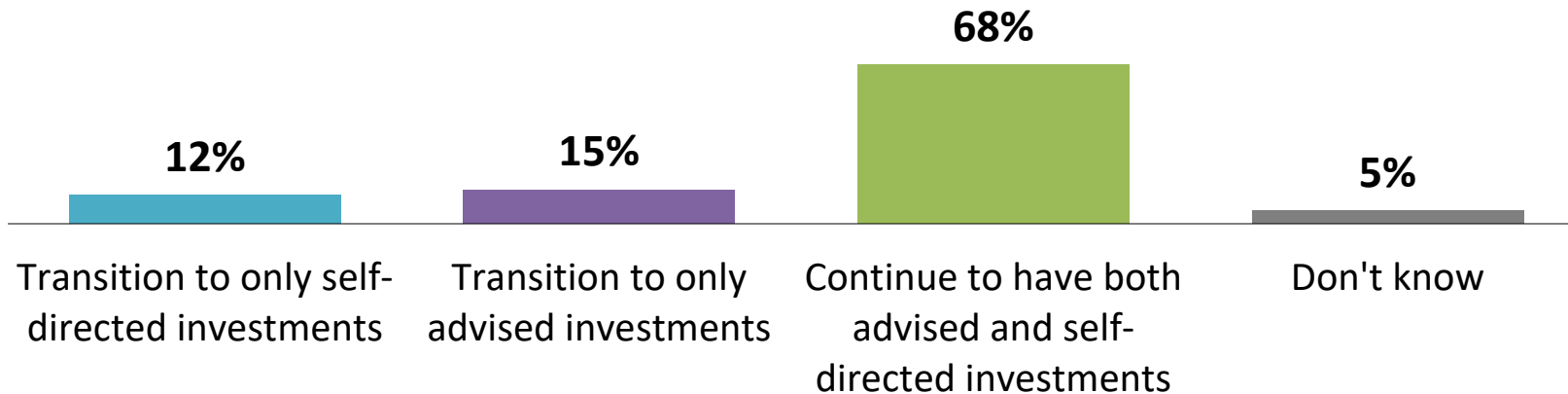
Completed Education



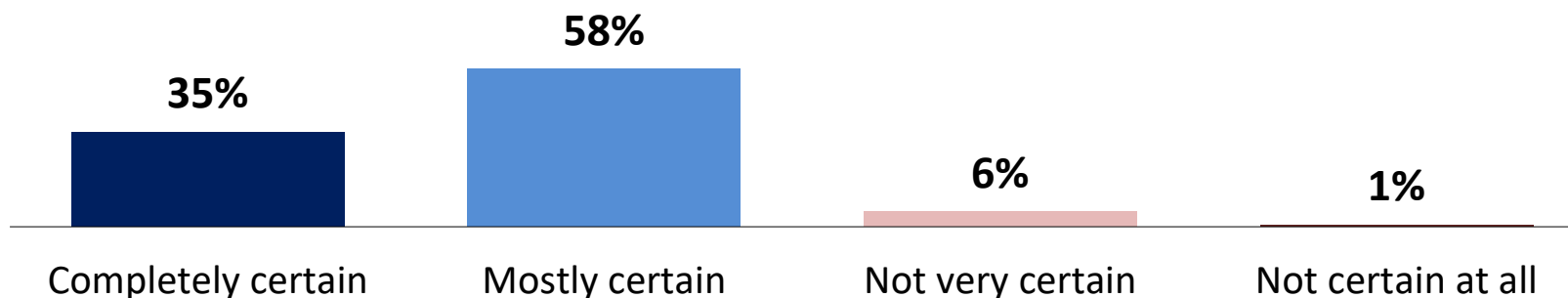
Future Plans: Hybrid self-directed investing is poised to continue

- A strong **majority of survey respondents (68%)** report their decision to stay hybrid.
- This was also evidenced in focus groups—where more consciously **chose to keep both methods**.

Survey Respondents' Plans for Future Investing



Certainty in that Plan



Top Reason to Stay Hybrid: “Balance/Best of both worlds” (46%)

Balance:

"I'd like to keep both. I'd like to see the difference in terms of ROI and to see if working with an advisor will enhance my return." (Woman, group 2)

"I still think I would probably have both. I am more of a high risk, more apt to take risk, than what I would expect from a planner." (Man, group 1)

Diversify/manage risks:

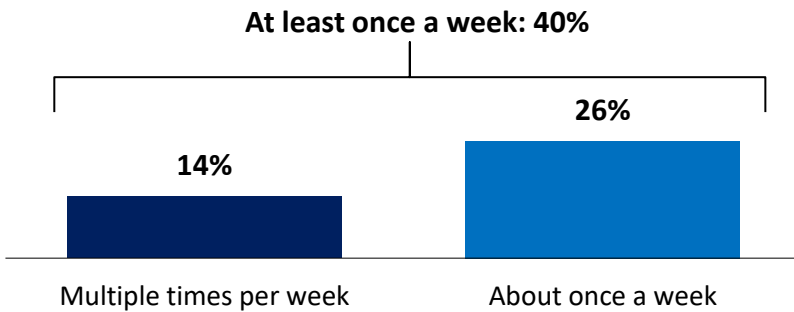
"I do have my stable bank stocks... I have a big enough nest egg on the side... I set my limits. Even though I invest in something that's high risk, when I know it's going up, I start increasing my stop limits." (Man, group 1)

"I'm pretty diversified in quite a few areas. If one area is quite high risk, and I might lose out on that, or I might do bad on it, I'm mentally prepared for that scenario." (Man, group 4)

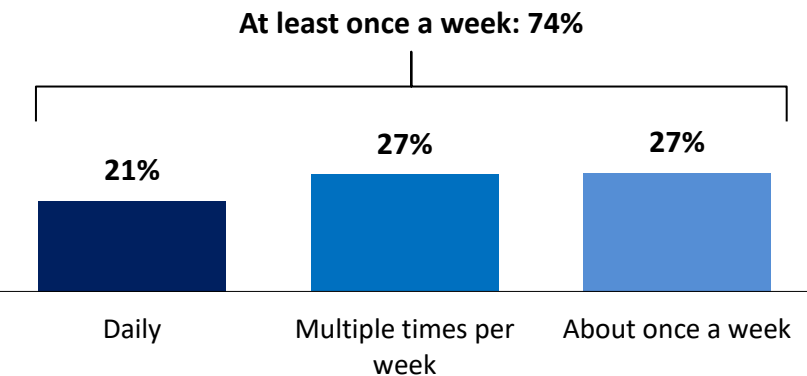
Account Usage: Many hybrid investors use their self-directed accounts for speculative activities and report higher risk tolerance

- Many trade often (40% trade at least once a week),
- Check their accounts frequently (74% check at least once a week),
- And hybrid DIY investors are more likely to report being willing to take significant/moderate risks for better returns.

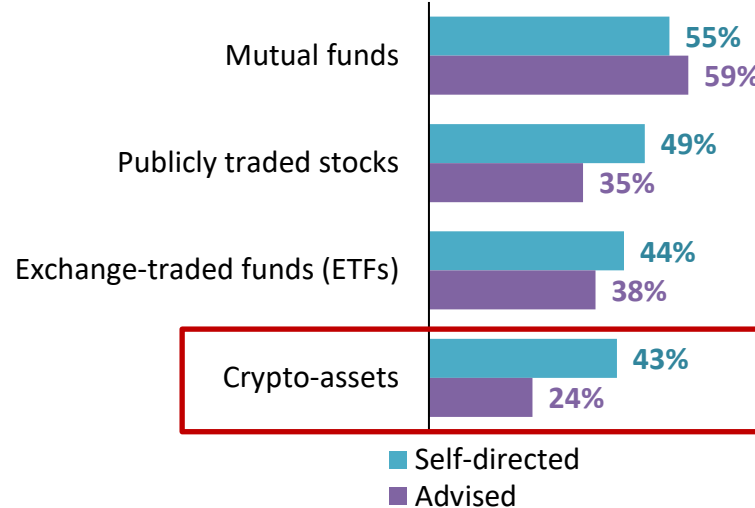
Transaction Frequency in Self-Directed Accounts



Checking Frequency in Self-Directed Accounts



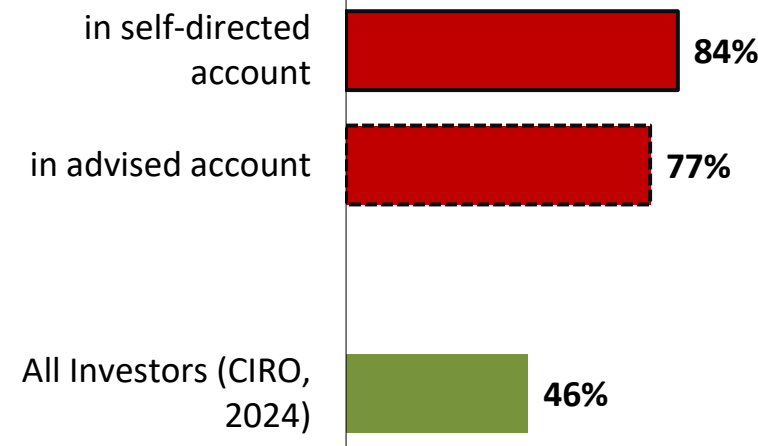
Most Common Products (DIY)



Risk tolerance:

% who take "Significant" or "Moderate" risk for "better returns"

Hybrid DIY:



Risk among focus group participants

Few in the focus groups articulated a clearly defined risk tolerance or investment strategy. But sometimes advised accounts were described as for conservative, stable, goal-driven investing, whereas DIY accounts were seen by some as the venue for higher risk-seeking behaviours, more complex assets, or 'having fun'.

Risk/Speculation: Younger hybrid investors, and those who developed the plan entirely on their own displayed more risk-taking indicators

Respondents were ranked on an index of five speculative investing indicators (how often they trade, check the value of their accounts, how many high-risk products they have, whether 'having fun' or 'a big return' are their goals, and whether they report a high risk tolerance) – and then broken out into four distinct segments.

In focus groups, participants displayed three mindsets around taking risk:

1. Thrill Seeking:

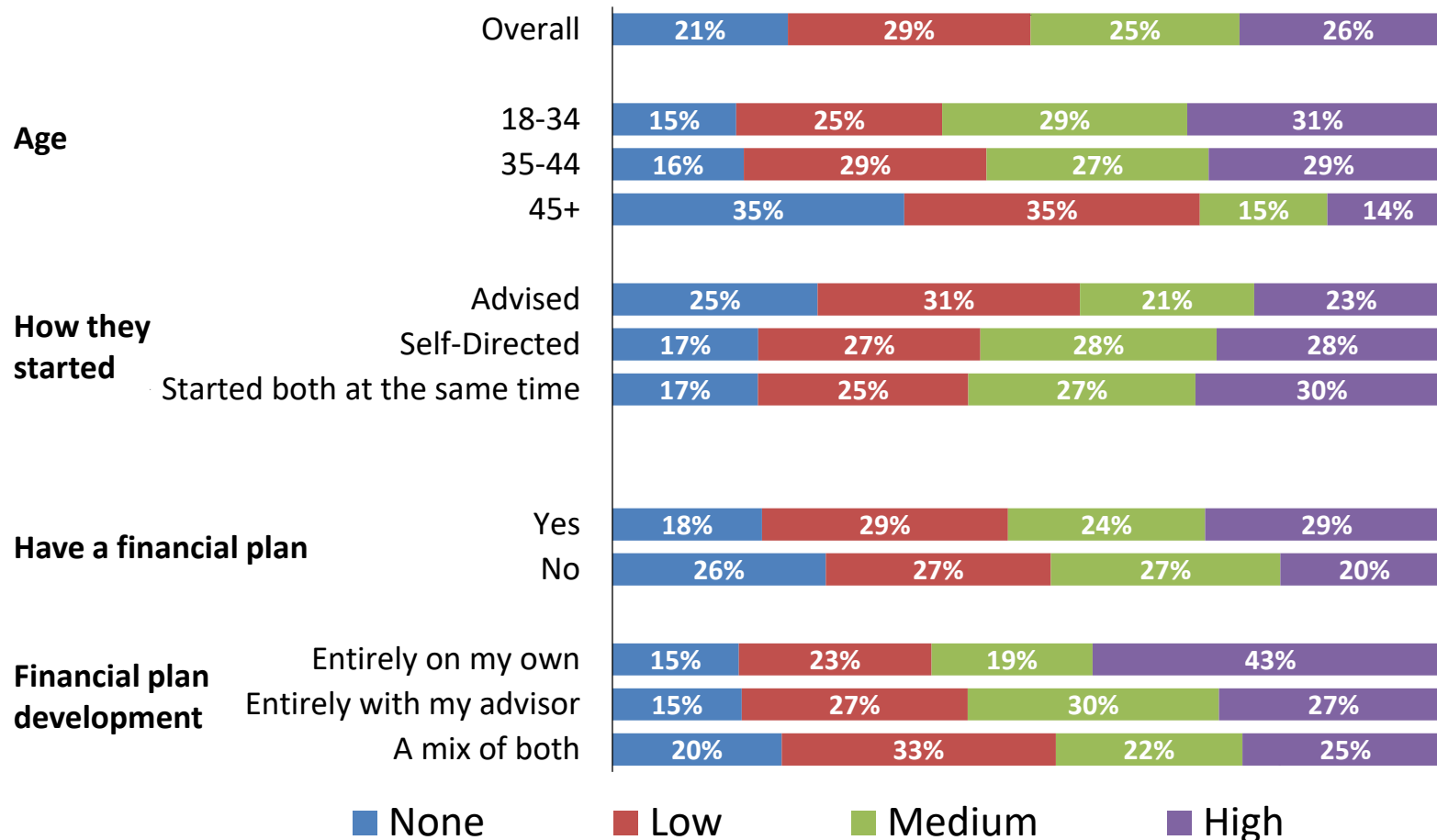
- Driven by excitement
- Experiment frequently
- Intentionally use high risk strategies

2. Situational Risk Taking:

- Take risks according to circumstance
- Believe they have 'time to recover'
- Use high risk strategies—more mindfully

3. Building Literacy

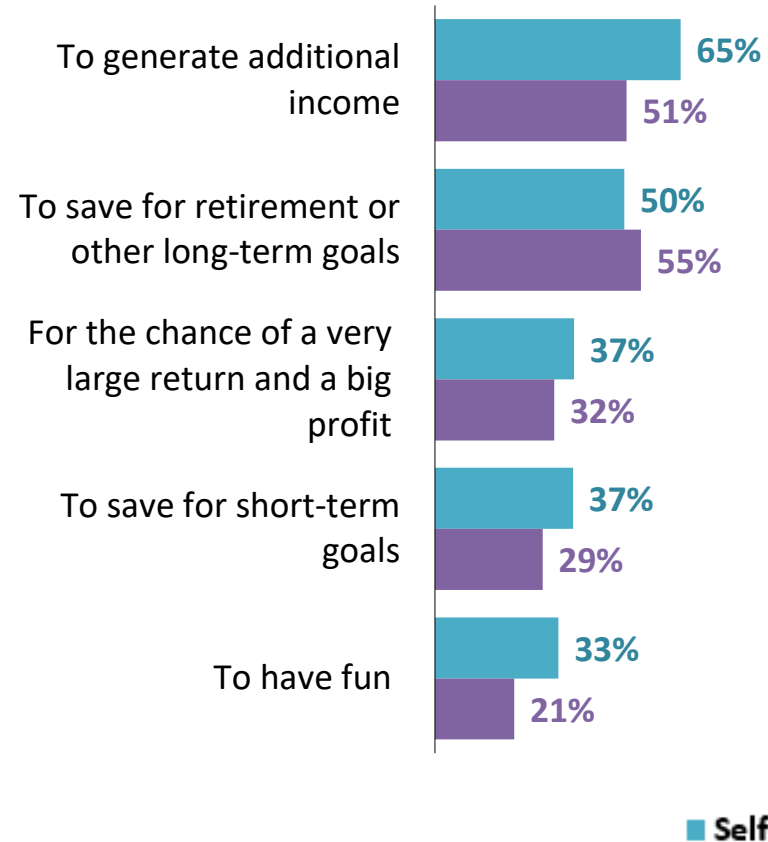
- Invest to learn, lower risk
- Cautious often from inexperience
- Sometimes *unintentionally* take higher risks



Account Usage—Goals: More report goals of generating additional income and having fun in self-directed accounts

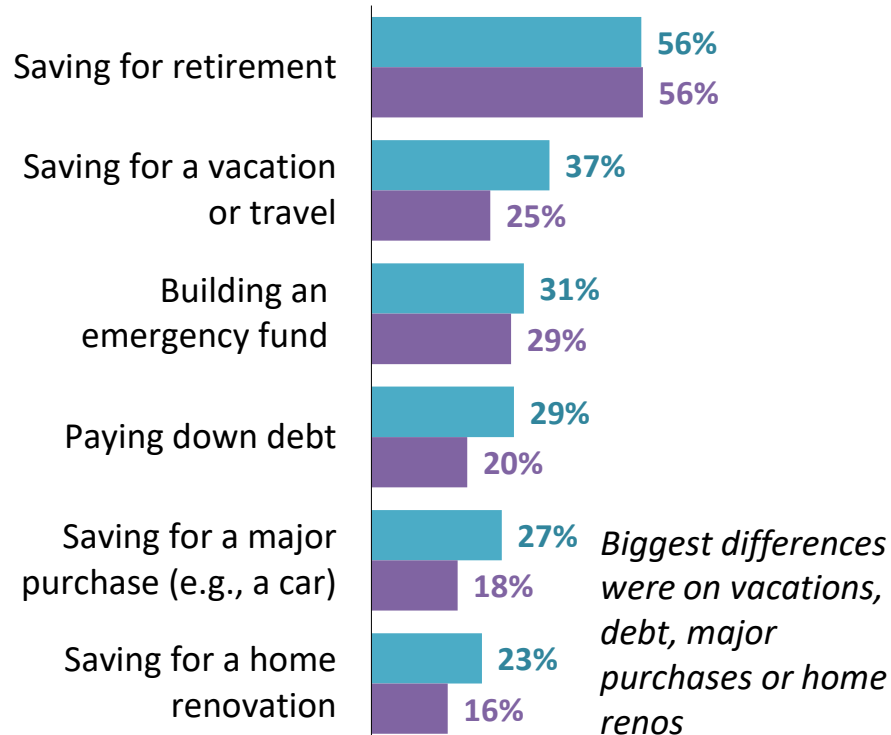
- **Generating additional income and having fun** are more likely goals for self-directed than advised accounts by at least 12 points.
- **Saving for retirement and long-term goals** are slightly more likely for advised accounts.
- **Financial planning also influences the goals** that hybrid self-directed investors have for each account. Those with a plan are much more likely to seek additional income in self-directed (70%) than advised account (53%).

Investing Reasons by Account Type



Long/Short-Term Goals by Account Type

6 most common goals in DIY accounts shown



Focus group voices

Generate additional income:

"Right now...I get stable monthly interest income, even though, we're not earning a lot or anything...but we get monthly stable interest income." (Woman, group 3)

Saving for long-term goals:

"I've got two boys, 21 and 17, and we put money into RESPs for them, I am not touching that. I want the principal to be completely protected". (Man, group 3)

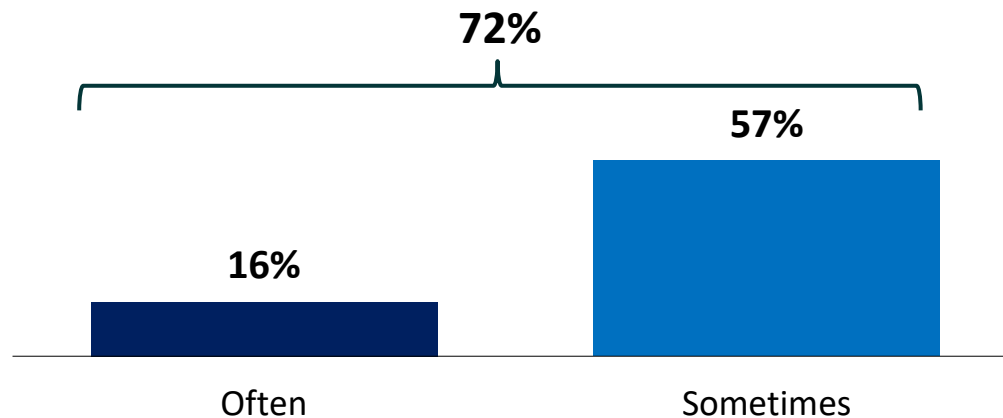
Chance of a big return / Having fun:

"[It's] money that I can play with. So one's the retirement fund, and the other one is the casino gambling type fund". (Man, group 1)

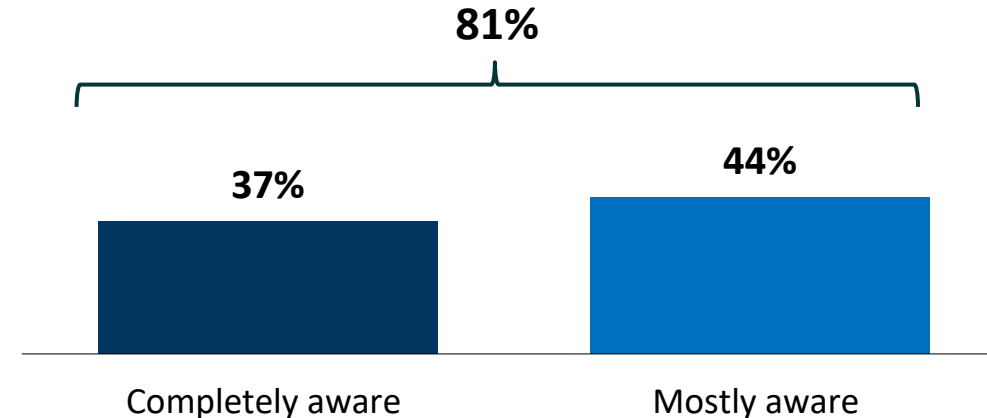
Advisor Relationship: Survey respondents report close relationships with advisors, but focus group participants were more distant

- In the survey we see a **closer relationship** where **81% report their advisor is aware of their self-directed investments**, and **72% report often/sometimes using advice from advisors** to make decisions about self-directed investments.
- Many focus group participants were more distant from their advisors, sometimes with almost no advisor relationship.
- Respondents who don't have a plan/have a self-made plan only, which was a criteria for most focus group participants, did have less strong relationships with advisors in the survey as well.

Frequency of Using Advisor's Advice



Advisor Aware of Self-Directed Investments



Many focus group participants expressed more distant relationships:

"No, I'm pretty much hands off with my investor now... I don't even think I remember his phone number anymore. It's pretty much whatever he did for me in the past." (Man, group 1)

"I do have a financial advisor, from a bank, we got this mutual fund from them. So it's been ongoing for a lot of years. I don't usually pay much attention to it anymore." (Woman, group 3)

Focus Group Participants on Fraud: Low awareness of fraud threats, and a 'do-it-yourself' approach to fraud prevention through research

Fraud Awareness



- Many were **aware that fraud risks existed but lacked awareness** of common frauds and many **could not clearly articulate the warning signs**.
 - ❖ A few participants did identify red flags: **“too good to be true”, a “random offer”** on social media, a sense of urgency/“**need to buy now**”.
- Fraud was associated with **overhyped investments**, as well as certain products: crypto and IPOs.
- **Conventional forms of fraud**, such as false or misleading information, were also **mentioned but received less focus**.
- The participants active on social media were more aware of frauds than those who were not.

How participants identify frauds:

“I would say, if it's being hyped up on like places where a lot of young people go, like Reddit or on Twitter.” (Woman, group 1)

Fraud was associated with overhyped investments:

“Even if a company is established and it goes public, it's going to be hyped up, and people are going to invest in it, and they're going to dump it two days later.” (Man, group 1)

Approaches to Fraud Prevention



- Focus group participants commonly took a **skeptical approach** to anything unfamiliar—especially online.
- **Most of them did their own research** to learn more.
 - Some **research channels** that were mentioned include Reddit, Google, company's website, Bloomberg, etc.
- Those that had a close relationship with their advisor said that they would sometimes **discuss fraud concerns with the advisors**, although this was not common.

Participants took a skeptical approach:

“My motto is never to click any unknown links, even it comes on the phone or you receive a call from a CRA or whatever.” (Woman, group 3)

They did their own research:

“So maybe I think the best option...is like, go online, go to Reddit, go to YouTube, just make research on it that way.” (Man, group 3)

Putting it all together:

1

There is no one approach or common type of hybrid self-directed investing:

- Hybrid self-directed investors landed on their current state of affairs through a diverse range of pathways, and future plans are equally diverse (though most do intend to stay hybrid).
- There are no consistent patterns in having more assets in one or the other type of account, and when it comes to products and goals the similarities are as notable as the differences.

2

However, younger hybrid investors are taking the most risks with the least planning:

- Hybrid investors are younger on average, and among them the younger hybrid investors are most speculative in their approach, most likely to have only a self-made plan or a plan that doesn't include both their self-directed and their advised investments.
- In the focus groups younger participants cited their youth, long time horizon, and smaller portfolios as a reason for their ability to withstand higher risk.

3

Speculative hybrid investors often rely on self-made plans and may take unintentional risks:

- Although many claim to have some form of a plan, in the focus groups, the more speculative hybrid investors struggled to articulate clear reasons for having both types of account or a clear strategy or plan they were following.
- The survey results showed that those who had a self-made financial plan were engaged in the highest levels of speculative investing in their self-directed accounts.
- Not everyone engaged in more speculative behaviours seems to be doing so intentionally.

4

Advisors may be an untapped source of help for some hybrid self-directed investors:

- Although most hybrid investors report having a close working relationship with their advisor, the reasons are more surface level, and among the more speculative focus group participants these relationships seemed more tenuous.
- However, hybrid investors tend to trust their advisor more than any other source, and those who work on a financial plan *with* their advisor tend to engage in less speculative behaviour in their DIY account

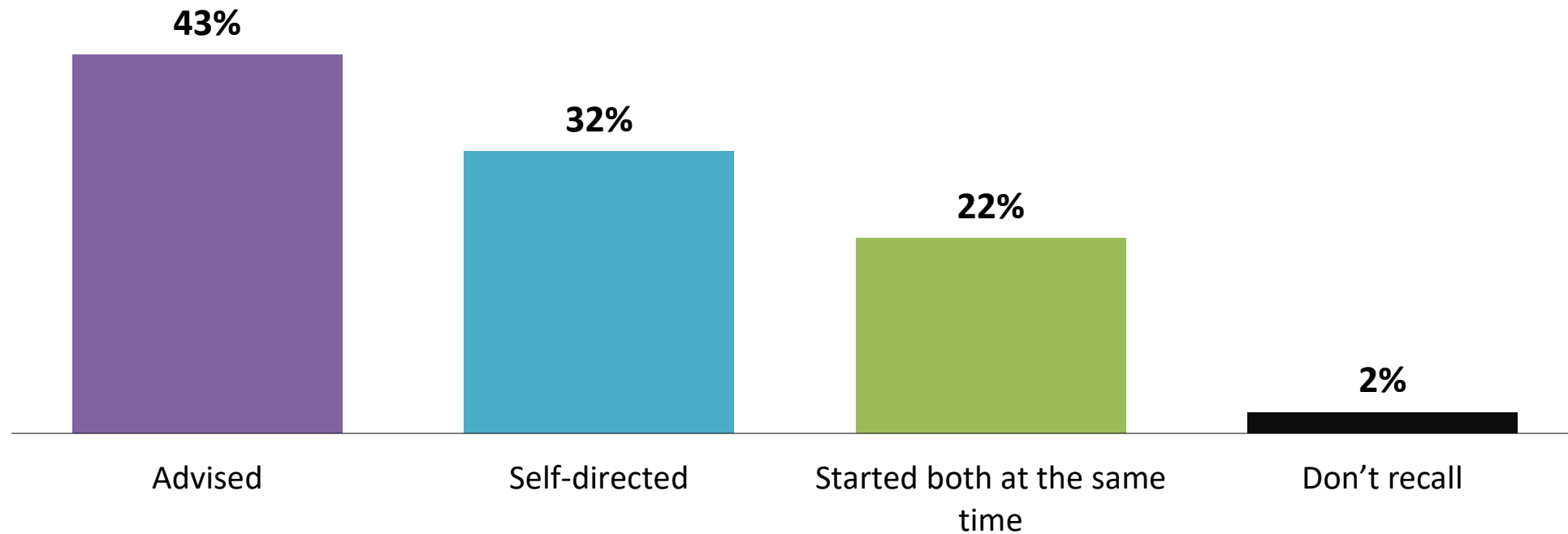
Hybrid Investor Journeys & Motivations

Hybrid self-directed investors use each account type for different personal and financial goals

Hybrid investors vary in how they started, though starting out advised²⁰ is most common



Thinking about when you started investing for the first time, did you start out as an advised investor or as a self-directed investor?
[asked of all hybrid self-directed investors; n=600]

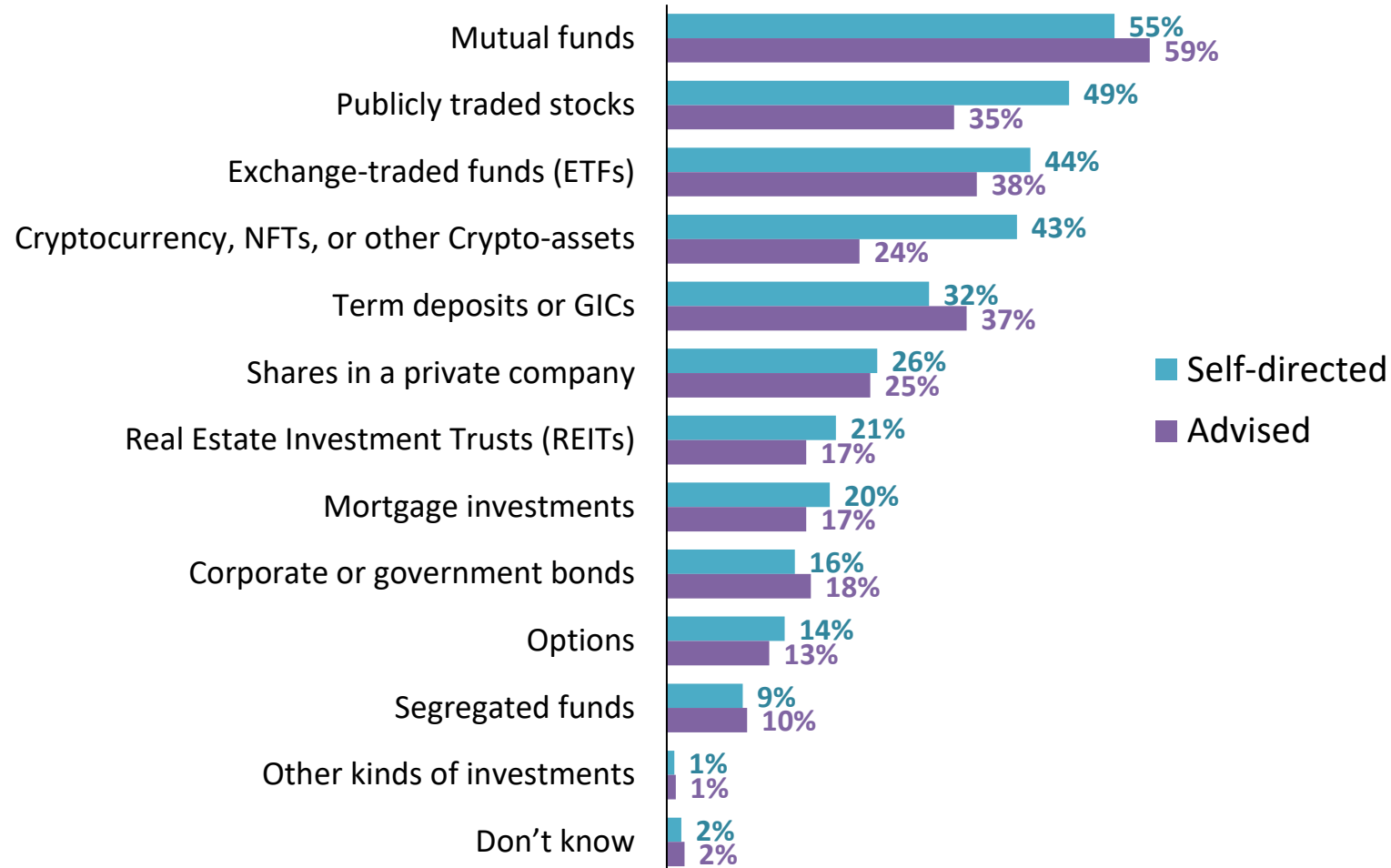


Respondents are more likely to have stocks and crypto in their self-directed account



What kinds of investment products do you typically have in your [self-directed/advised] investment account(s)? Please select all that apply.

[asked of all hybrid self-directed investors; n=600]

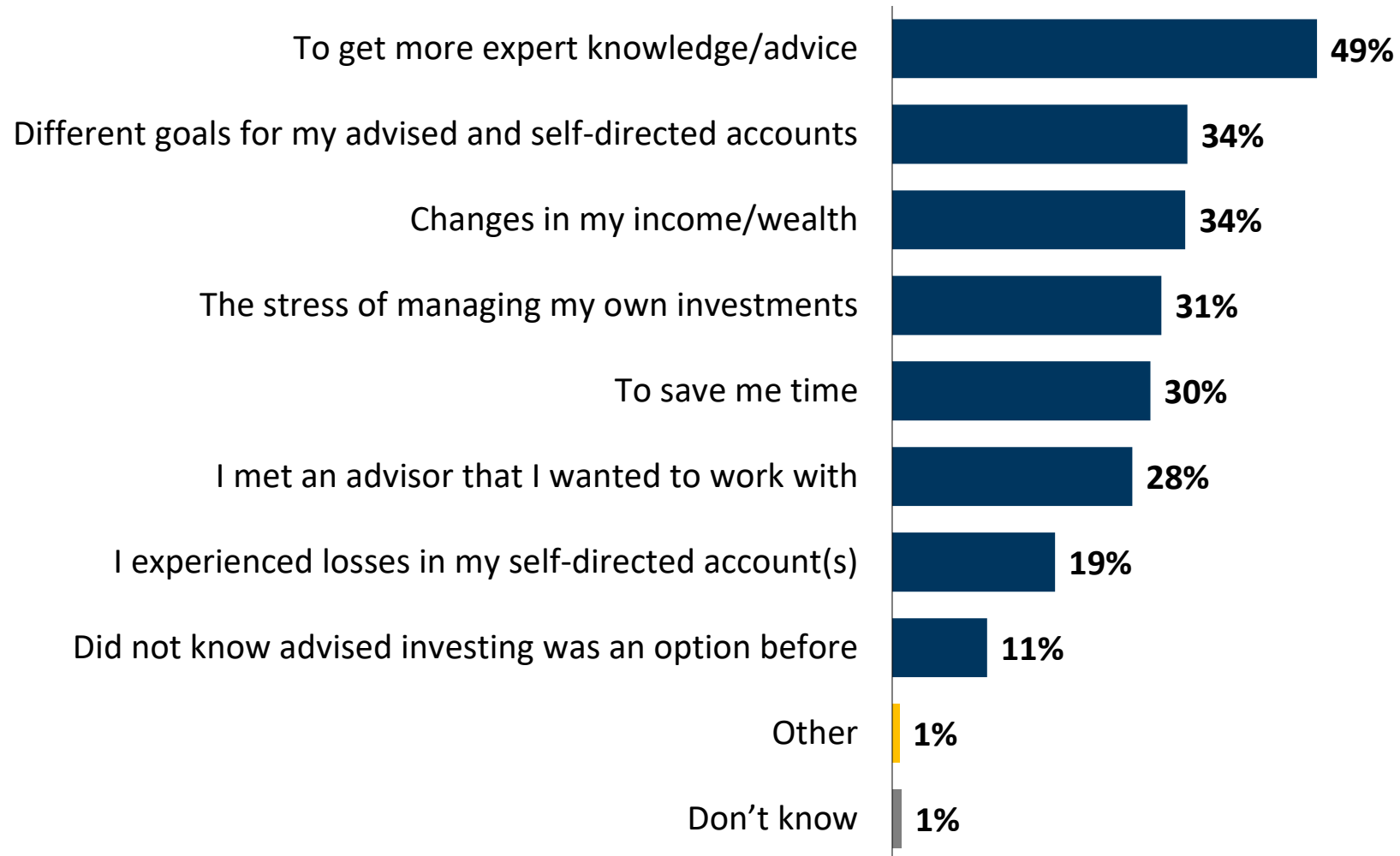


Reasons for Advised: Those who started self-directed or hybrid cite expert advice and different goals as top reasons for switching



What are the main reasons you chose to open an advised investment account in addition to your self-directed account?

[only asked of those who started out as a self-directed investor or hybrid self-directed investor; n=326]



Focus group voices

Expert knowledge/advice:

"I believe in not to just take everything on my shoulder and expect a certain amount of return every month, because then I believe that it's very risky, unless and until you're a pro, which I'm not." (Woman, group 3)

"They give you the step by step, play for play. It's good to have an advisor, especially the one who's a little bit more experienced, credible, been in the industry for a while." (Man, group 1)

Different goals:

"Most of the investment is with the financial advisor, and I'm happy that the money is safe. On the other hand, I always wanted to try with a little money of my own." (Man, group 3)

"My more serious portfolio is the one that has the advisor, and then the one I do self-directed, that's more of my play money that I'm prepared to lose." (Man, group 4)

Reasons for Self-Directed: Those who started as advised or hybrid cite control, learning, and lower fees as top reasons for starting self-directed



What are the main reasons you chose to open a self-directed investment account in addition to your advised account?

[only asked of those who started out as an advised investor or hybrid self-directed investor; n=393]



Focus group voices

Desire for control:

"I like that you can do your research, and no one can tell you what to do, so you have more flexibility, and you can decide, but you still need to know your knowledge beforehand." (Woman, group 4)

Increase investment knowledge:

"I like the idea of being more involved in my investment... unless I had skin in the game, as it were, I didn't have the need to learn... The more they dropped names or phrases that I didn't understand, the more I wanted to learn. And so, like I said, the best way for me to learn was to actually jump in." (Man, group 3)

Lower fees:

"When I became an adult, I got an advisor given to me... I opened a mutual fund. I knew there were high fees. I decided to open another account that's self-invested... I wanted to get the same stuff, but just directly with cheaper fees." (Man, group 1)

Focus group participants saw benefits of both; some were transitioning; and others were only incidentally hybrid

In the focus groups, higher-risk hybrid DIY investors had varied reasons for their hybrid investing approach.

1. Balancing benefits of both:

- Many saw distinct advantages of each.
 - Learning, control over investing strategy and risk, and lower fees for DIY.
 - Guidance, stability, and a “steady hand” on often larger long-term investments with an advisor.



Balancing benefits of both:

“I still think I would probably have both. I am more of a high risk, more apt to take risk, than what I would expect from a planner.” (Man, group 1)

“I'd like to keep both. I'd like to see the difference in terms of ROI and to see if working with an advisor will enhance my return.” (Woman, group 2)

2. Transitioning to self-directed:

- Several participants were only loosely “hybrid”—sometimes even forgetting about advised investments or already transitioning to self-directed only.
- Sometimes spurred by advised investments not achieving desired results.
- Typically little to no engagement with their advisor.



Transitioning to DIY:

“But now I manage my stuff myself. You know, it's been a while, so I just now, I just do everything through online investment apps.” (Man, group 3)

“I do have a financial advisor, from a bank...purchased a mutual fund from them... I don't usually pay much attention to it anymore.” (Woman, group 3)

3. Incidental advised account:

- A few were focused on self-directed investing but continued to engage with advised accounts for specific purposes.
- These participants held advised accounts like RESPs for family and still checked in with advisors occasionally.



Incidental advised account:

“I have a financial advisor that takes care of my son's RESP... I feel a different sense of requirement for that versus my own money...So I kind of just said, here it is, and you take care of it and make sure there's money there for each year.” (Man, group 1)

“I haven't yet thought of like investing my kid's money into the stock market right now... So there is child support, which comes for her every monthly so my wife and I, we have just planned it out, like we'll just keep it there.” (Man, group 3)

4. Transitioning to advised:

- A few higher risk hybrid investors acknowledged trying self-directed investing but were in the process of transitioning to advised investing only.
- They held few self-directed investments, with the majority in advised accounts.



Transitioning to advised:

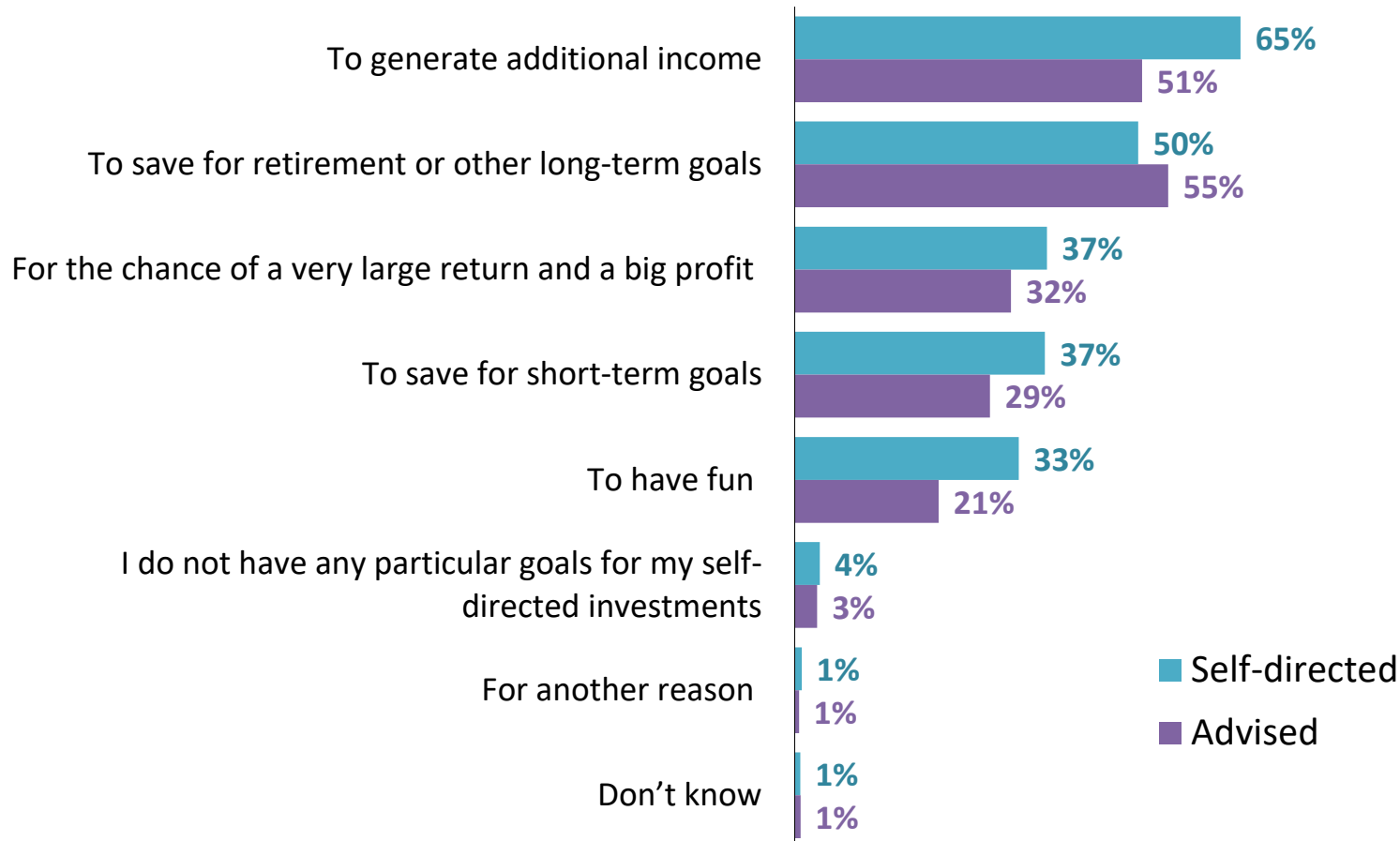
“Everything, I don't want to stretch my head thinking about it. I want somebody else to do it for me, and you just be giving me the report, and I know what is going on.” (Woman, group 3)

General Goals: Many goals are similar for both accounts, but generating income and fun are more common in self-directed accounts



What are your financial goals for your [self-directed/advised] investments? Please select all that apply.

[asked of all hybrid self-directed investors; n=600]



Focus group voices

Generate additional income:

"Right now...I get stable monthly interest income, even though, we're not earning a lot or anything...but we get monthly stable interest income." (Woman, group 3)

Saving for long-term goals:

"I've got two boys, 21 and 17, and we put money into RESPs for them, I am not touching that. I want the principal to be completely protected". (Man, group 3)

Chance of a big return / Having fun:

"[It's] money that I can play with. So one's the retirement fund, and the other one is the casino gambling type fund". (Man, group 1)

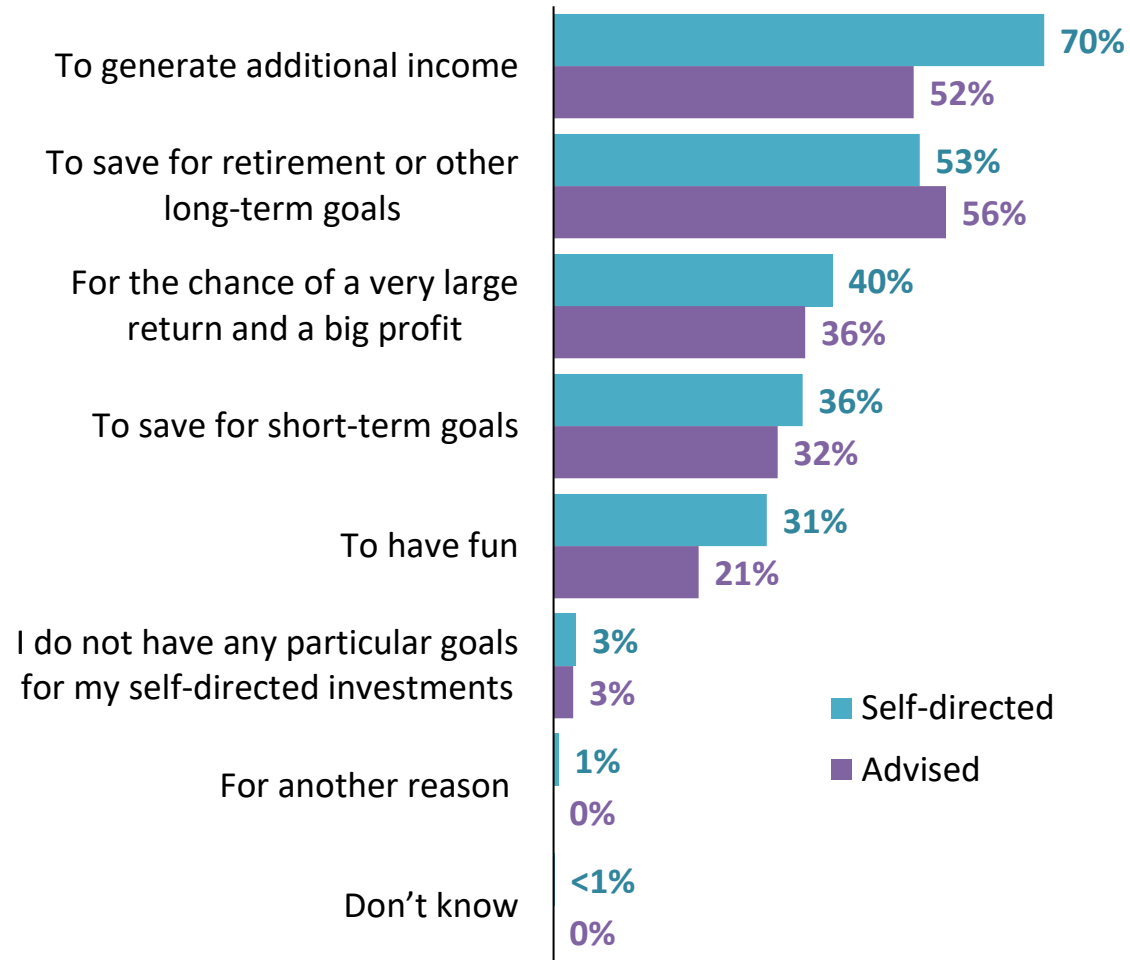
Those with a plan see their self-directed as a source of income more often, those without see it as a tool for fun more often



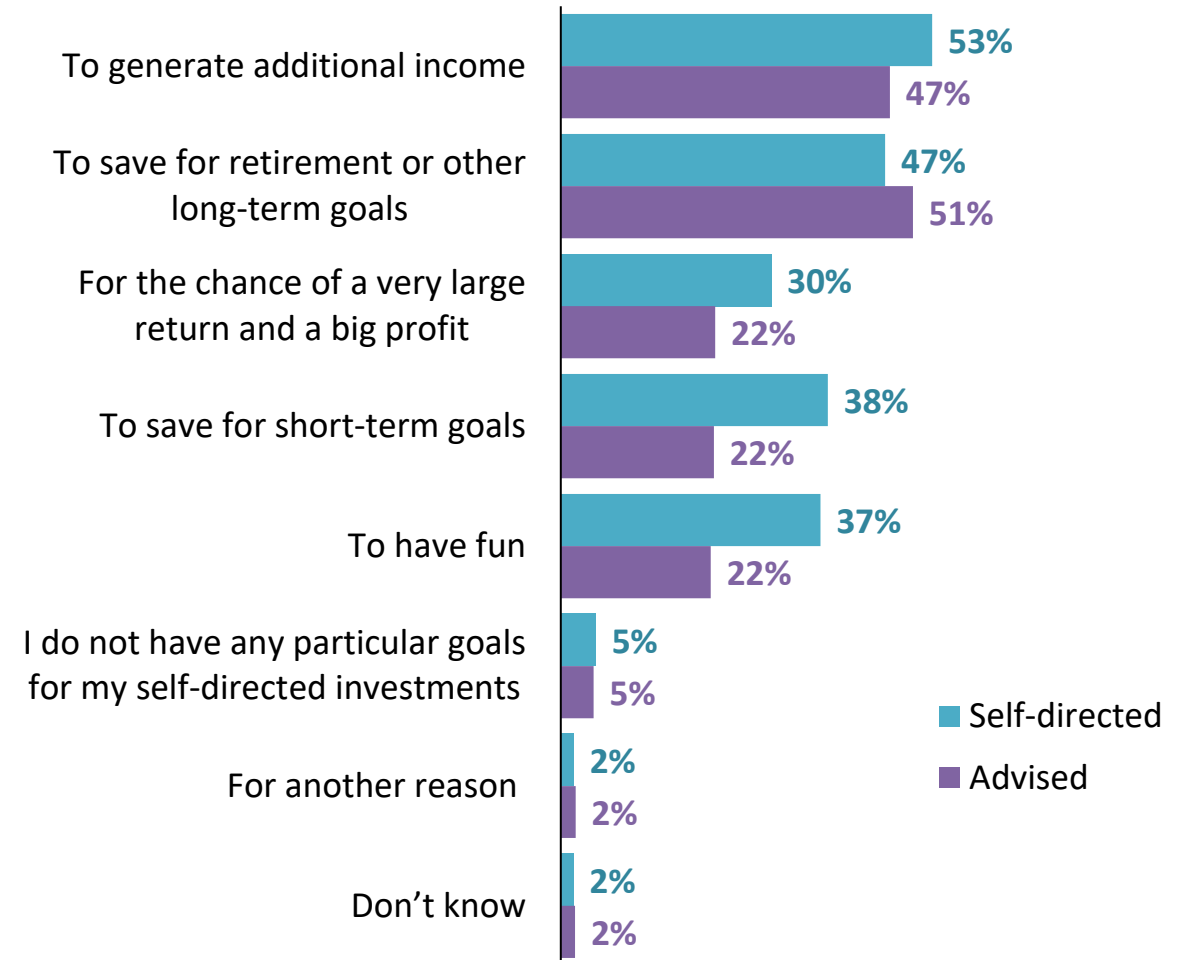
What are your financial goals for your **self-directed/advised** investments? BY Financial Plan

[asked of all hybrid self-directed investors; n=600]

Have a financial plan



Don't have a financial plan



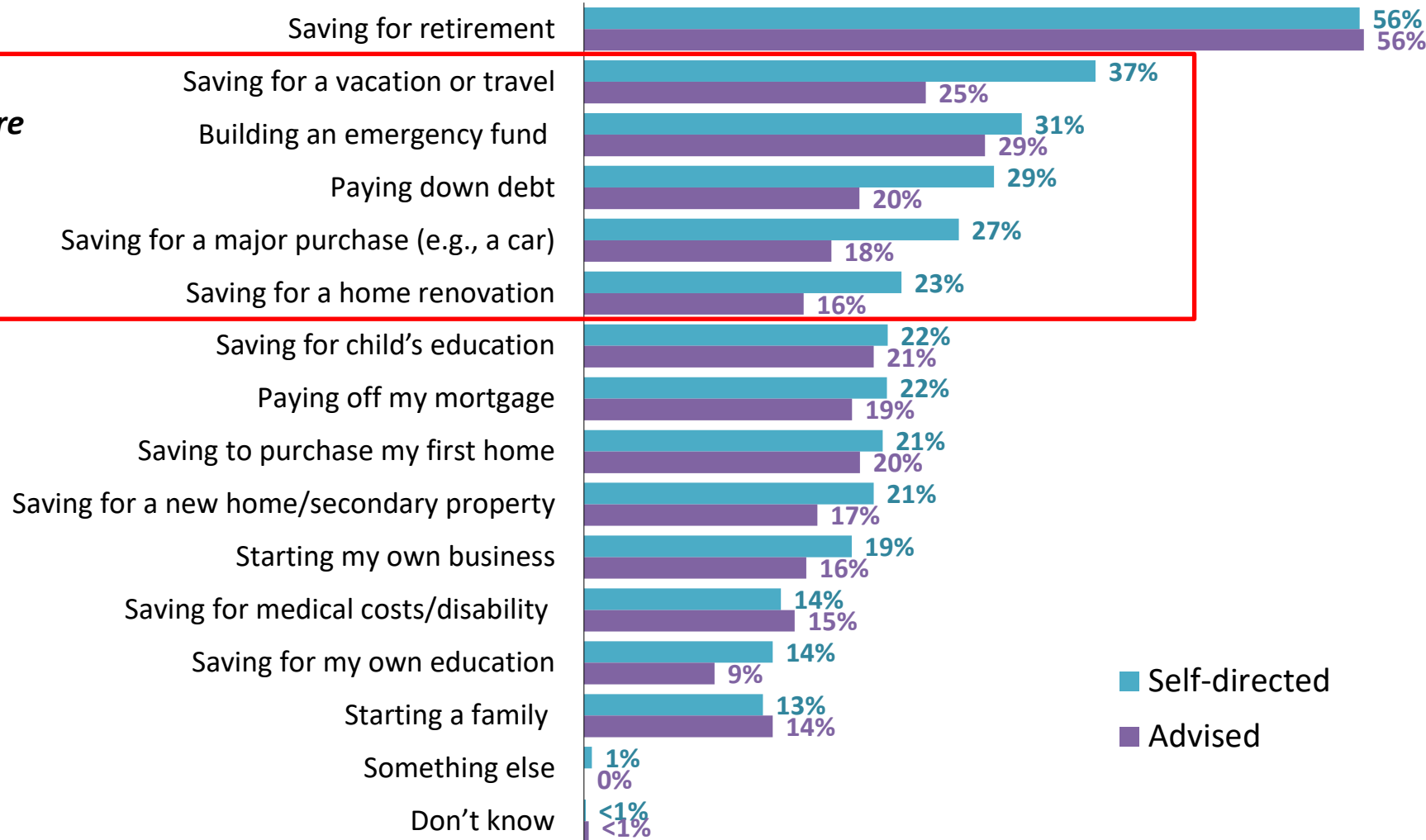
The biggest differences in short-term goals between account types are on vacations, debt, major purchases, and home renovations



And what specific long-term or short-term goals are you working towards in your [self-directed/advised] investment accounts? Please select all that apply.

[Only asked of respondents with short-term/long-term goals in a given account, self-directed n=418, advised n=420]

Biggest differences are on vacations, debt, major purchases or home renos

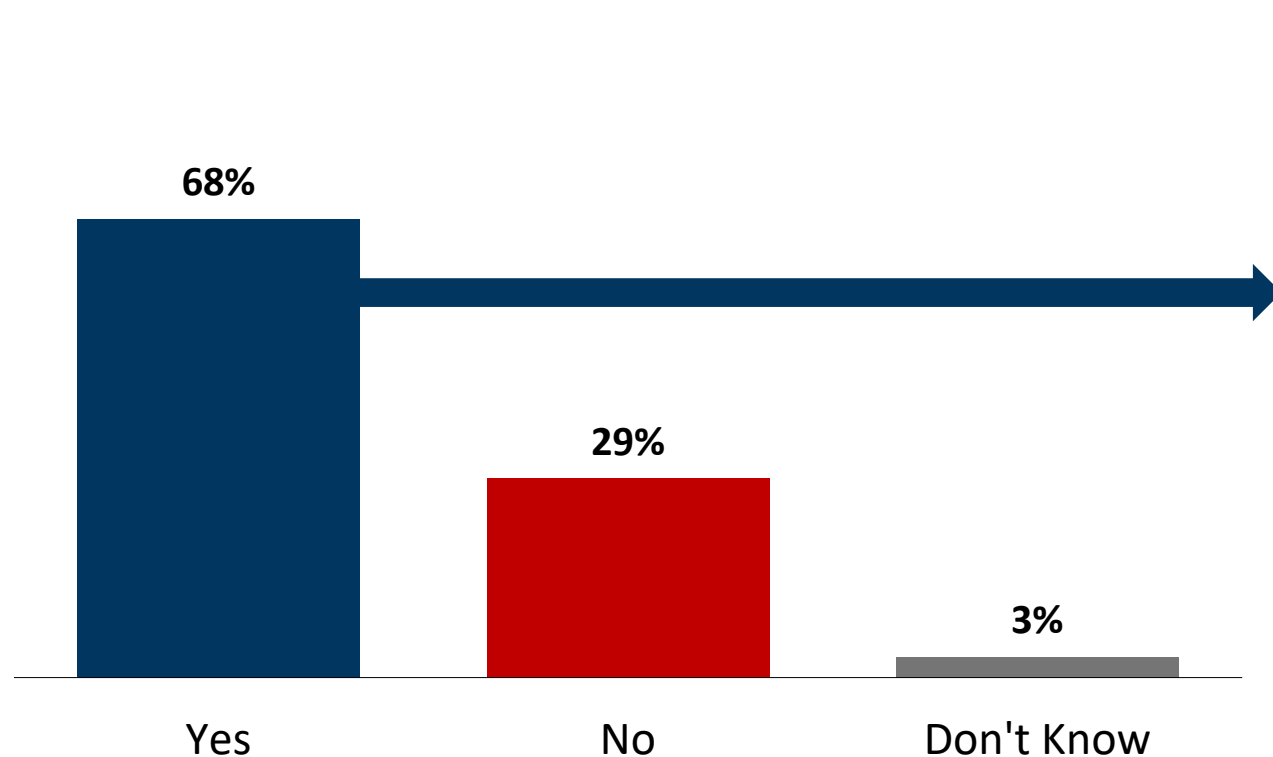


Over 2-in-3 say they have a plan, with most indicating they had at least some help from their advisor while developing it



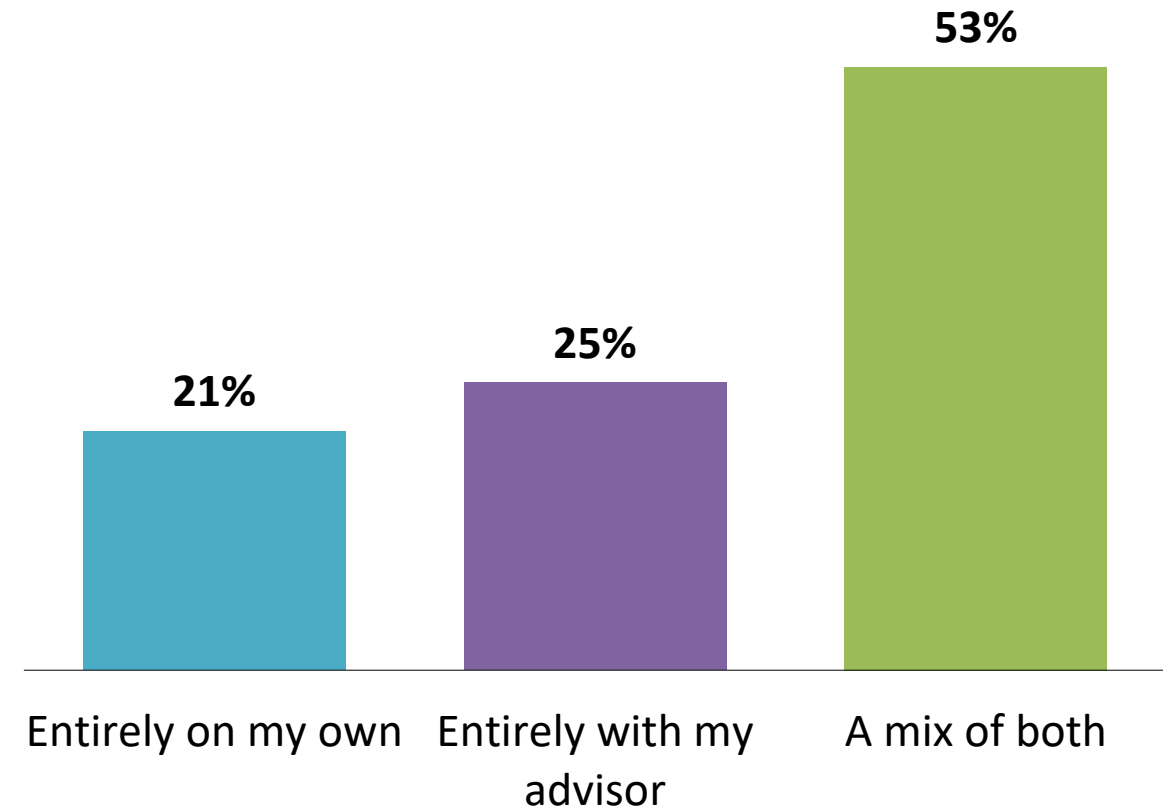
Do you have a financial plan for your investments?

[asked of all hybrid self-directed investors; n=600]



Did you develop your financial plan on your own or with your advisor?

[only asked of hybrid self-directed investors who have a plan; n=405]

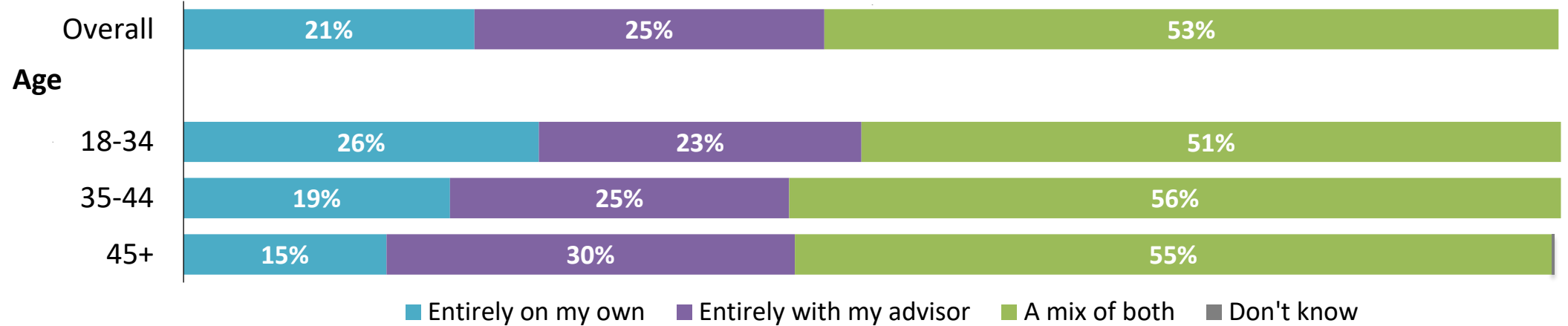


Younger hybrid investors are more likely to develop a plan on their own and to have a plan that doesn't include both ways of investing



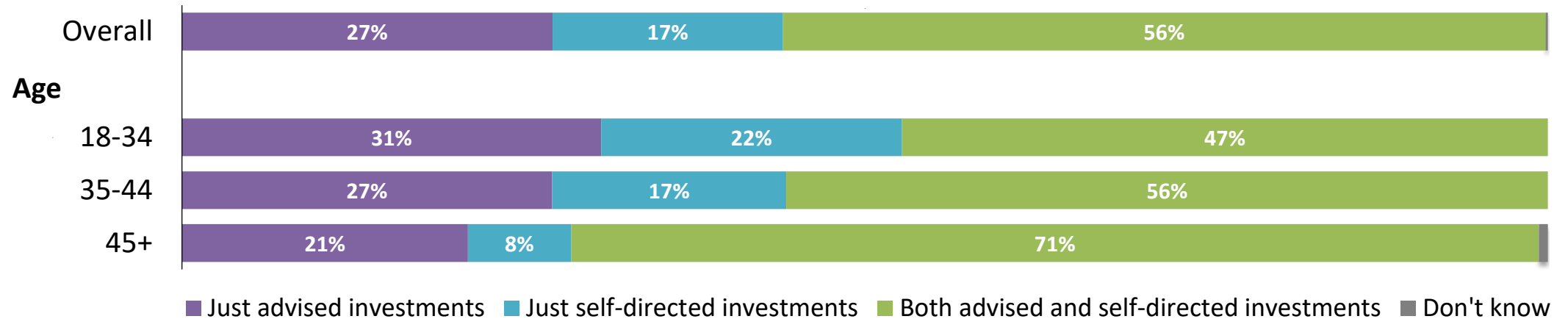
Did you develop your financial plan on your own or with your advisor? By Age, Gender, Investible Assets, and Racialized

[only asked of hybrid self-directed investors who have a plan; n=405]



Is your financial plan based on your advised investments, your self-directed investments, or do they include both types of investments? By Age, Gender, Investible Assets, and Racialized

[only asked of hybrid self-directed investors who have a plan; n=405]

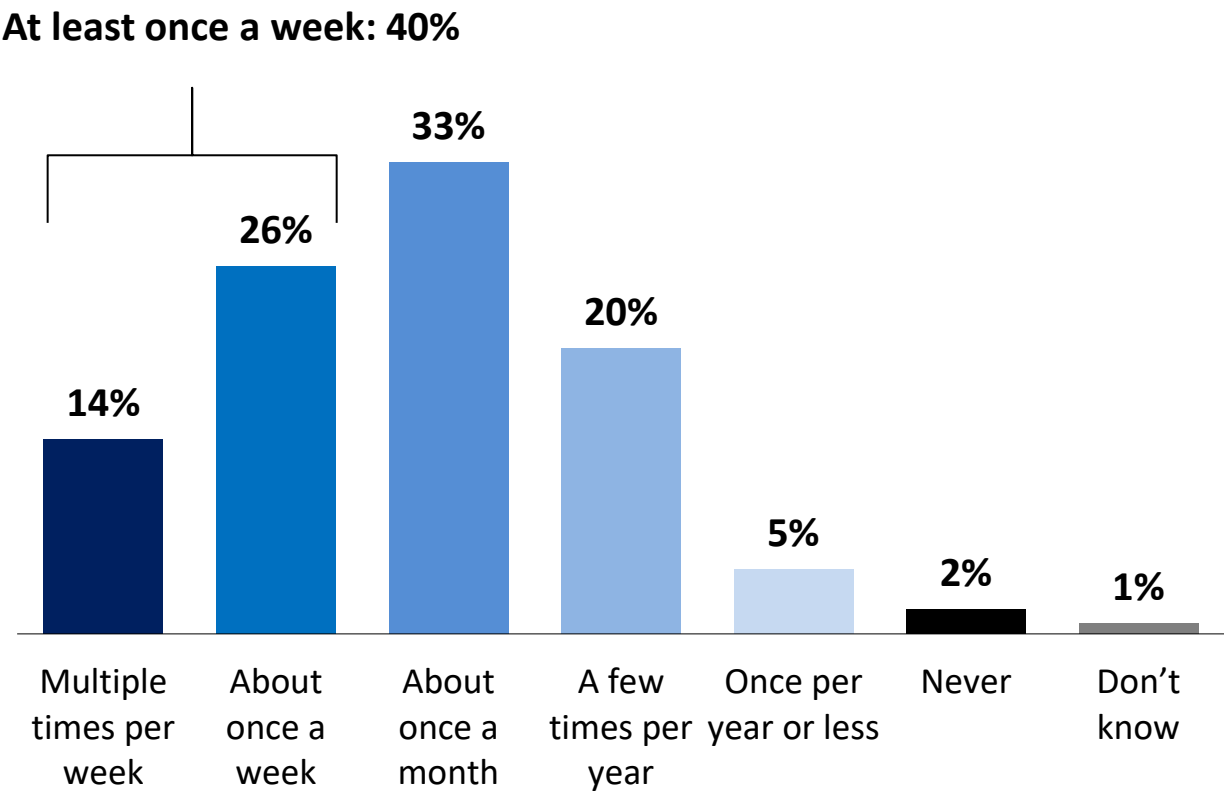


Risk and Speculation

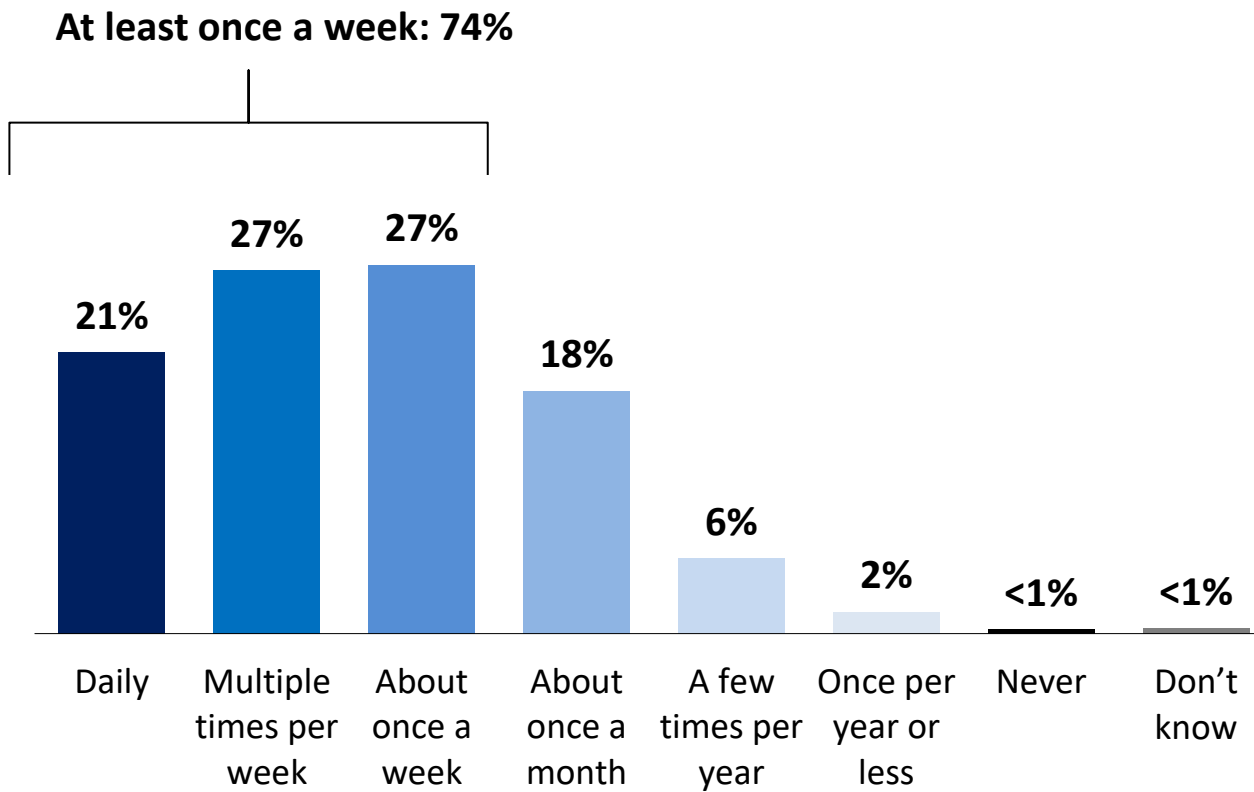
Many hybrid investors use their self-directed accounts for a variety of more speculative investing behaviours, especially those who are younger or developed their own plans.

Transaction/checking frequency: While only 2-in-5 trade at least once a week, majority check their self-directed account at least once a week³¹

Q Thinking about your **self-directed investment accounts**, how often do you typically buy or sell investments yourself (including stocks, bonds, mutual funds, ETFs, crypto-assets, or other kinds of investments)?
[asked of all hybrid self-directed investors; n=600]



Q How often do you typically check the value of your **self-directed** investments?
[asked of all hybrid self-directed investors; n=600]

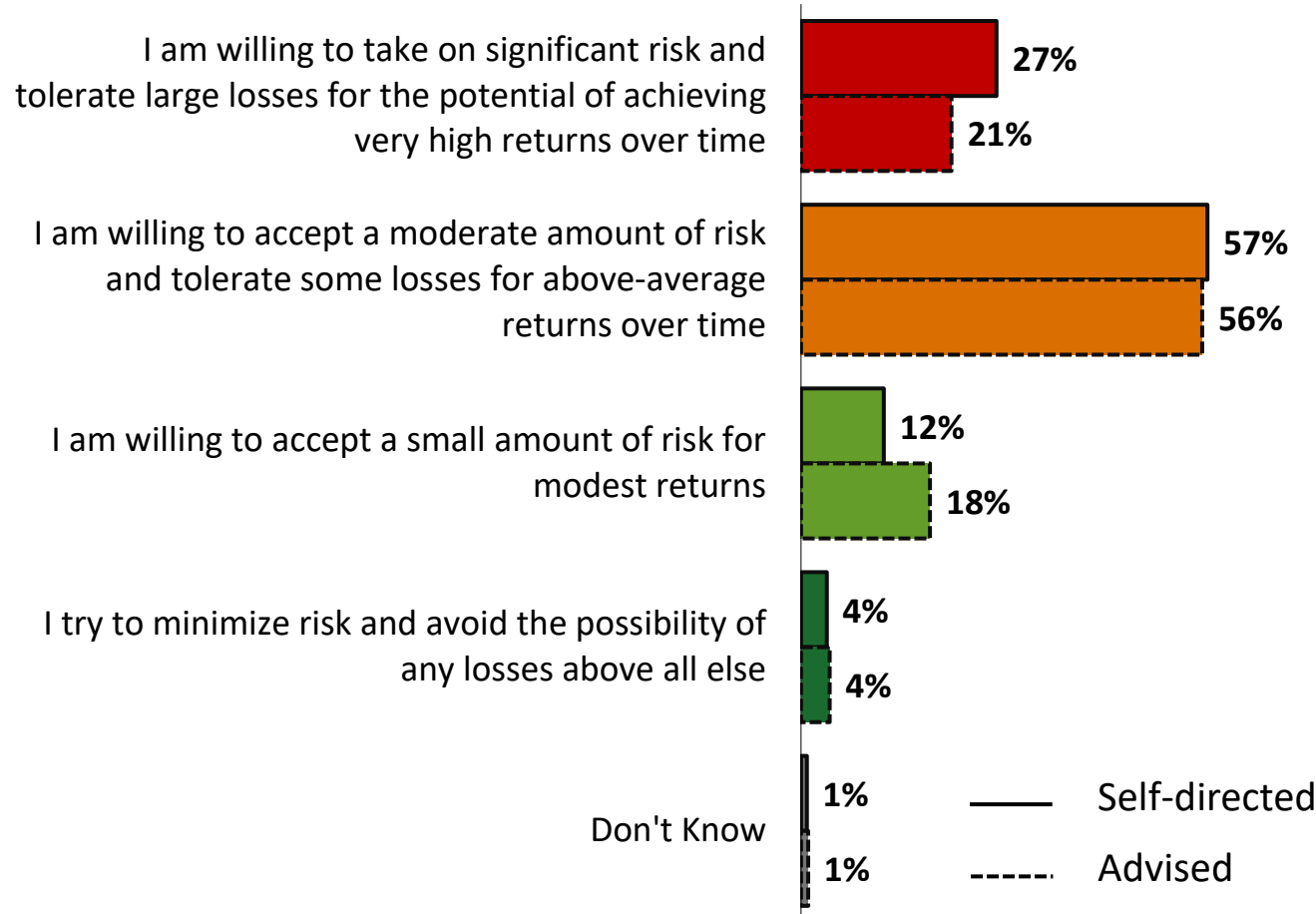


Risk Tolerance: 27% are willing to take on significant risk with self-directed investments, 6 points higher than for advised investments



When it comes to decisions about your [self-directed/advised] investments, which of the following best describes your approach?

[asked of all hybrid self-directed investors; n=600]



Significant/Moderate Risk

- Self-Directed: **84%**
- Advised: **77%**

Hybrid self-directed investors are much more likely to say they have a significant or moderate level of risk in both account types, compared to Canadian investors overall (46%).*

Speculative Self-directed Investing

Investors differ in how speculative they are in their approach to self-directed investing. To better understand the range of behaviours, investors are ranked on an index of five speculative investing indicators – and then broken out into four distinct segments.

1

How often do they trade in their self-directed accounts?

2

How often do they check the value of their self-directed accounts?

3

How many higher-risk investment products (options, REITs, mortgage investments, and crypto-assets) do they typically have in their self-directed investment account(s)?

4

Do they express that “having fun” or “the chance of a very large return and a big profit” are goals for their self-directed investments?

5

Do they express a high level of risk tolerance when it comes to decisions about their self-directed investments?

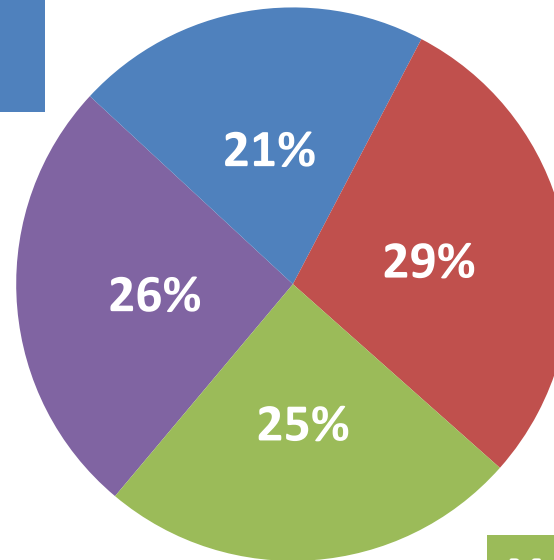
Speculative Self-Directed Investing Behaviour Segments

No Speculative Self-Directed Investing Behaviours (21%):

- None buy/sell securities at least once a week
- Only 19% hold cryptocurrencies and 9% hold mortgage investments
- None invest to have fun or generate a large return
- None are willing to take on significant risks

High Speculative Self-Directed Investing Behaviours (26%):

- Around 4-in-10 (42%) make transactions multiple times a week
- The majority (61%) check value daily
- 29% hold options, 39% hold REITs, 31% hold mortgage investments; 72% hold crypto currency
- At least half invest to have fun (49%) or for a chance of a large return (59%)
- Majority (62%) are willing to take on significant risks



Low Speculative Self-Directed Investing Behaviours (29%):

- 18% say they buy/sell once a week
- 3-in-10 hold crypto currency
- 1-in-3 (34%) invest to have fun or get a large return
- Only 8% are willing to take on significant risks

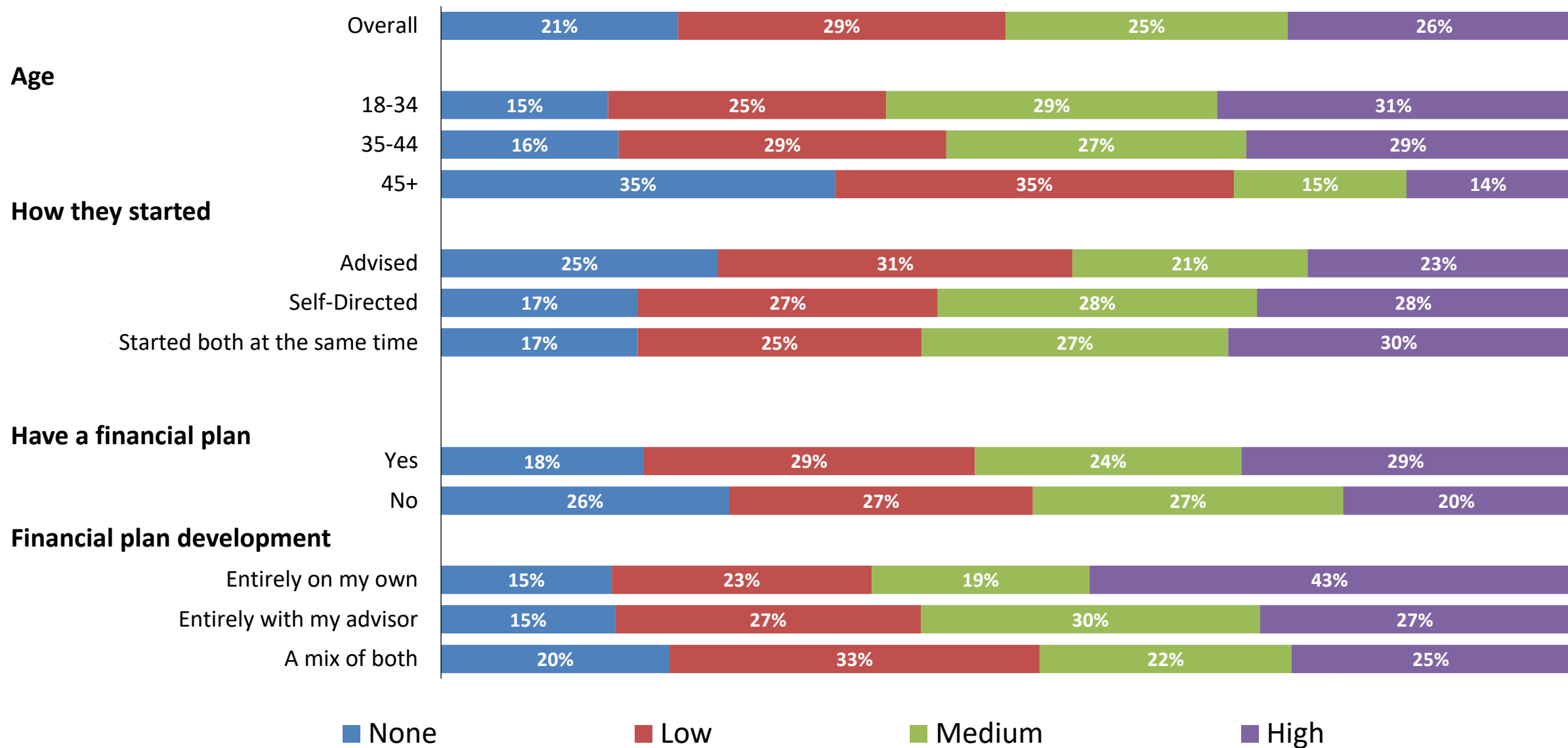
Medium Speculative Self-Directed Investing Behaviours (25%):

- 4-in-10 (42%) buy/sell securities once a week but only 8% buy/sell securities multiple times a week
- 15% check value of investments daily
- 1-in-4 hold REITs and mortgage investments; 47% hold crypto currency
- 47% invest for the chance of a very large return
- 36% are willing to take on significant risks

Investing Profiles BY Segments: Segments defined

		None	Low	Medium	High
Transaction frequency	Buy/sell multiple times a week	0%	3%	8%	42%
	Buy/sell once a week	0%	18%	42%	41%
Checking frequency	Check value daily	0%	4%	15%	61%
Types of product owned	Options	2%	10%	15%	29%
	Real estate investment trusts	4%	13%	25%	39%
	Mortgage investments	9%	14%	25%	31%
	Segregated funds	2%	8%	10%	16%
	Crypto currency	19%	30%	47%	72%
General investment goals	To have fun	0%	34%	41%	49%
	For the chance of a very large return	0%	34%	47%	59%
Risk tolerance	Willing to take on significant risks	0%	8%	36%	62%

Speculative Self-Directed Investing: Younger hybrid investors and those who developed their own plans are most speculative



Attitudes Towards Risk: Different Risk Tolerance for DIY and Advised

Few participants expressed a clearly defined risk tolerance or investment strategy. As such, most could not express a view on how their strategies or risk tolerance differed between DIY and advised accounts. The findings on this slide represent the views of the minority who could articulate a distinction.



Advised

- Some participants used advised accounts for **conservative, stable, or goal-driven investing** (e.g., retirement)
- In these cases, participants reported preferring to invest in **safer assets** (mutual funds, bonds, etc.).
- Many set aside a certain amount of money to be in advised accounts that **they would not touch**.

"I would say my more serious portfolio is the one that has the advisor..."
(Man, group 4)

"Like I said most of the money I believe in keeping with the financial advisor..." (Woman, group 3)

"... with the hopes that what I currently have with the bank stay stable, or continues to grow, and it's not going to be nearly as substantial as what I would take on a risk, and I leave it there for the purpose, knowing that I have something to fall back on in the event of huge market splits."
(Man, group 1)



DIY

- More than half openly **acknowledged higher risk-seeking behaviours** in DIY accounts.
- More likely to use **complex investment strategies and assets** (crypto, margin, options, day trading, etc.)
- The amount invested in DIY accounts was sometimes considered as **"play money"**.

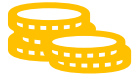
"...and then the one that I do self directed; that's kind of my play money that I'm prepared to lose if that comes to that." (Man, group 4)

"Now that's a very small amount of money because I'm not experienced... I'm willing to invest my own money and risk that, but not borrow more and potentially lose that." (Man, group 3)

"I have a 50% that's more fundamentally based. And then I think, you know, options and day trading and crypto, they're very tech-driven... I like the competition. I like getting up and watching CNBC and seeing what's popping." (Man, group 1)

Comfort Levels with Risk: Three higher-risk mindsets among focus group participants

Participants engaged with investing risk in diverse ways. In the groups, three mindsets around risk emerged.



Thrill Seeking

- Driven by **excitement**
- Willing to **experiment frequently** in their self-directed accounts
- **Intentionally engage in high-risk strategies** such as day trading, options trading, or investing on margin

Thrill Seeking

"...it's more of a gambling as well. I wouldn't disagree with that. It's more of a gambling so yeah, but I'm trying to go into that aggressive mode as well." (Man, group 3)

"From my experience it's better to just go for it. What's the worst that could happen?" (Woman, group 4)



Situational Risk Taking

- Feel **compelled** to take risk by **circumstance**
- Often younger and see **"time to recover"** from losses
- Talk about risk in a more **strategic/mindful** way
- Do **intentionally engage in high-risk strategies**

Situational Risk Taking

"I set my limits. Even though I invest in something that's high risk, when I know it's going up, I start increasing my stop limits." (Man, group 1)

"I am definitely in the high risk category right now. The reason for that is I'm in that age group where I can handle fluctuations like that, and I've also been through various ups and downs...and I've seen the benefit of kind of riding things out." (Man, group 4)



Building Literacy

- Invest to **educate themselves**, thus, **lower risk tolerance**
- **Open to taking risks** but tend to be more **cautious** and **thoughtful** before making decisions, sometimes due to **lack of experience**
- Sometimes **unintentionally take on higher risks**

Building Literacy

"Now that's a very small amount of money. I want to be very careful...I don't want to do anything risky, because I'm not that comfortable dealing with the stock market yet." (Man, group 3)

"Options scares me, because I've just heard too many people who have lost..." (Man, group 3)

Advisor Relationships

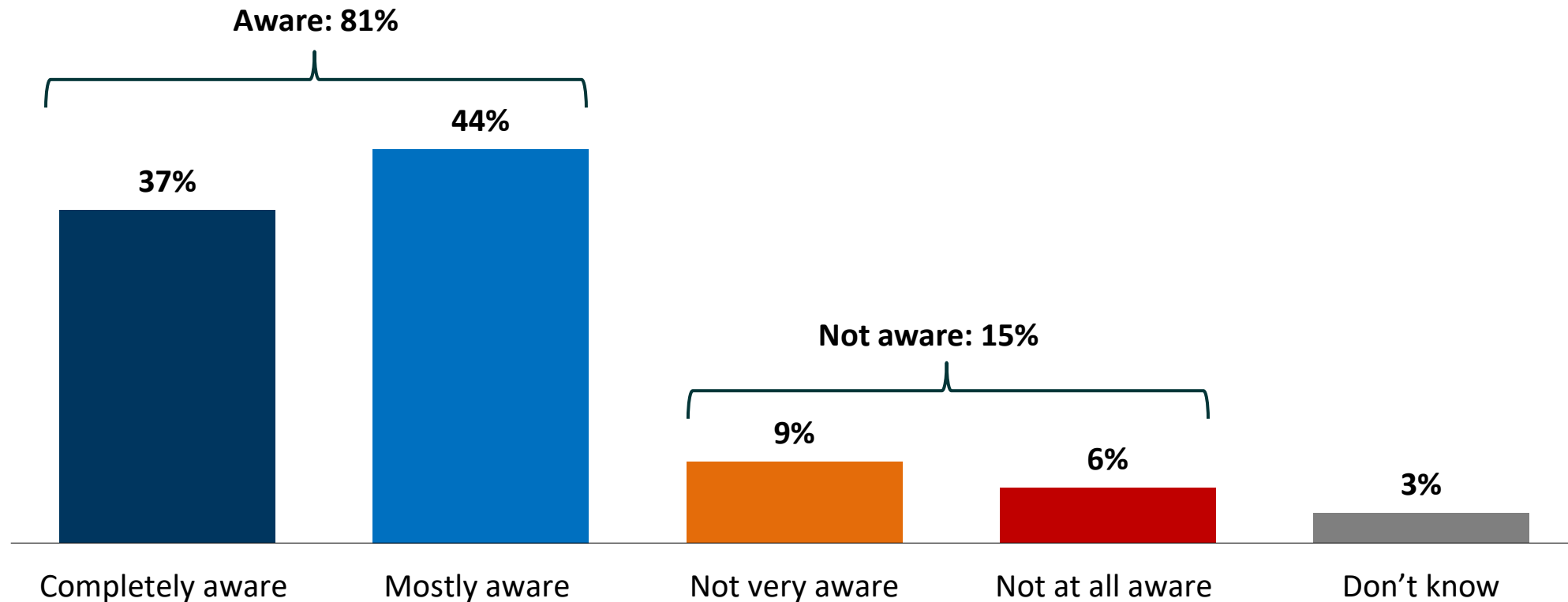
In contrast to focus group participants, many of whom were distant from their advisors, in the survey we see a closer relationship

Advisor's Awareness: 4-in-5 (81%) say their advisor is aware of their self-directed investments



Is your advisor aware of your self-directed investments?

[asked of all hybrid self-directed investors; n=600]



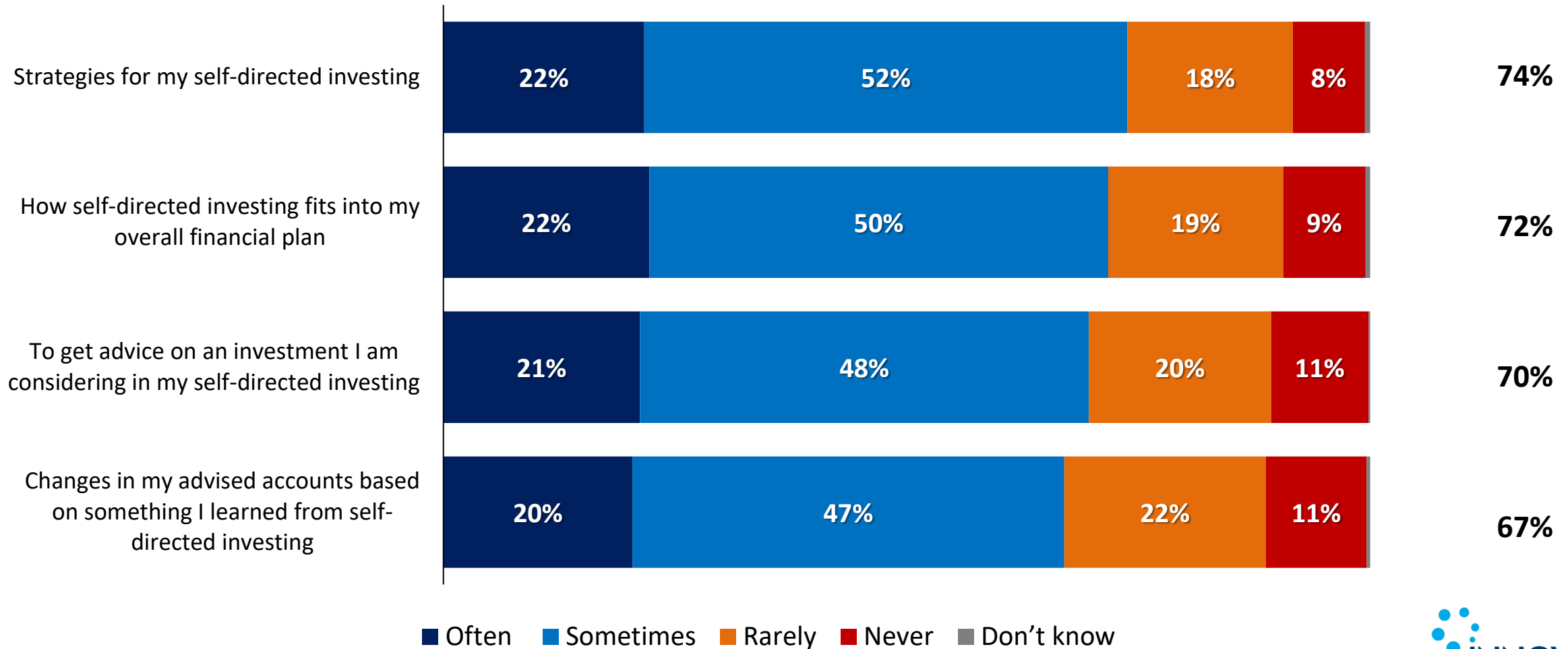
Discussion with Advisor: Among those whose advisor is aware, most at least occasionally discuss their self-directed investments with them

Q

How often, if ever, do you discuss each of the following aspects of your self-directed investments with your financial advisor?

[only asked of hybrid self-directed investors whose advisors are aware of their self-directed investments; n=543]

Often/Sometimes



Advisor as a Resource: In focus groups, two types of relationships with advisors emerged, one closer, and one distant



Most did not report having a close relationship with their advisors, but there was a mix. Some, particularly those currently focused on self-directed investing, barely had any contact with their advisors. Some participants engaged more with their advisors, saying that they met with their advisors a few times a year and had open discussions about their investments.

Distant relationships:

“No, I'm pretty much hands off with my investor now... I don't even think I remember his phone number anymore. It's pretty much whatever he did for me in the past.” (Man, group 1)

“I do have a financial advisor, from a bank, we got this mutual fund from them. So it's been ongoing for a lot of years. I don't usually pay much attention to it anymore.” (Woman, group 3)

Those who had a **close connection valued their advisors' opinions** and **expressed confidence** in reaching out to their advisors. Some topics that emerged include investment strategies, investment products, fraud risks, and financial planning.

Close relationships:

“I've been quite pleased with, you know, the advice and how my investments there have grown.” (Woman, group 4)

“It's just basically I would contact them, and they're all sort of able to give me that advice, and I would feel confident in that advice, because I've had like, a 20-year relationship with that company, so yeah, I would talk about my own individual stocks.” (Man, group 3)

Consistent with the focus groups, those with no plan or only a self-made plan also involve their advisor less with their DIY investing

Advisor Relationship BY Financial Planning Approach

Those who have no plan or only a self-made plan are also less connected to their advisors

Advisor Relationship		Plan with advisor's help (n=284)	No plan/Self-made plan (n=316)
Advisor's awareness self-directed investments	Aware	92%	72%
	Not Aware	8%	22%
	NET Aware	+84%	+50%
Frequently use advice from advisor for self-directed investments	Often + Sometimes	87%	59%
	Rarely + Never	12%	39%
Comfortable discussing a self-directed investment advisor	Comfortable	88%	76%
	Not comfortable	12%	21%
	NET Comfortable	+76%	+55%
Comfortability discussing a potential scam with an advisor	Comfortable	87%	75%
	Not comfortable	13%	20%
	NET Comfortable	+74%	+55%

Reasons for Self-Directed Discussion with Advisor: A second opinion and seeing if the advisor can offer similar investments top the list

Q

Which of the following are reasons you have spoken to your advisor about an investment you were considering in a self-directed account.

Please select all that apply.

[only asked of hybrid self-directed investors who discuss their self-directed investments with their advisors to get advice on an investment; n=485]



Trust: Trust for their own advisor is higher than trust for individual investments advisors; finfluencers are least trusted in money decisions

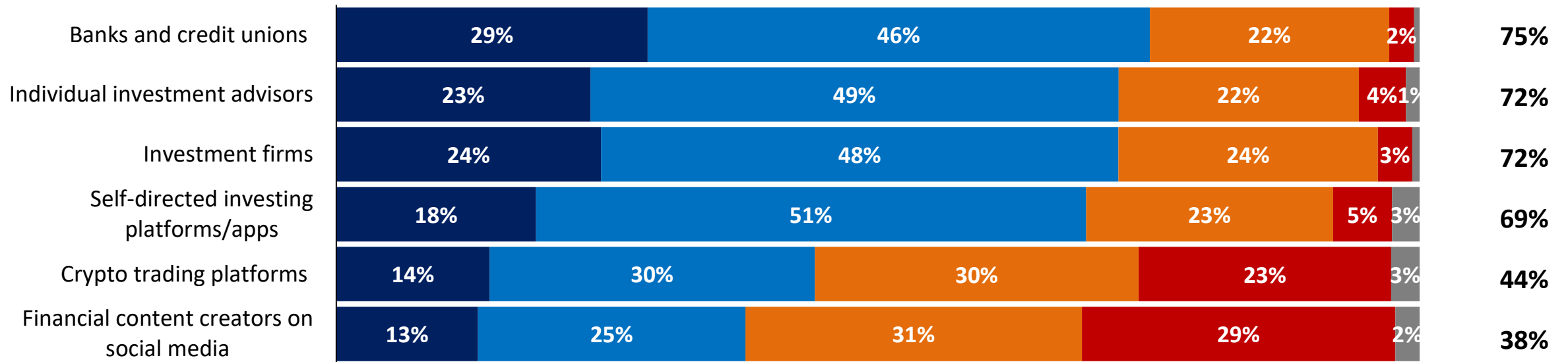
Q

When it comes to helping you make decisions about your money and investments, to what extent do you trust each of the following to act fairly and honestly?

[asked of all hybrid self-directed investors; n=600]

**Completely
/Mostly
Trust**

Trust in Financial Resources



Trust in Own Advisor



■ Completely trust ■ Mostly trust ■ Trust a little ■ Do not trust at all ■ Don't know

Note: Trust in Own Advisor question: When it comes to helping you make decisions about your money and investments, to what extent do you trust your current financial advisor to act fairly and honestly?

"Financial Content Creators" are called "Finfluencers" for brevity.

Focus Group Participants on Fraud

Hybrid self-directed investors tend to lack awareness of common investment frauds. To validate legitimacy, most adopt a skeptical mindset and rely on their own research.

Fraud Awareness and Concerns



- Many were **aware that fraud risks existed but lacked awareness** of common frauds and many **could not clearly articulate the warning signs**.
 - ❖ Participants identified red flags like an investment being **“too good to be true”**, a **“random offer”** on social media, pitched a sense of urgency/“**need to buy now**,” or lack of access to information about the investments.
- Fraud was commonly associated with **overhyped investments**. While not all hyped investments were fraudulent, participants often **linked hype with risk**, citing IPOs and cryptocurrencies as examples. **Conventional forms of fraud**, such as false or misleading information, were also **mentioned but received less focus**.
- Additionally, participants that were **active on social media** were **more likely to be aware** of common fraud risks.

How participants identify frauds:

“I would say, if it's being hyped up on like places where a lot of young people go, like Reddit or on Twitter.” (Woman, group 1)

“I watch out for just, I guess, the inability to search for credible information about the company. That's one of the bigger ones for me.” (Man, group 1)

“The things I've seen are always too good to be true.” (Man, group 2)

Fraud was associated with overhyped investments:

“Even if a company is established and it goes public, it's going to be hyped up, and people are going to invest in it, and they're going to dump it two days later.” (Man, group 1)

“There's a lot of meme coins that a lot of them just started, but from how they're acting, you know, that it's obviously a scam, because most of them actually take a lot of money from people and they end up scamming them.” (Man, group 4)

Those active on social media have more ways to identify frauds:

“So on social media, I see, like a lot of celebrities, they usually like, make a cryptocurrency of themselves, and they'll like, promote it and tell people to like buy it.” (Man, group 3)

“They only tell you good things, like they won't tell you any of the risks, so they'll kind of glamorize it in a way where you believe them... Sometimes they would try showing proof, they show screenshots.” (Woman, group 4)

Approaches to Fraud Prevention



Higher-risk hybrid DIY investors stated different ways to identify frauds.

- They commonly took a **skeptical approach** to anything unfamiliar—especially online.
- **Most of them did their own research** to learn more.
 - Some **research channels** that were mentioned include Reddit, Google, company's website, Bloomberg, etc.
- Those that had a close relationship with their advisor said that they would sometimes **discuss fraud concerns with the advisors**, although this was not the common case.

Participants took a skeptical approach:

"My motto is never to click any unknown links, even it comes on the phone or you receive a call from a CRA or whatever." (Woman, group 3)

They did their own research:

"I'll start by finding out if it's real or not, and then I'll look up the company, and I'll start straight away with the company, and then I'll look for signs, I'll look at indices, you know, finance articles, Bloomberg." (Man, group 2)

"So maybe I think the best option, or another option you can do is like, go online, go to Reddit, go to YouTube, just make research on it that way." (Man, group 3)

A few discussed fraud concerns with advisors:

"It's a lot of the times it happens when I'm tied into sort of borderline yes, no, whether to purchase it. And it can be anything related to finding out in more in depth details about the history, about the trends, future growth potential and things like that." (Man, group 1)

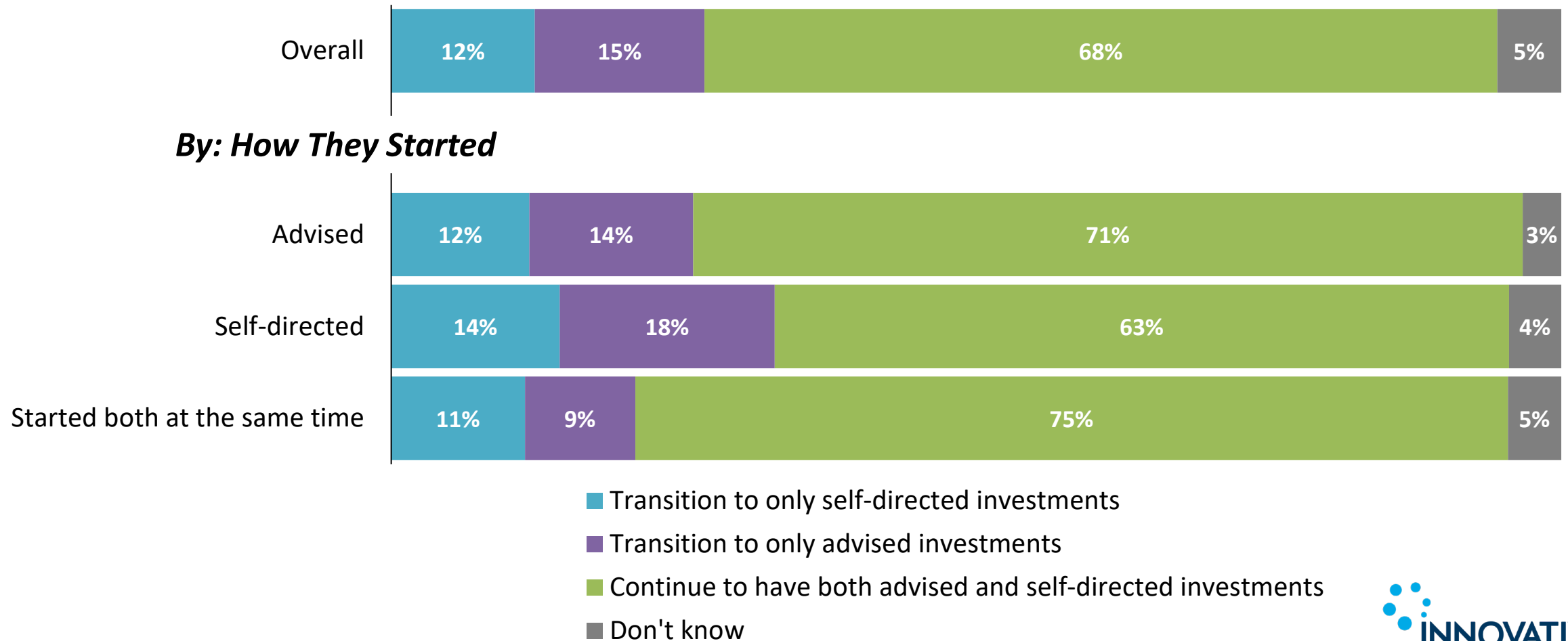
Future Plans

Hybrid self-directed investing is poised to continue—a strong majority are confident in their decision to stay hybrid

Future Plan BY How They Started: Regardless of how they started, most plan to remain hybrid

Q In the future do you expect to continue with both self-directed and advised investing, move to only self-directed investing, or move to only advised investing? BY How They Started

[asked of all hybrid self-directed investors; n=600]



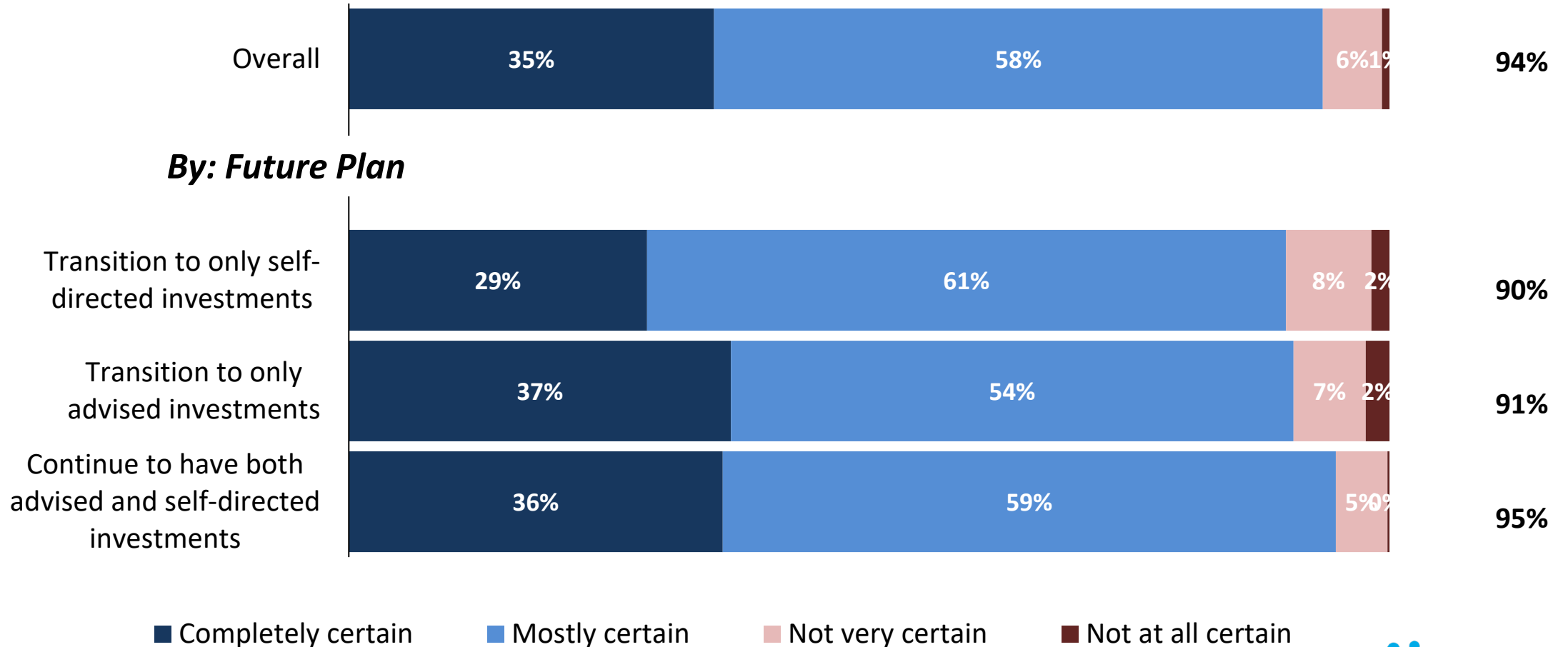
Certainty in Future Plan: Respondents are mostly certain in their future plans regardless of what that plan is

Q

And how certain are you in that plan? BY Future Plan

[only asked of those who expect to transit to self-directed investors, advised investors, or both; n=567]

**Completely
Certain/Mostly
Certain**



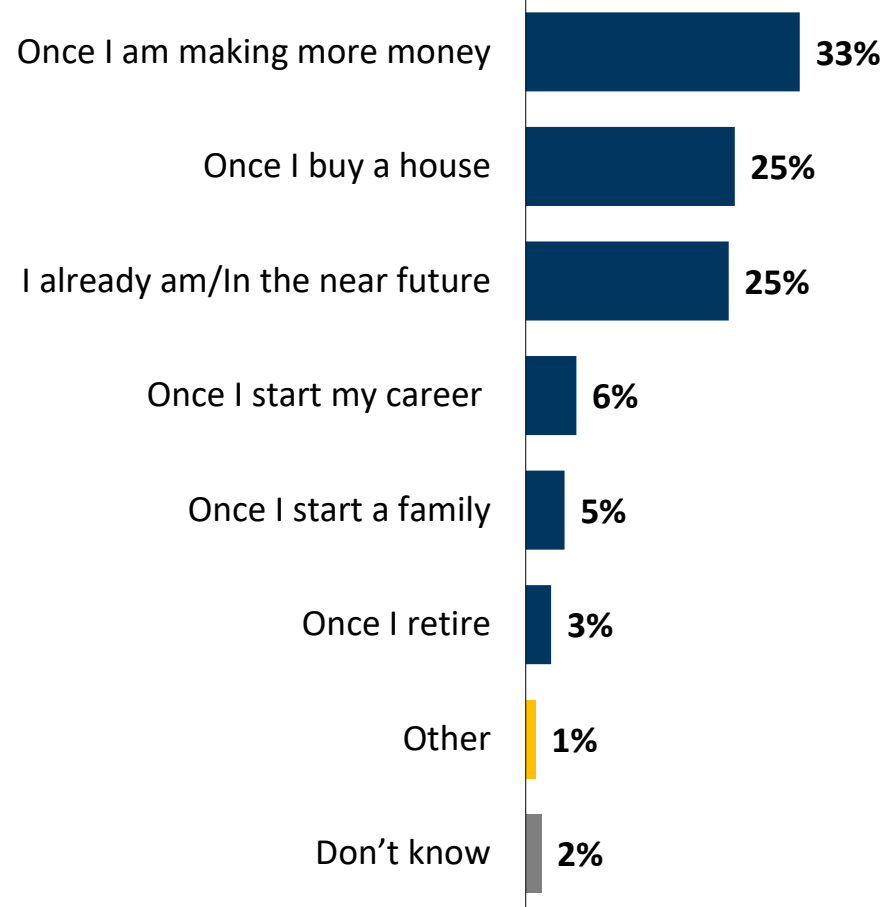
Transition to Self-Directed/Advised Investments: Respondents are more likely to switch to self-directed when they buy a house

Q

And which of the following best describes when you plan to transition to only self-directed investments?

[only asked of those who expect to transit to self-directed investors; n=74]

Self-Directed

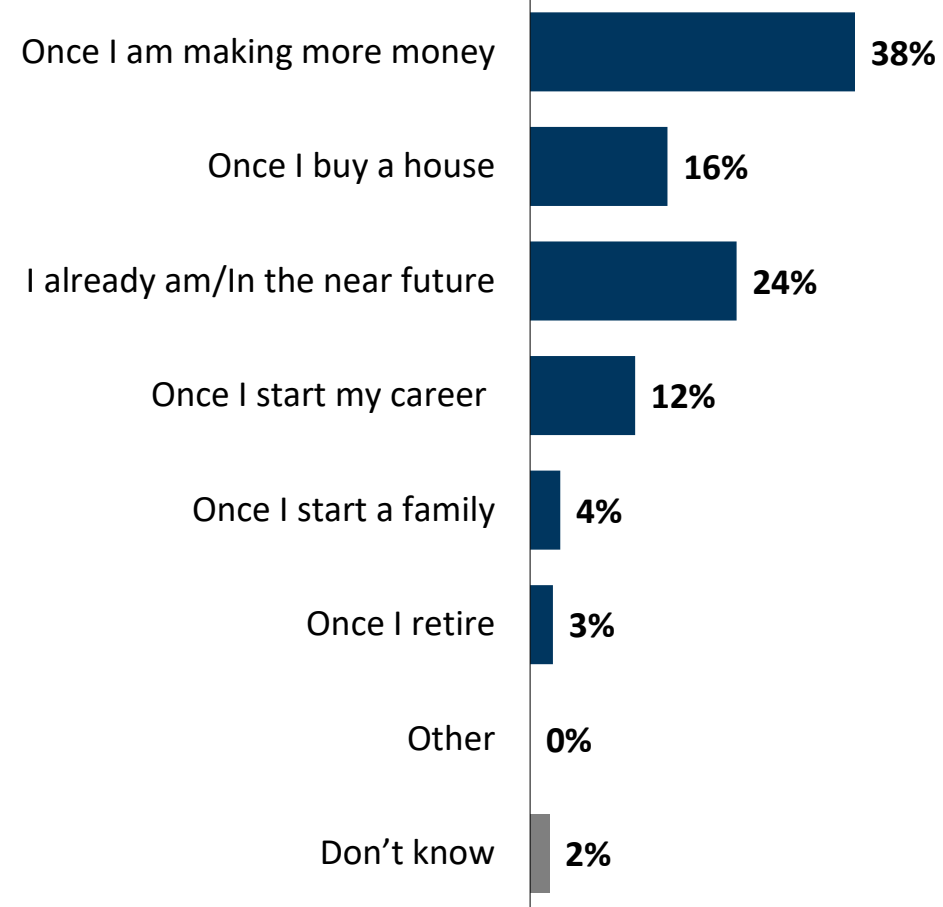


Q

And which of the following best describes when you plan to transition to only advised investments?

[only asked of those who expect to transit to advised investors; n=87]

Advised



% Difference
(Self-Directed –
Advised)

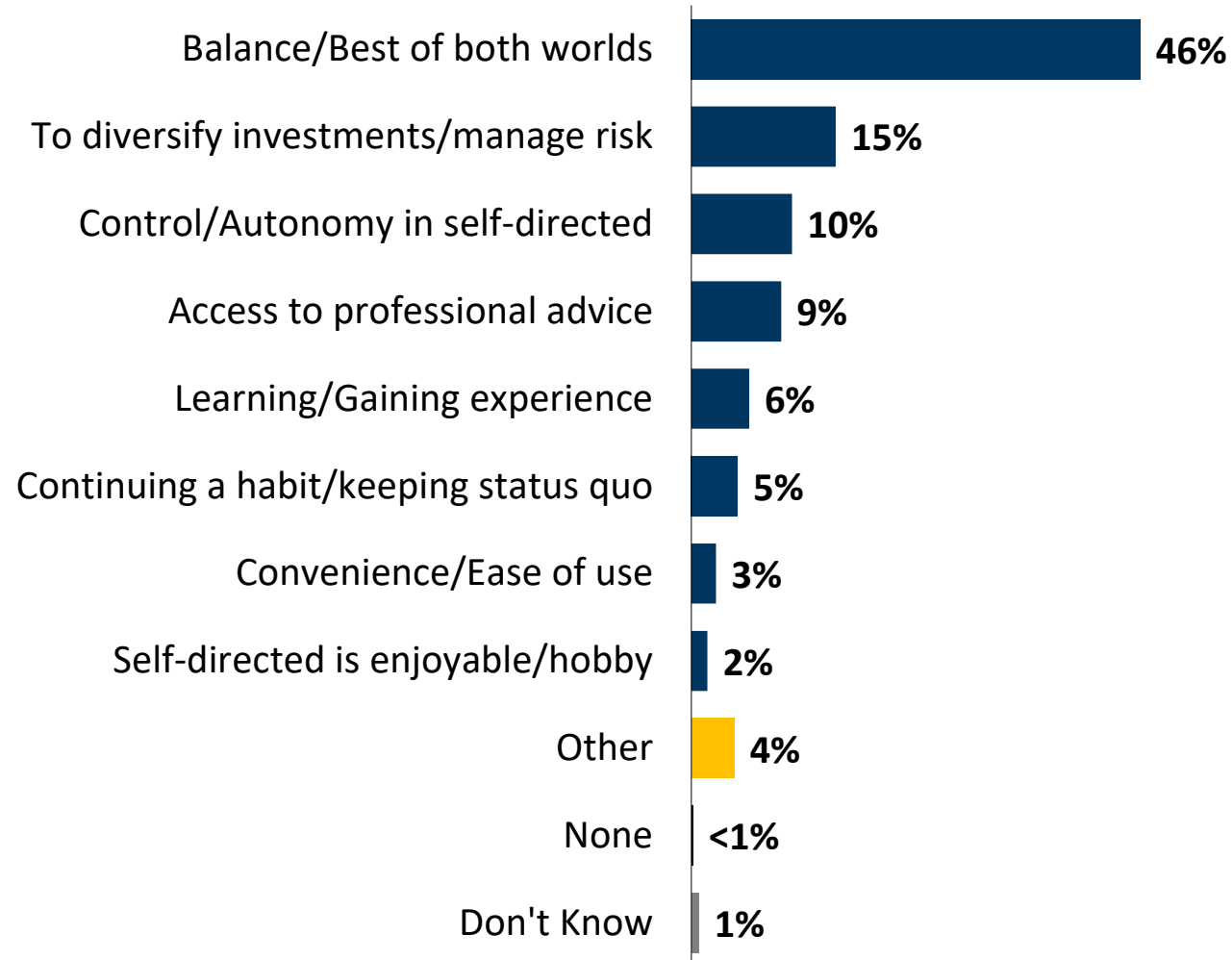
-5%
+9%
0%
-6%
+1%
0%

Why Stay Hybrid?: Nearly half say that they plan to keep both types of accounts for a balanced approach



And what are the main reasons that you plan to keep both self-directed and advised investment accounts?

[only asked of those who expect to have both advised and self-directed investments; n=407, open-ended]



Focus group voices

Balance:

"I'd like to keep both. I'd like to see the difference in terms of ROI and to see if working with an advisor will enhance my return." (Woman, group 2)

"I still think I would probably have both. I am more of a high risk, more apt to take risk, than what I would expect from a planner." (Man, group 1)

Diversify/manage risks:

"I do have my stable bank stocks... I have a big enough nest egg on the side... I set my limits. Even though I invest in something that's high risk, when I know it's going up, I start increasing my stop limits." (Man, group 1)

"I'm pretty diversified in quite a few areas. If one area is quite high risk, and I might lose out on that, or I might do bad on it, I'm mentally prepared for that scenario." (Man, group 4)

Research Methodology

Survey Methodology



These are the results of an online survey conducted from March 10th to March 14th, 2025.

Method: This online survey was conducted using Lucid and Asking Canadians, leading providers of online sample. Each survey is administered to a series of randomly selected samples from the panel and weighted to ensure that the overall sample's composition reflects that of the actual Canadian population according to Statistics Canada census data (age, gender, education, language, and region) to provide results that are intended to approximate a probability sample.

Sample Size: From 5,195 respondents, we screened down to 618 respondents (11.9%) who qualified as hybrid self-directed investors. Both samples were weighted, with the latter weighted to a balanced sample of n=600 nationally.

Margin of Error: This is a representative sample. However, since the online survey was not a random probability-based sample, a margin of error cannot be calculated. Statements about margins of sampling error or population estimates do not apply to most online panels.

Field Dates: March 10th to March 14th, 2025

Note: Graphs may not always total 100% due to rounding values rather than any error in data.
Sums are added before rounding numbers.

All Respondents

	Unweighted (n)	Unweighted (%)	Weighted (n)	Weighted (%)
M 18-34	808	15.4%	766	15.1%
M 35-54	1090	20.8%	848	16.7%
M 55+	654	12.5%	862	16.9%
W 18-34	798	15.3%	749	14.7%
W 35-54	1138	21.8%	883	17.4%
W 55+	742	14.2%	978	19.2%

BC	607	11.6%	695	13.6%
AB	612	11.7%	583	11.4%
Prairies	335	6.4%	337	6.6%
ON	2104	40.1%	1986	38.8%
QC	1243	23.7%	1173	22.9%
Atlantic	345	6.6%	340	6.7%

Hybrid Self-Directed Investors

	Unweighted (n)	Unweighted (%)	Weighted (n)	Weighted (%)
M 18-34	158	25.6%	161	27.0%
M 35-54	193	31.3%	171	28.6%
M 55+	57	9.2%	65	10.8%
W 18-34	102	16.5%	105	17.6%
W 35-54	92	14.9%	81	13.6%
W 55+	15	2.4%	14	2.4%

BC	79	12.8%	89	14.9%
AB	82	13.3%	78	13.1%
Prairies	38	6.1%	41	6.8%
ON	281	45.5%	251	41.8%
QC	114	18.4%	115	19.1%
Atlantic	24	3.9%	26	4.3%

Focus Group Methodology & Participant Profile

About this Study:

These focus groups were conducted both online via zoom and moderated by a trained qualitative researcher. The sessions were broken down into sections and followed a structured discussion guide.

All participants were provided an \$120 incentive. After answering a survey, the participants who met the criteria were invited, and were organized into groups based on location/time zone:

Group 1 – ON, Atlantic; conducted via Zoom on Thursday, March 27th, 2025 at 5:30 PM ET / 6:30 PM AT

Group 2 – QC (FR); conducted via Zoom on Thursday, March 27th, 2025 7:00 PM ET

Group 3 – ON, Atlantic; conducted via Zoom on Friday, March 28th, 2025 at 6:30 PM ET / 7:30 PM AT

Group 4 – BC, AB, Prairies; conducted via Zoom on Friday, March 28th, 2025 at 5:30 PM PT / 6:30 PM MT / 7:30 PM CT

Screening and qualification:

Based on the survey result, higher-risk hybrid DIY investors who indicate one or more of the risky behaviors/attitudes and have no plan, only an unwritten plan, or only a self-made plan were invited to the focus group.

1. Indicate one or more of the risky behaviours/attitudes:
 - They hold **2 or more** of options, REITs, Mortgage investments, or crypto in their DIY accounts;
 - They rate the risk they take with their DIY investments as “I am willing to take on significant risk and tolerate large losses for the potential of achieving very high returns over time”; or
 - They indicate that one of the goals for their DIY investments is “For the chance of a very large return and a big profit.”
2. Have no plan, only an unwritten plan, or only a self-made plan (no help from their advisor).

Note: For the Quebec (French) group, participants only need to satisfied the first criteria.

26 Participants across 4 Virtual Focus Groups

Group 1	7
Group 2	4
Group 3	9
Group 4	6

About Qualitative Research:

Qualitative research does not hold the statistical reliability or representativeness of quantitative research. It is an exploratory research technique that should be used for strategic direction only. In in-depth interview research, the value of the findings lies in the depth and range of information provided by the participants, rather than in the number of individuals holding each view.

About this Report:

This report summarizes our qualitative research collected in four focus groups.

Verbatims are represented in *italics*. In general, the approach is to summarize key themes heard in the virtual focus groups, report representative verbatim comments, and offer interpretation and commentary where necessary.



Building Understanding.

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