

# Milestones to Celebrate

## November 16, 1932 Establishment of the First Canadian Mutual Fund

Canada's first open-end mutual fund – Canadian Investment Fund Ltd. – remains active today. It was started in Montreal by Alan Chippindale in the midst of The Great Depression. “The attitude of nearly everyone was that never again would they buy a common stock. We realized we had to concentrate on maintaining the highest possible standard of ethics and business conduct. We had to try hard to earn and merit the confidence and respect of dealers and investors.”

The creation of mutual funds was nothing short of revolutionary. For the first time, ordinary investors with minimal capital could participate in a professionally managed, diversified investment plan, complete with advice to help them make decisions best suited to their needs. Before this, the only way to invest was by pursuing the more expensive route of buying individual stocks with varying risks – an option available only to wealthy individuals.

## October 1962

Canadian Mutual Funds Association (CMFA) is established with 27 members. Members are individual mutual funds themselves, not fund management companies. The first chairman is Alan Chippindale, who introduced mutual funds to Canada in 1932.



**\$1B**

Industry Assets Under Management (AUM) grow to \$1.0 billion.

CMFA publishes a Code of Ethics and Regulation for its members.

Ontario government passes The Securities Act of Ontario.

CMFA enters the education business with the Canadian Investment Funds Course.

Canadian securities regulators release several National Policies to ensure public protection and rights.



**CMFA incorporates.**

CMFA Objects of Incorporation:

“To serve the interests of the investing public by engaging in and supporting activities conducive to high ethical standards and efficiency of administration and operations within the Canadian mutual fund industry.”

## Name changes to The Investment Funds Institute of Canada (IFIC).



IFIC introduces new mountain logo marking 50 years of funds in Canada.

Membership broadens to include trust companies, investment firms and independent dealers.

IFIC works with Canadian securities administrators to develop the National Policy Statement on the simplified prospectus procedure.

**\$5B**

Industry AUM surpasses \$5 billion.

IFIC issues Code of Conduct – Sales Incentives.

Hockin-Kwinter Accord permits full bank entry into the securities markets.



A new logo emphasizes our connection to investors.

IFIC releases Statement of Principles for members, and Guidelines for Codes of Conduct for Manager and Retail Distributor Members.

**\$100B**

Industry AUM surpasses \$100 billion.

IFIC creates Recommendations for a Code of Sales Practices for the Mutual Fund Industry, which is adopted two years later by securities regulators.

IFIC issues Model Code of Ethics for Personal Investing.

Quebec National Assembly passes legislation to regulate the distribution of financial products and services.

## The Conseil des fonds d'investissement du Québec is formed to serve as IFIC's voice in Quebec.

IFIC participates actively in the development of the Mutual Fund Dealers Association: the new Self-Regulatory Organization for distributors.

IFIC publishes a Privacy Code.

IFIC develops member guide on Canada's Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

New distance learning education institute for industry staff created.

IFIC works with the Canadian Securities Administrators on new disclosure rules.

**\$500B**

Industry AUM surpasses \$500 billion.

IFIC produces toolbox to detect and deter short-term abusive trading included in OSC's recommendations.

IFIC Investor Education Award is established.

First IFIC-sponsored Pollara survey of mutual fund investors is launched.



IFIC celebrates 80 years of mutual funds in Canada and its 50th anniversary with a vibrant revamp of its visual brand identity. The new logo conveys leadership, expertise, integrity and stability.

IFIC works with the Canadian Investment Funds Standards Committee to achieve a single set of industry-wide categories for improved data reporting.

IFIC subsidiary company – IFSE – is created to support professional licensing and education of advisors.

**2014**

Assets under management surpasses \$1 trillion.

**\$1 TRILLION**

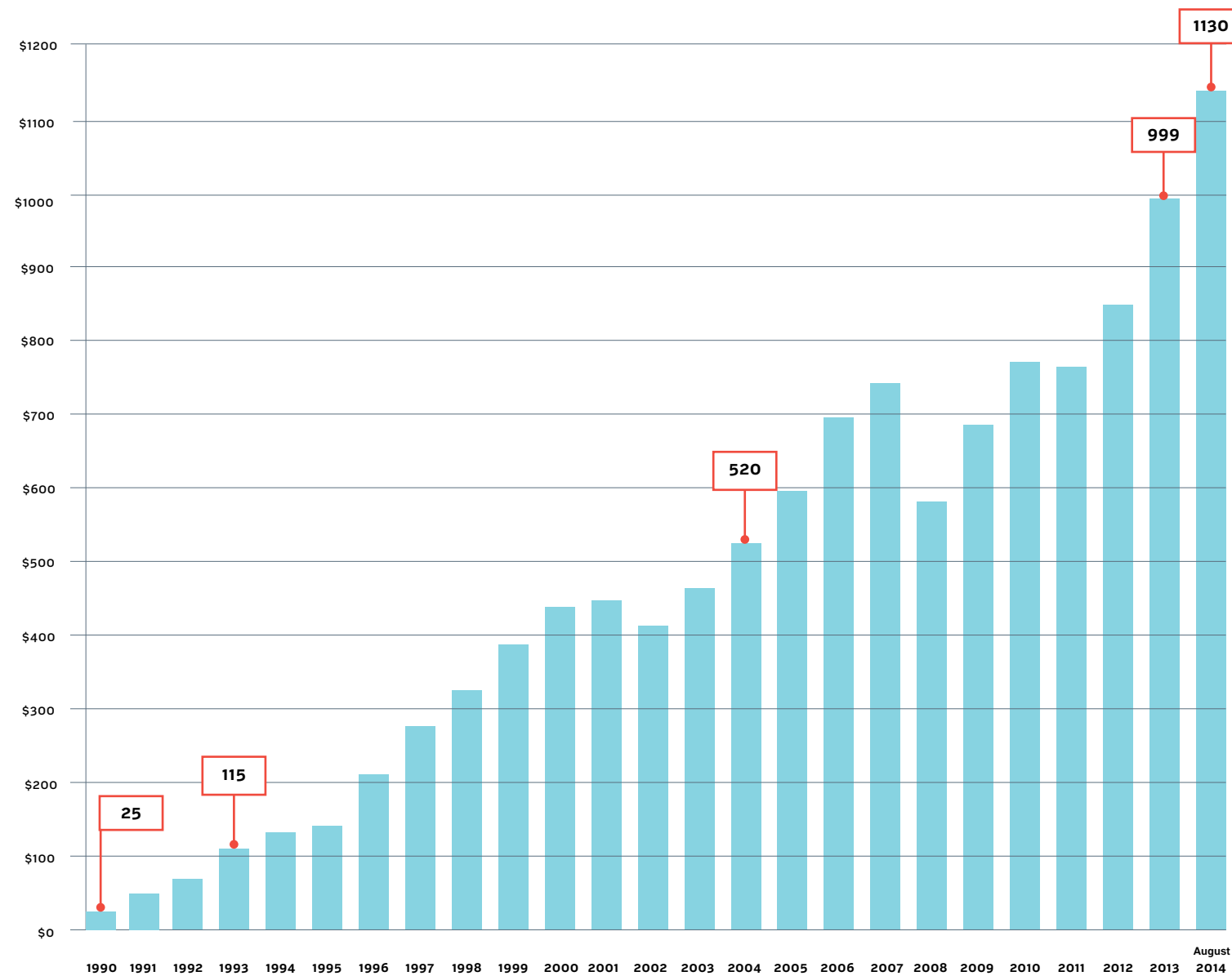
## Growth of Mutual Funds in Canada

During the 1990s, mutual funds became the fastest-growing segment of the Canadian financial services sector, with assets under management increasing from \$25 billion in December 1990 to \$448 billion by December 2001. As at January 2014, Canadians accumulated savings of more than one trillion dollars in mutual funds – marking the first time in their 82-year history in Canada that funds have topped this significant milestone.

# Milestones to Celebrate 2014

## Impact of the Mutual Funds Industry

Mutual Fund Assets Under Management 1992–2014 (\$ billions)



Data is for the period ended December 31 unless otherwise indicated.

### Helping Canadians Save for their Future

**\$1.13T**

Canadians are building financial security with \$1.13 trillion in mutual funds as of August 31, 2014.

**26%**

Mutual funds account for 26% of Canadians' financial wealth.

**19.6%**

Mutual fund assets have increased by an average of 19.6% per year over the last 25 years.

**85%**

Recent independent research confirms that, to meet their financial goals, Canadians have greater confidence in mutual funds (85%) than other financial products such as stocks (65%), GICs (64%) or bonds (55%).

**2X**

Advised households are twice as likely to save regularly for retirement across all age groups.

**2.7X**

The longer people have advice, the more their investments grow - by as much as 2.7 times.

### Strengthening Capital Markets and the Economy

**\$574B**

By investing in large and small Canadian companies, mutual funds contribute directly to the health of our domestic economy. More than 1,140 mutual funds, with just over \$574 billion in assets, invest in the Canadian economy.

**\$17B**

Canada's mutual funds industry has an economic footprint of \$17 billion (as of 2012).

**192,600**

The industry directly employs more than 63,000 people and supports 192,600 jobs.

**\$7B**

In 2012, our economic activity contributed \$4 billion to federal government balances and \$3 billion to provincial governments.