



## Majority of Canadian investors stay the course despite market volatility: CIBC

*Poll shows women tend to avoid stocks and millennials shuffle their assets*

**TORONTO, Feb. 9, 2016** - The majority of Canadians investing for retirement will stay the course with their portfolio mix despite recent market volatility, saying that one bad year in the equity markets won't change their investing style in 2016, finds a new CIBC (TSX:CM) (NYSE: CM CIBC) poll.

Key poll findings include:

- **58 per cent** of investors say they won't stray from their plan because of one bad year and will stick to their long-term investment strategy in 2016
- **18 per cent** will invest more defensively to protect their original investments
- **5 per cent** say they will invest more aggressively to get higher returns
- **56 per cent** did not achieve the returns they expected over the last year because of declines in equity markets.

"It's encouraging to see that so many Canadians understand it's important to take the long view and construct portfolios that can withstand volatility in the markets," says David Scandiffio, President and Chief Executive Officer, CIBC Asset Management. "While there is a fear factor for some investors in volatile markets, those who know how to put a volatile month or a challenging year into perspective are more likely to be comfortable with their investment strategy, and investment returns, over the longer-term.

A recent [report](#) from CIBC Economics found that Canadians are holding onto \$75 billion in excess cash because of market volatility. The report notes that historically Canadians have waited too long to get back into the market, costing them billions in lost investment returns.

### Women more likely to avoid stocks

The poll shows that women are more risk averse than men when it comes to investing. Women tend to hold a higher percentage of their portfolio in guaranteed investment certificates (GICs), savings accounts or other guaranteed investments:

- **43 per cent** of women are currently invested primarily in stocks, compared to **60 per cent** of men; and,
- only a third of women (**33 per cent**) will invest primarily in stocks, compared to **53 per cent** of men

"While financial prudence is certainly an important quality, time has shown that successful investing requires a balanced, diversified approach that includes exposure to equity markets," says Mr. Scandiffio.

### Millennials least satisfied with returns, most likely to make changes to strategy

The poll also finds that younger Canadians aged 18-34 struggle the most with their retirement investments. They are the group least satisfied with their portfolios, with nearly two-thirds

(65 per cent) failing to achieve their expected returns and a third (33 per cent) saying they plan to change their asset mix due to market volatility.

Even though the vast majority of millennials admitted in an [earlier poll](#) of feeling both the lack of investing knowledge and confidence, 43 per cent say in today's poll they won't let one bad year in the markets knock them off course. Still, as many as one quarter (25 per cent) don't know what to do and 19 per cent intend to invest more defensively, while 14 per cent - significantly higher than other age groups - intend to invest more aggressively to get higher returns.

"When you're young, you have a longer time horizon to invest but you shouldn't let short-term market noise knock you off course," says Mr. Scandiffio. "If you lack the knowledge or time to regularly monitor your investments, work with an advisor to help you build your portfolio and find a proper balance between risks and returns," he adds.

### Key study findings

Annual return Canadian investors think they need to reach their investment goals:

Between 0% to 2%	4%
Between 2% to 4%	13%
Between 4% to 6%	27%
Between 6% to 8%	18%
Between 8% to 10%	7%
Over 10%	5%
I don't know	27%

Canadian investors who say they earned the expected returns from their investment portfolio over the last year:

	Total	Age 18-34	Age 35-54	Age 55+
Yes	44%	35%	45%	50%
No	56%	65%	55%	50%

Canadian investors who say last year's portfolio performance will affect the way they invest in 2016:

	Total	Age 18-34	Age 35-54	Age 55+
I will invest more aggressively to get higher returns	5%	14%	4%	1%
I will invest more defensively to secure my original investments	18%	19%	20%	17%
I will not stray away from my plan and stick to my long-term strategy	58%	43%	58%	67%
I don't know	18%	25%	17%	15%

Primary current and future investments of Canadian investors:

		Total	Male	Female
GICs, savings accounts or other guaranteed products	Current investment	38%	28%	48%
	Future investment	42%	30%	53%
Bonds, including bond mutual funds	Current investment	11%	12%	10%
	Future investment	15%	17%	14%
Stocks, including mutual funds holding stocks	Current investment	51%	60%	43%
	Future investment	43%	53%	33%

*From January 20<sup>th</sup> to 22<sup>nd</sup>, 2016, Vision Critical conducted an online survey among 1,003 Angus Reid Forum panelists who are Canadian adults with an investment portfolio for retirement. The margin of error - which measures sampling variability - is +/- 3.1 per cent, 19 times out of 20. The results have been statistically weighted according to age, gender and region. Discrepancies in or between totals are due to rounding.*

#### About CIBC

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