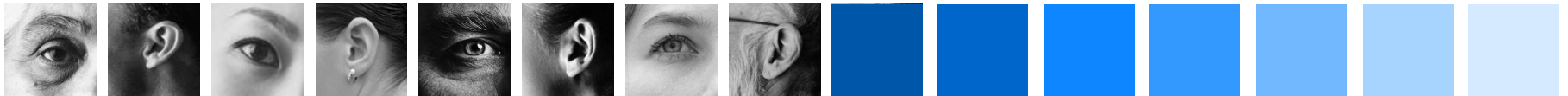


Innovative Research Group, Inc.
Vancouver :: Toronto :: Montreal
www.innovativeresearch.ca



Public Opinion Research ▶▶

Investment Attitudes: Focus on Chinese Language Investors



Prepared for:

The British Columbia Securities Commission

September 2008

Methodology
Executive Summary
Results



Methodology

- Telephone survey conducted among 508 Cantonese- and Mandarin-speaking residents of Metro Vancouver, between September 2 and 14, 2008.
- Telephone interviews were conducted through a joint venture between Innovative Research Group and S.U.C.C.E.S.S. and concentrated in census areas that have a high proportion of Chinese-language residents in Vancouver, Richmond, Burnaby, and Surrey.
- With a sample of this size, the aggregated results are considered accurate to within ± 4.38 percentage points, 19 times out of 20.
- The margin of error will be larger within each sub-grouping of the survey population.
- In this report, “Chinese” refers to this sample of Chinese-language residents, and not the broader Chinese population that includes those that do not speak Cantonese and Mandarin.
- **Note:** *Graphs may not always total 100% due to rounding values rather than an error in data. Sums are added before rounding numbers.*



Five Key Highlights

1. Chinese survey respondents are more likely to have no savings for the future, and less likely to have a financial adviser and a financial plan.
 - Overall, fewer Chinese compared to the BC population have savings, however, this is driven by income levels reflecting lower incomes among Chinese-language residents.
 - However, when comparing BC and Chinese low-income earners, Chinese-language residents are still less likely to have a financial adviser or a financial plan.
2. Chinese respondents are potentially more open to fraud.
 - They are most likely to get their investment information from friends and family.
 - They hold attitudes that could be precursors to investment fraud.
 - Despite having a high vulnerability to fraud, their experience with fraud is quite low.



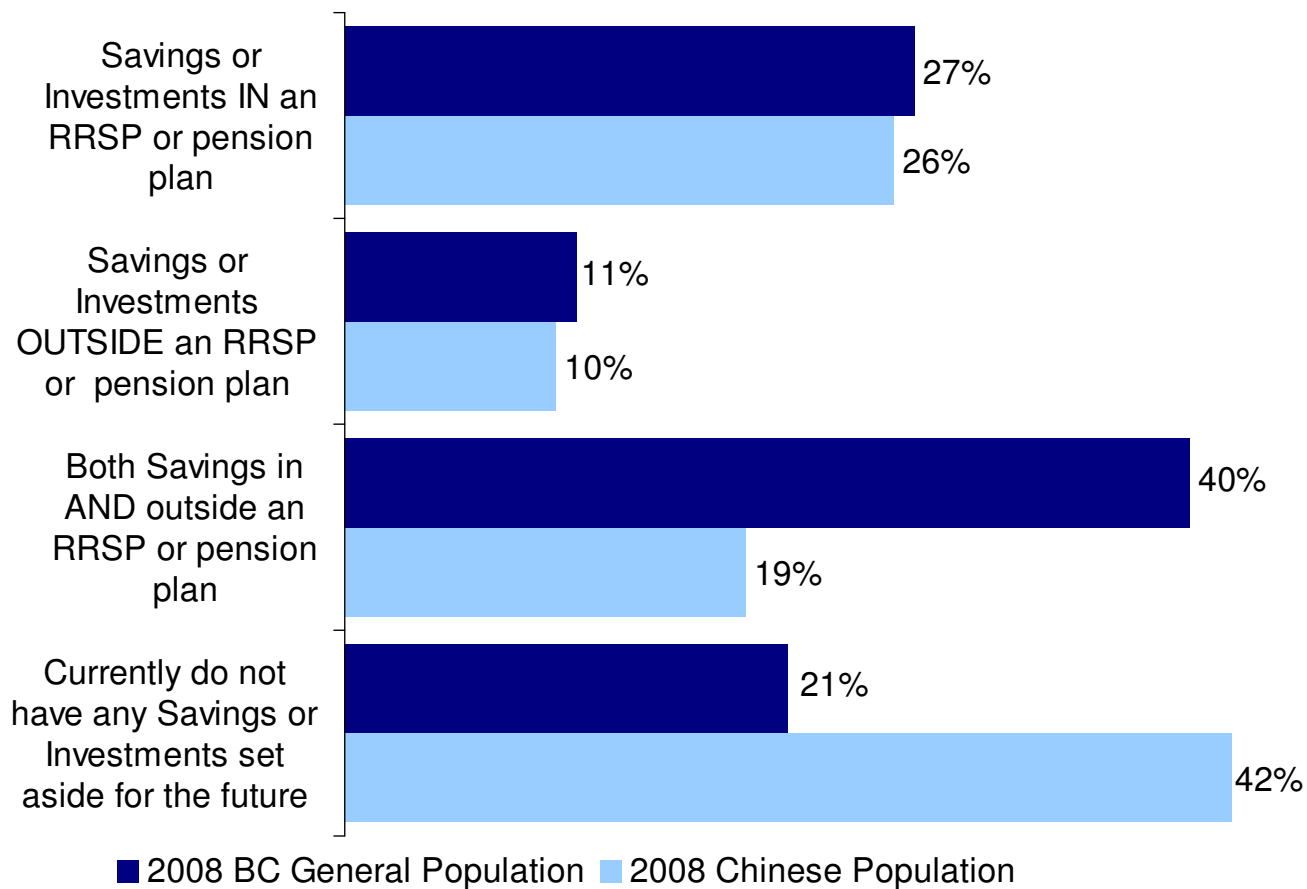
Five Key Highlights (continued)

3. Chinese respondents have a strong need for more information.
 - Many do not know how to report investment fraud and have low awareness of the BC Securities Commission.
 - It is harder for those with difficulties with English to get the information they need to make informed investment decisions.
4. Ability to speak or write in English is a key difference
 - Those that are comfortable in English are much more likely to be investors, and, as investors, more likely to be confident.
 - There is a clear generation gap in English-skills, as younger Chinese are much more comfortable in English than older generations.
5. There are key knowledge differences on investment products between Chinese and the BC population.
 - Chinese are much more likely to understand and be aware of FOREX (foreign exchange currency markets) but much less familiar with mutual funds and bonds.



Chinese are less likely than British Columbians to have savings set aside for the future

Q Do you personally have any savings or investments set aside for the future? This could be for education, retirement, a house or some other goal. This could be in an RRSP or outside of an RRSP.

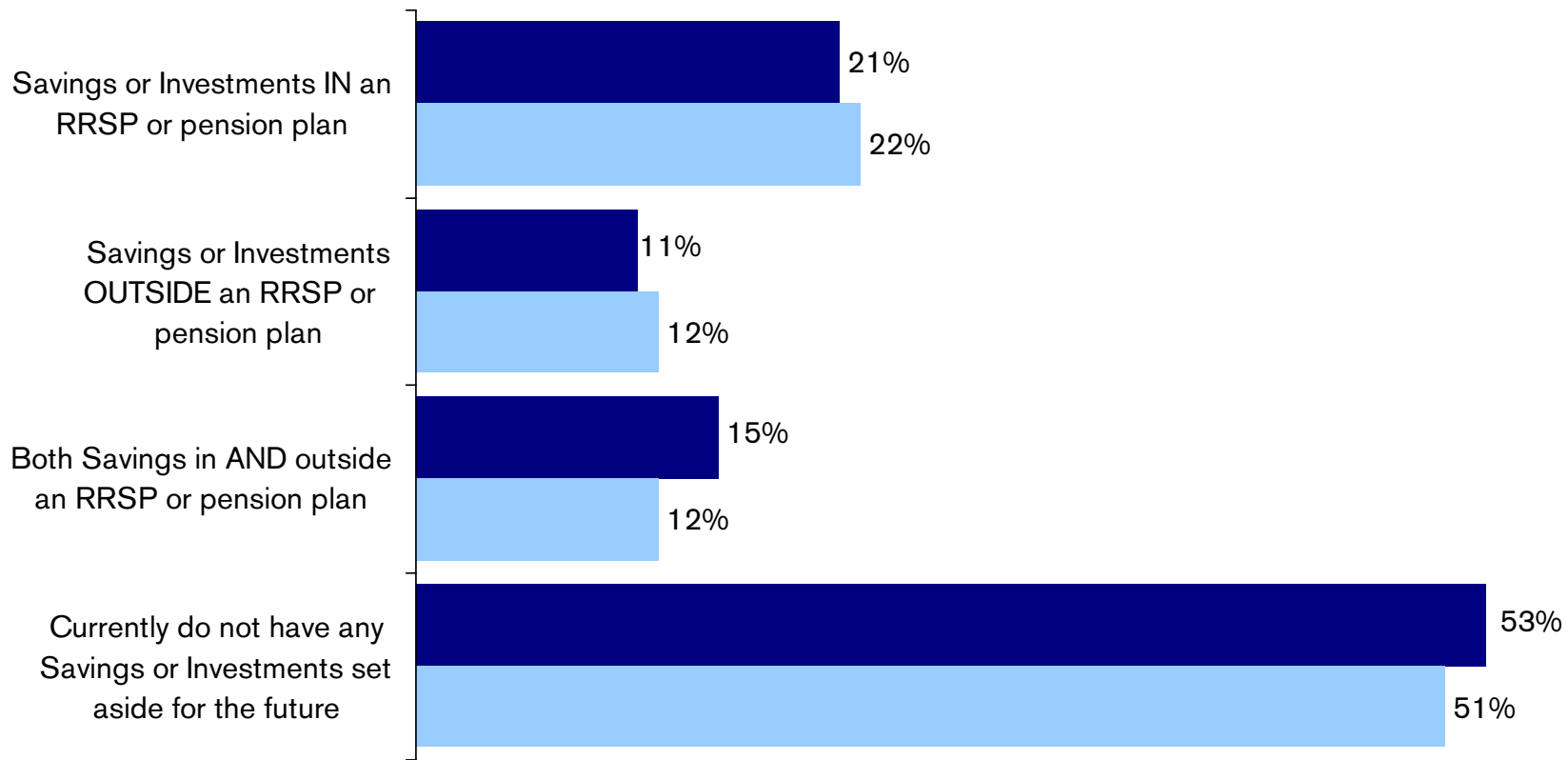


Those that responded 'Do not have any savings or investments'

English writing skill	%
No problems	31%
Some problems	34%
Regular problems/ No English	59%

Income drives savings – close similarities when Chinese and BC low-income earners compared

Q Do you personally have any savings or investments set aside for the future? This could be for education, retirement, a house or some other goal. This could be in an RRSP or outside of an RRSP.



■ 2008 BC General Population Earning <\$40,000/yr

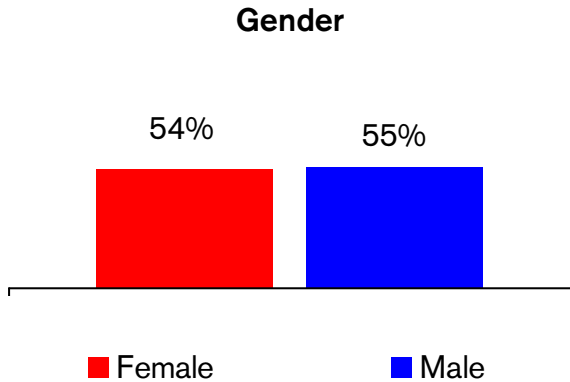
■ 2008 Chinese Population Earning <\$40,000/yr



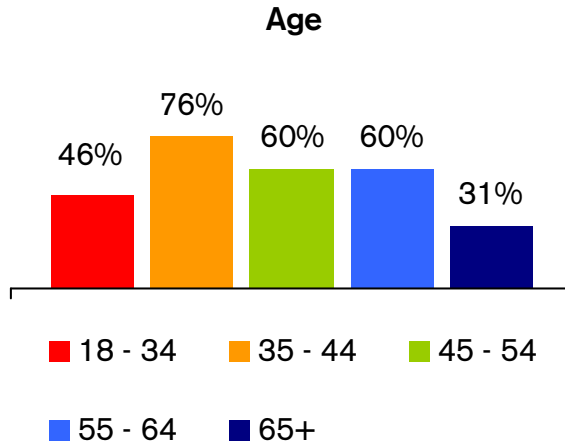
INVESTOR PROFILE

P Those who report having savings or investments set aside for the future

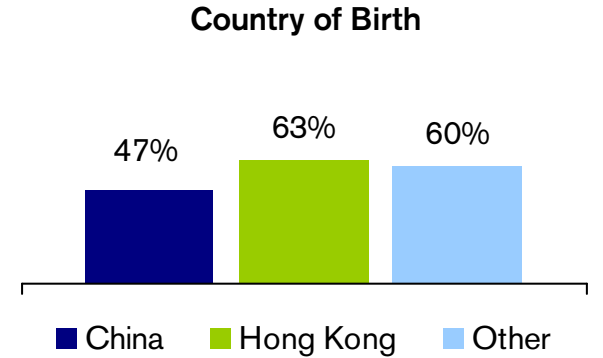
Gender



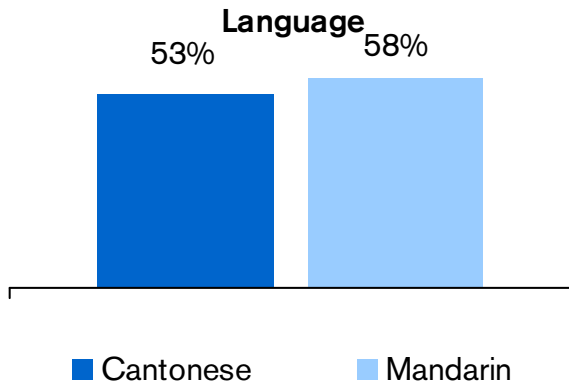
Age



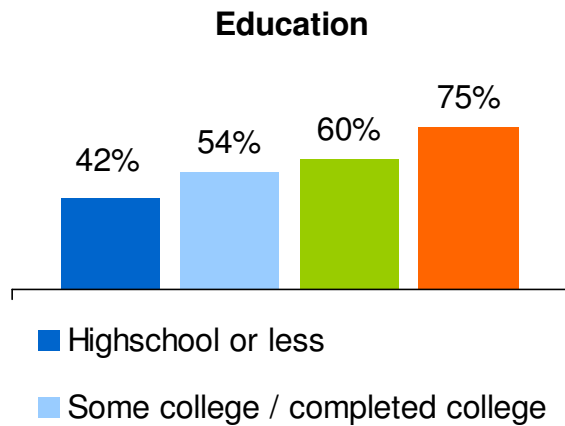
Country of Birth



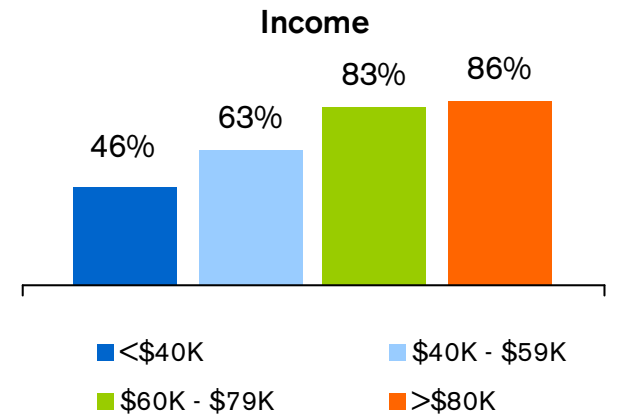
Language



Education

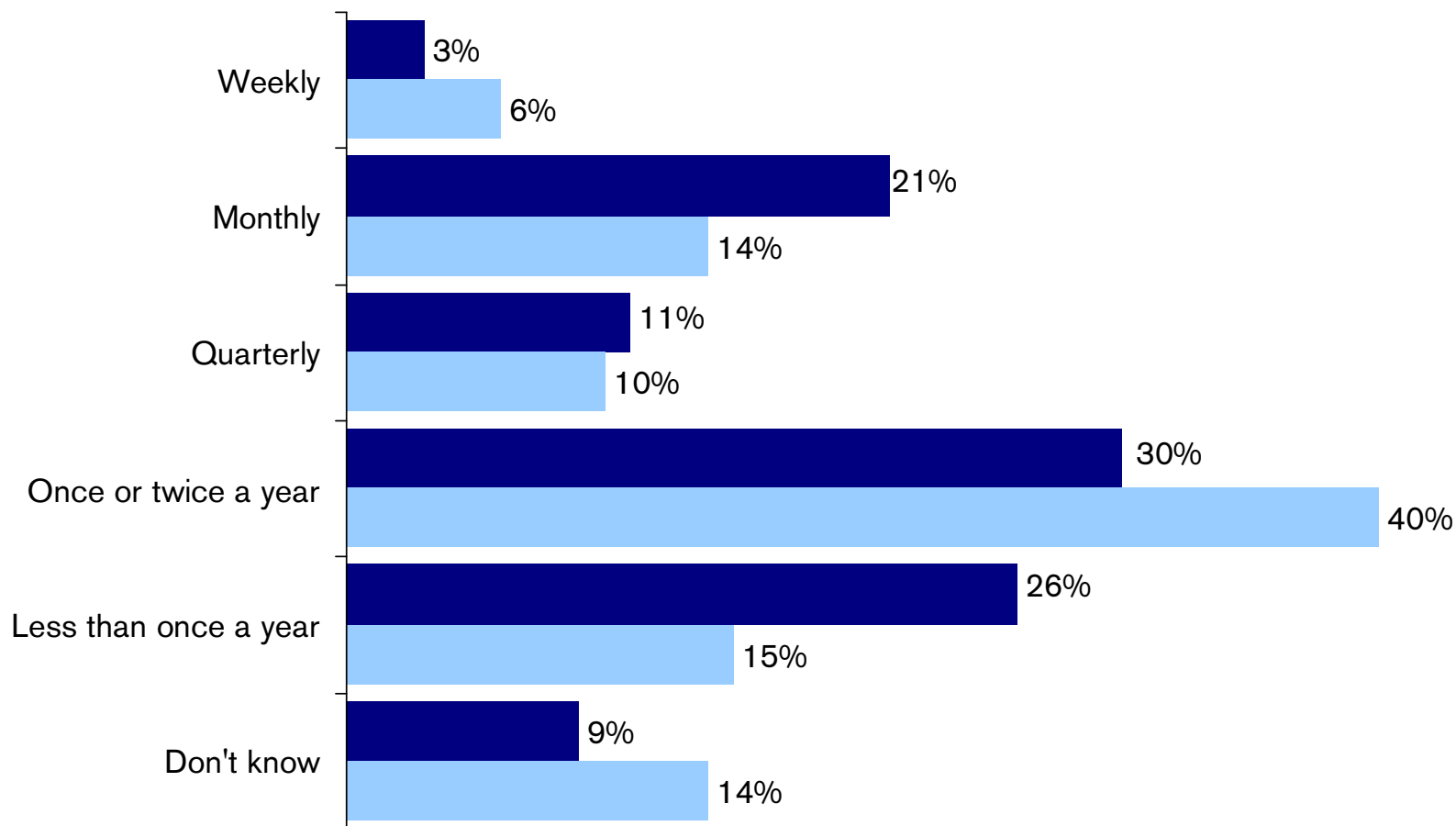


Income



Plurality of Chinese buy or sell investments once or twice a year

Q In general, how often do you buy or sell investments like stocks, bonds or mutual funds in the financial markets?



■ 2008 BC General Population ■ 2008 Chinese Population

BC n = 402

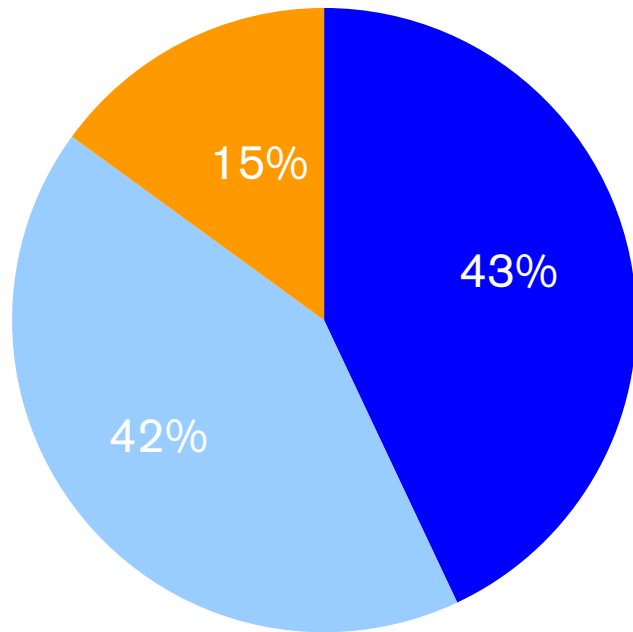
Chinese n = 146



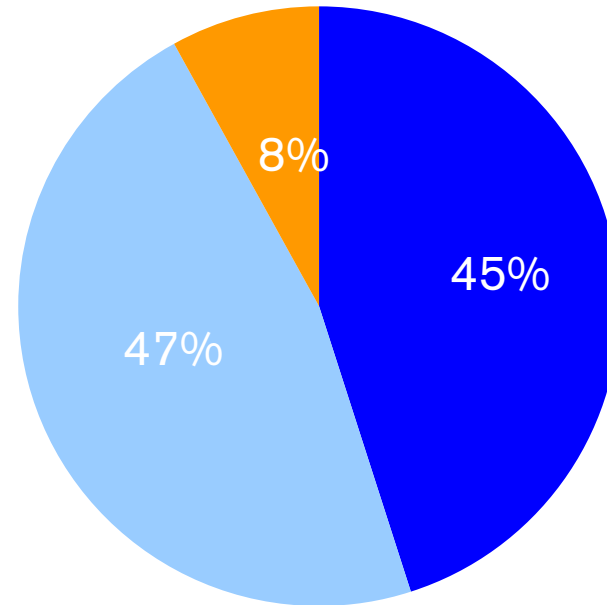
Like general population, Chinese split on how they became aware of most recent investment

Q Thinking back to your most recent financial investment, how did you become aware of the opportunity?

2006 BC General Population



2008 Chinese Population



- Someone approached you with this investment opportunity directly
- You came across this investment opportunity on your own
- Don't know

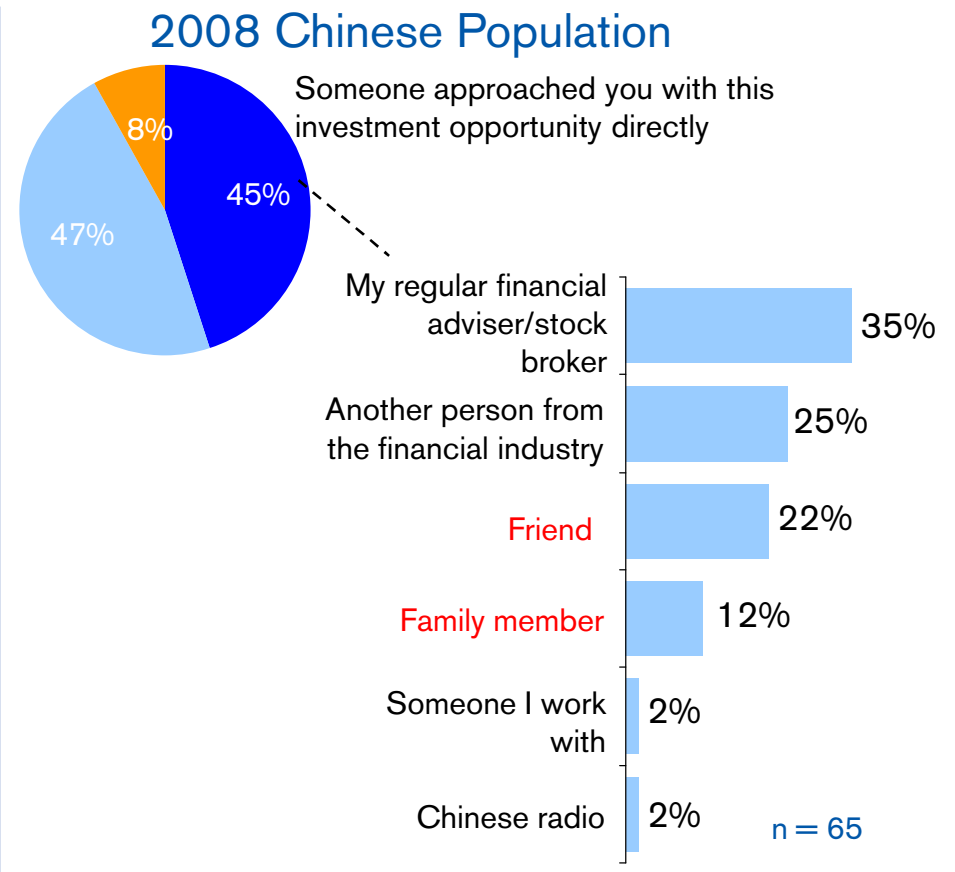
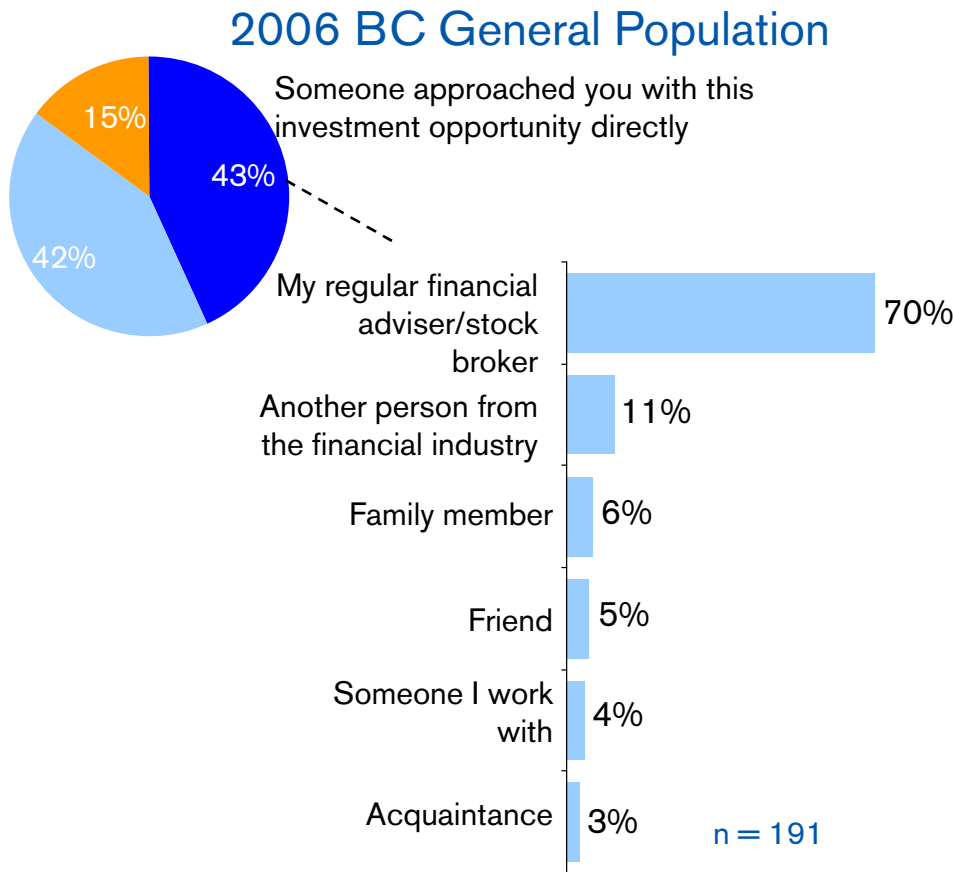
- Someone approached you with this investment opportunity directly
- You came across this investment opportunity on your own
- Don't know



Chinese investors at risk of falling victim to affinity fraud

Q Thinking back to your most recent financial investment, how did you become aware of the opportunity?

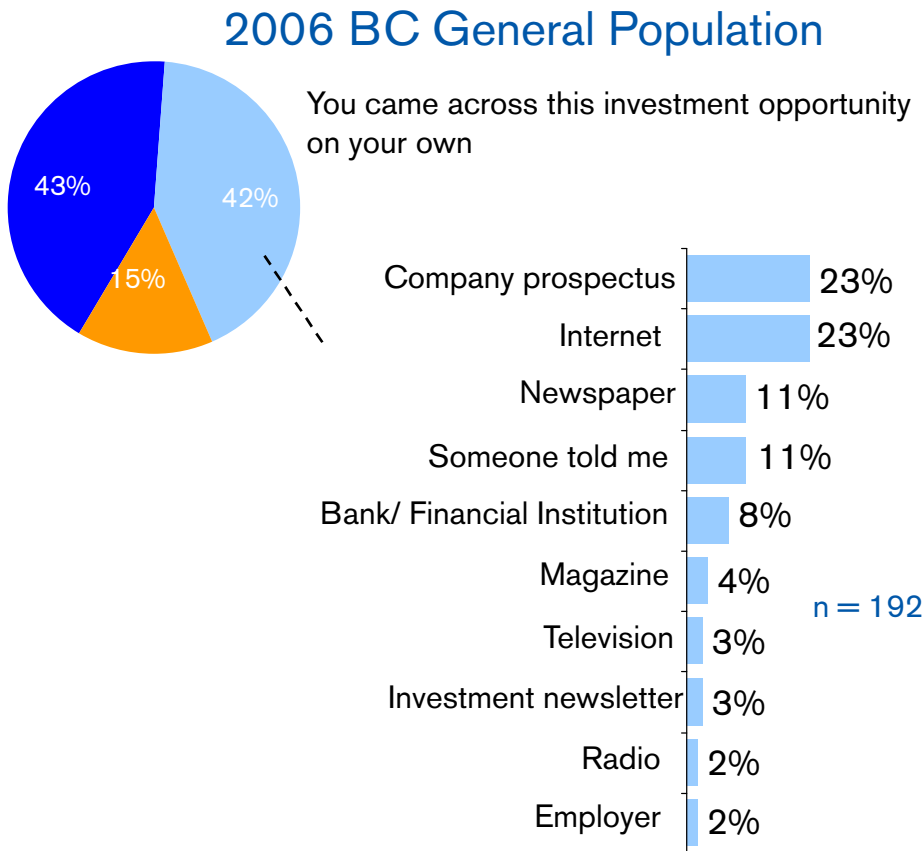
Q Who told you about your most recent financial investment?



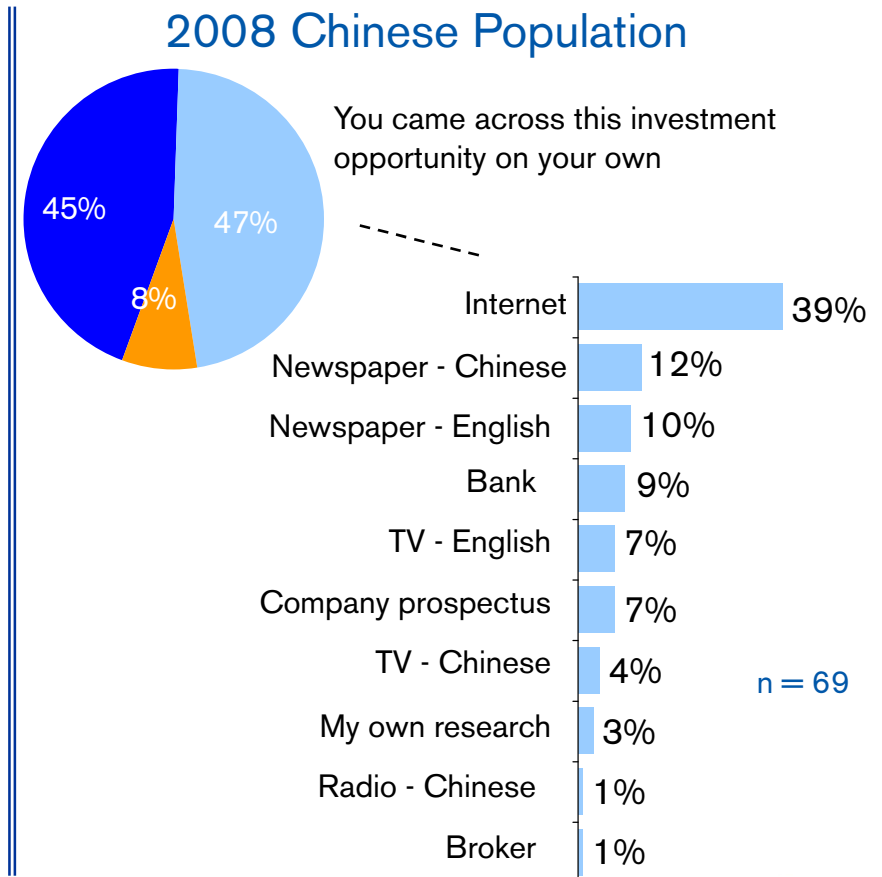
Note: 'Don't know' 'Neighbour', 'Newsletter', 'Myself' and 'Internet' not shown, less than 1%.

Internet, newspapers much more popular sources¹² in Chinese community

Q Thinking back to your most recent financial investment, how did you become aware of the opportunity?



Q How did you become aware of your most recent financial investment?

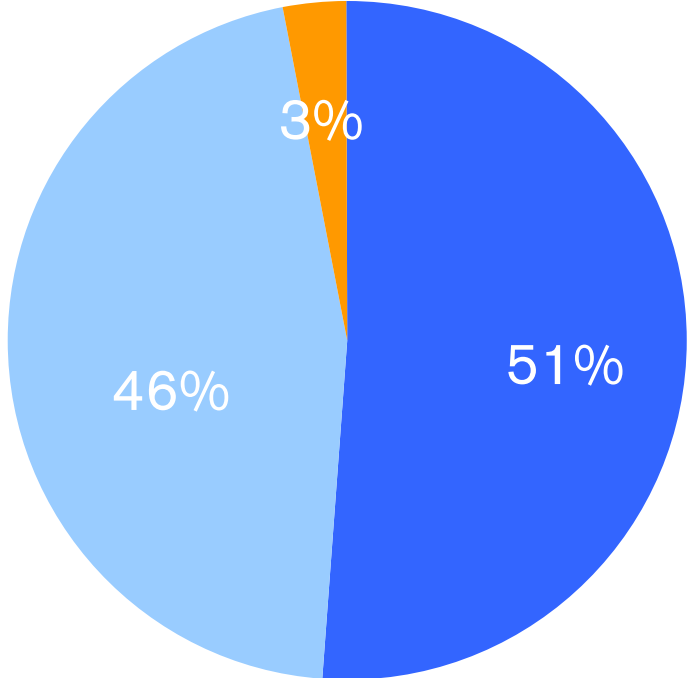


Note: Don't know 'Financial publications', 'Investment Newsletter', 'Combination of resources', and 'Personal knowledge of the market' not shown, less than 1%.

More Chinese report personally researching most recent investment before buying it¹³

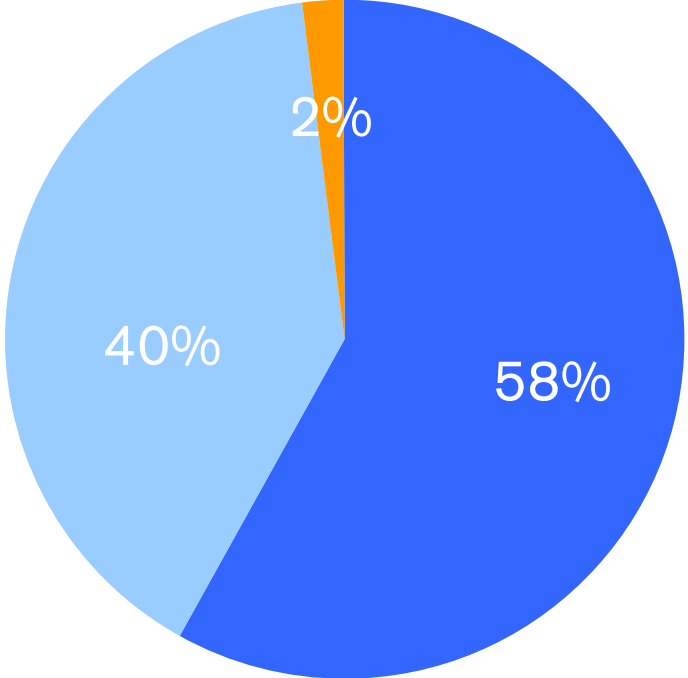
Q Again, thinking of your most recent investment, did you personally research this investment before you bought it?

2006 BC General Population



■ Yes ■ No, ■ Don't know

Chinese Population



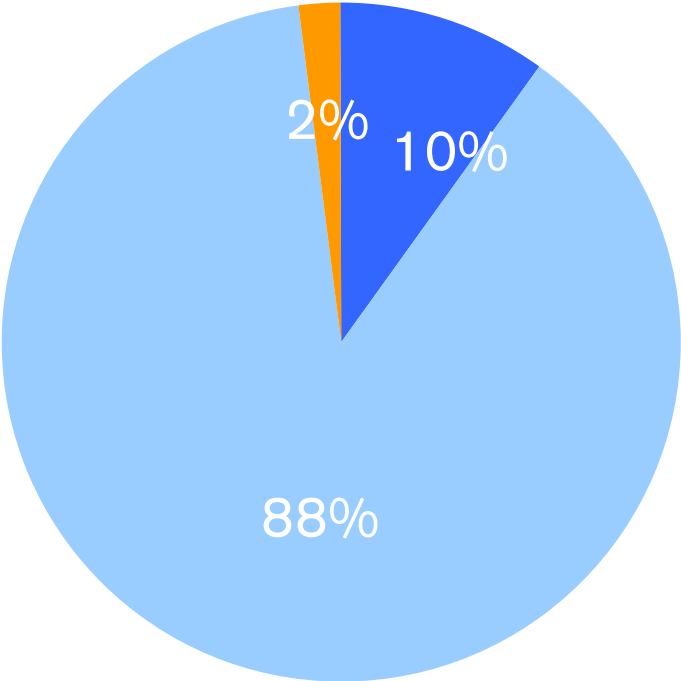
■ Yes ■ No ■ Don't know



One-in-ten told if they don't act immediately, they may miss a good investment opportunity ¹⁴

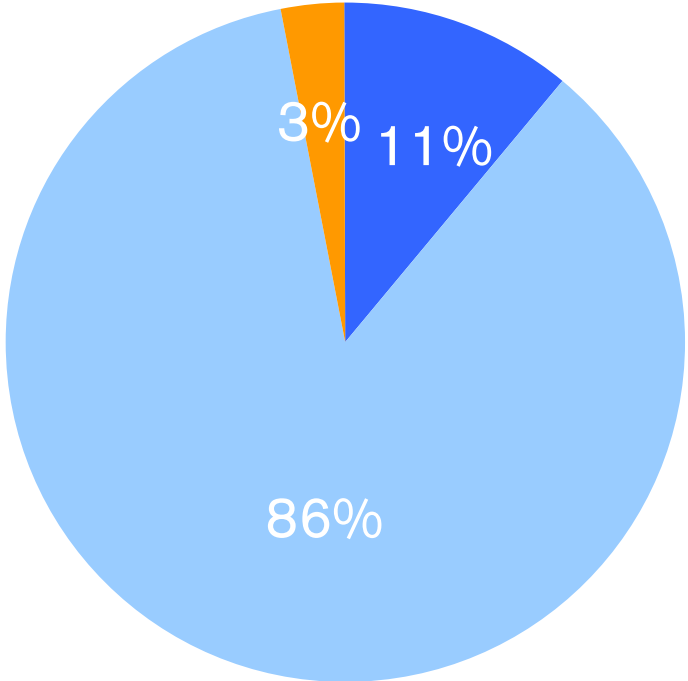
Q Were you told that if you don't act immediately, you may miss a good investment?

2006 BC General Population



■ Yes ■ No, ■ Don't know

Chinese Population

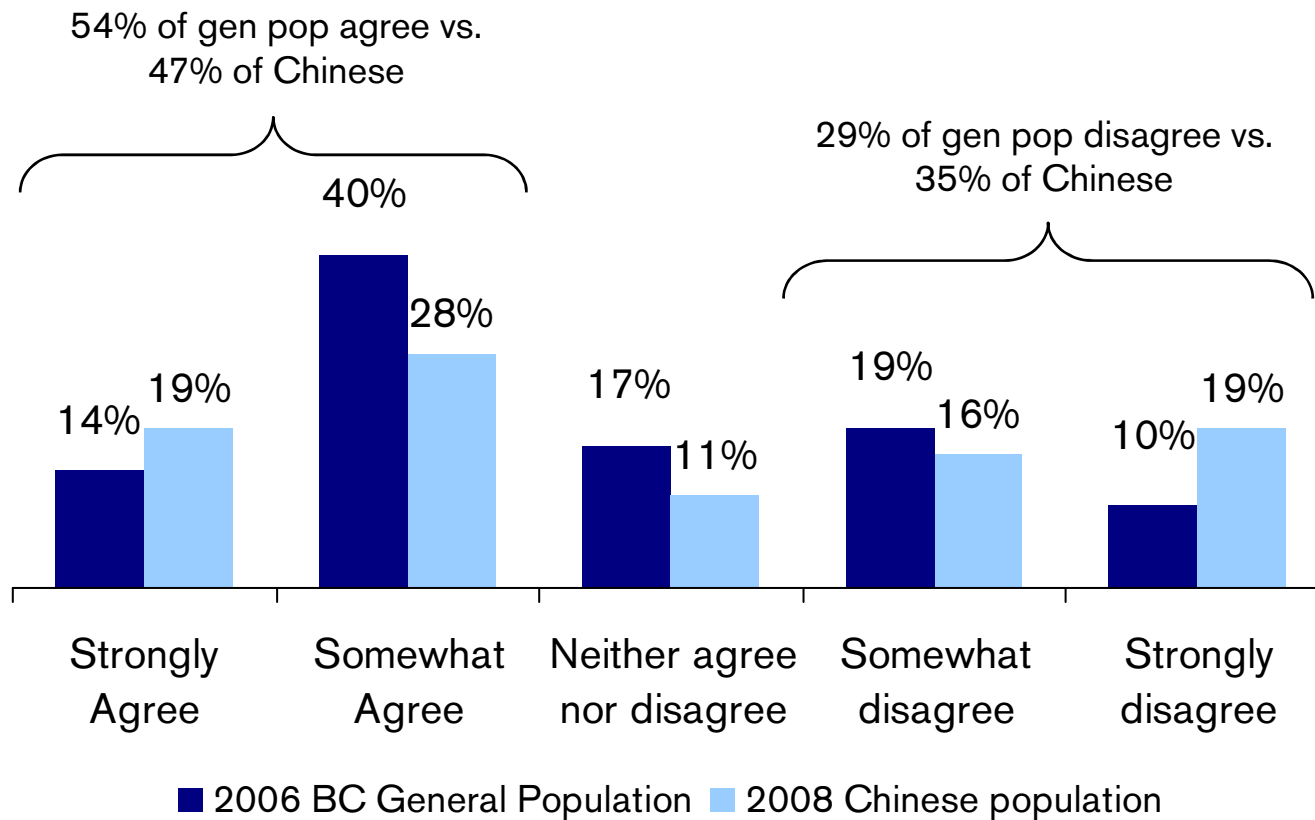


■ Yes ■ No ■ Don't know



Chinese slightly less familiar about most recent investment than general population

Q Please indicate if you agree or disagree with the following statement: I am very familiar with my most recent investment and could explain the risk and benefits to someone else in detail.



Those that responded 'Disagree'

Income	%
<\$40k	37%
\$40k-60k	21%
\$60k-80k	18%
>\$80k	50%

Those that responded 'Agree'

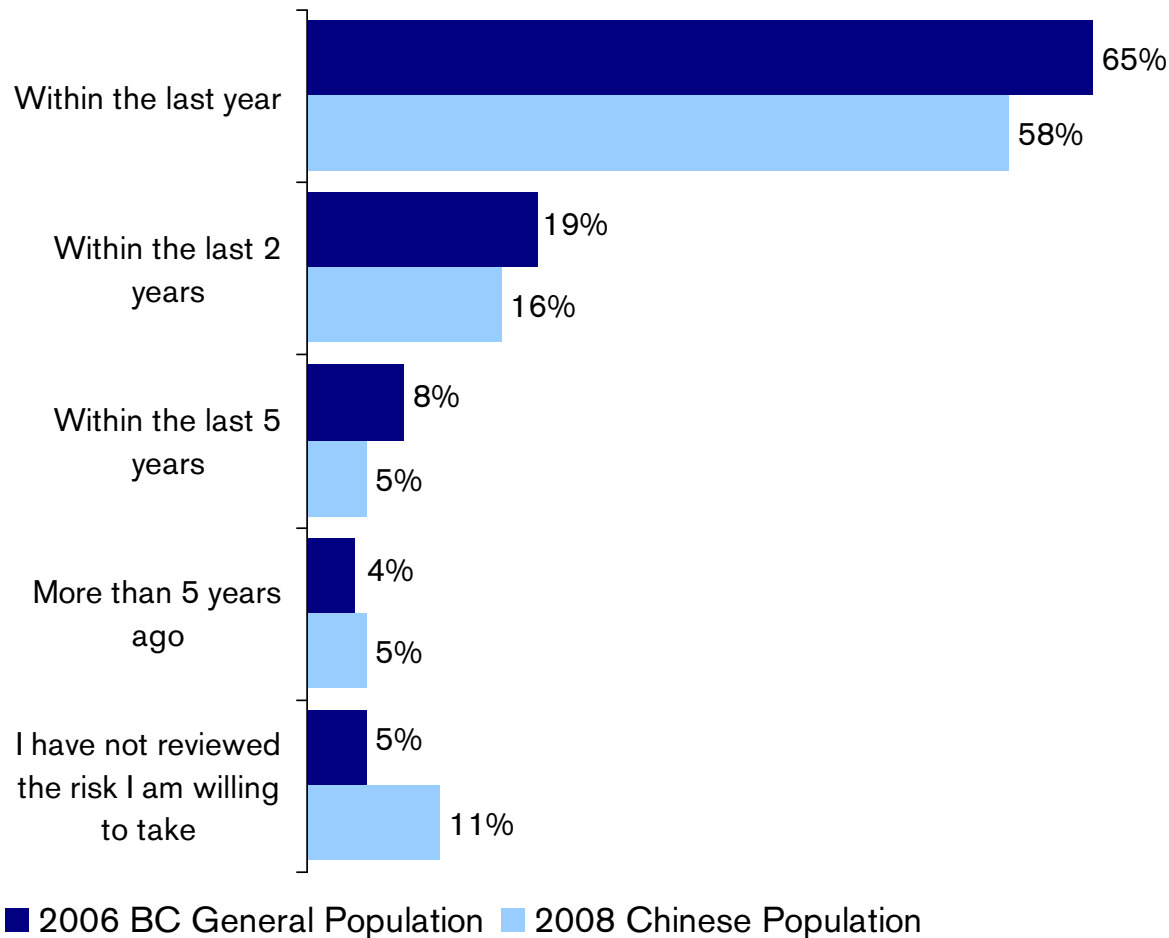
English writing skill	%
No problems	56%
Some problems	43%
Regular problems/ No English	33%



Note: 'Don't know' not shown.

Majority reviewed level of risk they are willing to take within the last year

Q When was the last time you thoroughly reviewed the level of risk you're willing to take with your investments?



Those that responded 'Within the last year'

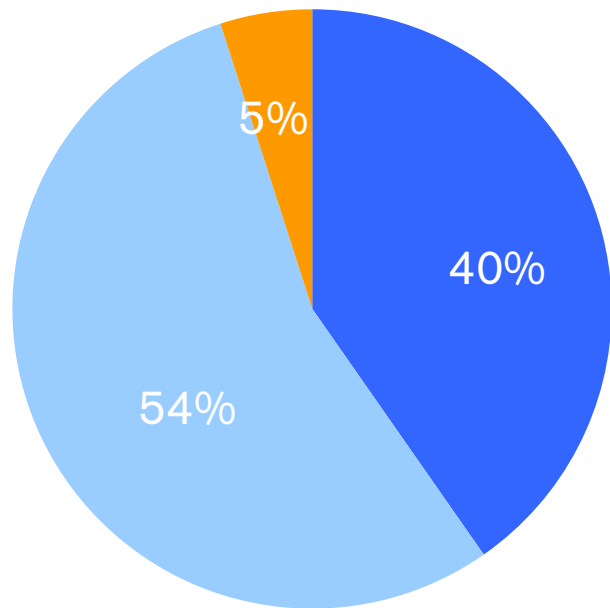
Age	%
18-34	81%
35-44	54%
45-54	59%
55-64	55%
65	44%

Note: 'Refused' not shown.

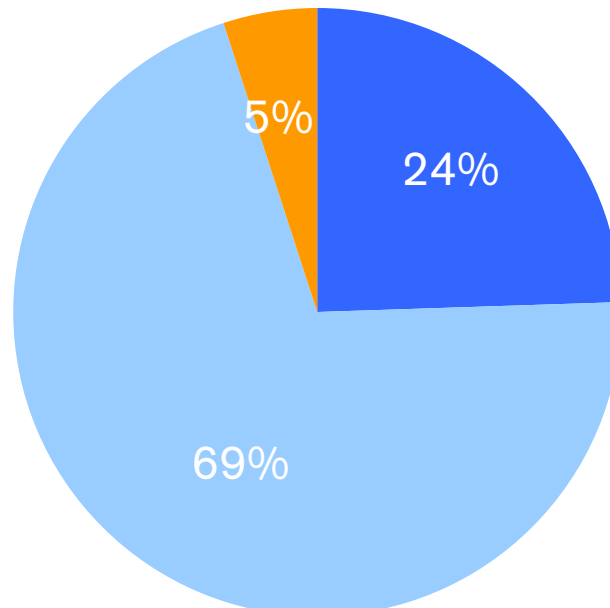
Over half of BC residents and two-thirds of Chinese have no financial plan

Q Do you have a financial plan that includes clear investment goals?

2006 BC General Population



Chinese Population



■ Yes ■ No, ■ Don't know

■ Yes ■ No ■ Don't know

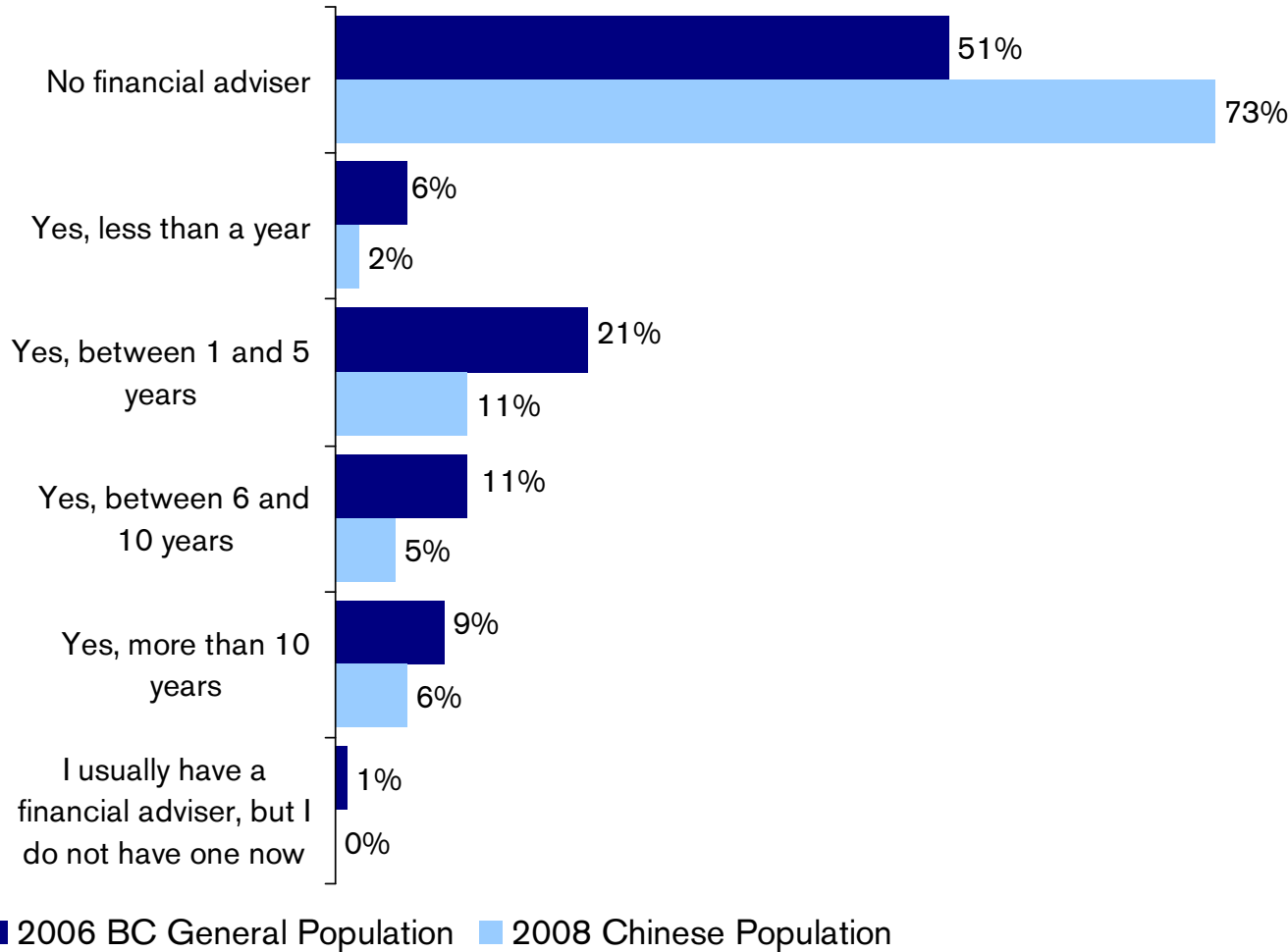


Those that responded 'Yes'

Income	%
<\$40k	14%
\$40k-60k	33%
\$60k-80k	42%
>\$80k	53%
English speaking skill	%
No problems	40%
Some problems	23%
Regular problems/ no English	10%
Gender	%
Male	28%
Female	19%
Chinese earning <\$40k	%
<\$40k	14%
BC GenPop earning <\$40k	%
earning <\$40k	31%

Many more do not have financial adviser in Chinese community

Q Do you have a regular financial adviser and if so, how long have you had your current adviser?



Those that responded 'No regular financial adviser'

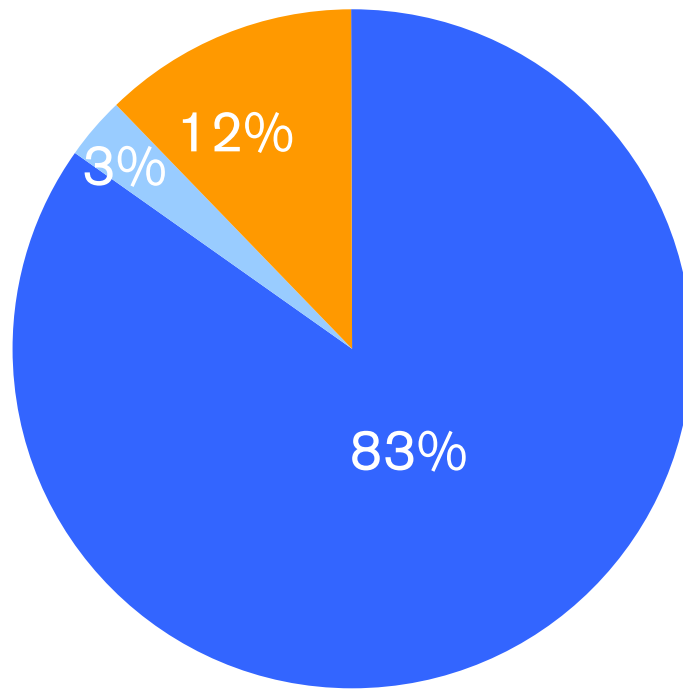
Income	%
<\$40k	82%
\$40k-60k	72%
\$60k-80k	61%
>\$80k	53%
English writing skill	%
No problems	60%
Some problems	72%
Regular problems/ no English	85%
Chinese earning	%
<\$40k	82%
BC Gen Pop earning <\$40k	67%

Note: 'Don't know/Refused' (2% Chinese, 1% BC Gen Pop), not shown.

Vast majority of Chinese investors say financial advisers have professional accreditation

Q To the best of your knowledge, does your financial adviser have professional accreditation?

Chinese Population



■ Yes ■ No ■ Don't know



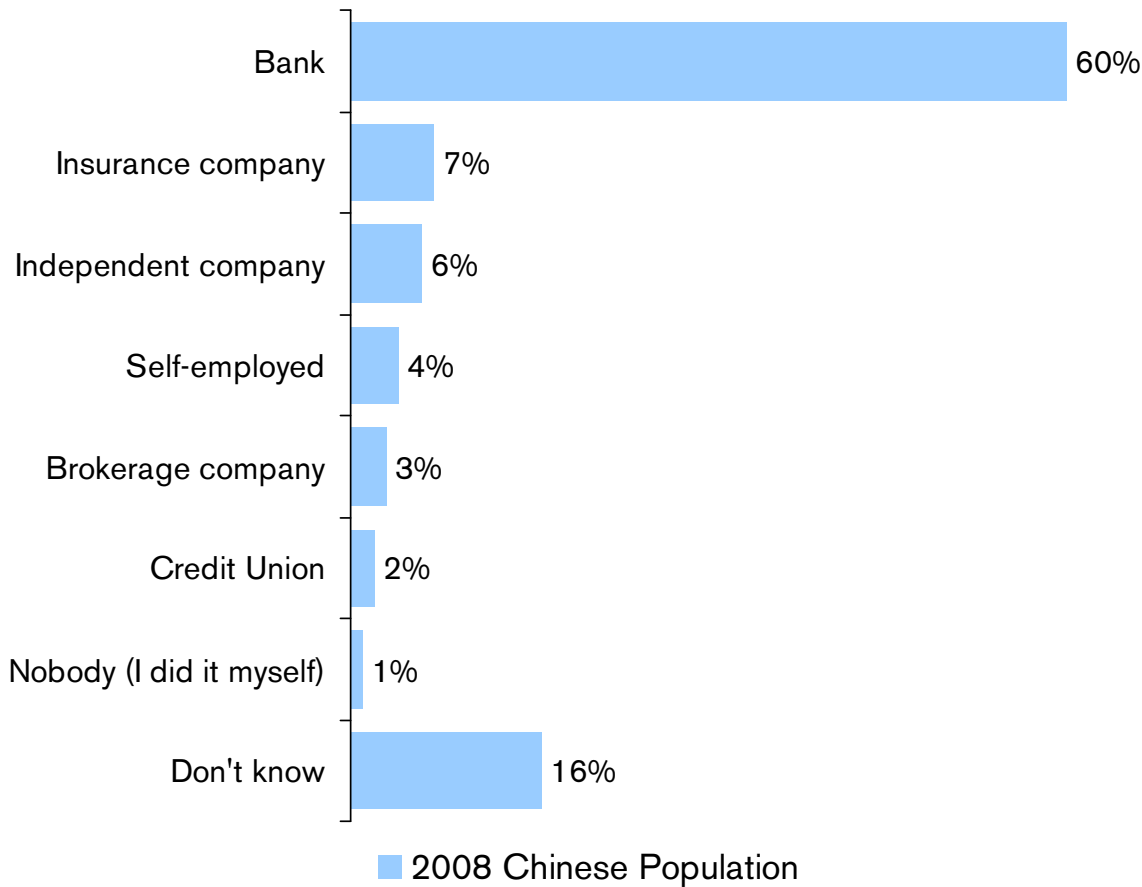
Those that responded 'Yes'

Age	%
18-34	95%
35-44	93%
45-54	80%
55-64	77%
65	67%
English speaking skill	%
No problems	92%
Some problems	84%
Regular problems/ no English	62%

Note: 'Refused' (2%) not shown.

Majority of people selling stocks to Chinese investors work for a bank

Q What type of business does the person selling you stocks, bonds, mutual funds or other financial products work for?



Those that responded 'Bank'

English writing skill	%
No problems	79%
Some problems	71%
Regular problems/ no English	42%

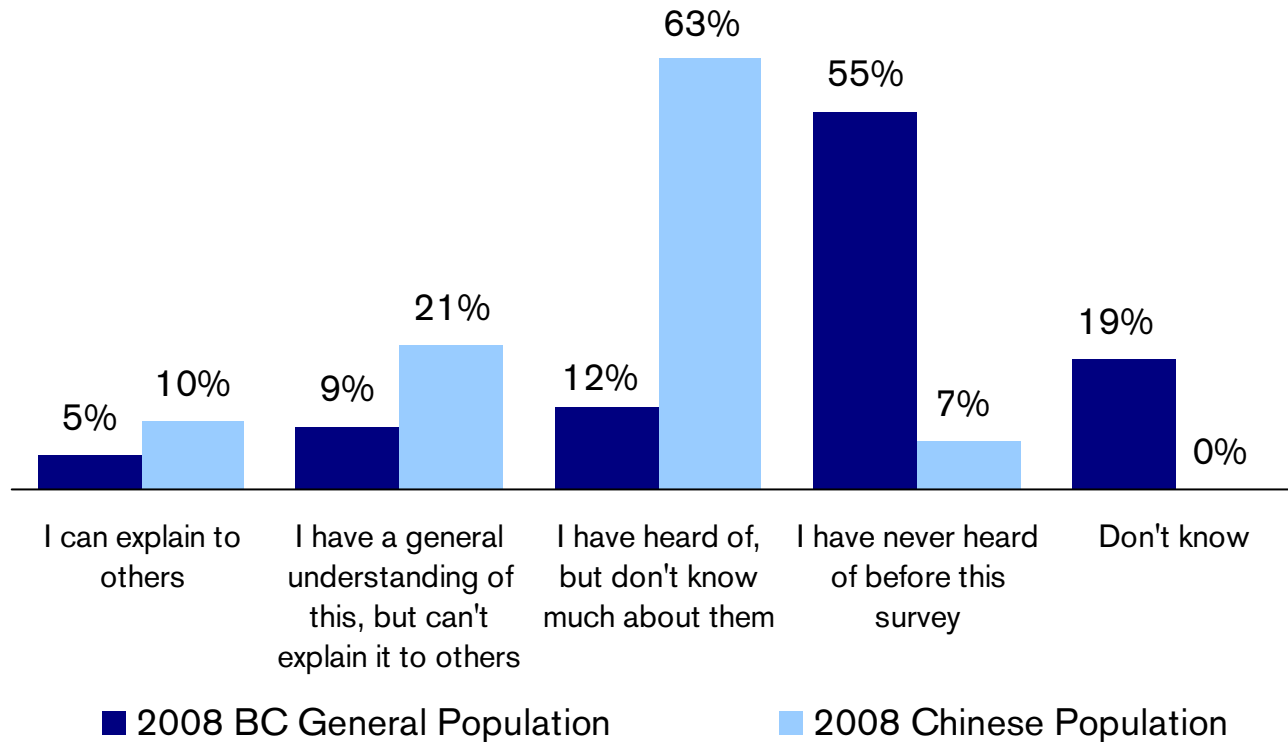
Note: 'Refused' (2%) not shown.



Chinese much more familiar with FOREX (foreign exchange) than general population ²¹



How familiar are you with the following current investment products? **FOREX.**



Those that responded 'I can explain to others/ have general understanding'

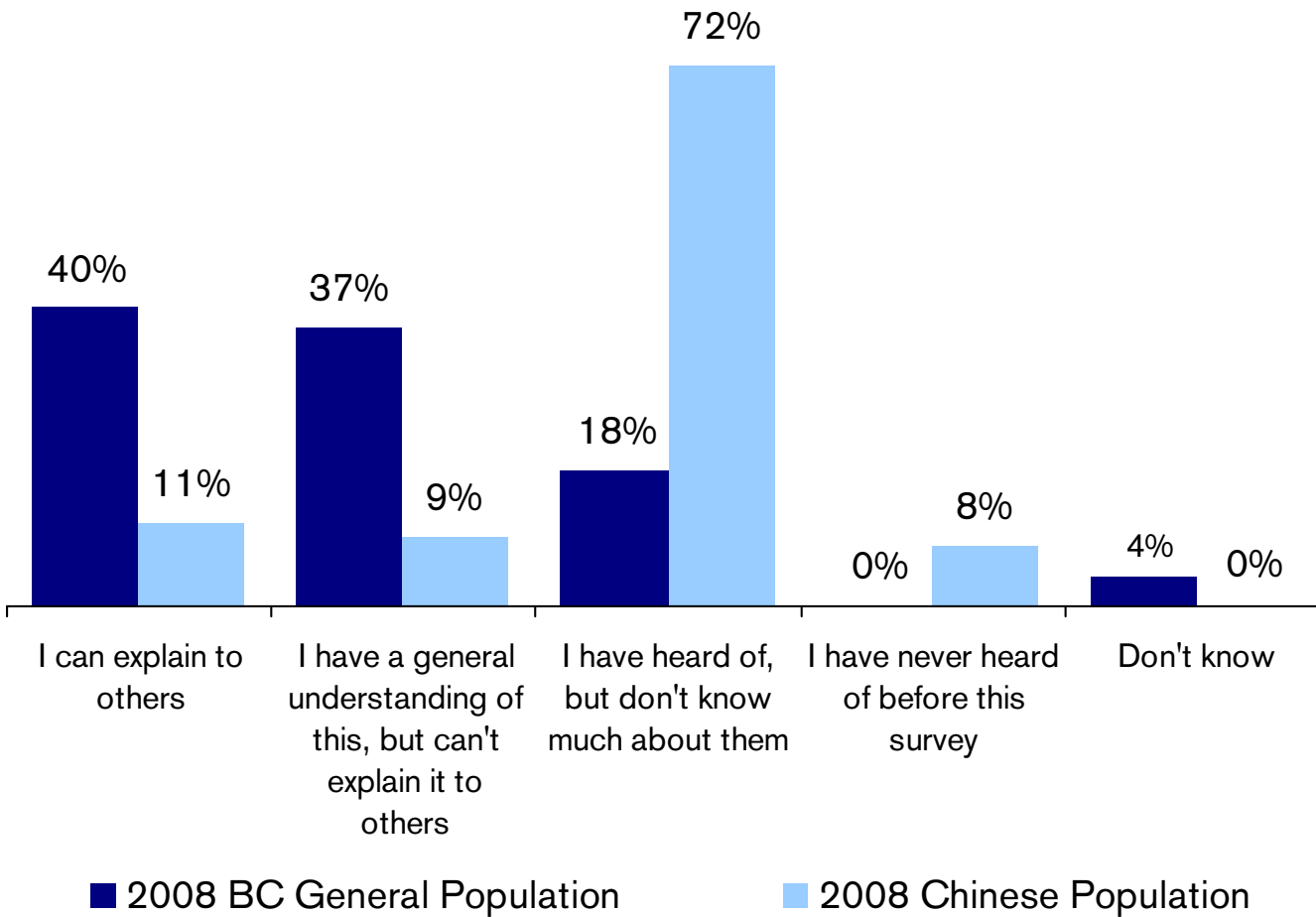
Income	%
<\$40k	20%
\$40k-60k	23%
\$60k-80k	50%
>\$80k	67%
Age	%
18-34	31%
35-44	34%
45-54	40%
55-64	26%
65+	18%



Majority of Chinese have heard of but don't know much about Mutual Funds ²²



How familiar are you with the following current investment products? **Mutual Funds**

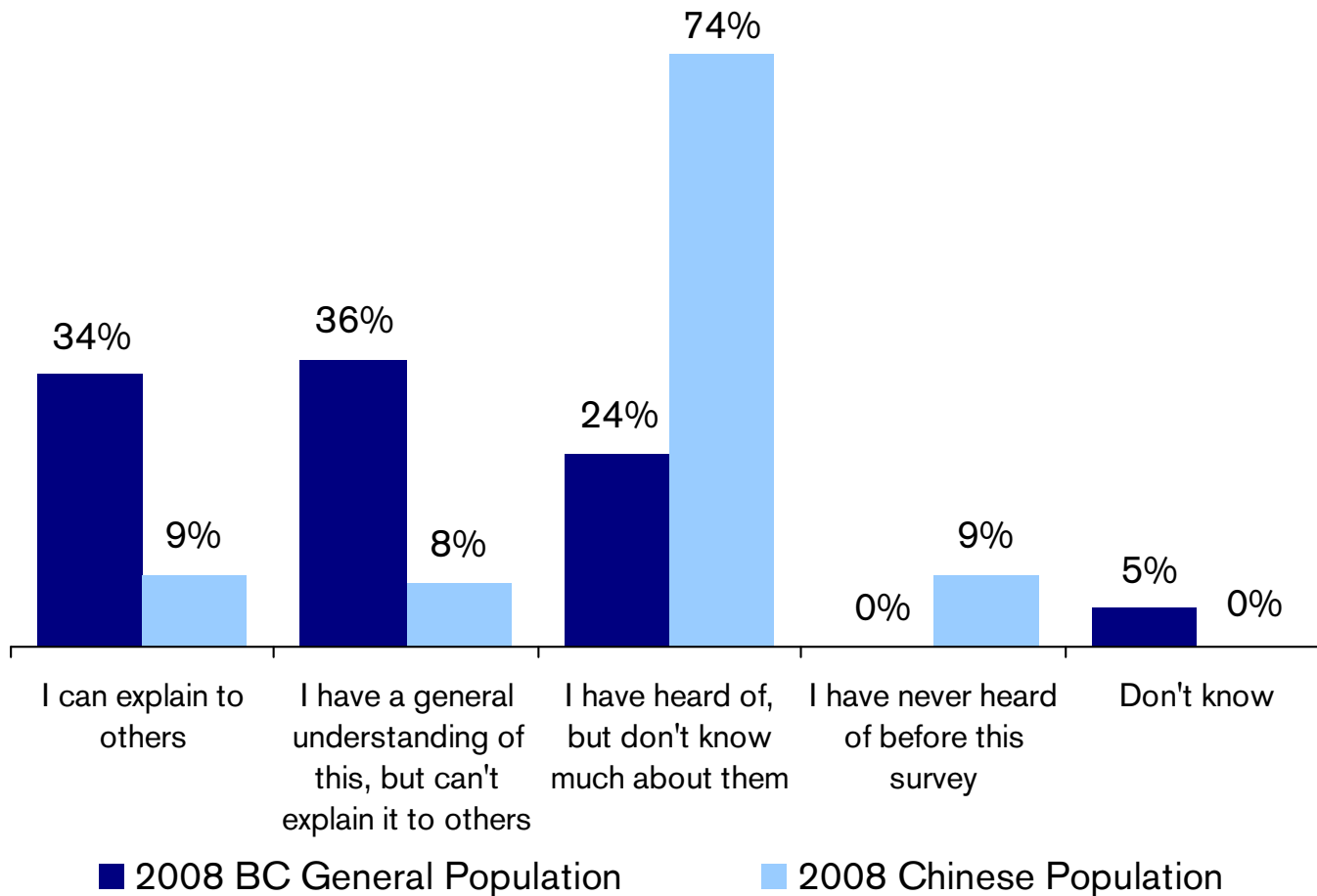


Those that responded 'I can explain to others'

Income	%
<\$40k	7%
\$40k-60k	10%
\$60k-80k	17%
>\$80k	22%
English writing skill	%
No problems	21%
Some problems	8%
Regular problems/ no English	3%

Majority of Chinese have heard of but don't know much about Bonds ²³

Q How familiar are you with the following current investment products? **Bonds**



Those that responded 'I can explain to others'

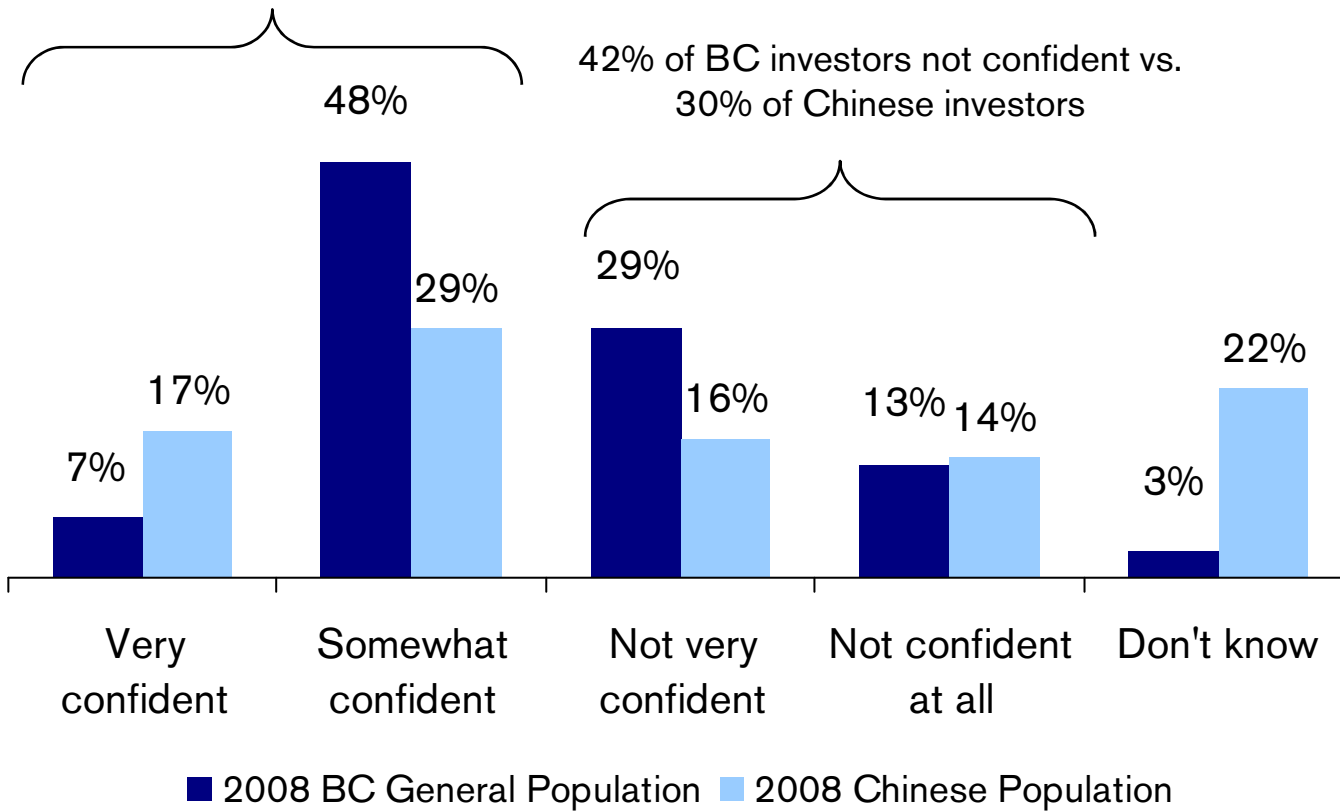
Income	%
<\$40k	5%
\$40k-60k	12%
\$60k-80k	11%
>\$80k	22%
English writing skill	%
No problems	18%
Some problems	8%
Regular problems/ no English	2%



Comparison with BC mixed: more Chinese are very confident, but fewer confident overall

Q How confident are you when it comes to making investment decisions?

55% of BC investors confident vs. 46% of Chinese investors



Those that responded 'Confident'

Income	%
<\$40k	36%
\$40k-60k	50%
\$60k-80k	75%
>\$80k	84%
English writing skill	%
No problems	62%
Some problems	52%
Regular problems/ no English	27%

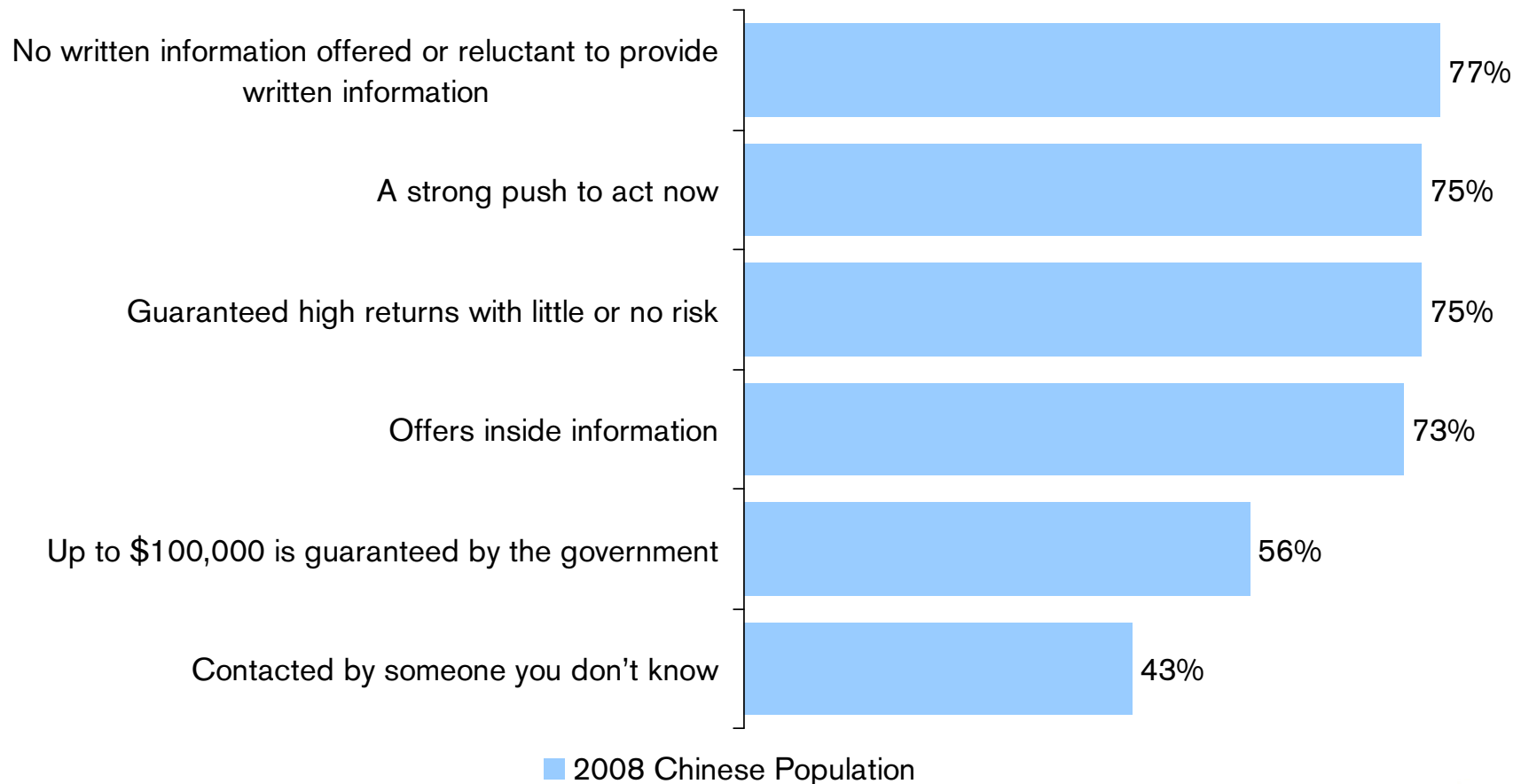


Note: 'Refused' not shown.

No written information and strong push to “act now” top indicators of fraud

Q

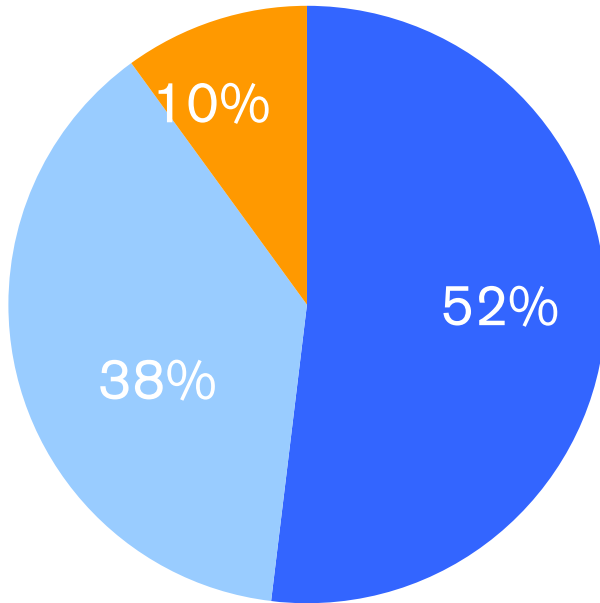
I am going to read you a list of indicators that may or may not be indicators. For each of these items, please tell me if you think they are an indicators of a possible fraudulent investment or not?



Far fewer Chinese report being victims of fraud compared to general population

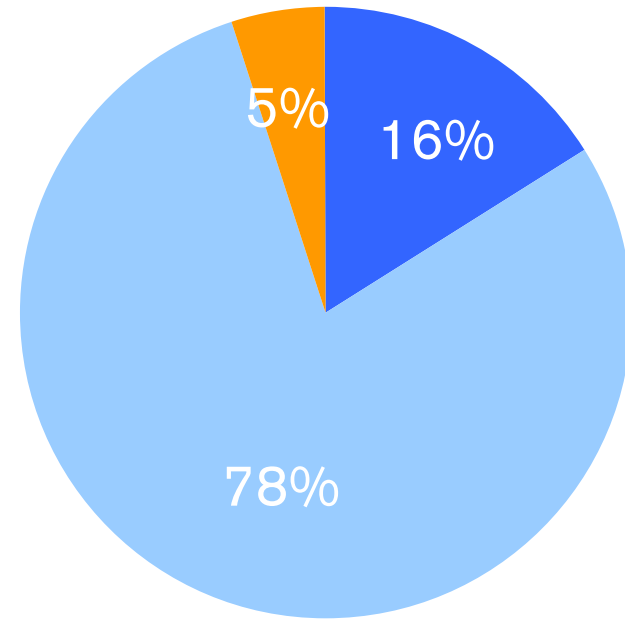
Q In fact, all of the above are red flags that may indicate an attempted fraud, with the exception of the \$100,000 guarantee in some cases. A limited number of investments are insured by the Canada Deposit Insurance Corporation. Based on what you have heard so far and what you already know, do you think anyone has ever approached you with a possible fraudulent investment?

2007 BC General Population



■ Yes ■ No ■ Don't know

Chinese Population



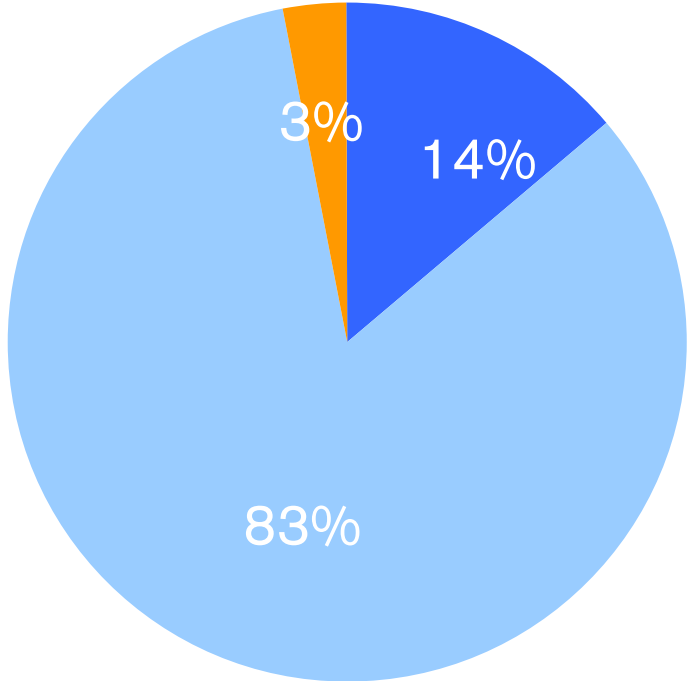
■ Yes ■ No ■ Don't know



Very few Chinese report investing in a fraudulent investment ²⁷

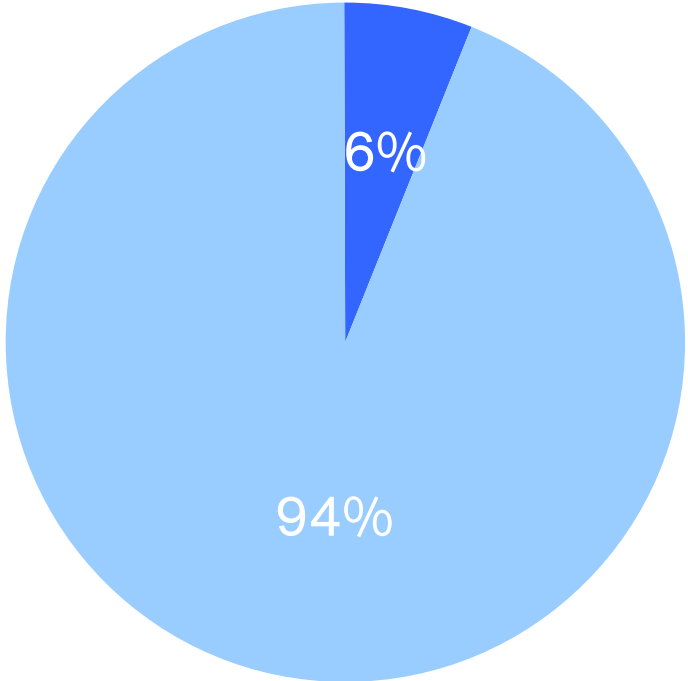
Q Did you end up investing any money in the fraudulent investment?

2007 BC General Population



■ Yes ■ No, n = 467 ■ Don't know

Chinese Population



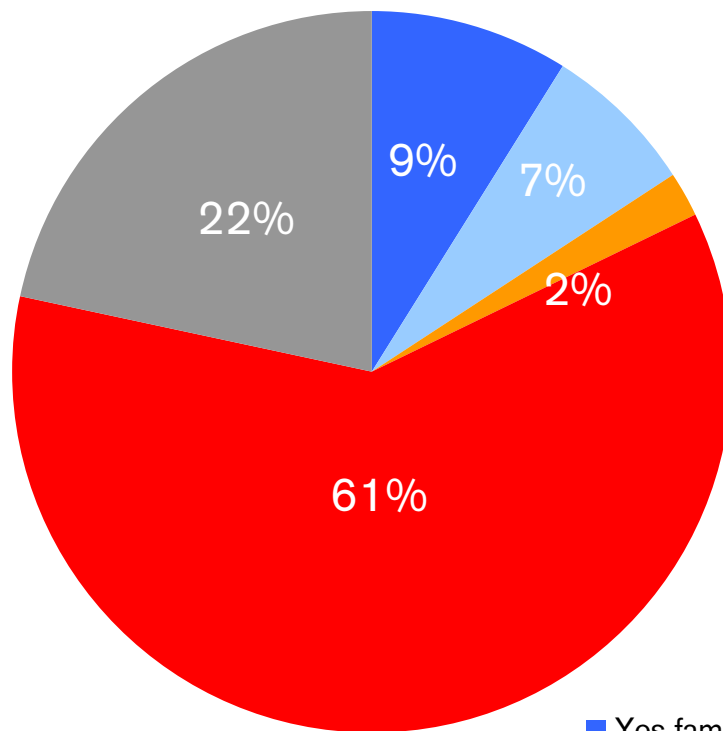
■ Yes ■ No, n = 80 ■ Don't know



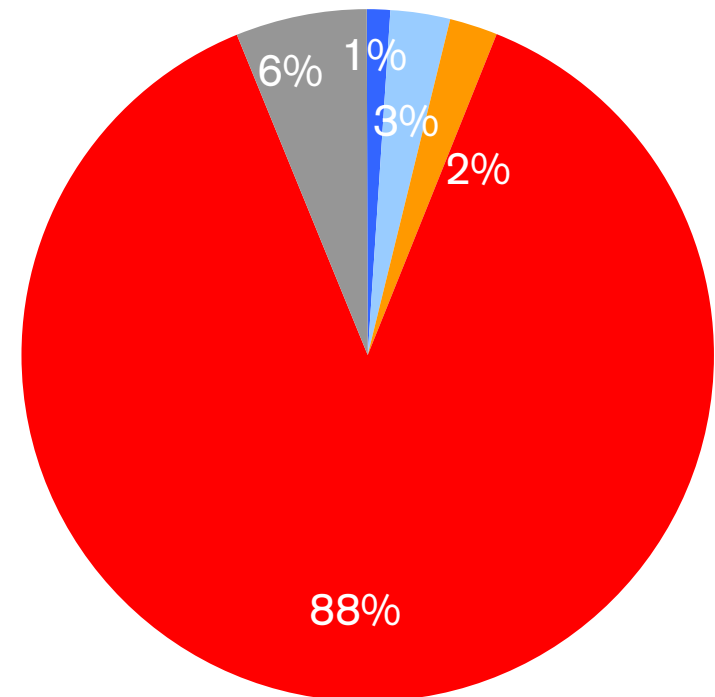
Very few Chinese report having a close friend or family member who has been a victim of fraud ²⁸

Q Do you have a close friend or family member who has ever been a victim of investment fraud?

2007 BC General Population



Chinese Population

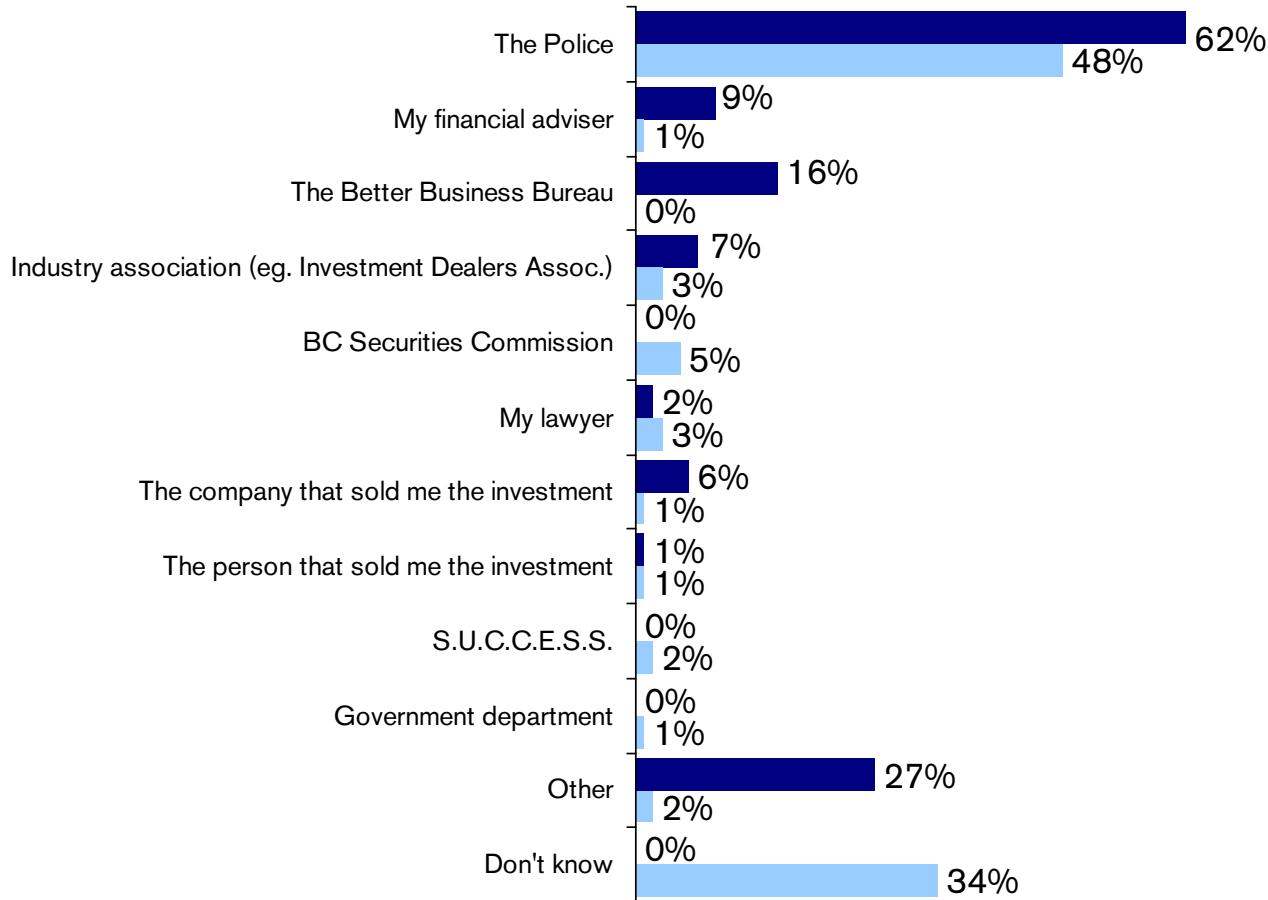


■ Yes family member
■ Yes close friend
■ Yes both a close friend and a family member
■ No
■ Don't know



Much greater uncertainty regarding reporting in Chinese community

Q If you, or a family member or friend was defrauded, who would you report the fraud to?



■ 2007 BC General Population ■ 2008 Chinese Population



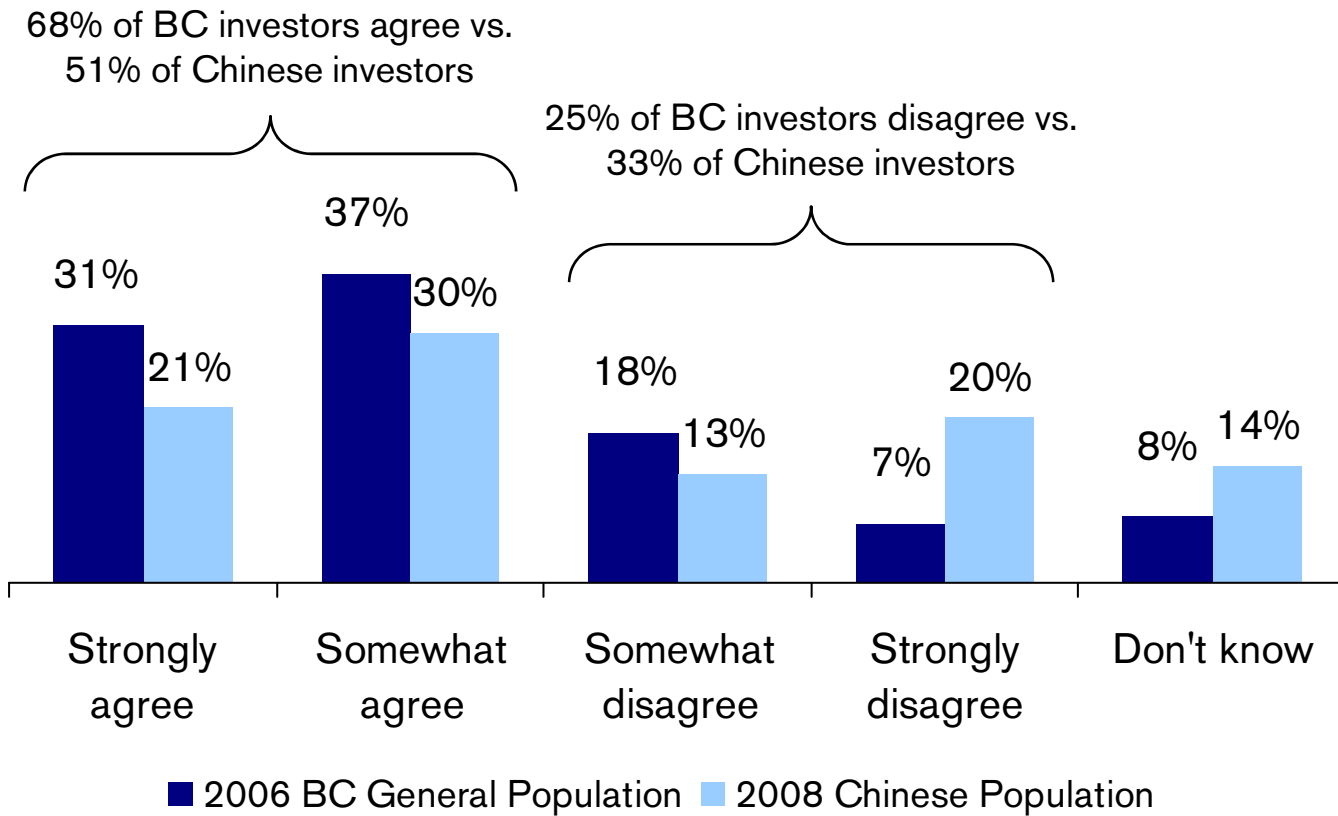
Those that responded
'Don't know'

Income	%
<\$40k	36%
\$40k-60k	26%
\$60k-80k	36%
>\$80k	19%
English writing skill	%
No problems	25%
Some problems	28%
Regular problems/ no English	47%

Note: 'Refused' not shown.

Chinese less confident about where to look for investment information

Q I am going to read you a series of statements about investing. For each of these statements, please indicate if you agree or disagree: *I am confident about where I should look for information to check out investment opportunities.*



Those that responded 'Agree'

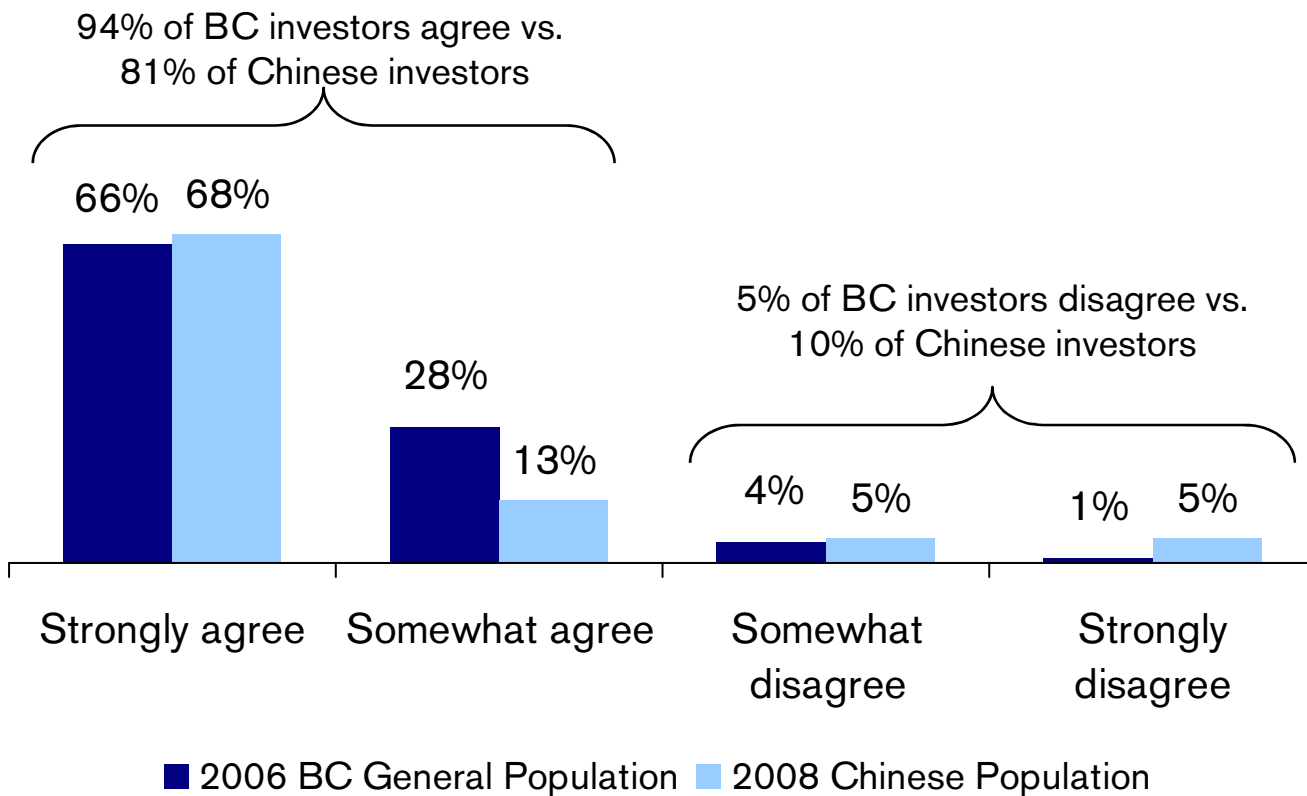
Income	%
<\$40k	43%
\$40k-60k	62%
\$60k-80k	64%
>\$80k	65%
English writing skill	%
No problems	67%
Some problems	57%
Regular problems/ no English	31%



Note: 'Refused' not shown.

Chinese somewhat less likely to agree that one should not invest without independent research

Q I am going to read you a series of statements about investing. For each of these statements, please indicate if you agree or disagree: ***You should never make an investment without doing independent research on any new investment opportunity.***



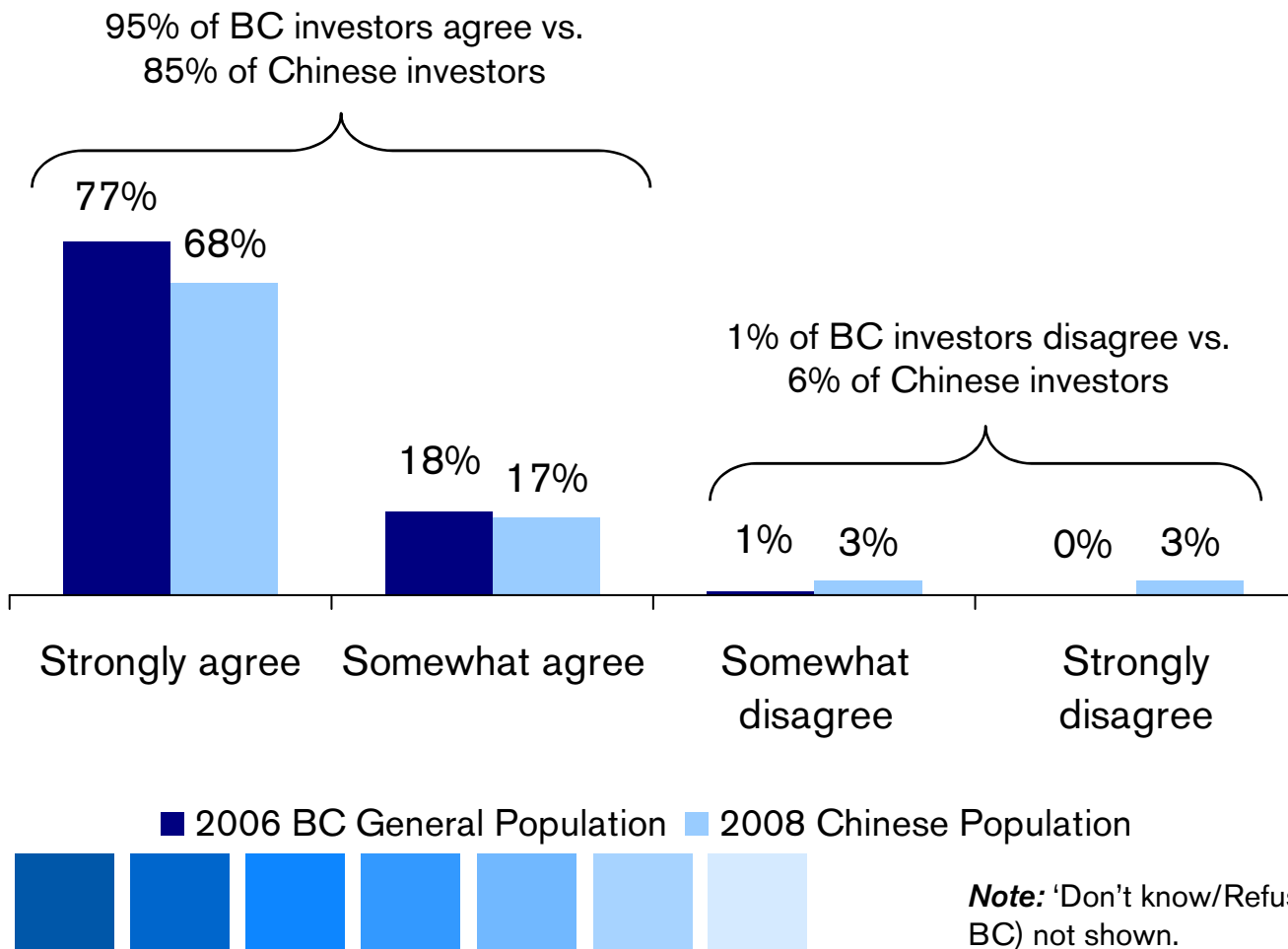
Those that responded 'Agree'

Income	%
<\$40k	80%
\$40k-60k	95%
\$60k-80k	92%
>\$80k	84%



Fewer Chinese believe it is important to build up savings and investments 32

Q I am going to read you a series of statements about investing. For each of these statements, please indicate if you agree or disagree: ***Whether you contribute to a pension plan or save some other way, it is important to build up your own personal savings and investments.***



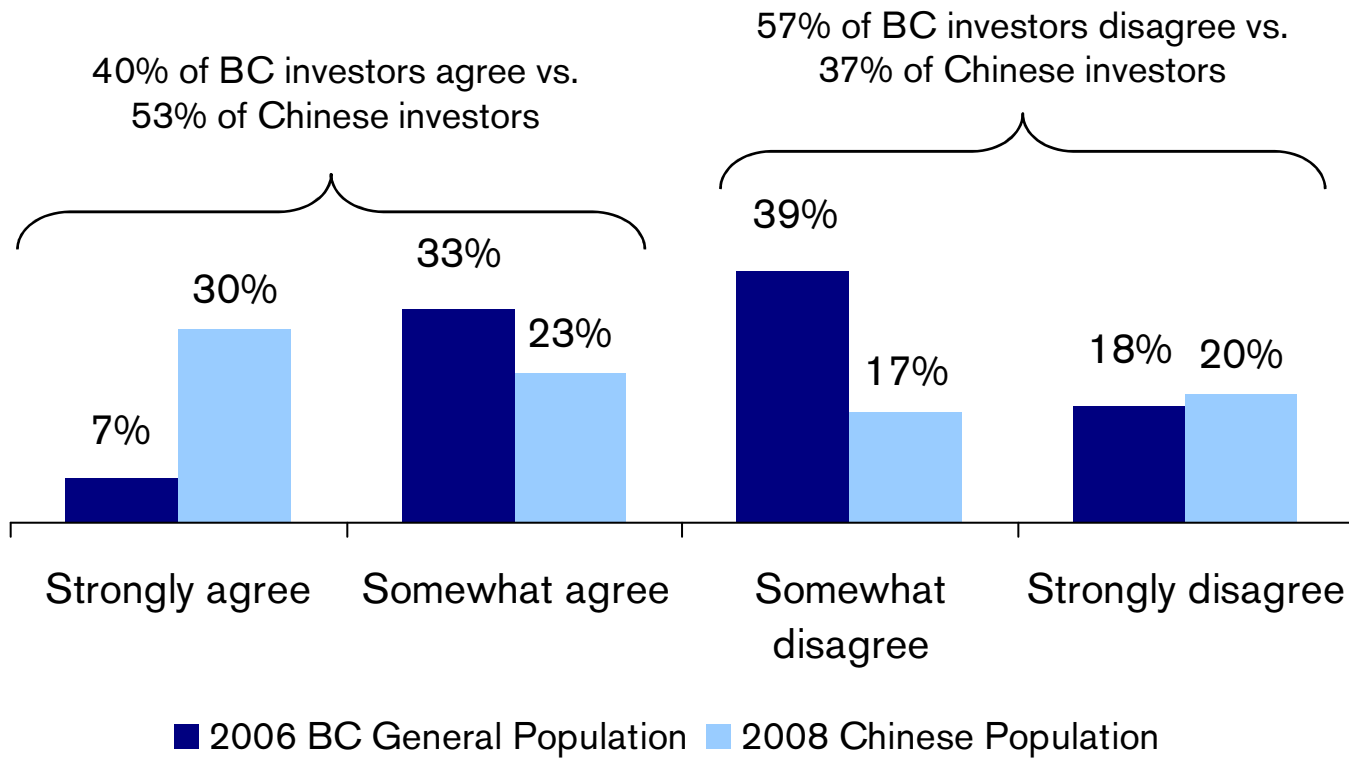
Those that responded 'Agree'

Education	%
Some HS or less	69%
Grad HS/some col.	81%
Grad col./some uni.	93%
Uni degree	89%
Postgrad degree	85%
English speaking skill	%
No problems	91%
Some problems	91%
Regular problems/ no English	72%

Note: 'Don't know/Refused' (9% Chinese, 2% BC) not shown.

3 in 10 Chinese investors strongly agree that being defrauded is own fault

Q I am going to read you a series of statements about investing. For each of these statements, please indicate if you agree or disagree: *If someone gets ripped off by an investment fraud, they have only themselves to blame.*



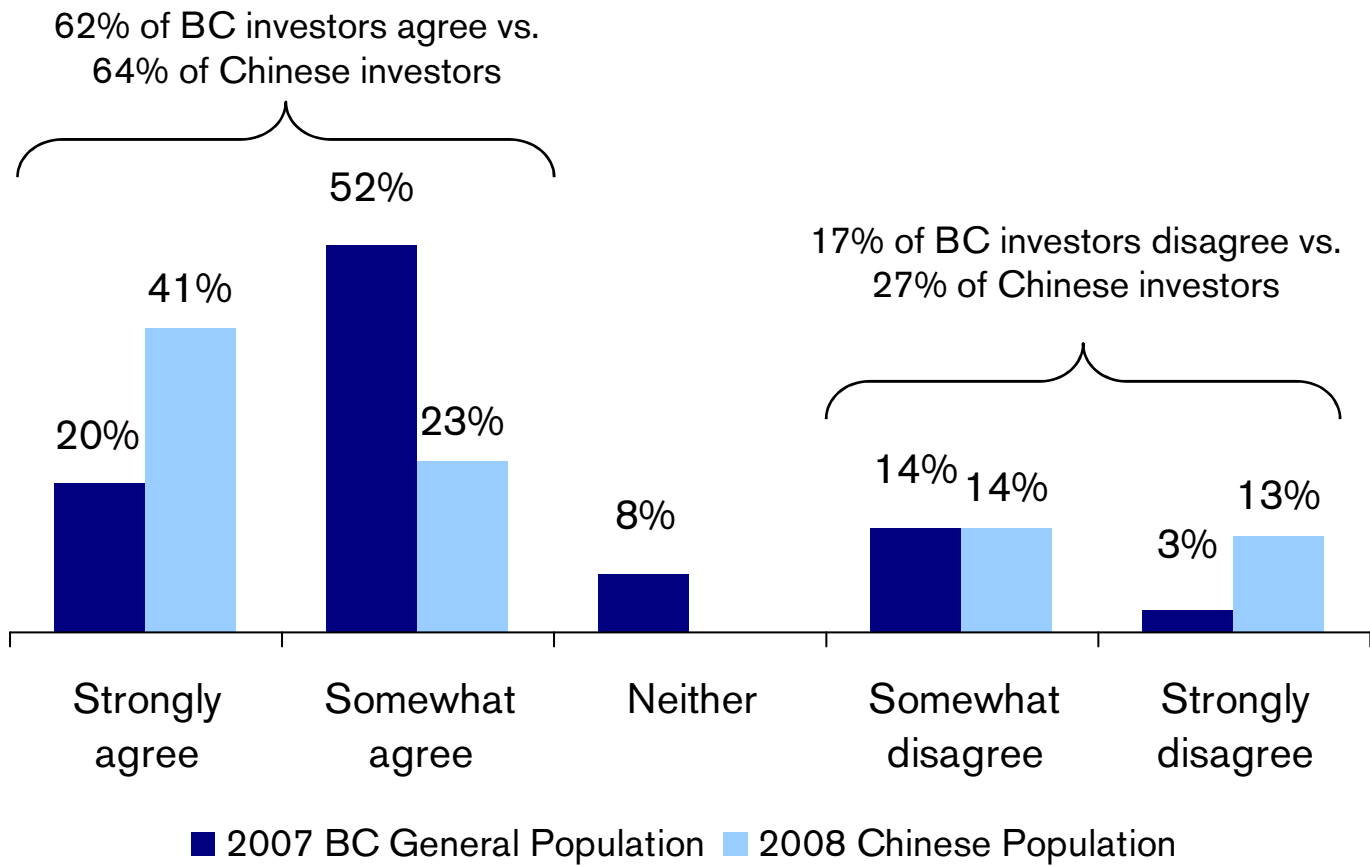
Those that responded 'Agree'

Age	%
18-34	36%
35-44	45%
45-54	62%
55-64	64%
65+	57%

Note: 'Don't know/Refused' not shown.

2 in 5 Chinese strongly agree investment is a gamble, no matter how much homework you do

Q I am going to read you a series of statements about investing. For each of these statements, please indicate if you agree or disagree: ***No matter how much homework you do, every investment is a gamble.***



Those that responded 'Agree'

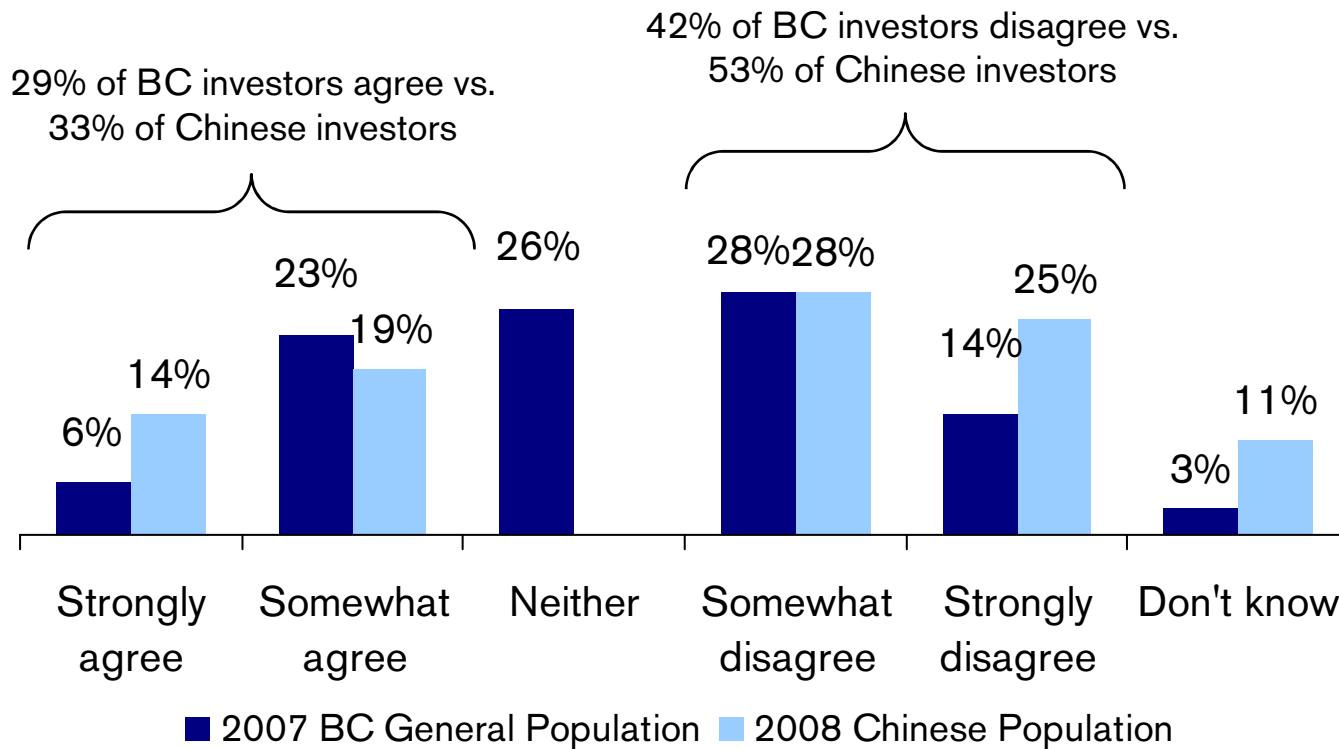
Education	%
Some HS or less	71%
Grad HS/some col.	69%
Grad col./some uni.	79%
Uni degree	61%
Postgrad degree	42%



Note: 'Refused' not shown.

Plurality of BC and Chinese investors trust investment professionals

Q I am going to read you a series of statements about investing. For each of these statements, please indicate if you agree or disagree: *I just don't trust investment professionals.*



Those that responded 'Disagree'

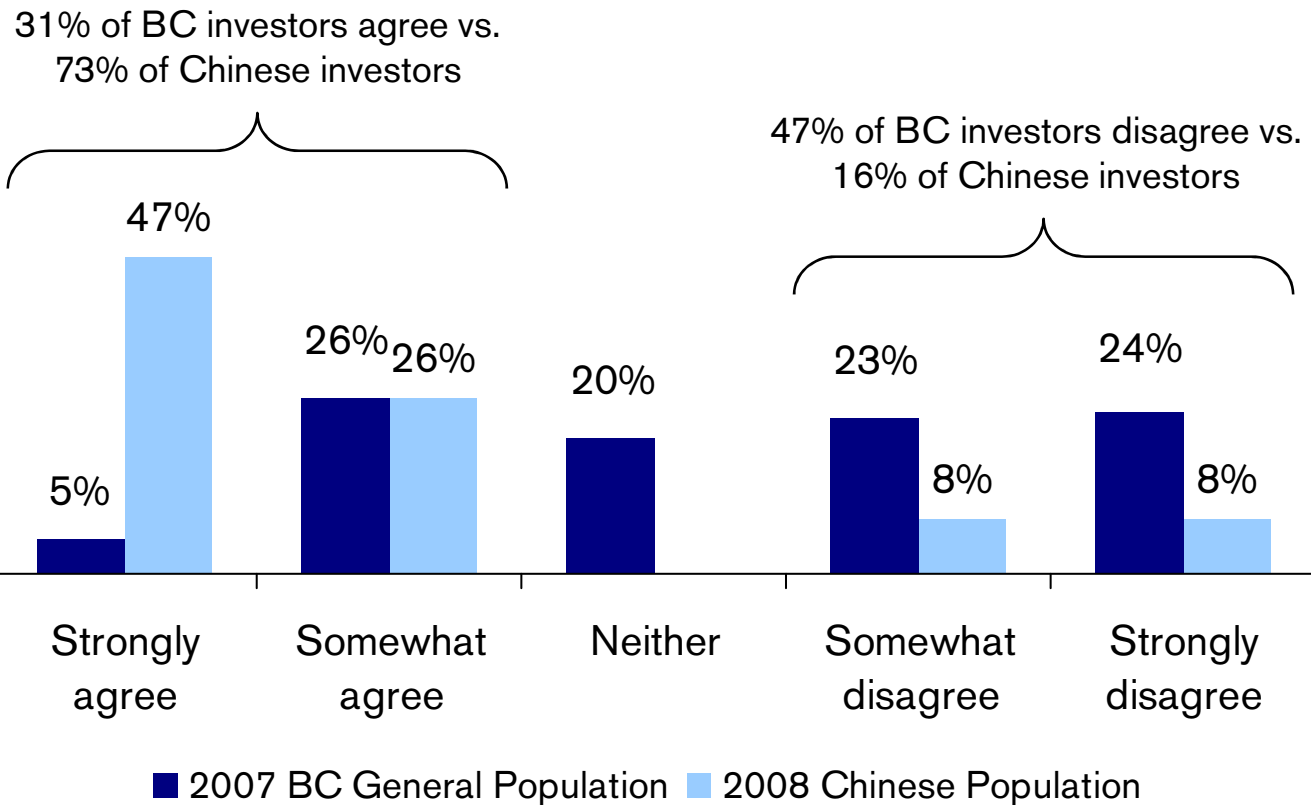
Age	%
18-34	70%
35-44	61%
45-54	53%
55-64	53%
65+	33%
English writing skill	%
No problems	61%
Some problems	58%
Regular problems/ no English	43%



Note: 'Refused' not shown.

Almost half of Chinese strongly agree sometimes you have to bend the rules to get ahead in life 36

Q I am going to read you a series of statements about investing. For each of these statements, please indicate if you agree or disagree: ***Sometimes you have to bend the rules if you want to get ahead in life.***



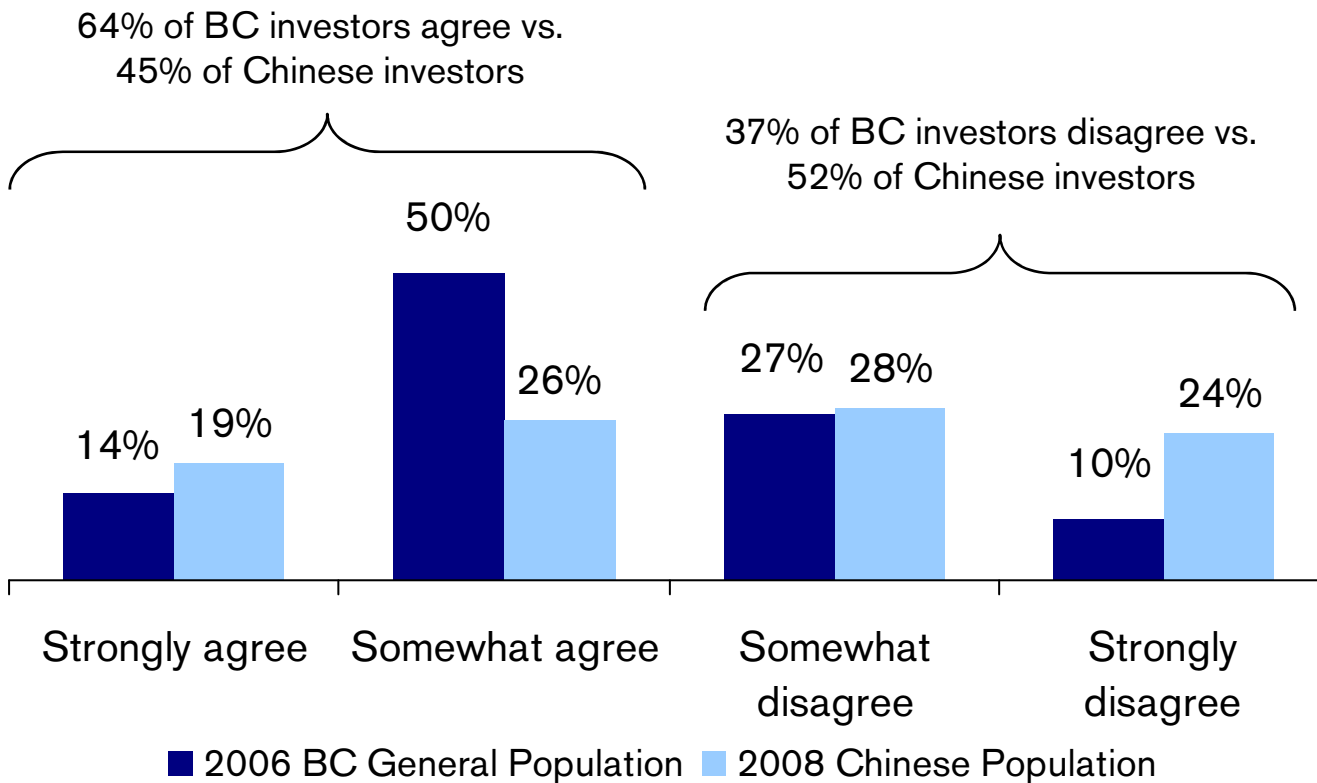
Those that responded 'Agree'

Age	%
18-34	89%
35-44	68%
45-54	77%
55-64	74%
65+	57%

Note: 'Don't know/Refused' not shown.

Majority of Chinese investors do not just rely on advice from advisers, BC investors evenly split

Q I am going to read you a series of statements about investing. For each of these statements, please indicate if you agree or disagree: *When it comes to making an investment, I just rely on the advice of my advisers.* (ONLY THOSE WITH ADVISERS)



Those that responded 'Disagree'

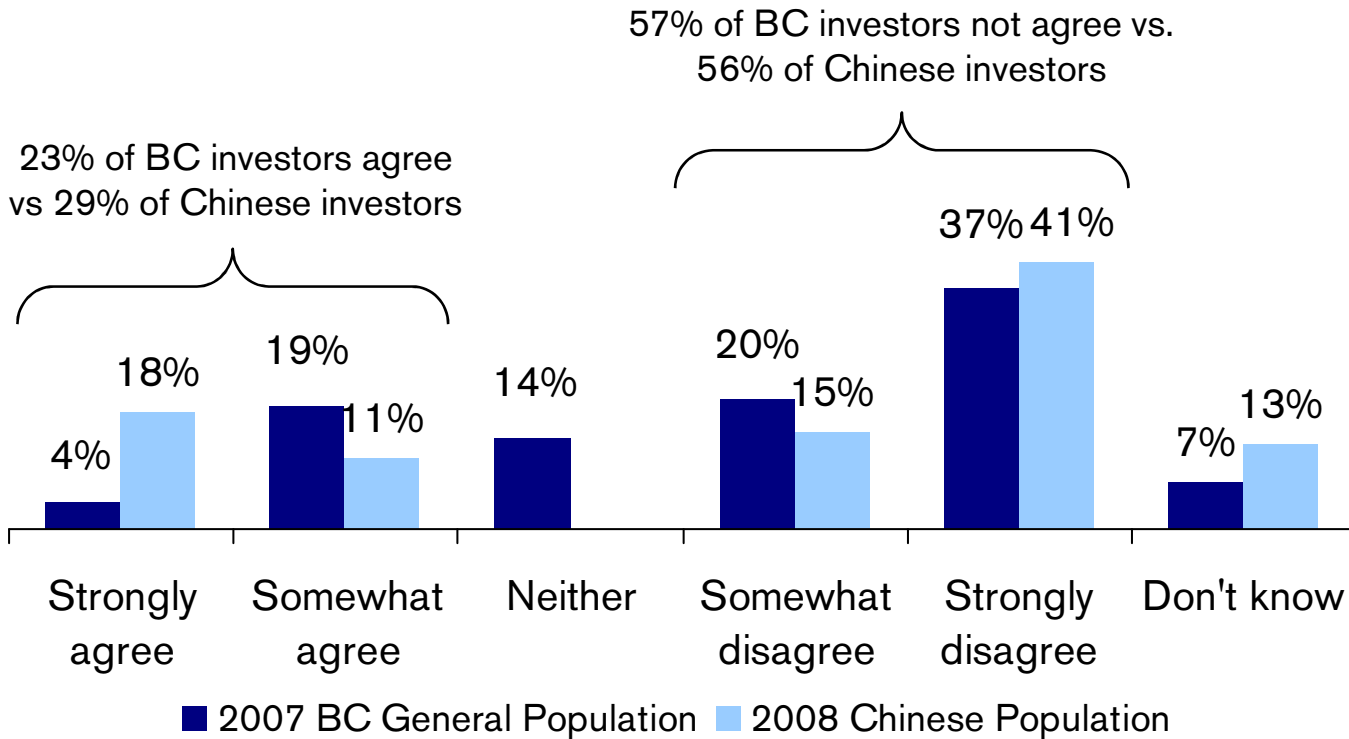
Age	%
18-34	67%
35-44	55%
45-54	54%
55-64	53%
65+	37%
English writing skill	%
No problems	64%
Some problems	55%
Regular problems/ no English	46%

BC n = 188; Chinese n = 123

Note: 'Don't Know' / 'Refused' not shown.

Majority of BC and Chinese investors disagree that it is not worth reporting fraud

Q I am going to read you a series of statements about investing. For each of these statements, please indicate if you agree or disagree: **Reporting a fraudulent investment is more trouble than it's worth.**



Those that responded 'Agree'

Education	%
Some HS or less	48%
Grad HS/some col.	33%
Grad col./some uni.	35%
Uni degree	22%
Postgrad degree	17%

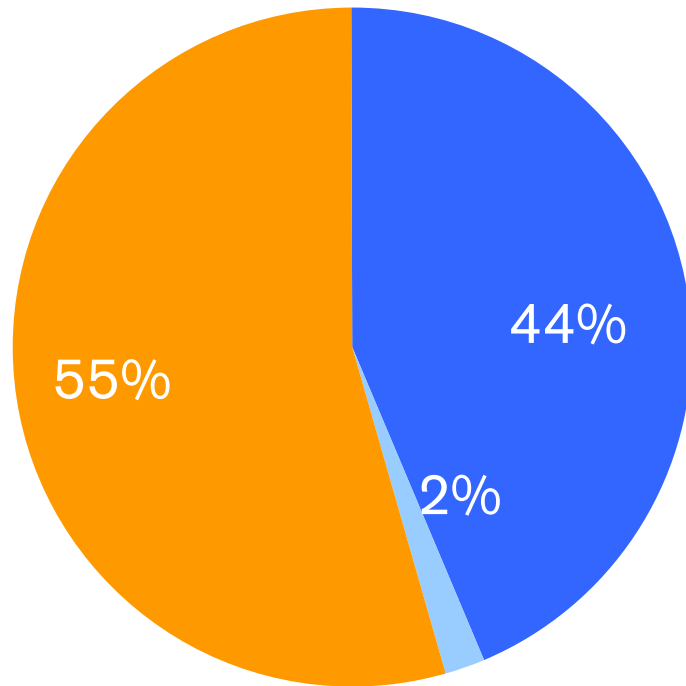


Note: 'Refused' not shown.

Fewer Chinese are aware there is a provincial securities regulator than the general population

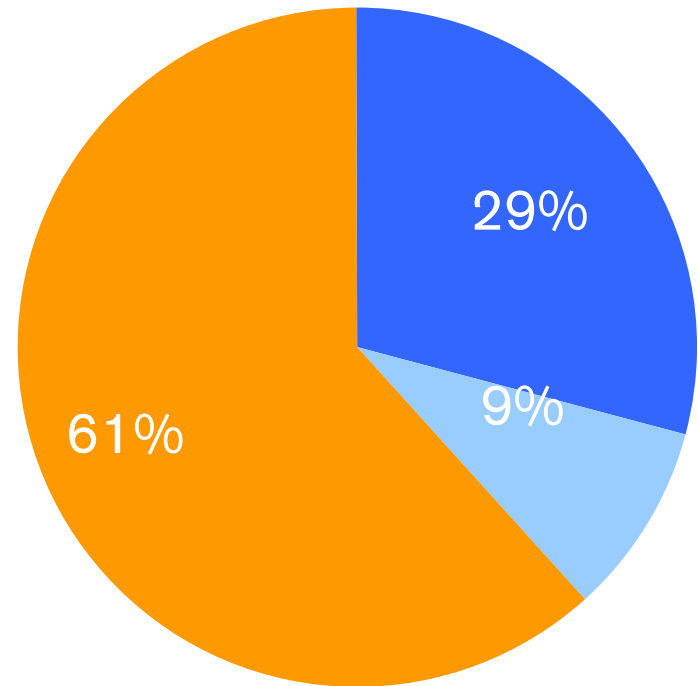
Q Is there a provincial agency responsible for regulating securities investments in your province?

2008 BC General Population



■ Yes ■ No, ■ Don't know

Chinese Population

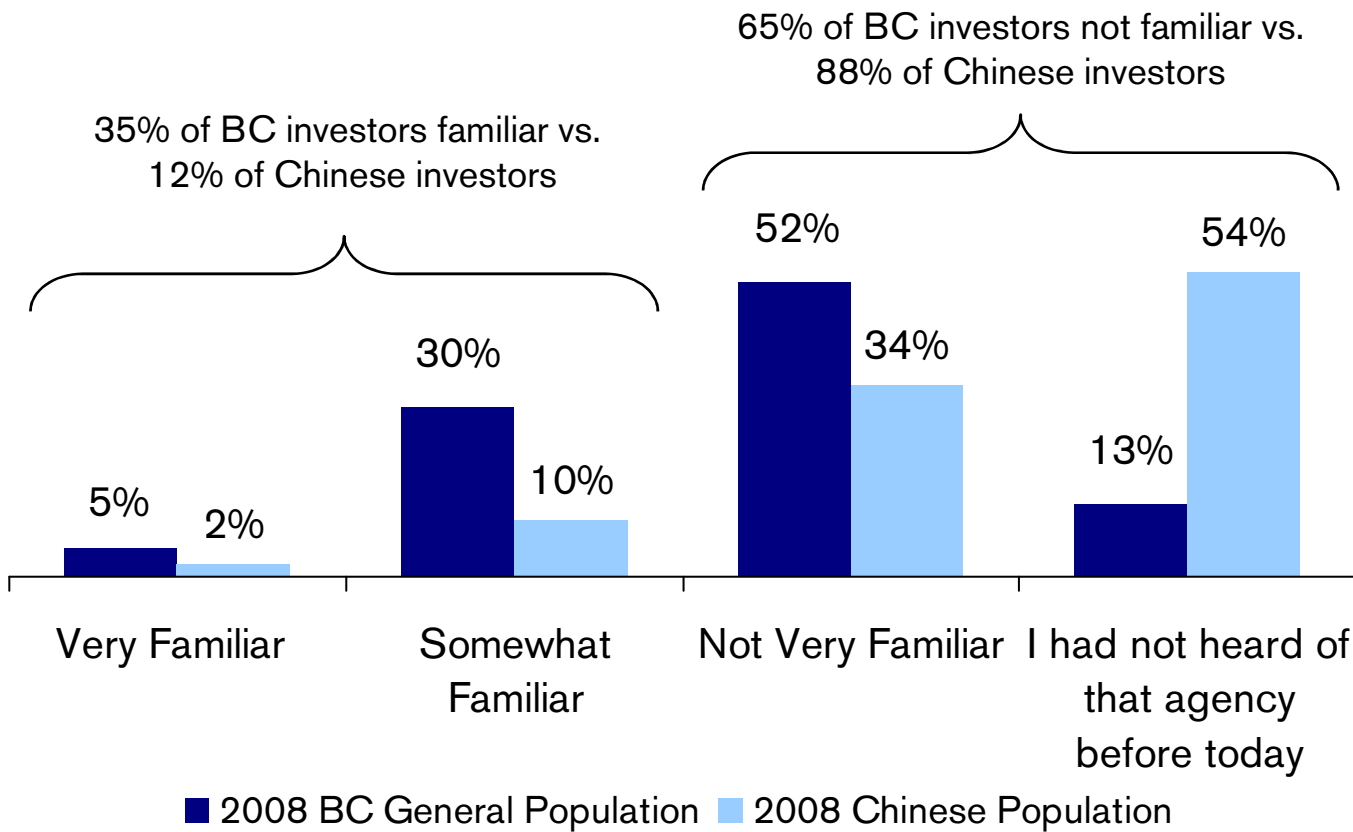


■ Yes ■ No ■ Don't know



Majority of Chinese had not heard of BCSC before the survey

Q In fact, there is a provincial agency in British Columbia responsible for regulating securities investments called the BC Securities Commission? Now that we have mentioned the BC Securities Commission, how familiar would you say you are with this agency?



Those that responded 'Familiar'

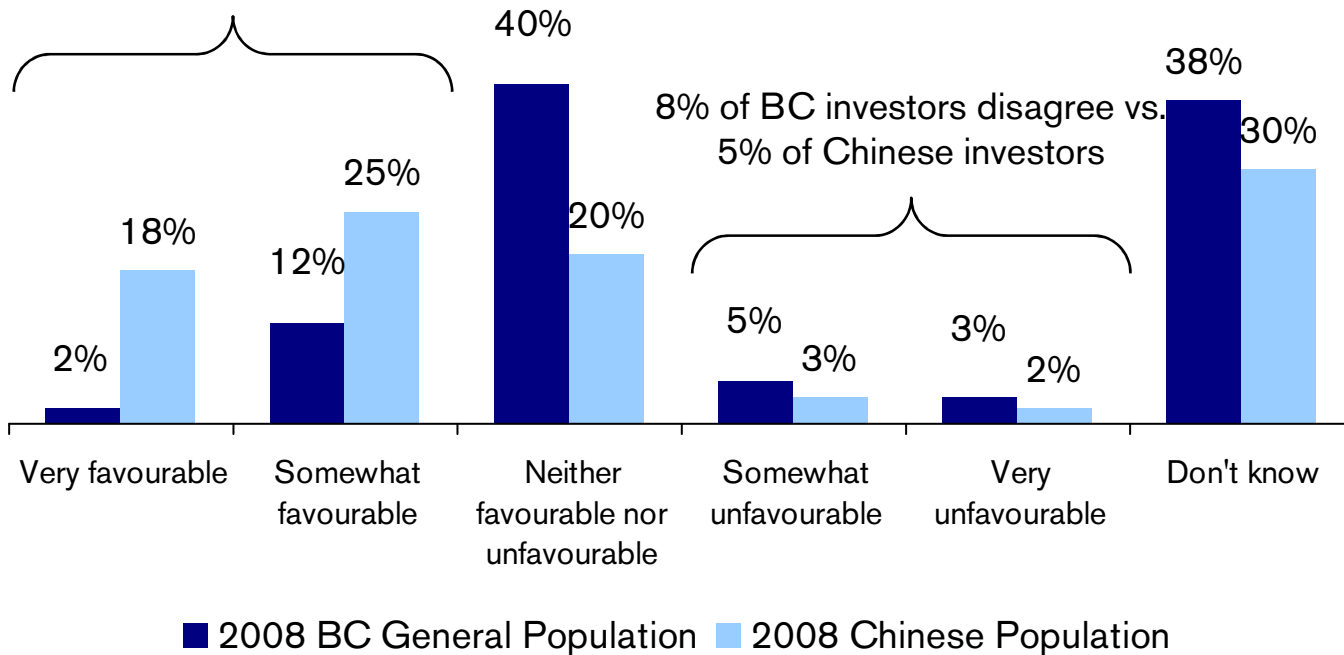
Income	%
<\$40k	9%
\$40k-60k	12%
\$60k-80k	6%
>\$80k	26%
English writing skill	%
No problems	22%
Some problems	9%
Regular problems/ no English	4%

Note: 'Refused' not shown.

Plurality of Chinese investors have a favourable impression of BCSC

Q Do you have a favourable or unfavourable impression of the BC Securities Commission?

14% of BC investors agree vs. 43% of Chinese investors



Those that responded 'Favourable'

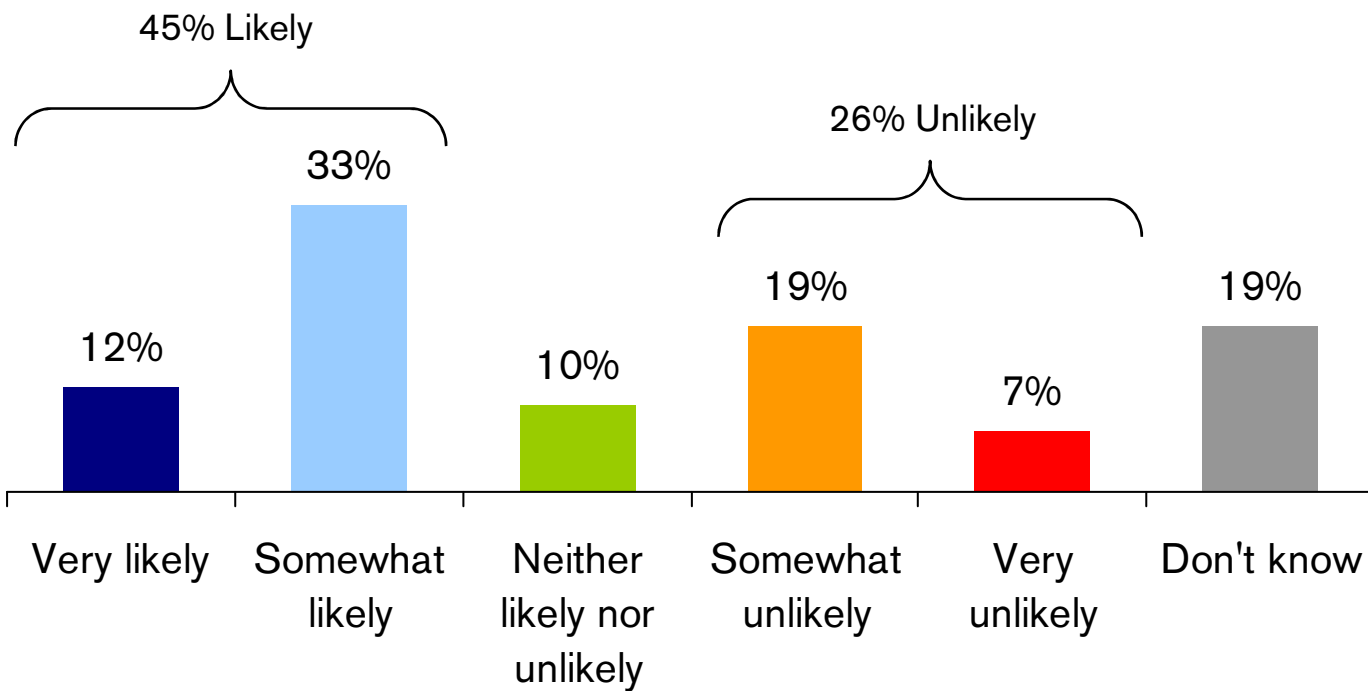
Income	%
<\$40k	38%
\$40k-60k	57%
\$60k-80k	38%
>\$80k	70%
English speaking skill	%
No problems	51%
Some problems	46%
Regular problems/ no English	26%



Note: 'Refused' not shown.

Plurality think they would likely be able to speak with someone in Cantonese/Mandarin at BCSC

Q If you phoned the BC Securities commission hoping to speak to someone in Cantonese or Mandarin, how likely do you think it is that you could reach someone who speaks those languages? Is that...



Those that responded 'Likely'

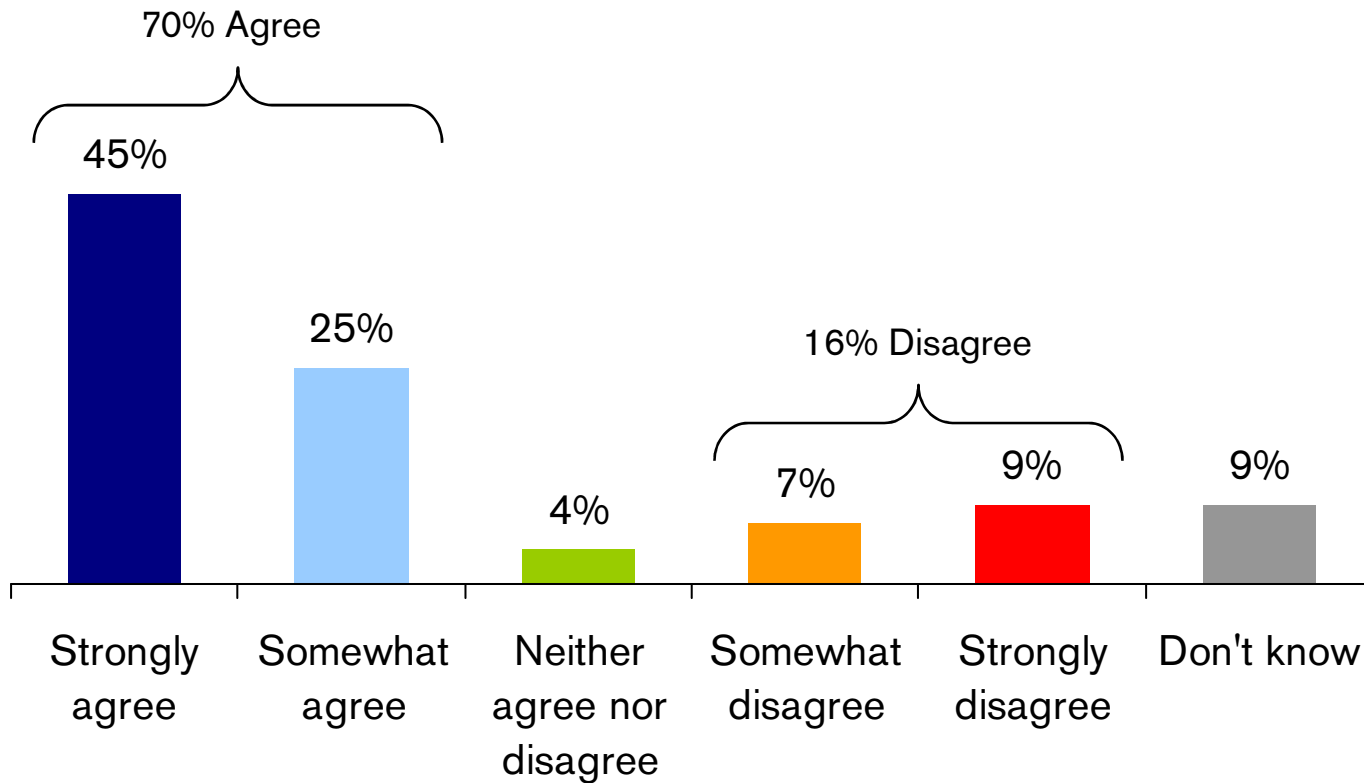
Age	%
18-34	65%
35-44	44%
45-54	38%
55-64	42%
65+	38%
English writing skill	%
No problems	47%
Some problems	52%
Regular problems/ no English	38%



Note: 'Refused' (1%) not shown.

Vast majority agree that difficulties with English make it harder to get investment information

Q My difficulties understanding English makes it harder for me to get the information I need to make informed investment decisions. **EXCLUDES THOSE WHO ARE PROFICIENT IN READING AND WRITING ENGLISH.**



Those that responded 'Disagree'

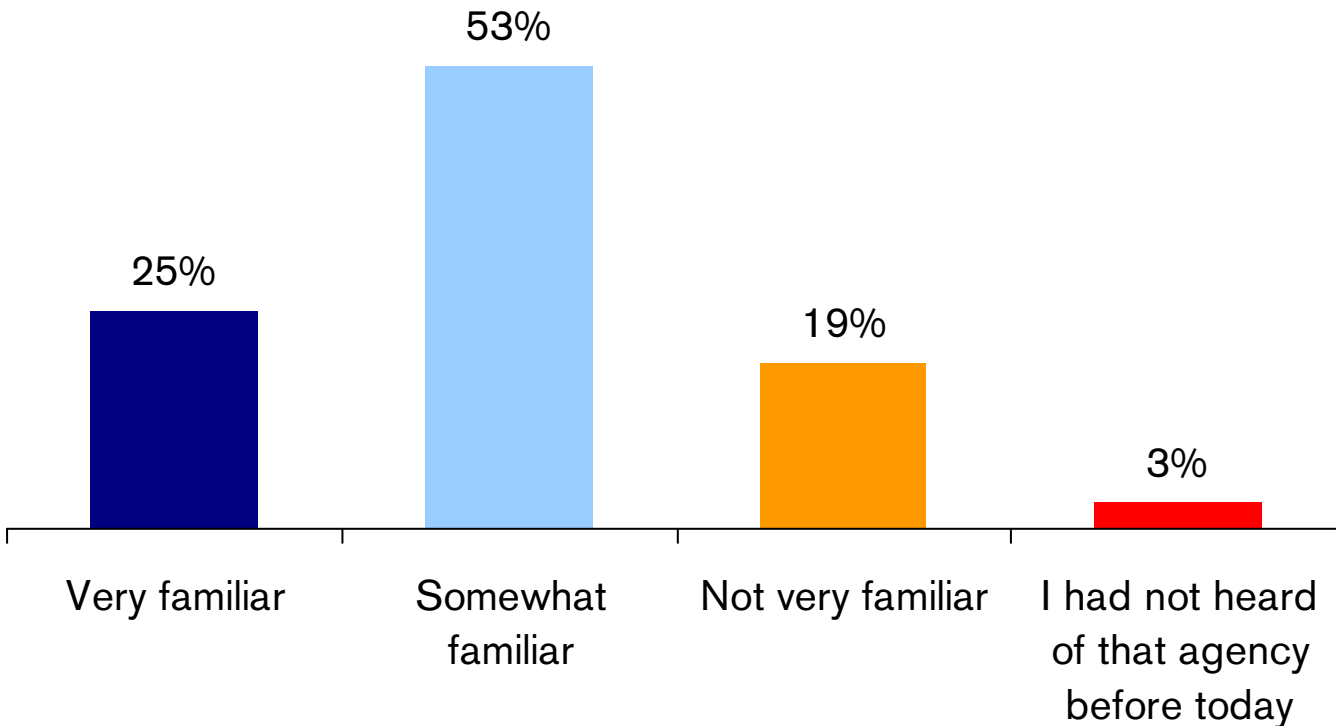
Age	%
18-34	20%
35-44	17%
45-54	16%
55-64	19%
65+	7%
Education	%
Some HS or less	9%
Grad HS/some col.	14%
Grad col./some uni.	21%
Uni degree	17%
Postgrad degree	25%



Note: 'Refused' (1%) not shown.

Majority of Chinese investors somewhat familiar with S.U.C.C.E.S.S.

Q How familiar are you with the agency called S.U.C.C.E.S.S.? Is that ...



Those that responded 'Familiar'

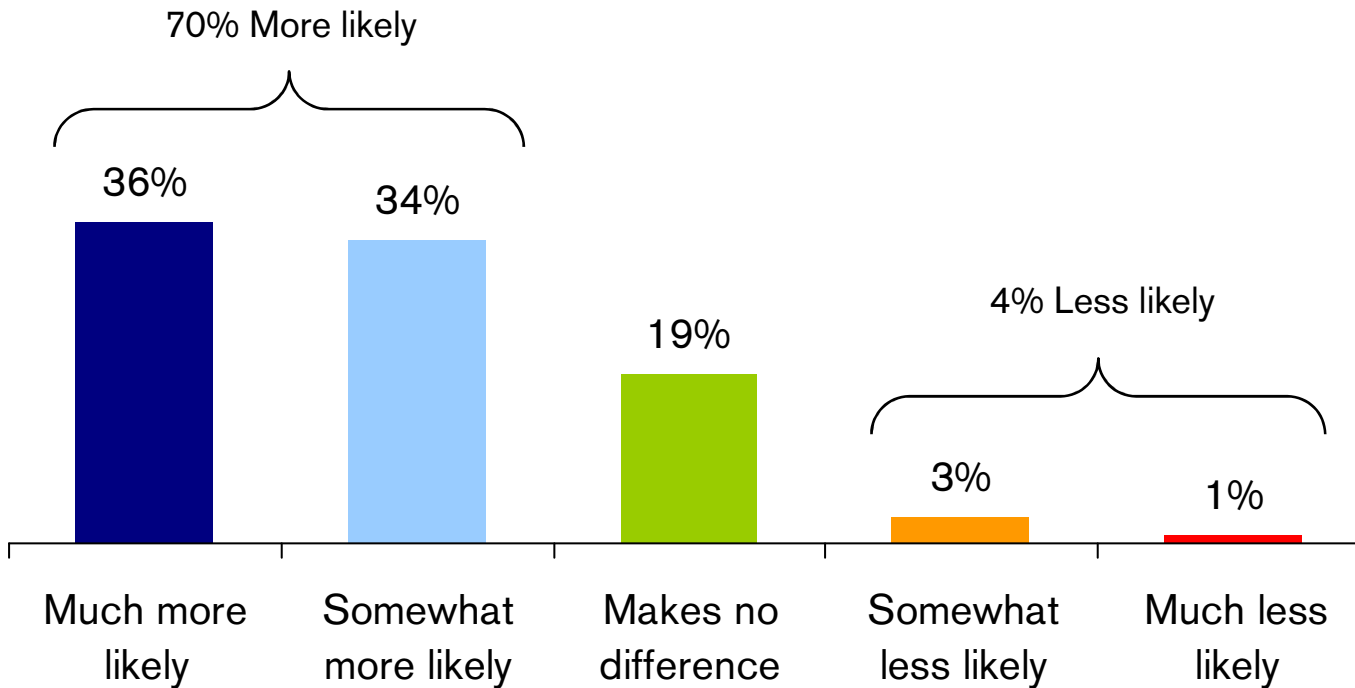
Country of birth	%
China	78%
Hong Kong	86%
Taiwan	71%
Other	69%
City/Region	%
Burnaby/ Surrey	77%
Vancouver	75%
Richmond	85%



Note: 'Refused' (<1%) not shown.

Majority more likely to access investor education materials if provided through S.U.C.C.E.S.S. 45

Q In fact, S.U.C.C.E.S.S. is the largest non-government social agency providing language, career, and other social services to the multicultural communities in Greater Vancouver. If investor education materials were provided through S.U.C.C.E.S.S., in various languages, would that make you more likely to access these materials or make no difference at all?



Those that responded 'More likely'

SUCCESS aware	%
Very familiar	87%
Somewhat familiar	71%
Not familiar/ have not heard	50%

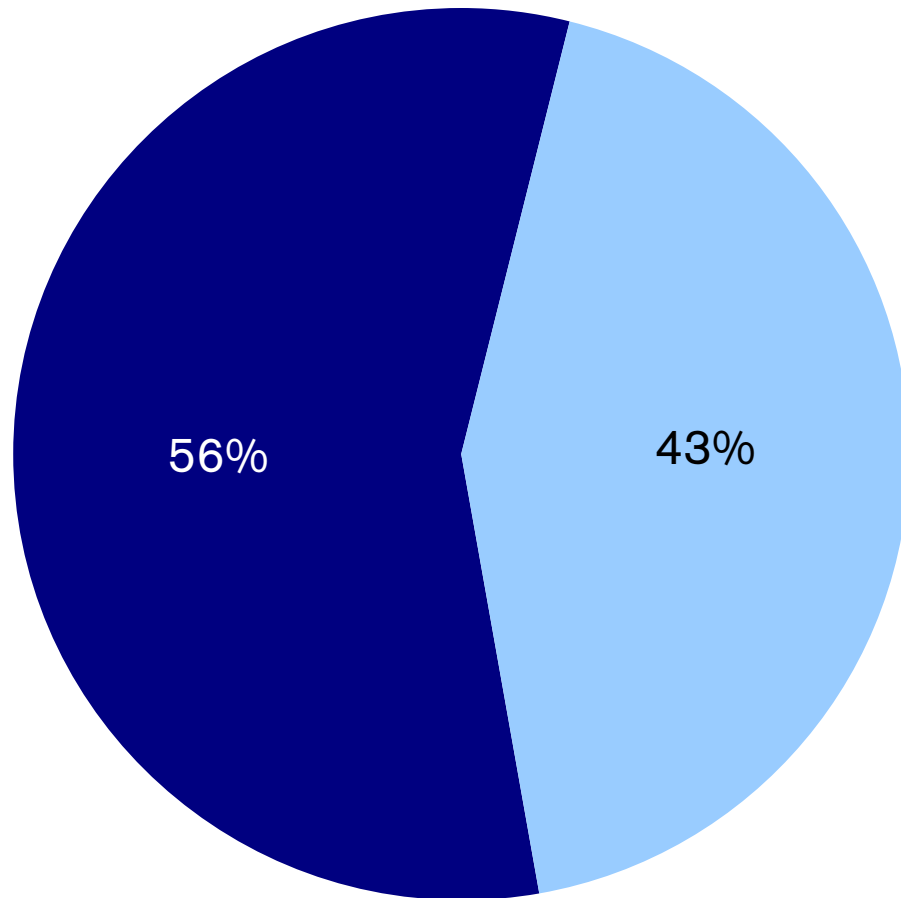
Note: 'Don't know/Refused' (7%) not shown.

Demographics



Majority first learned Cantonese at home in childhood

Q What is the Chinese dialect you first learned at home in Childhood and still understand?



■ Cantonese

■ Mandarin



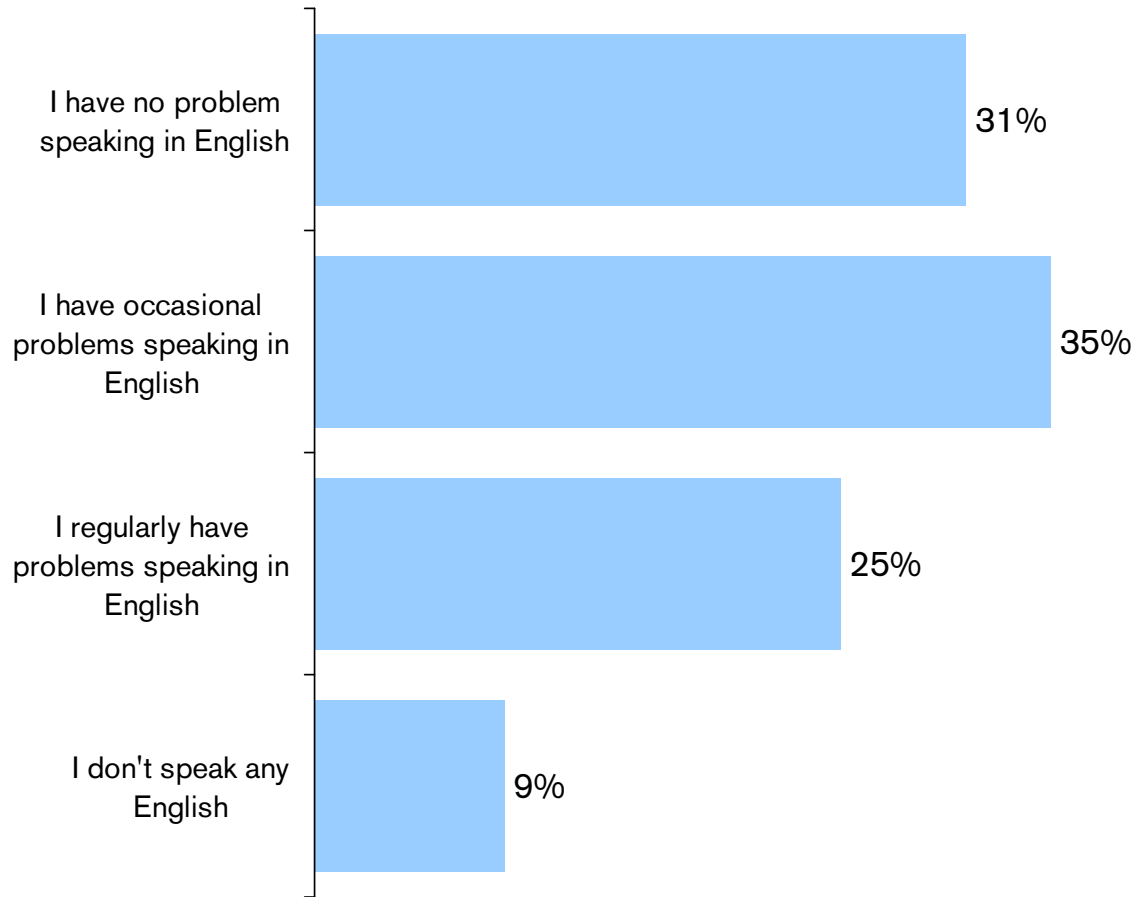
Those that responded 'Cantonese'

Education	%
Some HS or less	90%
Grad HS/some col.	77%
Grad col./some uni.	63%
Uni degree	37%
Postgrad degree	25%

Note: Other / Does not understand the Chinese dialect (1%) not shown

Over a third have occasional problems speaking in English

Q How well can you speak English?



■ 2008 Chinese Population



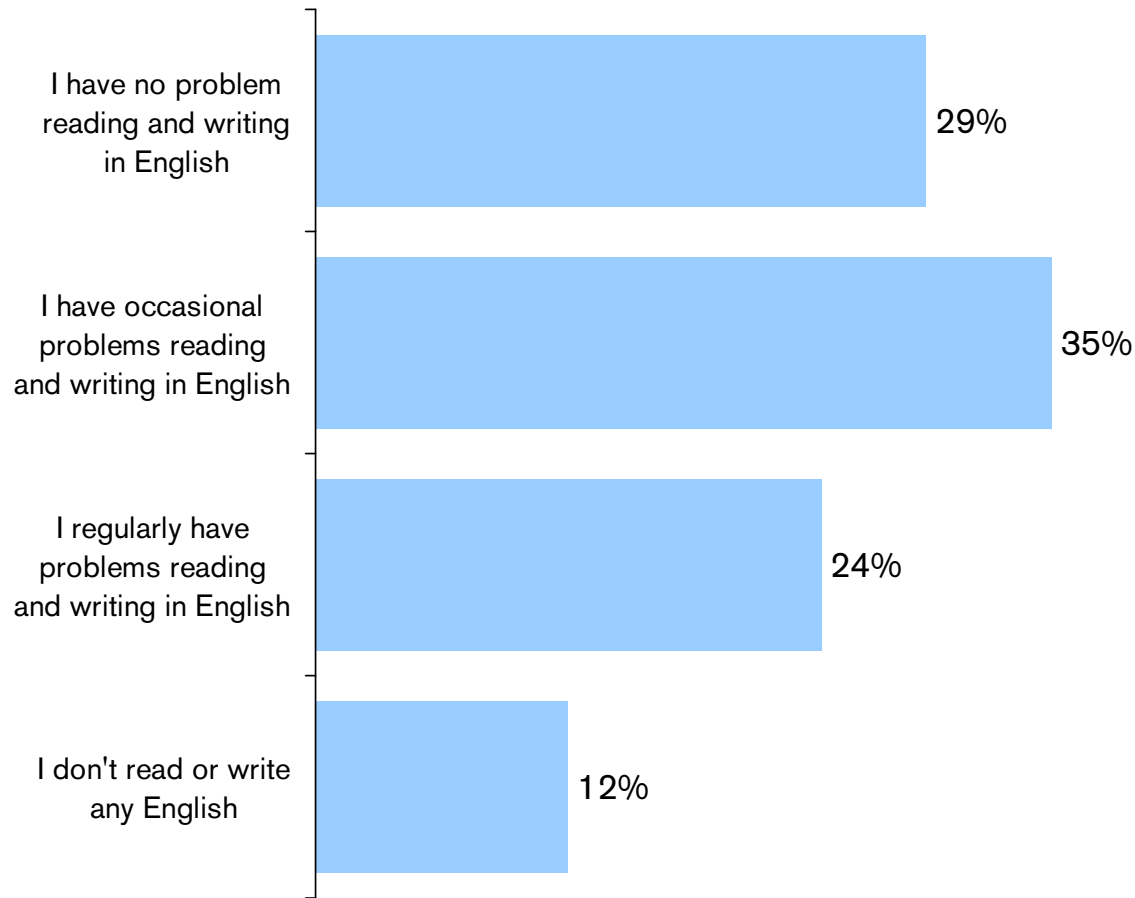
Those that responded 'No problem'

Age	%
18-34	53%
35-44	36%
45-54	24%
55-64	27%
65+	14%
Education	%
Some HS or less	17%
Grad HS/some col.	15%
Grad col./some uni.	32%
Uni degree	36%
Postgrad degree	58%

Note: 'Don't know' (<1%) not shown

Over a third have occasional problems reading and writing in English

Q How well can you read and write English?



■ 2008 Chinese Population



Those that responded 'Regularly have problems / don't read or write any English'

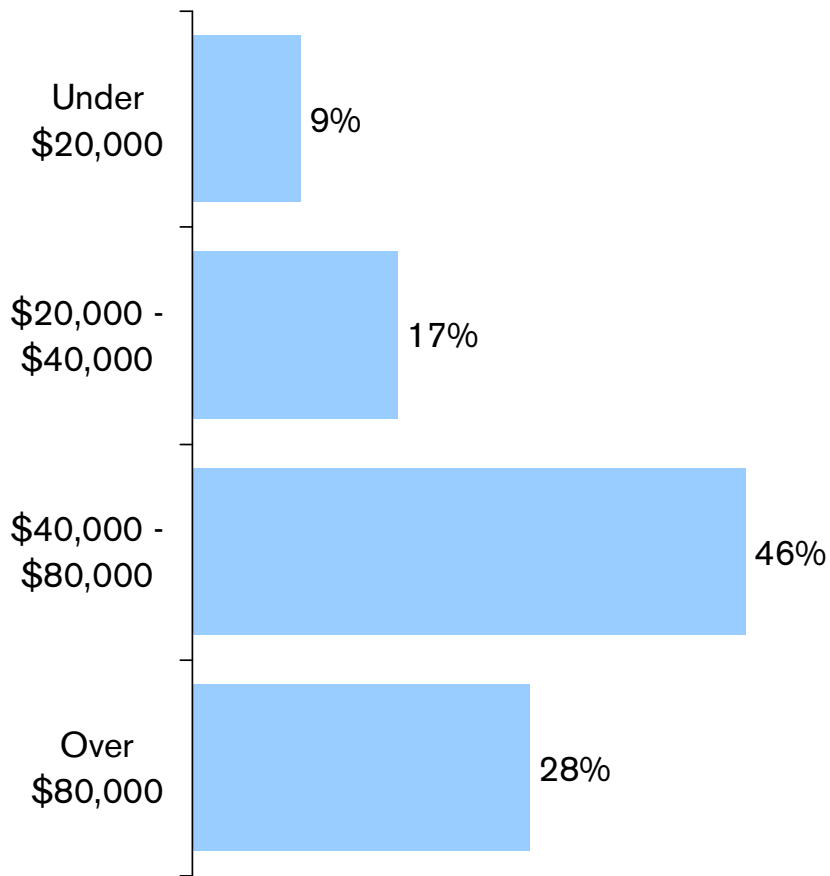
Age	%
18-34	10%
35-44	23%
45-54	38%
55-64	38%
65+	68%

Note: 'Don't know/Refused' (<1%) not

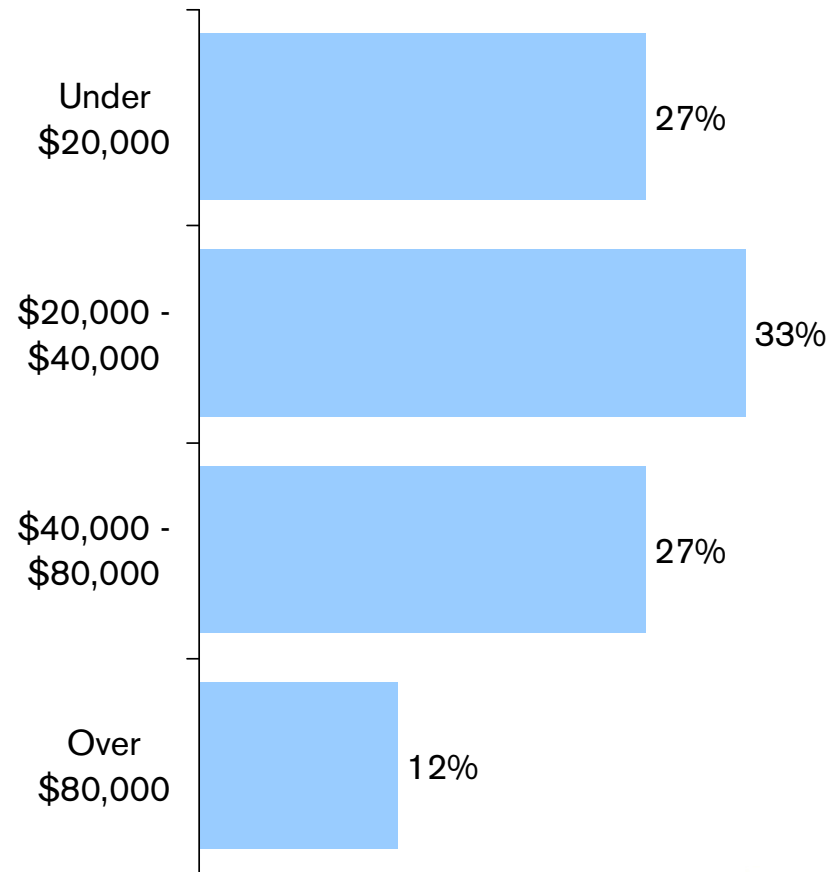
INCOME

Q Which of the following does your yearly household income fall within?

2008 BC General Population

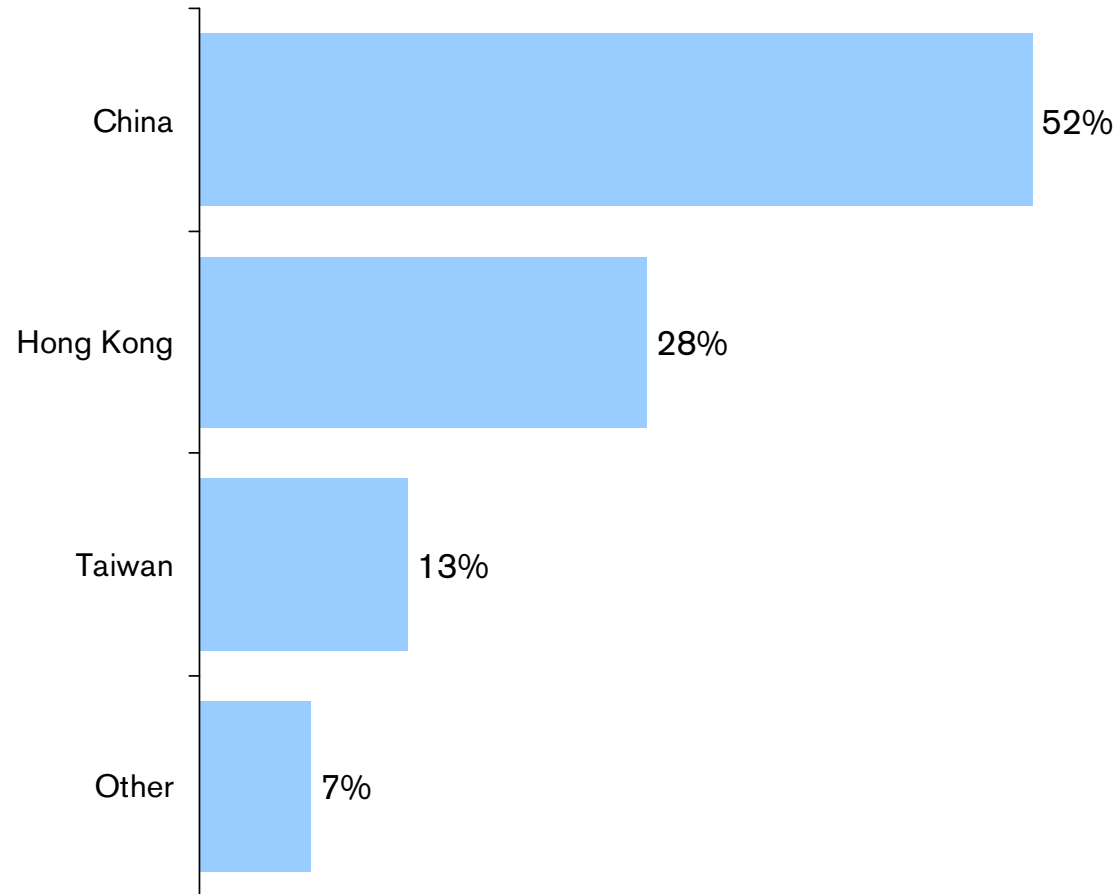


Chinese Population



COUNTRY OF BIRTH

Q In what country or territory were you born?



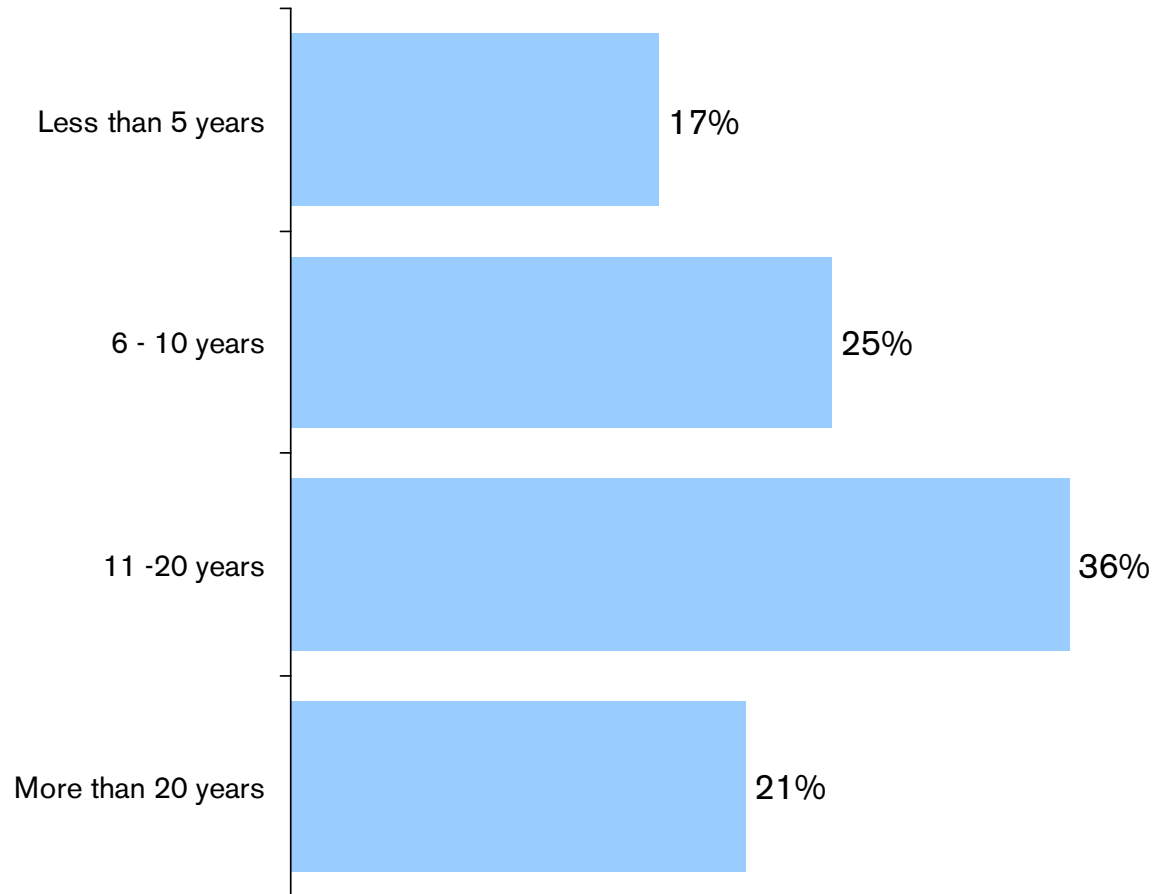
Those that responded
'China'

Age	%
18-34	45%
35-44	65%
45-54	55%
55-64	33%
65+	68%

Note: Refused' (2%) not shown

LENGTH OF TIME IN CANADA

Q How many years have you been living in Canada?



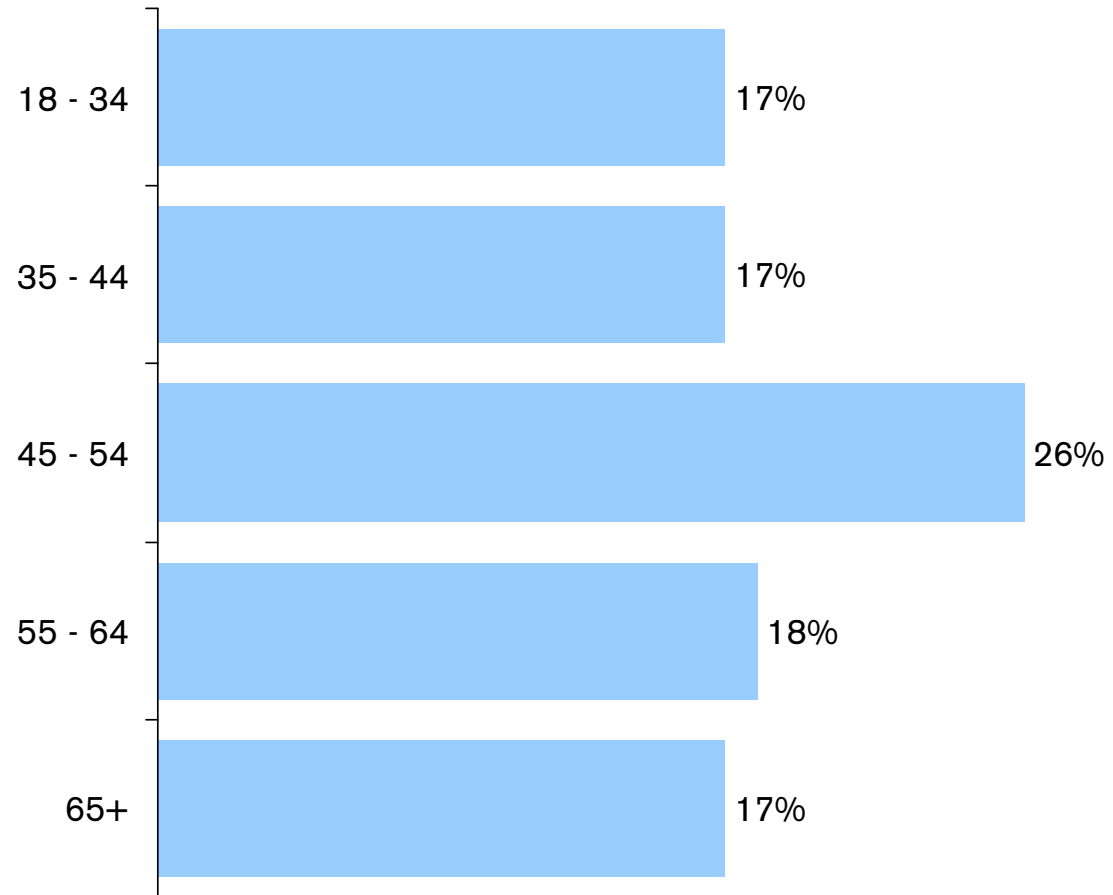
Those that responded
'More than 20'

Education	%
Some HS or less	42%
Grad HS/some col.	31%
Grad col./some uni.	16%
Uni degree	13%
Postgrad degree	17%



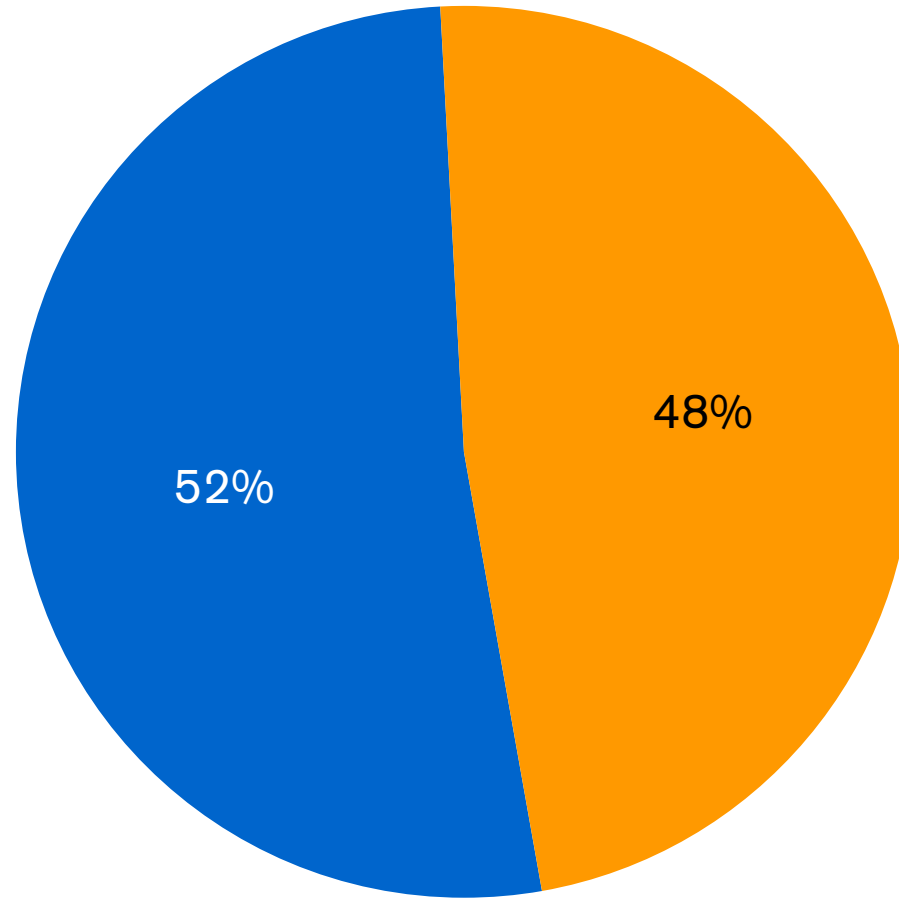
Note: Refused' (2%) not shown

AGE



Note: Refused' (5%) not shown

GENDER



■ Male

■ Female





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