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Sujet traité : Les investisseurs canadiens réduisent leur préférence pour l'immobilier et adoptent la diversification globale / Canadian investors reduce home bias, embrace global diversification

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Canadian investors reduce home bias, embrace global diversification

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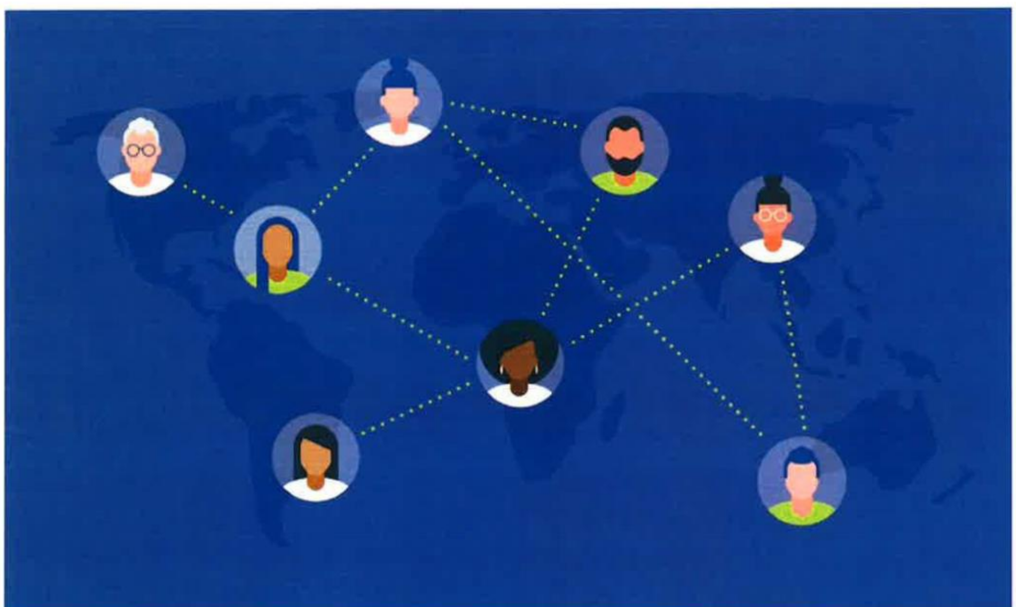
Freschia Gonzales

Vanguard reports Canadian investors' home bias has dropped from 67% to 50%, showing a trend towards global diversification



A Vanguard research report reveals that Canadian investors allocate 50 per cent of their equity exposure to domestic companies.

versus ≈ 25 % pour mes portefeuilles

This is 18 times more than the percentage of Canadian assets in the global equity market (approximately 2.7 per cent).

The report notes a slow movement among Canadian investors towards greater global diversification. The percentage of home bias in Canada has decreased from 67 per cent in 2012 to just over 50 percent currently.

This shift, although at a lesser extent, is also observed in other developed markets, including Australia, Japan, and the US.

“Canadians are showing greater appetite for global equities which is positive and follows a global investing trend to favour international markets,” said Sal D'Angelo, head of Product, Vanguard Investments Canada.

“However, the rate of overexposure to domestic securities is still relatively high. Lack of diversification in your portfolio can lead to sector concentration, greater volatility, and less efficiency with your investments, all of which can contribute to higher risk.”

Home bias refers to the tendency of investors to allocate a significant portion of their investment portfolio to domestic assets while underweighting international investments.

“Canadian investors have a long-standing belief and pride with investing close to home. This is a sound strategy if that exposure is moderate. Based on our research, we see a reasonable equity balance of around 30 per cent home bias in Canadian securities, and 70 per cent invested in non-domestic markets,” added D'Angelo.

Vanguard research highlighted the following findings in the paper:

- Portfolios overweighted in Canadian stocks can be more volatile.
- Overexposure to the Canadian equity market can lead to less efficient portfolios with security and sector concentration risk.
- Allocating too much of your investments to one country can also lead to greater portfolio volatility and a bumpier ride for investors.