
MOST COMMON **MYTHS** ABOUT CIPF

myth 1

MYTH CIPF PROTECTS AGAINST MARKET LOSSES.

TRUTH When you buy an individual security, that investment can go up and it can go down. When it goes down, that loss is a market loss, and that's not something CIPF protects against. CIPF returns missing client property.

myth 2

MYTH CIPF PROTECTS AGAINST THE FAILURE OF AN ISSUER OF A SECURITY.

TRUTH If you own stock in a particular company (the issuing company), and this issuing company experiences a terrible event, and as a result becomes insolvent, this is not a loss covered by CIPF. CIPF only returns property when a CIPF member firm becomes insolvent, not if the issuing company fails.