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**ACTIVE INVESTORS FAVOR A QUALITATIVE APPROACH TO MANAGING THEIR PORTFOLIO**

*Also show strong preference for fundamentals over technical indicators in valuing securities*

**NEW YORK, February 11, 2014** – E\*TRADE Financial Corporation (NASDAQ: ETFC) today announced results from the most recent wave of its quarterly self-directed active investor tracking study.

- By a two-to-one margin, active investors use fundamentals as their primary method of valuing a security over technical indicators (54% v. 25%), and advice from others (21%).
- When asked which resources are most helpful in researching investments, 55% chose earnings reports, followed by price charts with 37%, and P/E ratios with 36%.
- Channels and trend lines, volume, and stochastics were some of the least helpful, with 23%, 22% and 11%, respectively.

“When push comes to shove, active investors use fundamentals over technical indicators,” said George Fischer, Vice President of Trading, Margin Lending and Cash Management at E\*TRADE. “That said, having more tools in your toolbox is better than having fewer — and in building a portfolio you want to use them together. It’s like the old saying ‘measure twice; cut once.’ If you study a security through both fundamental and technical lenses your chances of making the right decision will only increase.”

Several data points also suggest that experienced investors prefer not to adhere to the rigid principles advocated by technical analysts and traders:

- When purchasing a stock, only 21% have an exact idea of their target price for selling a position, with 67% having a general idea, and 13% having no idea.
- More than half – 53% prefer to monitor their position and sell when the market conditions are right, as opposed to setting limit orders (26%) or trailing stop losses (21%).

“In speaking with active investors we find that success comes from being both methodical and thoughtful,” continued Fischer. “Methodical in that they have a defined trading strategy, and thoughtful in that they study their investments closely in order to enter and exit a position at the right time.”

E\*TRADE offers a variety of resources online, over the phone, or in-person to help investors remove the guesswork and make informed investing decisions. To learn more, visit [Investing Insights](#) at [etrade.com](http://etrade.com) to access curated content, timely insights, and actionable tools.

For useful insight from E\*TRADE and third-party investment experts, follow the Company on Twitter, @ETRADE.

**About E\*TRADE Financial**

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#### **About the Survey**

This wave of survey was conducted from December 2 to December 10 of 2013 among an online U.S. sample 313 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of  $\pm 5.5\%$  at the 95% confidence level. It was fielded and administered by ResearchNow. The panel is 57% male and 43% female with an even distribution across online brokerages, geographic regions and age bands.

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