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INVESTOR SENTIMENT VARIES SIGNIFICANTLY ACROSS AGE GROUPS



E*TRADE®

72% OF INVESTORS AGE 55-64 **VS.** **55%** OF INVESTORS UNDER 35

REMAIN BULLISH

Majority still bullish, yet data suggest investors are taking a more defensive stance against international turmoil

NEW YORK, August 1, 2014 – E*TRADE Financial Corporation (NASDAQ: ETFC) today announced results from the most recent wave of *StreetWise*, E*TRADE's quarterly tracking study of experienced investors. Data suggest there is a growing divide between younger and older investors when it comes to sentiment and opportunity:

- Bullish sentiment is much stronger among pre-retirees, age 55 to 64, who typically have a more seasoned view of the markets, than among investors under 35 (72 percent vs. 55 percent).
- Bullish sentiment increased from last quarter across both age brackets — up 5 percent (from 67 percent) for pre-retirees and 9 percent (from 46 percent) for investors under 35.
- Investors under 35 are significantly less likely to recommend investing in individual stocks than pre-retirees (54 percent vs. 74 percent).
- When choosing what movie title best describes how they feel about the market right now, pre-retirees are most likely to choose 'Easy Rider' (34 percent), whereas investors under 35 choose 'Dazed and Confused' (24 percent).

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These divisions noted, investors are united on one growing trend: mounting concern over turmoil abroad. The number of investors who state they are actively managing their portfolios against this risk increased significantly and steadily throughout 2014, from 9 percent in Q1 to 19 percent in Q2 to 24 percent in Q3.

“Volatility can create new investment opportunities in developed and emerging markets,” said Lena Haas, SVP, Retirement, Investing and Saving at E*TRADE Financial. “Opportunities in these markets were historically reserved only for institutional or high net worth investors, but are now available to individuals through investment vehicles that allow for targeted exposure.” In considering this approach, Ms. Haas offered the following tips:

- **Adopt a core/explore approach.** This construction divides your investment portfolio into two parts. The core portion typically ranges from 60 to 90 percent of your portfolio and is held in low-cost equity and bond investments. The explore portion — usually 10 to 40 percent of your total portfolio — can be used to pursue greater returns by adding or overweighting specific sectors.
- **Take advantage of specialization.** Individual investors have access to more specialized investment vehicles than ever before. Whereas they previously had access only to broad-based international equity mutual funds, today investors can explore investment opportunities in more targeted sectors through country or region specific ETFs.
- **Don’t lose track of your goals.** If you have created a well-diversified portfolio that is mapped to your goals, stick to your plan while thoughtfully adjusting for volatility or risks. To learn more about each of these tips, visit E*TRADE’s [Investing Insights](#) section on [etrade.com](#).

E*TRADE is a partner in helping investors balance today’s needs with tomorrow’s goals, through access to curated content and insights with actionable tools — complemented by professional guidance — online and from seasoned financial consultants. To learn more about E*TRADE’s trading platforms and tools, visit [etrade.com](#).

For useful insight from E*TRADE and third-party investment professionals, follow the Company on Twitter, [@ETRADE](#).

About E*TRADE Financial

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About the Survey

This wave of the survey was conducted from June 30 to July 11 of 2014 among an online U.S. sample of 960 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of ± 3.2 percent at the 95 percent confidence level. It was fielded and administered by ResearchNow. The panel is 60 percent male and 40 percent female with an even distribution across online brokerages, geographic regions and age bands.

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