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E*TRADE Media Relations

Thayer Fox
646-521-4418
thayer.fox@etrade.com

E*TRADE Investor Relations

Brett Goodman
646-521-4406
brett.goodman@etrade.com

E*TRADE STUDY REVEALS RETAIL BULLS ARE BACK



While the majority believe the market will end higher in Q2'16, most do not agree that additional rate hikes should occur this quarter

NEW YORK, April 22, 2016 — 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. Results indicate investors feel more positive about the market:

- More than three out of five investors are bullish, up significantly from last quarter.
- "Easy Rider" and "Singin' in the Rain" have increased significantly as movie titles that best describe investor views toward the market.
- Nearly three out of five believe the market will end the second quarter up five percent or more.

While market views are more positive than last quarter, at the same time only a little more than two out of five investors agree that the U.S. economy is healthy enough for the Fed to enact additional rate hikes this quarter.

"Recent strong market performance at home has boosted investor optimism, but global instability — and its effects on our domestic economy — continues to weigh on investors' minds," commented Mike Loewengart, VP of Investment Strategy at E*TRADE Financial. "With many factors at play, including global central bank policies, volatile energy prices, and corporate

earnings season, investors are wise to remain focused on long-term goals, even while considering potential opportunities.”

Mr. Loewengart offered insight into the following opportunities that investors identified in the survey this quarter:

- **Domestic equities.** Investors continue to favor equities this quarter, punctuated by the rebound in performance during Q1. Retail investor interest in U.S. large-, mid-, and small-cap companies rose across the board.
- **Bonds.** Recent dovishness from the Federal Reserve had a positive impact on bond performance, and the data suggest retail investors are paying attention. Though individual stocks remain an overwhelming favorite, investor interest in bonds ticked up significantly from the prior quarter.
- **The energy sector.** After a positive run in Q1, retail investor interest in energy is up 10 percentage points from Q1, now ranking third behind health care and information technology.

Visit E*TRADE’s [Newsroom](#) for the full Q2’16 StreetWise study results.

E*TRADE helps investors balance today’s needs with tomorrow’s goals, through pioneering digital tools coupled with guidance online and from financial consultants. To learn more about E*TRADE’s trading and investing platforms and tools, visit etrade.com.

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

About the Survey

This wave of the survey was conducted from April 1 to April 8 of 2016 among an online U.S. sample of 907 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of ± 3.25 percent at the 95 percent confidence level. It was fielded and administered by ResearchNow. The panel is broken into thirds of active (trade more than once a week), swing (trade less than once a week but more than once a month) and passive (trade less than once a month). The panel is 65 percent male and 35 percent female with an even distribution across online brokerages, geographic regions, and age bands.

Referenced Data

<i>When it comes to the current market are you?</i>					
	Q2'16	Q1'16	Q4'15	Q3'15	Q2'15
Bullish	61%	45%	50%	56%	59%
Bearish	39%	55%	50%	44%	41%

<i>If you had to pick a movie title that best describes how you personally feel about the market right now, which would it be?</i>					
	Q2'16	Q1'16	Q4'15	Q3'15	Q2'15
Dazed and Confused	31%	33%	38%	29%	25%
Easy Rider	20%	14%	18%	20%	26%
Singin' in the Rain	13%	7%	9%	13%	14%
Pulp Fiction	12%	13%	12%	14%	14%
Raging Bull	6%	4%	5%	6%	8%
Fear and Loathing in Las Vegas	8%	11%	7%	8%	6%
Jackass	6%	7%	6%	6%	5%
Apocalypse Now	4%	9%	4%	5%	3%

<i>How do you predict the market will end this quarter?</i> <i>(Question asked beginning in Q1'16)</i>		
	Q2'16	Q1'16
Rise	59%	34%
Rise 20%	1%	0%
Rise 15%	2%	3%
Rise 10%	9%	10%
Rise 5%	47%	21%
Stay basically where it is	21%	20%
Drop 5%	16%	23%
Drop 10%	4%	16%
Drop 15%	0%	5%
Drop 20%	0%	2%
Drop	20%	46%

<i>Is the U.S. economy healthy enough for the Fed to enact additional rate hikes this quarter?</i> <i>(Question asked beginning in Q1 '16)</i>		
	Q2'16	Q1'16
Agree (Top 2 Box)	41%	47%
Strongly agree	9%	7%
Somewhat agree	32%	40%
Neither agree nor disagree	29%	28%
Somewhat disagree	21%	19%
Strongly disagree	10%	7%
Disagree (Bottom 2 Box)	31%	26%

How interested are you in each of the following sectors, without taking into account the investment products which you can invest through? (% extremely or very interested)					
	Q2'16	Q1'16	Q4'15	Q3'15	Q2'15
Large U.S. companies (large-cap)	46%	42%	45%	56%	72%
Mid-sized U.S. companies (mid-cap)	43%	35%	36%	47%	61%
Small U.S. companies (small-cap)	34%	28%	32%	44%	49%
International companies in developed markets (e.g. UK, Germany, Spain, Italy, Greece, France, Japan)	20%	19%	22%	27%	35%
International companies in emerging markets (e.g. Brazil, Russia, India, China, Korea, Malaysia, Mexico)	15%	14%	15%	23%	19%
Domestic bonds/debt	14%	17%	18%	21%	34%
International bonds/debt issued in developed markets	13%	10%	11%	14%	20%
International bonds/debt issued in emerging markets	9%	10%	11%	15%	17%

What industries do you think offer the most potential this quarter? (Top three)					
	Q2'16	Q1'16	Q4'15	Q3'15	Q2'15
Health care	56%	60%	57%	68%	64%
Information technology	51%	53%	45%	46%	50%
Energy	48%	38%	41%	48%	46%
Financials	29%	32%	31%	34%	32%
Consumer staples	27%	30%	35%	23%	27%
Telecommunication services	24%	26%	22%	23%	19%
Utilities	17%	18%	20%	16%	15%
Consumer discretionary	17%	15%	20%	15%	19%
Industrials	19%	16%	14%	14%	16%
Materials	14%	13%	14%	13%	13%

If you could give one piece of advice to a friend or family member who is thinking of investing right now, would it be to get into... (Top four)					
	Q2'16	Q1'16	Q4'15	Q3'15	Q2'15
Individual stocks	65%	63%	65%	67%	65%
Equity mutual funds	55%	52%	55%	57%	57%
ETFs	42%	40%	40%	45%	46%
Money market funds or other cash-like instruments	41%	42%	44%	45%	41%
Fixed Income mutual funds	38%	38%	35%	36%	36%
Investable properties	36%	35%	36%	36%	32%
Bonds	37%	31%	29%	28%	33%
CDs	26%	27%	25%	21%	22%
Commodities	15%	17%	19%	15%	16%
Treasury bills	15%	14%	14%	14%	14%
Foreign Exchange (Forex or FX)	8%	12%	12%	11%	11%
Hedge funds	9%	11%	11%	10%	10%
Futures	8%	12%	9%	9%	11%
Other (Specify)	7%	7%	6%	7%	6%

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