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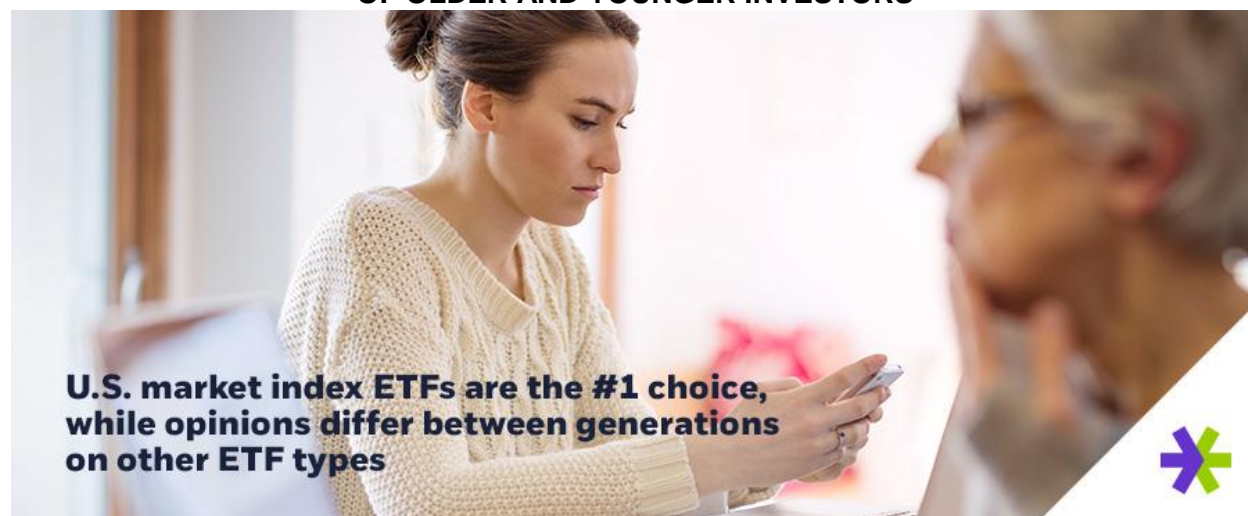
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**E*TRADE STUDY REVEALS THE VARYING ETF PREFERENCES
OF OLDER AND YOUNGER INVESTORS**



*Millennial investors are more interested in non-traditional ETFs,
while Boomers gravitate to dividend and industry-specific ETFs*

NEW YORK, August 26, 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 show how exchange-traded fund (ETF) preferences vary by age:

- Millennials are more likely than Boomers to show interest in a range of less mainstream ETFs, including commodity, style, and foreign currency ETFs.
- Boomers prefer dividend ETFs over any other type.
- The top three ETFs for the total surveyed investor population are U.S. market index ETFs, dividend ETFs, and sector- and industry-specific ETFs.

“The strong interest in U.S. market index ETFs suggests investors have faith in the domestic markets post-Brexit,” said Rich Messina, SVP of Investment Product Management at E*TRADE Financial. “While U.S. market index ETFs are by far the most popular choice, investors are exploring additional asset classes in search of yield, downside protection, and income generating positions.”

Mr. Messina offered the following observations on what is driving investors towards certain ETF types:

- **Dividend ETFs are popular for income:** In a market characterized by uncertainty, geopolitical headwinds, and low fixed income yields, investors of all ages are turning to dividend ETFs as a possible source of income streams.
- **Non-traditional ETFs gain traction as investors search for yield:** In today's unprecedented low interest rate environment, investors hunting for yield are stalking an increasingly elusive prey, as traditional fixed income yields continue to be under pressure. Investors with larger risk appetites, like some Millennials, are looking to take advantage of lower prices in places like commodity and bond ETFs.
- **ETFs focused on non-cyclical sectors can be used to mitigate risk:** Sector-specific ETFs such as utilities, consumer staples, and REITs are seen as non-cyclical sectors that can help protect against market volatility, which can be particularly attractive to older investors nearing retirement.

Visit E*TRADE's [Newsroom](#) for the full Q3'16 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 July 2 to July 11 of 2016 among an online U.S. sample of 949 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of ± 3.18 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

In what types of ETFs of are you most interested?				
	TOTAL	AGE: 25-34	AGE: 35-54	AGE: 55+
U.S. market index ETFs	50%	48%	53%	49%
Dividend ETFs	45%	39%	43%	51%
Sector- and industry-specific ETFs	32%	23%	30%	41%
Commodity ETFs	19%	26%	19%	16%
Bond ETFs	18%	26%	16%	15%
Foreign market index ETFs	15%	16%	18%	13%
Style or market cap ETFs	12%	20%	13%	6%
Actively managed or smart beta ETFs	12%	13%	13%	10%
Leveraged ETFs	10%	12%	10%	9%
Foreign currency ETFs	9%	15%	10%	4%
Inverse ETFs	8%	10%	7%	6%
ETNs (Exchange-traded notes)	5%	7%	6%	3%

Derivative ETFs	5%	9%	6%	1%
Other (i.e. Vol ETFs, ETFs of ETFs, equal weight ETFs)	3%	2%	3%	3%
None of these	9%	4%	7%	14%
I don't know	10%	8%	12%	10%

“Millennials” defined as age 25 – 34 // “Gen X” defined as age 35 – 54 // “Baby Boomers” defined as age 55+

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