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**E*TRADE ADVISOR SERVICES STUDY REVEALS MARKET OUTLOOK
FOR RIAs AND THEIR CLIENTS**

Advisors also reveal biggest client mistakes in the current market



NEW YORK, April 5, 2019 — E*TRADE Advisor Services, a provider of integrated technology, custody, and practice management support for registered investment advisors (RIAs), today announced results from the most recent wave of its Independent Advisor Sentiment survey:

- **Advisors are bullish on the market.** Nearly three quarters of advisors (72%) are bullish on the market over the next quarter.
- **But volatility is a major client concern.** Nearly half of advisors (47%) said their clients are contacting them to express concern about market volatility.
- **Clients are eyeing alternatives, but aren't turning to crypto.** Amid global slowdown concerns, investors may be looking beyond traditional investments. Real estate (30%) and cannabis securities (18%) are top ranked according to advisors, while only 3% said their clients are interested in cryptocurrencies.
- **RIAs see opportunity in beaten-down sectors.** More than half of advisors (51%) said the information technology sector could offer buying opportunities this quarter, followed by financials (34%) and health care (34%).
- **Investors continue to want to act on their emotions.** Advisors noted the biggest mistake clients make is trying to time the markets (43%) followed by not saving enough for retirement (27%).

“Advisors play an important role in helping their clients avoid the noise and keep their financial goals in focus,” said Matt Wilson, SVP of Institutional Services at E*TRADE Financial Corporation. “It’s critical for advisors to build a strong relationship with their clients so they can help them understand where opportunities lie, when may be the right time to make a move, and, more importantly, when to stay put.”

The results also revealed advisors have yet to truly focus on specialty client segments. Almost half of RIAs surveyed said they specialize in Baby Boomer investors (44%), while over a quarter indicated they do not specialize in any particular client segment.

About the Survey

This survey was conducted in-house from March 19 to March 26, 2019, among a convenience sample of 302 independent RIAs.

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Referenced Tables

<i>When it comes to the market in the next three months, are you?</i>	
Bullish	72%
Bearish	28%

<i>When it comes to the market, what are your clients contacting you most about?</i>	
Market volatility	47%
Fears of a recession	26%
China and US trade tensions	11%
Gridlock in Washington	5%
Federal reserve monetary policy	1%
Flattening yield curve	1%
Brexit	0%
Economic weakness in Europe	0%
None of these	5%
Other	4%

<i>In general, please rate your clients' current interest in each of the following...</i>							
	Bottom two box	Not at all interested	Only a little interested	Somewhat interested	Very interested	Extremely interested	Top two box
Real estate	25%	4%	21%	45%	26%	4%	30%
Marijuana securities	57%	25%	32%	25%	14%	4%	18%
Renewable resources	59%	20%	39%	27%	13%	1%	14%
Emerging markets	46%	12%	34%	40%	11%	3%	14%
ESG investments	63%	29%	34%	26%	8%	3%	11%
Cryptocurrencies	84%	50%	34%	13%	3%	0%	3%

<i>What industries do you think offer the most potential for your clients this quarter? Top three</i>	
Information technology	51%
Financials	34%
Health care	34%
Energy	26%
Consumer staples	23%
Industrials	12%
Consumer discretionary	11%
Other	9%
Communication services	8%
Utilities	8%
Materials	5%

<i>What is the biggest mistake you see your clients making?</i>	
Trying to time the market	43%
Not saving enough for retirement	27%
Prioritizing their dependent's financial needs over their own	11%
Acting on stock tips that don't align with long-term goals	8%
Asking for early withdrawals from retirement accounts	5%
Other	4%
None	2%

<i>Thinking of your individual book of business, do you specialize in any of the following client segments? Select all that apply</i>	
Baby Boomer investors	44%
Widows/Divorced/Single	20%
Women	16%
Medical professionals	14%
HENRYs (High Earners, Not Rich Yet)	13%
Gen X investors	10%
Millennials	7%
LGBTQ community	4%
Special needs families	1%
None	26%
Other	8%