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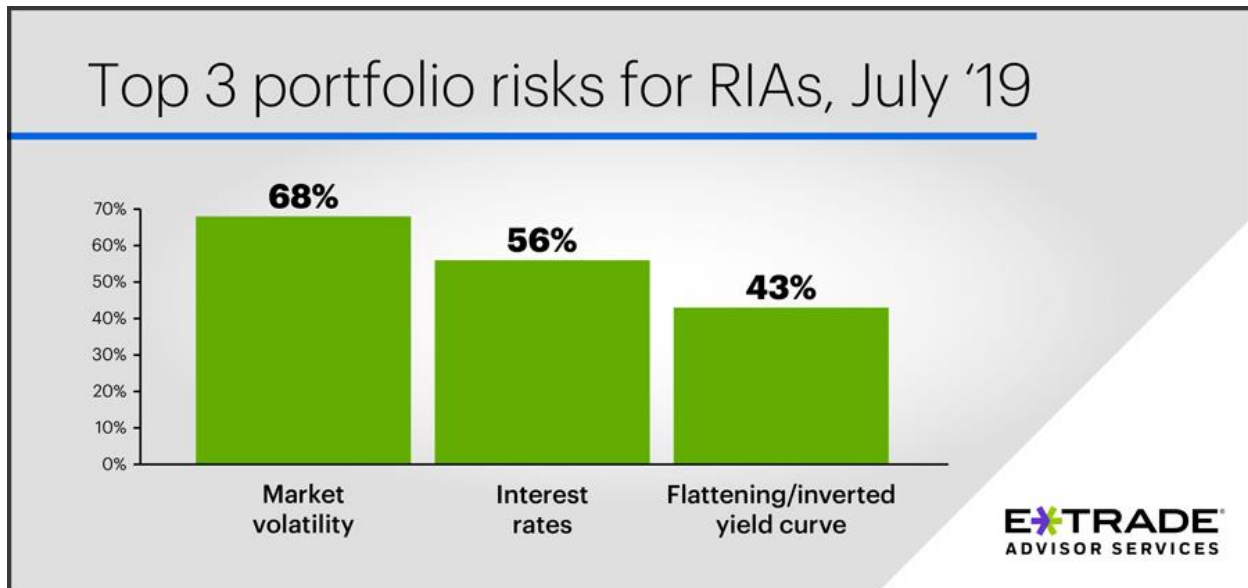
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**E*TRADE ADVISOR SERVICES STUDY REVEALS RIAs ARE MOST FOCUSED ON
VOLATILITY AND INTEREST RATE RISK**



Advisors also note recession fears have increased among the client population

NEW YORK, August 9, 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:

- **Recession fears take the lead.** The number one concern among clients, according to RIAs, is a recession (33%), up seven percentage points from last quarter and replacing volatility for the top spot.
- **Emotions loom large.** Advisors said the biggest mistake clients make is trying to time the market (43%), consistent with last quarter's findings.
- **While clients appear less concerned about volatility, advisors remain focused.** Volatility is the number one risk that RIAs are actively managing in client portfolios, followed by interest rates (56%), and a flattening/inverted yield curve (43%).
- **Advisors are eyeing IT above all other sectors.** Advisors noted that sectors with the most opportunity for their clients in the next few months are information technology (53%), health care (43%), and financials (34%), consistent with last quarter.

“Advisors are focusing on the fundamentals of our economy, which are on relatively solid footing despite how late we are in the bull market run,” said Matt Wilson, head of E*TRADE Advisor Services. “Amid the recent market volatility, advisors can really demonstrate their value to clients—shoring up defenses in client portfolios, helping them understand the bigger picture, and encouraging them to stay focused on their long-term goals. Advisors play a critical role in helping clients navigate not only the immediate challenges the market can present but also what the market could bring in the months to come.”

About the Survey

This survey was conducted in-house from July 16 to July 29, 2019, among a convenience sample of 305 independent RIAs.

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<i>When it comes to the market, what are your clients contacting you most about?</i>		
	Q3 2019	Q2 2019
Fears of a recession	33%	26%
Market volatility	24%	47%
China and US trade tensions	22%	11%
Gridlock in Washington	7%	5%
Economic weakness abroad	3%	0%
Federal reserve monetary policy	2%	1%
Flattening/inverted yield curve	2%	1%
Other	3%	4%
None of these	4%	5%

<i>What is the biggest mistake you see your clients making?</i>		
	Q3 2019	Q2 2019
Trying to time the market	43%	43%
Not saving enough for retirement	22%	27%
Prioritizing their dependent’s financial needs over their own	14%	11%

Acting on stock tips that don't align with long-term goals	10%	8%
Asking for early withdraws from retirement accounts	7%	5%
Other	3%	4%
None	1%	2%

<i>What risks are you actively managing right now when it comes to client portfolios? Select all that apply.</i>		
	Q3 2019	Q2 2019
Market volatility	68%	75%
Interest rates	56%	53%
Flattening/inverted yield curve	43%	39%
Recession	40%	41%
Political instability	34%	33%
Inflation	22%	30%
Armed conflict, war, or terrorism	5%	7%
None of these	4%	5%
Other	2%	2%

<i>What industries do you think offer the most potential for your clients this quarter? (Please choose your top three)</i>		
	Q3 2019	Q2 2019
Information technology	53%	51%
Health care	43%	34%
Financials	34%	34%
Consumer discretionary	26%	11%
Consumer staples	22%	23%
Energy	21%	26%
Communication services	12%	8%
Utilities	10%	8%
Industrials	9%	12%
Materials	6%	5%