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E*TRADE Media Relations

646-521-4418

mediainq@etrade.com

E*TRADE Investor Relations

646-521-4406

IR@etrade.com

E*TRADE STUDY REVEALS DROP IN INVESTOR SATISFACTION WITH PORTFOLIO MANAGEMENT DESPITE RECORD HIGHS



As the New Year approaches, investors are looking to make money moves

NEW YORK, December 10, 2019 — E*TRADE Financial Corporation (NASDAQ: ETFC) today announced results from the most recent wave of *StreetWise*, the E*TRADE quarterly tracking study of experienced investors, in which respondents reflected on their 2019 investing choices.

- **Satisfaction with investing decisions shrank.** Despite a year of market records, investors are less satisfied with their portfolio decisions, dipping six percentage points since last year to 52%.
- **They plan to check their allocations.** When it comes to an annual review, investors are most likely to use an online tool to check if their portfolio is properly allocated and aligned to their goals (24%), followed by selling stocks to offset taxes (19%), and checking in with a financial advisor (18%).
- **And most plan to make moves.** Three out of five investors (60%) will change their portfolio allocation in the next six months.

“Despite a steady drumbeat of uncertainty, overall it’s been one for the books—with many sectors posting double-digit gains, the market reaching new high after new high, and economic fundamentals posting relatively solid numbers,” said Mike Loewengart, VP of Investment Strategy at E*TRADE Financial. “Many are likely wondering how much longer this bull market

can last amid trade disputes and geopolitical tensions, not to mention the 2020 elections looming large in the distance. Concerned investors may look to shore up their portfolios with defensive plays, but remember: A long-term strategy mapped against one’s own risk tolerance and goals is typically the best course of action.”

Mr. Loewengart offered additional insights for investors to consider as they kick off the New Year:

- **Review and rebalance your portfolio:** Rebalancing your portfolio can help you stay aligned with your investment goals and objectives, especially if your financial circumstances have changed or you’ve experienced a life event this year.
- **Don’t leave money on the table:** Maximizing your allowable annual contribution can help keep you on track for retirement and puts the potential power of tax-deferred compounding on your side. Also, investors over 70½ should remember to take their required minimum distribution (RMD) from each of their pre-tax IRAs by the end of the year—otherwise, it could result in a penalty of 50% of the RMD amount.
- **Designate your beneficiaries:** Life events may affect your beneficiary choices, and updating a beneficiary is quick and easy. In fact, beneficiary designations are often included in the account opening process. With just 5% of surveyed investors planning to update their beneficiaries this year, it’s often an overlooked part of the year-end process. So, make sure to review your designations to confirm that they’re consistent with your intentions.

E*TRADE aims to enhance the financial independence of traders and investors through a powerful digital offering and professional guidance. To learn more about E*TRADE’s trading and investing platforms and tools, visit etrade.com.

For useful trading and investing insights from E*TRADE, follow the company on Twitter, [@ETRADE](https://twitter.com/ETRADE).

About the Survey

This wave of the survey was conducted from October 1 to October 10 of 2019 among an online US sample of 902 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of ±3.20 percent at the 95 percent confidence level. It was fielded and administered by Dynata. 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 60% male and 40% female, with an even distribution across online brokerages, geographic regions, and age bands.

Referenced Data

In looking back on 2019, would you say you are...with how you managed your investments this year?		
	Q4'19 Total	Q4'18 Total
Top 2 Box	52%	58%
Very satisfied	14%	17%
Satisfied	38%	41%
Somewhat satisfied	30%	29%

Neutral	13%	9%
Somewhat dissatisfied	4%	3%
Dissatisfied	1%	1%
Very dissatisfied	--	--
Bottom 2 Box	1%	1%

As we approach the end of the year, which if any, of the following will you complete?	
	Q4'19 Total
Use an online tool to check that my portfolio is properly allocated and is meeting target goals, rebalancing as necessary	24%
Sell a stock or stocks that have lost value in order to offset taxes on both gains and income	19%
Check in with a financial advisor	18%
Make a charitable contribution of stocks, bonds, or cash	11%
Create or refresh my retirement plan	11%
I don't plan to check on my portfolio at the end of the year	11%
Update my beneficiaries	5%
Other	1%

When it comes to your portfolio for the next six months are you considering any of the following strategies?	
	Q4'19 Total
Change the allocations in my portfolio	25%
Move out of cash and into new positions	21%
Move out of current positions and into cash	14%
Make no changes to my portfolio	40%

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