



E*TRADE FINANCIAL Q1 2020 STREETWISE REPORT

Insights from the E*TRADE quarterly tracking study of 900+ experienced investors

Public

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Q1 2020 survey methodology and background

Methodology

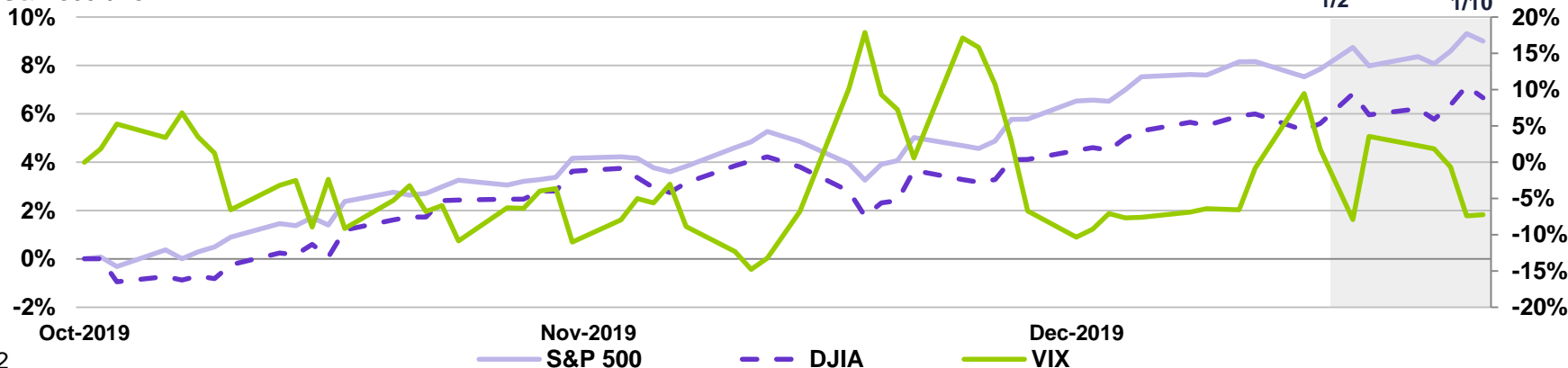
This wave of the survey was conducted from January 2 to January 10 of 2020 among an online US sample of 909 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of ± 3.20 percent at the 95 percent confidence level. It was fielded and administered by Research Now. 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 63% male and 37% female, with an even distribution across online brokerages, geographic regions, and age bands.

This study looks into the minds and behaviors of self-identified experienced investors

- They self-select as having moderate to professional investing experience
- They take charge of their investments
- They believe they understand the markets, investment products, and asset classes

Q1 2020 survey timing mapped against major market indexes

S&P 500®/DJIA



SENTIMENT

VIEWS ON THE MARKET AND WHERE
OPPORTUNITIES LIE

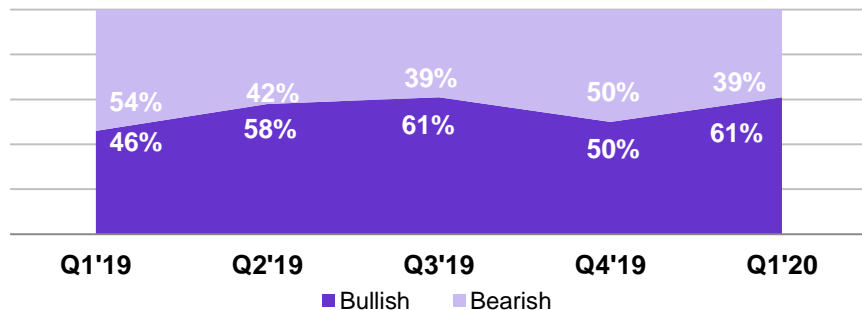




Views on the market

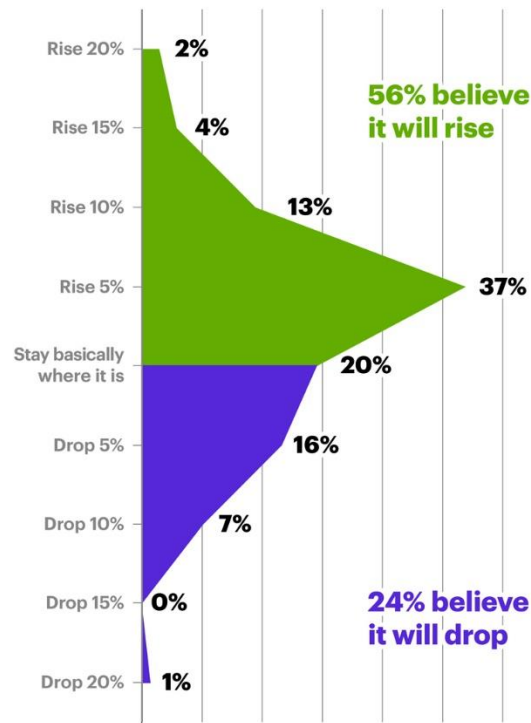
Bullishness increased significantly

When it comes to the current market, are you...?



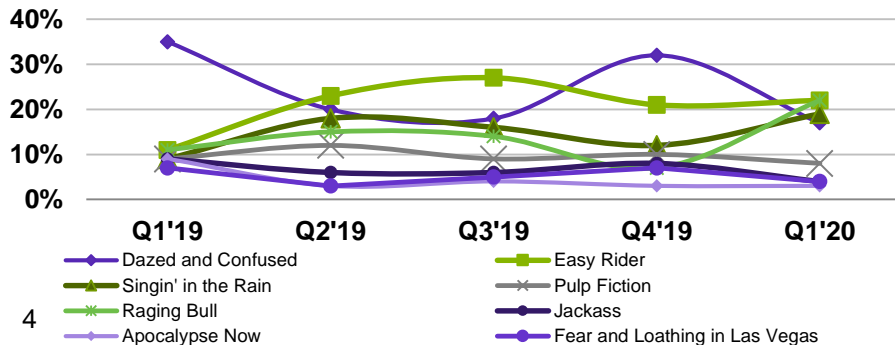
+2x more believe the market will rise than fall

Where do you predict the market will end this quarter?



Investors are less "Dazed and Confused" and more "Raging Bull"

If you had to pick a movie title that best describes how you personally feel about the market this quarter, which would it be?

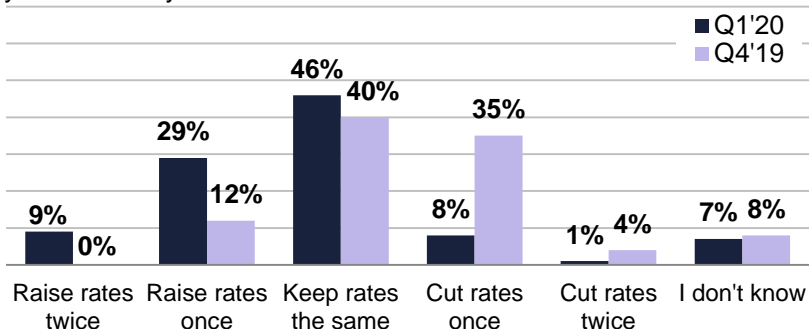




Views on the economy and rates

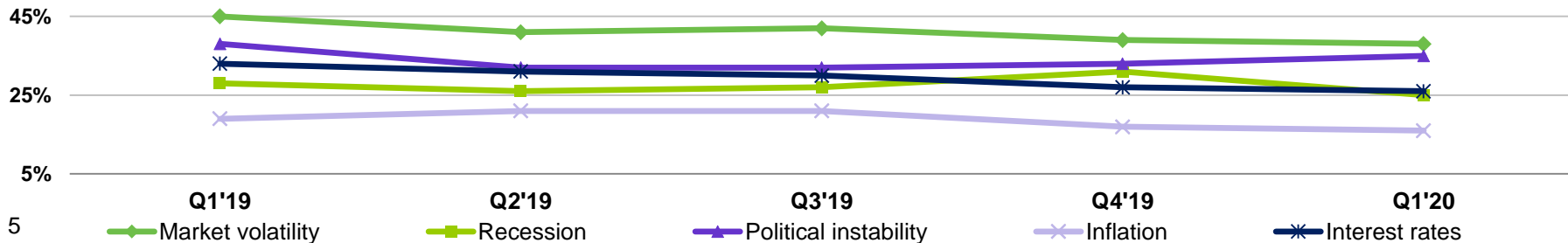
Nearly half of investors think the Fed will keep rates the same this year

Which of the following actions do you think the Fed will take this year? Will they...



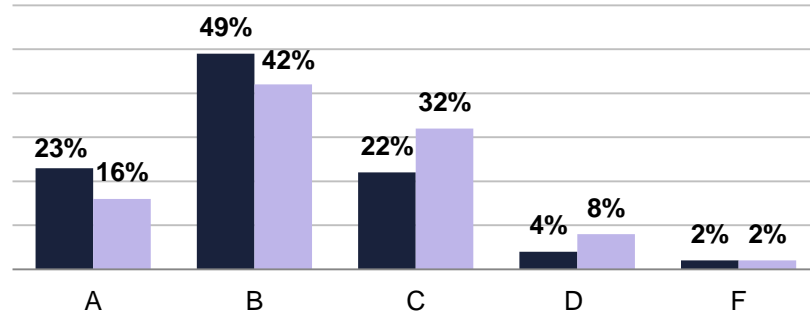
Volatility concerns ticked down while political concerns rise

What risks are you actively managing right now when it comes to your portfolio?



Almost three out of four investors give the economy an A or B rating

What grade would you give the current state of the US economy right now?

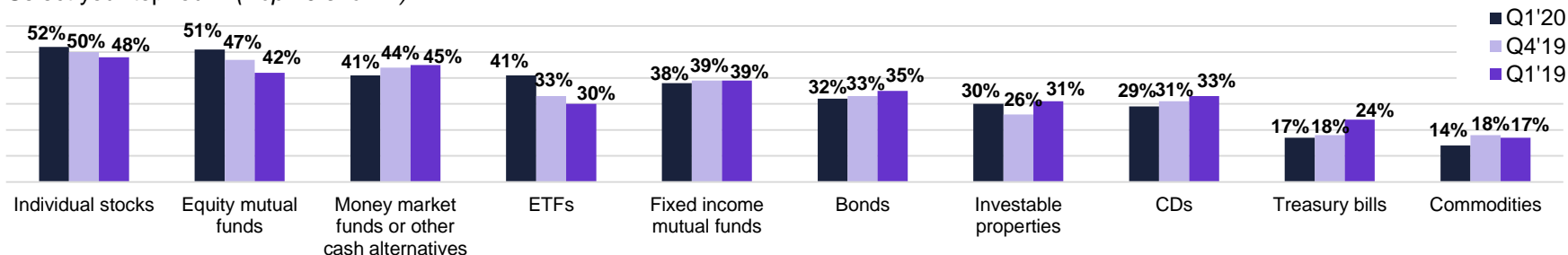




Asset class interest

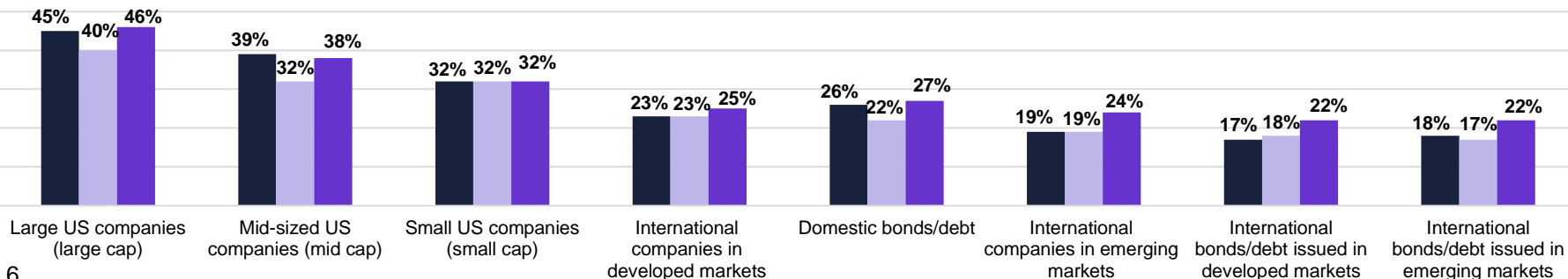
Interest in stocks remains high, interest in ETFs grows

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...
Select your top four.¹ (Top 10 shown.)



Interest in large- and mid-caps increased since last quarter

How interested/comfortable are you with investing in each of the following sectors this quarter, without taking into account the investment products which you can invest through?¹ (% Very/Extremely interested; base=all)



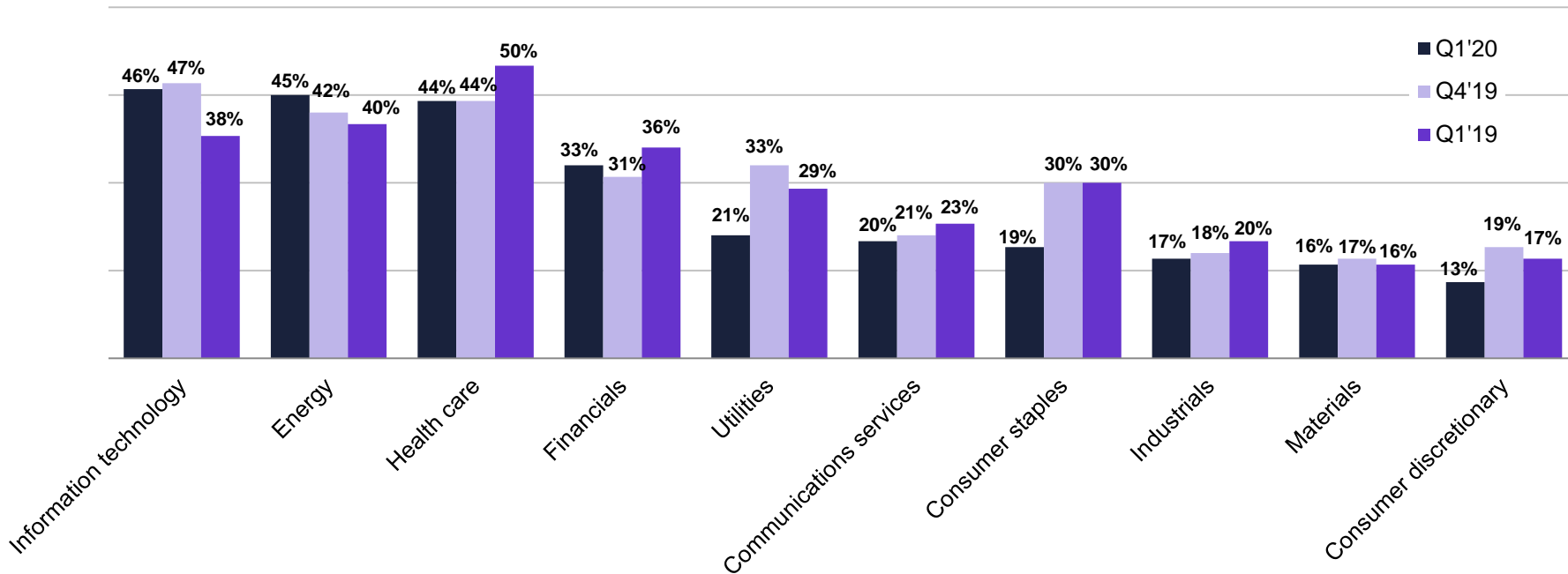
1. Focuses on y/y and q/q—other quarters available upon request



US sector interest

Interest in energy ticked up while utilities and consumer staples declined this quarter

What industries do you think offer the most potential this quarter? Select your top three.¹ (Top 10 shown.)

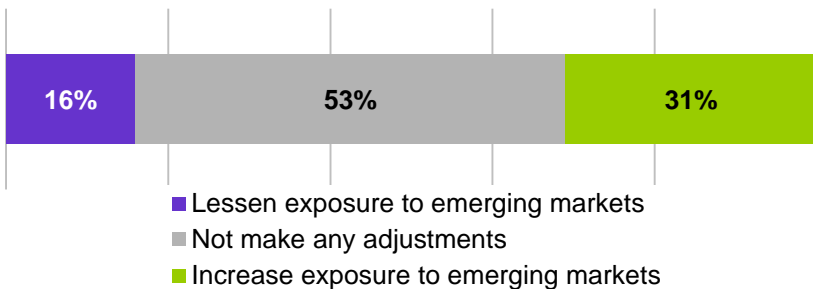




International and emerging market interest

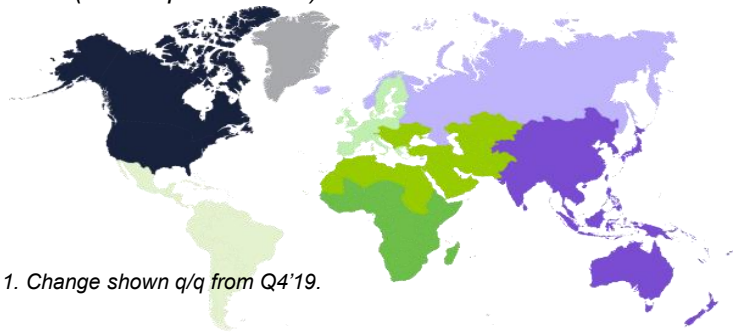
Investors are 2x more interested growing EM exposure than decreasing it

Thinking about your investment approach specific to emerging markets, which of the following adjustments do you plan to make over the next quarter?



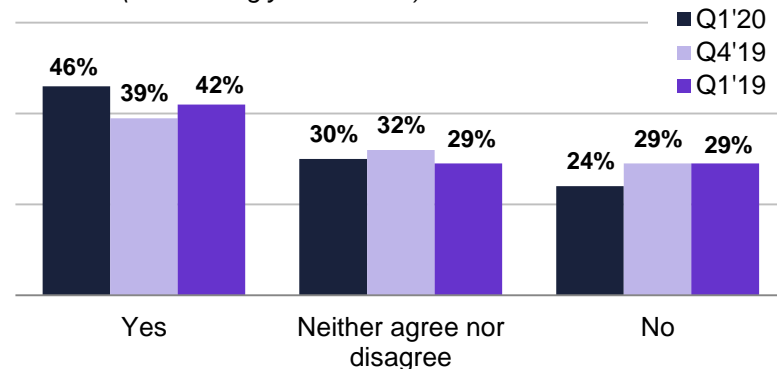
Interest in North America, Asia, and European Union increased

Which regions do you think offer the greatest investment potential this quarter?¹ (% = Top two boxes)



Appeal of markets outside US grew

The health of the markets outside the US appeals to me as an investor. (% = Strongly/Somewhat)



	% Interested	Q/Q Δ
United States and Canada	71%	+7%
Asia and Pacific	46%	+5%
European Union	30%	+4%
Central, Eastern, and Southeastern Europe (including Russia)	14%	0%
Middle East and Central Asia Region (including North Africa)	11%	(2%)
Latin America and the Caribbean	13%	(2%)
Sub-Saharan Africa	4%	(2%)

PORTFOLIO MANAGEMENT

A LOOK AT HOW DIFFERENT AGE GROUPS MANAGE THEIR
INVESTMENTS

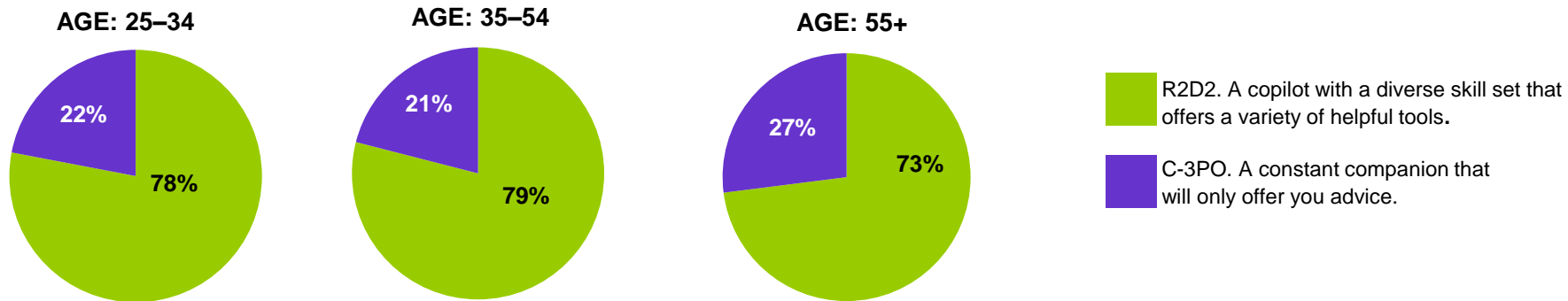




Millennial, Gen X, and Baby Boomer broker preferences and portfolio management

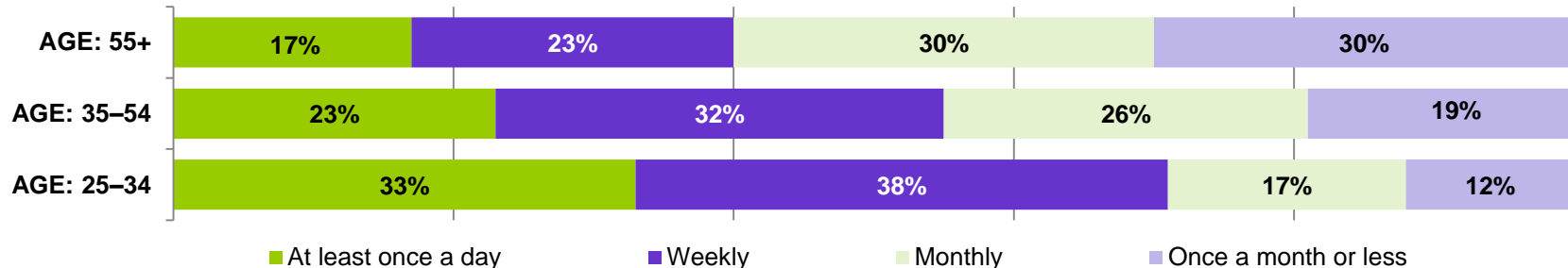
Investors of all ages prefer a broker like R2D2, offering a variety of helpful tools

Which of the following characters better represents the type of relationship you want with your broker?



One out of three Millennials checks their portfolio daily

How often do you evaluate the positions in your portfolio?

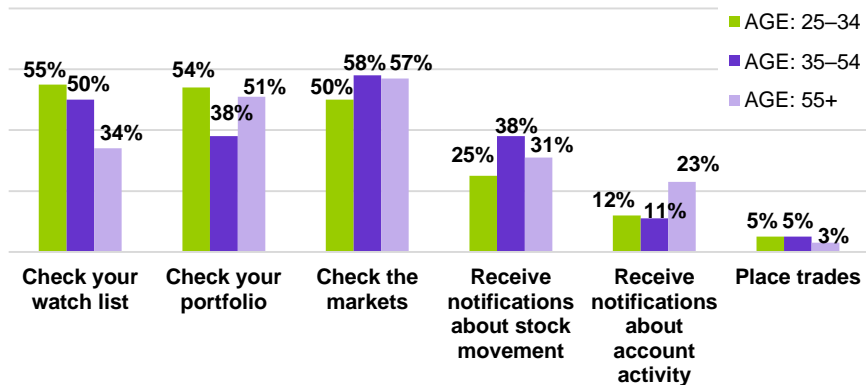




Mobile usage among Millennials, Gen X, and Baby Boomers

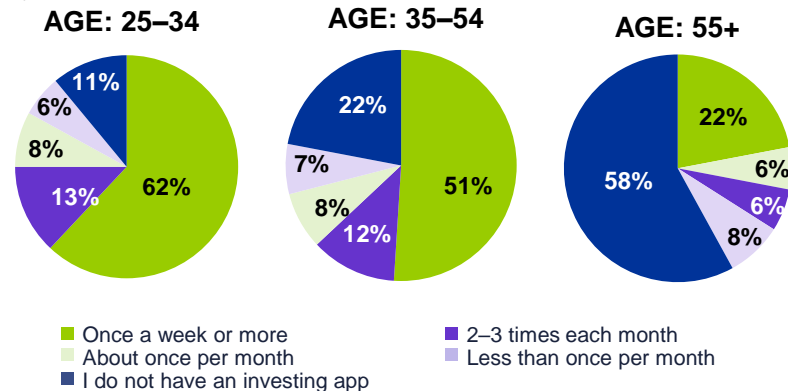
More than half of Millennials would use a voice assistant to check their watch list & portfolio

Which of the following would you be most likely to use a voice assistant (e.g., Siri, Amazon Alexa) to do, when it comes to investing and trading? (Select top two)



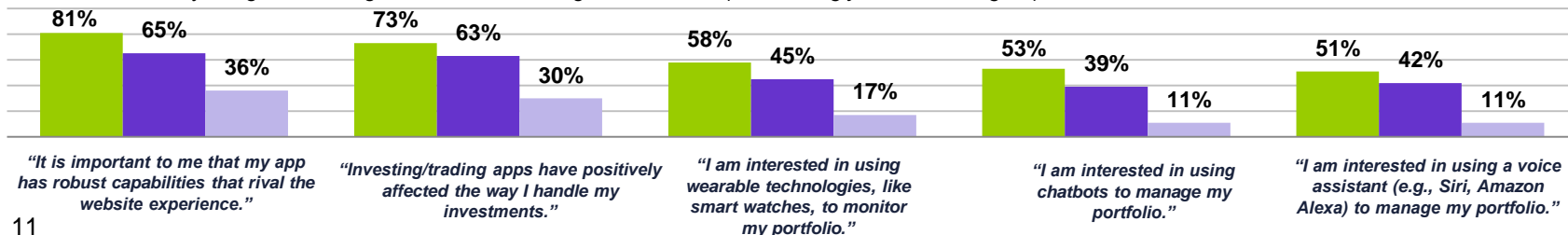
Almost two out of three Millennials use an investing app once a week or more

Approximately how often do you use an investing and trading app on your smartphone?



Four out of five Millennials want their app to rival their desktop in functionality

To what extent do you agree or disagree with the following statements... (% = Strongly/Somewhat agree)



VIEWS ON RETIREMENT

HOW EXPERIENCED INVESTORS THINK
ABOUT RETIREMENT INVESTING

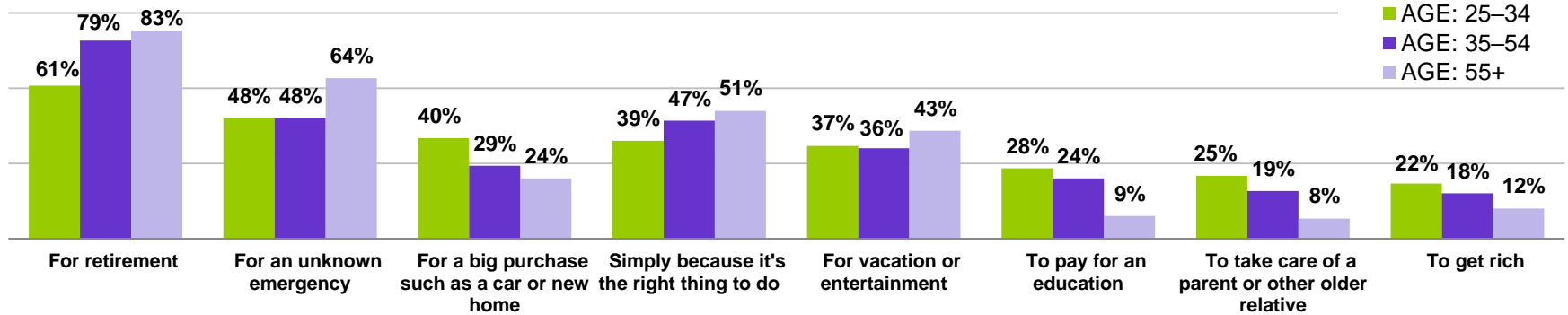




Retirement investing among Millennials, Gen X, and Baby Boomers

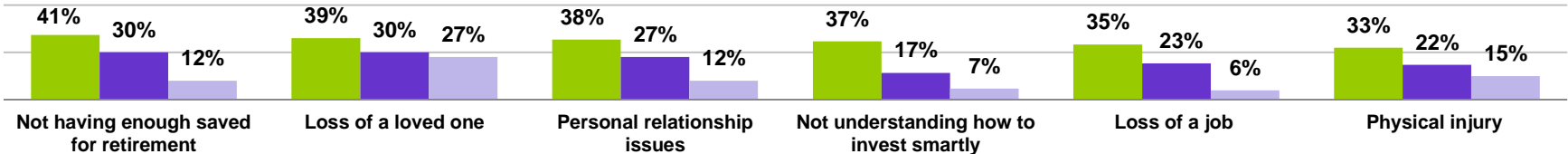
Retirement is the highest single priority for long-term saving, although significantly less so for Millennials

What are the main reasons you are saving for the long term? (% = Selected as a top three choice.)



Saving for retirement is slightly more of a top concern for Millennials—more than loss of a loved one or relationship issues

How often do you worry about each of the following? (% = Always/Frequently)



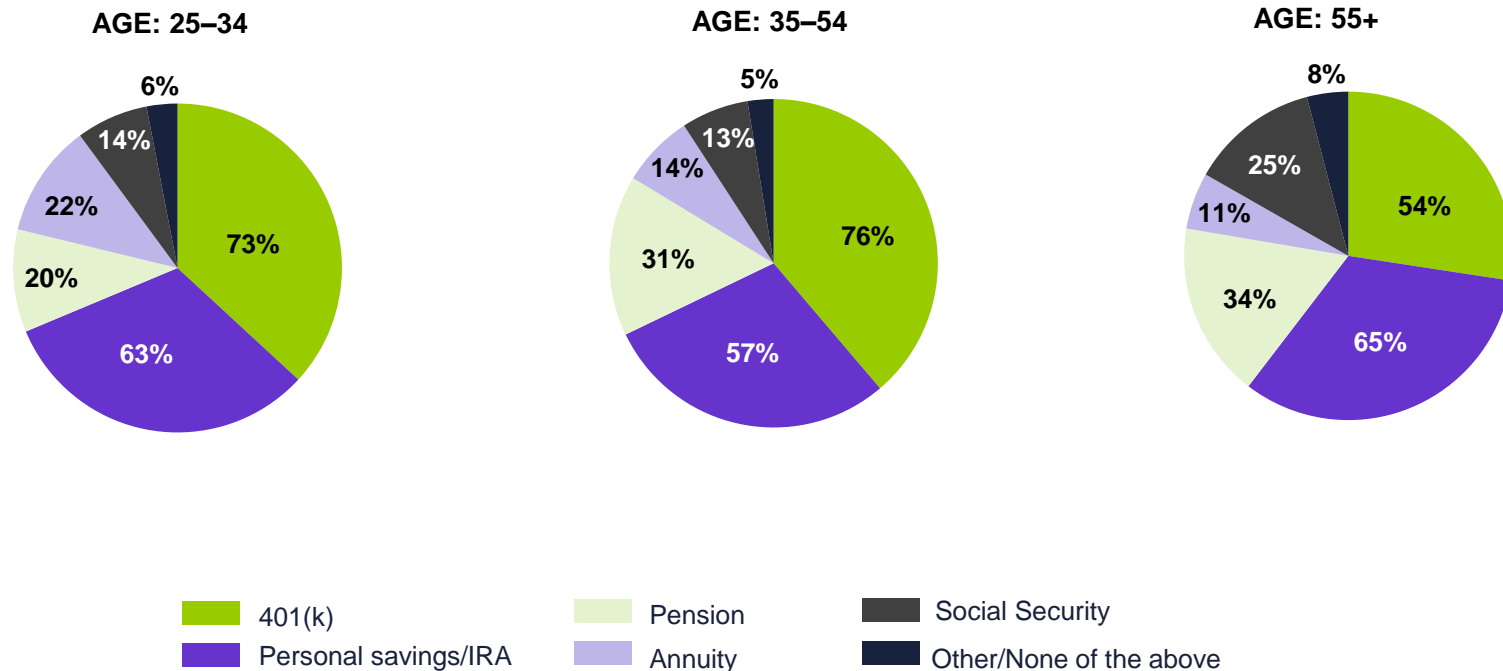


Retirement investing among Millennials, Gen X, and Baby Boomers

Millennials and Gen X rely most on their 401(k) for retirement

Please rank in order how important each of the following are in meeting your goal for retirement, with one being the most important.

(% = Selected as most important)

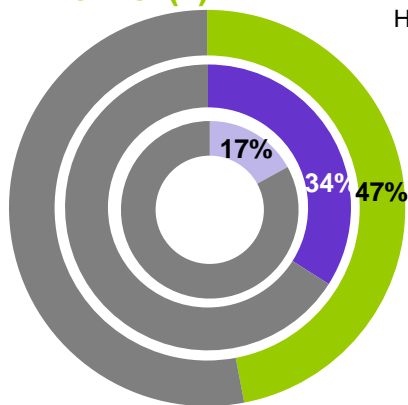




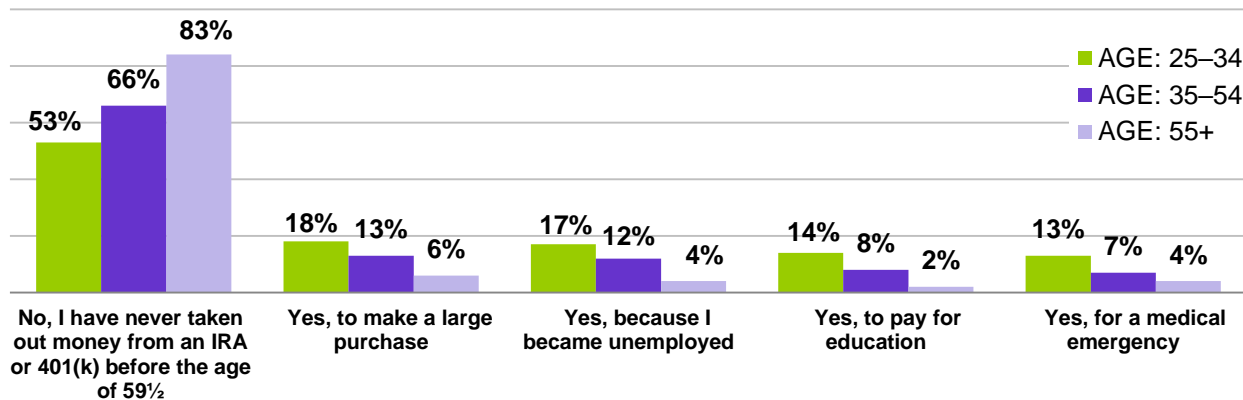
Retirement investing among Millennials, Gen X, and Baby Boomers

Despite their reliance on retirement accounts, almost half of Millennials have already taken money from an IRA or 401(k)

Have you ever taken out money from an IRA or 401(k) before the age of 59½ and, if so, for what? (Select all that apply)



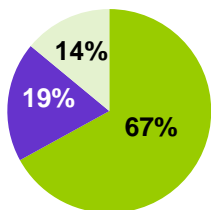
Percentage who have taken out money from an IRA or 401(k) before the age of 59½



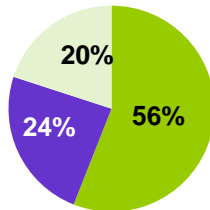
Most Millennials and Gen X later regret the decision to take early withdrawals

Have you ever regretted your decision to take money from an IRA or 401(k) before the age of 59½?

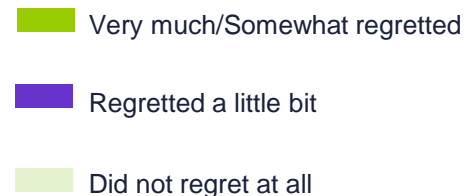
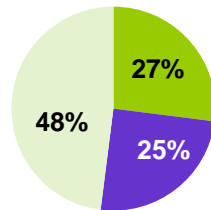
AGE: 25-34



AGE: 35-54



AGE: 55+



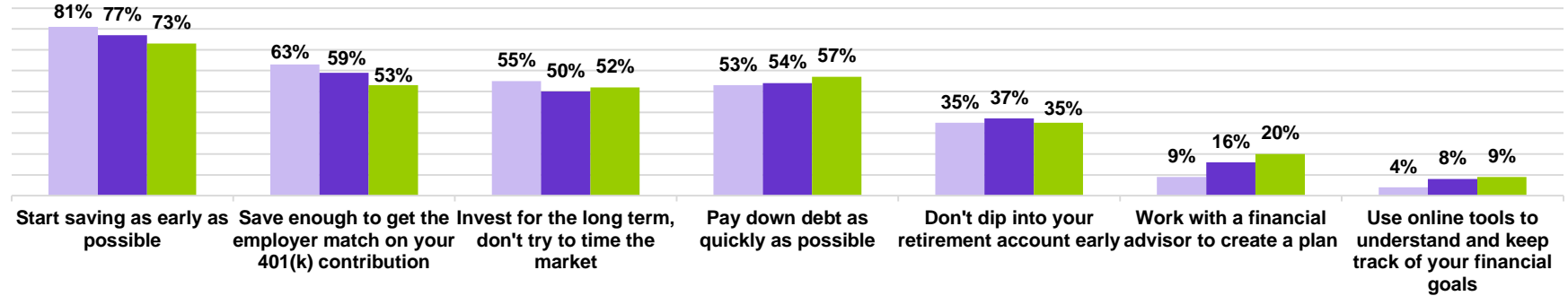
"Millennials" defined as age 25-34, "Gen X" defined as age 35-54, "Baby Boomers" defined as age 55+.



Retirement investing among Millennials, Gen X, and Baby Boomers

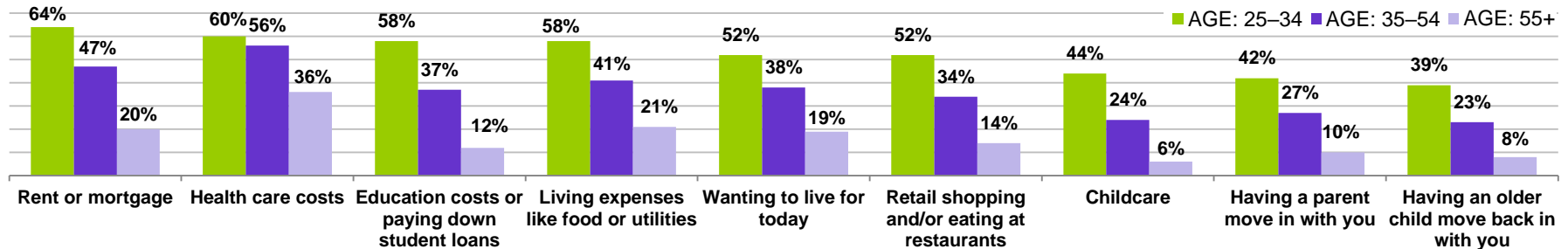
Boomers recommend starting early, getting the match, and avoiding timing the market

If you could offer a younger investor financial advice, what would it be? (Select top three)



Millennials cite several roadblocks with housing costs topping the list

When it comes to saving what you want for retirement, how much of a barrier is each of the following? (% = Significant/Somewhat of a barrier)



Please read the important disclosures below

This presentation presents data from January 2–January 10, 2020.

The data from this and past quarters reflects the opinions of this population only from the time of fielding, which is typically the first two weeks of each quarter. It does not represent opinions of the full quarter.

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Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Dow Jones Industrial Average: Computed by summing the prices of the stocks of 30 companies and then dividing that total by an adjusted value—one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities.

S&P 500® Index is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the US stock market.

All components of the S&P 500 are assigned to at least one of eleven S&P Select Sector Indexes, which track major economic segments and are highly liquid benchmarks. Stock classifications are based on the Global Industry Classification Standard. The Select Sector Indexes are: Communication Services Select Sector, Consumer Discretionary Select Sector; Consumer Staples Select Sector; Energy Select Sector; Financials Select Sector; Health Care Select Sector; Industrials Select Sector; Materials Select Sector, Real Estate Select Sector, Technology Select Sector; and Utilities Select Sector.

VIX® is the ticker symbol for Cboe Volatility Index®. The index, also called the fear index, is calculated by Cboe and generally measures expected volatility of the US market in the next 30 days. The higher the number, the more bearish the market is in general. The VIX is used to calculate the put/call ratio.

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