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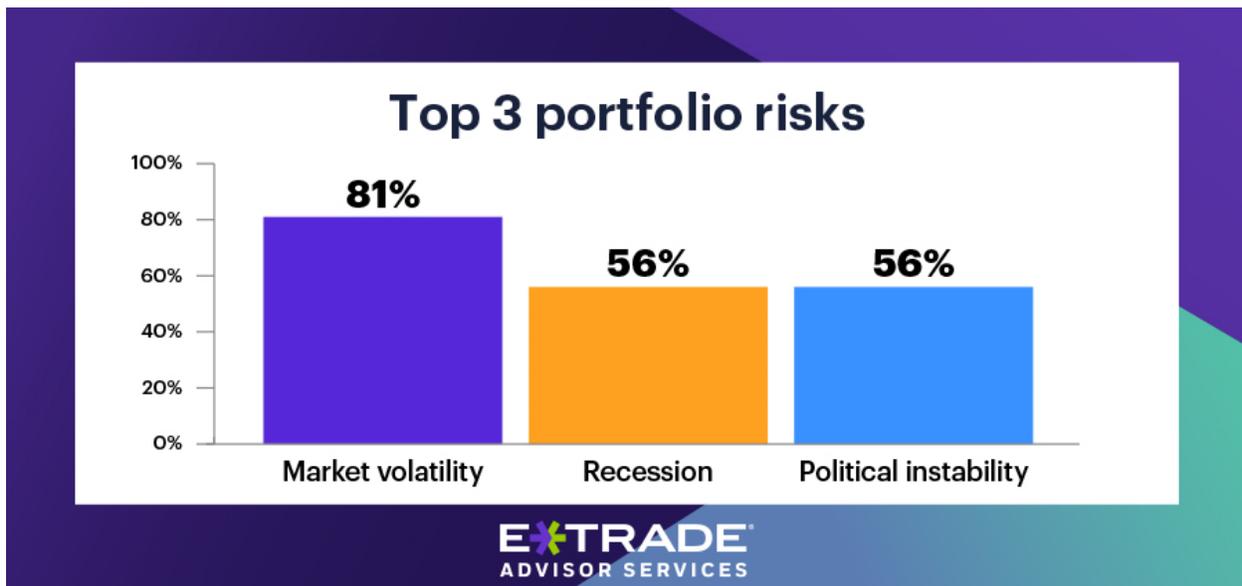
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E*TRADE ADVISOR SERVICES STUDY REVEALS RIAs ENTER BEARISH TERRITORY



Concerns overs political instability gain traction among advisors—up 75% since March—while the majority turn more negative

ARLINGTON, Va., August 24, 2020 — 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 Tracking study, which covers advisor views on the market, the industry, their business, and clients.

- **Advisors are proceeding with caution.** Over half of RIAs surveyed (52%) said they are bearish looking ahead to the next quarter—ticking up six percentage points since March.
- **Political instability makes headway as a top risk.** Over half of advisors surveyed (56%) are actively managing risks associated with political instability for clients—shooting up 24 percentage points since March and matching recession concerns. However, managing market volatility for clients remains the top risk (81%) RIAs are managing right now, ticking down four percentage points since March.
- **Clients continue to try to time the market.** The top mistake advisors see their clients make is attempting to time the market (51%), ticking up six percentage points since March.

- **But many indicate their client portfolios have already recovered.** Two out of five RIAs (41%) said their client portfolios have fully recovered since the downturn.

“As the long-term ramifications of the pandemic begin to crystalize, advisors have to adapt to the changing needs of clients and coach them through these unprecedented times,” said Matthew Wilson, President of E*TRADE Advisor Services. “Building solid client relationships has become increasingly important as more investors become engaged with the market and question the trajectory of their portfolios. And with the backdrop of an election year, client anxiety is likely to remain high. An open line of communication between client and advisor can go a long way in ensuring clients stay the course during potential choppy waters.”

To learn more about E*TRADE Advisor Services, visit etrade.com/advisorservices.

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About the Survey

This survey was conducted in-house from August 4 to August 7, 2020, among a convenience sample of 299 independent registered investment advisors.

About E*TRADE Financial and Important Notices

E*TRADE Advisor Services is a provider of integrated technology, custody, and practice management support for registered investment advisors (RIAs). E*TRADE Advisor Services is dedicated to helping RIAs realize their full potential and provide them the support they need to manage their practices and clients’ financial futures. More information is available at etrade.com/advisorservices.

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Referenced Data

When it comes to the market in the next three months, are you?		
	March 2020	August 2020
Bullish	54%	48%
Bearish	46%	52%

What risks are you actively managing right now when it comes to client portfolios? Select all that apply.		
	March 2020	August 2020
Market volatility	85%	81%
Recession	55%	56%
Political instability	32%	56%
Interest rates	50%	48%
Inflation	14%	30%
Flattening/inverted yield curve	24%	19%
Armed conflict, war, or terrorism	8%	4%
None of these	2%	5%
Other	17%	9%

What is the biggest mistake you see your clients making?		
	March 2020	August 2020
Trying to time the market	45%	51%
Not saving enough for retirement	20%	16%
Acting on stock tips that don't align with long-term goals	7%	9%
Prioritizing their dependent's financial needs over their own	6%	6%
Not preparing an estate or will	6%	5%
Asking for early withdrawals from retirement accounts	5%	4%
None	4%	4%
Other, please specify:	5%	3%
Avoiding international investments	1%	2%

How long do you think it will take for your client portfolios to recover from the pandemic-related economic downturn?	
	August 2020
5+ years	1%
1–5 years	15%
7–12 months	19%
4–6 months	15%
1–3 months	8%
They've already recovered	41%
I don't know	1%