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E*TRADE STUDY REVEALS INVESTORS LARGELY SATISFIED WITH DECISION-MAKING AMID UNCERTAIN AND VOLATILE YEAR



Biggest lesson straight from investors who weathered the volatility: Stay the course

ARLINGTON, Va., December 11, 2020 — E*TRADE Financial, LLC 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 2020 investing decisions:

- **The vast majority are satisfied with their portfolio management.** Almost three out of four investors (71%) are satisfied with how they managed their investments this year.
- **Most investors are steadfast in their long-term plan.** In 2020, the top financial lesson investors learned was to stay the course (50%). This was distantly followed by focusing on strategic market moves (19%) and saving for an emergency fund (15%).
- **Digital tools and human advice are not either/or.** As the year comes to a close, the number one move self-directed investors plan to make is to use an online tool to review their portfolio (38%), followed by reaching out to an advisor (35%). Further, investors' top financial resolution for 2021 is to use online tools to diversify their portfolio and help meet goals (33%), followed by seeking the help of an investment professional (30%).

“The year kicked off with a market shock that may define a generation in COVID-19, and as a nation we then experienced a social movement of monumental proportions in the fight for equality, only to cap the year with the most contentious election in modern history,” said Mike Loewengart, Managing Director of Investment Strategy at E*TRADE Financial. “And these next few months may continue to see pronounced volatility as markets balance winter virus woes with vaccine developments. In spite all of this, it’s encouraging to see investors tune out the noise and remain focused on long-term investment goals. In this environment, a properly

diversified portfolio across asset classes is a powerful way to help smooth out unpredictable market conditions.”

Mr. Loewengart offered additional insights for investors as they begin the New Year:

- **Review and rebalance your portfolio.** Major life events like retirement, the birth of a child, or buying a house can vastly change an investor’s financial circumstances. It’s a good habit to review portfolios annually to determine if savings goals and investments are on track. A portfolio rebalance may also be appropriate to help investors stay aligned with their financial goals and risk tolerance.
- **Create or refresh a retirement plan.** It’s important for investors to revisit retirement plans annually to understand how much they’ll need to accumulate, see where they currently stand, and make any adjustments to stay on track. Investors looking to create a plan may want to speak with their financial advisor or explore IRA selector tools and retirement calculators offered by many online brokers. These digital resources help investors determine what type of account may fit their needs.
- **Consider tax loss harvesting.** Reviewing 2020 transactions before year-end may help investors identify opportunities to lower their tax bill. Realizing tax losses at year-end may help reduce taxable income. Online brokers offer FAQs, tools, and resources to help investors prepare for tax season. A tax or financial advisor can also help review portfolio gains and losses and advise on moves to make based on an investor’s specific tax situation.

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 13 of 2020 among an online US sample of 842 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.

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E*TRADE Financial engages Dynata to program, field, and tabulate the study. Dynata provides digital research data and has locations in the Americas, Europe, the Middle East and Asia-Pacific. For more information, please go to www.dynata.com.

Referenced Data

In looking back on 2020, would you say you are...with how you managed your investments this year?	
Satisfied (Top 2 box)	71%
Very satisfied	25%
Somewhat satisfied	46%
Neutral	21%
Somewhat dissatisfied	7%
Very dissatisfied	1%
Dissatisfied (Bottom 2 box)	8%

As we approach the end of the year, which if any, of the following will you complete? (Select all)	
Use an online tool to check that my portfolio is properly allocated and is meeting target goals, rebalancing as necessary	38%
Check in with a financial advisor	35%
Sell a stock or stocks that have lost value in order to offset taxes on both gains and income	34%
Make a charitable contribution of stocks, bonds, or cash	27%
Create or refresh my retirement plan	27%
Update my beneficiaries	15%
I don't plan to check on my portfolio at the end of the year	11%
Other	1%

Looking back at 2020, what's one financial lesson you learned?	
It's better to stay the course	50%
It's better to strategically move in and out of the market	19%
I need to keep more cash on hand/save for an emergency fund	15%

I need to manage my debt more aggressively	5%
I need to save more for retirement	7%
Other	4%

In 2021, my financial resolution is to... (Select all)	
...use online tools more often to make sure I am properly diversified and meeting my goals	33%
...seek the help of investing professionals when I need it	30%
...increase the amount I contribute to my retirement plan	29%
...change my asset allocation to better reflect market conditions	28%
...learn more about investing, trading, and the markets	26%
...not make any changes to how I am investing	22%
Other, specify:	1%