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E*TRADE RAISES THE BAR WITH *ADAPTIVE PORTFOLIO*

New solution delivers automated investing with access to human support

Unlike traditional auto-investing solutions, Adaptive Portfolio offers a distinctive combination of actively and passively managed funds

- *Portfolios include a combination of mutual funds and ETFs, or ETFs only,*
- *No proprietary products,*
- *One percent target cash allocation across all portfolios,*
- *Automated drift rebalancing,*
- *Access to a dedicated managed account support team,*
- *Annual net advisory fee of 0.3 percent with no separate trading commissions, and*
- *Account minimum of \$10,000.*

NEW YORK, JUNE 7, 2016 – E*TRADE Financial Corporation (NASDAQ: ETFC) today announced the launch of Adaptive Portfolio, an innovative investing solution that offers investors a diversified portfolio based on their investment objective, time horizon, and risk tolerance, with automated rebalancing and access to a managed account support team.

“We are thrilled to raise the bar with this entirely new way to invest with E*TRADE,” said Dave Herbert, SVP of Retail Services at E*TRADE Financial. “As a hybrid financial services company focused on digital investing backed by human support, this new offering embodies our strengths. Adaptive Portfolio makes it easy for even the most novice investor to set up a diversified portfolio online, while also providing access to a dedicated team of financial consultants.”

Adaptive Portfolio offers hybrid portfolio options employing passive management to track broader, more efficient segments of the market, while leveraging active management that seeks to maximize performance in narrower and less liquid market segments. Investors have the option of choosing either a hybrid mutual fund and ETF portfolio, or an all-ETF version that is entirely passive.

“When examining the automated investing landscape today, investors typically are limited to passive management strategies,” said Lena Haas, SVP of Retirement, Investing and Savings. “With the introduction of Adaptive Portfolio, we aim to kick-start a new phase in the automated

investing evolution by offering investors access to more strategies to help them meet their goals.”

Adaptive Portfolio helps keep investors on track with their target asset allocation through automated drift rebalancing when necessary. Fully integrated with etrade.com, Adaptive Portfolio begins with an interactive questionnaire, designed to help map investors to one of six main portfolios based on goals, risk tolerance, and time horizon. Once a portfolio has been selected, investors may examine the recommended asset classes and compare their target allocations to other risk profiles.

Adaptive Portfolio is offered by E*TRADE Capital Management and complements the Company’s suite of managed products, including Managed Investment Portfolios and Unified Managed Accounts. To learn more about Adaptive Portfolio or any of these offerings, visit etrade.com.

For useful insight from E*TRADE and third-party investment professionals, follow the company on Twitter, [@ETRADE](https://twitter.com/ETRADE).

About E*TRADE Financial

E*TRADE Financial and its subsidiaries provide financial services, including online brokerage and related banking products and services to retail investors. Securities products and services, including stocks, bonds mutual funds, options, and ETFs are offered by E*TRADE Securities LLC (Member FINRA/SIPC). Managed Account Solutions are offered through E*TRADE Capital Management, LLC, an investment adviser registered with the Securities and Exchange Commission. Bank products and services are offered by E*TRADE Bank, a Federal savings bank, Member FDIC, or its subsidiaries and affiliates.

More information is available at www.etrade.com.

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