



E*TRADE FINANCIAL Q2 2019 STREETWISE REPORT

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

Q2 2019 survey methodology and background

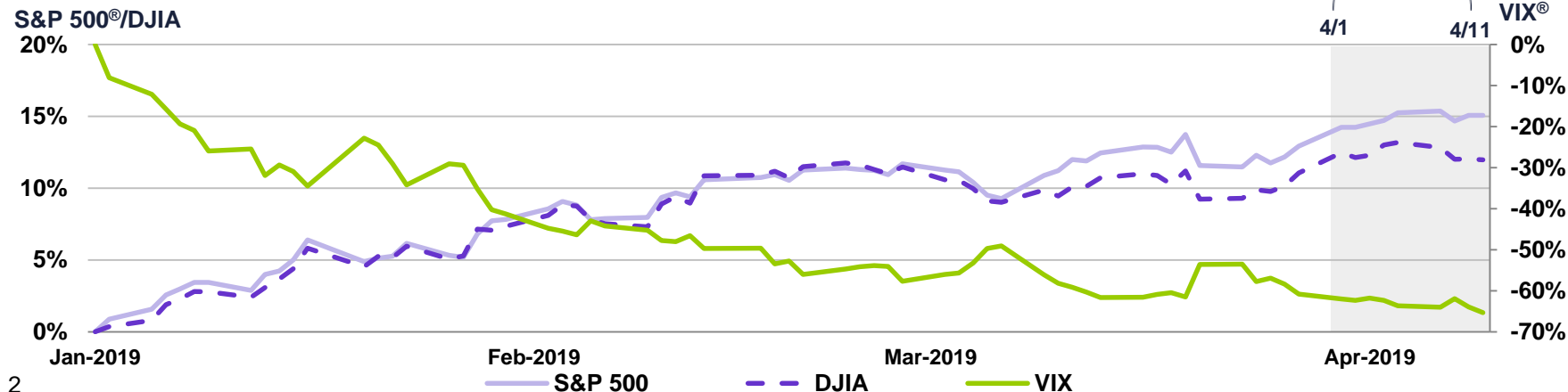
Methodology

This wave of the survey was conducted from April 1 to April 11 of 2019 among an online US sample of 917 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 60% male and 40% 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

Q2 2019 survey timing mapped against major market indexes



SENTIMENT

VIEWS ON THE MARKET AND WHERE
OPPORTUNITIES LIE

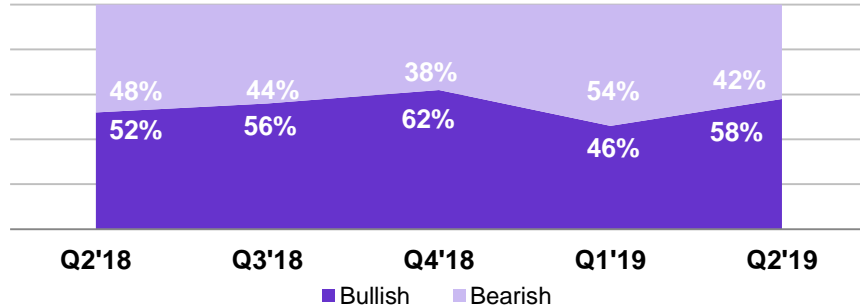




Views on the market

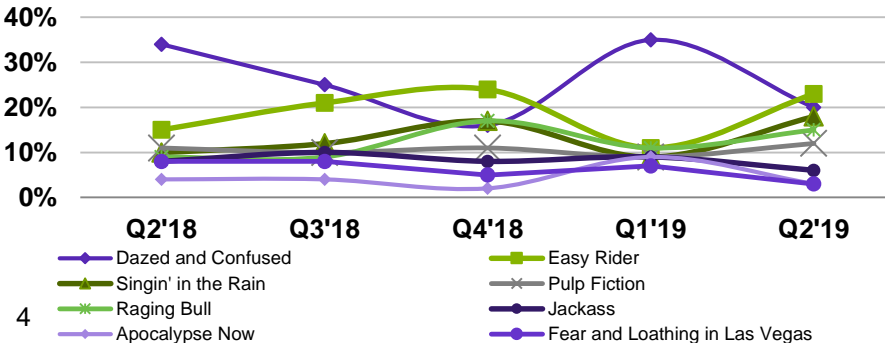
Bullishness rose this quarter

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



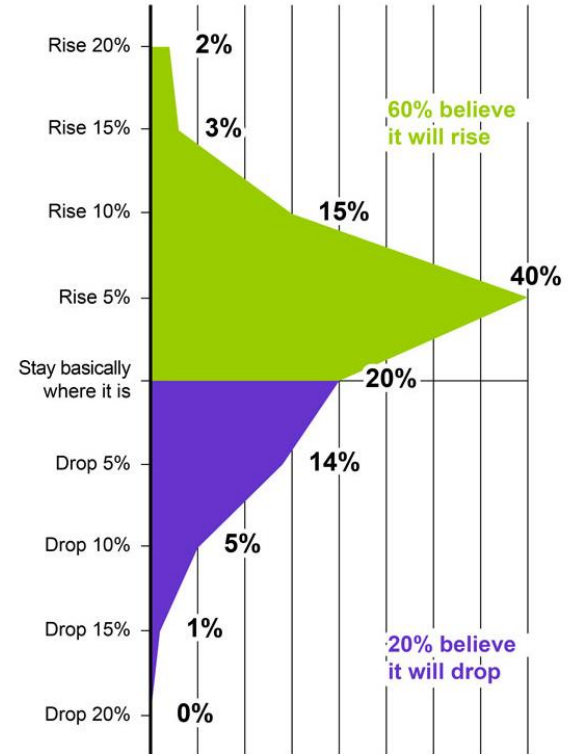
Investors are feeling significantly less *Dazed and Confused*

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



Most believe the market will rise in Q2 2019

Where do you predict the market will end this quarter?

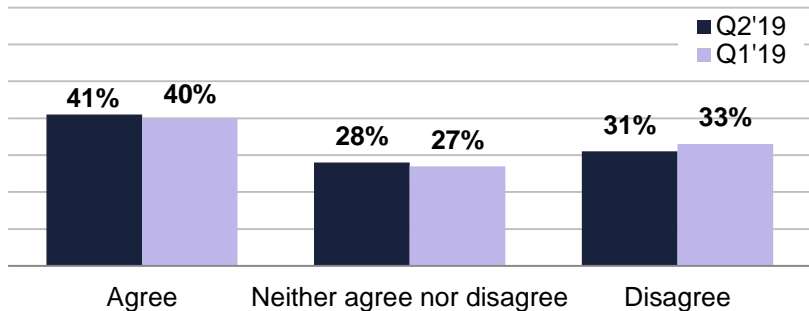




Views on the economy and rates

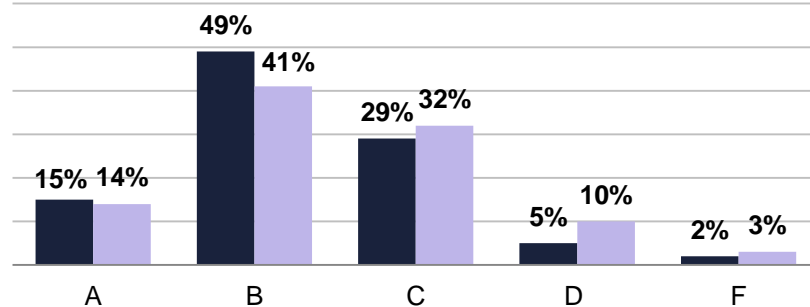
Investors continue to be more likely to think rate hikes are ok

Is the US economy healthy enough for the Fed to enact additional rate hikes this quarter? (%=Strongly/Somewhat)



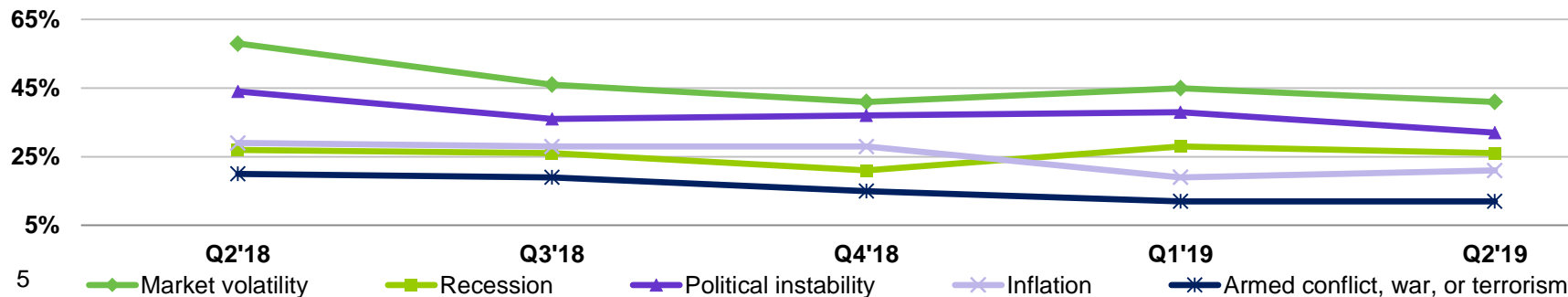
Investors more likely to give the economy an A or B

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



Market volatility and political instability concerns ticked down slightly

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

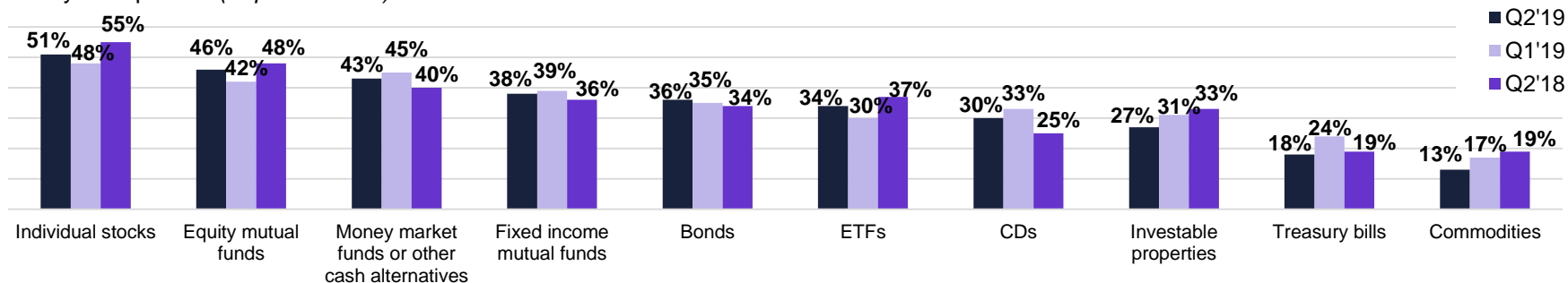




Asset class interest

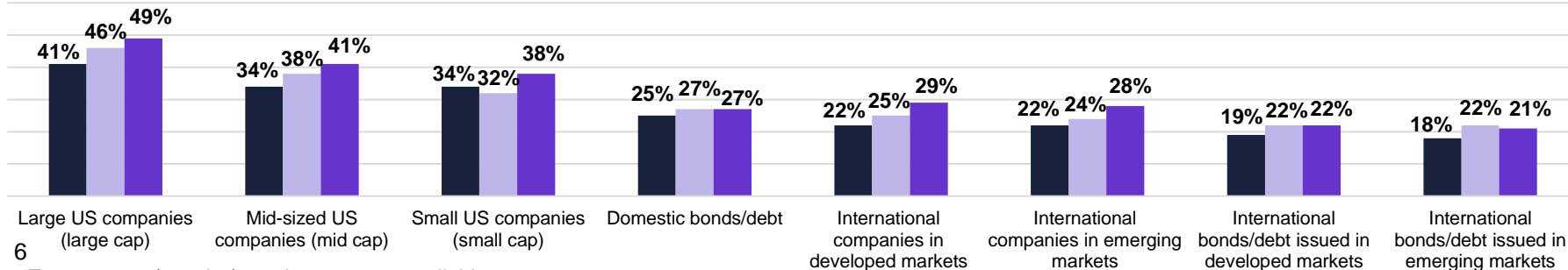
Interest in individual stocks, equity mutual funds, and ETFs rose since last quarter

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 decreased while interest in small-caps ticked up 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)



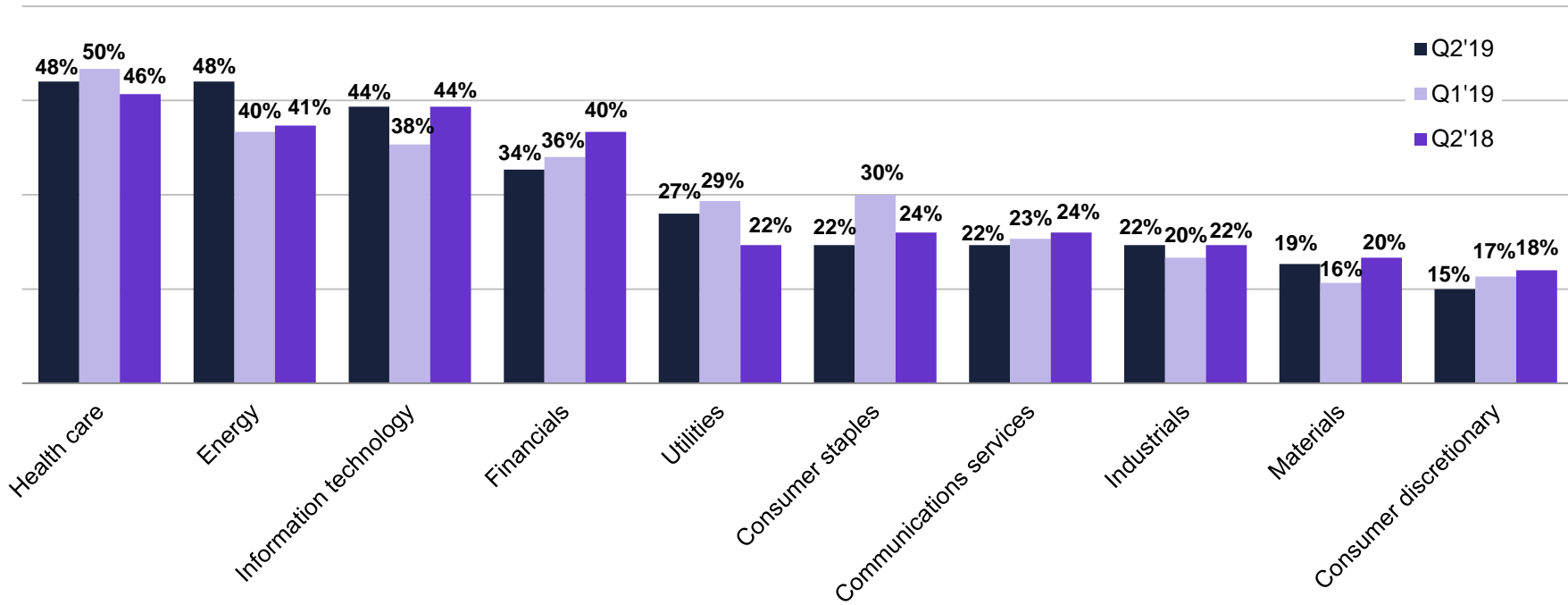
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1. Focuses on y/y and q/q—other quarters available upon request



US sector interest

Interest in energy and IT increased while financials and consumer staples declined since last quarter

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



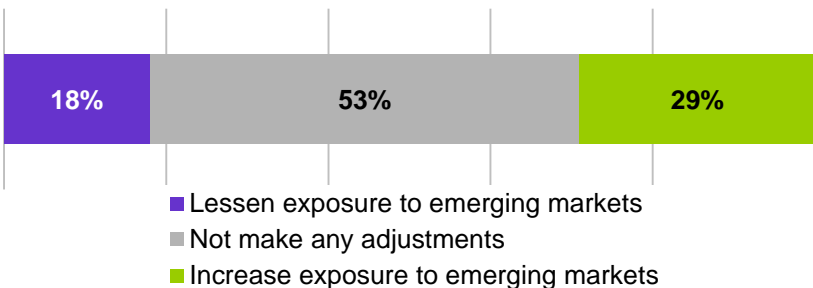
1. Focuses on y/y and q/q—other quarters available upon request



International and emerging market interest

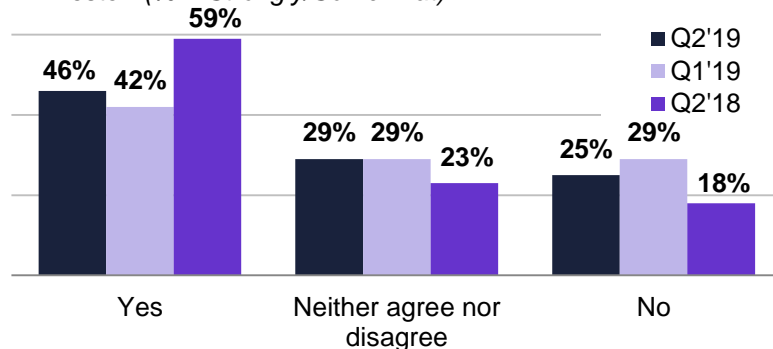
The majority won't be changing their EM exposure

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



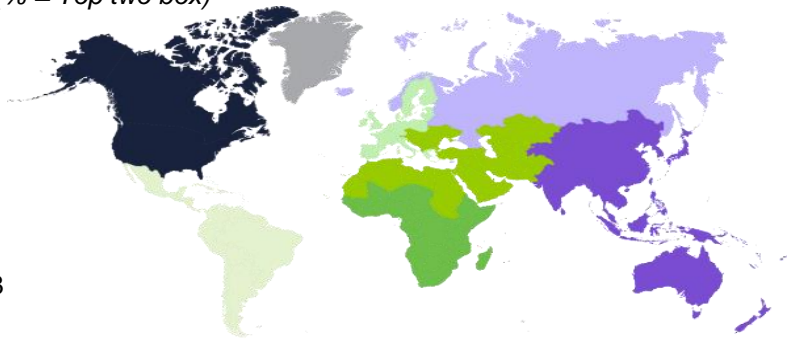
Investors are slightly more interested in opportunities abroad

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



Interest in North America and APAC increased

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



Region	% Interested	Q/Q Δ
United States and Canada	70%	+4%
Asia and Pacific	45%	+5%
European Union	27%	0%
Central, Eastern, and Southeastern Europe (including Russia)	11%	(4%)
Middle East and Central Asia Region (including North Africa)	14%	(1%)
Latin America and the Caribbean	13%	0%
Sub-Saharan Africa	5%	(2%)

1. Change shown q/q from Q1'19.

PORTFOLIO MANAGEMENT

A LOOK AT HOW DIFFERENT AGE GROUPS MANAGE THEIR
INVESTMENTS

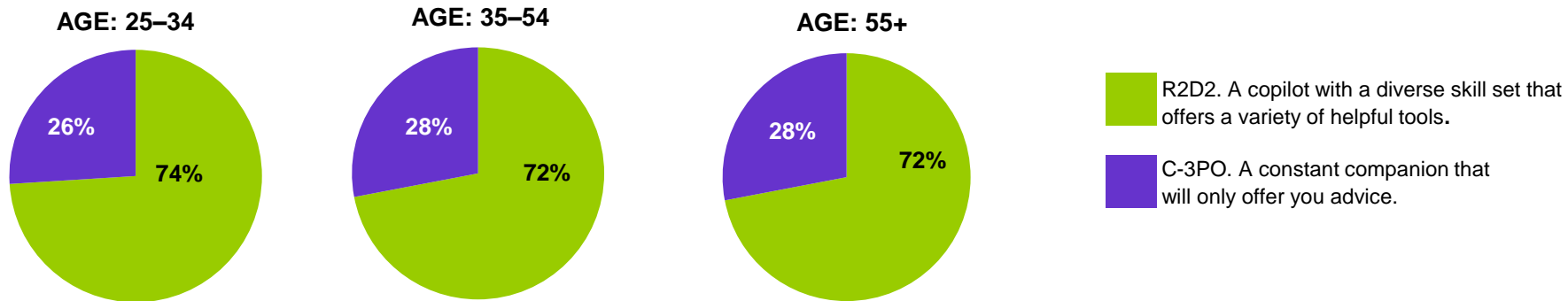




Millennial, Gen X, and Baby Boomer broker preferences and portfolio management

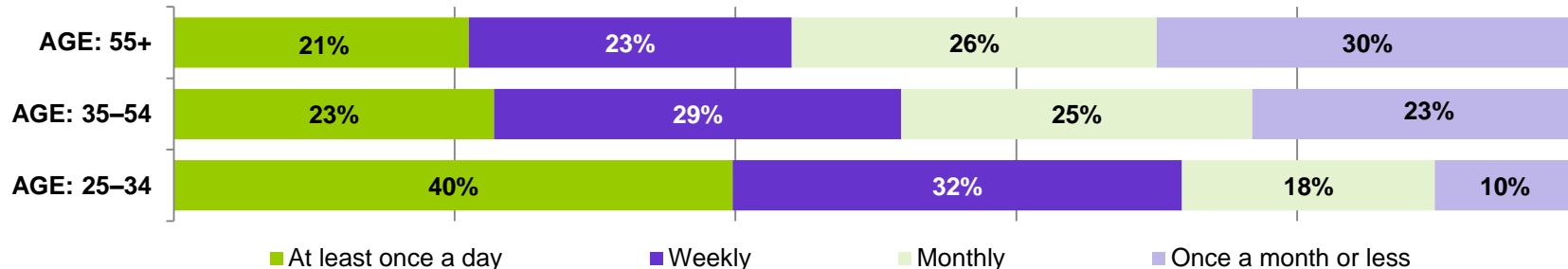
Investors of all ages prefer a broker like R2D2, offering a variety of helpful tools

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



Majority of Millennials and Gen X check their portfolio at least weekly

How often do you evaluate the positions in your portfolio?

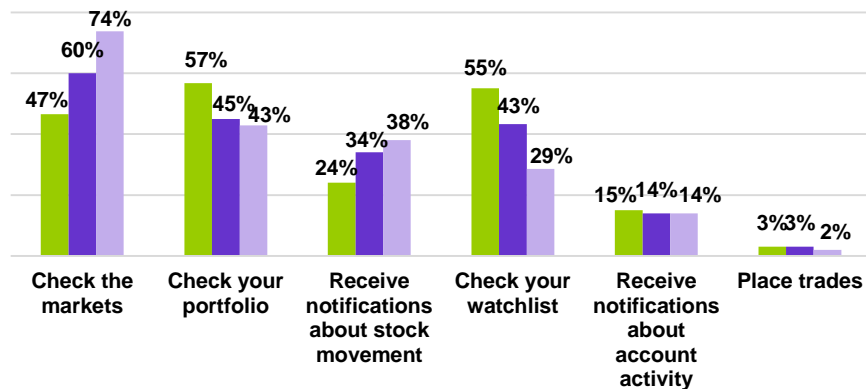




Mobile usage among Millennials, Gen X, and Baby Boomers

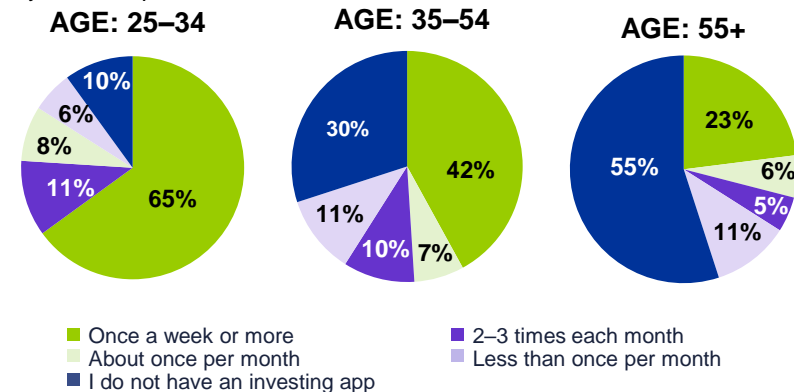
Almost three out of four Boomers would use a voice assistant to check the markets

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)



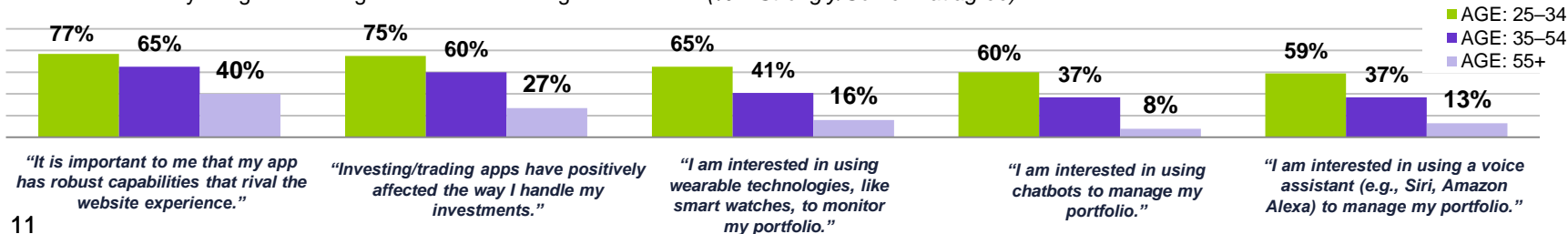
Almost two-thirds of Millennials use an investing app once a week or more

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



Three out of four 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

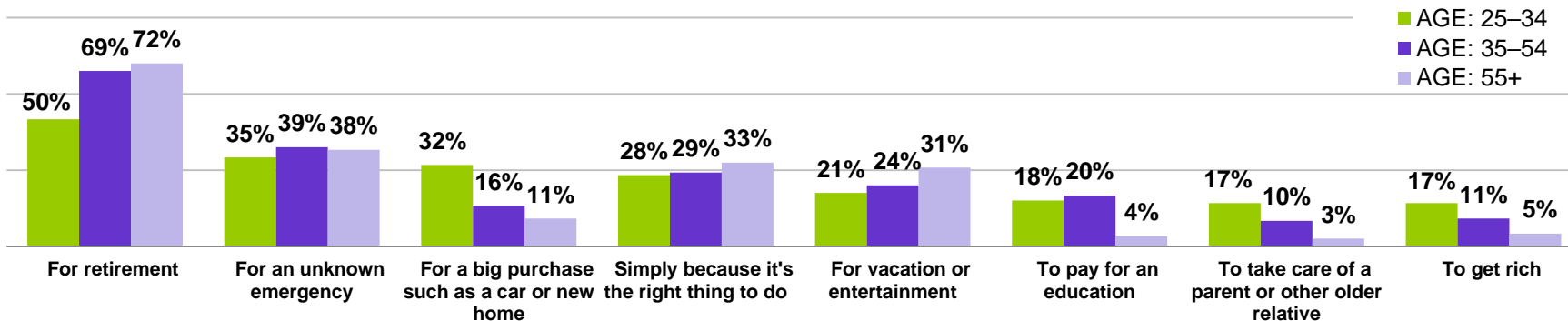




Retirement investing among Millennials, Gen X, and Baby Boomers

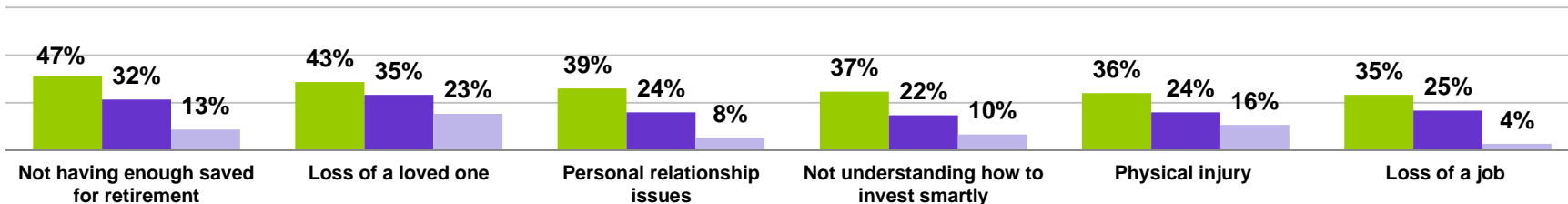
Retirement is the highest single priority for long-term saving, although significantly less so for Millennials

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



Saving for retirement weighs on Millennial investors more than personal relationship issues or loss of a loved one

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



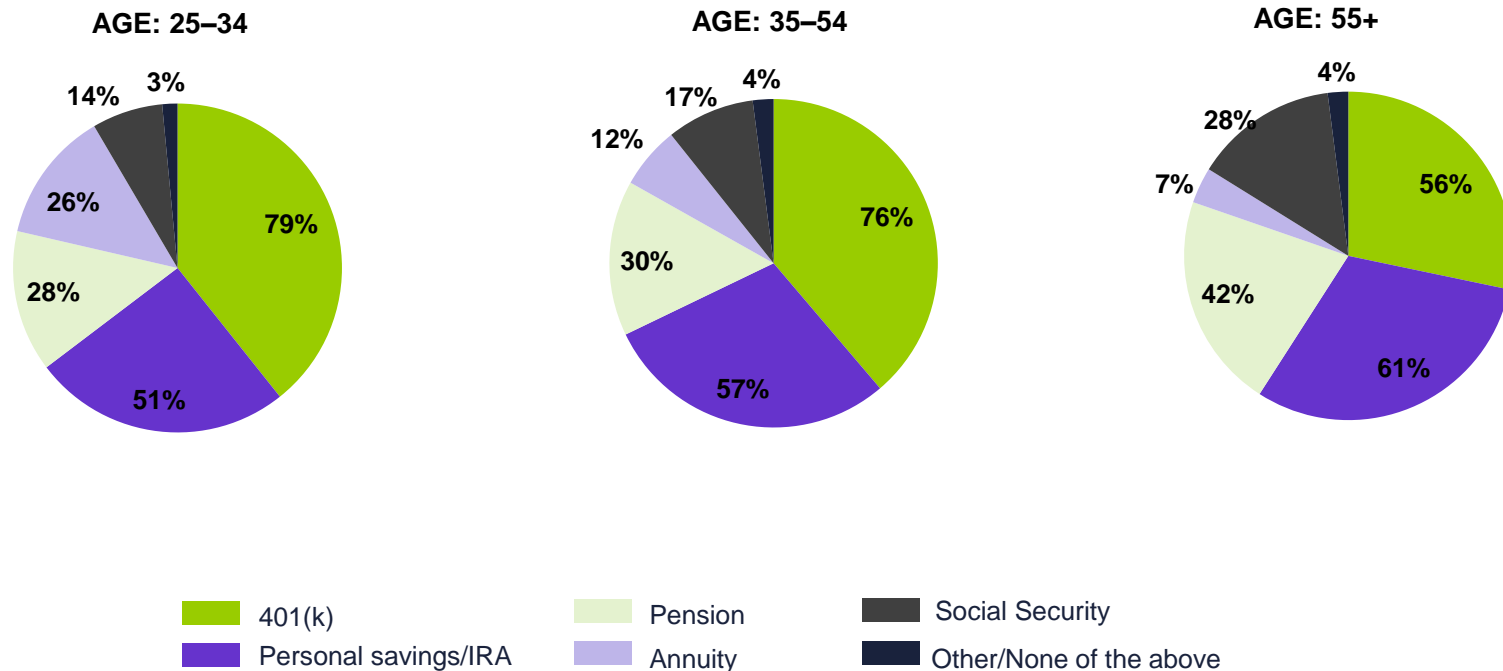


Retirement investing among Millennials, Gen X, and Baby Boomers

401(k)s play a critical role in planning for retirement across all generations

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

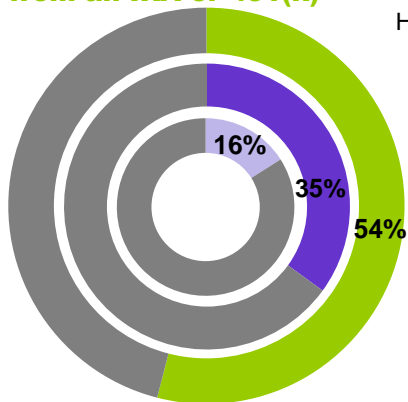
(% = Selected as most important)





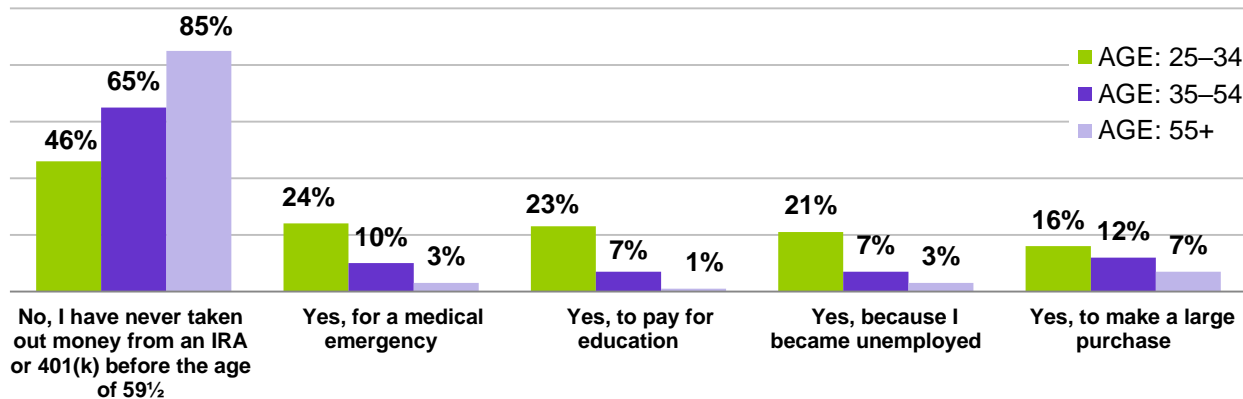
Retirement investing among Millennials, Gen X, and Baby Boomers

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



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

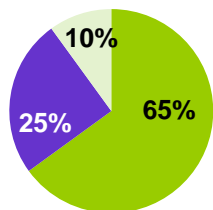
Have you ever taken out money from an IRA or 401(k) before the age of 59½ and, if so, for what? (Select all that apply)



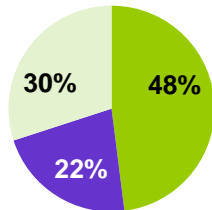
Majority of Millennials later regret the decision to take early withdrawals

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

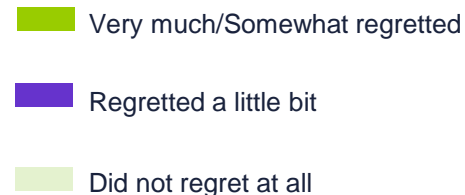
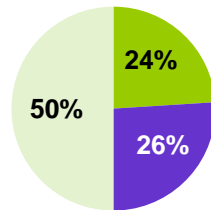
AGE: 25-34



AGE: 35-54



AGE: 55+



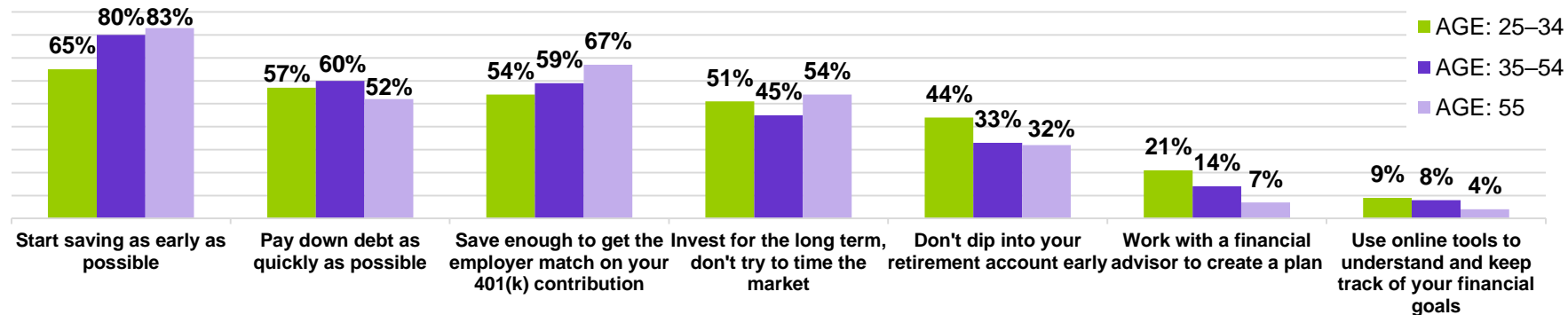
"Millennials" defined as age 25-34, "Gen X" defined as age 35-54, "Baby Boomers" defined as age 55+.



Retirement investing among Millennials, Gen X, and Baby Boomers

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

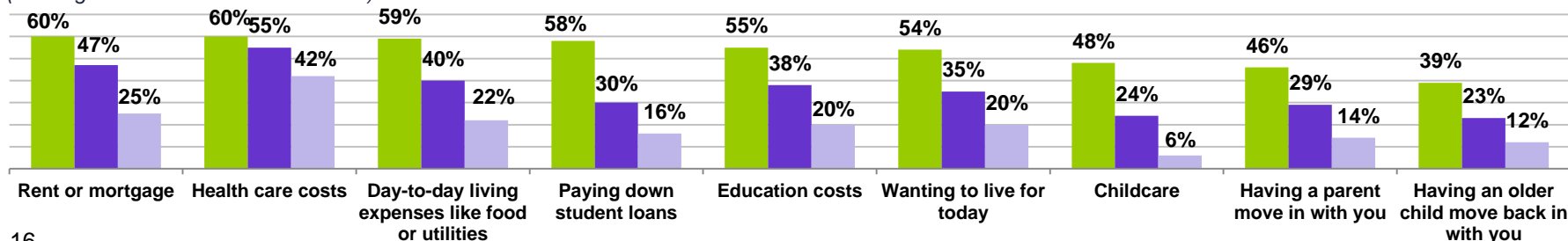
If you could offer a younger investor financial advice, what would it be? (Select top three)



Majority of Millennials cite several roadblocks, including YOLO

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 April 1–April 11, 2019.

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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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: Consumer Discretionary Select Sector; Consumer Staples Select Sector; Energy Select Sector; Financials Select Sector; Health Care Select Sector; Industrials Select Sector; Technology Select Sector; Materials Select Sector; Telecommunication Services; 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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