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E*TRADE Media Relations

646-521-4418
mediainq@etrade.com

E*TRADE Investor Relations

646-521-4406
IR@etrade.com

**E*TRADE ADVISOR SERVICES STUDY REVEALS MARKET OUTLOOK
FOR RIAs AND THEIR CLIENTS**

Advisors also reveal biggest client mistakes in the current market



NEW YORK, April 5, 2019 — 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 Sentiment survey:

- **Advisors are bullish on the market.** Nearly three quarters of advisors (72%) are bullish on the market over the next quarter.
- **But volatility is a major client concern.** Nearly half of advisors (47%) said their clients are contacting them to express concern about market volatility.
- **Clients are eyeing alternatives, but aren't turning to crypto.** Amid global slowdown concerns, investors may be looking beyond traditional investments. Real estate (30%) and cannabis securities (18%) are top ranked according to advisors, while only 3% said their clients are interested in cryptocurrencies.
- **RIAs see opportunity in beaten-down sectors.** More than half of advisors (51%) said the information technology sector could offer buying opportunities this quarter, followed by financials (34%) and health care (34%).
- **Investors continue to want to act on their emotions.** Advisors noted the biggest mistake clients make is trying to time the markets (43%) followed by not saving enough for retirement (27%).

“Advisors play an important role in helping their clients avoid the noise and keep their financial goals in focus,” said Matt Wilson, SVP of Institutional Services at E*TRADE Financial Corporation. “It’s critical for advisors to build a strong relationship with their clients so they can help them understand where opportunities lie, when may be the right time to make a move, and, more importantly, when to stay put.”

The results also revealed advisors have yet to truly focus on specialty client segments. Almost half of RIAs surveyed said they specialize in Baby Boomer investors (44%), while over a quarter indicated they do not specialize in any particular client segment.

About the Survey

This survey was conducted in-house from March 19 to March 26, 2019, among a convenience sample of 302 independent RIAs.

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Referenced Tables

| <i>When it comes to the market in the next three months, are you?</i> | |
|------------------------------------------------------------------------------|-----|
| Bullish | 72% |
| Bearish | 28% |

| <i>When it comes to the market, what are your clients contacting you most about?</i> | |
|---------------------------------------------------------------------------------------------|-----|
| Market volatility | 47% |
| Fears of a recession | 26% |
| China and US trade tensions | 11% |
| Gridlock in Washington | 5% |
| Federal reserve monetary policy | 1% |
| Flattening yield curve | 1% |
| Brexit | 0% |
| Economic weakness in Europe | 0% |
| None of these | 5% |
| Other | 4% |

| <i>In general, please rate your clients' current interest in each of the following...</i> | | | | | | | |
|--------------------------------------------------------------------------------------------------|-----------------------|-----------------------|--------------------------|----------------------------|-----------------|----------------------|--------------------|
| | Bottom two box | Not at all interested | Only a little interested | Somewhat interested | Very interested | Extremely interested | Top two box |
| Real estate | 25% | 4% | 21% | 45% | 26% | 4% | 30% |
| Marijuana securities | 57% | 25% | 32% | 25% | 14% | 4% | 18% |
| Renewable resources | 59% | 20% | 39% | 27% | 13% | 1% | 14% |
| Emerging markets | 46% | 12% | 34% | 40% | 11% | 3% | 14% |
| ESG investments | 63% | 29% | 34% | 26% | 8% | 3% | 11% |
| Cryptocurrencies | 84% | 50% | 34% | 13% | 3% | 0% | 3% |

| <i>What industries do you think offer the most potential for your clients this quarter? Top three</i> | |
|--------------------------------------------------------------------------------------------------------------|-----|
| Information technology | 51% |
| Financials | 34% |
| Health care | 34% |
| Energy | 26% |
| Consumer staples | 23% |
| Industrials | 12% |
| Consumer discretionary | 11% |
| Other | 9% |
| Communication services | 8% |
| Utilities | 8% |
| Materials | 5% |

| <i>What is the biggest mistake you see your clients making?</i> | |
|------------------------------------------------------------------------|-----|
| Trying to time the market | 43% |
| Not saving enough for retirement | 27% |
| Prioritizing their dependent's financial needs over their own | 11% |
| Acting on stock tips that don't align with long-term goals | 8% |
| Asking for early withdrawals from retirement accounts | 5% |
| Other | 4% |
| None | 2% |

| <i>Thinking of your individual book of business, do you specialize in any of the following client segments? Select all that apply</i> | |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Baby Boomer investors | 44% |
| Widows/Divorced/Single | 20% |
| Women | 16% |
| Medical professionals | 14% |
| HENRYs (High Earners, Not Rich Yet) | 13% |
| Gen X investors | 10% |
| Millennials | 7% |
| LGBTQ community | 4% |
| Special needs families | 1% |
| None | 26% |
| Other | 8% |