

TD Ameritrade Institutional RIA Mid-Year Sentiment Survey

August 1, 2017



Ameritrade

Institutional

About TD Ameritrade Institutional

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Executive Summary

RIA confidence in U.S. economy and financial markets has slipped.

- Sixty percent of independent registered investment advisors ("RIAs") are optimistic about the U.S. economy, down from 68% in January.
- More than half are skeptical that stocks will continue to rise through the end of the year.
- RIAs are more upbeat on the global economy: 64% are optimistic vs 54% in January.
- A proposed tax plan would have the biggest impact on RIA firms.
- Just 23% of RIAs believe the DOL Conflict of Interest Rule is a positive for their firms.

RIAs stay busy in the summer and are accessible, even when away.

- Three-fourths keep the same level of client contact - or higher - in the summer.
- Strategic planning tops their summertime to-do lists, followed by technology updates.
- In fact, 39% of RIAs do more strategic planning now than at any other time of the year.
- About half take 1-2 weeks vacation; two-thirds check in 1x/day or more while away.

Executive Summary

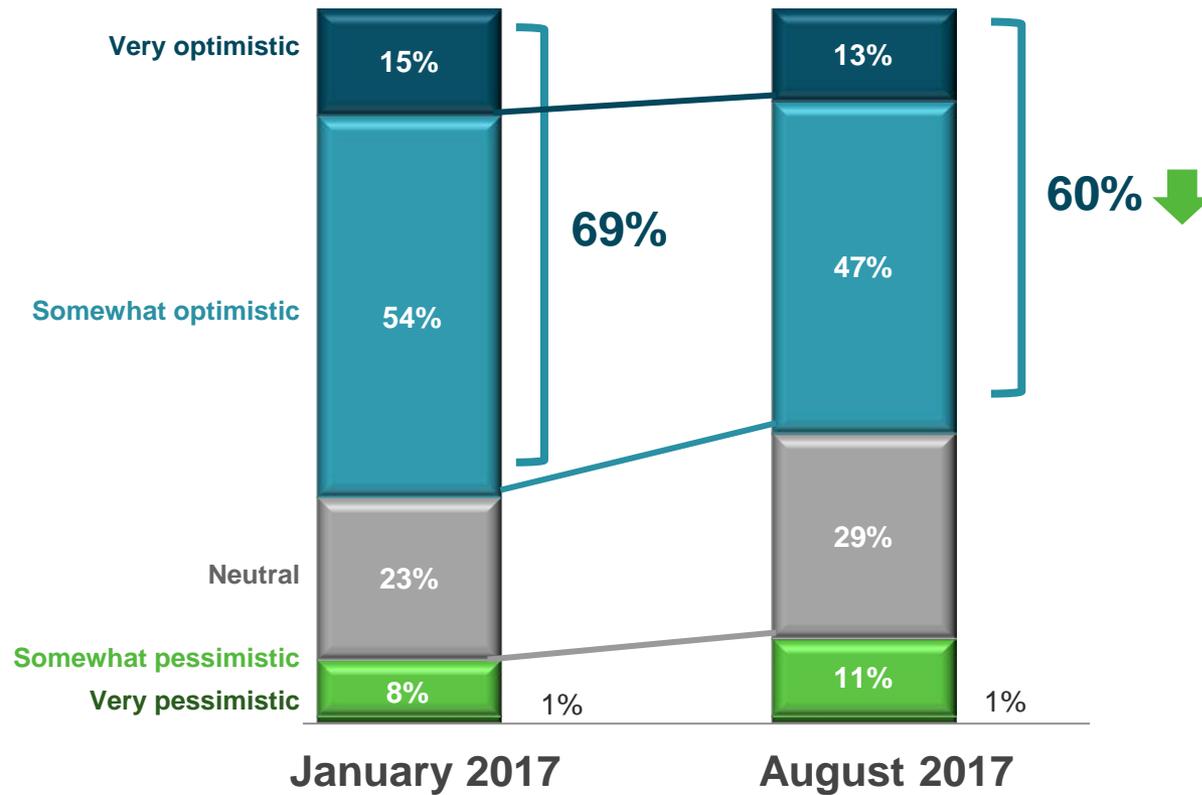
RIAs are in the early stages of using interns.

- Roughly a third hire interns -- of these, just 28% have a formal internship program.
- RIAs give interns meaningful work, typically: projects that others lack time to tackle, investment research and marketing / business development.
- Three-fourths of RIAs seeking interns find them via a local college or word of mouth referrals.

RIAs on the Economy and Policy

RIA optimism on US economy has slipped

Outlook on US Economy



Base: Total Respondents (n=300)

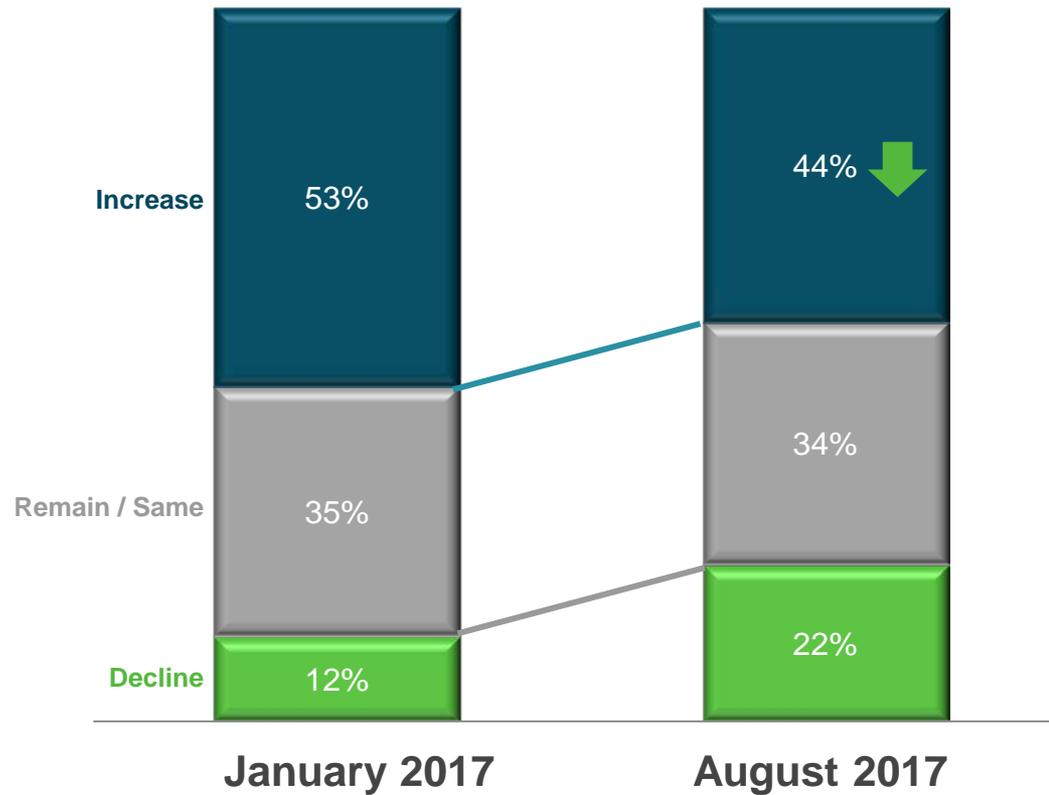
Q4. What is your outlook for the U.S. economy through the second half of 2017?

Base: Total Respondents (n=306) , TD Ameritrade institutional RIA Sentiment Survey, January 10, 2017

Q4. Again, looking ahead to the next six months, what is your outlook for the U.S. economy through the first half of 2017?

Fewer advisors are bullish on equities

Stock Market Outlook



Base: Total Respondents (n=300)

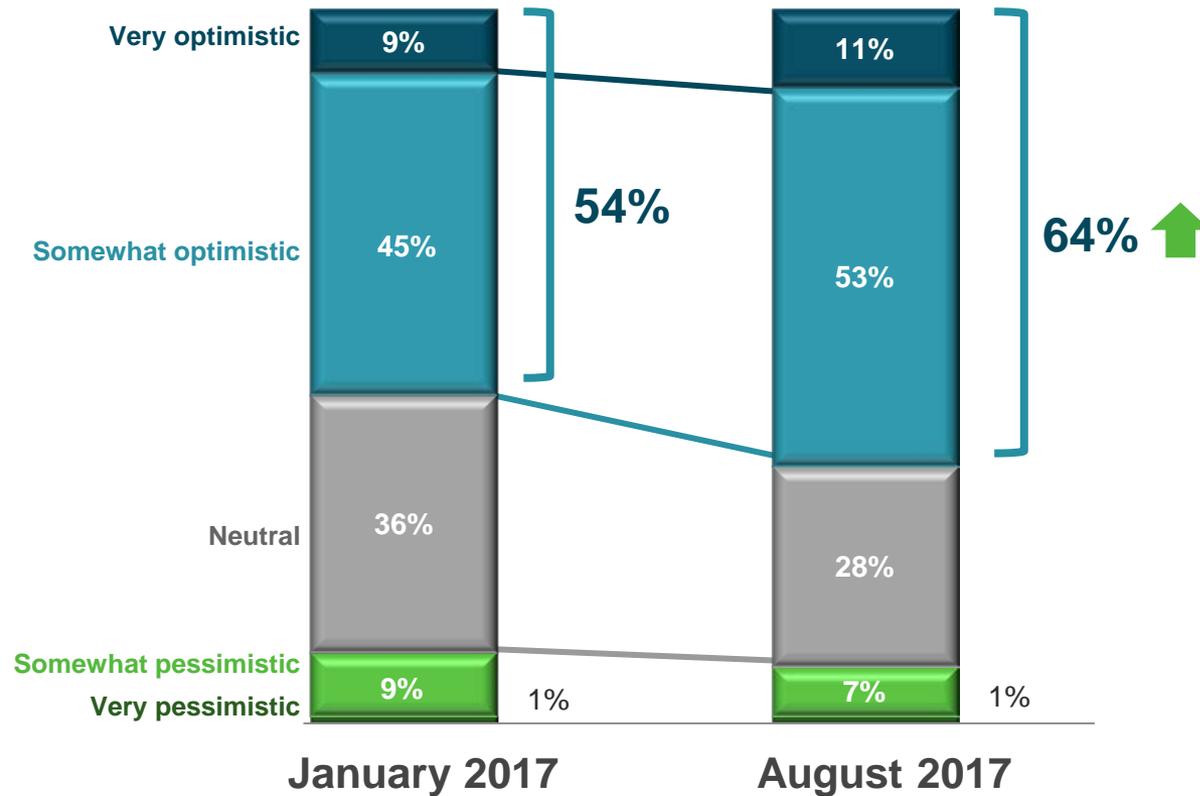
Q5. What is your outlook on the U.S. stock market through the second half of 2017? Do you think the stock market will... ?

Base: Total Respondents (n=306) , TD Ameritrade institutional RIA Sentiment Survey, January 10, 2017

Q5. What is your outlook on the U.S. Stock market through the first half of 2017? Do you think the stock market will...?

RIAs are more upbeat on the global economy

Outlook on Global Economy



Base: Total Respondents (n=300)

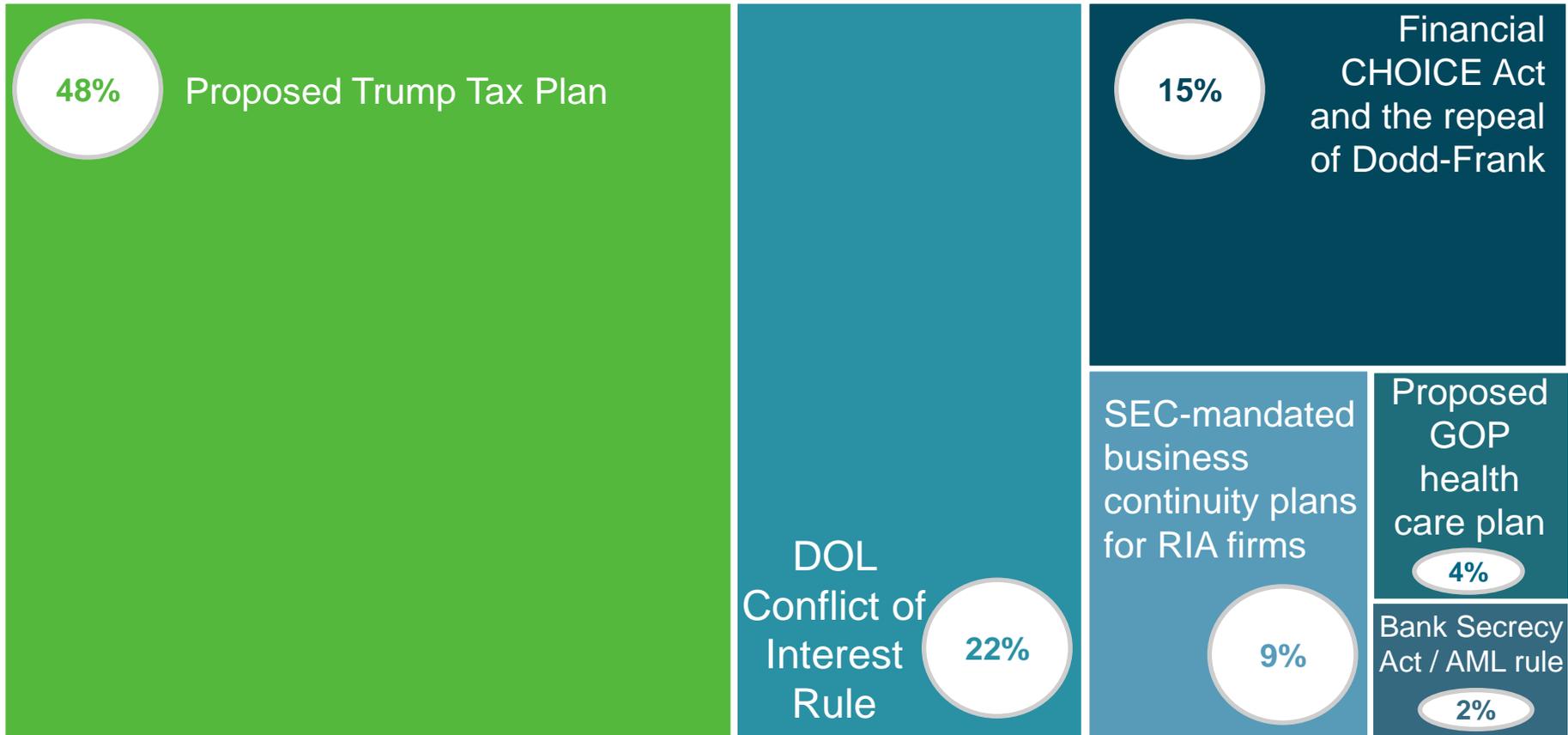
Q3. Looking ahead to the next six months, what is your outlook for the global economy through the second half of 2017?

Base: Total Respondents (n=306), TD Ameritrade institutional RIA Sentiment Survey, January 10, 2017

Q3. Looking ahead to the next six months, what is your outlook for the global economy through the first half of 2017?

RIAs say a tax plan may pack the biggest punch

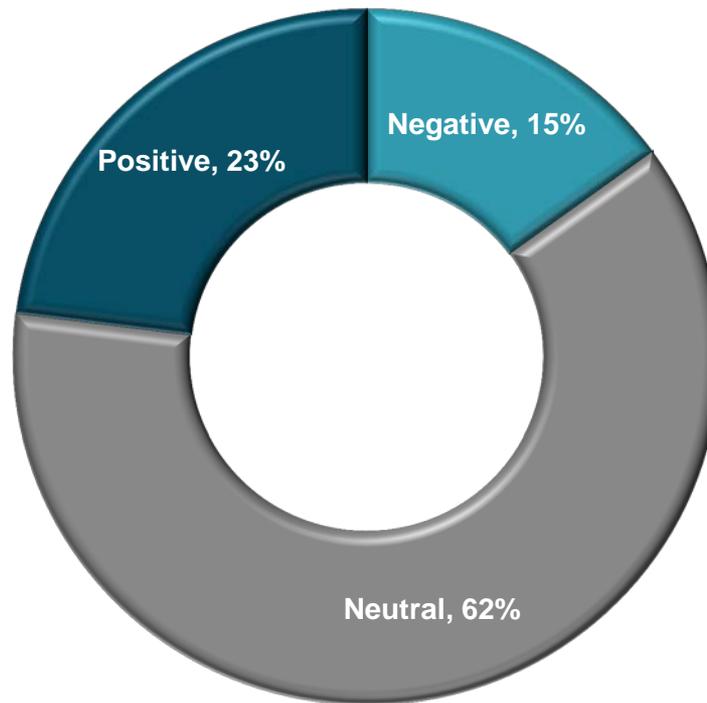
What Will Have the Greatest Impact on Your Firm?



Base: Total Respondents- Answering (n=261)
Q57. Which of the following, in its current state, will have the greatest impact on your firm?

Most are unconcerned about the DOL Conflict of Interest Rule

Impact of the DOL Conflict of Interest Rule

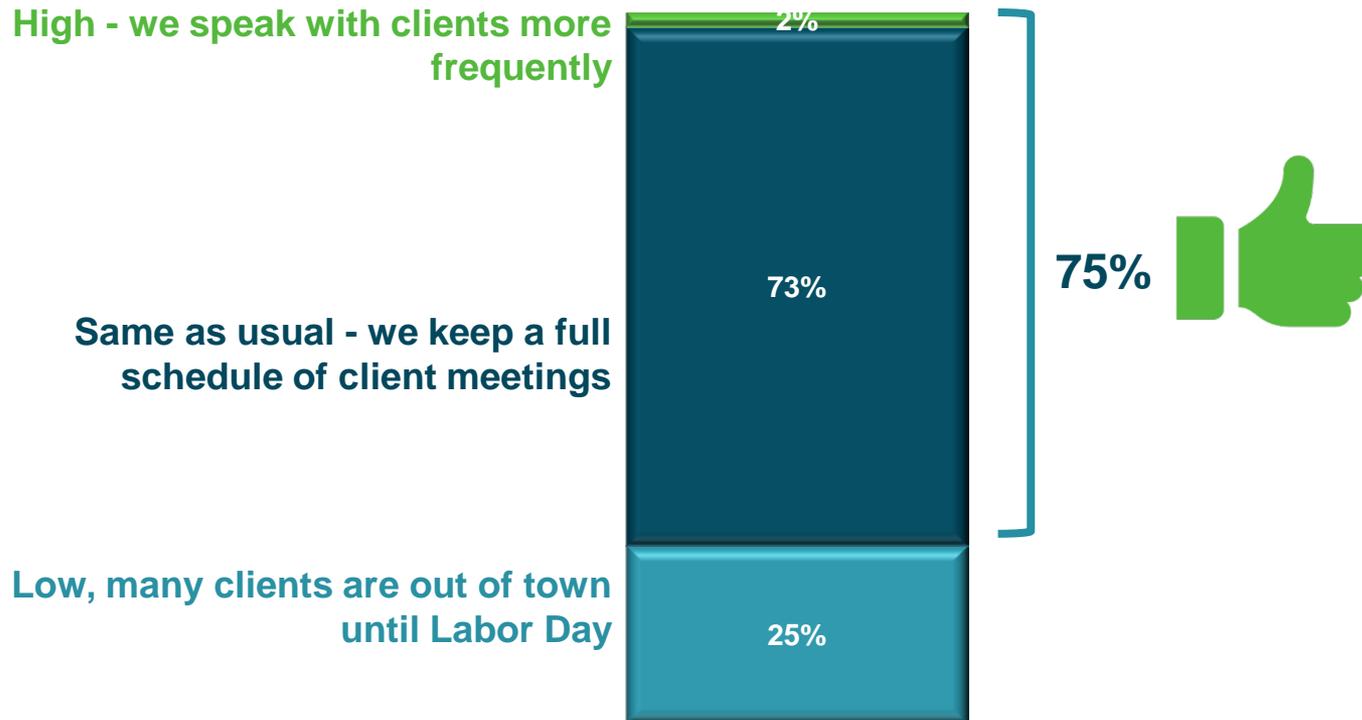


Base: Total Respondents (n=300)
Q56. What kind of impact do you think the DOL Conflict of Interest Rule will have on your business?

Spotlight on Summertime

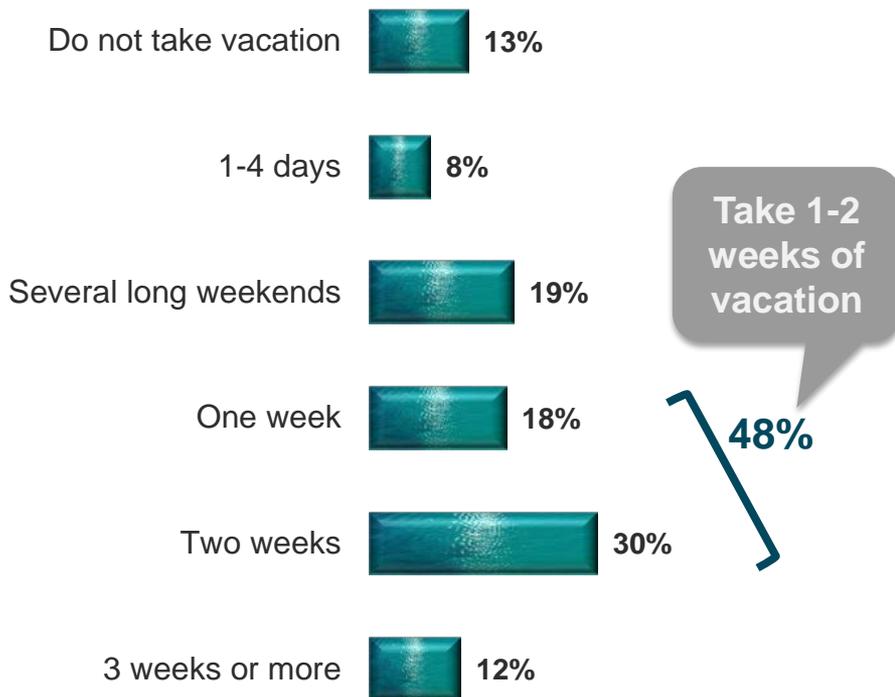
Advisors keep up with clients in the summer

Frequency of Client Contact in Summer Months



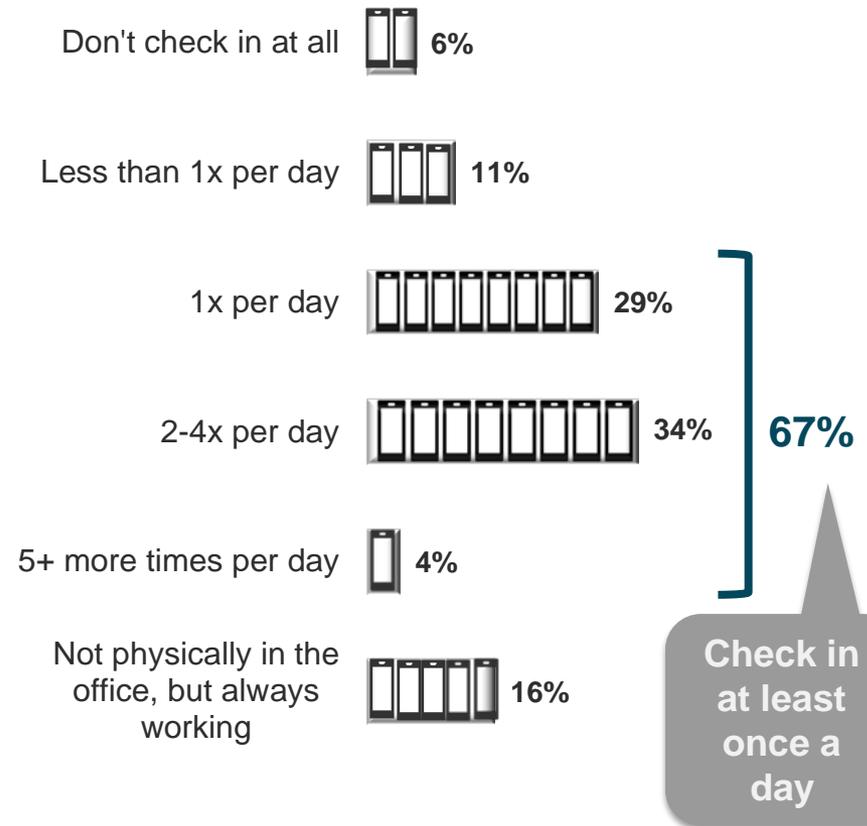
RIAs relax and recharge, but rarely disconnect

Vacation Time in the Summer



Frequency of Checking In While Away

Owners, Presidents, and Partners



Base: Total Respondents (n=300)

Q61. How much vacation-time or time off do you allow yourself during the summer to recharge?

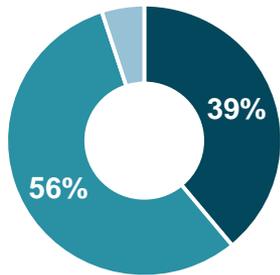
Base: Owner, president, CEO, partner only & takes vacation during the summer (n=230)

Q62. While on vacation or when away from the office for downtime, on average, how many times a day do you check in with the office, either via email or phone?

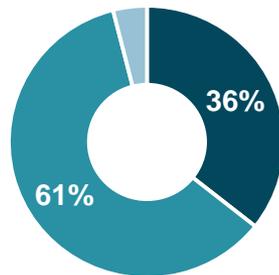
Summers are spent on strategic planning and technology

What RIAs Do in the Summer Compared to Other Times of the Year

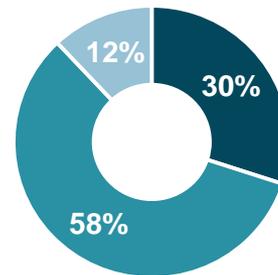
Long-term strategic planning for the firm



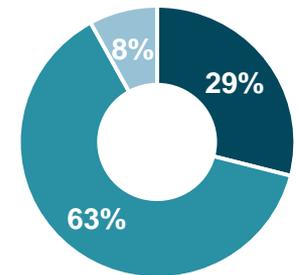
Technology / cybersecurity updates



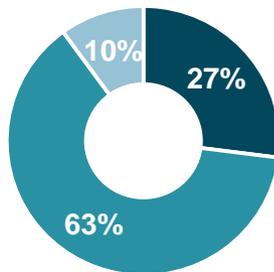
Recruiting & training young talent



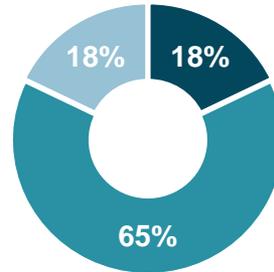
Training & development



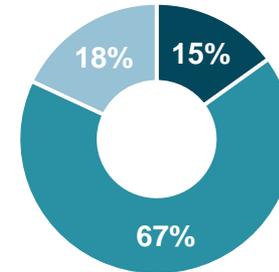
Marketing or new business



Client appreciation & entertainment



Recruiting experienced advisors or staff



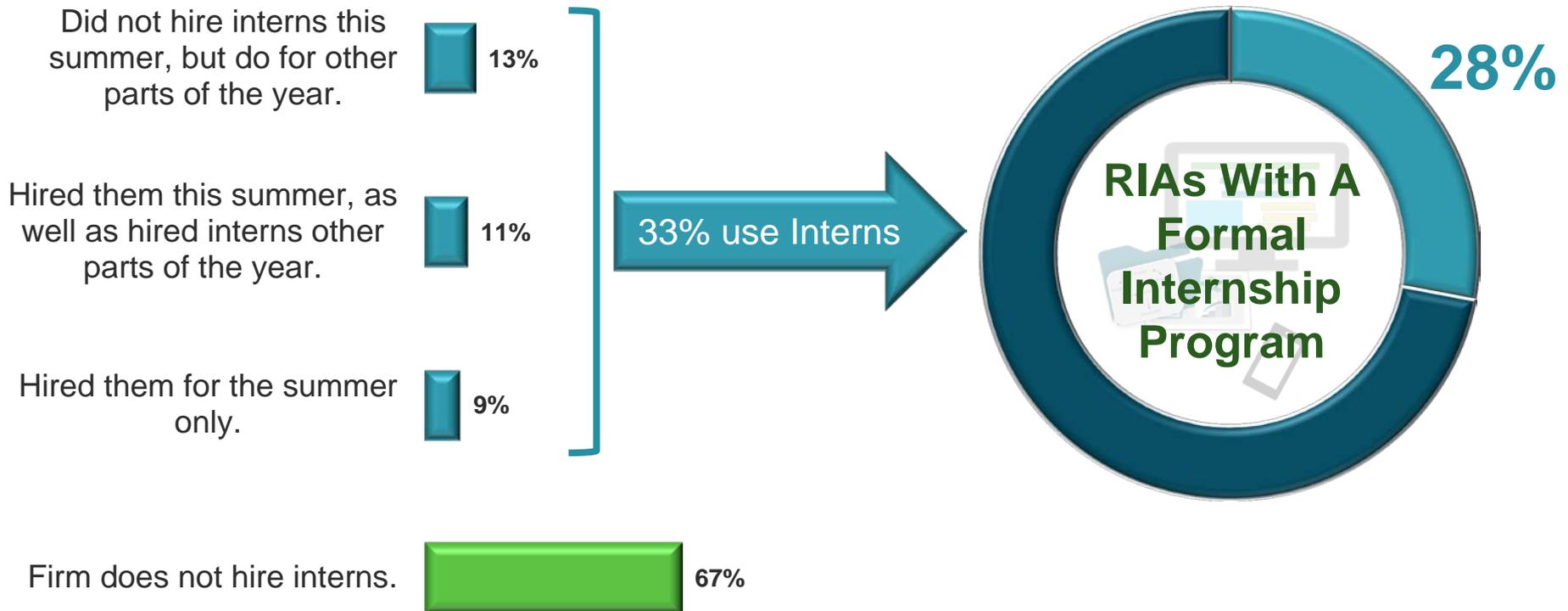
More
 Same
 Less

Base: Total Respondents (n=300)
Q59. For each of the following aspects of business, please say whether you spend more time, the same amount of time, less time or does not apply during the summer compared to other times of the year.

RIAs & Interns

RIAs are in the early stages of using interns

Usage of Interns



Base: Respondents whose firms hire interns (n=96)
Q64. Do you have a formal, structured internship program?

Interns handle projects and research for RIAs

Typical Intern Duties at RIA Firms

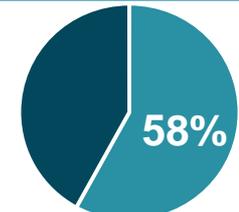
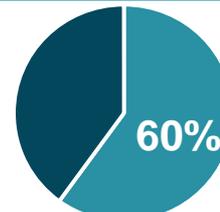
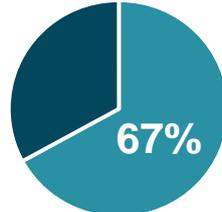
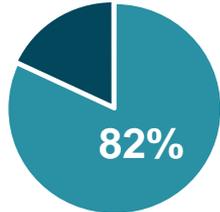


Projects you don't have time to tackle

Investment research

Assist with marketing or business development

Back office record-keeping and administration

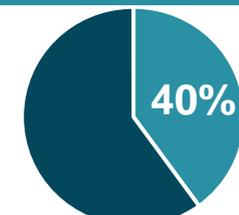
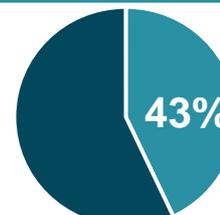
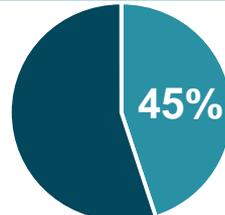
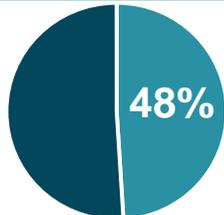


Prepare client briefs and other meeting materials

Assist with the firm's web presence or social media

Attend client or prospect meetings

Answer phones / inbound email



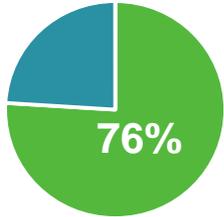
Base: Respondents whose firms hire interns (n=96)
Q65. Which of the following are part of the typical job description for your interns?

Advisors find interns via colleges and conversation

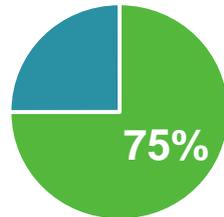
Resources Used To Recruit Interns



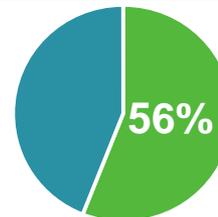
Local Colleges



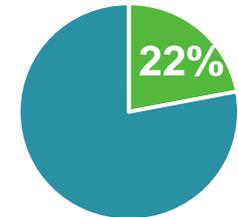
Word of Mouth



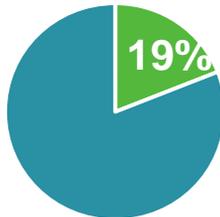
Clients, Family or Friends



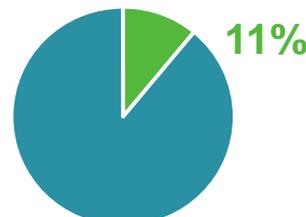
Company Website



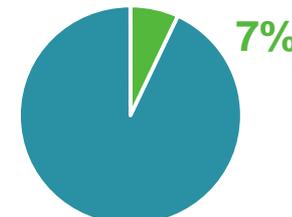
Industry Networking or Websites



Industry Job Boards



General Online Boards



Base: Respondents whose firms hire interns (n=96)
Q66. Did you use any of the following resources to recruit your interns?

Methodology

Results are based on a telephone survey, conducted by MaritzCX on behalf of TD Ameritrade Institutional, a division of TD Ameritrade, Inc., between June 13 and June 26, 2017. Three-hundred independent registered investment advisors (RIAs) managing an average of \$166 million in assets participated in this study. Participants, both clients of TD Ameritrade Institutional and non-clients, were asked to share their views on economy, the outlook for their firms and the RIA market overall.

Where indicated, certain results are from an earlier telephone survey of 306 RIAs, conducted by MaritzCX on behalf of TD Ameritrade Institutional, a division of TD Ameritrade, Inc., between Nov. 14 and Dec. 5, 2016.

The margin of error is $\pm 5.6\%$. This means that in just over one case out of 20, survey results based on 300 respondents will differ by not more than 5.6 percentage points in either direction from what would have been obtained by seeking the opinions of all eligible RIAs.

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