

J.D. Power Wealth and Lending Intelligence

Wealth Management COVID-19 Investor Pulse Study



COVID-19 and Markets

- COVID-19 caused a rapid and steep decline in equity markets in March. While markets have recovered much of those losses, volatility and economic uncertainty remain very high.
- This survey was fielded between May 27 and June 5, and provides insights based on responses from 521 U.S. investors on experiences and perceptions during the period since the emergence of COVID-19 on a range of topics:
 - Advisor contact frequency and channel usage
 - Portfolio management decisions
 - Digital engagement
 - Confidence and loyalty

Market Volatility Creates Investor Uncertainty

S&P Weekly Trend (Jan-June 2020)



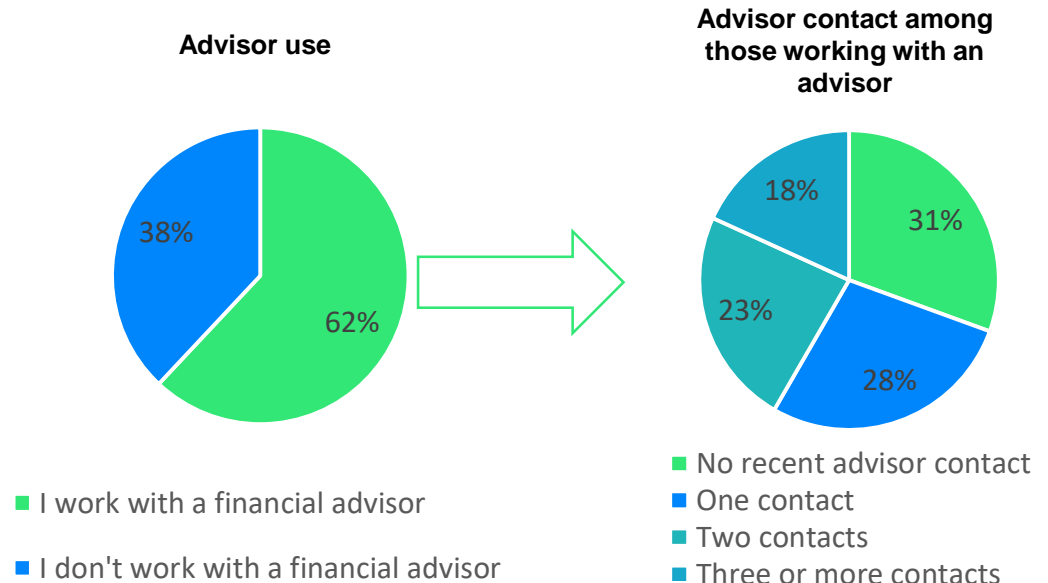
Source
Yahoo
© Statista 2020

Additional Information:
United States; Yahoo; January 1 to June 10, 2020; end of week closing values

Advisor Contact

- Nearly two-thirds (62%) of respondents indicated they work with a financial advisor.
- Among those working with an advisor 31% have not been in contact with their advisor since COVID-19 emerged.

Nearly One-Third of Advised Clients Have Not Heard From Their Advisor Since COVID-19

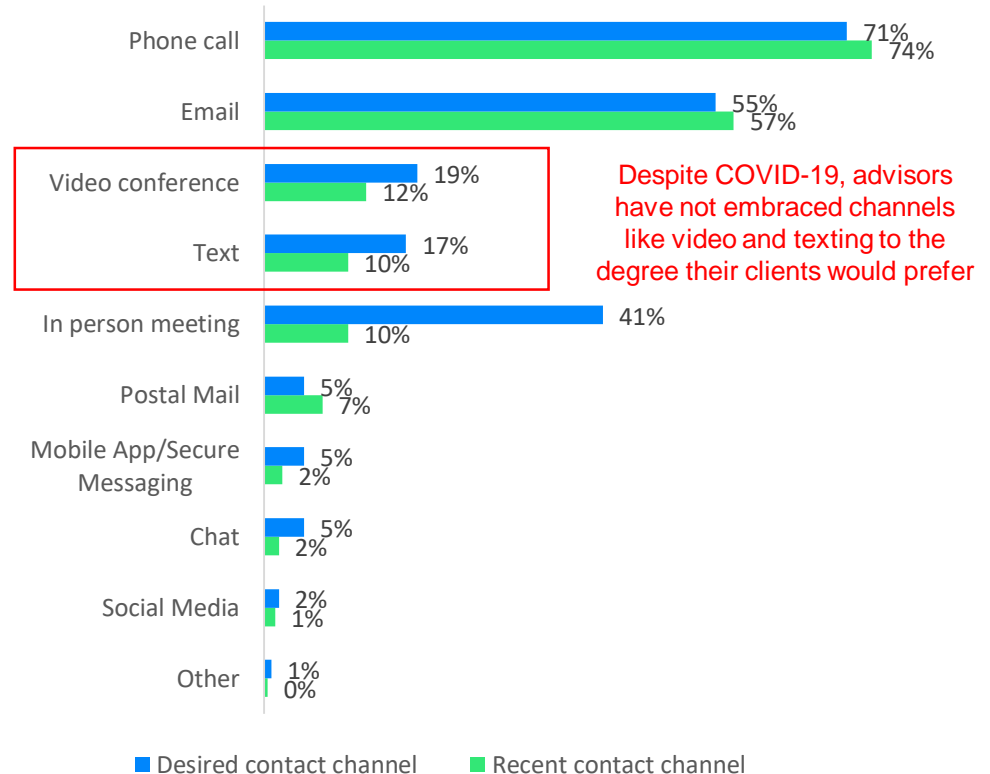


Advisor Channel Usage

- With social distancing drastically reducing in person meetings, phone and email have remained by far the most used channels for advisor/client communication.
- While traditional channels remain most desired, advisors are still significantly trailing what clients want in terms of the use of emerging digital channels, especially video and texting.

Despite COVID-19, Advisors Slow to Adopt Digital Channels Many Investors Want

Advisor contact channels used since COVID-19 and desired by investors

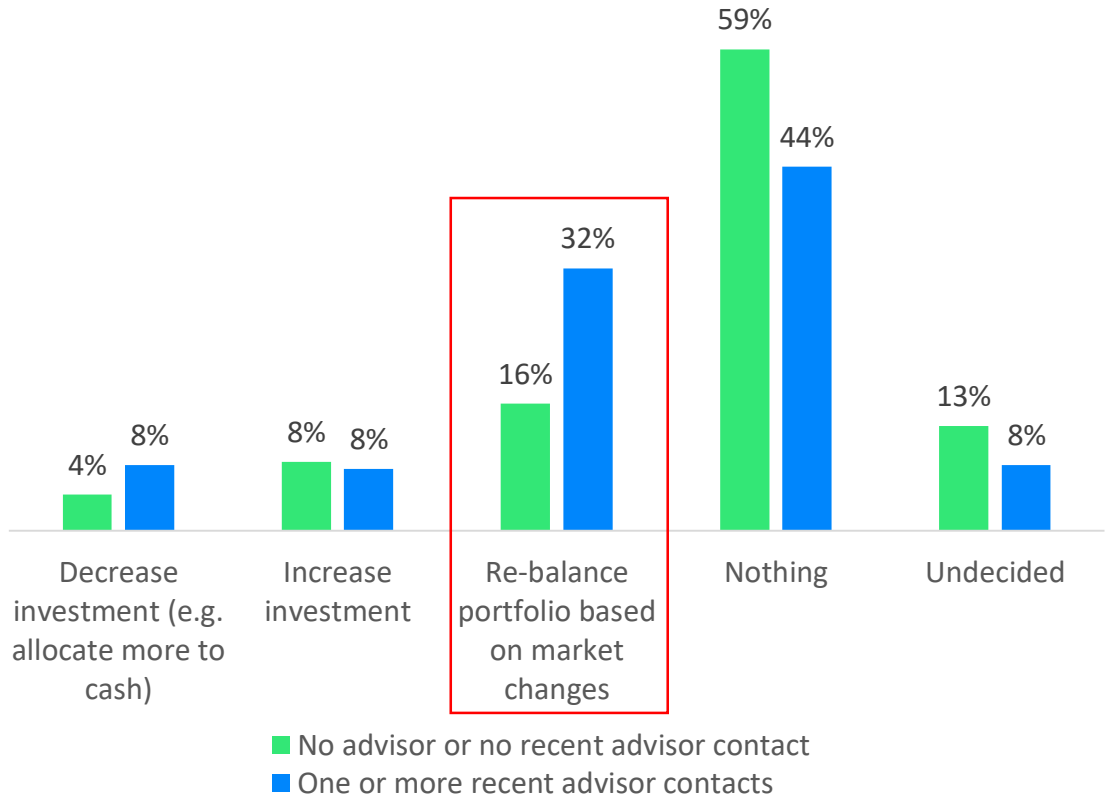


Advisor Contact and Portfolio Management

- While advisors are often viewed as counseling investors to “stay the course” and avoid taking rash actions during difficult markets, investors having advisor contact since COVID-19 were much less likely to say they would do nothing with their portfolio as a result.
- Investors with recent advisor contact were twice as likely (32% vs. 16%) to say they had or planned to re-balance in response to COVID-19.

Advisor Interaction Drives Re-Balancing

Advisor contact and actions planned or taken due to COVID-19

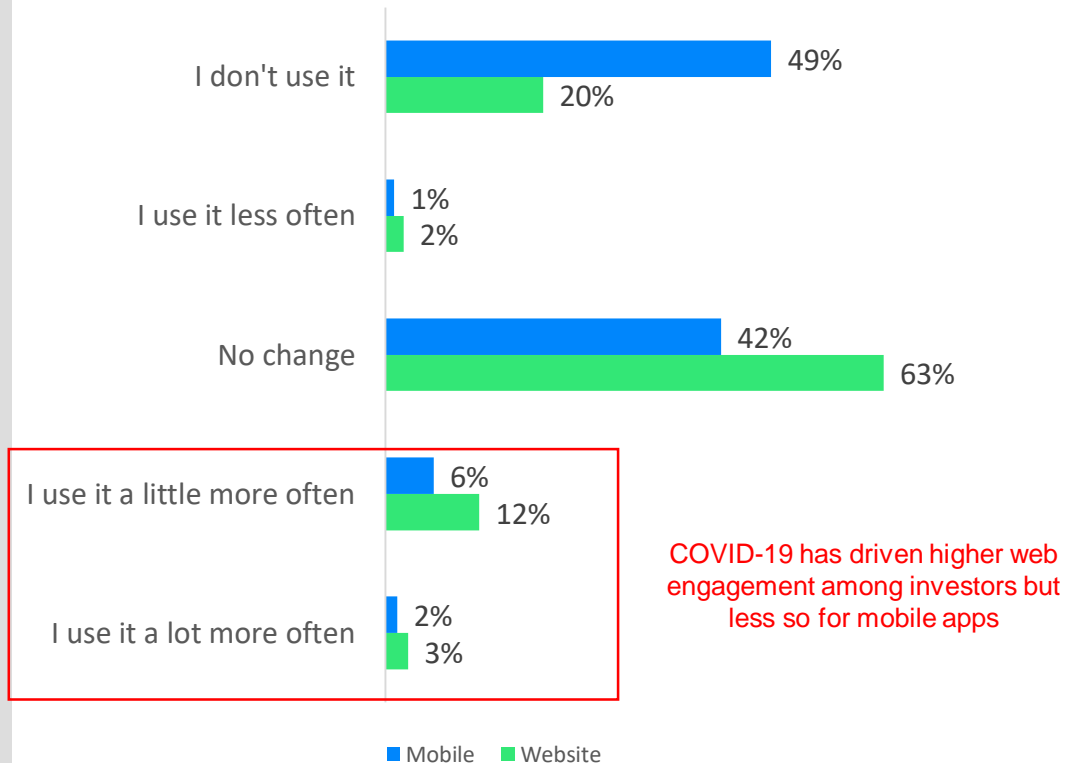


Digital Engagement

- 15% of investors say they have used their firm or advisor's website more often since COVID-19, vs. just 8% saying they use the firm's mobile app more.
- Nearly half of investors (49%) still don't use their firms mobile app at all, highlighting the critical importance of improving the mobile experience and driving greater engagement with this channel.

Investor Digital Engagement Increases Modestly

COVID-19 impact on firm/advisor website and mobile app usage

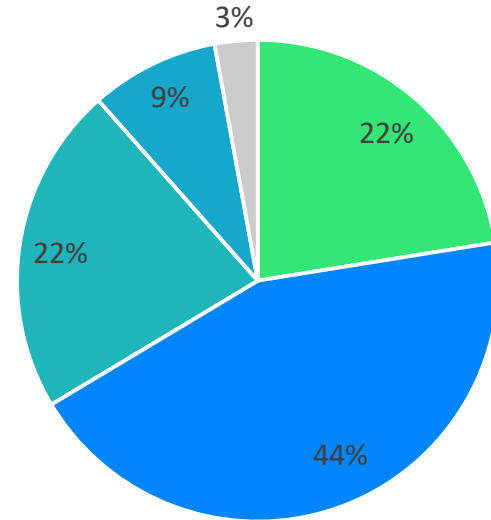


Investor Confidence

- Two-thirds (66%) of investors either Agree or Strongly Agree they are on track to achieve long-term goals.
- Just 12% Disagree or Strongly Disagree.

Most Investors Remain Confident They Are On Track

Investor confidence in being on track to achieve long-term goals



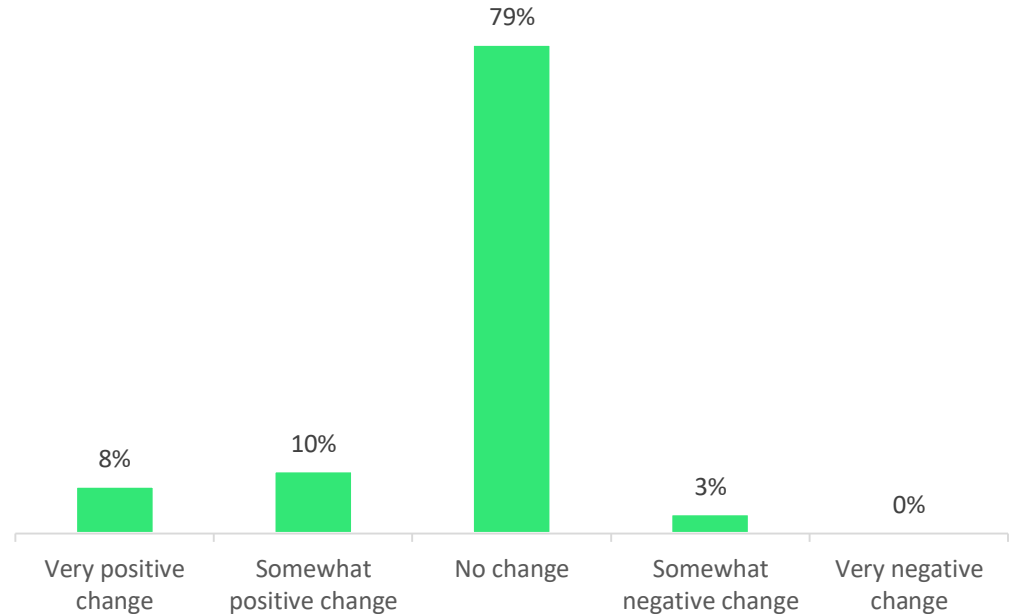
- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Perceptions of COVID-19 Responses

- Nearly four in five (79%) investors had no change in the perceptions of their firm or advisor based on their response to COVID-19.
- Most of the remainder (18%) had a positive change, with just 3% having a negative change.

Few Investors Highly Impressed by Firm COVID-19 Response

Impact of firm/advisor's response to COVID-19 on investor perceptions

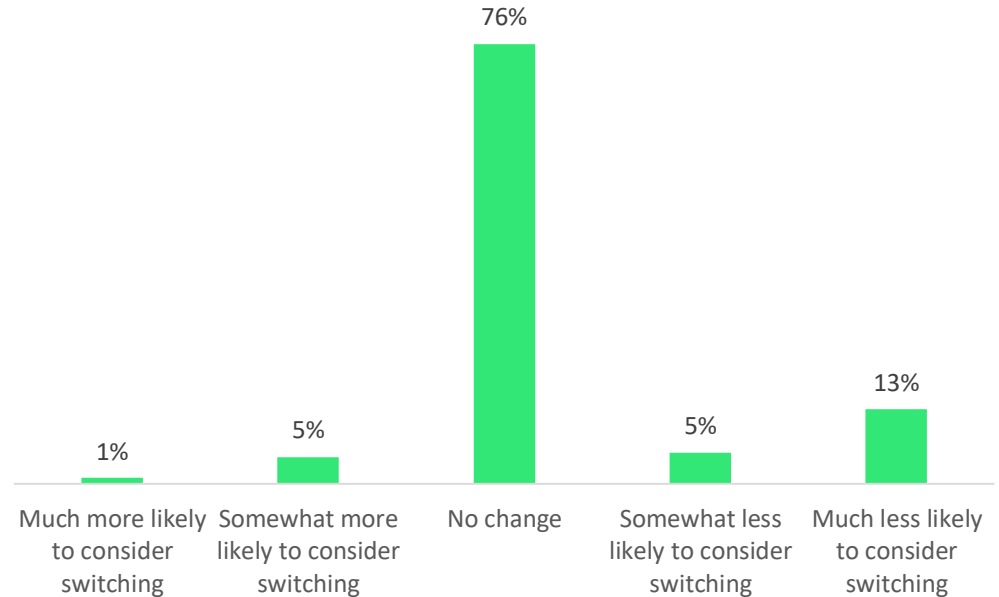


Impact on Loyalty

- More than three-quarters of investors (76%) indicate COVID-19 has had no impact on their intention to switch firms.
- Nearly one in five (18%) are either “somewhat” or “much” less likely to switch now.

Investors Somewhat Less Likely To Leave Firm Now

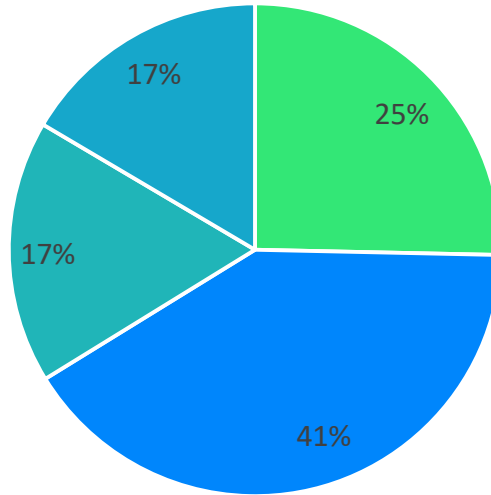
Impact of COVID-19 on intention to switch firms



Appendix

Affluence Distribution of Survey Respondents

Investable Assets of Respondents



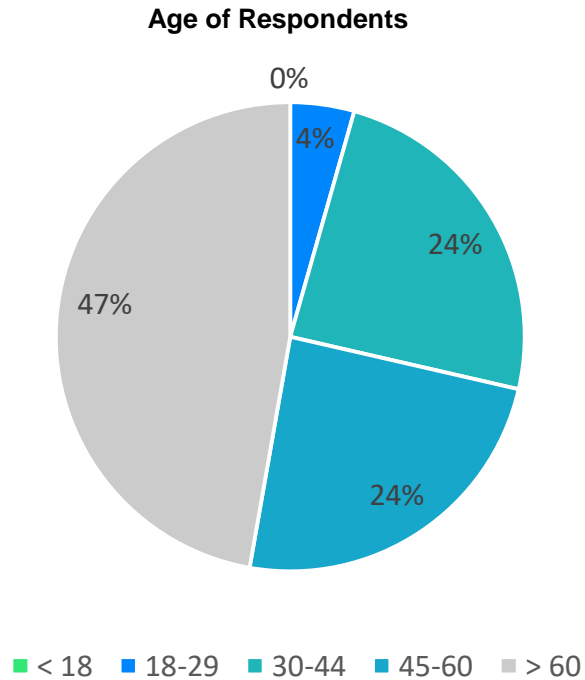
■ Less than \$100,000

■ \$100,000-\$499,999

■ \$500,000-\$999,999

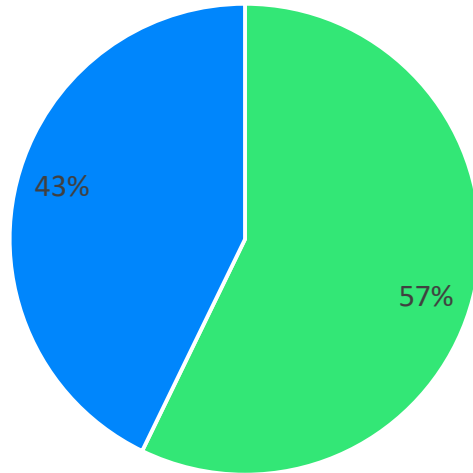
■ \$1,000,000+

Age Distribution of Survey Respondents



Gender Distribution of Survey Respondents

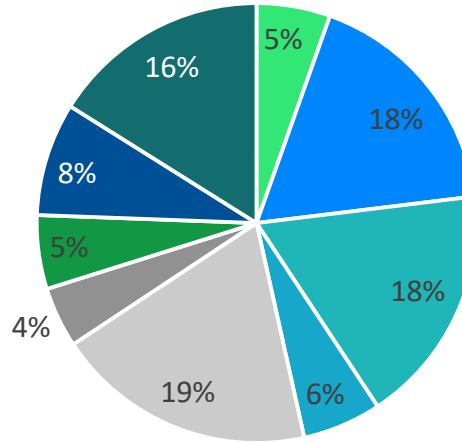
Gender of Respondents



■ Male ■ Female

Regional Distribution of Survey Respondents

Region of Respondents



■ New England

■ West North Central

■ West South Central

■ Middle Atlantic

■ South Atlantic

■ Mountain

■ East North Central

■ East South Central

■ Pacific

Survey Questions

- Q1: Which of the following ranges best describes your total household's investable assets (please exclude 401k, real estate, and employer stock plans)
- Q2: Which of the following best describes what you have done or are planning to do with respect to your investment portfolio as a result of COVID-19 and/or recent market volatility?
- Q3: How frequently have you communicated with your financial advisor since COVID-19 emerged?
- Q4: If you have a financial advisor, which of the following ways have you communicated with your advisor since COVID-19 emerged?
- Q5: How do you feel about the following statement: I am confident that I am on track to achieve my long-term financial goals
- Q6: How has your use of your primary investment firm or advisor's website changed due to recent events?
- Q7: How has your use of your primary investment firm's mobile app changed due to recent events?
- Q8: How has your primary investment firm's or advisor's response to the COVID-19 situation impacted your impression of them?
- Q9: How likely are you to consider switching primary investment firms now vs. prior to COVID-19?
- Q10: How would you like to communicate with your primary investment firm and/or advisor going forward ?
- Q11: Age
- Q12: Gender
- Q13: Household Income
- Q14: Region
- Q15: Device Type

Michael Foy
Senior Director
Wealth Management Intelligence
Michael.Foy@jdpa.com
646.703.3868

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