

**J.D. Power Reports:
Overall Satisfaction with Self-Directed Investment Firms Decreases, as Communication with Investors Remains a Challenge**

Scottrade Ranks Highest in Self-Directed Investor Satisfaction

WESTLAKE VILLAGE, Calif.: 17 June 2013 — Overall investor satisfaction with self-directed investment firms decreases from 2012, as investment firms struggle to find the right method and frequency of communicating with investors, according to the J.D. Power & Associates 2013 U.S. Self-Directed Investor Satisfaction StudySM released today.

The study, now in its 12th year, measures investors' satisfaction with their investment firm based on performance in six factors (in order of importance): interaction; account information; trading charges and fees; account offerings; information resources; and problem resolution. Overall satisfaction in 2013 averages 752 (on a 1,000-point scale), down from 768 in 2012.

Challenges with effective communication are contributing to the decline in satisfaction. Although investment firms are offering more online tools and information for self-directed investors in 2013, the additional content and capabilities may actually make it more difficult to access the functions investors are seeking if a website is not easy to navigate and communication is not clear. For example, overall satisfaction declines by 72 points when website functions are difficult to locate. When investment firms do not communicate frequently enough and do not communicate via investors' preferred methods, satisfaction declines by 62 points.

Further, the study finds that, industry-wide, performance in meeting several key communication-related metrics has declined from 2012, including:

- The percentage of investors who say they "completely" understand their fee structure has dropped to 35 percent in 2013 from 39 percent in 2012.
- The proportion of investment firms that have contacted investors two or more times in the past 12 months—the minimum standard—regarding products, services or educational seminars has declined to 34 percent from 39 percent, which impacts multiple aspects of a firm's relationship with its investors.
- The incidence of investor awareness/use of at least one financial planning tool has declined to 28 percent from 31 percent.

KEY FINDINGS

- Self-directed investor satisfaction declines to 752 in 2013 from 768 in 2012.
- Scottrade ranks highest in investor satisfaction with a score of 810.
- Combining the desired frequency of contact with the preferred method of contact—e.g., email, phone or mail—has a positive impact on investor satisfaction.

“Investment firms miss an important opportunity to keep self-directed investors informed about fees, investor tools and other product offerings by not communicating in the manner and frequency that investors prefer,” said Craig Martin, director of the wealth management practice at J.D. Power. “Firms need to know how their investors would like to be notified—whether it occurs via email, phone or other means. It’s important to contact investors proactively and at the appropriate frequency based on investor preference.”

The study also finds that the type of information firms are communicating is another important driver of satisfaction. For example, although 55 percent of investors indicate their firm offers investment education seminars to inform them about investment tools, news, guidance and research/analysis, only 7 percent of investors indicate attending one of these seminars.

“While, in theory, offering more tools and services may seem to be better, those offerings will have limited value if the features and benefits aren’t applicable to the majority of investors,” said Martin. “Investment firms need to understand the trading behaviors of their investors and provide them with information, tools and other capabilities that will address their highest priority needs. Taking a one-size-fits-all approach is likely to result in fewer investors being satisfied.”

For self-directed investors, J.D. Power offers the following tips:

- Leverage the tools and resources, such as educational seminars, available from your investment firm to help you research, analyze and invest more prudently.
- Make sure your investment firm knows your preferred method of contact—e.g., email, phone, or mail—so you will receive all communications in a timely manner.
- Consider increasing the interaction with your investment firm’s local branch, which is an excellent resource for investment guidance.

2013 Self-Directed Investor Satisfaction Rankings

Scottrade ranks highest in self-directed investor satisfaction with a score of 810 and performs highest in the following study factors: interaction; account information; and trading charges and fees. Charles Schwab & Co., Inc. ranks second with a score of 797, followed closely by Vanguard at 795.

The 2013 U.S. Self-Directed Investor Satisfaction Study is based on responses from 3,619 investors who make all of their investment decisions without the counsel of an investment advisor. The study was fielded in January and February 2013.

About J.D. Power

J.D. Power is a global marketing information services company providing performance improvement, social media and customer satisfaction insights and solutions. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. Headquartered in Westlake Village, Calif., J.D. Power has offices in North America, Europe and Asia Pacific. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power is a business unit of McGraw Hill Financial.

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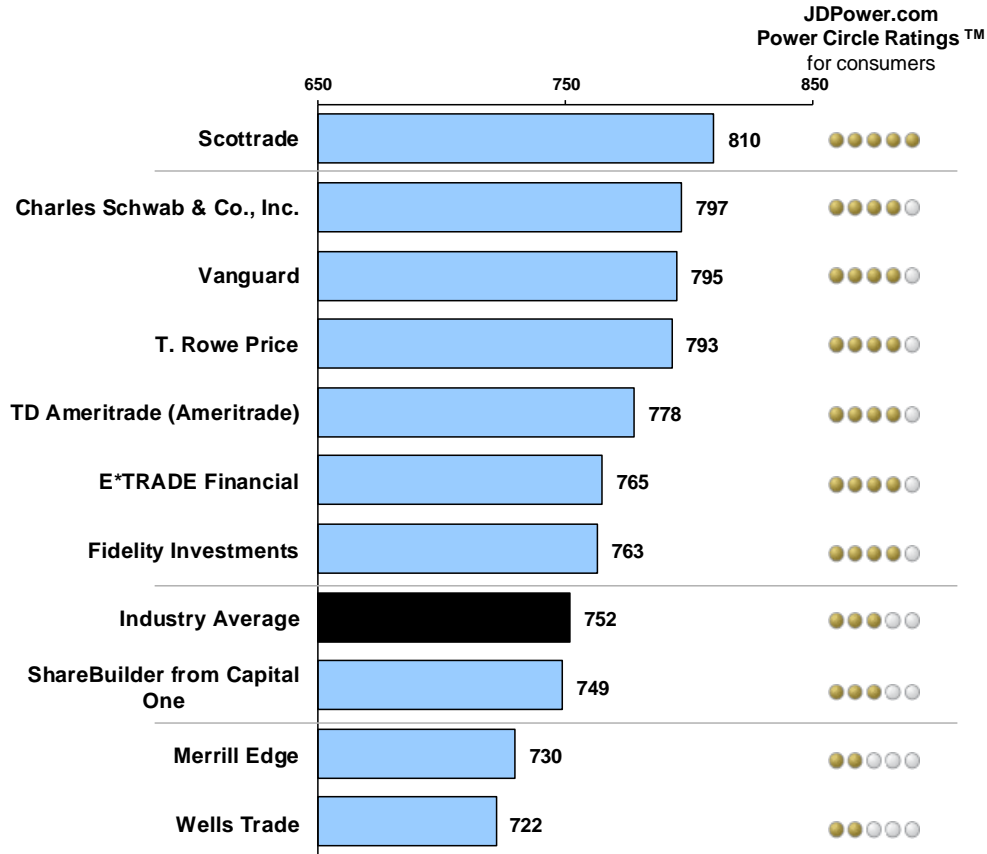
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Note: One chart follows.

J.D. Power & Associates 2013 U.S. Self-Directed Investor Satisfaction StudySM

Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power & Associates 2013 U.S. Self-Directed Investor Satisfaction StudySM

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