

OIC The Options
Industry Council

2015 STUDY OF INVESTORS

September 2015

harris poll

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BACKGROUND AND OBJECTIVES



Background and Research Objectives



- **The Options Industry Council (OIC)** was created in 1992 as an industry cooperative to provide education about the benefits and risks of exchange-listed equity options. Options are a versatile yet complex product, and that is why OIC hosts options seminars, videos and podcasts, distributes educational literature, maintains a website, and offers live help from options professionals-all focused on options education.
- The research presented in this report was sponsored by OIC and conducted by Harris Poll to explore similarities and differences between Options Users and Non-Options Users, as well as provide the Options industry with a current profile of Options Users. The research will be used for both internal strategic planning as well as for public release.



METHODOLOGY



Methodology

- Harris Poll (formerly known as Harris Interactive) conducted the OIC **2015 Study of Investors** online from February 2 through July 22, 2015 among 964 investors.
- The average interview length was 16 minutes.
- The investors were customers from five participating brokerage firms that attract self-directed investors.
- Interviews were conducted among 622 Options Users and 342 Non-Options Users, using the following definitions:
 - **Options Users** are defined as customers at brokerage firms who have a minimum of \$25,000 in liquid assets in their non-IRA accounts *and* have traded Options within the past 12 months.
 - **Non-Options Users** are defined as customers at brokerage firms who have a minimum of \$25,000 in liquid assets in their non-IRA accounts *and* have NOT traded Options within the past 12 months *but* made at least one securities trade (for example, stocks or bonds) in the past 12 months.
- Data for the **Options Users** were weighted so that each of the five participating firms is equally represented in the aggregate data. Data for the **Non-Options Users** were weighted so that three of the five participating firms is equally represented in the data; however, data for two of the firms were left un-weighted due to small base sizes.
- Data were tested at the 95% confidence level. Green and red arrows ( / ) indicate statistically higher or lower differences between Options and Non-Options Users at 95% confidence.

EXECUTIVE SUMMARY



Executive Summary

Options Users are passionate, active investors, and they are unlikely to change course going forward. They plan to increase their trading of options.

- Options Users are significantly more likely than Non-Options Users to consider themselves extremely knowledgeable investors, to be more passionate about investing, to consider themselves “investors” and not “savers” and to be more willing to take risks in order to achieve rewards.
- In addition to trading Options, Options Users are more active than Non-Options Users when trading stocks (averaging 33 stock trades over the past year vs. 25 trades for Non-Options Users).
- Options Users have built more diversified investment portfolios than Non-Options Users, making more extensive use of ETFs/investment trusts, gold, futures and, of course, options.
- Over the past two years, most Options Users have increased their investment in options, favoring options over other items in their portfolios.
- Over the next year, Options Users are more likely to increase their trading of options than their trading of either stocks or bonds.

Executive Summary

Options Users often prefer to “go it alone” when investing in options. This is not surprising, given the self-directed investors in our sample. However, if they use a brokerage firm, they are very focused on that firm.

- Seven in ten Options Users prefer to trade in options directly, without going to a broker for advice.
- However, three in four Options Users who use a broker feel they are extremely/very knowledgeable when offering financial advice.
- Options Users prefer to use multiple brokers when building their investment portfolios – averaging *four different accounts* for managing their money. However, three in five rely on a *single account* when trading options.
- One in four Options Users has changed brokerage houses over the past two years; one in ten would consider changing brokers over the next year. Moreover, one in five are *not sure* whether or not they would switch, indicating some “fluidity” in the market.
- At opposite ends of the spectrum, Options Users are most knowledgeable about exchange-listed equity options and least familiar with currency options. Options Users are most likely to invest in options to increase the income earned on their current investments or for short-term gains.

Executive Summary

Lack of understanding or knowledge is the major stumbling block why more investors do not trade options.

- Roughly one in three of those who are currently Non-Options Users have traded options in the past.
- Whether they have traded options in the past or not, lack of knowledge or understanding about options is *the major stumbling block* (along with time) preventing Non-Options Users from trading options now. Having said this ...
- Only one in ten Non-Options Users who have traded options in the past would not consider trading them again; one in three who have never traded options would not consider trading them now – offering brokers a substantial window of opportunity in attracting new options investors if the conditions (and understanding of options) are right.

DETAILED FINDINGS



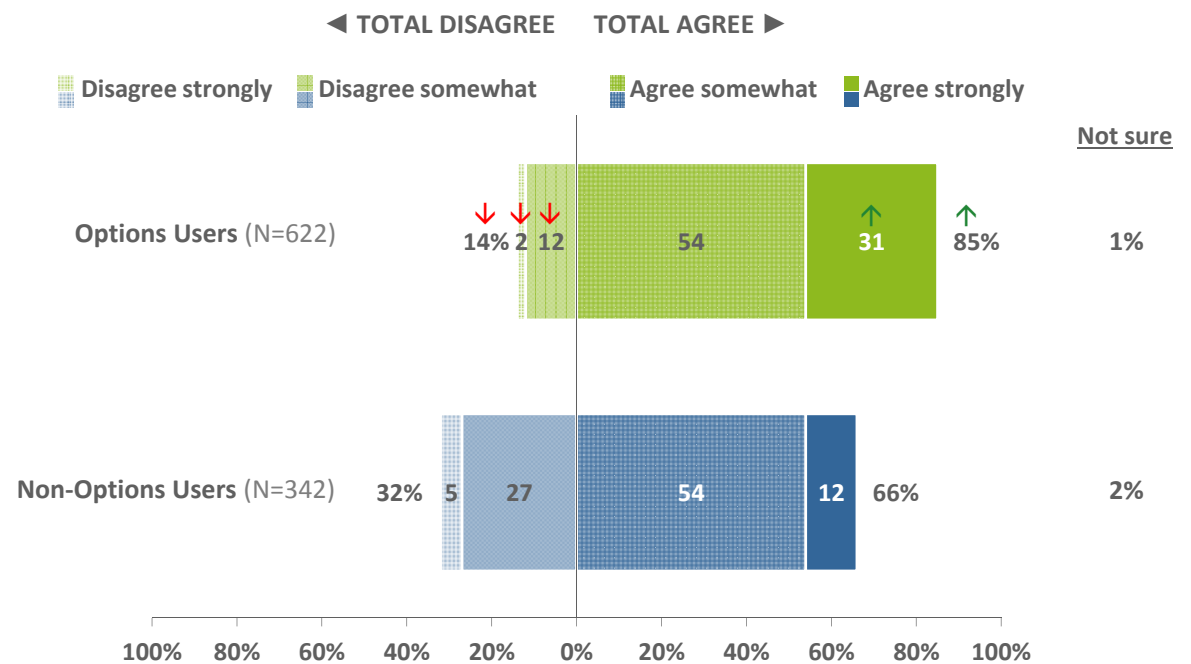
DETAILED FINDINGS

ATTITUDES TOWARDS INVESTING



MOST OPTIONS USERS CONSIDER THEMSELVES TO BE EXTREMELY KNOWLEDGEABLE INVESTORS.

“I consider myself to be an extremely knowledgeable investor.”



↑/↓ Options Users significantly higher/lower than Non-Options Users

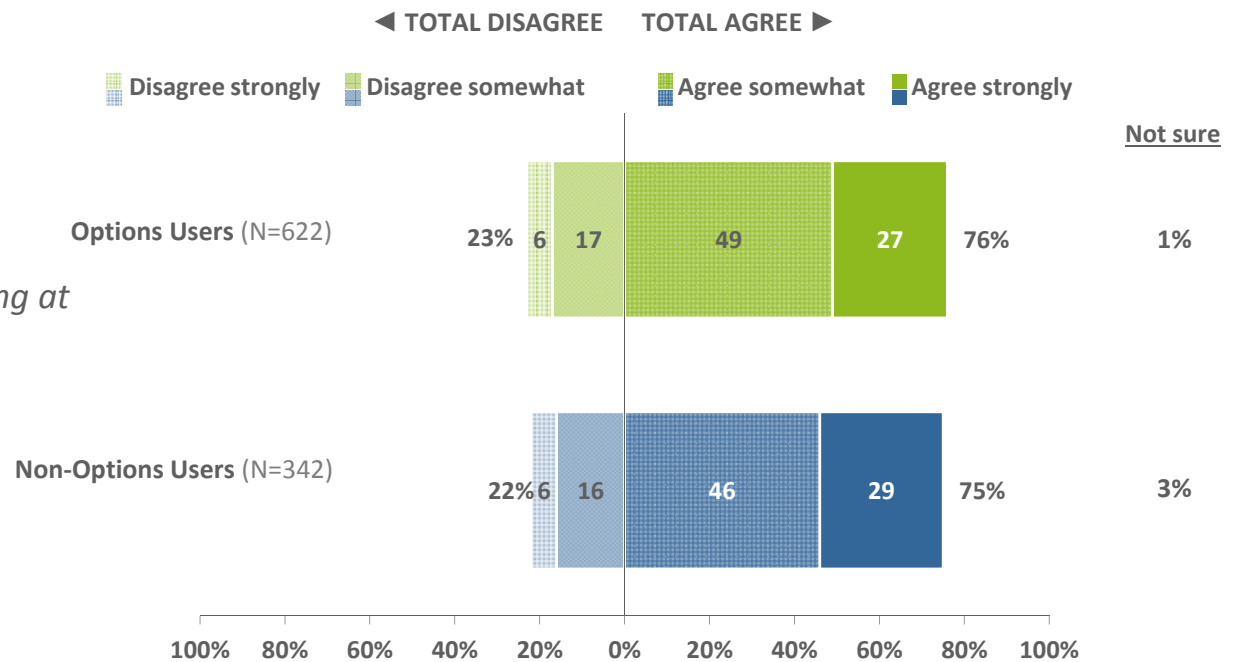
BASE: ALL QUALIFIED RESPONDENTS

Q705. Please indicate how much you agree or disagree with each of the following statements

MOST OPTIONS USERS ARE INTERESTED IN LOOKING AT NEW INVESTMENT VEHICLES.

- The same finding also applies to Non-Options Users.

"I am always interested in looking at new investment vehicles."



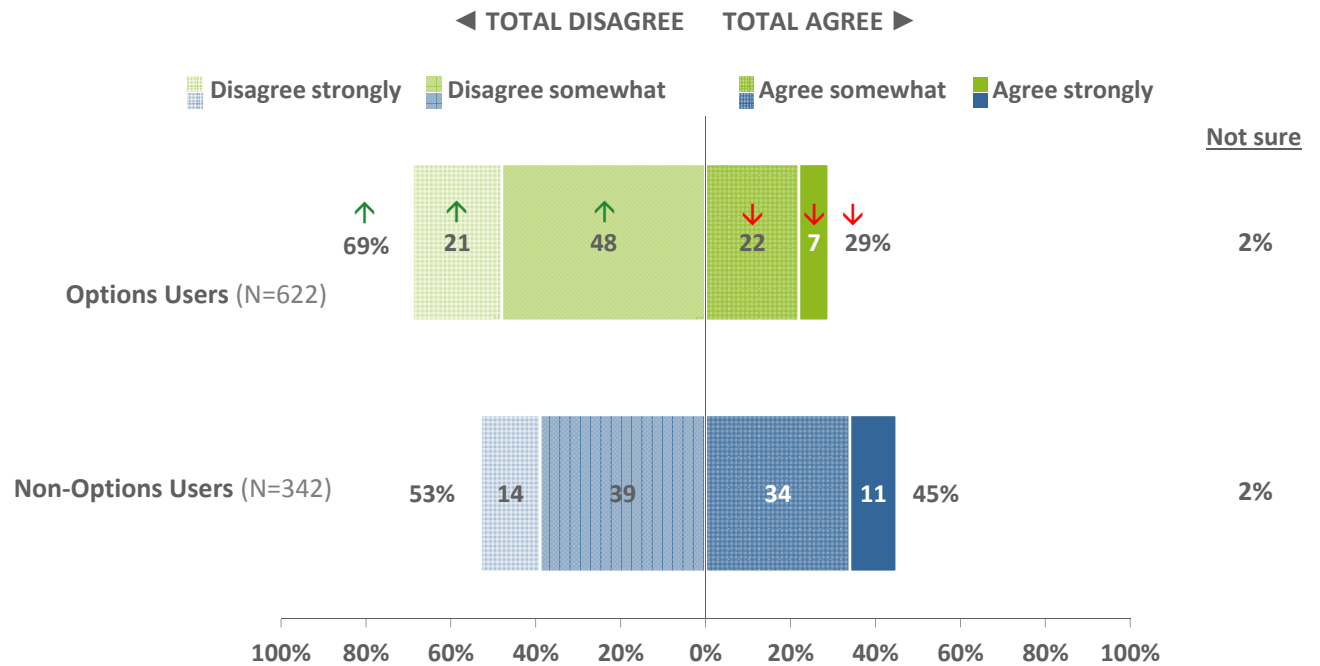
↑/↓ Options Users significantly higher/lower than Non-Options Users

BASE: ALL QUALIFIED RESPONDENTS

Q705. Please indicate how much you agree or disagree with each of the following statements

OPTIONS USERS ARE FAR LESS LIKELY THAN NON-OPTIONS USERS TO FEEL THEY ARE “SAVERS” AND NOT “INVESTORS”.

“I consider myself more of a saver than an investor.”



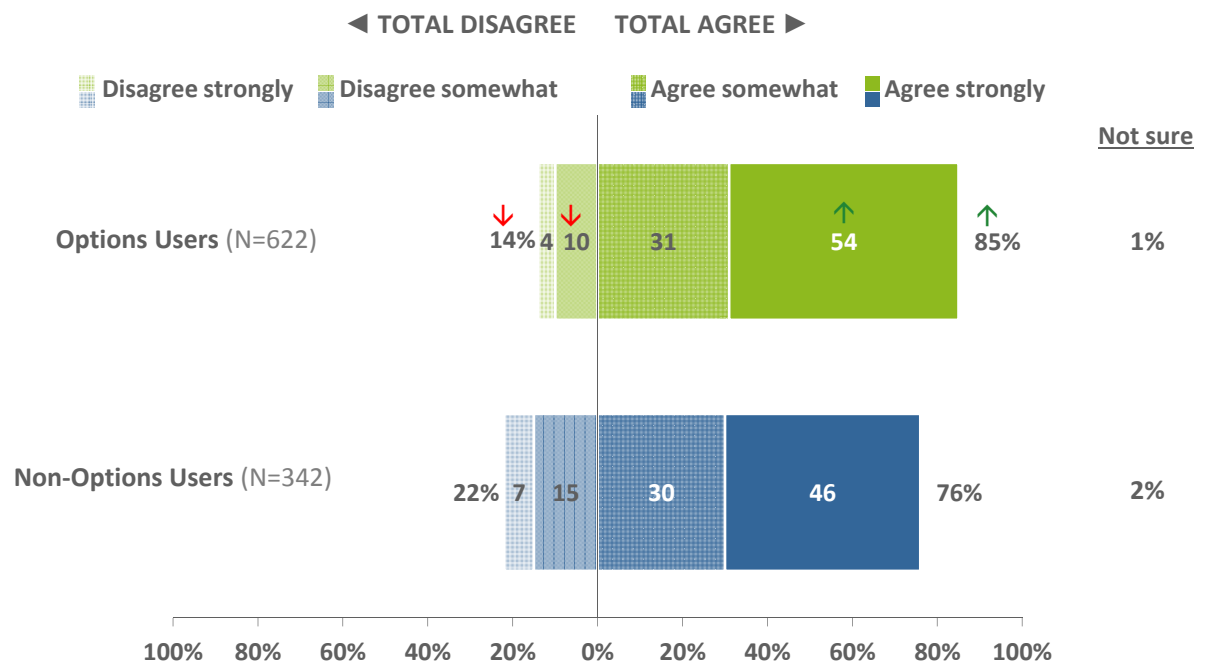
↑/↓ Options Users significantly higher/lower than Non-Options Users

BASE: ALL QUALIFIED RESPONDENTS

Q705. Please indicate how much you agree or disagree with each of the following statements

OPTIONS USERS ARE PASSIONATE ABOUT INVESTING: NEARLY NINE IN TEN CONSIDER INVESTING AN IMPORTANT PART OF THEIR LIVES.

“Investing is more than a hobby or a means to an end; it is an important part of my life.”



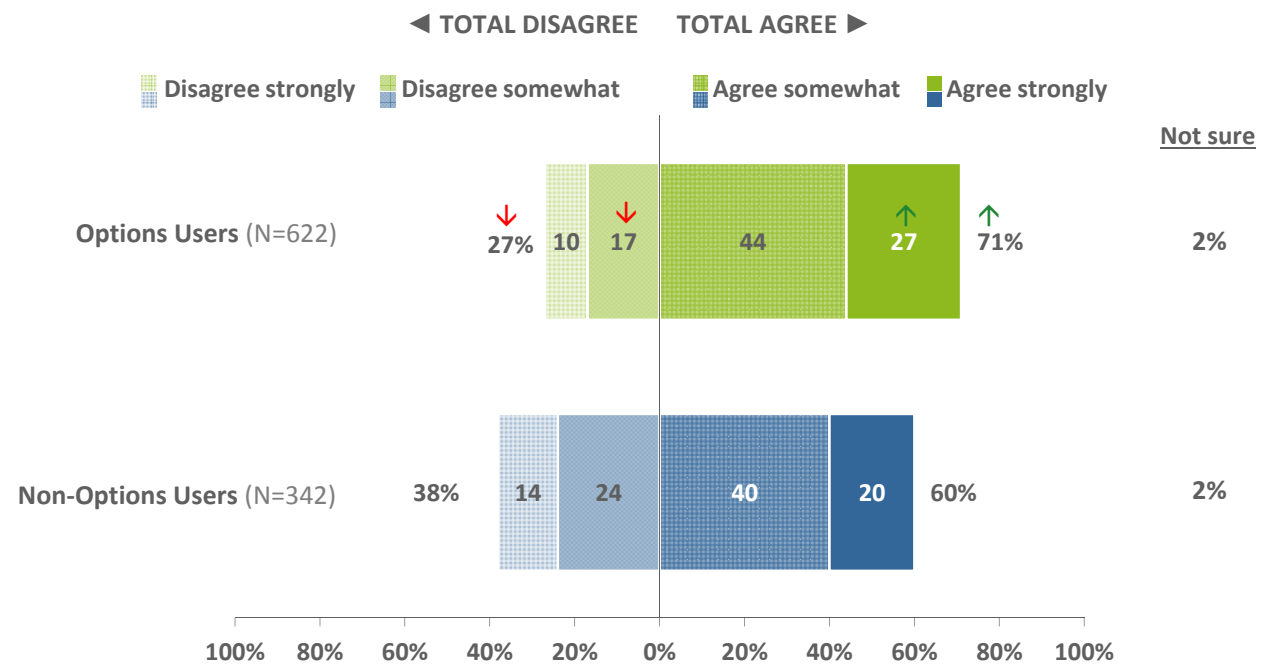
↑/↓ Options Users significantly higher/lower than Non-Options Users

BASE: ALL QUALIFIED RESPONDENTS

Q705. Please indicate how much you agree or disagree with each of the following statements

OPTIONS USERS ARE MORE LIKELY THAN NON-OPTIONS USERS TO ENJOY INVESTING THROUGH THE STOCK MARKET.

"I enjoy the thrill of playing the market."



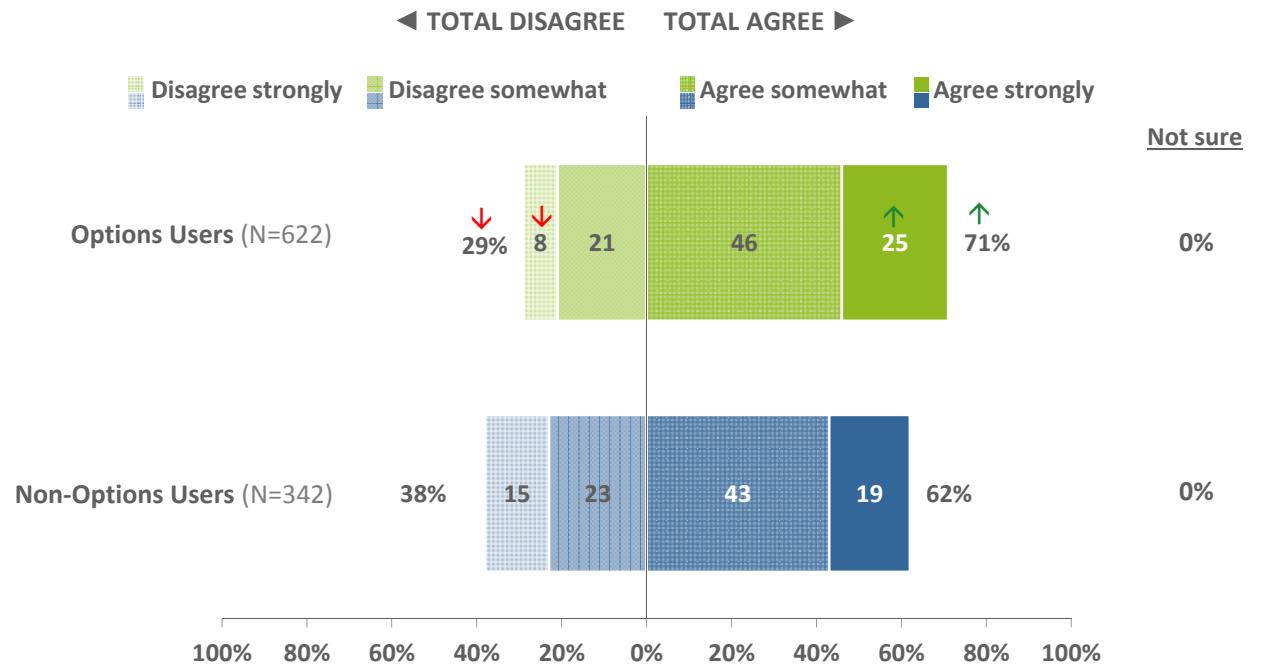
↑/↓ Options Users significantly higher/lower than Non-Options Users

BASE: ALL QUALIFIED RESPONDENTS

Q705. Please indicate how much you agree or disagree with each of the following statements

OPTIONS USERS ARE MORE COMFORTABLE THAN NON-USERS IN TAKING RISKS IN RETURN FOR REWARDS.

“I am very comfortable taking high levels of risk in return for significant gain.”



↑/↓ Options Users significantly higher/lower than Non-Options Users

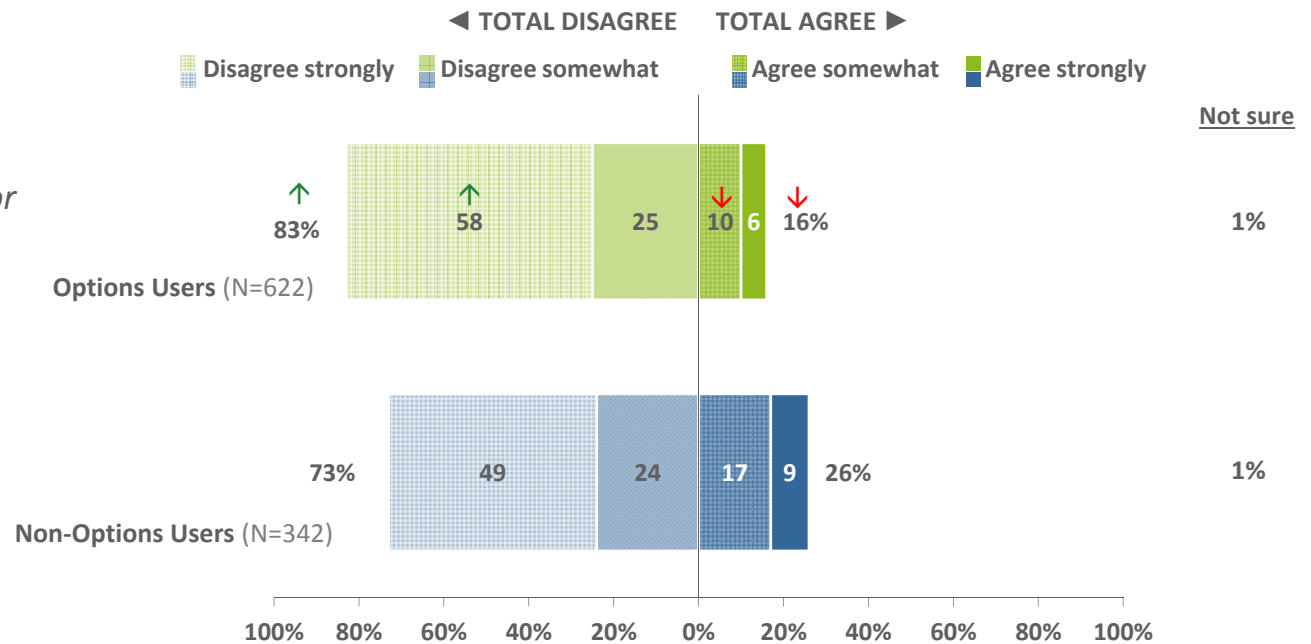
BASE: ALL QUALIFIED RESPONDENTS

Q705. Please indicate how much you agree or disagree with each of the following statements

OPTIONS USERS ARE MORE LIKELY THAN NON-OPTIONS USERS TO BE SELF-DIRECTED WHEN INVESTING.

-Given the self-directed composition of the sample, this is not surprising.

"I rely on my financial advisor for investment advice."



↑/↓ Options Users significantly higher/lower than Non-Options Users

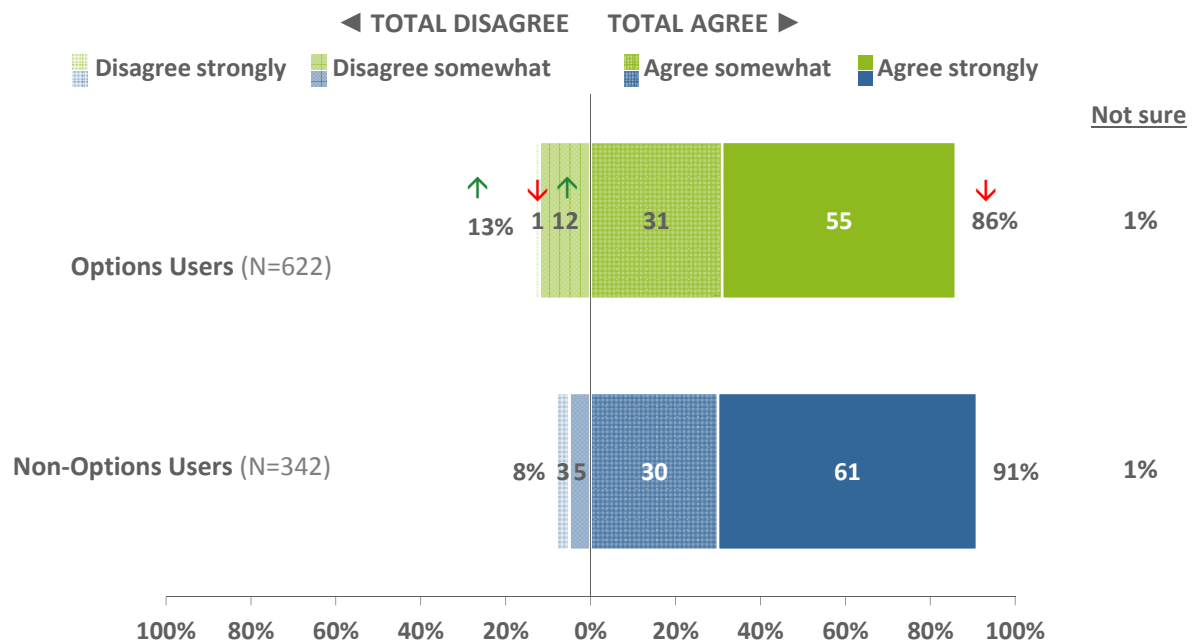
BASE: ALL QUALIFIED RESPONDENTS

Q705. Please indicate how much you agree or disagree with each of the following statements

NEARLY ALL OPTIONS AND NON-OPTIONS USERS PERSONALLY RESEARCH THEIR NEW INVESTMENTS.

-Although this is somewhat more true for Non-Options Users than Options Users.

"I personally research every new investment I make."



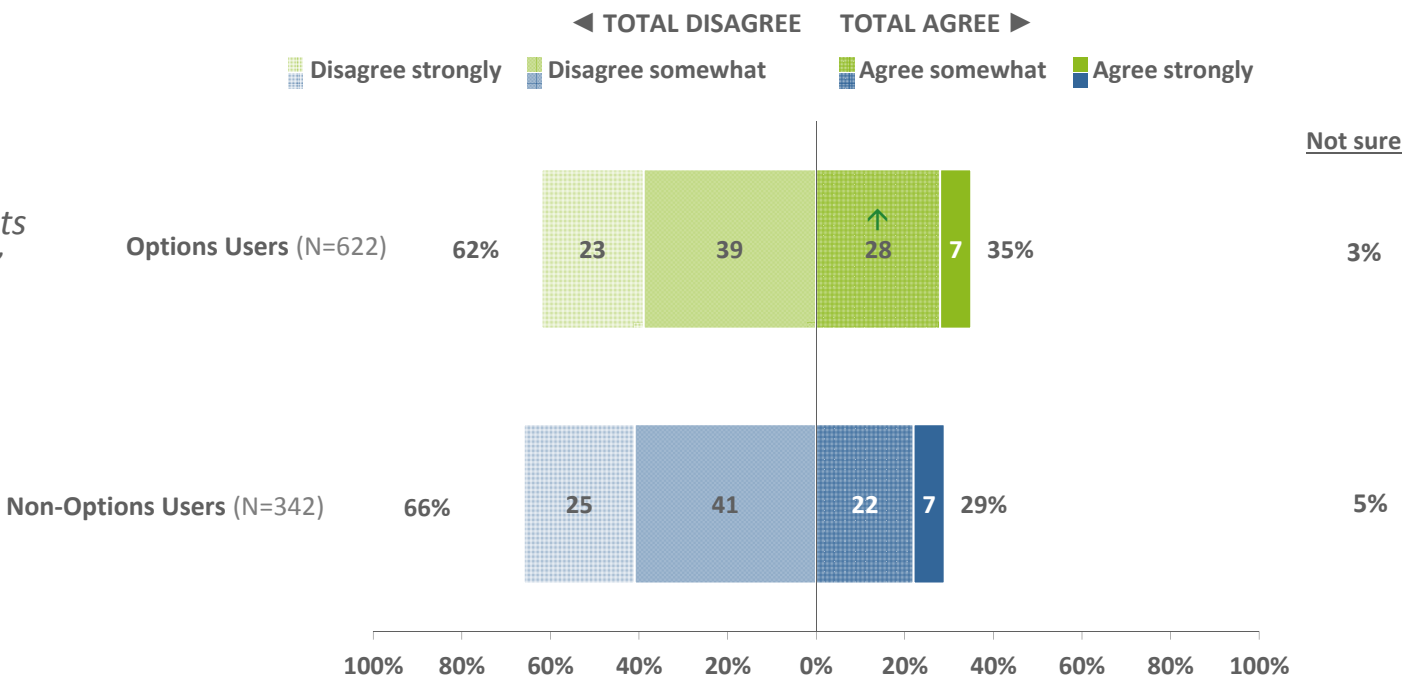
↑/↓ Options Users significantly higher/lower than Non-Options Users

BASE: ALL QUALIFIED RESPONDENTS

Q705. Please indicate how much you agree or disagree with each of the following statements

OPTIONS USERS ARE MORE LIKELY THAN NON-OPTIONS USERS TO BE “EARLY ADOPTERS” OF NEW PRODUCTS.

“I like to try new products before others try them.”

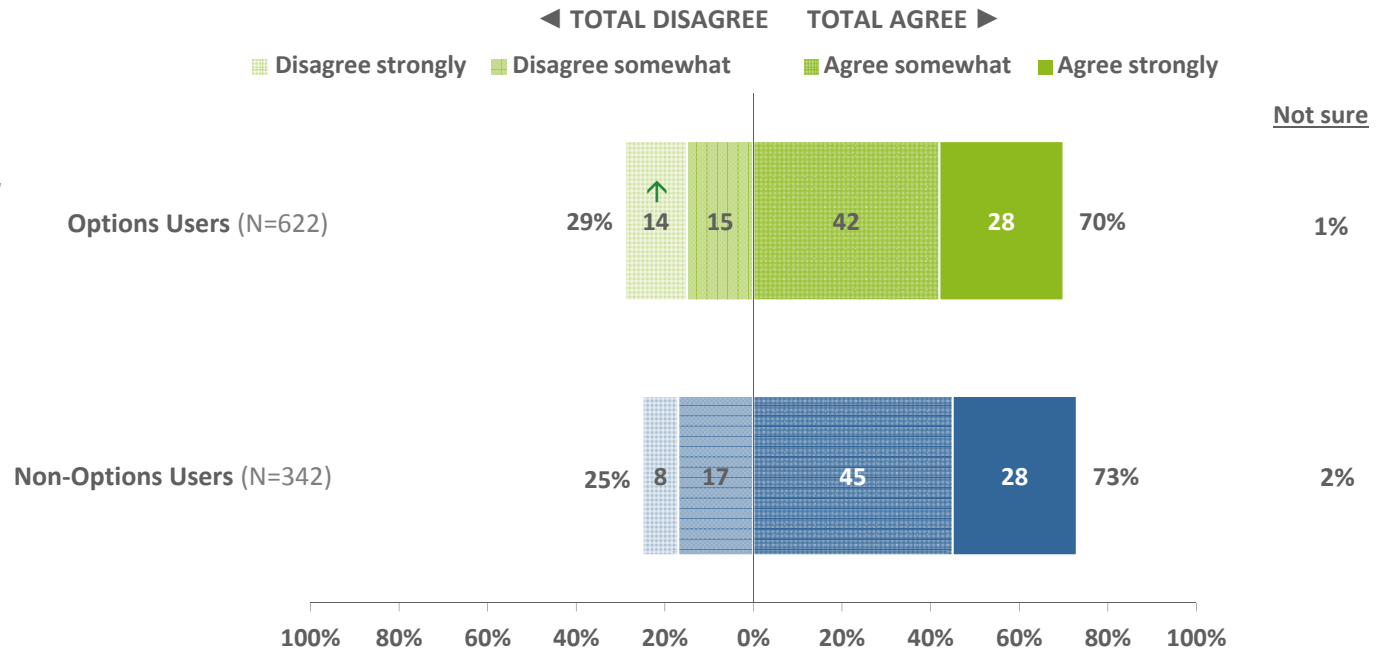


↑/↓ Options Users significantly higher/lower than Non-Options Users

Base: OPTIONS USERS
 Q705. Please indicate how much you agree or disagree with each of the following statements

OPTIONS AND NON-OPTIONS USERS RELY HEAVILY ON THE INTERNET WHEN RESEARCHING INVESTMENTS.

“I rely on online media and online publications for investment advice.”



↑/↓ Options Users significantly higher/lower than Non-Options Users

Base: OPTIONS USERS

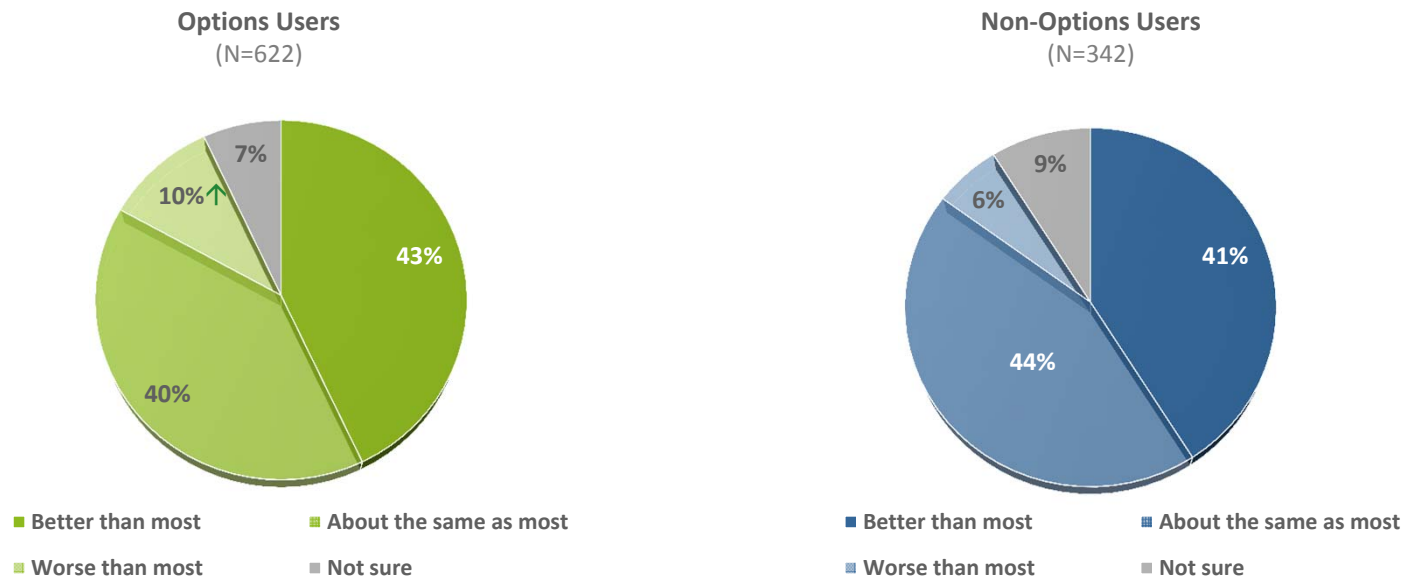
Q705. Please indicate how much you agree or disagree with each of the following statements

DETAILED FINDINGS

MANAGING MY PORTFOLIO



EIGHT IN TEN INVESTORS (WHETHER OPTIONS USER OR NON-USER) FEEL THEIR INVESTMENTS HAVE PERFORMED AS WELL AS OR BETTER THAN OTHER INVESTORS OVER THE PAST TWO YEARS.



BASE: ALL QUALIFIED RESPONDENTS

Q710 Compared to other investors, how do you think your investments have performed during the past two years?

↑/↓ Options Users significantly higher/lower than Non-Options Users

OPTIONS USERS HAVE SOMEWHAT MORE DIVERSIFIED INVESTMENT PORTFOLIOS THAN NON-OPTIONS USERS.

- Stocks are a commonly used investment for both Options Users and Non-Options Users.
- Options Users make much greater use of ETFs/investment trusts, gold, futures and, of course, options.
- Non-Options Users tend to use mutual funds and certificates of deposit more than Options Users.

	Options Users (N=622)	Non-Options Users (N=342)
Stocks (NET)	81%	78%
Exchange-Listed stocks (e.g., NASDAQ or NYSE)	78%	76%
American Depository Receipts (ADRs)	33% ↑	20%
Options (NET)	92%	-
Listed Stock Options	88%	-
Index Options	38%	-
LEAPS or Long-term Options	34%	-
Currency Options	5%	-
ETFs/Investment Trusts (Net)	73% ↑	60%
Exchange-Traded Funds (ETFs)	69% ↑	56%
Leveraged ETFs	28% ↑	11%
Unit Investment Trusts	8%	8%
Bonds (NET)	33%	37%
Corporate Bonds	20%	25%
Municipal Bonds	19%	23%
Treasury Bonds	11%	13%
Money Markets	43%	48%
Gold (stocks/funds/coins)	37% ↑	22%
Futures (single stock, indices, commodity)	18% ↑	6%
Certificates of Deposit	14% ↓	21%
None of these	1%	3%
Mutual funds	51% ↓	68%
Dividend Reinvestment Plan (DRIP)	27%	28%
Structured products	4%	5%
None of these	1% ↓	3%

↑/↓ Options Users significantly higher/lower than Non-Options Users

BASE: ALL QUALIFIED RESPONDENTS

Q800. Please read the following list of financial investments and select the ones that you currently use. Please select all that apply.

OPTIONS USERS ARE EXPERIENCED INVESTORS WITH A WIDE VARIETY OF PRODUCTS.

- On average, Options Users and Non-Users have been investing in the stock market, certificates of deposit, money markets and mutual funds for more than 20 years.
- Other forms of investing (such as bonds, DRIPs, ADRs, futures and gold) show similar long-term commitments.

		Options Users		Non-Options Users
Years Invested (Mean)				
Mutual funds	(N=329)	27.2 ↑	(N=229)	24.3
Certificates of deposit	(N=96)	26.1	(N=69)	22.0
Money markets	(N=285)	25.7	(N=162)	25.0
Exchange-Listed stocks (e.g., NASDAQ or NYSE)	(N=487)	24.6 ↑	(N=260)	22.1
Municipal bonds	(N=121)	16.4	(N=78)	14.3
Treasury bonds	(N=65)	16	(N=43)	17.2
Dividend Reinvestment Plan (DRIP)	(N=163)	15.7	(N=93)	18.0
Corporate bonds	(N=132)	15.2	(N=82)	12.7
American Depository Receipts (ADRs)	(N=221)	14.4	(N=68)	15.9
Gold (stocks/funds/coins)	(N=229)	13.8	(N=76)	13.4
Listed stock options	(N=551)	13		0
Futures (single stock, indices, commodity)	(N=109)	11.7	(N=21)**	16.3
Unit investment trusts	(N=57)	11.7	(N=28)**	10.0
Structured products	(N=22)**	9.5	(N=16)**	8.4
LEAPS or Long-term options	(N=214)	9.3		0
Exchange-Traded Funds (ETFs)	(N=443)	8.4 ↑	(N=190)	7.1
Index options	(N=232)	8		0
Leveraged ETFs	(N=177)	6.1	(N=40)	5.4
Currency options	(N=26)**	5.1		0

** Caution: Small Base

↑/↓ Options Users significantly higher/lower than Non-Options Users

BASE: CURRENTLY USE FINANCIAL INVESTMENTS

Q810. Below is a list of the financial investments that you currently use. How long have you been investing in each?

OVER THE PAST TWO YEARS, OPTIONS USERS ARE MOST LIKELY TO HAVE INCREASED THEIR INVESTING IN OPTIONS, FOLLOWED BY ETFS AND FUTURES.

	Options Users			Non-Options Users				
		Decreased	Same	Increased	Decreased	Same	Increased	
Mutual funds	(N=325)	33%	45%	22% ↓	(N=227)	28%	41%	30%
Exchange-Traded Funds (ETFs)	(N=418)	12%	41% ↑	47% ↓	(N=174)	8%	31%	61%
Leveraged ETFs	(N=166)	23%	46%	31% ↓	(N=33)	12%	34%	54%
Municipal bonds	(N=114)	27%	38%	35%	(N=74)	22%	41%	37%
Treasury bonds	(N=62)	42% ↑	35% ↓	24%	(N=42)	21%	57%	22%
Corporate bonds	(N=127)	30%	49%	21% ↓	(N=76)	27%	37%	36%
Exchange-Listed stocks (e.g. NASDAQ or NYSE)	(N=479)	17% ↑	47% ↑	36% ↓	(N=252)	10%	37%	53%
American Depository Receipts (ADRs)	(N=214)	23%	57%	20%	(N=67)	13%	61%	26%
Listed stock options	(N=513)	10%	36%	53%	-	-	-	-
Index options	(N=200)	8%	38%	54%	-	-	-	-
LEAPS or Long-term options	(N=191)	14%	41%	44%	-	-	-	-
Currency options	(N=19)**	7%	11%	81%	-	-	-	-
Certificates of deposit	(N=94)	42%	48%	10% ↓	(N=65)	34%	35%	31%
Futures (single stock, indices, commodity)	(N=99)	20%	38%	43%	(N=19)**	22%	26%	52%
Money markets	(N=281)	34%	55%	11%	(N=161)	30%	56%	14%
Unit investment trusts	(N=54)	19%	50%	31%	(N=26)**	19%	62%	20%
Gold (stocks/funds/coins)	(N=216)	25%	51%	24%	(N=71)	28%	53%	18%
Dividend Reinvestment Plan (DRIP)	(N=147)	14%	55%	31%	(N=86)	14%	60%	27%
Structured products	(N=19)**	23%	63%	14%	(N=14)**	16%	50%	34%

** Caution: Small Base

↑/↓ Options Users significantly higher/lower than Non-Options Users

BASE: CURRENTLY USE FINANCIAL INVESTMENTS AND HAVE INVESTED FOR TWO OR MORE YEARS

Q815. Please review the same list of financial investments again. Compared to two years ago, how have your allocation percentages in each changed? If you invest in something now and did not two years ago, please select "same".



OPTIONS USERS ARE MUCH MORE ACTIVE TRADERS THAN NON-OPTIONS USERS.



	Options Users			Non-Options Users		
	Options (N=622)	Stocks (N=608)	Bonds (N=161)	Options (N=339)	Stocks (N=339)	Bonds (N=99)
1 – 10	23%	16% ↓	82%	-	39%	76%
11 – 20	15%	19%	10%	-	18%	16%
21 – 30	11%	19% ↑	4%	-	8%	5%
31 – 40	7%	9%	0%	-	8%	2%
41 – 50	6%	5%	0%	-	5%	0%
51 or more	38%	32% ↑	4%	-	22%	1%
Mean	34.2	33.2 ↑	9.3	-	24.8	8.9

↑/↓ Options Users significantly higher/lower than Non-Options Users

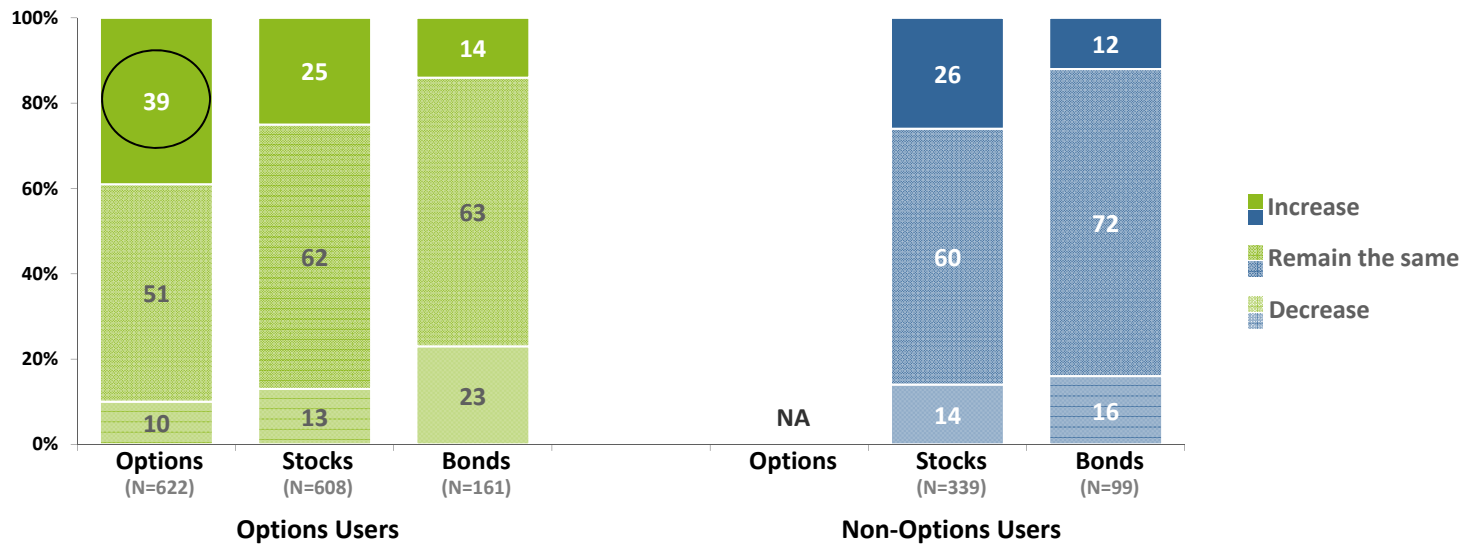
Base: ALL QUALIFIED RESPONDENTS

Q850. In the past year, approximately how many trades have you made in each of the following types of investments?

A "trade" would mean either a purchase or a sale.

ROUGHLY TWO IN FIVE OPTIONS USERS ANTICIPATE INCREASING THEIR OPTIONS TRADING OVER THE NEXT YEAR.

-Options users are more likely to increase their trading of options than their trading of either stocks or bonds.



NA = Not Applicable

↑/↓ Options Users significantly higher/lower than Non-Options Users

Base: ALL QUALIFIED RESPONDENTS

Q855. Over the next 12 months, do you think your trading activity in each of the following types of investments will... ?

FOR OPTIONS USERS AND NON-OPTIONS USERS ALIKE, “DO IT YOURSELF” IS THE PREFERRED METHOD OF TRADING.

-Again, given the self-directed investors in our sample, this is not surprising.

	Options Users			Non-Options Users		
	Options (N=622)	Stocks (N=608)	Bonds (N=161)	Options	Stocks (N=339)	Bonds (N=99)
A full service broker with advisory services to execute your trades.	3%	4% ↓	26%	-	7%	29%
A firm that provided trading tools, education and research to assist you in your trading but did not make recommendations.	29%	28%	26%	-	32%	29%
I trade directly without consulting a broker for advice.	68%	68% ↑	48%	-	61%	42%

↑/↓ Options Users significantly higher/lower than Non-Options Users

Base: ALL QUALIFIED RESPONDENTS

Q840. When you traded the following types of investments within the past year, were you most likely to use...

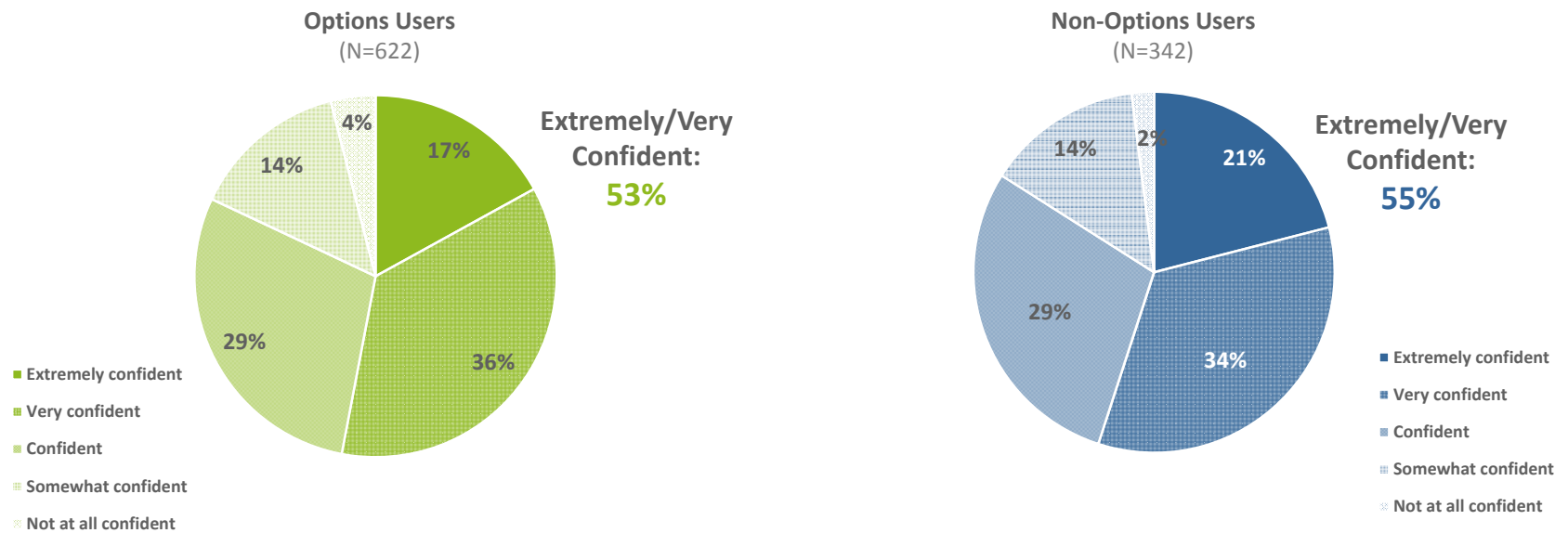
DETAILED FINDINGS

USING A BROKERAGE FIRM



THE MAJORITY OF OPTIONS AND NON-OPTIONS USERS ARE EXTREMELY/VERY CONFIDENT THEIR PRIMARY BROKERAGE FIRM CAN MEET THEIR INVESTING NEEDS.

Primary brokerage firm can meet investing needs over next 12 months



BASE: ALL QUALIFIED RESPONDENTS

Q715. How confident are you about the ability of your primary brokerage firm to meet your investing needs over the next 12 months?

WHILE OPTIONS USERS HAVE MULTIPLE ACCOUNTS, THEY TEND TO FOCUS THEIR OPTIONS TRADING IN A SINGLE ACCOUNT.

- On average, Options Users have nearly 4 brokerage accounts vs. 3 for Non-Options Users.
- However, nearly three in five Options Users use a *single brokerage firm* to trade Options.

	Total Accounts			Options Accounts
	Options Users (N=622)	Non-Options Users (N=342)		Options Users (N=622)
1	11% ↓	21%	1	58%
2	23% ↓	29%	2	29%
3	25% ↑	19%	3	8%
4	14%	10%	4	2%
5	10%	8%	5	1%
6	6%	4%	6	1%
7	4%	4%	7	0%
8	2%	2%	8	1%
9	1%	1%	9	0%
10	4%	2%	10	0%
Mean	3.7 ↑	3.1	Mean	1.7
Median	3	2		1

↑/↓ Options Users significantly higher/lower than Non-Options Users

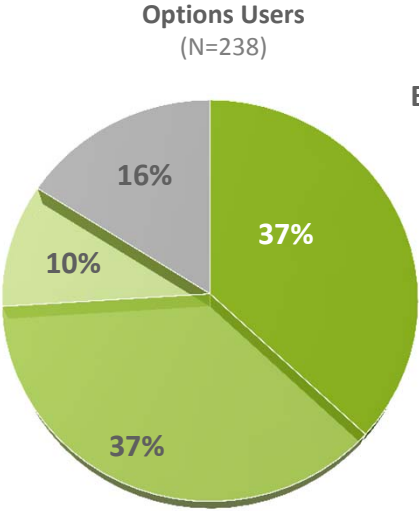
BASE: ALL QUALIFIED RESPONDENTS

Q830. How many brokerage accounts do you have in total across all the different brokerage firms that you use?

BASE: OPTIONS USER AND MORE THAN 1 BROKERAGE ACCOUNT

Q835. How many different brokerage firms do you use to trade options?

THREE IN FOUR OPTIONS USERS WHO USE BROKERS FOR ADVICE CONSIDER THEM TO BE EXTREMELY OR VERY KNOWLEDGEABLE.



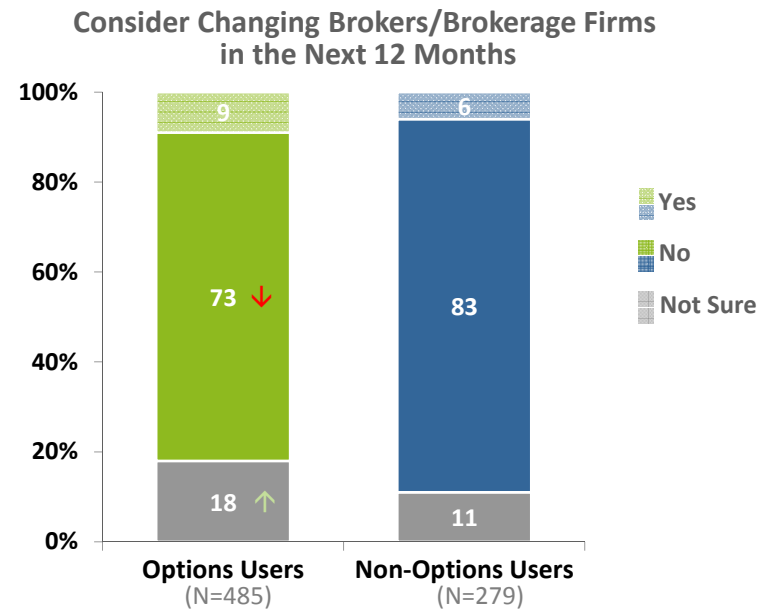
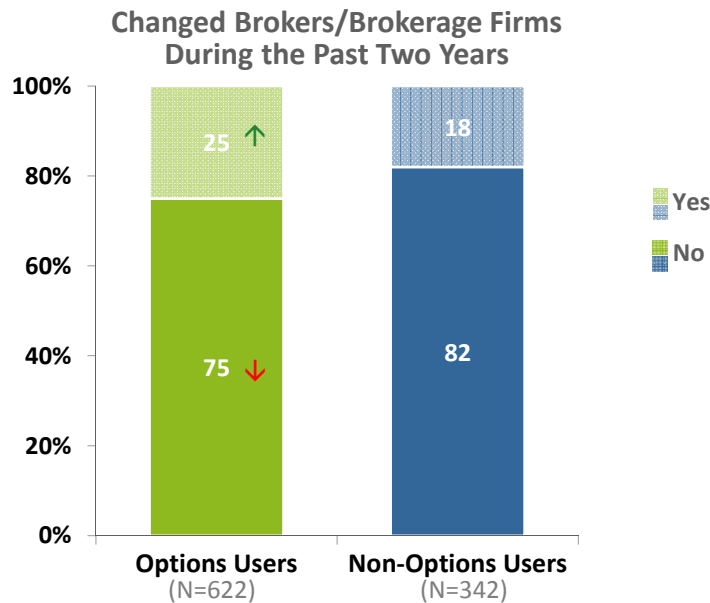
Extremely/Very Knowledgeable: **74%**

- Extremely knowledgeable
- Very knowledgeable
- Somewhat knowledgeable
- Not knowledgeable at all
- Not sure

BASE: OPTIONS USER AND HAS A BROKER/FINANCIAL SERVICES FIRM AND BROKER IS SOURCE OF INFORMATION Q930. How knowledgeable is your broker/financial services firm about Options?

THREE IN FOUR OPTIONS USERS STAY WITH THEIR BROKERS.

-Moreover, the vast majority of Options Users *are not* considering changing their broker in the next year.



↑/↓ Options Users significantly higher/lower than Non-Options Users

BASE: ALL QUALIFIED RESPONDENTS

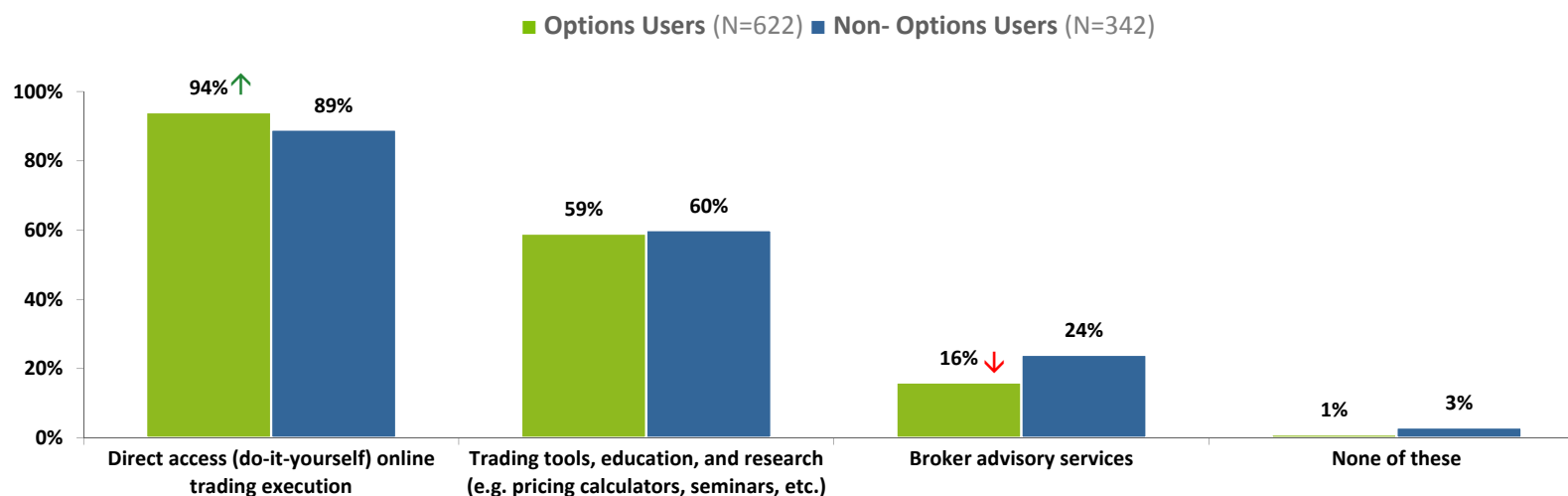
Q720. Have you changed brokers or brokerage firms during the past two years?

BASE: HAVE NOT CHANGED BROKERS OR BROKERAGE FIRMS

Q725. Do you think you will consider changing brokers or brokerage firms in the next 12 months?

OPTIONS USERS ARE MORE LIKELY THAN NON-OPTIONS USERS TO TAKE ADVANTAGE OF THE “DO-IT-YOURSELF” SERVICES OFFERED BY THEIR BROKERS.

-Non-Options Users are more likely to take advantage of the advisory services offered.



NA = Not Applicable

↑/↓ Options Users significantly higher/lower than Non-Options Users

Base: ALL QUALIFIED RESPONDENTS

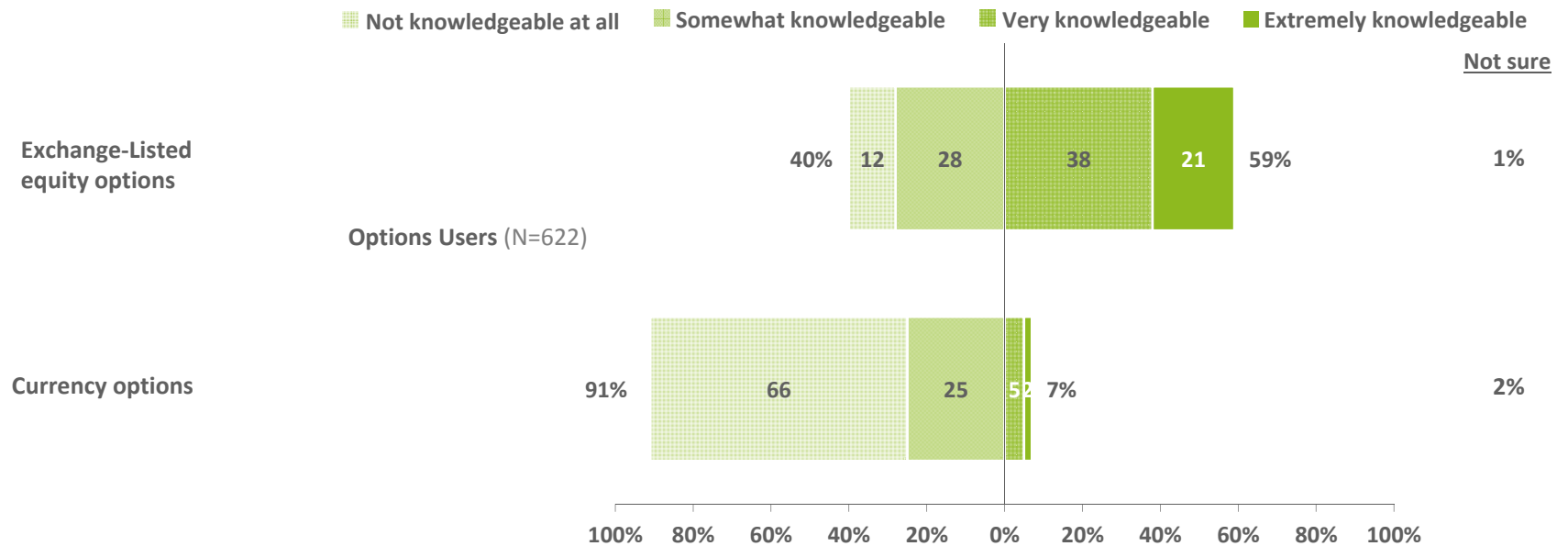
Q825. What types of investment/brokerage services do you use on a regular basis? Please select all that apply.

DETAILED FINDINGS

OPTIONS USERS

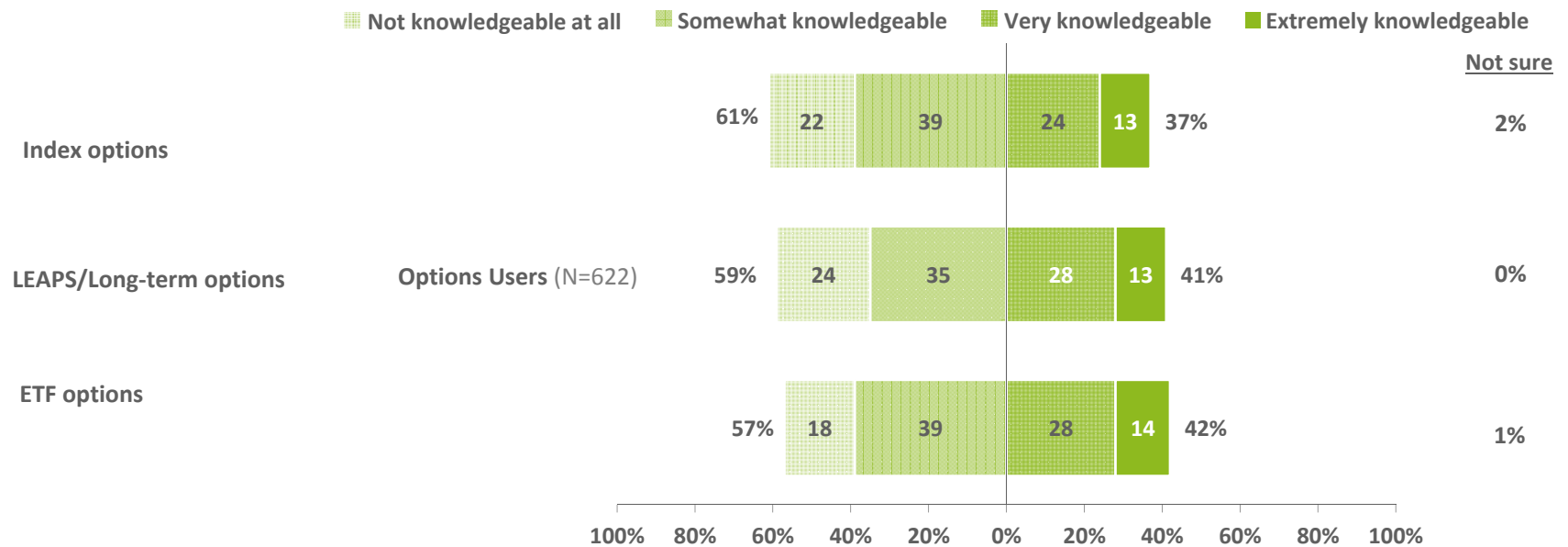


AT OPPOSITE ENDS OF THE SPECTRUM, OPTIONS USERS ARE MOST KNOWLEDGEABLE ABOUT EXCHANGE-LISTED EQUITY OPTIONS AND LEAST KNOWLEDGEABLE ABOUT CURRENCY OPTIONS.



Base: OPTIONS USERS
 Q906. How knowledgeable do you feel you are about the following types of investments?

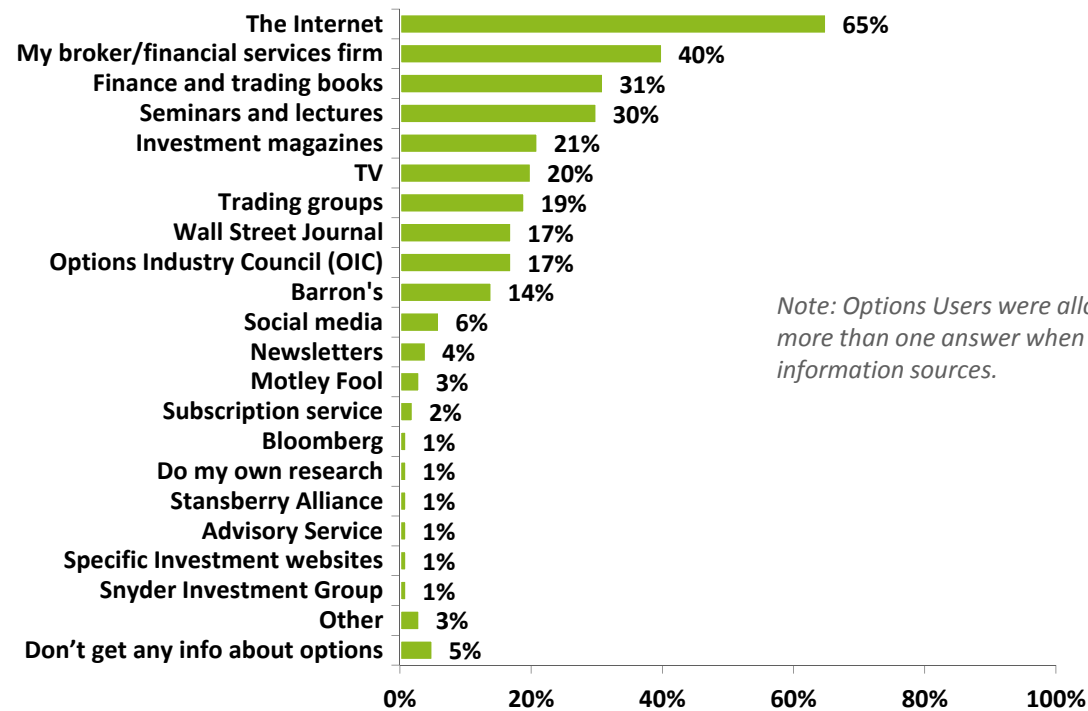
ABOUT TWO IN FIVE OPTIONS USERS FEEL KNOWLEDGEABLE ABOUT INDEX OPTIONS, LEAPS OPTIONS AND/OR ETF OPTIONS.



Base: OPTIONS USERS

Q906. How knowledgeable do you feel you are about the following types of investments?

BY FAR, KNOWLEDGEABLE OPTIONS USERS GET THEIR INFORMATION ABOUT OPTIONS FROM THE INTERNET, FOLLOWED BY THEIR BROKERAGE FIRM.

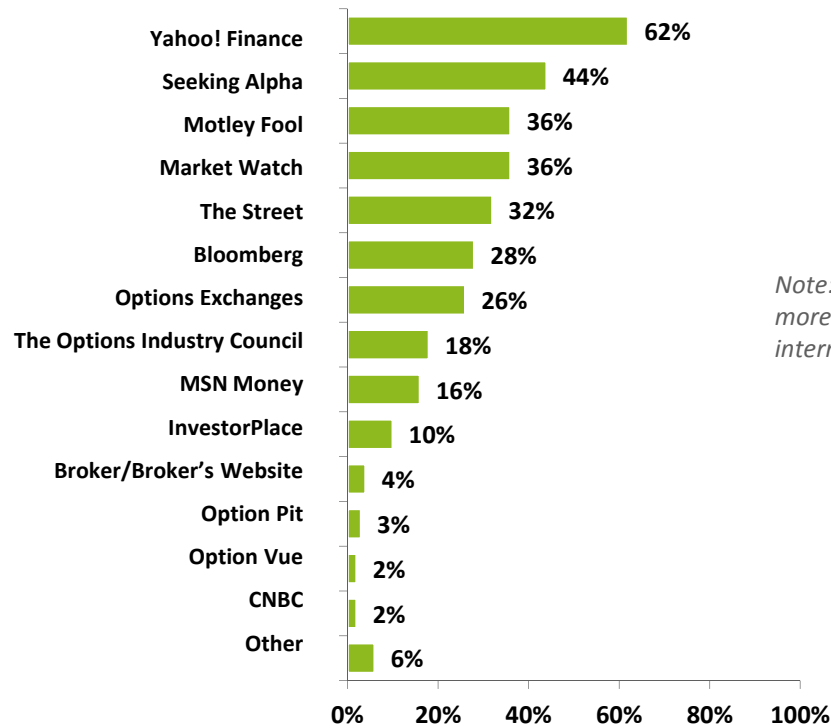


Note: Options Users were allowed to select more than one answer when reporting their information sources.

BASE: EXTREMELY, VERY OR SOMEWHAT KNOWLEDGEABLE ABOUT OPTIONS (N=597)
 Q910. Where do you get your information about options? Please select all that apply.

OPTIONS USERS USING THE INTERNET ARE MOST LIKELY TO VISIT YAHOO!FINANCE, FOLLOWED BY SEEKING ALPHA, MOTLEY FOOL AND MARKET WATCH.

Internet sites you visit to get information about options*



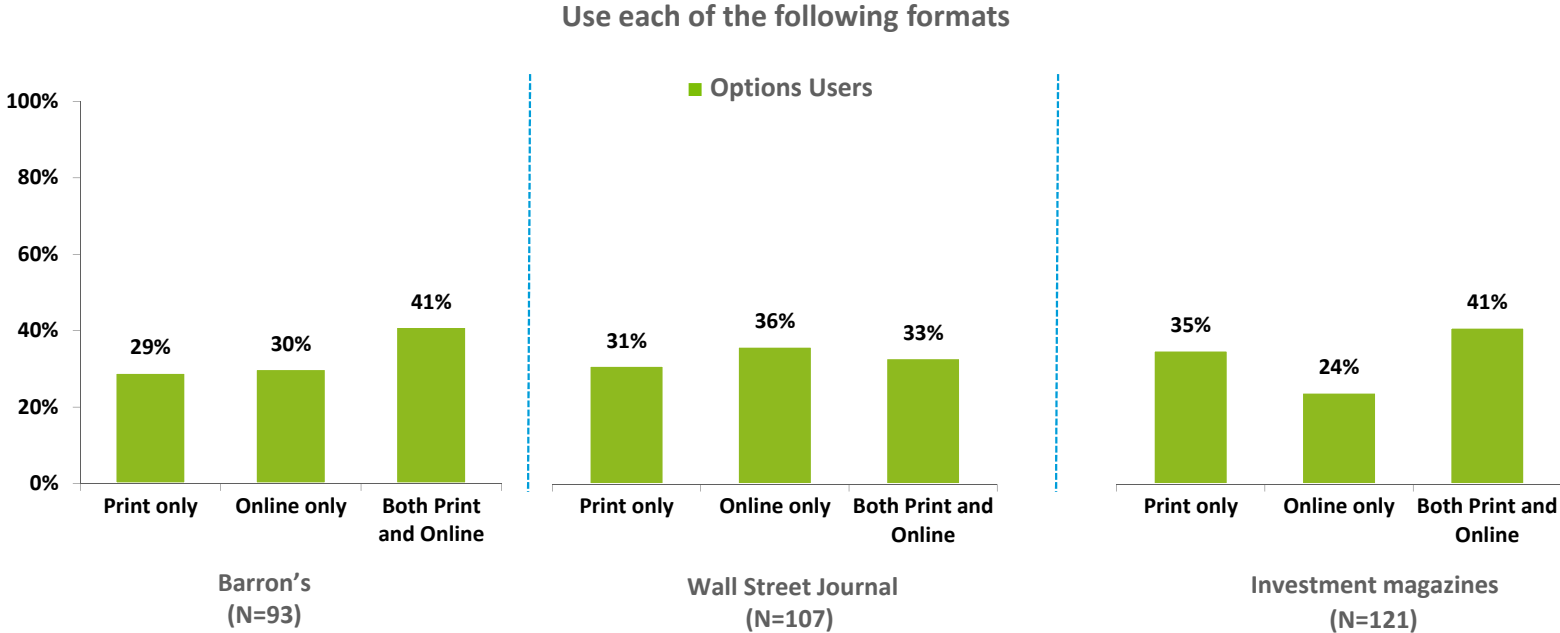
Note: Options Users were allowed to select more than one answer when reporting the internet sites they use.

BASE: USES THE INTERNET (N=386)

Q915. Please indicate which Internet sites you visit to get information about options? Please select all that apply.

*Responses of 2% or more shown

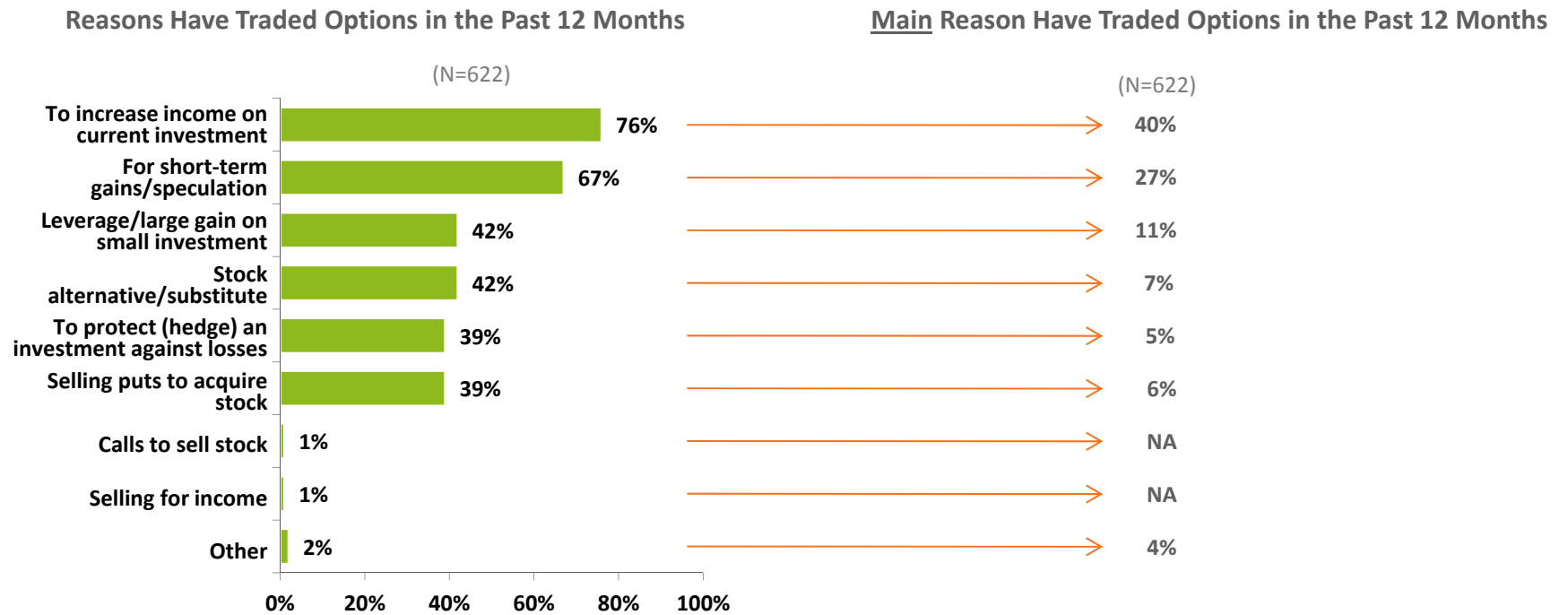
OPTIONS USERS WHO READ MAJOR FINANCIAL PUBLICATIONS ARE EVENLY DIVIDED BETWEEN THOSE WHO PREFER PRINT, ONLINE OR BOTH.



BASE: READS SELECTED PUBLICATIONS

Q921. For each of the following publications where you get your information about options, please indicate if you use the print or online version, or both.

OPTIONS USERS TRADE OPTIONS PRIMARILY TO INCREASE INCOME ON THEIR CURRENT PORTFOLIOS AND FOR SHORT-TERMS GAINS.



BASE: OPTIONS USER

Q940. What are the reasons why you have traded Options in the past 12 months? Please select all that apply.

BASE: MORE THAN ONE REASON SELECTED

Q942. What is the main reason why you have traded Options in the past 12 months?

DETAILED FINDINGS

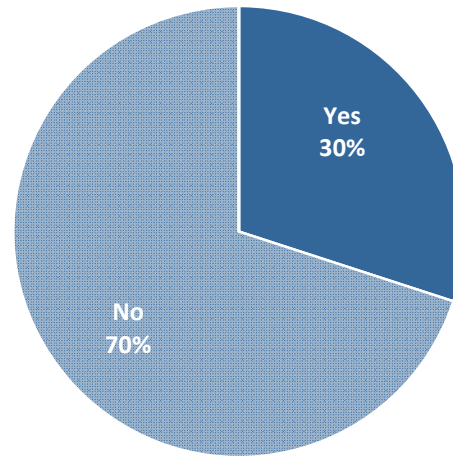
NON-OPTIONS USERS



ONE-THIRD OF NON-OPTIONS USERS HAVE TRADED OPTIONS IN THE PAST.



Non-Options Users
(N=342)

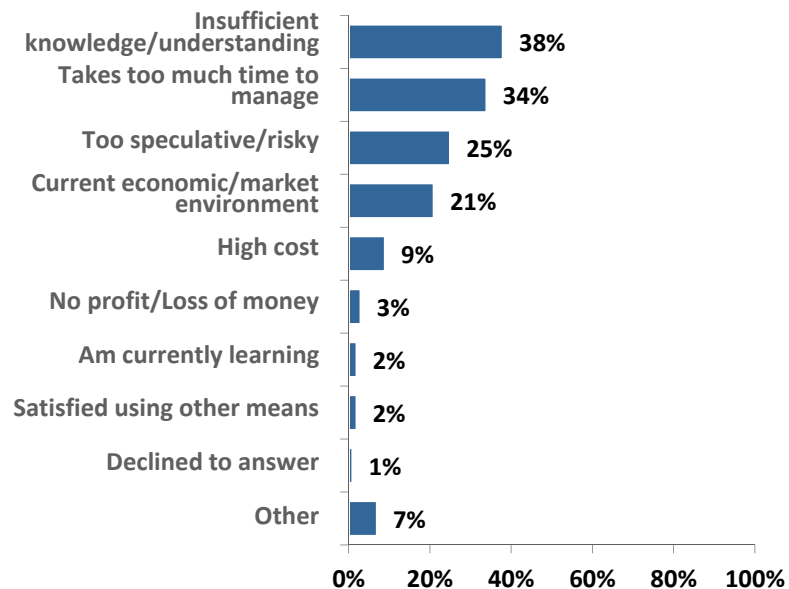


BASE: NON-OPTIONS USER
Q935. Have you ever traded Options?

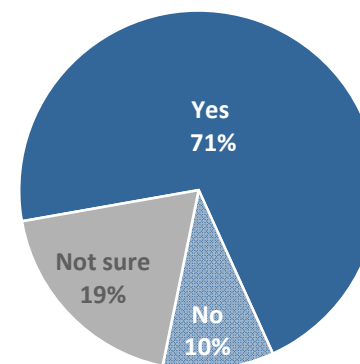
FOR NON-OPTIONS USERS WHO TRADED OPTIONS IN THE PAST, LACK OF KNOWLEDGE AND/OR TIME ARE THE MAIN REASONS THEY STOPPED TRADING OPTIONS.

- Seven in ten of these Non-Options Users say they would consider trading options again.

Reasons Have Not Traded Options in the Past 12 Months



Would Consider Trading Options Again

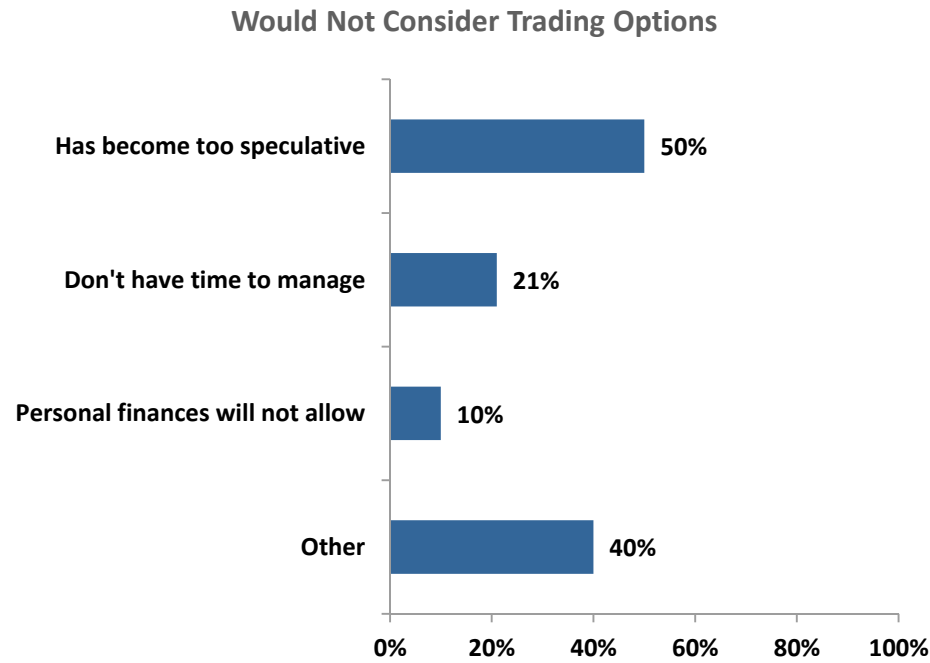


BASE: NON-OPTIONS USER WHO HAS TRADED OPTIONS BEFORE (N=105)

Q945. What are the reasons you have not traded Options in the past 12 months? Please select all that apply.

Q950. Would you consider trading Options again?

THE SMALL NUMBER OF NON-OPTIONS USERS WHO WOULD NOT CONSIDER TRADING OPTIONS AGAIN SAY IT IS BECAUSE OPTIONS ARE TOO RISKY OR THEY DON'T HAVE THE TIME.



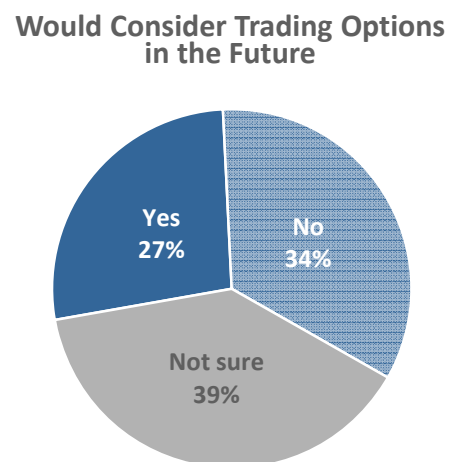
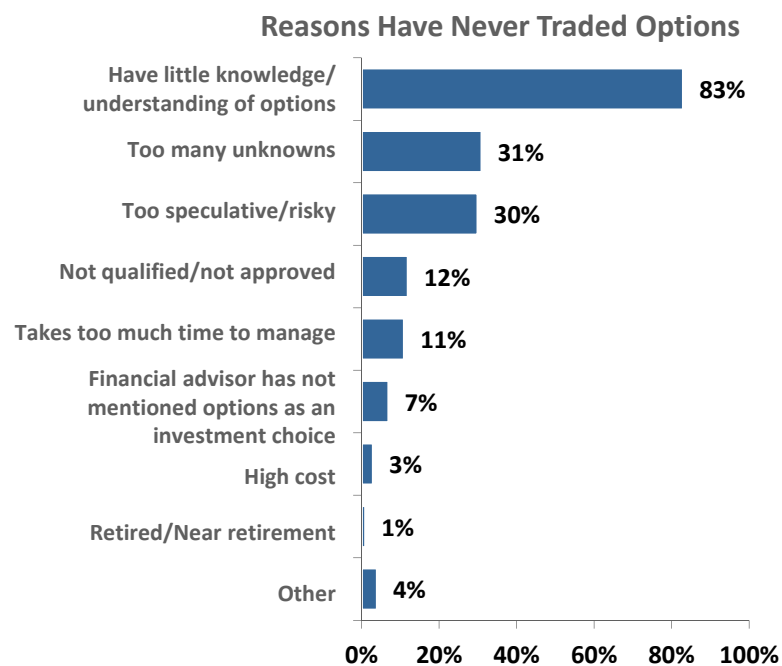
BASE: NOT CONSIDERING TRADING OPTIONS AGAIN (N=10)*

**Very small base*

Q955. What are the reasons why you are not considering trading Options in the future? Please select all that apply.

FOR NON-OPTIONS USERS WHO HAVE NEVER TRADED OPTIONS, LACK OF KNOWLEDGE IS THE MAJOR STUMBLING BLOCK.

- Only one in three say they would not be interested in trading options in the future, offering brokerage firms a window of opportunity to attract new options investors.



BASE: NON-OPTIONS USER WHO HAS NEVER TRADED OPTIONS BEFORE (N=237)
Q960. What are the reasons why you have *never* traded Options? Please select all that apply.
Q965. Would you be interested in trading Options in the future?

APPENDIX

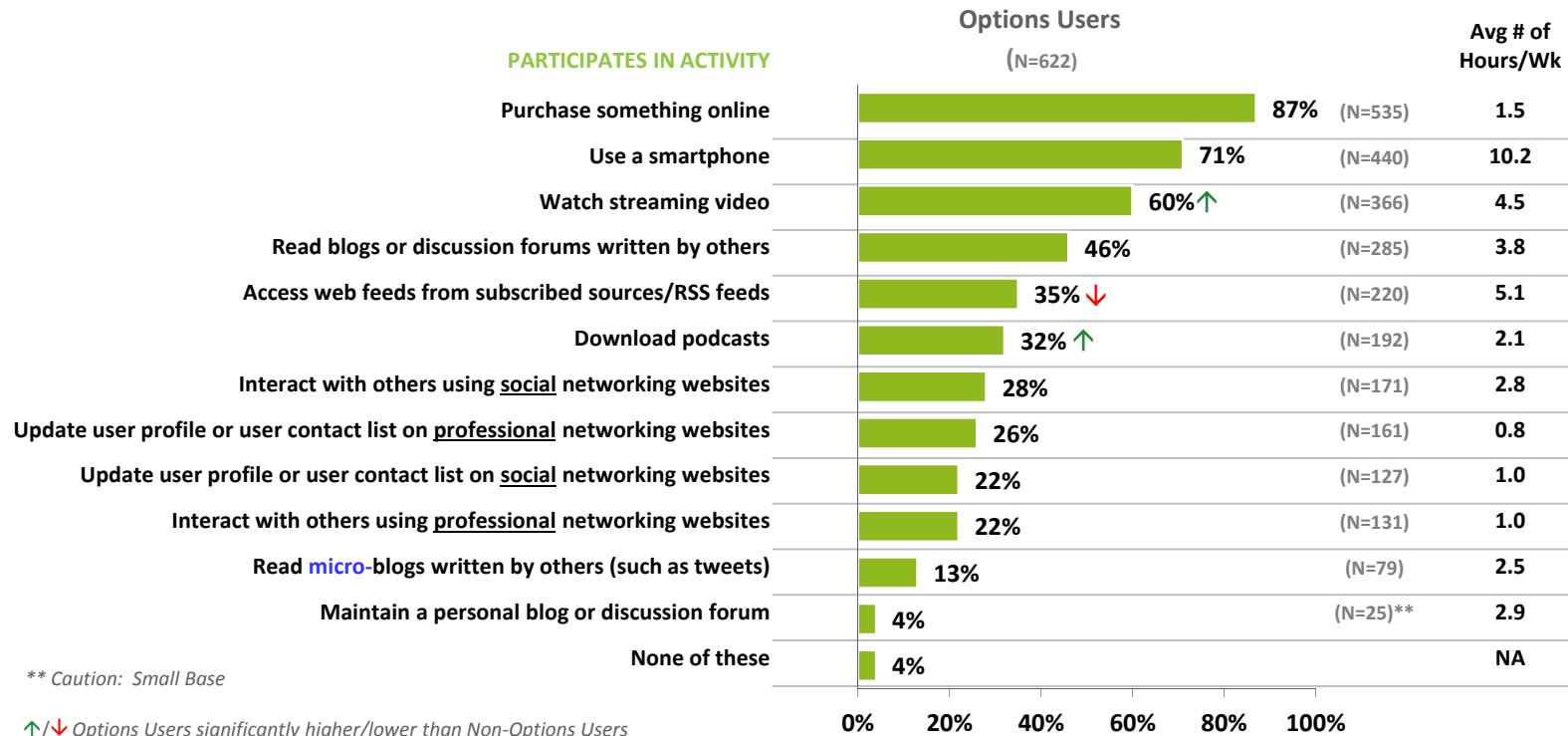


APPENDIX

ONLINE ACTIVITIES AND SOCIAL MEDIA



OPTIONS USERS: PROFILE OF SOCIAL NETWORKING ACTIVITIES.



** Caution: Small Base

↑/↓ Options Users significantly higher/lower than Non-Options Users

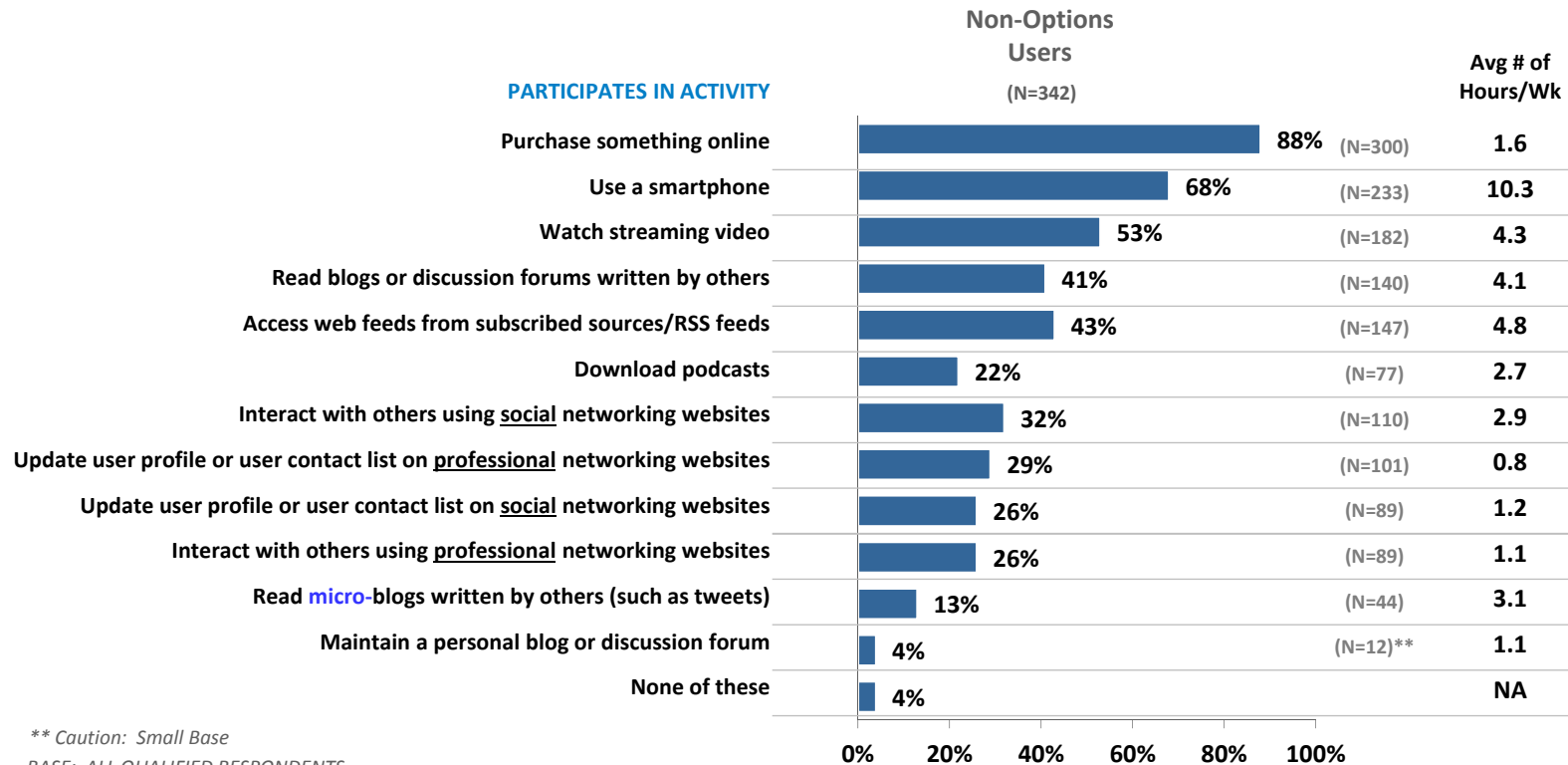
BASE: ALL QUALIFIED RESPONDENTS

Q1045. Please indicate if you participate in any of the following online activities?

BASE: PARTICIPATES IN SELECTED ONLINE ACTIVITIES

Q1051. Approximately how many hours do you spend doing each of the following online activities per week?

NON-OPTIONS USERS: PROFILE OF SOCIAL NETWORKING ACTIVITIES.



** Caution: Small Base

BASE: ALL QUALIFIED RESPONDENTS

Q1045. Please indicate if you participate in any of the following online activities? Please select all that apply.

BASE: PARTICIPATES IN SELECTED ONLINE ACTIVITIES

Q1050. Approximately how many hours do you spend doing each of the following online activities per week?


APPENDIX

DEMOGRAPHIC PROFILE



DEMOGRAPHICALLY, THERE IS LITTLE DIFFERENCE BETWEEN OPTIONS AND NON-OPTIONS USERS.

-ALTHOUGH OPTIONS USERS TEND TO BE SLIGHTLY YOUNGER, MOSTLY MALE AND MORE LIKELY TO LIVE OUT WEST.

	Options Users (N=622)	Non-Options Users (N=342)		Options Users (N=622)	Non-Options Users (N=342)		Options Users (N=622)	Non-Options Users (N=342)
Gender			Marital Status			Occupation		
Male	93% ↑	83%	Never married	13%	9%	Executive or manager in a large company (more than 1,000 employees)	5%	5%
Female	7% ↓	17%	Married or Civil union	72%	73%	Executive or manager in a medium company (between 200 and 1,000 employees)	1%	1%
Age			Divorced	10%	10%	Executive or manager in a small company (less than 200 employees)	4%	3%
18 – 24	1%	0%	Separated	1%	1%	Business owner	9%	6%
25 – 34	4%	3%	Widow/Widower	1% ↓	4%	Professional (doctor, lawyer, etc.)	14%	13%
35 – 44	7%	6%	Living with Partner	3%	2%	Independent investor	6% ↑	3%
45 – 54	15%	14%	Annual Household Income			Other	10%	10%
55 – 64	32%	27%	Under \$25,000	2%	1%	Retired	50%	56%
65 – 74	33%	37%	\$25,000 - \$49,999	6%	8%	Not employed at this time	2%	3%
75 or older	8% ↓	14%	\$50,000 - \$99,999	22%	22%	Type of Area		
Mean	60.2 ↓	62.5	\$100,000 - \$249,999	38%	35%	In a major city	17%	16%
Education			\$250,000 - \$499,999	11%	9%	In the suburb of a major city	36%	36%
Grade school/attended high school	1%	0%	\$500,000 - \$999,999	2%	2%	In the suburb of a mid-sized city	15%	18%
High School/Trade School (Net)	6%	9%	\$1 million + (Net)	1%	3%	In a mid-sized city	15%	13%
Attended College/Associated Degree	12%	13%	Decline to answer	18%	21%	In a rural area	17%	17%
Graduated from four-year college/ Postgraduate/Master's/Doctorate	80%	77%	Mean	203,000	219,000	Country of Residence		
Other	1%	2%	Value of Liquid Assets			U.S.	97% ↓	99%
Geography (U.S. Residents Only)			Under \$25,000	1%	1%	Non-U.S.	2%	-
East	18%	19%	\$25,000 - \$49,999	2%	2%	Note: Numbers may not add to 100% due to rounding		
Midwest	16% ↓	26%	\$50,000 - \$99,999	6%	6%			
South	36%	32%	\$100,000 - \$249,999	11%	12%	54		
West	30% ↑	23%	\$250,000 - \$499,999	15%	13%			
			\$500,000 - \$999,999	18%	20%			
			\$1 million + (Net)	33% ↑	27%			
			Decline to answer	15%	19%			
			Mean	1.1M	1.0M			
			Own Home					
			Yes	90%	92%			
			No	10%	9%			

↑/↓ Options Users significantly higher/lower than Non-Options Users