

STASH

2018 Political Report

Foreward

A lot has happened in the past two years...

Donald Trump was inaugurated as the 45th President of the United States of America.

The Justice Department launched its investigation into Russian interference in the 2016 presidential election, resulting in over a dozen indictments.

Millions of people nationwide marched for social and political reform, joining prominent movements like #MeToo and March For Our Lives.

Hurricane season's reputation strengthened as a formidable force, devastating Americans across the country.

The U.S. unemployment rate fell to 3.7%, the lowest in almost five decades.

From coast to coast, states continued to vote for the legalization of marijuana.

The U.S. withdrew from major political agreements, including the Paris Accord, the Trans-Pacific Partnership and the multilateral Iran Nuclear Deal.

The historic Korean Summit brought together the long-opposing leaders of the North and South.

Facebook was rocked by the Cambridge Analytica scandal, catapulting heated public conversations around privacy and security.

Apple became the first public American company to reach \$1 trillion in value, followed shortly thereafter by Amazon.

General Electric was dropped from the Dow Jones Index.

It's been turbulent to say the least, and a lot has changed.

Amidst social uprisings, political scandals and entrepreneurial feats, have everyday American retail investors remained steadfast in their financial habits and beliefs? Or have happenings on the Hill, in Silicon Valley and in small towns across the country impacted how they feel about their financial futures and, in turn, where they plan to invest their money? Are they more hopeful or fearful of economic opportunities? And do investment behaviors across political lines mirror the deepening partisan divide?

We set out to find the answers.



A handwritten signature in black ink that reads "Brandon Krieg". The signature is stylized and written in cursive.

Brandon Krieg
CEO & Co-Founder

STASH Fast Facts

Fast Facts.

Stash is a digital-first financial services company committed to making saving and investing accessible to everyone.

~3M clients.

Age:

68% Millennial (18-34 years old)

29 Average Age

Gender:

65% Male / 35% Female

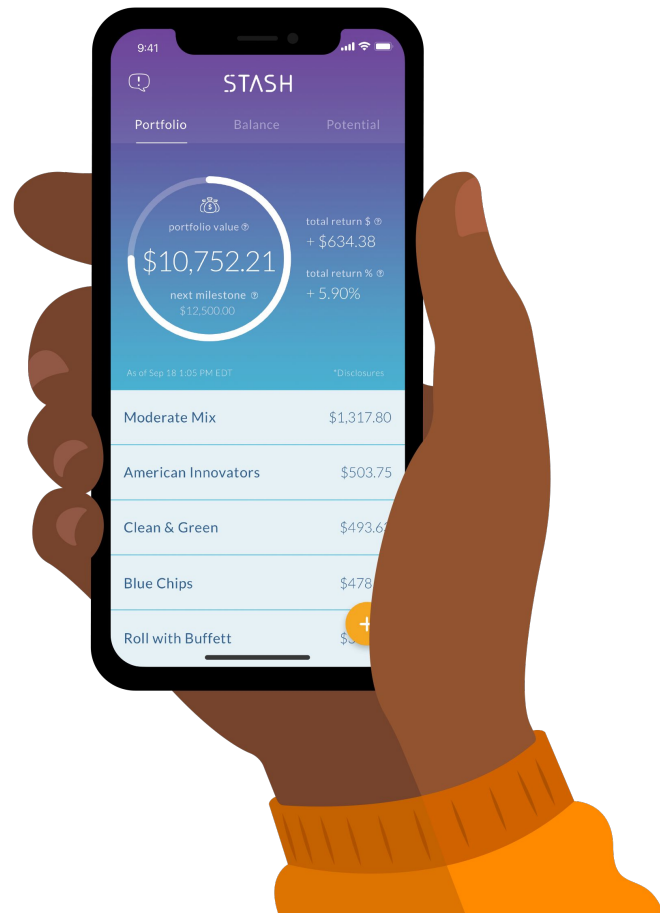
Demo:

56% Married / 44% Single

\$45K Average Household Income

55% Democrats / 45% Republicans

86% of Stash users are **first-time investors**.



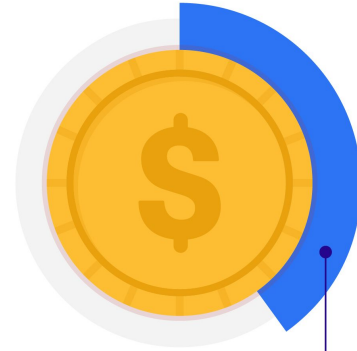
Part I: Survey Results Highlights

How Do Americans Feel About Their Money?

Less than half of all respondents (40%) report an improved financial situation under President Trump.

What's standing in the way?

1. Lack of wage increases (33%)
2. Rising cost of healthcare (17%)
3. Rising cost of housing (16%)
4. Trade war's impact on economy (14%)



40%

of people say their personal finances have **improved** since President Trump took office

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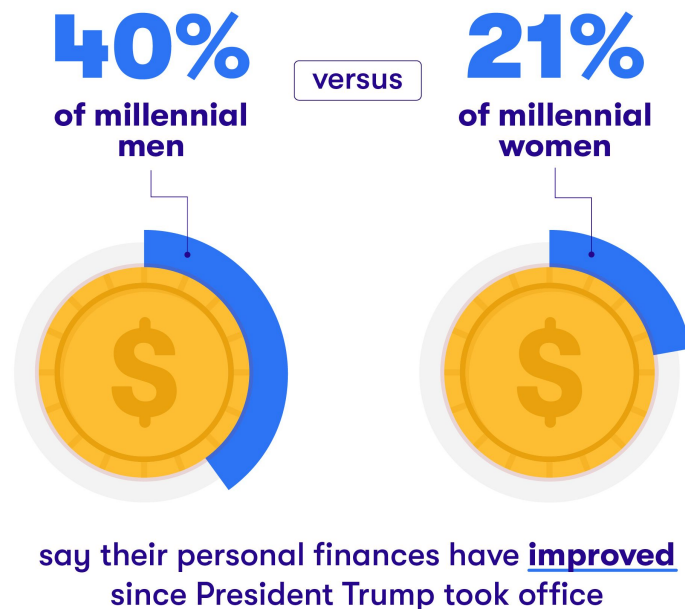
*Stash surveyed 6,759 Stash users across the United States through Survey Monkey.

But, it's not an equal playing field.

Only 23% of all women report an improved financial situation under President Trump versus 44% of all men.

And the trend transcends generational lines.

Double the amount of Millennial and Gen X men report an improved financial situation, compared to women in those same demographic groups.

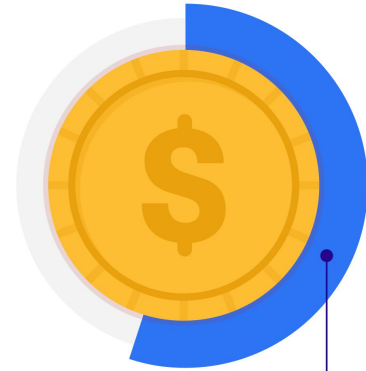


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So, who *is* benefiting?

50% of men between 45 and 64-years-old—and 55% of men 65+—report an improved financial situation.



55%

of men 65+ years old say their personal finances have improved since President Trump took office

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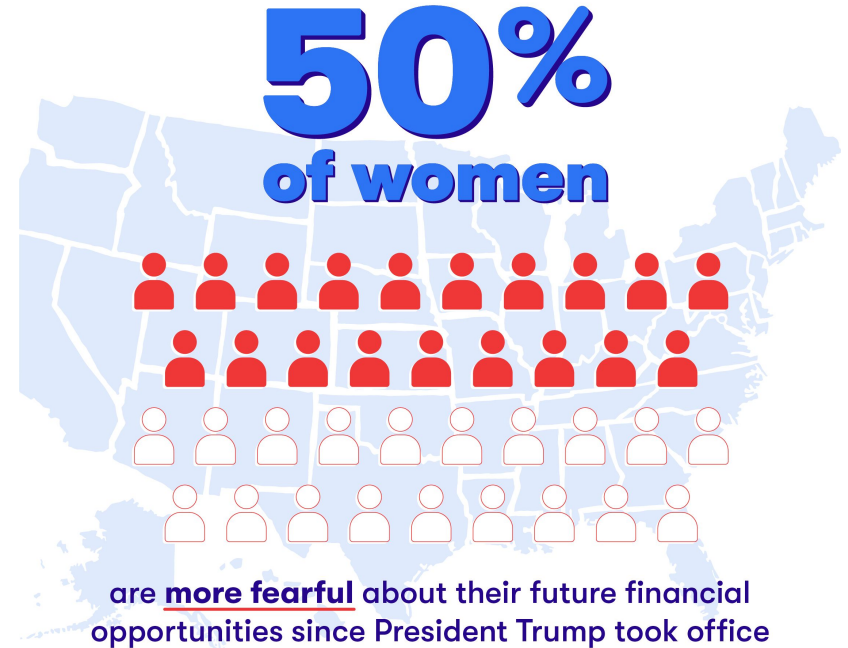
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How Do Americans Feel About Their Financial Opportunities?

Ahead of midterm elections...

Over 65% of all respondents feel **the same** or **more fearful** about their financial opportunities under President Trump.

Yet, **20% more women** than men **fear for their financial opportunities**, with 50% of all women reporting feeling more fearful versus only 30% of men.

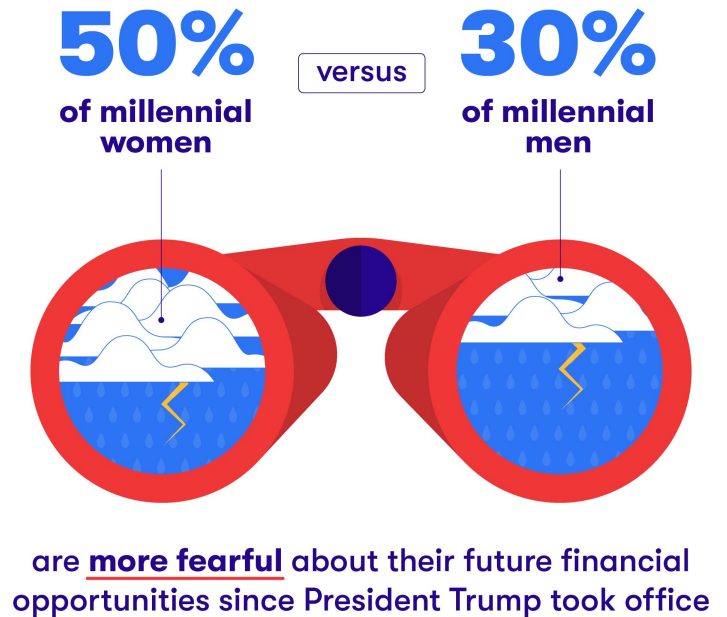


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The trend persists for young people too.

20% more Millennial women report feeling more fearful under President Trump, compared to their male counterparts.



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Does The Political Climate Impact Investing Behavior?

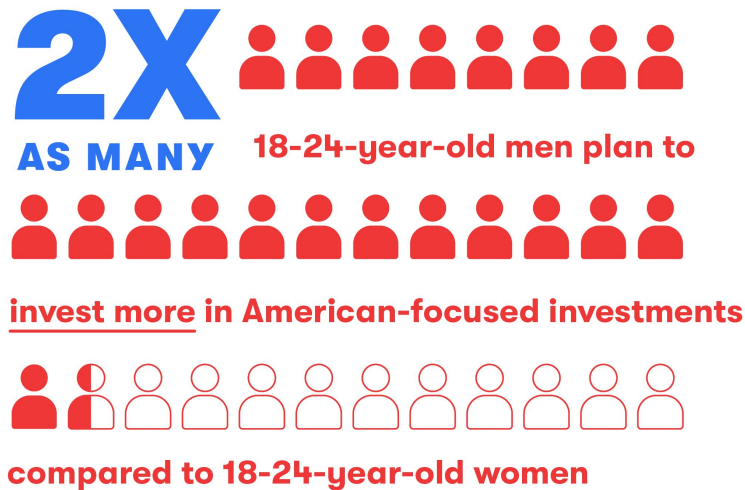
Ahead of midterm elections...

Only 34% of all respondents plan to invest more in American-focused investments, such as U.S.-born companies or bonds issued by the U.S. government.

But for those who do, **men lead the pack.**

In particular, **double the amount of young men** between 18 and 24-years-old plan to invest more in American-focused investments than their female counterparts.

Interest in American-focused investments since President Trump took office



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Ahead of midterm elections...

Trust in major U.S. tech companies, such as Google, Apple and Amazon, **may be faltering**.



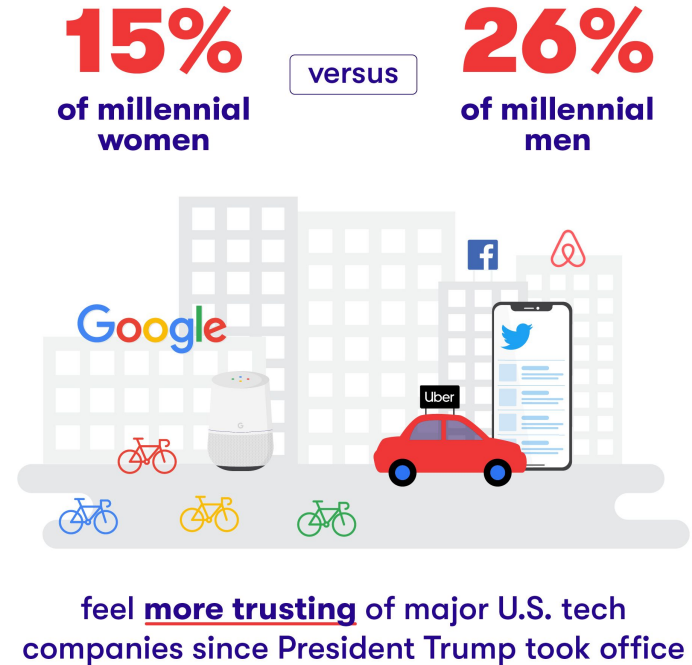
of people are **less trusting** of major U.S. tech companies since President Trump took office

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And, for those who do feel more trusting, men tend to outnumber women.

Take Millennials: Close to **double the amount of Millennial men** feel more trusting of major U.S. tech companies, compared to Millennial women.



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Looking globally:

30% of all respondents are less inclined to invest in **Asia-Pacific companies** under President Trump, and 25% are less inclined to invest in **European companies**.

But, **older generations plan to cut back** on global investments at a higher rate than young people.

40% of people **over 55-years-old** are less inclined to invest in both Asia-Pacific and European investments, compared to only 25% of **Millennials**.

Interest in global investments since President Trump took office



30%

of people are less inclined to invest in Asia-Pacific companies



25%

of people are less inclined to invest in European companies

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Part II: Americans React to Breaking News & Top Stories

The 12 charges—**which included conspiracy against the U.S.**—impacted investor behavior, with a spike in sales of the ITA ETF (iShares Dow Jones U.S. Aerospace & Defense ETF).

“**Defending America**” (ITA) tracks an index of U.S. equities in the aerospace and defense sector, including **Boeing**, **Lockheed Martin** and **Raytheon**.

October 30, 2017

Manafort & Gates Indicted



140%

increase in users selling **Defending America** (ITA).

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Data from 805,558 Stash users' buy and sell transaction rates on the given day, compared to the 40 days prior to the relevant event, and compared to normal buying behavior.

Political beliefs deeply impact faith in cornerstone American businesses and defense operations.

President Trump's **2018 State of the Union Address** sparked a sell-off of the MGC ETF (Vanguard Mega Cap) and ITA ETF (iShares Dow Jones U.S. Aerospace & Defense ETF).

"**Blue Chips**" (MGC) provides investors exposure to 260 companies, mostly located in the U.S., including **Amazon, Apple, Microsoft, Exxon Mobil, Johnson & Johnson** and **Facebook**.

The infographic is presented as a newspaper clipping with a white background and a blue border. At the top, there is a grey rectangular placeholder. Below it, the date "January 30, 2018" is centered. The main headline reads "State of the Union Address" in a large, bold, serif font. Underneath the headline is an illustration of a city skyline with a large American flag in the foreground. To the right of the illustration are several horizontal grey lines representing text. Below the illustration, the text states "3x more users sold **Blue Chips** (MGC) and **Defending America** (ITA)". At the bottom left of the infographic is the "STASH" logo, and at the bottom right is a small line of text: "Data from 805,558 Stash users' buy and sell transaction rates on the given day, compared to the 40 days prior to the relevant event, and compared to normal buying behavior."

The Cambridge Analytica Scandal rocked the tech industry, bringing privacy and security concerns to the forefront of public debate, and even to Capitol Hill.

When **Facebook CEO Mark Zuckerberg** spoke about the scandal publically for the first time, investors responded by selling the CIBR ETF (Nasdaq CTA Cyberscurity Index), the VGT ETF (Vanguard Information Technology ETF) and the FDN ETF (First Trust Dow Jones Internet Index Fund).


“**Data Defenders**” (CIBR) tracks many of today’s leading cybersecurity companies, including **Cisco Systems**, **Palo Alto Networks** and **VeriSign**.

“**American Innovators**” (VGT) includes some of the largest, most cutting-edge technology companies in the world like **Facebook**, **Alphabet**, **Intel** and **IBM**.

“**Internet Titans**” (FDN) has exposure to 41 huge, Internet-driven companies, including **Amazon**, **Facebook**, **PayPal**, **SalesForce** and **Netflix**.

March 21, 2018

Zuckerberg Breaks Silence on Cambridge Analytica Scandal



2x more users sold
Data Defenders (CIBR),
American Innovators (VGT)
and **Internet Titans** (FDN)

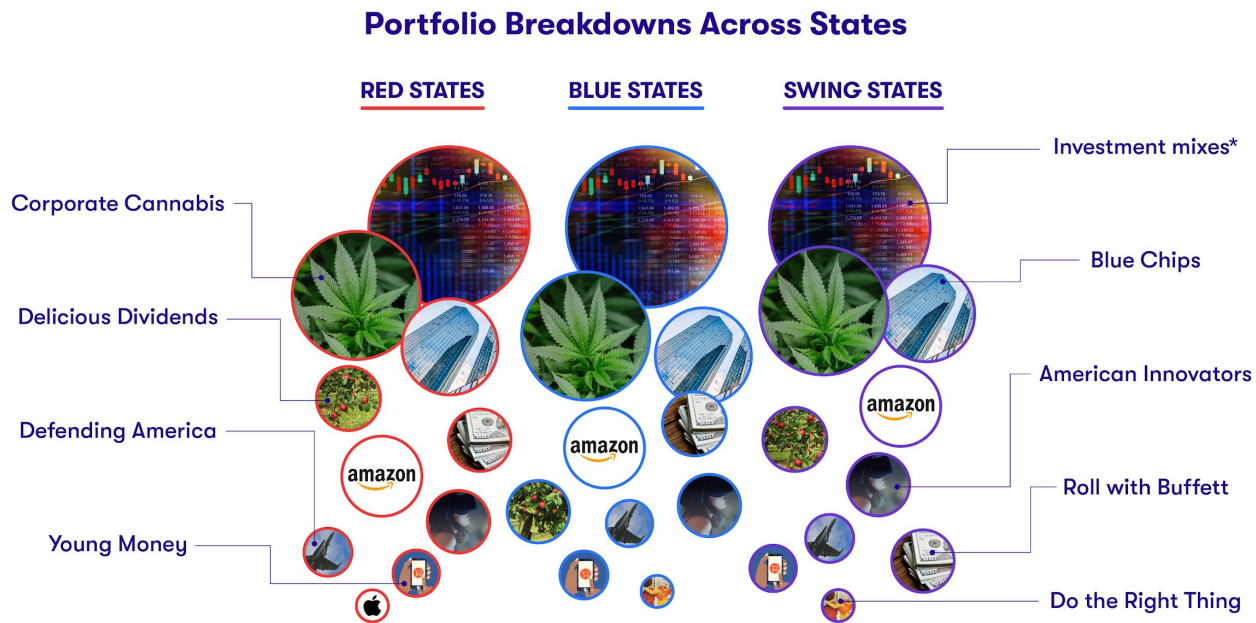
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Part III: Americans Invest Similarly, Despite Political Party

Despite today's striking political divide, investment portfolios are nearly identical, regardless of whether Stashers live in a red, blue or swing states.

The only differences? “Do The Right Thing” (SUSA) doesn't make the red state “top 10”—unlike blue and swing states—and red state Stashers tend to invest a bit more heavily in “Corporate Cannabis” (MJ ETF).



Part IV: Investment Map Reveals Hometown Loyalty

While some investment favorites were, perhaps, surprising (like Snapchat in North Dakota), it's clear that Americans invest in—and are loyal to—their hometown companies (i.e. company headquarters).

How Investments Stack Up By State



Some examples include:

- Starbucks & Washington
- Home Depot & Georgia
- Walmart & Arkansas
- Schlumberger & Texas
- Abbvie & Illinois
- Altria & Virginia

Methodology

“Survey Results” (Pg. 8-18)

Surveyed 6,759 Americans via SurveyMonkey:

Age Demographics

- Under 18 - 0.03%
- 18-24 - 10.31%
- 25-34 - 31.69%
- 35-44 - 25.88%
- 45-54 - 17.84%
- 55-64 - 10.99%
- 65+ - 3.25%

Gender Demographics

- Male - 62.09%
- Female - 37.56%
- Other - 0.34%

“Americans React To Breaking News & Top Stories” (Pg. 20-22)

Data from 805,558 Stash users’ buy and sell transaction rates on each given day, compared to the 40 days prior to the relevant event, and compared to normal buying behavior.

“Portfolio Breakdowns Across Red, Blue & Swing States” (Pg. 24)

Portfolio data from 805,558 Stash users, comparing the largest portfolio allocations, on average, of Stashers in blue, red, and swing states; “red states” are states that were carried by the Republicans in the 2004, 2008, 2012 and 2016 presidential elections; “blue states” are states that were carried by the Democrats in the 2004, 2008, 2012 and 2016 presidential elections; “swing states” are states that were not overwhelmingly carried by either the Republicans or the Democrats in the 2004, 2008, 2012 and 2016 presidential elections.

“How Investments Stack Up By State” (Pg. 26)

Data from 805,558 Stash users; map details Stash investments that over-indexed state-by-state across the U.S.

DISCLOSURES

1. The survey was conducted online within the United States by Stash using Survey Monkey technology in Sept 2018. 6,759 Stash clients completed the survey.
2. Investment advisory services offered by Stash Investments LLC, an SEC registered investment adviser. This information is for informational and educational purpose only, represents an assessment of the market environment as of the date of publication, and is subject to change without notice. The information should not be relied upon by the reader as research or investment advice regarding any issuer or security in particular. None of this material should be construed as an offer to sell or a solicitation of an offer to buy any particular security. Any reference to a specific company or security is for illustrative purposes, is available on Stash as of the date of publication, and is not necessarily representative of all investments available on Stash. Images of holdings and performance are hypothetical and provided for information purposes only. This information is not intended as a recommendation to buy, sell, hold or directly invest in any particular company, security, asset class or or as a promise of future performance. All product and company names referenced are trademarks™ or registered® trademarks of their respective holders. Use of them does not imply any affiliation with or endorsement by them.