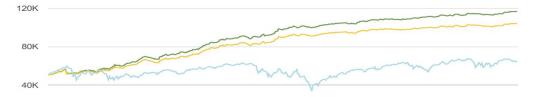


Trade Ideas Summit 2019

Post-Game: After Zero, What's Next?

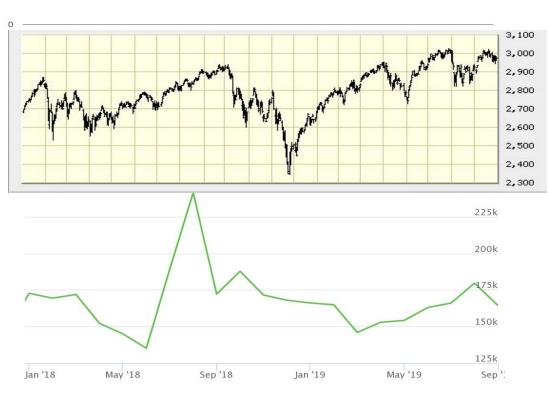
David Aferiat Trade Ideas | Managing Partner

Charts Speak





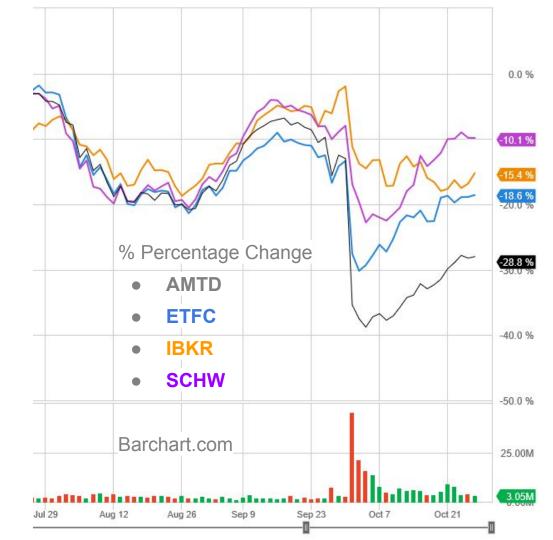
- HOLLY AI
- SPX
- Trade-Ideas.com



The Day DARTS Died

Bank of America estimates of commission revenue:

- AMTD, 28%
- ETFC, 17%
- SCHW, 8%
- FIDO, 7 9%



"We remain focused on offering intuitively designed products that reduce barriers to our financial system, including account minimums and commission fees."

WHAT THEY MEANT

ve.

"DON'T LOOK DOWN!!!"

Jack Randall, head of

communications at Robinhood

"While we did not favor this shift, we believe it enhances our competitive position in our core retail franchise."

WHAT THEY MEANT

e

"Kiss Your Annual Incentive

Bonus Goodbye."

ETRADE CEO, Mike Pizzi

"In this new paradigm, platform, functionality, and customer experience are more important than ever. And that is where we truly differentiate."

WHAT THEY MEANT Same. (It's the Truth.) ve. **ETRADE CEO, Mike Pizzi**

"With ... price going now down to zero, it doesn't preclude us from really understanding where there are opportunities to best charge for the value created."

WHAT THEY MEANT

e

"IF WE'RE GOING TO GET OUT OF HERE, LET'S STOP DIGGING!"

Tim Hockey, President/CEO TD Ameritrade

"There is a number of things that we give to everyone today that a number of our clients really don't utilize, but cost us money, and so we think there's probably ways to value engineer that offering."

WHAT THEY MEANT

ve

"FOLKS, THERE'S NO FREE LUNCH."

Steve Boyle, EVP/CFO

TD Ameritrade

"Responses from competitors were precisely as we expected."

WHAT THEY MEANT

Said the cat who ate the

canary.

Schwab CEO Walt Bettinger

SIGNPOSTS

WATCH FOR:

- Pressure on Robinhood to continue growth or news of losses (Brokers pulling customers back)
- Emphasis on APIs (Need for technology outside Brokers' 4 walls, 'as long as it trades here')
- Movement to a pay for what you need (shifting of customer costs from commissions to tools)

Here to Help Brokers Fulfill their Brand Promise, And Ours

- Brokers vying to sponsor use of Trade Ideas
- TI API connectivity
- TI as the 'LendingTree' of Broker Offers

Strategies - 05:18 10/25/2019	9 (Al Dev) -	18 tra	des											
Off Profit \$112.49	Ope	en (\$)	\$-36.54	Closed (\$) \$149.02			Filter None				~	Strategy 6 Strategies		
69 ————————————————————————————————————	Win %	PF	L/S	Strategy	Time Stop	Stop Loss	Win X Today	Risk On Pft	Risk Off Pft	Trds Today	Full Risk Pft	Segmen	t Today Performanc	
16	58.7	1.91	Short	Breakdown Short	4:50 PM	Below High (\$)	40.0	\$-43.52	\$-87.54	5	\$-21.01	Al Dev		
52 11 - 1 - Mal	51.4	1.82	Short	Pullback Short	4:50 PM	Below High (\$)	50.0	\$-266	\$5.65	4	\$ 266.44	Al Dev		
MARINE IN	63.6	2.83	Long	Bottom Fish 5 day Swing	+4 days	Average Tru	50.0	\$-36.54	\$0.00	4	\$-36.54	Al Dev		
	44.2	1.52	Long	Pullback Long	4:45 PM	Above Low (\$)	66.7	\$231	\$11.00	3	\$231.27	Al Dev		
	47.1	1.31	Long	Breakout Long	4:50 PM	Above Low (\$)	100.0	\$336	\$199.91	2	\$336.62	Al Dev		
97	60.9	3.28	Short	Topping tail Swing	+4 days	Average Tru		\$0.00	\$0.00	0	\$0.00	Al Dev		
NISK ON	<													
itegy Trades (Al Dev) - All -	10/25/2019												- 0	
Dn Profit 11.09%							Filter I	None			~	Strategy	All Strategies	

Dn Profit 11.09%						Filter None								 Strategy All Strategies 			
Exit Time	L/S	Strategy	Symbol	Lst Price	Entry Price	Exit Price	Risk Off Closed	Risk Off Pft	Today Perf Risk Off	Risk On Pft %	Risk On Pft	Today Perf Risk On	Risk Off Pft	Full Risk Pft %	Full Risk Pft	Pft Basis	
	L	Bottom Fish 5 day Swing	TRIP	40.32	40.58		\$0.00	-0.64%		-0.64%	\$-12.74		\$-12	-0.64%	\$-12.74	-3,139	
3:48	L	Pullback Long	ASB	20.20	20.33	20.21	\$-11.76	-0.59%		-0.66%	\$-13.23		\$-11	-0.66%	\$-13.23	-5,785	
	L	Bottom Fish 5 day Swing	CLF	7.14	7.36		\$0.00	3.02%		-3.02%	\$-60.30		\$-60	-3.02%	\$-60.30	-81,898	
	L	Bottom Fish 5 day Swing	HP	40.26	39.96		\$0.00	0.75%		0.75%	\$15.00		\$15	0.75%	\$15.00	3,754	
3:33		Pullback Short	TNET	50.31	51.36	50.61	\$28.50	1.46%		2.04%	\$39.90		\$28	2.04%	\$39.90	5,549	
4:10	L	Pullback Long	RBZ	1.93	1.73	1.74	\$11.56	0.58%		11.56%	\$231		\$11	11.56%	\$231.20	66,821	
	L	Bottom Fish 5 day Swing	X	11.70	11.58		\$0.00	1.08%		1.08%	\$21.50		\$21	1.08%	\$21.50	18,575	
2.20	e	Dullassia Chan	CL C	C 12	0.10	6.24	A 25.02	1 20%		4 2024	A 05.00		1.05	1 2000	1 05 00	42.070	

MORE NOTES, HOCKEY

- about 50% of our costs are third-party contracts. So those would be something on the expense side, but we look at things on the revenue side as well.
- in an industry that benefits from scale and an industry that has small players that have had their price differential, which was their main value proposition stripped out, there will probably be some consolidation.
- 20 years ago at TDA, 20 times the trade rates from clients who are participating in the free-trade.

MORE NOTES, PIZZI

- We have always taken a modeled approach of giving everything to all customers, the full capability, and suite of the platform.
- We are incurring cost for every account for services and features that customers do not use or do not put value on.
- We're not really set up today to do that immediately, but over time, it allows us flexibility, sort of, in our overall expense structure by reducing portions in the offer that are really not important to that particular customer, and reduce our overall usage of services that we pay quite a lot of expense for.

MORE NOTES, PIZZI Cont'd

- In terms of other revenue opportunities, you know, we are always asking ourselves, are there ways to add adjacent services, adjacent products or optimizations or things?
- And maybe some of those things that we would be adding that would differentiate us in the past were offered to differentiate the price point we were at in the market versus other participants, whereas today, they could become the basis of alternative models.
- target your use of promotions to the things that generate the best revenue capacity.
- you're going to tailor your efforts around promotions, around sort of what you're doing to try to attract that customer to the products that generate the best return overall.
- 7 million accounts and roughly that many customers

CULTURE & VALUES

perserverance independent/free from Original Authentic Repl People Power COLLECTIVE EXPERIENCE Real (Legit) Product to 2009. Constant Evolution of Product. - LOVE HOW NO ONE LEANES TRADE DEAS

ALL)FS

TRADE IDEAS NEWS

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