



Moomoo Investor 2023 Survey

Introduction

- **Moomoo surveyed its users at the end of 2023 to find out how their investing journey has progressed compared to midway through the year and the beginning of the year.**
- **Lower than expected inflation and unemployment data along with better-than-expected economic output led to gains for the overall US stock market in 2023. Many of our investors feel bullish and more willing to trade and add funds to their accounts.**
- **Investors are generally upbeat on the outlook for 2024 and are buying into the soft-landing scenario despite a lack of clarity on what the Fed may do next.**
- **The survey aimed to gain better understanding of the current landscape by answering three key questions.**



Three Key Takeaways

How are users doing?

- Surveyed users reported that they are more profitable and confident on average than six months ago and are trading more than a year ago. Most have added money to their trading accounts in 2023.

Where are consumers putting their money?

- Surveyed users see traditional banks as safer on average than six months ago. Many are new to moomoo but also have other brokerage accounts.

What is the investor sentiment?

- Surveyed users are more bullish on average and more expect the economy to avert a recession than did in the last two surveys.



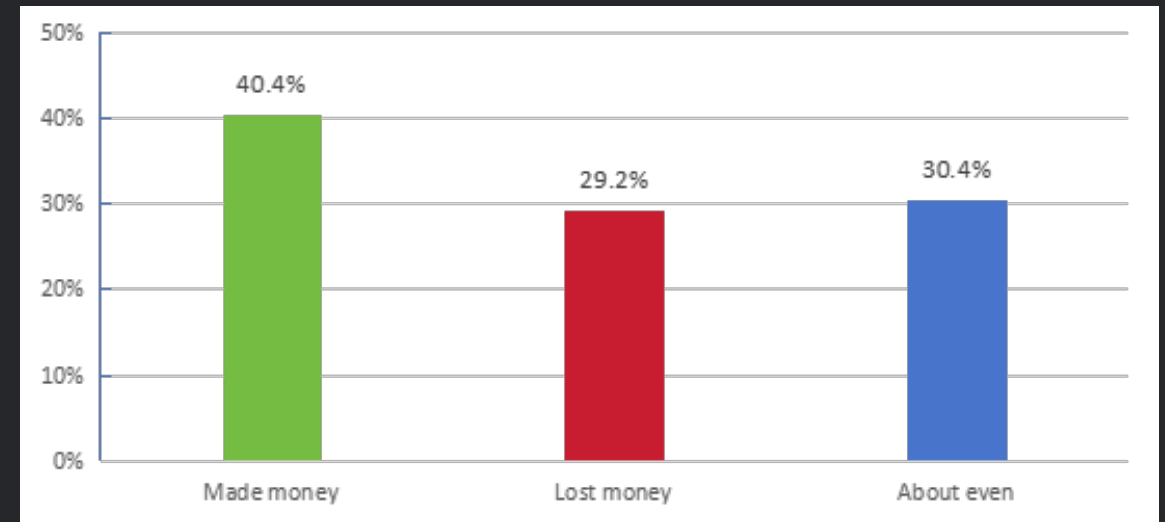
1. How are users doing?



Amid a rally in the US stock market, 40% of users reported that they have made money in 2023 compared to only 15% in 2022, a year in which the S&P 500 lost 19.4%, its worst decline since 2008.

- The S&P 500 index rose 24% in 2023 while the Nasdaq 100 index advanced 54%.
- While 33% of users were losing money at the mid-year mark in 2023, only 29% of users were down at the end of the year.
- 64% of investors under 25 made money in 2023, the greatest of any age group
- The varied performance of users reflects the narrowness of the 2023 rally in which many stocks underperformed the broad-based averages.
- Tech stocks led the way, with mega-caps Nvidia (+239%) and Meta Platforms (+194%) the best 2023 performers in the S&P 500 index.
- Less than 30% of S&P 500 stocks beat the overall 24% return for the index.
- Approximately 35% of S&P 500 stocks had a negative return in 2023.
 - **How are users doing?**

profit, loss, break even

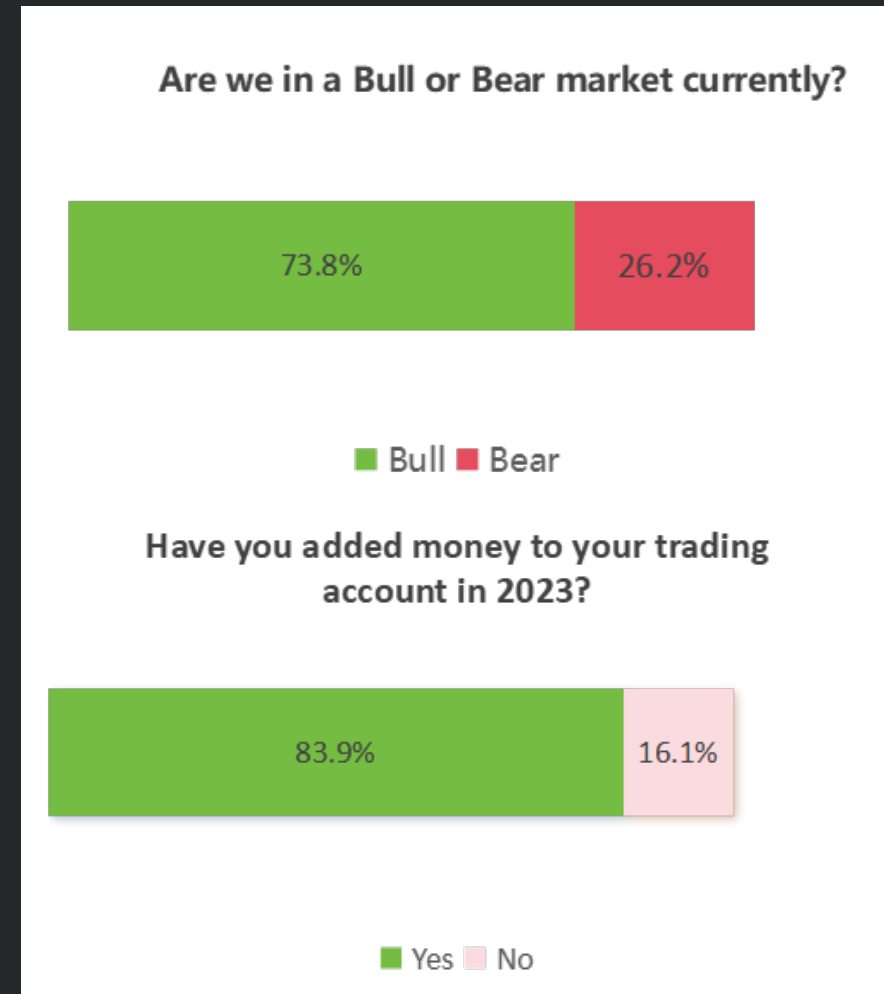


- Reported results of a survey of about 1000 moomoo users.



The majority of users believe we are in a bull market and have been adding money to their trading accounts during 2023.

- A bull market is defined by many investors as a 20% rally in the broad market off the most recent lows.
- By this definition, the S&P 500 entered a new bull market in June 2023.
- A rise above the old highs is also required as part of some investors' definitions.
- Including this criteria, the S&P 500 narrowly missed starting a new bull market in 2023.
- Newer users with a moomoo account open less than one year (87%) were more likely to have added money to their accounts than those with accounts open more than three years (71%).



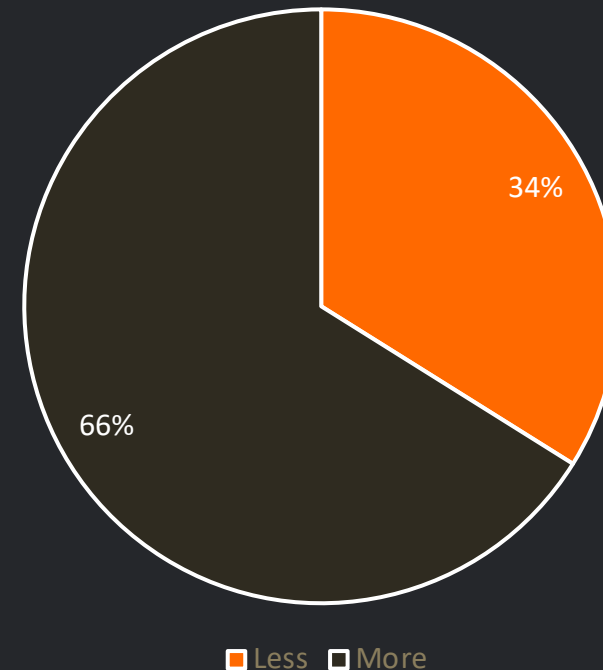
- **How are users doing?**



With user bullishness rising along with the markets, users traded on average more in 2023 than they did in 2022.

- 78% of investors that made money in 2023 traded more, but surprisingly 58% of users that lost money also traded more often.
- Younger investors are trading more, 84% of those under 25 traded more in 2023.
- Investors with less than \$35,000 in annual income were more likely to trade less (42%) than the average user (34%).
- This is the opposite of what was seen in the midyear survey when lower income investors were trading more than higher income ones.
- This could be due to a cooling of real wage increases and the exhaustion of pandemic-era savings among lower income households.

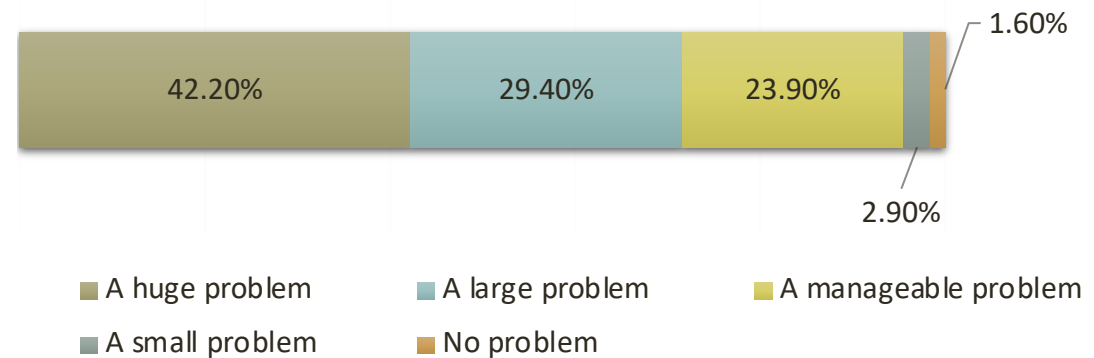
Have you traded more or less in 2023 than you did at the same point in 2022?



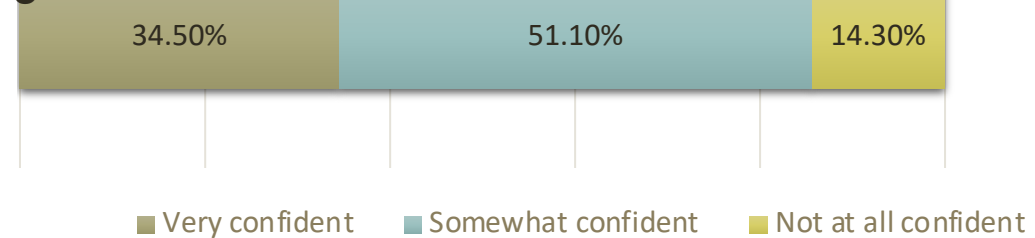
After losing confidence on average in meeting their investment goals in the first half of 2023, users gained confidence into the end of 2023, but still lagged behind levels seen at the end of 2022

- 35% of users are very confident in meeting their investment goals compared to 31% of users surveyed midyear and 37% of users surveyed at the end of 2022.
- 72% of users see inflation as a huge or large problem compared to only 54% in the 2022 end of year survey.
- The rate inflation has been decreasing, but overall inflation levels remain above the Federal Reserve's 2% mandate.
- The increase in average hourly earnings for US workers has steadily decreased in 2023 which may be leading to decreased confidence.

How much of a problem has inflation been in 2023?



How confident are you in meeting your investment goals?



- **How are users doing?**

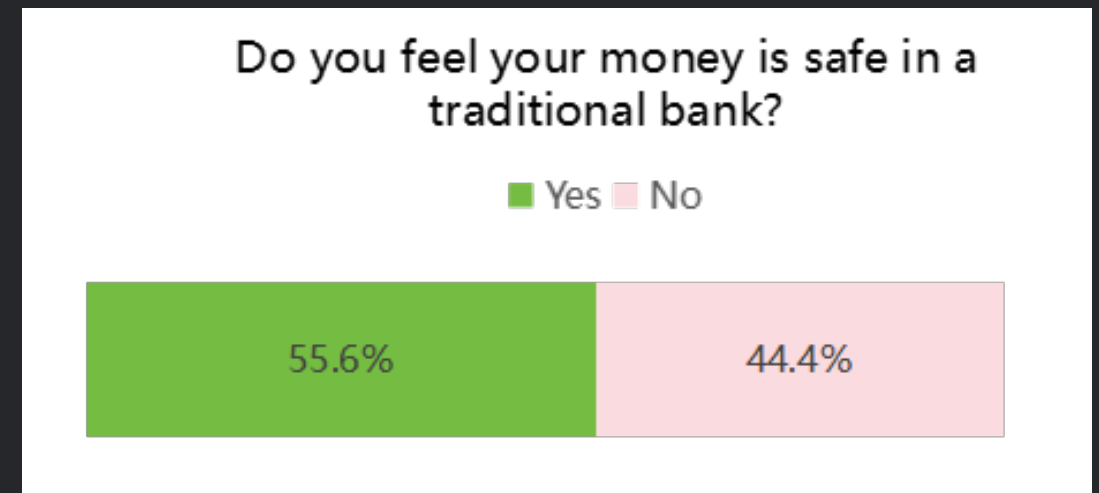


2. Where are consumers putting their money?



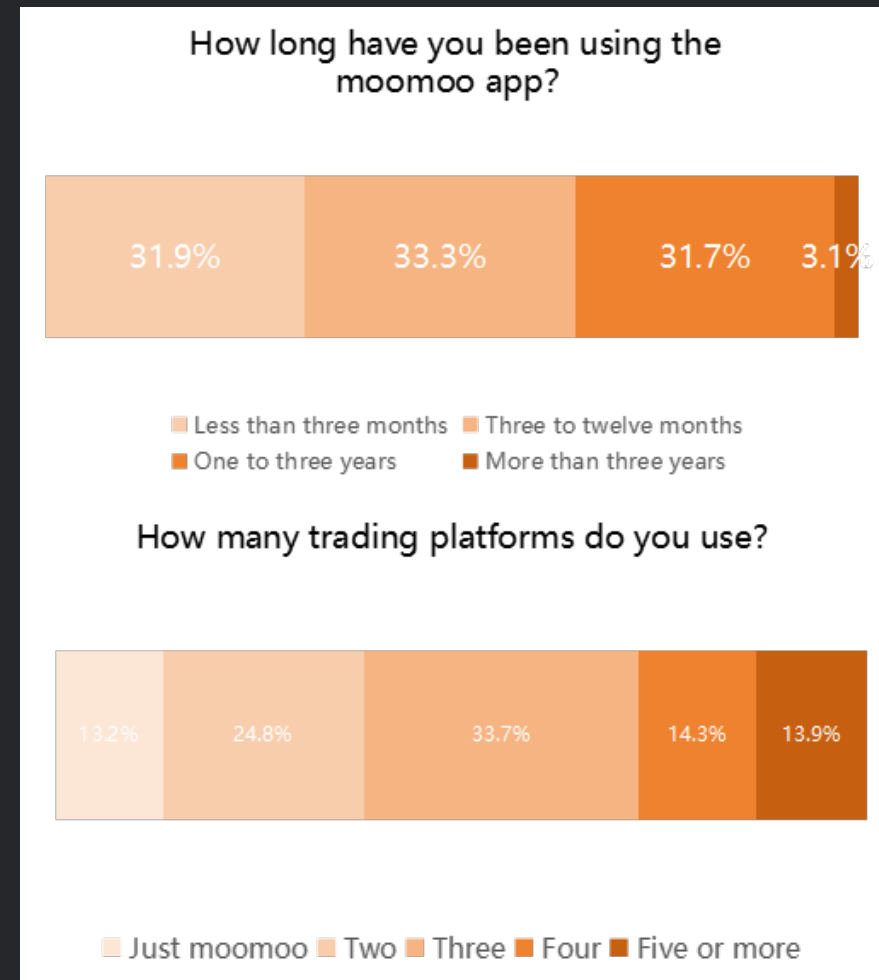
Investors have gained confidence overall in the second half of 2023 about the safety of their money in traditional banks.

- **In the spring of 2023 the failure of large regional banks Silicon Valley Bank, Signature and First Republic Bank shook some depositor's faith in America's banking system.**
- **The US government stepped in to make all depositors whole, even those with accounts above the \$250,000 FDIC guarantee.**
- **56% of users feel their money is safe in a traditional bank compared with 50% at midyear.**
- **While higher income investors are more likely to have deposits at banks above the standard FDIC deposit insurance amount, it is the lower income users that have less trust in traditional banks.**



Most users are relatively new to the app and many are using in conjunction with other platforms.

- **Younger investors are more likely to have only a moomoo account and to be new to the platform.**
- **21% of survey participants under 25 have just a moomoo account, while only 11% of investors over 65 do.**
 - **As investors gain experience, they are more likely to open multiple accounts to meet all their needs.**
- **54% of respondents under 25 have been using the app less than three months.**



3. What is the investor sentiment?

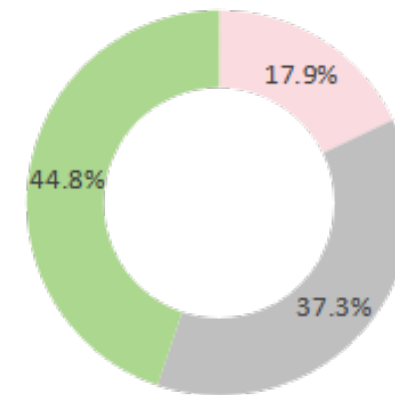


Bullishness among users continued to grow as the market advanced in 2023.

- 45% of users are bullish compared to 39% at midyear and only 21% at the beginning of the year.
- Bearish levels held steady at 18% from midyear but are down significantly from 42% at the beginning of the year.
- The results may indicate that some users follow a momentum-type strategy and are expecting the current trend to continue.
- Falling bond yields on the hopes the Fed may soon start cutting rates could be another reason for such overall bullishness.

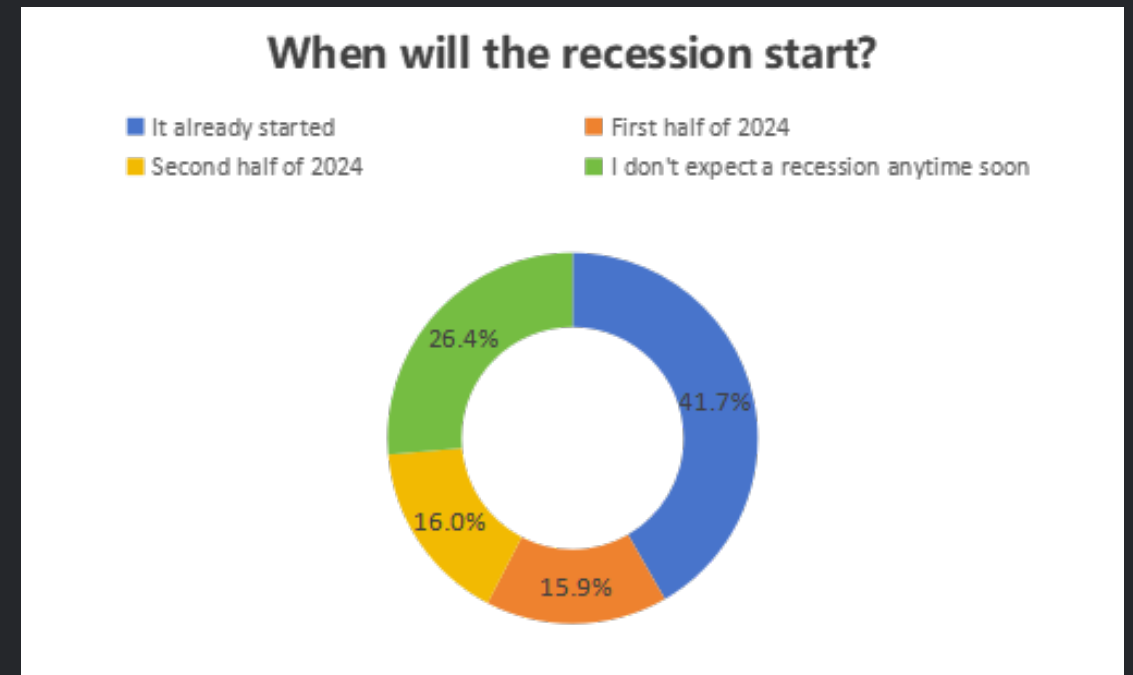
What is your view on the stock market for 2024

■ Bearish ■ Neutral ■ Bullish



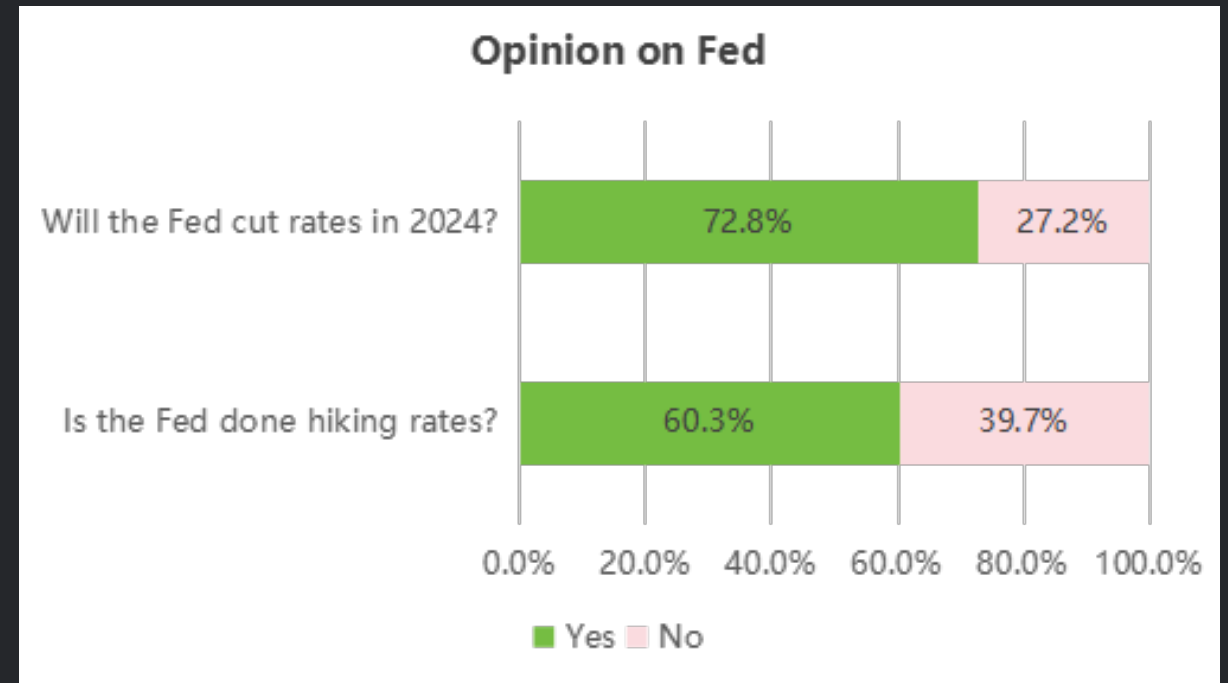
More users are buying into the “soft landing” scenario, but they are still in the minority.

- 26% of investors don't expect a recession anytime soon compared to 18% of users at midyear.
- Inflation and high prices may have some investors feeling like there is a recession, but current economic data does not indicate that a recession is already underway.
- Over 90% of economists polled by the NABE see a less than 50% chance of recession in 2024
- The definition of soft landing can include a mild recession, so investors and economists might not be too far apart in their views.
- Some investors believe this rally which has been led by technology stocks still has some steam.
- Over 80% of respondents expect the tech sector to outperform the general market in 2024.



Investors have shifted their views about the Federal Reserve but are on average more hawkish than markets and the Fed itself.

- At midyear, 27% of investors expected the Fed to cut rates in 2023 but that did not happen.
- 73% of investors now expect the Fed to cut rates in 2024.
- 40% think the Fed is not done raising rates. Some of these users may expect a hike followed by a cut.
- The Fed's December 2023 projects call for a median of three 25 basis point cuts in 2024, while the market is pricing in approximately six cuts.
- Rate cuts by the Fed could be interpreted by investors that the worst inflation has passed.



Summary

- **Rising markets in 2023 have lifted investors' confidence in trading and the market outlook, but not everyone has participated equally.**
- **Inflation remains a concern and investors are still somewhat worried about a possible recession.**
- **Respondents market outlook remains broadly positive though and many are adding fund to their trading accounts .**





The Q4 Moomoo Users survey was conducted in December 2023. The survey included around 1000 participants that are registered users of the moomoo app. The data shown in the survey represents the opinion of those surveyed, and may change based on market and other conditions. The survey results provided herein may not represent other customers' experience, and there is no guarantee of future performance or success and should also not be construed as investment advice. Experiences may differ than the ones represented here. Investing involves risks regardless of the strategy selected.

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