



UBS

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Index of Investor Optimism

A UBS/Gallup Poll of Investor Attitudes

INVESTOR OPTIMISM HOLDS STEADY

UBS/Gallup Index of Investor Optimism at 79, Down One Point from February

Price of Energy and Federal Budget Deficit Seen as Serious Drags on Investment Climate

Investors Concerned about Illegal Immigration

NEW YORK, March 27, 2006 – Investor optimism remained steady this past month, with the UBS/Gallup Index of Investor Optimism registering 79, essentially unchanged from the 80 reading in February. This leveling-off follows a 13 point decline from January to February.

Half of all investors responded that they are optimistic about U.S. economic growth, and more than half are optimistic about the performance of the stock market, with a total of 62 percent believing that now is a good time to invest in the financial markets.

Despite the moderate optimism, investors see certain key issues as potentially harmful to the investment climate in the U.S. Investors continue to see the price of energy as the most harmful influence on the U.S. investment climate, among ten items measured in the poll. Sixty-nine percent say it is hurting the investment climate a lot and another 22 percent say it is hurting a little, a sentiment that has essentially held steady since last November. Over half of investors believe that the federal budget deficit and close to half, 48 percent, cite the Iraq war as hurting the investment climate a lot.

Additionally, outsourcing of U.S. jobs to foreign countries continues to be cited as a significant concern to investors. Fifty-three percent of investors see job outsourcing as hurting the U.S. investment climate a lot. However, this represents an 11 point decline since November 2005, when 64 percent of respondents held that view.

"Even with rising stock prices and an improving job market, investors remain cautious about their outlook for the economy as they look at current economic trends and political issues around the world," said Robin Miranda, Associate Strategist, UBS Wealth Management Research.

The monthly poll of investors also found somewhat negative reactions to the issue of illegal immigration in the United States. Over half of all investors identified illegal immigration as having a harmful impact on the U.S. economy. Only six percent of investors say illegal immigration helps the U.S. investment climate.

Sixty-eight percent of investors feel that illegal immigrants cost taxpayers too much money by using government services such as education and medical care. Just 25 percent of investors believe that illegal immigrants eventually become productive citizens and pay their fair share of taxes. And 80 percent of investors believe that the federal government is not doing enough to prevent the flow of illegal immigrants into the United States.

However, investors have differing opinions on illegal immigration nationally versus locally. More than half of respondents believe that illegal immigrants have either no impact or a somewhat helpful impact on their local economies. And 84 percent of investors polled believe that illegal immigrants generally take jobs Americans do not want.

These findings are part of the 96th *Index of Investor Optimism*, which was conducted March 1-16, 2006. To track and measure Index changes on an ongoing basis, new samplings are taken monthly. Dennis J. Jacobe, research director for Gallup, said the sampling included 802 investors randomly selected from across the country. For this study, the American investor is defined as any person who is head of a household or a spouse in any household with total savings and investments of \$10,000 or more. Nearly 40 percent of American households have at least this amount in savings and investments. The sampling error in the results is plus or minus four percentage points.

For more than 60 years, the Gallup Organization has been a recognized leader in the measurement and analysis of people's attitudes, opinions and behavior. While best known for the Gallup Poll, founded in 1935, Gallup's current activities consist largely of providing marketing and management research, advisory services and education to the world's largest corporations and institutions.

UBS is one of the world's leading financial firms, serving a discerning global client base. As an organization, it combines financial strength with an international culture that embraces change. As an integrated firm, UBS creates added value for clients by drawing on the combined resources and expertise of all its businesses.

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shares are listed on the SWX Swiss Stock Exchange, the New York Stock Exchange (NYSE) and the Tokyo Stock Exchange (TSE).

Additional information about the *Index of Investor Optimism* can be found at

www.ubs.com/investoroptimism

UBS *Index of Investor Optimism* overall trend

	Overall Index
06 March	79
06 February	80
06 January	93
05 December	79
05 November	50
05 October	47
05 September	34
05 August	61
05 July	58
05 June	54
05 May	50
05 April	52
05 March	74
05 February	82
05 January	76
04 December	79
04 November	69
04 October	62
04 September	74
04 August	77
04 July	88
04 June	95
04 May	71
04 April	73
04 March	85
04 February	97
04 January	108
03 December	104

03 November	93
03 October	69
03 September	54
03 August	61
03 July	54
03 June	77
03 May	42
03 April	66
03 March	5
03 February	9
03 January	38
02 December	52
02 November	41
02 October	29
02 September	60
02 August	52
02 July	46
02 June	72
02 May	90
02 April	89
02 March	121
02 February	92
02 January	115
01 December	88
01 November	84
01 October	86
01 September	50
01 August	76
01 July	74
01 June	85
01 May	90
01 April	81
01 March	82
01 February	77
01 January	96
00 December	106
00 November	130
00 October	132
00 September	147
00 August	160
00 July	143
00 June	149
00 May	155
00 April	140
00 March	150
00 February	168
00 January	178
99 December	174
99 November	148



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99 October	139
99 September	160
99 August	149
99 July	166
99 June	146
99 May	163
99 April	168
99 March	151
99 February	167
98 December	141
98 September	147
98 June	160
98 March	161
97 December	151
97 September	151
97 June	152
97 February	128
96 November	125
96 October	124

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