



UBS

Communications - Americas  
Media Relations

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# Index of Investor Optimism

A UBS/Gallup Poll of Investor Attitudes

[www.ubs.com](http://www.ubs.com)

## INVESTOR OPTIMISM UP SLIGHTLY FOR DECEMBER

### **Investors Remain Pessimistic about the U.S. Economy; Worries over High Energy Prices and Residential Real Estate Continue**

NEW YORK, December 21, 2007 – Investor optimism gained slightly in December rising 6 points to a level of 50 according to the UBS/Gallup Index of Investor Optimism. This marks the 2<sup>nd</sup> lowest level for the Index this year and is 40 points below that of December 2006. The Index is conducted monthly and had a baseline score of 124 when it was established in October 1996.

Most of the improvement in December's Index can be found in the Economic Dimension of the Index, which measures investors' feelings about the direction of the overall US economy. The Economic Dimension increased 5 points from -12 in November to -7 in December. Despite this uptick, 78 percent of investors describe the current U.S. economy as being in a slowdown or recession – essentially unchanged from the 79% who felt this way in November and up from 68 percent who felt this way in October.

Investor sentiment towards their own investments remained basically unchanged with the Personal Dimension of the Index, which measures Investors' optimism about their individual investment portfolios, increasing 1 point to 57 from its level of 56 in November.

"The Fed's latest efforts have helped prevent an outright recession, but only time will tell if the deteriorating housing market deals the economy a lethal blow," said Maury Harris, Chief US Economist, UBS Investment Bank.

Energy prices continue to plague investors with 75 percent saying they believe energy prices are hurting the current investment climate "a lot," up 15 points from the 60 percent who felt this way in October.

Housing and real estate remain second only to energy prices as an investor concern, with 62 percent of investors saying they believe the potential "for a housing or real estate crash in some local markets" is hurting the investment climate "a lot." This is up from the 56 percent who felt this way in November and the highest level of concern voiced by investors about this area since measurement began in October 2005.

Investor skepticism towards the housing and real estate markets continues with 78 percent of investors saying they believe economic conditions in the national residential real estate market are getting worse not better. Those polled cited feeling the effects of the credit crunch with 53 percent of investors saying the consumer credit crunch is hurting the investment climate "a lot."

In addition, 67 percent feel it is harder for Americans to get credit now than it was three months ago.

These findings are part of the 117th *Index of Investor Optimism*, which was conducted December 1-16, 2007. To track and measure Index changes on an ongoing basis, new samplings are taken monthly. Dennis J. Jacobe, Chief Economist for Gallup, said the sampling included 804 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.

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UBS is the leading global wealth manager, a top tier investment banking and securities firm, and one of the largest global asset managers. In Switzerland, UBS is the market leader in retail and commercial banking.

UBS is present in all major financial centers worldwide. It has offices in 50 countries, with about 39% of its employees working in the Americas, 33% in Switzerland, 16% in the rest of Europe and 12% in Asia Pacific. UBS's financial businesses employ more than 80,000 people around the world. Its 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](http://www.ubs.com/investoroptimism)

### **UBS *Index of Investor Optimism* Overall Trend**

	<b><i>Overall Index</i></b>
07 December	50
07 November	44
07 October	70
07 September	68
07 August	73
07 July	87
07 June	89
07 May	95
07 April	74
07 March	78
07 February	90
07 January	103



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06 December	90
06 November	93
06 October	79
06 September	74
06 August	53
06 July	55
06 June	58
06 May	64
06 April	63
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
99 October	139
99 September	160



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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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