

UBS Investor Sentiment

Brazil 4Q19

Confidence remains high

Brazilian investors see a **road to prosperity**

Confidence is higher than global peers

Own region's economy (next 12 months)

Brazilian investors

72%

optimistic

16% neutral
12% pessimistic

vs.

Investors globally

67%

optimistic

18% neutral
15% pessimistic

Own region's stocks (next 6 months)

Brazilian investors

76%

optimistic

17% neutral
7% pessimistic

vs.

Investors globally

65%

optimistic

21% neutral
14% pessimistic

Optimism stems from improved business environment



56%

Low interest rate policy



55%

Increase in **private investment**



50%

Rate of **job creation**

But many remain concerned about important social issues



49%

High **unemployment rate**



42%

Supreme Court decides against **fight against corruption**



41%

Political polarization impacting business and consumer confidence

Above average optimism for global economy and markets

Global economy (next 12 months)

Brazilian investors

68%

optimistic

24% neutral
8% pessimistic

vs.

Investors globally

60%

optimistic

24% neutral
16% pessimistic

Global stocks (next 6 months)

Brazilian investors

68%

optimistic

25% neutral
7% pessimistic

vs.

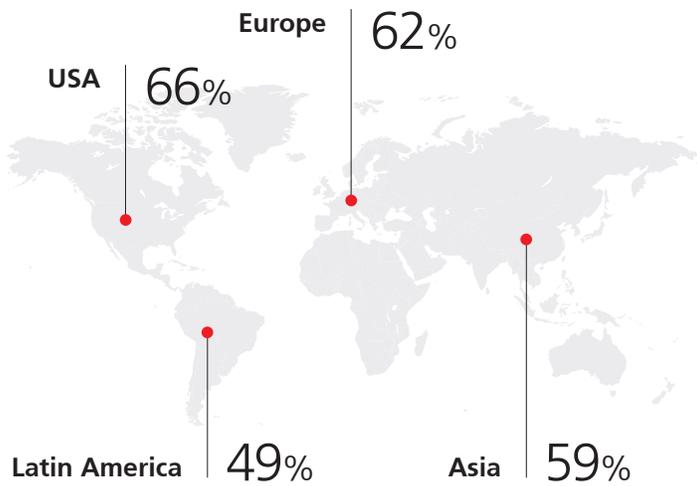
Investors globally

60%

optimistic

26% neutral
14% pessimistic

Many prefer developed markets for investment opportunities ...



... and would like to know more about:



72%

Generating yield income



72%

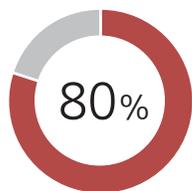
Diversification



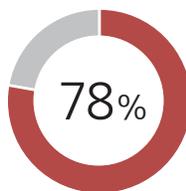
70%

Long-term investment themes (e.g., Digital transformation, Fintech, Healthtech, Smart mobility)

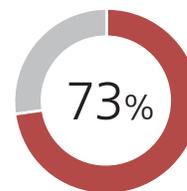
Which strategies are Brazilians considering to increase yield?



Increase holdings of **structured investments** with high yield



Own more high quality **dividend-paying stocks**



Increase holdings of **emerging markets bonds** with higher yield

Top concerns to impede my financial goals



65% Tax increases



64% Rising healthcare costs



63% Political environment in Brazil

How investors plan to protect their portfolios

46%

Add **alternative investments**

44%

Increase **diversification** across asset classes

41%

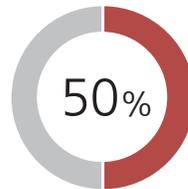
Use **structured investments** to manage risk

Many look for safer options ...

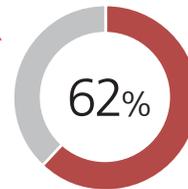
64%

"I will shift more into **cash** or safer options."

... and plan to move more assets offshore



"I hold financial accounts offshore."



"I plan to **increase my offshore investments** by 6% or more in the next 2 years."

Business owner spotlight

28% "I plan to **sell, transfer or exit** my business within 5 years."

YET

52% "I am concerned about developing a **sound business succession plan.**"

Are you seizing opportunities in Brazil and around the world? **Talk to your UBS Financial Advisor.**

About the survey: UBS surveyed 178 investors and 50 business owners in Brazil with at least USD 1M in investable assets (for investors) or at least USD 250k in annual revenue and at least one employee other than themselves (for business owners), from December 19, 2019 – January 12, 2020. UBS products and services are not available, and may not be registered, in all countries. In providing wealth management services to clients, we offer both investment advisory and brokerage services, which are separate and distinct and differ in material ways. For information, including the different laws and contracts that govern, visit ubs.com/workingwithus.

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