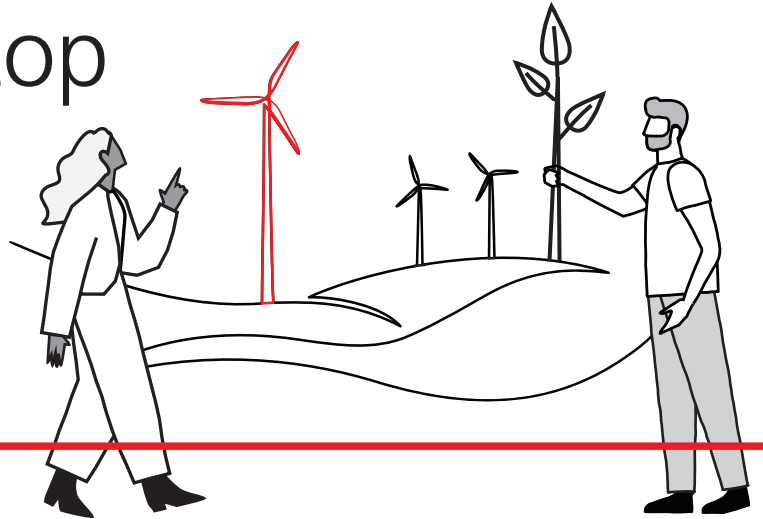


UBS Investor Sentiment

Sustainability top of the agenda

Sustainable investments gain further momentum in a post-COVID era



Key findings

Sentiment | Overall sentiment slightly lower due to higher inflation concerns

Sustainability | Investors are planning to increase SI allocations in their portfolios

Opportunities | Growth in interest for alternative investments

Economy

Optimism on economic outlook slightly down amongst Brazilian investors ... (in %)



Top sources of optimism ...

... and concern



COVID-19 vaccination acceleration



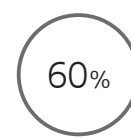
Economy reopening



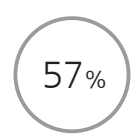
Positive impacts from commodities exports



Higher inflation



Higher interest rates



Political polarization impacting business and consumer confidence

Market outlook

Brazilian investors optimistic about their portfolio returns ... (in %)

Own portfolios



vs.

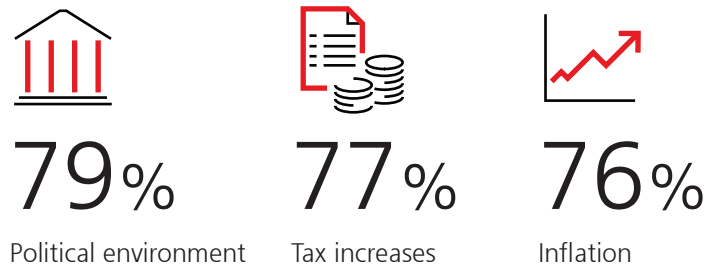
Global market indices



... and are planning to further increase their equity allocation ...



... but remain concerned about potential threats to their financial goals

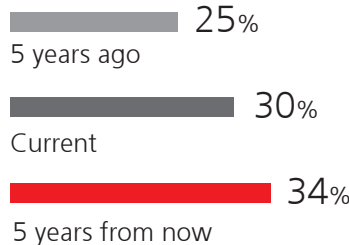


Sustainable Investments

Sustainable investment options important for portfolios



Brazilian investors plan to increase SI allocations



Main reasons for investing in SI ...

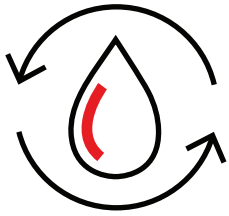
- 1 Invest in innovative companies
- 2 Improve portfolio diversification
- 3 Make a difference through investing
- 4 Align investments with values
- 5 Improve risk/return outlook on portfolio

... and main barriers

- 1 Hard to know what kind of impact SI has
- 2 Happy with my existing investment approach
- 3 I do not know enough about SI
- 4 Perceive lower returns
- 5 Do not want to pay capital gains taxes to switch

Sustainable Investments

Brazilian investors optimistic about SI returns compared to traditional investments



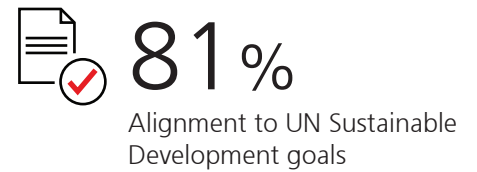
Expecting returns to be ...

- 74% Higher than traditional
- 15% Comparable to traditional
- 11% Worse than traditional

... focusing primarily on ...

- 1 Water
- 2 Pollution and waste
- 3 People

Brazilian investors want updates on how companies tackle:



Opportunities

Alternative investments are a relevant and growing asset class (in %)

59%

plan to increase their alternative investments over the next 6 months



Have alternative investments like hedge funds and private equity in their portfolios

- Do not know enough about alternative investments
- Do not see sufficient benefits
- See it as too risky

Top investment strategies for the next 6 months ...



- 1 Protect against inflation
- 2 Position for structural growth
- 3 Hunt for yield

... and long-term thematic investment ideas



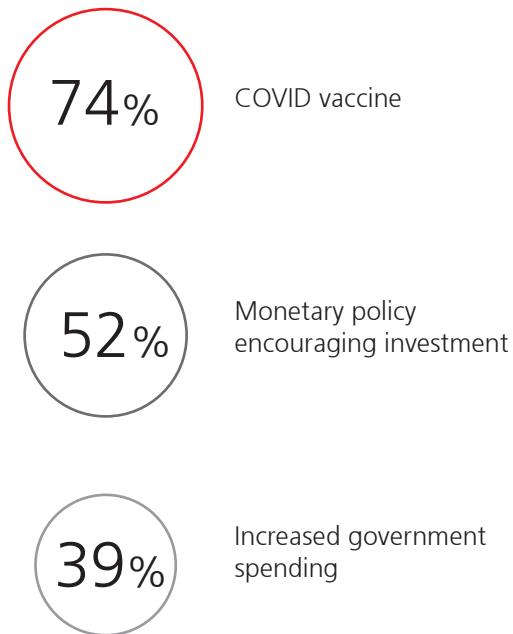
- 1 Automation and robotics
- 2 Food revolution
- 3 Clean air and carbon reduction

Business owners

COVID-19 vaccination progress linked to Brazilian business owners' optimism ...

... but adaptation to post-COVID world remains a challenge

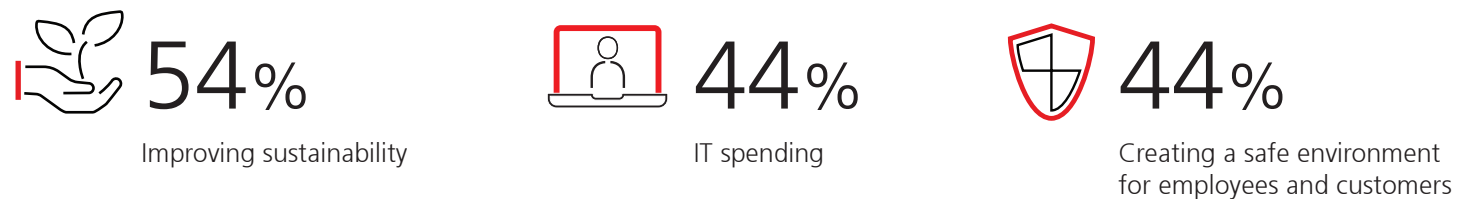
Sources of optimism



Challenges under current scenario



Improving sustainability is a key priority amongst Brazilian business owners



Is your portfolio ready to turn the corner? **Talk to your UBS Advisor.**

About the survey

UBS surveyed 150 investors and 50 business owners in Brazil with at least \$1M in investable assets (for investors) or at least \$1M in annual revenue and at least one employee other than themselves (for business owners), from September 28 - October 13, 2021. For the 2Q21 results, UBS surveyed 150 investors and 50 business owners in Brazil, from June 23 - July 9, 2021.

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