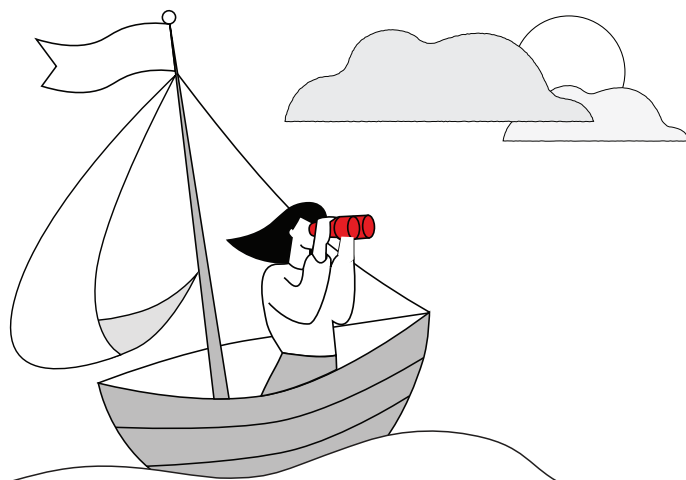


UBS Investor Sentiment

On the lookout

Investors watchful
as inflation continues



Key findings

Inflation | Investors concerned about the value of their cash

Volatility | Investors remain optimistic due to things returning to normal and strong consumer demand

Opportunities | Investors interested in tech disruption and alternative investments (e.g., Private Markets)

Sentiment

Top sources of optimism ...

... and concern

63%

Economy reopening
(+5)

57%

Positive impact from commodities exports
(+3)

53%

Better short-term fiscal results
(+7)

77%

Higher inflation
(+10)

63%

Higher interest rates
(+3)

50%

Political environment
(-2)

Market outlook

Despite current market volatility, investment outlook remains positive among Brazilian investors (next 6 months) ...

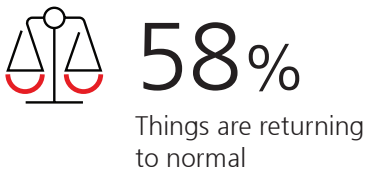
S&P 500



Global market indices



... mainly supported by

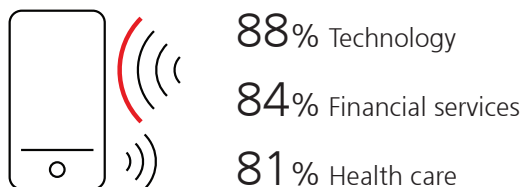


Brazilian investors still facing potential threats

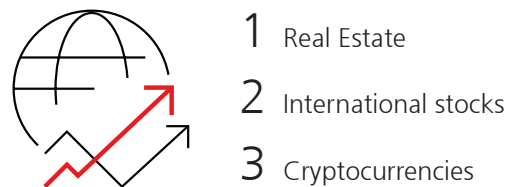


Brazilian investors' thoughts under the current environment

Most attractive investment themes



Assets more likely to invest in



Cash and equivalents

Brazilian investors reduce their cash allocations



25%

Average amount of cash held in portfolios* (-2)

*Cash and equivalents (money market funds)

Reasons for holding cash

47%

Waiting for the right investment opportunity (-5)

39%

Protection against a market downturn (-5)

38%

Emergency fund (-12)

Top concern regarding their current level of cash

62% Impact of inflation on its real value

Main economic impacts due to inflation

83%

Health care costs

74%

Day-to-day spending

71%

Retirement saving

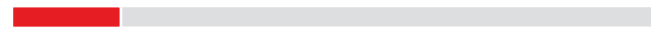
Many Brazilian investors are planning to buy a primary home within the next 12 months

54%



Planning it

17%



Considering it

Ways most are likely to finance the home purchase*



89%

Cash



77%

Security-backed loan (SBL)



58%

Mortgage

Use it for

55% Investment opportunity

51% Real estate

45% Home renovations

Which refinance type?

50% Cash out refinance (replace existing mortgage with a larger loan)

47% Rate and term refinance (replace existing mortgage with a new one with new terms)

* As a primary/additional source

Investors would consider alternatives to borrowing in higher-rate environment

1 Tapping into cash reserves

2 Selling investments

3 Adjusting plans to delay the need for funds

Opportunities

Investors looking for advice and interested in investment strategies

94%

"I want more guidance than usual from my Client Advisor during times like this."



Investment strategies in next 6 months

76% Prepare for further volatility

75% Position for era of security
(e.g., energy security, Greentech)

73% Diversify using alternatives



Long-term (7-10 years) investment themes

80% Energy security

76% Smart mobility

74% Automation and robotics

Brazilians consider increasing their private equity allocations

64%

Investors have funds allocated to private markets

46%

Plan to further increase it

Those who are not yet allocated



See better opportunities in other investments



Do not think it is necessary for their financial plan



See it as too risky

Business owners

Brazilian business owners' sentiment falls

Business outlook (next 12 months)

72%

optimistic
(-8)



25%

neutral
(+7)

3%

pessimistic
(+1)

Top concerns

80%

Rising material costs

79%

Weak customer demand

76%

Business tax increases

Investment priorities for business (next 6 months)

58%

Upgrading talent

51%

Improving sustainability

49%

IT spending

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

About the survey

UBS surveyed 148 investors and 52 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 June 29 - July 18. For the 1Q22 results, UBS surveyed 150 investors and 50 business owners in Brazil, from March 30 - April 14.

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