

UBS Investor Sentiment

Cash flow

Investors ease money into markets as vaccine raises hope



Key findings

Hunting for returns | Investing more to capture growth

Inflation worries | Half expect an increase in the next 3 years

Vaccine boost | Optimism grows amid global rollout

Cash

Investors move money into markets, but still hold quite a bit of cash

22%

average cash* holdings
3% drop since Sept 2020

— YET —

62%

still holding more than 10% in cash*

*Cash and equivalents (e.g., CDs)

By region (in %)

US
59

Switzerland
65

Europe
(except Switzerland)
53

Latin
America
75

Asia
70

Top reasons investors keep cash

48% Waiting for the right investment

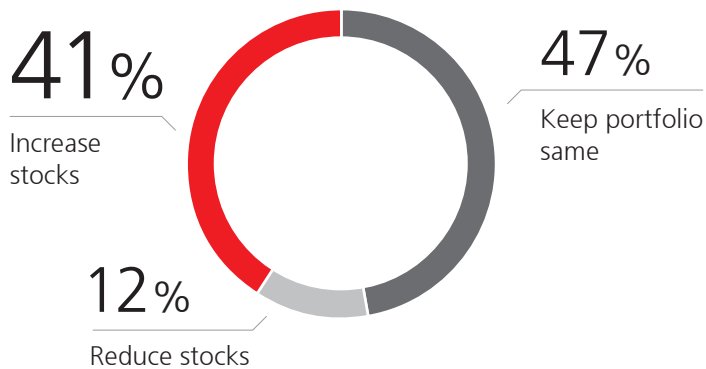
41% Emergency fund

41% Protect against a downturn



Markets

Half of investors consider making portfolio changes in next 6 months



Top opportunities



70%
Industries being transformed by technology

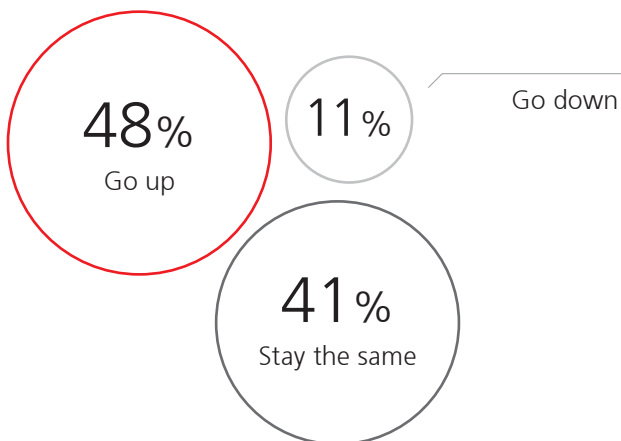


64%
Diversifying for the recovery with stocks



63%
Sustainable investing

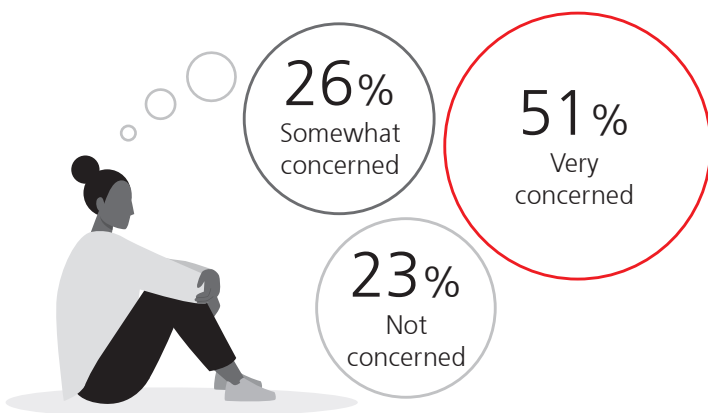
Many investors expect inflation to rise over next 3 years



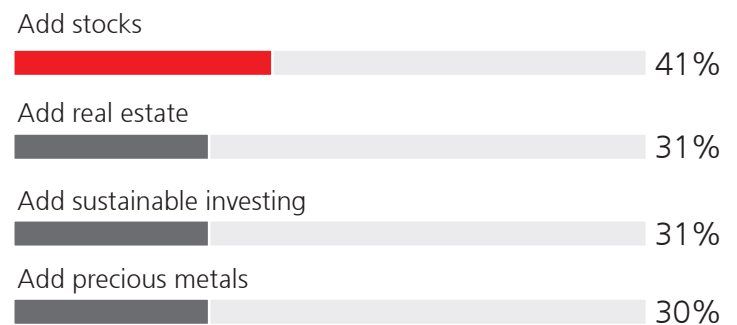
By region (in %)

US	61
Europe (except Switzerland)	51
Latin America	50
Asia	36
Switzerland	35

If inflation rises too much, investors worry cash will take a hit



And they plan to act



Outlook tracker

Optimism rises on own region's economy for next 12 months, particularly in the US*

69%

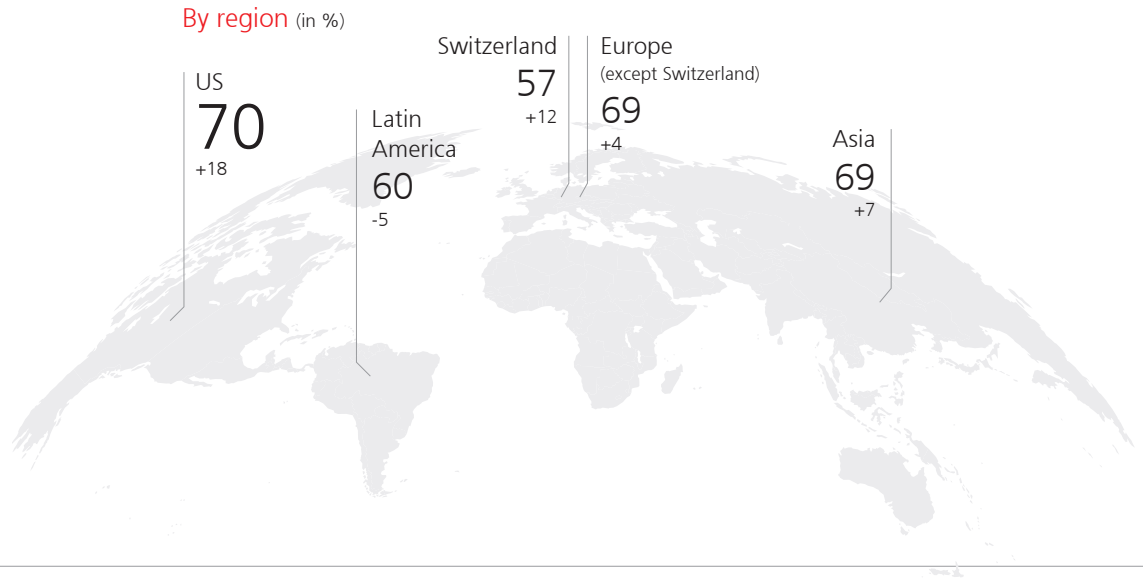
optimistic (+9)

14%

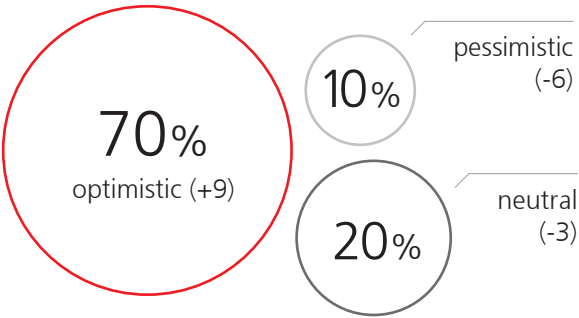
neutral (-2)

17%

pessimistic (-7)



Confidence in stock market also up for next 6 months*



By region (in %)

Europe (except Switzerland)	73	+9
US	71	+12
Asia	69	+8
Switzerland	67	+13
Latin America	61	0

Top concerns*



53%

My country's politics (+2)



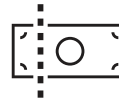
52%

COVID-19 (-3)



52%

Tax increases (+4)



52%

National debt (Unchanged)



52%

Cyber security (+2)

*Changes since 4Q20

Business owners

Confidence in own business for next 12 months rises*

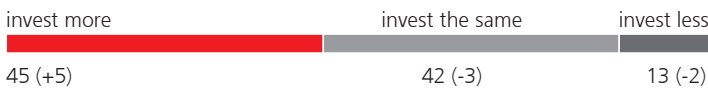
(in %)



Hiring and business investment plans too*



Net hiring¹ | +24 (+9)

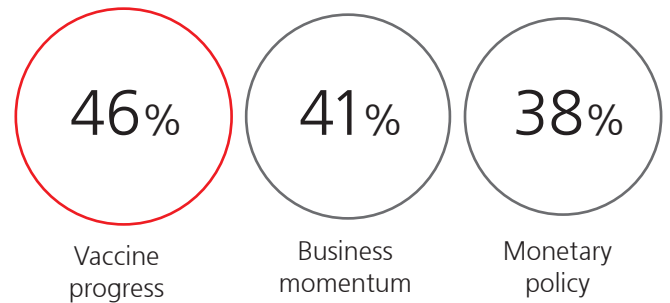


Net investing² | +32 (+7)

¹ Hire minus downsize

² Invest more minus invest less

Why?



Top investment priorities



38%

Employee and customer safety



36%

Tech spending



36%

Sustainability

Is your cash supporting your ultimate goals? **Talk to your UBS Advisor.**

* Changes since 4Q20

About the survey: UBS surveyed 2,850 investors and 1,150 business owners 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 March 30 – April 18, 2021. The global sample was split across 14 markets: Argentina, Brazil, Mainland China, France, Germany, Hong Kong, Italy, Japan, Mexico, Singapore, Switzerland, the UAE, the UK and the US. For the 4Q20 results, UBS surveyed 4,005 investors and business owners (with at least \$1M in annual revenue) globally, from December 19, 2020 – January 18, 2021. For the 3Q20 results, UBS surveyed 4,002 investors and business owners (with at least \$1M in annual revenue) globally, from September 22 – October 12, 2020.

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