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# News Release

## **UBS Investor Sentiment survey: Cash holdings remain high but investors plan to buy stocks**

- **Forty-one percent of investors are considering increasing their holdings in stocks over the next six months, compared with 12% who are looking to reduce them**
- **The most important areas for investors are industries being transformed by technology, with 70% citing them as a top opportunity**

Zurich/Basel, April 28, 2021 – Investors continue to hold elevated levels of cash in their portfolios but are considering allocating more to stocks, according to UBS's quarterly Investor Sentiment survey of individual investors and business owners globally.

Cash forms 22% of individual investors' portfolios globally, declining just three percentage points since September 2020. The high cash weightings contrast with positive market and economic developments over that timeframe, including the rally in stocks, the rollout of vaccines, and the improvement in economic indicators. However, 41% of investors are thinking about boosting their exposure to stocks in the next six months, compared with 12% who intend to cut it and 47% who wish to keep their portfolios the same.

In particular, 70% of investors see technological transformation as a top theme over the next six months, with 64% believing that stocks are an effective way to diversify portfolios during the recovery and 63% having the view that sustainable investing is a promising opportunity.

Half of investors are also very concerned and 26% are somewhat concerned that cash will take a performance hit if inflation rises too much. Forty-one percent say they would increase their holdings of stocks in such a scenario and 31% say they would increase their real estate positions.

**Tom Naratil, President of UBS Americas and Co-President of UBS Global Wealth Management**, said: "Investors' cash holdings are still far higher than our recommended allocations, especially given the current market and economic environment, so it is encouraging that they are looking to invest more in equities. However, if inflation picks up, the value of cash will be eroded in real terms, and investors will be forced to look to other asset classes to help meet their financial goals."

**Iqbal Khan, President of UBS Europe, Middle East and Africa and Co-President of UBS Global Wealth Management**, said: "We are pleased to see investors citing sustainable and thematic investments among their top opportunities. As the market rally advances, we believe these areas will remain an important means of diversifying portfolios away from traditional stock and bond allocations."

Overall, 69% of investors are optimistic on their own region's economy over the next 12 months, compared with 60% in the survey conducted three months ago. Seventy percent are optimistic on the stock market outlook for the next six months, compared with 61% in the previous survey.

Eighty percent of business owners are optimistic about their own business on a 12-month view, compared with 72% three months ago. Thirty-seven percent plan to hire more, up five percentage points, compared with 13% preparing to downsize, down four percentage points.

Investors and business owners globally see the Biden administration as a tailwind for the global outlook over the next four years. Sixty-four percent see the administration as having a positive impact on the global economy, 60% feel it will support global markets, and 57% view it as benefiting their personal finances. Fifty-four percent of business owners view it as a boost for their companies.

## **US**

US investors' confidence in their own economy grew more than any other region. Seventy percent are expressing optimism compared with 52% three months ago, making US investors the most upbeat globally. Optimism on stocks also rose significantly, from 59% to 71%. Sixty-one percent of US investors expect inflation to rise over the next three years, the highest of any region.

## **Latin America**

Most Latin American investors remain optimistic on stocks (61%) and on their own economy (60%), despite ongoing headwinds to the region's recovery. Fifty percent expect inflation to rise over the next three years, the third highest number globally.

## **Europe**

European investors outside Switzerland have grown more confident in their region's economy and in the stock market. In particular, 73% say they are optimistic on stocks, the highest number globally. Investors based in the region are also the least likely to hold more than 10% in cash, with only 53% of total respondents.

## **Switzerland**

Swiss respondents' outlook on their own economy jumped over the quarter, with 57% of investors expressing optimism compared with 45% three months ago. Confidence in the stock market also rose by the biggest margin globally, to 67% from 54% in the prior survey.

## **Asia**

Sixty-nine percent of Asian investors are optimistic about their region's economy, making them the equal second most upbeat globally. Asian investors also grew even more confident in the stock market, with 69% expressing optimism compared with 61% three months ago.

## **About the UBS Sentiment survey**

For this edition, 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, 2021, to April 18, 2021. The global sample was split across 14 markets: Argentina, Brazil, France, Germany, Hong Kong, Italy, Japan, Mainland China, Mexico, Singapore, Switzerland, the UAE, the UK, and the US.

**About UBS**

UBS provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS's strategy is centered on our leading global wealth management business and our premier universal bank in Switzerland, enhanced by Asset Management and the Investment Bank. The bank focuses on businesses that have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook.

UBS is present in all major financial centers worldwide. It has offices in more than 50 regions and locations, with about 30% of its employees working in the Americas, 31% in Switzerland, 19% in the rest of Europe, the Middle East and Africa and 20% in Asia Pacific. UBS Group AG employs over 68,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

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