

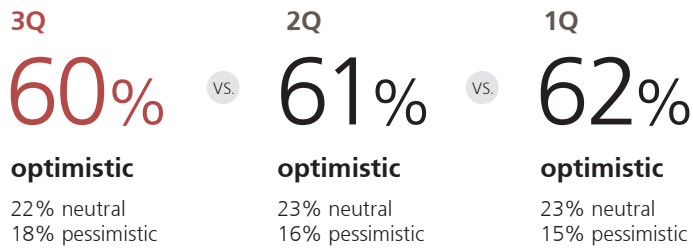
UBS Investor Sentiment

Business owner 3Q19

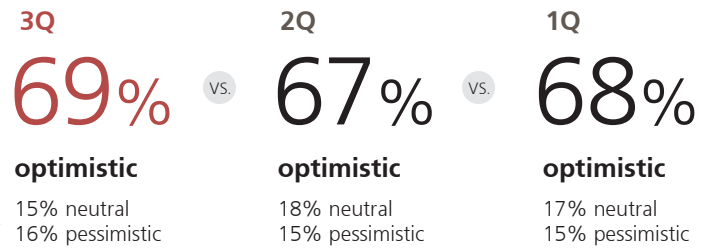
Scaling back

Hiring plans dip from 2Q peak

Business owners remain optimistic about the global economy ...



... and about their own region's economy



Economic optimism by region
Europe is on the upswing

Asian business owners



European business owners (except Switzerland)



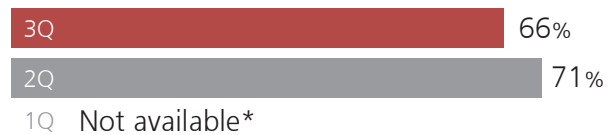
Swiss business owners



US business owners



Latin American business owners



Business outlook >

*1Q research did not include Argentina. Therefore, we cannot make a direct comparison.

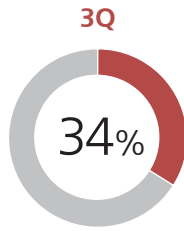
Owners optimistic about their business, but less so than last quarter



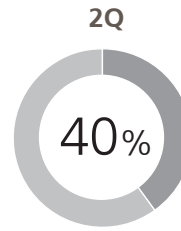
68%

optimistic

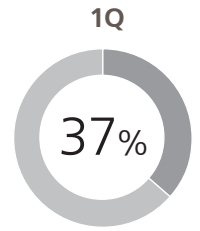
↓ 6%
23% neutral
9% pessimistic



VS.



VS.



"I plan to **invest more** in my business."

Hiring plans scale back

Global



3Q
34% hiring

56% keeping workforce same
10% downsizing

VS.

2Q
39% hiring

53% keeping workforce same
8% downsizing

VS.

1Q
31% hiring

57% keeping workforce same
12% downsizing

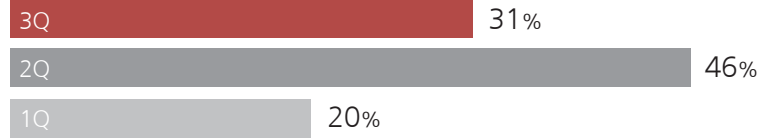
Hiring plans by region

US drops from 2Q peak

Asian business owners



US business owners



European business owners (except Switzerland)



Latin American business owners

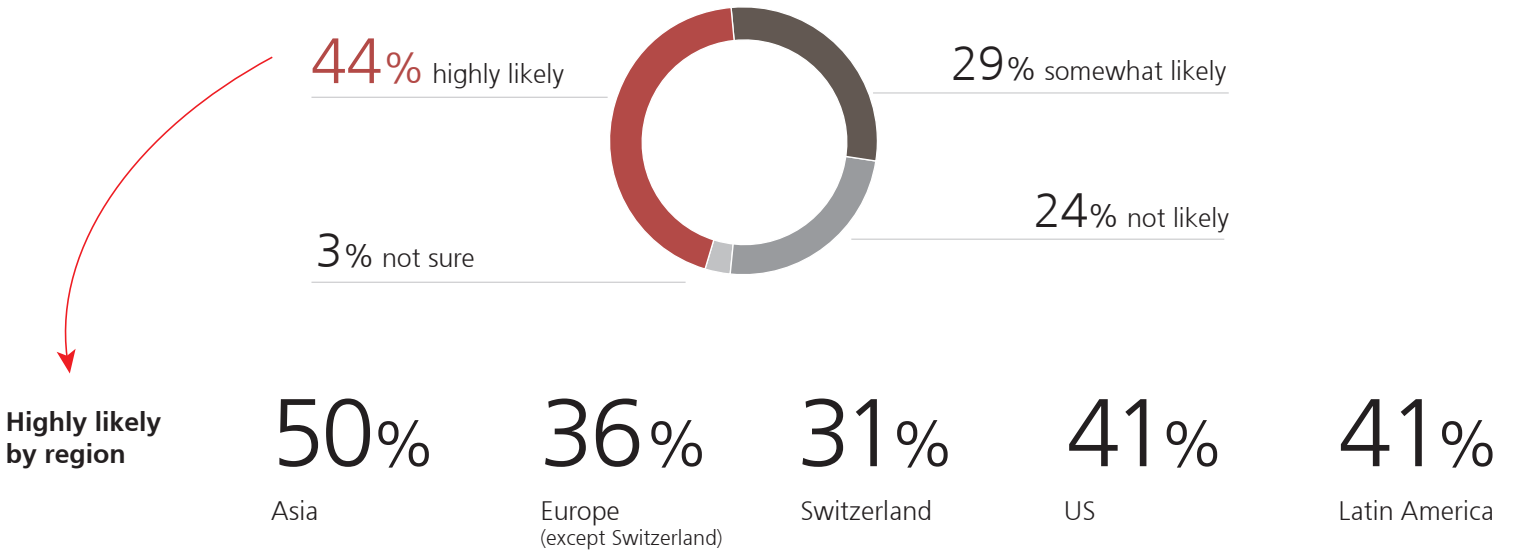


Swiss business owners

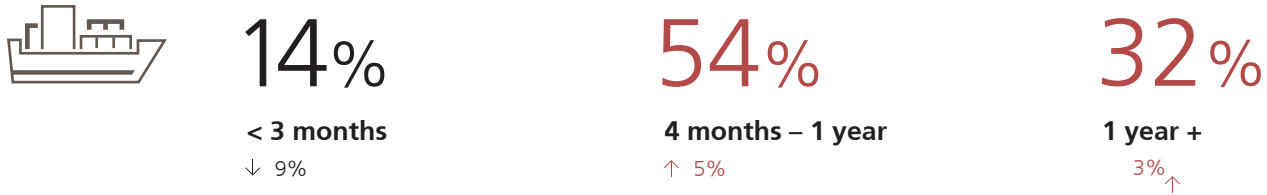


*1Q research did not include Argentina. Therefore, we cannot make direct comparison.

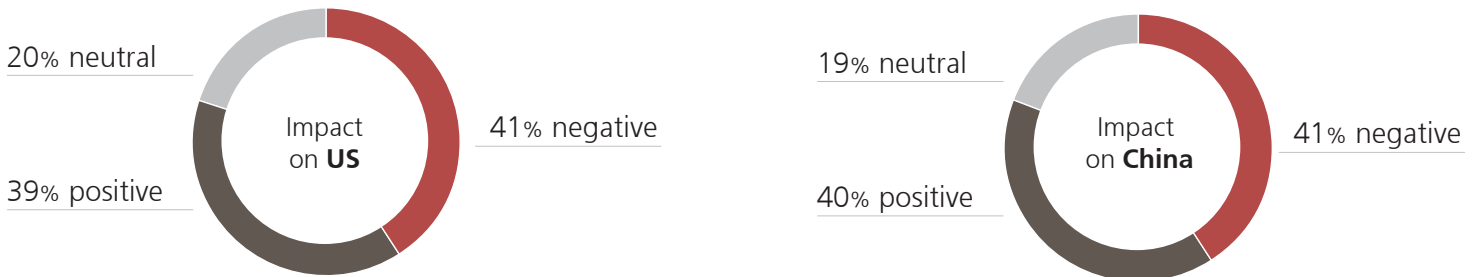
Many business owners fear a global recession in the next 6 months



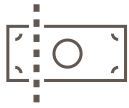
Business owners expect slower progress on US-China trade resolution...



...and have mixed views on impact of prolonged trade conflict



Top business concerns globally



45%

Taxes
unchanged



45%

Attracting and retaining customers
↑ 3%



44%

Cyber security
↓ 2%

Top business concerns by region

US

- 56% Rising healthcare costs
- 51% Attracting and retaining customers
- 50% Taxes

Europe
(except Switzerland)

- 40% Taxes
- 39% Cyber security
- 39% Attracting and retaining customers

Switzerland

- 39% Cyber security
- 36% Climate change
- 36% Attracting and retaining employees

Latin America

- 61% Taxes
- 57% Rising material costs
- 57% Rising labor costs

Asia

- 44% Keeping operating costs low
- 43% Higher costs due to tariff increases on imports/exports
- 43% Taxes

Is your business ready for what's next? **Talk to your UBS Financial Advisor.**

About the survey: UBS surveyed 4,626 investors and business owners with at least \$1M in investable assets (for investors) or at least \$250k in annual revenue and at least one employee other than themselves (for business owners), from September 19 - October 13, 2019. The global sample was split across 18 markets: Argentina, Brazil, China, Germany, Hong Kong, Indonesia, Italy, Japan, Malaysia, Mexico, Philippines, Singapore, Switzerland, Taiwan, Thailand, the UAE, the UK and the US. For the 2Q19 results, UBS surveyed 3,899 investors and business owners with at least \$1M in investable assets (for investors) or at least \$250k in annual revenue and at least one employee other than themselves (for business owners), from June 3 - July 6, 2019. The global sample was split across 18 markets: Argentina, Brazil, China, Germany, Hong Kong, Indonesia, Italy, Japan, Malaysia, Mexico, Philippines, Singapore, Switzerland, Taiwan, Thailand, the UAE, the UK and the US. For the 1Q19 results, UBS surveyed 3,653 investors and business owners with at least \$1M in investable assets (for investors) or at least \$250k in annual revenue and at least one employee other than themselves (for business owners), from March 10 - 28, 2019. The global sample was split across 17 markets: Brazil, China, Germany, Hong Kong, Indonesia, Italy, Japan, Malaysia, Mexico, Philippines, Singapore, Switzerland, Taiwan, Thailand, the UAE, the UK and the US.

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.

For Non-US based advisors and their clients: This document has been prepared by UBS AG, its subsidiary or affiliate ("UBS"). This document and the information contained herein are provided solely for information purposes. It is not to be regarded as investment research, a sales prospectus, an offer or solicitation of an offer to enter in any investment activity. UBS makes no representation or warranty relating to any information herein which is derived from independent sources. UBS does not provide legal or tax advice and this document does not constitute such advice.

Approved and issued by UBS, this document may not be reproduced or copies circulated without prior written permission of UBS. Neither UBS nor any of its directors, officers, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this document.

© UBS 2019. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. ubs.com

For US based advisors and their clients: 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.

© UBS 2019. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. UBS Financial Services Inc. is a subsidiary of UBS AG. Member FINRA/SIPC. Expiration: 10/31/2020 Review Code: IS1905076 Approval date: 10/16/2019 2019-207209