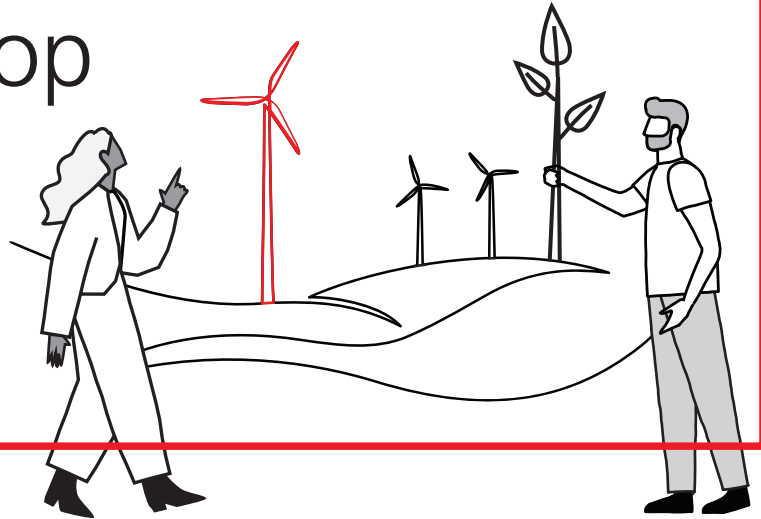


UBS Investor Sentiment

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 Mexican investors ... (in %)



Top sources of optimism ...

... and concern



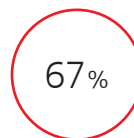
Post-COVID economic recovery



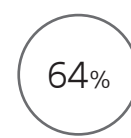
Potential foreign direct investment



Economic recovery led by a US economic rebound and fiscal stimulus



High inflation



Renewed waves of COVID-19



Potential MXN depreciation

Market outlook

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

Own portfolios



vs.

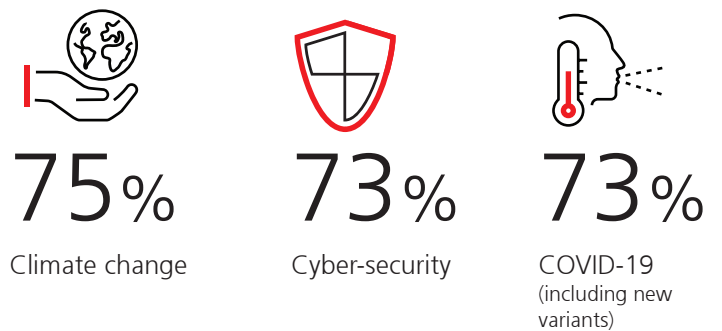
Global market indices



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



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

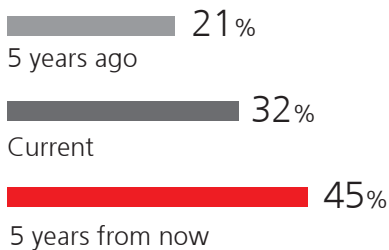


Sustainable Investments

Sustainable investment options important for portfolios



Mexican investors plan to increase their SI allocations



Main reasons for investing in SI ...

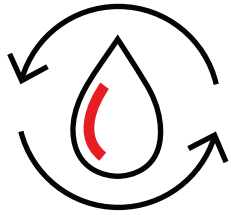
- 1 Improve diversification
- 2 Invest in innovative companies
- 3 Make a difference through my investments
- 4 Improve risk/return outlook of my portfolio
- 5 Align investments with values

... and main barriers

- 1 Hard to know what kind of impact SI has
- 2 Do not want to pay capital gains taxes to switch
- 3 I believe SI have higher fees
- 4 SI are not well enough established
- 5 Happy with my existing investment approach

Sustainable Investments

Mexican investors optimistic about SI returns compared to traditional investments



Expecting returns to be ...

- 60% Higher than traditional
- 26% Comparable to traditional
- 14% Worse than traditional

... focusing primarily on ...

- 1 Pollution and waste
- 2 Climate change
- 3 Water

Mexican investors want updates on how companies tackle:



88%

Water use



82%

Sustainability policies and practices



82%

Racial/ethnic diversity

Opportunities

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

34%

plan to increase their alternative investments over the next 6 months

yes

61

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

no

39

- I do not think it is necessary for my financial plan
- I see it as too risky
- I see better opportunities in other investments

Top investment strategies for the next 6 months ...



- 1 Position for structural growth
- 2 Go sustainable
- 3 Opportunities in healthcare

... and long-term thematic investment ideas

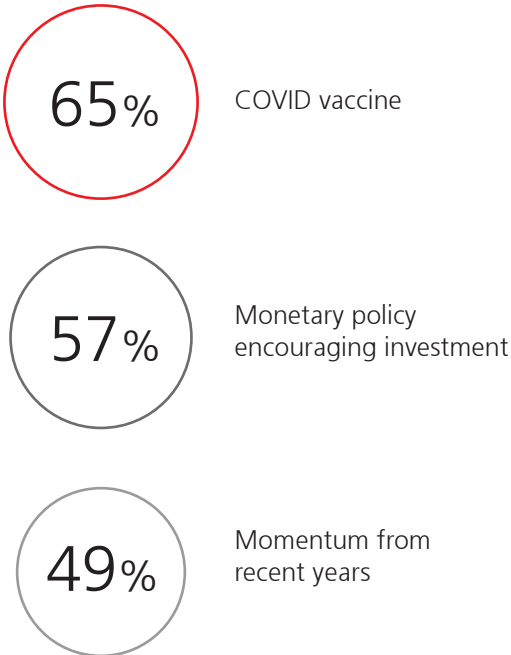


- 1 E-commerce
- 2 Clean air and carbon reduction
- 3 Automation and robotics

Business owners

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

Sources of optimism

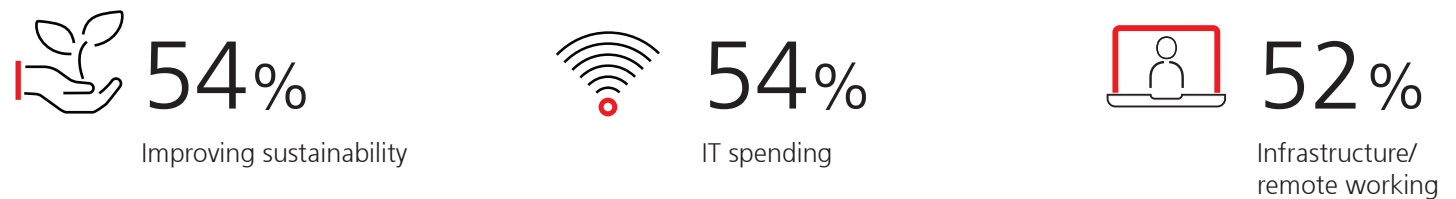


... but adaptation to post-COVID world remains a challenge

Challenges under current scenario



Improving sustainability is a key priority amongst Mexican 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 Mexico 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 15, 2021. For the 2Q21 results, UBS surveyed 150 investors and 50 business owners in Mexico, from June 23 - July 8, 2021.

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