Q3 2021 Retail Client Sentiment Report
Methodology and Respondent Demographic Profile

**Methodology:**
- This data is collected quarterly via an online survey among clients with Retail Assets of at least $2,000.
- There is oversampling in order to achieve adequate sample sizes for sub-group analysis, and then application of a weighting scheme to create a total respondent population that is representative of Schwab's client base. Counts noted below are prior to weighting to show the sample sizes used for the subgroup analysis.
- Q3 study was fielded at the beginning of the quarter: July 7-19, 2021

<table>
<thead>
<tr>
<th>Gender</th>
<th></th>
<th>Affluence</th>
<th></th>
<th>Active Trader</th>
<th></th>
<th>Employment Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>640 (73%)</td>
<td>HNW ($1M+)</td>
<td>186 (21%)</td>
<td>Active</td>
<td>253 (29%)</td>
<td>Employed full-time</td>
</tr>
<tr>
<td>Female</td>
<td>212 (24%)</td>
<td>Affluent ($250K-$1M)</td>
<td>248 (28%)</td>
<td>Not Active</td>
<td>629 (71%)</td>
<td>Employed part-time</td>
</tr>
<tr>
<td>No answer</td>
<td>30 (3%)</td>
<td>Foundational (&lt;$250K)</td>
<td>448 (51%)</td>
<td></td>
<td></td>
<td>Self-employed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Retired/semi-retired</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No answer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Life Stage</th>
<th></th>
<th>Financial Consultant Relationship</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger Investor (&lt;40)</td>
<td>102 (12%)</td>
<td>Has Financial Consultant</td>
<td>205 (23%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-Life (40-55)</td>
<td>217 (25%)</td>
<td>Does not have Financial Consultant</td>
<td>677 (77%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mature (55+ not retired)</td>
<td>233 (27%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retired</td>
<td>312 (36%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sample sizes for respondents who were asked the Investment Sentiment section of the survey (n=882)
Bullish market sentiment is beginning to soften, particularly among retired investors, but remains near last quarter’s all-time high; Worries about a looming correction and volatility are top concerns among investors

Key themes
• Sentiment around the stock market reversed for the first time in a year; 49% are now feel bullish compared to 54% in Q2 2021. Bearish sentiment is highest among retired investors, while younger investors are most optimistic.
• Investors feel better off financially and remain confident in reaching their goals, but they are split over whether it’s a good time to invest in the market.
• Worries about a market downturn and volatility are the biggest investor concerns, followed by the political landscape
Bullish market sentiment softened, but remains near an all-time high

Outlook For U.S. Stock Market
(Single response only; Among Total Sample)

I think the market will continue to perform well, and I feel like my portfolio is well-positioned to grow with the market

I think the market will continue to perform well, and I plan to increase my allocation to equities as a result

I think the market is due for a significant correction, and I'm concerned about the possible impact on my portfolio

I think the market is due for a significant correction, but I'm confident that I have a plan in place to withstand it

Don't know

Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?
While they’re less bullish than last quarter, younger investors are the most optimistic about the market compared to older generations.

### Outlook For U.S. Stock Market By Life Stage

*(Single response only; Among Total Sample)*

- **Young Investors**
  - Bullish Net: 30% to 40%
  - Bearish Net: -59% to -37%

- **Mid-Life**
  - Bullish Net: 17% to 49%
  - Bearish Net: -25% to -26%

- **Mature**
  - Bullish Net: 24% to 42%
  - Bearish Net: -50% to -48%

- **Retired**
  - Bullish Net: 30% to 46%
  - Bearish Net: -36% to -46%

**Base = Weighted Total**

Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

- I think the market will continue to perform well, and I feel like my portfolio is well-positioned to grow with the market.
- I think the market will continue to perform well, and I plan to increase my allocation to equities as a result.
- I think the market is due for a significant correction, and I’m concerned about the possible impact on my portfolio.
- I think the market is due for a significant correction, but I’m confident that I have a plan to withstand it.
- Don’t know
Investors feel better off financially, but fewer think it’s a good time to invest in the market compared to earlier this year

Client Confidence Trends
April 2016 – July 2021

Base = Weighted Total
Q1. In your opinion, is this a good time or bad time to invest in stocks, mutual funds and other equity-based investments?
Q3. In terms of how you are getting along financially, compared to a year ago, are you...?
Q4. How confident are you in making investment decisions for your household?
Confidence in reaching financial goals remains steady

Confidence in Reaching Financial Goals
(Single response only; Among Total Sample)

Percentage that feels ‘very’ or ‘extremely’ confident by generation

- Young Investors
- Mid-Life
- Mature
- Retired

Q4'16 | Q2'17 | Q4'17 | Q2'18 | Q4'18 | Q2'19 | Q4'19 | Q2'20 | Q3'20 | Q4'20 | Q1'21 | Q2'21 | Q3'21
---|---|---|---|---|---|---|---|---|---|---|---|---
Extremely Confident | 51% | 53% | 49% | 54% | 52% | 48% | 49% | 45% | 47% | 48% | 45% | 44% | 43%
Very Confident | 6% | 9% | 6% | 10% | 9% | 7% | 6% | 4% | 1% | 1% | 1% | 1% | 1%
Somewhat Confident | 2% | 2% | 3% | 2% | 2% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1%
Not Very Confident | 5% | 7% | 5% | 5% | 5% | 7% | 7% | 8% | 9% | 9% | 10% | 9% | 13%
Not At All Confident | 1% | 1% | 2% | 2% | 2% | 3% | 2% | 1% | 2% | 1% | 1% | 1% | 1%

Q1. Which statement best describes your confidence in reaching your financial goals?

Base = Weighted Total

©2020 Charles Schwab & Co., Inc. (“Schwab”). All rights reserved. Member SIPC.
Worries about a market downturn and volatility are the biggest investor concerns, followed by the political landscape

**Primary Concern About Investing**
*(Single response only; Among Those With A Concern)*

- **23%** political related concerns
- **43%** market conditions related concerns

Note: Percentages based among those with a concern

Base = Weighted Total (n=882)

Q7. What is your primary concern around money and investing within the next 3 months?
Most investors predict the U.S. is in a “boom settle” economic cycle.

Current Economy Outlook
(Single response only; Among Total Sample)
- Boom settle, 61%
- Boom-bust, 21%
- Other, 11%
- Long-lasting boom, 7%

Expected Peak Of The Economy
(Single response only; Among Total Sample)
- Q2 2021: 4%
- Q3 2021: 11%
- Q4 2021: 18%
- 2022 or beyond: 32%
- Don’t know: 35%

Base = Weighted Total (n=882)
QSI_Q321_5. How would you describe the current outlook of the economy? / QSI_Q321_6. When do you think the economy peaked or will peak?
Fewer investors plan to make portfolio changes over the next three months compared to the prior quarter.

**Portfolio Changes - Past 3 Months & Planned in Next 3 Months**

(Multiple responses allowed; Total Sample)

- **MOVE MONEY NET**
  - Into individual stocks: 64% (Past 3 Months), 51% (Next 3 Months)
  - Have rebalanced your portfolio: 37% (Past 3 Months), 27% (Next 3 Months)
  - Into ETFs: 25% (Past 3 Months), 18% (Next 3 Months)
  - Into mutual funds: 21% (Past 3 Months), 15% (Next 3 Months)
  - Into cash investments: 18% (Past 3 Months), 10% (Next 3 Months)
  - Into another type of investment vehicle: 9% (Past 3 Months), 8% (Next 3 Months)
  - Invested in cryptocurrency: 16% (Past 3 Months), 10% (Next 3 Months)
  - Into fixed income investments: 10% (Past 3 Months), 7% (Next 3 Months)

**Portfolio Changes - Past 3 Months & Planned in Next 3 Months**

(Multiple responses allowed; Total Sample)

- **Past 3 Month**
  - Save more money: 45%
  - Add money into my investment portfolio: 45%
  - Pay down debt: 38%
  - Add to an emergency fund: 25%
  - Seek investing guidance or advice: 20%
  - Take money out of my investment portfolio: 16%
  - Create a written financial plan: 16%
  - Move to the sidelines: 5% (Next 3 Months)

- **Next 3 Months**
  - Save more money: 38%
  - Add money into my investment portfolio: 45%
  - Pay down debt: 38%
  - Add to an emergency fund: 33%
  - Seek investing guidance or advice: 19%
  - Take money out of my investment portfolio: 16%
  - Create a written financial plan: 7%
  - Move to the sidelines: 4% (Past 3 Months)

Base = Weighted Total (n=882)

Q5. Which of the following actions have you taken, if any, in the past 3 months? / Q20. Which of the following actions do you plan to do over the next 3 months?
Most investors have not participated in the meme stocks trend

Meme Stock Investing Approach
(Single response only; Among Total Sample)

- I don’t know much about meme stocks and have no plans to invest in them, 50%
- I’m invested in at least one as part of my core investing strategy, 3%
- I’m invested in at least one but separate from my core investing strategy, 12%
- I’m not invested in any meme stocks at this time, 35%

Base = Weighted Total (n=882)
QSI_Q321_7. When considering inflation, do you plan to increase your allocation in any of the following investments over the next three months?
QSI_Q321_8. How would you describe your approach to investing in or considering meme stocks (GME, AMC, etc.)?
Disclosures:

About Charles Schwab
At Charles Schwab, we believe in the power of investing to help individuals create a better tomorrow. We have a history of challenging the status quo in our industry, innovating in ways that benefit investors and the advisors and employers who serve them, and championing our clients’ goals with passion and integrity.
More information is available at aboutschwab.com. Follow us on Twitter, Facebook, YouTube, and LinkedIn.

Brokerage Products: Not FDIC Insured • No Bank Guarantee • May Lose Value
Through its operating subsidiaries, the company provides a full range of wealth management, securities brokerage, banking, asset management, custody, and financial advisory services to individual investors and independent investment advisors. Its broker-dealer subsidiaries and their affiliates offer a complete range of investment services and products including an extensive selection of mutual funds; financial planning and investment advice; retirement plan and equity compensation plan services; referrals to independent, fee-based investment advisors; and custodial, operational and trading support for independent, fee-based investment advisors through Schwab Advisor Services. Its primary banking subsidiary, Charles Schwab Bank, SSB (member FDIC and an Equal Housing Lender), provides banking and lending services and products. More information is available at www.aboutschwab.com. Follow us on Twitter, Facebook, YouTube and LinkedIn.

TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc., members FINRA/SIPC, are separate but affiliated companies and subsidiaries of TD Ameritrade Holding Corporation. TD Ameritrade Holding Corporation is a wholly owned subsidiary of The Charles Schwab Corporation. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank.

(0821-1LPS)