Q1 2022 Retail Client Sentiment Report

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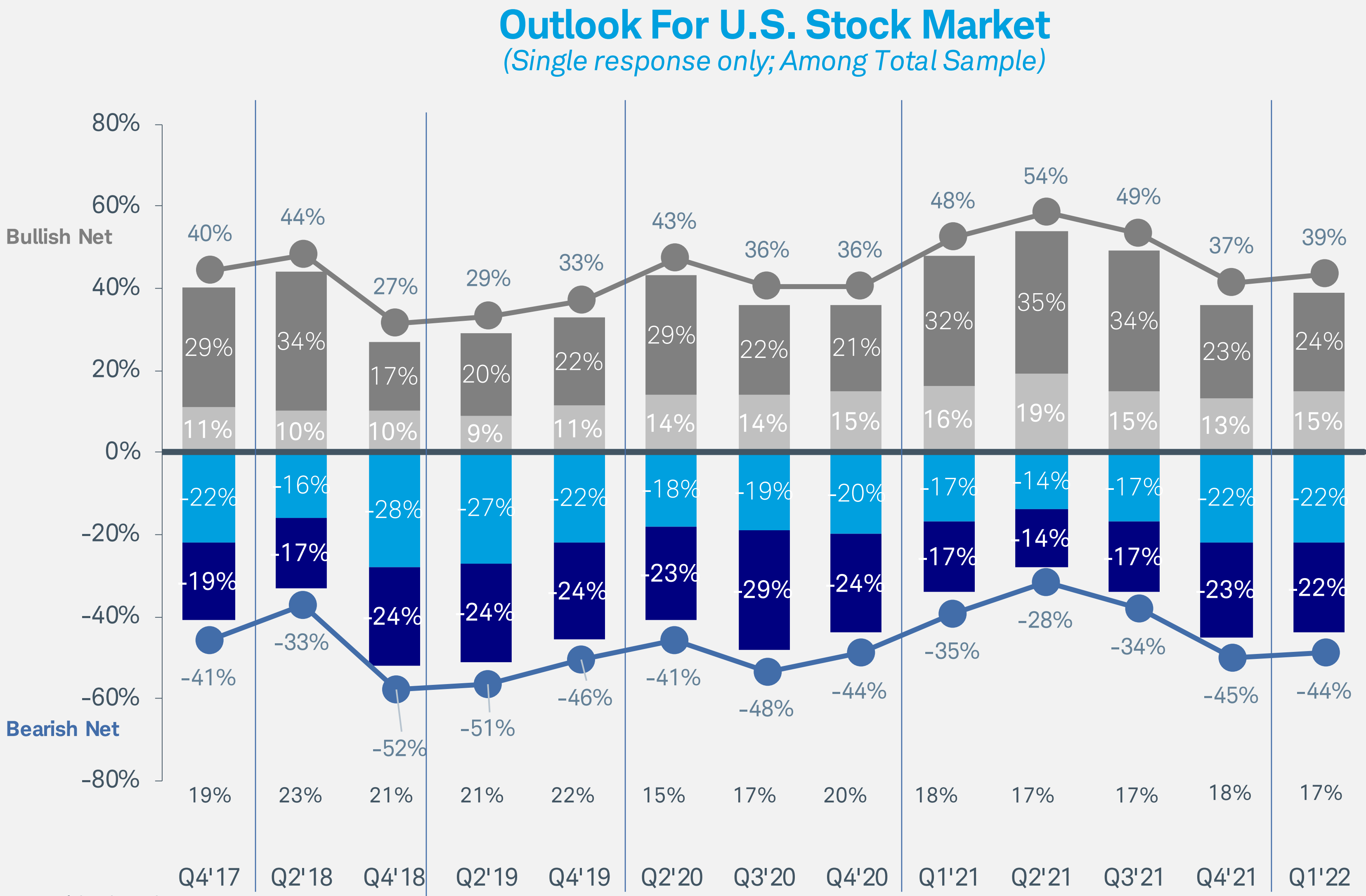
Q1 2022 Executive Summary

Investors are divided on stock market sentiment, although the majority feel better off financially compared to a year ago and most remain confident that they will reach their overall financial goals.

Key Q1 themes

- Forty-four percent of clients have a bearish Q1 outlook on the U.S. stock market compared to 39% who say they are bullish.
- Clients are most bullish on the healthcare sector, followed by energy and information technology.
- Nearly 60% of clients feel better off financially today compared to a year ago.
- Ninety-four percent of clients are confident about reaching their financial goals.
- More than 50% of clients moved money into individual stocks in Q4 2021; fewer than 40% plan to do so in Q1 2022.
- Inflation is the top investing concern for clients in Q1.

Investors divided on stock market sentiment despite a slight uptick in bullish market sentiment for Q1



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

Bullish
39%
(+2)

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

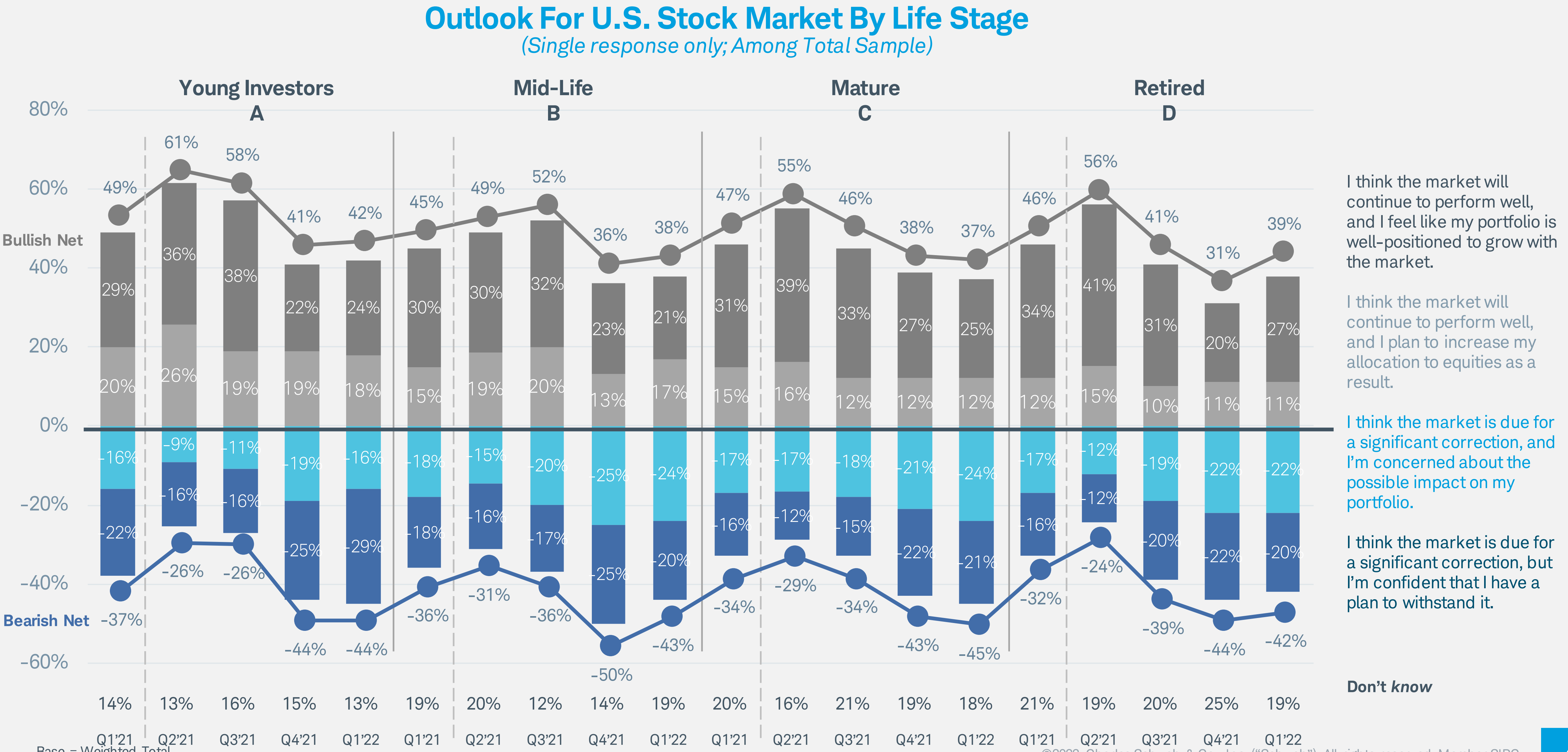
I think the market is due for a significant correction, but **I'm confident that I have a plan in place to withstand it**

Bearish
44%
(-1)

Don't know

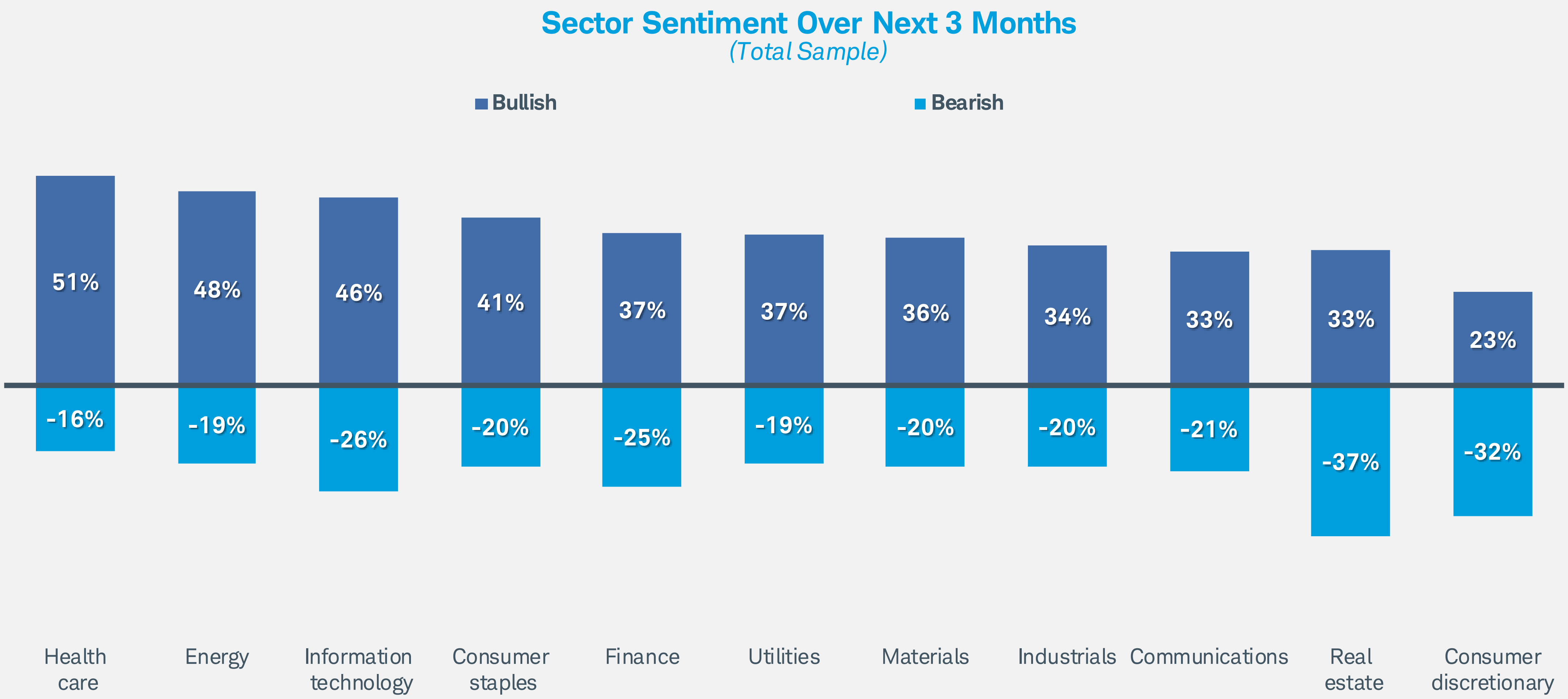
Base = Weighted Total
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

Younger investors remain the most bullish by a narrow margin



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

Investors are currently most bullish on the healthcare sector followed by energy and information technology

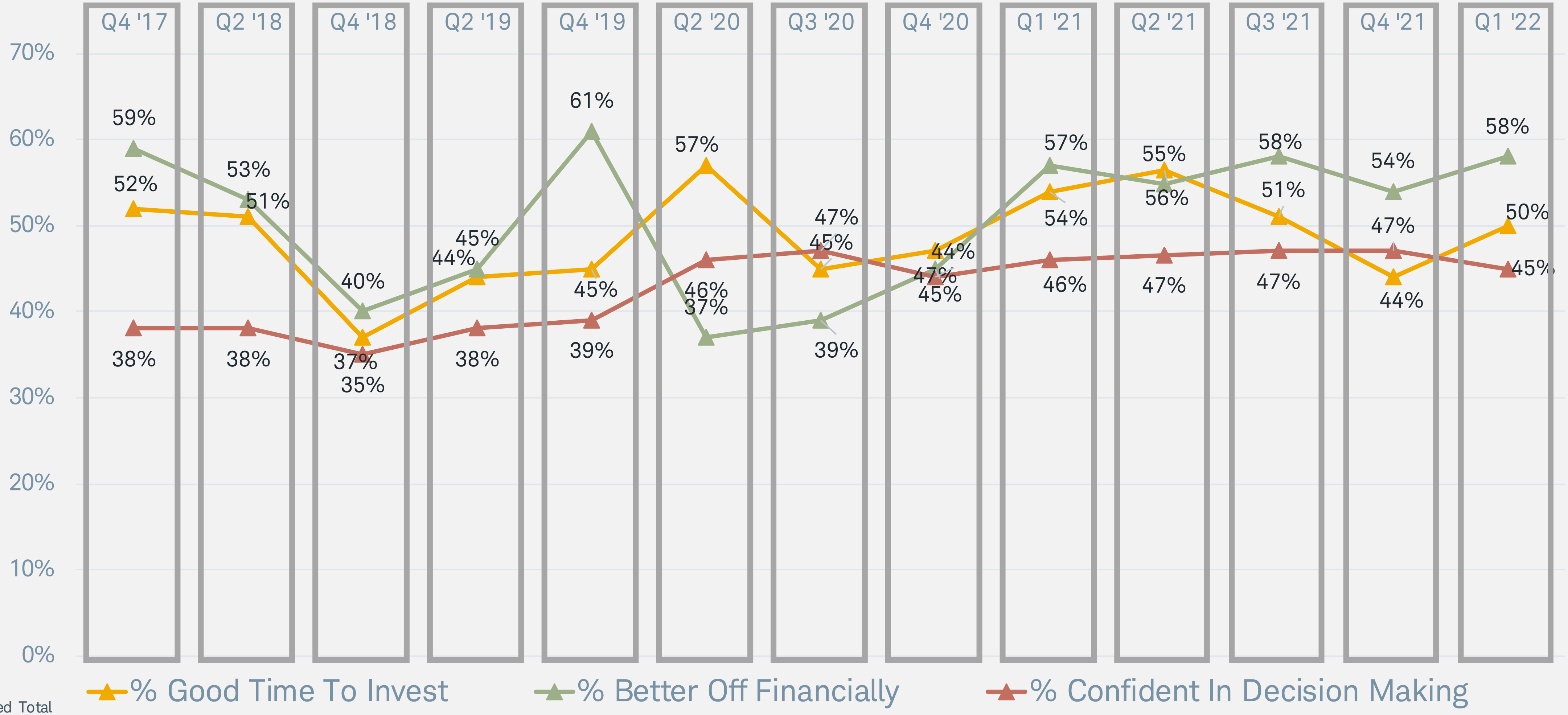


Base = Weighted Total (n=1,078)
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

Nearly 60% of clients feel better off financially compared to a year ago

Client Confidence Trends

December 2017 – January 2022



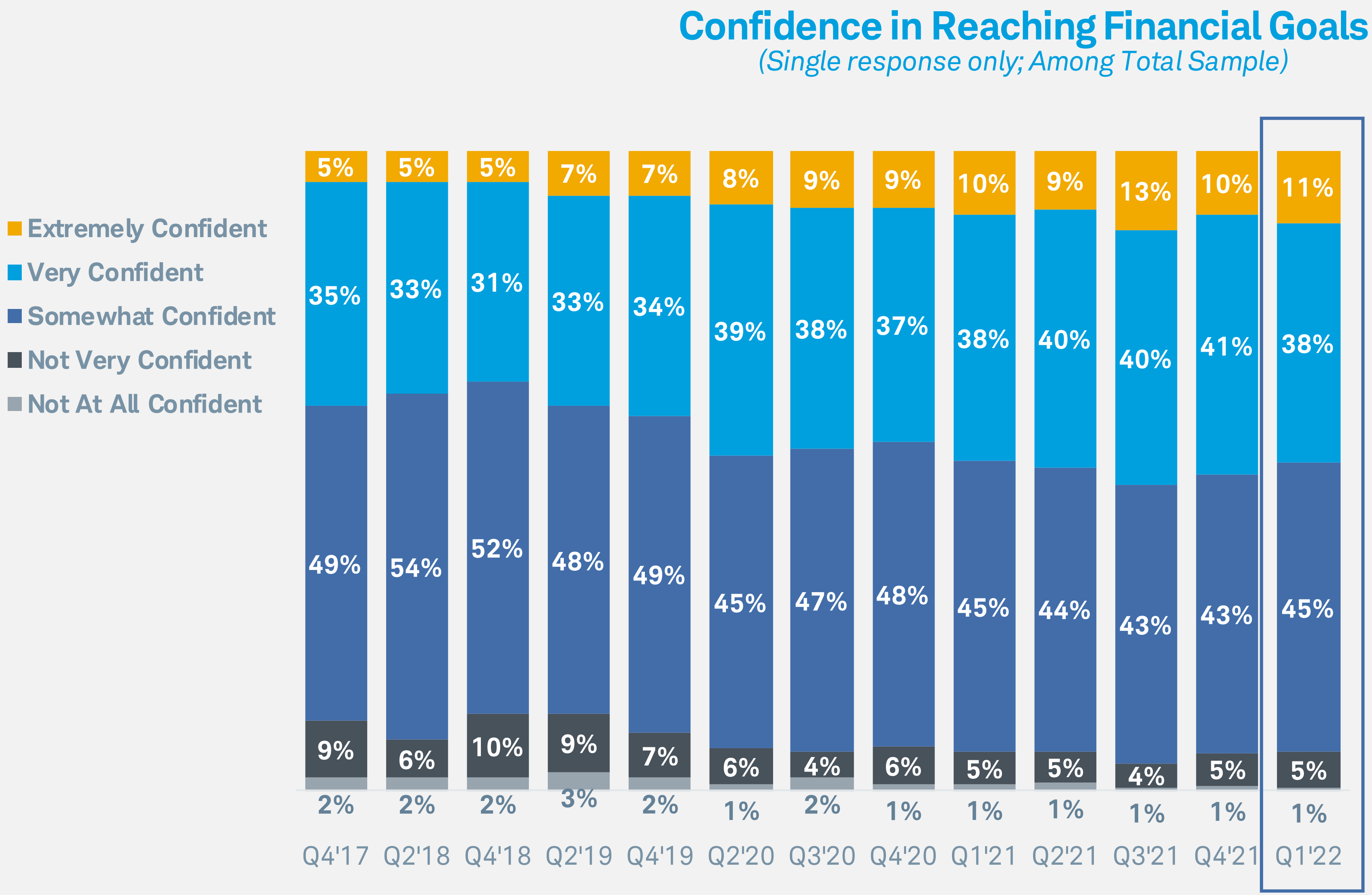
Base = Weighted Total

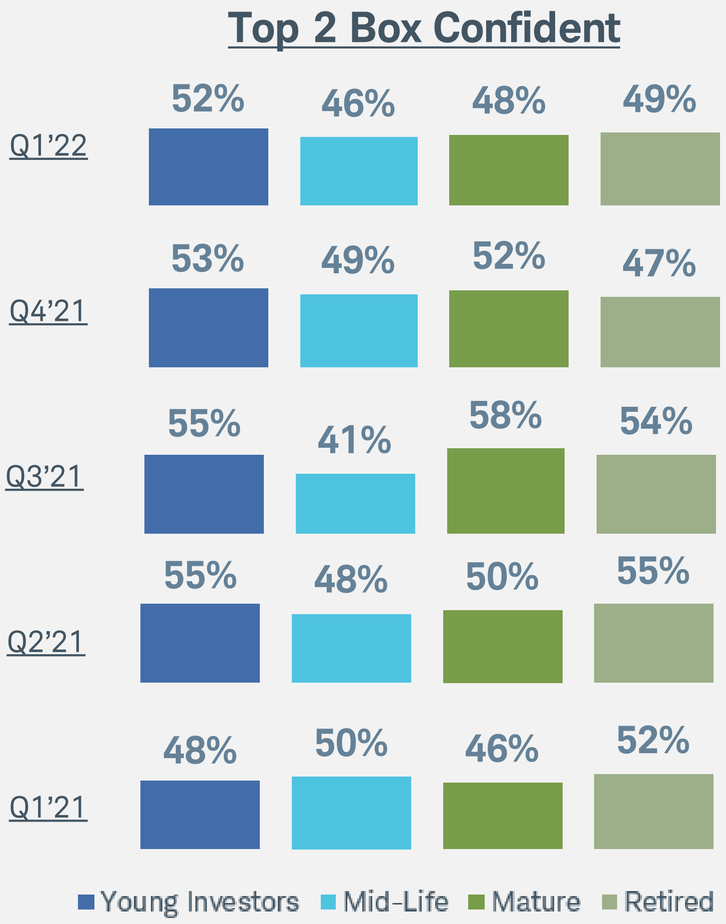
Q1. In your opinion, is this a good time or bad time to invest in stocks, mutual funds and other equity-based investments?

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?

Client confidence in reaching financial goals remains steady



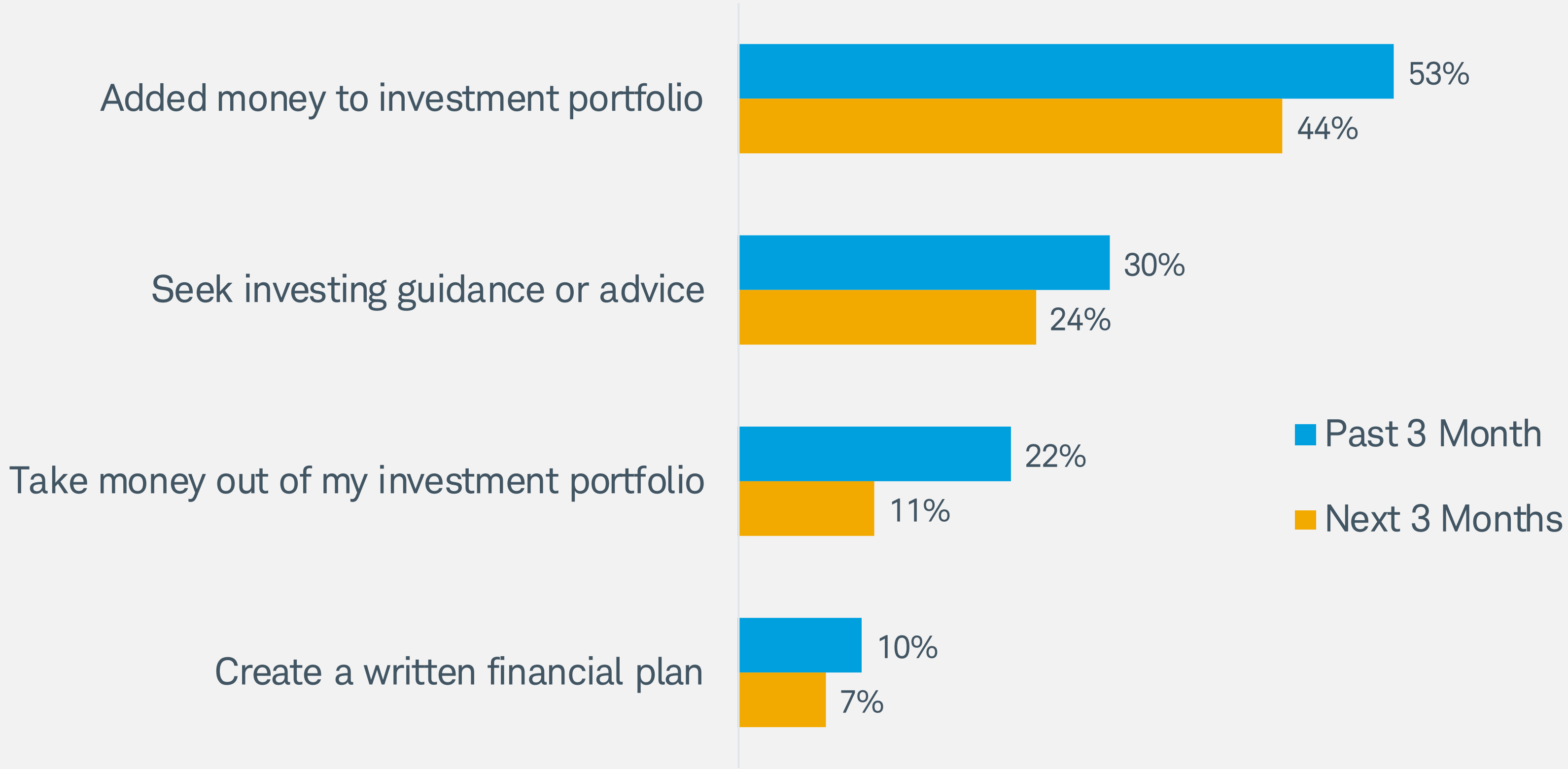


Base = Weighted Total (n=1,078)
Q10. Which statement best describes your confidence in reaching your financial goals?

More than half of clients added money to their investment portfolios in the past three months

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

(Multiple responses allowed; Total Sample)



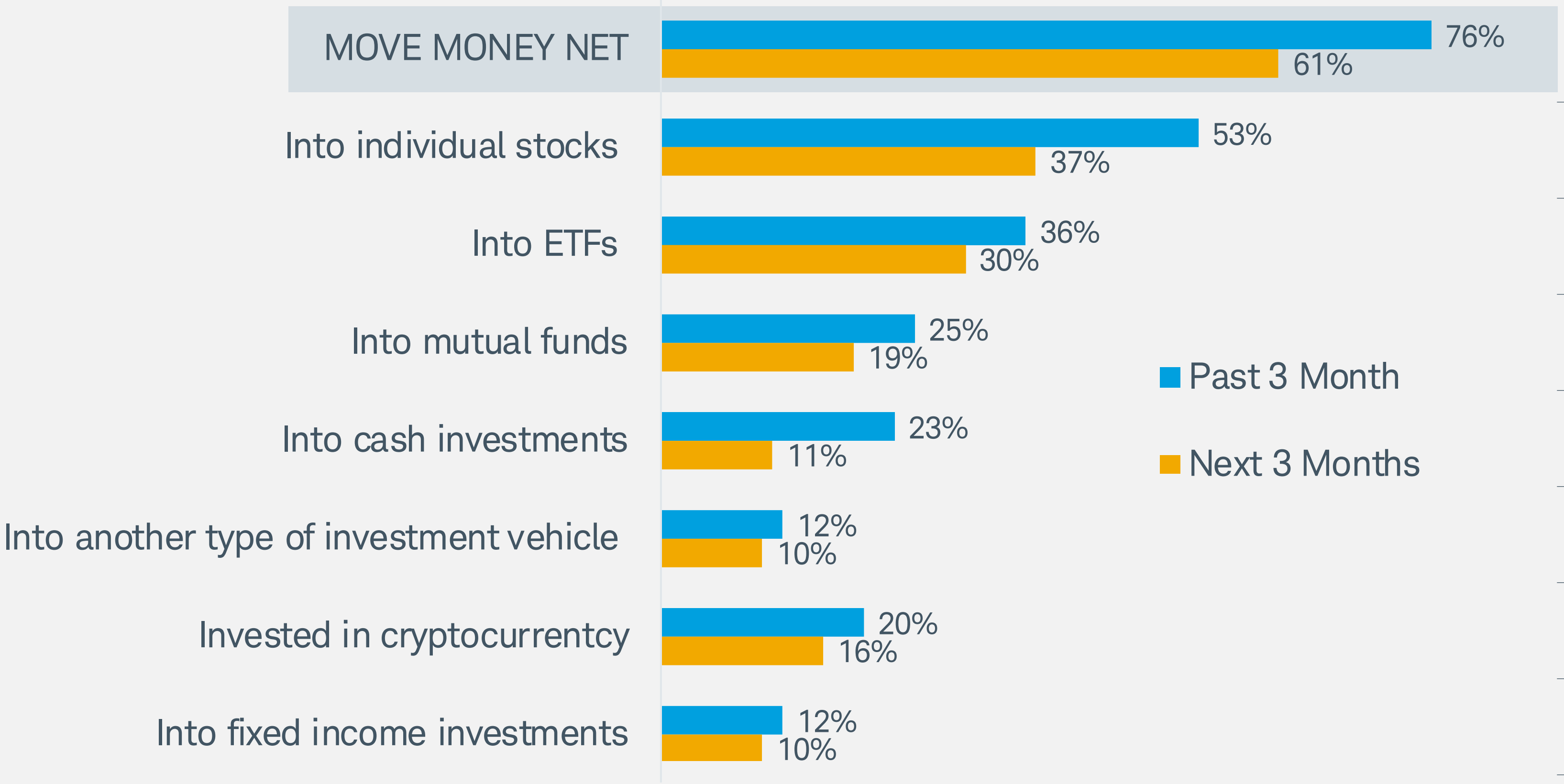
	Last Year (n=917)	Last Quarter (n=1,521)
Added money to investment portfolio	43% 32%	51% 41%
Seek investing guidance or advice	22% 17%	28% 23%
Take money out of my investment portfolio	13% 7%	21% 12%
Create a written financial plan	7% 4%	9% 7%

Base = Weighted Total (n=1,078)
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?

More than half of clients moved money into individual stocks in the past three months

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

(Multiple responses allowed; Total Sample)



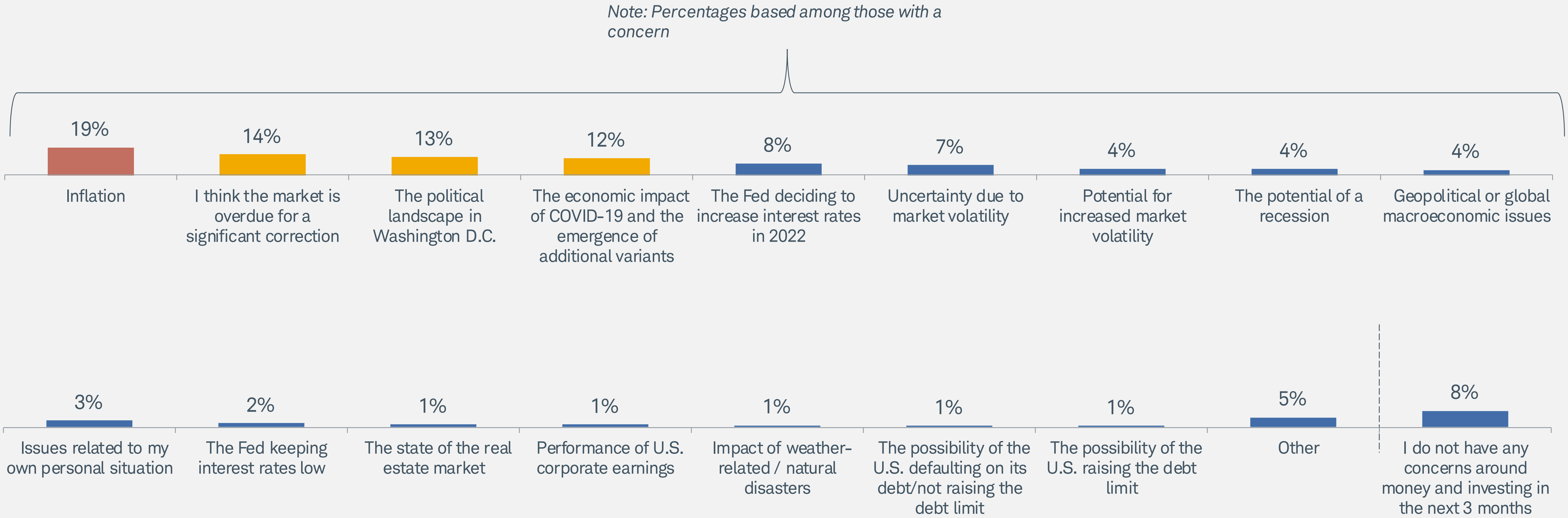
Last Year (n=917)	Last Quarter (n=1,521)
68% 51%	73% 59%
44% 28%	49% 32%
24% 17%	35% 25%
21% 16%	27% 19%
17% 6%	24% 14%
14% 9%	17% 10%
10% 7%	21% 14%
13% 9%	13% 10%

Base = Weighted Total (n=1,078)
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?

Nearly one in five clients say inflation is their primary money and investing concern

Primary Concern About Investing

(Single response only; Among Those With A Concern)



Base = Weighted Total (n=1,078)
Q7. What is your primary concern around money and investing within the next 3 months?

Methodology and Respondent Demographic Profile

Methodology:
- This data is collected quarterly via an online survey of clients with retail assets of at least $2,000.
- Note: There is oversampling 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.
- The data was weighted by Life Stage and Investible Assets/Affluence to reflect the Schwab client population.
- Q1 study was fielded at the beginning of the quarter: January 5-16, 2022.

Gender		**Affluence**		**Active Trader**	
Male	776 (72%)	HNW ($1M+)	135 (13%)	Active	463 (43%)
Female	258 (24%)	Affluent ($250K-<$1M)	168 (16%)	Not Active	615 (57%)
No answer	44 (4%)	Foundational (<$250K)	775 (72%)		
Life Stage		**Financial Consultant Relationship**		**Employment Status**	
Younger Investor (<40)	276 (26%)	Has Financial Consultant	150 (14%)	Employed full-time	622 (58%)
Mid-Life (40-55)	352 (33%)	Does not have Financial Consultant	928 (86%)	Employed part-time	30 (3%)
Mature (55+ not retired)	263 (24%)			Self-employed	107 (10%)
Retired	187 (17%)			Retired/semi-retired	224 (21%)
				Other	55 (5%)
				No answer	40 (4%)

Sample sizes for respondents who were asked the Investment Sentiment section of the survey (n=1,078)

Disclosures

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