

Q2 2022 Retail Client Sentiment Report

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Q2 2022 Executive Summary

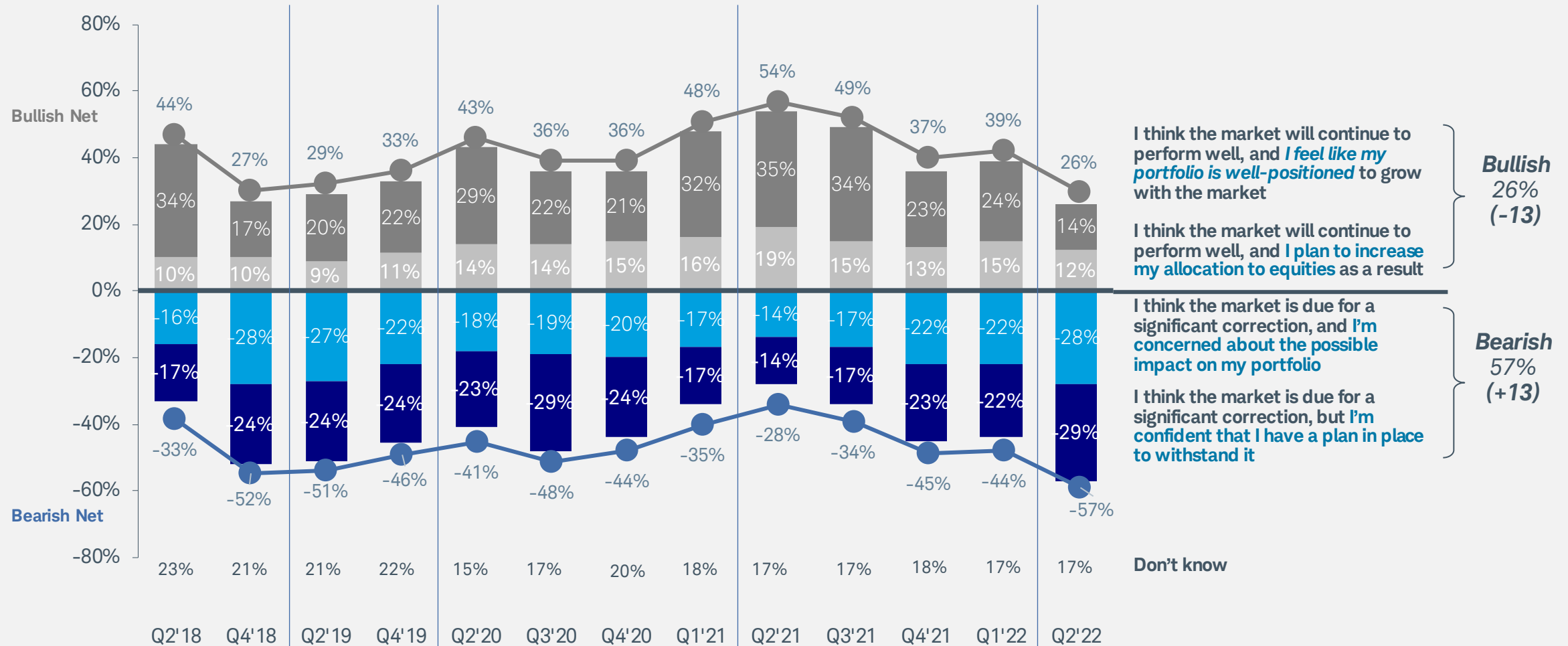
More than half of investors are bearish amid inflation, the conflict in Ukraine, and ongoing market volatility. However, the majority of respondents say they won't alter the level of risk they will take in their investment portfolios in Q2.

Key Q2 themes

- More than half (57%) of respondents have a bearish outlook on the U.S. stock market for Q2 2022, an increase of 29% from the same time last year.
- Just over a quarter (26%) are bullish about the second quarter, down 28% from the same time last year.
- More than half (55%) of Schwab's retail clients report that they will make no change in the level of risk they will take in their investment portfolios in the next three months.
- Despite bearish sentiment, less than 10% of respondents say they will take money out of their investment portfolios in the next three months.
- Inflation is the top investing concern for clients in Q2, and most are worried about higher cost of living.

More than half of retail investors have a bearish outlook on the U.S. stock market

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



Base = Weighted Total (n=870)

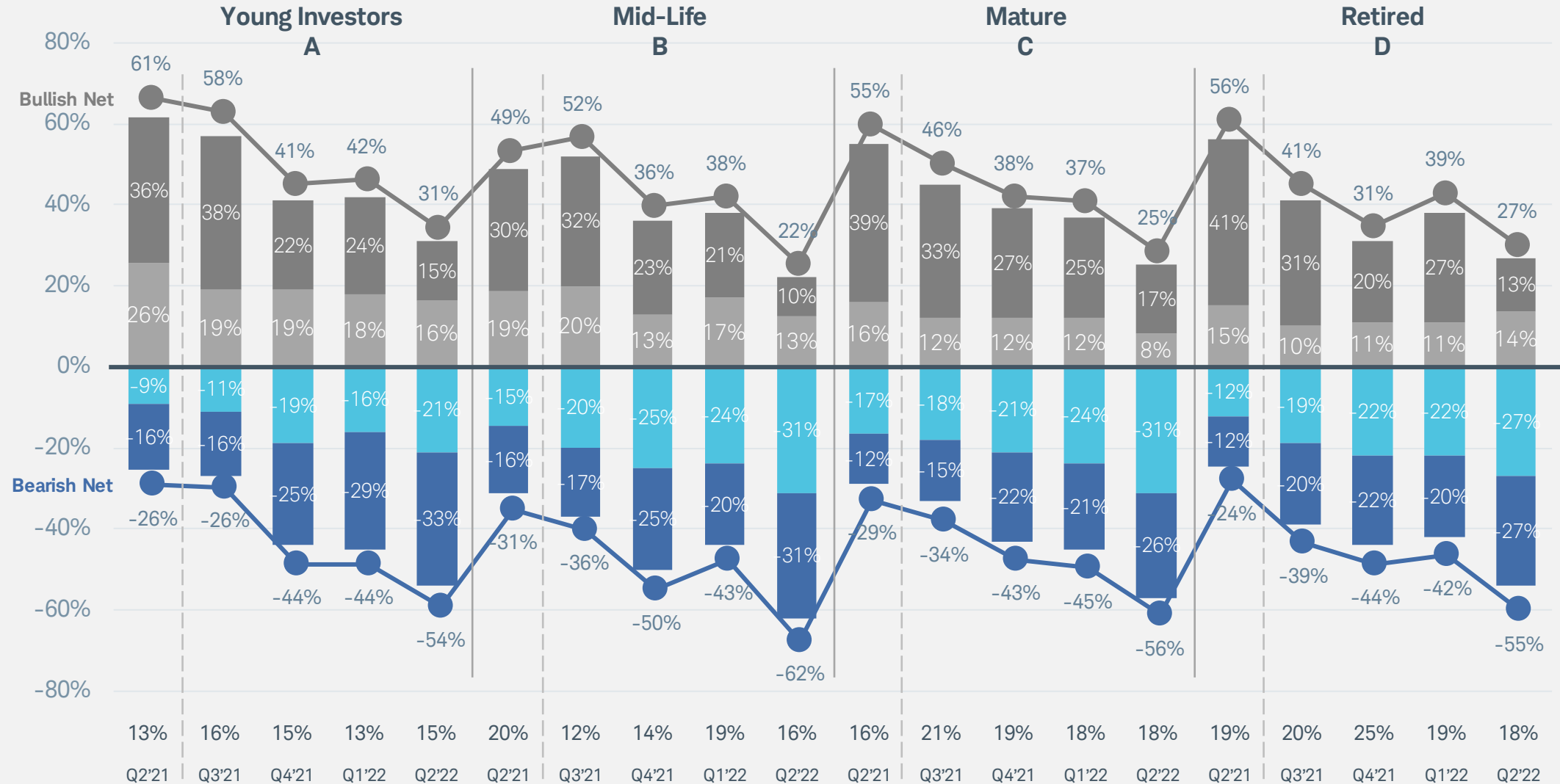
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

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Younger investors remain the most bullish by a narrow margin

Outlook For U.S. Stock Market By Life Stage

(Single response only; Among Total Sample)



Base = Weighted Total (n=870)

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.

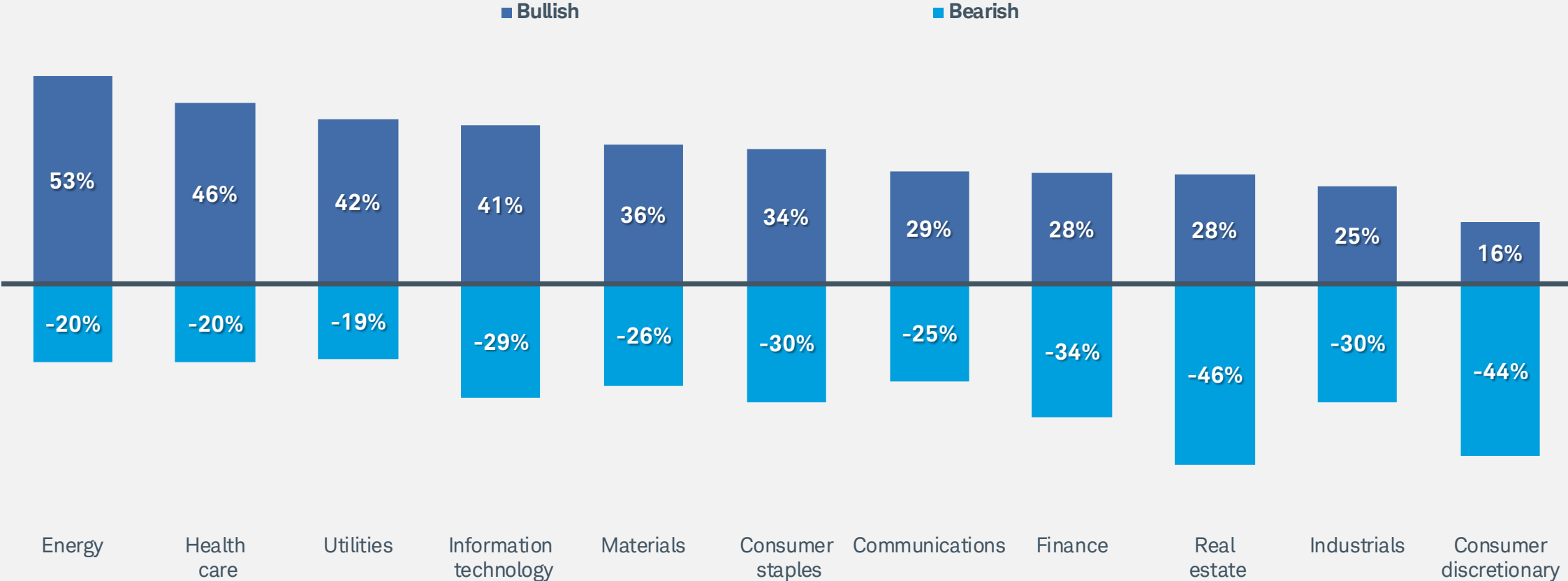
I think the market is due for a significant correction, but I'm confident that I have a plan to withstand it.

Don't know

Letters indicate a significant difference between segments

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

Sector Sentiment Over Next 3 Months
(Total Client Sample)

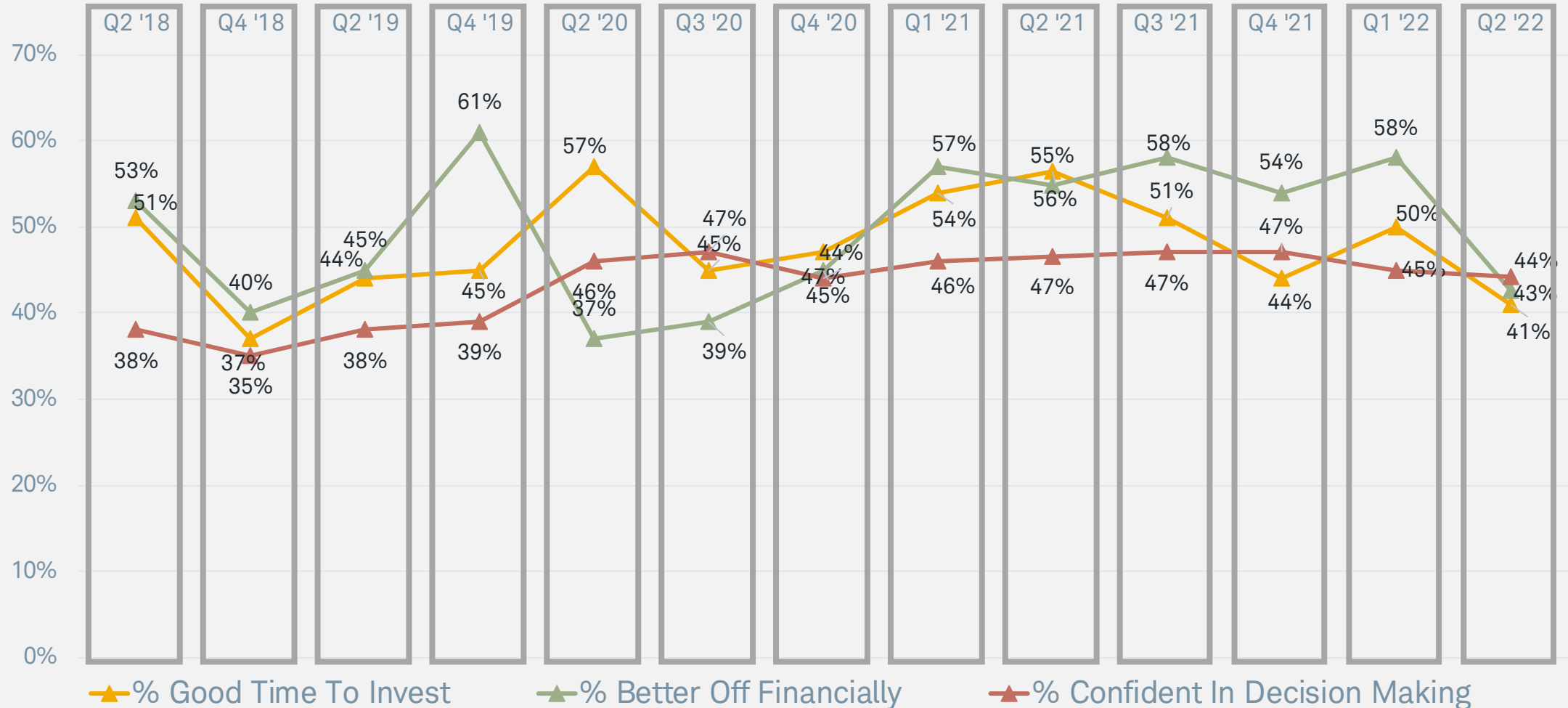


Base = Weighted Total (n=870)
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

43% of clients feel better off financially compared to a year ago, down from 58% in Q1

Client Confidence Trends

December 2017 – January 2022



Base = Weighted Total (n=870)

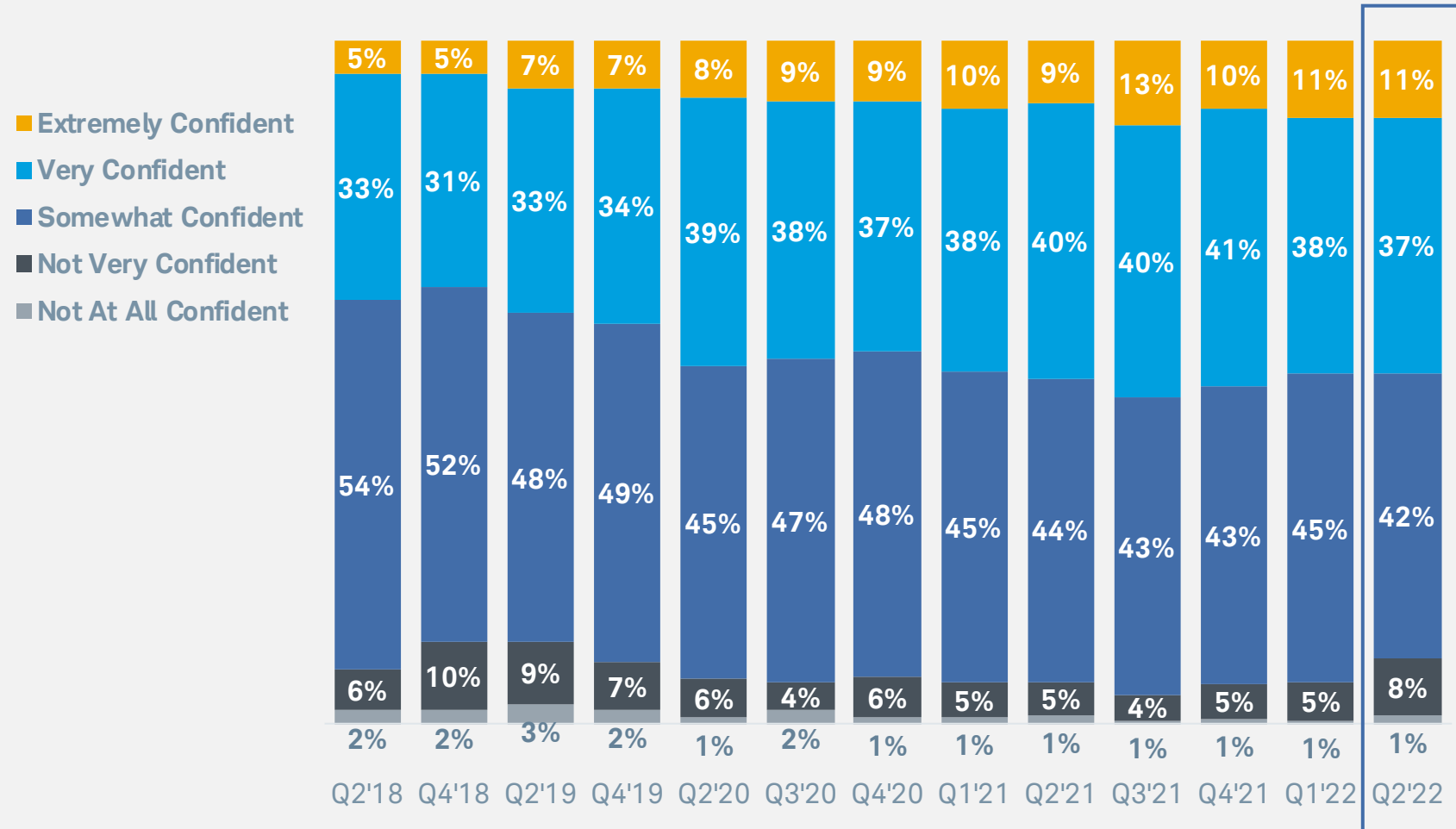
Q1. In your opinion, is this a good time or bad time to invest in stocks, mutual funds and other equity-based investments?

Q3. In terms of how you are getting along financially, compared to a year ago, are you...?

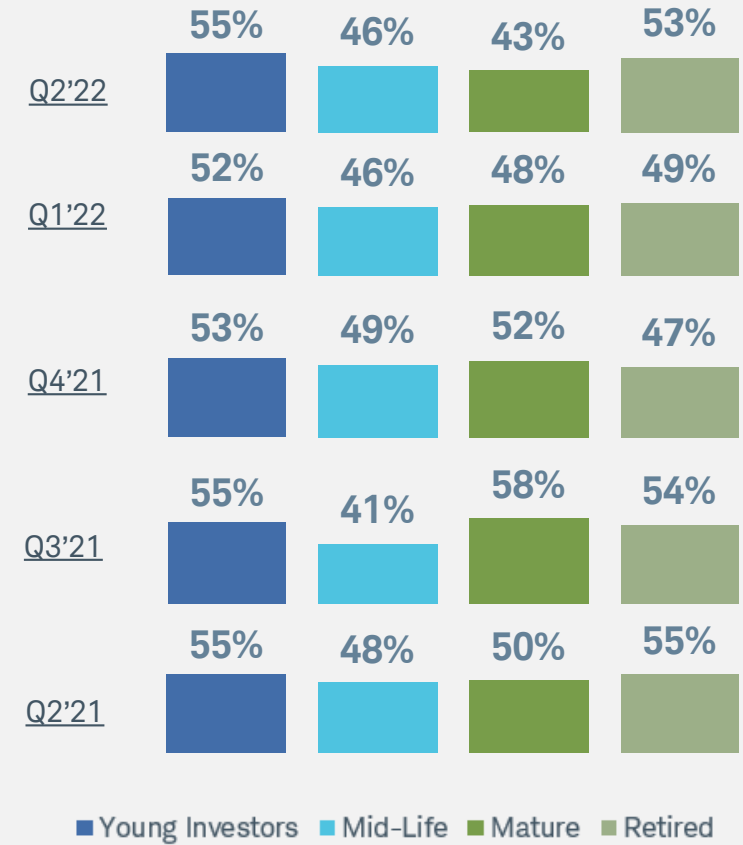
Q4. How confident are you in making investment decisions for your household?

91% of clients are confident that they will reach their financial goals

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



Top 2 Box Confident



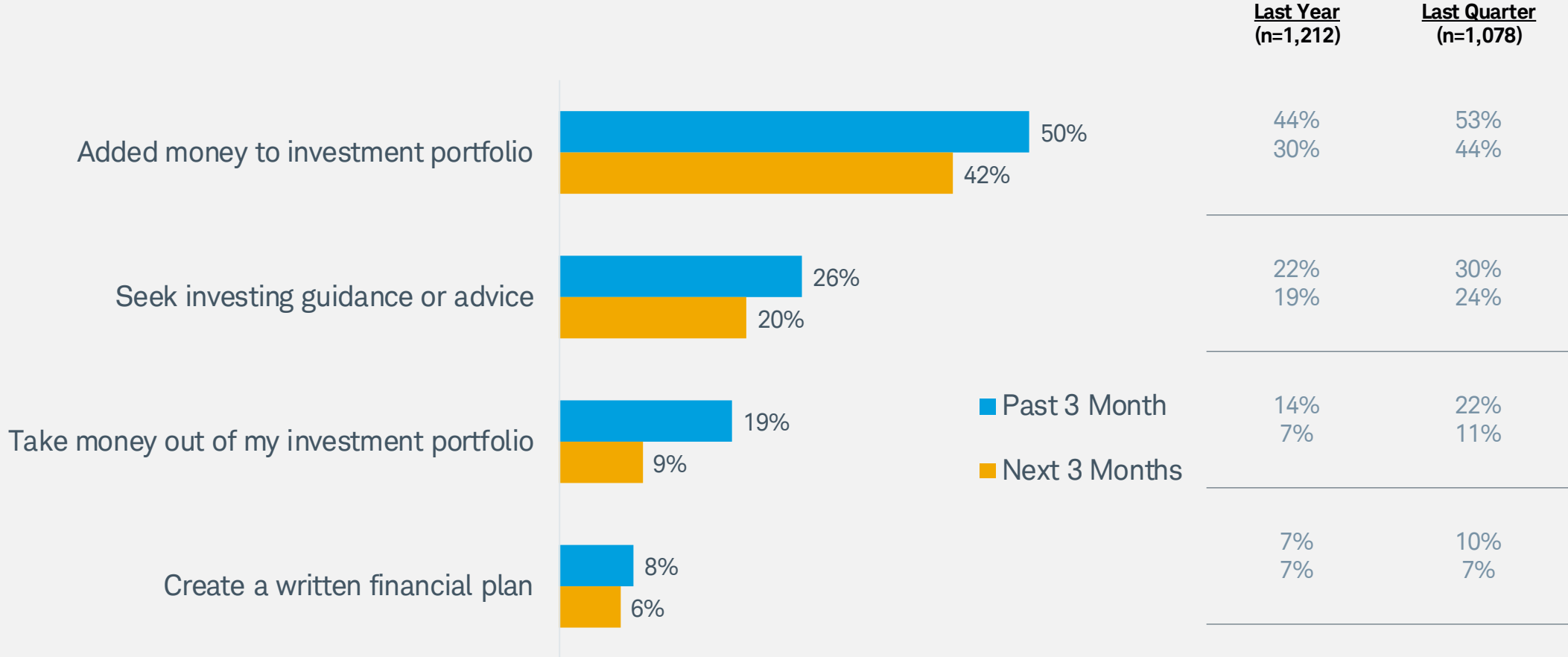
Base = Weighted Total (n=870)

Q10. Which statement best describes your confidence in reaching your financial goals?

More than 40% of clients plan to add money to their portfolios in Q2 and only 9% plan to take money out

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

(Multiple responses allowed; Total Client Sample)



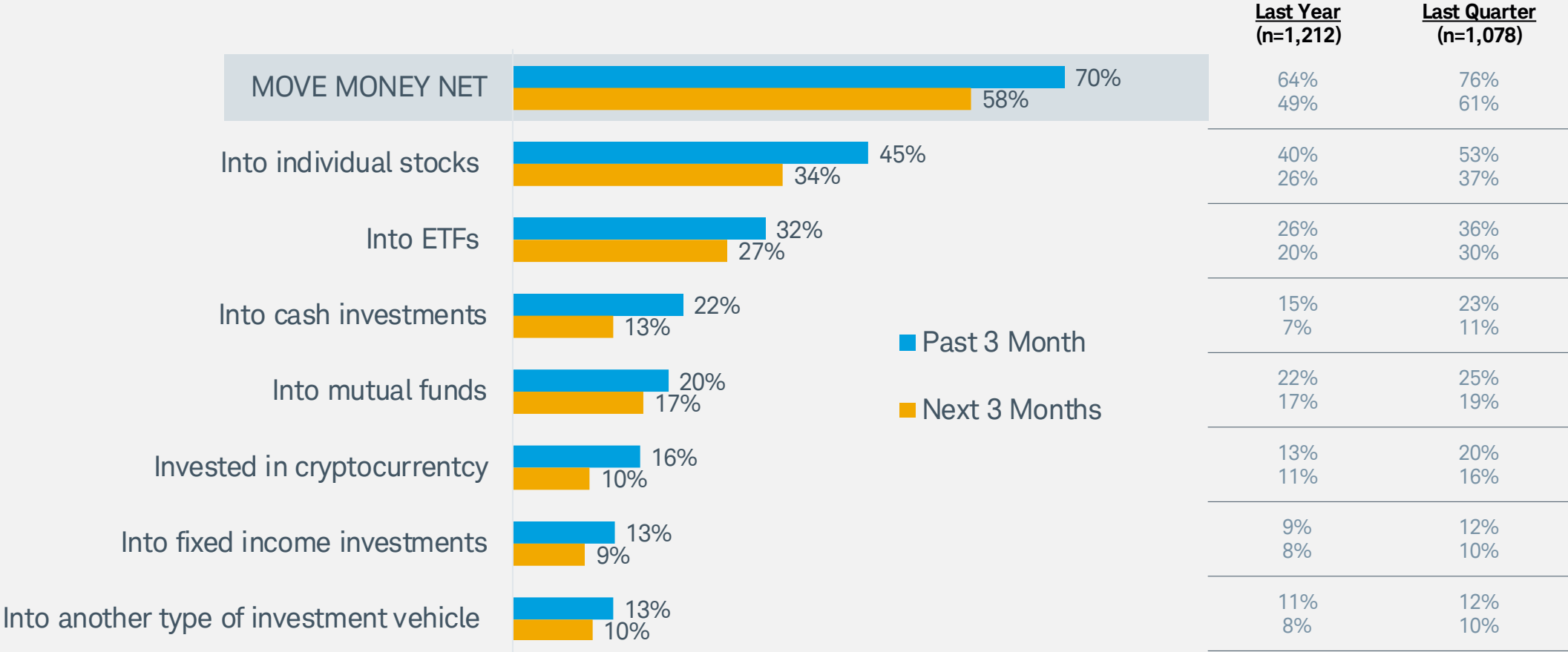
Base = Weighted Total (n=870)

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 a third of clients will move money into individual stocks in Q2

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

(Multiple responses allowed; Total Client Sample)



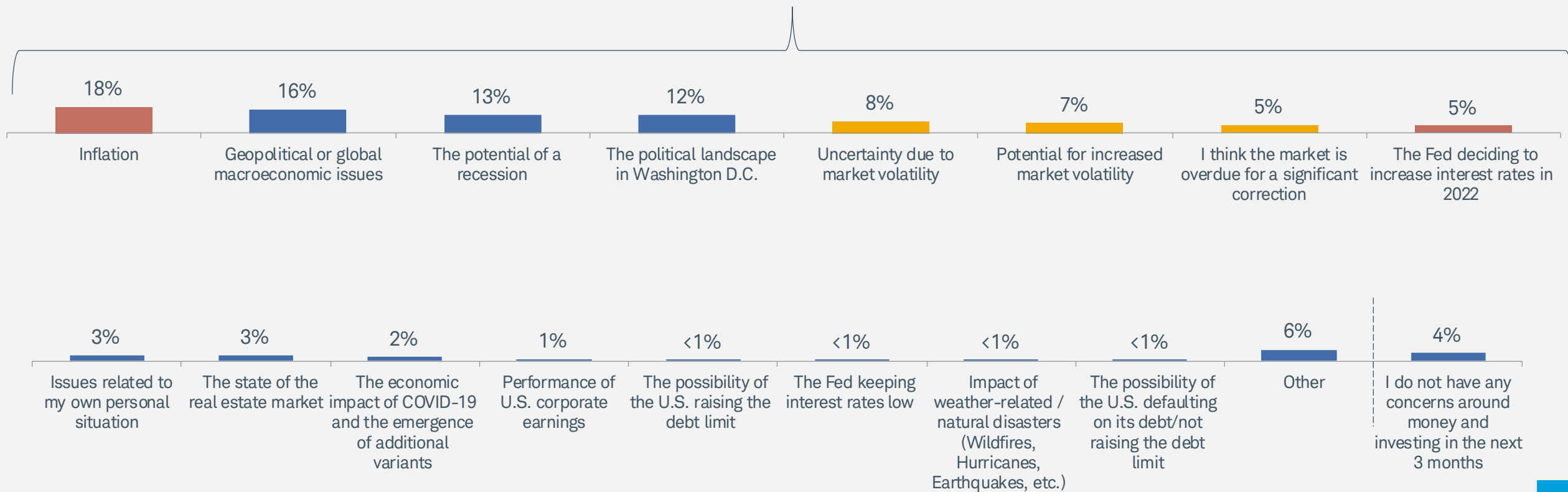
Base = Weighted Total (n=870)

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?

Inflation is retail investors' primary money and investing concern followed closely by geopolitical issues, potential of a recession, and domestic politics

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

Note: Percentages based among those with a concern



Base = Weighted Total (n=870)

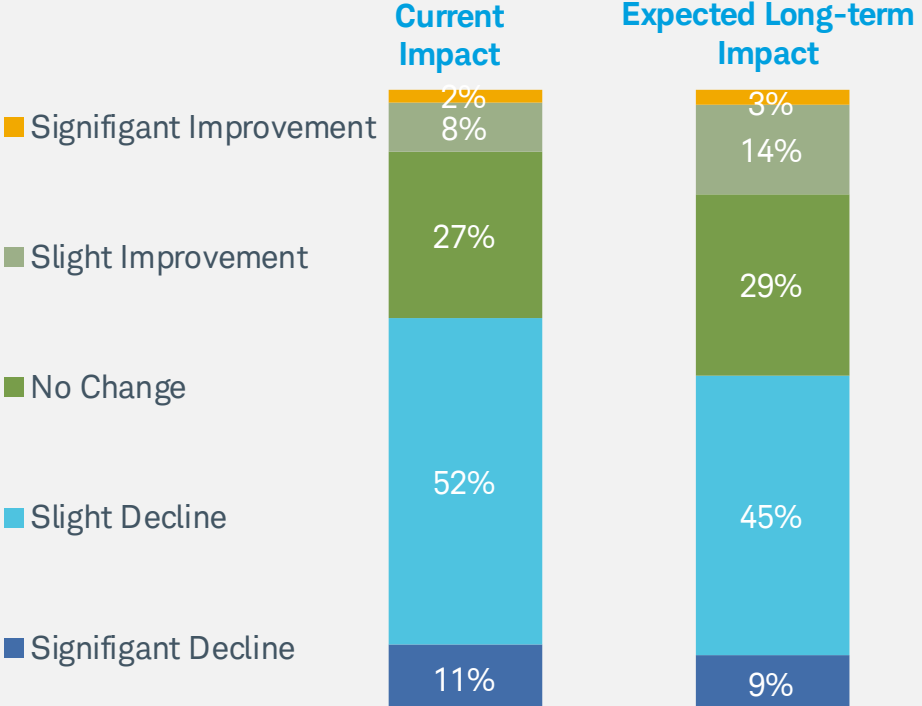
Q7. What is your primary concern around money and investing within the next 3 months?

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Approximately 80% of investors report that the conflict in Ukraine has had an impact on their sentiment but the majority won't alter their portfolio allocation as a result

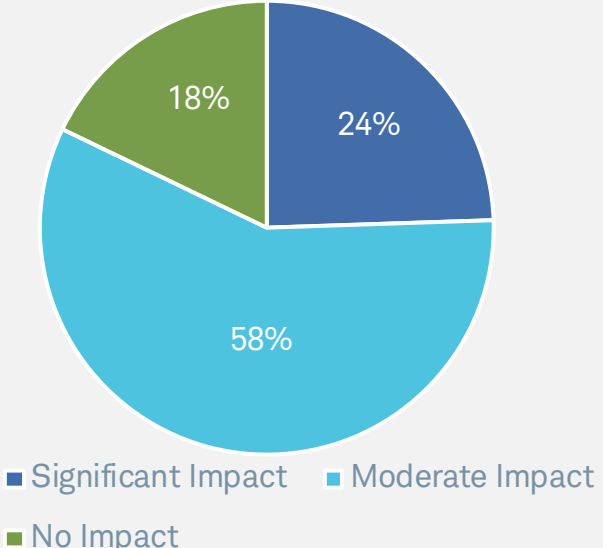
Ukraine Conflict Impact On Portfolio Performance

(Single response only; Among Client Sample)



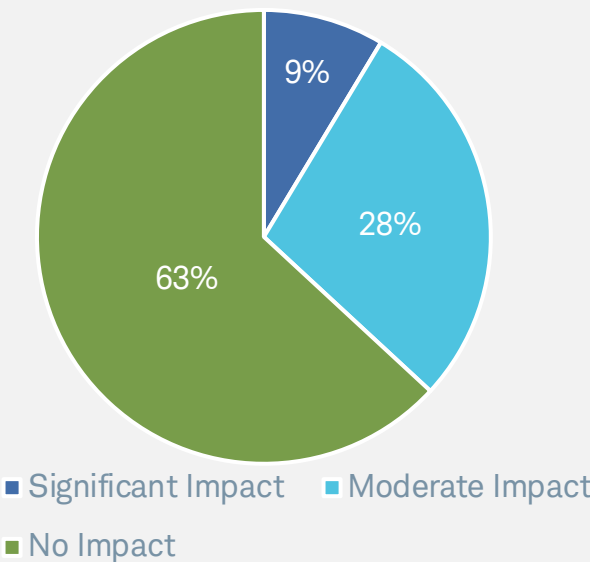
Conflict In Ukraine: How Significant An Impact On Your Overall Sentiment Toward U.S Stock Market And Economy

(Single response only; Among Client Sample)



Ukraine Conflict Impact On Portfolio Allocation

(Single response only; Among Client Sample)



Base = Weighted Total (n=870)

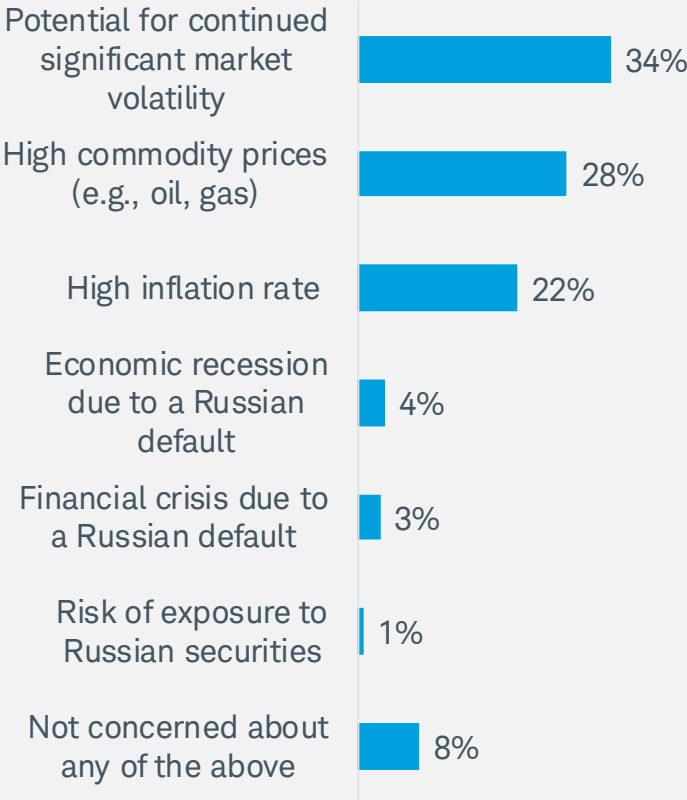
QSI_Q222_2. How has the conflict in Ukraine impacted your portfolio performance?

QSI_Q222_1. How significant an impact has the conflict in Ukraine had on your overall sentiment on the U.S. stock market and economy? / QSI_Q222_3. What do you think the longer-term impact of the conflict in Ukraine will be on your portfolio performance between now and the end of the year? / QSI_Q222_4. How big an impact has the conflict in Ukraine had on your portfolio allocation decisions?

More than half of clients report that they will make no change in the level of risk in their investment portfolios in Q2

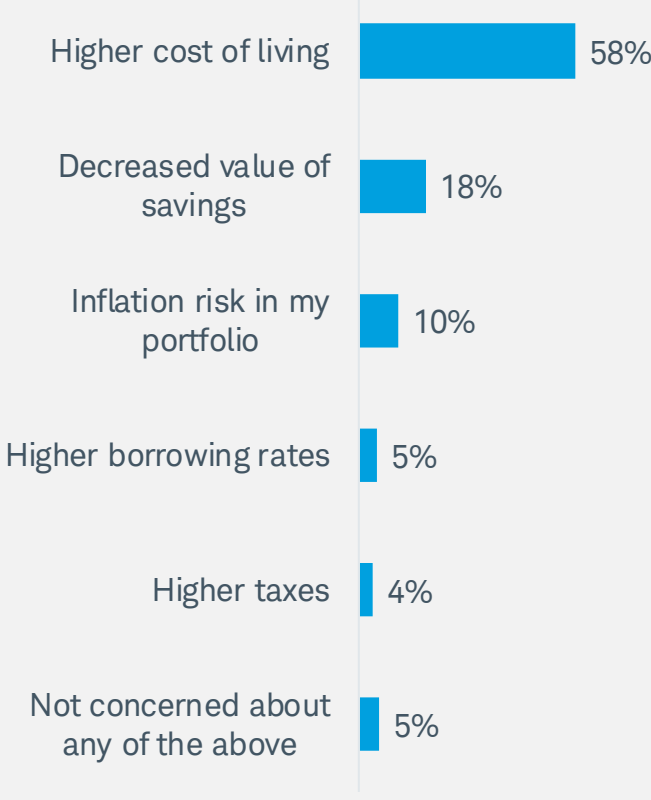
Biggest Concern Due To Ukraine Conflict

(Multiple response; Among Client Sample)



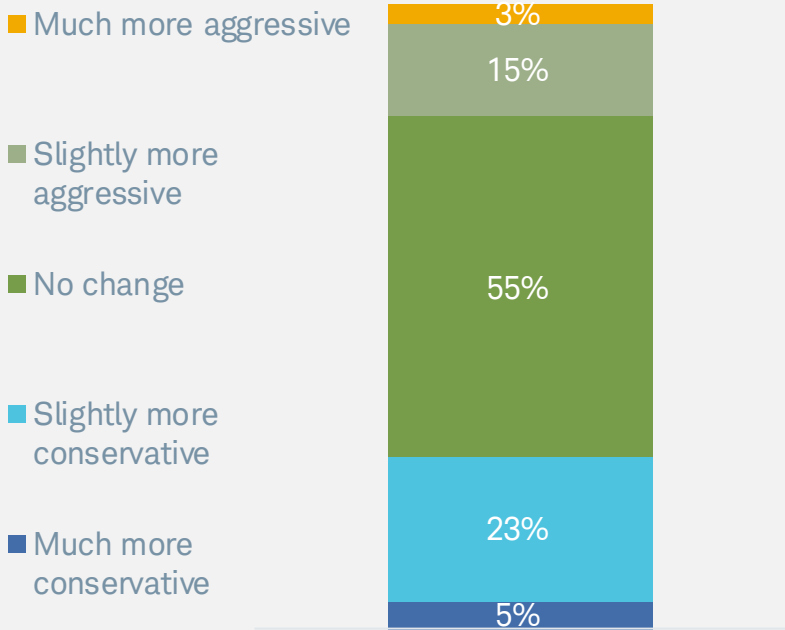
Biggest Concern With Continued Inflation

(Multiple response; Among Client Sample)



Approach To Risk Over Next 3 Months

(Single response only; Among Client Sample)



Base = Weighted Total (n=870)

QSI_Q222_5. Which of the following potential impacts due to the conflict in Ukraine concerns you the most? / QSI_Q222_6. What is your biggest concern with continued inflation?

QSI_Q222_7. Which of the following best describes your approach to the level of risk you will take in your investment portfolio over the next three months?

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.
- Note: 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.
- The data was weighted by Life Stage and Investible Assets/Affluence to reflect the Schwab client population.
- Q2 study was fielded at the beginning of the quarter: April 6-17, 2022.

Gender		Affluence		Employment Status	
Male	627 (72%)	HNW (\$1M+)	108 (12%)	Employed full-time	486 (56%)
Female	195 (22%)	Affluent (\$250K-<\$1M)	132 (15%)	Employed part-time	37 (4%)
No answer	48 (6%)	Foundational (<\$250K)	630 (72%)	Self-employed	77 (9%)
Life Stage		Financial Consultant Relationship		Retired/semi-retired	200 (23%)
Younger Investor (<40)	214 (25%)	Has Financial Consultant	130 (15%)	Other	35 (4%)
Mid-Life (40-55)	265 (31%)	Does not have Financial Consultant	740 (85%)	No answer	35 (4%)
Mature (55+ not retired)	238 (27%)				
Retired	153 (18%)				

Sample sizes for respondents who were asked the Investment Sentiment section of the survey (n=870)

Disclosures

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