

Q2 2023 Retail Client Sentiment Report

Survey fielded April 20 – May 3, 2023

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The Charles Schwab logo, featuring the word "charles" in a white script font above the word "SCHWAB" in a white, all-caps, sans-serif font, both contained within a blue square background.

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Q2 2023 Executive Summary

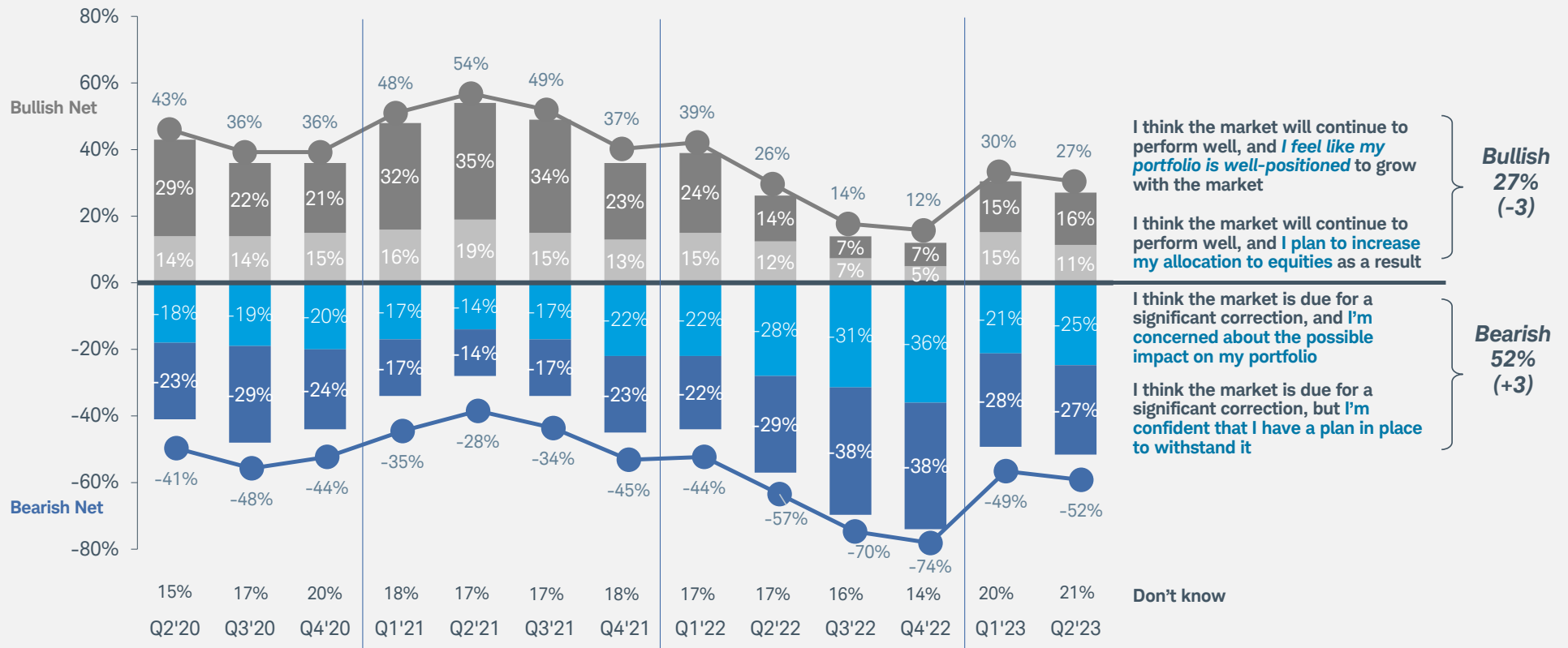
The majority of retail investors remain bearish about the U.S. stock market amid concerns about rising inflation, the political landscape and the potential of a recession. Despite the challenging environment, there's an uptick in how investors feel about their overall financial situation and most investors remain confident that they will reach their financial goals.

Key Q2 themes

- The majority (52%) of retail investors feel bearish about the U.S. stock market, particularly about the real estate and finance sectors.
- Recession-related concerns are high among investors, followed by worries about the overall political landscape and inflation.
- Although less than half of retail investors believe now is a good time to invest in equities, more than a quarter still plan to move money into individual stocks in the months ahead and only 9% plan to take money out of their portfolio.

The majority of retail investors continue to lean bearish on the U.S. stock market

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



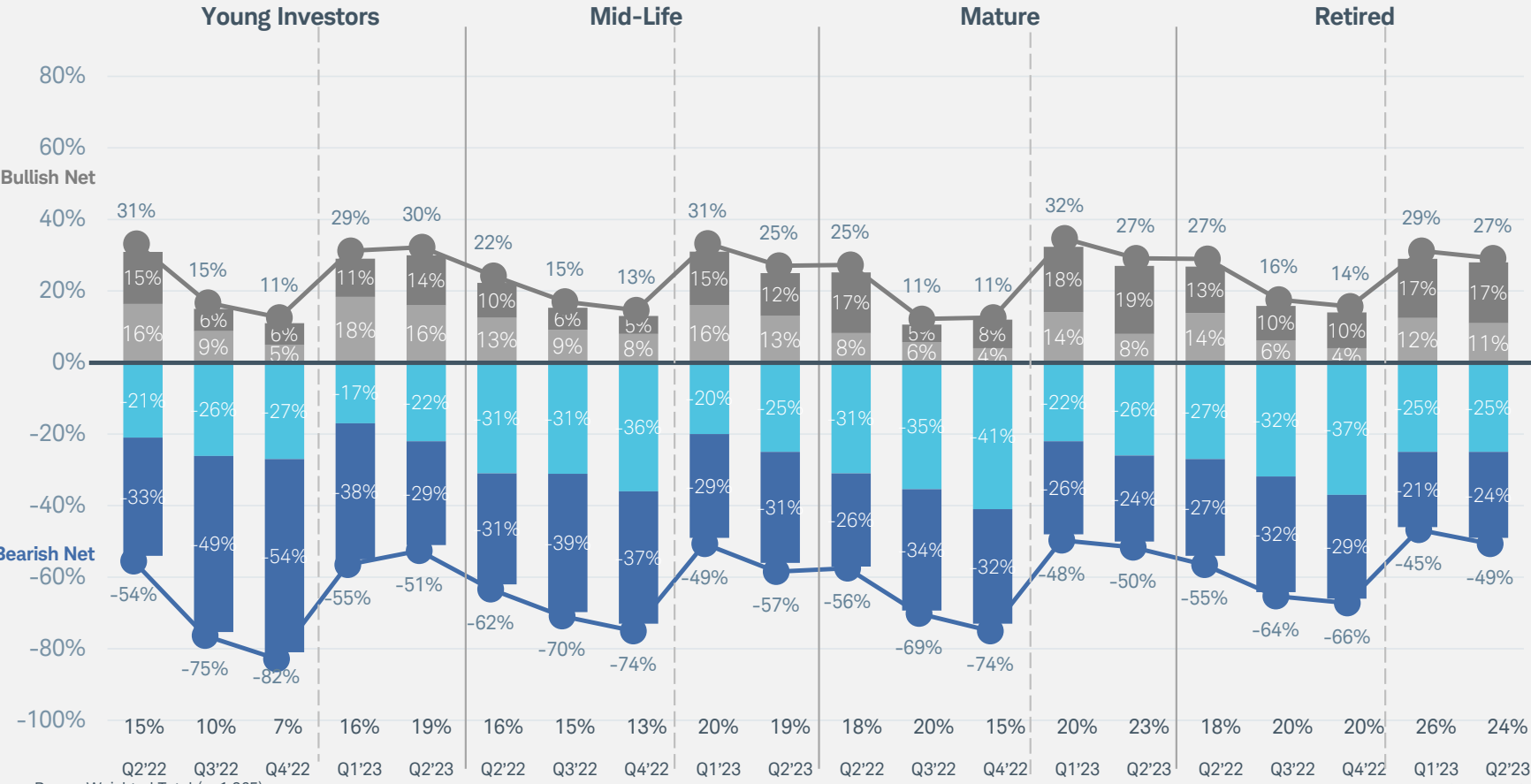
Base = Weighted Total (n=1,265)

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

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Over half of mid-life investors lean bearish, but nearly one third are confident in their plans to withstand a potential correction

Outlook For U.S. Stock Market By Life Stage (Single response only; Among Client 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 to withstand it.

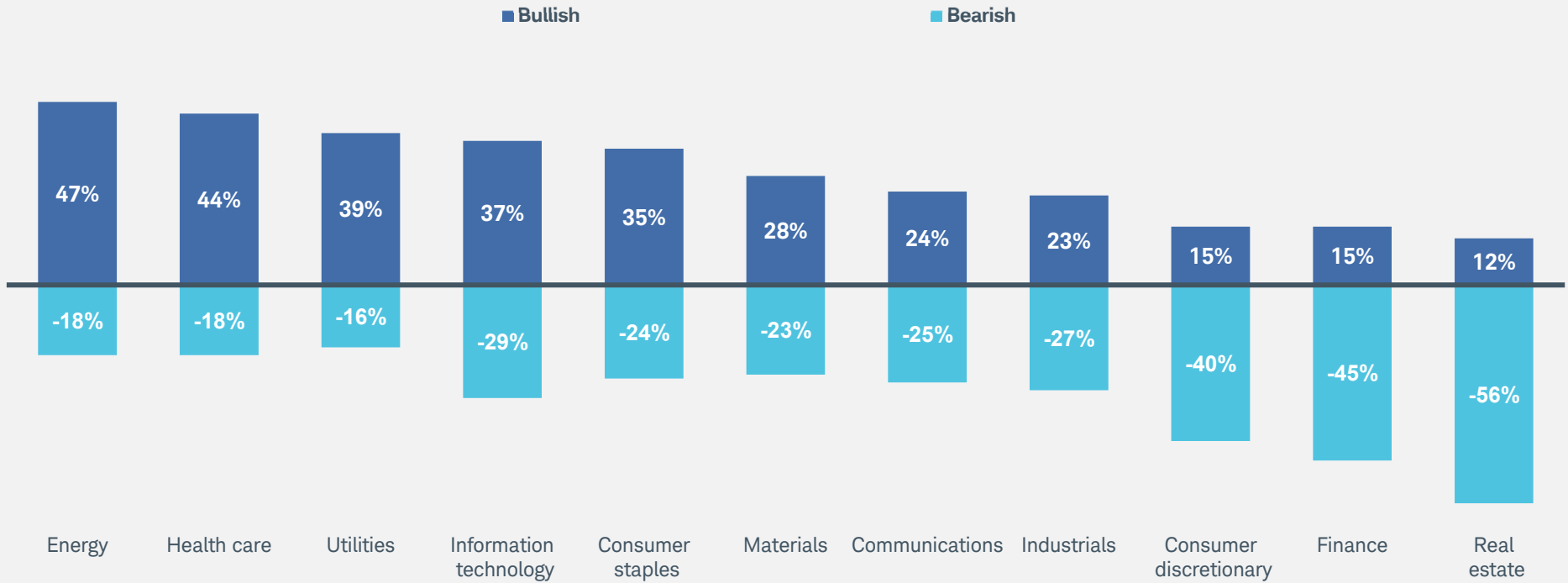
Don't know

Base = Weighted Total (n=1,265)
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

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Retail investors are most bearish on the real estate and finance sectors and most bullish on energy

Sector Sentiment Over Next 3 Months (Among Client Sample)



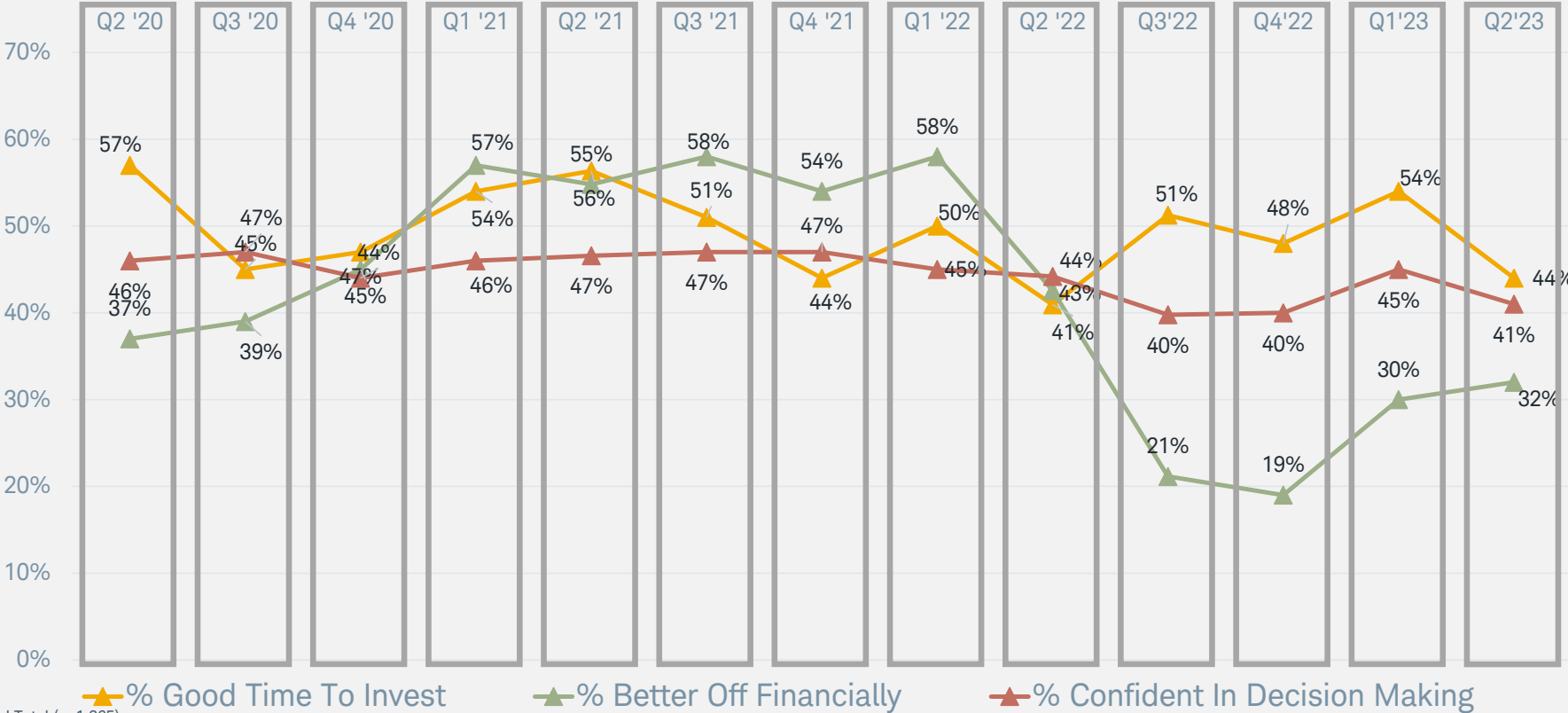
Base = Weighted Total (n=1,265)
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

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Fewer than half of retail investors believe now is a good time to invest in equities, but there has been an uptick in how investors feel about their overall financial situation in the current environment

Client Confidence Trends

April 2020 – April 2023
(Among Client Sample)



Base = Weighted Total (n=1,265)

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

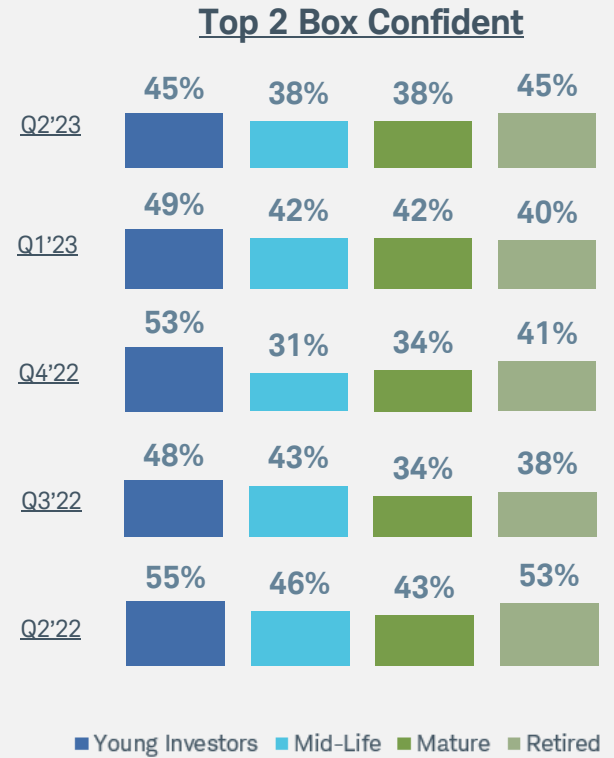
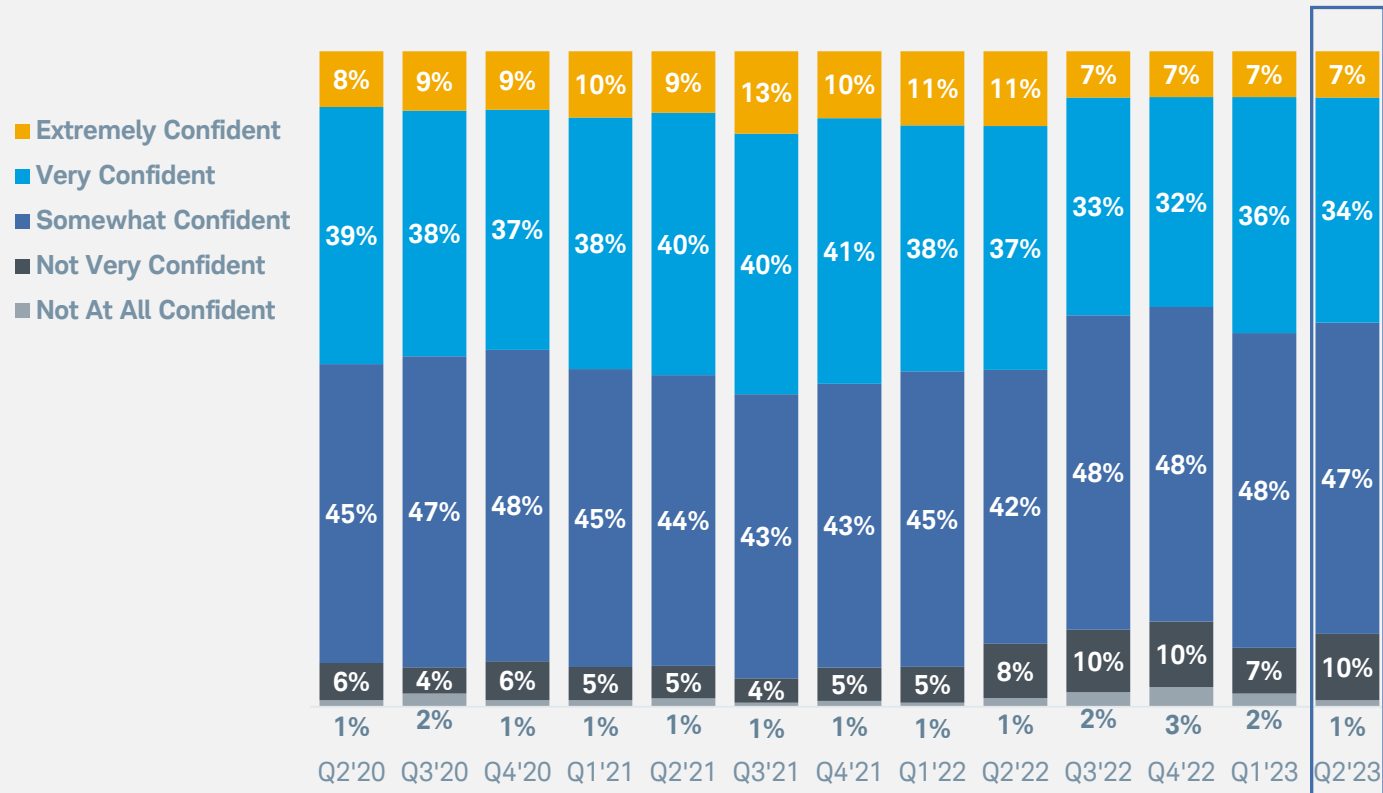
Q3. In terms of how you are getting along financially, compared to a year ago, are you...?

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

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A vast majority of retail investors remain confident in reaching their financial goals

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



Base = Weighted Total (n=1,265)
Q10. Which statement best describes your confidence in reaching your financial goals?
Classification: Schwab Internal

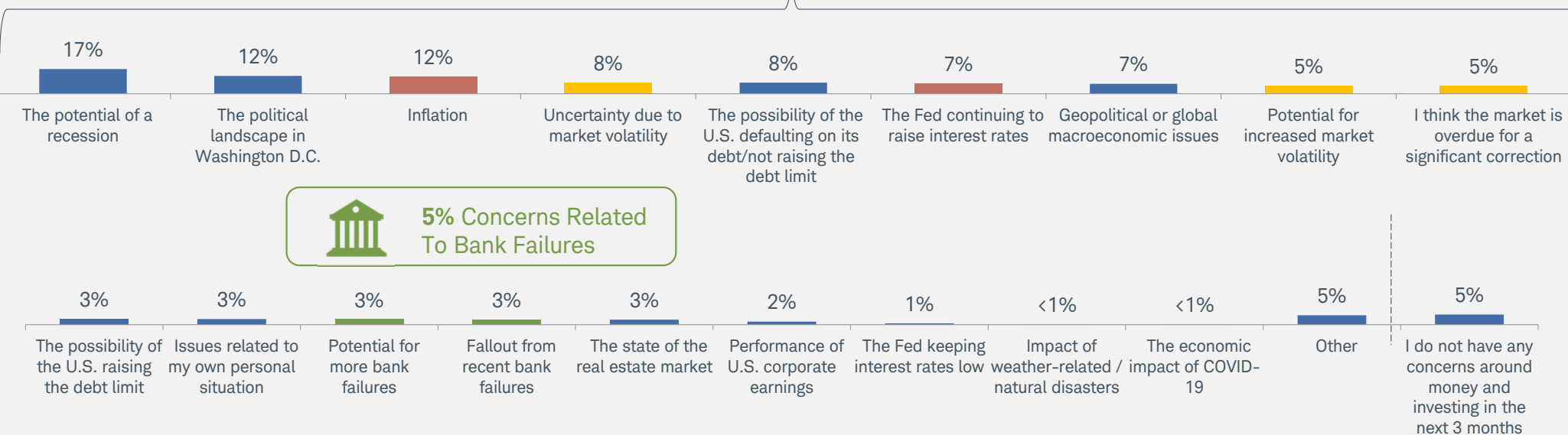
Recession fears, the political landscape, and inflation top the list of retail investor concerns, although just 5% think the market is due for a significant correction

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



18% Inflation/Increase Rate Related Concerns

Note: Percentages based among those with a concern



5% Concerns Related To Bank Failures

Base = Weighted Total (n=1,265)

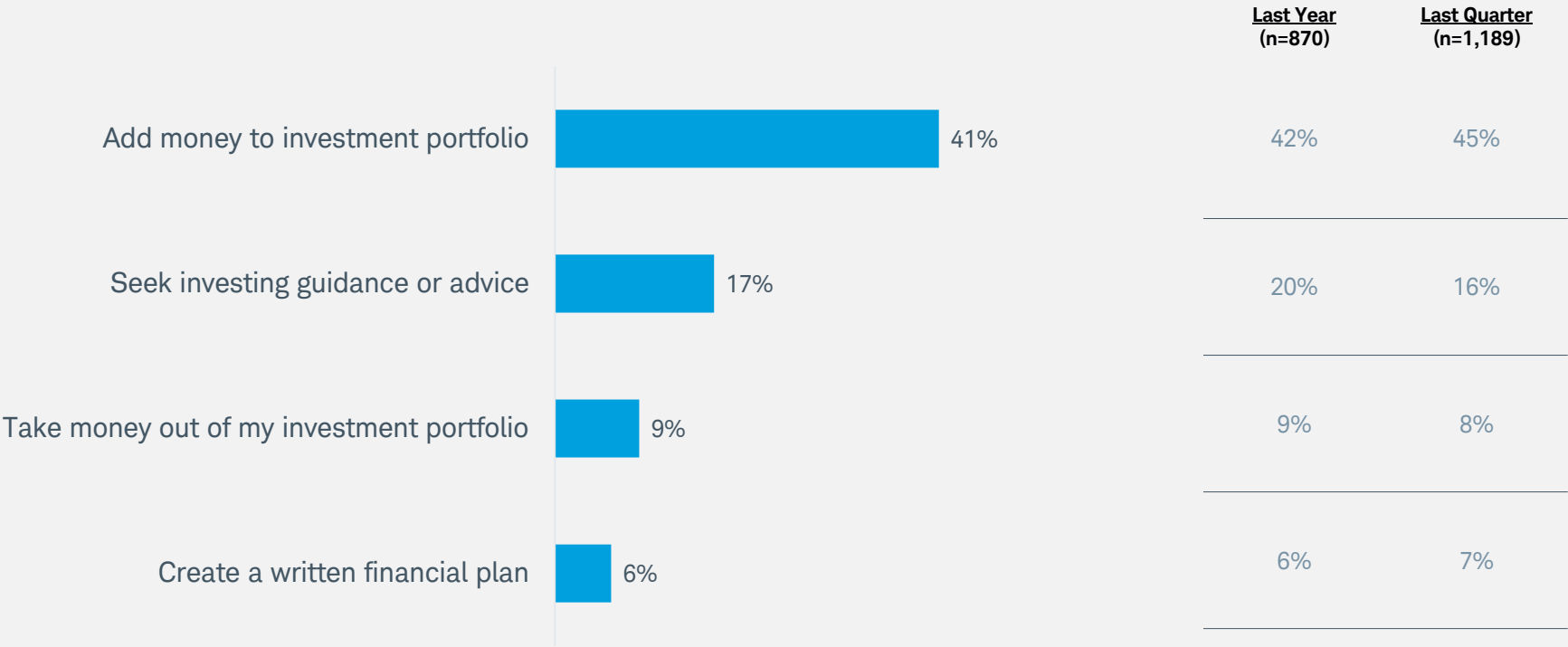
Q7. What is your primary concern around money and investing within the next 3 months?

Classification: Schwab Internal

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Over 40% of retail investors plan to add money to their portfolio in the coming months, while less than 10% plan to take money out

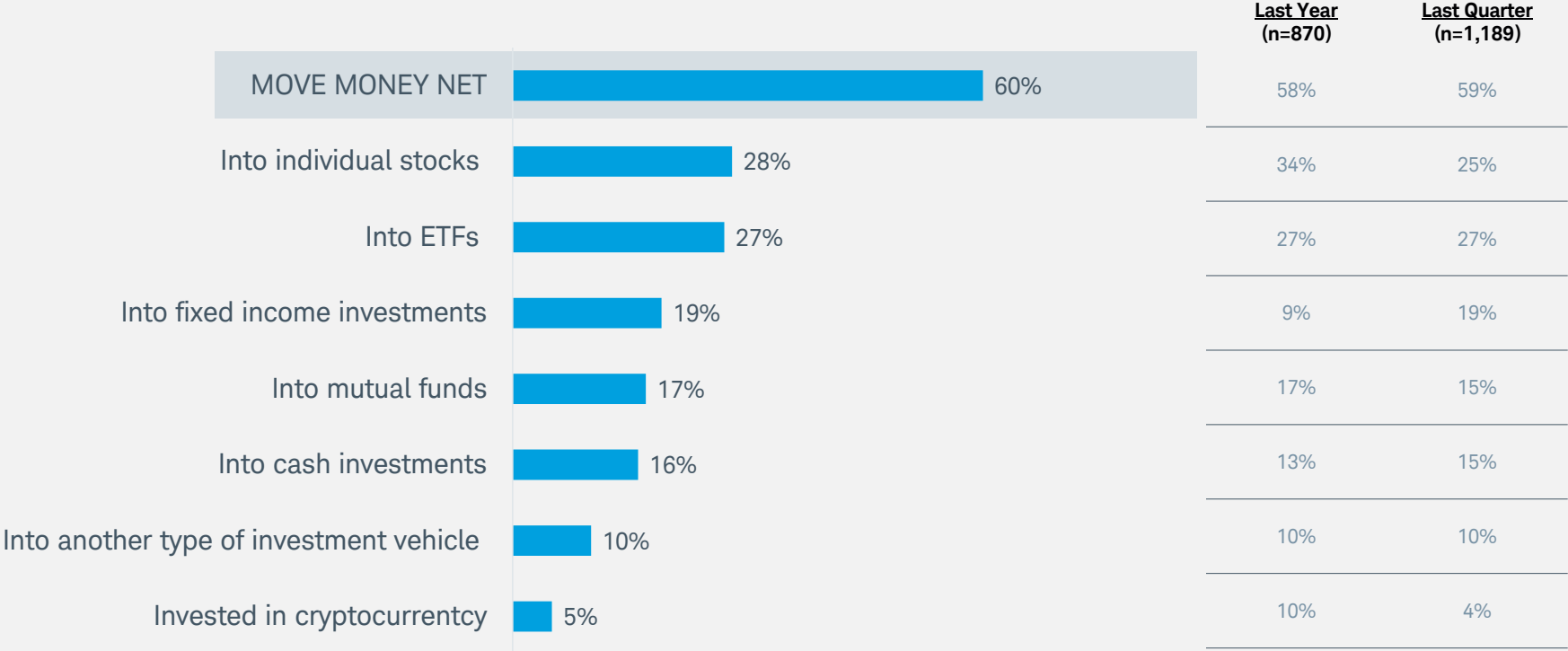
Portfolio Changes Planned in Next 3 Months
(Multiple responses allowed; Among Client Sample)



Base = Weighted Total (n=1,265)
 Q20. Which of the following actions do you plan to do over the next 3 months?

In the months ahead, 60 percent of retail investors plan to adjust their portfolio allocation, with more than a quarter planning to move money into individual stocks

Portfolio Changes Planned in Next 3 Months (Multiple responses allowed; Among Client Sample)



Base = Weighted Total (n=1,265)
Q20. Which of the following actions do you plan to do over the next 3 months?

Methodology and Respondent Demographics

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 on April 20th – May 3rd, 2023

Gender		Affluence		Employment Status	
Male	911 (72%)	HNW (\$1M+)	205 (16%)	Employed full-time	639 (51%)
Female	295 (23%)	Affluent (\$250K-<\$1M)	292 (23%)	Employed part-time	47 (4%)
No answer	59 (5%)	Foundational (<\$250K)	768 (63%)	Self-employed	127 (10%)
Life Stage		Financial Consultant Relationship		Retired/semi-retired	359 (28%)
Younger Investor (<40)	231 (18%)	Has Financial Consultant	278 (22%)	Other	48 (4%)
Mid-Life (40-55)	372 (29%)	Does not have Financial Consultant	987 (78%)	No answer	45 (4%)
Mature (55+ not retired)	357 (28%)				
Retired	281 (22%)				

Sample sizes for respondents who were asked the Investment Sentiment section of the survey (n=1,265)

Disclosures

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