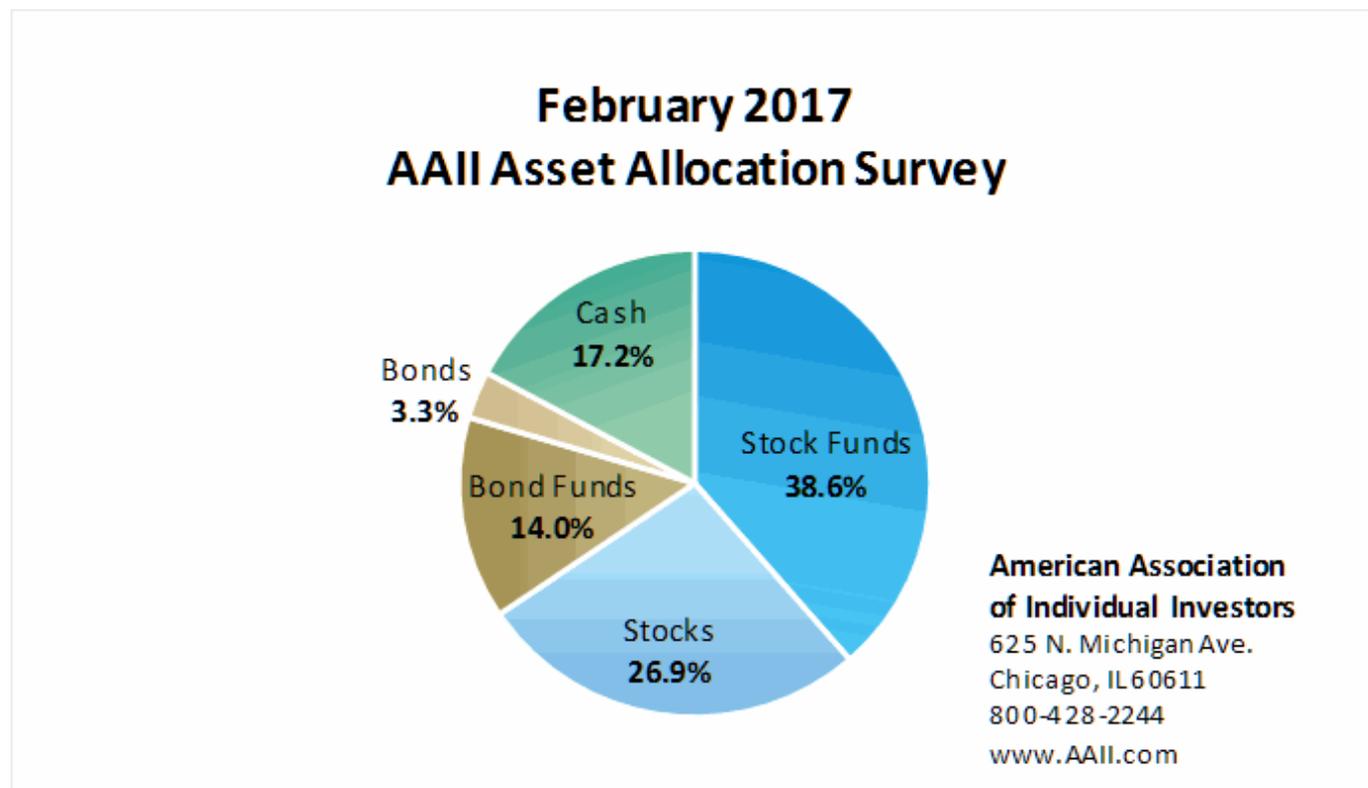


AII Asset Allocation Survey: Fixed-Income Allocations Rise to a 6-Month High



The proportion of fixed-income investments in individual investors' portfolios was at a six-month high last month, according to the February AII Asset Allocation Survey. Both equity and cash allocations declined.

Stock and stock fund allocations declined for a third consecutive month, falling 0.5% to 65.5%. Even with the decline, February marked the 47th consecutive month that equity allocations were above their historical average of 60.5%.

Bond and bond fund allocations rose 0.9 percentage points, to 17.3%. This was the largest fixed-income allocation recorded by our survey since August 2016 (17.4%). February was also the 18th out of the past 19 months with fixed-income allocations above their historical average of 16.0%.

Cash allocations declined by 0.5 percentage points, to 17.2%. The decline kept cash allocations below their historical average of 23.5% for the 63rd consecutive month.

Many individual investors remained cautious about the six-month outlook for the stock market. During the first half of February, optimism in our weekly Sentiment Survey was below average. At the same time, a pullback in yields boosted the value of bonds.

Playing a role in individual investors' views of the financial markets are the new Trump administration, valuations for both stocks and bonds, and monetary policy. At the same time, many of our members take a long-term view towards their portfolio allocation.

February AAI Asset Allocation Survey results:

- Stocks and stock funds: 65.5%, down 0.5 percentage points
- Bonds and bond funds: 17.3%, up 0.9 percentage points
- Cash: 17.2%, down 0.5 percentage points

February AAI Asset Allocation Survey details:

- Stocks: 26.9%, down 4.2 percentage points
- Stock funds: 38.6%, up 3.8 percentage points
- Bonds: 3.3%, down 0.1 percentage points
- Bond funds: 14.0%, up 1.0 percentage points

Historical Averages:

- Stocks and stock funds: 60.5%
- Bonds and bond funds: 16.0%
- Cash: 23.5%

*The numbers are rounded and may not add up to 100%.

The AAI Asset Allocation Survey has been conducted monthly since November 1987 and asks AAI members what percentage of their portfolios are allocated to stocks, stock funds, bonds, bond funds and cash.

Want to weigh in? Take the survey yourself and see results online at

<http://www.aai.com/assetallocationsurvey>.

If you want to become an effective manager of your own assets and achieve your financial goals, consider a **risk-free 30-day Trial AAI Membership**.