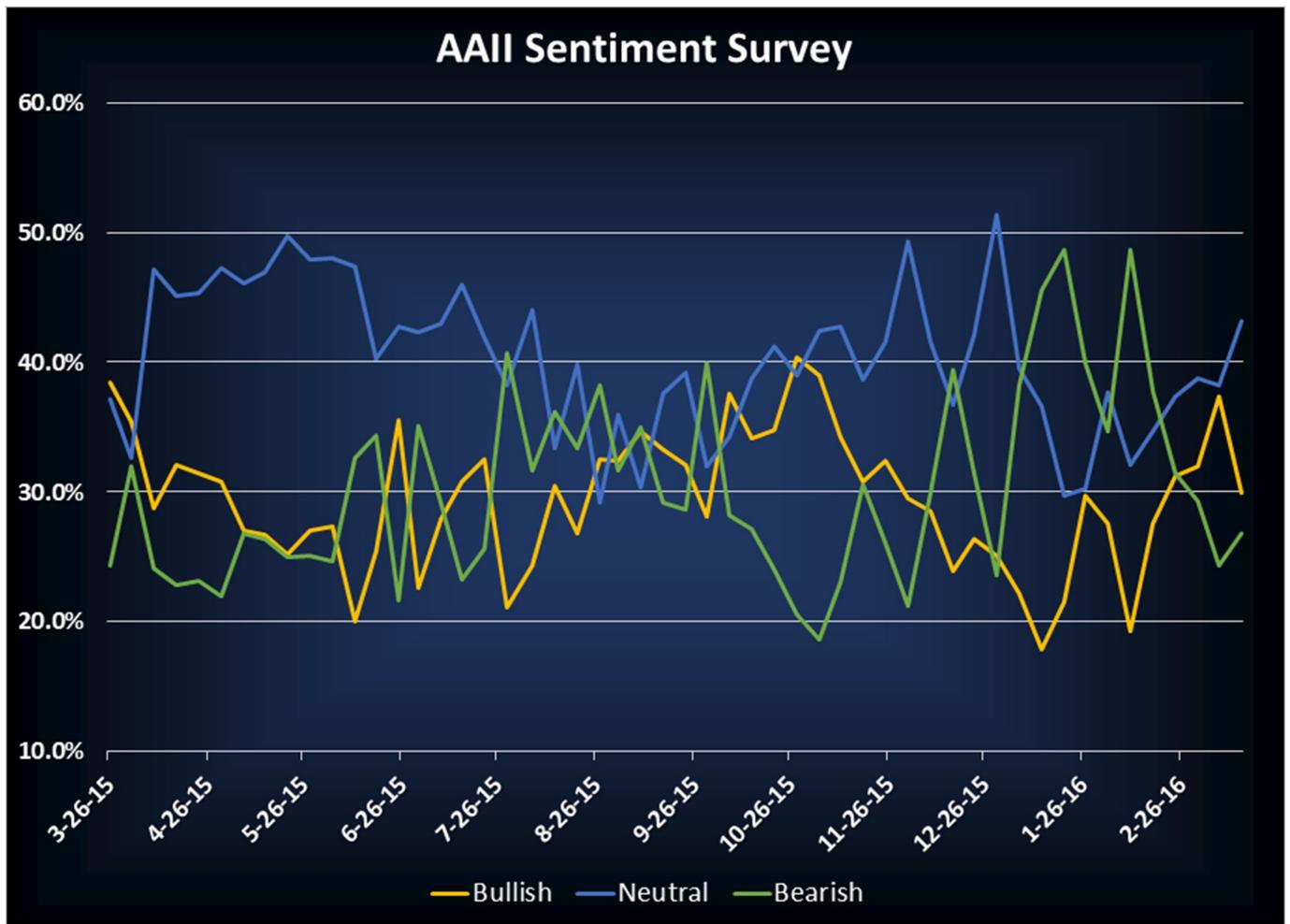


AII Sentiment Survey: Neutral Sentiment Rises to a 2016 High



The percentage of individual investors describing their short-term outlook for stock prices as neutral jumped to its highest level of the year, according to the latest AII Sentiment Survey. Optimism plunged, while pessimism rose for the first time in five weeks.

Bullish sentiment, expectations that stock prices will rise over the next six months, fell by 7.4 percentage points to 30.0%. The decline follows last week's five-month high. With this week's drop, optimism is below its historical average of 39.0% for the 19th consecutive week and the 52nd out of the past 54 weeks.

Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, rose 4.9 percentage points to 43.2%. This is the highest level since December 30, 2015 (51.3%). The rise keeps neutral sentiment above its historical average of 31.0% for a seventh consecutive week and the 59th time in the past 63 weeks.

Bearish sentiment, expectations that stock prices will fall over the next six months, rebounded by 2.5 percentage points to 26.9%. The increase follows what had been a 2016 low. The historical average

is 30.0%.

The pullback in bullish sentiment comes after four consecutive weeks of increases. It also occurred during what was essentially a flat five trading days for stocks (with the exception of yesterday's late afternoon pop in large-cap stocks). It should be noted that most of this survey period's responses were recorded before the Federal Open Market Committee's statement was released yesterday afternoon.

Though some individual investors are encouraged by the market's rebound off of its February lows, sustained economic growth and still comparatively low energy prices, others fret about the pace of economic growth in the U.S., the pace of economic growth in China, tensions in the Middle East, the rate of earnings growth and prevailing valuations. Frustration with Washington politics also continues to be expressed.

This week's AAI Sentiment Survey results:

- Bullish: 30.0%, down 7.4 percentage points
- Neutral: 43.2%, up 4.9 percentage points
- Bearish: 26.9%, up 2.5 percentage points

Historical averages:

- Bullish: 39.0%
- Neutral: 31.0%
- Bearish: 30.0%

The AAI Sentiment Survey has been conducted weekly since July 1987 and asks AAI members whether they think stock prices will rise, remain essentially flat or fall over the next six months. The survey period runs from Thursday (12:01 a.m.) to Wednesday (11:59 p.m.).

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

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

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**.