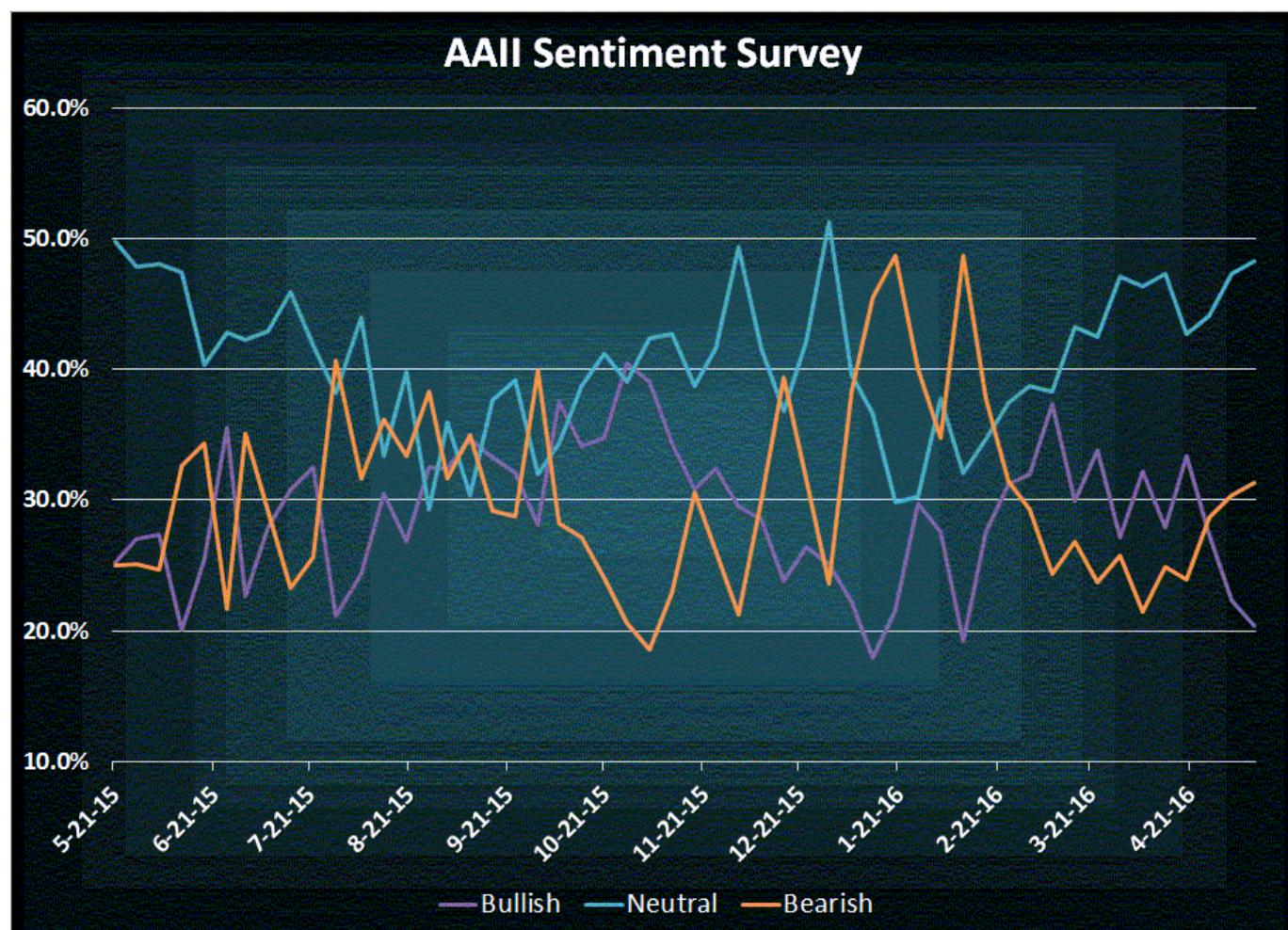


AAII Sentiment Survey: Optimism Falls as Pessimism Rises



Optimism among individual investors about the short-term direction of stock prices remained at a three-month low according to the latest AAI Sentiment Survey. Pessimism is at an 11-week high, and neutral sentiment edged higher.

Bullish sentiment, expectations that stock prices will rise over the next six months, fell 1.9 percentage points to 20.4%. Optimism was last lower on February 11, 2016 (19.2%). This is the 27th consecutive week and the 60th out of the past 62 weeks that bullish sentiment has been below its historical average of 39.0%.

Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, rose 1.0 percentage point to 48.3%. The rise keeps neutral sentiment above 40% for a ninth consecutive week. It also keeps neutral sentiment above its historical average of 31% for a 15th consecutive week and the 67th out of the past 71 weeks.

Bearish sentiment, expectations that stock prices will fall over the next six months, rose 1.0 percentage point to 31.3%. Pessimism was last higher on February 25, 2016 (31.4%). Bearish

sentiment has now been above its historical average of 30% for two weeks in a row.

Ever since the S&P 500 index hit a 2016 high on April 20, optimism has declined by a cumulative 13 percentage points. The low level of bullish sentiment is a continuation of an ongoing trend. Fewer than one out of three survey respondents have described their short-term outlook for stocks as bullish during 24 out of the past 27 weeks.

Giving individual investors cause for concern is the slow pace of U.S. economic growth and uncertain global economic growth, terrorism and global unrest, lackluster corporate earnings and the prevailing level of valuations. Some AAI members, however, are encouraged by sustained domestic economic growth, expected corporate earnings growth and still-low energy prices.

This week's AAI Sentiment Survey results:

- Bullish: 20.4%, down 1.9 percentage points
- Neutral: 48.3%, up 1.0 percentage point
- Bearish: 31.3%, up 1.0 percentage point

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>.