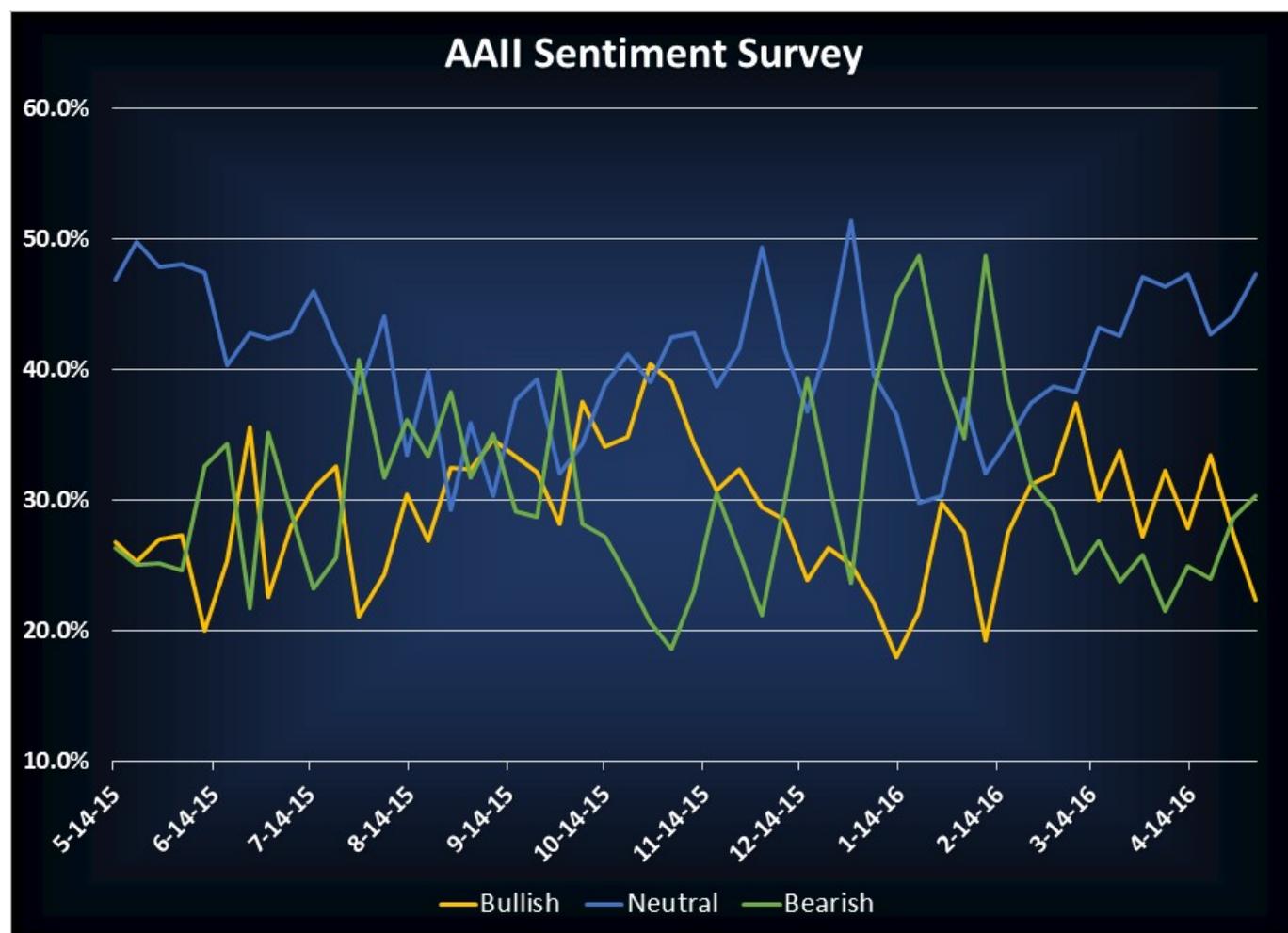


AII Sentiment Survey: Optimism Falls to a Three-Month Low



Optimism among individual investors about the short-term direction of stock prices is at a three-month low according to the latest AII Sentiment Survey. Pessimism is at a 10-week high, and neutral sentiment is higher as well.

Bullish sentiment, expectations that stock prices will rise over the next six months, fell 5.0 percentage points to 22.3%. Optimism was last lower on February 11, 2016 (19.2%). This is the 26th consecutive week and the 59th out of the past 61 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 3.3 percentage points to 47.3%. The rise keeps neutral sentiment above 40% for an eighth consecutive week. It also keeps neutral sentiment above its historical average of 31.0% for a 14th consecutive week and the 66th out of the past 70 weeks.

Bearish sentiment, expectations that stock prices will fall over the next six months, rose 1.7 percentage points to 30.3%. Pessimism was last higher on February 25, 2016 (31.4%). The increase

puts bearish sentiment slightly above its historical average of 30.0%.

Ever since the S&P 500 index hit a 2016 high on April 20, optimism has declined by a cumulative 11.1 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 23 out of the past 26 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: 22.3%, down 5.0 percentage points
- Neutral: 47.3%, up 3.3 percentage points
- Bearish: 30.3%, up 1.7 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**.