

# April AAI Asset Allocation Survey: Cash Allocations Decline to a Nine-Month Low

Cash holdings among individual investors are at their lowest level since last summer, according to the April AAI Asset Allocation Survey. Conversely, allocations to equities and fixed-income rose.

Stock and stock fund allocations rose 0.8 percentage points, to 64.8%. Equity allocations were last higher in December 2015 (65.3%). The increase kept stock and stock fund allocations above their historical average of 60% for the 37th consecutive month.

Bond and bond fund allocations edged up 0.1 percentage point, to 17.6%. Fixed-income allocations were last higher in May 2013 (18.1%). Last month's modest increase kept bond and bond fund allocations above their historical average of 16.0% for the ninth consecutive month.

Cash allocations declined 0.9 percentage points to 17.6%. This is the smallest exposure to cash since July 2015 (17.2%). April's decline kept cash allocations below their historical average of 24% for the 53rd consecutive month.

There has been a gradual trend of rising fixed-income allocations occurring since last August. The cumulative increase is modest, however, with bond and fund allocations rising by just 2.1 percentage points over the past nine months. Equity allocations, meanwhile, continue to remain below the levels recorded during the first half of 2015. In the backdrop of these trends is ongoing frustration over the level of yields and a general lack of optimism for the stock market. The latter can be seen in our weekly Sentiment Survey; bullish sentiment has only exceeded 33% three times during the past 24 weeks.

April AAI Asset Allocation Survey results:

- Stocks Total: 64.8%, up 0.8 percentage points
- Bonds Total: 17.6%, up 0.1 percentage points
- Cash: 17.6%, down 0.9 percentage points

April AAI Asset Allocation Survey details:

- Stocks: 30.7%, up 0.5 percentage points
- Stock Funds: 34.1%, up 0.3 percentage points
- Bonds: 3.9%, up 0.3 percentage points
- Bond Funds: 13.6%, down 0.2 percentage points

## Historical Averages:

- Stocks/Stock Funds: 60%
- Bonds/Bond Funds: 16%
- Cash: 24%

*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**.