

June AAI Asset Allocation Survey: Stock Allocations Rise

Individual investors boosted their exposure to equities while reducing their fixed-income and cash allocations last month, according to the June AAI Asset Allocation Survey. The majority of the results were recorded prior to the Brexit vote.

Stock and stock fund allocations rose 1.2 percentage points, to 64.1%. The increase keeps equity allocations above their historical average of 60.5% for the 39th consecutive month.

Bond and bond fund allocations declined 0.4 percentage points, to 17.4%. This was the first decrease in four months. Nonetheless, bond and bond fund allocations are above their historical average of 16.0% for the 11th consecutive month.

Cash allocations declined 0.8 percentage points, to 18.5%. June was the 55th consecutive month with cash allocations below their historical average of 23.5%.

During the past four months (March through June), allocations overall have not changed much. The biggest fluctuations have been in cash, which has ranged between 17.6% (April) and 19.3% (May). Though optimism for a short-term increase in stock prices has remained low in our weekly Sentiment Survey, low yields have kept bonds from being appealing in the eyes of many individual investors.

June AAI Asset Allocation survey results:

- Stocks and Stock Funds: 64.1%, up 1.2 percentage points
- Bonds and Bond Funds: 17.4%, down 0.4 percentage points
- Cash: 18.5%, down 0.8 percentage points

June AAI Asset Allocation survey details:

- Stocks: 30.4%, down 1.1 percentage points
- Stock Funds: 33.6%, up 2.3 percentage points
- Bonds: 3.7%, down 0.7 percentage points
- Bond Funds: 13.7%, up 0.3 percentage points

Historical Averages:

- Stocks/Stock Funds: 60.5%
- Bonds/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**.