

# March AAI Asset Allocation Survey: Three-Year High for Fixed-Income

Fixed-income exposure among individual investors rose last month to levels not seen since January 2015, tying a three-year high. The March AAI Asset Allocation Survey also shows higher exposure to equities and smaller cash positions.

Stock and stock fund allocations rose 2.5 percentage points, to 64.0%. The rebound reversed two months of declines. It also kept stock and stock fund allocations above their historical average of 60% for the 36th consecutive month.

Bond and bond fund allocations edged up 0.3 percentage points, to 17.5%. Fixed-income allocations were last higher in May 2013 (18.1%). Last month's modest increase also kept bond and bond fund allocations above their historical average of 16.0% for an eighth consecutive month.

Cash allocations fell 2.8 percentage points, to 18.5%. This is a three month-low. Last month was also the 52nd consecutive month with cash allocations below their historical average of 24%.

The market's rebound off of the February lows and the reduced valuations on stocks prompted some investors to put some of their cash to work in equities. Sentiment about the short-term direction of the stock market was generally higher in March than it was during the first two months of the year. Many individual investors continue to be frustrated by their investment options, however, with headline risk and lackluster earnings growth affecting stocks and low yields afflicting bonds.

March AAI Asset Allocation Survey results:

- Stocks and stock funds: 64.0%, up 2.5 percentage points
- Bonds and bond funds: 17.5%, up 0.3 percentage points
- Cash: 18.5%, down 2.8 percentage points

March AAI Asset Allocation Survey details:

- Stocks: 30.3%, unchanged
- Stock Funds: 33.7%, up 2.5 percentage points
- Bonds: 3.6%, down 0.7 percentage points
- Bond Funds: 13.9%, up 1.0 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**.