

November AAI Asset Allocation Survey: Cash Exposure Rises to a 33-Month High

Individual investors' exposure to cash rose to its highest level in nearly three years last month. The November AAI Asset Allocation Survey also shows an increase in fixed-income exposure and a drop in equity allocations.

Stock and stock fund allocations fell 4.9 percentage points to 64.6%. Equity allocations were last lower in July 2016 (64.1%). The drop was not large enough to prevent equity allocations from staying above their historical average of 61.0% for the 68th consecutive month.

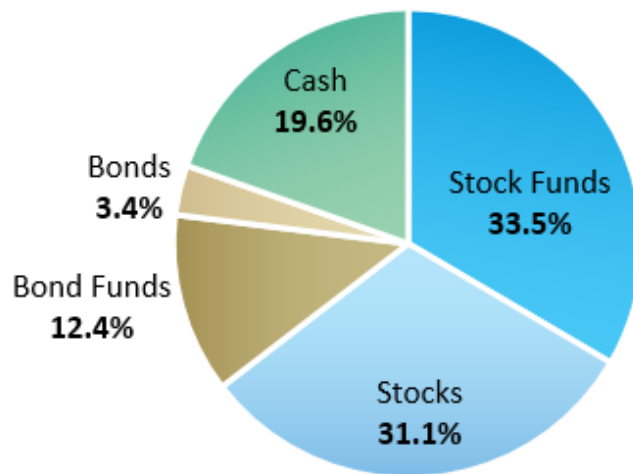
Bond and bond fund allocations rebounded by 2.5 percentage points to 15.8%. The increase was not large enough to prevent bond and bond fund allocations from staying below their historical average of 16.0% for the 12th consecutive month.

Cash allocations rose 2.4 percentage points to 19.6%. Cash allocations were last higher in February 2016 (21.3%). Even with the increase, cash allocations stayed below their historical average of 23.0% for the 84th consecutive month.

The increase in cash allocations follows the recent downward volatility in the stock market. Pessimism about the short-term direction of the stock market rose to what was nearly a three-year high in our AAI Sentiment Survey during the week of Thanksgiving. Higher yields on money market accounts and CDs may also be making cash a more attractive option for some investors.

Differences in which AAI members participate in the survey and changes in the value of their investments both affect the results of this monthly survey.

November 2018 AAII Asset Allocation Survey



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November AII Asset Allocation Survey results:

- Stocks and stock funds: 64.6%, down 4.9 percentage points
- Bonds and bond funds: 15.8%, up 2.5 percentage points
- Cash: 19.6%, up 2.4 percentage points

November AII Asset Allocation Survey details:

- Stocks: 31.1%, down 1.1 percentage points
- Stock Funds: 33.5%, down 3.8 percentage points
- Bonds: 3.4%, up 0.8 percentage points
- Bond Funds: 12.4%, up 1.7 percentage points

Historical Averages:

- Stocks/Stock Funds: 61.0%
- Bonds/Bond Funds: 16.0%
- Cash: 23.0%

*The numbers are rounded and may not add up to 100%.

The AII Asset Allocation Survey has been conducted monthly since November 1987 and asks AII members what percentage of their portfolios are allocated to stocks, stock funds, bonds, bond funds

and cash. The survey and its results are available online at: www.aaii.com/investor-surveys.

Want to weigh in? Take the survey yourself and see results online at
www.aaii.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**.