

# February AAI Asset Allocation Survey: Cash Allocations Rise

Cash allocations among individual investors rose to a four-month high last month. The February AAI Asset Allocation Survey also shows declines in equity and bond allocations.

Stock and stock fund allocations declined for a second consecutive month, falling 1.1 percentage points to 70.1%. January was the 59th consecutive month that equity allocations were above their historical average of 60.5%.

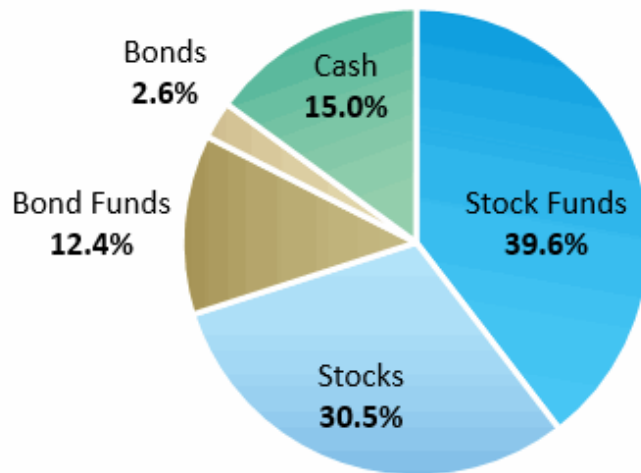
Bond and bond fund allocations pulled back by 0.5 percentage points, declining to 15.0%. The drop reversed January's increase. This is the fourth time in six months that fixed-income allocations are below their historical average of 16.0%.

Cash allocations rose 1.7 percentage points to 15.0%. Cash allocations were last higher in October 2017 (15.1%). Even with the increase, cash allocations remained below their historical average of 23.5% for the 75th consecutive month.

Last month was just the 40th month with equity allocations at or above 70% out of the more than 30-year history of our asset allocation survey. Some individual investors took advantage of last month's correction to buy stocks while prices are down. Others have expressed concerns about the possibility of an even larger decline in stock prices.

In regard to interest rates, many individual investors likely welcome the higher yields on their savings accounts. Some, however, have concerns about the impact that higher rates could have on stocks, especially if there are more hikes than anticipated.

## February 2018 AII Asset Allocation Survey



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February AII Asset Allocation Survey results:

- Stocks and stock funds: 70.1%, down 1.1 percentage points
- Bonds and bond funds: 15.0%, down 0.5 percentage points
- Cash: 15.0%, up 1.7 percentage points

February AII Asset Allocation Survey details:

- Stocks: 30.5%, down 2.8 percentage points
- Stock Funds: 39.6%, up 1.6 percentage points
- Bonds: 2.6%, down 0.6 percentage points
- Bond Funds: 12.4%, up 0.1 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 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](http://www.aaii.com/investor-surveys).

Want to weigh in? Take the survey yourself and see results online at  
[www.aaii.com/assetallocationsurvey](http://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 AAII Membership**.