

September AAI Asset Allocation Survey: Four-Month High for Exposure to Equities

Individual investors' exposure to equities reached a four-month high last month. The September AAI Asset Allocation Survey also shows declines in fixed-income and cash allocations.

Stock and stock fund allocations rose 1.4 percentage points to 69.9%. This is the highest level since May 2018 (70.0%). September was the 66th consecutive month with equity allocations above their historical average of 61.0%.

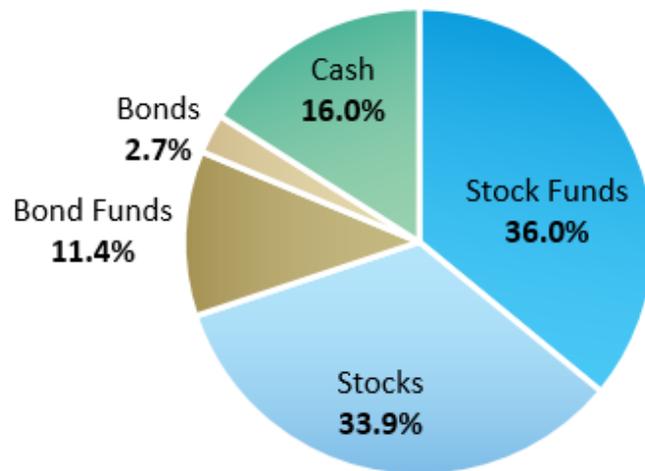
Bond and bond fund allocations were a very modest 0.2 percentage points lower at 14.2%. Fixed-income exposure was last lower in May 2018 (14.1%). Last month was also the 10th consecutive month with bond and bond fund allocations below their historical average of 16.0%.

Cash allocations declined 1.1% to 16.0%, nearly reversing August's increase. Cash allocations remain below their historical average of 23.0% for the 82nd consecutive month.

A good month for stocks (particularly larger-capitalization stocks) combined with a rising yield for the 10-year Treasury note did little to sway individual investors' allocations. So far, tariffs have not altered how the majority of individual investors are allocating their portfolio. At the same time, optimism about the stock market's short-term direction mostly stayed below average during September in our weekly Sentiment Survey.

Last month's allocation levels were within the range we've seen throughout the year, even though equity allocations did trend up from summer levels. There wasn't much in terms of movement among the major financial market indicators to drive allocations in one direction or another in September. While optimism was mostly below average in our Sentiment Survey, pessimism was just slightly above its historical average.

September 2018 AAII Asset Allocation Survey



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September AII Asset Allocation Survey results:

- Stocks and stock funds: 69.9%, down 1.4 percentage points
- Bonds and bond funds: 14.2%, down 0.2 percentage points
- Cash: 16.0%, down 1.1 percentage points

September Asset Allocation Survey details:

- Stocks: 33.9%, up 3.0 percentage points
- Stock funds: 36.0%, down 1.6 percentage points
- Bonds: 2.7%, down 0.1 percentage points
- Bond funds: 11.4%, down 0.1 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**.