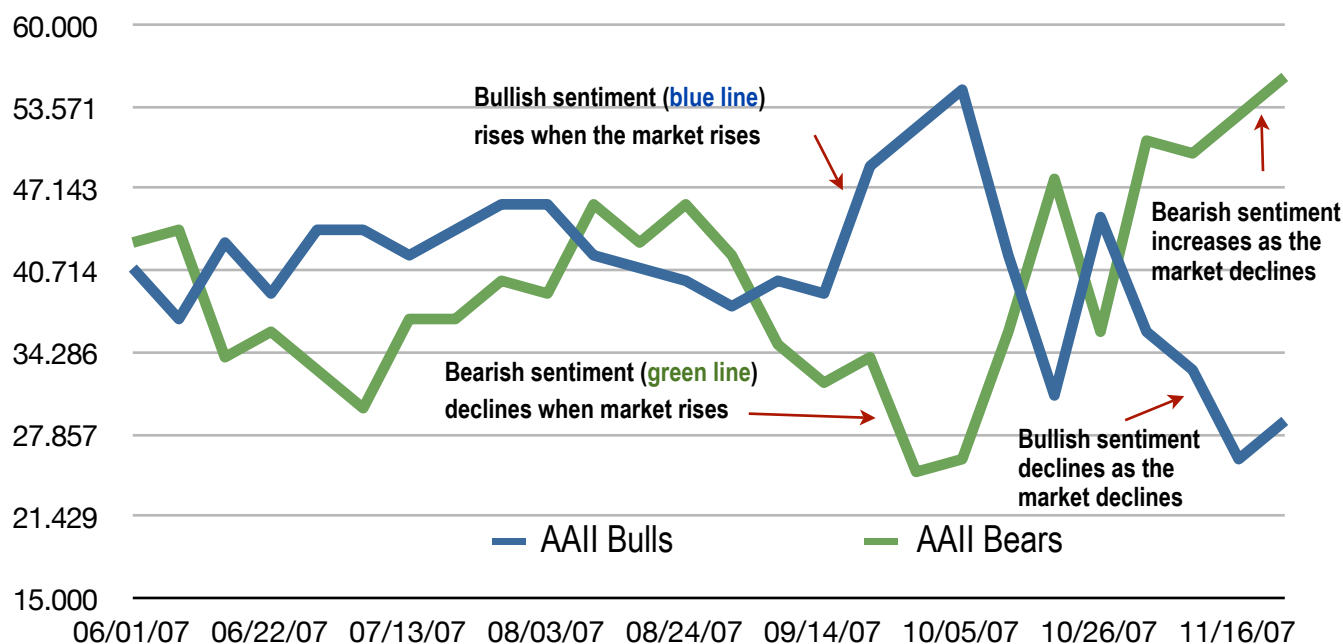


Investor Education

AAll American Association of Individual Investors survey



The AAll (American Association of Individual Investors) Survey

The American Association of Individual Investors survey is published weekly. The survey is conducted by asking their members where they think the market will be in six months and then separate them into three categories: bullish, bearish or neutral.

When bullish sentiment (**blue line**) begins to fall below 40%, it means that there is a low level of investor optimism. When 80% of the respondents are bullish, it can mean that the market is going to struggle going forward.

When bearish sentiment (**green line**) rises, it usually happens when the market declines. As the selling intensifies, readings above 50% will start to register. This indicator can be volatile so it is better to use a moving average of 4 weeks to smooth it out.

Bullish sentiment has fallen below 40% on seven different occasions since 1998; October 1998, July and October 2002, March 2003, March 2005, summer 2006 and December 2007. These low percentages coincided with market bottoms.

Between March 18, 2005 and April 08, 2005, the 4 week moving average was 35%, 35%, 39% and 28%. Recently (Nov 2nd thru December 23rd 2007), the bullish % 4 week average was 41%, 40%, 33% and 34%, indicating high fear.

Since 2000, the average AAll Bull Ratio 4 week moving average has been 61%. The maximum was 80% and the lowest was 38%.

The AAll survey is another way you can take advantage of investor fear and uncertainty. It is a good intermediate term indicator which makes it good for entering into indexes and stocks.