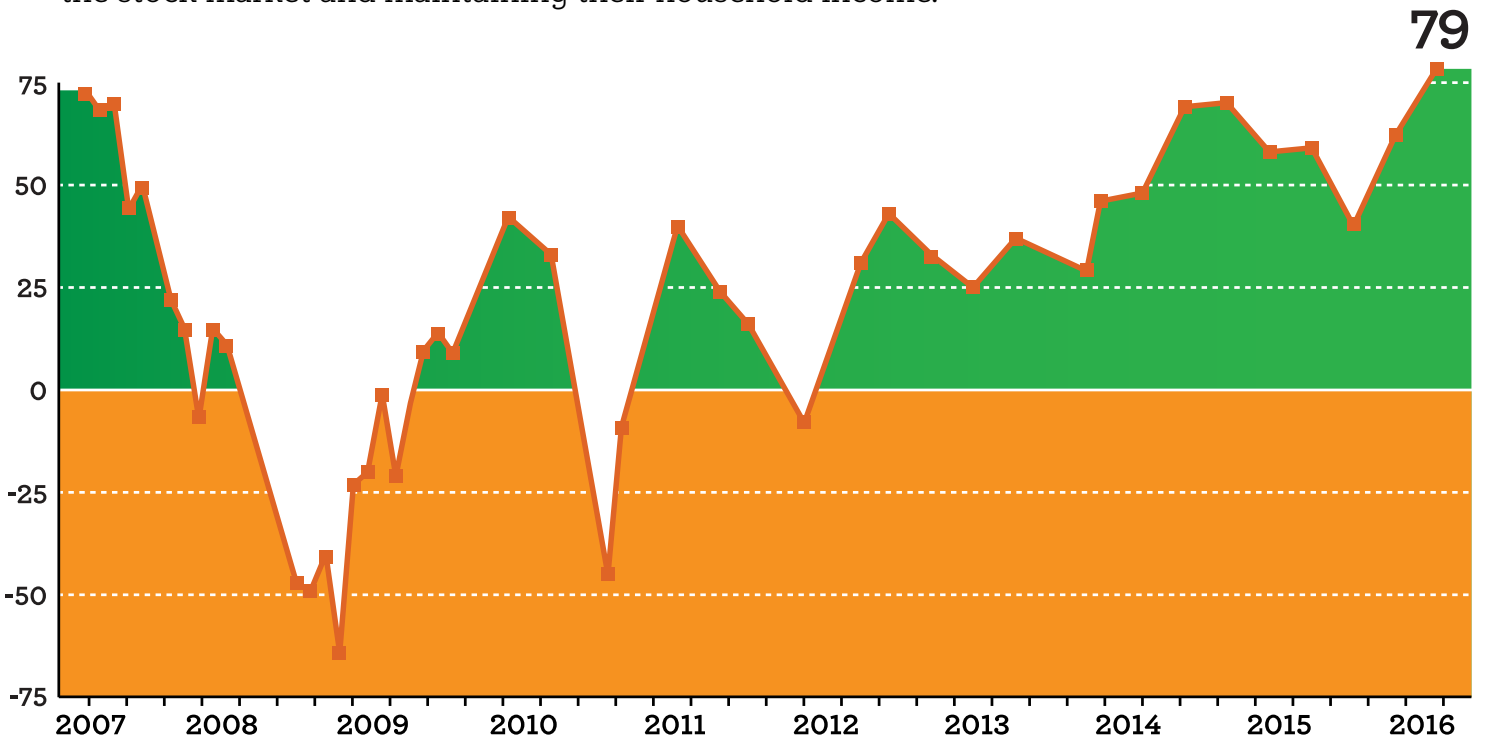


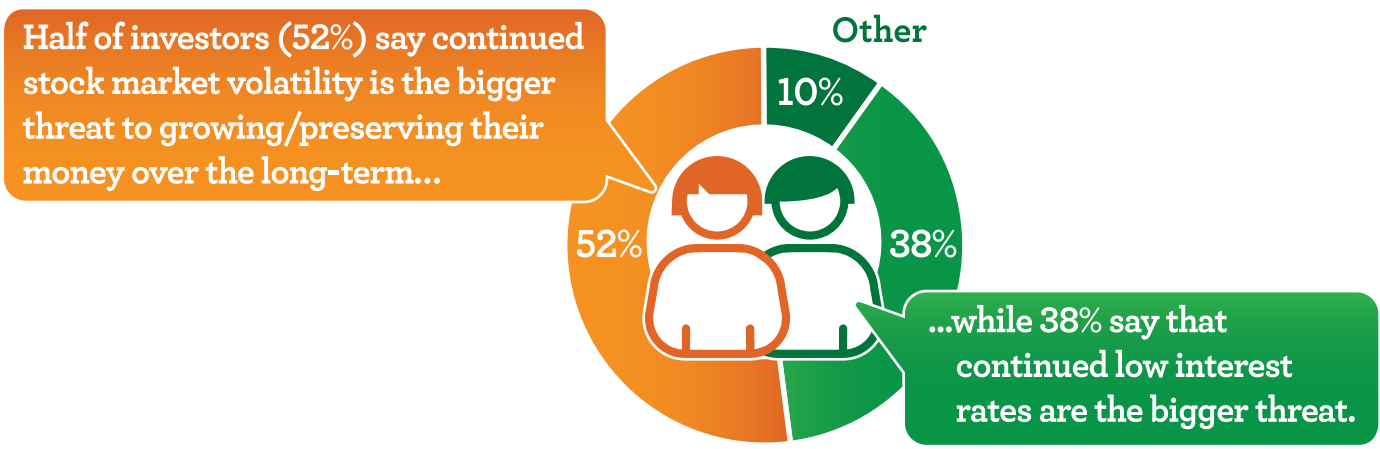
# Wells Fargo/Gallup: Investor and Retirement Optimism Index Q3 2016

## Index Readings

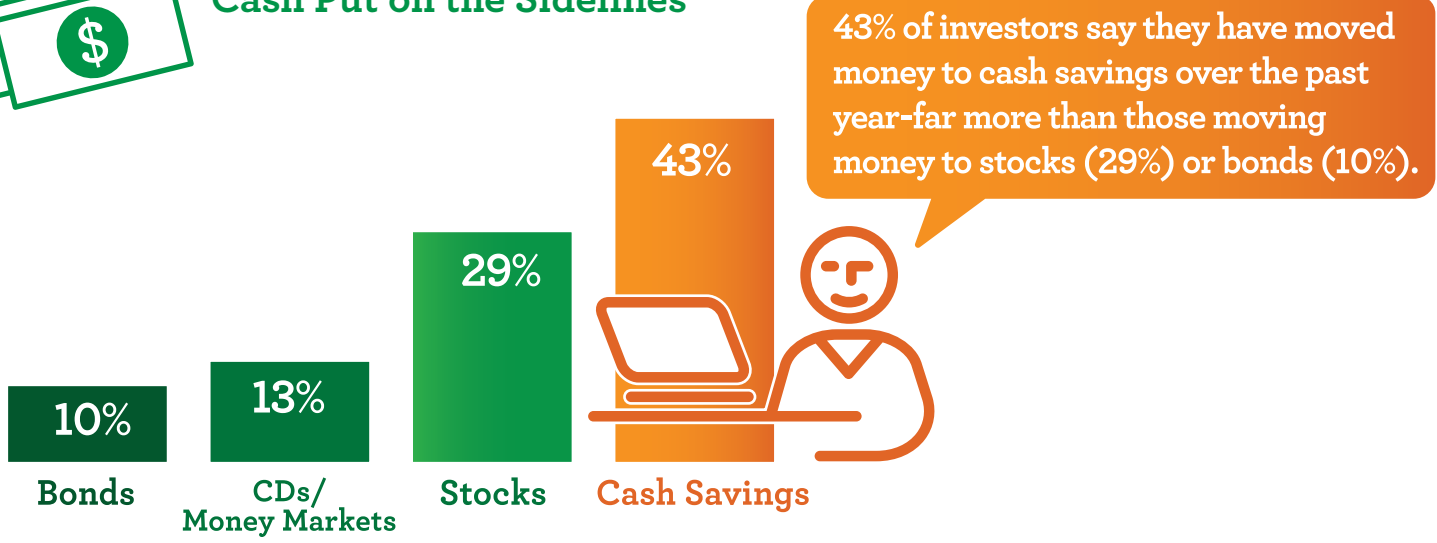
The index jumped 17 points in the third quarter to +79, its highest level since mid-2007. The gains have been driven by improved investor sentiment about the stock market, as 51% of investors are now “very” or “somewhat” optimistic about the 12-month outlook for the markets. The index surged among retired investors – rising 36 points to +81 as they became more optimistic about the stock market and maintaining their household income.



## Bigger Threat? Market Volatility or Low Rates



## Cash Put on the Sidelines



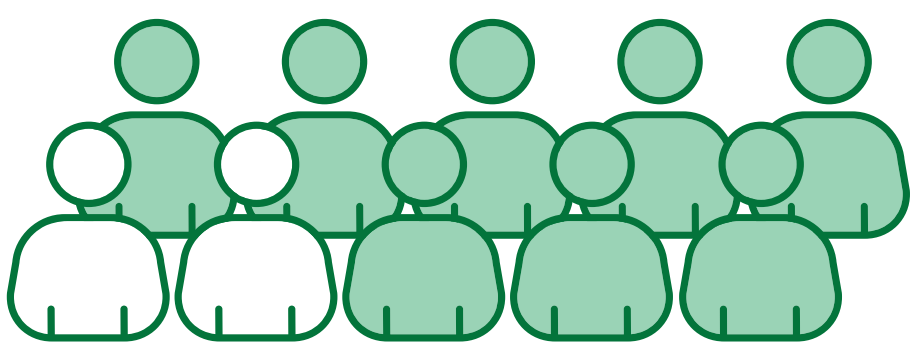
43% of investors say they have moved money to cash savings over the past year-far more than those moving money to stocks (29%) or bonds (10%).

**i** How much cash should I hold in my portfolio?

## Bond Basics

2 out of 10 investors (22%) correctly understood the inverse relationship whereby bond prices typically go up when interest rates go down.

# 2 in 10 investors



**i** What role can bonds play in a portfolio?

**About the Wells Fargo/Gallup Investor and Retirement Optimism Index**  
 These findings are part of the *Wells Fargo/Gallup Investor and Retirement Optimism Index*, which was conducted Aug. 5-14, 2016, by telephone. The Index includes 1,021 investors randomly selected from across the country with a margin of sampling error of +/- four percentage points. For this study, the American investor is defined as an adult in a household with total savings and investments of \$10,000 or more. About two in five American households have at least \$10,000 in savings and investments. The sample size is comprised of 71% non-retirees and 29% retirees. Of total respondents, 43% reported annual income of less than \$90,000; 57% reported \$90,000 or more. The Wells Fargo/Gallup Investor and Retirement Index is an enhanced version of Gallup's Index of Investor Optimism that provides its historical data. The median age of non-retired investor is 47 and the retiree is 68.  
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