

Monthly Investor Sentiment Index

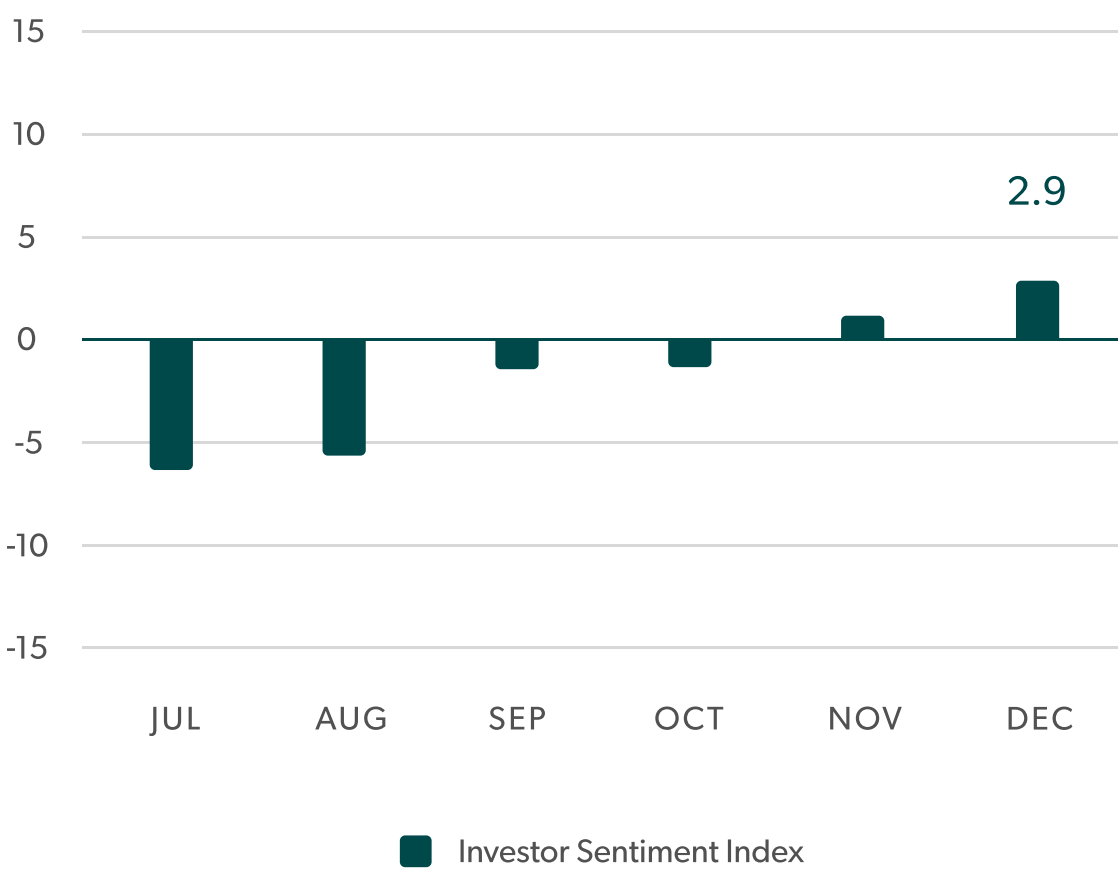
DECEMBER 2020

ISI Reading

The index is calculated as the relative share of individual investors that are net buyers of U.S. equity securities versus those that are net sellers, or net neutral producing a reading between -100 and 100.

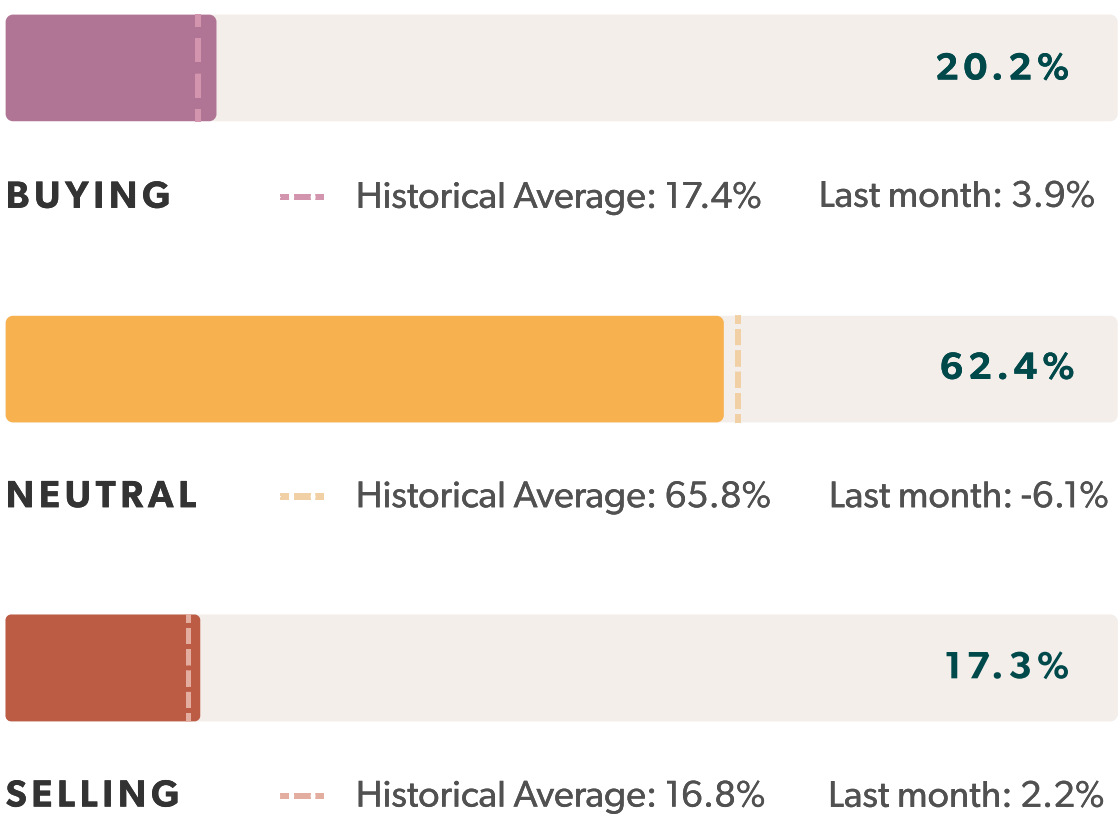
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ISI Activity

The activity represents the index components such that “buying” - “selling” will net to the ISI. Dotted lines represent the historical average for each component.



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Key Observations

- ✓ The 2.9 December ISI follows a positive November read which solidifies a trend towards "risk-on" sentiment after 7 months of bearish reads.
- ✓ Driving the positive read was more than a 4 point increase in buying activity which registered at 20.2 this month.
- ✓ Selling activity remains consistent with historical averages.
- ✓ December activity is unseasonably low as many investors rebalance and tax-loss harvest portfolios during this time.
- ✓ While the ISI and U.S. equities are generally negatively correlated, we see U.S. equities rally in December coupled with a positive ISI read.

The Addepar Investor Sentiment Index is a transactions-based index of high- and ultra-high-net-worth (U/HNW) investor sentiment derived from U.S. equity transactions captured on the Addepar platform. We define U/HNW as portfolios valued at more \$10 million in total assets. For more information, contact us at investor-sentiment@addepar.com.

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