

Monthly Investor Sentiment Index

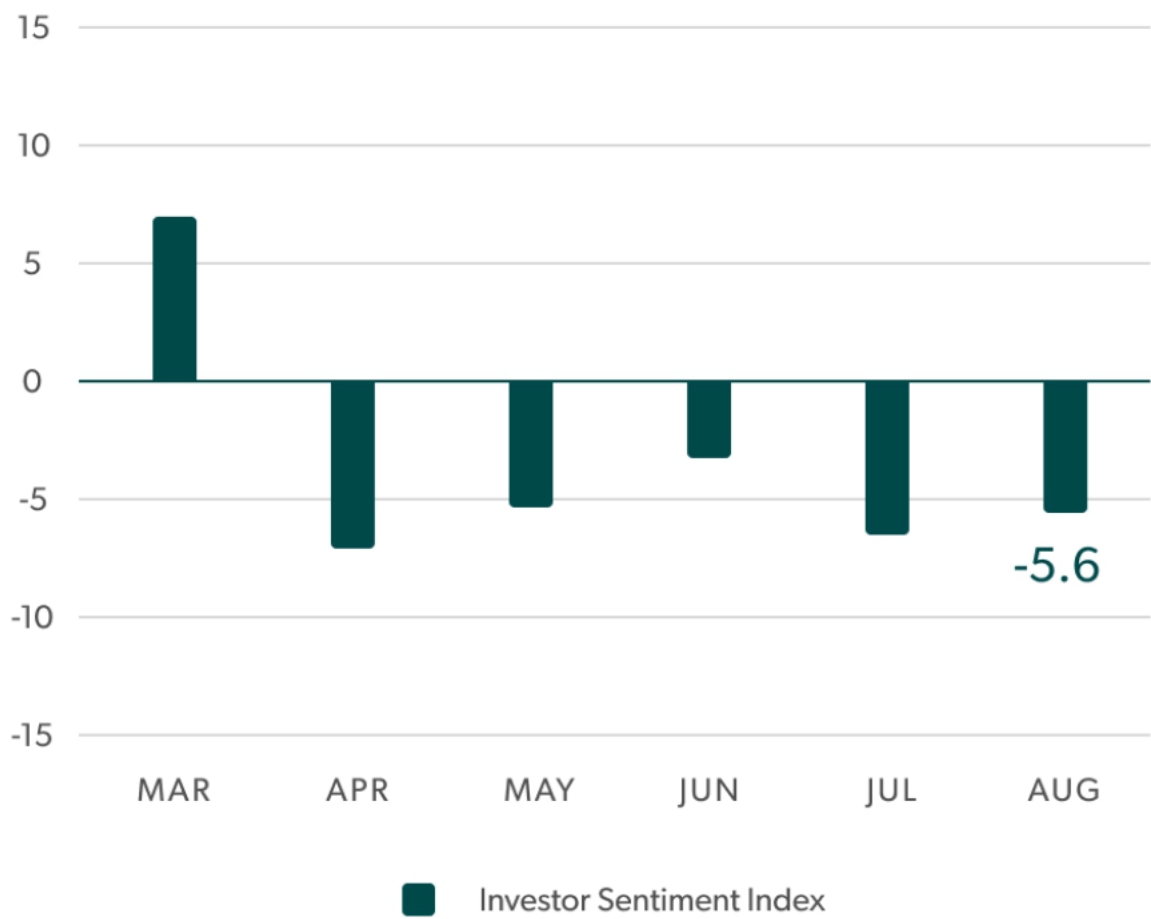
AUGUST 2020

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 in a monthly time frame producing a reading between -100 and 100.

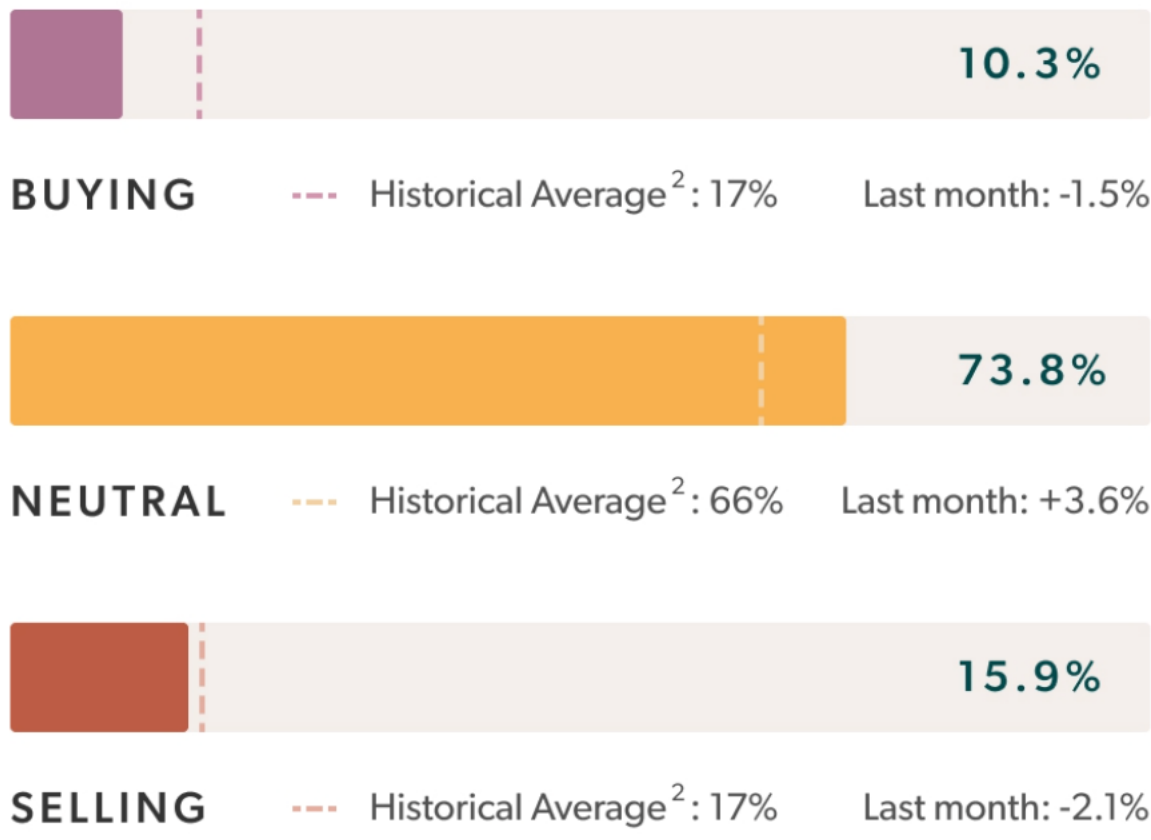
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ISI Activity

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



*Historical average is April 2016 to present.

AUGUST 2020

Key Observations

- ✓

August continues to be an "instant replay" of previous pandemic months.
- ✓

While the S&P 500 approaches its previous peak, the ISI continues to consistently show solid negative reads. There have now been 5 negative reads in a row, the most consecutive negative reads we've seen since tracking the index.
- ✓

August buying activity (10.3) was depressed relative to the historical average, while selling activity (15.9) continued to be within the normal range. Said differently, on the margin investors are choosing to sit on the sidelines or sell over adding exposure.
- ✓

While the ISI and fund flows have not been historically correlated, we note that U.S. equity funds flow data similarly shows consistent outflows since April. (Source: Morningstar and Lipper)

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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