

N.P. ✓

Individual Investor Opinions Questionnaire

INSTRUCTIONS

Please give this survey to the person in your household who knows the most about the stock market, to fill out. Survey results will be made available to you, and indexes of results will be published for all to see.

We value your written comments as well as answers to questions. All responses are strictly confidential. Please leave blank any items you do not wish to answer. We appreciate your help very much.

I. Basic Outlook - United States and Japan

A. (1) Stock prices in the United States, when compared with measures of true fundamental value or sensible investment value, are:

[CIRCLE ONE NUMBER]

1. Too low. 2. Too high. (3) About right. 4. Do not know.

B. (3) What do you think is the cause of the trend of stock prices in the United States in the past six months?

1. It properly reflects the fundamentals of the U. S. economy and firms.

(2) It is based on speculative thinking among investors or overreaction to current news.

3. Other _____

4. No opinion.

C. (4) How much of a change in percentage terms do you expect in the following (use + before your number to indicate an expected increase, a - to indicate an expected decrease, leave blanks where you do not know):

[FILL IN ONE NUMBER FOR EACH]

	In 1 month	In 3 months	In 6 months	In 1 year	In 10 years	
Dow Jones Industrial	+2 %	+2 %	+2 %	+5 %	+7 %	Average

COMMENTS:

D. (5) "Although I expect a substantial drop in stock prices in the U. S. ultimately, I advise being relatively heavily invested in stocks for the time being because I think that prices are likely to rise for a while."

[CIRCLE ONE NUMBER; IF YOU CIRCLE 1. ALSO INDICATE DATE]

1. True. Your best guess for the date of peak: 6 / 15 / 2018
month/ day / year
2. False.
3. No opinion.

E. (6) "Although I expect a substantial rise in stock prices in the U. S. ultimately, I advise being less invested in stocks for the time being because I think that prices are likely to drop for a while."

[CIRCLE ONE NUMBER; IF YOU CIRCLE 1. ALSO INDICATE DATE]

1. True. Your best guess for the date of bottom: / /
month/ day / year
- ☒ 2. False.
3. No opinion.

F. (11) "Many people are showing a great deal of excitement and optimism about the prospects for the stock market in the United States, and I must be careful not to be influenced by them."

- ☒ 1. True. 2. False. 3. No opinion.

G. (12) "Many people are showing a great deal of pessimism about the prospects for the stock market in the United States, and I must be careful not to be influenced by them."

- ☒ 1. True. 2. False. 3. No opinion.

H. (13) What do you think is the probability of a catastrophic stock market crash in the U. S., like that of October 28, 1929 or October 19, 1987, in the next six months, including the case that a crash occurred in the other countries and spreads to the U. S.? (An answer of 0% means that it cannot happen, an answer of 100% means it is sure to happen.)

Probability in U. S.: 6.5 %

COMMENTS:

I. (14) "If the Dow dropped 3% tomorrow, I would guess that the day after tomorrow the Dow would:"

1. Increase. Give percent: _____
2. Decrease. Give percent: 1%
3. Stay the same. 4. No opinion.

J. (15) "If the Dow dropped 25% over the next six months, I would guess that the succeeding six months the Dow would:"

1. Increase. Give percent: 50%
2. Decrease. Give percent: _____
3. Stay the same. 4. No opinion.

K. (16) Are you inclined now to buy stocks overall, or sell stocks overall, or hold steady and why?

(1) Buy 2. Sell 3. Hold Why: Business Spending & Consumer
spending will increase in 2017 & 2018 Driving
profits higher which in turn will drive stock valuations higher

M. (17) Do you agree with the following statement: "The stock market is the best investment for long-term holders, who can just buy and hold through the ups and downs of the market."

[Please circle one number on scale from 1 to 5]

Strongly	Agree	Neutral	Disagree	Strongly
Agree	Somewhat		Somewhat	Disagree
1	(2)	3	4	5

N. (18) How much do you agree with this statement: "If there is another crash like October 19, 1987, the market will surely be back up to its former levels in a couple years or so."

[Please circle one number on scale from 1 to 5]

Strongly	Agree	Neutral	Disagree	Strongly
Agree	Somewhat		Somewhat	Disagree
(1)	2	3	4	5

COMMENTS: SEE answer to "K." above.

VI. Background Questions

B1. Date questionnaire filled out: 12-24-16

B2. (B6.) Are you a professional in a firm involved with managing portfolios?

1. Yes. ☒ 2. No

B3. (B7.) Are you an investment professional but not in a firm that manages portfolios?

1. Yes ☐ 2. No ☒

General Comments

Use this space for any other comments on the subjects covered in this questionnaire:

Please return this questionnaire in the stamped, self-addressed envelope provided. If the envelope has been lost, please mail the questionnaire to:

Stock Market Confidence Survey
International Center for Finance
Yale School of Management
P. O. Box 162
Southington CT 06489

Thank you very much for your participation in this study.

Office Control Number I408446

Institutional Investor Opinions Questionnaire

INSTRUCTIONS

This is a questionnaire for institutional investors who make decisions about purchases or sales of common stocks, whether in the form of direct ownership of common stocks or in indirect form (options, futures, etc). Questions about your investments concern all investments over which you have had substantial discretion.

This is a joint project of the United States and Japan. Similar questions are being asked of Japanese investors in a study conducted by the Japan Securities Research Institute in Tokyo. Survey results will be made available to you, and indexes of results will be published for all to see.

We value your written comments as well as answers to questions. All responses are strictly confidential. Please leave blank any items you do not wish to answer. We appreciate very much your help.

I. Basic Outlook - United States and Japan

1. Stock prices in the United States, when compared with measures of true fundamental value or sensible investment value, are:

[CIRCLE ONE NUMBER]

1. Too low. 2. Too high. 3. About right. 4. Do not know.

2. What do you think would be a sensible level for the Dow Jones Industrial Average based on your assessment of U. S. corporate strength (fundamentals)?

Sensible level for Dow: 21,000 AS OF NOW

3. What do you think is the cause of the trend of stock prices in the United States in the past six months?

1. It properly reflects the fundamentals of the U. S. economy and firms.
2. It is based on speculative thinking among investors or overreaction to current news.

3. Other BUILDING SENSE OF OPTIMISM FOR THE FUTURE, A BETTER (HIGHER) VELOCITY OF MONEY

4. No opinion.

COMMENTS:

4. How much of a change in percentage terms do you expect in the following
(use + before your number to indicate an expected increase, a - to indicate an expected decrease,
leave blanks where you do not know):

[FILL IN ONE NUMBER FOR EACH]

	In 1 month	In 3 months	In 6 months	In 1 year	In 10 years
Dow Jones Industrial Average	<u>0</u> %	<u>+ 2</u> %	<u>+ 5</u> %	<u>+ 10</u> %	<u>+ 120</u> % <i>constant</i>
Nikkei Dow (Japan)	<u>+ 2</u> %	<u>+ 3</u> %	<u>+ 5</u> %	<u>+ 8</u> %	<u>+ 50</u> %

5. "Although I expect a substantial drop in stock prices in the U. S. ultimately, I advise being relatively heavily invested in stocks for the time being because I think that prices are likely to rise for a while."

[CIRCLE ONE NUMBER; IF YOU CIRCLE 1. ALSO INDICATE DATE]

1. True. Your best guess for the date of peak: / /
month/ day / year
2. False.
3. No opinion.

6. "Although I expect a substantial rise in stock prices in the U. S. ultimately, I advise being less invested in stocks for the time being because I think that prices are likely to drop for a while."

[CIRCLE ONE NUMBER; IF YOU CIRCLE 1. ALSO INDICATE DATE]

1. True. Your best guess for the date of bottom: 1 / 31 / 2017
month/ day / year
2. False.
3. No opinion.

7. Stock prices in the Japan, when compared with measures of true fundamental value or sensible investment value, are:

[CIRCLE ONE NUMBER]

1. Too low. 2. Too high. 3. About right 4. Do not know.

8. What do you think the inflation rate (rate of increase in the cost of living) in the U. S. will be on average over the next 10 years?

Annual percentage rate: 3 %

COMMENTS:

STARTING LOWER, INCREASING LATER

9. What do you think the rate of growth of real (inflation adjusted) corporate earnings will be on average in the U. S. [Japan] over the next 10 years?

Annual percentage rate in U. S.: 4 % AFTER TAX

Annual percentage rate in Japan: 3 %

10. What do you think the rate of growth of real (inflation adjusted) corporate earnings will be on average in the U. S. [Japan] over the next 3 years?

Annual percentage rate in U. S.: + 5 % AFTER TAX

Annual percentage rate in Japan: + 3 %

11. "Many people are showing a great deal of excitement and optimism about the prospects for the stock market in the United States, and I must be careful not to be influenced by them."

1. True. 2. False. 3. No opinion.

12. "Many people are showing a great deal of pessimism about the prospects for the stock market in the United States, and I must be careful not to be influenced by them."

1. True. 2. False. 3. No opinion.

13. What do you think is the probability of a catastrophic stock market crash in the U. S., like that of October 28, 1929 or October 19, 1987, in the next six months, including the case that a crash occurred in the other countries and spreads to the U. S.? (An answer of 0% means that it cannot happen, an answer of 100% means it is sure to happen.)

Probability in U. S.: 10 %

14. "If the Dow dropped 3% tomorrow, I would guess that the day after tomorrow the Dow would:"

1. Increase. Give percent: _____
2. Decrease. Give percent: _____
3. Stay the same. 4. No opinion.

15. "If the Dow dropped 25% over the next six months, I would guess that the succeeding six months the Dow would:"

1. Increase. Give percent: + 30 %
2. Decrease. Give percent: _____
3. Stay the same. 4. No opinion.

COMMENTS:

16. Are you inclined now to buy stocks overall, sell stocks overall, or hold steady and why?

1. Buy

2. Sell

3. Hold

ON AM PULLBACK

Why:

CURRENT IN 60% EQUITY 140% CASH -
IF LITTLE NEWS THERE WILL GO 100% LONG ON PULLBACK

VI. Background Questions

B1. Date questionnaire filled out: 1/9/17

B2. Size of common stock portfolio(s) you make decisions about: \$ 15 MIL

B3. Size of fixed income portfolio(s) you make decisions about: \$ 0 NOT HOLDING ANY BONDS AT THIS TIME

B4. Size of mortgage portfolio(s) you make decisions about: \$ 0

B5. Turnover rate (percentage of above portfolio traded) last year: % 50

B6. Are you a professional in a firm involved with managing portfolios?

1. Yes

2. No.

B7. Are you an investment professional but not in a firm that manages portfolios?

1. Yes

2. No

General Comments

Use this space for any other comments on the subjects covered in this questionnaire:

Please return this questionnaire in the stamped, self-addressed envelope provided. If the envelope has been lost, please mail the questionnaire to:

Stock Market Confidence Survey
International Center for Finance
Yale School of Management
P. O. Box 162
Southington CT 06489

Thank you very much for your participation in this study.

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