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## INVESTOR CONFIDENCE INDEX FALLS FROM 96.5 TO 92.1 IN AUGUST

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**Boston, August 31, 2010** – State Street Global Markets, the investment research and trading arm of State Street Corporation (NYSE:STT), today released the results of the State Street Investor Confidence Index<sup>®</sup> for August 2010.

Globally, Investor Confidence fell 4.4 points from July's revised reading of 96.5 to 92.1. Confidence decreased in North America, dropping 5.7 points to 95.3 from July's revised reading of 101. Confidence also decreased among European investors dropping 1.2 points from 99.9 to 98.7, Asia followed suit with confidence ticking down 1.6 points from 103.8 to 102.2.

Developed through State Street Global Markets' research partnership, State Street Associates, by Harvard University professor Ken Froot and State Street Associates Paul O'Connell, the State Street Investor Confidence Index measures investor confidence on a quantitative basis by analyzing the actual buying and selling patterns of institutional investors. The index assigns a precise meaning to changes in investor risk appetite: the greater the percentage allocation to equities, the higher is risk appetite or confidence. A reading of 100 is neutral; it is the level at which investors are neither increasing or decreasing their allocations to risky assets. The index differs from survey-based measures in that it is based on the actual trades, as opposed to opinions, of institutional investors.

"This month, the Global Investor Confidence Index gave back the modest gains recorded last month, providing evidence that institutional investors remain non-committal in



the face of a weaker macroeconomic backdrop,” commented Froot. “August marks the fifth consecutive month that the Index has remained below the neutral level of 100. Despite the relative strength of corporate balance sheets, question marks remain over the slow pace of economic recovery and the relative efficacy of policy measures to spur that recovery.”

“Consistent with the pattern of recent economic data, investor confidence in Europe and Asia held up relatively well in August and Asian confidence remains in the ‘risk accumulation’ range above 100,” added O’Connell. “That said, there are clearly doubts about the source and strength of aggregate global demand in the near term. Our underlying data shows that flows into both developed and emerging markets were in the bottom quartile during the last week of the month, evidence of some real caution toward risky assets.”



**About State Street Global Markets**

State Street Global Markets provides specialized investment research and trading in foreign exchange, equities, fixed income and derivatives. Its goal is to enhance and preserve portfolio values for asset managers and asset owners. From its unique position at the crossroads of the global markets, it creates and unlocks value for its clients with original flow-based research, innovative portfolio strategies, trade process optimization, and global connectivity across multiple asset classes and markets.

State Street Global Markets' research team of leading academic and industry experts is committed to continually advancing the science, including theory and application of its proprietary investor behavior research and innovative portfolio & risk management technologies to help its clients challenge conventional thinking, shape ideas, make more informed investment decisions and deliver measurable results.

### **About the State Street Investor Confidence Index<sup>®</sup>**

The index is released globally at 10 a.m. Eastern time in Boston on the last Tuesday of each month. More information on the State Street Investor Confidence Index is available at <http://www.statestreet.com/investorconfidenceindex>.

### **About State Street Corporation**

State Street Corporation (NYSE: STT) is one of the world's leading providers of financial services to institutional investors, including investment servicing, investment management, and investment research and trading. With \$19 trillion in assets under custody and administration and \$1.8 trillion in assets under management at June 30, 2010, State Street operates in 25 countries and more than 100 geographic markets worldwide. For more information, visit State Street at [www.statestreet.com](http://www.statestreet.com).

This news announcement contains forward-looking statements as defined by United States securities laws, including statements about the financial outlook and business environment. Those statements are based on current expectations and involve a number of risks and uncertainties, including those set forth in State Street's 2009 annual report and subsequent SEC filings. State Street encourages investors to read the corporation's annual report, particularly the section on factors that may affect financial results, and its subsequent SEC filings for additional information with respect to any forward-looking statements and prior to making any investment decision. The forward-looking statements contained in this press release speak only as of the date hereof, August 31, 2010, and the company will not undertake efforts to revise those forward-looking statements to reflect events after this date.

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