

**MEDIA CONTACT:**

Marie McGehee  
+1 617 664 1898

## **INVESTOR CONFIDENCE INDEX FALLS FROM 72.7 TO 70.0 IN MARCH State Street Announces Enhancements to its Investor Confidence Index**

**Boston, March 24, 2009** – 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 March 2009.

Global Investor Confidence fell slightly by 2.7 points to 70.0, from February's revised level of 72.7. North American institutional investors consolidated somewhat after the recent sharp rises in their confidence, and the North American Index fell 4.8 points to 59.4. Elsewhere risk appetite was somewhat more mixed, as evidenced by a decline of 3.2 points in the European Index to 64.5, and an increase in the Asian Index of 2.5 points to 86.6.

“There is an increasing sense among institutional investors that the rapid free fall of the real economy is approaching its end, both because much adjustment has occurred and because of the gathering power and breadth of the US Fed and Treasury response,” commented Harvard University professor Ken Froot. “Of course risk remains high, but now investors must hedge against the prospect of a sudden switch from hoarding large amounts of cash to dishoarding, and given how much cash has been pumped into the system by the Fed, strong positive price moves may result. Institutions seem to appreciate this and are moving to a less defensive risk stance.”

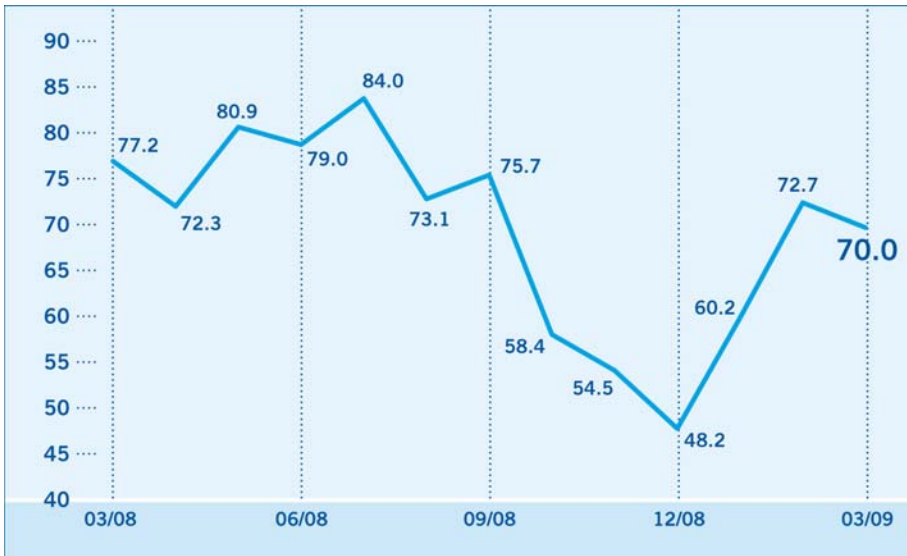
“This month's decline in North American confidence is perhaps not surprising, as it comes after a remarkable rebound in confidence over the last quarter from the all-time low of 30.6 established in December,” added Paul O'Connell of State Street Associates. “Indeed, it could be said that North American institutional investors were well-positioned for the recent advance in



US large-cap equities. The same cannot be said for European institutions, where confidence is making new lows, and this may be a reflection of the relative pace of policy response in the two regions.”

Developed through State Street Global Markets’ research partnership, State Street Associates, by Ken Froot and 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 is based on financial theory that assigns precise meaning to changes in investor risk appetite, or the willingness of investors to allocate their portfolios to equities. The more of their portfolio that institutional investors are willing to devote to equities, the greater their risk appetite or confidence.

Beginning May 26, 2009, the State Street Confidence Index will be enhanced to provide additional information on the level of institutional investor risk appetite. Going forward, the Index will be rebased so that a reading above 100 will indicate institutional investors are increasing their exposure to risky assets, while a reading below 100 will imply that they are reducing their exposures. This rebasing will be done separately for the Global Index and the regional sub-indices. In addition, the publication dates for the Indices will be shifted to the last Tuesday of each month, to better align with calendar-month and quarterly developments.



**March Results**

|              |      |
|--------------|------|
| Global       | 70.0 |
| N. America   | 59.4 |
| Europe       | 64.5 |
| Asia-Pacific | 86.6 |

**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®:**

The index is released globally at 10 a.m. Eastern time in Boston on the second to last Tuesday of each month. Beginning May 2009, the publication dates for the Indices will be shifted to the last Tuesday of each month, to better align with calendar-month and quarterly developments. More information on the State Street Investor Confidence Index, including frequently asked questions and a calendar of release dates, is available at <http://www.statestreet.com/investorconfidenceindex>.

**About State Street:**

State Street Corporation (NYSE: STT) is the world's leading provider of financial services to institutional investors, including investment servicing, investment management and investment research and trading. With \$12 trillion in assets under custody and \$1.4 trillion in assets under management at December 31, 2008, State Street operates in 27 countries and more than 100 geographic markets worldwide. For more information, visit State Street's web site 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 related to the pace at which State Street adds new clients or at which existing clients use additional services, the value of global and regional financial markets, the pace of cross-border investment activity, changes in interest rates, the pace of worldwide economic growth and rates of inflation, the extent of volatility in currency markets, consolidations among clients and competitors, State Street's business mix, the dynamics of markets State Street serves, and State Street's success at integrating and converting acquisitions into its business. Other important factors that could cause actual results to differ materially from those indicated by any forward-looking statements are set forth in State Street's 2008 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, March 24, 2009, and the company will not undertake efforts to revise those forward-looking statements to reflect events after this date.

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