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## INVESTOR CONFIDENCE INDEX DECLINES FROM 108.4 TO 100.8 IN NOVEMBER

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**Boston, November 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 November 2009.

Global Investor Confidence fell by 7.6 points to 100.8 from October's level of 108.4. The most pronounced decline was evident among Asian investors, where confidence fell 4.1 points from 95.3 to 91.2. In other regions, confidence was somewhat more upbeat. The risk appetite of North American investors was largely unchanged, ticking up 1.1 points from 101.1 to 102.2. European investors struck a somewhat more optimistic note, and their confidence rose 3.7 points from 101.8 to 105.5. A reading of 100 in the Index represents a neutral level where institutions are neither allocating towards nor away from risky assets.

Developed through State Street Global Markets' research partnership, State Street Associates, by Harvard University professor Ken Froot and State Street Associates Director 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. It is not a survey, but rather fact-based. The index is based on a financial theory that assigns precise meaning to changes in investor risk appetite. The more of their portfolio that institutional investors are willing to devote to equities, the greater their risk appetite or confidence.

"Across all regions, institutional investors are largely trading water; neither increasing nor reducing their aggregate holdings of risky assets," commented Froot. "However, the aggregate



figures mask some country- and region-specific views. This month, for example, institutional investors aggressively pared their holdings in selected markets, such as Australia, while continuing to add to their emerging markets holdings. Overall, investors are displaying some caution about the current level of equity valuations, and a desire to see more evidence of real economic activity and aggregate demand, particularly in the US, before adding to equity exposures.”

“European investors displayed some increased optimism this month, but elsewhere the evidence is that investors are in a consolidating mood,” added O’Connell. “There is an awareness that structural issues such as the US current account deficit, the Asian current account surplus, and the long-run decline of manufacturing employment will need time to be worked out. In the interim, governments continue to support demand, but investors have an eye on both the temporary nature of the stimulus, and its impact on the overall debt burden.”



**November Results**

Global	100.8
N. America	102.2
Europe	105.5
Asia-Pacific	91.2

**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 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**

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 \$17.9 trillion in assets under custody and administration and \$1.7 trillion in assets under management at September 30, 2009, 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 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, November 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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