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## **INVESTOR CONFIDENCE INDEX RISES SLIGHTLY FROM 88.4 TO 89.7 IN JUNE**

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**Boston, June 29, 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 June 2010.

Globally, Investor Confidence rose 1.3 points to 89.7 from May's revised reading of 88.4. Confidence continued its decline in North America, falling 6.3 points to 92.2 from May's revised reading of 98.5. Other regions, by contrast, saw an improvement in confidence. Among European investors confidence rose 5.4 points from 92.3 to 97.7, and in Asia, similarly, confidence ticked up 1.7 point from 100.9 to 102.6.

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. It is based on actual trades rather than survey data, and as a result it captures the sentiment of institutional investors with unique precision.

"Despite seeing a rise in confidence globally, North American institutional investors remained jittery this month, and their risk appetite returned to levels last seen in spring 2009," commented Froot. "Question marks remain over the state of the US job market and



overall US aggregate demand and these, in turn, have led to diminished expectations about the pace of economic recovery.”

“We do see some evidence of a stabilization in risk appetite outside North America,” added O’Connell. “Indeed a look at the underlying data confirms that the strongest regional flows are into emerging markets, with the exception of emerging Eastern Europe. In addition, institutions outside of North America have been steadily accumulating US equities.”



**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 \$1.9 trillion in assets under management at March 31, 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, June 29, 2010, and the company will not undertake efforts to revise those forward-looking statements to reflect events after this date.

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