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## **Investor Confidence Declined in August by 8.7 Points to 75.9**

**BOSTON, August 28, 2019** — State Street Global Markets today released the results of the State Street Investor Confidence Index® (ICI) for August 2019.

The Global Investor Confidence Index decreased to 75.9, down 8.7 points from July's revised reading of 84.6. Investor confidence across all regions weakened, with the North American ICI decreasing from 80.3 to 72.5, the European ICI dropped from 98.6 to 89.0, and the Asian ICI fell from 91.8 to 89.2.

The Investor Confidence Index was developed by Kenneth Froot and Paul O'Connell at State Street Associates, State Street Global Markets' research and advisory services business. It measures investor confidence or risk appetite quantitatively 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 risk appetite or confidence. A reading of 100 is neutral; it is the level at which investors are neither increasing nor decreasing their long-term 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.

"In August, institutional investor sentiment declined once more against a backdrop of downside risks to the economy, increased political uncertainty in Italy, and the possibility of a hard Brexit," commented Rajeev Bhargava, managing director and head of Investor Behavior Research, State Street Associates. "Monetary and trade policy uncertainty is reducing risk appetite, and investors are watching for changes in interest rate expectations following this year's Federal Reserve conference in Jackson Hole."

"This month's investor confidence index results reflect investors' growing concerns about the global economic slowdown and widespread declines in global manufacturing as the trade war between the world's two largest

economies continues to escalate,” said Kenneth Froot. “Investors are expressing renewed risk aversion in the midst of heightened volatility in the financial markets and a renewed inversion of the treasury yield curve.”

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

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*\* This figure is presented as of June 30, 2019 and includes approximately \$36 billion of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.*

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