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Investor Confidence Declined in August by 7.4 points to 94.3

BOSTON, August 29, 2018 — State Street Global Exchange today released the results of the State Street Investor Confidence Index® (ICI) for August 2018.

The Global Investor Confidence Index decreased to 94.3, down 7.4 points from July's revised reading of 101.7. Confidence among North American investors declined, with the North American ICI decreasing from 103.1 to 92.5. Meanwhile, the European ICI rose by 8.1 points to 99.5 and the Asia ICI decreased by 0.9 points to 102.6.

The Investor Confidence Index was developed by Kenneth Froot and Paul O'Connell at State Street Associates, State Street Global Exchange's 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.

"After a few months of caution and measured risk appetite, global institutional investors have started to display risk-averse behavior as they navigate through elevated trade uncertainty and geopolitical turmoil. This sentiment was also seen across global equity markets as defensive sectors outperformed. The decline in confidence was particularly apparent for North American investors, with the North American ICI recording its lowest reading of the year," commented Kenneth Froot.

"Looking at the regional breakdown, the European ICI has exhibited a lot of volatility this year," commented Rajeev Bhargava, head of Investor Behavior Research, State Street Associates. "President Trump's trade policies continue to stir up investor uncertainty, in addition to the renewed worries over Italy's debt burden."

About the State Street Investor Confidence Index®

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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**Assets under management include the assets of the SPDR® Gold ETF and the SPDR® Long Dollar Gold Trust ETF (approximately \$33 billion as of June 30, 2018), for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.*

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