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Investor Confidence Declines in May by 11.8 points to 103.5

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

The Global Investor Confidence Index decreased to 103.5, down nearly 12 points from April's revised reading of 115.3. Investors across all regions expressed a weakening in risk appetite, with the North American ICI decreasing from 113.5 to 104.3, the European ICI declining from 111.0 to 101.5, and the Asian ICI from 112.7 to 103.2.

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 strong consensus in risk-seeking appetite last month, global investors now have a more subdued willingness to allocate to risk," said Rajeev Bhargava, head of Investor Behavior Research, State Street Associates. "Although remaining above 100, the ICI reading for May reflects a range of factors weighing on investor sentiment, including growing inflationary pressures, higher interest rates and geopolitical concerns that have undoubtedly tempered enthusiasm."

"Now, well into 2018, institutional investors face a challenging environment with a pick up in stock market volatility and elevated stock valuations despite strong earnings," commented Kenneth Froot. "The success of Eurosceptics in Italy has shaken investor appetite, while rising trade tensions between China, the EU and the US

has escalated global concerns and uncertainty. It will be interesting to see how confidence plays out in the face of these risks.”

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/ideas/investor-confidence-index.html>.

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statements contained in this press release speak only as of the date hereof, May 29, 2018 and the company will not undertake efforts to revise those forward-looking statements to reflect events after this date.

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