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## Investor Confidence Increases 11.4 Points in August to 107.7; largest increase in 18 months

*State Street also announces retirement of the firm's Investor Confidence Index effective October 25, 2023.*

*Index being replaced with the [Institutional Investor Holdings](#) and [Risk Appetite Indicators](#) which draw on the aggregated and anonymized dataset, underlying the assets that State Street services. The indicators launched on May 5<sup>th</sup>, 2023.*

**BOSTON,**— State Street Global Markets today released the results of the State Street Investor Confidence Index® (ICI) for August 2023.

The Global Investor Confidence Index increased to 107.7, up 11.4 points from July's revised reading of 96.3. The increase in Investor confidence was supported across all regions but was led by a 12.9 point rise in North American ICI to 103.8. Elsewhere, European ICI rose 4.3 points to 103.7 and Asian ICI rose 4.8 points to 102.2.

The Investor Confidence Index was developed 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.

"Investor confidence saw its biggest jump in 18 months, with the Global ICI now solidly in risk seeking territory, as risk appetite improved in every region this month," commented Marvin Loh, senior global macro strategist at State Street Global Markets. "The improvement was led by North America, which recorded its strongest reading in a year on the heels of falling recessionary concerns. A pair of better than expected CPI prints have also supported the view that a soft landing was possible. While the monthly gain was not as strong in Europe, this regional ICI bounced back above 100, as overall disinflation started to accelerate, with a tenuous economic backdrop holding back further gains. Asia ICI showed a similar investor dynamic, improving back towards moderate risk appetite, although China's economic challenges impacted further gains."

The ICI has been regarded as a leading indicator since it captures investors' present behavior and expectations. However the new indicators bring a new level of information to the table. "The Institutional Investor Indicators represent the next generation of our Investor Confidence Index. Building on what the ICI began two decades ago, these indicators will provide richer insights into how this influential block of investors is positioned and where their assets are flowing, at an aggregated and anonymized level," said Will Kinlaw, head of research for State Street. "We're pleased with the positive feedback from our clients and the media and look forward to proceeding with the transition."

[Launched in May 2023](#), the State Street Institutional Investor Indicators were developed by State Street Associates, State Street Global Markets research and advisory services business. They measure investor confidence or risk appetite quantitatively by analyzing the actual buying and selling patterns of institutional investors derived from State Street's USD39.6tm<sup>1</sup> in assets under custody and administration. [The Institutional Investor Risk Appetite Indicator](#) is derived from measuring investor flows in twenty-two different dimensions of risk across equities, FX, fixed income, commodity-linked assets and asset allocation trends. The index captures the proportion of the twenty-two risk elements that saw either risk seeking or risk reducing behavior. A positive reading suggests that on balance investors are adding to their risk exposures, while a negative reading suggests risk reduction. [The Institutional Investor Holdings Indicator](#) capture the share of investor portfolios allocated toward equity, fixed income and cash going back to 1998.

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*\*Assets under management as of June 30, 2023 includes approximately \$63 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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<sup>1</sup> As of June 30, 2023

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