



State Street Global Advisors Launches Rexiter Global Emerging Markets Sustainability Strategy

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BOSTON - (BUSINESS WIRE) - State Street Global Advisors (SSgA), the investment management arm of State Street Corporation (NYSE: STT), announced today the availability of an **innovative strategy** for institutional investors to capture the **sustainability** of emerging markets--the Rexiter Global Emerging Markets **Sustainability** Strategy. Developed in conjunction with the International Finance Corporation (IFC), Rexiter Capital Management Limited, and Innovest Strategic Value Advisors, Inc., the commingled strategy is based on a two-year track record that has outperformed its benchmark since inception (September 30, 2004)(1). The strategy is designed to systematically integrate environmental, social and governance (ESG) factors into its portfolio construction process and aims to outperform the return of the MSCI Emerging Markets Index by four percent per annum over the course of a full market cycle.

The pioneering Rexiter Global Emerging Markets **Sustainability** Strategy aims to establish best practice for future **sustainability** strategies in emerging market equities. Until now, the information and framework investors needed to integrate environmental and social issues into emerging markets investments were not available.

"Sophisticated investors are increasingly becoming aware of the impact of **sustainability** factors on investment value," said Bill Page, chair of SSgA's environmental, social and governance team. "This new strategy utilizes an established investment process and combines it with a rigorous environmental, social and governance stock-rating methodology that aims to generate attractive risk-adjusted returns."

The strategy, managed by Rexiter, a State Street Global Alliance company that specializes in emerging market strategies, applies a **sustainability** overlay implemented by Innovest. Innovest, also a Global Alliance company, specializes in the analysis of companies' environmental and social performance.

IFC, which played a key role in the development of the strategy's concept and structure, is the first to invest in the commingled strategy and will dedicate up to \$20 million in equity.

"This strategy enables institutional investors to make long-term investments in emerging markets while achieving their **sustainability** goals," said Rachel Kyte, IFC director of Environment and Social Development. "I sincerely hope it will have a catalytic effect and will encourage others to follow suit. IFC believes this is essential if we are to put global capital to work for sustainable development."

About State Street Global Advisors

State Street Global Advisors, the investment management arm of State Street Corporation, delivers investment strategies and integrated solutions to clients worldwide across every asset class, investment approach and style. With \$1.7 trillion in assets under management as of December 31, 2006, State Street Global Advisors has investment centers in Boston, Hong Kong, London, Milan, Montreal, Munich, Paris, Singapore, Sydney, Tokyo and Zurich, and offices in 25 cities worldwide.

About Innovest Strategic Value Advisors, Inc.

Innovest Strategic Value Advisors is an international investment research and advisory firm specializing in analyzing companies' performance on environmental, social, and strategic governance issues, with a particular focus on their impact on competitiveness, profitability, and share price performance. Innovest's institutional investor clients manage combined assets of over \$7 trillion. Innovest was recently rated the #1 global provider of "non-traditional" investment research in the Thomson Extel survey of institutional investors. The firm is also the only pure research provider to be recommended by the Enhanced Analytics Initiative. Innovest has offices in New York City, Toronto, San Francisco, London, Paris, Sydney, and Tokyo.

About Rexiter Capital Management Limited.

Rexiter Capital Management Limited ('Rexiter') is a London-based investment management company specialising in fundamental-based global, regional and country specific emerging market strategies. The Rexiter team consists of fifteen investment professionals and six support staff based in London, Singapore and Seoul. All trading (along with settlements, compliance and legal services) are provided by State Street Global Advisors. Assets under management as at end December 2006 were US\$6.7 billion. Rexiter provides management services to a number of large pension funds, endowments, foundations , corporate clients and mutual funds.

About IFC

IFC, the private sector arm of the World Bank Group, promotes open and competitive markets in developing countries. IFC supports sustainable private sector companies and other partners in generating productive jobs and delivering basic services, so that people have opportunities to escape poverty and improve their lives. Through FY06, IFC Financial Products has committed more than \$56 billion in funding for private sector investments and mobilized an additional \$25 billion in syndications for 3,531 companies in 140 developing countries. IFC Advisory Services and donor partners have provided more than \$1 billion in program support to build small enterprises, to accelerate private participation in infrastructure, to improve the business enabling environment, to increase access to finance, and to strengthen environmental and social **sustainability**. For more information, please visit www.ifc.org.

(1) The value of investments is exposed to volatile market influences and can fluctuate accordingly. Past performance returns do not provide a guarantee that future performance will be similar.

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