

The
FOLKLORE
of **FINANCE**

How Beliefs and Behaviors Sabotage
Success in the Investment
Management Industry

STATE STREET

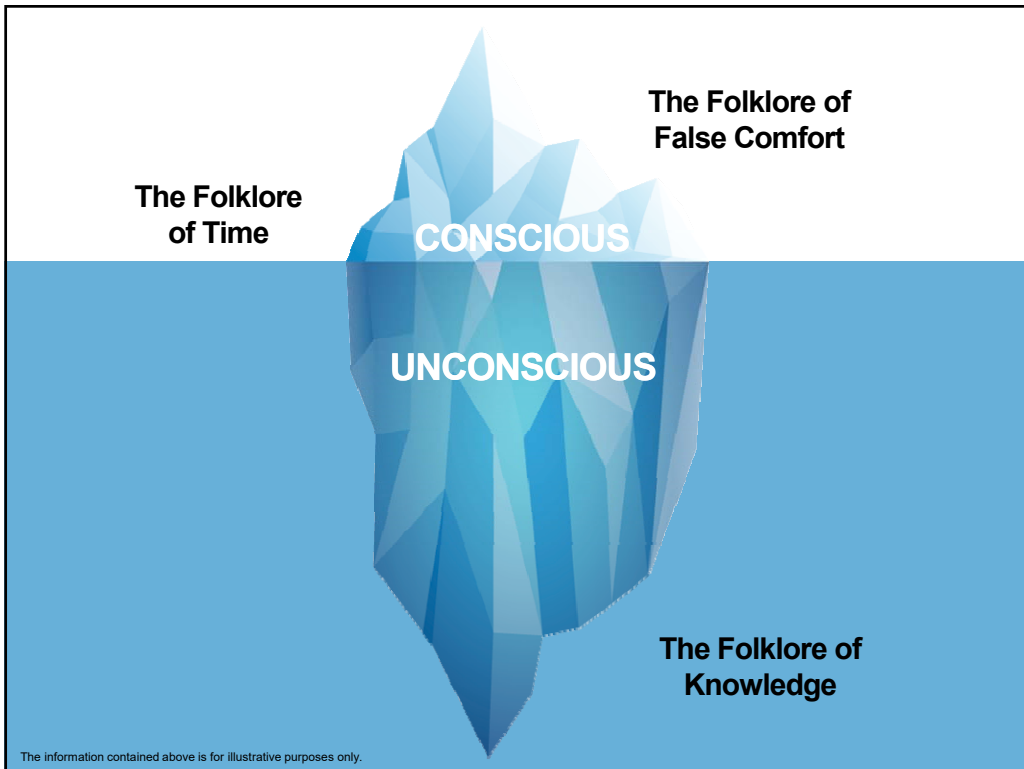
**THE INDUSTRY'S
MODELS FOR
SUCCESS ARE
BROKEN**

The information contained above is for illustrative purposes only.



**INVESTORS
BELIEVE THEY
CAN DO THE JOB
OF INVESTMENT
PROFESSIONALS
BETTER, AND
FOR LESS**

The information contained above is for illustrative purposes only.



**The Folklore of
False Comfort**

**The Folklore
of Time**

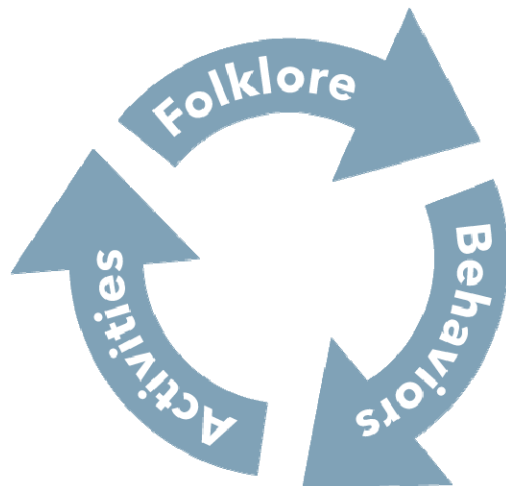
CONSCIOUS

UNCONSCIOUS

**The Folklore of
Knowledge**

The information contained above is for illustrative purposes only.

FOLKLORE'S PERPETUATING CYCLE



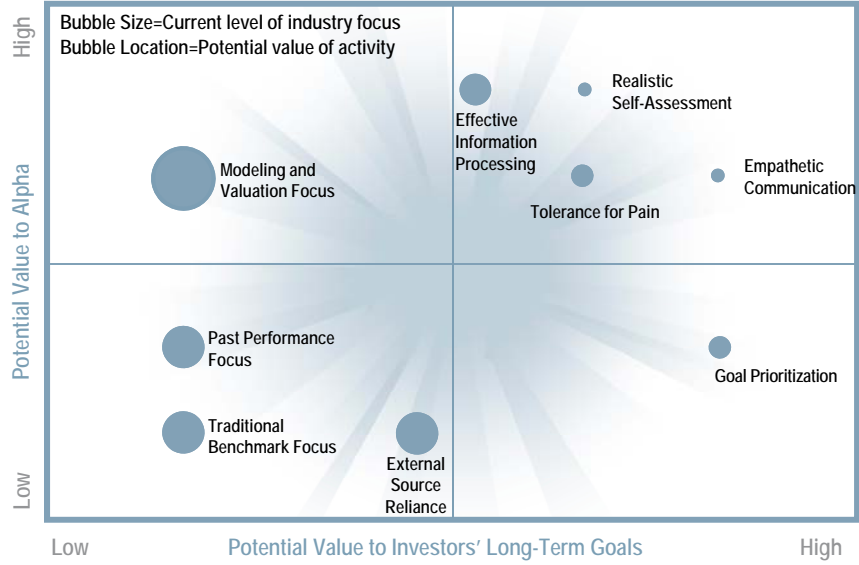
The information contained above is for illustrative purposes only.

Current Allocation of Time, Money and Energy



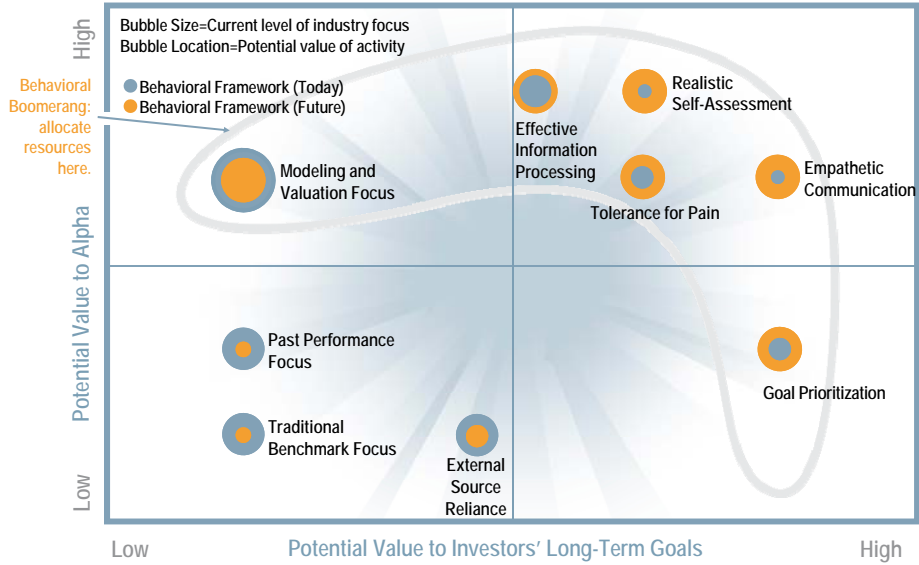
The information contained above is for illustrative purposes only.

Current Allocation of Time, Money and Energy



The information contained above is for illustrative purposes only.

Future Allocation of Time, Money and Energy



The information contained above is for illustrative purposes only.

JUMPING TO CONCLUSIONS



JUMPING TO CONCLUSIONS



The views expressed in this material are the views of The Center of Applied Research through the period Oct 30, 2014 and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Investing involves risk including the risk of loss of principal.

The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or offer to sell a security. It does not take into account any tax and financial advisor. All material has been obtained from sources believed to be reliable. There is no representation or warranty as to the accuracy of the information and State Street shall have no liability for decisions based on such information.

The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without State Street express written consent.

CORP-1134
Exp Date: 10/31/15