

INVESTORS FINANCIAL SERVICES CORP
 Form 4
 February 27, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 SWERSKY PHYLLIS S

2. Issuer Name and Ticker or Trading Symbol
 INVESTORS FINANCIAL SERVICES CORP [IFIN]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 INVESTORS BANK & TRUST COMPANY, 200 CLARENDON STREET

3. Date of Earliest Transaction (Month/Day/Year)
 02/23/2006

Director 10% Owner
 Officer (give title below) Other (specify below)

(Street)
 BOSTON, MA 02116

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	02/23/2006		S	1,000	D \$ 46.67	5,400	D
Common Stock	02/23/2006		S	1,000	D \$ 46.68	4,400	D
Common Stock	02/23/2006		S	630	D \$ 46.64	3,770	D
Common Stock	02/23/2006		S	1,070	D \$ 46.63	2,700	D
	02/23/2006		M	3,086	A	5,786	D

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Common Stock						\$ 26.51		
Common Stock	02/23/2006		F	1,764	D	\$ 46.37	4,022	D
Common Stock	02/23/2006		M	4,861	A	\$ 21.98	8,883	D
Common Stock	02/23/2006		F	2,304	D	\$ 46.37	6,579	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	8. Amount or Number of Shares
Common Stock (right to buy)	\$ 26.51	02/23/2006		M	3,086	02/10/2003 ⁽¹⁾ 02/12/2009	Common Stock	3,086
Common Stock (right to buy)	\$ 46.37	02/23/2006		A	1,764	02/23/2006 ⁽¹⁾ 02/12/2009	Common Stock	1,764
Common Stock (right to buy)	\$ 21.98	02/23/2006		M	4,861	04/15/2003 ⁽¹⁾ 04/15/2013	Common Stock	4,861
Common Stock (right to buy)	\$ 46.37	02/23/2006		A	2,304	02/23/2006 ⁽¹⁾ 02/12/2009	Common Stock	2,304

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SWERSKY PHYLLIS S INVESTORS BANK & TRUST COMPANY 200 CLARENDON STREET BOSTON, MA 02116	X			

Signatures

John E. Henry 02/27/2006

__Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Shares surrendered in payment of tax liability generated from stock option exercise on 2/23/2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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