

STATE STREET

ALPHA  SM

Managing Your Trade Lifecycle

State Street AlphaSM Starts with a Single Desktop

Manage your entire trade lifecycle from one place

Portfolio Management

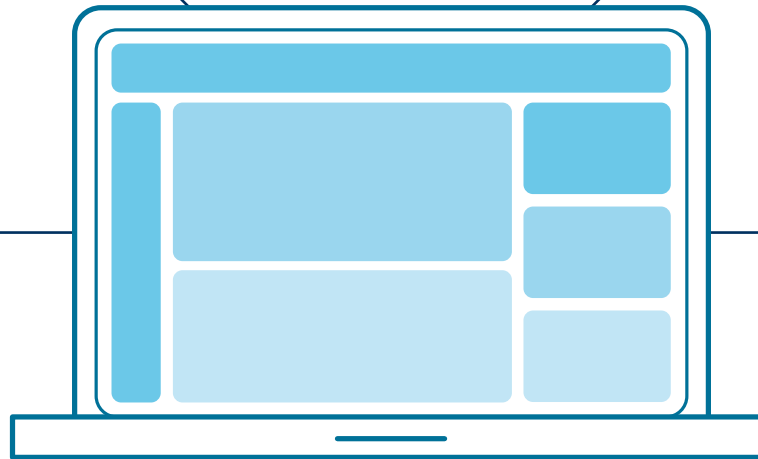
Manage all investment products and portfolios on a single desktop using your choice of data, analytics and benchmark providers.

Risk Analysis

Measure, manage and monitor risk based on a consistent view of portfolio exposures.

Compliance

Monitor compliance across your entire trade life cycle for alignment with Investment Policy Statements and regulatory mandates.



Trading

Seamlessly execute trades across all major global liquidity venues for the markets and securities you trade in.

Performance

Evaluate and attribute investment performance using a common set of risk factors.

Post-Trade

Simplify and expedite post-trade processing with automated settlement workflows and exception-based reporting.

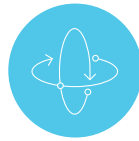
Delivering Benefits

One platform across your front, middle and back office



Speed

Leverage Alpha's single source of truth to help you make investment decisions more confidently and quickly.



Efficiency

Radically simplify your operating environment by managing all products and portfolios on Alpha.



Choice

Choose the risk models, applications and liquidity venues that best support your investment process.

The Life of a Trade

Shifting investor preferences, growing regulations and rapid industry consolidation are creating more complexity than ever for asset managers.

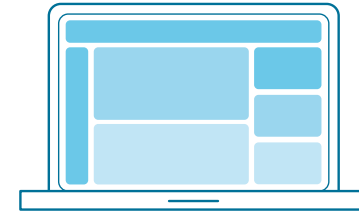
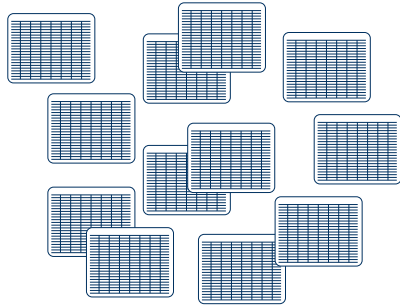
Here's how Alpha helps investment professionals streamline and simplify their investment process, from risk analysis and portfolio management through to trading and settlement.

Traditional Workflow

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Portfolio Management

Institutional portfolios continue to grow in size and complexity as firms launch differentiated investment products to meet shifting investor preferences.



Portfolios managed using spreadsheets and multiple point solutions

- No consolidated view of positions and exposures
- Minimal auditability
- Manually intensive workflows



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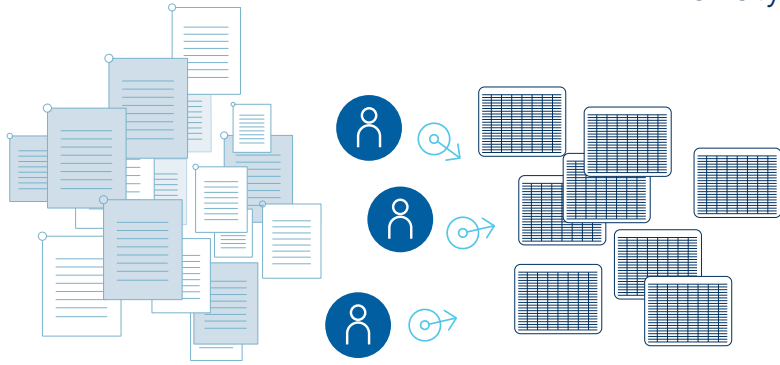
 Traditional workflow

Portfolios managed on the Alpha desktop

- Single, consistent view of positions and exposure
- Fully auditable workflows with built-in compliance
- Highly automated workflows free up portfolio managers for value added activities

Portfolio Construction and Decision Support

Constructing high-performing portfolios and generating consistent returns requires access to emerging risk analytics and differentiated research that uncovers new market opportunities.



Limited ability to harness and operationalize the latest investment research and risk analytics

- Downsized analyst teams leave firms dependent on mass-market commentary that provide few actionable insights
- Limited in-house quantitative research expertise results in sub-optimal implementation of investment strategies
- Inability to acquire and leverage alternative data sets limit firms ability to generate alpha



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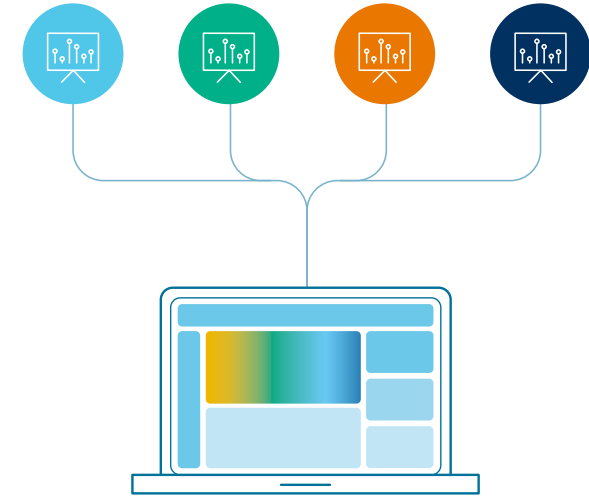
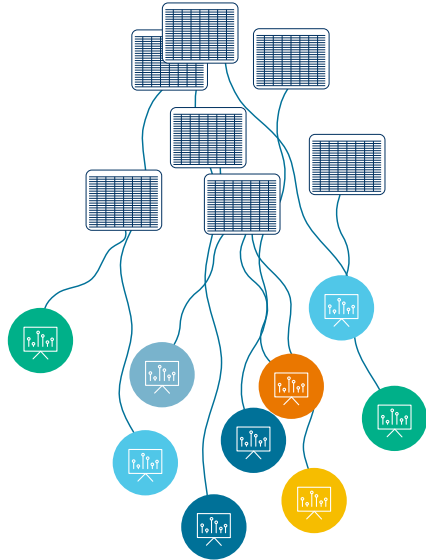
 Traditional workflow

Partner with State Street's dedicated research team to leverage the latest research on portfolio construction and risk management

- Bridge the gap between financial theory and practice to construct more robust portfolios, measure and monitor risk, and confidently invest in new asset classes
- Incorporate dynamic, rules-based investment strategies that offer turnkey implementation of State Street indicators and research
- Harness rapidly growing volumes of alternative data to produce differentiated returns

Risk Analysis

Delivering consistent risk-adjusted outcomes for clients and analyzing potential investment opportunities require increasingly sophisticated risk analysis.



Risk analysis conducted in spreadsheets and legacy systems

- Overnight batch processes deliver stale views of risk exposures
- Limited or no choice of risk models delivers inaccurate/inconsistent risk metrics
- Disparate external risk systems require manually intensive workflows that result in lost productivity



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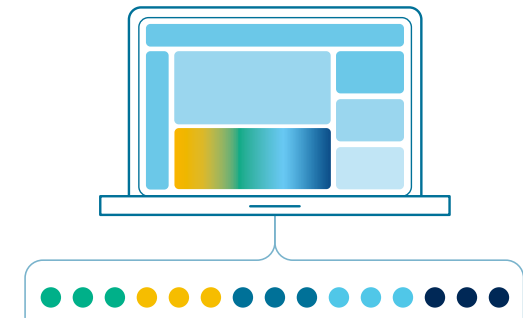
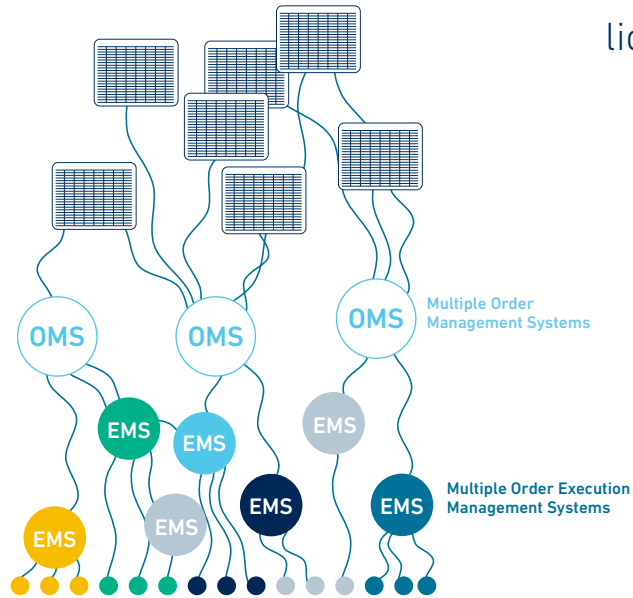
 Traditional workflow

Risk analysis on the Alpha desktop

- Near real-time risk modeling facilitates faster evaluation of investment opportunities
- Broad choice of third-party and internal risk models deliver analysis aligned with client portfolios
- Risk analytics seamlessly integrated with portfolio management on a single desktop eliminates “swivel chair” effect

Trading

Best execution regulations and fragmented liquidity across hundreds of global trading venues have driven up trading costs and compliance risks.



Multiple, asset-class based order management systems

- Connectivity to a small number of trading venues inhibits access to liquidity
- Limited trade automation reduces trader productivity
- Manual trade reporting increases risk of errors and regulatory fines



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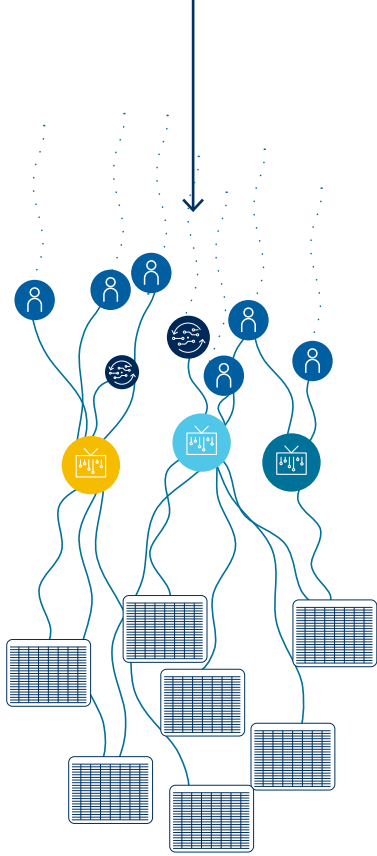
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Traditional workflow

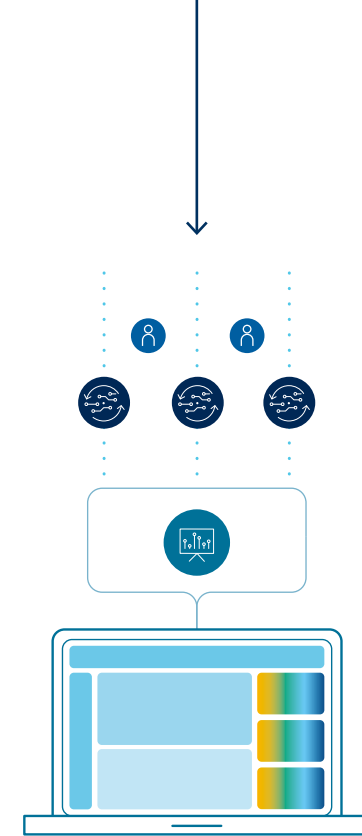
Trade order management on the Alpha desktop

- Consolidated multi-asset order and execution facility streamlines access to global liquidity venues
- Built-in trade automation enables traders to focus on the most complex trades
- Connectivity to your choice of analytics providers and trade reporting utilities to support regulatory requirements



Post Trade & Settlement

Increased trade volumes, reduced middle office headcount, and greater asset class diversity increase the potential for trade breaks requiring manual processing that delays trade settlement.



Legacy asset-class based settlement systems and spreadsheets

- Limited opportunities for automating settlement and matching workflows
- Extensive manual reconciliation and spreadsheet use
- Siloed niche systems fail to provide timely and accurate view of post-trade status



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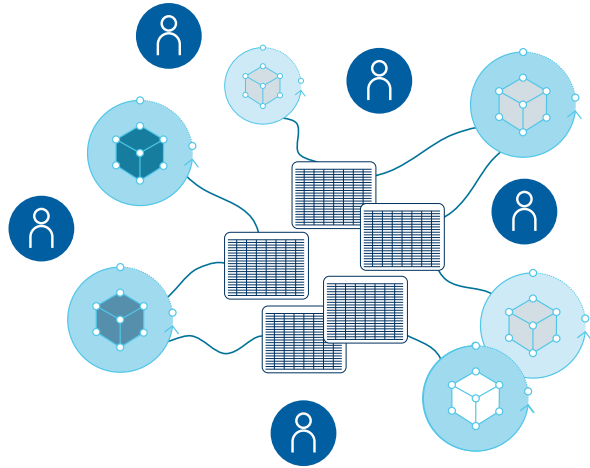
Traditional workflow

Post-trade on the Alpha desktop

- Expedite settlement by automatically routing orders and allocations to trading counterparties in real time
- Reduce failed trades and settlement issues with consistent, end-to-end views of post-trade workflows
- Manage “by exception” with views and alerts that save time and speed up corrective intervention

Collateral Management

Regulations are forcing firms to post collateral when trading derivatives, placing a drag on fund returns. Middle office staff must process increasing margin call volumes and manage the complexities of non-cash collateral.



Spreadsheet-based collateral management

- Manually intensive margin-call workflows
- Limited or no visibility into most cost-effective collateral to pledge
- Inability to segregate pledged collateral from available assets



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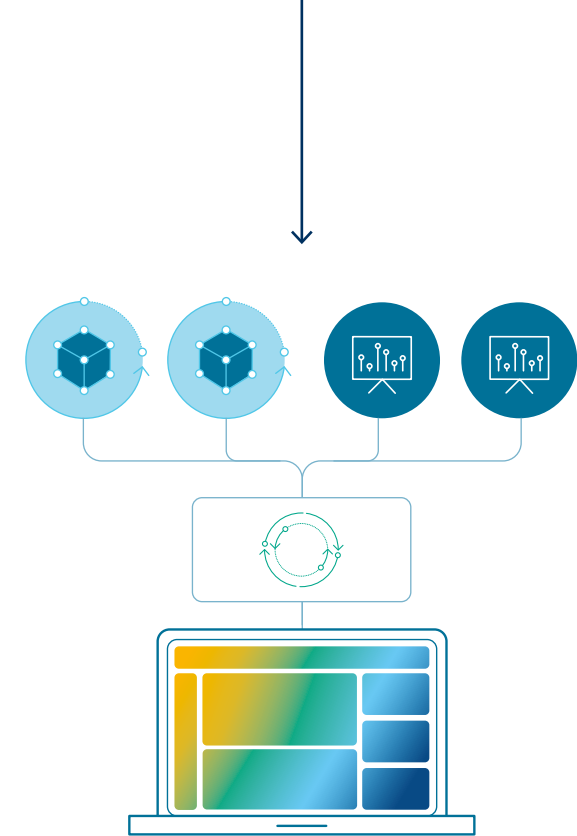
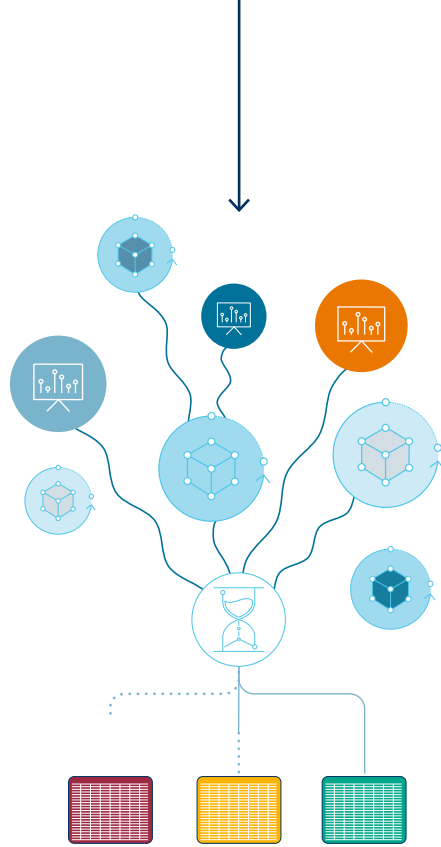
 Traditional workflow

Collateral Management on the Alpha desktop

- Minimize collateral costs based on real-time pre-trade margin estimates
- Select optimal clearing venue and broker based on fees and margin requirements
- Gain real-time visibility into pledged and available assets

Custody and Back Office

Complex multi-asset/multi-currency portfolios require timely, cost efficient FX exposure management. Custodial data is a potential source of returns, providing the front office with real-time views of investable cash, unpledged collateral and securities available for lending.



External custody providers

- Reliance on external custodians to manage FX risk, which may be less responsive and more expensive
- Limited insight into available inventory reduces profitability of securities lending opportunities
- Lagged cash and redemptions data leads to underinvestment and suboptimal liquidation decisions



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State Street AlphaSM workflow

Traditional workflow

Custody on the Alpha desktop

- More responsive FX management and hedging reduces risk of unwanted currency exposures
- Real-time inventory can increase profitability of securities lending operations
- Integrated transfer agency services let portfolio managers put new cash to work faster and manage redemptions to minimize portfolio impact

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