

STATE STREET

ALPHA  SM

# Managing Your Trade Lifecycle

# State Street Alpha<sup>SM</sup> Starts with a Single Desktop

Manage your entire trade lifecycle from one place

## Portfolio Management

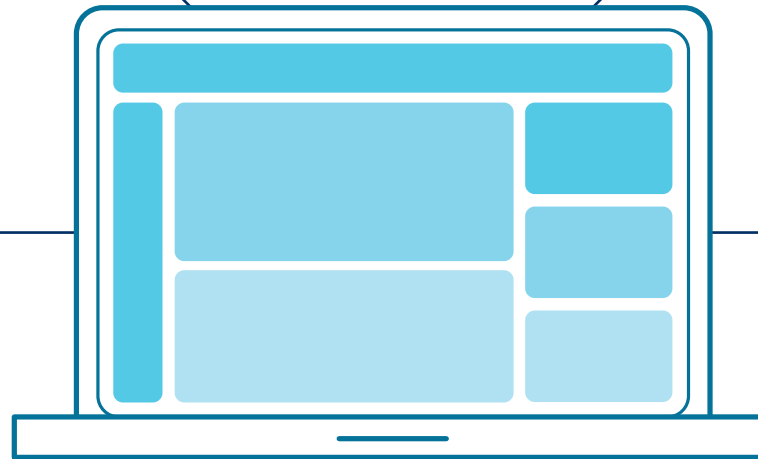
Manage all investment products and portfolios on a single desktop using your choice of data, analytics and benchmark providers.

## Risk Analysis

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

## Compliance

Monitor compliance across your entire trade lifecycle 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.

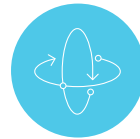
# Delivering Benefits

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.

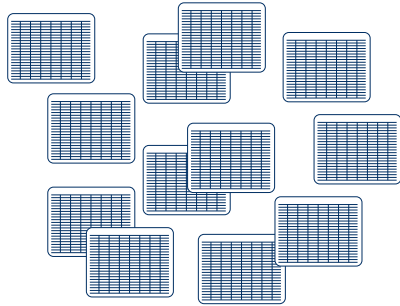
Here's how Alpha helps investment professionals streamline and simplify their investment process, from risk analysis and portfolio management through to trading and settlement.

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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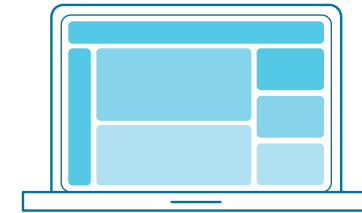


CHOICE



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 Traditional workflow

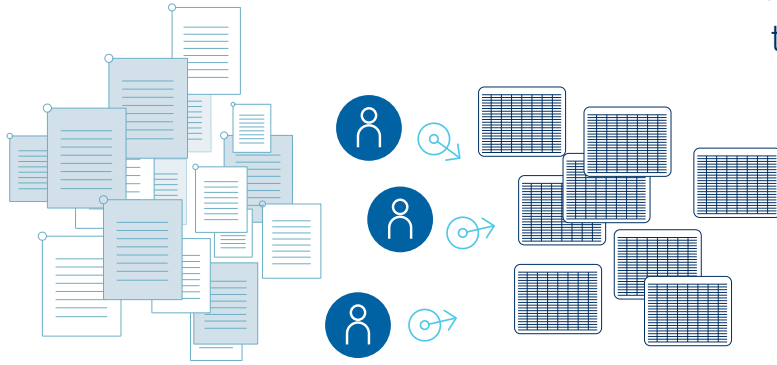


### Portfolios managed on the Alpha desktop

- Single, consistent view of portfolio positions, analytics and exposure fosters collaboration between investment teams
- Highly automated order modeling workflows free up portfolio managers for value added activities
- Fully auditable workflows with built-in compliance minimize breaches and support regulatory inquiries

## Portfolio Construction and Decision Support

Constructing high-performing portfolios and generating superior returns requires access to leading risk analytics, research and data to help surface 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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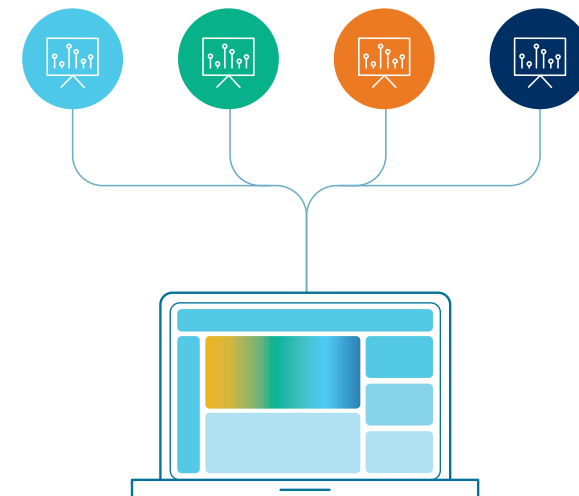
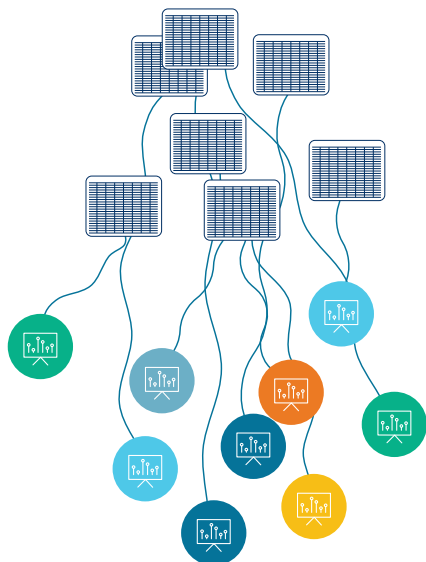
 Traditional workflow

### Leverage your preferred research, index and risk analytics providers to drive portfolio innovation

- Construct, analyze and optimize portfolios from a single desktop across fund structures, asset classes and investment mandates
- Operationalize new portfolios and products faster leveraging a comprehensive data foundation for blending and overlay
- Harness rapidly growing volumes of alternative data to produce differentiated returns

## Risk Analysis

Delivering the best 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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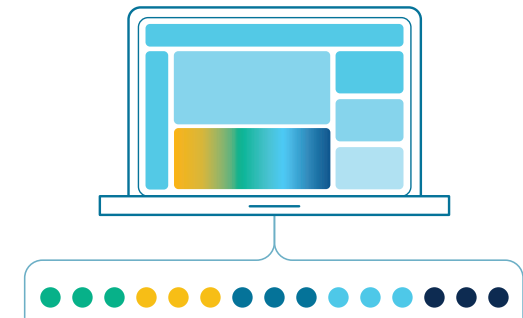
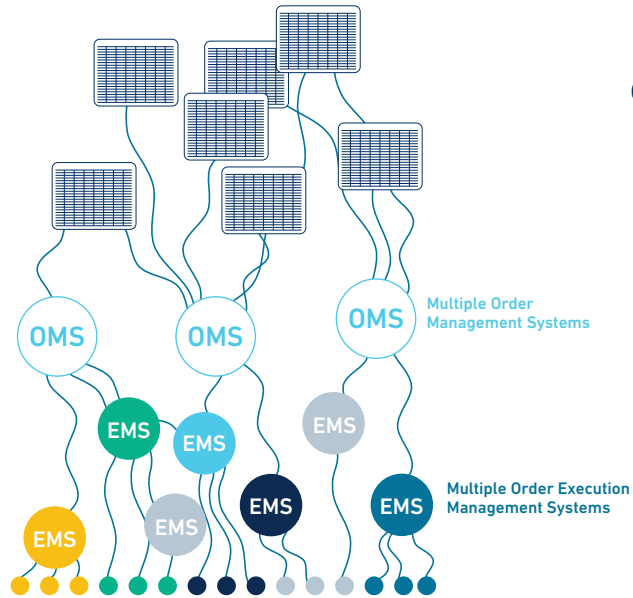
 Traditional workflow

### 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 integrated with portfolio management on a single desktop and database 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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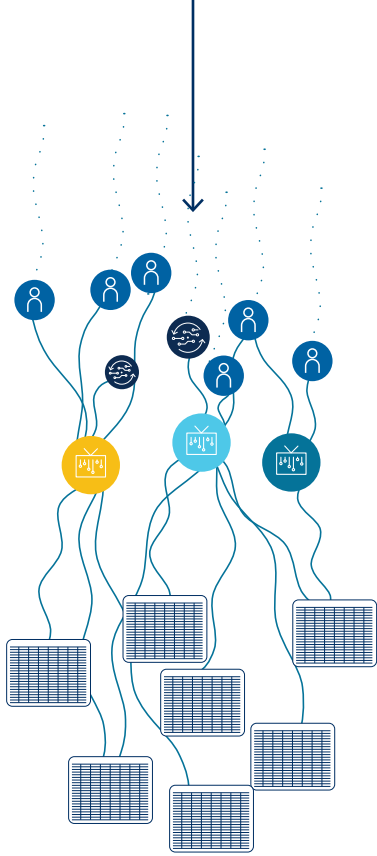
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 Traditional workflow

## Trade order management on the Alpha desktop

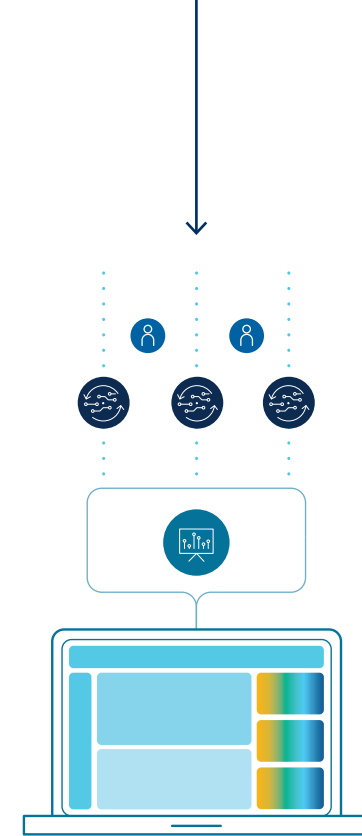
- Consolidated multi-asset order and execution facility streamlines access to global liquidity venues
- Built-in trade automation enables traders to focus on the most complex trades
- Interoperability with your choice of TCA and analytics providers speeds time-to-information across the trading desk





## Post Trade and 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 workflows and spreadsheets

- Limited ability to monitor matching and settlement across asset classes and matching platforms
- Extensive manual reconciliation and spreadsheet use
- Separate data feeds between OMS and post-trade systems result in disjointed workflows



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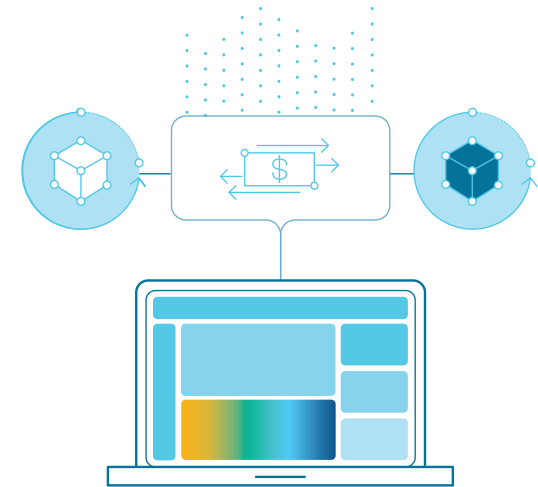
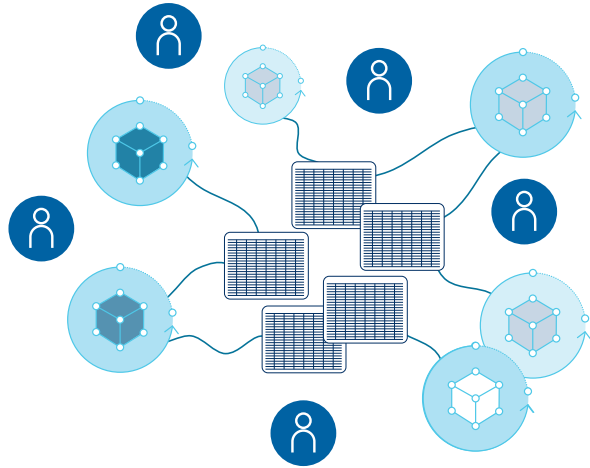
 Traditional workflow

### Monitor your entire post-trade process on the Alpha desktop

- Expedite matching and 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 repos and derivatives, placing a drag on fund returns. Middle-office staff face increasing margin call volumes and managing the complexities of non-cash collateral.



### Collateral management spread across multiple groups and systems

- 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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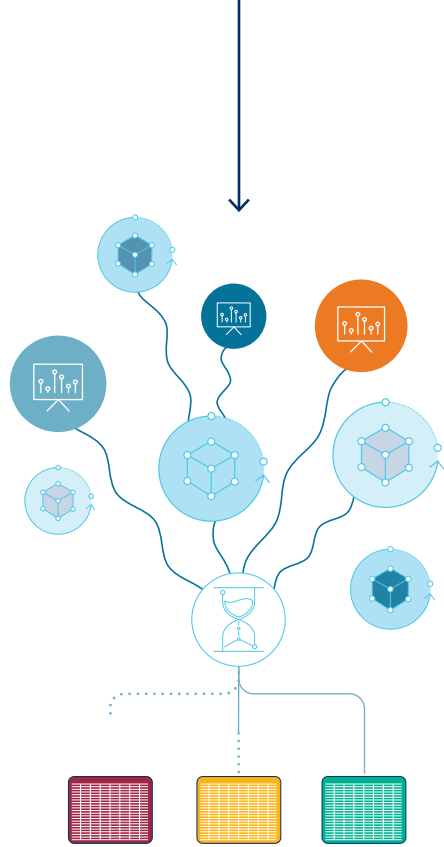
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 Traditional workflow

### Collateral Management on the Alpha desktop

- Reduce collateral costs with a unified, firm-wide view of margin requirements
- Select optimal clearing venue and broker based on fees and margin requirements
- Gain real-time visibility into pledged and available assets

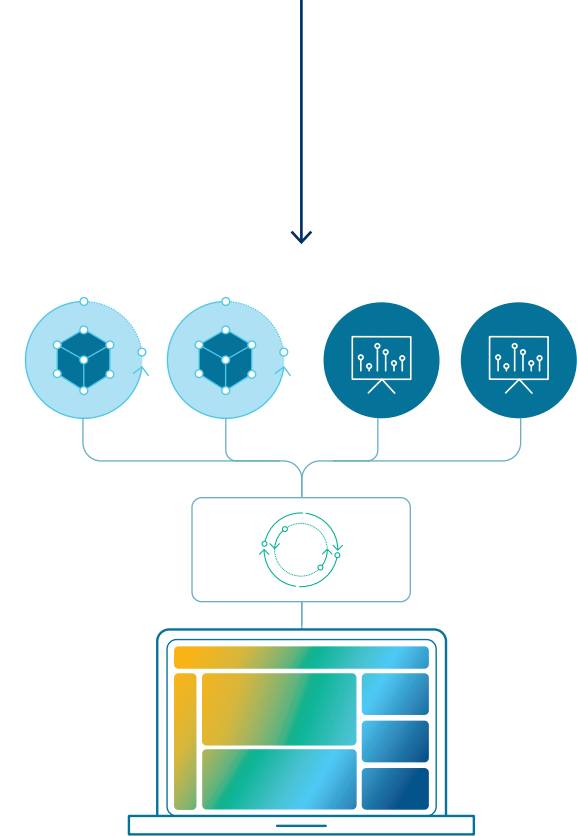


### External custody providers

- Incomplete visibility across custodians for funds managing comingled assets
- Limited insight into available inventory reduces profitability of securities lending opportunities
- Lagged cash and redemptions data leads to underinvestment and suboptimal liquidation decisions

## Custody and Back Office

Custodial data is a potential source of returns, providing the front office with a real-time view of investable cash, unpledged collateral and securities available for lending.



### Custody on the Alpha desktop

- End-to-end, fully automated straight-through processing reduces risk and speeds visibility into positions, cash and exposures
- Real-time inventory can increase profitability of securities lending operations
- Integrated transfer agency data lets portfolio managers put cash to work faster, and manage redemptions to minimize portfolio impact



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