

# **A timeline of State Street's ETF servicing innovations**



**First ETF platform and service model to support the original domestic equity ETF.**

**1993**

**INNOVATION**

**IMPACT**



The introduction of the ETF investment wrapper in the US served as the model for other markets and asset classes.

**First service model  
to support global equity securities.**

**1996**

**INNOVATION**

**IMPACT**

Expanded the ETF investment wrapper to global equity securities, enabling clients to broaden the asset classes in their portfolios.

**First service  
model to support  
Hong Kong-domiciled ETFs.**

**1999**

**INNOVATION**

**IMPACT**

Expanded the ETF investment wrapper to the Hong Kong market, enabling clients to launch products to satisfy local demand.

**First service model to support  
ETFs domiciled in Australia  
and Luxembourg.**

**2001**

**INNOVATION**

**IMPACT**

Began offering the ETF investment wrapper  
to the local Australia and Luxembourg markets.

**First assisted trading process, allowing APs to use State Street as an agency-only broker/dealer to execute trades for restricted securities on their behalf.**

**2007**

**INNOVATION**

**IMPACT**



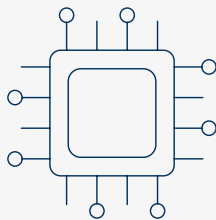
This eliminated the need for manual custom orders, creating straight-through processing automation for clients. The use of assisted trading replaced cash trades with in-kind trades, enhancing tax efficiency.

**Automated order entry for APs  
of US-domiciled ETFs allowing for  
up-to-date display, routing, approvals  
and reporting across all parties.**

**2008**

**INNOVATION**

**IMPACT**



Automated workflows replaced the use of phone calls and faxes with a web-based platform and created electronic connectivity across the ETF ecosystem.

**First automated performance  
and investment analytics service  
that decomposes the NAV by breaking  
down tracking errors into  
specific components.**

**2011**

**INNOVATION**

**IMPACT**



This process was historically done via spreadsheets  
and manual intervention by ETF sponsors.



**First electronic primary market trading platform in the Canadian ETF market. Our Fund Connect<sup>SM</sup> platform automates order entry for designated brokers.**

**2011**

**INNOVATION**

**IMPACT**

Automated workflows replaced the use of phone calls and faxes with a web-based platform and created electronic connectivity across the ETF ecosystem.

**Used enhanced technology to redesign  
and globalize our ETF Platform.**

**2012**

**INNOVATION**

**IMPACT**

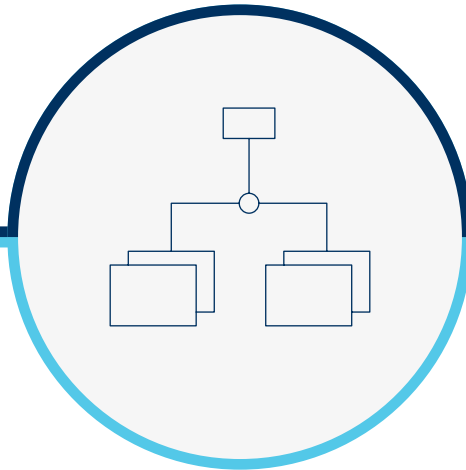
Our global platform created a consistent output and standardized operating model. Integration with core enterprise solutions reduced errors and improved turnaround times.

**First master-feeder structure allowing clients to process create/redeem orders at the feeder level, and process and directly settle in-kind activity to the master account.**

**2012**

**INNOVATION**

**IMPACT**



Enabled clients to leverage the economies of scale of the master-feeder structure within the ETF investment wrapper.

**First electronic primary market trading platform in Asia Pacific.**  
**Our Fund Connect<sup>SM</sup> platform automates order entry for participating dealers of Hong Kong-domiciled ETFs.**

**2013**

**INNOVATION**

**IMPACT**

This replaced the use of phone calls and faxes with a web-based platform and created electronic connectivity across the ETF ecosystem.

**Expanded the ETF basket client  
view to our Springboard<sup>SM</sup> iPad app.**

**2013**

**INNOVATION**

**IMPACT**

Enabled clients to review and approve baskets on their mobile devices, as opposed to using a desktop to access the ETF Dashboard via [my.statestreet.com](http://my.statestreet.com).

**First multi-client electronic primary market trading platform in the European ETF market. Fund Connect<sup>SM</sup> automates creation/redemption order entry of European-domiciled ETFs.**

**2014**

**INNOVATION**

**IMPACT**

Replaced the use of phone calls and faxes with a web-based platform and created electronic connectivity across the ETF ecosystem.

**Worked with the depository and regulators to develop operating models that support each of the semi-transparent actively-managed ETF structures for a turnkey solution for our clients.**

**2014**

**INNOVATION**

**IMPACT**

Invited to develop and present an operating model for semi-transparent ETF structures to the DTCC and SEC. This included Precidian ActiveShares<sup>®</sup>, T. Rowe Price, Fidelity and Natixis / NYSE structures.

**Key player in the development  
of the ICSD settlement model  
for ETFs in Europe.**

**2014**

**INNOVATION**

**IMPACT**

A centralized model to settle ETF shares in the European market reduced fragmentation and settlement failures.



**Introduced a cash-in-lieu trading service allowing fund sponsors to use State Street to execute cash-in-lieu trades and foreign exchanges in restricted markets.**

**2015**

**INNOVATION**

**IMPACT**

This service decreased operational risk for the fund sponsor and improved execution.

**Created a OTC Delivery Versus  
Payment dealing model  
for European ETFs.**

**2015**

**INNOVATION**

**IMPACT**

Increased the ability to settle ETF shares on T+1 basis  
independently of the underlying basket.

**Developed a currency hedge  
share-class model for ETFs  
in Europe.**

**2015**

**INNOVATION**

**IMPACT**

Allowed clients to launch multiple currency hedge versions of the same sub-fund, thereby reducing costs and timelines for new launches.

**First service model for  
the NextShares® semi-transparent  
exchange-traded managed fund structure.**

**2016**

**INNOVATION**

**IMPACT**



Supported Eaton Vance in launching the first semi-transparent exchange-traded product in the US marketplace. Worked with the client, exchange and AP to ensure the operating model worked for all constituents.

**First end-to-end solution for processing and settlement of fixed-income ETF basket by integrating Fund Connect<sup>SM</sup> and our global ETF platform with Bloomberg's BKST<GO> fixed-income ETF basket tool.**

**2016**

**INNOVATION**

**IMPACT**



This integrated solution created an efficient, automated process for negotiated orders.

**Received executive committee approval to provide administrative services to digital currency ETFs.**

**2017**

**INNOVATION**

**IMPACT**

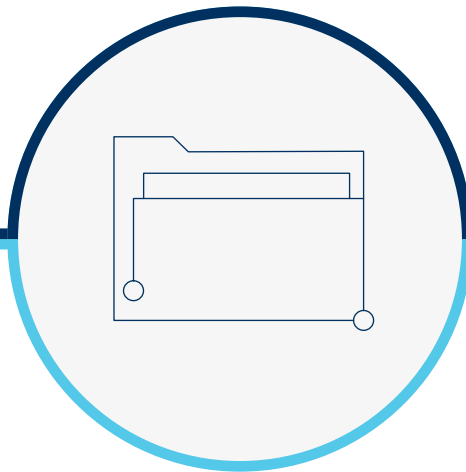
Hired by the Winklevoss ETF Trust to service bitcoin ETF.  
Received approval to serve as administrator for the digital currency ETF.

**Introduced the Basket Modeling Application (BMA) to assist ETF managers with the creation of portfolio composition files and the publication of trade-date holdings.**

**2018**

**INNOVATION**

**IMPACT**



Developed a tool to create automated basket files for our ETF sponsor clients, as well as a trade-date holdings file to meet their regulatory requirements to publish specific information on their websites.

**First service offering and authorized participant representative (APR) for semi-transparent ETF utilizing Precidian ActiveShares® structure.**

**2020**

**INNOVATION**

**IMPACT**



Enhanced technology to support new workflow and partnered with Global Markets to introduce the authorized participant representative (APR) to the ecosystem.



# First service offering for semi-transparent ETFs utilizing proxy and tracking basket models.

## 2020

INNOVATION

IMPACT



Enhanced performance and investment analytics technology to support new reporting/transparency requirements of proxy baskets.

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