

Outsourced Trading Solutions

Bringing trading into the front-to-back workflow

Firms regularly evaluate their front-to-back operating models to achieve cost savings, gain economies of scale and improve operational efficiencies. Often, trading has not been included in their decision-making process.

Our Outsourced Trading Solutions let you consolidate your trading onto a single execution desk, with our team managing the entire front-to-back trade lifecycle. Because each client's setup is different, we will work closely with you to identify potential efficiencies and workflow improvements that enhance your operations and help maximize cost savings.

How does it work?

Optimized execution

State Street's global execution desk can replace the multiple broker connections clients typically have. Leveraging our expertise, scale and global reach, you can concentrate on expanding into new markets and asset classes or realigning your trading,



Optimized trading via State Street's global, multi-asset (EQ, FI, ETF) execution desk with access to 200+ counterparties



Cost savings and operational efficiencies via end-to-end lifecycle management including transaction monitoring and SWIFT¹ messaging to custodians



Automated FX processing via SWIFT¹ messaging to State Street's rules-based FX system

investment and operations personnel to focus on their most critical alpha-generating functions — leaving the rest to our desk. Our desk receives orders from a client's order management system (OMS) via a standard FIX connection. We fill these orders via a broad panel of external liquidity venues such as brokers, algos or buy-side liquidity (including algos/brokers from your existing relationship/broker wheels if requested), then send these fills back to the OMS.

Front-to-back trade lifecycle management

We provide a seamless, front-to-back trade management service that manages your full trade settlement process leading to cost savings and operational efficiencies.

Our team proactively monitors and triages fails and sends all trade instructions via SWIFT¹ to your State Street (or third-party) custody account. If directed, we can also automate all security-related FX execution and settlement via a SWIFT¹ message to our State Street FX system.

Data, analytics and expert insights

With our solution, you continue to have access to your broker research in addition to State Street research, third-party / independent transaction cost analytics (TCA), position reporting and support from our portfolio strategy team who will help strategize pre-trade execution and analyze post-trade TCA reports.

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¹ SWIFT capabilities are currently available via our US-domiciled entity State Street Bank & Trust Company. Clients wishing to contract with a non-US entity will have access to these SWIFT capabilities in the near future upon full integration of the CF Global entities into the State Street infrastructure. Please contact your State Street representative for more information

Our solutions at work: client case study

A long-standing State Street client was looking to optimize their operating model. With US\$10 billion in assets under management, the client had 30 funds in Global Equity and Fixed Income, and multiple custodians (including State Street). Increasing operating expenses meant they faced pressure from their board of directors to cut costs.

Working closely with the client, our Outsourced Trading Solutions team reviewed their existing front-to-back trade and settlement workflow and identified various areas of cost-saving potential.

Our initial findings included:

- **Trading:** Overly complex broker panel with high commission rates
- **Order management system:** Maintaining two separate OMS platforms
- **Complicated middle-office setup:** Multiple middleware platforms, redundant reconciliations, unnecessary matching and allocations with brokers
- **Inefficient custodian messaging:** Third-party delivery of trade instructions to custodians
- **Manual FX processing:** Manual FX trade file being sent to State Street FX
- **Limited data and analytics:** Access to broker research only
- **Staffing:** 100+ Investment Trading & Operation personnel

We worked in partnership with the client to recommend and implement an optimized workflow which generated the following results:

- **Multi-asset trading via State Street's Outsourced Trading desk:** 24/6 coverage providing broker-neutral execution that leverages a global panel of over 200 broker counterparties – eliminating the need for multiple broker connections and reducing commission rates
- **Order generation via one OMS:** Eliminated the need for multiple buy-side OMS platforms
- **Trade settlement monitoring:** State Street's team monitor and triage fails working directly with the client's custodians
- **Seamless integration to custody:** Automated delivery of trade settlement instructions to the client's custodians via SWIFT¹
- **Automated FX:** All security-related FX execution and settlement automated via SWIFT¹ to State Street FX
- **Enhanced data, analytics and expert insights:** Maintained access to broker research and gained access to our suite of research, reports, TCA with support from our Portfolio Strategy Team
- **Realigned focus:** 70+ client team members now free to focus on more critical alpha-generating functions

As a world-leading asset servicer, we are well-positioned, to help clients optimize their workflows while maintaining a focus on high levels of execution quality.

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