

June 30, 2016

Statement of Financial Condition and Supplementary Information Unaudited

State Street Global Markets, LLC
(A wholly-owned subsidiary
of State Street Corporation)



STATE STREET.

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STATEMENT OF FINANCIAL CONDITION

June 30, 2016

Assets:

Cash and cash equivalents	\$ 281,324,646
Cash and cash equivalents segregated in compliance with federal regulations	271,681,163
Securities segregated in compliance with federal regulations	19,981,200
Deposits with clearing organizations	63,766,151
Receivable from broker-dealers and clearing organizations	222,757,416
Receivable from customers	38,423,838
Receivable from affiliates	5,218,412
Distribution fees receivable	5,204,731
Exchange memberships	1,917,300
Other intangible assets, net of accumulated amortization of \$37,123,045	11,606,955
Other assets	7,183,353
Total assets	929,065,165

Liabilities and member's equity

Liabilities:

Payable to broker-dealers and clearing organizations	\$ 4,674,284
Payable to customers	81,052,080
Short-term borrowings from Parent	29,000,000
Payable to affiliates	204,401,802
Accrued tax liability	4,454,318
Deferred tax liability, net	2,598,259
Accrued marketing expense	379,334
Accrued expenses and other liabilities	10,349,844
Total liabilities	336,909,921

Subordinated liabilities	75,000,000
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Member's equity	517,155,244
Total liabilities and member's equity	929,065,165

The accompanying notes are an integral part of this statement of financial condition.

NOTES TO STATEMENT OF FINANCIAL CONDITION

June 30, 2016

1. Organization and Description of Business

State Street Global Markets, LLC (the Company), a Delaware single-member limited liability company, is a wholly-owned subsidiary of State Street Corporation (the Parent). The Parent's liability is limited to the amount of its equity and subordinated liabilities contribution, as shown in the Statement of Financial Condition. The Company was incorporated on April 21, 1999, and its existence has been deemed perpetual.

The Company is a U.S. Securities and Exchange Commission (SEC) registered clearing broker-dealer, and a Commodity Futures Trading Commission (CFTC) designated Futures Commission Merchant (FCM). The Company is a member of the Financial Industry Regulatory Authority (FINRA), the National Futures Association (NFA), and the New York Stock Exchange (NYSE). The Company is engaged as a securities broker-dealer that comprises several classes of services, including principal transactions, agency transactions, exchange traded fund and mutual fund distribution, as well as the execution and clearance of exchange traded futures and options on futures contracts. The Company announced its intention to exit the clearing of futures and options due to evolving conditions in the cleared derivative market and client demand for this service. Transition management is a service provided to asset owners that are changing managers or restructuring a portfolio. Transactions that result from transitions may be executed through the Company. Additionally, the Company has developed a trading system that enables high volume trades to be processed efficiently and effectively based on real-time market conditions. The system enables the processing of block trades, away from the exchange, at prices mutually agreed upon.

2. Significant Accounting Policies

The Statement of Financial Condition has been prepared in accordance with accounting principles generally accepted in the United States (GAAP). Significant accounting policies are as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of Statement of Financial Condition in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Statement of Financial Condition and the accompanying notes. Actual results could differ from those estimates.

Subsequent Events

Events occurring subsequent to the date of the Statement of Financial Condition were evaluated through August 29, 2016, the date the Statement of Financial Condition were made available.

Cash and Cash Equivalents

Cash and cash equivalents represent cash on deposit with financial institutions and highly liquid investments with original maturities of less than ninety days that are not held for sale in the ordinary course of business. These investments include demand deposits and money market securities.

Cash and Cash Equivalents Segregated in Compliance with Federal Regulations

Cash and cash equivalents segregated in compliance with federal regulations consists of cash and cash equivalents deposited in special bank accounts for the exclusive benefit of customers under Section 4d(2) of the Commodity Exchange Act as well as Regulation 30.7 of the CFTC. Funds are also invested in money market mutual funds in the IEF2 Program offered by the Chicago Mercantile Exchange (CME). Funds invested in the IEF2 Program can be used to meet performance bond requirements at the CME. Funds may also be invested in the money market fund program offered by CME approved depository banks.

Securities Segregated in Compliance with Federal Regulations

Securities segregated in compliance with federal regulations consist of U.S. Treasury bills deposited in a special reserve bank account for the exclusive benefit of customers under SEC Rule 15c3-3. These securities are carried at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits with Clearing Organizations

Cash and securities are kept on deposit with various clearing organizations, and represent the minimum balance required to be maintained in order to utilize various clearing brokers. These balances are subject to withdrawal restrictions such that the Company would be prohibited from doing business with the clearing brokers if the minimum cash or security balance on deposit is not maintained.

Fair Value of Financial Instruments

Securities owned are recorded on a trade date basis and are reported at fair value.

Receivable from and Payable to Broker-Dealers and Clearing Organizations

Receivable from broker-dealers and clearing organizations includes amounts receivable for fails to deliver, cash deposits for securities borrowed, amounts receivable from clearing organizations, and commissions receivable from broker-dealers. The Company typically borrows securities when securities are needed to deliver against a settling transaction, such as non-standard settlements requested by a customer or a fail to deliver. Securities borrowed transactions require the Company to deposit cash or other collateral with the lender. The initial collateral advanced has a fair value equal to or greater than the fair value of the securities borrowed. The Company monitors the fair value of the securities borrowed on a regular basis, and adjusts the collateral as appropriate. Payable to broker-dealers and clearing organizations include amounts payable for fails to receive and amounts payable to clearing organizations on open transactions.

Receivable from and Payable to Customers

Receivable from customers consists of amounts owed by customers which are collateralized by securities owned by the customer and commissions earned as well as futures margin transactions.

Payable to customers consists of amounts owed to customers pending receipt of securities and payables arising from the Company's commission recapture business as well as futures margin collected.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Intangible Assets

Other intangible assets represent purchased assets that can be distinguished from goodwill because of contractual rights, or because the asset is capable of being exchanged on its own or in combination with a related contract, asset, or liability.

Finite-lived identifiable intangible assets are amortized on a straight-line basis over their estimated useful lives, which range from five to twenty years from the date of original acquisition. Identifiable intangible assets are reviewed for impairment at least annually, or more frequently when circumstances indicate impairment could exist. Impairment is deemed to exist if the balance of the identifiable intangible asset is determined not to be recoverable. Identifiable intangible assets are reflected in the Statement of Financial Condition at cost less accumulated amortization.

Exchange Memberships

Exchange memberships represent ownership interests in domestic exchanges, and provide the Company with the right to conduct business on those exchanges. The exchange memberships are seats with the CME, IMM, IOM, GEM and CBOT exchanges. These seats are able to be traded and historical sale prices are publicly available. The Company has historically carried the assets at cost as any decline in fair value was deemed to be only temporary. Upon the decision to exit the FCM business, the assets were reclassified to held-for-sale and adjusted to fair value since it is less than the carrying value. An impairment charge of \$2.3 million was taken on these assets from its cost basis of \$4.2 million.

Securities Transactions

Securities transactions are recorded on a trade date basis.

Income Taxes

The Company is a single-member limited liability company for federal, state, and local corporate income tax purposes and, accordingly, was not subject to federal, state, and local corporate income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Parent allocates income tax expense to the Company as if the Company filed a separate tax return, and the Company reimburses the Parent for the expense recognized. The Company has computed its income tax provision on a separate entity basis using the liability method in accordance with relevant guidance and its intercompany tax sharing agreement.

Tax Uncertainty

In accordance with relevant accounting guidance, an entity is permitted to recognize the benefit of uncertain tax positions only where the position is “more likely than not” to be sustained in the event of examination by tax authorities based on the technical merits of the position. The maximum tax benefit recognized is limited to the amount that is greater than 50% likely to be realized upon ultimate settlement.

3. Income Taxes

As of June 30, 2016 the Company has a net deferred tax liability of \$2,598,259. Of the net deferred tax liability, the Company had a deferred tax liability related to other intangible assets of \$3,487,719 and a deferred tax asset of \$889,460 related to accrued expenses and investments.

Pursuant to an intercompany tax-sharing agreement with the Parent, the Company accrues state tax expense, which is also paid to or received from the Parent as part of an intercompany tax-sharing agreement.

In compliance with relevant accounting guidance, the Company has identified no uncertain tax positions as of June 30, 2016. The earliest year open to examination is 2012.

4. Other Intangible Assets

The Company completed its annual review of other intangible assets as of August 31, 2015, and determined no impairment charge was required. Subsequent to August 31, 2015, no events have occurred or circumstances have changed that would reduce the fair value of other intangible assets below its carrying value.

4. OTHER INTANGIBLE ASSETS (CONTINUED)

The following table summarizes other intangible assets as of June 30, 2016:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
SPDR ETF marketing rights	\$18,000,000	\$17,454,545	\$ 545,455
Software	11,500,000	10,733,352	766,648
Customer lists	19,230,000	8,935,148	10,294,852
Total	\$48,730,000	\$37,123,045	\$11,606,955

5. Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Financial assets and liabilities carried at fair value on a recurring basis are categorized based upon a prescribed three-level valuation hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 — Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market. Examples of Level 1 financial instruments include active exchange-traded equity securities and certain U.S. government securities.

Level 2 — Financial assets and liabilities whose values are based on quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability. An example of Level 2 financial instruments includes money market mutual funds.

Level 3 — Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable in the market and significant to the overall fair value measurement. These inputs reflect management's judgment about the assumptions that a market participant would use in pricing the asset or liability, and are based on the best available information, some of which is internally developed.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

At June 30, 2016 there were no financial instruments classified in Level 3.

The following table presents information about the Company's financial assets and liabilities carried at fair value in the Statement of Financial Condition as of June 30, 2016:

Assets	Quoted Market Prices in Active Markets (Level 1)	Pricing Methods with Significant Observable Market Inputs (Level 2)	Pricing Methods with Significant Unobservable Market Inputs (Level 3)	Total Net Carrying Value in Statement of Financial Condition
Cash equivalents	\$ -	\$253,729,008	-	\$253,729,008
Cash equivalents segregated in compliance with federal regulations	-	107,317,339	-	107,317,339
Securities segregated in compliance with federal regulations	-	19,981,200	-	19,981,200
Other Assets:				
US Government	-	6	-	6
Equity securities	-	-	-	-
Total assets carried at fair value	\$ -	\$381,027,553	\$ -	\$ 381,027,553
Liabilities				
Securities sold, not yet purchased, at fair value:				
Equity securities	-	229	-	229
Total Liabilities carried at fair value	\$ -	\$ 229	\$ -	\$ 229

5. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The inputs or methodology used to value an investment are not necessarily an indication of the risk associated with investing in those securities.

There were no transfers of financial assets between levels during the period ended June 30, 2016.

The fair value of highly liquid, short term assets, including cash, securities, receivables, payables, and accrued expenses approximates their carrying value given that they are short term in nature, bear interest at current market rates, or are subject to re-pricing, generally on a daily basis.

6. Receivable from and Payable to Broker-Dealers and Clearing Organizations

At June 30, 2016, amounts receivable from and payable to broker-dealers and clearing organizations include:

Receivables:

Clearing organizations	\$ 139,401,898
Securities pending settlement	28,161,404
Cash collateral receivable	9,730,048
Securities failed to deliver	10,464,562
Commissions and transaction fees	7,822,432
Securities borrowed	22,420,629
Marketing agent fees	4,756,443
Total receivables	\$ 222,757,416

Payables:

Securities failed to receive	\$ 2,917,493
Broker-dealers	1,756,791
Total payables	\$ 4,674,284

All material fail to deliver and fail to receive transactions and securities pending settlement settled subsequent to June 30, 2016 without any adverse financial effect.

6. RECEIVABLE FROM AND PAYABLE TO BROKER-DEALERS AND CLEARING ORGANIZATIONS (CONTINUED)

7. Receivable from and Payable to Customers

At June 30, 2016, amounts receivable from and payable to customers include:

Receivables:

Securities pending settlement	\$ 38,312,077
Futures margin pending settlement	111,761
Total receivables	\$ 38,423,838

Payables:

Futures margin collected	\$ 59,325,483
Commission sharing payables	14,099,524
Securities pending settlement	5,942,082
Commissions payable	1,684,991
Total payables	\$ 81,052,080

All material transactions settled subsequent to June 30, 2016 without any adverse financial effect.

8. Concentration Risk

The Company provides investment and related services to a diverse group of domestic customers, including institutional investors and broker-dealers. The Company's exposure to risk associated with these transactions is measured on an individual customer or counterparty basis. To reduce the potential for risk concentration, credit limits are established and continually monitored in light of changing customer and market conditions. In the normal course of providing such services, the Company requires collateral on a basis consistent with industry practice or regulatory requirements. The type and amount of collateral are continually monitored, and counterparties are required to provide additional collateral as necessary.

A significant portion of the Company's revenues were derived from its role as marketing agent of the SPDR® Gold Trust. This revenue could be adversely affected by any number of market events, such as price volatility, new entrants into the market space, or economic conditions.

9. Risk Management

Customer Activities and Credit Risk

In the normal course of business, the Company's activities involve the execution and the settlement of customer securities transactions. These activities may expose the Company to risk in the event the customer is unable to fulfill its contractual obligation. Credit risk represents the maximum potential loss the Company faces due to the possible nonperformance by customers.

The Company's customer securities activities are transacted on a delivery versus payment basis. In delivery versus payment transactions, the Company is exposed to risk of loss in the event of the customer's or broker's inability to meet the terms of their contracts. Should the customer or broker fail to perform, the Company may be required to complete the transaction at prevailing market prices. In addition, the Company has entered into indemnification agreements with certain clearing organizations whereby the Company has agreed to compensate the clearing organizations for any damages or losses caused by a customer introduced by the Company. The Company does not extend credit to customers in the form of margin accounts and generally settles securities transactions on its customers' behalf on a delivery versus payment/receive versus payment basis.

The Company's exposure to credit risk can be directly impacted by volatile securities markets that may impair the ability of counterparties to satisfy their contractual obligations. The Company seeks to manage its credit risk through a variety of reporting and control procedures, and by applying uniform credit standards maintained for all activities with credit risk. The Company's credit exposure related to futures commission merchant activity is mitigated as all transactions are cleared through an exchange, and are collateralized by both initial and daily margin requirements that are set by the exchange. Also, the Company performs a thorough credit review of each futures customer. The Company may require customers to post additional margin dependent on the credit review and the volatility of the contracts traded.

9. RISK MANAGEMENT (CONTINUED)

Liquidity Risk

The Company holds a significant portion of its assets in cash and short-term highly liquid money market instruments. As of June 30, 2016, total cash held was \$28 million and money market instruments were \$254 million which represents 30.3% of total assets. These assets are represented in Cash and Cash Equivalents on the Statement of Financial Condition. The Company also monitors its liquidity on a daily basis. All bank accounts and depository accounts are monitored intraday to ensure sufficient funding to comply with the securities and futures clearing regulations. Additionally, the Company has an unsecured line of \$1.25 billion with the Parent to draw down upon to provide liquidity based upon the funding need of the entity.

Market Risk

Market risk is the potential loss the Company may incur as a result of changes in the market or fair value of a particular financial instrument. All financial instruments are subject to market risk.

The Company's exposure to market risk is determined by a number of factors, including size, duration, composition, and diversification of positions held, as well as market volatility and liquidity. The Company manages market risk by setting, monitoring, and adhering to risk limits.

Exchange Member Guarantees

The Company is a member of exchanges that trade and clear futures contracts. Associated with these memberships, the Company may be required to pay a proportionate share of the financial obligations of another member who may default on its obligation to the exchange. Although the rules governing different exchange memberships vary, in general, the Company's guarantee obligations would arise only if the exchange had previously exhausted its resources. In addition, any such guarantee obligation would be apportioned among the other non-defaulting members of the exchange. Any potential contingent liability under these membership agreements cannot be estimated. The Company has not recorded any contingent liability in the Statement of Financial Condition for this agreement, and believes that any potential requirement to make payments under this agreement is remote.

9. RISK MANAGEMENT (CONTINUED)

Other Guarantees

The Company also executes and clears commodity futures transactions for the accounts of its customers. Certain transactions are introduced to other clearing brokers. As such, the Company guaranteed to respective clearing houses or other brokers its customers' performance under these contracts. In accordance with regulatory requirements and market practice, the Company requires its customers to meet, at a minimum, the margin requirements established by each of the exchanges at which contracts are traded. Exchange traded financial instruments, such as futures and options, generally do not give rise to significant unsecured counterparty exposure. Risk arising from customer positions is managed based on margin requirements equivalent to exchange margins. Margin is a deposit from the customer that reduces risk to the Company of failure by the customer to fulfill obligations under these contracts. To minimize its exposure to risk of loss due to market variation, the Company adjusts these margin requirements as needed.

As a result of market variations, the Company may satisfy margin requirements by liquidating certain customer positions. The Company also establishes credit limits for customers and monitors credit compliance daily. Management believes that the margin deposits held at June 30, 2016 were adequate to minimize the risk of material loss that could be created by positions held at that time.

In the normal course of business, certain activities of the Company involve the execution and clearance of customer securities transactions through clearing brokers. These activities may expose the Company to off-balance-sheet risk in the event a customer is unable to fulfill its contractual obligation since, pursuant to the clearing agreement, the Company has agreed to indemnify the clearing brokers without limit for losses that the clearing brokers may sustain from the clients introduced by the Company. However, the transactions are collateralized by the underlying security, thereby reducing the associated risk to changes in the market value of the security through the settlement date. As a result of the settlement of these transactions, there were no amounts to be indemnified to clearing brokers for these customer accounts at June 30, 2016.

10. Regulatory Requirements

As a registered broker-dealer and futures commission merchant, the Company is subject to the higher of the net capital requirements of the SEC's Uniform Net Capital Rule under Rule 15c3-1 of the Securities Exchange Act of 1934 (Rule 15c3-1) and the CFTC's Rule 1.17 (Rule 1.17), respectively. The Company has elected to use the alternative method of computing regulatory net capital requirements provided for in Rule 15c3-1. Under the alternative method permitted by Rule 15c3-1, the Company must maintain net capital equal to the greater of 2% of aggregate customer-related debit items, as defined, or \$250,000, whichever is greater. The Company is also subject to a minimum net capital requirement of \$1,000,000 or 8% of customer and noncustomer maintenance margin requirements, whichever is greater under Rule 1.17.

At June 30, 2016, the Company's net capital was \$532,231,131 which was \$512,677,402 in excess of the minimum required net capital of \$19,553,729 under Rule 1.17.

Under clearing arrangements with its clearing brokers, the Company is required to maintain certain minimum levels of net capital to comply with other financial ratio requirements. At June 30, 2016, the Company was in compliance with all such requirements.

In accordance with the requirements of the SEC's Customer Protection: Reserves and Custody of Securities under Rule 15c3-3, the Company has segregated U.S. Treasury bills with a fair value of \$19,981,200 in a special reserve bank account for the exclusive benefit of customers.

In accordance with the requirements of CFTC segregation under 4d(2) of the Commodity Exchange Act as well as the secured requirement under Regulation 30.7, the Company must compute its customer requirements in each of the separate categories and ensure that amounts set aside to cover these obligations. At June 30, 2016, the Company had excess segregated funds of \$128,040,328 and excess 30.7 secured funds of \$48,575,625.

Advances to affiliates, repayment of borrowings, dividend payments, distributions and other equity withdrawals are subject to certain notification and other provisions of Rule 15c3-1 and other regulatory bodies.

11. Related-Party Transactions

The Company enters into transactions in the ordinary course of business with the Parent and certain other affiliated entities, such as the Parent, which may include purchases of securities under agreements to resell, short-term financing, and deposits.

Cash and Cash Equivalents

Included in cash and cash equivalents in the Statement of Financial Condition is cash of \$26,681,451 which is held on deposit at State Street Bank & Trust ("SSBT"), and cash equivalents of \$253,729,008 which is invested in a money market mutual fund, managed by an affiliate, State Street Global Advisors Funds Management, Inc. ("SSGA FM").

Funding Arrangements

The Company meets its short-term financing needs through an uncommitted, unsecured line of credit with its Parent, which has a \$1.25 billion limit. The agreement also provides from time to time for a greater line amount as agreed upon in writing between both parties. The unsecured line of credit was established on December 2, 2013 with a stated maturity of three years. As of June 30, 2016, this facility had an outstanding balance of \$29,000,000. The unsecured line was drawn down upon nine times during the period with the largest drawdown amount of \$892 million.

Subordinated Liabilities

Effective September 14, 2011, the Company extended a subordinated liability agreement with its Parent for \$75,000,000, for a term of four years with an evergreen provision. Thus, the maturity date is automatically extended an additional year, unless on or before the day thirteen months preceding the scheduled maturity date then in effect, the Parent notifies the Company in writing, with a written copy to FINRA, that such scheduled maturity date shall not be extended.

In April, the Company paid \$50,000,000 on its maturing subordinated liability agreement with its Parent.

11. RELATED PARTY TRANSACTIONS (CONTINUED)

The subordinated liability is covered by an agreement approved by FINRA, and is therefore available in computing net capital under Rule 15c3-1. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid. At June 30, 2016, \$40,543 was payable to the Parent and included in payable to affiliates in the Statement of Financial Condition.

Distribution Fees

The Company is the distributor of the SPDR® ETFs, which are managed by SSGA FM, an affiliate of the Company. An agreement was entered into in April 2009, whereby SSGA FM has agreed to pay the Company for any and all distribution expenses incurred by the Company in connection with its distribution activities relating to SPDR® ETFs. At June 30, 2016, \$5,204,731 of this amount was a receivable from SSGA FM and included in distribution fees receivable in the Statement of Financial Condition.

Futures Commission Merchant Activities

The Company engages in FCM activity in connection with transactions cleared on behalf of the Parent and affiliates. The Company earns commissions from this activity.

The Company maintains omnibus accounts with its affiliate State Street Bank GmbH London Branch ("GmbH") for FCM activity cleared on behalf of customers and affiliates. As of June 30, 2016, the Company had a receivable of \$3,802,983 from this activity included in receivable from affiliate on the Statement of Financial Condition. In addition, GmbH maintains an omnibus account with the Company for FCM activity cleared on behalf of customers. As of June 30, 2016 the Company had a payable of \$188,877,554 from this activity included in payable to affiliate on the Statement of Financial Condition.

Also, SSBT maintains a principal account for futures clearance. As of June 30, 2016 the Company had a net receivable of \$86,479 from this activity and is included in receivable from affiliates in the Statement of Financial Condition. In addition, the Company accepted collateral of \$2,995,305 in the form of U.S. Treasury securities from SSBT related to initial margin amounts paid to the CME related to open futures contracts as of June 30, 2016.

11. RELATED PARTY TRANSACTIONS (CONTINUED)

Collateralized Short-Term Financing

The Company may borrow equity securities from SSBT to facilitate customer trading activity under security borrowing agreements on terms which permit the Company to repledge or resell the securities to others. SSBT acts as a principal in these transactions to lend securities to the Company. At June 30, 2016, securities with a fair value of \$22,302,540 were obtained by the Company, and \$22,420,629 of cash was given to SSBT as collateral in these securities borrowed arrangements and included in receivable from broker-dealers and clearing organizations in the Statement of Financial Condition.

Expense Allocation

The Parent and its affiliates pay all costs related to Company personnel, including coverage under the Parent's benefit plans. The Parent and its affiliates also provide clearance, legal, accounting, audit, data processing, other administrative support, rent for the use of office space, and equipment to the Company pursuant to a service agreement between the Company and certain affiliates. Under the terms of the service agreement, the Company reimburses the Parent for all services provided. At June 30, 2016, \$15,081,395 of such general and administrative costs was payable by the Company to the Parent, and included in payable to affiliate on the Statement of Financial Condition.

Structured Products

The Company has an agreement with Clipper Tax Exempt, an affiliate for being the remarketing agent for the commercial paper tax exempt program. The remarketing fee agreement is based upon the notional amount traded multiplied by an agreed upon rate. At June 30, 2016, \$136,774 was included in affiliate receivable on the Statement of Financial Condition.

Portfolio Solutions

The Company attributes a portion of its commission revenue/expense and fixed income trading profits/loss relating to its Portfolio Solutions business segment to certain affiliated entities. At June 30, 2016, the Company had a payable balance with State Street Global Markets Canada Inc. for \$244,075 included in payable to affiliates on the Statement of Financial Condition.

11. RELATED PARTY TRANSACTIONS (CONTINUED)

At June 30, 2016, the Company had a receivable balance with State Street Global Markets (Japan) for \$1,192,176 included in receivable to affiliates on the Statement of Financial Condition.

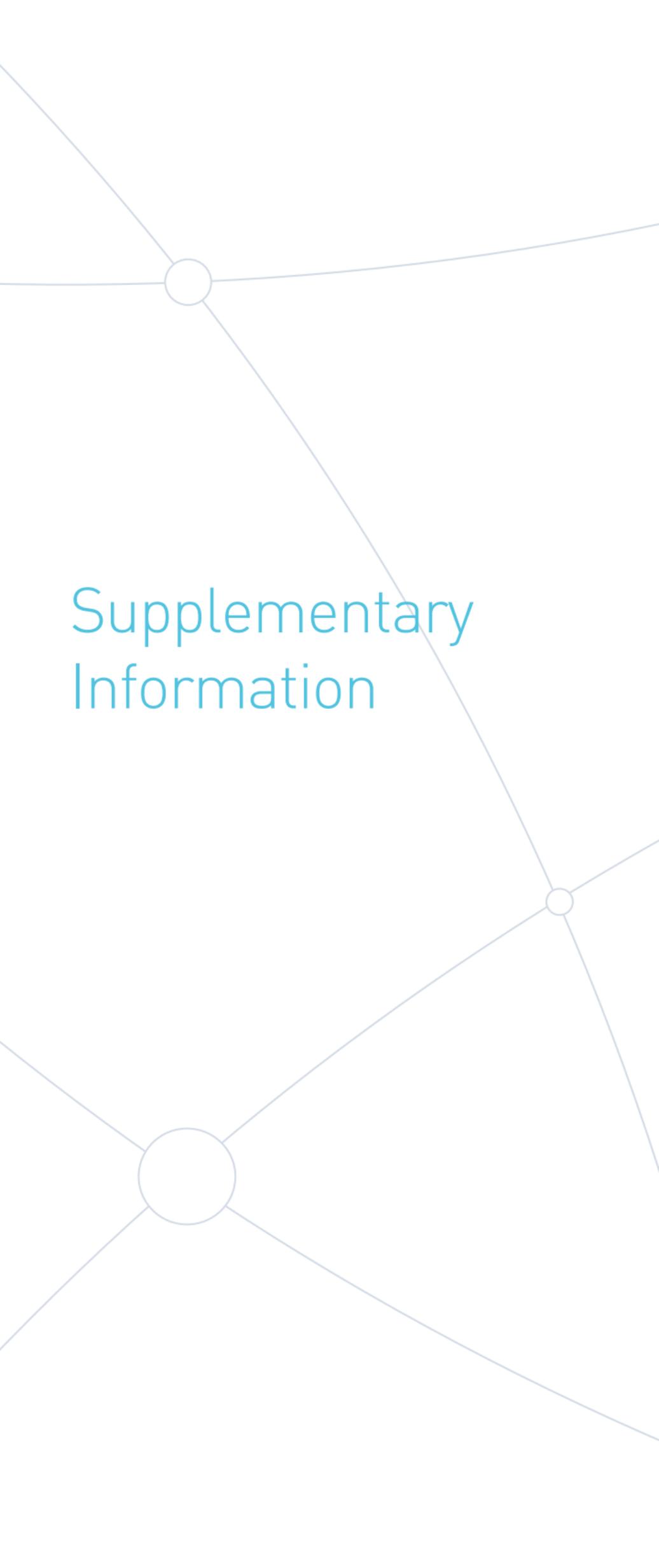
Also, The Company has agreed to pay on behalf of several commission recapture clients a fee related to transaction cost measurement services provided by Elkins/McSherry, LLC an affiliate. At June 30, 2016, \$158,235 was included in affiliate payable on the Statement of Financial Condition.

Guarantees

In conjunction with the withdrawal from clearing Interest Rate Swap (IRS), the Parent has cancelled the \$1 billion guarantee to the CME on behalf of the Company to meet CME clearing member requirements.

12. Subsequent Events

In December 2015, State Street Corporation announced a review of the manner in which its subsidiary, State Street Bank and Trust Company ("SSBT"), invoiced certain expenses to certain of SSBT's Investment Servicing clients, primarily in the United States, during an 18-year period going back to 1998 and a determination that SSBT had incorrectly invoiced clients for expenses in the aggregate amount of approximately \$240 million. SSBT is in communication with certain governmental authorities about these matters, including the Department of Justice, the SEC, the Department of Labor and the Massachusetts Attorney General. In April 2016, the Massachusetts Secretary of State commenced an administrative enforcement proceeding against the Company, alleging that its corporate parent, State Street Corporation, had engaged in allegedly unethical behavior concerning SSBT's expense invoices, and that, in turn, the Company was in violation of state law governing the securities industry by virtue of State Street Corporation's alleged control of the Company. The complaint seeks to impose a censure, a fine and to provide for reimbursement or other relief. As of June 30, 2016 the Company had not established an accrual for this matter.

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Supplementary Information

SCHEDULE I

Computation of Net Capital Pursuant to SEC Rule 15c3-1

June 30, 2016

Member's equity	\$ 517,155,244
Liabilities subordinated to claims of general creditors allowable in computation of net capital	75,000,000
Total capital and allowable subordinated liabilities	592,155,244

Deductions and/or charges

Non-allowable assets:

Cash held at affiliate	\$ 4,200,000
Intangible Assets	11,606,955
Aged Receivables	25,481,863
Other assets	6,098,491
Deductions and/or charges	1,945,950

Net capital before haircuts on securities positions (tentative net capital)	542,821,985
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Less: haircuts on securities	10,590,854
Net capital	\$532,231,131

Alternative net capital requirement

Greater of:

8% of customer and noncustomer maintenance margin requirement (\$19,553,729) or minimum dollar (\$1,000,000)	19,553,729
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2% of aggregate debit items (\$853,727) or minimum dollar (\$250,000)	-
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Net capital requirement	19,553,729
Excess net capital	\$512,677,402

There were no material differences between the Computation of Net Capital included in this report and the corresponding schedule included in the Company's Part IIA FOCUS Filing and reconciliation as of June 30, 2016.

SCHEDULE II

Computation for Determination of Reserve Requirements Pursuant to SEC Rule 15c3-3

June 30, 2016

Credit balances:

Free credit balances and other credit balances in customers' security accounts	\$ 21,726,597
Customers' securities failed to receive	1,319,273
Credit balances in firm accounts attributable to principal sales to customers	839,941
Total credit items	\$23,885,811

Debit balances:

Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection	38,303,369
Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver	2,828,096
Failed to deliver of customers' securities not older than 30 calendar days	1,554,862
Aggregate debit items	42,686,327
Less 3% (for alternative method only)	(1,280,590)
Total 15c3-3 debits	41,405,737

Reserve computation:

Excess of total debits over credits	\$ 17,519,926
Amount held on deposit in reserve account at June 30, 2016	\$19,981,200

There were no material differences between the Computation for Determination of Reserve Requirements included in this report and the corresponding schedule included in the Company's Part IIA FOCUS Filing and reconciliation as of June 30, 2016.

SCHEDULE III

Information Relating to Possession or Control Requirements Pursuant to SEC Rule 15c3-3

June 30, 2016

1. Customers' fully paid and excess margin securities not in the Company's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date but for which the required action was not taken by the respondent within the time frames specified under Rule 15c3-3):

Number of items	Market Value
0	0

2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.

Number of items	Market Value
0	0

SCHEDULE IV

Statement of Segregation Requirements and Funds in Segregation for Customers Trading on U.S. Commodity Exchanges

June 30, 2016

Segregation Requirements (Section 4d(2) of the CE Act)

Net ledger balance:

Cash	\$328,263,029
Securities (at market)	9,113,225
Net unrealized profit (loss) in open futures contracts traded on a contract market	(84,907,083)

Exchange traded options:

Add market value of open option contracts purchased on a contract market	6,133,757
Deduct market value of open option contracts granted (sold) on a contract market	(9,892,622)
Net equity (deficit)	248,710,306

Accounts liquidating to a deficit and accounts with debit balances	111,761
Less: amount offset by customer owned securities	(111,761)
Amount required to be segregated	\$248,710,306

Funds in Segregated Accounts

Net ledger balance:

Cash	\$114,858,099
Securities representing investments of customers' funds (at market)	-
Securities held for particular customers or option customers in lieu of cash (at market)	-

Margins on deposit with derivatives clearing organizations
of contract markets:

Cash	126,684,745
Securities representing investments of customers' funds (at market)	107,317,339
Securities held for particular customers or option customers in lieu of cash (at market)	9,113,225
Net settlement from (to) derivatives clearing organizations of contract markets	12,806,052

SCHEDULE IV (CONTINUED)

Exchange traded options:

Value of open long option contracts	6,133,757
Value of open short option contracts	(9,892,622)

Net equities with other FCMs:

Net liquidating equity	9,730,039
Securities representing investments of customers' funds (at market)	-
Securities held for particular customers or option customers in lieu of cash (at market)	-
Total amount in segregation	376,750,634
Excess (deficiency) funds in segregation	\$128,040,328

There were no material differences between the Statement of Segregation Requirements included in this report and the corresponding schedule included in the Company's Part IIA FOCUS Filing and reconciliation as of June 30, 2016.

SCHEDULE V

Statement of Secured Amounts and Funds Held in Separate Accounts for Foreign Futures and Foreign Options Customers Pursuant to CFTC Regulation 30.7

June 30, 2016

Foreign Futures and Foreign Options Secured Amounts

Net ledger balance:

Cash	\$ 3,979,603
Securities	2,748,401
Net unrealized profit (loss) in open futures contracts traded on foreign board of trade	753,479
Net Equity (deficit)	\$ 7,481,483
Accounts liquidating to a deficit and accounts with debit balances	–
Less: amount offset by customer owned securities	–
Amount required to be segregated	\$ 7,481,483

Funds Deposited in Separate Regulation 30.7 Accounts

Cash in banks:

Banks located in the United States	\$49,505,724
Securities	–
Equities with registered futures commission merchants	–
Amounts held by clearing organizations of foreign boards of trade	–

Amounts held by members of foreign boards of trade:

Cash	\$ 3,049,504
Securities	2,748,401
Unrealized gain/(loss) on open futures contracts	753,479
Value of long option contracts	–
Value of short option contracts	–
Total amounts held by members of foreign boards of trade	6,551,384

Total funds in separate section 30.7 accounts	56,057,108
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Excess (deficiency) of funds in separate section 30.7 accounts	\$48,575,625
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There were no material differences between the Statement of Secured Requirements included in this report and the corresponding schedule included in the Company's Part IIA FOCUS Filing and reconciliation as of June 30, 2016.



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The Statement of Financial Condition filed pursuant to Rule 17a-5 of the Securities and Exchange Commission is available for inspection at the principal office of the Company and at the Boston Regional Office of the Commission.