

June 30, 2017

Statement of Financial Condition and Supplementary Information Unaudited

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



STATE STREET.

STATEMENT OF FINANCIAL CONDITION AND SUPPLEMENTARY INFORMATION

June 30, 2017

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STATEMENT OF FINANCIAL CONDITION

June 30, 2017

Assets:

Cash and cash equivalents	\$ 32,328,351
Securities segregated in compliance with federal regulations	29,913,540
Deposits with clearing organizations	62,411,917
Receivable from broker-dealers and clearing organizations	379,035,216
Receivable from customers	14,525,256
Receivable from affiliates	2,575,121
Intangible assets, net of accumulated amortization of \$10,554,644	8,675,356
Other assets	4,241,717
Total assets	533,706,474

Liabilities and member's equity

Liabilities:

Payable to broker-dealers and clearing organizations	\$ 15,334,435
Payable to customers	17,404,795
Short-term borrowings from Parent	11,000,000
Payable to affiliates	4,875,936
Accrued tax liability	1,484,175
Deferred tax liability, net	3,071,435
Litigation reserve	16,150,000
Accrued fines and penalties	2,000,000
Accrued expenses and other liabilities	2,334,916
Total liabilities	73,655,692

Member's equity	460,050,782
Total liabilities and member's equity	533,706,474

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

NOTES TO STATEMENT OF FINANCIAL CONDITION

June 30, 2017

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 Consolidated Statement of Financial Condition. The Company was incorporated as State Street NewCo, LLC on October 7, 2016, and was designated as a broker-dealer and renamed State Street Global Markets, LLC on May 1, 2017. Its existence has been deemed perpetual.

Reorganization

The Company was established in conjunction with a reorganization effort to repurpose the Parent's legacy broker-dealer formally known as State Street Global Markets, LLC that, prior to May 1, 2017, supported both the State Street Global Advisors (SSGA) fund marketing and distribution businesses (SSGA Services) as well as the brokerage businesses operated within the State Street Global Markets (SSGM) divisions of the Parent (SSGM Services).

Effective May 1, 2017, the legacy broker-dealer formally known as State Street Global Markets, LLC was renamed State Street Global Advisors Funds Distributors, LLC and became a limited purpose broker-dealer providing only the SSGA Services. This entity transferred the SSGM Services to its subsidiary State Street NewCo, LLC (Newco).

Prior to May 1, 2017, Newco was a wholly owned subsidiary of the broker-dealer formally known as State Street Global Markets, LLC. Effective May 1, 2017, NewCo was renamed State Street Global Markets, LLC and became a direct subsidiary of State Street Corporation. The Company was transferred the existing assets and liabilities relating to SSGM Services from SSGA FD, and was infused with capital contributions from SSGA FD. The Company assumed a corresponding transfer of personnel, policies and procedures and other components of the SSGM Services. Other than the transfer itself, the business operations, personnel, policies and procedures, supervisory structure and management of the SSGM Services did not experience any material changes.

1. ORGANIZATION AND DESCRIPTION OF BUSINESS (CONTINUED)

Description of Business

The Company is a U.S. Securities and Exchange Commission (SEC) registered clearing broker-dealer. 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 registered as an Introducing Broker with the NFA and the Commodity Futures Trading Commission (CFTC). The Company supports the brokerage businesses operated within the State Street Global Markets division of Parent (State Street Global Markets or SSGM). 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. 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 BlockCross ATS, which is 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:

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Events occurring subsequent to the date of the Statement of Financial Condition were evaluated through August 29, 2017, the date the Statement of Financial Condition was 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.

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.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

Intangible Assets

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. Intangible Assets reported in the Statement of Financial Condition consist of customer lists.

Finite-lived identifiable intangible assets are amortized on a straight-line basis over their estimated useful lives. 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.

Receivable from and Payable to Affiliates

The receivables from and payables to affiliates reflected in the Statement of Financial Condition are described in further detail in the Related Party Transactions note below.

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 the income tax provisions on separate entity bases 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, 2017 the Company has a net deferred tax liability of \$3,071,435. Of the net deferred tax liability, the Company had a deferred tax liability related to intangible assets of \$3,117,128 and a deferred tax asset of \$45,693 related to accrued expenses.

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.

As of June 30, 2017, the Company has identified no uncertain tax positions. The earliest year open to examination is 2012.

4. Other Intangible Assets

The Company completed the annual review of other intangible assets as of August 31, 2016, and determined no impairment charge was required. Subsequent to August 31, 2016, no events have occurred or circumstances have changed that would reduce the fair value of other intangible assets below its carrying value. (See Note 10).

4. OTHER INTANGIBLE ASSETS (CONTINUED)

The following table summarizes intangible assets as of June 30, 2017:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer lists	\$19,230,000	\$10,554,644	\$8,675,356
Total	\$19,230,000	\$10,554,644	\$8,675,356

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 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. At June 30, 2017 there were no financial instruments classified in Level 3.

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.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents information about the Company financial assets and liabilities carried at fair value in the Statement of Financial Condition as of June 30, 2017:

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	\$ -	\$ 5,237,176	\$ -	\$ 5,237,176
Securities segregated in compliance with federal regulations	29,913,540	-	-	29,913,540
Other Assets:				
US Government	-	5	-	5
Total assets carried at fair value	\$ 29,913,540	\$ 5,237,181	\$ -	\$ 35,150,721

5. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

There were no transfers of financial assets between levels during the period ended June 30, 2017.

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, 2017, amounts receivable from and payable to broker-dealers and clearing organizations include:

Receivables:

Securities pending settlement	\$ 332,344,191
Securities borrowed	19,068,200
Securities failed to deliver	18,598,049
Commissions and transaction fees	9,024,776
Total receivables	\$ 379,035,216

Payables:

Securities failed to receive	\$ 13,028,556
Broker-dealers	2,305,879
Total payables	\$ 15,334,435

All material fail to deliver and fail to receive transactions and securities transactions pending settlement settled subsequent to June 30, 2017 without any adverse financial effect.

7. Receivable from and Payable to Customers

At June 30, 2017, amounts receivable from and payable to customers include:

Receivables:

Securities pending settlement	\$ 14,525,256
Total receivables	\$ 14,525,256

Payables:

Commission sharing payables	15,008,703
Securities pending settlement	1,237,448
Commissions payable	1,158,644
Total payables	\$ 17,404,795

7. RECEIVABLE FROM AND PAYABLE TO CUSTOMERS (CONTINUED)

All material securities transactions pending settlement settled subsequent to June 30, 2017 without any adverse financial effect.

8. Litigation Reserve

In January 2017, the Parent announced that it had entered into a settlement agreement with the U.S. Department of Justice and the United States Attorney for the District of Massachusetts (together, the "DOJ") to resolve their investigation concerning six EMEA-based (Europe, Middle-East and Africa) clients that were overcharged for Transition Management services in 2010 and 2011. Under the terms of the agreement with the DOJ, the Parent will, among other actions, pay a fine of \$32.3 million and enter into a deferred prosecution agreement. The Company was not named party to the DOJ agreement.

Additionally, an agreement on this matter has been reached in principle with the Staff of the SEC. The SEC's complaint specifically named the Parent's legacy broker-dealer in addition to SSBT.

The agreement with the SEC requires the Parent to pay a penalty of \$32.3 million. Resolution of the matter is subject to completion of negotiations with the SEC Staff on the other terms of the settlement, followed by review and consideration by the SEC. Payment will be executed by the Parent, and the Company was transferred a \$16.15 million accrual from the legacy broker-dealer for the Company's portion of the settlements with the SEC, which is recorded as a litigation reserve on the Statement of Financial Condition.

In the normal course of business the Company receives requests from regulators for information and is subject to regulatory examinations. These examinations may result in fines or penalties and aside from the aforementioned settlement with the DOJ and SEC, the Company does not expect the outcome of any pending examinations to have a material impact the financial position, operations, or regulatory capital of the Company.

9. Accrued Fines and Penalties

In October 2016, the legacy broker-dealer self-reported to FINRA and the SEC that it identified some inaccuracies in its responses to electronic blue sheet requests received from these regulators. FINRA responded with a detailed inquiry. The legacy broker-dealer provided an initial response in October 2016, noting that an additional response would be forthcoming following a more detailed review of its blue sheet submissions, with support from initial findings. The legacy broker-dealer completed its detailed analysis and on March 29, 2017 submitted to FINRA a detailed list of the additional issues identified, which included a finding that all blue sheet submissions related to BlockCross ATS orders that cleared via automatic give-up (i.e. all orders from BlockCross subscribers that are broker-dealers) had the buy/sell field transposed, resulting in buy orders being reported as sell orders and vice versa. The legacy broker-dealer had noted to FINRA that it was still working through the process for both correcting identified issues going forward as well and correcting the issues backward looking. With the nature of the blue sheet matter being specific to the SSGM business, the Company has accrued \$0.50 million as accrued fines and penalties on the Statement of Financial Condition.

During an exam of the legacy broker-dealer in 2016, FINRA identified compliance deficiencies with the "WORM", or "write once read many", requirements of Rule 17(a)-4 of the Securities Exchange Act of 1934 with respect to certain electronic order and execution records of the BlockCross ATS. FINRA referred this matter to its enforcement division and requested additional information relating to BlockCross WORM compliance as well as compliance with Rule 17(a)-4 generally. The legacy broker-dealer responded in December 2016 and the compliance department began pulling information relating to compliance with both WORM requirements under Rule 17(a)-4 and related requirements to back-up electronic records with an independent third party. The legacy broker-dealer identified some additional types of electronic records that may not be fully compliant with Rule 17(a)-4. On February 6, 2017, the legacy broker-dealer provided FINRA an update on these additional areas of non-compliance as well as corrective actions that had been taken or were planned to be taken.

9. ACCRUED FINES AND PENALTIES (CONTINUED)

With the nature of the WORM matters being related to the SSGM business, the Company signed a letter of acceptance, waiver and consent on June 23, 2017, in which the Company agrees to censure, a \$1.5 million fine, and a comprehensive review of relevant policies and procedures along with a proposed remedial measure leading to full compliance with WORM requirements of Rule 17(a)-4. At June 30, 2017, the Company had accrued \$1.5 million as accrued fines and penalties on the Statement of Financial Condition. The fine was subsequently paid to FINRA in August 2017.

10. Sale of BlockCross ATS

Due to favorable market conditions, the Company entered into a memorandum of understanding to sell the BlockCross ATS business to a third party on June 22, 2017. The sale officially closed on August 10, 2017, with proceeds of the sale being received into the Company's main operating cash account. The statement of financial condition impact, including the impact on intangible assets, is under evaluation at the time of this filing.

11. 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's 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.

12. 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.

The Company may be required to complete transactions at prevailing market prices, should the customer or broker fail to perform on their obligations. 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.

Liquidity Risk

The Company holds a portion of its assets in cash and short-term highly liquid money market instruments. As of June 30, 2017, total cash held was \$27 million and money market instruments were \$5 million which represents 6% 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.

12. RISK MANAGEMENT (CONTINUED)

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 credit with the Parent to draw down upon to provide liquidity based upon the funding need of the entity as discussed in the Related Party Transaction note.

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 securities transactions. 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.

12. RISK MANAGEMENT (CONTINUED)

Other Guarantees

In the normal course of business, certain activities of the Company involve the execution and clearance of customer securities transactions through a clearing broker. 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, 2017.

13. Regulatory Requirements

As a registered broker-dealer, the Company is subject to 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). 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.

At June 30, 2017, the Company's net capital was \$412,965,408 which was \$412,680,082 in excess of the minimum required net capital of \$285,326 under Rule 15c3-1.

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, 2017, the Company was in compliance with all such requirements.

13. REGULATORY REQUIREMENTS (CONTINUED)

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 \$29,913,540 in a special reserve bank account for the exclusive benefit of customers, which was in excess of its required deposit by \$13,939,073.

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.

14. 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 \$27,091,175 which is held on deposit at State Street Bank & Trust (SSBT), and cash equivalents of \$5,237,176 which is invested in money market mutual funds.

Funding Arrangements

The Company meets its short-term financing needs through a \$1 billion uncommitted, unsecured line of credit with State Street Intermediate Funding. The line was established on December 2, 2016 with a stated maturity of three years, with the lender originally being the Parent. The credit agreement was amended and restated as of July 14, 2017 to reflect the lender as State Street Intermediate Funding, which is a successor in interest to the Parent.

As of June 30, 2017, this facility had an outstanding balance of \$11 million. The unsecured line was drawn down upon fifteen times during the period with the largest drawdown amount of \$479 million.

14. 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 re-pledge or re-sell the securities to others. SSBT acts as a principal in these transactions to lend securities to the Company. At June 30, 2017, securities with a fair value of \$18,645,578 were obtained by the Company, and \$19,068,200 of cash was given to SSBT as collateral in these securities borrowing 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 the Company's 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 and its affiliates for all services provided. At June 30, 2017, \$4,792,659 of such general and administrative costs was payable by the Company to affiliates, and included in payable to affiliate on the Statement of Financial Condition. In addition, there is a \$1,873,452 receivable from State Street Financial Services, Inc. in the form of a deposit, which was established in conjunction with the processing of the Company's payroll and included in the receivable from affiliates on the Statement of Financial Condition.

Structured Products

The Company has an agreement with Clipper Tax Exempt Trusts, 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, 2017, \$311,844 was included in receivable from affiliates on the Statement of Financial Condition.

14. RELATED PARTY TRANSACTIONS (CONTINUED)

Portfolio Solutions

The Company attributes a portion of its commission revenue/expense and fixed income trading profits/loss relating to its Portfolio Solutions business unit to certain affiliated entities. At June 30, 2017, the Company had a receivable balance with State Street Global Markets International Limited for \$389,825 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, 2017, \$82,922 was included in affiliate payable on the Statement of Financial Condition.



Supplementary
Information

SCHEDULE I

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

June 30, 2017

Member's equity	\$ 460,050,782
Deductions and/or charges	
Non-allowable assets:	
Aged Receivables	9,616,558
Intangible assets	8,675,356
Other assets	5,090,187
Cash held at affiliate	20,200,000
Deductions and/or charges	3,346
Net capital before haircuts on securities positions (tentative net capital)	416,465,335
Less: haircuts on securities	3,499,927
Net capital	\$412,965,408

Alternative net capital requirement:

Greater of:

2% of aggregate indebtedness (\$285,326 or
minimum dollar (\$250,000)

Net capital requirement	285,326
Excess net capital	\$412,680,082

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, 2017.

SCHEDULE II

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

June 30, 2017

Credit balances:

Free credit balances and other credit balances in customers' security accounts	\$ 16,848,542
Customers' securities failed to receive	12,964,228
Total credit items	\$ 29,812,770

Debit balances:

Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection	13,029,195
Failed to deliver of customers' securities not older than 30 calendar days	1,237,097
Aggregate debit items	14,266,292
Less 3% (for alternative method only)	(427,989)
Total 15c3-3 debits	13,838,303

Reserve computation:

Required Deposit	\$ 15,974,467
Amount held on deposit in reserve account at June 30, 2017	\$ 29,913,540

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, 2017.

SCHEDULE III

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


June 30, 2017

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



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17-31680

Member of FINRA, SIPC and New York Stock Exchange
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.