

STATEMENT OF FINANCIAL CONDITION

State Street Global Markets, LLC

(a wholly-owned subsidiary of State Street Corporation)

June 30, 2024

(Unaudited)

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Assets

Cash and cash equivalents	\$ 380,362,650
Cash segregated in compliance with federal regulations	30,000,000
Securities segregated in compliance with federal regulations	29,356,362
Deposits with clearing organizations	134,281,405
Receivable from broker-dealers and clearing organizations	109,136,257
Receivable from customers	46,968,008
Securities borrowed from affiliate	2,345,800
Receivable from affiliates	2,515,401
Intangible assets (net of accumulated amortization of \$4,972,500)	877,500
Other assets	3,709,725
Total assets	<u>\$ 739,553,108</u>

Liabilities and member's equity

Liabilities:

Payable to broker-dealers and clearing organizations	\$ 78,292,440
Payable to customers	33,874,031
Payable to affiliates	5,316,978
Accrued tax liability	2,926,098
Deferred tax liability	189,361
Other accrued expenses and liabilities	5,099,380
Total liabilities	<u>125,698,288</u>

Member's equity	618,854,820
Total liabilities and member's equity	<u>\$ 739,553,108</u>

The accompanying notes are an integral part of this Statement of Financial Condition.

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

Notes to Statement of Financial Condition
(Unaudited)

June 30, 2024

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 contribution, as shown in the Financial Statements. 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), the New York Stock Exchange (NYSE) and the Securities Investor Protection Corporation (SIPC). The Company is registered as an Introducing Broker with the NFA and the Commodity Futures Trading Commission (CFTC). The Company is also registered with the Australian Securities and Investments Commission (ASIC) as a foreign company and operates under a class order exemption.

The Company comprises the brokerage businesses operating within the State Street Global Markets and GlobalLink divisions of the Parent. The Company is engaged as a securities broker-dealer that provides several classes of services, including principal transactions and agency transactions. Transition Management is a service provided by affiliated entities to asset owners that are changing managers or restructuring a portfolio. Transactions that result from transitions may be executed through the Company. The Company offers clearing services for US based equity and fixed income markets. The Company also offers introducing services for Europe, Middle East, Africa (collectively, EMEA) and Asia Pacific (APAC) equity and fixed income markets with a fully disclosed clearing arrangement with National Financial Services, LLC (NFS).

The Company provides State Street Fund Connect (Fund Connect), an affiliated proprietary electronic fund platform, to certain investment managers, institutional funds and institutional investors. Fund Connect provides investors access to a wide range of institutional money market funds from leading providers through a single, secure interface and the ability to subscribe to and redeem such funds. Fund Connect is made available on the Global Link Platform, which is a proprietary software product made available by State Street Bank and Trust (SSBT). The Company in its relationship with Fund Connect supports omnibus trading as well as custody and fully-disclosed trading models.

2. Summary of Significant Accounting Policies

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

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions in the application of certain of our significant accounting policies that may materially affect the reported amounts of assets, liabilities, and equity. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents represent cash on deposit with a financial institution and highly liquid investments in money market mutual funds.

Cash Segregated in Compliance with Federal Regulations

Cash segregated in compliance with federal regulations consists of cash on deposit in a special reserve bank account for the exclusive benefit of customers under SEC Rule 15c3-3.

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 or held as collateral with various clearing organizations, and represent the balances 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.

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

2. Summary of Significant Accounting Policies (continued)

Receivable from and Payable to Customers (continued)

amounts owed to customers pending receipt of securities and payables arising from the Company's commission management 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 monitored for indications of impairment. If there is an indication that the current carrying amount of the intangible asset may not be recoverable a quantitative assessment is conducted to determine whether or not the carrying value is recoverable. 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 Company's Statement of Financial Condition are described in further detail in Note 12 to the Financial Statements. All outstanding balances are intended to be cash settled and are appropriately classified as receivables and payables.

The Company borrows securities when securities are needed to deliver against a settling transaction, such as a fail to deliver event. 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.

Allowance for Credit Losses

The Company recognizes an allowance for credit losses in accordance with Financial Instruments - Credit Losses (ASC 326). ASC 326 requires immediate recognition of expected credit losses for certain financial assets and off-balance sheet commitments, including trade and other receivables, loans and commitments and other financial assets held at amortized cost at the reporting date, to be measured based on historical experience, current conditions, and reasonable and supportable forecasts. The ASC 326 credit loss was de minimis to the Financial Statements as of June 30, 2024.

Income Taxes

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

2. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

corporate income taxes. The Company's results are included in the consolidated return of the Parent.

The Company has computed its income tax provision on a modified separate entity basis using the liability method in accordance with relevant guidance and its intercompany tax sharing agreement. The Company pays (or receives from) the Parent for the expense (or benefit) recognized.

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, 2024, the Company had deferred tax liabilities related to deferred revenue and intangible assets of \$189,361.

Pursuant to an intercompany tax-sharing agreement with the Parent, the Company accrues federal and state tax expense (or benefit), which is also paid to or received from the Parent.

State income taxes are the significant reconciling items when comparing the reported amount of income tax expense for the year to the amount of income tax expense that would result from applying domestic federal statutory tax rates to pretax income.

As of June 30, 2024, the Company has identified no uncertain tax positions. If there were uncertain tax positions, it is the Company's policy to record associated interest and penalties as a component of income tax expense. The earliest year open to examination is 2015.

4. Intangible Assets

No events have occurred, or circumstances have changed that would reduce the fair value of intangible assets below its carrying value.

The following table presents changes in the net carrying amount of intangible assets during the period:

	<u>Customer lists</u>
Beginning Balance	\$ 1,023,750
Amortization	(146,250)
Total	<u>\$ 877,500</u>

4. Intangible Assets (continued)

The following table summarizes intangible assets as of June 30, 2024:

	<u>Customer lists</u>
Gross Carrying Amount	\$ 5,850,000
Accumulated Amortization	(4,972,500)
Net Carrying Amount	<u>\$ 877,500</u>

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. Level 1 financial instruments include U.S. Treasury bills.

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. Level 2 financial instruments include 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. At June 30, 2024 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.

The following table presents information about the Company’s financial assets carried at fair value in the Statement of Financial Condition as of June 30, 2024:

5. Fair Value of Financial Instruments (continued)

	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
Assets				
Cash equivalents	\$ —	\$ 249,223,554	\$ —	\$ 249,223,554
Cash segregated in compliance federal regulations	30,000,000	—	—	30,000,000
Securities segregated in compliance federal regulations	29,356,362	—	—	29,356,362
Total assets carried at fair value	<u>\$ 59,356,362</u>	<u>\$ 249,223,554</u>	<u>\$ —</u>	<u>\$ 308,579,916</u>

There were no financial liabilities carried at fair value in the Statement of Financial Condition as of June 30, 2024. There were no transfers of financial assets between levels during the period ended June 30, 2024.

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, 2024, amounts receivable from and payable to broker-dealers and clearing organizations include:

Receivables:

Securities pending settlement	\$ 283,930
Securities failed to deliver	100,243,233
Transaction fees	3,592,952
Commissions	5,016,142
Total receivables	<u>\$ 109,136,257</u>

Payables:

Securities failed to receive	\$ 78,181,511
Transaction fees	110,929
Total payables	<u>\$ 78,292,440</u>

All material fail to deliver, fail to receive, and securities transactions pending settlement settled subsequent to June 30, 2024 without any adverse financial effect.

7. Receivable from and Payable to Customers

At June 30, 2024, amounts receivable from and payable to customers include:

7. Receivable from and Payable to Customers (continued)

Receivables:	
Securities pending settlement	\$ 46,968,008
Total receivables	<u>\$ 46,968,008</u>

Payables:	
Securities pending settlement	\$ 29,143,133
Commissions payable	4,730,898
Total payables	<u>\$ 33,874,031</u>

All material securities transactions pending settlement settled subsequent to June 30, 2024 without any adverse financial effect.

8. Contingencies

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. The Company does not expect the outcome of any pending examinations to have a material impact to the financial position, operations, or regulatory capital of the Company.

9. Concentration Risk

The Company provides investment and related services to a diverse group of 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. The concentration risk associated with transactions on EMEA and APAC markets is not material due to the Company serving as introducing broker with a fully disclosed clearing arrangement with NFS.

10. 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 any 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

10. Risk Management (continued)

Customer Activities and Credit Risk (continued)

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 significant portion of its assets in cash and short-term highly liquid money market instruments. As of June 30, 2024, total cash held was \$131,139,096 and money market instruments were \$249,223,554 which represents 51% of total assets. These assets are represented in Cash and Cash Equivalents on the Statement of Financial Condition.

The Company monitors its available Cash and Cash Equivalents to ensure sufficient liquidity to meet operating needs. All bank accounts and depository accounts are monitored intraday to ensure sufficient funding to comply with the securities clearing regulations. Additionally, the Company has an uncommitted, unsecured line of credit with the State Street Intermediate Funding (SSIF) to draw down upon to provide liquidity based upon the funding need of the entity and described in further detail in Note 12 to the Financial Statements. The Company also has a \$5,000,000 uncommitted secured line of credit with Euroclear bank.

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 these agreements, and believes that any potential requirement to make payments under these agreements is remote.

10. 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, 2024.

11. Regulatory Requirements

As a registered broker-dealer and introducing broker, 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. At June 30, 2024, the Company's net capital was \$461,742,341 which was \$460,439,272 in excess of the required net capital of \$1,303,069 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, 2024, 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 cash of \$30,000,000 and U.S. Treasury bills with a fair value of \$29,356,362 in a special reserve bank account for the exclusive benefit of customers, which was in excess of its required deposit by \$66,406,740.

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.

12. Related Party Transactions

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

12. Related Party Transactions (continued)

Cash and Cash Equivalents

Included in cash and cash equivalents in the Statement of Financial Condition is cash of \$131,139,096 which is held on deposit at SSBT.

Funding Arrangements

The Company meets its short-term financing needs through a \$1,000,000,000 uncommitted, unsecured line of credit with SSIF. As of June 30, 2024, this facility had no outstanding balance.

Securities Financing

The Company may borrow 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 agent for its customers in these transactions to lend securities to the Company.

At June 30, 2024, securities with a fair value of \$2,322,754 were borrowed by the Company. \$2,345,800 of cash was given to SSBT as collateral in these securities borrowing arrangements and included in Securities borrowed from affiliate in the Statement of Financial Condition.

Fund Connect

The Company has an agreement with State Street Global Advisors Funds Management and State Street Global Advisors Funds Distributors, LLC (SSGA FD), an affiliated broker-dealer, to provide Fund Connect services in instances where SSGA FD serves as shareholder servicer. The fee agreement is based on percentage of underlying assets associated with the services provided. At June 30, 2024, \$1,140,490 was included in receivable from affiliates on the Statement of Financial Condition.

The Company has an agreement with SSBT and other affiliates to provide Fund Connect information technology services for ETF order routing and reporting. The fee agreement is based on an annual charge and transaction volume. At June 30, 2024, \$1,245,516 was included in receivable from affiliates on the Statement of Financial Condition.

Portfolio Solutions

The Company attributes a portion of its commission expense and fixed income trading profits/loss relating to its Portfolio Solutions business unit to certain affiliated entities. At June 30, 2024, \$1,411 was included in receivable from affiliates on the Statement of Financial Condition. Additionally, at June 30, 2024, \$212,221 was included in payable to affiliates on the Statement of Financial Condition as the amounts could not be offset.

12. Related Party Transactions (continued)

Income Taxes

The Company paid \$6,122,495 of income tax expenses to the Parent as part of an intercompany tax-sharing agreement during the year ended June 30, 2024. At June 30, 2024, the remaining amount payable to the Parent is \$2,926,098 reflected on the Statement of Financial Condition.

13. Recent Accounting Developments

The Company did not adopt any new accounting standards in 2024 that had a material impact to our financial statements.