



Speaking of State Street AlphaSM

A Holistic Approach to Managing Benchmark and Index Data

Introducing the State Street AlphaSM and Rimes Partnership

STATE STREET[®]

With the shift to passively managed investments and the rapid growth of ESG-themed products over the past decade, indexes and benchmarks have become central to the investment lifecycle.



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State Street recently announced a strategic partnership with Rimes, the global data partner for asset managers, asset owners, and service providers, to enhance our State Street AlphaSM Data Service with Rimes' extensive array of global benchmarks and indexes.

State Street Alpha's index and benchmark capabilities enabled by Rimes provide clients with access to 3.4 million indices, 1,600+ data sources, and more than 650 data partners*.

Clients can also gain operational efficiencies from increased consistency and faster implementation for new indexes, restatements, and changes.

Frank Smietana, Head of Thought Leadership and Content Strategy at State Street Alpha recently sat down with Stephen Johns, Global Head of State Street Alpha Data Services, Justin Brickwood, Head Of Data Solutions at Rimes, and John Ferris, Head of Strategic Partnerships and Alliances at Rimes to discuss the partnership and value proposition for investment managers and asset owners.

Frank: Rimes has a long history providing data solutions to institutional investors, asset managers and service providers. Justin, how has Rimes' data management approach evolved to keep pace with changing client requirements?

Justin: Rimes is a managed data services business focused on making a broad range of investment data work for our clients. We are a solution-focused business, bringing together a unique combination of expertise and technology as a service. Essentially, we operate as an extension of our clients' data operations teams. Rimes has been innovating in the data management space for over 25 years, with more than 400 of the world's top asset managers and asset servicing firms as clients.

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Frank: A number of front-to-back investment solutions have come to market in the last few years. Stephen, what makes Alpha unique, and how do its underlying data platform and services provide value to clients?

Stephen: Alpha is the world's first front-to-back asset servicing platform from a single provider, allowing us to deliver the full range of investment management services, from portfolio and risk management in the front office, through trade reconciliation in the middle office and fund accounting in the back office.

The Alpha Data Platform and Data Services provide a foundation that is designed to ensure a single source of truth across the investment enterprise. Alpha Data Platform is a cloud-based data warehouse, delivering a full suite of data management capabilities, while Alpha Data Services provides a broad range of continuously validated reference, pricing, benchmark and index data.

Alpha was built on an open and interoperable architecture to provide clients with choice and flexibility. Rimes is the latest example underscoring the value of that approach for investment firms. Clients gain immediate access to a wide range of data without having to build out custom integrations or access separate systems.

Frank: Partnerships seem: central to providing Alpha clients with the data, applications and services that cater to the requirements of their investment process. Why was State Street interested in partnering with Rimes?

Stephen: From a State Street perspective, we offer a wide range of data services to our clients. That includes everything from third-party integrations, managing start-of-day and end-of-day processes, security master maintenance and gold copy creation. Our partnership with Rimes greatly expands this offering, providing investment firms with comprehensive datasets across indexes and benchmarks. This includes the full level of providers, top level, constituent level and custom blended indexes that State Street then manages on behalf of clients.

We wanted that to work to an optimal level within Alpha, and as we started talking to Rimes it became clear that this was the perfect partnership, enabling us to incorporate Rimes' experience and depth of capability into Alpha for the benefit of our clients.

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Frank: From Rimes' perspective, what was the rationale for partnering with State Street, and what are some of the industry drivers that underscore the importance of the partnership for investment firms?

John: State Street and Rimes have worked together for many years bringing innovative and differentiated services to market. As we learned more about State Street's vision for Alpha, some key synergies surfaced. Across the industry, we're seeing a lot of operational consolidation and clients focused on optimizing their operating model.

We're excited to integrate Rimes benchmarking service with Alpha. From a Rimes perspective, we know that by working with Alpha, we'll be able to continue expanding our footprint in the marketplace. Most importantly, the win for our clients is that they'll have a fully integrated front-to-back platform that helps meet their operational needs with seamless access to Rimes benchmarks.

Frank: Many investment firms are managing increasingly complex investment products and strategies in their search for alpha at a time of increasing market and regulatory complexity. How can they benefit from the partnership between State Street and Rimes?

Justin: At Rimes we pride ourselves on the quality of our data and we have a global team of dedicated professionals who are continuously validating and cross-checking data. We've developed that capability over the last 25 years where we've seen various anomalies in certain feeds and we can detect those and then work with data partners to remediate. The net result for our clients is that they get the highest quality data possible.

The second benefit is time to market. We have the biggest index inventory in the industry with over 700 data partners on our platform, and we source millions of indices. What this means from the client perspective is when a particular index is required, it's merely a commissioning issue, which is far less time consuming than onboarding a particular index from a data partner. Time to market for our clients is optimal from that perspective.

Third, we have deep expertise supporting clients with their customization needs in the benchmark space. This is a complex undertaking and clients rely on us to get this right.

Frank: State Street has provided managed data services to investment managers for many years. Stephen, what can existing clients expect from our data services team under this new partnership?

Stephen: We're transitioning our data services team to operate on the Alpha Data Platform and provide clients with all of the new capabilities that enables, such as the Rimes benchmark service. The Rimes partnership will allow us to enhance and accelerate the coverage and capabilities of the services that we offer under Alpha Data Services.

Clients benefit from our global data management footprint, which serves as a natural complement to their internal data operations teams. We handle data governance, validation and the integration of Rimes benchmark data into their gold copy in a consumption-ready format. This is performed in accordance with their SLAs and KPIs, and we work with clients to monitor, measure and deliver that service. Looking at this from a total cost of ownership we believe it delivers significant value.

Whether that's process efficiency, ensuring integrity of that gold copy or eliminating time-consuming data movement across data silos, it helps free up valuable resources for clients to focus on higher value activities.

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Frank: What indexes and benchmarks are included in our joint offering and what will the user experience be from an onboarding perspective?

John: We pride ourselves in having the best index and benchmark coverage in the industry, and we look forward to making all of that data available in Alpha. And that goes from standard indices to custom indices as well as blended benchmarks. The array of services that Rimes can make available on Alpha is significant.

In terms of onboarding, we're working closely with Alpha on bulk loading and making all of the existing benchmarks available and creating the various feeds for that, followed by a rigorous user acceptance testing process to validate those feeds. That testing will start with Rimes, then Alpha, on to quants acceptance, and then we go live.

From a business perspective, the various mechanisms that exist from the front end will effectively inform Rimes of particular benchmark requirements to feed the Alpha Data Service. The intent is to make this a seamless process from the user's perspective.

Frank: How can existing clients take advantage of the partnership to access the latest benchmarking capabilities?

Stephen: For existing clients we can activate the benchmark service very easily. Our benchmark hub serves as a centralized staging and storage point for Rimes data. The hub has standard governance capabilities built in to handle credentialing and licensing. For Alpha clients, we can deliver Rimes data to their front office and also into the Alpha Data Platform instance that we're managing on their behalf.

We handle the initial setup, making sure that we've mapped all of the underlying Rimes index and benchmark attributes into the Alpha data model. It's designed for extensibility so we can quickly and efficiently deliver new indexes to our clients as they implement new investment products and strategies.

There is also a continuum of services across Alpha that clients can activate as needed. The benchmark service is just one of those. We're able to handle the commercials and turn that on for a new client very quickly.

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Frank: Time to market is critical for clients launching new products and strategies. John, how long does it typically take to onboard a new index onto the platform?

John: Rimes and State Street are very focused on time to market. Any time a client is launching a new product or strategy into the market, we work closely with that client to make sure we are meeting their data needs in the timelines required. In many cases we can load data the same day the request comes in, while in other cases, it may take a day or two. Regardless, we are committed to meet our clients time to market requirements.

Our data partners continuously upgrade their feeds. They're also innovating, and by partnering with Rimes the benefit from long term future proofing.

Frank: From a client's perspective, what are the longer-term benefits to adopting the platform, and how does Rimes help clients stay ahead of constantly changing markets?

Justin: We've mentioned data quality and index customization, but there's more to it in the long term. Our data partners continuously upgrade their feeds. They're also innovating, and by partnering with Rimes they benefit from long-term future proofing. And to give an illustration of that, we've provided clients with 100 updates over the last 12 months, whether that's a technical change or a change in methodology for calculating the index.

We have strong relationships with our data partners, and they know that our validation mechanisms are powerful. We're able to communicate problems to our partners when we observe anomalies and then work with them to remediate those issues. With the current geopolitical turmoil, we've been very proactive in helping clients understand how indexes may be changing due to regulatory mandates. We recently launched a landing page to help investment firms collate that information. It's critical to help clients navigate those changes.

Frank: From State Street's perspective, what's the future direction of our partnership from both a technical and business perspective?

Stephen: First, from the Alpha perspective, our open architecture enables interoperability with a growing number of technology and service providers to help ensure choice and flexibility for our clients. We're continually adding new partnerships to the platform whether that's integrating new BI capabilities or risk analytics and performance attribution solutions that benefit our clients. This holistic approach to data management enables clients to access their preferred providers while leveraging State Street's global operations teams to validate and deliver that data.

All of these third-party capabilities leverage a universal gold copy across financial data domains that we manage on behalf of clients to help ensure everyone is working from a single source of truth. We're continually evaluating new partnerships that can extend Alpha's capabilities in new and innovative ways.

Specifically with Rimes, we've partnered for many years and have taken a big step in formalizing the partnership around the benchmark and index service. As Rimes continues to bring new capabilities to market, we think clients will continue to reap benefits from this partnership. For example, growing retail and institutional demand for ESG products and strategies requires a rich set of data to efficiently manage those portfolios. That's an area Rimes is currently exploring, and those data sets could become accessible via Alpha

depending on a client's service selection. New opportunities are continually being assessed and added to the platform.

Frank: What are your thoughts on the future direction of the partnership from Rimes' standpoint and what other data domains you are exploring?

John: We're excited to make the benchmark service available via Alpha and are looking to onboard a number of clients. We're also looking to add new benchmark data vendor relationships. We've already seen some interest from existing clients around our ETF service which is a natural extension to benchmarking. Broadly, Rimes is in the business of data management and while our flagship service has been our index and benchmark service, we're managing data across multiple data domains.

As Stephen mentioned, we're having conversations with State Street around our ESG capabilities and seeing how clients could benefit from us bringing this to market. While we're excited to launch on the index side, we're equally excited to explore other data domains as well.

*As of Q2 2022

This holistic approach to data management enables clients to access their preferred providers while leveraging State Street's global operations teams.

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