



July ISSA Out of Network Assets – Private Equity

July 2025

The State Street Private Markets – By the Numbers

Private Markets is a strategic growth area for State Street with multi-year focus to improve and expand our business

Our Approach

Provide a holistic enterprise platform suited to all investors and portfolios, with the ability to offer components, as well as a full suite of solutions – we are the first provider in the market taking this approach

Our Vision

Empower client growth through an open architecture, fully configurable, front to back private markets and credit platform that unlocks scale, efficiency and transparency to drive effective decision making for long term success

State Street Scale

\$46.8T¹ in AuC/A

Responsible for **11.5%¹** of the world's assets

53,000¹ employee's worldwide

Our Private Markets Business¹

\$4.0T+

AUA¹

394

Clients

34

Service Locations

5,400+

Dedicated Individuals

Private Equity¹

- Private Equity and Fund of Fund focused products
- Committed capital under administration of approximately **\$677 billion** and servicing an additional **\$1.5 trillion** in LP servicing
- Servicing **175 clients**

Real Assets & Real Estate¹

- Real Estate and Infrastructure focused products
- Committed capital under administration of approximately **\$395 billion**
- Servicing **60 clients**

Private Credit¹

- Private Credit focused products (including semi-liquid structures)
- Committed capital under administration of approximately **\$182 billion** with an additional **\$256 billion²** gross assets under administration in BDCs
- Servicing **75 clients**

Front Office – CRD for Private Markets¹

- Over **\$2.1 trillion** plus 25,000 private assets hosted on the platform
- Portfolio Monitoring, Deal Management, Valuations & Scenario Management, Data Management

¹Data as of Q1 2025 and includes \$946B of Hedge Fund assets

Private Markets – is it really different?

Development at a glance

- Private markets involve transactions among non-listed businesses. Transactions include debt and equity investments in private companies or assets. And in addition real assets such as infrastructure and real estate.
- Private markets assets AUM totaled \$11.87 trillion in 2023, up from \$10.89 trillion in 2022 and \$10 trillion in 2021 (S&P Global). McKinsey comes to even higher figures.
- PE investments account for over 50% of private market investments but private credit/debt and real assets are growing rapidly.
- Private markets are projected to reach more than \$15 trillion by 2025, more than \$18 trillion by 2027.
- Private markets are likely to continue growing in 2024, but more slowly.
- Alternative inv. funds likely to expand in number and leverage.

What is making it unique

- Private markets refer to debt and equity investments in privately owned companies, as opposed to assets traded publicly (stock exchanges, bond market and commodities markets).
- Private markets help companies launch by providing them access to much-needed capital, while also granting investors access to alternative sources of risk and return.
- Alternative assets have the potential to enhance diversification in portfolios through non-correlated or negatively correlated returns.
- Other areas of the private markets, like PE, may have similar correlations to public equities, but provide opportunities for return enhancement.
- While transparency for Private Markets has improved over time, a critical gap still exists. Leaving institutional investors at risk of suboptimal decisions and inefficiencies. That calls for dedicated and specialized asset servicing.

July ISSA Out of Network Assets WG Call – Private Markets

Analysis Material Changes in PM Industry

Client and Market Dynamics

- Retail access to private markets: Is expanding via semi-liquid evergreen funds, prompting new risk and operational frameworks.
- Investor expectations: Are rising around ESG data, real asset performance, and integration of unstructured data.
- Middle-office outsourcing: Is gaining traction through modular service models for hedge and private equity funds.

Strategic Alignment and Global Expansion

- Strategy focus: Highlights a push to scale private markets capabilities in Europe, where market growth potential is high.
- Engagement with regulators and client's alignment of product roadmaps with regulatory and investor expectations.

Impact of Development on Custodians

Expanded Oversight Responsibilities

- Supervisory duties have intensified due to evolving regulations like AIFMD II, SFDR, and SEC private fund rules. Custodians must support clients in meeting transparency, ESG, and valuation disclosure requirements
- Record-keeping and reconciliation obligations have grown, especially for assets held in nominee structures or across multiple jurisdictions

Increased Data and Technology Demands

- Integration with platforms like FundSettle, Vestima, AIP, and ClearPar, and increasingly with client-facing portals and data lakes
- AI and automation are being used to enhance data quality, detect anomalies, and support real-time reporting. Custodians are expected to support or even operate these tools for clients

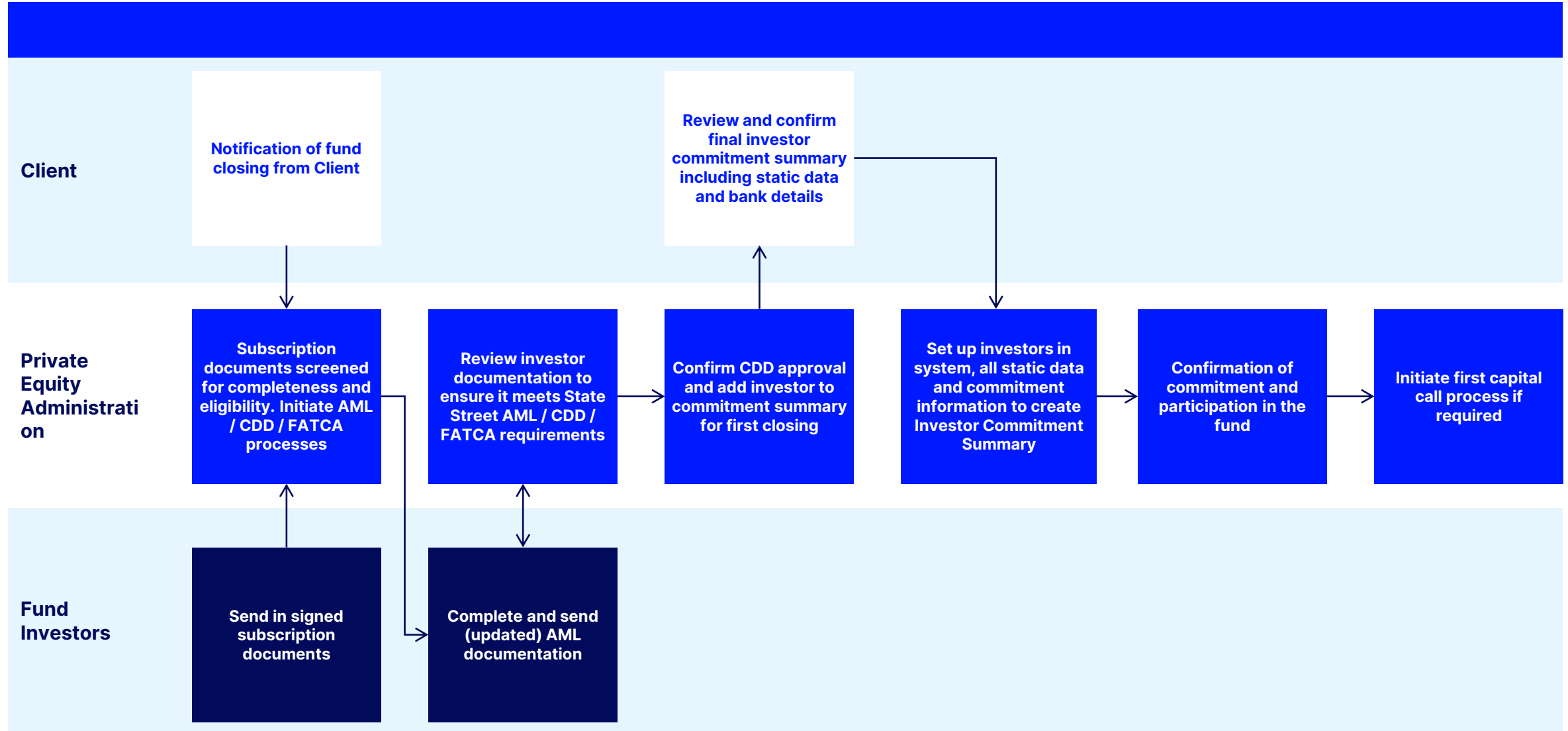
Shift Toward Digital and Modular Services

Custodians are evolving into digital service providers:

- They are expected to offer modular middle-office services, including digital onboarding, capital event tracking, and fund analytics dashboards
- Digital Transfer Agency capabilities are becoming standard, requiring custodians to support straight-through processing and investor self-service

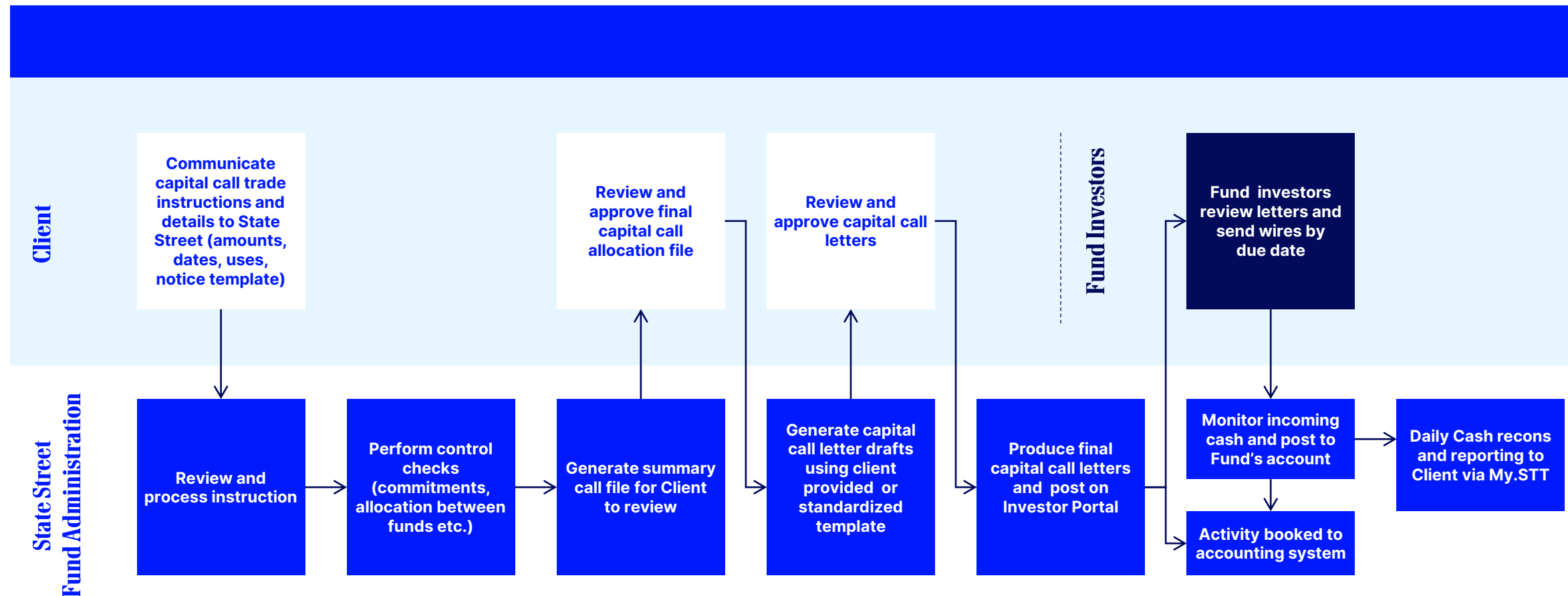
State Street Private Equity Processes

Initial Subscription



State Street Private Equity Processes

Initial Subscription



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