

STATEMENT OF FINANCIAL CONDITION AND
SUPPLEMENTARY INFORMATION

State Street Global Advisors Funds Distributors, LLC
(a wholly-owned subsidiary of State Street Global Advisors, Inc.)
December 31, 2020
With Report of Independent Registered Public Accounting Firm
(Confidential Pursuant to SEC Rule 17a-5(e)(3))

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-44744

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/20 AND ENDING 12/31/20
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: State Street Global Advisors Funds Distributors, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

Channel Center, 1 Iron Street

(No. and Street)

Boston

Massachusetts

02210

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

David Maxham

(203) 326-2369

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP

(Name - if individual, state last, first, middle name)

200 Clarendon Street

Boston

MA

02116

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, David Maxham, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of State Street Global Advisors Funds Distributors, LLC, as of December 31,, 2020, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Notary relief notification: Due to difficulties arising from COVID-19 SSGA FD is making its filing without a notarization.

David J Maxham

Signature

Chief Financial Officer

Title

Notary Public

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

State Street Global Advisors Funds Distributors, LLC
(a wholly-owned subsidiary of State Street Global Advisors, Inc.)

Statement of Financial Condition and Supplementary Information

December 31, 2020

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Report of Independent Registered Public Accounting Firm

To the Board of Managers
State Street Global Advisors Funds Distributors, LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of State Street Global Advisors Funds Distributors, LLC (the “Company”) as of December 31, 2020 and the related notes (the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company at December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the Company’s auditor since at least 1992.
February 24, 2021

State Street Global Advisors Funds Distributors, LLC
(a wholly-owned subsidiary of State Street Global Advisors, Inc.)

Statement of Financial Condition

December 31, 2020

Assets

Cash and cash equivalents	\$ 95,445,318
Receivable from affiliates	7,659,755
Distribution, marketing and 12b-1/shareholder servicing accruals/receivables	31,561,581
Other assets	<u>1,397,185</u>
Total assets	<u>\$ 136,063,839</u>

Liabilities and member's equity

Liabilities:

Payable to affiliates	\$ 9,119,199
Accrued tax liability	5,769,787
Distribution, marketing and 12b-1/shareholder servicing accruals/payables	6,320,033
Other accrued expenses and liabilities	<u>949,275</u>
Total liabilities	22,158,294
Member's equity	<u>113,905,545</u>
Total liabilities and member's equity	<u>\$ 136,063,839</u>

The accompanying notes are an integral part of these financial statements.

State Street Global Advisors Funds Distributors, LLC
(a wholly-owned subsidiary of State Street Global Advisors, Inc.)

Notes to Statement of Financial Condition

December 31, 2020

1. Organization and Description of Business

State Street Global Advisors Funds Distributors, LLC (the Company), a Delaware single-member limited liability company, is a wholly-owned subsidiary of State Street Global Advisors, Inc. (SSGA Inc.). SSGA, Inc. is a wholly-owned subsidiary of State Street Corporation (the Parent). The Company was incorporated on April 21, 1999.

The Company is a limited purpose broker-dealer registered with the Securities Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA) and is a member of the Securities Investor Protection Corporation (SIPC) and National Securities Clearing Corporation (NSCC). The Company is authorized to engage in the following types of business: (i) mutual fund underwriter or sponsor and (ii) private placement of securities. As part of its underwriter and sponsor activities the Company supports the State Street Global Advisors (SSGA) businesses by providing U.S. mutual fund and U.S. ETF distribution and marketing services. In connection with such services, the Company also provides shareholder servicing to U.S. mutual funds. In addition, as part of its private placement activities the Company may privately offer SSGA advised funds. There was no private placement activity during 2020.

2. Significant Accounting Policies

The Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP).

Use of Estimates

The preparation of the Financial Statements in conformity with 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, equity, revenue, and expenses. Actual results could differ from those estimates.

2. Significant Accounting Policies (continued)

Subsequent Events

Events occurring subsequent to the date of the Financial Statements were evaluated through February 24, 2021, the date the Financial Statements were issued.

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. The Company has no restricted cash as of December 31, 2020.

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 9 to the Financial Statements.

Subordinated Liabilities

The Company had no subordinated liability contracts throughout the year or as of December 31, 2020.

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

The Parent allocates income tax expense to the Company as if the Company filed a separate tax return, and the Company pays 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

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 of December 31, 2020 the Company has deferred tax assets of \$298,163. Of the net deferred tax asset, the Company had a deferred tax asset related to accrued expenses of \$310,301 and a deferred tax liability of \$12,138 related to prepaid expenses.

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 December 31, 2020, 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 2013.

4. 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. At December 31, 2020 there were no financial instruments classified in Level 1.

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 December 31, 2020 there were no financial instruments classified in Level 3.

4. 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.

The following table presents information about the Company's financial assets carried at fair value in the Statement of Financial Condition as of December 31, 2020:

	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				
Money market mutual funds	\$ –	\$ 87,347,760	\$ –	\$ 87,347,760
Total assets carried at fair value	<u>\$ –</u>	<u>\$ 87,347,760</u>	<u>\$ –</u>	<u>\$ 87,347,760</u>

There were no financial liabilities carried at fair value in the Statement of Financial Condition as of December 31, 2020. There were no transfers of financial assets between levels during the period ended December 31, 2020.

The fair value of highly liquid, short term assets and liabilities, including cash, money market mutual funds, receivables, payables, and accrued expenses approximates their carrying value given that they are short term in nature or bear interest at current market rates.

5. 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.

6. Concentration Risk

A significant portion of the Company's revenues is derived from payments received from SSGA Funds Management, Inc. (SSGA FM), World Gold Trust Services, LLC (WGTS) and PDR Services, LLC (PDR) for distribution and/or marketing services performed by the Company in respect to funds sponsored by each of SSGA FM, WGTS and PDR. These revenues could be adversely affected by any number of market events, such as price volatility, new entrants into the market space, or economic conditions.

7. Liquidity Risk Management

The Company holds a significant portion of its assets in cash and short-term highly liquid money market instruments. As of December 31, 2020, total cash held was \$8 million and money market instruments were \$87 million which represents 70% 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.

8. Regulatory Capital 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, as amended (Exchange Act). The Company follows the basic method of computing regulatory net capital requirements provided for in Rule 15c3-1. Under the basic method, the Company must maintain net capital equal to the greater of 6-2/3% of aggregate indebtedness, as defined, or \$25,000, whichever is greater. The minimum required net capital at December 31, 2020 was \$1,477,220 under the aggregated indebtedness method.

At December 31, 2020, the Company's net capital was \$71,540,069 which was \$70,062,849 in excess of the minimum required net capital under Rule 15c3-1.

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

The Company has claimed an exemption from Rule 15c3-3 of the SEC Exchange Act under paragraphs (k)(2)(i) of that rule for the period January 1, 2020 through December 31, 2020 and therefore is not required to make a reserve requirement computation.

9. Related Party Transactions

The Company enters into transactions in the ordinary course of business with affiliated entities of the Parent, including State Street Global Advisors Trust Company (SSGA TC), State Street Bank and Trust (SSBT), SSGA FM, State Street Global Advisors Limited (SSGA Ltd) and State Street Global Markets, LLC (SSGM).

Cash and Cash Equivalents

Included in cash and cash equivalents in the Statement of Financial Condition is cash of \$8 million which is held on deposit at SSBT, and cash equivalents of \$87 million which is invested in a money market mutual fund, managed by an affiliate, SSGA FM.

9. Related Party Transactions (continued)

Distribution, Marketing and Shareholder Servicing

The Company distributes and/or markets funds sponsored by SSGA FM and SSGA Ltd. SSGA FM and SSGA Ltd have agreed to pay the Company distribution and marketing expenses incurred by the Company in connection with its distribution and marketing activities relating to such funds. At December 31, 2020, \$7.6 million and \$0.1 million of these amounts were receivables from SSGA FM and SSGA Ltd respectively, and included in the receivable from affiliates in the Statement of Financial Condition.

The Company earns 12b-1 and/or shareholder servicing fees for services provided to certain classes of registered mutual funds sponsored by SSGA FM. At December 31, 2020, \$0.8 million of this amount was a receivable from the mutual funds and included in the distribution, marketing and 12b-1/shareholder servicing accruals/receivables in the Statement of Financial Condition. Of the costs associated with 12b-1/shareholder servicing during the year ended December 31, 2020, the Company incurred and owes SSGM, SSBT and certain of its affiliates \$0.6 million at December 31, 2020.

Capital Distribution

In October 2020, pursuant to a September 2020 resolution of the Company's Board of Managers and with prior written notice to FINRA in accordance with Rule 15c3-1, the Company made a capital distribution to its parent SSGA Inc., decreasing its equity in 2020 by \$37,000,000 as reflected in the Company Statement of Changes in Member's Equity.

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 legal, accounting, audit, data processing, other administrative support, use of office space and equipment to the Company pursuant to agreements, as amended, between the Company and certain affiliates. Under the terms of the agreements, the Company reimburses the Parent and its affiliates for all costs incurred by the Parent and its affiliates. At December 31, 2020, \$8.5 million of these costs were payable by the Company to affiliates of the Parent, and included in payable to affiliates on the Statement of Financial Condition.

Income Taxes

At December 31, 2020, the remaining amount payable to the Parent is \$5.8 million reflected on the Statement of Financial Condition.

10. Recent Accounting Developments

In January 2020, we adopted ASU 2016-13, Financial Instruments - Credit Losses (ASC 326), Measurement of Credit Losses on Financial Instruments, which replaces the incurred loss methodology with an expected loss methodology that is referred to as Current Expected Credit Losses (CECL) methodology. This standard requires immediate recognition of expected credit losses for certain financial assets and off-balance sheet commitments, including trade and other receivables, loans and commitments, held-to-maturity debt securities, 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. Credit losses on available-for-sale securities are recorded as an allowance against the amortized cost basis of the security, limited to the amount by which the security's amortized cost basis exceeds the fair value, and reversal of impairment losses are allowed when the credit of the issuer improves. As the Company did not have balances outstanding in 2020 requiring an ASU 2016-13 credit loss, there was no material impact to our financial statements as a result of the adoption.

Supplementary Information

Schedule I

State Street Global Advisors Funds Distributors, LLC
(a wholly-owned subsidiary of State Street Global Advisors, Inc.)

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

December 31, 2020

Member's equity	\$ 113,905,545
Deductions and/or charges:	
Non-allowable assets:	
Accruals/receivables	39,221,336
Other assets	1,397,185
Net capital before haircuts on securities positions (tentative net capital)	73,287,024
Less: haircuts on securities	<u>1,746,955</u>
Net capital	<u>\$ 71,540,069</u>
Basic net capital requirement:	
Greater of:	
6-2/3% of aggregate indebtedness of \$22,158,294 or minimum dollar (\$25,000)	<u>1,477,220</u>
Net capital requirement	<u>1,477,220</u>
Excess net capital	<u>\$ 70,062,849</u>

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 II FOCUS Filing and reconciliation as of December 31, 2020.

Schedule II

State Street Global Advisors Funds Distributors, LLC
(a wholly-owned subsidiary of State Street Global Advisors, Inc.)

Statement Pursuant to SEC Rule 17a(5)
Computation for Determination of the Reserve Requirements under §240.15c3-3

December 31, 2020

The Company has claimed an exemption from 17 C.F.R. § 240.15c3-3 under paragraph (k)(2)(i) of that rule and therefore is not required to make a reserve requirement computation.

Schedule III

State Street Global Advisors Funds Distributors, LLC
(a wholly-owned subsidiary of State Street Global Advisors, Inc.)

Statement Pursuant to SEC Rule 17a(5)
Information Relating to the Possession or Control Requirements under §240.15c3-3

December 31, 2020

The Company has claimed an exemption from 17 C.F.R. § 240.15c3-3 under paragraph (k)(2)(i) of that rule and therefore is not required to make a computation of possession or control of securities.



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Report of Independent Registered Public Accounting Firm

The Board of Managers and Management
State Street Global Advisors Funds Distributors, LLC

We have reviewed management's statements, included in the accompanying State Street Global Advisors Funds Distributors, LLC Exemption Report, in which (1) State Street Global Advisors Funds Distributors, LLC (the "Company") identified the following provision of 17 C.F.R. § 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3(k): (2)(i) (the "exemption provision") and (2) the Company stated that it met the identified exemption provision in 17 C.F.R. § 240.15c3-3 (k) throughout the most recent fiscal year ended December 31, 2020 without exception. Management of the Company is responsible for compliance with the exemption provision and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provision. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provision set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

This report is intended solely for the information and use of the Board of Managers, management, the SEC, Financial Industry Regulatory Authority, other regulatory agencies that rely on Rule 17a-5 under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and other recipients specified by Rule 17a-5(d)(6) and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

February 24, 2021

State Street Global Advisors Funds Distributors LLC
Channel Center
1 Iron Street
Boston, MA 02210

ssga.com

February 24, 2021

State Street Global Advisors Funds Distributors, LLC Exemption Report

State Street Global Advisors Funds Distributors LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k): (2)(i).
- (2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the most recent fiscal year without exception.

I, David Maxham, affirm that, to the best of my knowledge and belief, this Exemption Report is true and correct.

David J Maxham

David Maxham
Chief Financial Officer

2-24-2021

Date