



State Street Alpha Taps FundGuard for Accounting

The Boston-based firm will integrate FundGuard's accounting and NAV solution technology into its platform.

By Sonya Swink | October 6, 2022

FundGuard software will soon be used for fund accounting and investment accounting on State Street's Alpha platform, the Boston-based firm announced Thursday.

State Street plans to integrate FundGuard's investment accounting, fund accounting and NAV contingency solution into the platform, the announcement says. Eventually, the accounting solutions will be integrated through the entire process – from portfolio management and trading to custody and administration.

Such services were previously handled in-house, said John Plansky, head of State Street Alpha.

The move is part of Alpha's ongoing cloud expansion, he said.

"We want to be that engine inside of the broader Alpha offering," said John Lehner, president of FundGuard and State Street's former global head of investment manager services. "That manifests itself in a couple different ways."

The terms of the partnership were not disclosed.

The accounting offering will initially be available to clients on Charles River Investment Management Solution, Lehner said.

FundGuard software will roll out across the State Street Alpha platform by sometime in 2023, said Plansky. It will be available for Alpha clients that offer mutual funds, ETFs, alternatives, insurance and pensions.

"This idea of a cloud platform serviced by State Street, because we're a bank, we now can offer the whole solution to our client including custody," Plansky said.

Rolling out more-automated accounting will take time, he said.

The search for a third-party software accounting solution began about a year ago, Plansky said.

State Street expects FundGuard to become its software mainstay for accounting in the coming years, Plansky said.

“From [recordkeeping systems] for investment accounting to our Multicurrency Horizon and other systems, to the extent we’re comfortable that FundGuard can do for investment accounting and fund accounting to strike NAVs, we’re open to the idea clients would use FundGuard instead,” Plansky said.

The partnership has allowed State Street Alpha to expand its team, Plansky said. He declined to comment on the how many people were added to roll out the FundGuard software.

State Street has put a group of people from different parts of the company into one so-called model office, which will run the FundGuard functions, he said.

The model office will integrate FundGuard’s technology into the Charles River and State Street Alpha platforms, Plansky said.

In April, State Street participated in a \$40 million funding round for FundGuard. At the time, Plansky stated that the firm was “excited to partner with FundGuard and its comprehensive, cloud-native accounting platform to support our Alpha strategy.”