

Tuesday, April 17, 2012

"A Spin-Off or Sale of SSgA Could Pose Strategic Risk"

News summary by MFWire's editors

State Street [[profile](#)] should hang on to its asset management business, according to **Saibus Research**. Writing in *Seeking Alpha*, the Boston-based independent research firm makes the case against the bank spinning off State Street Global Advisors.

The piece offers a look at SSgA's history and current situation, such as "only" having 26 percent margins.

"With regards to SSgA, State Street should mend it, not end it," Saibus writes, noting that SSgA's year-to-date net inflows of \$8.5 billion more than compensated for outflows in the past two years. Saibus Research adds that a spin-off or sale poses "strategic risk given that three-quarters of the company's top 100 investment servicing clients use SSgA to manage a portion of their assets." ⓘ

Edited by: *HFD*