

The logo for CAPIS, featuring the word "CAPIS" in a white serif font inside a blue square. Above the square are two overlapping blue squares of different shades, with a small "SM" trademark symbol to the right of the top square.

SM

CAPIS

CAPITAL
INSTITUTIONAL
SERVICES, INC.



Transition Management

Since 1977: *Integrity · Execution · Transparency*
The CAPIS Difference

About CAPIS

Founded in 1977

Headquartered in Dallas, Texas

Member: NYSE | FINRA | SIPC | NFA | WBENC-Certified

Mission

- CAPIS is a **compliance-driven** brokerage firm. Our mission is to be the standard for **unbiased execution** and **customized solutions**. Trading every dollar as if it were our own and servicing every client to the best of our abilities.

Key Features

- Global agency-only trading
- Multi-asset trading desks
- CSA/CCA expertise
- OMS functionality available
- Multiple payment options
- Unconflicted model
- Unique SMA/Wrap solution
- Experienced personnel
- Compliance assistance

Primary Business Lines

- Transition Management
- Global Trading
 - Equities
 - Fixed Income
 - Derivatives
- Commission Management
 - Third Party Research
 - CSA/CCA Programs
 - Commission Recapture
- Outsourced/Supplemental Trading

Transition Management
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The CAPIS Offering

CAPIS offers full-scale transition management for multi-asset and multi-vehicle events with a focus on risk management, project management, and trade execution.

Common Events

- Portfolio rebalances
- Active to Passive
- Sub-Adviser changes
- Fund of Fund rebalances
- Fund or Pension mergers
- Portfolio fundings or liquidations (one-sided)
- Interim futures overlay

Risk Management

Identify issues, give solutions, and set expectations

Robust pre- and post-trade analytics

Focus on core cost factors

Strong historic performance

Project Management

Reduce workload and burden on client and/or consultant

Single point of contact

Event oversight and coordination

Deep operational knowledge

Trade Execution

Trade performance with transparency produces trust

In-house trading

Global coverage

Expertise in equities, bonds, futures

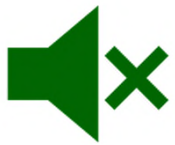
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At its core, Transition Management is a form of **Risk Management**. Risk is defined as the potential for underperforming the target portfolio. To minimize the potential for underperformance, CAPIS employs three critical strategies.



Eliminate Information Leakage

Sending Indications of Interest (IOIs) and trade lists to the market or affiliated entities tends to negatively impact the market for the securities being traded.



Capture the Target Portfolio's Characteristics as Quickly as Possible

From market exposure to sector exposure to company exposure, if we can capture the target portfolio's characteristics, we will reduce risk. In the end, our risk management trading approach is demonstrated by our intra-day disparity, volume and exposure charts.



Minimize Market Impact

After capturing target characteristics to minimize opportunity cost risk, the trading process turns its focus to accessing available liquidity while minimizing price movement. This strategy often involves the use of multiple electronic trading tools with a bias towards dark liquidity.

The CAPIS Implementation

Data analysis and strategy are instrumental in the risk management and execution of transition events. Our reporting and trading solutions are guided by deep market analytics and experienced traders.



Analytics

We examine the cost elements and risk attribution to determine the factors most likely to impact the transition trade.



Trade Strategy

Our trading desk has an average experience of 17 years. We combine our high-touch trading solution with class-leading technology and algorithmic trading tools.



Reporting

It is critical to understand and visualize how a transition event performed. We highlight our execution quality and trade management on every post-trade.

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The CAPIS Model

Transition management is often a stressful and complicated event for asset owners. Our role is to reduce workload, increase compliance and risk oversight, and deliver a transparent and risk-managed event every time.



Single Point of Contact

We are responsible for engaging all stakeholders and the coordination of the event implementation.



Controls

Leveraging a strong operational structure, we monitor and track the critical timeline steps. We overlay this with a compliance-focused “checks and balances” trade implementation.



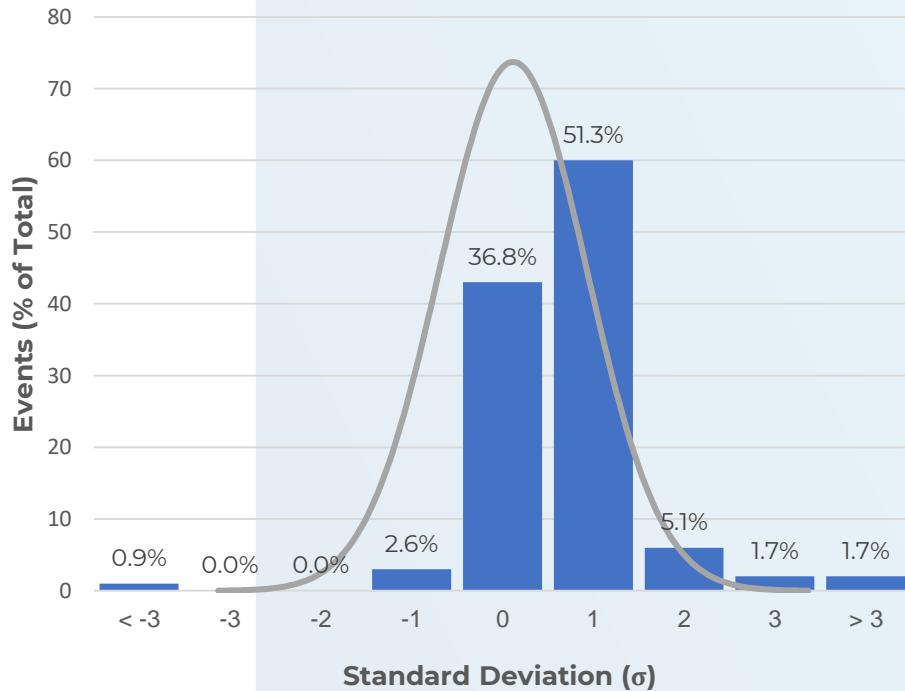
Transparency

We create customized reporting with execution-level detail to highlight costs and compare results relative to pre-trade estimates and market benchmarks.

The CAPIS Quality

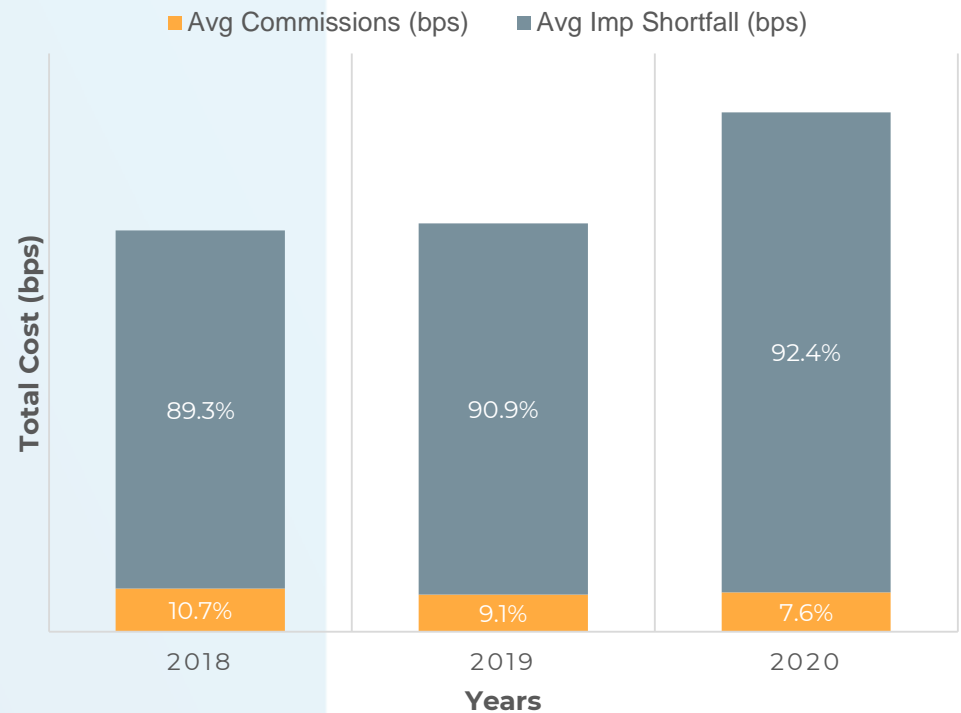
Transitions include elements which can complicate performance measurement. It is critical to rely upon transparent and data-driven analytics. The measure of Implementation Shortfall, or execution quality, is the largest cost factor of any transition event.

CAPIS TM Performance Analysis (2018 - 2020)



Source: Capital Institutional Services, Inc.

US Equity Trading Costs



Source: Virtu Financial. Commissions and implementation shortfall based on Virtu's Global Peer database.

The CAPIS Team



Bryan Gibbs | SVP, Manager of Transition Management, Over 17 years of financial industry experience. Bryan joined CAPIS in 2003 as an intern. He was later promoted to portfolio analyst and then to vice president. Most recently, he was placed in charge of the transition management team and promoted to manager in 2019.



Jason Gatewood | EVP, Executive Director of Global Trading, Over 18 years of financial industry experience. Jason joined CAPIS in 2002 as an international trader. Over the years, he ran the programming trading desk and has extensive experience with transition management trading.



Michael Czapliskie | VP, Transition Management, Over 20 years of financial industry experience. Michael joined CAPIS in 2013 as head of operations. He joined the transition management team in 2017.

Contact



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