

TRANSITION MANAGEMENT WITH CAPIS

Transition events are some of the most critical and complex challenges institutional investors face. Work with CAPIS for experienced, personalized solutions.

THE TRANSITION MANAGEMENT CHECKLIST

Careful planning of a transition event is essential to optimizing costs and returns. Let these foundational questions guide your process:

- Do I need a transition manager?
- What can I do to prepare my portfolio for a transition event?
- What analytics will my transition manager provide?
- What day/time is best to begin the transition?
- What benchmark should I use to measure the success of the transition event?

For most of these questions, there's no single right answer – but a transition manager should have ideas and considerations at the ready.

KEY STRATEGIES FOR A SUCCESSFUL TRANSITION

Transition events can be daunting. CAPIS simplifies the process with expert execution, risk management, and seamless client communication.

- **Eliminate Information Leakage** – Sending IOIs and trade lists to the market or affiliated entities can negatively impact pricing of the securities being traded. CAPIS maintains confidentiality to prevent unnecessary market impact and reduce risk.
- **Capture the Target's Portfolio Characteristics** – Quickly capturing market, sector, and company exposure of the target portfolio reduces opportunity cost risk and helps deliver a smooth transition.
- **Minimize Market Impact** – Strategically accessing available liquidity while leveraging electronic trading tools (favoring dark liquidity) minimizes price movement and enhances execution quality.

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EXPERIENCE THE DIFFERENCE: **TIMING A SUCCESSFUL TRANSITION**

- **Operational Readiness:** Ensuring all paperwork, custodial setups, and approvals are in place to prevent unnecessary delays.
- **Market Conditions:** Avoiding volatility spikes due to earnings reports, holidays, or major macroeconomic events.
- **Liquidity Management:** Timing trades to align with market liquidity, reducing bid-ask spreads and execution costs.
- **Risk Mitigation:** Balancing opportunity cost risk against the need for optimal execution timing.

EXPERIENCE THE DIFFERENCE: **BENCHMARKING A TRANSITION**

- **Establish the Benchmark Early** – Selecting a benchmark before the transition begins promotes alignment, accountability, and meaningful performance evaluation.
- **Understand Benchmark Trade-Offs** – PDC, Arrival Price, VWAP, etc. all have pros and cons. We work with you to select the one that best meets your objectives.
- **Avoid Misleading Metrics** – Some benchmarks can obscure costs – for example, VWAP can mask market impact. Accounting for their limitations is crucial.
- **Gain Full Transparency** – In addition to the primary benchmark, we report on as many benchmarks as possible and leverage third-party benchmarks as needed.

TRADING, TRANSPARENCY, TRUST

CAPIS' transition management business is built on decades of industry experience, deep trading expertise, a conflict-free posture, and a client-service mindset. We do all our trading in-house, so the team you engage will be the team responsible for every aspect of your transition – ensuring alignment at every step.

[Reach out to us to start the conversation.](#)