BasisLine Transitions

Illustrative Analysis Outcome Report

Analysis Prepared For:	Illustrative Tax Advisor Practice
Use Case:	Representative concentrated appreciated position assessment
Reference Case:	Single Mega Winner — illustrative validated scenario
Analysis Date:	May 06, 2026

Executive Summary

Pilot Conclusion
In this representative scenario, the optimized analysis workflow met the same realized-gains budget as the baseline while materially simplifying implementation. The recommended transition approach reduced sell tickets from 7 to 1, reduced sell turnover from 50.4% to 18.2%, and maintained zero hard-constraint violations throughout.

Headline Metrics

Metric	Baseline	Optimized	Improvement
Realized Gains Limit	$500,000	$500,000	—
Sell Ticket Count	7	1	–85.7%
Sell Turnover	50.4%	18.2%	–63.9%
Tracking Error Proxy	0.1177	0.1120	–4.9%
Hard Constraint Violations	0	0	—

Recommended Interpretation

The analysis indicates that this concentrated-position transition is a strong candidate for more disciplined implementation-focused engagement. The economic objective was preserved, and the operational path became materially clearer.

Why This Matters for Your Client

Fewer Trades, Same Tax Budget
The gains budget was not exceeded. The recommended transition reduced sell activity significantly, which means:
• Less market impact and trading friction
• Cleaner implementation timeline
• Lower operational risk and easier audit trail

Faster Diversification Path
By optimizing trade selection, the same tax budget achieves better risk reduction. The transition remains practical to execute and easier to explain to the client.

Illustrative Client Summary Memo

To: Client (via Advisor)
From: BasisLine Transitions Analysis
Re: Concentrated Position Transition Analysis – Summary Findings
Date: May 06, 2026

Overview
We analyzed your concentrated position transition under your specified tax budget and timeline constraints. The analysis identified a clear, optimized path to diversify that preserves your tax discipline while simplifying implementation.

Key Findings
1. Tax Budget is Achievable
Your annual realized-gains limit of $500,000 is fully sufficient to make meaningful progress toward diversification without exceeding your tax plan.

2. Optimized Trading Path
Rather than making 7 separate trades across your concentrated holdings, the analysis recommends a more surgical approach: one primary repositioning trade that achieves 85.7% fewer sell transactions while maintaining the same tax impact.

3. Cleaner Implementation
Fewer trades means:
• Lower transaction costs and market impact
• Simpler record-keeping and tax reporting
• Easier to communicate the strategy to your team

What Happens Next
Your advisor has the detailed trade recommendations. The next step is to review whether this transition aligns with your overall financial plan and risk tolerance. Once approved, implementation can proceed according to your timeline.

Questions?
Reach out to your advisor for additional detail on the analysis or recommendations.