Talking Transitions *with* Penserra

SERIES 3 | ARTICLE XIIV

A Unique Approach to Your "Move to Passive"

Transition Managers are hired, in a fiduciary capacity, to mitigate cost and risk stemming from a change in investments. An immediate and effective method is identifying those securities in common between the existing portfolio and the new portfolio. In setting aside these 'overlapping' positions, a Transition Manager can reduce the amount of subsequent trading, which lowers the event's cost. Penserra takes this a step further. We find cost savings for clients through a lesser-known, yet proven, quantitative approach.

▶ "Building a Slice"

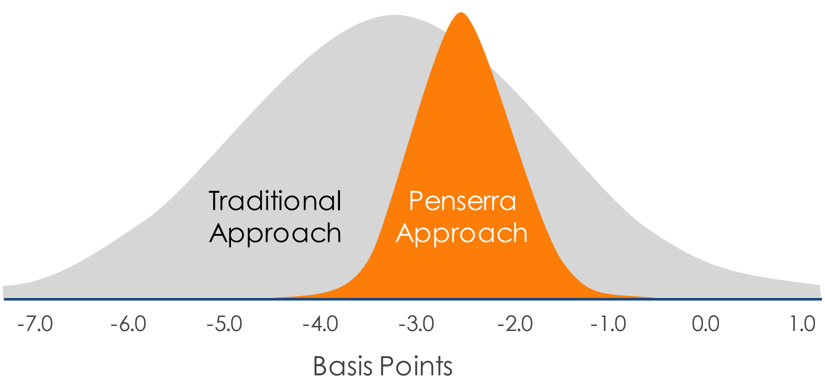
Investment Managers of large passive commingled/pooled funds or separate accounts usually request a Transition Manager to build a "fund slice" of the target portfolio. Then, the securities and shares purchased are transferred "in-kind" to the fund. This reduces trading costs for the client as well as any impact to the existing fund shareholders.

▶ The Overlooked Opportunity

Every transition is unique and requires a different lens. We take additional steps when analyzing the transition strategy by extending our impact analysis to the destination fund. This uncovers any flexibility in implementation; options that can reveal efficiencies. Paramount is a thorough understanding of the constraints, guidelines, and investment management techniques of passive funds. This combination of extended analysis and fund management expertise can:

- provide a measurable, quantifiable and transparent value add
- reduce the amount of trading
- decrease the tracking error of the event in most cases
- increase cost-savings of the overall activity

A Transition's Range of Estimated Costs



The potential benefits derived from the 'out of the box' method: both lower cost and lower risk.

▶ Penserra's Value-Add

With well over 75 collective years of transition management "know how", our team is well-versed in the guiding principles of passive asset management in commingled/pooled and separate account structures. Guided by this experience, we have developed and incorporated a tool that allows us to systematically maximize the level of overlapping shares, beyond those normally identified.

Turn to Penserra to deliver the investment, trading, and operational expertise you require for a seamless transition.

Contact Us

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