

“The biggest benefit of Advent Corporate Actions is knowing that I am processing corporate actions correctly and that our client data is accurate. I am much more confident being able to rely on ACA transactions, alerts and their dedicated team.”

Cindy Lee, Operations Team Leader, Disciplined Growth Investors

DGI eliminates uncertainty in corporate actions processing

Accurately accounting for corporate actions is critical—and complicated. Errors and endless corrections can be costly and time consuming. Just getting information on a merger, acquisition, name or ticker change, spinoff or other reorganization can be a labor intensive process. “I had to search,” says Cindy Lee, Operations Team Leader for Disciplined Growth Investors (DGI). “I would use information gleaned from custodian faxes or emails, and then go to Bloomberg and company websites to verify that information.”

One challenge that firms face today is the timeliness of their corporate actions data. Even with firms using multiple banks, prime brokers and custodians for their data, the notification process and the timeliness of information is still challenging. Firms will often be notified shortly before or after the market effective date which presents processing challenges, especially if the event is complex. “Prior to ACA we relied on our custodians for our corporate action notifications. We were reactive in our processing, but now we are proactive because of ACA. ACA notifies you from the preliminary information all the way up to the market effective date.”

The next challenge is figuring out the action’s implications for security prices, portfolio values and trading, not to mention tax consequences. “You can go to the

investors relations section on a company’s website to search for information on tax consequences, but if you have trouble interpreting it, you have to call or email and wait for an answer. That doesn’t always happen in a timely fashion!”

Solution: Advent Corporate Actions

Long-time Advent client DGI resolved these issues by implementing Advent Corporate Actions (ACA), which automates and streamlines the tracking and processing of corporate actions, from the most basic to the most complex. ACA consolidates and delivers data from multiple reliable sources, driving big efficiency gains and ensuring greater accuracy.

Daily, customized notification

ACA integrates with Advent Portfolio Exchange® (APX) and automatically delivers daily corporate action information customized to the firm’s holdings. “When I arrive each morning, there are two ACA emails waiting for me,” Ms. Lee explains, “one that contains new, revised or cancelled corporate actions for the securities in our portfolios, and another that lets me know if any transactions have been downloaded to APX or require review before processing. After reviewing them, they process to the APX Trade Blotter and I am done. I don’t have any corporate action surprises.”

Profile

Client: Disciplined Growth Investors

Description: Employee-owned RIA
Focused on Small and Mid Cap
Equities

AUM: \$5.8 billion

Background

- Firm had difficulty obtaining timely, accurate information on corporate actions
- Firm had no daily corporate actions workflow and processing was disruptive
- Firm experienced instances of having inconsistent cost basis with custodians that required correction

Solution

Advent Corporate Actions® (ACA)

- An automated solution for corporate actions notification and processing
- Consolidates corporate actions data from multiple sources and delivers reports tailored to a firm’s holdings
- Supported by dedicated staff who advise on events and processing

“I don’t have a tax background, so I rely on the information and guidance I get from ACA.”

ACA brings structure to what was previously an ad hoc process. "We didn't really have a daily corporate action workflow before," Ms. Lee recalls. "We processed actions as we found out about them, which sometimes meant holding up the daily reconciliation and Moxy imports. Now, I can review activity daily and process actions accurately in a timely fashion. And I no longer hold up our morning processes."

Timely, accurate information to act on

Since implementing ACA, DGI has experienced a number of benefits, most notably:

- **Timely notification.** "The information comes to me when it is available. On a daily basis I receive ACA's reports which provide a 'heads-up' that an action that affects our portfolios is coming up. ACA's transactions are available when the actual events occur and I receive guidance in how to process each event."

- **Confidence in accuracy.** "The biggest benefit of ACA is knowing that I am processing transactions correctly and that our client data is accurate to the best of my knowledge. I am much more confident being able to rely on ACA transactions, alerts and their dedicated team." After processing events, our reports accurately reflect the correct gains, or new cost basis."
- **Support and guidance.** "I don't have a tax background, so I rely on the information and guidance I get from ACA, including tax opinions, tax-compliant cost basis and fair market value for North American equities and ADRs. If I have a question, I call the ACA team and get confirmation of the action and the tax opinion. I'm confident I won't process something incorrectly and have to reprocess it."

Benefits

- Assures timely notification of corporate actions affecting the firm's portfolios
- Eliminates reliance on custodians for corporate actions data and advice
- Improves speed and efficiency of corporate actions processing
- Reduces risk of error, improves accuracy and eliminates non-productive time spent on after-the-fact corrections

"After processing events, our reports accurately reflect the correct gains, or new cost basis."