

EXAMPLE CLIENT DELIVERABLE

Illustrative Pilot Outcome Report

Representative tax-aware transition of a concentrated appreciated position into a benchmark-aware custom indexed portfolio.

Prepared for	Use case
Illustrative Boutique RIA	Representative concentrated appreciated position transition
Reference case	Decision question
Single Mega Winner - representative validated run (seed 42)	Can the same gains budget be achieved with cleaner implementation under the same portfolio discipline?

Executive summary

Pilot conclusion

In this representative account, the optimized workflow met the same realized-gains budget as the baseline while materially simplifying implementation. The recommended transition reduced sell tickets from 7 to 1, reduced sell turnover from 50.4% to 18.2%, improved TE proxy from 0.1177 to 0.1120, and maintained zero hard-constraint violations.



Recommended interpretation

The pilot indicates that this transition problem is a strong candidate for a narrow implementation-focused engagement. The economic objective was preserved, and the operational path became materially cleaner.

Why this matters for an implementation team

- The gains budget was exhausted on the primary concentration problem instead of being spread across multiple peripheral sells.
- The optimized transition preserved tracking quality while touching fewer sell tickets.
- The result is easier to explain operationally and easier to implement cleanly in a taxable account.

Transition analysis

Representative case analysis and metric comparison

This representative case uses the Single Mega Winner scenario as the lead commercial example because it shows the clearest implementation simplification under the same gains budget. The baseline and optimized workflow are evaluated under the same portfolio discipline, benchmark-aware objective, and hard-constraint rules.

Metric	Baseline	Optimized workflow	Change
Realized gains	\$500,000	\$500,000	-
TE proxy	0.1177	0.1120	-4.9%
Sell ticket count	7	1	-85.7%
Sell turnover	50.4%	18.2%	-63.9%
Hard violations	0	0	No change
Max weight after	3.8%	3.8%	-1.3%
HHI reduction	0.1910	0.1916	+0.4%
Names touched	34	29	-14.7%

Decision framing

For a prospect evaluation, the decision is whether the workflow demonstrates commercially meaningful simplification on the prospect's actual transition problem while preserving the same gains budget and implementation discipline.

Supporting scenario context

Scenario	Outcome	Sell tickets	Sell turnover	Why it matters
Single Mega Winner	TIE	7 -> 1	50.4% -> 18.2%	Clearest commercial case with materially cleaner implementation.
Tight Gains Budget	WIN	7 -> 1	33.3% -> 12.8%	Shows primary concentration can be prioritized under a tight budget.
Concentrated With Losses	TIE	9 -> 1	51.2% -> 17.5%	Shows richer tax-aware behavior with embedded losses present.

Trade recommendation and audit

Illustrative trade recommendation for the lead case

The sample below shows the form of trade output a pilot can deliver. The point is not that these exact notional allocations are universal; the point is that the deliverable identifies the primary sell action, the leading buy instructions, and whether the transition preserved implementation discipline under the stated rules.

Primary sell action

Ticker	Direction	Shares	Price	Notional	Lot	Realized gain
NVDA	Sell	628.93	\$800.00	\$503,145	NVDA-001	\$500,000

Top buy instructions by notional

Ticker	Direction	Shares	Price	Notional
QCOM	buy	226.41	\$459.62	\$104,064
CRM	buy	768.94	\$134.86	\$103,699
AMAT	buy	849.63	\$121.46	\$103,196
INTU	buy	653.03	\$154.21	\$100,704
TSLA	buy	987.65	\$96.44	\$95,249
DE	buy	423.31	\$224.43	\$95,004
MU	buy	303.73	\$311.64	\$94,656
YUM	buy	337.38	\$278.69	\$94,024

Baseline sell set

AAPL, JNJ, JPM, MSFT, NVDA, PG, XOM

Hard-constraint audit

- Same realized-gains budget preserved.
- Zero hard-constraint violations.
- Sell set concentrated in one primary winner ticket.
- Tracking quality preserved relative to baseline.

Short summary memo

Illustrative pilot readout memo

This illustrative pilot assessed whether a concentrated appreciated position could be transitioned into a benchmark-aware custom indexed portfolio under the same gains budget, the same portfolio discipline, and no hard-constraint violations. In the lead scenario, the optimized workflow preserved the economic objective while materially simplifying implementation.

What a pilot deliverable typically includes

- Transition analysis summarizing the portfolio problem, assumptions, and evaluation setup.
- Baseline versus optimized metric comparison under the same gains budget and constraint set.
- Illustrative trade recommendations, including primary sell actions and top buy instructions by notional.
- Hard-constraint audit confirming whether the proposed transition preserved implementation discipline.
- Short readout memo translating the quantitative result into an implementation decision.

Underlying evaluation context

The broader validation pack reported GPU quick-gate passes in 14 of 15 runs, validate outcomes of WIN=7, TIE=6, and LOSS=2, and exact CPU/GPU alignment across all 15 runs with zero absolute TE difference. This sample report highlights the most commercially legible representative case rather than the full validation appendix.