

CASE STUDY

Tax-sensitive transition: from the prospect statement into your models.

A concentrated stock portfolio, three million dollars of embedded gains and a client with firm opinions. How an advisor turned the conversation into a personalized proposal, with the client's own rules built in.

\$5.0M

Taxable portfolio, stocks and a muni bond

\$3.0M

Unrealized capital gains

40%

Concentrated in technology

\$300K

Most capital gains he will realize

80%

Target allocation to stocks

THE SITUATION

The prospect built the portfolio over a career, one stock at a time. Apart from a Texas municipal bond it is all equities, 40% of it sits in technology, and **60% of its value is unrealized gain**. A long-held Exxon Mobil position carries more than money: the client spent their career at Exxon.

The advisor's models are diversified. The distance between the two is large, and so is the tax bill for closing it.

THE INSTRUCTIONS

The client was clear. Realize no more than **\$300,000** of capital gains. Keep Exxon. Hold **\$100,000** in cash. Put **1%** in Bitcoin. And decrease equity to **80%**.

Five constraints that pull against each other. In a spreadsheet they take days to reconcile. In Pack they become settings and two lines of plain English.

WHAT THE CAPITAL GAINS BUDGET IS WORTH

\$3.0M

\$0

CAPITAL GAINS REALIZED

Liquidate and rebuy. Selling everything to reach the model realizes the full \$3.0M of capital gains in a single year.

\$300,000

\$0

CAPITAL GAINS REALIZED

The Pack plan. Exactly \$300,000 of capital gains. Equity moves from 97% to 79%, and the remaining \$2.7M of gains stays deferred.

*The client keeps what he cares about, **decides how much gain to realize**, and still moves toward the model.*

What the client asked for, and *what Pack did with it.*

	CLIENT REQUEST	CONSTRAINT IN PACK	PROPOSED
1	<i>“No more than \$300,000 of capital gains.”</i>	CAPITAL GAINS BUDGET Pack works lot by lot, sells the positions with the lowest percentage of gain first, losses before anything else, and stops when the gains reach the budget.	\$300,000 of gains realized · \$1.57M sold
2	<i>“Keep Exxon.”</i>	SECURITY RESTRICTION One line of instruction, Do not sell XOM. The proposal keeps the position and rebalances everything around it.	Held 8.8% of the portfolio, unchanged
3	<i>“Leave \$100,000 in cash.”</i>	RAISE CASH \$100,000 is set aside as cash before anything is invested, so the account is never fully deployed.	\$100,000 2% of the portfolio
4	<i>“Put 1% in Bitcoin.”</i>	CUSTOM PURCHASE One line, Buy 1% of IBIT. A 1% Bitcoin position is added to the proposed portfolio next to the advisor's model.	1% from 0%
5	<i>“Decrease equity to 80%.”</i>	AUTO-DETECT BEST MATCH With an 80% equity target, Pack runs every model in the advisor's file under the same rules and keeps the one that lands closest: the 50/50 SMA.	79% equity, from 97%

STEP ONE

Win the prospect

Upload the prospect's statement, set the capital gains budget and type their preferences in plain English. Pack applies the budget, the restriction and the purchases in one run, and produces a personalized proposal, current next to proposed.

STEP TWO

Implement what you promised

Once the prospect signs, the same transition logic moves the taxable account toward your model. No rebuilding the plan in Excel, no working through each trade by hand.

One process, repeatable for every client. The proposal and the implementation are *the same plan*, and it keeps the capital gains budget, the legacy holding and the client's preferences intact.

Illustrative case study on a fictional client. Proposed figures come from one optimization run in Pack Analytics on a sample statement of this portfolio, with the advisor's own model file. Tracking error to the selected model moves from 6.7% to 6.2%. Nothing here is tax advice. Actual transition results depend on portfolio holdings, tax lots, market prices, model constraints and client instructions.