Xcitek Cost Basis™
Securities cost basis information and tools

Derived from its award-winning corporate actions database, Xcitek Cost Basis™ (XCB) delivers high quality information on the tax or cost basis impact of corporate actions on securities.

Spin-offs, distributions, stock splits, and numerous other corporate actions have an impact on the cost basis of a security. Xcitek® carefully analyzes these events to determine the impact, and electronically publishes the information to help securities and tax professionals update, maintain, and even derive, accurate records to reflect these events. Electronic publishing allows for delivery to users in a variety of ways; ensuring that the information is available, and ready to be used efficiently.

A Rich History
No cost basis service would be complete without access to comprehensive coverage of past events. XCB’s database reaches back in time to the inception of most covered companies; in some cases, as far back as the 1800’s. This rich cost basis history allows clients to research and derive cost basis, even on some of the most long-term positions.

Flexibility
Flexible, convenient and available, Xcitek's web-based cost basis service enables users to:

- Monitor today's cost basis events
- Create portfolios to track specific cost basis events
- Customize reports and select automated reporting technologies (Email Alerts, daily electronic file) and formats

XCB Service Content
The XCB service contains all notifications published in Xcitek's comprehensive corporate actions service that have cost allocation/tax status consequences. The universe of coverage is securities listed/traded on U.S. exchanges.

The following is a partial listing of the information found in XCB announcements:

- CUSIP®
- Issuer
- Issue description
- Tax status
- Cash-in-lieu
- Resulting securities
- Cost basis allocation factor
- Tax opinion fair market value

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1 Annual Data Mangement Survey, Securities Operations Forum and The Summit Group
Methods of Delivery

Xcitek has always been committed to providing data in client preferred formats and delivery systems. This dedication to client needs has led to numerous distribution partnerships with data vendors, and to ongoing development of proprietary web-based services that provide timely data and functionality that help clients utilize the information efficiently.

Cost basis information is available in the following formats:

- Web-based services
- XCB Calculator™
- Hosted application of the XCB Calculator
- Intra-day alert options including portfolio tracking
- End-of-day files (FTP)

XCB Calculator™

Unique to Xcitek’s Cost Basis Service is the proprietary XCB Calculator. Without the time-consuming process of researching and then number-crunching, subscribers to XCB simply enter the CUSIP® or ticker symbol, the buy and sell dates, the quantity, and the purchase price. Within seconds, the XCB Calculator can return a bottom-line cost basis per share and aggregate cost figure, taking into account cost basis-affecting events (including ‘voluntary’ events such as merger elections) during the holding period.

Calculator results also show the cost basis of any securities that may have emanated from the original position. Equipped with historical daily prices, an online CUSIP directory, and a built-in ‘family tree’ feature (that helps to identify the starting security when mergers, acquisitions, name changes, or distributions resulted in a different ending security), the XCB Calculator is an invaluable tool for securities operations professionals.

Access to Expertise

In keeping with Xcitek’s commitment to ‘Excellence in Customer Service,’ XCB subscribers have access to Xcitek’s knowledgeable staff. Securities cost basis issues are often complex. We understand that our clients sometimes need help, and feel that they deserve immediate answers to their questions. We not only provide those answers, but share source information with clients as well.
Xcitek Cost Basis Case Study

The Situation
A major brokerage firm needed to input cost basis information as part of every client position transferred-in, averaging about one hundred positions per day. The broker estimated that it took an average of about 20 minutes to derive cost basis on a single position manually, even after the research was completed and all cost basis-affecting events during the holding period were known. The estimate jumped to over an hour per position with reinvested dividends.

The Solution
The XCB calculator saved the broker from hiring at least three full-time staff to research and calculate the cost basis on the transferred-in accounts. The XCB Calculator, in sharp contrast to the manual process, has the research built-in and can generate the calculation in a matter of seconds.
Limitations

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