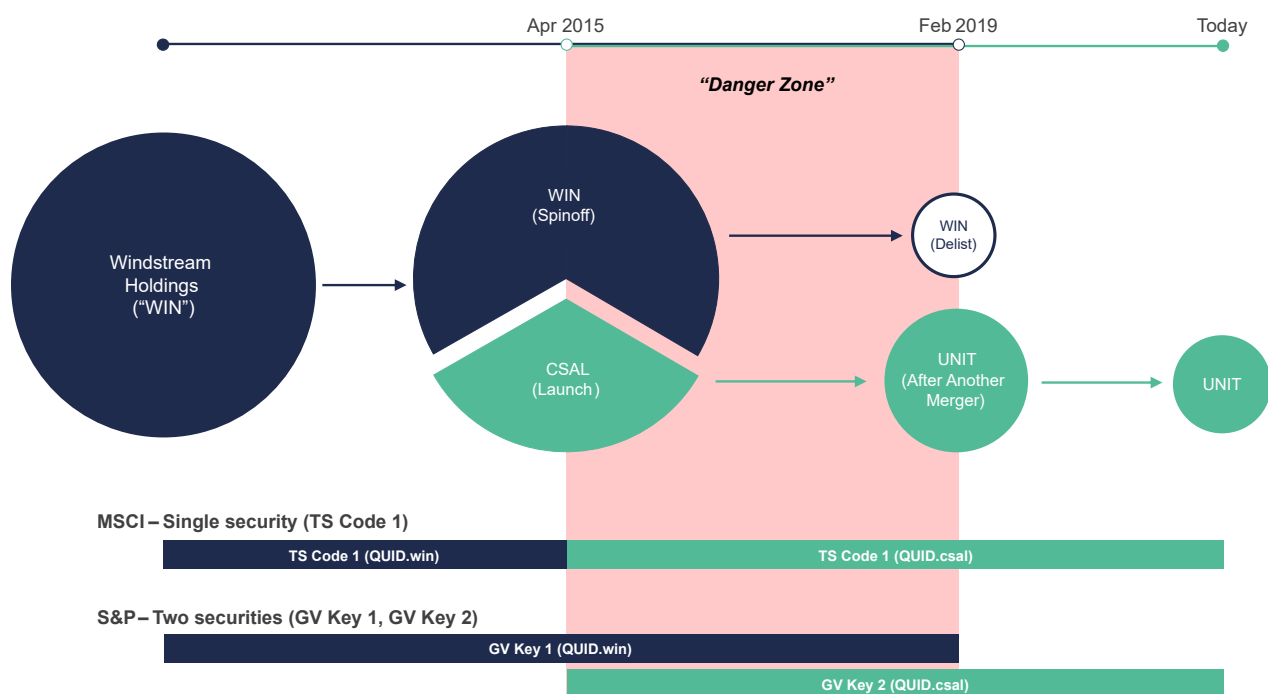


Data sources differ in their interpretations of mergers, spin-offs, and acquisitions. Qudol Security Master automatically links securities across data vendors to provide clarity at every point in time.

Case Study: CSAL Spinoff from WIN

On 27th April, 2015, Windstream Holdings, Inc. (“WIN”), a provider of voice and data network communications, and managed services, to businesses in the United States, completed the spinoff of its real estate assets as a separate public REIT under the name Communications Sales & Leasing, Inc (“CSAL”). This created a new type of REIT, first of its kind. WIN continued to trade until voluntarily delisting on 28th February, 2019. CSAL continues to operate today as Uniti (“UNIT”) after another merger in 2017.

Interestingly, this April 2015 corporate action was interpreted differently by two of the major index operators—MSCI Inc (“MSCI”) and S&P Dow Jones Indices (“S&P”). Both these vendors are accurate within their own established procedures, but without a robust security master like Qudol, this creates significant challenges for time series analysis.



The real “danger zone” is from April 2015 to Feb 2019, when the MSCI asset can link to the wrong company. In the absence of accurate and timely security mastering, when a researcher builds the time-series universe, they may incorrectly link TS Code 1 (MSCI) with GV Key 1 (S&P) after the spin-off date making the time-series analysis invalid. Furthermore, as underlying securities change in capitalization or even undergo additional corporate actions over time, the impact of survivorship bias compounds.

Qudol adds a time dimension to the security master, handling this challenge with ease. It generates two different linking IDs (QUID) one for WIN and another for CSAL. These QUIDs (correctly) map to two different stock keys from S&P. Additionally, MSCI security code history is split into two as of the ex-date with the older history linking to WIN QUID and the latter to that for CSAL.

Since this is done algorithmically, and without restrictions on the number of data vendors or depth of history, these linking IDs can be generated automatically, and as often as necessary to suit your needs. For more details, send us a message!