



# Discretionary portfolios

▲ Stockbroking

1972

**Starting in 1972, Standard Stockbroking, has over 50-years of experience in serving clients' needs by providing a range of trading services and investment solutions to protect and grow their investment portfolios.**



## What is a discretionary portfolio?

Discretionary management of a portfolio involves the ongoing management of changes in your portfolio on your behalf. All investment decisions taken are done with reference to our in-house investment process and benefits from the timely implementation and risk management framework in place. Discretionary portfolios are constructed by our in-house investment committee and always represents our best risk-reward, long-term view under each of the respective mandates offered.

We currently offer both global and domestic discretionary solutions. These solutions meet investors' needs for income and capital growth. Our balanced offerings employ a static asset allocation framework to reflect clients' long-term strategic asset allocation objectives. We believe that most of the client's strategic objectives can be addressed through either the choice of an equity-only mandate or a balanced mandate and we do not actively change the asset class allocation as a tool to manage the risk or return profile of the portfolio. Instead, our discretionary portfolios aim to deliver sound investment outcomes while managing risk through disciplined stock selection and the portfolio construction process.

While we also provide active ETF discretionary solutions (see separate brochure), the active ETF solutions are positioned closer to the benchmark in terms of risk tolerance and expected outcomes and positions are tilted to where we believe opportunities lie (for example from a sector or geographic perspective), with these views informed from the same discretionary investment process.

# The benefits of our discretionary portfolios:



## Bottom-up investment process:

Our bottom-up investment process identifies investment opportunities across a range of global and domestic securities. Our investable universe is a function of applying our screening methodology as well as third-party and in-house research to narrow our focus to what we consider high quality investment opportunities across all investment sectors. The investable universe is reassessed on an ongoing basis to ensure that it remains relevant.

The investment committee meets monthly (or ad-hoc, should the need arise) to consider any changes to the portfolios. The portfolios are constructed using the best risk-reward ideas from our investable universe and results in a suitably diversified portfolio for investors. The committee pays close attention to the risk characteristics of our portfolios and whether there is a disconnect between the amount of risk taken, in relation to the mandate as well as our conviction levels.



## Long-term wealth creation:

The selection of securities that looks different to the benchmark results in deviation from the benchmark, both in terms of performance but also the risk characteristics of your portfolio. We aim to deliver superior risk-adjusted returns for our clients through market cycles and this objective is well aligned to long-term wealth creation. While investment performance over short-term periods may ebb and flow, we believe that disciplined stock selection and management of portfolio risk delivers strong investment outcomes over time.



## Access to a portfolio manager:

We are a relationship-based business, and we believe that our partnership in the management of your portfolio is crucial. Our portfolio managers aim to build a trusted relationship with you and are available to discuss your portfolio and can keep you abreast of our current investment thinking. Our portfolio managers are also in a position to discuss our broader solutioning capability, through our advisory or active ETF mandates or through our structured product solutions that may meet your current or future needs.



## Transparency:

Our discretionary portfolios are managed to an investment objective that is known and there is full transparency on the holdings in your portfolio as well as the fee structure.



## Why partner with us?

Since 1972, Standard Stockbroking has been helping clients manage their investment journey. We are a partner that aims to truly understand your needs. Our discretionary investment process is designed to deliver an appropriate investment solution, while managing your portfolio risk. Our portfolios provide diversified investments, that are rebalanced periodically to ensure that your portfolio reflects our highest conviction risk-adjusted views for long-term wealth creation.

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## Our global discretionary portfolios

**1** The **Global Equity USD portfolio** is an actively managed portfolio in which investments are made into predominantly direct equity holdings. The equity portfolio prioritises capital growth.

**Best suited to:**

- Investors seeking exposure to offshore equity in US Dollars.
- Investors who are comfortable with stock market fluctuations and potential capital loss.
- Investors of this portfolio typically have an investment horizon of more than five years.

**2** The **Global Balanced USD portfolio** is an actively managed portfolio in which investments comprise a combination of global equities, fixed income, property or commodity exposures accessed via ETFs as well as cash. The balanced portfolio seeks to provide a balance of income and capital appreciation by investing across asset classes with a static strategic allocation.

**Best suited to:**

- Investors seeking steady long-term capital growth in US Dollars.
- Investors who are comfortable with taking on market fluctuation risks and potential capital loss.
- Investors of this portfolio typically have an investment horizon of more than three years.

## Our domestic discretionary portfolios

**1** The **Domestic Equity ZAR portfolio** is an actively managed portfolio in which investments are made into predominantly domestic direct equity holdings. The equity portfolio prioritises capital growth.

**Best suited to:**

- Investors who are seeking exposure to domestic equity in Rands.
- Investors who are comfortable with stock market fluctuations and potential capital loss.
- Investors of this portfolio typically have an investment horizon of more than five years.

**2** The **Domestic Income ZAR portfolio** is an actively managed portfolio in which investments are made into predominantly equities, property and fixed income instruments to enhance the income generative attributes of the portfolio in Rands.

**Best suited to:**

- Investors seeking a steady income from the portfolio.
- Investors who are comfortable with taking the risks associated with market fluctuation and potential loss of capital.
- Investors of this portfolio typically have an investment horizon of more than five years.

## Our domestic discretionary portfolios

3 The Domestic Balanced ZAR portfolio is an actively managed portfolio in which investments are made across multiple asset classes. Unlike the Domestic Equity ZAR portfolio, the Domestic Balanced ZAR portfolio can invest across multiple asset classes in which investments comprise a combination of global equities, fixed income, property or commodity exposures accessed via ETFs as well as cash. This portfolio will have global exposure in addition to South African asset classes. The portfolio is managed to comply with the investment restrictions governing retirement funds in South Africa.

### Best suited to:

- Investors seeking steady long-term capital growth in Rands.
- Investors who are comfortable with taking the risks associated with market fluctuation and potential loss of capital.
- Investors of this portfolio typically have an investment horizon of more than three years.



## How to get started:

### Minimum Investment

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R2,000,000 for Local Portfolios

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US\$125,000 for Global Portfolios

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### Management Fees and Brokerage Costs

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1.00% Excl VAT for  
Global and Domestic Portfolios

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0.20% Excl VAT Brokerage Fee\*

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\*The brokerage rate of 0.2% applies to domestic portfolios. Global portfolios have brokerage rates applicable to each exchange and is in the region of 0.3% (see <https://webtrader.standardbank.co.za/webtrader/commision/share-trading-rates.html>).

## Contact us

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