

A new twist on boosting discretion

Alexis Calla explains the approach that Standard Chartered Bank is taking to boost its share of advisory and discretionary mandates in Asia.

Like many wealth managers, Standard Chartered Bank is also trying to increase its advisory and discretionary mandates. The take-up of these offerings by Asian clients has been slow, and the vast majority of interactions between banker and client are transaction based.

In its quest to win customers, therefore, the bank has developed a unique discretionary offering, according to Alexis Calla, the bank's global head, investment and advisory, group wealth management. "We offer managed accounts that are sub-advised by managers we have picked," he explains. "We don't do security selection in-house. We identify a particular manager to manage an individual client's account on our platform."

FULLY OPEN

When it comes to products – mutual funds, structured products or other capital market products – the platform is open architecture. "We work with a long list of partners who are picked for their ability to offer value to our clients at a level of quality that we deem appropriate. We try

to pick managers who have something different to offer," adds Calla.

He also notes that choosing managers to sub-advise discretionary mandates requires an understanding that clients in discretionary offerings typically tend to have a slightly longer time horizon, and they are relatively comfortable making a big bet against the benchmark. For less risk-taking clients, of course, the portfolio could consist of balanced funds for fund-based strategies and ETFs, where the potential for deviation from the benchmark is lower. "We can also offer mutual funds on a stand-alone basis and we could on an advisory basis, create a portfolio based on the client's needs and requirements. We have a range of solutions to suit client needs," adds Calla.

Of course, getting clients to buy into the idea of discretionary mandates is the challenge. Calla says it all depends on the approach of the private banker. "All successful people tend to have some portions of their finances outsourced. We ask the client what portion across



ALEXIS CALLA
Standard Chartered Bank

the value chain of their finances could be tackled by the bank. If you engage clients that way and not by suggesting you have the ultimate solutions for all their needs, they become much more receptive to discretionary offerings." ■