

Unlocking growth: how Discretionary Fund Manager partnerships transform advisory practices

20 August 2025

Partnering with a discretionary fund manager (DFM) has long been viewed as a strategic move for advisers looking to outsource portfolio construction, their investment-related compliance burden, and access deep investment research. However, increasingly, advisers are discovering that the benefits run far deeper than fund selection or absorbing regulatory burdens. A well-chosen DFM partner not only optimises clients' portfolios, it frees the adviser to focus on what really matters: providing holistic financial advice, deepening client relationships, and elevating your value proposition in a dynamic market environment.

Reclaiming the heart of advice

By lifting the weight of portfolio oversight, a DFM allows advisers to reclaim their time, focus, and control, not just over investment outcomes, but over their core value proposition. Imagine channelling hours once lost to fund research and rebalancing into transformative client relationships. With conversations of investment management streamlined, advisers can shift toward life-centred discussions such as financial wellbeing, legacy, and goals. This builds stronger relationships, drives engagement, and helps clients see the bigger picture. Advisers can thus sharpen their focus on holistic advice. This isn't just better-defined advice, it is differentiated advice. Advisers are able to expand into untapped client segments such as, the next generation of wealth, small business owners, or even underserved demographics, without diluting the quality of advice given. They can also develop scalable advice models using digital tools or hybrid solutions to service the wider client base. Reduced investment admin means more time to work *on* their practice, not just *in* it. Whether it's refining the client proposition, mentoring junior advisers, or improving internal processes. A DFM can create the space for advisers to evolve as business owners. DFMs handle the mechanics of portfolio management – from asset allocation to tactical shifts – freeing the adviser to focus on deeper client relationships and business growth. This is where true adviser value lives: not in spreadsheets, but in the trusted human connection that

clients cannot replicate via algorithms or online platforms.

Silencing the compliance noise

South Africa's ever-evolving regulatory landscape demands meticulous documentation that can drown advisers in paperwork. Advisers face increasing regulatory demands around investment suitability, portfolio construction, and ongoing governance. Meeting these compliance requirements, requires significant time, resources, and robust governance frameworks. Herein lies a profound DFM benefit: a DFM can absorb the day-to-day portfolio oversight, monitoring, and identifying compliance breaches more quickly and then adjust portfolios timeously. They ensure Regulation 28 adherence, maintain auditable rebalancing trails, and document best-execution practices using verified research tools. By acting as your institutional-grade safeguard, DFMs mitigate regulatory risk while you concentrate on pure advisory work – turning investment compliance from a threat into a managed function. The operational efficiencies gained by utilising a DFM, such as rebalancing all clients linked to a specific model portfolio at the same time, also means that your practice runs like a well-oiled machine and ensures that no client is left behind.

The scalability imperative

As advisory practices grow, in-house portfolio management can quickly reach a breaking point. What may begin as a cost-effective and controlled approach often becomes weighed down by hidden or escalating costs – salaries for analysts, premium data terminals, and proprietary software – create unsustainable fixed expenses. These costs have the potential to erode profitability and make it harder to scale sustainably. Moreover, the risk of staff turnover introduces a real vulnerability: a key member leaves during a critical market cycle disrupting client portfolios and compromising client outcomes. Most crucially, capacity constraints emerge as more time has to be spent on portfolio oversight. Contrast this with an outsourced DFM solution where all of these risks are mitigated and the high fixed costs are exchanged for a variable cost linked to AUM. This model transforms scalability from a logistical challenge into a strategic accelerator, granting immediate access to local and global research and execution capabilities.

Redefining client perception

In today's market, clients seek advisers who act as strategic architects – not product salespeople. Industry research indicates that clients perceive DFM-backed advisers as significantly more credible for complex wealth management. This partnership elevates your proposition profoundly: you become the conductor orchestrating specialists, rather than trying to play every instrument yourself. By entering into a strategic partnership with a DFM, you gain the ability to offer world-class investment strategies through cutting-edge research, access to alternative investments, and dynamic asset allocations – democratising solutions once exclusive to the ultra-wealthy. Your

clients now view you as their lifelong wealth strategist, not a transactional vendor.

Choosing your strategic ally

Selecting the right DFM demands careful consideration of philosophical alignment and operational fit. Choose a partner whose investment approach mirrors yours – whether that's active alpha generation or low-cost passive blends, or a combination of the two. Demand absolute fee transparency, including both management fees and underlying costs, and insist on clear and efficient operational processes and reporting standards. Crucially, verify their local expertise: Can they articulate how South African realities influence portfolio decisions, and how this scales up into a globally relevant portfolio? Finally, assess customisation depth: Ensure they can accommodate client-specific exclusions without compromising the servicing and investment model's integrity. As Solutions Architects, Glacier Invest ticks all of these boxes.

The Strategic Horizon

For South Africa's financial advisers, the DFM partnership represents far more than operational relief. It's a fundamental repositioning – from a potentially-overwhelmed portfolio administrator to an empowered wealth visionary. By delegating investment execution, you reclaim your highest-value role: understanding your clients' deepest financial aspirations and guiding them with behavioural wisdom. In an era of relentless complexity, integrating a DFM into your advisory practice is becoming essential to sustainable growth. The most successful future practices will leverage these partnerships to redefine the very essence of trusted advice in our uniquely challenging market.

Recap: the value of a world-class DFM

To summarise, partnering with a trusted and well-established DFM such as Glacier Invest provides your practice with the following strategic advantages:

- Access to an industry-leading research team.
- Unrivalled pricing power, allowing your clients to invest in ultra-low fee classes.
- Access to comprehensive investment technology, in the form of Smart Portfolio.
- Significant operational capability and scalability.

This allows you to focus your time on your core business of building trusted relationships with your valued clients.

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Glacier Financial Solutions (Pty) Ltd.

A member of the Sanlam Group

Private Bag X5 | Tyger Valley 7536 | Email client.services@glacier.co.za | Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 | Web www.glacier.co.za | Reg No 1999/025360/07

Licensed Financial Services Provider | Glacier Financial Solutions (Pty) Ltd. is also a Licensed Discretionary Financial Services Provider FSP 770, trading as Glacier Invest | Sanlam Multi-Manager International (Pty) Ltd. | A member of the Sanlam Group

Private Bag X8 | Tyger Valley 7536 | Tel +27 21 950 2600 | Fax +27 21 950 2126 | Web www.smmi.com *|*Reg No 2002/030939/07

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Glacier International is a division of Sanlam Life Insurance Limited

Sanlam Life Insurance Ltd. | Email life@sanlam.co.za | Tel + 27 21 916 5000 / 0860 726 526 | Fax +27 21 947 9440

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