



SAXOSELECT  
EQUITY  
PORTFOLIOS

## Saxo Morningstar Moat Portfolio

- MORNINGSTAR ECONOMIC Moat RATING IDENTIFIES STOCKS WITH A ROBUST COMPETITIVE ADVANTAGE
- 30 DEEP VALUE STOCKS WITH ATTRACTIVE PRICE TO FAIR VALUES
- LOW TRADE COMMISSION AND SERVICE FEES
- INVESTMENTS FROM EUR 30,000

The Saxo Morningstar Moat Portfolio, managed by Saxo Capital Markets UK Ltd's parent company Saxo Bank A/S in collaboration with Morningstar Investment Management Europe Ltd, offers a powerful investing opportunity in deep-value stocks which have shown a robust competitive advantage for investors over a medium to long-term investing horizon.

IN COLLABORATION WITH  
**MORNINGSTAR**<sup>®</sup>



## SAXOSELECT INVESTMENT PORTFOLIOS

Together with Morningstar's Investment Management group, Saxo has established a unique investment portfolio of quality value stocks which show a strong competitive advantage over their peers with the aim of providing capital growth over longer periods and outperformance versus the MSCI All Countries World Index.



## STOCK SELECTION

Morningstar Investment Management Europe provides a model global portfolio of 30 equities which Saxo Bank manages through the Saxo Morningstar Moat Portfolio. Stocks in the portfolio are selected from 33 exchanges which qualify for inclusion using the Morningstar Economic Moat methodology. Morningstar's Economic Moat theories are founded on 5 principles:

1. **Switching Costs** – companies whose customers are locked in due to high costs of switching to a competitor
2. **Network Effect** - companies with goods or services where the value of the product increases with the number of users using the goods or service
3. **Intangible Assets** – patents, government licenses and valued brands associated with a company that give it an advantage over its competitors
4. **Cost Advantage** – companies which can produce goods or services cheaper than their competitors allowing them to undercut their competitors or achieve higher profitability
5. **Efficient Scale** – benefits companies in markets that only supports few competitors

Only companies which Morningstar believes have a sustainable competitive advantage will be included. These companies are in a good position to fend off competitors and earn high returns on capital for at least 20 years (Wide Moat) or 10 years (Narrow Moat). Stocks are then evaluated using fundamental analysis to arrive at fair value estimates and only those trading at a large discount to these estimates are included in the portfolio.

## LOW TRADE COMMISSIONS

Saxo charges a low trade fee of 0.06% of the value of each trade, subject to a minimum of 2 EUR or the approximate currency equivalent with no custody fee.

## LOW SERVICE FEE

Saxo charges a service fee of 0.75% per annum (incl. VAT) to administrate the portfolio. This is calculated on the closing value of your portfolio at the end of each day and charged at the end of each quarter.

## LOW CONVERSION COSTS

The Saxo Morningstar Moat Portfolio is subject to a special low conversion fee of 0.2% which is applied to the value of trades in currencies other than the portfolio currency (EUR). Transfers to and from the Saxo Morningstar Moat Portfolio investment account in currencies other than the portfolio currency (EUR) are subject to Saxo Bank's standard conversion fee of 0.5%.

## QUARTERLY REBALANCING

At the end of each quarter, the portfolio will be reviewed by Morningstar and rebalanced by Saxo Bank if necessary.

trade costs, the portfolio only replaces stocks if an alternative can be found which offers a 25% improvement in its price to fair-value. The rebalancing to target weights is also subject to a buffer to minimize transaction costs.

## SINGLE ACCOUNT FOR TRADING AND INVESTING

SaxoSelect investments are made through the SaxoTraderGO platform which offers a single platform for investing in SaxoSelect and trading the full range of Saxo's products. When you open a SaxoSelect investment, it is automatically established in a new account in the currency of the portfolio and the investment amount is transferred from your default account.

The standard percentage of the collateral value of investments in the SaxoSelect Equity Portfolio can be used to trade margin products such as FX, CFDs and futures. Standard conversion rates apply to currency conversions to and from SaxoSelect accounts.

## SAXOSELECT TECHNOLOGY

Saxo's powerful financial technology coupled with Morningstar's investment management expertise offers a unique proposition that puts you firmly in control of your investments and offers full transparency.

To reduce the number of stocks replaced and the associated



Investment portfolios are listed in the SaxoSelect panel of SaxoTraderGO which gives access to full details of a portfolio by selecting the portfolio's tile.

## TO OPEN AN INVESTMENT

1. In the trading platform, click the INVEST button on the strategy you want to invest in.
2. The first time you invest you will be led through a short suitability test: **Note:** you are only allowed to invest in portfolios where you are deemed to have the necessary knowledge, assets, experience and risk awareness for the portfolio.
3. The Investment module allows you to set the size of your investment.

When you have completed the investment process, SaxoSelect Technology creates a dedicated account for the portfolio and places the individual investments in this account within seconds (if the market is open), opening your investment instantly.

## ACTIVE PORTFOLIOS

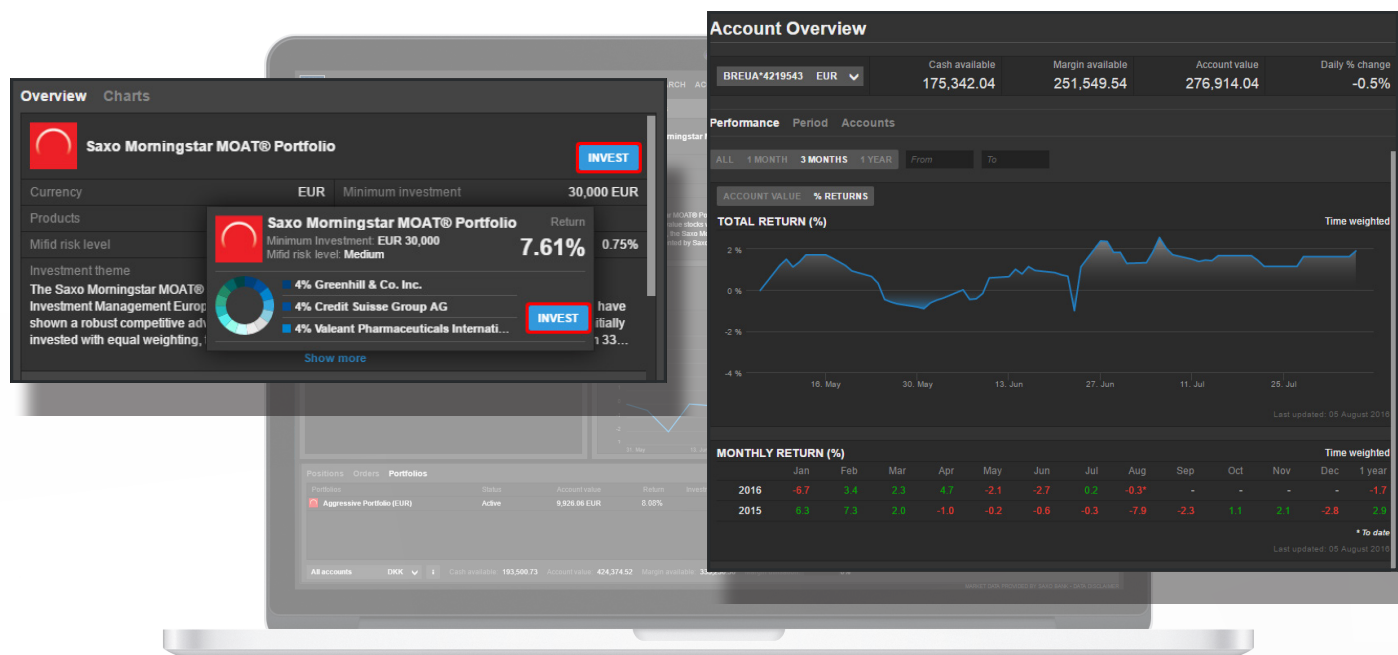
Active portfolios are monitored in the Portfolios List which allows you to monitor returns, adjust the size of your investment or stop the portfolio.

Individual investments can also be monitored under positions – you cannot manage or adjust individual positions in a portfolio independently.

## PORTFOLIO PERFORMANCE

You can monitor the performance of your portfolios in the Account Overview page.

This page gives you details of your account, the account value and the time-weighted performance, monthly profit and returns and a map of when investments and reinvestments were made on the portfolio.



The value of your investments can go down as well as up.  
Losses can exceed deposits on margin products. Please ensure you understand the risks.

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