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Capabilities Statement

Investment Experts, Managed Account Specialists

We partner with independent Australian advice firms to build and manage unconflicted, cost-effective, institutional-grade managed account portfolios.

About Bellmont

At Bellmont, we are investment experts and managed account specialists. We partner with independent advice firms to build and manage unconflicted, cost-effective, institutional-grade portfolios. We provide the technical engine that allows your practice to scale, delivered with the personalised, responsive service you only get from a boutique partner.

Our approach is defined by four key pillars:

- **Truly Tailored Portfolios:** We believe in ‘Tailored, not templated’. We partner with you to build a bespoke suite of portfolios designed specifically to suit your business, your investment philosophy, and the unique outcomes your clients are seeking.
- **Independent, Unconflicted & Boutique:** We remain proudly independent and are not directed by a corporate parent. Our advice is never clouded by product sales or ‘pay-to-play’ manager research; our only priority is your clients' success.
- **Institutional Quality, Personal Service:** Our team possesses a deep institutional pedigree - with experience managing billions in industry super funds - yet we maintain the customer-focused service ethic of a boutique. We understand the nuances of your business because we operate just like you.
- **A Long-Term Partnership Mentality:** We don’t just provide a service; we grow with you. We view ourselves as an extension of your team, collaborating and supporting your practice for the long term, because your success is our success.

Portfolio Building Blocks

Bellmont provides a comprehensive, end-to-end managed account solution that covers the entire SMA lifecycle - from the initial design of a suite of portfolios to ongoing governance and professional client communication.

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Tailored Portfolio Construction

We don't attempt to funnel every client into the same, generic portfolio. Our construction process is a deep collaboration designed to align perfectly with your firm's specific investment philosophy and your clients' unique needs. This tailored service is specifically designed for partner practices able to commit a minimum of $100m in FUM.

- **Discovery & Alignment:** We sit down with you to understand the core of your business - your clients, your strategy and your current approach. We focus on identifying the most critical investment and communication needs.
- **Portfolio Audit:** We conduct a thorough review of your existing portfolios to identify what is working well and which elements you wish to retain or improve.
- **Team Preference Mapping:** Key members of your team complete our proprietary 'Tailored Portfolio Style' questionnaire. This unique step helps surface individual preferences and ensures investment beliefs are fully aligned across your firm.
- **Evolution or Revolution:** Whether you want to refine a successful existing model or completely overhaul your approach, the choice is yours.
- **Collaborative Design:** We present proposed portfolios alongside rigorous investment logic, looping through refinements until you are completely satisfied with the strategy and structure.

Asset Allocation

Academic research confirms that Asset Allocation is the primary driver of portfolio outcomes, accounting for approximately 91% of long-term returns[1]. Because the stakes are this high, we treat it as the most critical structural foundation of your firm's wealth engine.

- **Precision Through Granular Benchmarking:** We dive deep into granular benchmarks to understand exactly which ‘bets’ are being taken within a strategy. This allows us to strip away accidental exposures and ensure every deviation from the benchmark is both deliberate and aligned with the portfolio’s objectives.
- **Strategic Discipline Over Market Noise:** Most of the time, markets are relatively efficient. We rely primarily on a robust Strategic Asset Allocation (SAA), maintaining the discipline to stay the course through short-term volatility.
- **Capitalising on Historical Extremes:** While we respect market efficiency, we act when valuations reach historical extremes - typically defined as being more than two standard deviations away from their mean. By making targeted, evidence-based adjustments during these rare moments, we can tilt the scales in your favour to protect capital or capture growth.

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[1] Brinson, G.P., Hood, L.R. and Beebower, G.L. (1986), “Determinants of Portfolio Performance,” Financial Analysts Journal, 42(4), pp. 39–44.*

Manager Selection

Our vetting process is exhaustive, involving over 500 manager meetings every year to identify teams with the capability, process and integrity to deliver repeatable results.

- **Active vs. Passive:** We don’t believe in a one-size-fits-all approach. We lean towards being less active in more efficient sectors like Global Large-Cap Equities and more active in less efficient spaces like Australian Small Caps, where skilled managers consistently add value.
- **The 3 P’s and Fees:** Every potential partner is subjected to our framework: People (the talent), Process (the discipline), Performance (the track record), and Fees (the value).
- **Unmasking True ‘Jensen’s’ Alpha:** We use a proprietary methodology to identify true skill that cannot be explained away by luck or simple market factors. If a manager’s performance can be replicated by a cheap ‘smart-beta’ ETF, we won’t pay active fees for it.
- **Maximising ‘Bang for Buck’:** We ensure a fair split of returns. We target a maximum 30% alpha capture for the manager, leaving at least 70% of the excess return in your clients’ pockets.

Portfolio Construction Rigour

We look beyond individual manager performance to ensure every component of the portfolio serves a specific strategic purpose and complements the whole.

- **Style and Factor Analysis:** We ensure portfolios aren't accidentally tilted toward a single factor like ‘Growth’ or ‘Value’, which can lead to unexpected volatility.
- **Correlation and Overlap:** We pair managers whose excess returns are minimally correlated and scrutinise portfolios for ‘clumped’ exposures to ensure you aren't paying multiple active fees for the same underlying holdings.
- **Risk Factor Mapping:** We evaluate how various macroeconomic risks - such as interest rate sensitivity or currency exposure - aggregate across the entire portfolio.

Australian Direct Equities

For clients who value the transparency and structural advantages of owning Australian shares directly, we provide deep experience and expertise in managing dedicated direct equity mandates.

- **Equity Income Specialists:** We have capabilities in constructing tax-effective equity income portfolios designed to maximise after-tax income and long-term capital growth for Australian investors.
- **Simplicity & Efficiency:** Managing direct shares on a client-by-client basis is administratively heavy and difficult to scale. Our SMA structure provides the transparency and tax advantages of direct ownership but with institutional-grade efficiency. We handle all trading, rebalancing, and corporate actions centrally, removing the manual burden from your office and ensuring every client’s portfolio is updated simultaneously and professionally.

Implementation, Monitoring, and Governance

In an era of expanding regulatory oversight, we act as your dedicated partner in navigating operational and compliance burdens.

- **Platform Agnostic:** We work directly with your chosen provider to drive the due diligence and technical implementation required to get portfolios live as SMAs in the shortest possible timeframe.
- **Investment Committee (IC) Management:** We provide the professional rigour and administrative management of your IC. We include key members of your practice as formal members of the committee, giving you the flexibility to be as active or as passive as you choose. This ensures you maintain a say in portfolio management and possess a deep understanding of the 'why' behind every investment decision.
- **Ongoing Monitoring:** We manage systematic rebalancing, trading, and mandate adherence to ensure portfolios remain within predefined risk boundaries. This includes the continuous monitoring of chosen funds to ensure they remain the best vehicle to achieve our strategic objectives.

Engaging Communication

Exceptional investment management is only half of the equation; the other half is the communication required to manage the investor’s journey.

- **Adviser Connect:** Our custom-built portal gives your team instant access to all our latest data, narratives and content.
- **Fully White-Labelled Content:** We provide professional materials, including custom video reports, factsheets, SOA inserts and strategic reporting - that feature your brand as the ‘source of truth’.
- **Timely Updates:** We provide same-day updates for portfolio transactions and timely market updates during periods of stress to help manage client anxiety.

Key Points of Difference

Bellmont stands apart from traditional institutional providers through our commitment to independence, transparency, personalised service and genuine tailoring.

Independence	Independently owned since 2006; no corporate parent mandates, operating under our own AFSL.
Unconflicted	No ‘pay-to-play’ manager research or product-driven conflicts; we work only for you.
True Tailoring	No pushing all clients to a generic set of portfolios. Portfolios are built from the ground up for your business.
Fee Efficiency	We negotiate institutional rebates and pass 100% of those savings directly back to your clients.
Boutique Service Ethic	Every client matters to us. We offer a customer-obsessed service ethic you only get from a boutique partner.
Direct Access	When you pick up the phone, you speak directly to the experts actually managing the money.

Michael Block

Chief Investment Officer

FCPA (FPS), CIMA, F Fin, Adjunct Industry Professor UTS

Michael Gale

Operations Manager

BEng(ChemEng), GradDipFinPlan

Daniel Deverich

Portfolio Manager

BResEc, CFA

Peter Bell

Co-founder and Director

BComm (EconFin)

Ben Evans

Investment Analyst

BSc, CFA

David Montuoro

Co-founder and Director

MCom (Fin), BEcon (Econ & Comp Sci)

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To learn more call us or visit our website

02 8042 1990

Bellmont website