

“Our Product is Our Performance”

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In the world of Swiss Private Banking, new business models for the future are emerging. Bellecapital is an example. This Asset Management firm is on the lookout for new recruits.

For quite some time now the Swiss Private Banking sector has found itself in the middle of a transformation process. The larger game-players and boutique businesses alike are adjusting or setting new priorities. Most interesting however are the start-ups, which are supplying the industry with new blood – and fresh perspectives.



With this as a backdrop, in April 2009 **Beat Bass** (*photo above, left*) and **Werner Diehl** (*photo above, right*) founded the company **Bellecapital**, named after the business' location at Zurich's Bellevue. Both co-founders boast long careers in asset management, in particular, with the traditional Swiss Guyerzeller Bank.

Doubts about the big-bank model

At the end of 2008, when the decision was announced that the bank would be integrated into British HSBC Private Bank, it appeared to both long-term employees that their involvement at their previous employer was coming to an end – after almost 20 years of service at the company.

It was clear to Bass and Diehl that, through the acquisition of Guyerzeller, the boutique character would be replaced by the big-bank mentality from London.

“We do not believe in the big-bank model”, they both reflect, without attempting to judge it as better or worse.

Entrepreneurial and close to clients

With this in mind, in April 2009 the two bankers founded Bellecapital. “We imagined a boutique,” recalls Werner Diehl. “A finance-boutique, which is extremely entrepreneurial and close to its clients.” A company free from factual constraints and conflict of interests, and which provides higher than average service. Therefore no product pushing, no hidden fees and no retrocession, but

rather targeted on obtaining substantial value for clients. “Our product,” as Diehl stresses, “is our performance”.

“We do not wish to orient ourselves against arbitrary benchmarks,” Diehl refines his point. “It is far more our goal to generate sustainable and absolute returns on entrusted client capital.”

First and foremost are mandates

Bellecapital has so far been operating for a year with regard to this premise. Already they manage client assets worth 2.4 billion Swiss Francs – primarily in the form of asset management mandates, which is a clear reflection of the mutual trust that exists between client and advisor at Bellecapital. The majority of the current 9 employees were previously at Guyerzeller.

About 60 percent of the clientele originates from within Switzerland. A further integral part of this client base stems from British non-domiciled residents and other Europeans. Also US clients, especially family offices, are welcome at Bellecapital and not disdained as is the case at other Swiss institutions. “The registration process of our company in the USA as well as in the EU is in full swing,” **Mark Eberle** (*photo above, middle*) emphasises.

No counterparty risk

Eberle joined Bellecapital at the beginning of 2010 after establishing Barclay Capital’s presence in Switzerland. He is the only member of the team that was not previously engaged in private banking. His capital market background and experience as an investment banker injects welcomed dynamics into the firm.

Bellecapital is not a bank, as the partners furthermore emphasise. Client capital is not recorded in the company’s balance sheets and therefore prevents counterparty risk for clients. All transactions run over client accounts at their respective banks.

New recruits in demand

Transparency in true investment style: No kickbacks, but rather a strategy aimed at growth. Those are the cornerstones of the business goals of the folk at Bellecapital. Since the offshore business model for taxation purposes is rapidly becoming obsolete, it is client performance that is stepping up to the forefront. This requires highly competent and competitive staff, as Bellecapital has discovered. Finding such staff is not that easy.

They have already looked at around 30 candidates, Diehl explains, but without much success. This is even in light of the fact that it is Bellecapital’s view that employees also become co-owners of the company as soon as they are able to provide a notable contribution towards the success of the business.

Goal: To double the assets

Some of the candidates were not willing to give up the privileges they receive from their big-bank employers. Others did not fulfil Bellecapital's high expectations, or simply were not able to provide the required entrepreneurial spirit.

Responding to a question relating to the battered strategy, Mark Eberle continued, "It is our goal to double the managed assets, but without the bureaucratic administration." For this reason, Bellecapital is continuing their search for new talent.

Prominent new entrant

The company has nevertheless been able to attract a prominent new recruit. **Martin Jetzer** (*photo left*) recently joined the team.

He was the chief economist for HSBC Guyerzeller Bank and responsible for investment strategies as chief investment officer. He was also a member of the management board for many years.

Furthermore, Jetzer is a member of various renowned European and American expert commissions. As the current chief investment strategist, he is responsible for the investment process at Bellecapital.

Moving ahead with their own money

Generally speaking, the staff at Bellecapital pursue a traditional investment style with stocks, traditional bonds, convertible bonds, metals and fixed deposits. Sometimes also ETF's (Exchange Traded Funds) are employed, for example in single markets such as India or Vietnam. Bellecapital however differs from other asset-managing firms.

"Most often we invest directly in individual titles", Werner Diel mentions. "It is there where we see our competence and our conviction in providing added value for our clients. In other words, our performance is what ultimately identifies our success."