

# Form ADV Part 3 – Client Relationship Summary

Date: 06/13/2022

## Item 1: Introduction

THREE BELL CAPITAL LLC is an investment adviser registered with the Securities and Exchange Commission offering advisory accounts and services. Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. This document gives you a summary of the types of services and fees we offer. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free, simple tools to research firms and financial professionals, as well as educational materials about broker-dealers, investment advisers, and investing.

## Item 2: Relationships and Services

***Questions to ask us: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?***

Given my financial situation, should I choose an investment advisory service? Why or why not? The choice to engage an investment advisor is very personal and dependent upon each investor's financial situation and investment experience. Typically, investors fall into one of two categories: those who are comfortable with their own financial literacy, investment prowess, and abilities to manage their own wealth, and those that do not feel comfortable doing so, and prefer to engage a professional investment manager who may have more resources, capabilities, knowledge, or access than the investor. If an investor does not feel comfortable with the complexity, discipline, and financial implications of managing their own wealth, they should consider working with an external advisor.

How will you choose investments to recommend to me? Our team goes through an extensive discovery process whereby we seek to understand your values, goals, important relationships, current advisors, process preferences and interests. This typically takes the form of one or more calls or meetings. We marry this with a risk tolerance questionnaire designed to produce a risk profile that helps us meet your goals and objectives, without taking on more risk than you are comfortable assuming. The result is a target asset allocation that we discuss with investors in detail prior to implementation.

What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean? At the end of the day, clients want an experienced financial advisory team. The reality is, it takes years of professional training and real-world experience with the capital markets before an advisor is able to adequately deal with the multitude of complex issues facing a client. This is particularly true if you seek out a team that takes a comprehensive approach to wealth management. Professional designations, such as a CPWA, CFP, CAIA, or CFA are valuable and generally represent a higher level of competence, but not always. Three Bell presently has advisors with all of the above designations. However, we believe it is equally important to look for a team that has been advising long enough to have been through multiple market cycles with their clients and therefore better understands how to advise in a variety of complex situations and environments. However, avoid advisors who appear so set in their ways that they are unable to adapt their management strategies to an ever-changing and increasingly complicated economic environment.

What investment services and advice can you provide me? Our firm primarily offers the following investment advisory services to retail clients: portfolio management (we review your portfolio, investment strategy, and investments); financial planning (we assess your financial situation and provide advice to meet your goals). As part of our standard services, we typically monitor client accounts on a daily basis. Our firm offers both discretionary advisory services (where our firm makes the decision regarding the purchase or sale of investments) as well as non-discretionary services (where the retail investor makes the ultimate decision). We **do not** limit the types of investments that we recommend. Our minimum account size is \$1,000,000. Please also see our Form ADV Part 2A ("[Brochure](#)"), specifically Items 4 & 7.

## Item 3: Fees, Costs, Conflicts, and Standard of Conduct

***Questions to ask us: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me? How might your conflicts of interest affect me, and how will you address them?***

What fees will I pay? When you engage an advisor, there are three distinct types of fees you are going to encounter and these fees are grouped by entity. When you custody your assets at a brokerage firm, that firm charges certain fees as compensation for you utilizing their platform for custody. An example of this would be Charles Schwab or TD Ameritrade. Custodial fees are not shared with advisors, and advisors generally have little to no control over what custodians charge clients. When a portfolio is deployed, it is invested in underlying investment vehicles, each of which has a different cost associated with it that is paid to the company that sponsors or offers the investment vehicle. Passive investment vehicles like index funds or ETF's tend to generate less fees, whereas actively managed strategies like mutual funds generate more. Alternative investments like hedge funds, which are typically interests

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in limited partnerships, are usually the most expensive and often allow the manager to share in a portion of the gains generated. Once again, advisors don't typically share in underlying manager or investment vehicle fees. Our fees vary depending on the services you receive. Additionally, the amount of assets in your account affects our advisory fee; the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee. Our fixed fee arrangements are based on the amount of work we expect to perform for you, so material changes in that amount of work will affect the advisory fee we quote you. Wealth management fees are billed quarterly, in arrears, based on average daily balance. You pay our fees even if you do not have any transactions and the advisory fee paid to us generally does not vary based on the type of investments selected. Please also see Items 4, 5, 6, 7 & 8 of our [Brochure](#).

Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. The same goes for any additional fees you pay to a custodian. Additionally, you will pay custodial transaction fees, if applicable, when we buy or sell an investment for your account. In addition, we may recommend investments into private investment vehicles managed by third party managers, either directly or through Fund of Fund vehicles that we may organize and control. In such cases, these third party managers will charge product level fees that will reduce the value of your investment over time. Please also see Items 4, 6, 8, 10 & 11 of our [Brochure](#). **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.** Please also see our [Brochure](#) for additional details.

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have? When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

- For AUM fees, the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee
- For fixed fees, the more work we expect to perform for you, the higher our fee would be and thus we have an incentive for you to agree to have us complete more work for you

Please see our [Brochure](#) for additional details on how we manage these potential conflicts.

How do your financial professionals make money? Primarily, we and our financial professionals receive cash compensation from the advisory services we provide to you because of the advisory fees we receive from you. This compensation may vary based on different factors, such as those listed above in this Item. Please also see Item 10 of our [Brochure](#) for additional details.

## Item 4: Disciplinary History

*Questions to ask us: As a financial professional, do you have any disciplinary history? For what type of conduct?*

Do you or your financial professionals have legal or disciplinary history? No, we do not have legal and disciplinary events. Visit <https://www.investor.gov/> for a free, simple search tool to research us and our financial professionals.

## Item 5: Additional Information

*Questions to ask us: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

Three Bell is generally organized into teams, and any given client will be assigned to one team. Your primary contact person will be designated at onboarding, but for the most part, communications should be sent to the entire team to ensure the best possible service.

Three Bell is not affiliated with a broker dealer, and as such we do not employ "brokers" associated therewith. Rather, Three Bell is a Registered Investment Advisor or "RIA", as defined by the Investment Advisors Act of 1940. As such, our advisors are called Investment Advisor Representatives, and are held to a fiduciary standard, always acting in the best interests of clients.

For additional information on our advisory services, see our [Brochure](#) available at <https://adviserinfo.sec.gov/firm/summary/159736> and any individual brochure supplement your representative provides. If you have any questions, need additional information, or want another copy of this Client Relationship Summary, then please contact us at 650-843-9836.