

Media release

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Asset Management Study 2018 – An Overview of Swiss Asset Management

The Institute of Financial Services Zug IFZ, part of Lucerne University of Applied Sciences and Arts, and the Asset Management Platform Switzerland have produced the first comprehensive study on asset management in Switzerland. It shows that the sector has assets under management totalling CHF 2,208 billion, up 12% year-on-year, and a positive environment on an international comparison. Increasing regulation and client acquisition are seen as the greatest challenges.

The Institute for Financial Services Zug IFZ, part of Lucerne University of Applied Sciences and Arts, has produced the first comprehensive study on asset management in Switzerland in conjunction with the Asset Management Platform Switzerland. Banks, fund management companies, securities dealers and FINMA-supervised asset managers had assets under management totalling CHF 2,208 billion at the end of 2017. This was determined in a survey focusing on Switzerland as an asset management production location. In other words, these are the assets managed by asset management companies in Switzerland for domestic and foreign clients. CHF 1,261 billion of this was held in collective investment schemes, CHF 947 billion in institutional mandates. The total figure represents an increase of 12% year-on-year (see Chart 1).

“The current figures are based on data from 32 respondents covering roughly 80% of the overall market, which we extrapolated. Asset management is a vital mainstay of the Swiss financial sector and also important for the economy as a whole, especially in terms of funding pensions and the real economy, since the banks are increasingly reluctant to lend in view of the high cost of capital,” says Lorenz Arnet, CEO of the Asset Management Platform Switzerland.

High ranking internationally

The authors of the study produced a global ranking of asset management centres, also known as hubs, to assess the competitiveness of Swiss asset management in an international context (see Chart 2). The ranking is based on 68 indicators of political, economic, social and technological framework conditions. “We looked at political stability, the efficiency of authorities and the number of graduates in business, academia and engineering, to name just a few examples,” explains Thomas Ankenbrand, co-author of the study at Lucerne University of Applied Sciences and Arts. He believes that Switzerland has a positive environment for asset management, with Zurich placed fourth among the 35 cities studied behind New York, London and Singapore in first place. Geneva occupies eighth place behind Boston, San Francisco and Washington. The two Swiss cities still have room for improvement, particularly when it comes to economic and technological aspects.

Regulation poses greatest challenge

While the hub ranking attests to Switzerland’s positive environment, asset managers operating in Switzerland face a range of different challenges. Foremost among these is regulation, followed by difficulties in acquiring new clients, the pressure of competition, the availability of skilled workers and high production and salary costs. Access to external funding, meanwhile,

does not pose a problem for asset managers as their capital requirements are much lower than those of banks and insurers due to the fact that they are not involved in balance-sheet business.

Appendices

Chart 1: Assets under management in Switzerland

Chart 2: Asset management hub ranking

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Lucerne University of Applied Sciences and Arts – the university for professionals in central Switzerland

Lucerne University of Applied Sciences and Arts is supported by the six cantons of central Switzerland. Its faculties are Engineering & Architecture, Business, Information Technology, Social Work, Art & Design and Music.

With around 6,200 undergraduates and 4,400 postgraduates, almost 500 current research projects and some 1,700 staff, it is the largest educational institution in the heart of Switzerland.

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The Asset Management Platform Switzerland

The Asset Management platform has the vision of turning Switzerland into a leading asset management location. A permanent, institutionalised platform for the further development of the asset management business, it acts as a source of ideas and information and a partner in political and regulatory dialogues. It builds on the common ground shared by all asset management players – not just asset managers, but also their clients as well as the relevant authorities and institutions.

www.amp-switzerland.ch

Appendices:

Chart 1: Assets under management in Switzerland (in CHF billions).

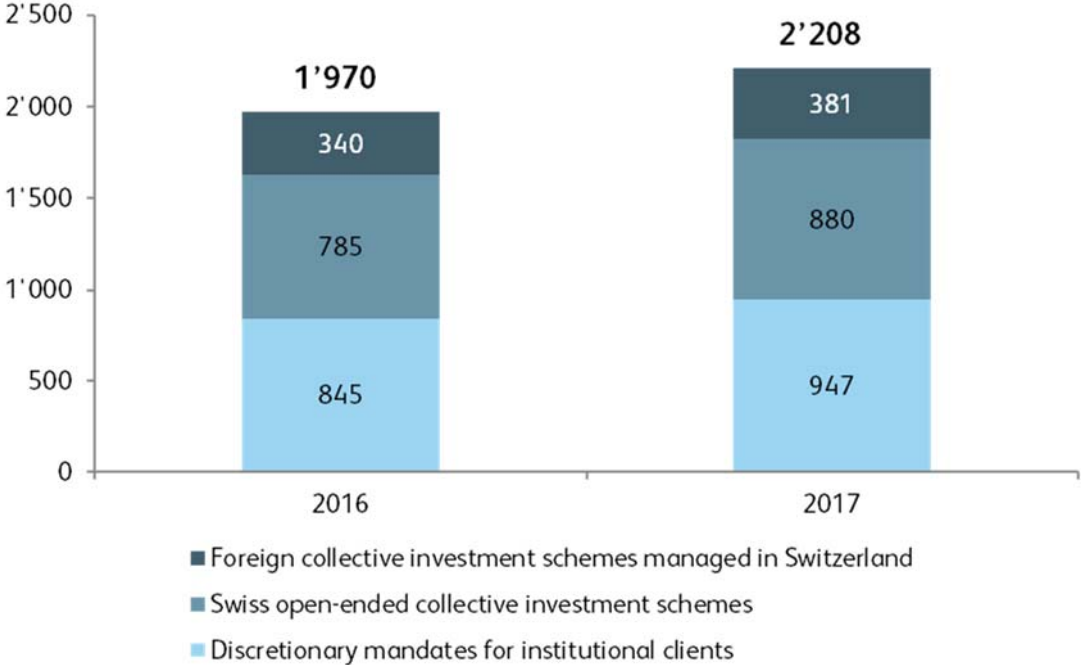


Chart 2: Asset management hub ranking: comparison of 35 cities in terms of framework conditions for asset management firms

