



REYL
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MARKET INSIGHT

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“One quarter of the world's wealth, including some of the world's largest family offices, is managed out of Switzerland”

IS SWITZERLAND STILL A KEY MARKET FOR FOREIGN ASSET MANAGERS?

Switzerland has always been one of the top destinations for foreign asset managers looking to develop both their assets under management and launch new collective investments.

Switzerland has long been seen as the destination of choice for fund managers when it comes to targeting European markets.

It has historically always held the crown as one of the largest fund markets in Europe due to its focus on active management and ongoing financial flows to banks and asset managers. This has led to the development of a portfolio management industry which, according to the latest statistics, **manages approximately CHF 3 trillion assets with an annual growth rate of more than 10%**. This is why Switzerland continues to attract talents and build up its advantages over its main competitors; a recent study shows that it is now the best-ranked European destination in terms of competitiveness.

PENSION FUNDS AND INDEPENDENT WEALTH MANAGERS

In addition to the numerous banks and insurance companies, the pension fund sector is highly significant: there are **around 1,500 in Switzerland, actively managed with a well-defined regulatory framework**. By way of comparison, the Netherlands, a territory with a population twice as big, has only 150. With these pension funds and social insurance, it should be noted that, given the high level of income of Swiss employees, the amount of investment available is extremely high: the **total amount of investments managed in these funds now stands at more than CHF 1 trillion**.

It is also worth bearing in mind that in addition to the traditional banking sector, as it can be found in other countries,

Switzerland is distinct in its extensive network of independent wealth managers. **Between 2,000 and 3,000 companies are spread primarily between Geneva, Zurich and Lugano**. Their investment policy, independent of banks, as well as the large amount of assets under management (15% of total assets under management), presents significant potential for foreign managers looking for capital.

AN ATTRACTIVE AND SECURE MARKET

One quarter of the world's wealth, including some of the world's largest family offices, is managed out of Switzerland. The widely held image of strength, its political and monetary stability, the investment experience in all types of investment funds, the technical and financial skills of the various players in the banking and financial sector, as well as the professionalism of services, further reinforce the country's appeal and contribute to attracting significant flows of fresh money. The current period of political and geopolitical unrest has only reinforced this interest for the Swiss market.

In terms of market access, there is a pragmatic regulatory landscape and strong demand for funds. Compared to many other European markets, the regulatory burden in Switzerland for foreign financial intermediaries seems less significant and easier to understand. Fund managers are still subject to some obligations, but compliance is neither administratively complex nor overly costly. The current regulatory regime has adopted an even more pragmatic approach and has removed more potential barriers to entry. For example, in order to distribute a fund in Switzerland, it is no longer necessary for a fund promoter to be authorised to sell in their home country. For alternative products intended for professional clients or high net worth individuals, there is no need to produce a regulatory report for FINMA, nor

is there an obligation to report distribution activities to the Swiss representative.

As a result, the ease of entry and size of the market make Switzerland an attractive place that should certainly not be overlooked by professionals seeking to expand their long-term investor base. In many respects, some might say that it is somewhat easier to comply with Swiss regulation than with MIFID II requirements.

SWITZERLAND'S UNDENIABLE ATTRACTIVENESS FOR FOREIGN MANAGERS

Switzerland is home to a large number of assets held in its various financial institutions. With the end of the pandemic and the opportunity to explore the market, Switzerland and its investors saw a strong revival of interest from international managers at the beginning of March. It is undeniable that Switzerland will long remain competitive, often in pole position and as one of the main ports of call for all global asset managers when marketing funds to Europe.



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