

Media release

SFAMA's review of 2018 and outlook

A difficult year for investments – key projects for asset management

Basel, 5 February 2019 – After almost all asset classes had posted gains in 2017, virtually the opposite was true in 2018. Many stock exchanges were in positive territory until the fall, after which they suffered hefty losses. Major domestic issues were on the agenda for SFAMA, with FinSA/FinIA and the work relating to the Asset Management Platform (AMP) Switzerland.

With all regions experiencing economic growth at the same time, all signs pointed to a continuation of the previous year's trend at the start of 2018. Tax breaks in the USA were producing strong growth in corporate earnings. The US stock market was also breaking records up until the fall, but then the mood turned in a big way. Widespread uncertainty arose, mainly as a result of geopolitical risks – foremost among them the trade dispute between the USA and China and Brexit.

Adoption of FinSA/FinIA

On 15 June 2018, the two chambers of Switzerland's parliament voted in favor of adopting the proposed Financial Services Act (FinSA) and Financial Institutions Act (FinIA). This marked a successful end to some two and a half years of at times heated parliamentary debate. "SFAMA played a key role in this process. The texts in their current form are a fair compromise that takes account of both the desire for more client protection and the aim of safeguarding the Swiss financial sector's competitiveness," said Markus Fuchs, Managing Director of SFAMA. The Federal Council opened the consultation on the related ordinances – FinSO and FinIO – on 24 October 2018, and it runs until 6 February 2019. SFAMA is also representing the interests of the fund and asset management industry in this process. The two acts and their ordinances are expected to enter into force on 1 January 2020.

Swiss asset management

The AMP Switzerland achieved a number of milestones in 2018. For example, its website went live, and the first comprehensive study on asset management in Switzerland was produced in the summer in conjunction with the Institute of Financial Services Zug (IFZ), part of Lucerne University of Applied Sciences and Arts. The total volume of assets managed by asset managers in Switzerland was around CHF 2,208 billion at the end of 2017. This corresponds to a year-on-year increase of 12%. Switzerland therefore ranks fourth among the largest asset management locations in Europe, behind the UK, France, and Germany. According to the statistics on the Swiss fund market, the total volume stood at some CHF 1,041.3 billion at the end of December 2018, down around CHF 54 billion or 4.6% year-on-year. This negative showing was primarily attributable to equity funds, which posted only minimal outflows but lost CHF 50.4 billion in value. Asset allocation and commodity funds also contributed to the decline in volume, as did alternative investments. Value growth totaling CHF 16.1 billion for bond and money market funds did very little to improve the overall result. At the end of 2018, there were 9,824 funds approved for public distribution in Switzerland, an increase of 422. Of these, 1,726 were Swiss-law funds (+84). 8,098 were products established under foreign law (+338), with Luxembourg-law funds making up the bulk of these (5,409 products, an increase of 193).

Changes

Michael Kehl, Managing Director at UBS Global Wealth Management, and Patrick Tschumper, Managing Director at Credit Suisse Investor Services, were elected to the SFAMA Board of

Directors in March 2018 to replace Martin Thommen and Petra Reinhard Keller, who both left in 2017. In addition, Martin Jufer, member of the Group Management Board at GAM Holding, was named Vice-President. Thomas Zimmerli left SFAMA at the end of May 2018. Diana Imbach Haumüller, Senior Legal Counsel, became Deputy Manager with effect from 1 June 2018. Katja Brunner, a proven specialist in regulatory and governance issues, joined our association as Senior Legal Counsel on the same date. Delphine Calonne, Senior Legal Counsel, stopped working for SFAMA at the end of December 2018.

187 members

SFAMA's membership reached 187 at the end of 2018, with the following new members admitted during the year:

New active members – BlueStar Investment Managers SA; Banca Zarattini & Co. SA; Baloise Real Estate Management Ltd; Franklin Templeton Switzerland Ltd; Mont-Fort Funds AG; Quantica Capital Ltd; Systematic Investment Management AG

New associate members – Caerus Investment Management (UK) Ltd; Nahmani Grunder & Cie Ltd; Northern Trust Switzerland Inc.

Focal points for 2019

The following themes will be at the forefront for SFAMA in 2019:

- Strengthening SFAMA's position as the leading body representing the interests of asset management in Switzerland Taking the lead with regard to the Asset Management Platform Switzerland and the focused implementation of individual projects
- Providing evaluation and support in the case of innovative fund solutions and establishing best practice standards and self-regulation in the fields of asset management and risk management (in the form of guidelines, specialist information factsheets, and model documents) in the interests of the asset management industry
- Representing the industry's interests with regard to current and upcoming legislative projects (on regulatory and tax matters), in particular FinSA/FinIA
- Extending SFAMA's function as a forum and bolstering communication activities
- Building on our relationships with political representatives in the federal capital of Bern

Contact:

Markus Fuchs, Managing Director of the Swiss Funds & Asset Management Association SFAMA
Tel. +41 (0)61 278 98 00

The Swiss Funds & Asset Management Association SFAMA (SFAMA), which was established in 1992 and has its registered office in Basel, is the representative association of the Swiss fund and asset management industry. Its members include all the major Swiss fund management companies, many asset managers, and representatives of foreign collective investment schemes, as well as service providers active in the asset management sector. SFAMA is an active member of the Brussels-based European Fund and Asset Management Association (EFAMA) and the International Investment Funds Association (IIFA) in Montreal. For further information, please see www.sfama.ch. You can also follow us on Twitter: @SFAMAinfo