

Media release

The SFA holds its first Asset Management Conference

Spotlight on hedge funds

Zurich, 8 November 2007 – The first Asset Management Conference of the Swiss Funds Association (SFA) dealt with the topic of hedge funds. The CISA, the SFBC's Hedge Fund Report and developments in asset management were the key issues covered at the conference. Promoting Switzerland as a location for asset managers of alternative investments is a key element of the master plan for the Swiss financial sector that was published in September. Reputable speakers from the industry, consultants and the supervisory authority highlighted various aspects of this form of investment, which is enjoying increasing popularity.

The SFA plans to hold a conference for its asset manager members at least once a year, dealing with a special theme relevant to asset management. The first such conference was devoted to hedge funds, which are playing an ever greater role in portfolio management for institutional and private investors alike. In addition to this, the Swiss financial sector is taking a leading position in the global fund-of-funds business.

In his opening remarks to the conference, Dr. Gérard Fischer, President of the SFA and CEO of Swisssanto Holding AG, referred to the developments in asset management. "Ensuring the optimal environment and frameworks for asset management in Switzerland are essential for the Swiss financial sector to be able to continue to make its contribution to the Swiss economy in the form of jobs and taxes. These issues have therefore been included in the master plan for the Swiss financial sector".

The SFA's "Alternative Investments" specialist committee, which is headed by Hans-Jörg Baumann, CEO and Chairman of Swiss Capital Group, deals with the regulated and unregulated environment of this business. Top representatives from the sector sit on this committee, its aim being to promote the competitiveness of the industry in Switzerland.

Dr. Philipp Cottier, Managing Partner, Harcourt Investment Consulting AG, spoke about the development of the hedge fund industry. Hedge funds are creating new trading markets, and are becoming risk intermediaries. In a new, broader definition, hedge funds are 'active asset managers', which thanks to their flexibility and capabilities can also generate attractive, risk-adjusted returns going forward.

Dr. Christof Schmidhuber, CFA, Hedge Fund Risk Management, Credit Suisse, gave a well-founded presentation, drawing initial conclusions for hedge fund managers, and in particular for risk management.

Dr. Eva Hüpkes and Hansueli Geiger from the SFBC outlined the supervisory authority's position on hedge funds. Taking into account considerations regarding investor protection as well as legal and system security, their conclusion is that hedge fund managers offer advantages in a liberally regulated environment. Hence they see a need to open the CISA up to other asset

managers. They also reported on the initial experiences with the “asset manager for collective investment schemes”.

Dr. A. Heinzl and Dr. Nicole Brunhart from McKinsey & Company presented a detailed overview of developments in international asset management. They envisage competition becoming more intensive, with a high degree of innovation and opportunities, above all in the Middle East and Asia, albeit accompanied by increasing political and system risks.

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The Swiss Funds Association (SFA), which was established in Basel in 1992, is the representative association of the Swiss fund and asset management industry. Its members (as of October 2007: 130) include all the major Swiss fund management companies and many representatives of foreign funds in Switzerland as well as institutional asset managers. The SFA's members cover more than 90% of the fund assets placed in Switzerland, the latter totaling more than CHF 600 billion. www.sfa.ch