



SFAMA News - Summer

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Introduction

Gathering momentum

Asset Management Platform Switzerland

It has been around six years since the basic idea of positioning Swiss asset management more prominently and highlighting its value for the financial industry came about. The Asset Management Initiative – as it was known at the time – began systematically addressing the issues of market access and standards in asset management. It is highly unlikely that asset management would be such a high priority on the Federal Department of Finance’s agenda today if this groundwork had not been done.

The vision is to develop Switzerland into a leading location for asset management. It is an ambitious goal, but we are certainly not starting from scratch: Switzerland already has the fourth-largest asset management industry in Europe, and many Swiss-based asset managers are very successful internationally. We want to ensure that production of asset management services in Switzerland for domestic and foreign clients can continue to grow.

The Asset Management Platform is a permanent, institutionalized platform for the further development of the asset management business. It serves as a provider of ideas, a source of information, and a partner in political and regulatory dialog. It currently has five priorities: pensions, regulation, exportability, future issues, and branding. The Asset Management Platform is also working on a detailed study of asset management in Switzerland.

New website now online

The Asset Management Platform website – www.amp-switzerland.ch – went live in mid-May. Its primary purpose is to raise the profile of asset management, explain why asset management is so important for society as a whole, and show Switzerland’s advantages as a location for asset management. A regular AMP newsletter keeps SFAMA members informed about new developments, statistics, studies, events, and jobs in the field of asset management.

We hope you enjoy reading this issue of SFAMA News.

The Board of Directors and Executive Board of SFAMA



In focus

Asset management as a new mainstay

25 years of the funds association / 5 years of SFAMA

After celebrating our 25th anniversary in December 2017, we will be marking another milestone shortly: SFAMA is five years old. The Swiss Funds Association SFA changed its name to Swiss Funds & Asset Management Association SFAMA on 1 July 2013. The intention behind this name change was to express our key strategic objectives, with asset management also being a top priority in addition to our traditional focus on the fund business. It marked a key step on the path to expanding our association's role.

The SFA was originally concerned first and foremost with the administration and distribution of investment funds. Since 2012, we have also focused on the function of asset management for large clients. We represent the interests of all companies operating in institutional asset management on the Swiss financial market. This service is still most commonly sold to clients in the form of investment funds, although mandates, foundations, and insurance products are also offered.

This shift has had an impact on our membership, which mostly comprised fund management companies – many of them owned by banks and insurers – back in 2012, along with custodian banks and distributors. SFAMA is now a broad-based and growing organization that also counts pure-play asset managers among its members.

Financial industry associations have existed in Switzerland for many years, but they are often – quite understandably – more concerned with representing specific institutions such as banks and insurers or specific types of product such as funds and structured products and less interested in hard-to-grasp functions that span different institutions and products like asset management and the distribution of investment products. As a result, asset management was not really perceived as a discipline in its own right for a long time. The value of asset management and the importance of the financial markets, for example in funding pensions, were also largely or even completely overlooked in decisions on economic and financial policy and tax law.

However, asset management makes a substantial contribution to the real economy and to society. In Switzerland, asset managers handle some CHF 2 trillion, which is equivalent to three times gross domestic product. Demand for pension solutions and ways for an aging population to fund its standard of living after retirement is the biggest driver of growth in the asset management industry internationally and especially in Switzerland. There is nothing to suggest that this trend will slow down in the next few years. The volumes already managed by pension schemes and asset managers today show how important this industry is for our society. One key task is to present a clearer picture of the relationships involved here and explain in a more readily understandable way how people can fill gaps in their retirement savings.



The image of asset management, in our view, is positive, and its value has become increasingly clear to a broader cross-section of the population during this period of low interest rates. The degree of professionalism and transparency has increased dramatically. Clarifying the function of asset management and its importance is SFAMA's goal, our ambition, and our motivation for the future.

Markus Fuchs

Managing Director of the Swiss Funds & Asset Management Association
SFAMA



Latest News

Reminder

**1. January 2016 –
31 August 2020**

1 September 2018

Deadlines coming up!

In this section we highlight any significant deadlines coming up over the short term. This is aimed at assisting your planning, but it is by no means an exhaustive list.

Financial Market Infrastructure Ordinance

The transitional provisions regarding the Financial Market Infrastructure Ordinance of 25 November 2015 are set out in Title 4 FMIO. In the absence of any ruling to the contrary in the specific transitional provisions, the new provisions apply from the entry into force, i.e. from 1 January 2016.

Partial revision of FMIO-FINMA

The Swiss Financial Market Supervisory Authority FINMA is introducing a clearing obligation for standardized interest-rate and credit derivatives traded over the counter (OTC). The corresponding annex of the FINMA Financial Market Infrastructure Ordinance (FMIO-FINMA) will enter into force on 1 September 2018.



EUR 44.3 trillion in fund assets worldwide as at end of December 2017

Positive development in global fund volumes across the board

Scarcely any change in the international break-down

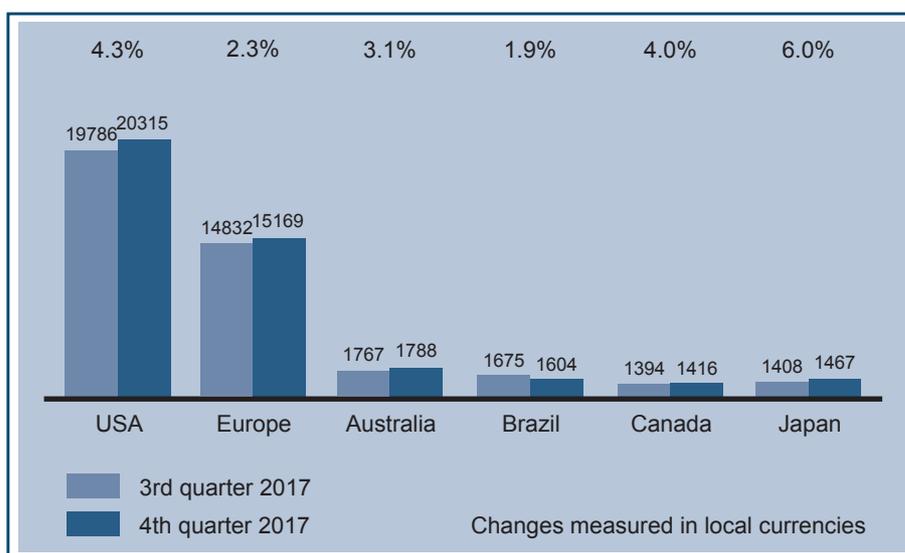
Fund markets

Key data on the international fund business

The total volume of assets invested in funds worldwide rose further in the fourth quarter of last year. As at the end of December 2017, the newly calculated fund volume stood at EUR 44.3 trillion, up 2.3% quarter-on-quarter and 6.8% year-on-year. Funds of funds accounted for EUR 3.20 trillion. In 2014, working in conjunction with the IIFA (International Investment Funds Association), EFAMA incorporated new fund types such as ETFs, institutional funds, and hedging products into the universe covered, and this resulted in a massive increase in both fund volumes and product numbers. Direct comparisons with earlier data can therefore only be made with figures from the beginning of 2015 onward.

There was no country or region in negative territory in EUR terms in Q4 2017. The USD appreciated slightly against the EUR during the quarter, which had an impact on the results. In the US, the total volume was just above the EUR 20 trillion mark at the end of December 2017. According to the latest EFAMA report, a total of EUR 15.2 trillion was invested in funds in Europe.

Geographical trends in investment fund assets in Q4/17 (in EUR billions)

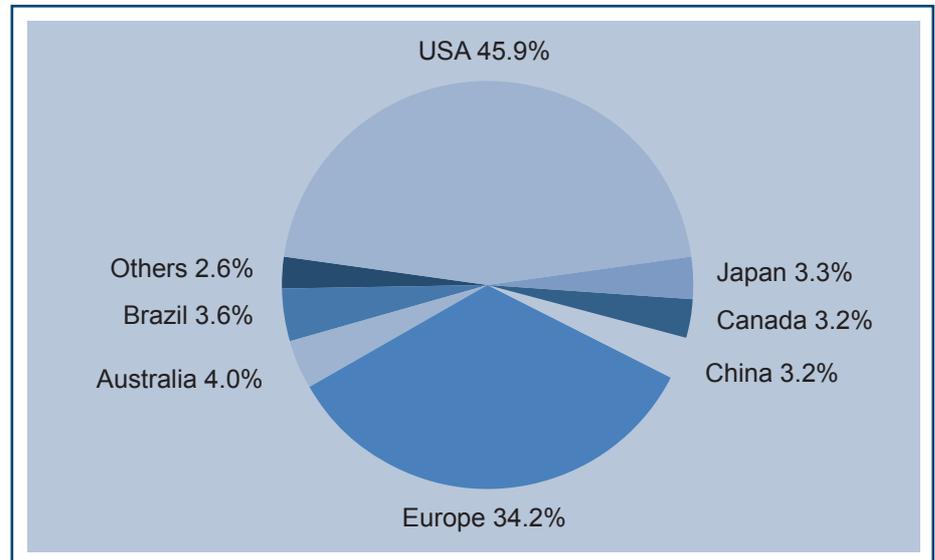


Source: EFAMA International Statistical Release, March 2018

Comparing the figures ascertained by EFAMA, both the US and Europe showed relatively stable shares in the fund assets invested worldwide as at the end of December 2017. Australia held on to third spot with 4.0%. Brazil remained close behind with 3.6%, and Japan defended its fifth place with 3.3%.

Some EUR 18.4 trillion invested in equity funds at the end of 2017

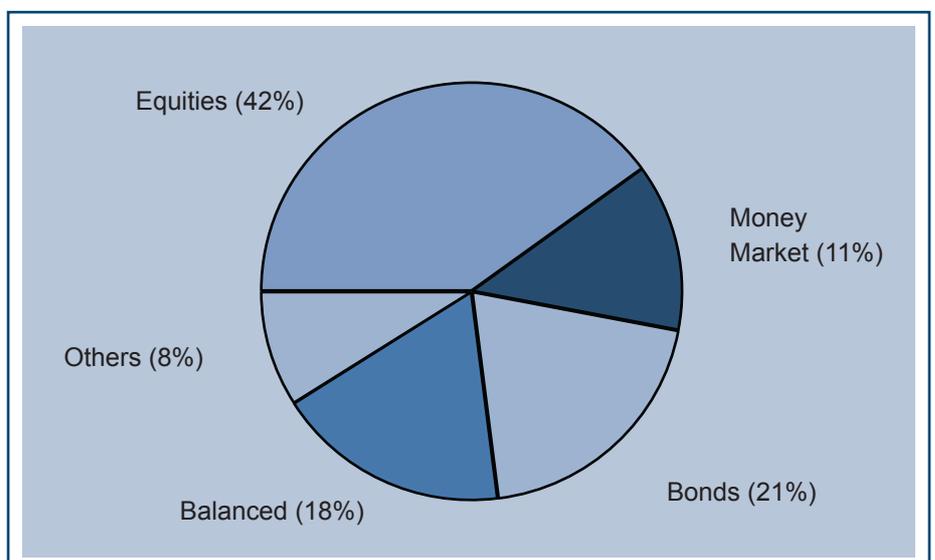
Geographical trends in investment fund assets by end of December 2017 (in EUR billions)



Source: EFAMA International Statistical Release, March 2018

The volume of assets invested in equity funds worldwide came to EUR 18.4 trillion, more than three times that of money market funds (around EUR 4.9 trillion). Bond funds gained ground over the year as a whole, rising by about EUR 0.3 trillion to EUR 9.1 trillion. At the end of 2017, around 42% of fund assets worldwide were invested in equity funds, an increase of two percentage points year-on-year. In keeping with the performance on the markets, mixed-asset funds gained popularity among investors, while money market funds eased back by one percentage point.

Worldwide investment fund assets by category, end-2017



Quelle: EFAMA International Statistical Release, März 2018

Global fund universe of 126,040 funds

Europe can look back on a good year

Securities totaling CHF 6.0 trillion held in Swiss custody accounts

Comparison of fund holdings

Parallel trends in fund weightings for resident and non-resident clients

By the end of 2017, the fund universe covered by EFAMA had reached a total of 126,040 funds. This corresponds to a year-on-year increase of 4,529 products.

2017 can be regarded as a thoroughly satisfactory year for Europe's fund industry, with respectable net inflows recorded in each quarter. Inflows were highest in Q1 at EUR 266 billion, and they remained well into positive territory in Q4 at EUR 189 billion.

Slight drop in assets under management with domestic banks

In 2017, the securities holdings in client custody accounts at Swiss banks rose above the CHF 6 trillion mark. Based on the SNB statistics, the figure stood at CHF 6.17 trillion at the end of December 2017. This represents a 10.45% increase compared with the beginning of the year. There has been a slight decrease in holdings since then to CHF 6.04 trillion at the end of March. According to the SNB statistics for May 2018, non-resident clients accounted for just over 50% of the total custody account holdings, roughly on a par with last year.

A comparison of fund holdings shows opposing trends for resident and non-resident custody account clients. Between the beginning of the year and the end of March 2018, the fund assets held by resident custody account clients fell by CHF 7 billion to CHF 1,293 billion (-0.5%), while the corresponding figure for non-resident clients rose by CHF 6 billion to CHF 898 billion (+0.7%).

The weighting of fund holdings in custody accounts of resident clients has risen slightly over the course of the year, standing at around 43.2% at the end of March. Over the same period, the weighting of funds for non-resident clients fluctuated between 28.4% and 29.5%. It is still primarily resident clients that hold funds under Swiss law in their custody accounts; at around CHF 805 billion, these holdings make up more than 62% of the volume of collective investment schemes. Non-resident investors are still tending to avoid this fund type (the figure stands at around 8.2%, and the level is holding stable). However, the CHF 6 billion increase in volumes year-on-year stems mainly from Swiss-law funds.

Cooperation between
Swiss Fund Data and
Morningstar

Fund volumes around
CHF 1,105.4 billion

Increase of 5 Swiss
funds in Q1 2018

Swiss fund market in 2018

Swiss Fund Data AG, a subsidiary of the Swiss Funds & Asset Management Association SFAMA and SIX Swiss Exchange Ltd, has been publishing statistics for the Swiss fund market together with Morningstar Switzerland GmbH since 2014. The market data of the two companies are brought together and published by Swiss Fund Data AG in the form of public market statistics and via a monthly statistics subscription service. This offering is complemented by the regular market commentaries from SFAMA, which cover the development of the Swiss fund market.

According to the statistics on the Swiss fund market, the total volume stood at around CHF 1,105.4 billion at the end of March 2018, an increase of CHF 18.5 billion or 1.7% quarter-on-quarter.

The figures are based on the FINMA approvals list and cover all funds under Swiss law as well as all foreign funds approved for distribution in Switzerland, including institutional unit classes.

Development of fund assets since January 2018

Fund category	Volumes 31.12.17	Volumes 31.03.18	Overall change
Equities	465.8	459.0	- 6.8
Bonds	339.0	346.3	+ 7.3
Money Market	74.3	90.0	+ 15.7
Asset Allocation	128.6	132.1	+ 3.5
Others	2.7	3.0	+ 0.3
Natural resources	23.0	23.3	+ 0.3
Alternatives	20.7	19.6	- 1.1
Real Estate	32.8	32.1	- 0.7
Total Swiss Market	1086.9	1105.4	+ 18.5

Source: Swiss Fund Data AG / Morningstar (in CHF billions)

Broken down by asset class, equity funds still have the largest share at about 42%, followed by bond funds with around 31%. Asset allocation funds remain in third spot with just under 12%.

The number of funds established under Swiss law fell in 2012, but there has been a clear turnaround in this respect since 2013. This continued in 2017, with a net increase of 91 products. A total of 1,647 Swiss-law products are now registered with FINMA, including 18 limited partnerships for collective investment.

Turnover of CHF 31 billion on the SIX Swiss Exchange in Q1

Development of number of funds by type of fund / fund domicile (in brackets: funds for qualified investors)

Fund type / Fund domicile	As of end- December 2017		As of end- March 2018		Change in the year 2018	
Swiss funds	1642	(715)	1647	(708)	+	5
Swiss limited partnerships	18	(18)	18	(18)		(0)
Securities funds	137	(0)	137	(0)		(0)
Other funds for tradit. inv.	1382	(657)	1384	(648)	+	2
Other funds for altern. inv.	45	(17)	46	(18)	+	1
Real estate funds	60	(23)	62	(24)	+	2
Non-Swiss funds	7760		7763		+	3
Luxemburg	5216		5221		+	5
Ireland	1684		1696		+	12
Other countries	860		846		-	14
Total Swiss and Non-Swiss	9402	(715)	9410	(708)	+	8

Source: FINMA (as of the beginning of April 2018)

Swiss ETF market in 2018

ETF turnover on the SIX Swiss Exchange totaled CHF 116.4 billion in 2017, an increase of CHF 12.6 billion year-on-year. The figure for the first quarter of this year was already CHF 31.6 billion, and these products are thus on track to set a new record. ETFs remain extremely popular.

The number of admitted products also continued to rise; as of 31 March 2018, there were 1,343 ETFs from 23 providers listed on the SIX Swiss Exchange. There are currently 18 market makers ensuring both liquidity and trading with appropriate bid/ask spreads. In terms of asset classes, the bulk of ETFs (935 products) are still concentrated on equities, with a good 289 on bonds and 97 focusing on commodities.

Looking back, we can see that the number of transactions rose from 53,000 in 2003 to some 1.02 million in 2017 (compared with around 962,000 in 2016). Meanwhile, the average trade size has fallen from around CHF 155,000 to CHF 114,231 (CHF 107,880 in 2016). What is more interesting here is the median, which fell from CHF 29,964 to CHF 16,398 over the same period (i.e. in terms of volumes, half of the orders were above this amount and half below).

Yield on investment indicator for real estate funds in Switzerland

Current yield

Most popular fund categories

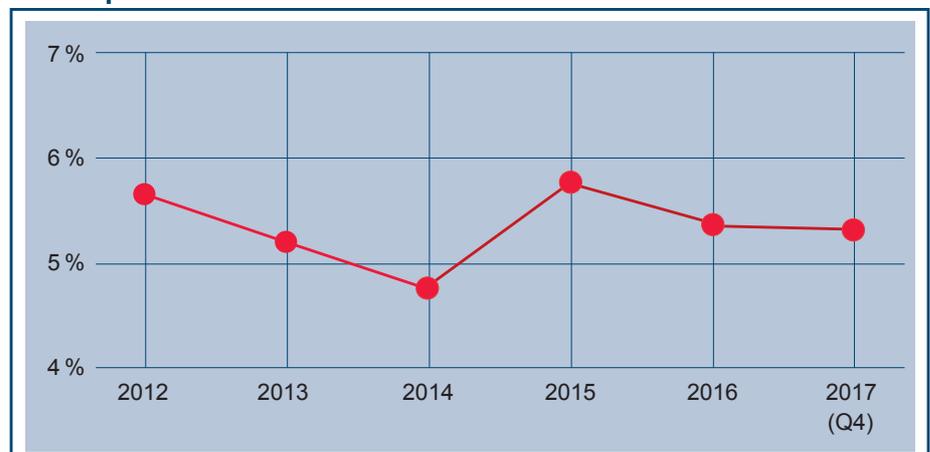
SFA ARI®

SFAMA launched the SFA ARI® in 2012 with a view to making it possible to compare the actual yields of listed Swiss real estate funds at the product level. This indicator is based on the investment yield statistics and is calculated quarterly (January, April, July, October) by Swiss Fund Data AG on the basis of the respective annual reports.

The fund universe comprises the real estate funds listed on the SIX Swiss Exchange that make direct real estate investments in Switzerland, with Switzerland being their sole investment country. Funds of funds and Swiss funds that invest directly outside Switzerland are excluded.

The current investment yield as measured by the SFA ARI® stands at 5.31%. This figure is based on the annual reports as at 30 December 2017 and is lower compared with the previous quarter (down 0.41 of a percentage point). 29 real estate funds with net assets totaling around CHF 32.4 billion were included in calculating the current figure.

Development of the SFA ARI® since 2012



Source: Swiss Fund Data

Trends on the European fund market in 2018

Which fund categories have been most popular with European investors so far in 2018, and which have tended to be sold off? To answer this question, e-fundresearch.com searched the Morningstar database to find the fund categories with the highest demand between the start of 2018 and the end of April. It looked at both open-ended investment funds and ETFs, but not funds of funds or money market funds.

Europe's biggest asset managers by sales

The 298 Morningstar fund categories analyzed posted aggregate net inflows of EUR 152.76 billion in the period under review. The majority of the fund categories (65.77% or 196) recorded inflows.

The following five achieved the best results (between EUR 11.8 billion and EUR 6.75 billion): Global Emerging Markets Equity, Other Bond, EUR FlexibCurrent yieldle Allocation – Global, Global Large-Cap Blend Equity, and EUR Diversified Bond – Short Term.

To show which fund companies have been most successful in terms of distribution so far this year, e-fundresearch.com also analyzed the Morningstar fund database to see which asset managers had the highest sales on the European market up to the end of April. It looked at all active and passive fund strategies with the exception of money market funds and funds of funds.

At first glance, 2018 appears to have got off to a successful start for the entire industry. The combined year-to-date net inflows of all 1,378 asset managers operating in Europe that feature in the Morningstar database totaled EUR 186.11 billion. On closer inspection, however, the picture is much more differentiated. While the majority of the universe (847 fund companies or 61.47%) posted inflows, some 531 asset managers had suffered net outflows in the analysis period.

The net inflows observed in Europe were far from evenly spread. While the mathematical average per company came to EUR 110.8 million, the median was just EUR 2.1 million. The top five companies in the first four months of 2018 were as follows: UBS, Amundi, Natixis, Mercer, and BlackRock (net inflows of EUR 11.2 billion to EUR 6.1 billion).

MiFID II ensuring clarity for ETFs

The asset manager BlackRock reports that the EU's new Markets in Financial Instruments Directive (MiFID II), which entered into force in January, has significantly improved visibility with regard to ETF trading volumes as expected. MiFID appears to have resulted in more than just additional organizational and documentation work: as had been hoped, it has shed more light on ETF trading. Prior to MiFID II, there were no reporting requirements for trading in ETFs.

The improved visibility as regards trading volumes is important for investors in a number of respects. For asset allocators, it provides a useful real-time view of where the money is flowing over the course of a trading day. Others, meanwhile, benefit from information on capital flows to gain assurance that the products they want to invest in have sufficient liquidity.

BlackRock's view

Morningstar study

Hany booklet format

Analysis of ETF provider ratings

As expected, iShares tops the list of the biggest ETF providers by a considerable margin. The market leader's valued assets total almost EUR 268 billion. Among the five largest ETF providers, however, Vanguard has the best average Morningstar rating with 3.69 stars, followed by Xtrackers and Lyxor with 3.24 stars each.

Looking at the quality of the fund ranges of all ETF providers with valued assets in excess of EUR 1 billion, previous leader PIMCO is in third place in the equally weighted ranking as at the end of the first quarter. Invesco has the highest average rating as at the end of March (3.78 stars), with Vanguard in second place.

Key figures on the Swiss financial center

Twice a year, the State Secretariat for International Financial Matters publishes up-to-date figures on Switzerland as a location for financial services. This useful summary publication is available for download.

<http://www.sif.admin.ch> (under "Documentation")



Slowly approaching the finish line

English translation

In force from
1 September 2018

Domestic environment

FinSA/FinIA

In their final vote on 15 June 2018, the two chambers of Switzerland's parliament voted in favor of adopting the proposed FinSA and 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. It believes that the texts adopted represent 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.

They can be found on the Federal Assembly's website at the following address:

<https://www.parlament.ch/en/as/betriebsuche/curia/visafasunet/legn?Affid=20150073&k=PoAffid20150073>

After a brief summer break, the public hearing on the Federal Council's implementing regulations – the Financial Services Ordinance (FinSO), the Financial Institutions Ordinance (FinIO), and the revised Collective Investment Schemes Ordinance (CISO) – will begin in the fall. SFAMA will also represent the interests of the fund and asset management industry in this process.

As things stand at present, the two laws and the ordinances are expected to enter into force on 1 January 2020.

FinSA/FinIA

SFAMA plans to make the unofficial English translations of FinSA and FinIA, to be signed off by the two councils during their 2018 summer session, available to the financial industry as soon as possible. This has been agreed with the State Secretariat for International Financial Matters and the Federal Chancellery. The intention is to add the translations to the Classified Compilation of Federal Legislation as soon as the dispatches enter into force.

FINMA publishes partially revised FMIO-FINMA

The Swiss Financial Market Supervisory Authority FINMA is introducing a clearing obligation for standardized interest-rate and credit derivatives traded over the counter (OTC). The corresponding annex of the FINMA Financial Market Infrastructure Ordinance (FMIO-FINMA) will enter into force on 1 September 2018.

<https://www.finma.ch/> (under «news»)

Initiated on 1 June
2018 by the Federal
Council

Federal Council briefed
on 9 May

Empfehlung an den
Bundesrat

Consultation on amendments to the Anti-Money Laundering Act

On 1 June 2018, the Federal Council initiated the consultation on amendments to the Anti-Money Laundering Act (AMLA). The bill takes account of the most important recommendations from the Financial Action Task Force's (FATF) Mutual Evaluation Report on Switzerland and strengthens the integrity of the financial centre. At the same time, the interdepartmental coordinating group on combating money laundering and the financing of terrorism (CGMF) published its report on the risks of money laundering for legal entities.

<https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-70973.html>

Strengthening of the Swiss financial center's framework conditions

Switzerland is facing increasingly intense international competition as a business location and financial center. Care has to be taken of the country's good framework conditions, and the financial center's tax and regulatory environment must be reviewed on an ongoing basis. The Federal Council was briefed on the corresponding work of the financial market policy forum during its meeting on 9 May 2018.

<https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-70717.html>

Beirat Zukunft Finanzplatz Schweiz für eine Reform der Verrechnungssteuer

Der Beirat Zukunft Finanzplatz empfiehlt dem Bundesrat einstimmig, mit einer raschen Reform der Verrechnungssteuer dem unterentwickelten Schweizer Kapitalmarkt wichtige Impulse zu verleihen. Aus verschiedenen Gründen ist der Zeitpunkt günstig, mit einer derartigen Steuerreform ohne wesentliche Steuerausfälle ein zentrales Entwicklungshindernis für den Schweizer Kapitalmarkt zu beseitigen und damit den gesamten Wirtschaftsstandort zu stärken.

<https://www.efd.admin.ch/efd/de/home/dokumentation/berichte/berichte.html>

Newsletter

State Secretariat for International Financial Matters

The SFI Newsletter provides regular information on the latest news from the business areas covered by the State Secretariat for International Financial Matters. It is published three to four times a year in German and French.

<http://www.sif.admin.ch> (under «documentation»)



Transparency, investor protection

High degree of asset concentration

Remuneration disclosure

International environment

ESMA updates MiFID II Q&A

On 23 and 28 March as well as on 25 May 2018, the European Securities and Markets Authority (ESMA) updated its questions and answers (Q&A) regarding transparency and investor protection under the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR). The new Q&A covers topics such as fee structure, best execution, record keeping, information on charges and costs, client categorization and provision of investment services, and activities by third-country firms.

Transparency issues:

<https://www.esma.europa.eu/press-news/esma-news/esma-updates-its-mifid-ii-qas-market-structures-and-transparency-topics>

Investor protection issues:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-update-mifid-ii-qas-investor-protection-and-intermediaries>

ESMA's report on the Alternative Investment Fund industry

The EU Alternative Investment Fund (AIF) industry is highly concentrated around a few large participants and asset classes. ESMA's Trends, Risks, Vulnerabilities (TRV) Report No. 1, published on 4 April 2018, also found that the vast majority of European AIFs are managed cross-border using passporting rights. It provides EU-wide evidence on the AIF market for the first time, based on data from the end-2016 collected under the Alternative Investment Fund Directive (AIFMD). The AIFMD data shows that 2% of the EU AIFs funds are above EUR 1 billion in size, holding around 46% of the industry's total net asset value (NAV). On the other hand, around 95% of EU AIFs hold below EUR 500 million (i.e. 40% of total NAV).

<https://www.esma.europa.eu/press-news/esma-news/esma-finds-high-degree-of-asset-concentration-in-alternative-fund-industry>

ESMA updated its UCITS Q&A

On 25 May 2018, ESMA published its updated Q&A on the application of the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive. The document includes one new question and answer on the application of remuneration disclosure requirements to staff of the delegate of a UCITS management company to whom investment management functions have been delegated.

Q&A:

<https://www.esma.europa.eu/press-news/esma-news/esma-updates-ucits-qa>

New proposal

European Commission wants to facilitate cross-border distribution

The European Commission is taking a step toward the development of a Capital Markets Union (CMU) by promoting alternative sources of financing and removing barriers to cross-border investments. While the CMU will benefit all Member States, it will particularly strengthen the Economic and Monetary Union by promoting private risk-sharing, the Commission believes.

EU proposal:

http://europa.eu/rapid/press-release_IP-18-1364_en.htm

EFAMA statement:

http://www.efama.org/Publications/Publications/PDF/EFAMA_PP_EC_proposal_facilitate_crossborder_fund_distribution.pdf

Development timeline

GIPS 2020

The 2020 edition of the GIPS standards will ensure that the standards retain their value and relevance among managers already claiming compliance and encourage greater adoption among asset owners, as well as alternative investment and pooled fund managers. Development is on schedule to meet the timetable below:

- 31 August 2018: GIPS 2020 Exposure Draft released for public comment
- 31 October 2018: GIPS Verification 2020 Exposure Draft released for public comment
- 31 December 2018: Close of comment period for GIPS 2020 and Verification Exposure Drafts
- 30 June 2019: Final GIPS 2020 edition released
- 1 January 2020: GIPS 2020 effective date



SFAMA activities

Two new members admitted

Members

The Board of Directors and the Executive Board were pleased to welcome the following members to SFAMA in spring 2018:

- Banca Zarattini
- Mont-Fort Funds SA

Appointment

Changes in the Executive Board

At its spring meeting, the SFAMA Board of Directors appointed Dr Diana Imbach Haumüller, Senior Legal Counsel, to the position of Deputy Manager with effect from 1 June 2018. The Board of Directors and Executive Board wish her every success in her new role.

Members joining

At the start of June 2018, Katja Brunner joined SFAMA as Senior Legal Counsel. A proven specialist in legal and compliance issues, she has amassed experience and knowledge with various authorities and a private bank as well as in corporate consulting. SFAMA is delighted to welcome her to the Executive Board. Katja Brunner has a comprehensive track record in legal matters relating to the financial markets. The Board of Directors and Executive Board wish her all the very best in her new role.

Members leaving

Thomas Zimmerli, Senior Legal Counsel and Deputy Manager, decided to leave SFAMA at the end of May 2018. We would like to take this opportunity to thank him for his hard work on behalf of the financial industry and wish him the best of luck in his future endeavors.

Highly active

Specialist committees

The specialist committees essentially undertake the preparatory work for decisions relating to their specific areas, which they then submit to the Board of Directors and the Executive Board. The individual committees were/are actively involved with the following issues.

Alternative Investments Hans-Jörg Baumann

- Detailed discussion on the focus topic of private credits
- Discussion of possible business models (boutique approach versus multi-asset management) for providers of alternative investments

ETF & indexed Investments Markus Götschi

- Working on improving the statistical basis for ETFs and indexed investments in collaboration with Swiss Fund Data and Morningstar
- Organizing an ETF media event in March and related follow-up

Real Estate Funds

Roger Hennig

- Monitoring the ongoing revision of Lex Koller; coordination with the “For a modern Lex Koller” alliance (www.modernelexkoller.ch) and monitoring the further activities of the Federal Department of Justice and Police
- Revision and fine-tuning of the SFAMA specialist information factsheet on the issuance of real estate fund units based on experience gained with issues in recent years
- Informal exchange with representatives of FINMA on the subject of real estate funds
- Preparatory work on enhancing SFAMA’s Guidelines for Real Estate Funds by adding information on legal entities as valuation experts in accordance with Art. 64 CISA and FINMA’s 2017 Annual Report (page 79)

Processes & Operations

Daniel Lüdin

- IOSCO consultation on recommendations and good practice in liquidity risk management for funds

Risk Management

Martin Jufer

- Discussion of risk management approaches at individual institutions with a view to determining best practice
- Discussion of IOSCO Guidance on behalf of liquidity risks
- Initial discussions with FINMA on the planned risk management guidelines

Legal & Compliance

Olivier Sierro

- Discussion of the planned revision of SFAMA’s self-regulation materials and legislative planning in connection with FinSA/FinIA
- Discussion of the ongoing revision of the Civil Procedure Code in connection with the planned expansion of collective legal protection
- Sharing experiences of the introduction of the EU’s General Data Protection Regulation and its impact on financial institutions

**Legal & Compliance
Asset Management**

Jasmin Djalali

- Consequences of implementing MiFID II
- General Data Protection Regulation (GDPR)
- Base erosion and profit shifting (BEPS) and their implications for the Swiss fund and asset management industry
- Update on limited qualifying investor funds (L-QIFs)
- Brexit and ESA reform as well as the implications for Switzerland
- Current status of FinSA/FinIA and next steps

Taxes

Hanspeter Kurz

- Measures to strengthen the financial center (abolition of stamp duty)
- Reform of withholding tax (paying agent principle)

Distribution & Marketing

Markus Signer

- Analysis of changes relating to distribution in FinSA/FinIA due to the change of terms from “distribution” to “offering”, including the impact on SFAMA’s self-regulatory material
- Fleshing out the “investment funds for everyone” communication concept: The specialist committee plans to post about current fund-related topics on Twitter and other channels every two weeks, starting in April 2018. The aim is to keep followers informed in a new and succinct way. Follow @SFAMAinfo for updates.

Save the date

Upcoming events

Swiss Fund and Asset Management Cup

Tuesday, 3 July 2018
Sportpark Milandia, Greifensee

8th Swiss Fund Golf Cup

Tuesday, 21 August 2018
Golf Sempachersee, Hildisrieden

SCFS Funds Conference

Thursday, 23 August 2018
Zürcher Kantonalbank, Neue Hard 9, Zurich

GIPS Day 2018

Monday, 22 October 2018
Hotel Metropol, Zurich

Swiss Fund Day 2018

Thursday, 22 November 2018
Zurich

More detailed information on these events will be published on the Internet in due course.

<http://www.sfama.ch/en/events>



Swiss Fund Data

Used extensively as a basis for investment decisions

Popular website

What types of investor use the platform www.swissfunddata.ch? What are users' main interests, and what is the value of their assets under management? Our representative website survey, which was carried out between the start of February and the start of April 2018 by blue eyes marketing**, focused on these and other questions.

The study shows that investors are based predominantly in Switzerland (more than 70%), followed by Germany, Luxembourg, and the United States. 52% of our visitors were professional investors (asset managers 24%, banks 11%, pension funds 2%, insurers 2%, and others (e.g. family offices) 13%).

Around half of these professional investors manage assets worth more than CHF 20 million, and 21.8% say that they visit the platform several times a week or every day. In addition, they are also open to new, alternative investment opportunities, with 27% of all users expressing an interest in cryptocurrencies.

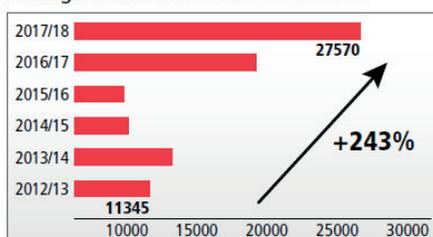
The remaining 48% of visitors to our website were private investors. Almost all of these private investors (96.4%) invest their assets directly through a bank or asset manager, with around one third managing private assets in excess of CHF 250,000.

The interest in the corresponding investment instruments is just as great among professional investors as private investors: alongside equities, investment funds (61.7%) and ETFs (47.7%) are particularly popular.

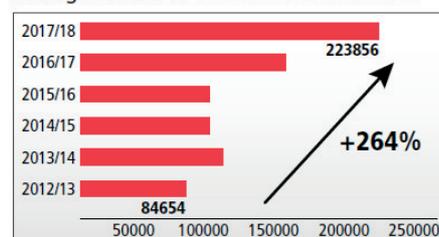
** blue eyes marketing gmbh, based in Lucerne, is a member of the Swiss Market and Social Research Association VSMS).

Development of the platform from October 2012 until March 2018

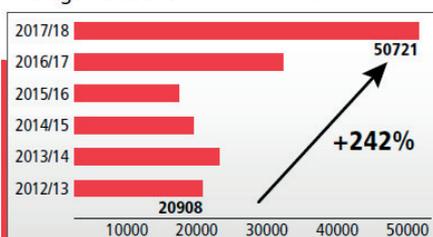
Average number of **USERS PER MONTH**



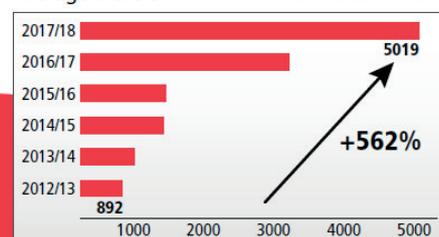
Average number of **PAGEVIEWS PER MONTH**



Average number of **SITE VISITS PER MONTH**



Average share of **SMARTPHONE TABLET USERS**



Source: Google Analytics, Swiss Fund Data



Interesting reading

In partnership with
SFAMA

Friends of Funds

SFAMA has a long-standing partnership with the neutral discussion forum Friends of Funds. The dates and topics set thus far are as follows:

Events in Zurich (cycles 30/31)

26.06.18	Quantitative investments: Big Data – Big Performance?
28.08.18	ESG and impact investing: how do they add value?
25.09.18	Asset servicing & administration: latest developments
23.10.18	Fund trading: opportunities, costs, and efficiency issues
27.11.18	Alpha generation in a volatile market environment
22.01.18	FinSA and FinIA: what's the status quo?

Events in Geneva (cycle 12)

11.09.18	How to invest in emerging or frontier markets
04.12.18	Efficient fund management strategies in Switzerland

Further information on the events in Zurich and Geneva, where available, can be found on the forum's website at

www.friends-of-funds.ch

New sections

The website was revamped at the beginning of 2016, and various new features added. Visitors can now download documents such as studies, research reports, PowerPoint presentations and survey results of partner companies. These can be found in the sections "Investment Center", "Service Center", "Education Center", and "News Center".

Use of event calendar
free of charge

The Friends of Funds forum is continuing to offer an independent calendar for fund and financial industry events in Switzerland, intended for events of all kinds (including those with restricted audiences). If you have dates for roadshows, media conferences, seminars, anniversaries or other events, you can publish them free of charge via the website www.friends-of-funds.ch (under "Events / Ihre Veranstaltung").

<http://www.friends-of-funds.ch>

Bafin-Veröffentlichung

Übersetzung zu MiFID-II-Erläuterungen

Die Finanzaufsicht Bafin hat zwei «Arbeitsanleitungen» der europäischen Wertpapieraufsicht ESMA übersetzt und ins Netz gestellt. Die Dokumente sollen Praxistipps für bestimmte Aspekte von MiFID II geben.

https://www.bafin.de/SharedDocs/Veroeffentlichungen/DE/Arbeitsanlege_q_and_a_uebersetzungen.htm?m=0021442

New version

Solvency II Template

In 2015, EFAMA, the BVI, The Investment Association, Club Ampere, the AFG, Assogestioni, the Dufas, VOIG, and ALFI, together with major Asset managers and insurance companies across Europe, formed the European Working Group which designed a standard Solvency II template to facilitate the exchange of information between insurers and asset managers. The first version of this template, named TPT V3, was formally issued in October 2015. It has been widely adopted across Europe. A review of this template was completed in April.

http://www.efama.org/Publications/PublicSolvency/2018/4025_Solvency%20II%20Template%20Date%20Exchange.pdf

New BIS study

The implications of passive investing for securities markets

The popularity of passive investing through index mutual funds and exchange-traded funds has grown substantially over recent years, displacing higher-cost active investment styles. A shift toward passive investing could affect securities markets in two key ways.

https://www.bis.org/publ/qtrpdf/r_qt1803j.htm

New University of Zurich study

Fifty Shades of Active and Index Alpha

There is an ongoing debate about the benefits of active investing versus index investing. Instead of jumping to a black-or-white conclusion, this study describes the different shades of alpha for active and index investing. The empirical analysis provides evidence that the hypothesis of a zero-sum game after costs cannot be rejected for a vast majority of investment categories, especially when we filter out the worst-performing mutual funds of the past year.

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3107904

PwC's 21st CEO Survey

Global survey of 126 CEOs

Asset managers around the world are optimistic as regards growth prospects going forward, but there is also some skepticism. PwC still sees challenges, and not only as a result of the digital transformation.

<https://www.pwc.de/finanzdienstleistungen/asset-manager-rechnen-mit-wachstum-doch-auch-mit-unsicherheit.html>

Pension Funds Study 2018

New ASIP study

moneyland.ch Survey

Free publication and download

Pension system saved by returns

A total of 535 pension institutions took part in the Swiss Pension Funds Study 2018, up from 507 last year. Their assets amount to CHF 680 billion. Overall, they represent 4.1 million pension fund members, including 3.2 million active contributors and 0.9 million pensioners. In terms of balance sheets, they manage just over three quarters of Swiss pension assets.

G: <https://www.swisscanto.com/ch/de/is/vorsorgen/pensionskassenstudie.html>

F: <https://www.swisscanto.com/ch/fr/is/prevoyance/etude-caisses-de-pension.html>

Importance of funded pensions

On the occasion of its 20th anniversary, the Swiss Pension Fund Association ASIP has presented studies and principles for the future of occupational pensions. The second pillar of the Swiss system alongside state and private pensions, collective, funded occupational pensions play a key role for the association.

<http://www.asip.ch/aktuell/news/show/1059/bedeutung-der-kapitalgedeckten-vorsorge-studien.html>

How Swiss Invest Their Wealth

Independent online comparison service moneyland.ch conducted a representative survey of the investment habits of around 1500 Swiss consumers. The survey was carried out by market research institute GfK Switzerland on behalf of moneyland.ch.

<https://www.moneyland.ch/en/survey-swiss-investment-behavior-2018>

Public finances 2017

The statistical data on public finances for 2017 have been published. The brochure issued by the Federal Finance Administration (FFA) provides at a glance information on the budgets of the Confederation, cantons, communes, and social insurance, as well as an international comparison.

<https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-70095.html>

125th edition

Taken over by
Weblaw AG

Statistical Yearbook of Switzerland published

The latest 2018 edition of the Statistical Yearbook of Switzerland marks a special anniversary: its publication for the 125th time. No other publication from the Federal Statistical Office enjoys such a long tradition or such importance to users from all walks of life.

<https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-70128.html>

New edition of LeGes

LeGes, a periodical dealing with legislation and evaluation, has been published in Switzerland for almost 30 years. It is the official gazette of the Swiss Society of Legislation and the Swiss Evaluation Society and is aimed at everyone who works in theory and practice to ensure good, understandable, and effective legislation and good evaluation of state activities. Weblaw AG, specifically the Editions Weblaw team, has been responsible for publishing LeGes since 1 January 2018.

G: <https://leges.weblaw.ch/legesissues/2018/1.html>

F: <https://leges.weblaw.ch/fr/legesissues/2018/1.html>



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