

Private Markets in Switzerland: Scaling Innovation & Growth

A study from AMAS, SECA & BCG

Press conference

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Your presenters today



Markus Dinkelmann

Asset Management Analyst,
AMAS

Expert and Economist in Asset
Management

>5 years of experience in the financial
industry, incl. risk management,
controlling, compliance, and
investment management



Tobias Würgler

Managing Director and
Partner, BCG

Expert and core member of BCG's
Financial Institutions Practice

20 years experience in Asset & Wealth
Management, Capital Markets &
Banking



Dominik Bailey

Principal, BCG

Expert and core member of BCG's
Financial Institutions Practice

>10 years experience in Wealth &
Asset Management and Banking for
BCG and UBS

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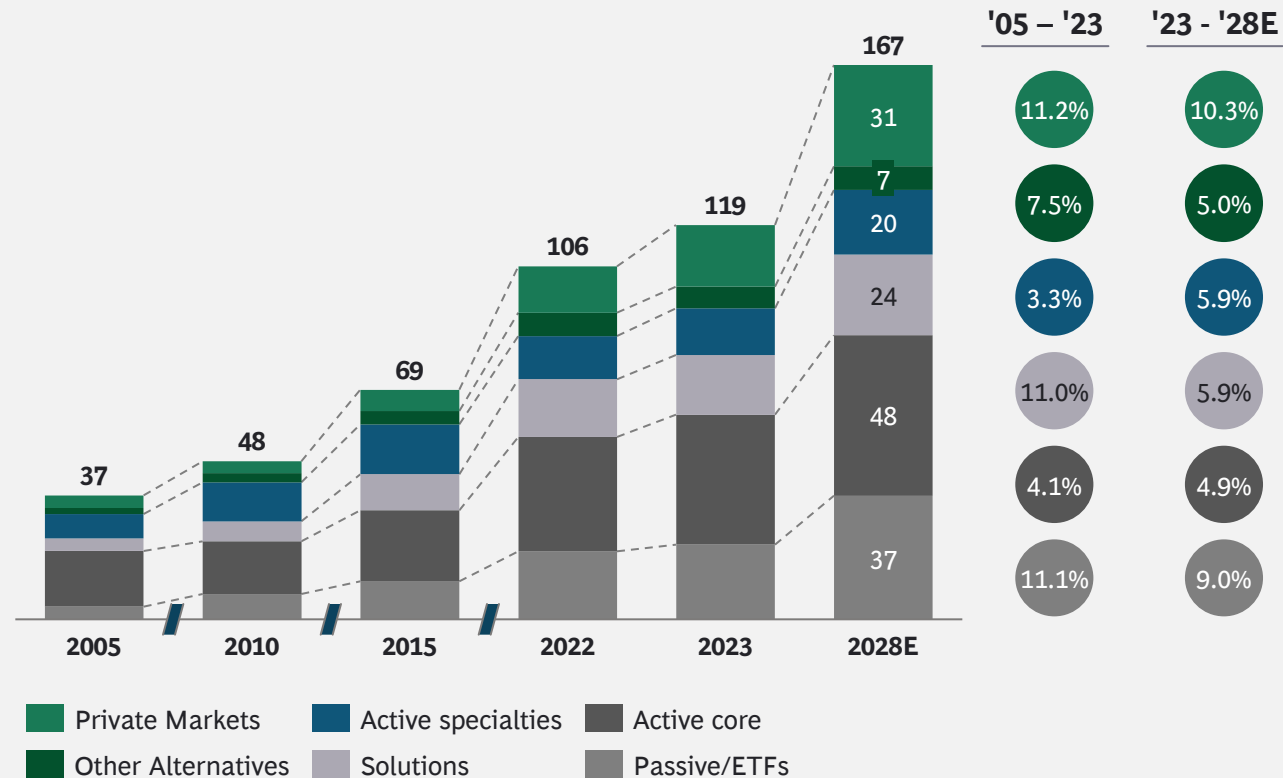


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- Private markets have **grown significantly worldwide** in the past decade and **will stay vital** for financial markets
- In **Switzerland private markets** have gained importance with an estimated CHF ~ 360bn of invested assets
- **AMAS, SECA & BCG** have collaborated on this study, **leveraging unique survey data**, interviews & BCG global insights to assess the opportunity for Switzerland
- In short - the study sheds light on private markets locally and globally, highlighting **how Switzerland can build on its success** and capitalize further on private markets
- Today we want to share our **key findings** including a **quick call to action for Switzerland's** private markets

Private markets are continuing to grow globally

Global AuM by products, in USD Tn



- > Today, private markets amount to ~16% of total global AuM and thereby constitute a key element of global financial markets
- > Within private markets, venture capital, private debt and private equity have grown the most since 2013
- > Looking ahead; private markets are expected to growth with CAGR of ~10% until 2028, as key drivers remain in place

Growth drivers for private markets

Drivers of growth will remain intact for foreseeable future:



Companies are staying private for longer – up by 4 years / 45% on average



Private credit has established itself as a viable alternative to bank lending (having grown at ~11% CAGR since 2013)

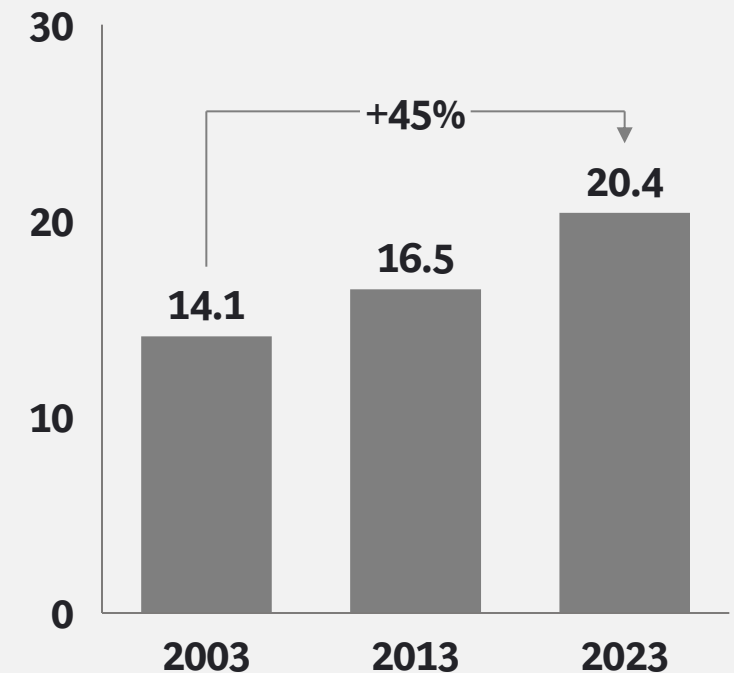


Infrastructure and climate finance will generate significant investment demand over coming years



Access to private markets is being "democratized" with more institutional and retail investors increasing allocations

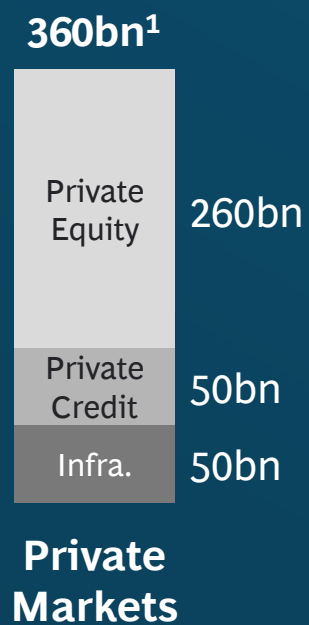
Average age at IPO up by 45% (in years)



Switzerland's private markets are sizeable and focused on private equity, private credit and infrastructure

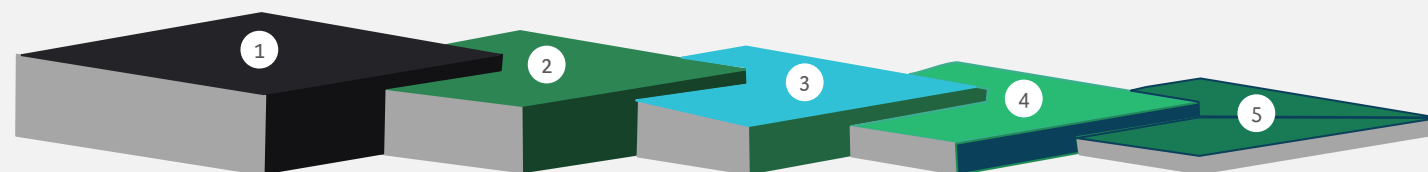
Private markets allocation for assets managed in Switzerland

in CHF Bn



A diverse investor landscape underpins Swiss private markets²

In addition, **75% of PM assets are managed on behalf of foreign investors** by CH managers⁴



1	2	3	4	5
Pension funds	Insurance companies	Banks	Private individuals³	Family Offices
Several pension funds in Switzerland are successfully active in private market investments, i.e., <i>GastroSocial, Retraites Populaires</i>	Insurance companies in Switzerland are major investors with large balance sheets, i.e., <i>SUVA</i>	Banks invest customer funds on a fiduciary basis and play a significant role as capital allocators, i.e., in wealth mgmt.	Private individuals highlight strong appetite among Swiss high-net-worth individuals for private market opportunities	Family offices frequently prioritize private equity and direct investments

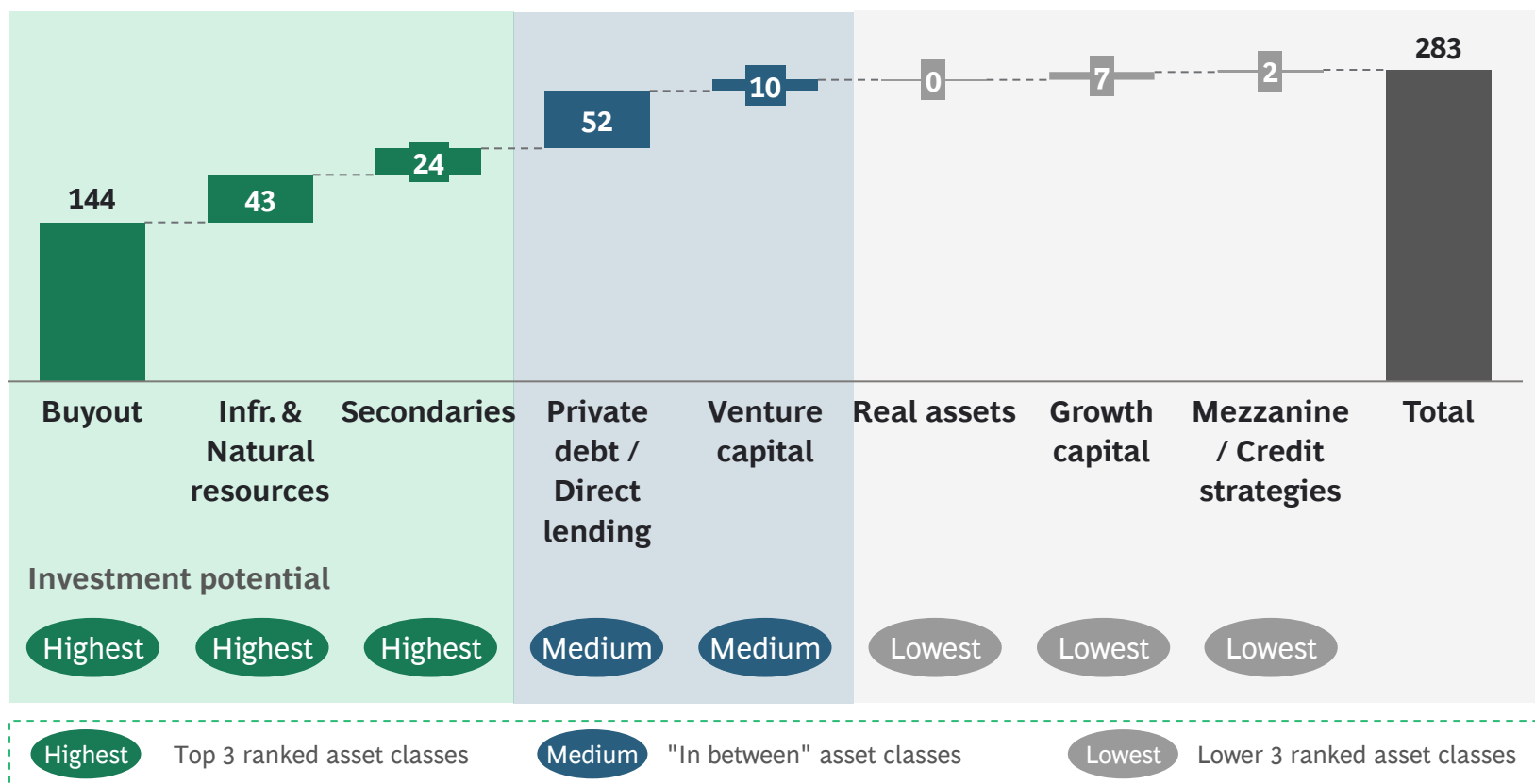
2. Survey question: How does your existing Investor base look like (highest ranking-highest ownership in the fund(s), capital-based; 3. Note, in 4th position originally ranked a mix of investors clustered under "Other" (i.e., "endowments and foundations, SWFs or academic institutions"). Due to diverse composition, group omitted 4. Study HSLU, AMAS Source: AMAS survey, Lucerne University of Applied Sciences, AMAS 2023

1. Top-down estimates for Swiss private market Source: Lucerne University of Applied Sciences, AMAS 2023

Buyouts & Infra are the preferred PM asset class in CH

Allocation of private market investments by Swiss GPs (in CHF Bn) and perceived potential by asset class¹

Number based on survey participants; covering ~80% of Swiss market



- > Swiss PM allocations have concentrated on **buyouts, infrastructure and private debt**
- > **Growth capital as seen limited allocations** (<CHF 7 bn, ~2.5%), which has created a gap for companies who wish to scale their business
- > This gap leaves local high potential firms **dependent on investors abroad**

1. Survey question: How much total AuM do you manage in private market investments globally (fee paying assets only) – please indicate in CHF million as of 31 December 2023. Real estate should be excluded
Source: AMAS Survey

Call to action for Switzerland

- 1 The place for companies to innovate and grow**
Strengthen **local growth capital** to prevent top-performing startups from seeking funding abroad & ensure they scale into global leaders with local roots
- 2 A prime destination for private investors**
Build **onto financial center status** by fostering local talent, regulatory clarity & a supportive tax environment to attract & grow private market fund managers
- 3 Unlocking institutional returns and growth**
Simplify the pension framework and enhance local investment consultants to overcome **regulatory constraints** and **cultural obstacles**¹ for institutional investors to unlock untapped potential within private markets
- 4 Evolving wealth management**
Leverage **wealth management leadership** by setting new standards for private market capital allocation & delivering customized private market solutions to client
- 5 Supportive framework, engagement & communication strategy**
Regularly update the legal and regulatory framework to attract global capital and expand access to private markets – paired with ongoing education & communication

1. Prejudices, skepticism, lack of comfort with an unfamiliar asst class

**Thank you for your time
and attention**