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CONFIDENCE IN 2ND PILLAR – FINANCIAL EQUILIBRIUM IS THE LONG-TERM CHALLENGE – ACTIVE RISK MANAGEMENT

Nyon/Zurich, 25 April 2006 – The 2nd part of the 6th *Swiss Institutional Survey* (www.institutionalsurvey.ch), with 31 December 2005 as its return date, was dedicated to the topic of *Added Value in Asset Management*. The main results are summarized below.

Long-term risks

The survey participants see the following main risks: *ageing of the population, growing complexity and regulation of the 2nd pillar, adequate financing and falling investment returns*. Respondents do not expect any change to the 3 pillar system or a shift in emphasis which might be prejudicial to the 2nd pillar.

Risk management

Regular *performance of an ALM study* is now standard practice among all categories of institutionals. *Investment consultants* are mostly mandated for realizing such ALM studies.

Own assessment of internal skills and investment success

The participants generally regard their own *internal asset management skills* as *effective or highly effective*, with one exception: *asset management using in-house resources*.

External products and services in the investment sector

Price is the key factor in an assessment of external products and services. *Transparency* or comprehensibility and *performance* are named as further important criteria.

When it comes to the choice of *external asset managers*, independent investment consultants play a central role. Around two-thirds of the participants call upon their assistance.

Conclusion

The answers by the survey participants show that there is no *simple, unanimous or universal recipe* for the implementation of asset management among institutional investors in Switzerland. The different investment styles adopted have generally proved successful. The outcomes achieved by hedging measures are the only point of which participants take a critical view.

The detailed report with a commentary on the charts is attached.

Further information is available on the internet at: www.institutionalsurvey.ch.

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Institutionalsurvey.ch is a six-monthly online survey on investment issues; it is addressed to institutional investors, in particular pension funds. It is organized by *Lusenti Partners*; *Crédit Suisse* supports the survey as a sponsor. 162 institutions with total assets worth CHF 189.4 billion took part in the 2005 survey.

All survey participants receive an individualized comparison of their key indicators free of charge; this is known as the *Peer Group Comparison*.