

Stellar

EXECUTIVE SEARCH

Succession solutions and growth of relationship managers within the Independent Asset Manager market (CH/LI)

Market analysis January - April 2025

In collaboration with:

ADVEA
ENTREPRENEURIAL
ADVISORY



Market analysis for the acquisition of customer advisors and suitable succession solutions in the IAM market (CH/LI)

1 Market overview Switzerland

2 Market overview Liechtenstein

3 Voice of the Market

4 Value Proposition Stellar



- > Structural fragmentation, increasing pressure to consolidate and high ambitions for growth & RM requirements
- > Recruitment pressure due to market size & proximity to Switzerland; succession planning is gaining strategic importance
- > First-hand experience and perspectives on recruitment, succession and market positioning, what really moves IAMs today
- > How Stellar supports IAMs & banks with growth, succession and team building

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1) IAM Market Switzerland





1 IAM Market Switzerland

Summary – IAM-Market CH

Swiss IAM market undergoing extensive structural changes, but remains an important pillar of asset management

There are currently 1,437 IAMs with assets under management of around CHF 500 billion; by 2026 there should still be around 1,200 - 1,400 IAMs in activity

New market entries underway even after new FINMA regulation

Structural shift in the revenue pool; TOP 50 IAMs are increasing their share of total revenue

The Swiss IAM market is undergoing structural changes, but has positive future prospects for remaining and new IAMs.

- > The Swiss IAM market is undergoing a regulatory-driven market shakeout; scalability and critical size will be crucial in the future to remain competitive and cope with rising regulatory costs
- > The future outlook for the Swiss IAM market is nevertheless positive, as reflected by the market participants themselves → *IAM Industrieradar 23/24*
- > The number of IAMs will continue to decrease in the coming years (2025/2026: future IAM landscape at approx. 1,200 - 1,400 IAMs); the degree of professionalisation of IAMs will continue to increase and with it the requirements for professional partners (custodian banks)
- > Increasing market growth is expected above all from the leading IAMs, as organic growth also requires corresponding investment funds
- > Despite the new FINMA authorisation process and some complex organisational adjustments, new market entries are underway
- > Larger, leading IAMs will increasingly dominate the market in future and move on a par with smaller private banks; it is expected that the top 50 IAMs will increase their share of total industry revenues from 35% to 46% by around 2026

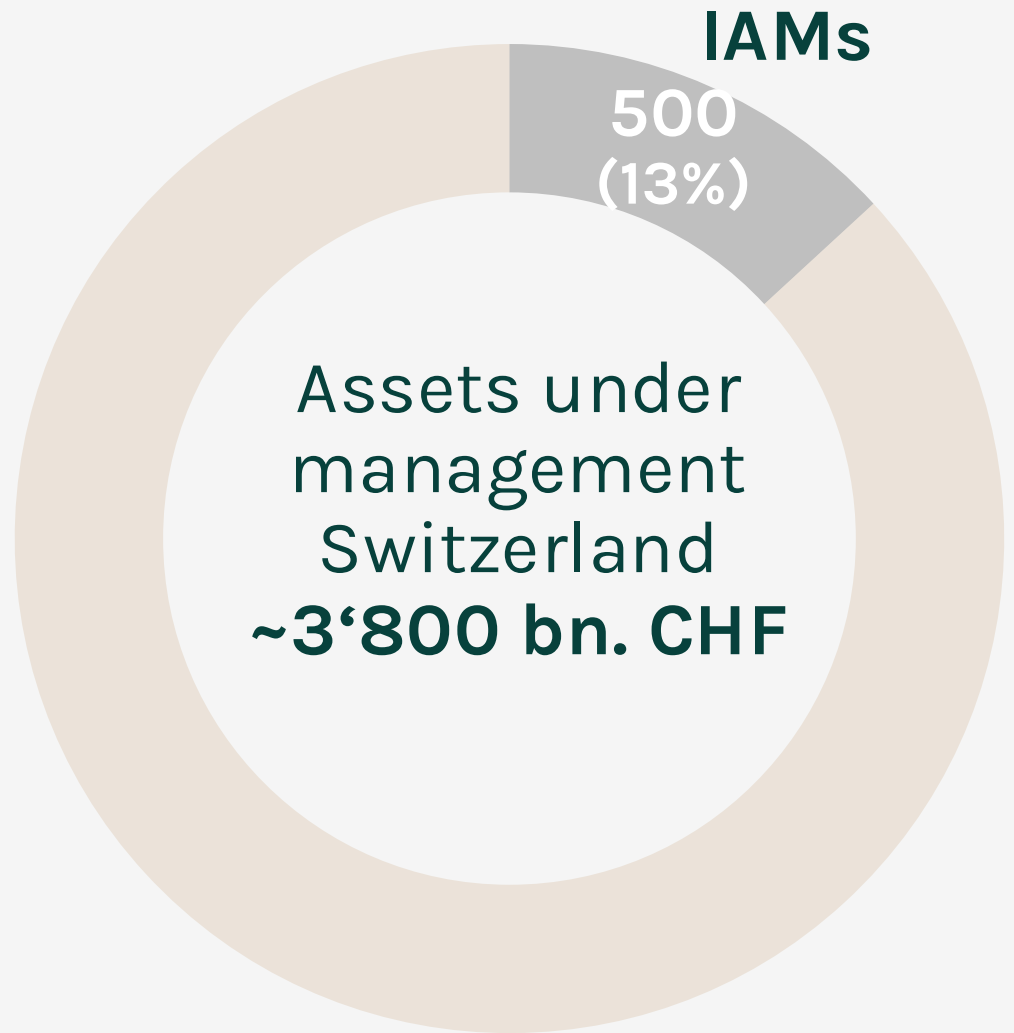


1 IAM Market Switzerland

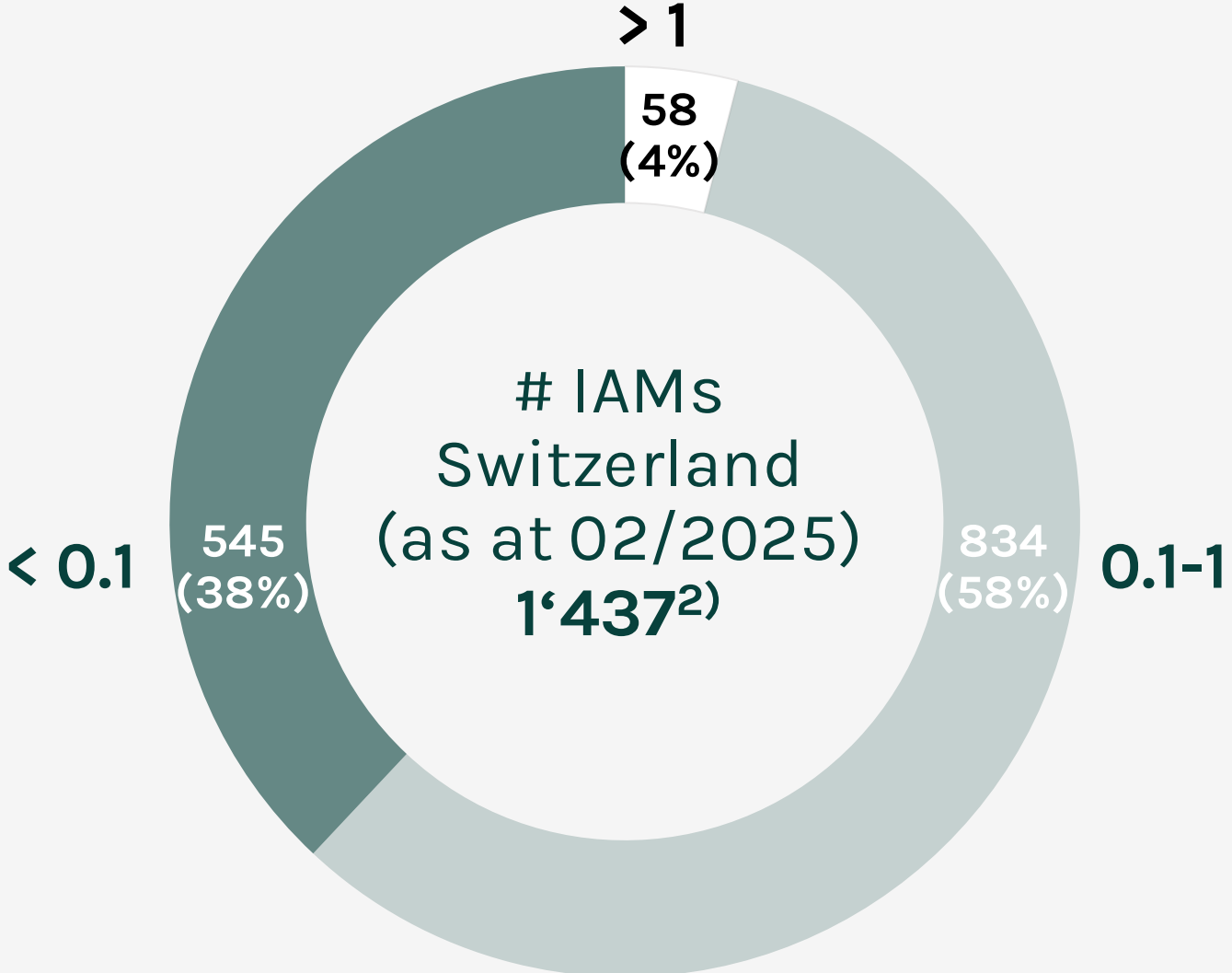
The Swiss IAM market is highly fragmented with an important economic factor of assets under management totalling ~CHF 500 billion.

IAM-Market CH (1/3)

Market Share Wealth Management¹⁾



Size classes by AuM (CHF bn.)¹⁾



Summary

- > ~CHF 500 bn assets under management by IAMs; the market is characterised by low transparency and high fragmentation with a large number of micro-firms
- > 1,437 active IAMs as at Feb. 2025 - still 2,128 IAMs as at 12/2020; however, market momentum continues due to regulatory issues

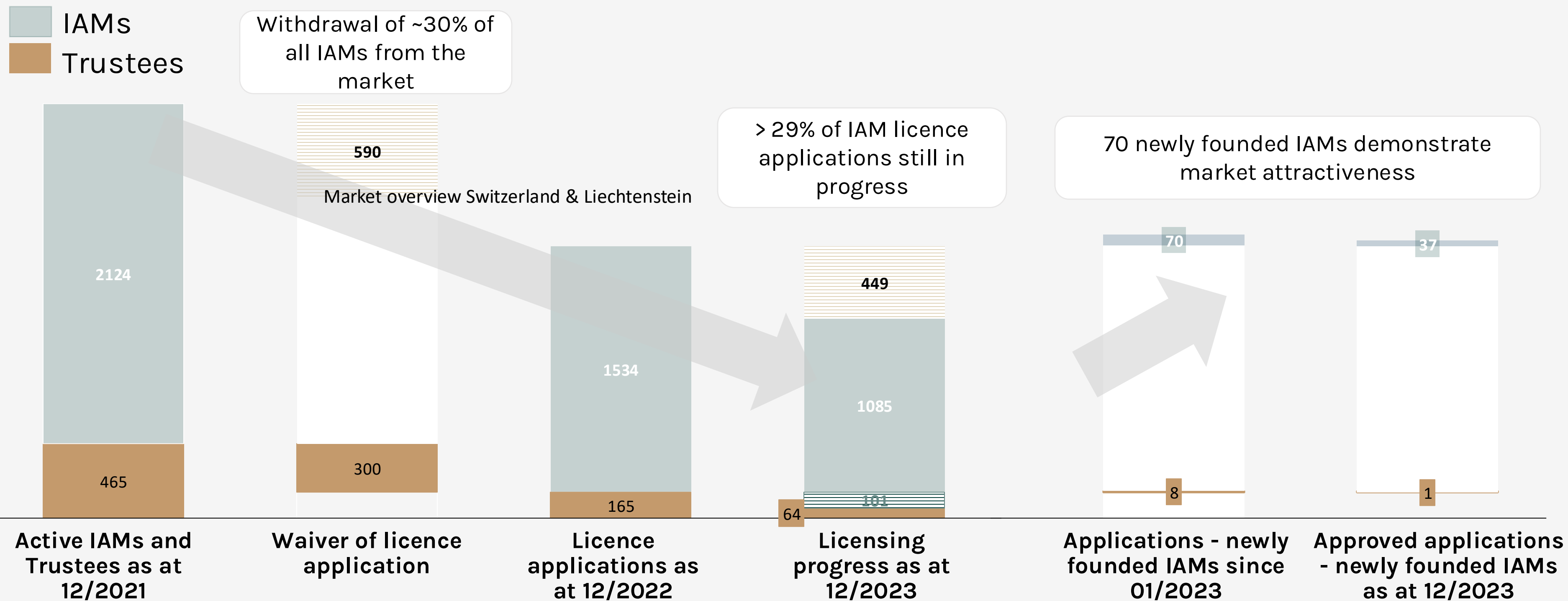




1 IAM Market Switzerland

Current developments in the Swiss IAM market including the number of newly founded companies in 2023.

IAM-Market CH (2/3)





1 IAM Market Switzerland

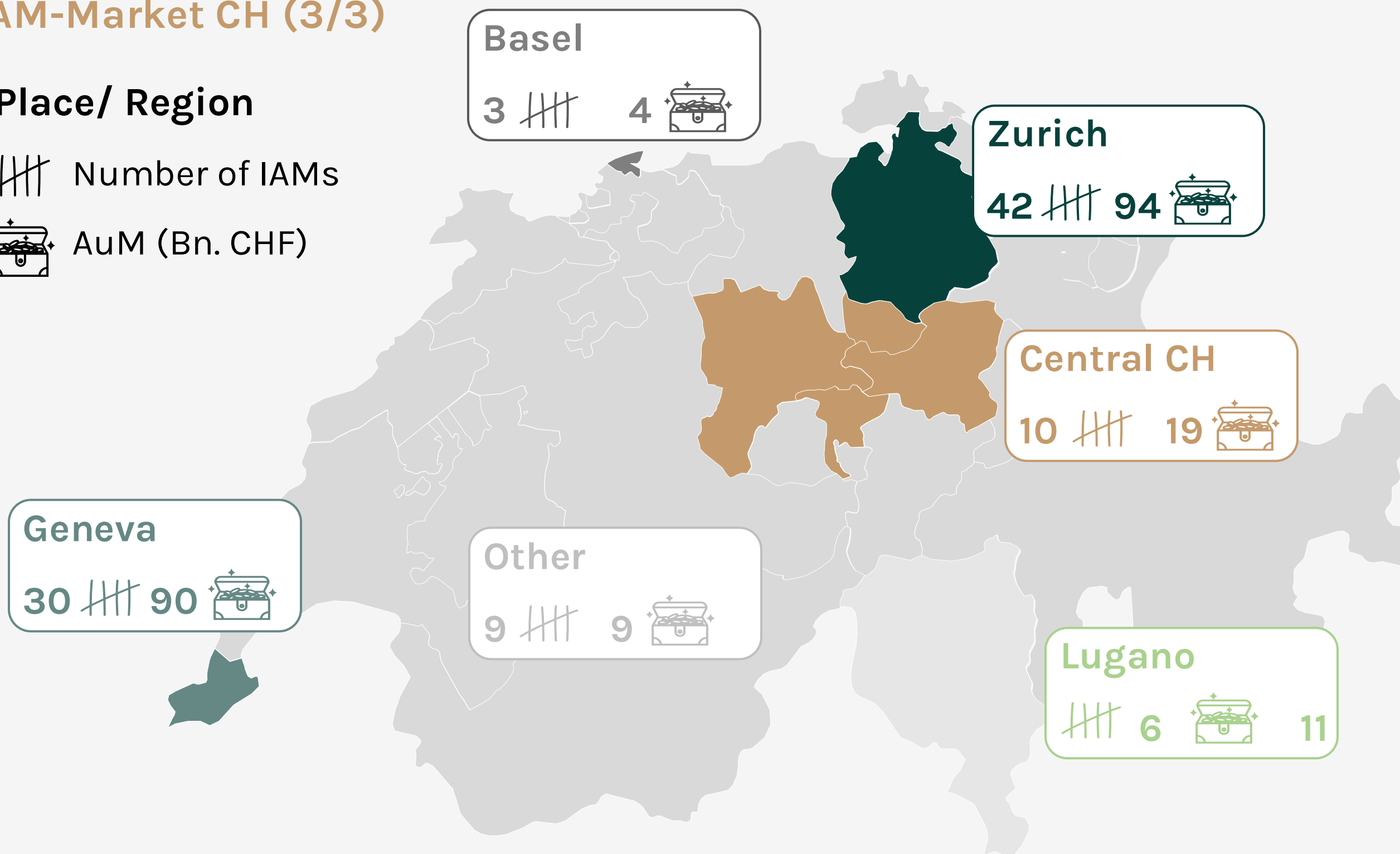
The geographical distribution of the top 100 IAMs in the Swiss market indicates the two hotspot regions of Zurich and Geneva.

IAM-Market CH (3/3)

Place/ Region

||| Number of IAMs

👛 AuM (Bn. CHF)



Summary

- > Geneva and Zurich are also major centres of large IAMs due to their proximity to private banks (72 out of 100)
- > Central Switzerland, Lugano and Basel with additional top 100 market participants
- > Market share (abs./rel.) of the
 - > Top 100 IAMs: 227 Bn. / 46%
 - > Top 50 IAMs: 177 Bn. / 35%



1

IAM Market Switzerland

IAM-Market CH – Outlook (1/2)

Rising costs and professionalisation requirements trigger changes

- > Relative importance of risk and compliance costs and processes is increasing sharply; Tripling of costs expected¹⁾ – albeit after many years of underweighting
- > Rising structural costs require higher minimum volumes for sustainably profitable IAM business models

Consolidation «on-hold» for the time being, contrary to several announcements; first boost expected in 2025

- > Following the conclusion of the FINMA approval processes and, in some cases, complex further organisational developments by IAMs, hardly any change is to be expected in the short term with regard to the already low level of sales intentions; however, consolidation will pick up speed from 2025 due to „resignation in the new reality“

Organic growth becomes a top priority - expansion of networks expected

- > Organic growth is easier to achieve for larger IAMs with entrepreneurial structures and open partner networks that are consistently used for generating leads; higher growth expected for leading IAMs
- > Efficiency gains based on economies of scale also expected

Requirements for custodian banks are not only expressed, but enforced

- > Dissatisfaction with custodian bank services will no longer be tolerated; pressure for professionalisation, but also increased demands on quality, pricing and, not least, service mentality do not allow a continuation of „business as usual“ for EAM desks or intermediary business models with inherent conflicts of interest



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IAM Market Switzerland

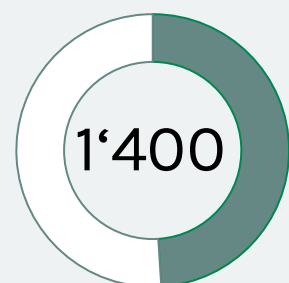
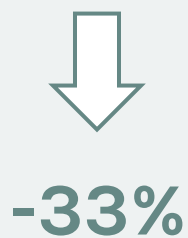
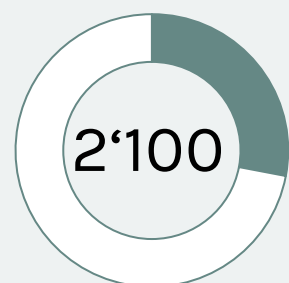
IAM-Market CH – Outlook (2/2)

... which in turn lead to sometimes substantial shifts in the revenue pools.

2021

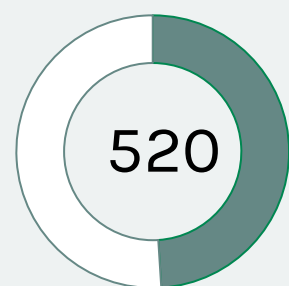
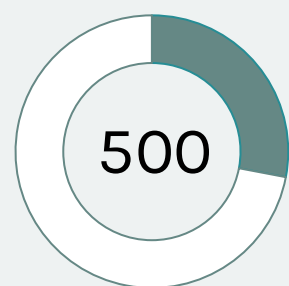
2025

#IAMs



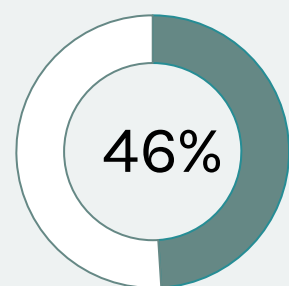
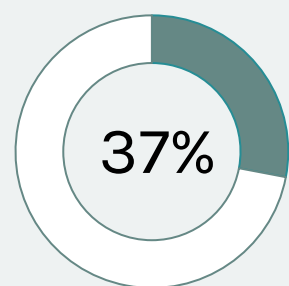
Regulatory-driven professionalisation results in a comprehensive market shake-out; market-driven consolidation is only expected in the future, which will lead to a reduction in the number of IAMs by a third, particularly among micro-companies

Assets under management (CHF Bn.)



Outflows from business closures in the period 2022/2023 will be more than compensated for by client growth and the ongoing establishment of new IAMs from private banks (# 50-100 p.a. with inflows of CHF 10-20 bn p.a.)

Share of the top 50 IAMs in gross income (%)



In addition to an entrepreneurial mindset, organic growth also requires investment funds to expand networks and brand awareness; large IAMs grow faster and benefit more



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2) IAM Market Liechtenstein





2 IAM Market Liechtenstein

Summary – IAM-Market LI

The LI IAM market is an important economic and earnings pillar for the financial centre (market share 13%)

91 asset management companies active in LI - assets under management totalling approx. EUR 57 bn.

Strong AuM growth, 18,268 customer relationships, 91% of which are private customers

Growth trends in 2024 remain stable and attractive

The market for independent asset managers is an important economic / earnings pillar for the Liechtenstein financial market.

- > The market for independent asset managers in Liechtenstein is an important economic and earnings pillar for the LI financial market. 679 employees worked for Liechtenstein IAMs in the first half of 2023; this represents a new record.
- > As at the end of 2023, 91 IAM managed client assets totalling around EUR 57 billion, of which EUR 46.1 billion was attributable to asset management mandates and EUR 10.8 billion to other services such as investment advice. Around EUR 25.4 billion of the assets under management were invested with Liechtenstein banks at the end of 2023, the remainder mainly in the EU/EEA.
- > More than three quarters of the IAMs have a licence for cross-border activities and are primarily active in the markets in the DACH region as well as in France, Spain and Luxembourg.
- > Strong asset growth for IAMs (CAGR +6% since 2017), not least due to free market access to the Swiss and EU/EEA market. However, the number of IAMs has remained largely constant over the five-year period (number of IAMs 2017: 106; 2023: 91), while the number of end customer relationships has increased sharply (number of end customers 2017: ~9,700; 2023: ~18,268, of which 91% are private customers).
- > Further new money inflows and new customers were acquired in 2024, most of them in portfolio management; in addition, three new IAMs were authorised by the FMA in 2024.



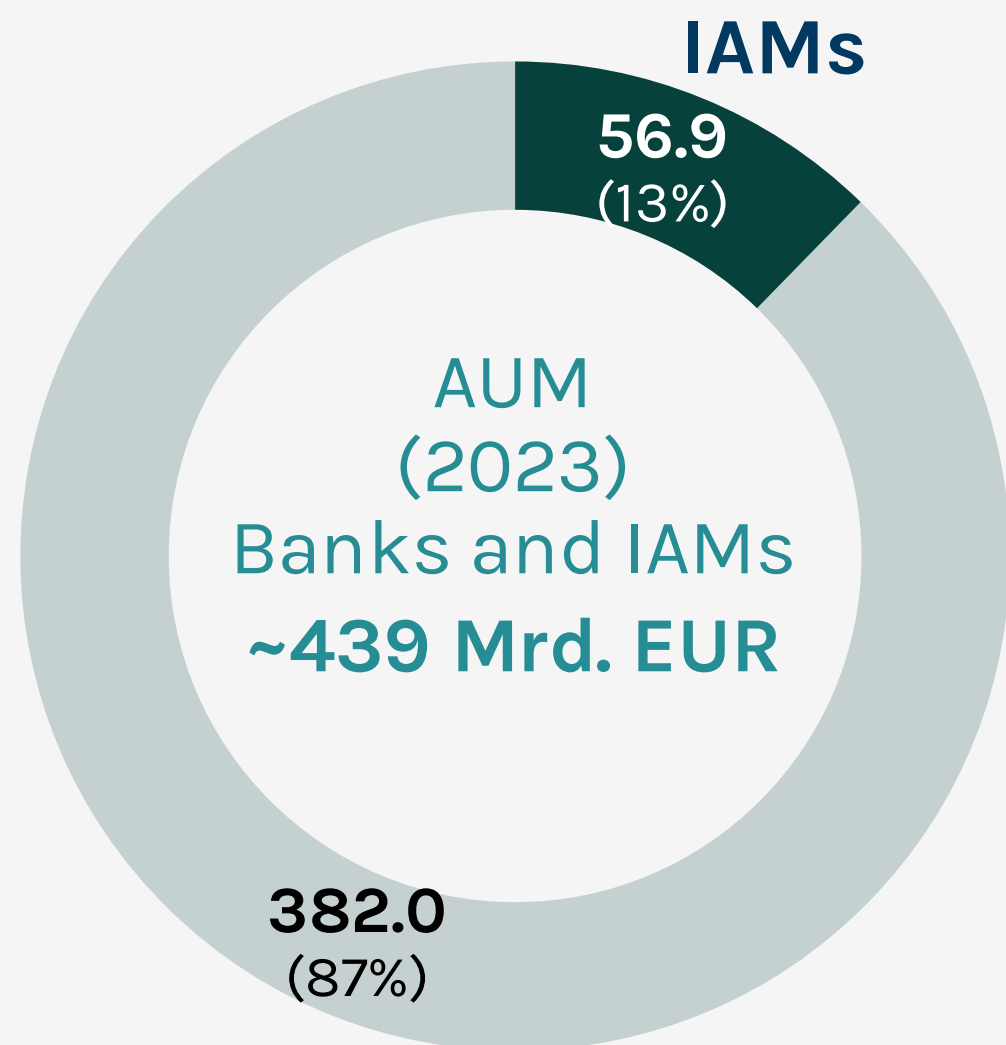


2 IAM Market Liechtenstein

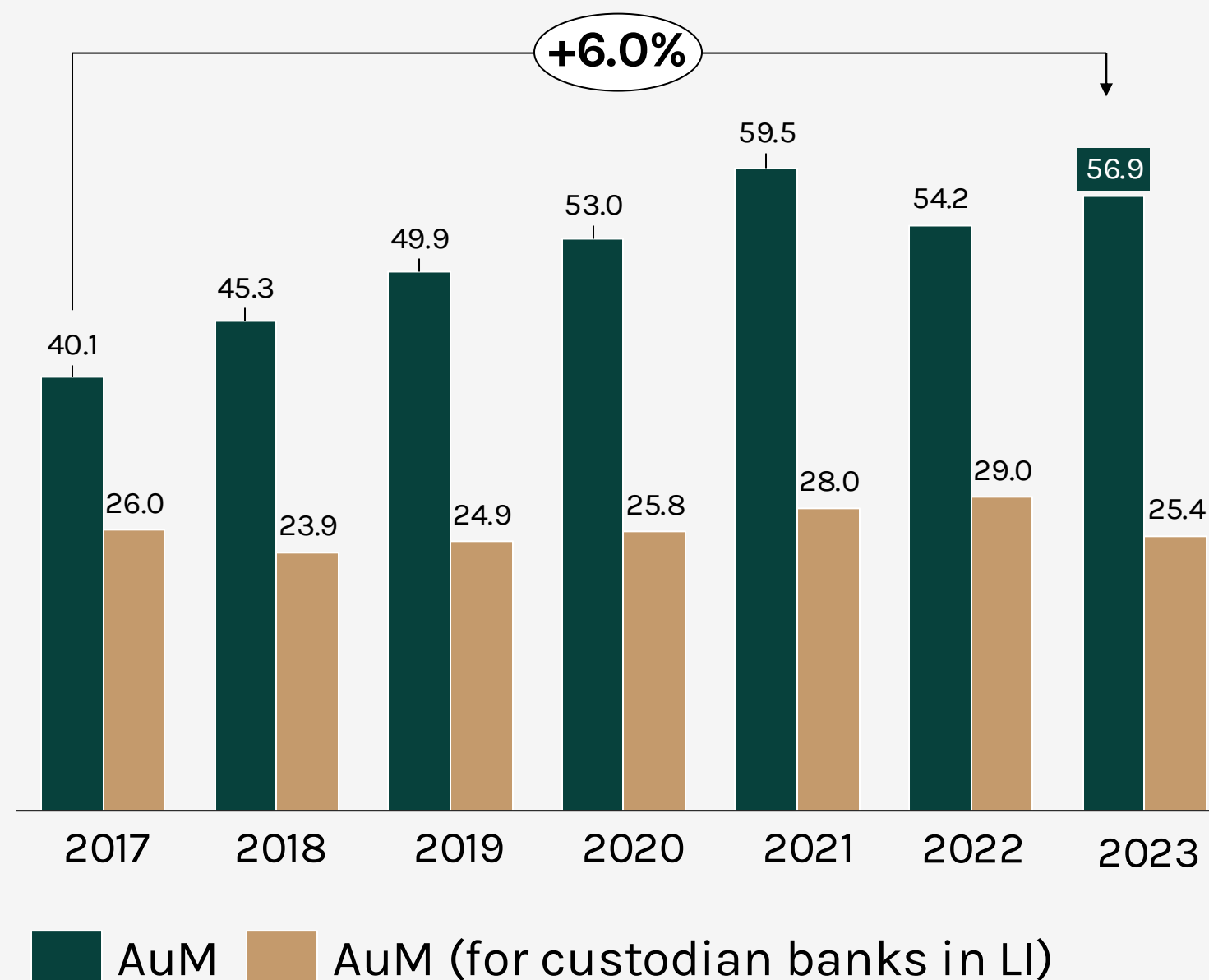
IAM-Markt LI (1/2)

Around 91 IAMs in Liechtenstein that manage approximately EUR 57 billion, are growing very dynamically and are increasingly using foreign custodian banks.

Market share Wealth Management¹⁾



AuM growth of IAM (EUR Bn.)²⁾



Summary

- > Around 91 IAMs manage almost 13% of assets under management with ~EUR 57bn AuM
- > Strong AuM growth over the last five years (CAGR +6%) evidently primarily due to foreign custodian bank relationships
- > AuM decline of 8.9% (2021 to 2022) mainly due to negative market development



2 IAM Market Liechtenstein

IAM-Market LI (2/2)

Target customer groups - by geography¹⁾



IAMs use Liechtenstein as a hub for international business - DACH region as primary growth market.

Summary

- > IAMs in LI benefit from free market access to the EU/EEA and Switzerland
- > More than 75% of all IAMs are authorised to provide cross-border services
- > Foreign activities primarily in the DACH region as well as in France, Italy, Spain and Luxembourg

1) AuM by client residence



2

IAM Market Liechtenstein

IAM-Market LI - Outlook

Liechtenstein's IAM market remains stable and retains its attractiveness as a hub for international business.

Ongoing organisational professionalisation expected

- > The number of IAMs on the Liechtenstein financial market is expected to remain largely stable. Here too, ongoing organisational professionalisation is expected and a steady increase in assets under management per IAM. The degree of digitalisation has not been very pronounced to date; mandatory investment priority.

Trend towards the opening of branches in Liechtenstein by CH-IAMs to facilitate EU/EEA market access

- > The attractiveness of Liechtenstein's easier market access to the EU/EEA area continues and should bring more Swiss IAMs to Liechtenstein; Liechtenstein serves as a hub for international business, which will remain attractive in the coming years.

Consolidation due to increasing regulation in the trustee area

- > Due to increasing regulatory pressure, the number of smaller trustees in particular will continue to decline in the coming years. However, asset structuring will remain a key factor in Liechtenstein's financial market in the future and will be dominated by larger, more professional trustees.

Consolidation of local banks in the LI financial centre

- > Increasing regulations and requirements are also a challenge for banks; consolidation among banks expected, resulting in a further increase in the concentration of AuM among the top 3 banks.

2

IAM-Market Liechtenstein in focus

Classification Liechtenstein – Perspective & Relevance



Market proximity & talent pressure

The „War for RMs“ is also coming to a head in Liechtenstein, partly due to migration to the Swiss market and the limited local availability of experienced client advisors.

Succession planning is gaining relevance

Similar to Switzerland, many IAMs in Liechtenstein also see company succession as a strategic issue in the next 3-5 years.

Recruiting takes place primarily via networks

Access to suitable candidates remains limited; trust, discretion and cultural fit dominate the selection process.

Cooperation with banks & brokers rarely structured

An opportunistic recruitment approach is also evident in Liechtenstein, with strategic partnerships remaining the exception rather than the rule.

Noticeable competition for market share

Even if the market is smaller, many providers are striving for targeted expansion, often via experienced relationship managers with a cross-border network.

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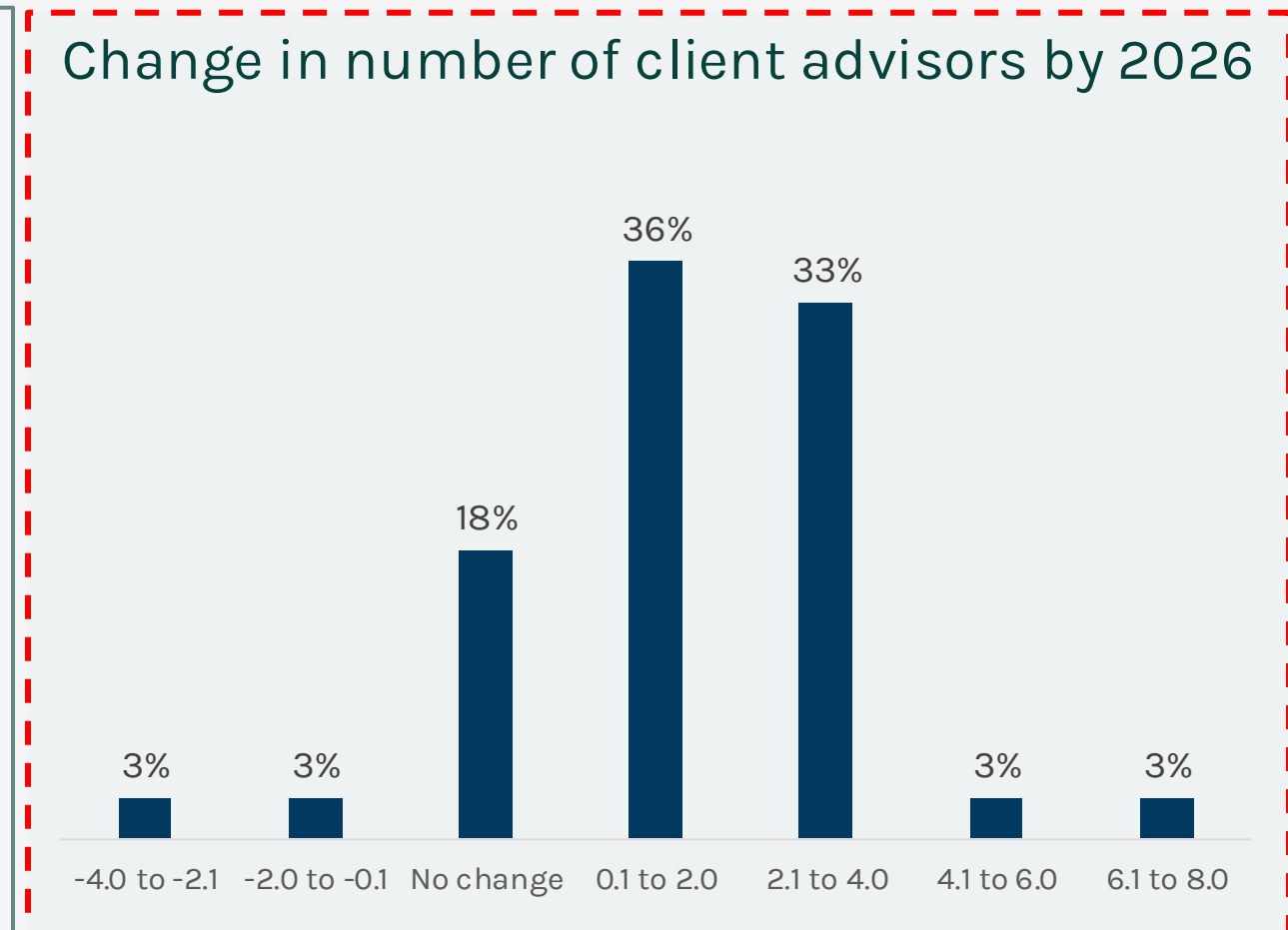
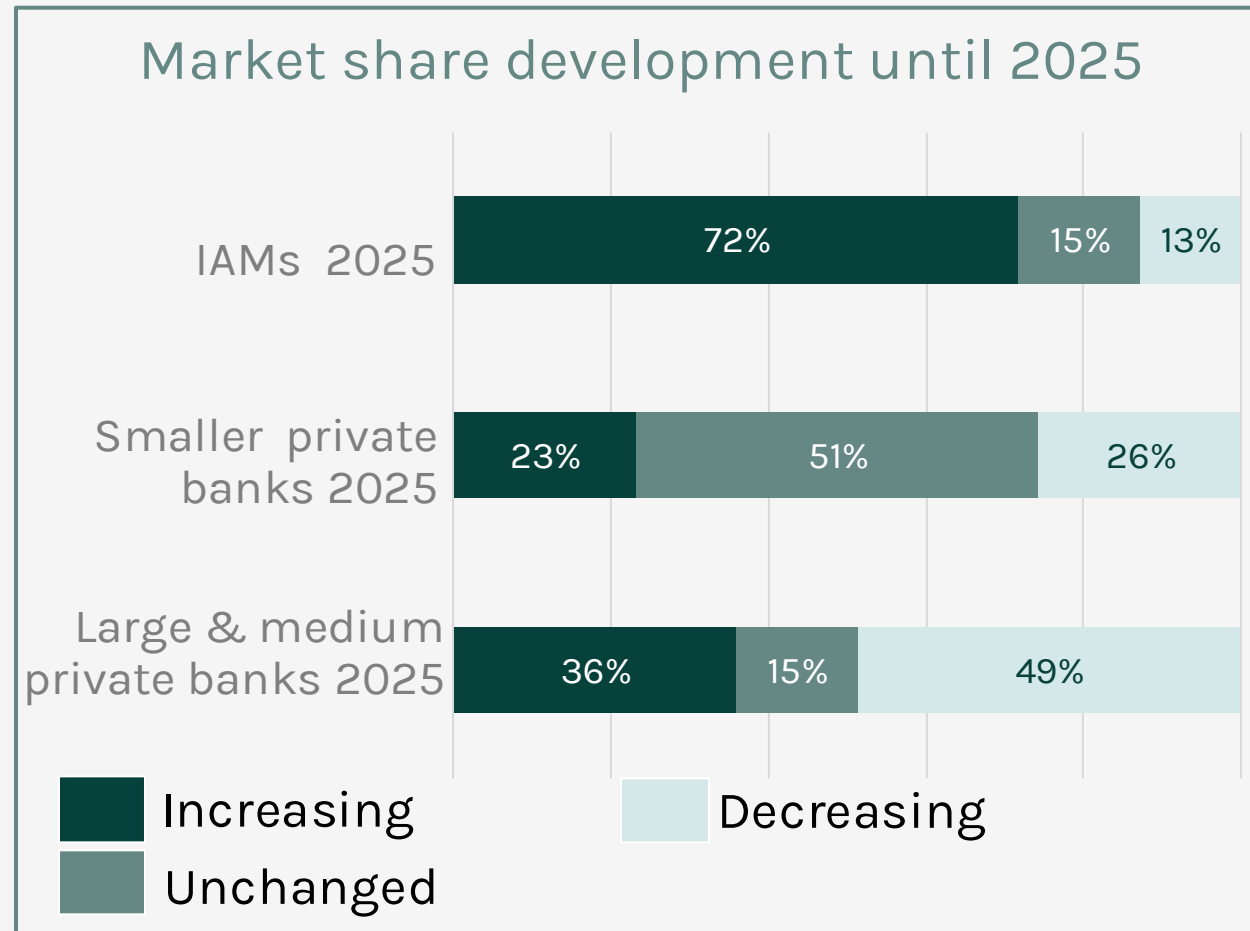
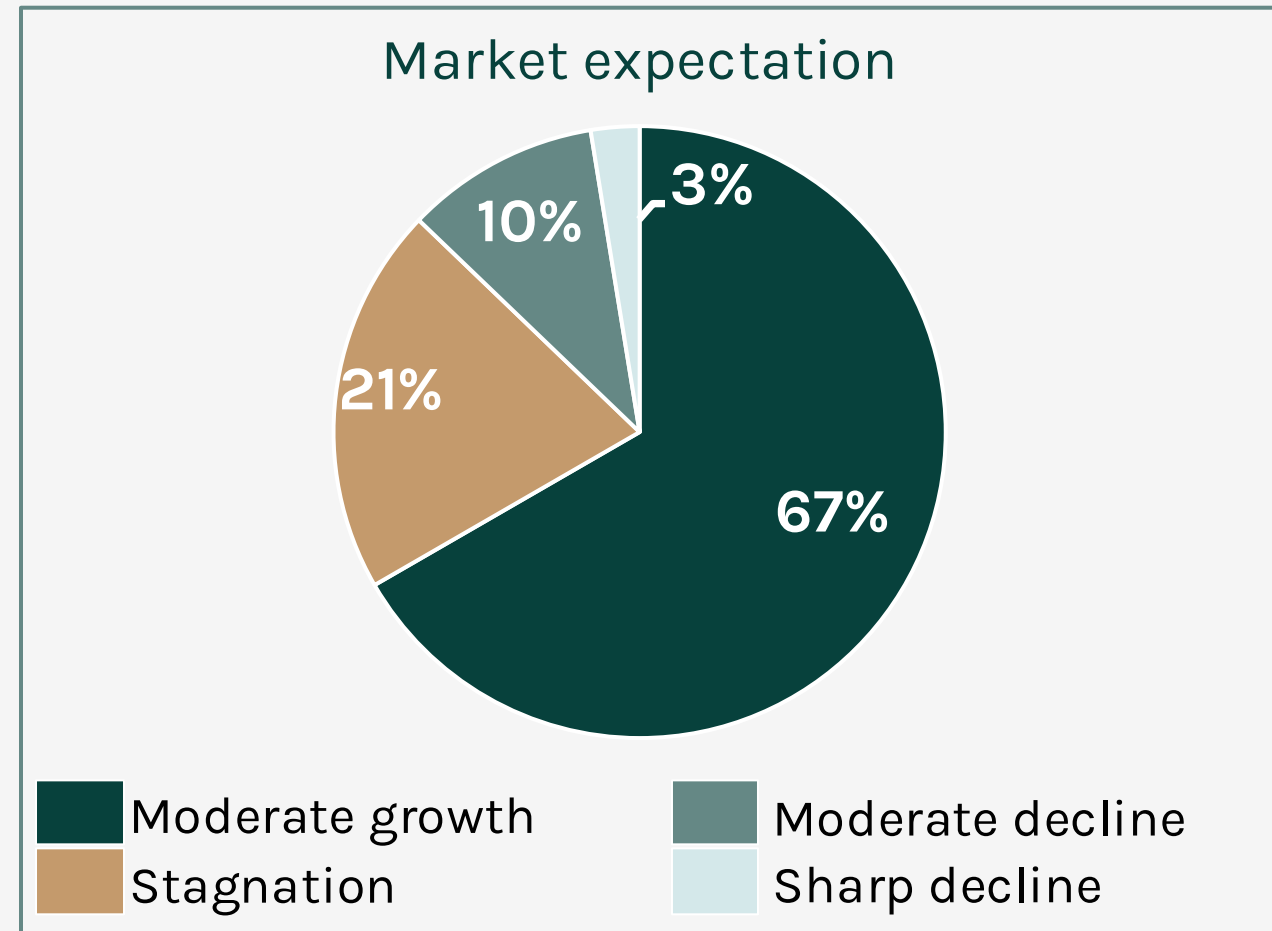
3) “Voice of the Market” (qualitative statements)



Voice of the Market

Positive expectations of IAMs regarding market growth and market share gains in the coming years.

Insights from the IAM industry radar 2023/2024



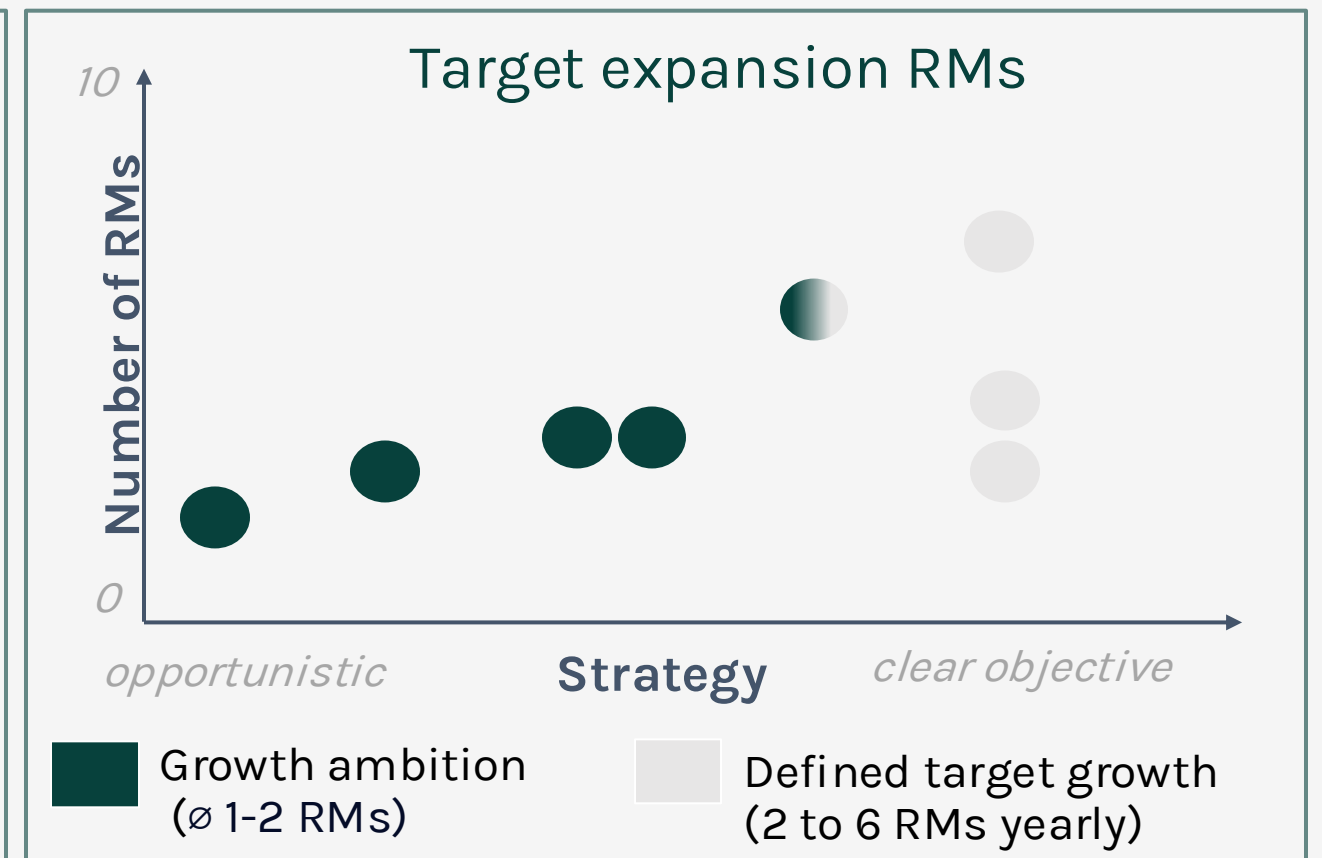
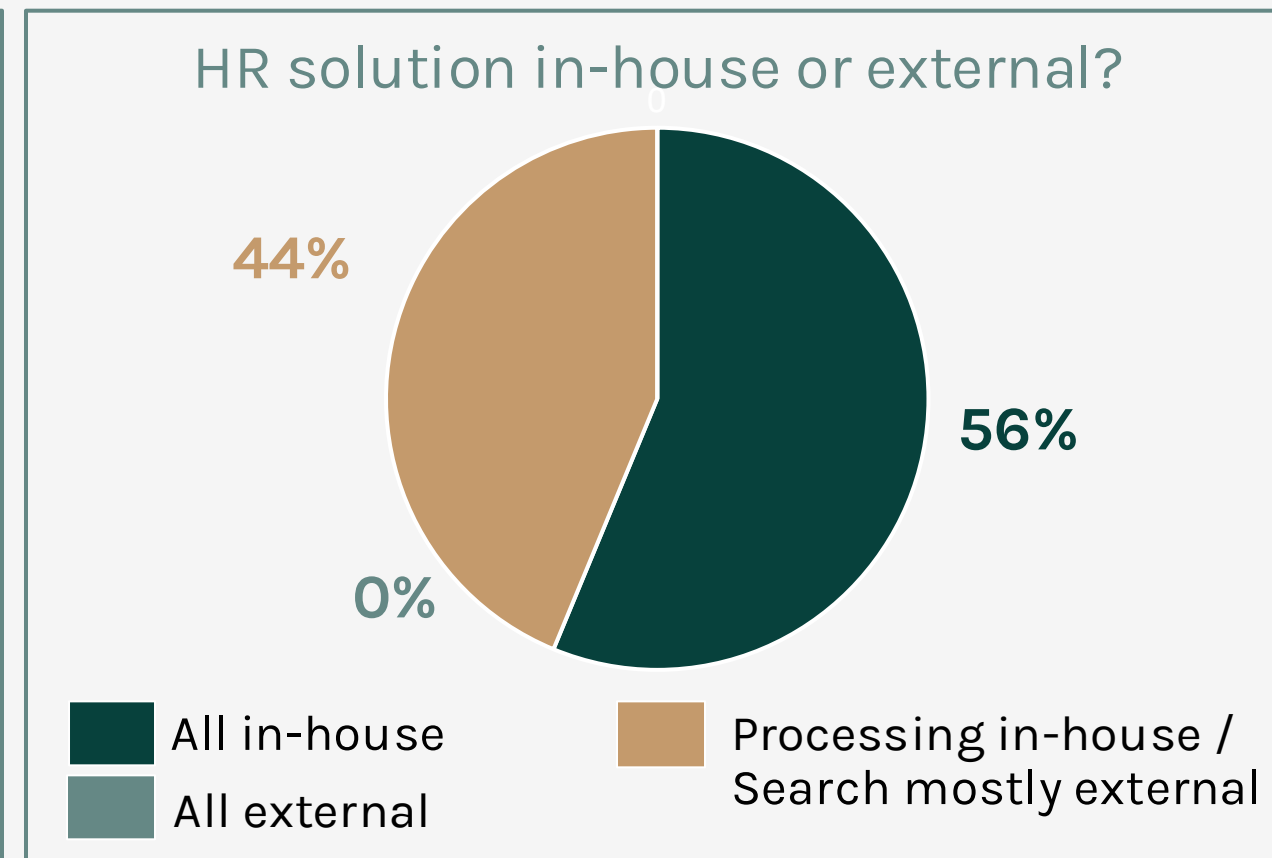
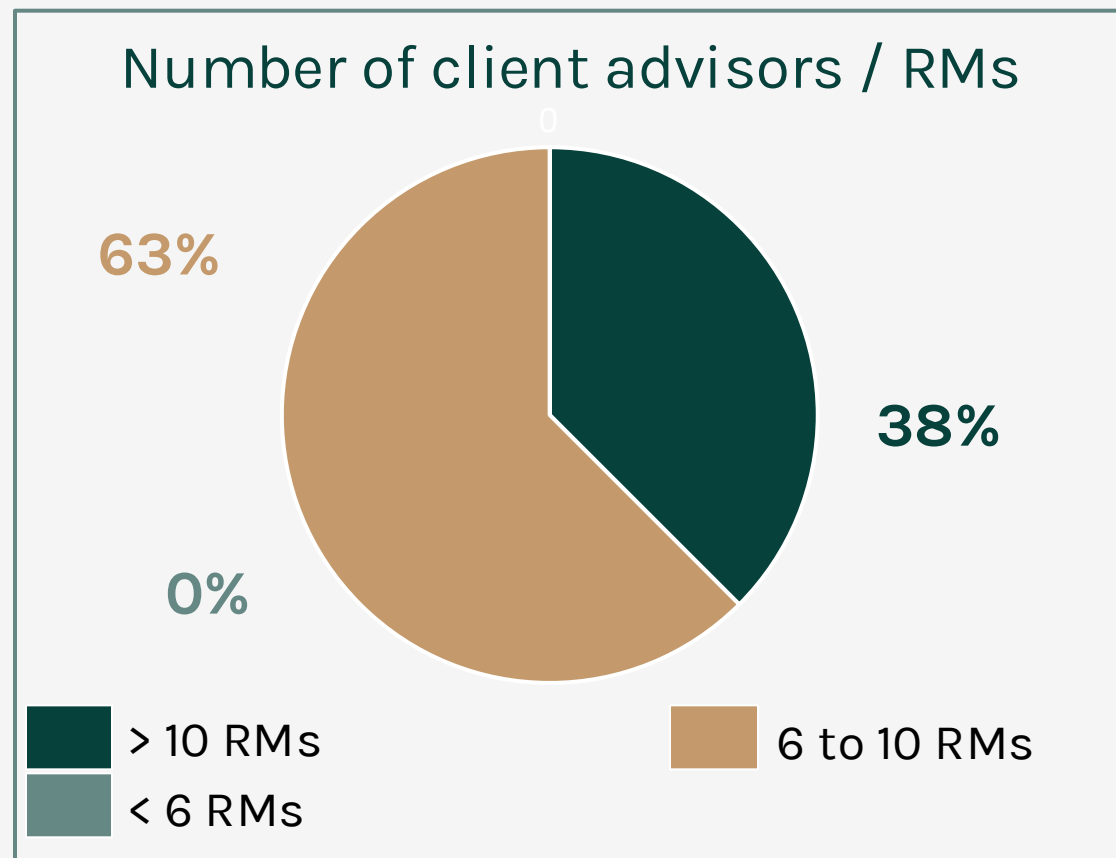
Key findings

- > 67% of IAMs expect positive overall market growth - 82% of all IAMs expect NNM growth
- > 72% of all IAMs expect to gain market share by 2025, primarily at the expense of large and medium-sized private banks
- > „War for RMs“: >1 000 new client advisors needed for growth ambitions
- > 54 % state high service quality as a key differentiating factor
- > 41 % of Swiss IAMs manage >10 client residences
- > Process automation, efficiency and consolidation of custodian bank relationships as key priorities for the further development of the operating model

3 Voice of the Market

Opportunistic growth through the recruitment of new client advisors everywhere - almost half of them through external intermediaries / headhunters.

Current situation and strategy



Key findings

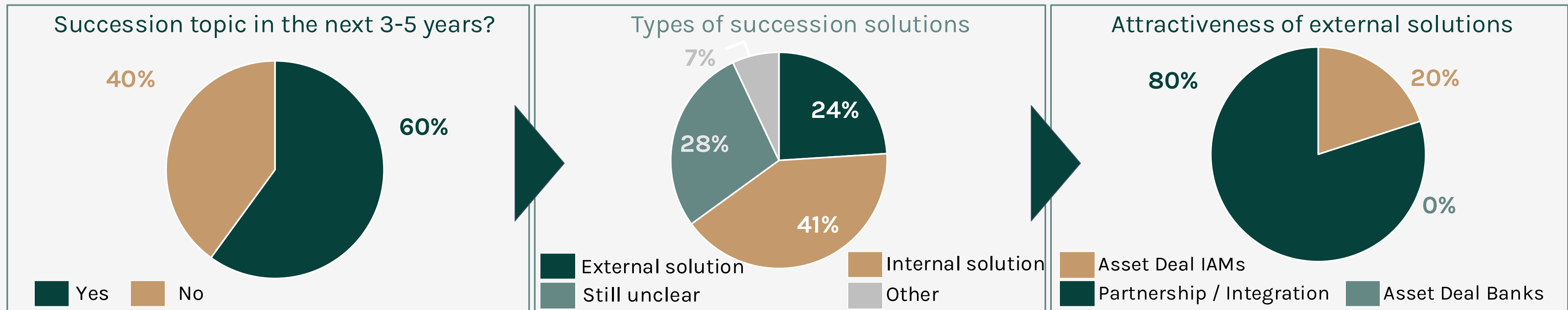
- > The ratio of AuM managed and the number of RMs shows a conclusive picture for the respondents :
 - > AuM CHF > 1 Bn. → > 10 RMs
 - > AuM CHF 500 M. - 1 Bn. → 6 - 10 RMs
 - > AuM CHF < 500 Mio. → < 6 RMs
- > ø AuM per RM thus amounts to CHF ~80-100 M.

- > None of the respondents have completely outsourced HR; just under half (44%) have an in-house HR solution but work with intermediaries/headhunters to recruit new employees/RMs
- > The majority of respondents pursue an opportunistic growth strategy; aum They remain open to new RMs or teams but often lack a defined growth strategy.

3 Voice of the Market

An internal succession solution is the favoured option in the market - external solutions are conceivable - not through banks, but through other IAMs.

Voice of customers – Succession issues



Key findings

- > For around 60%, a succession solution is an issue in the next 3-5 years
- > The most favoured option is an internal succession solution; this requires a suitable partnership model within the company or younger talent from the next generation to take over the company in the future
- > Just under a third (28%) are still unsure about the most suitable solution (too little pressure available...)
- > External solutions are also being considered, with a partnership or integration into another IAM being the most popular option
- > An asset deal with a bank is only considered by respondents as an emergency solution or last resort

3 Voice of the Market

Key insights from the interview results

How do you search for/recruit new customer advisors?

Over 60% have already worked with headhunters in the search for new client advisors, but prefer the option of expanding via internal networks if possible

In principle, everyone is interested in growth through new client advisors; the majority favours gradual growth (1-2 RMs per year); entire teams are more difficult to integrate and also pose a greater risk from a cost perspective



High level of personal responsibility and independence as basic requirements for a new client advisor; entrepreneurial thinking and behaviour

The majority of respondents work with similar remuneration models: large fixed salary component, as soon as the client advisor covers costs in his business case, additional variable remuneration is paid (share of revenue)

«Cultural Fit» is the most important factor in attracting new client advisors; the financial business case follows downstream, or simply has to be right financially

The cost allocation for the individual business cases is handled differently:

- For some, only the variable costs (labour costs / material costs, etc.) are allocated,
- For others, the fixed costs of the entire company are also allocated

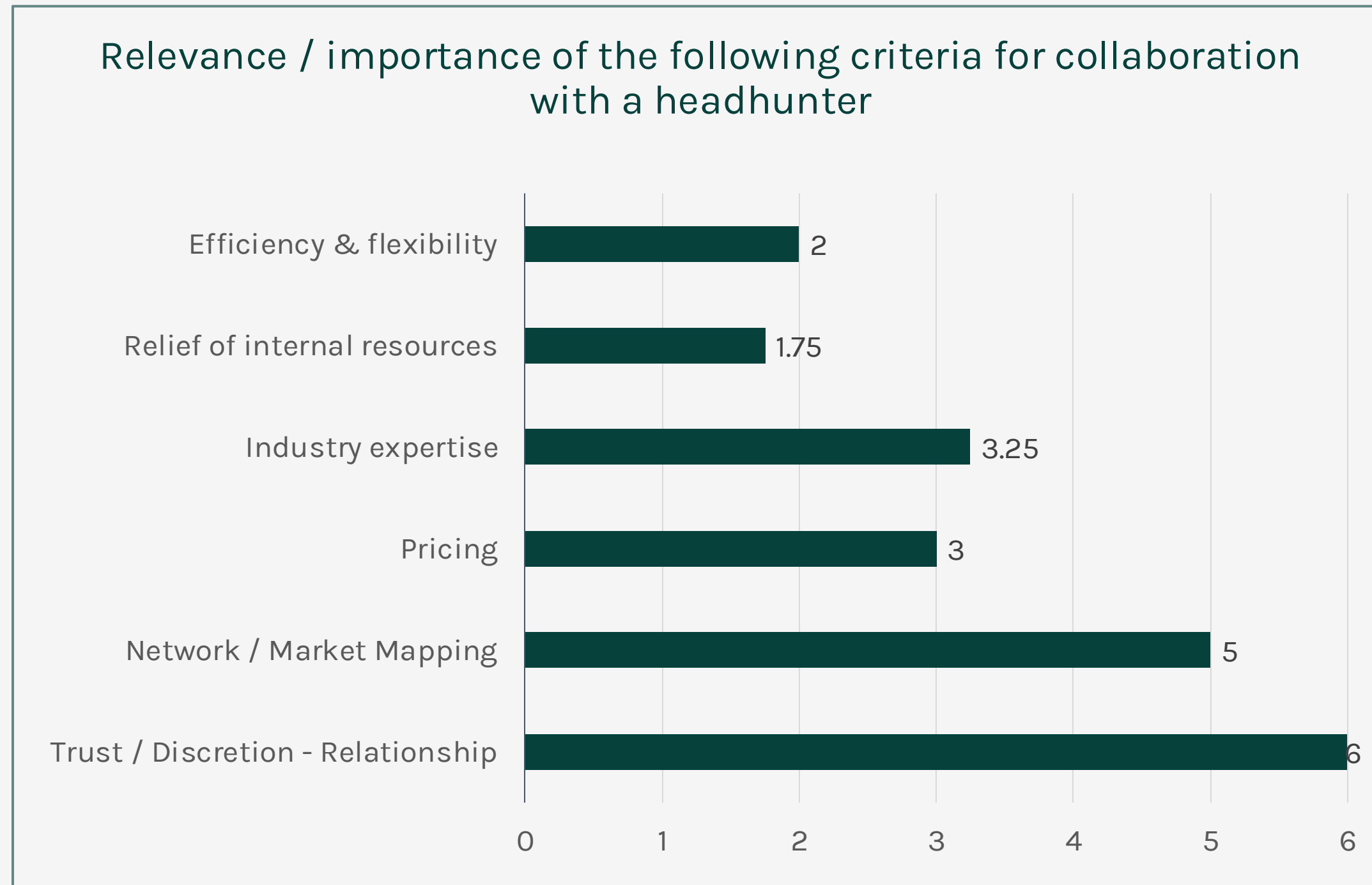
Philosophy/strategy in staffing - Important criteria?

Remuneration model - What do the business plans look like?

3 Voice of the Market

A trusted partnership based on quality and expertise is the basic prerequisite for long-term cooperation.

Voice of customers – Buyer-Values Headhunter



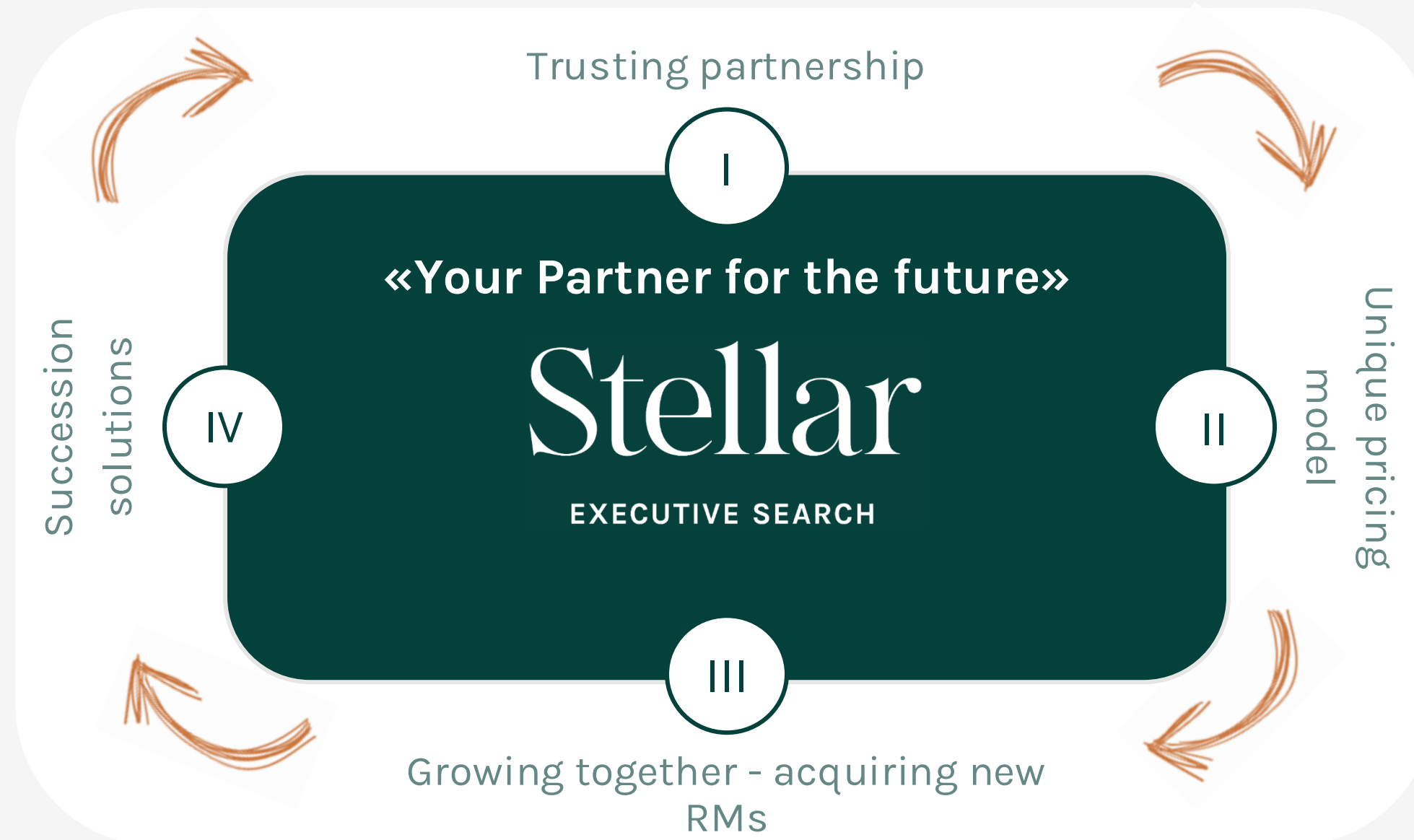
Key findings

- > The criteria of trust and discretion were consistently cited by all respondents as the most important factors for working with headhunters
- > A broad and large network are basic requirements that a headhunter must fulfil and are therefore a priority
- > Industry expertise and pricing are then prioritised, with pricing often mentioned as something that must be suitable and should be included in the individual business case
- > Topics such as relieving internal resources, increasing efficiency and flexibility appear less important

3 Voice of the Market

Clear positioning and differentiation of Stellar from its competitors through a unique and needs-orientated approach and offering.

Key elements for the service/offering model



Key findings

- I Trust and discretion are the most important criteria for a long-term and sustainable collaboration between headhunters and IAMs/banks and are therefore crucial for success
- II By means of a unique and success-dependent price model, a clear differentiation from competitors can be created; in addition, it creates a unique positioning and the intention of a long-term and strategic collaboration
- III Growing together and connecting interest in the success of individual business cases through newly acquired RMs
- IV Support/advice on strategically important topics such as succession issues strengthens partnership and trust

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4) From analysis to solution - how Stellar accompanies IAMs



Service offering

„We support IAMs – with strategy, market knowledge and sensitivity“



Executive Search for Specialists & Leaders

- Targeted market analyses & talent acquisition
- Individual talent mapping strategies for identifying highly qualified specialists and executives
- Industry-specific trend analysis to optimize recruitment strategy
- Partner-led projects for clients with innovative pricing models



Strategic Succession Planning & Talent Pipeline

- Long-term talent strategy & planning
- Development of future-proof succession solutions for key positions
- Building and managing exclusive talent pools to ensure business success
- Planning and implementation of structured succession processes



Team Transfers & Market Expansion

- Team dynamics & growth strategies
- Support for team transitions into new markets and regions
- Evaluation of market penetration potential for targeted expansion
- Consulting on the integration of new teams into existing corporate structures

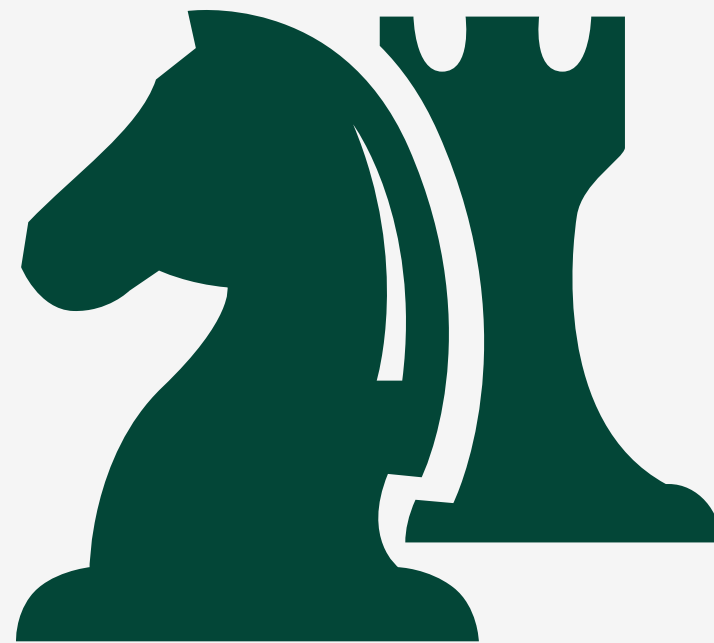


Human Capital & Talent Development

- Market analysis & competitive positioning
- Benchmarking of compensation models for optimal market positioning
- Evaluation of talent attractiveness factors for sustainable employee retention
- Elaboration of tailored programs for leadership development

Our Expertise:

Succession solutions IAMs



Internal succession solution

- > Executive search & consulting to attract new talent / managers



Collaboration with IAMs

- > Guidance and counselling to identify and bring together suitable partners



Takeover of an IAM or a bank (asset or share deal)

- > Strategic advice and support during the process (if necessary with a third party for subsequent regulatory processing).

Your Partner at Stellar



Thomas Bossard

Founder & Partner, Zurich

Founding partner of Stellar Executive Search, active in executive search since 2011. Preferred headhunter & strategic consultant for **banks, asset managers, EAM, family offices & pension funds** with a **focus on key positions**.

Experience and Market Expertise:

- 15 years of leadership experience in asset management & banking
- 13 years in executive search - specialised in discreet search assignments
- Exclusive network in the Swiss financial sector
- Regular speaker & panellist (e.g. EAM DAY 2024)

4

Your Partner at Stellar



Simona Cascarano

Partner, Zurich

Partner at Stellar Executive Search, active in executive search since 2013. Specialised in filling **C-level, leadership, and expert positions** for **banks, wealth managers, family offices, as well as fintech & blockchain companies.**

Experience & Market Expertise:

- 8 years of strategic hiring consulting in wealth & asset management
- 10 years of executive search for the financial sector
- Solid market knowledge & strong network

4

Your Partner at Stellar



Marc Thadani

Partner, Geneva

Partner at Stellar Executive Search, with a solid background in private banking relationship management. Specialised in **C-level and managerial positions** for **banks, independent wealth managers, single and multifamily offices.**

Experience & Market Expertise:

- 10 years in front office roles within two leading private banks
- Solid track record in strategic recruitments
- Established network of finance professionals in the French-speaking part of Switzerland

Your Next Steps with Stellar



Introduction & Alignment – An initial discussion to refine strategic priorities and expectations.



Mandate Offer & Agreement – A formal engagement to initiate the executive search process by defining key deliverables, timeline, and confidentiality protocols.



Market Mapping & Targeted Research – Identifying high-caliber candidates, while tapping into our existing network and conducting strategic outreach to expand the talent pool.



Candidate Search & Evaluation – Conducting targeted outreach and screening to assess strategic fit before presenting an initial shortlist. Transparency of progress through regular reporting.



Final Selection & Transition – Facilitating structured interview rounds while supporting negotiations and onboarding to ensure a seamless transition.

Follow-up

Why Stellar?

- > **35+ years of partner expertise** in executive search & financial services
- > **100 % focus on banks, IAMs & family offices** in Switzerland & Liechtenstein
- > **Direct approach & implementation at partner level**, no delegation
- > **Curated network & access to “Hidden Candidates”** at the relationship management, investment, C- and board level



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