



Press Release

Swiss Alternative Investments Forum 2025

"Important Private Market Projects wait our Financing"

February 4, 2025, Zurich

Private Markets investments in Switzerland to date attract CHF 360 billion (without real estate). On the 4th of February the Swiss Alternative Investment Forum took place in Zurich with high level representatives of the Industry, Investors and the Government.

VC - Global venture capital

Global 'Venture Capital' investments have shown good signs of recovery in 2024 (USD 370 billion in 43'000 companies) over 2023 (USD 350 billion in 36'000 rounds). This was hugely driven by the global race of AI (artificial intelligence) deals. It is still down from the exceptional outlier of 2021 (USD 751bn in 57'000 rounds). The invested VC capital in 2024 is still dominated by the United States with 69% vs. Asia's 21% and Europe's 17%. It is relevant to understand that the median amount invested at every stage of the lifecycle of a startup/scaleup in the United States is much higher, when compared with every other country in the world. About 60% of all the invested capital in the United States stems from so-called 'mega-rounds', which are above USD 100 million. Europe and Asia have 5-10 times less capital invested in such mega-rounds in 2024, while Switzerland had only 1 (Alentis Therapeutics \$180).

VC - Swiss venture capital

Swiss start-up founders of knowledge/tech-based companies had a hard time raising equity capital in 2024. Venture Capital investment in Swiss start-ups fell again in 2024, to CHF 2.4 billion, when compared with CHF 2.6 billion in 2023, a drop of 8.5%. The number of financing rounds also fell for the first time year-over-year and dropped by 10% to 357 rounds in 2024, down from 397 in 2023. Switzerland's ICT and fintech sectors in particular once again fell sharply compared with the record year of 2022. The micro and nanotech sector held its ground, while the healthcare IT sector was able to correct the decline from the previous year and recorded strong growth. The biotech sector is definitely back on the road to recovery: it attracted CHF 739 million in 2024, 50% more than 2023.

VC - Global Exits (IPOs & M&A & Buyouts)

The challenge over the past 2-3 years has been liquidity of such venture and growth capital, since there was a significant drop globally in IPOs (public listings), and the overall acquisitions by large corporates has been down as well. As a result, there was much less capital available for re-investing into new deals and/or VC funds globally. It is a reality that the larger European startups/scaleups going public, end up mostly at Nasdaq and much less at a European stock exchange. As a result, Europe may be well advised to create a single 'Nasdaq'-like stock exchange with its entire required ecosystem. When it comes to acquisitions of innovative startups/scaleups, the leading acquirers are the American tech corporates/MNCs. Historically,



of the 'Top 25 Global Fortune 500 multinationals', 19 are from the United States, of which 9 are based in Silicon Valley (Google, Microsoft, Cisco, Apple, IBM, Intel, HP, etc.). From Switzerland it is Novartis and Roche that make it into the Top 25.

VC - Venture capital performance

On the other hand, it is noteworthy to highlight that the Venture Capital performance of Europe in the past 15 years has been stunningly good vis-à-vis the United States, yet, it got almost unnoticed. The net median IRR of the top quartile VC funds in Europe has been around 20-22%, hence, it outperformed the United States by a good margin. As a result, public investors, pension funds and family offices no longer need to invest into American companies to get great returns. They may be better advised to invest in European and the Swiss startups/scaleup either through VC funds or into direct deals.

VC - Switzerland a Startup Innovation Hub

Thanks to ETH in Zurich (almost 400 startup spin-outs), this top leading technology powerhouse ranks clearly NUMBER 1, way ahead of any other Europe top university, such as Oxford or Cambridge University. As a result, Switzerland in Europe ranks number 2 (along with Germany) in Europe, behind the UK, when it comes to university spin-outs (startups).

VC - Switzerland / Europe Lack Growth Capital from Pension Funds

Historically, 'Growth Capital' in Europe and Switzerland is a major bottleneck. The American and Asian institutional investors and pension funds have noticed the remarkable capacity of the tech-startups and entrepreneurial companies in Europe, hence, about 50% of the capital invested into later-stage/mega deals (USD >100 million) has come from USA and Asia. They are aware of the superior returns (in Top-quartile) of European startups/scaleups vis-à-vis the United States. Europe and Switzerland in particular, should consider a significant increase of funding from pension funds and foundations, in order to help start and scale innovative pharma/biotech and deep-tech companies and to create and keep jobs here in the region/country. It might even be worthwhile to consider to setup a very professionally managed investment vehicle in Switzerland for the Swiss pension funds. Such a dedicated single platform could carry out all VC-fund investments and/or direct investment deals for all or most Swiss pension funds, since the venture capital landscape and the VC investment process are pretty complex and requires a special know-how and skillset. However, the results will pay off down the road, since the superior returns from venture capital investments can not only help boosting the innovation capacity of Switzerland as a nation but also create amazing new jobs. Given the aging population in Switzerland, the pressure to increase the monthly/annual contribution from the Swiss working population and their employers, to pay the pension-fee for the retirees in the long-term, could be easily solved. If Swiss pension funds were to allocate a small percentage of their huge pension asset under management to 'Venture Capital', Switzerland could not only solve a long-term problem for sustaining its national pension scheme but could at the same time do wonders for job creation and its global competitiveness in the innovation and technology arena.



Secondary Funds – Opportunities and Risks

For secondary funds in private equity and venture capital the market volumes hit record levels of \$155bn, exceeding the prior record set in 2021 of \$135bn by 15% and CL's original full year 2024 estimates of \$137bn in closed ended funds. "It is difficult to lose money" explained Markus Benzler, Global Head Multi-Manager Private Equity at UBS referring to the current market environment for Secondary Fund Investments. Immanuel Rubin, Partner at Campbell Lutyens added "Everybody sells". Closed ended funds are sold in the current market environment with a discount to their valuation, mostly to cash in capital gains already achieved but also because investors require liquidity or cancel commitments. Secondary fund investments require legal and tax due diligence.

Urban Development – Investment Opportunities in Zurich?

While Switzerland might reach a size of 13-15mio inhabitants in 50 years, worldwide the cities attract most of the growing population explained Stefan Dambacher from Allreal. The pressing need to build and finance Residential and Commercial Real Estate as well as Infrastructure in Zurich and the agglomerate offers ample opportunities for investors. Anna Schindler, head of urban development at the City of Zurich explained that the City Government has already implemented the legal basis to build more dense in the territory of Zurich city to achieve i.e. an additional 600.000 apartments. Transport of persons and logistics will become more autonomous in the future. Plants at the surface of building can be utilized to absorb increasing heat received by concrete buildings as well as for food production. The challenge for investors is to replace existing buildings in Zurich, agree with all stakeholders and minimize legal suits. In addition, for foreign investors have to take into account the so-called Lex Koller that restricts investment into residential real estate as well as the upcoming Swiss Investment Control Act that requires authorization by SECO for foreign investments into Energy, Transport and Health Care Sector.

Pension Funds & Alternative Investments?

Although Swiss legislation allows up to 15% of pension funds' portfolios to be invested in alternative assets (except Real Estate), Swiss pension funds typically hold far less than this allocation. With the recent referendum that overturned the latest Swiss pension reform, pension funds are under pressure to generate higher returns while keeping risks within their capacity. Sandra Cafazzo, both Head of Institutional Business at Zurich Invest and President of the CFA Society Switzerland, Alexander Schlaepfer Managing / Investment Partner at Swisscom Ventures, Oliver Grimm, Head of Mandates at Pensionskasse Stadt Zürich, and Mirjana Wojtal, CEO of the CFA Society Switzerland, showed how this asset class could help meet this challenge, if combined with best practices in investment governance. The number of Swiss pension funds is expected to further decrease to allow for a resourceful corporate governance and economies of scale.



The Swiss Alternative Investments Forum is taking place annually – we are open for your suggestions and ideas.

Event program: www.capitalmarketforum.swiss

Presentations:

[Main presentation, Legal & Tax Recommendations](#)

[Swiss Venture Capital Report 2025](#)

[Full Year 2024 Secondary Market Report](#)

[Urban Transformation 2075](#)

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About SWISS CAPITALMARKETFORUM

The SWISS CAPITALMARKETFORUM promotes the Swiss capital market by organizing conferences, supporting research, and fostering discourse on capital market law. As a politically neutral association, it provides a platform for decision-makers and students to exchange ideas, raising awareness of risks and opportunities within the financial system. It collaborates with a scientific board and is a member of the European umbrella organization. More information: www.capitalmarketforum.swiss

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