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# Unconventional professional

Why Clarus Capital's Giancarlo Guetg doesn't follow the crowd – or wear a suit

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# GO YOUR

# OWN WAY



Clarus Capital's advisers are given near-total freedom in their roles. Giancarlo Guetg tells **Ashley Lowe** how this individualistic approach brings the team closer together

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**B**right sunshine, casual clothing and the sizzle of the barbecue – perhaps at the beach or in your garden – are three things that may come to mind when you imagine a relaxing summer's day.

As it turns out, they can also be found at Clarus Capital. Giancarlo Guetg, a managing partner, commands the grill at least three times a week in the summer, serving up lunch to any of the firm's 20 client advisers that happen to be in the office.

The gesture honours Clarus' underlying culture, which focuses on teamwork, entrepreneurialism and the freedom to do things your own way.

'It's important to have a team approach,' says Guetg, who joined the firm in 2012 from UBS. It recently celebrated its eighth birthday, having been founded in 2011 by Aleksandar Pesovic and Johan Züger. 'We pour a lot of resources into team events. People should help each other, because we believe that together we are stronger.'

Clarus acts as a platform, welcoming advisers and allowing them to manage their books however they see fit. As long as the work gets done, Guetg says, advisers have near-total flexibility.



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*I don't think you will find another firm where you have so much freedom*

He says: 'I don't think you will find another company where you have so much flexibility and freedom. You just have to do your job, clients have to be happy and performance has to be in line with benchmarks.'

As part of this model, advisers are allowed to work from home as much as they like, with the exception of in-office meetings and a once-a-month Office Day. In addition, employees are not required to dress formally.

'You are the owner of your own schedule and you gain a lot of time,' says Guetg. 'We rarely wear suits. If you're facing clients then you have to be professional, but, day to day, people are free.'

This approach has been key for Clarus. Guetg notes it serves to keep advisers happy in their

roles and responsible for their own bottom lines, which often equates to spending less than one might at a larger institution.

'It's very important that everybody has their own P&L [profit and loss statement]. In the end, it's simple: the figures and the numbers don't lie. If somebody isn't doing their job, it comes out.

'I don't want to spend time arguing with a partner over whether he's flying business or economy class, or staying in a three-star hotel or a five-star hotel. What usually happens is they take a step back from what they're used to at banks, because now they feel it one-to-one in their own pocket,' he says.

### WINDS OF CHANGE

It seems Clarus's easy-going approach has worked for the firm – Guetg says it is on track to hit CHF 1 billion in assets under management by the end of the quarter.

'It's really a milestone for the company, especially since we started at zero. When you reach 1 billion, you go from just another firm out of 2,500 to one of the top 100. It makes a big difference to how people see you,' he says.

While having a prestigious position in the market is always desirable, it has become even more so ahead of the new FinSA and FinIA regulations. Whispers of consolidation have been spreading through the industry and Guetg thinks there will be a major decrease in independent firms in Switzerland.

'In Germany, the number of external asset managers went from 5,000 to 500. In Switzerland, we have 2,000 to 3,000 and I think it will go down significantly,' he says. However, he believes independent firms still have a shot – if they put in the work needed and follow protocol.

'The Swiss industry has a very strong position. I saw clients going to other jurisdictions, such as Asia, and they've all come back. In Switzerland, we have 200 years of experience in serving clients. This is in our DNA.'

Guetg also expects banks to shift in the coming years. He believes they will downsize, taking on more of a platform-style approach and outsourcing to external asset managers.

'It's the future of the financial industry,' he says.

### FROM RUSSIA WITH LOVE

This change may open the door for bankers to exit large institutions and have a go at independent advising. This is a situation Clarus benefited from first-hand in 2017, when the firm hired five UBS employees from the bank's Russia department.

The move made sense – Clarus has a rich history of advising Russian and central and eastern European clients. The firm prides itself on having a deep cultural understanding of these regions.

'We were originally focused on Russian and eastern and central European markets,' says Guetg. 'All of the advisers who joined speak Russian, have been to Russia countless times, have lived and studied there. The same goes for our central and eastern European markets as well. But, in the meantime, we have expanded our focus to other markets.'

At first, selling the idea of an external asset manager to Russian clients was not easy, he says, but over time they came to see the value in going with a smaller player rather than a bank.

'It took some time for them to develop and see the advantages – such as more quality time and the ability to serve clients over several custodian banks,' he says. 'Our average client is a wealthy, self-made entrepreneur seeking additional services, which sometimes goes much

further than what you can offer when you're employed by the banks.'

As Clarus Capital has grown, so has the diversity of its client base. Some clients have moved to set up shop in places such as London, Cyprus and Switzerland, while some advisers focus specifically on the Swiss market.

### BOLSTERING BEHIND THE SCENES

While Clarus offers unusual flexibility, its growing client base has necessitated greater formality and structure within the firm.

In 2017, it hired Roger Ganz as head of asset management. He joined from Notenstein La Roche, where he worked as the head of portfolio management prior to its acquisition by Vontobel, and was one of the factors that encouraged the team to join from UBS. Clarus also beefed up its legal, risk and compliance department.

However, these new processes do not translate to rigidity. Although the firm's structure has changed, Guetg says that the team works to keep things casual and tight-knit.

'Right now, we are on the thank-you tour 2019. Instead of year-end feedback talks, we invite our partners and employees to lunch to thank them. And it isn't only me [organising team events] – other colleagues barbecue, or organise an after-work drink on a Friday, or a party to celebrate an achievement at Clarus.'

'Despite our entrepreneurial approach and everybody working for his own P&L, it is important to develop a common culture and a team spirit. We do not accept lone warriors.'

*If somebody isn't doing their job, it comes out*



## GIANCARLO GUETG

Guetg joined Clarus Capital in 2012 and was appointed managing partner in 2016. Prior to this, he worked at UBS Switzerland for five years as a relationship manager for Russian clients. He graduated from the University of St Gallen.