

Dynamic Management Information for the Asset Management Sector Empirical Evidence in Spain

Gemma Faura, Javier Zornoza and Elena Urquía

Complutense University of Madrid, Facultad de Ciencias Económicas y Empresariales
Campus de Somosaguas, Madrid, Spain
gfauras@hotmail.com, jzornoza@ccee.ucm.es, eurquiag@ccee.ucm.es.

Extended Abstract

Currently drawing up and applying dynamic management indicators is a new area and one of great interest for the Asset Management Industry. The motivation of this paper is to apply this methodology to management indicators which can add fresh perspectives for action and make decision making easier in such important matters as the definition and follow up of the strategic plan. Moreover, in this research paper some of the information requirements arising from the present financial and economic crisis have been considered. We have taken into account recent changes in the law in Spain published during 2008 stemming from European guidelines in this area. One example is the reform of the General Accounting Plan to the Asset Management Industry.

The motivation of this paper was applying this methodology to management indicators which can add fresh perspectives for action and decision making in such important matters as the definition and follow up of the strategic plan for AMCs. The proposal is a dynamic indicator panel adapted to the industry of asset management on the basis of how frequently information is published. Also we reflect which of the key indicators can be very important for each follow up area and even for each time frequency required.

After reviewing the available bibliography on the use of management indicators in activities in the financial sector and on the methodology created to obtain a Balanced Scorecard we have been able to check from an academic viewpoint that there exist few works on the application of management indicators in the financial sector and even fewer in the sub sector involving asset management institutions. Furthermore, from our empirical analysis we have been able to see how in collective investment sector in Spain this methodology has hardly been introduced.

The sample we have worked with consists of the list of management firms of corporate investment bodies registered in Spain. We have used the Spanish official stock exchange commission register to obtain data of the firms (126) on which we wished to base our study. To discover the extension and usefulness that key indicators may possess and the keys identified we have prepared a questionnaire with our main research questions. The questionnaire has been structured in several parts. In the first part the objective is to discover how much information is available in the case of *stakeholders* linked to the Asset Management Firm. In the second, the most important areas of information are discovered. In the third the importance and usefulness of the indicators analysed is called into question. In

the fourth and final part there is a study made of how often the information they are using is published and how much effort is required to obtain it.

As a result of the statistical study we have carried out some main conclusions. AMCs are still in a very early stage implementing dynamic management indicators. However, there is great interest in the sector concerning the use of management indicators and, especially, in knowing the findings obtained from the present work. Additionally, having available quality management information impinges upon an improvement in information for clients. The Board of Directors of the AMCs is the main receiver of management information, though it is in inverse proportion to firm size: the larger the management firm, the less importance it gives to information for the Board. Moreover, a strong weakness is to be seen in the functions of Boards of Directors in AMCs linked to banking groups. On the other hand, there is scant interest in providing information for employees: the bigger the management firm, the less information available to the employee. This effect may give rise to serious harm in the normal running of the firm, and lead to serious impact in the daily quality of operations. Little importance is given to crucial areas of the firm's activity: competition and innovation. Information is focused on accountancy, risk and interrelations having abandoned areas of action such as clients, competition, processes and innovation. Finally, with the results we make a proposal of a framework of management key indicators in the AMCs from a dynamic viewpoint.

Key words: Asset Management Corporations, key dynamic indicators, strategy.

Introduction

Currently drawing up and applying dynamic management indicators is a new area and one of great interest for the Asset Management Industry. The motivation of this paper is to apply this methodology to management indicators which can add fresh perspectives for action and make decision making easier in such important matters as the definition and follow up of the strategic plan. Moreover, in this research paper some of the information requirements arising from the present financial and economic crisis have been considered. We have taken into account recent changes in the law in Spain published during 2008 stemming from European guidelines in this area. One example is the reform of the General Accounting Plan to the Asset Management Industry.

The proposal is a dynamic indicator design adapted to the industry of asset management on the basis of how frequently information is published. Also we reflect which of the key performance indicators can be most important for each follow up area and even for each time frequency required.

After reviewing the available bibliography on the use of management indicators in activities in the financial sector and on the methodology created to obtain the Balanced Scorecard we have been able to check from an academic viewpoint that there exist few works on the application of management indicators in the financial sector and even fewer in the sub sector involving asset management institutions. Furthermore, from our empirical analysis we have been able to see how in collective investment sector in Spain this methodology has hardly been introduced.

The research work is structured in the following manner: firstly a review of the state of the art is carried out. Secondly, there is an analysis of the key areas of Asset Management Corporations (hereinafter AMC's) matched with the key management indicators. Thirdly, an empirical study is prepared based on a questionnaire in order to know to what extent the management indicators are used in general, its relationship with the size of the firm and the AMC's interest to obtain such information. Finally, with the results we make a proposal of a framework of management indicators in the AMC's from a dynamic viewpoint and we draw some conclusions.

2. State Of The Art

2.1. Bibliographical review

In order to carry out the analysis of dynamic management indicators for the AMC's management and to propose criteria for establishing indicators which best reflect their different areas of action, we have reviewed the academic publications dealing with the question. The impact of the behaviour of such diverse agents as managers, directors, and investors, in the evolution of investment funds, is going to be used as a starting point (Mishra, 2007). We have also reviewed the research literature on management indicators in other areas of action outside the financial field (Rigby, 2001; Lipe and Salterio, 2002; Eyndea et al., 2003; Ittner and Lacker, 2003; Voelpel et al. 2006; Fernandes, et al., 2008; Giff et al., 2009).

The concept of the Balanced Scorecard (BSC) was introduced in 1992. Kaplan and Norton based its idea on relating information which hitherto was included in the Balanced Scorecard, namely, information on business and their clients to finally achieve a global consistent view of company strategy. They base the measurement of the firm's strategy by means of four pillars: clients, internal processes, innovation and financial information (Kaplan and Norton, 2007). However, the application of the BSC in the financial sector is not very common. The BSC philosophy was created to be implemented initially in large firms, and with the passing of time, it has been extended to small and medium-sized firms. The AMC's in Spain are regarded as small/medium sized firms; therefore management indicators are of interest to consider their use in the field of Collective Investment (Khorana, et al., 2005).

2.2. Sector analysis

Asset Management Corporations (AMC's) aim to raise funds from clients to invest them in stocks, commodities, rights or other sophisticated instruments (off the balance products, options, futures, etc), as long as the investors' performance is established on collective results (Law35/2003, of Mutual Investment Management). AMC's are public companies whose shareholder commitment consists of administering, representing and managing the investments, subscriptions and refunds of the investment funds.

As this firms' main aim is to give high quality in their fund's management this paper wanted to find out and evaluate if the quality of management is assessed with profitability indicators and benchmark analysis. Nevertheless management should not only be carried out thinking of potential portfolio profitability but also add other indicators which are needed to enable the firms to carry out a correct follow up of the risk level maintained in each product (Cave et al., 2009; Kinga and Maierb, 2009; Krohmer, et al., 2009; Vikram, et al., 2009).

2.3. Analysis of the AMC's key areas

For asset management firms just as important as knowing the quality of their products is to be aware of how they are placed with regard to their competitors. Thus we will have to look for those indicators which will allow us to ascertain and control such a position. The management firm's business or income is obtained from management commissions, so follow up of commissions obtained against profits must be a part of the available information. Income for the asset management firm will also depend upon the amount of money under management. For this reason a large part of the follow up information must be based on the evolution of the assets of the different products. This growth may occur for two reasons: by the revaluation of the portfolio in itself and by subscriptions and repayments of the stakeholders. The costs for the asset management firm are relatively flexible against the growth of the products, so it is worthwhile keeping a relatively low level of fixed costs. The main factors playing a role in costs are: staff costs, ICT costs, costs of market information sources, and costs of sending documents to stakeholders. We shall be interested to find out how much these entries increase and their relationship with the different products. Another highly important issue in following up information for shareholders is resources and the dividend distribution policy. An additional factor is product merchandising payment. Generally, asset management firms do not directly merchandise their products so they have to pay a commercial network to look after the placement. This commission may range from 50% to 90% of the management commission.

Bearing in mind the management indicators and the key areas of a management firm, along with the regulatory information that we have been analysing, the guidelines which ought to be followed in preparing the information should carry out a follow up of the evolution of the behaviour of clients (Ivkovic, Weisbenner, 2009). The analysis of clients' interest in AMC products (which will have to be made by the differentiation of the information by product type, incorporating clients' preferences, the study of the evolution of client balances, the behaviour of competitors, the analysis of market preferences and the study of the financial market and of its forecasts).

Furthermore, we must incorporate into the management indicators the information which might help us to ascertain how the AMC funds are being managed, what is their position in the different *rankings* (by ranking the public classification generally made by profits obtained is understood), how extensive is the product range, how does it stand compared to competitors and how good is the matching between the commission charged for the service and the service supplied in each fund. Commissions applied to different products managed have a strong impact on the profit and loss statement of the firm. But, furthermore, it must be borne in mind that management commissions directly reduce the profitability of the stakeholders and, thus, may have an important effect on the impact of market reputation. When mutual funds from other managers are included, the AMCs must pay special attention to the commission fees charged by the latter (Greena and Hodges, 2002). The AMC itself may suffer the same due diligence from third party management firms when offering their products to third parties (not own clients). Therefore, any information included in the balanced scorecard must also incorporate those data which outside agents may be scrutinising (structure, resources, organisation).

The growth of an AMC can be based upon creating new products or on improving existing ones (Cumming, 2007). The path of improving existing products can be followed by

increasing assets or increasing commissions. The answers to this question will signpost the path along which AMC strategy is to follow.

From the viewpoint of how interested shareholders may be in the AMC, information will have to be included on the analysis of the firm's profitability, its efficiency ratio, its capital ratios, its creditworthiness and viability. More detailed study will be needed of the firm's profitability offered by the different products of the firm to decide which segment to focus on. The mutual fund can be very profitable for the client (stakeholder) but not very much so for the AMCs (shareholders). The management company will have to deal with a series of fixed costs which must be more than covered by income received. A firm's income centres on management commission received by each mutual fund. Since it is a commission based on the amount under management the higher the volume, the greater the increase in income. A management company's expenses have as one of their main entries the merchandising commissions they have to pay for the sale of their products. A management company's fixed costs centre on three areas: staff, informatics, information sources and the sending of information to stakeholders and clients. The main aim of a management firm must be to achieve the best quality in managing with the most suitable structure for their requirements.

According to the internal and external information the main receivers are the Board of Directors and the Management Committee (Guercio, et al., 2003). However, there is little interest in giving information to employees.

Therefore, we have defined the following hypothesis:

H1: The preparation of management indicators is a new area for Asset management firms and there is much interest in the use of key dynamic management indicators regardless of the size of these firms.

H2: The information available currently in the AMCs is based only on indicators of risk and profit of the products regardless of the size of the management firm.

H3: The more management information available in AMCs the better the information sent to clients, regardless of the firm size.

H4 Internal management information is of interest for managing firms regardless of their size.

H5: The main receivers of management information are the Board of Directors and the Management Committee rather than employees, regardless of the size of the firm.

3. Empirical Study

3.1. Sample selection

The sample we have worked with consists of the list of management firms of corporate investment bodies registered in Spain. To carry out their activity AMC firms have to request authorisation from the "Comisión Nacional del Mercado de Valores" (National Stock Market Commission) and be inscribed in their official registers. We have used the official CNMV register to obtain data of the firms (126) on which we wished to base our study. Given that

some AMC's are not active we have compared this information with the register published by the Asociación de la Patronal de Inversión Colectiva (Association of Asset Management Companies), in its monthly *rankings*. These *rankings* are AMC lists in order of assets under management (AUM) from greater to smaller amounts. We have obtained a total of 102 companies inscribed in the CNMV whose activity is reflected in the official INVERCO *rankings* (see Annex 1). Some of them have more than one firm on the registers but their management and government are unified. They are firms which form part of the same business group. They are run by the same group of directors and coordinators. Thus, and in the face of the need to unify treatment of asset management firms, all firms linked to the same group have been considered as forming part of the same decision making core and therefore will be treated for the purposes of our statistical study as a sole information register. For this purpose, it is much more adequate to work with a list of firms classified together by business groups. We have used as our database the rankings published by Inverco according to business groups, and obtained a total of 94 firms to receive our questionnaire. This questionnaire has been posted and has been replied to by 18 firms. This outcome accounts for 19% of the total and enables us to begin the empirical analysis of the hypotheses posited.

When we requested firms to answer the survey we offered them the chance to reply saying whether they wished to receive the findings of the research. Considering that an affirmative reply has been received in nearly all cases (only two surveys had no references), we believe it can be assumed that the sector does have an interest in finding out the results of what emerges from the present work. The questionnaire was designed regarding key activities for a AMC as a basis for the statistical information in our work (see Annex 2).

From answers received, the distribution according to asset *ranking* is established in the following manner: if we divide the ranking of the 94 firms by assets under management (AUM) into four quartiles, we have four segments of firms with about 23 firms in each segment. The replies received to our survey are distributed as follows:

Quartile	Replies Percentage
First quartile of the ranking:	19% of replies
Second quartile of the ranking	19% of replies
Third quarter of the ranking	38% of replies
Fourth quartile of the ranking	24% of replies

Table I: Survey replies
Source: Own elaboration

It can be inferred that the Asset Management Firms most interested in management information are concentrated around the third quartile in the ranking (assets producing between 100,000€ and 300,000 €). If we include in that list the variable of the management group belonging to a banking group, we can see that 64% of replies received correspond to firms linked to a banking group, and that the percentage of firms belonging to banking groups in the total number to be considered is 23. Thus, firms linked to banking groups can be assumed to have a greater interest in discovering the new management information mechanisms.

3.2. Empirical research methodology

To discover the extension and usefulness that key performance indicators may possess and the keys identified, we prepared a questionnaire which is detailed in Annex 2.

The questionnaire was structured in two parts. In the first part, the objective was to discover how much information is available in the case of *stakeholders* linked to the Asset Management Firm. In the second, the most important areas of information are discovered. In the third the importance and usefulness of the indicators analysed was called into question. In the fourth and final part there was a study made of how often the information they are using is published and how much effort is required to obtain it.

To analyse the normal distribution of data we have made the Kolmogorov-Smirnov test which enables us to work with average data and ascertain the deviation or dispersion reflected by the findings. The findings obtained from the survey follow a normal distribution; we have then made the corresponding histogram of frequencies and calculated the data (see figure 1).

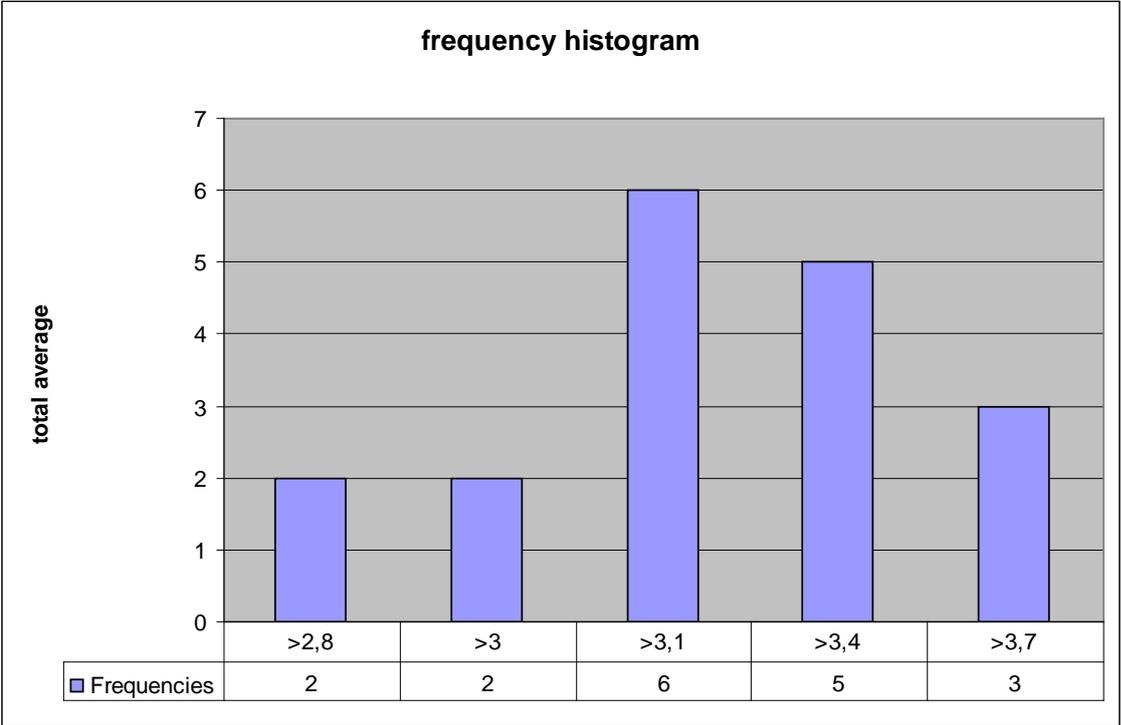


Figure 1: Frequency histogram. Average total survey
Source: Own elaboration

We have constructed the series of observations corresponding to the thirty variables included in the questionnaire with the replies received, including as an extra series the average resulting from each of the surveys. For each of these series we obtained the average and the typical deviation. We have calculated the correlation between each series and the assets under management by the AMCs who have replied (see Annex 3). Furthermore, we have made a study of correlation between the different variables to be able to ascertain which is the indicator (or information area) that adapts best to the needs of AMCs (see Annex 4).

The size of AMCs can be measured from the assets they are managing, or by the net income obtained. As we have seen, a high percentage of management firms belong to large banking groups. In that case, the net income can be seen to be changed by the group’s general policy. The net income of these firms is transferred to the banking group they belong to via payment of the merchandising commission and in this case, it reduces the profits of the AMC,

through a share-out of dividends (in which case it increases the AMC profits). As this effect is very difficult to follow up we considered that the best variable to ascertain the size of a AMC is through the assets it has under management. We have also analysed from the firms who replied to us what level of information they claim to have and we will relate this to their assets (present and evolving). We shall study not only the relationship with their assets in absolute values but particularly the relationship with how it is evolving.

3.3. Results Discussion

3.3.1. Interest and frequency of management information

In comparing the first hypothesis on how interested the sector is in dynamic management information and since this is the main activity of the Management group in question, we posited the idea that management firms would have considerable interest in using key management indicators to get to know and evaluate the quality of their management. We start from the hypothesis that interest in the use of indicators shows no direct relationship with the size of the firm and this has been so (Christoffersen et al., 2009). It is information which is of interest for the whole sector. We have analysed the average of the replies received (see Table II).

AMC	average evaluation	AUMo
1	3,40	13.531.000
2	3,20	8.200.000
3	3,07	1.800.000
4	2,83	1.556.000
5	3,10	776.000
6	3,27	540.000
7	3,03	353.000
8	2,57	292.742
9	3,63	208.000
10	3,03	200.000
11	3,47	175.000
12	2,80	155.000
13	3,27	132.189
14	3,07	44.386
15	3,07	18.500
16	3,69	15.000
17	2,97	
18	3,17	

Questionnaires received	Average evaluation	Typical dsv	correlation AUM
	3,14	0,28	0,17

Table II: Evaluation of how much interest there is for management information in the case of AMCs. Source: Own elaboration

The global result of the survey reflects an average rating of medium-high, which leads us to state that AMCs are greatly interested in this information, with a low global dispersion, which means a broad consensus and a nil relationship with company size. All firms surveyed reflect a similar approach in their global aspect concerning the use of management indicators. Additionally, two questions have been introduced which provide information on the frequency of the information and how much effort is needed to obtain it dynamically. The frequency with which management information is obtained has been included in the table with an interval ranging from 1 (never), 2 (annual), 3 (quarterly-monthly) up to 4 (weekly-daily). The average frequency obtained is somewhat greater than the quarterly-monthly with low information dispersion (see Table III).

AMC	frequency	effort	AUM
1	3	4	13.531.000
2	4	2	8.200.000
3	3	2	1.800.000
4	4	3	1.556.000
5	3	3	776.000
6	4	2	540.000
7	3	3	353.000
8	3	2	292.742
9	4	2	208.000
10	3	2	200.000
11	4	3	185.000
12	3	2	175.000
13	4	2	155.000
14	3	4	132.189
15	3	2	44.386
16	4	3	15.000
17	2	3	
18			

questionnaires received	average evaluation	typical deviation	AUM correlation
frequency	3,35	0,61	-0,05
effort	2,59	0,71	0,35

Table

III: Frequency and effort needed to obtain AMCs information
Source: Own elaboration

There is a great deal of difference in the frequency with which every management firm receives information, although no relationship has been found with firm size, or any other variable. This means that management indicators will be published with very different frequencies (see Figure 2).

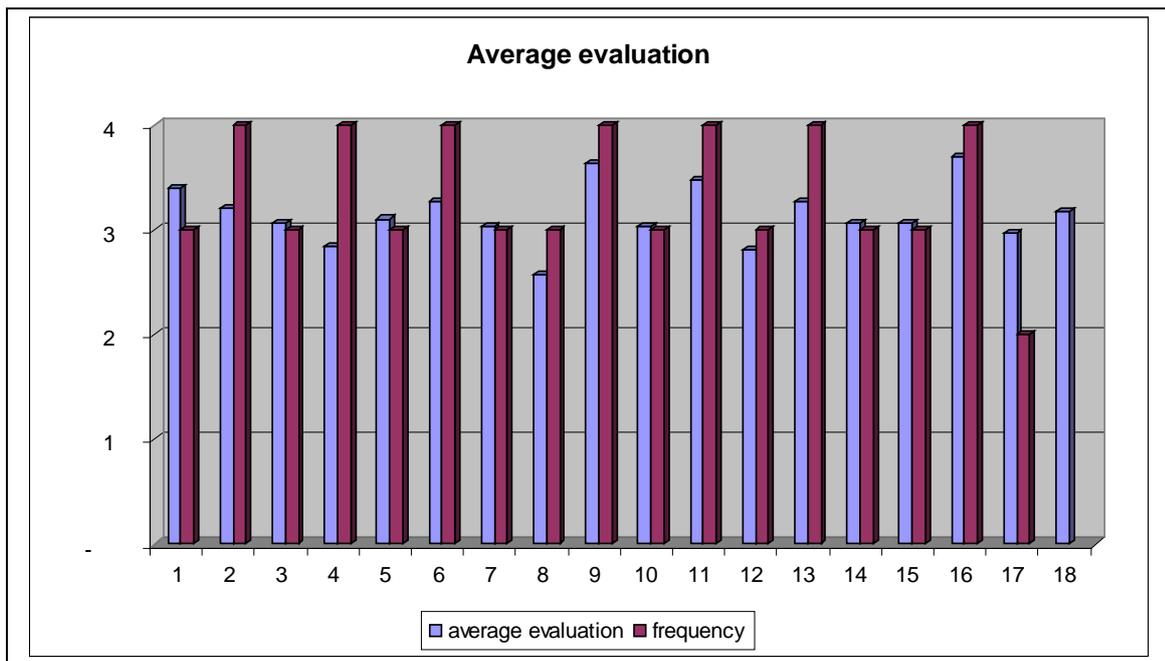


Figure 2: Average evaluation on the importance of management control information for AMC s
Source: Own elaboration.

Therefore our proposal for application puts forward a dynamic perspective, using the axis of frequency as the selector of the indicators to follow. The proposal is to obtain differentiated dynamic information on the basis of the frequency of the report.

Regarding the difficulty in obtaining information, it has been evaluated from 1 low effort to 4 very high effort. The average evaluation of effort devoted, 2.5 reflects an average effort, but one with high dispersion also, indicating the great difference of the replies from managers. This finding shows the scant level of use of management indicators in present day management firms. What is more, a certain correlation is obtained with the size of the

management firm, a logical aspect due to its direct relationship with the greater resources which size entails.

3.3.2. Focusing on management information

In proving the second hypothesis on the main subjects which AMC information focuses on, we must remember that management activity is not just performed thinking of the potential portfolio profitability, it must also bear in mind the authorised level of risk. Therefore indicators are required that allow us to perform a correct follow up of products. The questionnaire has asked for a mark to be awarded for the importance directors give to having information available on management quality, risk level, the profitability-risk binomial and position versus competition (see Table IV).

AMC	quest. 7.a evaluation	quest 7.b evaluation	quest 7.c evaluation	quest 7.d evaluation	AUM
1	3	4	4	4	13.531.000
2	4	4	4	4	8.200.000
3	3	3	3	4	1.800.000
4	2	4	3	3	1.556.000
5	4	4	4	3	776.000
6	4	4	4	2	540.000
7	3	4	3	3	353.000
8	2	3	3	3	292.742
9	4	4	3	4	208.000
10	4	4	3	3	200.000
11	4	4	4	3	175.000
12	1	4	2	4	155.000
13	3	3	3	3	132.189
14	3	4	4	3	44.386
15	4	4	3	3	18.500
16	4	4	4	4	15.000
17	1	4	4	4	
18	3	4	3	4	

questionnaires received	average		AUM
	evaluation	typical dev	correlation
question 7.a - importance management quality	3,11	1,02	0,02
question 7.b - importance risk level	3,83	0,38	0,13
question 7.c - importance risk return	3,39	0,61	0,36
question 7.d- position on competition	3,39	0,61	0,43

Table IV. Importance of management quality, profitability, risk and market share Source: Own elaboration.

Regarding management quality, the average evaluation is high and with the broadest of disparities among opinions received. No correlation has been discovered with management firm size. Regarding the risk level, there appears the highest average evaluation of the questionnaire with little dispersion, receiving a very important generalised opinion. Management bodies, regardless of size, give a great deal of importance to information on risks. Regarding profitability-risk and the position with regard to their competitors, results have great disparity in opinions received (see Figure 3). Both indicators present a rather significant correlation with management size, a question perhaps more linked to resources than the size of management firm.

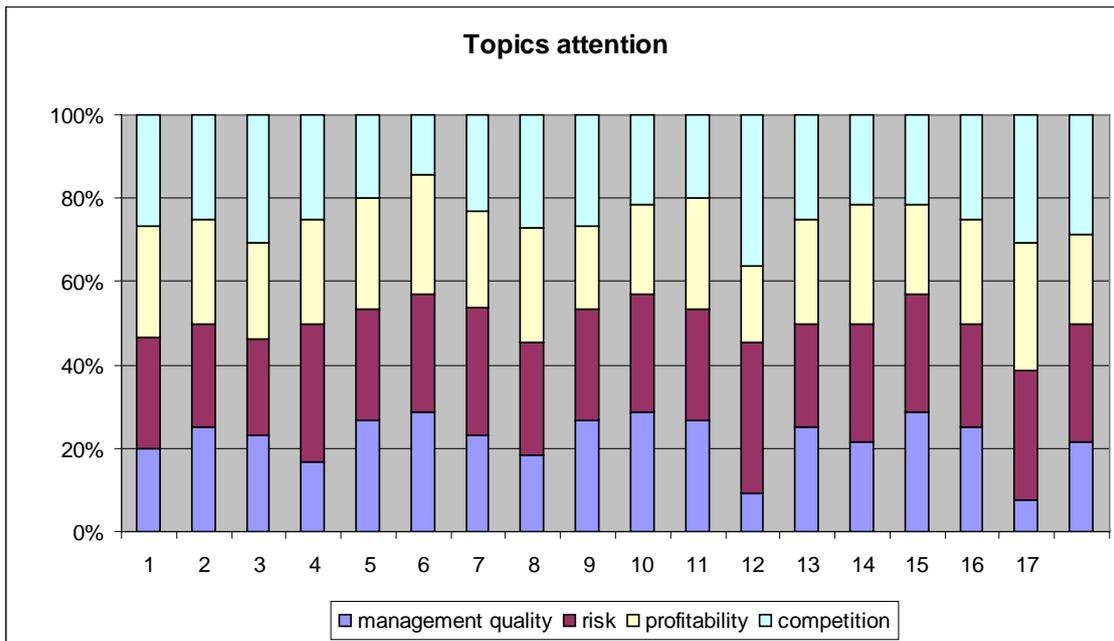


Figure 3: Most important topics for the AMC
Source: Own elaboration

With regard to how much use a firm would make of indicators for following up the managed AMCs the same trend is still to be observed in risk, as was seen previously, that is, an average interest in data on profitability and products, and scarce interest in financial and client indicators. All of this is accompanied by a high dispersion of information, except around information on risks. Here it would seem there is a greater uniformity of criteria among managers surveyed (see Table V).

AMC	profitability valuation	risk valuation	risk/return valuation	competition valuation	AUM	commissions	core capital	results	AUM
1	4	4	4	3	3	4	4	3	13.531.000
2	3	3	2	3	4	3	2	2	8.200.000
3	3	3	3	4	4	3	3	2	1.800.000
4	3	4	3	2	3	2	2	2	1.556.000
5	4	4	4	3	3	3	3	3	776.000
6	3	4	3	2	3	2	2	3	540.000
7	2	3	2	3	3	3	3	3	353.000
8	3	3	3	2	2	2	2	2	292.742
9	4	4	4	3	4	4	3	3	208.000
10	4	4	4	3	3	3	2	2	200.000
11	4	4	4	3	3	3	3	3	175.000
12	4	4	2	4	2	2	4	4	155.000
13	4	4	4	4	4	4	4	4	132.189
14	4	4	4	2	4	2	3	3	44.386
15	4	4	4	3	3	3	3	3	18.500
16	4	4	4	2	3		4	4	15.000
17	4	4	4	3	3	3	2	2	

Table V: Degree of usefulness of key management indicators.
Source: Own elaboration

questionnaires received

	average evaluation	typical dvt	AUM correlation
profitability	3,59	0,62	- 0,02
risk	3,76	0,44	- 0,15
risk/return	3,41	0,80	- 0,09
competition	2,88	0,70	0,08
AUM	3,18	0,64	0,13
comissions	2,88	0,72	0,38
core capital	2,88	0,78	0,11
results	2,82	0,73	- 0,21

The only indicators which clearly are considered to be important for AMCs are those for profitability-risk and those for assets managed.

As for marks according to importance, given by management to areas of indicators a high evaluation is ratified on financial information and clients. (see Table VI).

AMC	financial evaluation	process evaluation	customers evaluation	employees evaluation	AUM
1	4	4	4	3	13.531.000
2	3	3	2	3	8.200.000
3	3	3	3	4	1.800.000
4	3	4	3	2	1.556.000
5	4	4	4	3	776.000
6	3	4	3	2	540.000
7	2	3	2	3	353.000
8	3	3	3	2	292.742
9	4	4	4	3	208.000
10	4	4	4	3	200.000
11	4	4	4	3	175.000
12	4	4	2	4	155.000
13	4	4	4	4	132.189
14	4	4	4	2	44.386
15	4	4	4	3	18.500
16	4	4	4	2	15.000
17	4	4	4	3	

Table VI: Importance of indicators for managers.
Source: Own elaboration

questionnaires received

	average evaluation	typical dvt	AUM correlation
financial	3,59	0,62	- 0,02
process	3,76	0,44	- 0,15
customers	3,41	0,80	- 0,09
employees	2,88	0,70	0,08

From this we can draw the conclusion that the only areas which are considered as important for AMCs are financial and those of clients, by far in comparison with the mark given to areas of employees and innovation.

3.3.3. Information effect for customers

The follow up of the evolution of a firm's clients will have to be linked to commercial guidelines. Not only is it important to know how clients regard the Management Company, it is also important to know how well the product matches the client's needs. When the third hypothesis on the information effect for clients is compared, the information the firm and clients have on the products managed and acquired has been valued. A high degree of correlation between both topics is observed; the greater the level of information the AMCs have on products, the greater is the level of information they send to clients about the products (see Table VII)

AMC	question 5 valoración	question 6 valoración	aum
1	3,00	3,00	13.531.000
2	4,00	4,00	8.200.000
3	3,00	3,00	1.800.000
4	3,00	3,00	1.556.000
5	2,00	2,00	776.000
6	4,00	4,00	540.000
7	3,00	4,00	353.000
8	3,00	2,00	292.742
9	4,00	4,00	208.000
10	4,00	3,00	200.000
11	4,00	4,00	175.000
12	4,00	4,00	155.000
13	3,00	2,00	132.189
14	3,00	3,00	44.386
15	3,00	3,00	18.500
16	4,00	4,00	15.000
17	3,00	4,00	
18	4,00	2,00	

questionnaires received	average valuation	typical dvt	aum correlation	question 5 - 6 correlation
	question 5 - inf.on products firm	3,39	0,61	- 0,05
question 6 - inf.on products clients	3,22	0,81	0,03	0,53

Table VII: Impact of information on clients
Source: Own information

The average level of information had a very high dispersion among the different firms. That is to say, the global evaluation seems to indicate that there is a good level of knowledge of products but the disparity of findings from the sample clearly shows that this is not true for

all cases. Furthermore, the correlation coefficient with firm size warns us that it has a minimum relationship, in both cases, leading to the deduction that information on products is independent from the size of the management firm we are referring to. This datum gives one a direct indication of sales, and it would seem that the higher the volume, the higher should be the interest in finding out how the products supplied or acquired work. Nonetheless, it has been observed that the greater the level of available AMC information on products, the greater the level of information passed on to clients on these very same products (see figure 4). Although it would appear obvious, it may not be so direct, given that in most industries it does not directly impinge on information for clients.

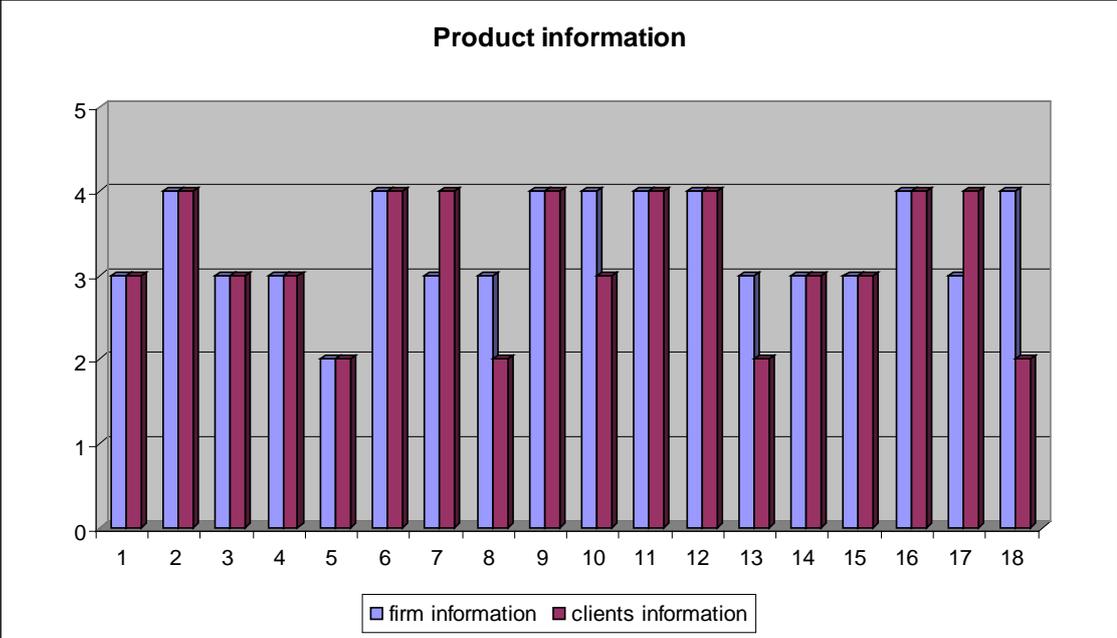


Figure 4: Product information for management and clients
 Source: Own elaboration

3.3.4. Management firms’ interest in in-house information

In testing the fourth hypothesis, it can be seen that there is a close relationship between information on the firm’s revenues and expenditure and the volume managed. Management firms’ income is obtained from management commissions. It depends on the amount managed, since the higher the amount, the greater the income. In the questionnaire those replying were asked to mark the importance that management gives to having information at hand on commissions received, assets under management, costs, commissions paid and net worth (see Table VIII).

AMC	quest. 7.e evaluation	quest 7.f evaluation	quest 7.g evaluation	quest 7.h evaluation	quest.7.i evaluation	AUM
1	4	4	4	3	3	13.531.000
2	4	4	4	4	4	8.200.000
3	3	4	4	4	2	1.800.000
4	2	2	3	3	3	1.556.000
5	3	3	2	2	2	776.000
6	3	3	3	3	4	540.000
7	3	3	4	3	4	353.000
8	2	2	3	3	1	292.742
9	4	4	4	4	3	208.000
10	2	2	2	2	3	200.000
11	3	3	3	3	3	175.000
12	3	4	1	2	3	155.000
13	3	3	4	3	3	132.189
14	3	3	3	2	4	44.386
15	3	3	3	3	3	18.500
16	3	3	4	3	4	15.000
17	3	3	3	3	2	
18	3	3				

surveys received	average		aum
	evaluation	typical dvt	correlation
question 7.e- commissions	3,00	0,59	0,56
cuestión 7.f - assets managed	3,11	0,68	0,46
cuestión 7.g - firm costs	3,18	0,88	0,35
cuestión 7.h- commissions paid	2,94	0,66	0,28
cuestión 7.i- net worth	3,00	0,87	0,09

Table VIII: Evaluation of in-house information.
Source: Own elaboration

With regard to commissions received and assets managed the result is an average evaluation of 3, of low interest with a high disparity in opinions received. Nonetheless, they present the highest correlation with management firm size, an aspect which is in accordance with the direct relationship between commissions charged and assets managed. The greater the asset volume, the higher the amount of commission charged and the greater is management interest in having such information.

As for management firms' costs and commissions paid the result has been a low value with great disparity in opinions received. It presents an average correlation with management firm size, an aspect corresponding to the relationship between commissions paid and costs incurred with the assets under management. The greater the volume of assets, the higher the commissions that have to be paid even though the costs incurred should be better exploited. It seems, however, that information on costs has no direct effect on volumes managed.

As for net worth, the result has a great disparity in the opinions received and, furthermore, no correlation with management firm size.

As a consequence of the questionnaire we made the group analysis of correlations between all the variables observed, highlighting those that have obtained the most significant correlations (see Table IX)

Correlations matrix								
correlations matrix	7.e	7.f	7.g	7.h	9.a.i	9.a.ii	9.d.i	9.d.ii
7.e commissions	1,00	0,88	0,46	0,46	0,17	-	0,39	0,28
7.f assets		1,00	0,27	0,42	0,12	- 0,11	0,49	0,29
7.g firm costs			1,00	0,77	- 0,32	- 0,37	0,12	- 0,05
7.h commissions paid				1,00	- 0,37	- 0,49	- 0,14	- 0,28
9.a.i profitability					1,00	0,78	0,41	0,38
9.a.ii risk						1,00	0,28	0,45
9.d.i net income							1,00	0,84
9.d.ii net worth								1,00

Table IX: Partial correlation matrix between commissions and net income of management_firms.
Source: Own elaboration

It can be seen that there is a strong correlation between the importance given to commissions received and to volumes managed. This relationship is logical because the commission received depends almost entirely on the total volume under management. There is also a strong relationship between the importance bestowed on the indicator of

commissions received and the indicators on management costs. It is a logical relationship because the main cost entries in a management firm are commissions paid for merchandising. It is worthwhile pointing out that bodies, who give importance to the profit and loss account as an indicator for use, also want information on net worth.

3.3.5. Receivers of information in management firms

When comparing the fifth hypothesis on chief recipients of management information the outstanding ones are the Board of Directors and Managers. There exists scarce interest in providing information to the employees. In the survey managing firms value highly the degree of information which at the present time is available to the Boards of Directors of AMC and how important it is for management to have it available for controlling the management of the firm (see Table X).

AMC	question 1 valoración	question 2 valoración	sum
1	3,00	4,00	13.531.000
2	3,00	3,00	8.200.000
3	3,00	4,00	1.800.000
4	4,00	4,00	1.556.000
5	3,00	4,00	776.000
6	4,00	4,00	540.000
7	3,00	3,00	353.000
8	4,00	4,00	292.742
9	4,00	4,00	208.000
10	4,00	4,00	200.000
11	4,00	4,00	175.000
12	4,00	4,00	155.000
13	2,00	2,00	132.189
14	3,00	4,00	44.386
15	4,00	3,00	18.500
16	4,00	4,00	15.000
17	3,00	3,00	
18	3,00	3,00	

surveys received	average		sum
	evaluation	typical dvt	correlation
question 1 - information Board	3,44	0,62	- 0,31
question 2 - information management	3,61	0,61	- 0,00

Table X: Importance of information for the Board, management and employees.
Source: Own elaboration

The global evaluation appears to indicate that the Board of Directors has information to a high degree but the disparity of results in the sample shows this is not true in all managing firms. Moreover, the correlation coefficient with firm size, which is the variable we are going to use as a basis for comparing the degree of interest in and usefulness of the indicators and their components in the efficiency of these firms, warns us that it has a negative relationship and therefore the greater the size of the management firm, the less information the Board will have.

As for how important it is for Management to have information for controlling the management of the company the global evaluation seems to indicate that the Management has information to a high degree but the disparity of results shows that this is not so in all management firms. Moreover, the correlation coefficient with the size of the firm warns us that it has no relationship with the size of the management firm.

To evaluate how important it is for employees to have information for management control and their awareness of the firm’s strategic goals (Colesa, et al., 2006), we see that it is very low (See Table XI).

AMC	question 3 valuation	question 4 valuation	aum
1	2,00	1,00	13.531.000
2	3,00	2,00	8.200.000
3	2,00	2,00	1.800.000
4	3,00	2,00	1.556.000
5	3,00	3,00	776.000
6	3,00	3,00	540.000
7	2,00	3,00	353.000
8	3,00	2,00	292.742
9	3,00	3,00	208.000
10	2,00	3,00	200.000
11	4,00	3,00	175.000
12	1,00	1,00	155.000
13	3,00	3,00	132.189
14	3,00	2,00	44.386
15	3,00	2,00	18.500
16	3,00	4,00	15.000
17	2,00	2,00	
18	3,00	3,00	

surveys received					
question 3 - management information for employees	question 4 - targets information for employees	average valuation	typical dev correlation	aum correlation	question 3 - 4 correlation
		2,67	0,69	- 0,18	
		2,44	0,78	- 0,52	0,51

Table XI: Importance of Management Information for employees
Source: Own elaboration

The importance of management information for employees has been one of the lowest marks obtained, with a very high dispersion among different firms. That is, the global evaluation does not seem to indicate that the employees are very interested nor is there interest in acquiring knowledge of how the company works or in its aims. But the disparity in the results of the sample shows that this is not the case for all management firms (see figure 5). Moreover, the correlation coefficient with company size warns us that it has a negative relationship regarding employee knowledge of company aims, and thus it can be deduced that the larger the size of the management firm, the less the information in the hands of the employees.

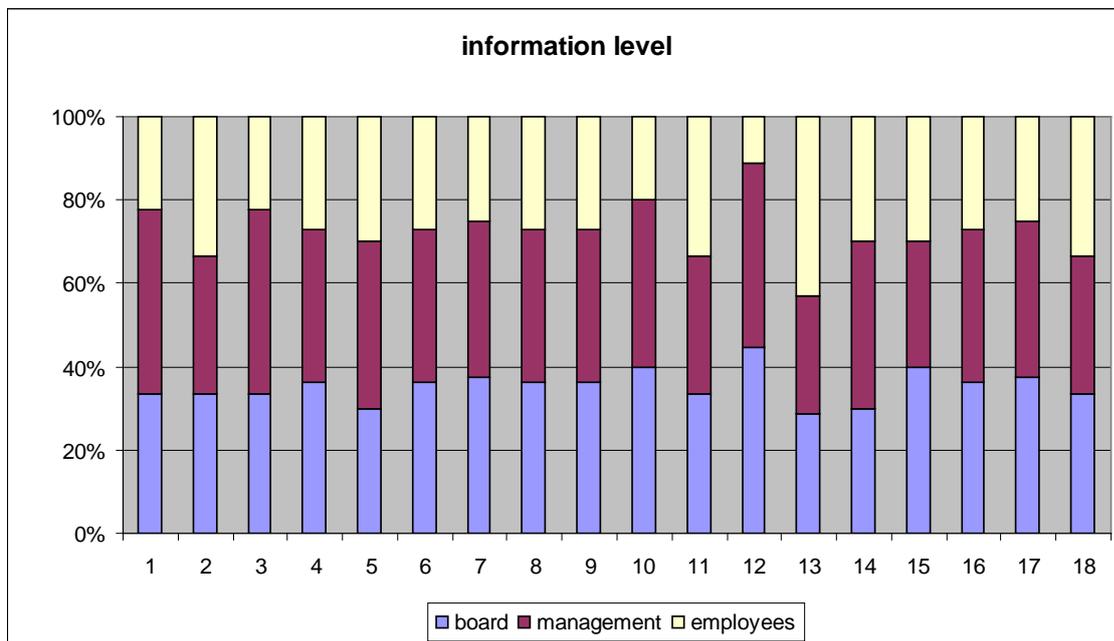


Figure 5: Importance of information for the board, management and employees
Source: Own elaboration

4. Proposal For Management Indicators For AMCS In Spain

Due to the result's application of the empirical study we have proceeded to develop a proposal of a framework for defining management indicators which may be of greater usefulness for managing the activity of AMCs. This proposal also stems from the analysis

carried out in the descriptive framework with regard to the usefulness, advantages and drawbacks of management indicators, plus the regulations supporting the operations of AMC and institutions managed by the latter. All of this while considering the hypotheses contrasted in the empirical work with the present day Spanish AMC.

Owing to the heavy dispersion observed in the frequency with which information is obtained, we have included in our proposal an extra variable (time perspective) which is interlinked with the large areas under analysis. In this way, a dynamic view can be presented with the information prepared. The information from the key indicators has to be obtained in the four large areas previously indicated, interrelated with the frequency in obtaining the information. It is not so much a question of a new analysis perspective; rather it is a suitable time horizon for each perspective.

In all of them the most important aspect is communication of the firm's strategy as backbone for all the information. All the indicators we will be analysing will have to serve us to ascertain and evaluate at any user level the information of the firm (directors, managers, employees, clients, shareholders) what our firm's business strategy has been and to what extent we are meeting the aims set out. Thus we shall achieve a common philosophy for action, geared to the same goal.

Moreover, we have attempted to avoid the problem mentioned in some critiques made of the balanced scorecard, regarding it as a rigid, isolated element through the incorporation of the management information with a frequency adapted to daily decision making. We cannot claim that balanced scorecards are widely used if obtaining them is so widely varied with regard to the frequency of information required for the firm's normal working.

We have also included as a common element in information the comparative type with market data (widely developed with the benchmarking concepts) (Sensoy, 2009), to avoid an analysis of the firm, isolated from its relationship with the market, a critique much aired in reviews of academic literature.

The information which is going to be presented for AMCs management indicators will be subjected to different analyses according to the time observation with which it might work. Each perspective has to be studied with different time horizons to be able to carry out a more successful study:

- Daily information for a detailed follow up of our firm: only information is recorded which corresponds to the perspective of "In-house processes"
- Monthly information to ascertain how the data evolve on a wider time scale which will enable us to confirm the trend seen in our daily observations: it must record data from all perspectives except financial ones.
- Quarterly information to discover how well our strategic plan is being complied with and to be able to make any adaptations which may be necessary: information from all areas will be registered.

4.1. Daily information

In the daily report and within the perspective of internal processes, the key indicators enable us to know whether the products are well or badly managed. According to the confirmed hypotheses in our statistical study the most important indicators for AMC are: firstly, risk indicators and secondly, profitability indicators. A market “benchmark” reference was sought for each investment fund which allows us to compare them according to the investment policy defined for each of them. In our proposal the following indicators are included:

Risk indicators: clients acquire products on the basis of data which have given them information in a leaflet for the public. It is very important for the management firm to ensure that product management follows norms laid down in leaflets. Moreover, the European MIFID guideline not only recommends but orders that it must be ensured that the risk profiles of investment products correspond to what has been advertised and are adapted to what clients expect in the sales process. These indicators are: Level of investment in equities, duration in FI (Fixed Income); Value at Risk in the mutual fund, Value at Risk of the benchmark, differential VAR (that is, the risk borne by the fund portfolio) and the differential covered by the benchmark. The differential Var is a very important indicator insofar as it informs us of the risk run by the fund in addition to that corresponding to following up its own benchmark).

Profitability indicators: Annual profitability of the fund and the benchmark excluding the effect of dividends; monthly profitability of fund and benchmark (without dividends; profitability differentials for both the types of information (the comparative for profitability with benchmarks without incorporated dividends, enables us to ascertain the management quality. If our profitability does not cover that provided by dividends it means that our contribution to total profitability is less than that of the market. To analyse the client’s degree of satisfaction we must incorporate the dividends and work with benchmarks which might include profitability with total return (TR) dividends because that will be what the client receives.

As well, a combination is proposed of information on profitability and risk with the return/risk ratio: of the fund and the benchmark (this measure is very interesting because it allows us to make comparisons directly between any portfolio. This is because it “normalises” the effect of having different levels of risk. It could be summarised as that indicator that allows us to discover to what extent risk has been made use of. (It should always be higher than that of the benchmark).

4.2. Monthly information

In the monthly report there is a combination of perspectives of in-house processes, innovation and clients.

In the area of internal processes it shows the indicators of risk and the indicators of profitability. Monthly information goes into detail and gives a mark to the management carried out in each mutual fund. The information is obtained already analysed in the daily report but with monthly calculations. It is important to make the follow up with the same indicators as the daily information but on a monthly basis. The daily period may distort the product’s global evolution.

In the area of Learning and Growth it is important that information on financial markets, their evolution and their behaviour is included, that is, an analysis by fund families

and a return-risk analysis: market- funds, and graphic comparison of the placing of each fund family.

In the client area, consideration must be given to the fact that indicators for client behaviour are the fourth aspect in order of importance, according to the findings of the survey reflected in the statistical study of this document. Among other indicators we are going to use: total assets managed, market share and market growth with regard to asset growth by fund family (differentiating the amount of growth corresponding to market revaluation and the amount of growth corresponding to contributions/refunds from clients.

Clients' money inflows or outflows are one of the most indicative aspects as to the degree of satisfaction with the management firm's activity. The strategic plan is drawn up on the basis of the market share hoped for or thought to be feasible. The latter, in turn, is interlinked with the growth of the market itself; for that reason, in the real follow up of information we need both data to ascertain the motive that can lead us to be over budget: whether for example, the market is growing more than expected and thus our share is undervalued and we are not achieving the share we targeted. In any of these cases a study should be made as to why products from a Management firm are not so much in demand as the others.

Quarterly information

In the quarterly report special importance is given to the financial area. Financial indicators are the third aspect in importance according to the findings of the survey reflected in the statistical study of this document. Among other indicators we are going to use accounting information in which commercial variables are incorporated to adapt the evolution of behaviour in the main accounting magnitudes with strategic ones: accrued average assets (accounting variable) and average management commission. As we have already seen in our statistical study, the AMC interested in knowing and following management commissions also are highly interested in following the behaviour of the volumes managed. That is why it is also important to have types of information together. Most information is obtained in comparative form with the annual budget obtained in the strategic plan. A clear, concise summary must be made for the Board of Directors so they can be aware of how the firm's present accounting is faring, how the business is going, forecasts and their behaviour in accordance with the strategic plan laid down. Also, profitability produced by this activity for shareholders must be analysed, with a detailed follow up of net worth consumption and the result obtained and dividend distributed. Information is also included on products created and modifications made during the period. There are no new follow up variables. In this case information referring to net worth and dividends from the Management firm is included.

In general, when we refer to management indicators we can find ourselves facing a far too exhaustive number of indicators. Such a profusion of indicators leads to difficulty in analysing and interpreting them, and raises the cost of obtaining information with the risk of reducing management indicators to a pure instrument of calculation but not of management. In that case, the goal of these indicators constituting a communication channel of the firm's strategic plan is not achieved. Therefore, being aware of the need to be synthetic, we proceeded to choose four indicators for each related area, by considering time aspects (see Table XII).

Daily & monthly	Monthly	Monthly	Quarterly
Internal processes	Clients	Learning and Growth	Financial
Fund profitability	Assets managed	Analysis by fund types	Net income
Benchmark profitability	Market share	Risk-return analysis: market	Net worth
Differential VAR	Growth	Risk-return analysis: funds	Average commission
Cost-return ratio	Asset growth by fund types	Graphic comparison of fund types placing	Average asset managed

Table XII: Key management indicators
Source: Own elaboration

Conclusions

In conclusion, key management indicators may be a very handy methodology to apply to Asset Management firms (AMCs). The information obtained has to serve to be able to carry out a correct evaluation and follow up of management quality, a basic aspect in defining the “collective investment” product.

As a result of the statistical study we have carried out several conclusions have been reached. AMCs are still in a very early stage of indicators implementation for dynamic management information development. However, there is great interest in the sector concerning the use of management indicators and, especially, in knowing the findings obtained from the present work. Having available quality management information impinges upon an improvement in information for clients. A very interesting result was that the Board of Directors of the Management Firm is the main receiver of management information, though it is in inverse proportion to firm size: the larger the management firm, the less importance it gives to information for the Board; a strong weakness in the functions of the AMCs Boards of Directors linked to banking groups. On the other hand there is scant interest in providing information for employees: the bigger the management firm, the less information is available to the employee. This effect may give rise to serious harm in the normal running of the firm, and lead to serious impact in the daily quality of operations. Moreover, little importance is given to crucial areas of the firm’s activity: competition and innovation. Information is centring on accountancy and on risk and interrelations have been abandoned with areas of action such as clients, competition, internal processes and learning and growth.

As a consequence of the empirical analysis, it has been discovered in the study which are the key aspects to follow in a AMC for successful management; we have defined what the main indicators KPI (key performance indicators) may be that for each of the aspects is going to enable us to have detailed knowledge of its strategy and carry out a follow up. Due to the importance that has been observed in the frequencies of information, this factor has been added as a key area in the panel of indicators. Specifically, the perspective covering internal processes is the one needing a more intense follow up from the daily analysis to the quarterly one; the client’s perspective and the one on innovation require follow up and analysis in

average periods of time to be able to analyse their (monthly) effectiveness. The financial perspective must be analysed and valued in long time periods to be able to carry out a study of behaviour and predictions (quarterly). For all of these reasons we have proposed taking action in three large time blocs: daily information: perspective on internal processes, monthly information: incorporating the four perspectives (Financial, Customer, Internal Process and ; quarterly information: highly centred on the financial outlook but giving brief comments on the other areas in a very summarised manner.

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ANNEX 1: LIST OF ASSET MANAGEMENT FIRMS (AMC) INVOLVED IN THE SAMPLE (30-06-2009) ORDERED BY TOTAL ASSETS UNDER MANAGEMENT (AUM)

nº De or- den	RANKING PATRIMONIOS (importe en Miles €)	
	Nombre Del Grupo	TOTAL FIM
1	B.B.V.A.	32.970.071
	BBVA ASSET MANAGEMENT	32.922.521
	BBVA PATRIMONIOS GEST.	10.536
	PROXIMA ALFA INVEST.	37.013
2	SANTANDER	29.808.689
	SANTANDER ASSET MGT.	29.786.597
	BANIF GESTION	---
	SANTANDER ACT.INMOB.	---
	OPTIMAL ALTERNAT.INVES	22.092
3	LA CAIXA	11.953.552
4	AHORRO CORPORACION	7.979.745
5	CAJA MADRID	7.615.346
6	BANCO POPULAR	7.602.136
	POPULAR GESTION	6.766.337
	POPULAR GEST. PRIVADA	835.799
7	BANCO SABADELL	5.262.747
8	BANKINTER	5.371.568
9	BARCLAYS	4.479.635
10	IBERCAJA	4.201.278
11	CAJA CATALUÑA	2.902.869
12	BILBAO BIZKAIA KUTXA	2.989.847
	BBK GESTION	2.587.408
	GIIC FINECO	402.439
13	MUTUA MADRILEÑA	2.097.761
14	MAPFRE	1.939.367
15	BESTINVER	1.862.949
16	CAJA ESPAÑA	1.777.936
17	U.B.S.	1.771.894
18	DEUTSCHE BANK	1.731.403
19	CAJA NAVARRA	1.612.952
20	UNICAJA	1.555.873
21	CAJA GUIPUZCOA	1.514.422
	KUTXAGEST	1.421.063
	B. MADRID Gº ACTIVOS	93.359
22	BANCO COOPERATIVO	1.458.937
23	BANCAJA	1.414.500
24	CAJA MEDITERRANEO	1.298.135
25	CAJA MANRESA	1.201.069
26	B. ESPIRITO SANTO	1.157.410
27	BANCO PASTOR	1.042.315
28	CAJA LABORAL POPULAR	1.010.508

29	CAJA VITAL	845.929
30	CAJA ASTURIAS	843.738
31	INVERSEGUROS	294.717
32	CAJA SALAMANCA SORIA	770.283
33	CREDIT AGRICOLE	732.852
	CREDIT AGR. ASSET MGT.	370.504
	BANKOA GESTION	292.742
	CREDIT AGR.MERCAGENTES	69.607
34	GRUPO MARCH	711.054
35	CREDIT SUISSE	704.998
36	CAJA PENEDES	651.122
37	BNP PARIBAS ESPAÑA	647.699
38	BANCO GUIPUZCOANO	594.412
39	GESNORTE	582.043
40	RENTA 4	478.434
41	FONDITEL	369.999
42	GVC GAESCO	358.430
43	BANKPYME	354.593
44	ABANTE	287.087
45	FIBANC	284.533
46	SEGUROS BILBAO	245.302
47	GESIURIS	243.502
48	PROFIT	236.303
49	MERCHBANC	217.825
50	CONSULNOR	211.356
51	CAJA INGENIEROS	210.493
52	PRIVAT BANK-DEGROOF	178.461
53	ASESORES Y GESTORES	174.105
54	CAJA CANTABRIA	170.869
55	CAJAMAR CAJA RURAL	170.365
56	LLOYDS BANK	169.722
57	FORTIS	164.761
58	EDM HOLDING	155.026
59	AVIVA	147.426
60	BANCO CAMINOS	147.251
61	GESCONSULT	147.154
62	CREDIGES	138.912
63	CAJA LAYETANA	132.071
64	CAIXA ESTALVIS TERRASA	130.081
65	BANCO ALCALA	127.238
66	ATLAS CAPITAL	117.588
67	BCA. PRIVADA DE ANDORRA	108.391
68	CAIXA DE GIRONA	102.957
69	CAJA TARRAGONA	99.888
70	ALLIANZ	97.307
71	VENTURE FINANZAS	96.104
72	CARABELA C.	81.373
73	SIITNEDIF	59.265
74	RIVA Y GARCIA	53.407
75	GESBUS	53.052
76	N MAS 1	51.172
77	INVERSI	49.481
78	ALTEX PARTNERS	44.525

79	WELZIA	44.386
80	DUX INVERSORES	34.619
81	ALGEBRA PARTNERS	29.387
82	CAJA ARQUITECTOS	27.369
83	METAGESTION	26.982
84	EUROAGENTES	22.137
85	PSN	18.915
86	ALTAN	17.894
87	NORDKAPP	17.515
88	INTERMONEY	15.549
89	INTERBROKERS	13.901
90	ACAPITAL FINANZAS	11.193
91	BELGRAVIA	9.584
92	ALPHA	7.456
93	GESTEFIN	4.987
94	GESCAFIX	4.026
TOTAL PATRIMONIOS :		161.935.469

ANNEX 2: QUESTIONNAIRE FOR ASSET MANAGEMENT FIRMS (AMCs)

1. Grade the importance for management of having information for controlling AMC management

1 Low 2 Average 3 High 4 Very High

2. Grade the importance for employees of having information for controlling AMC management

1 Low 2 Average 3 High 4 Very High

3 Grade employees' knowledge on strategic goals of the Firm (information they receive)

1 Low 2 Average 3 High 4 Very High

4. Grade the information available to the Board of Directors on management of the firm

1 Low 2 Average 3 High 4 Very high

5 Grade the information available to the AMC on product definition and follow up

1 Low 2 Average 3 High 4 Very High

6 Grade the information available to clients on AMC products

1 Low 2 Average 3 High 4 Very High

7 Grade the importance of having information on the following areas

a. management quality

1 Low 2 Average 3 high 4 Very High

b risk level

1 Low 2 Average 3 High 4 Very High

c profitability-risk

1 Low 2 Average 3 High 4 Very high

d placing versus competition

1 Low 2 Average 3 High 4 Very High

e commissions received

1 Low 2 Average 3 High 4 Very high

f assets managed

1 Low 2 Average 3 High 4 Very High

g management costs

1 Low 2 Average 3 High 4Very high

h commissions paid

1 Low 2 Average 3 High 4 Very high

i net worth

1 Low 2 Average 3 High 4 Very High

Grade the importance of the following categories of indicators

- a Financial
1 Low 2 Average 3 High 4 Very high
- b process
1 Low 2 Average 3 High 4 Very High
- c clients
1 Low 2 Average 3 High 4 Very high
- d employees
1 Low 2 Average 3 High 4 Very high
- e innovation
1 Low 2 Average 3 High 4 Very High

Indicate the degree of usefulness you would give to the following indicators

- a in- house indicators
 - ii profitability
1 Low 2 Average 3 High 4 Very high
 - risk
1 Low 2 Average 3 High 4 Very High
 - return-risk
1 Low 2 Average 3 High 4 Very High
- b indicators versus competitors
1 Low 2 Average 3 High 4 Very High
- c Indicators client behaviour
 - i asset growth
1 Low 2 Average 3 High Very high
 - ii average management commission
1 Low 2 Average 3 High 4 Very High
- d financial indicators
 - i profit and loss account
1 Low 2 Average 3 High 4 Very high
 - ii net worth
1 Low 2 Average 3 High 4 Very High

How often do you obtain information on management control in the AMC

0 Never 1 Quarterly 2 Monthly 3 Weekly 4 Daily

What effort is required to obtain the Management control information

1 Low 2 Average 3 High 4 Very High

ANNEX 3: DATA OBTAINED IN THE AMC_s SURVEY

	1	2	3	4	5	6	7.a	7.b	7.c	7.d	7.e	7.f	7.g	7.h	7.i	8.a	8.b	8.c	8.d	8.e	9.a.i	9.a.ii	9.a.iii	9.b	9.c.i	9.c.ii	9.d.i	9.d.ii	10	11	medias		
1	3	4	2	1	3	3	3	4	4	4	4	4	4	3	3	4	3	4	3	3	4	4	4	3	3	4	4	3	3	4	3,40		
2	3	3	3	2	4	4	4	4	4	4	4	4	4	4	4	3	2	3	2	3	3	3	2	3	4	3	2	2	4	2	3,20		
3	3	4	2	2	3	3	3	3	3	4	3	4	4	4	2	3	3	4	3	2	3	3	3	4	4	3	3	2	3	2	3,07		
4	4	4	3	2	3	3	2	4	3	3	2	2	3	3	3	3	2	3	3	2	3	4	3	2	3	2	2	2	4	3	2,83		
5	3	4	3	3	2	2	4	4	4	3	3	3	2	2	2	4	3	3	3	3	4	4	4	3	3	3	3	3	3	3	3,10		
6	4	4	3	3	4	4	4	4	4	2	3	3	3	3	4	4	4	4	3	3	3	4	3	2	3	2	2	3	4	2	3,27		
7	3	3	2	3	3	4	3	4	3	3	3	3	4	3	4	3	3	4	3	2	2	3	2	3	3	3	3	3	3	3	3,03		
8	4	4	3	2	3	2	2	3	3	3	2	2	3	3	1	3	2	3	2	3	3	3	3	2	2	2	2	2	3	2	2,57		
9	4	4	3	3	4	4	4	4	3	4	4	4	4	4	3	4	3	4	4	3	4	4	4	3	4	4	3	3	4	2	3,63		
10	4	4	2	3	4	3	4	4	3	3	2	2	2	2	3	4	3	4	3	2	4	4	4	3	3	3	2	2	3	2	3,03		
11	4	4	4	3	4	4	4	4	4	3	3	3	3	3	3	4	3	4	3	3	4	4	4	3	3	3	3	3	4	3	3,47		
12	4	4	1	1	4	4	1	4	2	4	3	4	1	2	3	4	1	3	1	2	4	4	2	4	2	2	4	4	3	2	2,80		
13	2	2	3	3	3	2	3	3	3	3	3	3	4	3	3	4	3	4	3	3	4	4	4	4	4	4	4	4	4	2	3,27		
14	3	4	3	2	3	3	3	4	4	3	3	3	3	2	4	2	2	3	3	2	4	4	4	2	4	2	3	3	3	4	3,07		
15	4	3	3	2	3	3	4	4	3	3	3	3	3	3	3	3	2	3	2	3	4	4	4	3	3	3	3	3	3	2	3,07		
16	4	4	3	4	4	4	4	4	4	4	3	3	4	3	4	4	3	4	4	4	4	4	4	2	3		4	4	4	3	3,69		
17	3	3	2	2	3	4	1	4	4	4	3	3	3	3	2	3	3	4	2	3	4	4	4	3	3	3	2	2	2	3	2,97		
18	3	3	3	3	4	2	3	4	3	4	3	3																			3,17		
desv.sta	0,62	0,61	0,69	0,78	0,61	0,81	1,02	0,38	0,61	0,61	0,59	0,68	0,88	0,66	0,87	0,62	0,70	0,51	0,75	0,59	0,62	0,44	0,80	0,70	0,64	0,72	0,78	0,73	0,61	0,71	0,28		
media	3,44	3,61	2,67	2,44	3,39	3,22	3,11	3,83	3,39	3,39	3,00	3,11	3,18	2,94	3,00	3,47	2,65	3,59	2,76	2,71	3,59	3,76	3,41	2,88	3,18	2,88	2,88	2,82	3,35	2,59	3,15		
correlaci	-0,31	-0,00	-0,18	-0,52	-0,05	0,03	0,02	0,13	0,36	0,43	0,56	0,46	0,35	0,28	0,09	0,05	0,02	0,04	-0,08	0,14	-0,02	-0,15	-0,09	0,08	0,13	0,38	0,11	-0,21	-0,05	0,35	0,17		

ANNEX 4: CORRELATIONS OF DATA OBTAINED AMCs SURVEY

	1	2	3	4	5	6	7.a	7.b	7.c	7.d	7.e	7.f	7.g	7.h	7.i	8.a	8.b	8.c	8.d	8.e	9.a.i	9.a.ii	9.a.iii	9.b	9.c.1	9.c.ii	9.d.i	9.d.ii	10	11	total
1		0.65	0.09	0.05	0.45	0.38	0.10	0.33	-0.17	-0.17	-0.32	-0.27	-0.39	-0.08	-	0.20	-0.17	-0.14	-0.02	0.06	0.05	0.20	-0.04	-0.44	-0.54	-0.46	-0.26	-0.08	0.19	-0.24	-0.03
2	0.65	1.00	-0.05	-0.11	0.12	0.19	0.07	0.21	0.12	-0.04	-0.16	-0.03	-0.34	-0.21	-0.12	0.14	-0.02	-0.10	0.22	-0.13	0.09	0.14	0.06	-0.40	-0.31	-0.41	-0.09	-0.15	0.02	0.22	0.02
3	0.09	-0.05	1.00	0.51	0.05	-0.18	0.56	0.00	0.47	-0.38	-	-0.30	0.31	0.22	0.10	-0.03	0.24	-0.08	0.42	0.49	0.08	0.12	0.39	-0.47	0.29	0.03	-0.19	-0.01	0.60	0.07	0.38
4	0.05	-0.11	0.51	1.00	0.23	0.02	0.60	0.07	0.23	-0.26	-0.13	-0.32	0.25	0.05	0.27	0.34	0.61	0.45	0.69	0.41	-0.01	0.12	0.31	-0.25	0.22	0.21	-0.02	0.24	0.46	-0.12	0.52
5	0.45	0.12	0.05	0.23	1.00	0.53	0.21	0.29	-0.12	0.20	0.16	0.17	-0.01	0.21	0.48	0.36	0.02	0.30	0.06	0.13	0.08	0.10	-0.19	-0.04	-0.01	-0.06	-0.04	0.15	0.49	-0.37	0.39
6	0.38	0.19	-0.18	0.02	0.53	1.00	0.04	0.51	0.17	0.17	0.37	0.38	0.10	0.28	0.56	0.08	0.09	0.33	0.02	0.06	-0.12	0.03	-0.31	-0.05	0.01	-0.06	-0.04	0.10	0.16	0.01	0.35
7.a	0.10	0.07	0.56	0.60	0.21	0.04	1.00	0.20	0.40	-0.26	0.29	0.07	0.31	0.19	0.41	0.29	0.48	0.21	0.59	0.36	0.08	0.06	0.31	-0.15	0.43	0.36	0.02	0.11	0.52	-0.10	0.66
7.b	0.33	0.21	0.00	0.07	0.29	0.51	0.20	1.00	0.29	0.04	0.26	0.08	-0.26	-0.28	0.55	0.10	-0.01	-0.07	0.06	0.03	0.20	0.47	0.05	-0.31	-0.12	-0.09	-0.07	0.10	0.02	0.39	0.29
7.c	-0.17	0.12	0.47	0.23	-0.12	0.17	0.40	0.29	1.00	-0.12	0.33	0.03	0.32	0.06	0.23	-0.05	0.50	0.18	0.36	0.53	0.14	0.15	0.40	-0.46	0.28	0.11	-0.15	-0.11	0.09	0.55	0.46
7.d	-0.17	-0.04	-0.38	-0.26	0.20	0.17	-0.26	0.04	-0.12	1.00	0.49	0.60	0.23	0.37	-0.12	0.03	-0.28	0.10	-0.08	0.13	0.25	-0.14	-0.06	0.40	0.15	0.40	0.36	0.01	-0.19	0.07	0.22
7.e	-0.32	-0.16	-	-0.13	0.16	0.37	0.29	0.26	0.33	0.49	1.00	0.88	0.46	0.46	0.35	0.16	0.15	0.20	0.14	0.35	0.17	-	-	0.29	0.48	0.59	0.39	0.28	0.17	0.14	0.63
7.f	-0.27	-0.03	-0.30	-0.32	0.17	0.38	0.07	0.08	0.03	0.60	0.88	1.00	0.27	0.42	0.21	0.15	-0.04	0.15	-0.06	0.09	0.12	-0.11	-0.21	0.55	0.37	0.42	0.49	0.29	0.04	-0.02	0.42
7.g	-0.39	-0.34	0.31	0.25	-0.01	0.10	0.31	-0.26	0.32	0.23	0.46	0.27	1.00	0.77	0.25	-0.16	0.41	0.45	0.54	0.35	-0.32	-0.37	0.07	-0.07	0.61	0.55	0.12	-0.05	0.34	0.12	0.51
7.h	-0.08	-0.21	0.22	0.05	0.21	0.28	0.19	-0.28	0.06	0.37	0.46	0.42	0.77	1.00	-	-0.08	0.22	0.30	0.22	0.28	-0.37	-0.49	-0.19	0.12	0.47	0.39	-0.14	-0.28	0.37	-0.32	0.34
7.i	-	-0.12	0.10	0.27	0.48	0.56	0.41	0.55	0.23	-0.12	0.35	0.21	0.25	-	1.00	-	0.10	0.14	0.29	-	-0.12	0.17	-0.18	-0.21	0.34	-0.01	0.18	0.40	0.48	0.20	0.49
8.a	0.20	0.14	-0.03	0.34	0.36	0.08	0.29	0.10	-0.05	0.03	0.16	0.15	-0.16	-0.08	-	1.00	0.40	0.45	0.25	0.40	0.37	0.43	0.21	0.28	-0.22	0.42	0.38	0.47	0.36	-0.24	0.49
8.b	-0.17	-0.02	0.24	0.61	0.02	0.09	0.48	-0.01	0.50	-0.28	0.15	-0.04	0.41	0.22	0.10	0.40	1.00	0.80	0.66	0.34	-0.07	0.12	0.39	-0.09	0.29	0.42	-0.08	-0.01	0.16	0.07	0.55
8.c	-0.14	-0.10	-0.08	0.45	0.30	0.33	0.21	-0.07	0.18	0.10	0.20	0.15	0.45	0.30	0.14	0.45	0.80	1.00	0.55	0.20	0.02	0.10	0.29	0.21	0.24	0.57	0.19	0.13	0.10	0.02	0.58
8.d	-0.02	0.22	0.42	0.69	0.06	0.02	0.59	0.06	0.36	-0.08	0.14	-0.06	0.54	0.22	0.29	0.25	0.66	0.55	1.00	0.26	0.05	0.20	0.49	-0.29	0.48	0.44	0.16	0.15	0.47	0.27	0.71
8.e	0.06	-0.13	0.49	0.41	0.13	0.06	0.36	0.03	0.53	0.13	0.35	0.09	0.35	0.28	-	0.40	0.34	0.20	0.26	1.00	0.33	0.20	0.41	-0.24	-0.02	0.42	0.19	0.31	0.31	-0.01	0.57
9.a.i	0.05	0.09	0.08	-0.01	0.08	-0.12	0.08	0.20	0.14	0.25	0.17	0.12	-0.32	-0.37	-0.12	0.37	-0.07	0.02	0.05	0.33	1.00	0.78	0.75	0.17	0.04	0.31	0.41	0.38	-0.09	0.16	0.35
9.a.ii	0.20	0.14	0.12	0.12	0.10	0.03	0.06	0.47	0.15	-0.14	-	-0.11	-0.37	-0.49	0.17	0.43	0.12	0.10	0.20	0.20	0.78	1.00	0.66	-0.10	-0.07	0.10	0.28	0.45	0.10	0.27	0.35
9.a.iii	-0.04	0.06	0.39	0.31	-0.19	-0.31	0.31	0.05	0.40	-0.06	-	-0.21	0.07	-0.19	-0.18	0.21	0.39	0.29	0.49	0.41	0.75	0.66	1.00	-0.13	0.22	0.43	0.18	0.13	-0.06	0.32	0.44
9.b	-0.44	-0.40	-0.47	-0.25	-0.04	-0.05	-0.15	-0.31	-0.46	0.40	0.29	0.55	-0.07	0.12	-0.21	0.28	-0.09	0.21	-0.29	-0.24	0.17	-0.10	-0.13	1.00	0.19	0.53	0.43	0.20	-0.19	-0.36	-0.00
9.c.1	-0.54	-0.31	0.29	0.22	-0.01	0.01	0.43	-0.12	0.28	0.15	0.48	0.37	0.61	0.47	0.34	-0.22	0.29	0.24	0.48	-0.02	0.04	-0.07	0.22	0.19	1.00	0.48	0.04	-0.06	0.31	0.03	0.48
9.c.ii	-0.46	-0.41	0.03	0.21	-0.06	-0.06	0.36	-0.09	0.11	0.40	0.59	0.42	0.55	0.39	-0.01	0.42	0.42	0.57	0.44	0.42	0.31	0.10	0.43	0.53	0.48	1.00	0.45	0.20	0.10	0.02	0.70
9.d.i	-0.26	-0.09	-0.19	-0.02	-0.04	-0.04	0.02	-0.07	-0.15	0.36	0.39	0.49	0.12	-0.14	0.18	0.38	-0.08	0.19	0.16	0.19	0.41	0.28	0.18	0.43	0.04	0.45	1.00	0.84	0.09	0.24	0.43
9.d.ii	-0.08	-0.15	-0.01	0.24	0.15	0.10	0.11	0.10	-0.11	0.01	0.28	0.29	-0.05	-0.28	0.40	0.47	-0.01	0.13	0.15	0.31	0.38	0.45	0.13	0.20	-0.06	0.20	0.84	1.00	0.29	0.09	0.45
10	0.19	0.02	0.60	0.46	0.49	0.16	0.52	0.02	0.09	-0.19	0.17	0.04	0.34	0.37	0.48	0.36	0.16	0.10	0.47	0.31	-0.09	0.10	-0.06	-0.19	0.31	0.10	0.09	0.29	1.00	-0.22	0.54
11	-0.24	0.22	0.07	-0.12	-0.37	0.01	-0.10	0.39	0.55	0.07	0.14	-0.02	0.12	-0.32	0.20	-0.24	0.07	0.02	0.27	-0.01	0.16	0.27	0.32	-0.36	0.03	0.02	0.24	0.09	-0.22	1.00	0.17
total	-0.02	0.02	0.38	0.53	0.40	0.39	0.66	0.29	0.47	0.22	0.63	0.42	0.51	0.34	0.49	0.49	0.55	0.58	0.71	0.57	0.35	0.35	0.44	-0.00	0.48	0.70	0.43	0.45	0.54	0.17	1.00