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## **ASSESSMENT OF THE EFFICIENCY OF MANAGEMENT OF CO-INVESTMENT INSTITUTIONS**

*Abstract.* The research is aimed at developing theoretical and methodological foundations for a comprehensive assessment of the efficiency of management of joint investment institutions from the position of forming their portfolios of assets and the efficiency of the institutions as a whole.

*Keywords:* joint investment institutions, management efficiency, evaluation, investment portfolio of assets, efficiency.

Co-investment market is the environment in which conditions are created for financial security of economic development through the process of investment and increased flow of financial resources. Institutions of joint investment (ISI) act as important suppliers of investment capital, playing an important role in its redistribution and stimulating the investment process in the country at the expense of internal and external investments. Asset management of all Ukrainian ISIs is carried out by asset management companies (AMC) which are legal entities and, according to legislative norms, exclusively carry out their professional activities on the market on the basis of obtained licenses.

In the process of examining the specific features of the activity of joint investment institutions it is advisable to take into account the provisions of the institutional concept, since the environment determines the choice of tools for their management. For such circumstances, an important aspect of institutional directivity is the active evaluation of the effectiveness of CIS management both in terms of their assets management, and general efficiency, which today do not have a unified methodological basis, first of all, due to the presence of informational diffusion. At the same time, the results of such assessment would also reveal the level of investment attractiveness and economic security of ISL, which essentially depend on the level of unbalanced activity from the point of view of the correlation of riskiness and profitability.

Basic concepts of efficient market, which are based on linearity of environment processes, market statics and mathematical tools based on the indicators of normal distribution, dispersion and linear models, are unacceptable in the environment of small external environment.

The paradigm of the mutual investment market is based on stable asymmetry of information, which can cause critical phenomena, affecting the methods of evaluation and management of financial instruments. Necessity of making decisions with a lot of data and in short terms leads to deformation in the assessment of the value of assets, being an active phenomenon, the cause of market unrecognition, which is the redevelopment of imbalances.

In order to avoid the mentioned situations it is suggested to characterize the indicator of hourly stability of profitability of investing as intensity of changes in the market value of assets of ISL for a certain period, which provides an indirect assessment of the level of riskiness and liquidity of its investments in investment assets, taking into account

transaction costs. This indicator is calculated as the ratio of absolute change in market value of net assets at the beginning and the end of the appropriate period to the difference in value of the assets for the same period.

The indicator of hourly stability of profitability of investment is calculated separately for the periods with additional and additional difference in the value of net assets of the investment fund. It accumulates values in the range from 0 to 1 under the condition that at the end of the reporting period a positive difference was recorded between the amount of assets invested in the assets and their value at the end of the period. Provided that the mentioned difference was integral,  $N_c$  can reach values in the range from - 1 to 1. In this case, the greater is the amplitude of asset value changes for the analyzed period at non-current changes in NAV, the closer is the value of the indicator to zero, which indicates the non-investment strategy of AMC and the low level of financial security of ISI.

Along with the indicators of efficiency and riskiness of the investment portfolio and hourly stability of the profitability of investment, the assessment of the efficiency of ISO management requires taking into account the change in the value of net assets as an indicator of the profitability of the activities of ISO as a whole

At the last stage of assessment of management efficiency of joint investment institutions the analysis of results of calculation of the listed above indicators and of management decisions on improvement of the institute activity, the essence of which depends on the fund class, is carried out.

Determination of economic conditions for ensuring the efficiency of management of joint investment institutions, Their investment feasibility and economic security allowed us to substantiate a comprehensive approach to the assessment of efficiency of ISI management with regard to the efficiency of forming the investment portfolio of assets and the efficiency of the institution as a whole. Evaluation of the efficiency of forming the investment portfolio of assets is based on the use of indicators of profitability and riskiness of the portfolio of assets together with the indicator of hourly stability of income from investment assets.

It was found that the value of transaction costs of joint investment institutions associated with the search and analysis of information about the holders of valuable partners, which form the investment portfolio, significantly affects the efficiency of activities of the institutions. It is suggested that the value of transaction costs be taken into account in order to evaluate the efficiency of the activities of ISI in terms of the change in the value of net assets.

On the application of ISI with different classes of funds the tensions of management decisions for increasing the efficiency of their activities with regard to the strategies of forming portfolios of investment assets and the activity of institutions in general are highlighted.

Practical use of the suggested approach will allow to shorten the time of taking management decisions by AMC managers on the management of investment portfolio and the activity of the Institute as a whole, as well as contribute to attracting potential investors, because it provides them with a tool for the overall assessment of the investment attractiveness and economic security of the ISL.

Results. The economical conditions essentially influencing the efficiency of management of joint investment institutions, their investment privateness and economical security were determined. The role of taking into account the value of costs of joint investment institutions in assessing the effectiveness of their management is reinforced. A comprehensive approach to the assessment of the efficiency of management of joint investment institutions, which involves obtaining an assessment, on the one hand, was proposed, Efficiency of the fund portfolio formation by using the indicators of profitability and riskiness of the assets portfolio together with the indicator of hourly stability of income from investment assets, on the other hand, - the efficiency of the institute activity as a whole. The main directions of management decisions on increasing the efficiency of activities of joint investment institutions with regard to the efficiency of their investment portfolio and the efficiency of their activities as a whole.

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