

## **Learn the FM: What is ASSET MANAGEMENT?**

### **ASSET DEFINITION**

An "asset" can be defined as something that has potential value to someone, a group or an organization. The realization of this value typically occurs when the asset fulfills its mission. Over time, assets can increase and decrease in value.

We should distinguish between tangible assets and intangible assets.

### **WHAT IS ASSET MANAGEMENT ?**

**Asset Management (AM)** is a systematic process whereby (tangible and/or intangible) "things" that are of value to someone, a group, or an organization are monitored and maintained.

We should distinguish between Financial AM and Enterprise AM (composed of Industrial AM and Infrastructure AM)

### **FINANCIAL ASSET MANAGEMENT**

The term (financial) asset management is used most often to indicate the professional management of financial assets (stocks/shares, bonds) or physical assets (commodities and real estate) by investment professionals who make investment decisions for the benefit of their clients (individuals, corporations, institutions and pension funds).

This type of Asset Management involves a branch of investment management that looks into the process of managing security purchases and sales for third parties.

Investment managers specializing in advisory roles or discretionary management on behalf of (typically wealthy) private investors also call their services "**wealth management**" or "**portfolio management**" in the context of private banking.

Typical asset management services that are provided are:

- Financial analysis and research.
- Asset selection.
- Stock selection.

- Investment plan, implementation.
- Risk Management.
- Executing transactions.
- Ongoing monitoring of investments.

Also called **Investment Management**.

## **ENTERPRISE ASSET MANAGEMENT**

This term is used sometimes to indicate non-third party asset management in private companies, such as Industrial Asset Management.

## **INDUSTRIAL ASSET MANAGEMENT**

This involves the practice of managing assets to maximize their return (particularly useful for productive assets such as plant and equipment).

## **(PUBLIC) INFRASTRUCTURE ASSET MANAGEMENT**

This involves the process of monitoring and maintaining facilities systems, with the objective of providing the best possible service to users (particularly useful for public infrastructure assets).

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