

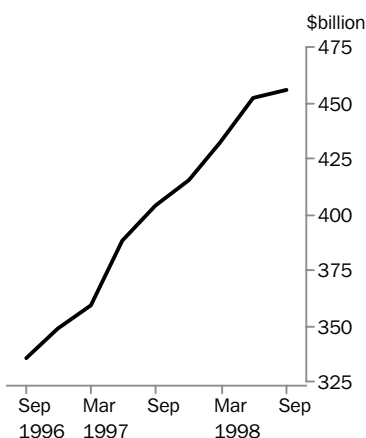


# MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) MON 30 NOV 1998

Total consolidated assets



## SEPTEMBER QTR KEY FIGURES

### CONSOLIDATED ASSETS

	Sep Qtr 1997 \$m	Jun Qtr 1998 \$m	Sep Qtr 1998 \$m
Superannuation funds	177 244	197 898	198 538
Life insurance offices	138 686	147 640	148 591
Other managed funds	88 081	106 432	108 432
<b>Total</b>	<b>404 011</b>	<b>451 970</b>	<b>455 562</b>

## SEPTEMBER QTR KEY POINTS

### CONSOLIDATED ASSETS

- The value of consolidated assets of managed funds in Australia as at 30 September 1998 was \$455.6 billion, an increase of \$3.6 billion (1%) on the revised 30 June 1998 figure of \$452.0 billion, and an increase of \$51.6 billion (13%) on the revised 30 September 1997 figure of \$404.0 billion.
- The largest increase in the consolidated assets of managed funds during the September 1998 quarter occurred in cash management trusts, up \$1.7 billion (9%) and life insurance offices, up \$1.0 billion (1%).
- The value of managed funds' assets invested through investment managers was \$356.7 billion at the end of September 1998, representing 78% of all the consolidated assets of managed funds.

- For further information about these and related statistics, contact John Carson on Canberra 02 6252 7109, or any ABS office shown on the back cover of this publication.

# NOTES

## FORTHCOMING ISSUES

### *ISSUE (Quarter)*

### *RELEASE DATE*

December 1998

26 February 1999

March 1999

31 May 1999



## CHANGES IN THIS ISSUE

During the September 1998 quarter, a number of new trusts were included in the Cash Management Trust survey. Revisions to previously published data for this survey are included in this publication and there are no discontinuities in these series.



## INVESTMENT MANAGER RESTRUCTURE

During the September 1996 quarter, two superannuation funds ceased directly investing their funds into the financial markets and instead placed them with investment managers. While this change in investment strategy does not affect the statistics in Table 3, it has contributed \$18.5 billion to the increase in superannuation funds managed by investment managers detailed in Table 8.

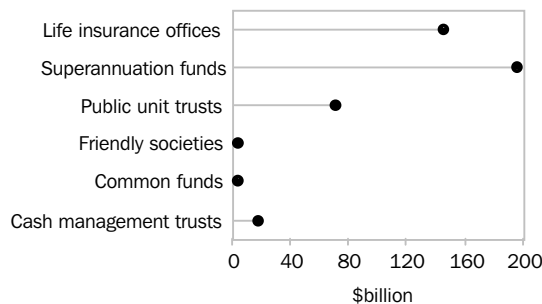


W. McLennan  
Australian Statistician

# MANAGED FUNDS: Consolidated Assets

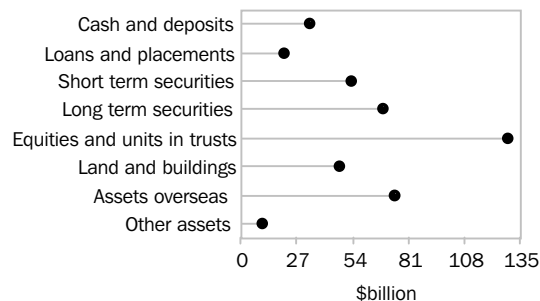
## BY TYPE OF INSTITUTION

Cash management trusts recorded the largest increase in assets during the September 1998 quarter of \$1.7 billion (9%), compared with the June 1998 quarter. Assets in life insurance offices increased by \$1.0 billion (1%) and in superannuation funds the increase was \$1.0 billion.



## BY TYPE OF ASSET

The largest increases in type of assets were attributable to long term securities, up \$4.3 billion (7%), partly reflecting the decrease in interest rates which occurred during the quarter, land and buildings, up \$1.9 billion (4%), and short term securities, up \$1.8 billion (3%). Despite a decline in the \$A exchange rate, overseas assets fell by \$3.0 billion (4%), and the fall in equities and units in trusts, down \$1.2 billion (1%) was partly attributable to declining share prices occurring during the quarter. Other assets fell by \$1.5 billion (11%).



## CROSS INVESTMENT

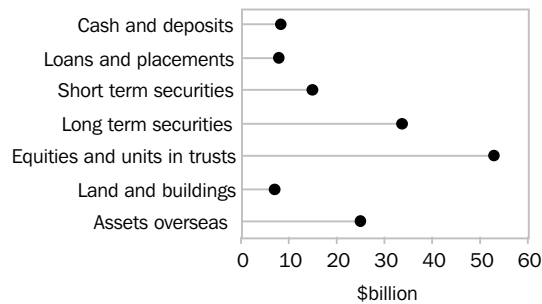
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 30 September 1998.

Type of fund	Unconsolidated assets \$m	Cross-invested assets \$m	Consolidated assets \$m
Life insurance offices	160 526	11 935	148 591
Superannuation funds	235 146	36 607	198 538
Public unit trusts	82 980	8 797	74 184
Friendly societies	6 731	42	6 689
Common funds	7 304	115	7 189
Cash management trusts	20 371	—	20 371
<b>Total</b>	<b>513 058</b>	<b>57 496</b>	<b>455 562</b>

# MANAGED FUNDS: Unconsolidated Assets

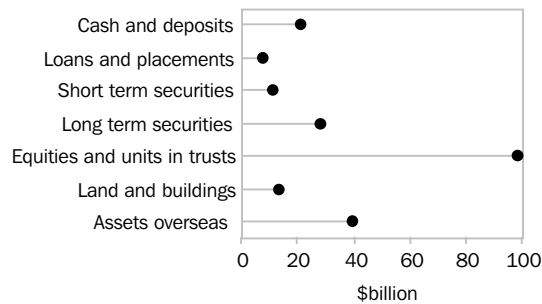
## LIFE INSURANCE OFFICES

Total assets of life insurance offices increased by \$1.5 billion (1%) in the September 1998 quarter to \$160.5 billion. The largest increases were in long term securities, up \$1.7 billion (5%) and short term securities, up \$0.9 billion (6%). There were declines in other financial assets, down \$0.8 billion (19%) and cash and deposits, down \$0.5 billion (5%).



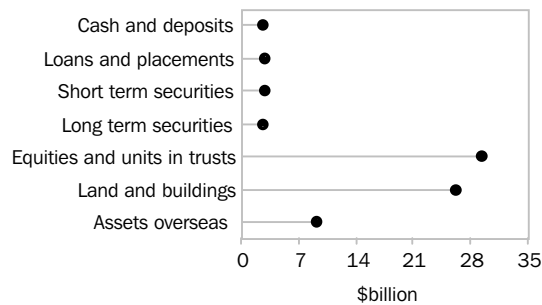
## SUPERANNUATION FUNDS

Total assets of superannuation funds increased by \$0.4 billion in the September 1998 quarter to \$235.1 billion. The largest increases were in the holdings of long term securities, up \$2.4 billion (9%) and cash and deposits, up \$0.8 billion (4%). There were declines in equities and units in trusts, down \$1.4 billion (1%) and assets overseas, down \$1.1 billion (3%).



## PUBLIC UNIT TRUSTS

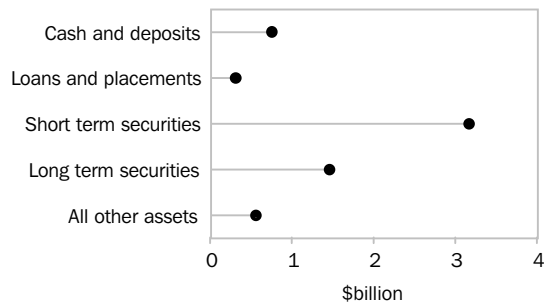
Total assets of public unit trusts increased by \$0.6 billion (1%) in the September 1998 quarter to \$83.0 billion. The largest increase was in the holdings of land and buildings, up \$1.2 billion (5%).



# MANAGED FUNDS: Unconsolidated Assets *continued*

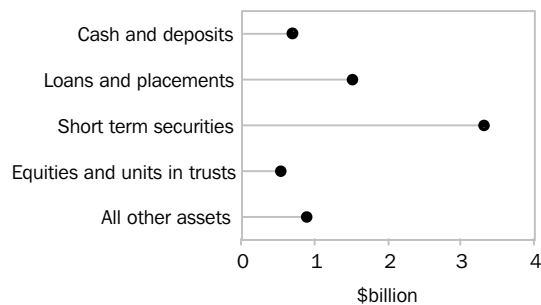
## FRIENDLY SOCIETIES

Total assets of friendly societies decreased by \$76 million in the September 1998 quarter to \$6.7 billion. There was a decline in holdings of cash and deposits, down \$0.7 billion (46%), repeating the pattern evident in the September quarter of the previous year. This decline was largely offset by increased holdings of short term securities, up \$0.5 billion (20%).



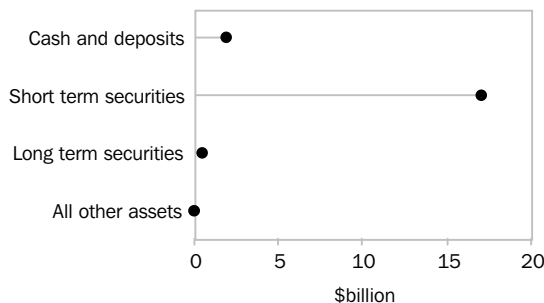
## COMMON FUNDS

The assets of common funds increased by \$0.3 billion (4%) to \$7.3 billion during the September 1998 quarter. The largest increase was in the holdings of cash and deposits, up \$0.1 billion (18%).



## CASH MANAGEMENT TRUSTS

Total assets of cash management trusts increased by \$1.7 billion (9%) to \$20.4 billion during the September 1998 quarter. The largest increases were in cash and deposits, up \$1.0 billion (78%) and short term securities, up \$0.7 billion (4%).

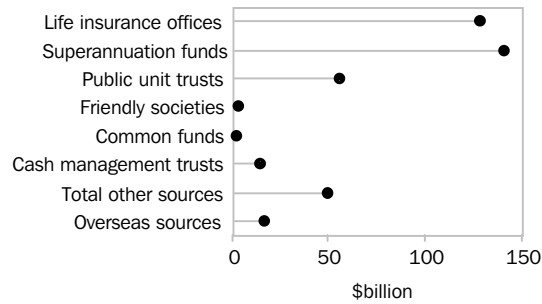


# MANAGED FUNDS — INVESTMENT MANAGERS

## SOURCE OF FUNDS UNDER MANAGEMENT

During the September 1998 quarter there was an increase in total funds under management by investment managers of \$5.2 billion (1%), bringing the total sources of funds under management to \$426.8 billion. The largest increase was from life insurance offices which increased \$2.9 billion (2%) to \$130.3 billion. Funds sourced from public unit trusts increased by \$1.8 billion (3%) to \$57.9 billion.

The value of managed funds' assets invested through investment managers was \$356.7 billion at the end of September 1998, representing 78% of all the consolidated assets of managed funds.



## MANAGED FUNDS, Consolidated Assets

<i>Institution/asset</i>	<i>Jun Qtr 1995</i>	<i>Jun Qtr 1996</i>	<i>Dec Qtr 1996</i>	<i>Mar Qtr 1997</i>	<i>Jun Qtr 1997</i>	<i>Sep Qtr 1997</i>	<i>Dec Qtr 1997</i>	<i>Mar Qtr 1998</i>	<i>Jun Qtr 1998</i>	<i>Sep Qtr 1998</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Type of institution</b>										
Life insurance offices(a)	113 229	120 228	126 230	129 429	134 738	138 686	141 139	142 656	147 640	148 591
Superannuation funds	122 352	139 334	150 648	153 796	169 512	177 244	181 296	187 025	197 898	198 538
Public unit trusts	38 038	43 918	48 963	52 308	58 245	61 073	65 060	71 356	74 080	74 184
Friendly societies	8 612	7 865	7 129	7 216	7 238	7 022	6 859	6 826	6 769	6 689
Common funds	4 466	5 065	5 571	5 961	6 172	6 395	6 641	6 839	6 907	7 189
Cash management trusts	6 424	7 978	10 044	10 791	12 032	13 591	14 338	17 674	18 676	20 371
<b>Total</b>	<b>293 121</b>	<b>324 389</b>	<b>348 586</b>	<b>359 501</b>	<b>387 937</b>	<b>404 011</b>	<b>415 332</b>	<b>432 376</b>	<b>451 970</b>	<b>455 562</b>
<b>Type of asset</b>										
Cash and deposits(b)	20 182	22 727	24 698	27 126	28 322	27 602	27 675	32 539	35 035	35 641
Loans and placements	14 652	16 384	16 966	18 354	19 065	19 549	20 264	21 892	22 600	23 264
Short term securities(b)	30 650	38 407	42 510	44 029	46 982	48 567	51 993	52 734	54 127	55 893
Long term securities	55 511	55 613	57 325	56 755	59 386	63 362	64 383	64 477	66 335	70 684
Equities and units in trusts	82 641	93 561	103 223	105 516	116 435	122 124	122 182	129 251	132 610	131 369
Land and buildings	35 351	37 466	39 043	40 168	40 981	41 824	45 402	46 620	47 923	49 852
Assets overseas	44 590	48 052	53 400	55 011	62 456	66 128	69 722	72 915	79 639	76 652
Other assets	9 543	12 179	11 420	12 541	14 310	14 856	13 712	11 948	13 700	12 207
<b>Total</b>	<b>293 121</b>	<b>324 389</b>	<b>348 586</b>	<b>359 501</b>	<b>387 937</b>	<b>404 011</b>	<b>415 332</b>	<b>432 376</b>	<b>451 970</b>	<b>455 562</b>

(a) Figures include superannuation funds held in the statutory funds of life insurance offices.

(b) Bank certificates of deposit held by public unit trusts are included in 'Cash and deposits' at banks.

## LIFE INSURANCE OFFICES(a), Unconsolidated Assets

	Jun Qtr 1995	Jun Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>118 523</b>	<b>127 174</b>	<b>134 385</b>	<b>137 828</b>	<b>145 494</b>	<b>149 845</b>	<b>152 074</b>	<b>154 850</b>	<b>159 020</b>	<b>160 526</b>
<b>Assets in Australia</b>	<b>101 306</b>	<b>111 590</b>	<b>116 883</b>	<b>119 508</b>	<b>125 033</b>	<b>127 556</b>	<b>128 090</b>	<b>130 954</b>	<b>132 004</b>	<b>134 666</b>
<i>Cash and deposits</i>	4 913	5 981	6 709	8 187	6 921	6 323	6 442	10 669	9 850	9 348
Banks	2 951	3 547	3 972	5 178	3 616	3 168	3 004	4 004	3 127	3 179
Other deposit taking institutions	1 962	2 434	2 736	3 009	3 304	3 155	3 437	6 666	6 722	6 169
<i>Loans and placements</i>	5 809	6 457	6 402	6 989	6 922	7 046	7 552	8 220	8 171	8 767
<i>Short term securities</i>	9 929	14 413	16 224	16 501	16 268	15 918	18 067	15 131	14 935	15 868
Bills of exchange	4 507	6 099	6 371	6 202	4 749	5 676	5 337	5 427	4 819	4 919
Bank certificates of deposit	2 902	4 180	4 157	4 744	4 987	4 119	4 191	3 549	4 425	4 794
Other short term securities	2 520	4 133	5 696	5 555	6 532	6 123	8 539	6 155	5 691	6 154
<i>Long term securities</i>	28 708	29 258	30 347	29 823	31 975	34 168	33 670	33 234	33 039	34 700
Commonwealth government bonds	8 936	11 109	12 303	11 741	12 594	13 023	11 864	11 737	12 131	12 893
State and local government securities	13 170	12 387	11 585	11 580	11 479	11 990	11 936	11 250	10 898	11 648
Other long term securities	6 602	5 762	6 459	6 502	7 901	9 155	9 870	10 247	10 011	10 159
<i>Equities and units in trusts</i>	38 073	41 924	45 290	45 674	50 691	51 319	50 192	52 031	53 475	53 630
Private trading corporations shares	25 414	26 471	27 138	26 969	28 476	28 179	27 427	25 619	24 639	23 270
Financial sector shares	5 862	6 517	7 644	7 908	8 314	8 683	8 643	9 859	10 402	10 490
Units in trusts	6 797	8 937	10 508	10 797	13 900	14 457	14 122	16 552	18 434	19 870
<i>Other financial assets</i>	2 216	2 862	2 351	2 839	3 104	3 554	2 969	3 056	4 298	3 472
<i>Land and buildings</i>	9 487	8 846	8 087	7 893	7 185	7 235	7 639	7 563	7 520	7 847
<i>Other non-financial assets</i>	2 169	1 849	1 474	1 602	1 968	1 993	1 559	1 050	716	1 034
<b>Assets overseas</b>	<b>17 217</b>	<b>15 584</b>	<b>17 502</b>	<b>18 320</b>	<b>20 460</b>	<b>22 289</b>	<b>23 984</b>	<b>23 896</b>	<b>27 016</b>	<b>25 860</b>

(a) Includes superannuation funds that are invested and administered by life insurance offices, and shareholders' funds.



## SUPERANNUATION FUNDS(a), Unconsolidated Assets

	Jun Qtr 1995	Jun Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>138 455</b>	<b>161 674</b>	<b>178 041</b>	<b>182 085</b>	<b>199 755</b>	<b>209 927</b>	<b>214 420</b>	<b>222 873</b>	<b>234 705</b>	<b>235 146</b>
<b>Assets in Australia</b>	<b>117 213</b>	<b>135 692</b>	<b>149 601</b>	<b>153 314</b>	<b>166 858</b>	<b>175 520</b>	<b>178 219</b>	<b>184 115</b>	<b>192 664</b>	<b>194 177</b>
<i>Cash and deposits</i>	11 426	12 316	14 202	14 892	16 740	17 937	18 263	19 739	22 139	22 983
Banks	7 474	7 361	8 842	9 275	10 737	11 518	11 434	12 403	14 237	13 692
Other deposit taking institutions	3 953	4 955	5 359	5 617	6 003	6 419	6 829	7 336	7 902	9 291
<i>Loans and placements</i>	5 119	6 185	6 688	7 152	7 818	7 913	7 983	8 505	9 189	9 127
<i>Short term securities</i>	8 644	10 697	10 846	11 218	12 038	11 601	11 662	11 536	13 088	12 696
Bills of exchange	4 773	4 332	4 140	4 665	4 985	4 551	5 043	4 500	5 223	5 113
Bank certificates of deposit	2 899	5 034	5 172	5 287	5 538	5 488	4 753	5 212	6 152	5 851
Other short term securities	972	1 330	1 534	1 266	1 515	1 561	1 866	1 823	1 713	1 732
<i>Long term securities</i>	22 816	22 034	21 978	21 375	22 968	24 171	25 376	25 459	27 234	29 610
Commonwealth government bonds	12 969	12 959	12 946	12 575	13 418	13 767	14 575	14 317	15 074	16 165
State and local government securities	7 380	6 641	6 542	6 421	6 767	7 071	7 452	7 506	8 107	8 894
Other long term securities	2 467	2 433	2 490	2 378	2 784	3 333	3 349	3 636	4 053	4 552
<i>Equities and units in trusts</i>	55 652	67 890	78 491	80 869	88 402	94 403	95 345	99 496	101 278	99 925
Private trading corporations shares	33 828	38 954	42 409	43 039	47 713	50 120	49 603	50 889	51 161	49 900
Financial sector shares	6 593	7 521	9 945	10 674	11 990	13 275	14 371	14 624	15 346	15 311
Units in trusts	15 230	21 414	26 138	27 156	28 699	31 007	31 371	33 982	34 771	34 715
<i>Other financial assets</i>	2 832	4 381	4 041	3 810	4 267	4 801	4 259	3 344	3 649	3 466
<i>Land and buildings</i>	10 597	11 623	12 706	12 909	13 403	13 324	13 914	14 566	14 597	14 932
<i>Other non-financial assets</i>	126	567	650	1 090	1 220	1 371	1 417	1 470	1 490	1 438
<b>Assets overseas</b>	<b>21 242</b>	<b>25 982</b>	<b>28 440</b>	<b>28 771</b>	<b>32 897</b>	<b>34 407</b>	<b>36 202</b>	<b>38 758</b>	<b>42 041</b>	<b>40 969</b>

(a) Excludes superannuation funds that are invested and administered by life insurance offices. For other caveats see paragraph 9 of the explanatory notes.

## PUBLIC UNIT TRUSTS, Unconsolidated Assets

	Jun Qtr 1995	Jun Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>41 590</b>	<b>48 371</b>	<b>55 287</b>	<b>59 034</b>	<b>66 073</b>	<b>69 785</b>	<b>74 917</b>	<b>79 216</b>	<b>82 377</b>	<b>82 980</b>
<b>Assets in Australia</b>	<b>35 459</b>	<b>41 915</b>	<b>47 865</b>	<b>51 157</b>	<b>57 019</b>	<b>60 400</b>	<b>65 433</b>	<b>69 077</b>	<b>71 893</b>	<b>73 260</b>
<i>Cash and deposits</i>	1 600	2 210	2 872	3 196	3 120	3 126	3 017	3 210	3 509	3 203
Banks(a)	1 030	1 319	1 815	2 063	2 000	1 901	2 030	2 267	2 271	1 960
Other deposit taking institutions	570	891	1 056	1 133	1 120	1 225	987	943	1 238	1 243
<i>Loans and placements</i>	1 825	2 066	2 214	2 373	2 533	2 756	2 857	3 367	3 367	3 406
<i>Short term securities</i>	1 923	1 776	1 911	1 957	2 614	2 608	2 930	3 490	3 499	3 458
Bills of exchange	1 640	1 427	1 501	1 550	2 130	2 142	2 383	2 983	2 865	2 800
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	283	349	409	407	484	465	546	508	635	658
<i>Long term securities</i>	1 307	1 600	1 537	1 665	1 973	2 093	2 293	2 562	3 650	3 265
<i>Equities and units in trusts</i>	12 068	15 442	18 856	20 073	23 376	26 029	27 582	28 855	29 086	29 980
Equities	8 631	11 168	12 744	13 573	15 772	17 562	17 922	18 256	18 326	18 677
Units in trusts	3 437	4 275	6 112	6 500	7 604	8 467	9 660	10 599	10 760	11 303
<i>Other financial assets</i>	718	881	1 072	1 311	1 672	1 598	1 826	2 074	2 450	1 472
<i>Land and buildings</i>	14 799	16 535	17 794	18 907	19 930	20 859	23 451	24 095	25 481	26 720
<i>Other non-financial assets</i>	1 219	1 404	1 609	1 675	1 800	1 331	1 477	1 424	1 501	1 756
<b>Assets overseas</b>	<b>6 131</b>	<b>6 457</b>	<b>7 422</b>	<b>7 878</b>	<b>9 054</b>	<b>9 385</b>	<b>9 484</b>	<b>10 139</b>	<b>10 484</b>	<b>9 720</b>

(a) Bank certificates of deposit are included with 'Cash and deposits' at banks.

## FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1995	Jun Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>8 631</b>	<b>7 889</b>	<b>7 154</b>	<b>7 241</b>	<b>7 262</b>	<b>7 056</b>	<b>6 897</b>	<b>6 865</b>	<b>6 807</b>	<b>6 731</b>
<b>Assets in Australia</b>	<b>8 631</b>	<b>7 860</b>	<b>7 117</b>	<b>7 199</b>	<b>7 217</b>	<b>7 008</b>	<b>6 845</b>	<b>6 814</b>	<b>6 752</b>	<b>6 670</b>
<i>Cash and deposits</i>	2 438	1 664	880	914	1 611	960	824	717	1 463	796
Banks	1 784	1 214	494	556	1 250	597	572	514	1 234	601
Other deposit taking institutions	654	450	386	358	361	363	252	203	229	195
<i>Loans and placements</i>	553	412	397	391	369	366	370	362	344	358
<i>Short term securities</i>	2 790	3 475	2 920	2 790	3 216	3 305	3 173	3 262	2 679	3 220
Bills of exchange	1 465	1 833	1 004	1 207	1 517	1 700	1 475	1 234	1 210	1 207
Bank certificates of deposit	1 019	1 218	1 566	1 314	1 495	1 131	1 349	1 658	1 082	1 672
Other short term securities	306	424	350	269	204	474	349	370	387	341
<i>Long term securities</i>	2 080	1 558	2 198	2 381	1 233	1 690	1 792	1 726	1 522	1 515
Commonwealth government bonds	465	289	411	621	228	302	336	295	308	301
State and local government securities	666	565	923	921	412	645	549	564	443	442
Other long term securities	949	704	864	839	593	743	907	867	771	772
<i>Equities and units in trusts</i>	147	170	164	163	171	186	199	204	212	237
Private trading corporations shares	103	112	109	108	119	119	128	133	138	145
Financial sector shares	37	36	32	32	30	34	33	32	36	50
Units in trusts	7	22	23	23	22	33	38	39	38	42
<i>Other financial assets</i>	163	138	98	101	83	63	56	121	129	135
<i>Land and buildings</i>	382	373	382	387	391	341	328	324	292	302
<i>Other non-financial assets</i>	78	70	78	72	143	97	103	98	111	107
<b>Assets overseas</b>	<b>—</b>	<b>29</b>	<b>37</b>	<b>42</b>	<b>45</b>	<b>48</b>	<b>52</b>	<b>51</b>	<b>55</b>	<b>61</b>

## COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1995	Jun Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>4 567</b>	<b>5 138</b>	<b>5 646</b>	<b>6 035</b>	<b>6 252</b>	<b>6 493</b>	<b>6 739</b>	<b>6 945</b>	<b>7 018</b>	<b>7 304</b>
<b>Assets in Australia</b>	<b>4 567</b>	<b>5 138</b>	<b>5 646</b>	<b>6 035</b>	<b>6 252</b>	<b>6 493</b>	<b>6 739</b>	<b>6 873</b>	<b>6 974</b>	<b>7 262</b>
<i>Cash and deposits</i>	443	504	489	524	639	628	655	606	638	753
Banks	311	381	318	360	474	455	488	435	460	589
Other deposit taking institutions	132	123	171	164	165	173	167	171	178	164
<i>Loans and placements</i>	1 238	1 244	1 226	1 407	1 413	1 434	1 436	1 398	1 519	1 575
<i>Short term securities</i>	1 779	2 183	2 685	2 895	2 910	3 109	3 319	3 454	3 372	3 380
Bills of exchange	1 283	1 490	1 944	2 031	2 051	2 143	2 327	2 157	2 321	2 303
Bank certificates of deposit	292	470	506	542	562	576	596	791	701	736
Other short term securities	204	223	235	322	297	390	396	506	350	341
<i>Long term securities</i>	480	528	563	590	634	665	679	729	789	860
Commonwealth government bonds	50	60	76	58	60	61	64	68	66	62
State and local government securities	231	260	284	293	297	306	319	333	344	353
Other long term securities	199	208	203	239	277	298	296	328	379	445
<i>Equities and units in trusts</i>	541	590	608	547	584	592	580	614	590	608
Private trading corporations shares	254	269	280	320	318	300	291	239	204	195
Financial sector shares	219	279	296	194	227	237	233	312	319	339
Units in trusts	68	42	32	33	39	55	56	63	67	74
<i>Other financial assets</i>	—	—	—	—	—	—	—	—	33	34
<i>Land and buildings</i>	86	89	75	72	72	65	70	72	33	52
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
<b>Assets overseas</b>	—	—	—	—	—	—	—	<b>72</b>	<b>44</b>	<b>42</b>

## CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1995	Jun Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>6 424</b>	<b>7 978</b>	<b>10 044</b>	<b>10 791</b>	<b>12 032</b>	<b>13 591</b>	<b>14 338</b>	<b>17 674</b>	<b>18 676</b>	<b>20 371</b>
<b>Assets in Australia</b>	<b>6 424</b>	<b>7 978</b>	<b>10 044</b>	<b>10 791</b>	<b>12 032</b>	<b>13 591</b>	<b>14 338</b>	<b>17 674</b>	<b>18 676</b>	<b>20 371</b>
<i>Cash and deposits</i>	578	1 430	1 330	1 115	1 430	907	810	904	1 230	2 187
Banks	485	1 101	1 041	836	1 127	691	643	726	1 166	2 144
Other deposit taking institutions	93	329	289	279	304	216	167	178	64	43
<i>Loans and placements</i>	119	22	41	44	12	35	67	52	24	45
<i>Short term securities</i>	5 585	5 864	7 924	8 668	9 935	12 027	12 843	15 860	16 554	17 271
Bills of exchange	3 180	3 325	4 103	4 234	5 329	6 146	5 893	7 148	6 133	6 868
Bank certificates of deposit	1 116	1 680	2 549	3 008	3 356	4 102	4 537	5 709	7 872	7 098
Other short term securities	1 288	858	1 272	1 426	1 250	1 779	2 413	3 004	2 549	3 304
<i>Long term securities</i>	121	635	702	922	602	575	573	766	750	733
Commonwealth government bonds	40	27	26	—	—	—	—	6	—	—
State and local government securities	2	553	500	694	318	298	317	51	49	50
Other long term securities	79	56	176	229	285	276	256	710	700	683
<i>Equities and units in trusts</i>	—	—	—	—	—	—	—	—	—	—
<i>Other financial assets</i>	22	27	48	41	53	48	45	91	118	134
<i>Land and buildings</i>	—	—	—	—	—	—	—	—	—	—
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
<b>Assets overseas</b>	—	—	—	—	—	—	—	—	—	—

## INVESTMENT MANAGERS, Source of Funds

<i>Source of funds</i>	<i>Jun Qtr 1995</i>	<i>Jun Qtr 1996</i>	<i>Dec Qtr 1996</i>	<i>Mar Qtr 1997</i>	<i>Jun Qtr 1997</i>	<i>Sep Qtr 1997</i>	<i>Dec Qtr 1997</i>	<i>Mar Qtr 1998</i>	<i>Jun Qtr 1998</i>	<i>Sep Qtr 1998</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL SOURCE OF FUNDS</b>	<b>252 361</b>	<b>280 983</b>	<b>325 977</b>	<b>335 376</b>	<b>362 426</b>	<b>379 990</b>	<b>389 646</b>	<b>405 389</b>	<b>421 622</b>	<b>426 814</b>
<b><i>Funds from Australian sources</i></b>	<b>245 483</b>	<b>273 233</b>	<b>318 284</b>	<b>327 571</b>	<b>353 052</b>	<b>369 100</b>	<b>376 798</b>	<b>390 877</b>	<b>403 706</b>	<b>408 310</b>
<i>Managed funds</i>	214 677	238 524	277 498	284 374	306 449	321 318	328 242	340 201	352 061	356 670
Life insurance offices	96 757	103 612	109 209	110 554	117 015	121 587	122 676	126 375	127 484	130 337
Superannuation funds (a)	75 134	84 379	111 695	113 559	124 378	130 109	132 778	137 435	144 040	142 967
Public unit trusts	29 283	35 250	39 775	42 539	46 852	50 137	52 343	52 715	56 066	57 903
Friendly societies	6 441	6 251	5 806	6 070	5 640	5 591	5 861	5 808	5 649	5 363
Common funds	1 937	2 767	3 582	3 141	3 137	3 364	3 360	3 437	3 632	3 792
Cash management trusts	5 125	6 265	7 431	8 511	9 427	10 530	11 224	14 431	15 190	16 308
<i>Total other sources</i>	30 806	34 709	40 786	43 197	46 603	47 782	48 556	50 676	51 645	51 640
Government	4 302	5 276	5 488	5 781	5 710	6 166	6 532	6 618	5 091	5 487
Charities	582	777	1 040	1 074	1 159	1 160	1 239	1 295	1 293	1 277
Other trusts	2 064	4 373	5 975	6 369	7 126	6 507	7 419	8 610	9 738	9 813
General insurance	12 231	10 870	12 860	13 527	14 323	14 499	14 131	14 413	14 425	13 954
Other sources	11 627	13 413	15 423	16 446	18 285	19 450	19 235	19 740	21 098	21 109
<b><i>Funds from overseas sources</i></b>	<b>6 878</b>	<b>7 750</b>	<b>7 693</b>	<b>7 805</b>	<b>9 374</b>	<b>10 890</b>	<b>12 848</b>	<b>14 512</b>	<b>17 916</b>	<b>18 504</b>

(a) There was a restructuring of arrangements between superannuation funds and investment managers during the September 1996 quarter. See the note on page 2.

## EXPLANATORY NOTES

### INTRODUCTION

**1** The statistics presented in this publication on managed funds institutions in Australia have been compiled from the Survey of Financial Information conducted by the Australian Bureau of Statistics (ABS) and from a quarterly Survey of Superannuation Funds conducted jointly by the ABS and the Australian Prudential Regulation Authority (APRA).

**2** Movements in the levels of assets of managed funds institutions between periods reflect two components—transactions activity in particular assets and valuation changes arising from price changes in particular assets.

**3** Managed funds institutions, in general, are those financial intermediaries which operate in the managed funds market by acquiring and incurring financial assets and liabilities respectively on their own account. Typically these institutions arrange for the ‘pooling’ of funds from a number of investors for the purpose of investing in a particular type or mix of assets, with a view to receiving an on-going return or capital gain. However, funds of a speculative nature that do not offer redemption facilities (e.g. agriculture and film trusts) and funds not established for investment purposes (e.g. health funds and general insurance funds) are excluded.

**4** A further development within the managed funds market is the emergence of specialist investment managers who engage primarily in activities closely related to financial intermediation but are employed on a fee for service basis to manage and invest in approved assets on their clients’ behalf. They usually act as investment managers for the smaller institutions, including unit trusts and superannuation funds. While they accept individual portfolios to manage, for example from charities, they are generally not accessible to the small investor. They act in the main as the managers of pooled funds, but also manage clients’ investments on an individual portfolio basis.

### SCOPE AND COVERAGE

**5** The scope of the statistics presented in this publication relates to the assets of all registered managed funds institutions operating in Australia. The types of managed funds covered by the statistics in this publication are:

- Life Insurance Offices,
- Superannuation Funds (which includes Approved Deposit Funds),
- Public Unit Trusts,
- Friendly Societies,
- Common Funds, and
- Cash Management Trusts.

**6** Statistics in this publication relating to the Life Insurance Offices are derived from returns from 29 of the 51 registered life insurance offices operating in Australia, representing approximately 98% of the total assets of statutory funds. Data have been extrapolated to provide 100% coverage.

**7** For Superannuation Funds, the information in this publication is derived from:

- Superannuation funds and approved deposit funds (ADFs) that directly invest their assets on their own behalf, and
- Fund managers who invest in assets on behalf of superannuation funds and ADFs.

## EXPLANATORY NOTES

### SCOPE AND COVERAGE *continued*

**8** Up to and including the March quarter 1995, data on superannuation funds and ADFs that directly invest their assets on their own behalf were collected by the ABS Survey of Financial Information. From the June quarter 1995 the information on these superannuation funds is from a survey of the largest funds, run jointly by the ABS and APRA.

**9** The statistics for superannuation funds in Table 3 include estimates, provided by APRA, for superannuation funds not currently surveyed. Excluded from the statistics on Superannuation funds are those accounts receivable from Commonwealth and State Governments reported by certain public sector superannuation funds. Approximately \$4,996 million of such assets were reported at 30 September 1998. (The December quarter 1995 edition of this publication provides details on the reasons for excluding these assets.)

**10** The statistics on Public Unit Trusts do not include trusts which are exempted under Section 1069(3) of the *Corporations Act 1974* from providing redemption facilities (e.g. film and agriculture trusts); trusts which do not seek funds from the general public and small trusts are also excluded.

**11** The statistics on Friendly Societies are compiled from information obtained from the 41 largest friendly societies. This provides coverage of approximately 95% of the total assets of friendly societies. No estimate is included for the friendly societies not covered in the survey.

**12** Common Funds are operated by Trustee Companies under relevant State Trustee Companies Acts. At the end of December 1997 there were 14 trustee companies managing 87 common funds throughout Australia.

**13** All Cash Management Trusts operating in Australia are included in the statistics, however, the number of trusts may vary from month to month due to the establishment or closure of individual trusts. There are currently 24 cash management trusts included in the Survey of Financial Information.

### METHOD OF CONSOLIDATION

**14** Estimates of the consolidated assets of managed funds are derived by eliminating any cross-investment that takes place between the various types of funds. For example, investments by superannuation funds in public unit trusts are excluded from the assets of superannuation funds in a consolidated presentation. It is not possible, however, to apportion cross-investment at the level of detail presented in the unconsolidated tables.

### BASIS OF VALUATION

**15** Respondents to the ABS Survey of Financial Information are requested to report assets at their market value.

### ASSETS IN AUSTRALIA/OVERSEAS

**16** *Assets in Australia* include land and buildings located in Australia and financial claims on residents; *assets overseas* include land and buildings located overseas and financial claims on non-residents. A resident is any person, corporation or other entity ordinarily domiciled in Australia, except foreign embassies, consulates and foreign controlled military establishments located in Australia, which are classified as non-resident. Non-residents include any persons, corporations or other entities ordinarily domiciled overseas. Entities located in Australia which are owned by non-residents are classified as residents of Australia (e.g. a branch or subsidiary of an overseas company). Overseas branches or subsidiaries of Australian companies are classified as non-residents.



## EXPLANATORY NOTES

### FINANCIAL INSTRUMENTS

**17** The classification of financial instruments in this publication follows that contained in the ABS publication *Australian National Accounts, Financial Accounts* (5232.0). Definitions of the various types of instrument are given in the glossary.

### REVISIONS AND CHANGES TO CONTENT

**18** Revisions to previously published statistics are included in this publication. A special note on Page 2 of each publication highlights any major revisions to the statistics in certain tables.

### RELATED PUBLICATIONS

**19** Users may also wish to refer to the following ABS publication of related data which is available on request:

*Australian National Accounts, Financial Accounts* (5232.0)—issued quarterly

### SYMBOLS AND OTHER USAGES

**20** Discrepancies may occur between sums of the component items and totals due to rounding.

— nil or rounded to zero

billion one thousand million

n.p. not available for publication but included in totals where applicable, unless otherwise indicated.

## GLOSSARY

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<b>Assets overseas</b>	Assets overseas include physical assets located overseas and financial claims on non-residents. Respondents to the ABS Survey of Financial Information are requested to report assets at their market value.
<b>Bank certificates of deposit</b>	A certificate of deposit is similar to a promissory note except that the drawer is a bank. Most bank-issued certificates of deposit with an original term to maturity of one year or less are negotiable certificates of deposit (NCD). Transferable certificates of deposit with an original term to maturity greater than one year are included in long term assets.
<b>Bills of exchange</b>	A bill of exchange is an unconditional order drawn (issued) by one party, sent to another party for acceptance and made out to, or to the order of, a third party, or to bearer. It is a negotiable instrument with an original term to maturity of 180 days or less. Although merchant banks were the promoters of the bill market in Australia, today almost all bills are bank accepted. Acceptance of a bill obliges the acceptor to pay the face value of the bill to the holder upon maturity.
<b>Cash and deposits</b>	<i>Cash</i> covers notes and coin on hand. <i>Deposits</i> are credit account balances with deposit-taking institutions as defined by the Reserve Bank. These are banks and cash management trusts and all corporations registered under the <i>Financial Corporations Act 1974</i> except for intra-group financiers and retailers. Bonds, debentures, notes and transferable certificates of deposit issued by deposit-taking institutions are classified as <i>long term assets</i> and negotiable certificates of deposit issued by banks as <i>bank certificates of deposit</i> .
<b>Cash management trusts</b>	A cash management trust is a unit trust which is governed by a trust deed, is open to the general public and which generally confines its investments (as authorised by the trust deed) to financial securities available through the short term money market. Cash management trusts issue units in the trust that are redeemable by the unit holder on demand.
<b>Common funds</b>	Common funds are operated by Trustee Companies under relevant State Trustee Companies Acts. They permit trustee companies to combine depositors' funds and other funds held in trust in an investment pool, and invest the funds in specific types of securities and/or assets. Common funds have the same investment strategy and economic functions as cash management trusts and public unit trusts. However they do not operate in the same manner, in that they do not issue units, nor do they necessarily issue prospectuses.
<b>Equities and units in trusts</b>	This category comprises shares traded on an organised stock exchange, shares in unlisted companies, convertible notes after conversion, preference shares and units issued by both listed and unlisted unit trusts. Trust units are included in this classification because they have important characteristics of equities, such as entitlement to a share of the profits and of (on liquidation) the residual assets of the trust.
<b>Friendly societies</b>	Friendly societies are organisations registered as such under the appropriate State legislation.

## GLOSSARY

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- Investment managers** A considerable proportion of the assets of managed funds institutions in Australia (particularly the funds of life insurance offices and superannuation funds) is invested through *investment managers*.
- Investment managers invest and manage their clients' assets and often act as administrators for smaller funds, and as agents for other financial entities, on a fee for service basis. Whilst they accept individual portfolios for management they typically manage pooled funds, providing a sophisticated level of service, including matching return and risk, on behalf of their clients. Investment managers are generally life insurance offices, subsidiaries of banks, merchant banks, or organisations related to these types of institutions. They can be either separately constituted legal entities or form a segment of a particular financial institution.
- The funds which investment managers invest remain the asset of their clients and are not brought to account on the balance sheet of the investment manager. The ultimate responsibility for the investment remains with the client. For example, if a superannuation fund had all or part of its assets invested through investment managers, the trustees of the superannuation fund remain responsible for the investments, not the investment manager.
- Land and buildings** Land and buildings refers to land and buildings held and the value of units in unitised buildings. New acquisitions are reported at acquisition cost and existing assets are reported at the latest available market valuation.
- Life Insurance Offices** Most of the investment funds of life insurance offices are held in Statutory Funds. Statutory Funds of Life Insurance Offices have been set up under Commonwealth Government legislation and are analogous to trust funds. The legislation requires that the assets of any statutory fund must be kept separate and distinct from the assets of other statutory funds and any other assets of the company. All income received must be paid into and become an asset of the appropriate statutory fund and these assets are only available to meet the liabilities and expenses of that fund.
- Loans** Loans are intermediated borrowings which are not evidenced by the issue of debt securities. An example of this would be money borrowed from a life insurance office with a mortgage over property as collateral.
- Long term securities** A long term security is a document which represents the issuers pledge to pay the holder, on a date which, at the time of issue, is more than one year in the future, the sum of money shown on the face of the document. Until that future date the issuer usually promises to pay coupon interest to the holder quarterly or half-yearly at a rate which is fixed at the time the security is issued. These securities are therefore known as *fixed interest securities* in the professional market.

## GLOSSARY

**Long term securities** *Long-term securities* in these statistics include the following types of securities.  
*continued*

- Treasury Bonds and Australian Savings Bonds. These are issued to corporations and the general public by the Commonwealth Government.
- Various series of inscribed stock which are issued by state government owned borrowing authorities and enterprises. These are known as *semi-government securities* by professional traders.
- Debentures, transferable certificates of deposit and unsecured notes, which are collectively called *corporate securities* or *medium term notes* by brokers.
- Asset-backed bonds, such as mortgage-backed securities.
- Convertible notes, prior to conversion.

The first two of these are published separately in this publication. The last three types are combined together as *other long term securities*.

**Managed funds** The term managed funds is used to describe the investments undertaken by those collective investment institutions and investment managers who engage in financial transactions in the managed funds market.

**Managed funds institutions** Managed funds institutions are those financial intermediaries which operate in the managed funds market by acquiring and incurring financial assets and liabilities respectively on their own account. Typically these institutions arrange for the 'pooling' of funds from a number of investors for the purpose of investing in a particular type or mix of assets, with a view to receiving an on-going return or capital gain. However, funds of a speculative nature that do not offer redemption facilities (e.g. agriculture and film trusts) and funds not established for investment purposes (e.g. health funds and general insurance funds) are excluded. It includes statutory funds of life offices, superannuation funds, public unit trusts, friendly societies, common funds and cash management trusts.

**Non-financial assets** Non-financial assets comprise all those assets which are not financial in nature: i.e. physical assets. For the purposes of these statistics they are broken down into only two categories—land and buildings, and other types of non-financial asset.

**Other financial assets** This covers any other financial claims on residents that do not fit into the foregoing categories, such as trade credit, interest accruals and other derivative (but not synthetic) financial products. Synthetic financial products combine a primary financial instrument with a derivative financial instrument and are classified to the category appropriate to the primary instrument used.

**Other non-financial assets** Other non-financial assets refers to all assets not classified elsewhere except for assets overseas.

**Placements** Placements are account balances with entities not regarded as deposit-taking institutions (see *cash and deposits*). Examples of these are account balances of funds with State governments central borrowing authorities.

**Promissory notes** A promissory note—also called *commercial paper* or *one-name paper* in the professional market—is a written promise to pay a specified sum of money to the bearer at an agreed date. It is usually issued for terms ranging from 30 to 180 days and is sold to an investor at a simple discount to the face value. A promissory note is different from a bill of exchange in that it is not 'accepted' by a bank and is not endorsed by the parties which sell it in the market place.

## GLOSSARY

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- Public unit trusts** A public unit trust is defined as an arrangement, governed by a trust deed between a management company and a trustee, which is open to the public for the purchase of units in the trust. Unit trusts invest the pooled funds of unit holders to yield returns in the form of income and/or capital gain. Unit holders can dispose of their units within a relatively short period of time.
- Short term securities** Debt securities are divided into short term and long term using original term to maturity as the classificatory criterion. *Short term securities* are those with an original term to maturity of one year or less. Issuers of promissory notes and bills of exchange do negotiate rollover facilities which allow them to use these instruments as sources of floating-rate long term funds. However, in these statistics the existence of rollover facilities does not convert what are legally short term instruments into long term ones.
- There are four types of short term securities shown in this publication: bills of exchange, promissory notes, Treasury notes and bank certificates of deposit. All of these are issued at a discount to face value and are traded on well-established secondary markets with bills of exchange and certificates of deposit being the most actively traded. Professional traders call these short term instruments *money market securities*. Treasury notes are inscribed stock in that ownership is recorded in a register maintained by the issuer and a non-transferable certificate of ownership is issued, but the owner does not physically hold the documents. The other short term securities are bearer securities, that is the owner is not registered with the issuer but physically holds the documents. Bearer securities are payable to the holder on maturity and transferable by delivery.
- Superannuation funds** Superannuation funds are indefinitely continuing funds maintained for the provision of benefits for either members of the fund, or the dependants of members in the event of retirement or death of the member.
- The statistics include both public and private sector superannuation funds that either directly invest on their own behalf, or use fund managers on a fee for service basis, and approved deposit funds.
- Treasury notes** Treasury notes are inscribed instruments issued by the Commonwealth Government with original maturity terms of five, thirteen or twenty-six weeks. Treasury notes are included in these statistics as *other short term assets*.





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