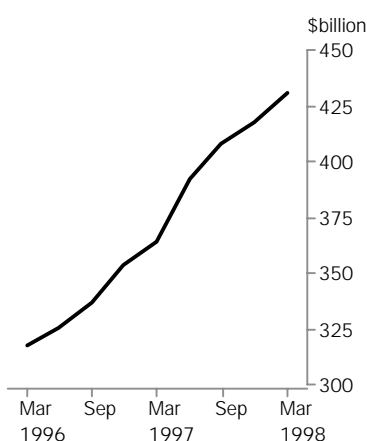


MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 29 MAY 1998

Total consolidated assets**MARCH QTR KEY FIGURES****CONSOLIDATED ASSETS**

	Mar Qtr 1997	Dec Qtr 1997	Mar Qtr 1998
	\$m	\$m	\$m
Superannuation funds	157 476	182 679	190 375
Statutory funds of life insurance offices	129 862	141 514	142 731
Other managed funds	77 028	93 622	97 841
Total	364 366	417 815	430 947

MARCH QTR KEY POINTS**CONSOLIDATED ASSETS**

- The value of consolidated assets of managed funds in Australia as at 31 March 1998 was \$430.9 billion, an increase of \$13.1 billion (3%) on the revised 31 December 1997 figure of \$417.8 billion, and an increase of \$66.6 billion (18%) on the revised 31 March 1997 figure of \$364.4.
- The largest increase in the consolidated assets of managed funds during the March 1998 quarter occurred in superannuation funds, up \$7.7 billion (4%) and public unit trusts, up \$3.7 billion (5%).
- The value of managed funds' assets invested through investment managers was \$334.6 billion at the end of March 1998, representing 78% of all the consolidated assets of managed funds.

- For further information about these and related statistics, contact Suzanne Hartshorn on 02 6252 7118, or any ABS Office.

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)	RELEASE DATE
June 1998	28 August 1998
September 1998	30 November 1998

CHANGES IN THIS ISSUE

As foreshadowed in the ABS information paper *Implementation of Revised International Standards in the Australian National Accounts (Cat.no. 5251.0)*, data collection and presentation of a range of economic statistics will change as a result of changing to the new standards.

The data collections which provide the source data for *Managed Funds, Australia (Cat. no. 5655.0)* are being changed to meet the new requirements for *Australian National Accounts: Financial Accounts (Cat. no. 5232.0)*, and *Australian National Accounts: National Income, Expenditure and Product (Cat. no. 5206.0 quarterly and Cat. no. 5204.0 annual)*. The main changes in these collections are concerned with changed and additional dissections of assets by financial instrument and sector of counterparty, provision of transactions for selected financial assets, and the introduction of an income and expenditure statement. For details of the revised financial instrument and sector classifications, see *Implementation of Revised International Standards in the Australian National Accounts (Cat. no. 5251.0)*, Appendices B2 and B3.

The ABS intends to publish *Managed Funds, Australia* retaining the current publication content and layout until all source collections are converted to the new standard and work associated with converting *Australian National Accounts: Financial Accounts (cat. no. 5232.0)* has been completed. A redesigned *Managed Funds, Australia* which will release the additional detail collected for the institutions covered is scheduled for the March 1999 reference quarter, after prior consultation and announcement of changes to subscribers.

During the March quarter 1998, two redesigned survey forms based on the new standards were introduced to the Life Insurance survey and the Superannuation survey. The new forms have highlighted some data reporting problems with the survey forms previously used which in turn has necessitated some revisions in this publication to previously published data. While the data collected in the redesigned forms are comparable with the previous statistical series, some compositional aspects are currently under investigation and this could lead to revisions to the published data in future editions of this publication.

INVESTMENT MANAGER RESTRUCTURE

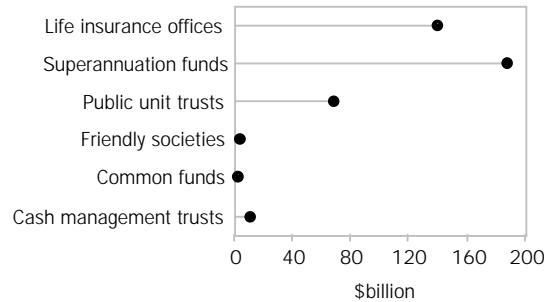
During the September 1996 quarter, two superannuation funds ceased directly investing their funds into the financial markets and instead placed them with investment managers. While this change in investment strategy does not affect the statistics in Table 3, it has contributed \$18.5 billion to the increase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

W. McLennan
Australian Statistician

MANAGED FUNDS: Consolidated Assets

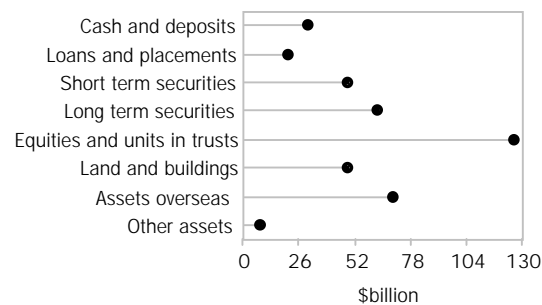
BY TYPE OF INSTITUTION

Superannuation funds recorded the largest increase in assets during the March 1998 quarter of \$7.7 billion (4%), compared with the December 1997 quarter. Assets in public unit trusts increased by \$3.7 billion (5%) and in statutory funds of life offices the increase was \$1.2 billion (1%).



BY TYPE OF ASSET

The largest increases in type of assets were equities and units in trusts, \$5.4 billion (4%), assets overseas, \$3.8 billion (6%), cash and deposits, \$2.6 billion (9%) and land and buildings, \$1.3 billion (3%).



CROSS INVESTMENT

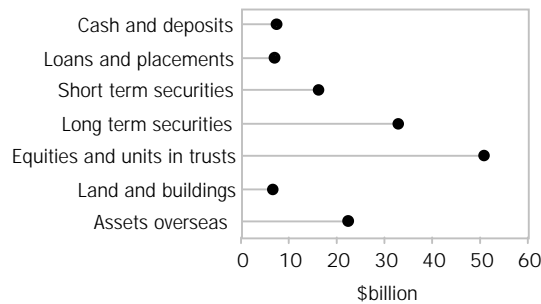
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 31 March 1998.

Type of fund	Unconsolidated assets	Cross-invested assets	Consolidated assets
	\$m	\$m	\$m
Statutory funds of life insurance offices	154 048	11 317	142 731
Superannuation funds	219 357	28 982	190 375
Public unit trusts	80 828	9 036	71 791
Friendly societies	6 866	39	6 827
Common funds	5 642	73	5 569
Cash management trusts	13 654	—	13 654
Total	480 394	49 447	430 947

MANAGED FUNDS: Unconsolidated Assets

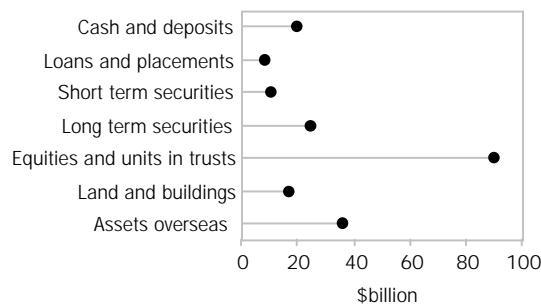
STATUTORY FUNDS OF LIFE INSURANCE OFFICES

Total assets of statutory funds of life insurance increased by \$1.6 billion (1%) in the March 1998 quarter to \$154.0 billion. The largest increases were in cash and deposits, up \$1.7 billion (27%) and equities and units in trusts, up \$1.4 billion (3%). There were declines in short term securities, down \$0.9 billion (5%) and assets overseas, down \$0.6 billion (2%).



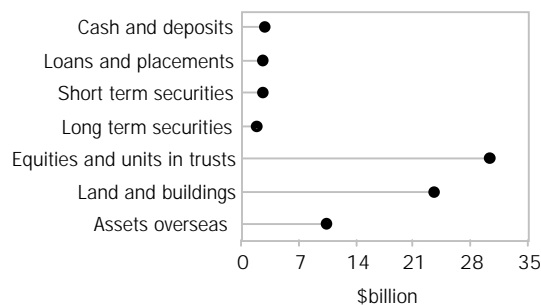
SUPERANNUATION FUNDS

Total assets of superannuation funds increased by \$10.5 billion (5%) in the March 1998 quarter to \$219.4 billion. The largest increases were in the holdings of equities and units in trusts, up \$5.1 billion (6%) and cash and deposits, up \$1.4 billion (7%). Other significant changes included holdings of other financial assets, down \$1.1 billion (47%) and short term securities, down \$0.5 billion (4%).



PUBLIC UNIT TRUSTS

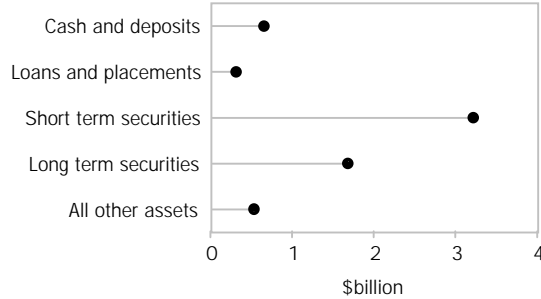
Total assets of public unit trusts increased by \$4.0 billion (5%) in the March 1998 quarter to \$80.8 billion. The largest increase was in the holdings of equities and units in trusts, up \$2.0 billion (7%).



MANAGED FUNDS: Unconsolidated Assets *continued*

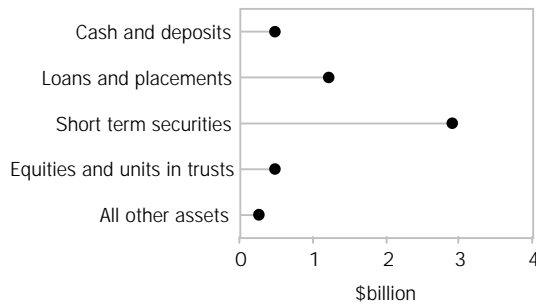
FRIENDLY SOCIETIES

Total assets of friendly societies decreased slightly in the March 1998 quarter to \$6.9 billion. There were declines in holdings of cash and deposits and long term securities.



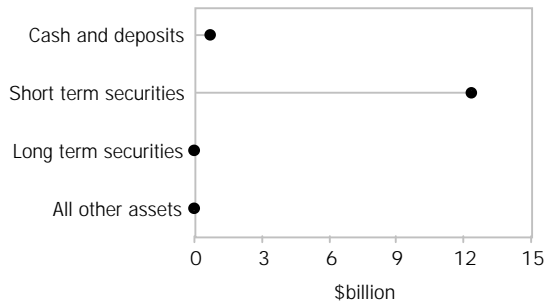
COMMON FUNDS

The assets in common funds decreased slightly to \$5.6 billion during the March 1998 quarter. There were declines in holdings of cash and deposits and equities and units in trusts.



CASH MANAGEMENT TRUSTS

Total assets in cash management trusts increased by \$0.6 billion (4%) to \$13.7 billion during the March 1998 quarter. There was an increase in holdings of short term securities, up \$0.7 billion (6%) and a decrease in the holdings of long term securities, down \$0.3 billion (61%).

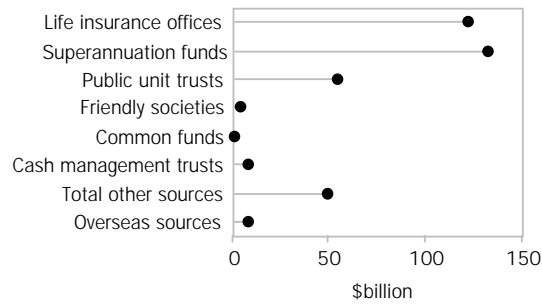


MANAGED FUNDS — INVESTMENT MANAGERS

SOURCE OF FUNDS UNDER MANAGEMENT

During the March 1998 quarter there was an increase in total funds under management by investment managers of \$13.1 billion (3%), bringing the total sources of funds under management to \$396.5 billion. The largest increase was from superannuation funds which increased \$4.2 billion (3%) to \$134.1 billion. Funds sourced from public unit trusts increased by \$2.8 billion (5%) to \$56.4 billion and funds sourced from life insurance offices increased by \$2.7 billion (2%) to \$124.4 billion.

The value of managed funds' assets invested through investment managers was \$334.6 billion at the end of March 1998, representing 78% of all the consolidated assets of managed funds..



MANAGED FUNDS, Consolidated Assets

<i>Institution/asset</i>	<i>Jun Qtr 1994</i>	<i>Jun Qtr 1995</i>	<i>Jun Qtr 1996</i>	<i>Sep 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>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Type of institution										
Statutory funds of life insurance offices(a)	109 780	113 229	120 346	124 444	126 379	129 862	135 268	139 055	141 514	142 731
Superannuation funds	113 511	124 552	140 934	146 141	154 300	157 476	172 594	179 511	182 679	190 375
Public unit trusts	34 720	28 038	43 995	45 961	50 987	54 510	60 740	63 940	68 075	71 791
Friendly societies	9 081	8 612	7 865	7 355	7 129	7 216	7 238	7 022	6 859	6 827
Common funds	4 786	4 037	4 493	4 719	4 873	5 176	5 296	5 431	5 587	5 569
Cash management trusts	6 020	6 138	7 462	8 153	9 446	10 126	11 208	12 574	13 101	13 654
Total	277 897	284 606	325 096	336 772	353 114	364 366	392 343	407 533	417 815	430 947
Type of asset										
Cash and deposits(b)	22 091	21 355	23 907	24 784	26 353	28 629	30 055	29 472	29 673	32 313
Loans and placements	14 619	15 220	17 225	18 107	18 073	19 480	20 337	20 867	21 558	22 789
Short term securities(b)	29 168	30 638	38 249	39 421	42 580	44 052	46 799	48 332	51 419	51 062
Long term securities	53 304	55 373	55 337	58 205	57 107	56 474	59 031	62 839	63 787	64 319
Equities and units in trusts	77 703	81 872	92 420	96 088	104 265	107 275	117 717	122 790	122 739	128 092
Land and buildings	33 311	27 254	40 063	41 184	42 381	43 456	44 630	45 735	49 197	50 455
Assets overseas	41 129	44 322	47 020	48 432	52 601	54 218	61 439	64 886	68 083	71 920
Other assets	6 572	8 573	10 875	10 551	9 754	10 782	12 336	12 612	11 359	9 998
Total	277 897	284 606	325 096	336 772	353 114	364 366	392 343	407 533	417 815	430 947
(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.					

STATUTORY FUNDS OF LIFE INSURANCE OFFICES(a), Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	114 671	118 523	127 299	131 795	134 543	138 289	146 066	150 243	152 478	154 048
Assets in Australia	97 686	101 306	111 700	114 903	117 020	119 907	125 526	127 895	128 430	130 571
<i>Cash and deposits</i>	5 063	4 913	5 987	6 241	6 717	8 214	6 948	6 340	6 459	8 205
Banks	2 649	2 951	3 550	3 500	3 977	5 195	3 631	3 177	3 012	4 366
Other deposit taking institutions	2 414	1 962	2 437	2 741	2 740	3 019	3 317	3 163	3 447	3 839
<i>Loans and placements</i>	5 320	5 809	6 464	6 885	6 410	7 012	6 949	7 064	7 572	8 013
<i>Short term securities</i>	9 833	9 929	14 427	14 581	16 243	16 556	16 333	15 960	18 115	17 221
Bills of exchange	5 615	4 507	6 105	5 859	6 379	6 222	4 767	5 691	5 351	6 365
Bank certificates of deposit	1 473	2 902	4 184	4 156	4 162	4 760	5 007	4 130	4 202	3 575
Other short term securities	2 745	2 520	4 137	4 566	5 702	5 573	6 558	6 139	8 561	7 280
<i>Long term securities</i>	27 877	28 708	29 287	30 439	30 382	29 922	32 101	34 259	33 760	33 765
Commonwealth government bonds	8 258	8 936	11 120	12 190	12 317	11 781	12 644	13 058	11 896	11 274
State and local government securities	13 281	13 170	12 400	11 988	11 599	11 618	11 524	12 022	11 967	11 715
Other long term securities	6 339	6 602	5 767	6 261	6 467	6 523	7 933	9 179	9 896	10 776
<i>Equities and units in trusts</i>	37 007	38 073	41 965	42 958	45 343	45 827	50 890	51 455	50 325	51 684
Private trading corporations shares	25 308	25 414	26 497	26 374	27 170	27 059	28 589	28 254	27 499	25 893
Financial sector shares	5 499	5 862	6 523	7 149	7 653	7 935	8 347	8 706	8 666	9 966
Units in trusts	6 200	6 797	8 946	9 436	10 520	10 834	13 955	14 496	14 159	15 825
<i>Other financial assets</i>	2 132	2 216	2 865	2 507	2 354	2 849	3 116	3 564	2 977	3 039
<i>Land and buildings</i>	9 127	9 487	8 855	8 884	8 096	7 919	7 213	7 254	7 660	7 598
<i>Other non-financial assets</i>	1 328	2 169	1 851	2 408	1 475	1 607	1 975	1 998	1 563	1 047
Assets overseas	16 986	17 217	15 599	16 892	17 523	18 381	20 541	22 348	24 048	23 477

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

SUPERANNUATION FUNDS(a), Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	121 668	136 834	158 318	164 933	174 688	178 943	195 724	204 842	208 811	219 357
Assets in Australia	103 635	115 861	133 383	140 140	147 341	151 290	164 218	172 091	174 700	181 881
<i>Cash and deposits</i>	<i>11 732</i>	<i>12 536</i>	<i>13 511</i>	<i>14 500</i>	<i>15 767</i>	<i>16 244</i>	<i>18 150</i>	<i>19 367</i>	<i>19 771</i>	<i>21 157</i>
Banks	8 046	8 379	8 400	9 217	10 106	10 387	11 958	12 766	12 843	13 691
Other deposit taking institutions	3 686	4 157	5 111	5 284	5 661	5 857	6 193	6 601	6 928	7 466
<i>Loans and placements</i>	<i>5 764</i>	<i>5 755</i>	<i>7 110</i>	<i>7 372</i>	<i>7 888</i>	<i>8 361</i>	<i>9 175</i>	<i>9 330</i>	<i>9 394</i>	<i>10 057</i>
<i>Short term securities</i>	<i>8 761</i>	<i>8 945</i>	<i>11 129</i>	<i>11 452</i>	<i>11 578</i>	<i>11 984</i>	<i>12 778</i>	<i>12 447</i>	<i>12 491</i>	<i>11 958</i>
Bills of exchange	4 175	4 938	4 387	4 766	4 425	4 972	5 208	4 775	5 342	4 681
Bank certificates of deposit	3 442	3 027	5 300	5 168	5 570	5 741	6 049	6 038	5 159	5 447
Other short term securities	1 144	980	1 442	1 518	1 583	1 270	1 521	1 634	1 990	1 830
<i>Long term securities</i>	<i>20 975</i>	<i>22 987</i>	<i>22 256</i>	<i>23 836</i>	<i>22 245</i>	<i>21 583</i>	<i>23 163</i>	<i>24 278</i>	<i>25 470</i>	<i>26 138</i>
Commonwealth government bonds	9 660	12 785	12 724	13 779	12 765	12 345	13 110	13 435	14 208	14 515
State and local government securities	8 316	7 504	6 852	6 732	6 748	6 609	6 983	7 276	7 654	7 697
Other long term securities	2 999	2 698	2 679	3 325	2 733	2 628	3 070	3 568	3 608	3 925
<i>Equities and units in trusts</i>	<i>44 342</i>	<i>51 148</i>	<i>61 744</i>	<i>65 021</i>	<i>71 097</i>	<i>74 065</i>	<i>80 742</i>	<i>85 746</i>	<i>86 542</i>	<i>91 606</i>
Private trading corporations shares	31 019	33 736	38 617	39 304	42 866	43 616	47 742	49 603	48 798	50 551
Financial sector shares	6 007	5 916	6 589	7 811	8 966	9 990	11 161	12 224	13 107	13 948
Units in trusts	7 316	11 496	16 538	17 907	19 265	20 459	21 839	23 919	24 638	27 107
<i>Other financial assets</i>	<i>392</i>	<i>1 839</i>	<i>3 078</i>	<i>2 232</i>	<i>2 519</i>	<i>2 193</i>	<i>2 479</i>	<i>2 905</i>	<i>2 269</i>	<i>1 211</i>
<i>Land and buildings</i>	<i>11 327</i>	<i>12 500</i>	<i>13 974</i>	<i>14 839</i>	<i>15 594</i>	<i>15 769</i>	<i>16 505</i>	<i>16 646</i>	<i>17 335</i>	<i>18 281</i>
<i>Other non-financial assets</i>	<i>342</i>	<i>149</i>	<i>580</i>	<i>889</i>	<i>652</i>	<i>1 091</i>	<i>1 226</i>	<i>1 371</i>	<i>1 426</i>	<i>1 472</i>
Assets overseas	18 033	20 974	24 935	24 793	27 348	27 652	31 506	32 751	34 111	37 476

(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 1994	Jun Qtr 1995	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	37 982	31 590	48 371	50 843	56 718	60 628	67 770	71 604	76 865	80 828
Assets in Australia	31 872	25 459	41 915	44 129	49 024	52 486	58 423	61 865	66 993	69 983
<i>Cash and deposits</i>	2 095	1 600	2 146	2 152	2 865	3 259	3 246	3 376	3 334	3 337
Banks(a)	1 345	1 030	1 254	1 392	1 808	2 056	2 001	2 016	2 190	2 243
Other deposit taking institutions	750	570	891	760	1 056	1 203	1 245	1 360	1 144	1 095
<i>Loans and placements</i>	1 784	1 825	2 066	2 217	2 214	2 373	2 533	2 756	2 857	3 060
<i>Short term securities</i>	1 946	1 923	1 711	1 765	1 911	1 957	2 614	2 667	2 920	3 131
Bills of exchange	1 628	1 640	1 363	1 321	1 501	1 550	2 130	2 231	2 452	2 640
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	318	283	349	444	409	407	484	435	467	491
<i>Long term securities</i>	1 672	1 307	1 493	1 535	1 486	1 571	1 843	1 989	2 155	2 340
<i>Equities and units in trusts</i>	10 052	12 068	15 460	17 123	19 782	21 190	24 476	27 082	29 005	30 975
Equities	6 940	8 631	11 261	12 392	14 263	15 313	17 695	19 690	20 444	22 157
Units in trusts	3 112	3 437	4 198	4 731	5 519	5 877	6 781	7 392	8 561	8 817
<i>Other financial assets</i>	690	718	872	857	997	1 232	1 563	1 370	1 579	1 593
<i>Land and buildings</i>	12 389	4 799	16 772	17 015	18 234	19 308	20 449	21 429	23 804	24 180
<i>Other non-financial assets</i>	1 242	1 219	1 395	1 465	1 535	1 597	1 697	1 197	1 340	1 367
Assets overseas	6 110	6 131	6 457	6 714	7 694	8 142	9 347	9 739	9 871	10 844

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

FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	9 094	8 631	7 889	7 381	7 154	7 241	7 262	7 056	6 897	6 866
Assets in Australia	9 094	8 631	7 860	7 348	7 117	7 199	7 217	7 008	6 845	6 815
<i>Cash and deposits</i>	<i>2 814</i>	<i>2 438</i>	<i>1 664</i>	<i>1 267</i>	<i>880</i>	<i>914</i>	<i>1 611</i>	<i>960</i>	<i>824</i>	<i>713</i>
Banks	2 227	1 784	1 214	843	494	556	1 250	597	572	510
Other deposit taking institutions	587	654	450	424	386	358	361	363	252	203
<i>Loans and placements</i>	<i>632</i>	<i>553</i>	<i>412</i>	<i>405</i>	<i>397</i>	<i>391</i>	<i>369</i>	<i>366</i>	<i>370</i>	<i>366</i>
<i>Short term securities</i>	<i>2 298</i>	<i>2 790</i>	<i>3 475</i>	<i>3 337</i>	<i>2 920</i>	<i>2 790</i>	<i>3 216</i>	<i>3 305</i>	<i>3 173</i>	<i>3 263</i>
Bills of exchange	930	1 465	1 833	1 141	1 004	1 207	1 517	1 700	1 475	1 235
Bank certificates of deposit	865	1 019	1 218	1 713	1 566	1 314	1 495	1 131	1 349	1 658
Other short term securities	503	306	424	483	350	269	204	474	349	370
<i>Long term securities</i>	<i>2 418</i>	<i>2 080</i>	<i>1 558</i>	<i>1 639</i>	<i>2 198</i>	<i>2 381</i>	<i>1 233</i>	<i>1 690</i>	<i>1 792</i>	<i>1 726</i>
Commonwealth government bonds	585	465	289	349	411	621	228	302	336	295
State and local government securities	1 077	666	565	671	923	921	412	645	549	564
Other long term securities	756	949	704	619	864	839	593	743	907	867
<i>Equities and units in trusts</i>	<i>141</i>	<i>147</i>	<i>170</i>	<i>168</i>	<i>164</i>	<i>163</i>	<i>171</i>	<i>186</i>	<i>199</i>	<i>204</i>
Private trading corporations shares	100	103	112	111	109	108	119	119	128	133
Financial sector shares	30	37	36	33	32	32	30	34	33	32
Units in trusts	11	7	22	24	23	23	22	33	38	39
<i>Other financial assets</i>	<i>230</i>	<i>163</i>	<i>138</i>	<i>93</i>	<i>98</i>	<i>101</i>	<i>83</i>	<i>63</i>	<i>56</i>	<i>121</i>
<i>Land and buildings</i>	<i>365</i>	<i>382</i>	<i>373</i>	<i>366</i>	<i>382</i>	<i>387</i>	<i>391</i>	<i>341</i>	<i>328</i>	<i>324</i>
<i>Other non-financial assets</i>	<i>196</i>	<i>78</i>	<i>70</i>	<i>73</i>	<i>78</i>	<i>72</i>	<i>143</i>	<i>97</i>	<i>103</i>	<i>98</i>
Assets overseas	—	—	29	33	37	42	45	48	52	51

COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	4 884	4 138	4 566	4 787	4 948	5 250	5 376	5 529	5 685	5 642
Assets in Australia	4 884	4 138	4 566	4 787	4 948	5 250	5 376	5 529	5 685	5 570
<i>Cash and deposits</i>	502	424	476	539	456	486	597	579	603	542
Banks	308	292	353	391	285	322	432	406	436	371
Other deposit taking institutions	194	132	123	148	171	164	165	173	167	171
<i>Loans and placements</i>	1 089	1 170	1 154	1 169	1 125	1 300	1 300	1 316	1 312	1 269
<i>Short term securities</i>	1 731	1 713	2 094	2 275	2 533	2 689	2 646	2 791	2 944	2 969
Bills of exchange	1 367	1 283	1 490	1 650	1 944	2 031	1 915	1 861	1 886	1 667
Bank certificates of deposit	162	226	381	361	405	436	450	459	473	648
Other short term securities	202	204	223	264	184	222	281	471	585	654
<i>Long term securities</i>	159	204	163	137	151	156	177	186	176	181
Commonwealth government bonds	13	23	25	26	36	16	16	15	15	17
State and local government securities	75	74	51	53	49	45	36	32	32	31
Other long term securities	71	107	87	58	66	95	125	139	129	133
<i>Equities and units in trusts</i>	1 300	541	590	587	608	547	584	592	580	537
Private trading corporations shares	905	254	269	262	280	320	318	300	291	195
Financial sector shares	345	219	279	294	296	194	227	237	233	312
Units in trusts	50	68	42	31	32	33	39	55	56	30
<i>Other financial assets</i>	—	—	—	—	—	—	—	—	—	—
<i>Land and buildings</i>	103	86	89	80	75	72	72	65	70	72
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	—	—	—	72

CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	6 020	6 138	7 462	8 153	9 446	10 126	11 208	12 574	13 101	13 654
Assets in Australia	6 020	6 138	7 462	8 153	9 446	10 126	11 208	12 574	13 101	13 654
<i>Cash and deposits</i>	1 166	574	1 422	1 433	1 319	1 103	1 417	894	792	879
Banks	1 032	481	1 093	1 152	1 031	825	1 114	679	627	703
Other deposit taking institutions	134	93	329	282	288	278	303	214	165	176
<i>Loans and placements</i>	32	119	22	61	41	44	12	35	53	36
<i>Short term securities</i>	4 598	5 337	5 413	6 012	7 395	8 077	9 212	11 162	11 776	12 520
Bills of exchange	1 841	3 060	3 111	3 153	3 856	3 959	4 982	5 703	5 383	5 602
Bank certificates of deposit	1 507	989	1 444	1 453	2 266	2 691	2 981	3 680	3 995	4 643
Other short term securities	1 250	1 288	858	1 407	1 272	1 426	1 250	1 779	2 398	2 275
<i>Long term securities</i>	203	87	580	619	644	861	514	437	434	169
Commonwealth government bonds	2	40	27	26	26	—	—	—	—	6
State and local government securities	163	2	553	524	500	694	318	298	303	33
Other long term securities	37	45	—	69	118	167	196	139	131	129
<i>Equities and units in trusts</i>	—	—	—	—	—	—	—	—	—	—
<i>Other financial assets</i>	21	21	27	27	47	41	53	47	45	50
<i>Land and buildings</i>	—	—	—	—	—	—	—	—	—	—
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	—	—	—	—

INVESTMENT MANAGERS, Source of Funds

	Jun Qtr 1994	Jun Qtr 1995	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998
Source of funds	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL SOURCE OF FUNDS	236 617	252 361	280 983	312 066	325 977	334 676	359 963	375 983	383 323	396 467
Funds from Australian sources	231 774	245 483	273 233	304 061	318 284	326 871	351 589	366 627	373 408	386 082
<i>Managed funds</i>	200 676	214 677	238 524	267 687	277 498	283 774	304 799	318 445	324 361	334 552
Life insurance offices	94 137	96 757	103 612	108 101	109 209	110 354	116 615	120 937	121 726	124 390
Superannuation funds (a)	68 665	75 134	84 379	106 541	111 695	113 159	123 128	127 892	129 853	134 094
Public unit trusts	26 497	29 569	35 766	37 228	40 373	43 204	47 676	51 148	53 574	56 408
Friendly societies	6 280	6 441	6 251	6 020	5 806	6 070	5 640	5 591	5 861	5 812
Common funds	354	1 937	2 767	3 305	3 582	3 141	3 137	3 364	3 360	3 437
Cash management trusts	4 743	4 839	5 749	6 492	6 833	7 846	8 603	9 513	9 987	10 411
<i>Total other sources</i>	31 098	30 806	34 709	36 374	40 786	43 097	46 790	48 182	49 047	51 530
Government	4 230	4 302	5 276	5 338	5 488	5 781	5 710	6 126	6 472	6 867
Charities	347	582	777	684	1 040	1 074	1 159	1 160	1 239	1 295
Other trusts	1 684	2 064	4 373	5 576	5 975	6 369	7 526	7 270	8 264	9 526
General insurance	12 439	12 231	10 870	11 134	12 860	13 427	14 110	14 499	14 131	14 396
Other sources	12 398	11 627	13 413	13 642	15 423	16 446	18 285	19 127	18 941	19 446
Funds from overseas sources	4 843	6 878	7 750	8 005	7 693	7 805	8 374	9 356	9 915	10 385

(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 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 Insurance and Superannuation Commission.

2 Movements in the levels of assets of managed funds 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:

- Statutory Funds of 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 Statutory Funds of 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 the Insurance and Superannuation Commission.

9 The statistics for superannuation funds in Table 3 include estimates, provided by the Insurance and Superannuation Commission, 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 \$5,271 million of such assets were reported at 31 March 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 25 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 June 1996 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 20 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.

G L O S S A R Y

Assets overseas	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.
Bank certificates of deposit	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.
Bills of exchange	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.
Cash and deposits	<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> .
Cash management trusts	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.
Common funds	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.
Equities and units in trusts	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.
Friendly societies	Friendly societies are organisations registered as such under the appropriate State legislation.

GLOSSARY

- Investment managers** A considerable proportion of the assets of managed funds in Australia (particularly the statutory 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.
- 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.
- Long-term securities* in these statistics include the following types of securities.
- 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.

G L O S S A R Y

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 <i>cash and deposits</i>). Examples of these are account balances of funds with State governments central borrowing authorities.
Promissory notes	A promissory note—also called <i>commercial paper</i> or <i>one-name paper</i> 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.
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.

G L O S S A R Y

- 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.
- Statutory Funds of Life Insurance Offices** 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.
- 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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ISSN 1037-7786

RRP \$16.50