

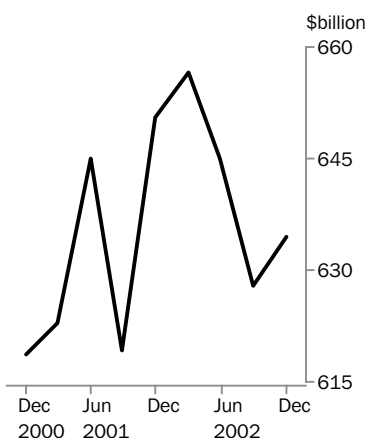


MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 28 FEB 2003

Total consolidated assets



DECEMBER QTR KEY FIGURES

CONSOLIDATED ASSETS (a)	Dec Qtr 2001	Sep Qtr 2002	Dec Qtr 2002
	\$m	\$m	\$m
Superannuation funds	303 921	290 513	296 356
Life insurance offices(b)	176 579	165 994	164 005
Other managed funds	169 901	171 283	174 074
Total	650 401	627 790	634 435

(a) See note on consolidation on page 2.

(b) Investments by superannuation funds which are held and administered by life insurance offices are included under life insurance offices.

DECEMBER QTR KEY POINTS

CONSOLIDATED ASSETS

- Total consolidated assets of managed funds institutions was \$634.4b at 31 December 2002, an increase of \$6.6b (1%) from the revised September quarter 2002 figure. This increase reflected increases in asset values for the quarter. During the December quarter 2002 the ASX All Ordinaries Index increased by 3% and the price of foreign shares (represented by the Dow Jones Industrial Average) increased by 10%. These international increases were offset somewhat by the 4% appreciation of the \$A against the \$US.
- Consolidated assets of superannuation funds and public unit trusts experienced increases of \$5.8b (2%) and \$2.9b (2%) respectively, while life insurance office consolidated assets decreased by \$2.0b (1%) during the quarter. Friendly societies, common funds and cash management trusts remained virtually the same.
- The major asset movements during the quarter were in short term securities, up \$4.7b (7%); cash and deposits, up \$1.4b (3%); assets overseas, up \$2.5 b (2%) and land and buildings, up \$1.4b(2%). These were offset by decreases in equities and units in trusts, down \$1.6b (1%), long term securities, down \$1.4b (2%), loans and placements, down \$0.4b (2%).
- Investment managers had \$616.2b in funds under management, up \$16.2b (3%) from September quarter 2002. They managed \$440.2b (69%) of consolidated managed funds' assets, down from 72% at December 2001.

- For further information about these and related statistics, contact Judy Sykes on Canberra 02 6252 5222, or the National Information and Referral Service on 1300 135 070.

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)

RELEASE DATE

March 2003

30 May 2003

June 2003

29 August 2003



CHANGES IN THIS ISSUE

There are no changes in this issue.



REVISED THIS ISSUE

There have been revisions in many series as result of quality assurance work undertaken with data providers, in particular with superannuation funds industry which has been revised back to December quarter 1999.



METHOD OF CONSOLIDATION

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

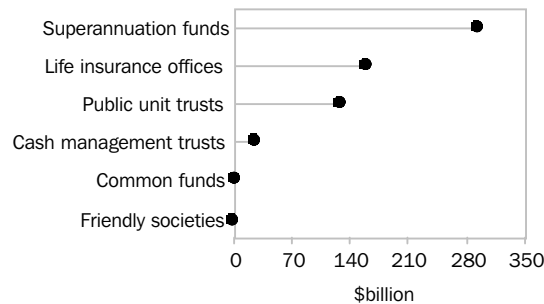


Susan Linacre
Acting Australian Statistician

MANAGED FUNDS : Consolidated Assets

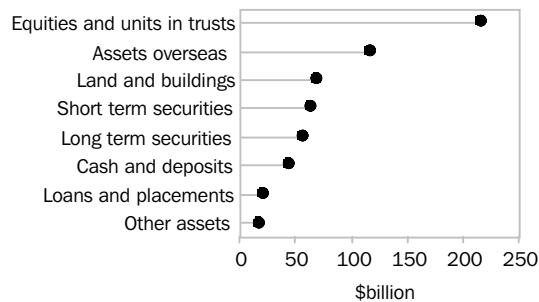
BY TYPE OF INSTITUTION

At 31 December 2002, consolidated assets of superannuation funds was \$296.4b, up \$5.8b (2%) since September 2002. Consolidated assets of life insurance offices stood at \$164.0b, down \$2.0b (1%) and public unit trusts was \$28.1b, up \$2.9b (2%). The assets of cash management trusts, common funds and friendly societies remained virtually unchanged since September 2002.



BY TYPE OF ASSET

During the quarter, short term securities increased \$4.7b (7%), assets overseas increased \$2.5b (2%) while both land and buildings and cash and deposits increased \$1.4b (2% and 3% respectively). Equities and units in trusts decreased by \$1.6b (1%).



CROSS INVESTMENT

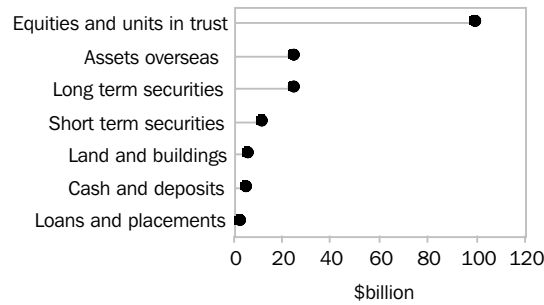
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 31 December 2002.

Type of fund	Unconsolidated assets	Cross-invested assets	Consolidated assets
	\$m	\$m	\$m
Life insurance offices	192 495	28 490	164 005
Superannuation funds	360 470	64 114	296 356
Public unit trusts	155 113	22 171	132 942
Friendly societies	6 067	1 113	4 954
Common funds	8 331	215	8 117
Cash management trusts	28 061	—	28 061
Total	750 538	116 103	634 435

MANAGED FUNDS: Unconsolidated Assets

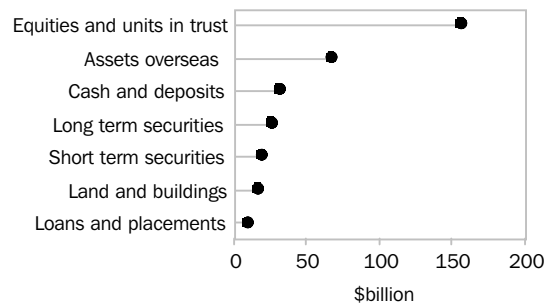
LIFE INSURANCE OFFICES

The total assets of life insurance offices was \$192.5b at 31 December 2002, a slight increase of \$0.3b since September 2002. Equities and units in trusts increased by \$1.3b (1%) to \$101.4b and short term securities increased \$0.3b (2%) to \$13.5b. Long term securities decreased by \$0.9b (3%), cash and deposits decreased by \$0.6b (8%) and loans and placements decreased by \$0.2b. Assets held overseas remained virtually unchanged since the September quarter at \$26.6b.



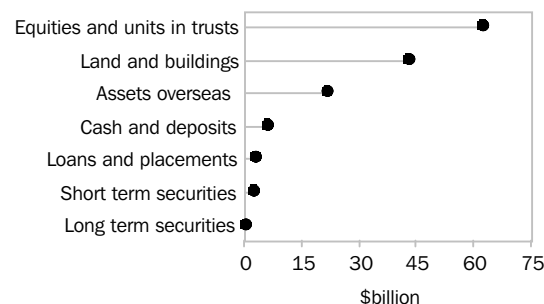
SUPERANNUATION FUNDS

The total assets of superannuation funds held outside of life offices was \$360.5b at 31 December 2002, an increase of \$7.2b (2%) since September 2002. Holdings of short term securities increased by \$4.6b (26%) of which, bills of exchange increased \$1.7b (28%) and bank certificates of deposit increased \$1.2b (15%). Cash and deposits increased \$2.4b (7%) to \$34.9b. Loans and placements, long term securities, equities and units in trusts and assets overseas remained virtually unchanged since September 2002.



PUBLIC UNIT TRUSTS

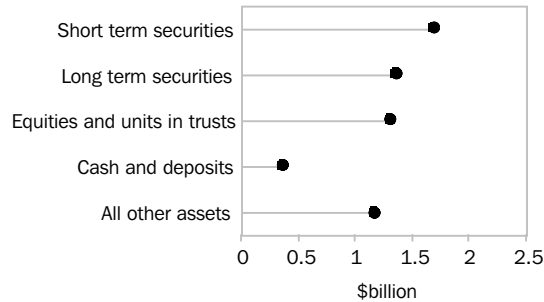
The total assets for public unit trusts was \$155.1b at 31 December 2002, an increase of \$3.6b (2%) since September 2002. The major increases in assets were in land and buildings, up \$2.0b (5%), assets overseas, up \$0.9b (4%) and equities and units in trusts, up \$0.6b (1%) on the September quarter. All other asset holdings stayed virtually unchanged from the previous quarter.



MANAGED FUNDS: Unconsolidated Assets *continued*

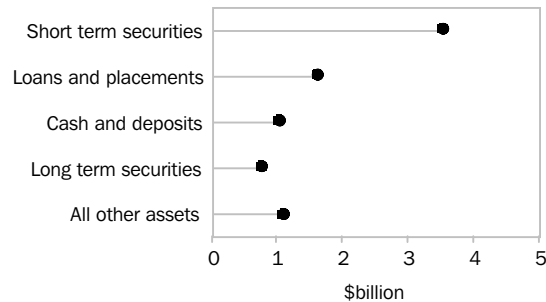
FRIENDLY SOCIETIES

Total assets of friendly societies was \$6.1b at 31 December 2002, which was virtually unchanged from the September quarter 2002. At the end of the quarter, short term securities stood at \$1.7b, long term securities stood at \$1.4b and equities and units in trusts were \$1.3b. In total they accounted for 74% of total assets.



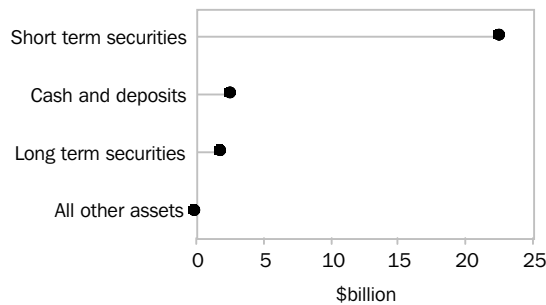
COMMON FUNDS

Total assets of common funds was \$8.3b at 31 December 2002, an increase of \$0.1b (2%) since September 2002. Cash and deposits, loans and placements and short term securities accounted for 77% of total assets, with short term securities being the largest asset holdings of common funds.



CASH MANAGEMENT TRUSTS

Total assets of cash management trusts was \$28.1b at 31 December 2002, a \$0.3b (1%) decrease since September 2002. Holdings of bank certificate of deposits increased by \$0.8b while other short term securities decreased by \$1.1b, leaving total short term securities virtually unchanged at the end of the quarter. Short term securities accounted for 81% of total assets.

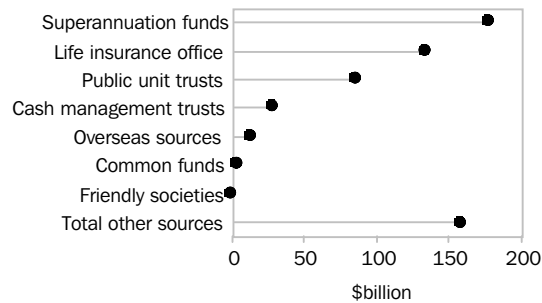


MANAGED FUNDS — INVESTMENT MANAGERS

SOURCE OF FUNDS UNDER MANAGEMENT

During December quarter 2002 there was an increase in total funds under management by investment managers of \$16.2b (3%), bringing the total funds under management to \$616.2b. The value of funds under management on behalf of life insurance offices increased by \$3.5b (3%), superannuation funds increased by \$2.6b (1%), and public unit trusts increased \$2.3b (3%). During the quarter the value of funds under management on behalf of other sources increased \$7.2b (5%) of which the largest increase was on behalf of other trusts (up \$4.0b). The value of funds under management on behalf of overseas sources stayed virtually unchanged at \$15.7b from the previous quarter. Whilst a significant proportion of the increase in funds under management was attributable to increases in asset values, some of the increase results from changed reporting following mergers of fund managers. The ABS is working with the relevant fund managers to clarify the changes in reporting.

The value of managed funds assets invested through investment managers was \$440.2b at 31 December 2002, representing 69% of the consolidated assets of managed funds.



MANAGED FUNDS, Consolidated Assets

<i>Institution/asset</i>	<i>Jun Qtr 1999</i>	<i>Jun Qtr 2000</i>	<i>Mar Qtr 2001</i>	<i>Jun Qtr 2001</i>	<i>Sep Qtr 2001</i>	<i>Dec Qtr 2001</i>	<i>Mar Qtr 2002</i>	<i>Jun Qtr 2002</i>	<i>Sep Qtr 2002</i>	<i>Dec Qtr 2002</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Type of institution										
Life insurance offices(a)	163 384	173 522	171 495	175 789	168 763	176 579	176 695	173 914	165 994	164 005
Superannuation funds	235 116	285 695	294 216	307 592	291 400	303 921	307 656	298 770	290 513	296 356
Public unit trusts	93 968	108 507	116 531	119 344	116 698	126 353	129 273	129 585	130 004	132 942
Friendly societies	6 415	5 895	5 555	5 523	5 477	5 510	5 495	5 563	4 927	4 954
Common funds	7 568	7 434	7 594	8 126	7 861	7 897	8 012	7 771	8 020	8 117
Cash management trusts	21 531	24 776	27 490	28 693	29 138	30 141	29 456	29 415	28 332	28 061
Total	527 981	605 829	622 881	645 067	619 336	650 401	656 588	645 019	627 790	634 435
Type of asset										
Cash and deposits(b)	36 622	39 681	42 096	46 239	43 843	43 860	45 726	47 142	45 620	47 033
Loans and placements	27 762	32 390	28 909	30 480	28 113	28 145	27 406	25 585	25 770	25 374
Short term securities(b)	67 794	63 747	61 617	62 875	58 410	62 749	61 851	60 622	63 076	67 738
Long term securities	70 343	72 729	68 521	66 312	63 413	62 076	61 917	63 833	62 448	61 092
Equities and units in trusts	156 916	197 698	216 224	230 951	213 632	236 842	239 074	228 822	220 963	219 334
Land and buildings	57 387	64 237	65 971	67 051	65 811	68 529	68 635	70 565	70 792	72 217
Assets overseas	90 070	114 134	118 790	118 962	122 078	125 021	128 332	124 020	117 853	120 386
Other assets	21 087	21 214	20 754	22 198	24 037	23 179	23 646	24 431	21 267	21 261
Total	527 981	605 829	622 881	645 067	619 336	650 401	656 588	645 019	627 790	634 435

(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 1999	Jun Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002	Dec Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	176 378	191 599	194 326	198 068	189 389	200 584	202 000	199 119	192 224	192 495
Assets in Australia	147 893	158 773	163 759	168 096	160 852	169 830	170 460	168 799	165 888	165 879
<i>Cash and deposits</i>	10 315	9 854	9 253	9 391	9 003	7 680	7 327	7 627	7 649	7 029
Banks	4 216	4 881	4 836	5 151	5 151	4 822	4 226	4 669	4 799	5 029
Other deposit taking institutions	6 099	4 973	4 417	4 240	3 852	2 858	3 101	2 957	2 850	2 000
<i>Loans and placements</i>	7 673	8 847	7 915	7 706	7 709	6 591	5 703	4 819	5 125	4 889
<i>Short term securities</i>	18 724	14 085	9 696	11 471	10 780	11 855	11 506	12 661	13 224	13 541
Bills of exchange	4 473	2 307	3 698	3 593	3 791	4 089	3 844	3 125	2 540	2 560
Bank certificates of deposit	7 537	5 409	2 712	2 612	2 211	2 958	3 572	4 423	5 693	5 639
Other short term securities	6 714	6 368	3 286	5 266	4 779	4 808	4 090	5 112	4 990	5 341
<i>Long term securities</i>	35 990	35 600	30 874	30 410	29 302	27 695	26 894	27 621	26 932	26 060
Commonwealth government bonds	11 781	8 953	8 148	7 205	5 817	6 086	6 599	6 128	6 112	5 991
State and local government securities	11 705	12 583	9 753	10 193	9 370	8 380	7 834	8 218	7 764	6 805
Other long term securities	12 504	14 064	12 973	13 011	14 115	13 229	12 461	13 275	13 056	13 263
<i>Equities and units in trusts</i>	61 684	76 845	91 854	95 179	88 457	100 485	103 178	101 046	100 026	101 372
Trading corporations shares	26 408	29 289	30 108	30 348	26 687	30 446	33 026	30 893	30 114	29 654
Financial sector shares	11 467	13 594	12 737	14 380	12 028	13 413	12 706	11 983	10 632	10 209
Units in trusts	23 809	33 962	49 008	50 450	49 742	56 625	57 446	58 170	59 281	61 509
<i>Other financial assets</i>	4 466	4 203	4 162	3 833	6 232	6 281	6 430	4 938	3 530	3 646
<i>Land and buildings</i>	8 159	8 637	9 284	9 364	8 508	8 338	8 305	8 736	8 273	8 279
<i>Other non-financial assets</i>	882	703	721	742	861	905	1 117	1 353	1 129	1 064
Assets overseas	28 485	32 825	30 567	29 972	28 538	30 754	31 540	30 320	26 336	26 616

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

SUPERANNUATION FUNDS(a), Unconsolidated Assets

	Jun Qtr 1999	Jun Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002	Dec Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	274 232	337 402	350 495	366 162	349 279	366 734	373 213	362 987	353 266	360 470
Assets in Australia	226 017	273 079	281 193	297 575	274 530	293 792	299 252	291 870	284 223	290 063
<i>Cash and deposits</i>	<i>23 191</i>	<i>25 571</i>	<i>29 157</i>	<i>32 634</i>	<i>29 320</i>	<i>30 719</i>	<i>32 867</i>	<i>32 708</i>	<i>32 480</i>	<i>34 858</i>
Banks	18 157	22 156	25 023	27 118	24 943	26 073	28 054	27 644	27 181	29 388
Other deposit taking institutions	5 034	3 416	4 133	5 516	4 377	4 646	4 814	5 063	5 299	5 470
<i>Loans and placements</i>	<i>13 171</i>	<i>16 537</i>	<i>15 386</i>	<i>16 905</i>	<i>14 357</i>	<i>15 528</i>	<i>15 401</i>	<i>14 652</i>	<i>14 292</i>	<i>14 176</i>
<i>Short term securities</i>	<i>20 369</i>	<i>19 596</i>	<i>18 927</i>	<i>18 130</i>	<i>14 911</i>	<i>17 605</i>	<i>17 964</i>	<i>17 262</i>	<i>17 825</i>	<i>22 384</i>
Bills of exchange	6 832	6 193	6 667	6 399	5 383	6 509	6 158	5 825	6 165	7 905
Bank certificates of deposit	9 015	8 716	8 482	8 949	7 987	8 547	8 704	7 933	7 987	9 167
Other short term securities	4 522	4 687	3 778	2 781	1 540	2 548	3 103	3 504	3 674	5 311
<i>Long term securities</i>	<i>27 043</i>	<i>29 505</i>	<i>29 551</i>	<i>27 825</i>	<i>26 963</i>	<i>27 126</i>	<i>27 689</i>	<i>29 054</i>	<i>28 784</i>	<i>28 482</i>
Commonwealth government bonds	13 807	14 557	14 027	12 607	11 753	11 758	11 892	11 576	11 408	10 848
State and local government securities	5 156	5 428	5 740	5 715	5 979	5 185	5 375	5 187	5 233	5 404
Other long term securities	8 080	9 520	9 784	9 504	9 231	10 183	10 422	12 292	12 143	12 230
<i>Equities and units in trusts</i>	<i>116 215</i>	<i>151 105</i>	<i>158 050</i>	<i>170 223</i>	<i>159 025</i>	<i>172 096</i>	<i>174 478</i>	<i>165 727</i>	<i>159 470</i>	<i>159 562</i>
Trading corporations shares	56 817	73 130	72 369	78 297	71 777	77 144	77 360	75 857	72 723	70 307
Financial sector shares	22 288	28 214	31 791	35 339	31 405	34 438	33 884	28 228	26 634	28 041
Units in trusts	37 110	49 760	53 890	56 586	55 843	60 515	63 235	61 643	60 113	61 215
<i>Other financial assets</i>	<i>10 580</i>	<i>11 940</i>	<i>10 280</i>	<i>11 378</i>	<i>10 771</i>	<i>10 651</i>	<i>10 643</i>	<i>11 929</i>	<i>10 659</i>	<i>10 364</i>
<i>Land and buildings</i>	<i>14 798</i>	<i>17 871</i>	<i>19 028</i>	<i>19 579</i>	<i>18 344</i>	<i>19 147</i>	<i>19 246</i>	<i>19 547</i>	<i>19 731</i>	<i>19 214</i>
<i>Other non-financial assets</i>	<i>651</i>	<i>954</i>	<i>813</i>	<i>902</i>	<i>839</i>	<i>920</i>	<i>963</i>	<i>991</i>	<i>981</i>	<i>1 023</i>
Assets overseas	48 215	64 323	69 302	68 586	74 749	72 942	73 961	71 117	69 043	70 408

(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 1999	Jun Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002	Dec Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	107 114	122 480	134 428	138 041	135 196	146 284	150 414	151 105	151 499	155 113
Assets in Australia	93 847	105 598	115 607	117 736	116 533	125 115	127 744	128 694	129 233	131 975
<i>Cash and deposits</i>	5 094	6 048	6 076	6 585	6 746	7 639	6 963	6 992	7 397	7 489
Banks(a)	2 809	3 767	3 572	3 156	3 263	3 926	3 026	3 043	3 947	3 744
Other deposit taking institutions	2 285	2 281	2 504	3 429	3 483	3 713	3 937	3 949	3 450	3 745
<i>Loans and placements</i>	4 743	4 888	3 736	4 001	4 009	3 967	4 135	3 953	4 154	4 189
<i>Short term securities</i>	4 120	3 410	3 962	3 432	3 174	2 696	3 657	3 774	3 892	3 727
Bills of exchange	3 264	2 492	3 161	2 689	2 413	2 205	2 795	2 957	3 092	2 988
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	857	918	802	744	762	491	862	817	801	740
<i>Long term securities</i>	3 137	3 141	3 064	2 843	2 599	2 314	2 246	2 052	2 045	2 109
<i>Equities and units in trusts</i>	37 481	46 400	55 442	56 681	54 876	62 139	64 203	63 442	62 931	63 556
Equities	22 337	27 828	30 669	32 239	29 135	34 111	34 709	33 632	32 731	32 447
Units in trusts	15 144	18 572	24 773	24 442	25 741	28 028	29 494	29 810	30 200	31 109
<i>Other financial assets</i>	2 901	1 820	2 296	2 546	2 375	1 624	1 930	2 502	1 962	2 210
<i>Land and buildings</i>	34 079	37 438	37 384	37 844	38 716	40 789	40 832	42 024	42 497	44 454
<i>Other non-financial assets</i>	2 292	2 453	3 647	3 804	4 038	3 947	3 778	3 955	4 355	4 242
Assets overseas	13 267	16 882	18 821	20 305	18 663	21 169	22 670	22 411	22 266	23 138

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

FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1999	Jun Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002	Dec Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	6 500	6 163	5 953	5 970	5 961	5 995	5 990	6 034	6 049	6 067
Assets in Australia	6 433	6 083	5 855	5 873	5 854	5 884	5 877	5 911	5 921	5 924
<i>Cash and deposits</i>	858	523	302	503	442	450	481	447	393	400
Banks	657	387	192	408	210	200	231	214	170	189
Other deposit taking institutions	201	136	110	95	232	250	250	233	223	211
<i>Loans and placements</i>	366	409	345	363	354	328	354	376	375	385
<i>Short term securities</i>	2 698	2 525	2 420	2 040	2 153	1 955	1 983	2 049	1 708	1 732
Bills of exchange	908	1 020	718	526	754	663	517	408	342	356
Bank certificates of deposit	1 442	1 218	1 355	1 101	1 033	929	1 078	1 230	969	1 003
Other short term securities	348	287	347	413	366	363	388	411	397	373
<i>Long term securities</i>	1 631	1 618	1 586	1 633	1 722	1 879	1 756	1 692	1 439	1 403
Commonwealth government bonds	280	254	172	203	190	250	189	187	129	118
State and local government securities	377	276	380	363	448	420	387	254	383	416
Other long term securities	974	1 088	1 034	1 067	1 084	1 209	1 180	1 251	927	869
<i>Equities and units in trusts</i>	336	511	676	732	689	709	717	709	1 348	1 338
Trading corporations shares	200	177	235	257	189	203	199	195	181	205
Financial sector shares	51	66	43	46	19	23	25	49	50	25
Units in trusts	85	268	398	429	481	483	493	465	1 117	1 108
<i>Other financial assets</i>	152	175	212	222	223	255	274	289	295	313
<i>Land and buildings</i>	286	251	232	223	201	213	210	216	249	229
<i>Other non-financial assets</i>	106	71	82	157	70	95	102	133	114	124
Assets overseas	67	80	98	97	107	111	113	123	128	143

COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1999	Jun Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002	Dec Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	7 726	7 622	7 689	8 203	8 003	8 055	8 181	7 941	8 186	8 331
Assets in Australia	7 690	7 599	7 687	8 201	7 981	8 010	8 133	7 892	8 106	8 250
<i>Cash and deposits</i>	849	852	653	809	922	991	1 214	1 086	1 204	1 101
Banks	543	564	511	605	725	811	1 043	903	1 030	935
Other deposit taking institutions	306	288	142	204	197	180	171	183	174	166
<i>Loans and placements</i>	1 803	2 018	1 630	1 594	1 698	1 762	1 801	1 794	1 776	1 677
<i>Short term securities</i>	3 328	3 003	3 700	4 113	3 630	3 639	3 473	3 431	3 606	3 597
Bills of exchange	2 105	1 465	1 772	2 104	1 418	1 337	1 222	1 178	1 290	1 230
Bank certificates of deposit	1 022	1 353	1 753	1 994	2 194	2 293	2 243	2 245	2 303	2 353
Other short term securities	201	185	175	15	18	9	8	8	13	14
<i>Long term securities</i>	924	865	844	728	750	694	725	699	718	831
Commonwealth government bonds	58	42	16	15	16	54	53	44	79	92
State and local government securities	363	377	315	266	222	216	230	144	297	304
Other long term securities	503	446	513	447	512	424	442	511	342	435
<i>Equities and units in trusts</i>	631	716	658	669	708	652	662	696	623	808
Trading corporations shares	214	213	170	283	285	203	201	192	168	212
Financial sector shares	335	387	428	360	330	336	335	380	332	423
Units in trusts	82	116	60	26	93	113	126	124	123	173
<i>Other financial assets</i>	60	71	160	246	230	230	216	144	137	194
<i>Land and buildings</i>	66	41	42	42	42	42	42	42	42	42
<i>Other non-financial assets</i>	29	33	—	—	1	—	—	—	—	—
Assets overseas	36	23	2	2	22	45	48	49	80	81

CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1999	Jun Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002	Dec Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	21 531	24 776	27 490	28 693	29 138	30 141	29 456	29 415	28 332	28 061
Assets in Australia	21 531	24 776	27 490	28 693	29 138	30 141	29 456	29 415	28 332	28 061
<i>Cash and deposits</i>	1 190	1 564	1 911	2 080	3 185	2 673	3 431	5 091	2 871	2 978
Banks	1 115	1 452	1 810	2 012	3 085	2 632	3 306	4 913	2 821	2 923
Other deposit taking institutions	75	112	101	68	100	41	125	178	50	55
<i>Loans and placements</i>	16	1	1	1	58	56	83	62	64	63
<i>Short term securities</i>	18 555	21 127	22 911	23 689	23 762	24 999	23 268	21 446	22 821	22 757
Bills of exchange	5 491	7 053	7 963	7 840	6 901	5 866	4 891	3 892	4 519	4 734
Bank certificates of deposit	9 404	9 087	9 235	10 450	11 399	13 041	14 275	13 565	13 580	14 364
Other short term securities	3 660	4 987	5 713	5 399	5 462	6 092	4 102	3 989	4 723	3 658
<i>Long term securities</i>	1 618	2 000	2 602	2 873	2 077	2 368	2 606	2 715	2 531	2 208
Commonwealth government bonds	—	—	—	—	—	—	—	—	—	—
State and local government securities	—	—	—	—	—	—	—	—	—	—
Other long term securities	1 618	2 000	2 602	2 873	2 077	2 368	2 606	2 715	2 531	2 208
<i>Equities and units in trusts</i>	—	—	—	—	—	—	—	—	—	—
<i>Other financial assets</i>	151	84	66	50	56	45	68	103	46	56
<i>Land and buildings</i>	—	—	—	—	—	—	—	—	—	—
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	—	—	—	—

INVESTMENT MANAGERS, Source of Funds

	<i>Jun Qtr</i> 1999	<i>Jun Qtr</i> 2000	<i>Mar Qtr</i> 2001	<i>Jun Qtr</i> 2001	<i>Sep Qtr</i> 2001	<i>Dec Qtr</i> 2001	<i>Mar Qtr</i> 2002	<i>Jun Qtr</i> 2002	<i>Sep Qtr</i> 2002	<i>Dec Qtr</i> 2002
<i>Source of funds</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL SOURCE OF FUNDS	464 361	544 793	591 974	624 970	604 008	632 006	644 036	620 391	599 978	616 192
<i>Funds from Australian sources</i>	446 201	524 906	572 618	604 885	583 278	610 329	621 739	602 143	584 500	600 505
<i>Managed funds</i>	378 672	433 006	454 740	473 676	449 325	465 417	469 854	450 717	431 368	440 210
Life insurance offices	130 706	142 226	142 954	146 599	137 152	139 300	141 447	138 994	132 407	135 896
Superannuation funds (a)	155 248	187 069	193 058	199 679	186 857	190 479	192 227	184 122	177 077	179 647
Public unit trusts	62 277	71 885	83 215	89 977	87 002	95 449	97 329	90 547	84 787	87 055
Friendly societies	5 133	4 285	3 411	3 483	3 109	3 220	3 157	3 002	2 922	2 877
Common funds	5 167	4 257	4 682	5 463	6 230	7 338	7 190	5 688	6 191	6 968
Cash management trusts	20 141	23 284	27 420	28 475	28 975	29 631	28 504	28 364	27 984	27 767
<i>Total other sources</i>	67 529	91 900	117 878	131 209	133 953	144 912	151 885	151 426	153 132	160 295
Government	9 232	8 978	10 688	12 438	12 759	12 797	13 366	10 085	10 600	12 204
Charities	950	886	915	951	887	1 016	1 095	1 166	1 028	1 255
Other trusts	20 793	32 804	52 330	58 648	62 691	68 189	72 048	74 299	76 734	80 693
General insurance	15 449	19 189	20 768	23 307	21 876	21 894	23 593	25 537	25 541	24 013
Other sources	21 105	30 043	33 177	35 865	35 740	41 016	41 783	40 339	39 229	42 130
<i>Funds from overseas sources</i>	18 160	19 887	19 356	20 085	20 730	21 677	22 297	18 248	15 478	15 687

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 processed by the ABS on behalf of 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 24 of the 42 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, processed by the ABS on behalf of APRA.

9 The statistics for superannuation funds in Table 3 include estimates, provided by APRA, for superannuation funds not currently surveyed. Also, the treatment of accounts receivable from national government by a number of large public sector employee funds has been changed from the December 1998 quarter onwards to be consistent with the revised treatment of these claims in the ABS publication *Australian National Accounts: Financial Accounts* (Cat. no. 5232.0). This changed treatment is in accord with the recent adoption by national and state and local governments of accrual accounting principles and the implementation of System of National Accounts 1993 standards. These assets, valued at \$4,774 million for the December 1998 quarter, are included in the item 'Other financial assets' in Table 3. To ensure there is no break in statistical continuity, this data series, together with all data series to which it contributes, has been revised back to September 1990.

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. There are currently 708 public unit trusts included in the Survey of Financial Information.

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 December 2002 there were 20 trustee companies managing 47 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 30 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.

EXPLANATORY NOTES

ASSETS IN AUSTRALIA/OVERSEAS	<p>16 <i>Assets in Australia</i> include land and buildings located in Australia and financial claims on residents; <i>assets overseas</i> 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.</p>
FINANCIAL INSTRUMENTS	<p>17 The classification of financial instruments in this publication follows that contained in the ABS publication <i>Australian National Accounts, Financial Accounts</i> (5232.0). Definitions of the various types of instrument are given in the glossary.</p>
REVISIONS AND CHANGES TO CONTENT	<p>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.</p>
RELATED PUBLICATIONS	<p>19 Users may also wish to refer to the following ABS publication of related data which is available on request:</p> <p><i>Australian National Accounts, Financial Accounts</i> (5232.0)—issued quarterly</p>
SYMBOLS AND OTHER USAGES	<p>20 Discrepancies may occur between sums of the component items and totals due to rounding.</p> <p>— nil or rounded to zero</p> <p>b billion, ie. one thousand million</p> <p>n.p. not available for publication but included in totals where applicable, unless otherwise indicated.</p>

GLOSSARY

- 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** *Cash* covers notes and coin on hand. *Deposits* 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 *Financial Corporations Act 1974* except for intra-group financiers and retailers. Bonds, debentures, notes and transferable certificates of deposit issued by deposit-taking institutions are classified as *long term assets* and negotiable certificates of deposit issued by banks as *bank certificates of deposit*.
- 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 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** *continued* *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.

- 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

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*.

FOR MORE INFORMATION...

- INTERNET* **www.abs.gov.au** the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
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