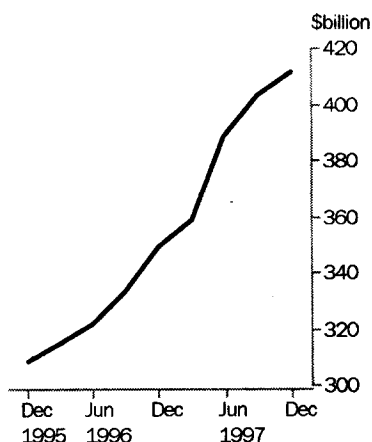


MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) MON 2 MAR 1998

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

	Dec Qtr 1996 \$m	Sep Qtr 1997 \$m	Dec Qtr 1997 \$m
Superannuation funds	154 324	180 067	182 752
Statutory funds of life insurance offices	122 736	134 693	135 880
Other managed funds	72 145	88 724	93 257
Total	349 204	403 486	411 889

DECEMBER QTR KEY POINTS**CONSOLIDATED ASSETS**

- The value of consolidated assets of managed funds in Australia as at 31 December 1997 was \$411.9 billion, an increase of \$8.4 billion (2%) on the level at 30 September 1997 of \$403.5 billion, and an increase of \$62.7 billion (18%) on the level at 31 December 1996 figure of \$349.2 billion.
- The largest increase in the consolidated assets of managed funds during the December 1997 quarter occurred in public unit trusts, up \$4.0 billion (6%).
- The value of managed funds' assets invested through investment managers was \$324.4 billion at the end of December 1997, representing 79% of all the consolidated assets of managed funds.

INQUIRIES

- 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

March 1998

29 May 1998

June 1998

28 August 1998

.....

CHANGES IN THIS ISSUE

There are no changes in this issue.

.....

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.

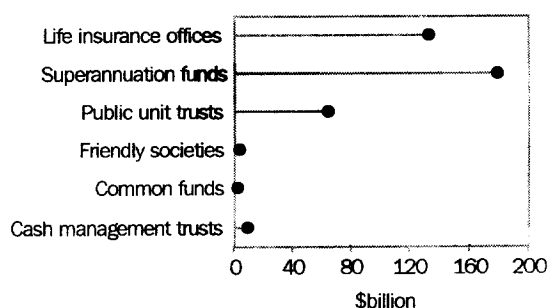
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W. McLennan
Australian Statistician

MANAGED FUNDS: Consolidated Assets

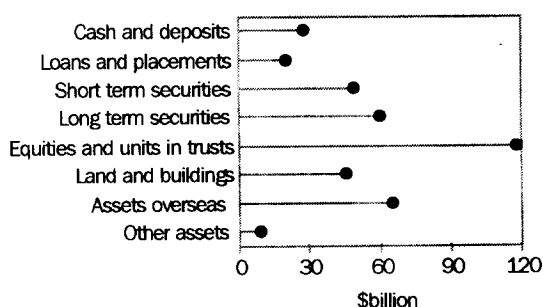
BY TYPE OF INSTITUTION

Public unit trusts recorded the largest increase in assets during the December 1997 quarter of \$4.0 billion (6%), compared with the September 1997 quarter. Assets in superannuation funds increased by \$2.7 billion (1%) 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 assets overseas, \$4.8 billion (8%), short term securities, \$2.7 billion (5%), and land and buildings, \$2.6 billion (6%). Equities and units in trusts, \$1.1 billion (1%) and other assets \$1.2 billion (10%) had the largest decreases.



CROSS INVESTMENT

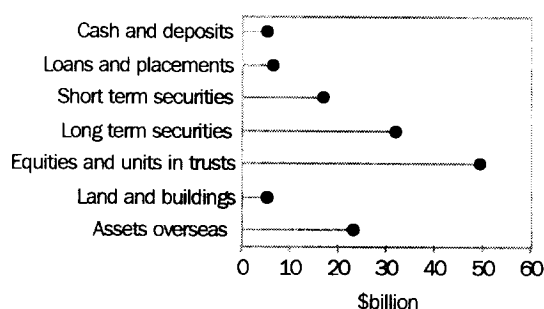
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 31 December 1997.

Type of fund	Unconsolidated assets \$m	Cross-invested assets \$m	Consolidated assets \$m
Statutory funds of life insurance offices	150 328	14 448	135 880
Superannuation funds	205 103	22 351	182 752
Public unit trusts	76 532	8 750	67 782
Friendly societies	6 897	38	6 859
Common funds	6 088	99	5 989
Cash management trusts	12 627	—	12 627
Total	457 575	45 686	411 889

MANAGED FUNDS: Unconsolidated Assets

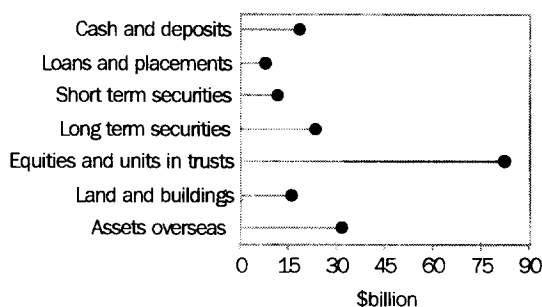
STATUTORY FUNDS OF LIFE INSURANCE OFFICES

Total assets of the statutory funds of life insurance offices increased by \$1.0 billion (1%) in the December 1997 quarter to \$150.3 billion. The only increases were in the holdings of short term securities, up \$2.1 billion (13%) and loans and placements, up \$0.3 billion (4%). The largest decrease was in equities and units in trusts, down \$2.2 billion (4%).



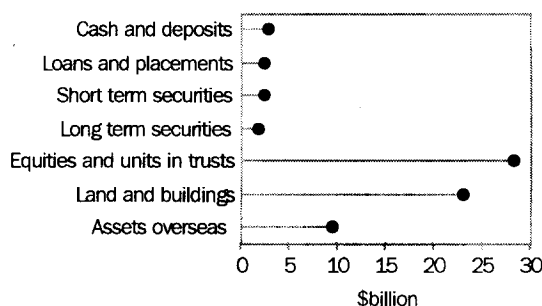
SUPERANNUATION FUNDS

Total assets of superannuation funds increased by \$2.7 billion (1%) in the December 1997 quarter to \$205.1 billion. The largest increases were in the holdings of long term securities, up \$1.3 billion (5%) and land and buildings, up \$0.7 billion (4%). Other significant changes included loans and placements, down \$0.9 (8%) and holdings of other financial assets, down \$0.7 billion (24%).



PUBLIC UNIT TRUSTS

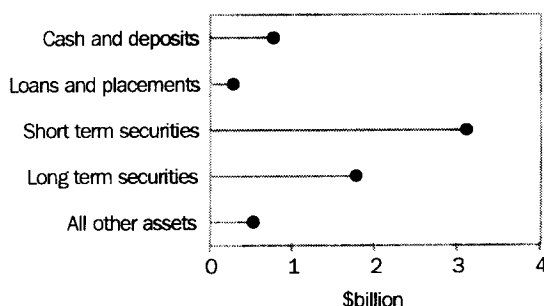
Total assets of public unit trusts increased by \$5.1 billion (7%) in the December 1997 quarter to \$76.5 billion. The largest increases were in the holdings of land and buildings, up \$2.3 billion (11%) and equities and units in trusts, up \$1.7 billion (6%).



MANAGED FUNDS: Unconsolidated Assets *continued*

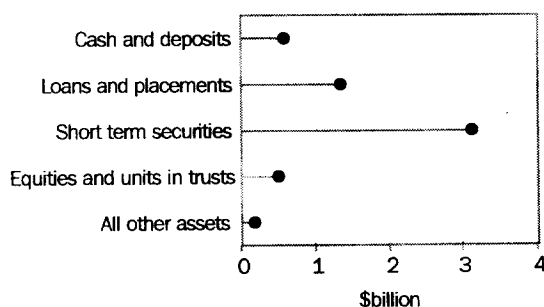
FRIENDLY SOCIETIES

Total assets of friendly societies decreased by \$0.2 billion (2%) in the December 1997 quarter to \$6.9 billion. There were declines in holdings of cash and deposits, down \$0.1 billion (14%) and short term securities, down \$0.1 billion (4%).



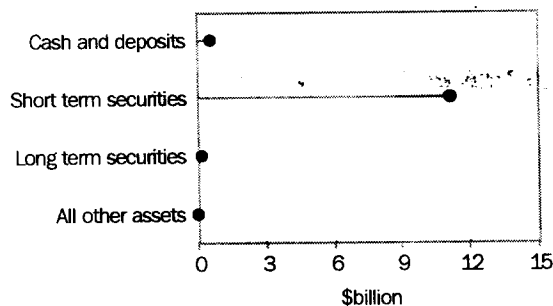
COMMON FUNDS

The assets in common funds increased by \$0.1 billion (2%) to \$6.1 billion during the December 1997 quarter. Almost all of this increase was attributed to increased holdings of short term securities, up \$0.1 billion (4%).



CASH MANAGEMENT TRUSTS

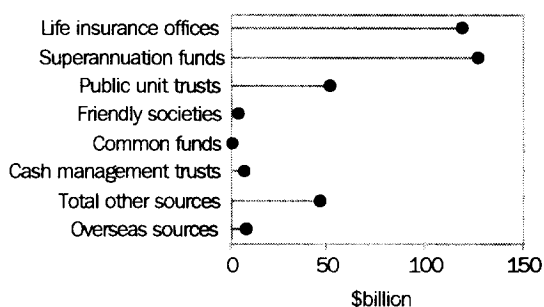
Total assets in cash management trusts increased by \$0.5 billion (4%) to \$12.6 billion during the December 1997 quarter. Almost all of this increase was attributed to increased holdings of short term securities, up \$0.5 billion (4%).



MANAGED FUNDS — INVESTMENT MANAGERS

SOURCE OF FUNDS UNDER MANAGEMENT

During the December 1997 quarter there was an increase in total funds under management by investment managers of \$7.5 billion (2%), bringing total sources of funds under management to \$383.0 billion. The largest increase was from public unit trusts which increased \$2.3 billion (5%) to \$53.7 billion. Funds sourced from superannuation funds increased by \$2.3 billion (2%) to \$130.0 billion. The value of managed funds' assets invested through investment managers was \$324.4 billion at the end of December 1997, representing 79% 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>Mar Qtr 1996</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>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Type of institution										
Statutory funds of life insurance offices(a)	108 233	110 839	116 361	117 218	121 143	122 736	125 102	131 778	134 693	135 880
Superannuation funds	113 511	125 173	136 838	141 344	146 212	154 324	157 705	172 695	180 067	182 752
Public unit trusts	34 720	38 038	42 197	43 995	46 058	51 089	54 301	60 534	63 765	67 782
Friendly societies	9 081	8 612	8 074	7 865	7 355	7 129	7 216	7 238	7 022	6 859
Common funds	4 785	4 037	4 352	4 493	4 719	4 941	5 296	5 731	5 846	5 989
Cash management trusts	5 915	5 625	6 706	7 036	7 710	8 986	9 649	10 714	12 091	12 627
Total	276 245	292 325	314 527	321 951	333 197	349 204	359 270	388 690	403 486	411 889
Type of asset										
Cash and deposits(b)	22 085	21 259	22 432	23 420	24 441	26 032	28 318	29 879	29 369	29 574
Loans and placements	14 619	15 481	17 207	17 472	18 316	18 467	19 976	20 787	22 278	21 816
Short term securities(b)	29 104	30 131	36 037	38 127	39 173	42 214	43 672	46 965	48 813	51 476
Long term securities	53 269	54 928	53 932	54 861	57 728	56 573	55 826	58 249	61 557	62 511
Equities and units in trusts	76 154	80 133	89 686	90 032	93 300	101 453	104 840	115 731	121 050	119 969
Land and buildings	33 310	37 251	39 105	40 061	41 180	42 377	43 340	44 495	45 152	47 769
Assets overseas	41 129	44 346	45 937	47 011	48 443	52 227	52 616	60 120	62 573	67 323
Other assets	6 571	8 797	10 195	10 970	10 617	9 860	10 680	12 463	12 690	11 449
Total	276 245	292 325	314 527	321 951	333 197	349 204	359 270	388 690	403 486	411 889
(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	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	114 674	118 520	125 492	127 298	131 795	134 543	137 305	145 673	149 350	150 328
Assets in Australia	97 688	101 407	109 229	111 801	115 006	117 131	120 260	126 156	128 024	126 065
Cash and deposits	5 063	4 836	5 133	5 912	6 262	6 720	8 217	7 046	6 439	6 369
Banks	2 649	2 895	2 878	3 496	3 542	4 010	5 228	3 764	3 314	3 168
Other deposit taking institutions	2 414	1 941	2 255	2 416	2 720	2 710	2 989	3 282	3 125	3 201
Loans and placements	5 320	5 809	6 636	6 464	6 886	6 512	7 115	7 052	7 268	7 535
Short term securities	9 833	9 794	12 791	14 308	14 333	15 886	16 198	16 278	15 803	17 902
Bills of exchange	5 615	4 507	6 050	6 117	5 960	6 482	6 426	4 971	5 894	5 739
Bank certificates of deposit	1 473	2 767	3 500	4 053	4 013	4 007	4 607	5 110	4 233	4 436
Other short term securities	2 745	2 520	3 241	4 138	4 360	5 397	5 165	6 197	5 676	7 727
Long term securities	27 878	28 427	28 840	29 008	30 163	30 084	29 535	31 626	33 587	32 900
Commonwealth government bonds	8 258	8 791	10 678	10 977	12 046	12 163	11 628	12 471	12 876	11 791
State and local government securities	13 281	13 066	12 363	12 296	11 886	11 487	11 506	11 402	11 894	11 900
Other long term securities	6 339	6 570	5 799	5 735	6 231	6 434	6 401	7 753	8 817	9 209
Equities and units in trusts	37 008	38 670	41 678	42 569	43 623	46 024	46 845	51 652	52 488	50 331
Private trading corporations shares	25 308	25 194	26 006	26 037	25 906	26 612	26 446	28 341	27 555	27 040
Financial sector shares	5 500	5 989	6 767	6 694	7 337	7 876	8 495	9 744	10 589	9 163
Units in trusts	6 200	7 487	8 905	9 838	10 380	11 536	11 904	13 567	14 344	14 128
Other financial assets	2 132	2 216	2 505	2 835	2 446	2 335	2 824	3 314	3 666	3 112
Land and buildings	9 126	9 486	8 984	8 856	8 884	8 096	7 919	7 213	6 775	6 353
Other non-financial assets	1 328	2 169	2 662	1 849	2 409	1 474	1 607	1 975	1 998	1 563
Assets overseas	16 986	17 113	16 263	15 497	16 789	17 412	17 045	19 517	21 326	24 263

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

SUPERANNUATION FUNDS(a), Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	121 668	137 571	152 459	157 972	163 658	173 269	177 213	193 313	202 418	205 103
Assets in Australia	103 635	116 469	129 071	132 944	138 768	146 206	149 851	162 128	170 988	171 996
Cash and deposits	11 732	12 569	14 293	13 523	14 516	15 791	16 253	18 159	19 325	19 730
Banks	8 046	8 379	9 410	8 416	9 237	10 138	10 415	11 958	12 759	12 813
Other deposit taking institutions	3 686	4 190	4 883	5 107	5 279	5 653	5 838	6 201	6 566	6 917
Loans and placements	5 764	6 017	6 963	7 356	7 580	8 136	8 675	9 425	10 459	9 608
Short term securities	8 761	9 004	9 514	11 125	11 473	11 599	12 004	12 799	13 051	12 906
Bills of exchange	4 175	4 938	4 234	4 387	4 766	4 425	4 972	5 208	5 011	5 543
Bank certificates of deposit	3 442	3 027	3 962	5 280	5 168	5 570	5 741	6 049	6 294	5 366
Other short term securities	1 144	1 039	1 318	1 458	1 539	1 604	1 291	1 542	1 746	1 997
Long term securities	20 975	22 868	21 688	22 059	23 603	22 002	21 328	22 880	23 676	24 939
Commonwealth government bonds	9 660	12 741	12 807	12 656	13 707	12 695	12 278	13 037	13 161	13 961
State and local government securities	8 316	7 504	6 429	6 851	6 731	6 745	6 606	6 984	7 361	7 744
Other long term securities	2 999	2 623	2 452	2 552	3 165	2 562	2 444	2 859	3 154	3 234
Equities and units in trusts	44 342	51 293	60 622	61 124	63 512	69 791	72 415	78 531	83 414	83 625
Private trading corporations shares	31 019	33 790	39 237	38 754	39 143	43 003	43 943	48 084	50 334	49 771
Financial sector shares	6 007	5 917	6 562	6 589	7 810	8 966	9 974	11 145	12 167	13 013
Units in trusts	7 316	11 586	14 823	15 781	16 559	17 822	18 498	19 302	20 913	20 841
Other financial assets	392	2 034	2 135	3 178	2 529	2 794	2 375	2 661	3 069	2 333
Land and buildings	11 327	12 498	13 367	13 971	14 835	15 590	15 766	16 500	16 716	17 424
Other non-financial assets	342	187	490	609	719	502	1 034	1 173	1 277	1 431
Assets overseas	18 033	21 102	23 389	25 028	24 890	27 063	27 362	31 185	31 430	33 107

(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	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	37 982	41 590	46 437	48 371	50 944	56 826	60 424	67 578	71 463	76 532
Assets in Australia	31 872	35 459	40 153	41 915	44 214	49 111	52 257	58 205	61 694	66 631
Cash and deposits	2 095	1 600	1 908	2 145	2 171	2 882	3 271	3 261	3 369	3 324
Banks(a)	1 345	1 030	1 052	1 254	1 411	1 826	2 068	2 016	2 009	2 186
Other deposit taking institutions	750	570	856	891	760	1 056	1 203	1 245	1 360	1 138
Loans and placements	1 784	1 825	1 977	2 066	2 217	2 214	2 373	2 533	2 756	2 861
Short term securities	1 946	1 923	1 963	1 712	1 765	1 910	1 957	2 614	2 666	2 920
Bills of exchange	1 628	1 640	1 646	1 363	1 321	1 501	1 550	2 130	2 231	2 453
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	318	283	317	349	444	409	407	484	435	467
Long term securities	1 672	1 307	1 305	1 493	1 586	1 531	1 621	1 895	2 031	2 302
Equities and units in trusts	10 052	12 068	14 501	15 459	17 137	19 805	21 209	24 517	27 141	28 819
Equities	6 940	8 631	10 432	11 261	12 403	14 279	15 327	17 722	19 716	20 297
Units in trusts	3 112	3 437	4 069	4 198	4 734	5 526	5 882	6 795	7 425	8 522
Other financial assets	690	718	797	872	857	998	1 032	1 365	1 274	1 474
Land and buildings	12 389	14 799	16 294	16 772	17 015	18 234	19 196	20 319	21 255	23 594
Other non-financial assets	1 242	1 219	1 409	1 395	1 466	1 536	1 597	1 699	1 201	1 335
Assets overseas	6 110	6 131	6 285	6 457	6 731	7 715	8 167	9 373	9 769	9 901

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

FRIENDLY SOCIETIES, Unconsolidated Assets

	<i>Jun Qtr</i> 1994	<i>Jun Qtr</i> 1995	<i>Mar Qtr</i> 1996	<i>Jun Qtr</i> 1996	<i>Sep Qtr</i> 1996	<i>Dec Qtr</i> 1996	<i>Mar Qtr</i> 1997	<i>Jun Qtr</i> 1997	<i>Sep Qtr</i> 1997	<i>Dec Qtr</i> 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	9 094	8 631	8 101	7 889	7 381	7 154	7 241	7 262	7 056	6 897
Assets in Australia	9 094	8 631	8 101	7 860	7 348	7 117	7 199	7 217	7 008	6 845
<i>Cash and deposits</i>	<i>2 814</i>	<i>2 438</i>	<i>1 138</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>
Banks	2 227	1 784	616	1 214	843	494	556	1 250	597	572
Other deposit taking institutions	587	654	522	450	424	386	358	361	363	252
<i>Loans and placements</i>	<i>632</i>	<i>553</i>	<i>432</i>	<i>412</i>	<i>405</i>	<i>397</i>	<i>391</i>	<i>369</i>	<i>346</i>	<i>340</i>
<i>Short term securities</i>	<i>2 298</i>	<i>2 790</i>	<i>4 003</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>
Bills of exchange	930	1 465	1 468	1 833	1 141	1 004	1 207	1 517	1 700	1 475
Bank certificates of deposit	865	1 019	2 027	1 218	1 713	1 566	1 314	1 495	1 131	1 349
Other short term securities	503	306	508	424	483	350	269	204	474	349
<i>Long term securities</i>	<i>2 418</i>	<i>2 080</i>	<i>1 800</i>	<i>1 558</i>	<i>1 639</i>	<i>2 198</i>	<i>2 381</i>	<i>1 233</i>	<i>1 710</i>	<i>1 822</i>
Commonwealth government bonds	585	465	476	289	349	411	621	228	302	336
State and local government securities	1 077	666	647	565	671	923	921	412	645	549
Other long term securities	756	949	677	704	619	864	839	593	763	937
<i>Equities and units in trusts</i>	<i>141</i>	<i>147</i>	<i>175</i>	<i>170</i>	<i>168</i>	<i>164</i>	<i>163</i>	<i>171</i>	<i>186</i>	<i>199</i>
Private trading corporations shares	100	103	116	112	111	109	108	119	119	128
Financial sector shares	30	37	38	36	33	32	32	30	34	33
Units in trusts	11	7	21	22	24	23	23	22	33	38
<i>Other financial assets</i>	<i>230</i>	<i>163</i>	<i>102</i>	<i>138</i>	<i>93</i>	<i>98</i>	<i>101</i>	<i>83</i>	<i>63</i>	<i>56</i>
<i>Land and buildings</i>	<i>365</i>	<i>382</i>	<i>378</i>	<i>373</i>	<i>366</i>	<i>382</i>	<i>387</i>	<i>391</i>	<i>341</i>	<i>328</i>
<i>Other non-financial assets</i>	<i>196</i>	<i>78</i>	<i>73</i>	<i>70</i>	<i>73</i>	<i>78</i>	<i>72</i>	<i>143</i>	<i>97</i>	<i>103</i>
Assets overseas	—	—	—	29	33	37	42	45	48	52

COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	4 884	4 138	4 435	4 566	4 787	5 016	5 371	5 812	5 945	6 088
Assets in Australia	4 884	4 138	4 435	4 566	4 787	5 016	5 371	5 812	5 945	6 088
Cash and deposits	502	424	453	476	539	463	501	645	625	651
Banks	308	292	310	353	391	291	334	478	449	481
Other deposit taking institutions	194	132	143	123	148	172	167	167	176	170
Loans and placements	1 089	1 170	1 163	1 154	1 169	1 169	1 380	1 398	1 415	1 419
Short term securities	1 731	1 713	2 013	2 094	2 275	2 549	2 714	2 935	3 061	3 191
Bills of exchange	1 367	1 283	1 402	1 490	1 650	1 959	2 055	2 268	2 346	2 514
Bank certificates of deposit	162	226	384	381	361	406	437	480	487	498
Other short term securities	202	204	227	223	264	184	222	187	228	179
Long term securities	159	204	149	163	137	152	157	178	187	177
Commonwealth government bonds	13	23	36	25	26	36	16	16	15	15
State and local government securities	75	74	51	51	53	49	45	36	32	32
Other long term securities	71	107	62	87	58	67	96	126	140	130
Equities and units in trusts	1 300	541	575	590	587	608	547	584	592	580
Private trading corporations shares	905	254	269	269	262	280	320	318	300	291
Financial sector shares	345	219	259	279	294	296	194	227	237	233
Units in trusts	50	68	47	42	31	32	33	39	55	56
Other financial assets	—	—	—	—	—	—	—	—	—	—
Land and buildings	103	86	82	89	80	75	72	72	65	70
Other non-financial assets	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	—	—	—	—

CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	5 915	5 625	6 706	7 036	7 710	8 986	9 649	10 714	12 091	12 627
Assets in Australia	5 915	5 625	6 706	7 036	7 710	8 986	9 649	10 714	12 091	12 627
Cash and deposits	1 160	545	739	998	1 034	945	753	1 092	717	777
Banks	1 026	452	529	859	924	810	610	906	574	636
Other deposit taking institutions	134	93	210	139	110	135	143	186	143	141
Loans and placements	32	119	42	22	61	41	44	12	35	53
Short term securities	4 535	4 907	5 753	5 413	5 990	7 350	8 009	9 123	10 927	11 384
Bills of exchange	1 809	2 891	3 076	3 111	3 153	3 856	3 959	4 982	5 604	5 178
Bank certificates of deposit	1 484	884	1 544	1 444	1 453	2 266	2 691	2 981	3 645	3 937
Other short term securities	1 242	1 132	1 133	858	1 384	1 228	1 359	1 160	1 678	2 269
Long term securities	167	42	150	580	600	606	804	437	366	371
Commonwealth government bonds	2	40	26	27	26	26	—	—	—	—
State and local government securities	163	2	124	553	524	500	694	318	298	303
Other long term securities	2	—	—	—	50	80	110	119	68	68
Equities and units in trusts	—	—	—	—	—	—	—	—	—	—
Private trading corporations shares	—	—	—	—	—	—	—	—	—	—
Financial sector shares	—	—	—	—	—	—	—	—	—	—
Units in trusts	—	—	—	—	—	—	—	—	—	—
Other financial assets	19	13	22	24	25	45	38	50	45	42
Land and buildings	—	—	—	—	—	—	—	—	—	—
Other non-financial assets	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	—	—	—	—

INVESTMENT MANAGERS, Source of Funds

	Jun Qtr 1994	Jun Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997
Source of funds	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL SOURCE OF FUNDS	236 617	252 361	276 096	280 983	311 766	325 602	334 294	359 539	375 505	382 977
Funds from Australian sources	231 774	245 483	268 419	273 233	303 761	317 909	326 489	351 165	366 149	373 062
Managed funds	200 676	214 677	233 748	238 834	267 738	277 519	283 845	304 853	318 362	324 377
Life insurance offices	94 137	96 757	102 433	103 612	108 101	109 209	110 354	116 615	120 937	121 726
Superannuation funds (a)	68 665	75 134	82 730	84 379	106 241	111 320	112 964	122 825	127 565	129 882
Public unit trusts	26 602	30 082	34 224	36 192	37 671	40 833	43 494	47 940	51 345	53 693
Friendly societies	6 280	6 441	6 383	6 251	6 020	5 806	6 070	5 799	5 827	6 090
Common funds	354	1 937	2 843	3 077	3 656	3 978	3 594	3 565	3 659	3 472
Cash management trusts	4 638	4 326	5 135	5 323	6 049	6 373	7 369	8 109	9 029	9 514
Total other sources	31 098	30 806	34 671	34 399	36 023	40 390	42 644	46 312	47 787	48 685
Government	4 230	4 302	4 958	5 276	5 338	5 488	5 781	5 710	6 126	6 056
Charities	347	582	682	777	684	1 040	1 074	1 159	1 160	1 244
Other trusts	1 684	2 064	4 025	4 173	5 326	5 725	6 069	7 216	6 875	8 050
General insurance	12 439	12 231	12 480	10 870	11 134	12 860	13 427	14 110	14 499	14 150
Other sources	12 398	11 627	12 526	13 303	13 541	15 277	16 293	18 117	19 127	19 185
Funds from overseas sources	4 843	6 878	7 677	7 750	8 005	7 693	7 805	8 374	9 356	9 915

(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 \$3,991 million of such assets were reported at 31 December 1997. (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 42 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 22 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

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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.

G L O S S A R Y

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- 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

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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.

GLOSSARY

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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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