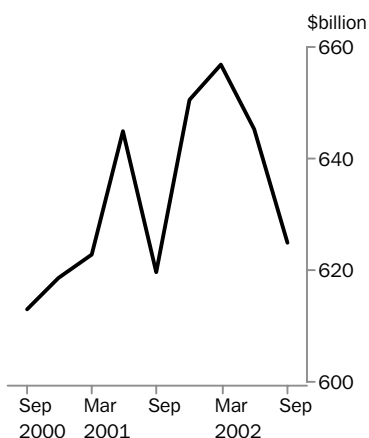


# MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 29 NOV 2002

**Total consolidated assets**



## SEPTEMBER QTR KEY FIGURES

CONSOLIDATED ASSETS (a)	Sep Qtr 2001 \$m	Jun Qtr 2002 \$m	Sep Qtr 2002 \$m
Superannuation funds	291 584	298 854	287 814
Life insurance offices(b)	168 763	173 914	165 994
Other managed funds	159 174	172 394	171 038
<b>Total</b>	<b>619 520</b>	<b>645 162</b>	<b>624 846</b>

(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.

## SEPTEMBER QTR KEY POINTS

### CONSOLIDATED ASSETS

- Total consolidated assets of managed funds institutions was \$624.8 billion at 30 September 2002, a marked decrease of \$20.3 billion (3%) from the revised June quarter 2002 figure. This reflected decreases in asset values during the quarter. During the September quarter 2002 the ASX All Ordinaries Index decreased by 8%, the price of foreign shares (represented by the Dow Jones Industrial Average) decreased by 18% and the \$A depreciated against the \$US by 4%.
- Four out of six types of managed funds experienced decreases in consolidated assets during the September quarter 2002. These decreases were for superannuation funds, down \$11.0 billion (4%), life insurance offices, down \$7.9 billion (5%), cash management trusts, down \$1.1 billion (4%) and friendly societies, down \$0.6 billion (11%). Common funds experienced an increase of \$0.2 billion (3%) while public unit trusts remained virtually the same.
- The major asset movements during the quarter were in cash and deposits, down \$2.5 billion (5%), domestic equities (including units in trusts), down \$8.8 billion (4%), assets overseas, down \$6.2 billion (5%) and other assets, down \$3.7 billion (15%).
- Investment managers had \$598.4 billion in funds under management, down \$22.0 billion (4%) from June quarter 2002. They managed \$432.3 billion (69%) of consolidated managed funds' assets, down from 72% at September 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*

December 2002

28 February 2003

March 2003

30 May 2003

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## CHANGES IN THIS ISSUE

There are no changes in this issue.

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## REVISED THIS ISSUE

There have been revisions in many series as result of quality assurance work undertaken with data providers, in particular with public unit trusts and the fund management industry. Assets of public unit trusts (Table 4) have been revised downwards back to December 2001. In Table 8, the series, funds sourced from public unit trusts, has been revised downwards back to December 1992.

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## 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.

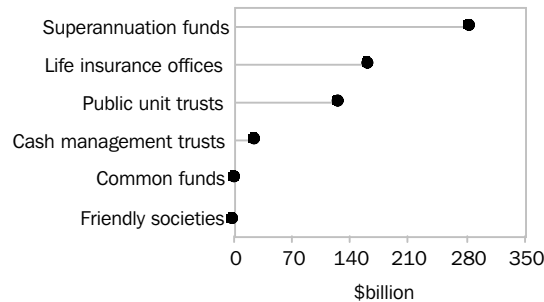
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R.W. Edwards  
Acting Australian Statistician

## MANAGED FUNDS: Consolidated Assets

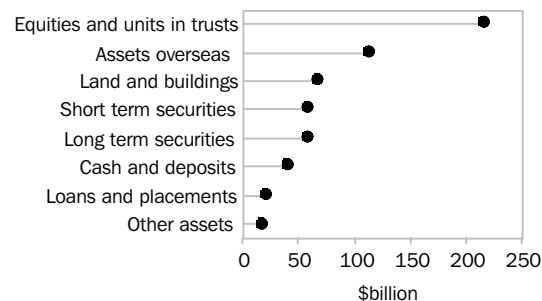
### BY TYPE OF INSTITUTION

At 30 September 2002, consolidated assets of superannuation funds stood at \$287.8 billion, down \$11.0 billion since June 2002. Life insurance offices had consolidated assets of \$165.9 billion, down \$7.9 billion, cash management trusts has consolidated assets of \$28.3 billion, down \$1.0 billion, and friendly societies had consolidated assets of \$4.9 billion, down 11%. The assets of public unit trusts and common funds increased slightly.



### BY TYPE OF ASSET

During the quarter, equities and units in trusts decreased by \$8.8 billion (4%), assets overseas decreased by \$6.1 billion (5%), cash and deposits decreased \$2.4 billion (5%), other assets decreased by \$3.6 billion (15%) and long-term securities decreased by \$1.4 billion (2%). Short term securities increased \$2.2 billion (4%). Loans and placements and land and buildings showed little change since June 2002.



### CROSS INVESTMENT

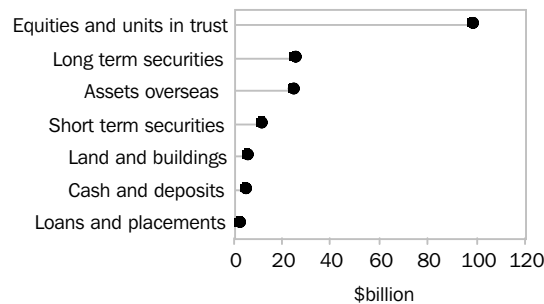
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 30 September 2002.

Type of fund	Unconsolidated assets \$m	Cross-invested assets \$m	Consolidated assets \$m
Life insurance offices	192 691	26 697	165 994
Superannuation funds	349 589	61 775	287 814
Public unit trusts	151 866	22 106	129 760
Friendly societies	6 070	1 122	4 948
Common funds	8 175	174	8 001
Cash management trusts	28 329	—	28 329
<b>Total</b>	<b>736 720</b>	<b>111 874</b>	<b>624 846</b>

## MANAGED FUNDS: Unconsolidated Assets

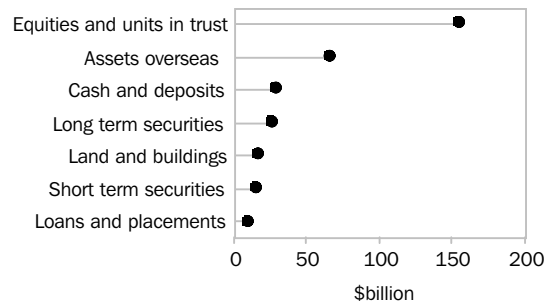
### LIFE INSURANCE OFFICES

Total assets of life insurance offices was \$192.7 billion at 30 September 2002, a decrease of \$6.9 billion (3%) since June 2002. Assets held overseas decreased by \$4.0 billion (13%) reflecting the decline in foreign share prices, equities and units in trusts decreased by \$1.0 billion (1%), other financial assets decreased by \$1.4 billion (29%) and while long term securities decreased by \$0.7 billion (2%). There was an increase in short term securities (\$0.6 billion), while cash and deposits remained unchanged.



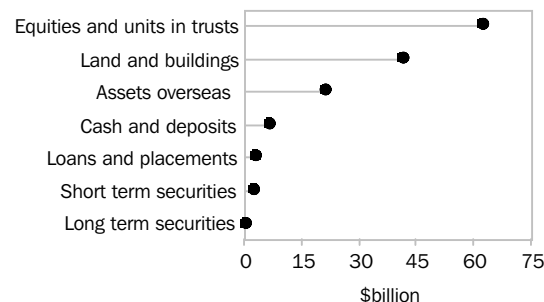
### SUPERANNUATION FUNDS

Total assets of superannuation funds was \$349.6 billion at 30 September 2002, a decrease of \$13.6 billion (4%) since June 2002. Holdings of equities (including units in trusts) decreased \$8.2 billion (5%) while cash and deposits and other financial assets decreased by \$1.3 billion (4%) and \$1.4 billion (11%) respectively. Assets overseas decreased by \$2.0 billion (3%).



### PUBLIC UNIT TRUSTS

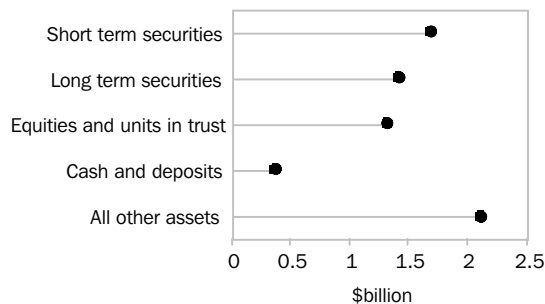
The total assets for public unit trusts was \$151.9 billion at 30 September 2002, an increase of \$0.7 billion (0.5%) since June 2002. The major increases in assets were in land and buildings, up \$0.9 billion (2%), and cash and deposits, up \$0.6 billion (8%) on the June quarter. The major decrease in assets was in other financial assets, down \$0.5 billion (18%).



## MANAGED FUNDS: Unconsolidated Assets *continued*

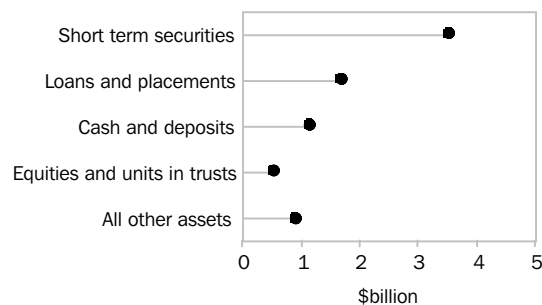
### FRIENDLY SOCIETIES

Total assets of friendly societies was \$6.1 billion at 30 September 2002, an increase of 1% since June 2002. Major movements were equities and units in trusts increased by \$0.6 billion at the expense of short and long term securities, which still account for 52% of total assets.



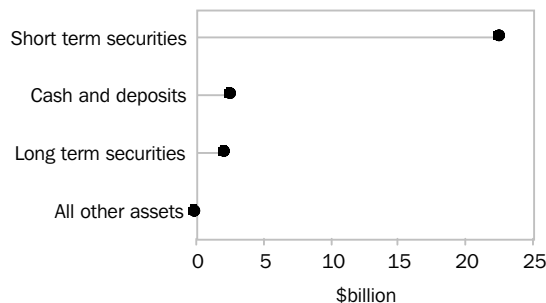
### COMMON FUNDS

Total assets of common funds was \$8.2 billion at 30 September 2002, an increase of \$0.2 billion (3%) since June 2002. Cash and deposits, loans and placements and short term securities accounted for 80% of total assets.



### CASH MANAGEMENT TRUSTS

Total assets of cash management trusts were \$28.3 billion at 30 September 2002, a \$1.1 billion (4%) decrease since June 2002. Holdings of cash and deposits decreased \$2.2 billion (43%) while short term securities increased by \$1.4 billion (6 %) during the quarter.



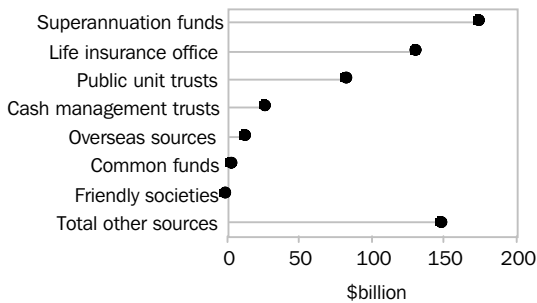
# MANAGED FUNDS — INVESTMENT MANAGERS

## SOURCE OF FUNDS UNDER MANAGEMENT

During September quarter 2002 there was a decrease in total funds under management by investment managers of \$22.0 billion (4%), bringing the total sources of funds under management to \$598.4 billion. The value of funds under management on behalf of superannuation funds decreased by \$6.9 billion (4%), public unit trusts decreased by \$5.1 billion (6%) and life insurance offices decreased by \$6.6 billion (5%). Other categories of sources of funds under management showed very small increases or decreases.

Whilst a significant proportion of the decreases in funds under management was attributable to decreases in asset values some of the decreases result 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 \$432.3 billion at 30 September 2002, representing 69% of the consolidated assets of managed funds, down from 72% at September 2001.



## MANAGED FUNDS, Consolidated Assets

<i>Institution/asset</i>	<i>Jun Qtr 1999</i>	<i>Jun Qtr 2000</i>	<i>Dec 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>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Type of institution</b>										
Life insurance offices(a)	163 384	173 522	170 873	171 495	175 789	168 763	176 579	176 695	173 914	165 994
Superannuation funds	235 116	285 638	293 734	294 168	307 541	291 584	304 114	307 796	298 854	287 814
Public unit trusts	93 968	108 507	114 601	116 531	119 344	116 698	126 353	129 273	129 645	129 760
Friendly societies	6 415	5 895	5 543	5 555	5 523	5 477	5 510	5 495	5 563	4 948
Common funds	7 568	7 434	7 083	7 594	8 126	7 861	7 897	8 012	7 771	8 001
Cash management trusts	21 531	24 776	26 828	27 490	28 693	29 138	30 141	29 456	29 415	28 329
<b>Total</b>	<b>527 981</b>	<b>605 772</b>	<b>618 662</b>	<b>622 833</b>	<b>645 015</b>	<b>619 520</b>	<b>650 595</b>	<b>656 728</b>	<b>645 162</b>	<b>624 846</b>
<b>Type of asset</b>										
Cash and deposits(b)	36 622	39 681	39 744	42 096	46 239	43 869	43 886	45 739	47 093	44 641
Loans and placements	27 762	32 390	28 830	28 909	30 480	28 176	28 213	27 471	25 748	25 597
Short term securities(b)	67 794	63 747	63 250	61 617	62 875	58 419	62 757	61 857	60 604	62 802
Long term securities	70 343	72 729	69 768	68 521	66 312	63 432	62 096	61 937	63 867	62 492
Equities and units in trusts	156 916	197 641	216 264	216 177	230 899	213 636	236 850	239 060	228 911	220 062
Land and buildings	57 387	64 237	64 336	65 971	67 051	65 826	68 547	68 646	70 450	70 609
Assets overseas	90 070	114 134	115 489	118 790	118 962	122 083	125 025	128 336	124 031	117 876
Other assets	21 087	21 214	20 981	20 754	22 198	24 079	23 220	23 682	24 459	20 768
<b>Total</b>	<b>527 981</b>	<b>605 772</b>	<b>618 662</b>	<b>622 833</b>	<b>645 015</b>	<b>619 520</b>	<b>650 595</b>	<b>656 728</b>	<b>645 162</b>	<b>624 846</b>
(a) Figures include superannuation funds held in the statutory funds of life insurance offices. (b) Bank certificates of deposit held by public unit trusts are included in 'Cash and deposits' at banks.										

## LIFE INSURANCE OFFICES(a), Unconsolidated Assets

	Jun Qtr 1999	Jun Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>176 378</b>	<b>191 599</b>	<b>194 322</b>	<b>194 326</b>	<b>198 068</b>	<b>189 389</b>	<b>200 584</b>	<b>202 607</b>	<b>199 587</b>	<b>192 691</b>
<b>Assets in Australia</b>	<b>147 893</b>	<b>158 773</b>	<b>164 828</b>	<b>163 759</b>	<b>168 096</b>	<b>160 852</b>	<b>169 830</b>	<b>171 067</b>	<b>169 267</b>	<b>166 355</b>
<i>Cash and deposits</i>	<i>10 315</i>	<i>9 854</i>	<i>8 866</i>	<i>9 253</i>	<i>9 391</i>	<i>9 003</i>	<i>7 680</i>	<i>7 327</i>	<i>7 627</i>	<i>7 649</i>
Banks	4 216	4 881	4 392	4 836	5 151	5 151	4 822	4 226	4 669	4 799
Other deposit taking institutions	6 099	4 973	4 474	4 417	4 240	3 852	2 858	3 101	2 957	2 850
<i>Loans and placements</i>	<i>7 673</i>	<i>8 847</i>	<i>8 493</i>	<i>7 915</i>	<i>7 706</i>	<i>7 709</i>	<i>6 591</i>	<i>5 703</i>	<i>4 819</i>	<i>5 125</i>
<i>Short term securities</i>	<i>18 724</i>	<i>14 085</i>	<i>11 082</i>	<i>9 696</i>	<i>11 471</i>	<i>10 780</i>	<i>11 855</i>	<i>11 506</i>	<i>12 661</i>	<i>13 224</i>
Bills of exchange	4 473	2 307	2 897	3 698	3 593	3 791	4 089	3 844	3 125	2 540
Bank certificates of deposit	7 537	5 409	3 249	2 712	2 612	2 211	2 958	3 572	4 423	5 693
Other short term securities	6 714	6 368	4 936	3 286	5 266	4 779	4 808	4 090	5 112	4 990
<i>Long term securities</i>	<i>35 990</i>	<i>35 600</i>	<i>30 740</i>	<i>30 874</i>	<i>30 410</i>	<i>29 302</i>	<i>27 695</i>	<i>26 894</i>	<i>27 621</i>	<i>26 932</i>
Commonwealth government bonds	11 781	8 953	8 722	8 148	7 205	5 817	6 086	6 599	6 128	6 112
State and local government securities	11 705	12 583	9 915	9 753	10 193	9 370	8 380	7 834	8 218	7 764
Other long term securities	12 504	14 064	12 103	12 973	13 011	14 115	13 229	12 461	13 275	13 056
<i>Equities and units in trusts</i>	<i>61 684</i>	<i>76 845</i>	<i>92 953</i>	<i>91 854</i>	<i>95 179</i>	<i>88 457</i>	<i>100 485</i>	<i>103 785</i>	<i>101 514</i>	<i>100 494</i>
Trading corporations shares	26 408	29 289	29 633	30 108	30 348	26 687	30 446	33 026	30 893	30 114
Financial sector shares	11 467	13 594	13 052	12 737	14 380	12 028	13 413	13 313	12 450	11 099
Units in trusts	23 809	33 962	50 267	49 008	50 450	49 742	56 625	57 446	58 170	59 281
<i>Other financial assets</i>	<i>4 466</i>	<i>4 203</i>	<i>3 155</i>	<i>4 162</i>	<i>3 833</i>	<i>6 232</i>	<i>6 281</i>	<i>6 430</i>	<i>4 938</i>	<i>3 530</i>
<i>Land and buildings</i>	<i>8 159</i>	<i>8 637</i>	<i>8 829</i>	<i>9 284</i>	<i>9 364</i>	<i>8 508</i>	<i>8 338</i>	<i>8 305</i>	<i>8 736</i>	<i>8 273</i>
<i>Other non-financial assets</i>	<i>882</i>	<i>703</i>	<i>711</i>	<i>721</i>	<i>742</i>	<i>861</i>	<i>905</i>	<i>1 117</i>	<i>1 353</i>	<i>1 129</i>
<b>Assets overseas</b>	<b>28 485</b>	<b>32 825</b>	<b>29 494</b>	<b>30 567</b>	<b>29 972</b>	<b>28 538</b>	<b>30 754</b>	<b>31 540</b>	<b>30 320</b>	<b>26 336</b>

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

## SUPERANNUATION FUNDS(a), Unconsolidated Assets

	<i>Jun Qtr 1999</i>	<i>Jun Qtr 2000</i>	<i>Dec 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>
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>274 232</b>	<b>337 345</b>	<b>348 544</b>	<b>350 447</b>	<b>366 110</b>	<b>349 585</b>	<b>367 063</b>	<b>373 479</b>	<b>363 223</b>	<b>349 589</b>
<b>Assets in Australia</b>	<b>226 017</b>	<b>273 022</b>	<b>281 203</b>	<b>281 145</b>	<b>297 524</b>	<b>274 832</b>	<b>294 117</b>	<b>299 514</b>	<b>292 095</b>	<b>280 480</b>
<i>Cash and deposits</i>	<i>23 191</i>	<i>25 571</i>	<i>27 603</i>	<i>29 157</i>	<i>32 634</i>	<i>29 349</i>	<i>30 749</i>	<i>32 885</i>	<i>32 652</i>	<i>31 304</i>
Banks	18 157	22 156	23 711	25 023	27 118	24 962	26 093	28 063	27 606	26 273
Other deposit taking institutions	5 034	3 416	3 893	4 133	5 516	4 388	4 656	4 821	5 047	5 031
<i>Loans and placements</i>	<i>13 171</i>	<i>16 537</i>	<i>15 092</i>	<i>15 386</i>	<i>16 905</i>	<i>14 421</i>	<i>15 596</i>	<i>15 466</i>	<i>14 728</i>	<i>14 300</i>
<i>Short term securities</i>	<i>20 369</i>	<i>19 596</i>	<i>19 837</i>	<i>18 927</i>	<i>18 130</i>	<i>14 920</i>	<i>17 613</i>	<i>17 970</i>	<i>17 243</i>	<i>17 648</i>
Bills of exchange	6 832	6 193	6 839	6 667	6 399	5 389	6 515	6 162	5 822	6 145
Bank certificates of deposit	9 015	8 716	8 701	8 482	8 949	7 989	8 549	8 704	7 939	8 030
Other short term securities	4 522	4 687	4 297	3 778	2 781	1 542	2 549	3 103	3 482	3 472
<i>Long term securities</i>	<i>27 043</i>	<i>29 505</i>	<i>31 033</i>	<i>29 551</i>	<i>27 825</i>	<i>26 983</i>	<i>27 146</i>	<i>27 710</i>	<i>29 088</i>	<i>28 831</i>
Commonwealth government bonds	13 807	14 557	14 723	14 027	12 607	11 762	11 767	11 902	11 596	11 434
State and local government securities	5 156	5 428	6 128	5 740	5 715	5 980	5 187	5 377	5 190	5 243
Other long term securities	8 080	9 520	10 182	9 784	9 504	9 240	10 192	10 431	12 303	12 154
<i>Equities and units in trusts</i>	<i>116 215</i>	<i>151 048</i>	<i>158 283</i>	<i>158 003</i>	<i>170 171</i>	<i>159 148</i>	<i>172 235</i>	<i>174 585</i>	<i>165 976</i>	<i>157 726</i>
Trading corporations shares	56 817	73 089	73 629	72 335	78 261	71 772	77 142	77 343	72 196	68 591
Financial sector shares	22 288	28 199	32 193	31 778	35 324	31 414	34 448	33 887	31 978	29 858
Units in trusts	37 110	49 760	52 461	53 890	56 586	55 962	60 646	63 356	61 802	59 277
<i>Other financial assets</i>	<i>10 580</i>	<i>11 940</i>	<i>10 489</i>	<i>10 280</i>	<i>11 378</i>	<i>10 813</i>	<i>10 692</i>	<i>10 680</i>	<i>11 883</i>	<i>10 520</i>
<i>Land and buildings</i>	<i>14 798</i>	<i>17 871</i>	<i>18 057</i>	<i>19 028</i>	<i>19 579</i>	<i>18 360</i>	<i>19 165</i>	<i>19 256</i>	<i>19 535</i>	<i>19 212</i>
<i>Other non-financial assets</i>	<i>651</i>	<i>954</i>	<i>809</i>	<i>813</i>	<i>902</i>	<i>839</i>	<i>920</i>	<i>962</i>	<i>989</i>	<i>937</i>
<b>Assets overseas</b>	<b>48 215</b>	<b>64 323</b>	<b>67 341</b>	<b>69 302</b>	<b>68 586</b>	<b>74 753</b>	<b>72 946</b>	<b>73 965</b>	<b>71 127</b>	<b>69 109</b>

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

## PUBLIC UNIT TRUSTS, Unconsolidated Assets

	Jun Qtr 1999	Jun Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>107 114</b>	<b>122 480</b>	<b>132 548</b>	<b>134 428</b>	<b>138 041</b>	<b>135 196</b>	<b>146 284</b>	<b>150 414</b>	<b>151 165</b>	<b>151 866</b>
<b>Assets in Australia</b>	<b>93 847</b>	<b>105 598</b>	<b>113 987</b>	<b>115 607</b>	<b>117 736</b>	<b>116 533</b>	<b>125 115</b>	<b>127 744</b>	<b>128 754</b>	<b>129 643</b>
<i>Cash and deposits</i>	5 094	6 048	5 446	6 076	6 585	6 746	7 639	6 963	6 992	7 563
Banks(a)	2 809	3 767	2 980	3 572	3 156	3 263	3 926	3 026	3 043	3 957
Other deposit taking institutions	2 285	2 281	2 466	2 504	3 429	3 483	3 713	3 937	3 949	3 606
<i>Loans and placements</i>	4 743	4 888	3 593	3 736	4 001	4 009	3 967	4 135	4 039	4 010
<i>Short term securities</i>	4 120	3 410	4 384	3 962	3 432	3 174	2 696	3 657	3 774	3 812
Bills of exchange	3 264	2 492	3 505	3 161	2 689	2 413	2 205	2 795	2 957	3 017
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	857	918	880	802	744	762	491	862	817	795
<i>Long term securities</i>	3 137	3 141	3 210	3 064	2 843	2 599	2 314	2 246	2 052	2 038
<i>Equities and units in trusts</i>	37 481	46 400	53 101	55 442	56 681	54 876	62 139	64 203	63 442	63 339
Equities	22 337	27 828	29 258	30 669	32 239	29 135	34 111	34 709	33 632	32 588
Units in trusts	15 144	18 572	23 843	24 773	24 442	25 741	28 028	29 494	29 810	30 751
<i>Other financial assets</i>	2 901	1 820	1 942	2 296	2 546	2 375	1 624	1 930	2 605	2 130
<i>Land and buildings</i>	34 079	37 438	37 164	37 384	37 844	38 716	40 789	40 832	41 921	42 832
<i>Other non-financial assets</i>	2 292	2 453	5 147	3 647	3 804	4 038	3 947	3 778	3 929	3 919
<b>Assets overseas</b>	<b>13 267</b>	<b>16 882</b>	<b>18 561</b>	<b>18 821</b>	<b>20 305</b>	<b>18 663</b>	<b>21 169</b>	<b>22 670</b>	<b>22 411</b>	<b>22 223</b>

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

## FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1999	Jun Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>6 500</b>	<b>6 163</b>	<b>5 945</b>	<b>5 953</b>	<b>5 970</b>	<b>5 961</b>	<b>5 995</b>	<b>5 990</b>	<b>6 034</b>	<b>6 070</b>
<b>Assets in Australia</b>	<b>6 433</b>	<b>6 083</b>	<b>5 854</b>	<b>5 855</b>	<b>5 873</b>	<b>5 854</b>	<b>5 884</b>	<b>5 877</b>	<b>5 911</b>	<b>5 942</b>
<i>Cash and deposits</i>	858	523	348	302	503	442	450	481	447	397
Banks	657	387	242	192	408	210	200	231	214	174
Other deposit taking institutions	201	136	106	110	95	232	250	250	233	223
<i>Loans and placements</i>	366	409	355	345	363	354	328	354	376	359
<i>Short term securities</i>	2 698	2 525	2 216	2 420	2 040	2 153	1 955	1 983	2 049	1 729
Bills of exchange	908	1 020	632	718	526	754	663	517	408	350
Bank certificates of deposit	1 442	1 218	1 244	1 355	1 101	1 033	929	1 078	1 230	971
Other short term securities	348	287	340	347	413	366	363	388	411	408
<i>Long term securities</i>	1 631	1 618	1 755	1 586	1 633	1 722	1 879	1 756	1 692	1 445
Commonwealth government bonds	280	254	238	172	203	190	250	189	187	130
State and local government securities	377	276	382	380	363	448	420	387	254	383
Other long term securities	974	1 088	1 135	1 034	1 067	1 084	1 209	1 180	1 251	932
<i>Equities and units in trusts</i>	336	511	658	676	732	689	709	717	709	1 348
Trading corporations shares	200	177	210	235	257	189	203	199	195	181
Financial sector shares	51	66	46	43	46	19	23	25	49	50
Units in trusts	85	268	402	398	429	481	483	493	465	1 117
<i>Other financial assets</i>	152	175	194	212	222	223	255	274	289	295
<i>Land and buildings</i>	286	251	244	232	223	201	213	210	216	249
<i>Other non-financial assets</i>	106	71	84	82	157	70	95	102	133	120
<b>Assets overseas</b>	<b>67</b>	<b>80</b>	<b>91</b>	<b>98</b>	<b>97</b>	<b>107</b>	<b>111</b>	<b>113</b>	<b>123</b>	<b>128</b>

## COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1999	Jun Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>7 726</b>	<b>7 622</b>	<b>7 204</b>	<b>7 689</b>	<b>8 203</b>	<b>8 003</b>	<b>8 055</b>	<b>8 181</b>	<b>7 941</b>	<b>8 175</b>
<b>Assets in Australia</b>	<b>7 690</b>	<b>7 599</b>	<b>7 202</b>	<b>7 687</b>	<b>8 201</b>	<b>7 981</b>	<b>8 010</b>	<b>8 133</b>	<b>7 892</b>	<b>8 095</b>
<i>Cash and deposits</i>	849	852	531	653	809	922	991	1 214	1 086	1 226
Banks	543	564	360	511	605	725	811	1 043	903	1 025
Other deposit taking institutions	306	288	171	142	204	197	180	171	183	201
<i>Loans and placements</i>	1 803	2 018	1 795	1 630	1 594	1 698	1 762	1 801	1 794	1 754
<i>Short term securities</i>	3 328	3 003	3 304	3 700	4 113	3 630	3 639	3 473	3 431	3 592
Bills of exchange	2 105	1 465	1 702	1 772	2 104	1 418	1 337	1 222	1 178	1 278
Bank certificates of deposit	1 022	1 353	1 382	1 753	1 994	2 194	2 293	2 243	2 245	2 301
Other short term securities	201	185	220	175	15	18	9	8	8	13
<i>Long term securities</i>	924	865	845	844	728	750	694	725	699	715
Commonwealth government bonds	58	42	15	16	15	16	54	53	44	79
State and local government securities	363	377	332	315	266	222	216	230	144	297
Other long term securities	503	446	498	513	447	512	424	442	511	339
<i>Equities and units in trusts</i>	631	716	630	658	669	708	652	662	696	624
Trading corporations shares	214	213	228	170	283	285	203	201	192	168
Financial sector shares	335	387	324	428	360	330	336	335	380	332
Units in trusts	82	116	78	60	26	93	113	126	124	124
<i>Other financial assets</i>	60	71	55	160	246	230	230	216	144	142
<i>Land and buildings</i>	66	41	42	42	42	42	42	42	42	42
<i>Other non-financial assets</i>	29	33	—	—	—	1	—	—	—	—
<b>Assets overseas</b>	<b>36</b>	<b>23</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>22</b>	<b>45</b>	<b>48</b>	<b>49</b>	<b>80</b>

## CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1999	Jun Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>21 531</b>	<b>24 776</b>	<b>26 828</b>	<b>27 490</b>	<b>28 693</b>	<b>29 138</b>	<b>30 141</b>	<b>29 456</b>	<b>29 415</b>	<b>28 329</b>
<b>Assets in Australia</b>	<b>21 531</b>	<b>24 776</b>	<b>26 828</b>	<b>27 490</b>	<b>28 693</b>	<b>29 138</b>	<b>30 141</b>	<b>29 456</b>	<b>29 415</b>	<b>28 329</b>
<i>Cash and deposits</i>	<i>1 190</i>	<i>1 564</i>	<i>2 131</i>	<i>1 911</i>	<i>2 080</i>	<i>3 185</i>	<i>2 673</i>	<i>3 431</i>	<i>5 091</i>	<i>2 892</i>
Banks	1 115	1 452	2 044	1 810	2 012	3 085	2 632	3 306	4 913	2 841
Other deposit taking institutions	75	112	87	101	68	100	41	125	178	50
<i>Loans and placements</i>	<i>16</i>	<i>1</i>	<i>—</i>	<i>1</i>	<i>1</i>	<i>58</i>	<i>56</i>	<i>83</i>	<i>62</i>	<i>64</i>
<i>Short term securities</i>	<i>18 555</i>	<i>21 127</i>	<i>22 427</i>	<i>22 911</i>	<i>23 689</i>	<i>23 762</i>	<i>24 999</i>	<i>23 268</i>	<i>21 446</i>	<i>22 797</i>
Bills of exchange	5 491	7 053	9 170	7 963	7 840	6 901	5 866	4 891	3 892	4 546
Bank certificates of deposit	9 404	9 087	7 212	9 235	10 450	11 399	13 041	14 275	13 565	13 469
Other short term securities	3 660	4 987	6 044	5 713	5 399	5 462	6 092	4 102	3 989	4 783
<i>Long term securities</i>	<i>1 618</i>	<i>2 000</i>	<i>2 186</i>	<i>2 602</i>	<i>2 873</i>	<i>2 077</i>	<i>2 368</i>	<i>2 606</i>	<i>2 715</i>	<i>2 531</i>
Commonwealth government bonds	—	—	—	—	—	—	—	—	—	—
State and local government securities	—	—	—	—	—	—	—	—	—	—
Other long term securities	1 618	2 000	2 186	2 602	2 873	2 077	2 368	2 606	2 715	2 531
<i>Equities and units in trusts</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Other financial assets</i>	<i>151</i>	<i>84</i>	<i>84</i>	<i>66</i>	<i>50</i>	<i>56</i>	<i>45</i>	<i>68</i>	<i>103</i>	<i>46</i>
<i>Land and buildings</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Other non-financial assets</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
<b>Assets overseas</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## INVESTMENT MANAGERS, Source of Funds

Source of funds	Jun Qtr 1999	Jun Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001	Sep Qtr 2001	Dec Qtr 2001	Mar Qtr 2002	Jun Qtr 2002	Sep Qtr 2002
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL SOURCE OF FUNDS</b>	<b>464 361</b>	<b>544 793</b>	<b>577 830</b>	<b>591 974</b>	<b>624 970</b>	<b>604 008</b>	<b>632 006</b>	<b>644 036</b>	<b>620 391</b>	<b>598 395</b>
<b>Funds from Australian sources</b>	<b>446 201</b>	<b>524 906</b>	<b>560 269</b>	<b>572 618</b>	<b>604 885</b>	<b>583 278</b>	<b>610 329</b>	<b>621 739</b>	<b>602 143</b>	<b>582 917</b>
Managed funds	378 672	433 006	449 745	454 740	473 676	449 325	465 417	469 854	450 717	432 320
Life insurance offices	130 706	142 226	141 197	142 954	146 599	137 152	139 300	141 447	138 994	132 407
Superannuation funds (a)	155 248	187 069	194 110	193 058	199 679	186 857	190 479	192 227	184 122	177 199
Public unit trusts	62 277	71 885	80 604	83 215	89 977	87 002	95 449	97 329	90 547	85 445
Friendly societies	5 133	4 285	3 639	3 411	3 483	3 109	3 220	3 157	3 002	2 922
Common funds	5 167	4 257	4 006	4 682	5 463	6 230	7 338	7 190	5 688	6 191
Cash management trusts	20 141	23 284	26 189	27 420	28 475	28 975	29 631	28 504	28 364	28 156
Total other sources	67 529	91 900	110 524	117 878	131 209	133 953	144 912	151 885	151 426	150 597
Government	9 232	8 978	9 747	10 688	12 438	12 759	12 797	13 366	10 085	10 600
Charities	950	886	889	915	951	887	1 016	1 095	1 166	1 028
Other trusts	20 793	32 804	46 111	52 330	58 648	62 691	68 189	72 048	74 299	74 201
General insurance	15 449	19 189	20 584	20 768	23 307	21 876	21 894	23 593	25 537	25 541
Other sources	21 105	30 043	33 193	33 177	35 865	35 740	41 016	41 783	40 339	39 227
<b>Funds from overseas sources</b>	<b>18 160</b>	<b>19 887</b>	<b>17 561</b>	<b>19 356</b>	<b>20 085</b>	<b>20 730</b>	<b>21 677</b>	<b>22 297</b>	<b>18 248</b>	<b>15 478</b>

## 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.

**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 September 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 32 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><b>16</b> <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><b>17</b> 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><b>18</b> 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><b>19</b> 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><b>20</b> Discrepancies may occur between sums of the component items and totals due to rounding.</p> <table><tr><td>—</td><td>nil or rounded to zero</td></tr><tr><td>billion</td><td>one thousand million</td></tr><tr><td>n.p.</td><td>not available for publication but included in totals where applicable, unless otherwise indicated.</td></tr></table>	—	nil or rounded to zero	billion	one thousand million	n.p.	not available for publication but included in totals where applicable, unless otherwise indicated.
—	nil or rounded to zero						
billion	one thousand million						
n.p.	not available for publication but included in totals where applicable, unless otherwise indicated.						

## GLOSSARY

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

## G L O S S A R Y

<b>Investment managers</b>	<p>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 <i>investment managers</i>.</p> <p>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.</p> <p>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.</p>
<b>Land and buildings</b>	<p>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.</p>
<b>Life Insurance Offices</b>	<p>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.</p>
<b>Loans</b>	<p>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.</p>
<b>Long term securities</b>	<p>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 <i>fixed interest securities</i> in the professional market.</p>

## G L O S S A R Y

### 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*.





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