

MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 28 NOV 1997

SEPTEMBER QTR KEY FIGURES

CONSOLIDATED ASSETS

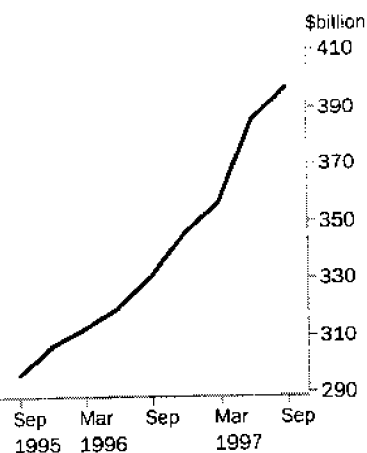
	Sep Qtr 1996	Jun Qtr 1997	Sep Qtr 1997
	\$m	\$m	\$m
Superannuation funds	143 477	169 311	175 002
Statutory funds of life insurance offices	121 143	131 778	133 940
Other managed funds	65 842	84 161	87 831
Total	330 463	385 250	396 772

SEPTEMBER QTR KEY POINTS

CONSOLIDATED ASSETS

- The value of consolidated assets of managed funds in Australia as at 30 September 1997 was \$396.8 billion, an increase of \$11.5 billion (3%) on the level at 30 June 1997 figure of \$385.3 billion, and an increase of \$66.3 billion (20%) on the level at 30 September 1996 figure of \$330.5 billion. Higher equity and security market prices contributed to the increases.
- The largest increase in the consolidated assets of managed funds during the September 1997 quarter occurred in superannuation funds, up \$5.7 billion (3%).
- The value of managed funds' assets invested through investment managers was \$315.9 billion at the end of September 1997, representing 80% of all the consolidated assets of managed funds.

Total consolidated assets



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

December 1997

2 March 1998

March 1998

29 May 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.

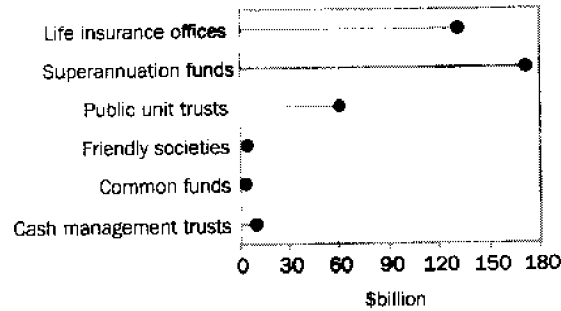
.....

W. McLennan
Australian Statistician

MANAGED FUNDS: Consolidated Assets

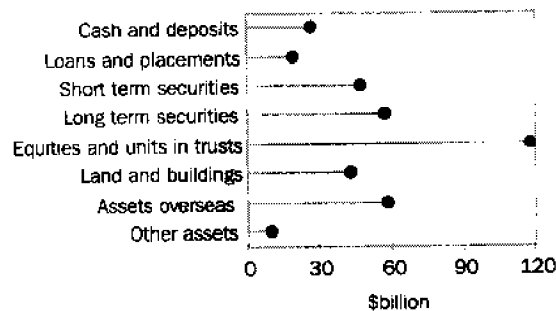
BY TYPE OF INSTITUTION

Superannuation funds recorded the largest increase in assets during the September 1997 quarter of \$5.7 billion (3%), compared with the June 1997 quarter. Assets in public unit trusts increased by \$2.4 billion (4%) and in statutory funds of life offices the increase was \$2.2 billion (2%). Cash management trusts had the largest proportional movement in assets with an increase of \$1.4 billion (13%).



BY TYPE OF ASSET

The largest increases in type of assets were equities and units in trusts, \$5.4 billion (5%), short term securities, \$2.7 billion (6%) and long term securities, \$2.3 billion (4%). Cash and deposits decreased by \$0.6 billion (2%).



CROSS INVESTMENT

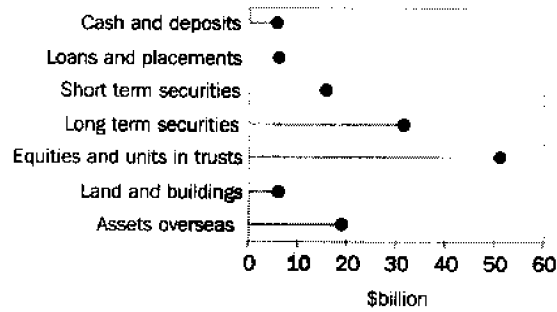
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 30 September 1997.

Type of fund	Unconsolidated assets \$m	Cross-invested assets \$m	Consolidated assets \$m
Statutory funds of life insurance offices	147 898	13 958	133 940
Superannuation funds	196 519	21 518	175 002
Public unit trusts	70 557	7 685	62 872
Friendly societies	7 056	34	7 022
Common funds	5 945	99	5 846
Cash management trusts	12 091	—	12 091
Total	440 066	43 294	396 772

MANAGED FUNDS: Unconsolidated Assets

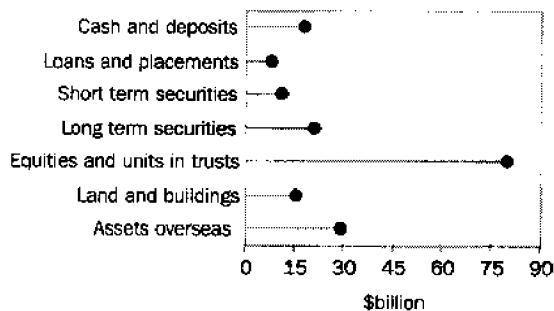
STATUTORY FUNDS OF LIFE INSURANCE OFFICES

Total assets of the statutory funds of life insurance offices increased by \$2.2 billion (2%) in the September 1997 quarter to \$147.9 billion. The largest increases were in the holding of long term securities, up \$1.0 billion (3%), short term securities, up \$0.6 billion (4%) and equities and units in trusts, up \$0.5 billion (1%).



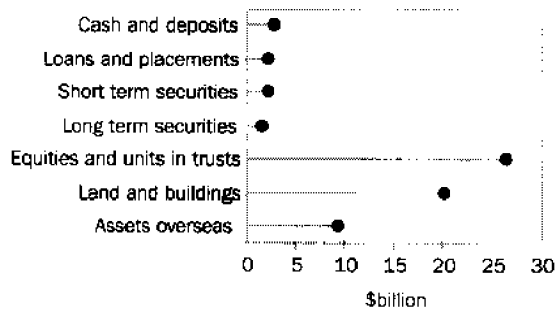
SUPERANNUATION FUNDS

Total assets of superannuation funds increased by \$7.1 billion (4%) in the September 1997 quarter to \$196.5 billion. The largest change was in the holding of private trading corporations shares, up \$2.2 billion (5%). Other significant changes included holdings of units in trusts, up \$1.4 billion (7%) and holdings of financial sector shares, up \$1.1 billion (10%).



PUBLIC UNIT TRUSTS

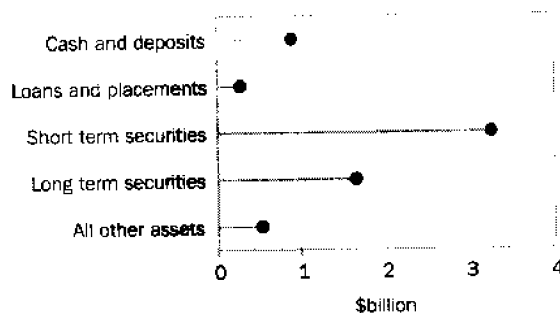
Total assets of public unit trusts increased by \$3.0 billion (4%) in the September 1997 quarter to \$70.6 billion. The largest change was in the holdings of equities, up \$1.7 billion (10%). Other increases included holdings of units in trusts, up \$0.6 billion (9%) and loans and placements, up \$0.2 billion (9%).



MANAGED FUNDS: Unconsolidated Assets *continued*

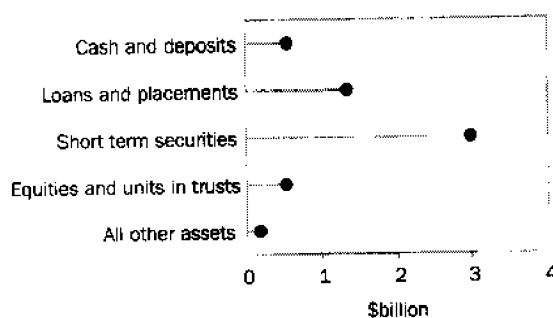
FRIENDLY SOCIETIES

Total assets of friendly societies decreased by \$0.2 billion (3%) in the September 1997 quarter to \$7.1 billion. There were significant declines in holdings of cash and deposits with banks, down \$0.7 billion (52%) and bank certificates of deposit, down \$0.4 billion (24%).



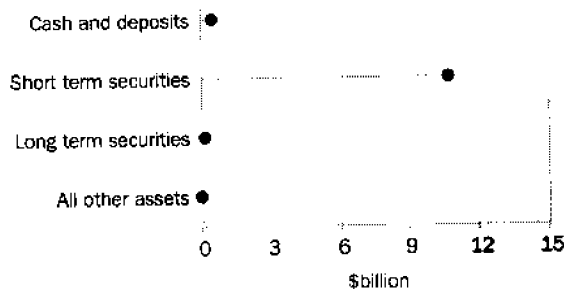
COMMON FUNDS

The assets of common funds increased by \$0.1 billion (2%) to \$5.9 billion during the September 1997 quarter. Almost all of this increase was attributed to increased holdings of short term securities.



CASH MANAGEMENT TRUSTS

Total assets in cash management trusts increased by \$1.4 billion (13%) to \$12.1 billion during the September 1997 quarter. The largest increases during the quarter were in holdings of bank certificates of deposits, up \$0.7 billion (22%), bills of exchange, up \$0.6 billion (12%), and other short term securities, up \$0.5 billion (45%). There was a decline in holdings of cash and deposits with banks, down \$0.3 billion (37%).

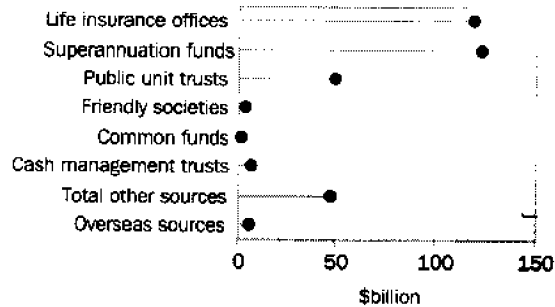


MANAGED FUNDS — INVESTMENT MANAGERS

SOURCE OF FUNDS UNDER MANAGEMENT

During the September 1997 quarter there was an increase in total funds under management by investment managers of \$14.1 billion (4%), bringing the total sources of funds under management to \$373.7 billion. The largest increase was from superannuation funds which increased \$4.6 billion (4%) to \$125.6 billion. Funds sourced from life insurance offices increased by \$3.3 billion (3%) to \$120.8 billion. In the category 'Other sources', funds under management increased by \$1.6 billion (3%) to \$49.2 billion

The value of managed funds' assets invested through investment managers was \$315.9 billion at the end of September 1997, representing 80% of all the consolidated assets of managed funds.



MANAGED FUNDS, Consolidated Assets



Institution/asset	Jun Qtr 1994	Jun Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Type of Institution										
Statutory funds of life insurance offices(a)	108 233	110 839	115 080	116 361	117 218	121 143	122 736	125 102	131 778	133 940
Superannuation funds	114 038	123 424	131 521	134 492	138 791	143 477	151 309	154 711	169 311	175 002
Public unit trusts	34 720	38 038	40 428	42 197	43 995	46 058	51 058	54 270	60 478	62 872
Friendly societies	9 081	8 612	8 259	8 074	7 865	7 355	7 129	7 216	7 238	7 022
Common funds	4 785	4 037	4 278	4 352	4 493	4 719	4 941	5 296	5 731	5 846
Cash management trusts	5 915	5 625	6 484	6 706	7 036	7 710	8 986	9 649	10 714	12 091
Total	276 772	290 576	306 050	312 183	319 397	330 463	346 159	356 244	385 250	396 772
Type of asset										
Cash and deposits(b)	22 109	21 369	23 409	22 534	23 515	24 543	26 127	28 410	29 944	29 331
Loans and placements	14 619	15 483	16 977	17 188	17 447	18 291	18 446	19 932	20 753	21 220
Short term securities(b)	29 151	29 729	32 392	35 622	37 705	38 745	41 765	43 249	46 495	49 169
Long term securities	53 474	54 515	54 386	53 233	54 032	56 828	55 523	54 769	57 071	59 358
Equities and units in trusts	76 366	79 487	88 814	88 819	89 159	92 304	100 344	103 767	114 513	119 921
Land and buildings	33 310	37 267	37 894	39 114	40 070	41 190	42 357	43 319	44 465	44 963
Assets overseas	41 168	44 020	43 884	45 582	46 643	48 048	51 808	52 216	59 674	60 669
Other assets	6 571	8 709	8 297	10 093	10 828	10 516	9 790	10 583	12 336	12 139
Total	276 772	290 576	306 050	312 183	319 397	330 463	346 159	356 244	385 250	396 772
<p>(a) Figures include superannuation funds held in the statutory funds of life insurance offices.</p> <p>(b) Bank certificates of deposit held by public unit trusts are included in 'Cash and deposits' at banks.</p>										

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

	Jun Qtr 1994	Jun Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	114 674	118 520	124 148	125 492	127 298	131 795	134 543	137 305	145 673	147 898
Assets in Australia	97 688	101 407	107 891	109 229	111 801	115 006	117 131	120 260	126 156	127 860
<i>Cash and deposits</i>	5 063	4 836	5 373	5 133	5 912	6 262	6 720	8 217	7 046	6 546
Banks	2 649	2 895	2 867	2 878	3 496	3 542	4 010	5 228	3 764	3 421
Other deposit taking institutions	2 414	1 941	2 506	2 255	2 416	2 720	2 710	2 989	3 282	3 125
<i>Loans and placements</i>	5 320	5 809	6 670	6 636	6 464	6 886	6 512	7 115	7 052	7 192
<i>Short term securities</i>	9 833	9 794	12 084	12 791	14 308	14 333	15 886	16 198	16 278	16 853
Bills of exchange	5 615	4 507	5 873	6 050	6 117	5 960	6 482	6 426	4 971	5 560
Bank certificates of deposit	1 473	2 767	3 269	3 500	4 053	4 013	4 007	4 607	5 110	4 841
Other short term securities	2 745	2 520	2 942	3 241	4 138	4 360	5 397	5 165	6 197	6 452
<i>Long term securities</i>	27 878	28 427	29 014	28 840	29 008	30 163	30 084	29 535	31 626	32 597
Commonwealth government bonds	8 258	8 791	9 468	10 678	10 977	12 046	12 163	11 628	12 471	12 252
State and local government securities	13 281	13 066	13 233	12 363	12 296	11 886	11 487	11 506	11 402	11 826
Other long term securities	6 339	6 570	6 313	5 799	5 735	6 231	6 434	6 401	7 753	8 519
<i>Equities and units in trusts</i>	37 008	38 670	42 159	41 678	42 569	43 623	46 024	46 845	51 652	52 162
Private trading corporations shares	25 308	25 194	26 542	26 006	26 037	25 906	26 612	26 446	28 341	28 056
Financial sector shares	5 500	5 989	6 800	6 767	6 694	7 337	7 876	8 495	9 744	10 461
Units in trusts	6 200	7 487	8 817	8 905	9 838	10 380	11 536	11 904	13 567	13 645
<i>Other financial assets</i>	2 132	2 216	1 924	2 505	2 835	2 446	2 335	2 824	3 314	3 635
<i>Land and buildings</i>	9 126	9 486	8 746	8 984	8 856	8 884	8 096	7 919	7 213	7 257
<i>Other non-financial assets</i>	1 328	2 169	1 921	2 662	1 849	2 409	1 474	1 607	1 975	1 618
Assets overseas	16 986	17 113	16 257	16 263	15 497	16 789	17 412	17 045	19 517	20 038

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

SUPERANNUATION FUNDS(a), Unconsolidated Assets

Assets	Jun Qtr 1994	Jun Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	122 198	134 449	146 831	149 573	154 864	160 355	169 652	173 647	189 352	196 519
Assets in Australia	104 126	113 673	125 419	126 539	130 204	135 860	143 008	146 685	158 613	165 689
<i>Cash and deposits</i>	11 756	12 662	14 786	14 393	13 629	14 625	15 894	16 370	18 240	19 221
Banks	8 070	8 475	9 977	9 498	8 497	9 323	10 232	10 503	12 111	12 813
Other deposit taking institutions	3 686	4 187	4 809	4 895	5 132	5 302	5 662	5 867	6 129	6 408
<i>Loans and placements</i>	5 764	6 019	6 676	6 944	7 331	7 555	8 115	8 631	9 391	9 477
<i>Short term securities</i>	8 808	8 602	7 567	9 099	10 703	11 045	11 150	11 581	12 344	12 357
Bills of exchange	4 196	4 535	3 280	3 819	3 965	4 338	3 976	4 549	4 753	4 405
Bank certificates of deposit	3 468	3 028	3 242	3 962	5 280	5 168	5 570	5 741	6 049	6 223
Other short term securities	1 144	1 039	1 045	1 318	1 458	1 539	1 604	1 291	1 542	1 729
<i>Long term securities</i>	21 180	22 455	21 606	20 989	21 230	22 703	20 952	20 271	21 702	22 467
Commonwealth government bonds	9 719	12 452	12 237	12 247	12 008	12 991	11 865	11 463	12 166	12 285
State and local government securities	8 413	7 508	7 039	6 392	6 784	6 664	6 648	6 490	6 835	7 199
Other long term securities	3 048	2 495	2 330	2 350	2 438	3 048	2 439	2 318	2 701	2 983
<i>Equities and units in trusts</i>	44 557	49 289	59 474	59 214	59 686	61 940	68 071	70 747	76 722	81 340
Private trading corporations shares	31 207	33 328	38 300	38 563	38 079	38 340	42 198	43 167	47 187	49 340
Financial sector shares	6 031	5 731	6 687	6 368	6 391	7 617	8 662	9 677	10 824	11 908
Units in trusts	7 319	10 230	14 487	14 283	15 216	15 983	17 211	17 903	18 711	20 092
<i>Other financial assets</i>	392	1 679	2 008	2 079	3 128	2 479	2 734	2 332	2 610	3 021
<i>Land and buildings</i>	11 327	12 514	13 046	13 376	13 980	14 845	15 600	15 775	16 508	16 626
<i>Other non-financial assets</i>	342	454	257	444	517	668	493	980	1 097	1 179
Assets overseas	18 072	20 776	21 412	23 034	24 660	24 495	26 644	26 962	30 739	30 831

(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	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	37 982	41 590	44 198	46 437	48 371	50 944	56 795	60 393	67 521	70 557
Assets in Australia	31 872	35 459	37 983	40 153	41 915	44 214	49 080	52 226	58 148	60 805
<i>Cash and deposits</i>	<i>2 095</i>	<i>1 600</i>	<i>1 809</i>	<i>1 908</i>	<i>2 145</i>	<i>2 171</i>	<i>2 882</i>	<i>3 270</i>	<i>3 259</i>	<i>3 319</i>
Banks(a)	1 345	1 030	1 062	1 052	1 254	1 411	1 826	2 067	2 014	1 951
Other deposit taking institutions	750	570	747	856	891	760	1 056	1 203	1 245	1 368
<i>Loans and placements</i>	<i>1 784</i>	<i>1 825</i>	<i>1 824</i>	<i>1 977</i>	<i>2 066</i>	<i>2 217</i>	<i>2 214</i>	<i>2 373</i>	<i>2 533</i>	<i>2 756</i>
<i>Short term securities</i>	<i>1 946</i>	<i>1 923</i>	<i>1 951</i>	<i>1 963</i>	<i>1 712</i>	<i>1 765</i>	<i>1 910</i>	<i>1 957</i>	<i>2 599</i>	<i>2 666</i>
Bills of exchange	1 628	1 640	1 680	1 646	1 363	1 321	1 501	1 550	2 115	2 231
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	318	283	271	317	349	444	409	407	484	435
<i>Long term securities</i>	<i>1 672</i>	<i>1 307</i>	<i>1 295</i>	<i>1 305</i>	<i>1 493</i>	<i>1 586</i>	<i>1 531</i>	<i>1 621</i>	<i>1 895</i>	<i>2 031</i>
<i>Equities and units in trusts</i>	<i>10 052</i>	<i>12 068</i>	<i>13 428</i>	<i>14 501</i>	<i>15 459</i>	<i>17 137</i>	<i>19 805</i>	<i>21 209</i>	<i>24 516</i>	<i>26 876</i>
Equities	6 940	8 631	9 807	10 432	11 261	12 403	14 279	15 327	17 722	19 465
Units in trusts	3 112	3 437	3 621	4 069	4 198	4 734	5 526	5 882	6 794	7 411
<i>Other financial assets</i>	<i>690</i>	<i>718</i>	<i>741</i>	<i>797</i>	<i>872</i>	<i>857</i>	<i>997</i>	<i>1 032</i>	<i>1 365</i>	<i>1 282</i>
<i>Land and buildings</i>	<i>12 389</i>	<i>14 799</i>	<i>15 638</i>	<i>16 294</i>	<i>16 772</i>	<i>17 015</i>	<i>18 204</i>	<i>19 166</i>	<i>20 281</i>	<i>20 674</i>
<i>Other non-financial assets</i>	<i>1 242</i>	<i>1 219</i>	<i>1 297</i>	<i>1 409</i>	<i>1 395</i>	<i>1 466</i>	<i>1 536</i>	<i>1 597</i>	<i>1 699</i>	<i>1 199</i>
Assets overseas	6 110	6 131	6 215	6 285	6 457	6 731	7 715	8 167	9 373	9 752

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

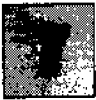
FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	9 094	8 631	8 295	8 101	7 889	7 381	7 154	7 241	7 262	7 056
Assets in Australia	9 094	8 631	8 295	8 101	7 860	7 348	7 117	7 199	7 217	7 008
<i>Cash and deposits</i>	<i>2 814</i>	<i>2 438</i>	<i>1 455</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>
Banks	2 227	1 784	945	616	1 214	843	494	556	1 250	597
Other deposit taking institutions	587	654	510	522	450	424	386	358	361	363
<i>Loans and placements</i>	<i>632</i>	<i>553</i>	<i>529</i>	<i>432</i>	<i>412</i>	<i>405</i>	<i>397</i>	<i>391</i>	<i>369</i>	<i>346</i>
<i>Short term securities</i>	<i>2 298</i>	<i>2 790</i>	<i>3 353</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>
Bills of exchange	930	1 465	1 739	1 468	1 833	1 141	1 004	1 207	1 517	1 700
Bank certificates of deposit	865	1 019	1 270	2 027	1 218	1 713	1 566	1 314	1 495	1 131
Other short term securities	503	306	344	508	424	483	350	269	204	474
<i>Long term securities</i>	<i>2 418</i>	<i>2 080</i>	<i>2 263</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>
Commonwealth government bonds	585	465	704	476	289	349	411	621	228	302
State and local government securities	1 077	666	778	647	565	671	923	921	412	645
Other long term securities	756	949	781	677	704	619	864	839	593	763
<i>Equities and units in trusts</i>	<i>141</i>	<i>147</i>	<i>186</i>	<i>175</i>	<i>170</i>	<i>168</i>	<i>164</i>	<i>163</i>	<i>171</i>	<i>186</i>
Private trading corporations shares	100	103	120	116	112	111	109	108	119	119
Financial sector shares	30	37	38	38	36	33	32	32	30	34
Units in trusts	11	7	28	21	22	24	23	23	22	33
<i>Other financial assets</i>	<i>230</i>	<i>163</i>	<i>61</i>	<i>102</i>	<i>138</i>	<i>93</i>	<i>98</i>	<i>101</i>	<i>83</i>	<i>63</i>
<i>Land and buildings</i>	<i>365</i>	<i>382</i>	<i>377</i>	<i>378</i>	<i>373</i>	<i>366</i>	<i>382</i>	<i>387</i>	<i>391</i>	<i>341</i>
<i>Other non-financial assets</i>	<i>196</i>	<i>78</i>	<i>71</i>	<i>73</i>	<i>70</i>	<i>73</i>	<i>78</i>	<i>72</i>	<i>143</i>	<i>97</i>
Assets overseas	—	—	—	—	29	33	37	42	45	48



COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	4 884	4 138	4 367	4 435	4 566	4 787	5 016	5 371	5 812	5 945
Assets in Australia	4 884	4 138	4 367	4 435	4 566	4 787	5 016	5 371	5 812	5 945
<i>Cash and deposits</i>	502	424	518	453	476	539	463	501	645	625
Banks	308	292	374	310	353	391	291	334	478	449
Other deposit taking institutions	194	132	144	143	123	148	172	167	167	176
<i>Loans and placements</i>	1 089	1 170	1 162	1 163	1 154	1 169	1 169	1 380	1 398	1 415
<i>Short term securities</i>	1 731	1 713	1 866	2 013	2 094	2 275	2 549	2 714	2 935	3 061
Bills of exchange	1 367	1 283	1 382	1 402	1 490	1 650	1 959	2 055	2 268	2 346
Bank certificates of deposit	162	226	292	384	381	361	406	437	480	487
Other short term securities	202	204	192	227	223	264	184	222	187	228
<i>Long term securities</i>	159	204	161	149	163	137	152	157	178	187
Commonwealth government bonds	13	23	34	36	25	26	36	16	16	15
State and local government securities	75	74	58	51	51	53	49	45	36	32
Other long term securities	71	107	69	62	87	58	67	96	126	140
<i>Equities and units in trusts</i>	1 300	541	573	575	590	587	608	547	584	592
Private trading corporations shares	905	254	261	269	269	262	280	320	318	300
Financial sector shares	345	219	259	259	279	294	296	194	227	237
Units in trusts	50	68	53	47	42	31	32	33	39	55
<i>Other financial assets</i>	—	—	—	—	—	—	—	—	—	—
<i>Land and buildings</i>	103	86	87	82	89	80	75	72	72	65
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	—	—	—	—



CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1994	Jun Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	5 915	5 625	6 484	6 706	7 036	7 710	8 986	9 649	10 714	12 091
Assets in Australia	5 915	5 625	6 484	6 706	7 036	7 710	8 986	9 649	10 714	12 091
<i>Cash and deposits</i>	1 160	545	727	739	998	1 034	945	753	1 092	717
Banks	1 026	452	595	529	859	924	810	610	906	574
Other deposit taking institutions	134	93	132	210	139	110	135	143	186	143
<i>Loans and placements</i>	32	119	124	42	22	61	41	44	12	35
<i>Short term securities</i>	4 535	4 907	5 571	5 753	5 413	5 990	7 350	8 009	9 123	10 927
Bills of exchange	1 809	2 891	2 919	3 076	3 111	3 153	3 856	3 959	4 982	5 604
Bank certificates of deposit	1 484	884	1 617	1 544	1 444	1 453	2 266	2 691	2 981	3 645
Other short term securities	1 242	1 132	1 035	1 133	858	1 384	1 228	1 359	1 160	1 678
<i>Long term securities</i>	167	42	47	150	580	600	606	804	437	366
Commonwealth government bonds	2	40	—	26	27	26	26	—	—	—
State and local government securities	163	2	47	124	553	524	500	694	318	298
Other long term securities	2	—	—	—	—	50	80	110	119	68
<i>Equities and units in trusts</i>	—	—	—	—	—	—	—	—	—	—
Private trading corporations shares	—	—	—	—	—	—	—	—	—	—
Financial sector shares	—	—	—	—	—	—	—	—	—	—
Units in trusts	—	—	—	—	—	—	—	—	—	—
<i>Other financial assets</i>	19	13	17	22	24	25	45	38	50	45
<i>Land and buildings</i>	—	—	—	—	—	—	—	—	—	—
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	—	—	—	—

INVESTMENT MANAGERS, Source of Funds

Source of funds	Jun Qtr 1994	Jun Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL SOURCE OF FUNDS	236 617	252 361	270 976	276 096	280 983	311 766	325 602	334 005	359 539	373 676
Funds from Australian sources	231 774	245 503	263 267	268 539	273 383	303 911	318 159	326 450	351 442	365 130
<i>Managed funds</i>	200 676	214 564	229 849	233 295	238 249	267 068	276 717	282 714	303 811	315 884
Life insurance offices	94 137	97 088	101 915	102 979	104 204	108 752	109 923	110 868	117 496	120 805
Superannuation funds (a)	68 665	74 706	81 073	81 791	83 272	104 990	109 874	111 429	121 022	125 582
Public unit trusts	26 602	30 082	32 937	34 224	36 192	37 671	40 833	43 494	47 940	51 124
Friendly societies	6 280	6 425	6 387	6 323	6 181	5 950	5 736	5 960	5 679	5 707
Common funds	354	1 937	2 546	2 843	3 077	3 656	3 978	3 594	3 565	3 637
Cash management trusts	4 638	4 326	4 991	5 135	5 323	6 049	6 373	7 369	8 109	9 029
<i>Other sources</i>	31 098	30 939	33 418	35 244	35 134	36 843	41 442	43 736	47 631	49 246
Government	4 230	4 302	4 740	4 958	5 276	5 338	5 488	5 781	5 710	6 126
Charities	347	562	636	662	747	649	1 005	1 034	1 119	1 106
Other trusts	1 684	2 064	3 282	4 005	4 143	5 277	5 685	6 009	7 156	6 815
General insurance	12 439	12 231	12 450	12 472	10 850	11 089	12 830	13 373	14 070	14 650
Other sources	12 398	11 780	12 310	13 147	14 118	14 490	16 434	17 539	19 576	20 549
Funds from overseas sources	4 843	6 858	7 709	7 557	7 600	7 855	7 443	7 555	8 097	8 546

(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 \$3,948 million of such assets were reported at 30 September 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 25 largest friendly societies. This provides coverage of approximately 95% of the total assets of friendly societies. No estimate is included for the friendly societies not covered in the survey.

12 Common Funds are operated by Trustee Companies under relevant State Trustee Companies Acts. At the end of June 1996 there were 14 trustee companies managing 87 common funds throughout Australia.

13 All Cash Management Trusts operating in Australia are included in the statistics, however, the number of trusts may vary from month to month due to the establishment or closure of individual trusts. There are currently 20 cash management trusts included in the Survey of Financial Information.

METHOD OF CONSOLIDATION

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

BASIS OF VALUATION

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

ASSETS IN AUSTRALIA/OVERSEAS

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

EXPLANATORY NOTES

FINANCIAL INSTRUMENTS

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

REVISIONS AND CHANGES TO CONTENT

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

RELATED PUBLICATIONS

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

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

SYMBOLS AND OTHER USAGES

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

— nil or rounded to zero

billion one thousand million

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

GLOSSARY

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

G L O S S A R Y

- 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 unutilised buildings. New acquisitions are reported at acquisition cost and existing assets are reported at the latest available market valuation.
- Loans** Loans are intermediated borrowings which are not evidenced by the issue of debt securities. An example of this would be money borrowed from a life insurance office with a mortgage over property as collateral.
- Long term securities** A long term security is a document which represents the issuers pledge to pay the holder, on a date which, at the time of issue, is more than one year in the future, the sum of money shown on the face of the document. Until that future date the issuer usually promises to pay coupon interest to the holder quarterly or half-yearly at a rate which is fixed at the time the security is issued. These securities are therefore known as *fixed interest securities* in the professional market.
- Long-term securities* in these statistics include the following types of securities.
- Treasury Bonds and Australian Savings Bonds. These are issued to corporations and the general public by the Commonwealth Government.
 - Various series of inscribed stock which are issued by state government owned borrowing authorities and enterprises. These are known as *semi-government securities* by professional traders.
 - Debentures, transferable certificates of deposit and unsecured notes, which are collectively called *corporate securities* or *medium term notes* by brokers.
 - Asset-backed bonds, such as mortgage-backed securities.
 - Convertible notes, prior to conversion.
- The first two of these are published separately in this publication. The last three types are combined together as *other long term securities*.
- Managed funds** The term managed funds is used to describe the investments undertaken by those collective investment institutions and investment managers who engage in financial transactions in the managed funds market.

G L O S S A R Y

- Managed funds institutions** Managed funds institutions are those financial intermediaries which operate in the managed funds market by acquiring and incurring financial assets and liabilities respectively on their own account. Typically these institutions arrange for the 'pooling' of funds from a number of investors for the purpose of investing in a particular type or mix of assets, with a view to receiving an on-going return or capital gain. However, funds of a speculative nature that do not offer redemption facilities (e.g. agriculture and film trusts) and funds not established for investment purposes (e.g. health funds and general insurance funds) are excluded. It includes statutory funds of life offices, superannuation funds, public unit trusts, friendly societies, common funds and cash management trusts.
- Non-financial assets** Non-financial assets comprise all those assets which are not financial in nature: i.e. physical assets. For the purposes of these statistics they are broken down into only two categories—land and buildings, and other types of non-financial asset.
- Other financial assets** This covers any other financial claims on residents that do not fit into the foregoing categories, such as trade credit, interest accruals and other derivative (but not synthetic) financial products. Synthetic financial products combine a primary financial instrument with a derivative financial instrument and are classified to the category appropriate to the primary instrument used.
- Other non-financial assets** Other non-financial assets refers to all assets not classified elsewhere except for assets overseas.
- Placements** Placements are account balances with entities not regarded as deposit-taking institutions (see *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.
- 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

- 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*.







FOR MORE INFORMATION

The ABS publishes a wide range of information on Australia's economic and social conditions. A catalogue of publications and products is available from any of our offices (see below).

INFORMATION CONSULTANCY SERVICES

Information tailored to special needs of clients can be obtained from the Information Consultancy Service available at ABS Offices (see below).

ABS PRODUCTS

A large number of ABS products is available from the ABS Bookshops (see below). The ABS also provides a subscription service – you can telephone the ABS Subscription Service Australia wide toll free on 1300 3663 23.

ELECTRONIC SERVICES

A large range of data is available via on-line services, diskette, magnetic tape, tape cartridge and CD ROM. For more details about our electronic data services, contact any ABS office (see below) or e-mail us at:

- client.services@abs.gov.au

GENERAL SALES AND INQUIRIES

- Sydney 02 9268 4611
- Melbourne 03 9615 7755
- Brisbane 07 3222 6351
- Perth 08 9360 5140
- Adelaide 08 8237 7100
- Hobart 03 6222 5800
- Darwin 08 8943 2111
- Canberra 02 6252 6627

- Information Services, ABS
PO Box 10, Belconnen ACT 2616



2565500009970

ISSN 1037-7786

RRP \$16.50