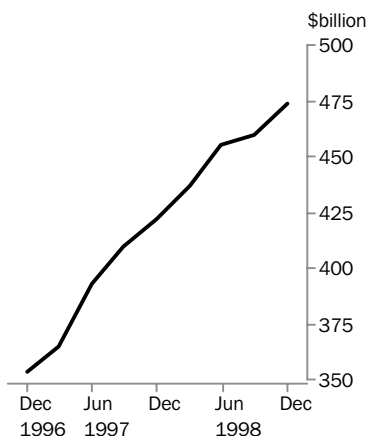


MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 26 FEB 1999

Total consolidated assets



DECEMBER QTR KEY FIGURES

CONSOLIDATED ASSETS

	Dec Qtr 1997 \$m	Sep Qtr 1998 \$m	Dec Qtr 1998 \$m
Superannuation funds	185 309	202 446	205 660
Life insurance offices	141 139	148 591	153 675
Other managed funds	95 542	108 448	113 993
Total	421 990	459 485	473 328

DECEMBER QTR KEY POINTS

CONSOLIDATED ASSETS

- The value of consolidated assets of managed funds as at 31 December 1998 was \$473.3 billion, an increase of \$13.8 billion (3%) on the revised 30 September 1998 figure of \$459.5 billion and an increase of \$51.3 billion (12%) on the revised 31 December 1997 figure of \$422.0 billion.
- The largest increases in the consolidated assets of managed funds during the December 1998 quarter occurred in life insurance offices, up \$5.1 billion (3%), public unit trusts, up \$5.0 billion (7%), and superannuation funds, up \$3.2 billion (2%)
- The value of managed funds' assets invested through investment managers was \$366.3 billion at the end of December 1998, representing 77% of all the consolidated assets of managed funds.

- For further information about these and related statistics, contact John Carson on Canberra 02 6252 7109, or any ABS office shown on the back cover of this publication.

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)

RELEASE DATE

March 1999

31 May 1999

June 1999

31 August 1999

.....

CHANGES IN THIS ISSUE

During the December 1998 quarter a redesigned survey form based on the new international standards - System of National Accounts 1993 - was introduced to the Investment Managers survey. The introduction of the new form has highlighted some past reporting problems and as a result there have been some amendments to previously published data. There are no breaks in the continuity of the statistical series.

Also, the statistics on superannuation in Table 3 now include 'accounts receivable' by a number of large public sector superannuation funds from national government . All data series to which this item contributes have been revised. See Paragraph 9 of the Explanatory Notes for more details on this change.

.....

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.

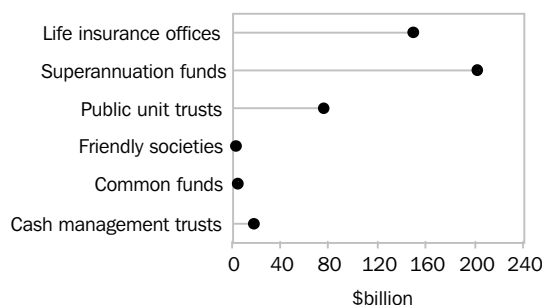
.....

Dennis Trewin
Acting Australian Statistician

MANAGED FUNDS: Consolidated Assets

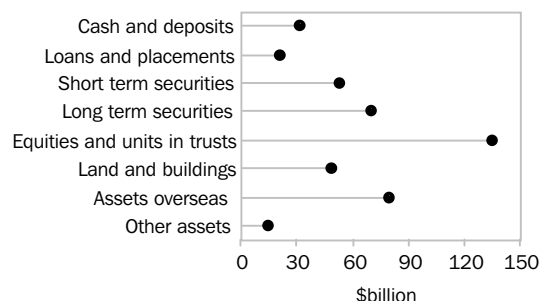
BY TYPE OF INSTITUTION

Life insurance offices recorded the largest increase in assets during the December 1998 quarter of \$5.1 billion (3%) compared with the September 1998 quarter. Assets in public unit trusts increased by \$5.0 billion (7%) and in superannuation funds the increase was \$3.2 billion (2%).



BY TYPE OF ASSET

The largest increases in type of assets were attributable to equities and units in trusts, up \$6.5 billion (5%), assets overseas, up \$5.8 billion (8%), and long term securities, up \$1.9 billion (3%). Cash and deposits fell by \$1.3 billion (4%). Buoyant share market prices during the December 1998 quarter, the All Ordinaries index increased by almost 9%, contributed to the increases in equities and units in trusts. Although the \$A appreciated against the \$US during the quarter, about 3%, overseas assets increased by \$5.8 billion (8%).



CROSS INVESTMENT

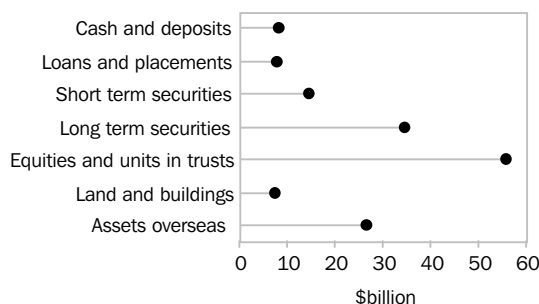
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 31 December 1998.

Type of fund	Unconsolidated assets \$m	Cross-invested assets \$m	Consolidated assets \$m
Life insurance offices	166 082	12 406	153 675
Superannuation funds	244 639	38 979	205 660
Public unit trusts	89 335	10 088	79 247
Friendly societies	6 601	70	6 531
Common funds	7 663	159	7 504
Cash management trusts	20 712	—	20 712
Total	535 031	61 703	473 328

MANAGED FUNDS: Unconsolidated Assets

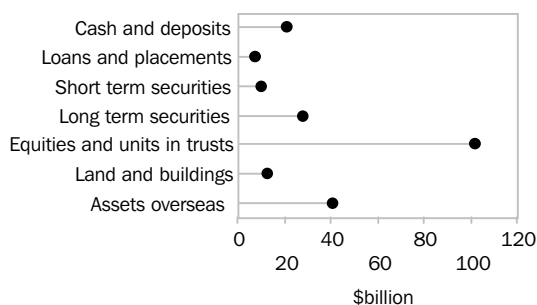
LIFE INSURANCE OFFICES

Total assets of life insurance offices increased by \$5.6 billion (3%) in the December 1998 quarter to \$166.1 billion. The largest increase was in equities and units in trusts, up \$3.2 billion, (6%). There was a decline in short term securities of \$0.6 billion (4%).



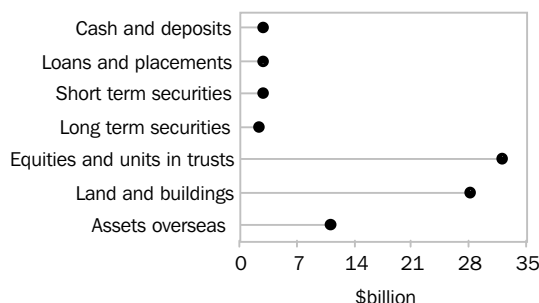
SUPERANNUATION FUNDS

Total assets of superannuation funds increased by \$5.7 billion (2%) in the December 1998 quarter to \$244.6 billion. The largest increases were in equities and units in trusts, up \$4.8 billion (5%), and assets overseas, up \$2.2 billion (5%). Short term securities fell by \$1 billion (8%).



PUBLIC UNIT TRUSTS

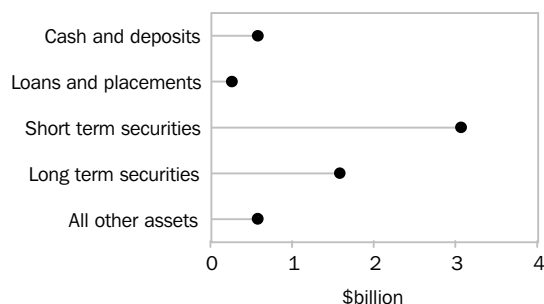
Total assets of public unit trusts increased by \$6.1 billion (7%) in the December 1998 quarter to \$89.3 billion. The largest increases were in equities and units in trust, up \$2.1 billion (7%), assets overseas, up \$1.9 billion (20%), and in the holdings of land and buildings, up \$1.7 billion (6%).



MANAGED FUNDS: Unconsolidated Assets *continued*

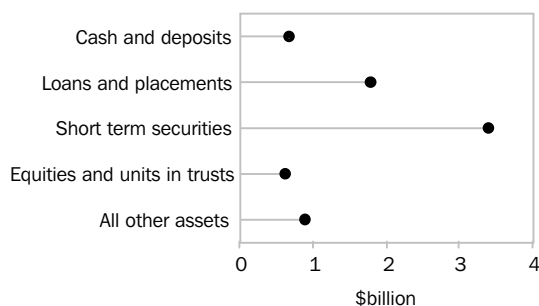
FRIENDLY SOCIETIES

The assets of friendly societies decreased by \$0.1 billion (2%) to \$6.6 billion during the December 1998 quarter. This continues the quarterly decline in asset holdings evident since June 1997.



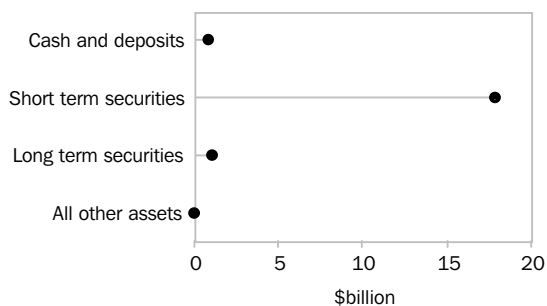
COMMON FUNDS

The assets of common funds increased by \$0.2 billion (3%) to \$7.7 billion during the December 1998 quarter. The assets of common funds have been growing steadily since September 1994.



CASH MANAGEMENT TRUSTS

Total assets of cash management trusts increased by \$0.5 billion (3%) to \$20.7 billion during the December 1998 quarter. The largest increase was in short term securities, up \$1.1 billion (6%), while there was a decline of \$1.1 billion (50%) in cash and deposits.

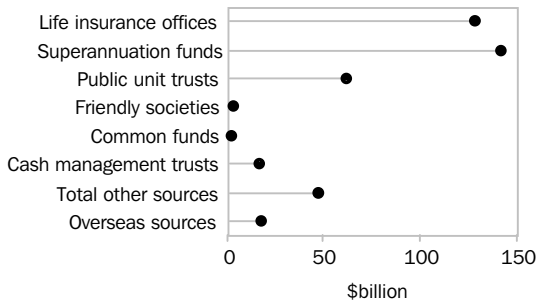


MANAGED FUNDS — INVESTMENT MANAGERS

SOURCE OF FUNDS UNDER MANAGEMENT

During the December 1998 quarter there was an increase in total funds under management by investment managers of \$7.5 billion (2%), bringing the total sources of funds under management to \$434.3 billion. The largest increase was in funds sourced from public unit trusts which increased \$3.9 billion (7%). Funds sourced from cash management trusts increased by \$2.7 billion (17%).

The value of managed funds' assets invested through investment managers was \$366.3 billion at the end of December 1998, representing 77% of all the consolidated assets of managed funds.



MANAGED FUNDS, Consolidated Assets

	<i>Jun Qtr 1995</i>	<i>Jun Qtr 1996</i>	<i>Mar Qtr 1997</i>	<i>Jun Qtr 1997</i>	<i>Sep Qtr 1997</i>	<i>Dec Qtr 1997</i>	<i>Mar Qtr 1998</i>	<i>Jun Qtr 1998</i>	<i>Sep Qtr 1998</i>	<i>Dec Qtr 1998</i>
<i>Institution/asset</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Type of institution										
Life insurance offices(a)	113 229	120 228	129 429	134 738	138 686	141 139	142 656	147 640	148 591	153 675
Superannuation funds	125 709	142 491	157 769	173 475	181 487	185 309	191 897	201 762	202 446	205 660
Public unit trusts	38 179	44 558	53 523	59 701	62 441	67 704	71 061	73 724	74 271	79 247
Friendly societies	8 612	7 865	7 216	7 238	7 022	6 859	6 826	6 769	6 667	6 531
Common funds	4 466	5 065	5 961	6 172	6 395	6 641	6 839	6 874	7 327	7 504
Cash management trusts	6 424	7 978	10 791	12 032	13 591	14 338	17 667	18 676	20 184	20 712
Total	296 619	328 185	364 689	393 356	409 623	421 990	436 946	455 445	459 485	473 328
Type of asset										
Cash and deposits(b)	20 159	22 697	27 110	28 307	27 588	27 614	32 664	35 160	35 723	34 389
Loans and placements	14 667	16 416	18 400	19 217	19 768	20 475	21 892	22 600	23 522	23 609
Short term securities(b)	30 848	38 781	44 243	47 106	48 840	52 334	52 606	53 996	55 810	55 214
Long term securities	55 363	55 221	56 487	59 157	62 928	64 095	64 204	66 035	70 365	72 299
Equities and units in trusts	82 796	94 131	107 449	118 536	123 957	125 140	128 852	131 714	130 406	136 883
Land and buildings	36 130	38 305	40 970	41 247	42 078	45 575	46 620	47 970	49 988	51 542
Assets overseas	44 585	48 011	54 999	62 446	66 122	69 485	72 918	79 649	76 423	82 244
Other assets	12 070	14 624	15 031	17 340	18 341	17 273	17 191	18 320	17 248	17 148
Total	296 619	328 185	364 689	393 356	409 623	421 990	436 946	455 445	459 485	473 328
(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 1995	Jun Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	118 523	127 174	137 828	145 494	149 845	152 074	154 850	159 020	160 526	166 082
Assets in Australia	101 306	111 590	119 508	125 033	127 556	128 090	130 954	132 004	134 666	138 510
Cash and deposits	4 913	5 981	8 187	6 921	6 323	6 442	10 669	9 850	9 348	9 237
Banks	2 951	3 547	5 178	3 616	3 168	3 004	4 004	3 127	3 179	3 125
Other deposit taking institutions	1 962	2 434	3 009	3 304	3 155	3 437	6 666	6 722	6 169	6 112
Loans and placements	5 809	6 457	6 989	6 922	7 046	7 552	8 220	8 171	8 767	8 804
Short term securities	9 929	14 413	16 501	16 268	15 918	18 067	15 131	14 935	15 868	15 273
Bills of exchange	4 507	6 099	6 202	4 749	5 676	5 337	5 427	4 819	4 919	5 020
Bank certificates of deposit	2 902	4 180	4 744	4 987	4 119	4 191	3 549	4 425	4 794	5 194
Other short term securities	2 520	4 133	5 555	6 532	6 123	8 539	6 155	5 691	6 154	5 060
Long term securities	28 708	29 258	29 823	31 975	34 168	33 670	33 234	33 039	34 700	35 618
Commonwealth government bonds	8 936	11 109	11 741	12 594	13 023	11 864	11 737	12 131	12 893	13 125
State and local government securities	13 170	12 387	11 580	11 479	11 990	11 936	11 250	10 898	11 648	12 091
Other long term securities	6 602	5 762	6 502	7 901	9 155	9 870	10 247	10 011	10 159	10 402
Equities and units in trusts	38 073	41 924	45 674	50 691	51 319	50 192	52 031	53 475	53 630	56 784
Private trading corporations shares	25 414	26 471	26 969	28 476	28 179	27 427	25 619	24 639	23 270	24 122
Financial sector shares	5 862	6 517	7 908	8 314	8 683	8 643	9 859	10 402	10 490	11 376
Units in trusts	6 797	8 937	10 797	13 900	14 457	14 122	16 552	18 434	19 870	21 286
Other financial assets	2 216	2 862	2 839	3 104	3 554	2 969	3 056	4 298	3 472	3 696
Land and buildings	9 487	8 846	7 893	7 185	7 235	7 639	7 563	7 520	7 847	8 148
Other non-financial assets	2 169	1 849	1 602	1 968	1 993	1 559	1 050	716	1 034	949
Assets overseas	17 217	15 584	18 320	20 460	22 289	23 984	23 896	27 016	25 860	27 572

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

SUPERANNUATION FUNDS(a), Unconsolidated Assets

	Jun Qtr 1995	Jun Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	141 806	164 824	185 248	202 868	213 338	217 714	227 633	238 408	238 969	244 639
Assets in Australia	120 564	138 842	156 477	169 971	178 931	181 512	188 872	196 358	198 240	201 710
<i>Cash and deposits</i>	<i>11 426</i>	<i>12 316</i>	<i>14 892</i>	<i>16 740</i>	<i>17 909</i>	<i>18 226</i>	<i>19 736</i>	<i>22 130</i>	<i>23 055</i>	<i>23 164</i>
Banks	7 474	7 360	9 274	10 737	11 518	11 434	12 401	14 321	13 679	14 927
Other deposit taking institutions	3 953	4 957	5 618	6 003	6 391	6 792	7 335	7 808	9 376	8 237
<i>Loans and placements</i>	<i>5 119</i>	<i>6 189</i>	<i>7 157</i>	<i>7 818</i>	<i>7 913</i>	<i>7 983</i>	<i>8 505</i>	<i>9 189</i>	<i>9 127</i>	<i>9 030</i>
<i>Short term securities</i>	<i>8 644</i>	<i>10 693</i>	<i>11 212</i>	<i>12 038</i>	<i>11 601</i>	<i>11 662</i>	<i>11 536</i>	<i>13 091</i>	<i>12 699</i>	<i>11 725</i>
Bills of exchange	4 773	4 332	4 665	4 985	4 551	5 043	4 500	5 223	5 100	4 973
Bank certificates of deposit	2 899	5 034	5 287	5 538	5 488	4 753	5 212	6 154	5 860	4 756
Other short term securities	972	1 326	1 261	1 515	1 561	1 866	1 823	1 714	1 739	1 996
<i>Long term securities</i>	<i>22 816</i>	<i>22 034</i>	<i>21 345</i>	<i>22 888</i>	<i>24 051</i>	<i>25 257</i>	<i>25 459</i>	<i>27 235</i>	<i>29 696</i>	<i>30 013</i>
Commonwealth government bonds	12 969	12 959	12 545	13 338	13 672	14 480	14 317	15 074	16 246	16 245
State and local government securities	7 380	6 641	6 421	6 767	7 052	7 434	7 506	8 107	8 899	8 592
Other long term securities	2 467	2 433	2 378	2 784	3 327	3 343	3 636	4 053	4 552	5 175
<i>Equities and units in trusts</i>	<i>55 645</i>	<i>67 881</i>	<i>80 688</i>	<i>88 082</i>	<i>93 832</i>	<i>94 692</i>	<i>98 985</i>	<i>100 222</i>	<i>98 693</i>	<i>103 535</i>
Private trading corporations shares	33 829	38 955	43 700	48 303	50 577	49 878	50 490	50 467	48 907	49 233
Financial sector shares	6 593	7 520	10 643	11 930	13 079	14 163	14 624	15 145	15 156	17 196
Units in trusts	15 224	21 406	26 346	27 849	30 175	30 651	33 871	34 610	34 629	37 106
<i>Other financial assets</i>	<i>6 190</i>	<i>7 539</i>	<i>7 183</i>	<i>7 780</i>	<i>8 931</i>	<i>8 361</i>	<i>8 618</i>	<i>8 466</i>	<i>8 653</i>	<i>8 562</i>
<i>Land and buildings</i>	<i>10 597</i>	<i>11 623</i>	<i>12 909</i>	<i>13 403</i>	<i>13 324</i>	<i>13 914</i>	<i>14 566</i>	<i>14 597</i>	<i>14 940</i>	<i>14 480</i>
<i>Other non-financial assets</i>	<i>126</i>	<i>567</i>	<i>1 090</i>	<i>1 220</i>	<i>1 371</i>	<i>1 417</i>	<i>1 466</i>	<i>1 429</i>	<i>1 377</i>	<i>1 201</i>
Assets overseas	21 242	25 982	28 771	32 897	34 407	36 202	38 761	42 050	40 729	42 928

(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

	<i>Jun Qtr 1995</i>	<i>Jun Qtr 1996</i>	<i>Mar Qtr 1997</i>	<i>Jun Qtr 1997</i>	<i>Sep Qtr 1997</i>	<i>Dec Qtr 1997</i>	<i>Mar Qtr 1998</i>	<i>Jun Qtr 1998</i>	<i>Sep Qtr 1998</i>	<i>Dec Qtr 1998</i>
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	41 586	48 382	59 038	66 069	69 762	74 832	78 921	82 021	83 188	89 335
Assets in Australia	35 460	41 966	51 172	57 025	60 383	65 585	68 782	71 537	73 458	77 690
<i>Cash and deposits</i>	<i>2 190</i>	<i>2 525</i>	<i>3 659</i>	<i>3 651</i>	<i>3 738</i>	<i>3 705</i>	<i>3 210</i>	<i>3 509</i>	<i>3 219</i>	<i>3 395</i>
Banks(a)	1 011	1 301	2 250	2 194	2 089	2 233	2 267	2 271	1 960	1 948
Other deposit taking institutions	1 179	1 224	1 409	1 457	1 649	1 472	943	1 238	1 259	1 447
<i>Loans and placements</i>	<i>1 841</i>	<i>2 094</i>	<i>2 413</i>	<i>2 685</i>	<i>2 976</i>	<i>3 098</i>	<i>3 367</i>	<i>3 367</i>	<i>3 517</i>	<i>3 506</i>
<i>Short term securities</i>	<i>2 121</i>	<i>2 153</i>	<i>2 176</i>	<i>2 739</i>	<i>2 880</i>	<i>3 271</i>	<i>3 490</i>	<i>3 499</i>	<i>3 556</i>	<i>3 497</i>
Bills of exchange	1 843	1 870	1 838	2 303	2 454	2 762	2 983	2 865	2 848	2 841
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	279	284	338	437	427	510	508	635	708	657
<i>Long term securities</i>	<i>1 158</i>	<i>1 208</i>	<i>1 427</i>	<i>1 824</i>	<i>1 779</i>	<i>2 094</i>	<i>2 267</i>	<i>3 650</i>	<i>3 174</i>	<i>2 881</i>
<i>Equities and units in trusts</i>	<i>11 177</i>	<i>14 686</i>	<i>19 166</i>	<i>22 339</i>	<i>24 913</i>	<i>26 348</i>	<i>28 855</i>	<i>29 086</i>	<i>30 263</i>	<i>32 459</i>
Equities	8 121	10 555	13 093	15 332	16 808	16 988	18 256	18 326	18 916	19 998
Units in trusts	3 056	4 131	6 073	7 007	8 105	9 360	10 599	10 760	11 347	12 461
<i>Other financial assets</i>	<i>859</i>	<i>1 207</i>	<i>1 618</i>	<i>2 458</i>	<i>1 778</i>	<i>2 069</i>	<i>2 074</i>	<i>2 451</i>	<i>1 533</i>	<i>1 617</i>
<i>Land and buildings</i>	<i>15 578</i>	<i>17 374</i>	<i>19 709</i>	<i>20 196</i>	<i>21 113</i>	<i>23 624</i>	<i>24 095</i>	<i>25 528</i>	<i>26 848</i>	<i>28 572</i>
<i>Other non-financial assets</i>	<i>536</i>	<i>719</i>	<i>1 004</i>	<i>1 134</i>	<i>1 207</i>	<i>1 376</i>	<i>1 424</i>	<i>1 459</i>	<i>1 721</i>	<i>1 763</i>
Assets overseas	6 126	6 416	7 866	9 044	9 379	9 247	10 139	10 484	9 730	11 645

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

FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1995	Jun Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	8 631	7 889	7 241	7 262	7 056	6 897	6 865	6 807	6 730	6 601
Assets in Australia	8 631	7 860	7 199	7 217	7 008	6 845	6 814	6 752	6 669	6 551
<i>Cash and deposits</i>	<i>2 438</i>	<i>1 664</i>	<i>914</i>	<i>1 611</i>	<i>960</i>	<i>824</i>	<i>717</i>	<i>1 463</i>	<i>797</i>	<i>631</i>
Banks	1 784	1 214	556	1 250	597	572	514	1 234	602	398
Other deposit taking institutions	654	450	358	361	363	252	203	229	195	233
<i>Loans and placements</i>	<i>553</i>	<i>412</i>	<i>391</i>	<i>369</i>	<i>366</i>	<i>340</i>	<i>362</i>	<i>344</i>	<i>333</i>	<i>315</i>
<i>Short term securities</i>	<i>2 790</i>	<i>3 475</i>	<i>2 790</i>	<i>3 216</i>	<i>3 305</i>	<i>3 173</i>	<i>3 262</i>	<i>2 679</i>	<i>3 227</i>	<i>3 132</i>
Bills of exchange	1 465	1 833	1 207	1 517	1 700	1 475	1 234	1 210	1 216	1 143
Bank certificates of deposit	1 019	1 218	1 314	1 495	1 131	1 349	1 658	1 082	1 670	1 589
Other short term securities	306	424	269	204	474	349	370	387	341	400
<i>Long term securities</i>	<i>2 080</i>	<i>1 558</i>	<i>2 381</i>	<i>1 233</i>	<i>1 690</i>	<i>1 822</i>	<i>1 726</i>	<i>1 522</i>	<i>1 510</i>	<i>1 643</i>
Commonwealth government bonds	465	289	621	228	302	336	295	308	301	344
State and local government securities	666	565	921	412	645	549	564	443	442	442
Other long term securities	949	704	839	593	743	937	867	771	767	857
<i>Equities and units in trusts</i>	<i>147</i>	<i>170</i>	<i>163</i>	<i>171</i>	<i>186</i>	<i>199</i>	<i>204</i>	<i>212</i>	<i>258</i>	<i>287</i>
Private trading corporations shares	103	112	108	119	119	128	133	138	145	166
Financial sector shares	37	36	32	30	34	33	32	36	50	51
Units in trusts	7	22	23	22	33	38	39	38	63	70
<i>Other financial assets</i>	<i>163</i>	<i>138</i>	<i>101</i>	<i>83</i>	<i>63</i>	<i>56</i>	<i>121</i>	<i>129</i>	<i>135</i>	<i>143</i>
<i>Land and buildings</i>	<i>382</i>	<i>373</i>	<i>387</i>	<i>391</i>	<i>341</i>	<i>328</i>	<i>324</i>	<i>292</i>	<i>302</i>	<i>296</i>
<i>Other non-financial assets</i>	<i>78</i>	<i>70</i>	<i>72</i>	<i>143</i>	<i>97</i>	<i>103</i>	<i>98</i>	<i>111</i>	<i>107</i>	<i>104</i>
Assets overseas	—	29	42	45	48	52	51	55	61	50

COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1995	Jun Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	4 567	5 138	6 035	6 252	6 493	6 739	6 945	7 018	7 476	7 663
Assets in Australia	4 567	5 138	6 035	6 252	6 493	6 739	6 873	6 974	7 434	7 614
<i>Cash and deposits</i>	443	504	524	639	628	655	734	772	753	736
Banks	311	381	360	474	455	488	563	594	589	563
Other deposit taking institutions	132	123	164	165	173	167	171	178	164	173
<i>Loans and placements</i>	1 238	1 244	1 407	1 413	1 434	1 436	1 398	1 519	1 747	1 854
<i>Short term securities</i>	1 779	2 183	2 895	2 910	3 109	3 319	3 326	3 238	3 380	3 448
Bills of exchange	1 283	1 490	2 031	2 051	2 143	2 327	2 157	2 321	2 303	2 286
Bank certificates of deposit	292	470	542	562	576	596	663	567	736	789
Other short term securities	204	223	322	297	390	396	506	350	341	373
<i>Long term securities</i>	480	528	590	634	665	679	729	789	860	863
Commonwealth government bonds	50	60	58	60	61	64	68	66	62	69
State and local government securities	231	260	293	297	306	319	333	344	353	368
Other long term securities	199	208	239	277	298	296	328	379	445	426
<i>Equities and units in trusts</i>	541	590	547	584	592	580	614	623	642	667
Private trading corporations shares	254	269	320	318	300	291	239	204	195	206
Financial sector shares	219	279	194	227	237	233	312	319	339	345
Units in trusts	68	42	33	39	55	56	63	100	108	116
<i>Other financial assets</i>	—	—	—	—	—	—	—	33	34	—
<i>Land and buildings</i>	86	89	72	72	65	70	72	33	52	46
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	72	44	42	49

CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1995	Jun Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	6 424	7 978	10 791	12 032	13 591	14 338	17 667	18 676	20 184	20 712
Assets in Australia	6 424	7 978	10 791	12 032	13 591	14 338	17 667	18 676	20 184	20 712
<i>Cash and deposits</i>	578	1 430	1 115	1 430	907	810	904	1 230	2 191	1 104
Banks	485	1 101	836	1 127	691	643	726	1 166	2 148	1 076
Other deposit taking institutions	93	329	279	304	216	167	178	64	43	28
<i>Loans and placements</i>	119	22	44	12	35	67	52	24	45	123
<i>Short term securities</i>	5 585	5 864	8 668	9 935	12 027	12 843	15 860	16 554	17 080	18 138
Bills of exchange	3 180	3 325	4 234	5 329	6 146	5 893	7 148	6 133	6 864	6 251
Bank certificates of deposit	1 116	1 680	3 008	3 356	4 102	4 537	5 709	7 872	7 098	8 710
Other short term securities	1 288	858	1 426	1 250	1 779	2 413	3 004	2 549	3 117	3 176
<i>Long term securities</i>	121	635	922	602	575	573	788	811	798	1 282
Commonwealth government bonds	40	27	—	—	—	—	—	—	—	—
State and local government securities	2	553	694	318	298	317	51	49	50	16
Other long term securities	79	56	229	285	276	256	738	762	748	1 266
<i>Equities and units in trusts</i>	—	—	—	—	—	—	—	—	—	—
<i>Other financial assets</i>	22	27	41	53	48	45	63	57	70	65
<i>Land and buildings</i>	—	—	—	—	—	—	—	—	—	—
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	—	—	—	—

INVESTMENT MANAGERS, Source of Funds

	Jun Qtr 1995	Jun Qtr 1996	Mar Qtr 1997	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998
Source of funds	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL SOURCE OF FUNDS	252 361	280 983	335 076	361 813	378 873	387 235	405 389	421 387	426 867	434 321
Funds from Australian sources	245 483	273 233	327 271	352 439	367 983	375 286	390 877	403 471	408 363	415 266
Managed funds	214 677	238 524	284 174	306 049	320 601	327 131	340 201	353 061	357 935	366 302
Life insurance offices	96 757	103 612	110 554	117 015	121 587	122 376	126 775	128 312	131 312	130 836
Superannuation funds (a)	75 134	84 379	113 359	123 978	129 392	131 967	137 035	143 212	142 042	143 802
Public unit trusts	29 283	35 250	42 539	46 852	50 137	52 343	52 722	57 066	59 302	63 208
Friendly societies	6 441	6 251	6 070	5 640	5 591	5 861	5 808	5 649	5 366	5 388
Common funds	1 937	2 767	3 141	3 137	3 364	3 360	3 437	3 632	3 792	4 243
Cash management trusts	5 125	6 265	8 511	9 427	10 530	11 224	14 424	15 190	16 121	18 825
Total other sources	30 806	34 709	43 097	46 390	47 382	48 155	50 676	50 410	50 428	48 964
Government	4 302	5 276	5 781	5 710	6 126	6 472	6 618	6 879	7 275	7 064
Charities	582	777	1 074	1 159	1 160	1 239	1 295	1 293	1 277	1 075
Other trusts	2 064	4 373	6 369	7 126	6 470	7 372	8 610	9 738	9 836	10 182
General insurance	12 231	10 870	13 427	14 110	14 499	14 131	14 413	14 425	13 954	12 531
Other sources	11 627	13 413	16 446	18 285	19 127	18 941	19 740	18 075	18 086	18 112
Funds from overseas sources	6 878	7 750	7 805	9 374	10 890	11 949	14 512	17 916	18 504	19 055

(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 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 conducted jointly by the ABS and 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 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 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 in this issue 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 41 largest friendly societies. This provides coverage of approximately 95% of the total assets of friendly societies. No estimate is included for the friendly societies not covered in the survey.

12 Common Funds are operated by Trustee Companies under relevant State Trustee Companies Acts. At the end of December 1997 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 24 cash management trusts included in the Survey of Financial Information.

METHOD OF CONSOLIDATION

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

BASIS OF VALUATION

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

EXPLANATORY NOTES

ASSETS IN AUSTRALIA/OVERSEAS	<p>16 <i>Assets in Australia</i> include land and buildings located in Australia and financial claims on residents; <i>assets overseas</i> include land and buildings located overseas and financial claims on non-residents. A resident is any person, corporation or other entity ordinarily domiciled in Australia, except foreign embassies, consulates and foreign controlled military establishments located in Australia, which are classified as non-resident. Non-residents include any persons, corporations or other entities ordinarily domiciled overseas. Entities located in Australia which are owned by non-residents are classified as residents of Australia (e.g. a branch or subsidiary of an overseas company). Overseas branches or subsidiaries of Australian companies are classified as non-residents.</p>						
FINANCIAL INSTRUMENTS	<p>17 The classification of financial instruments in this publication follows that contained in the ABS publication <i>Australian National Accounts, Financial Accounts</i> (5232.0). Definitions of the various types of instrument are given in the glossary.</p>						
REVISIONS AND CHANGES TO CONTENT	<p>18 Revisions to previously published statistics are included in this publication. A special note on Page 2 of each publication highlights any major revisions to the statistics in certain tables.</p>						
RELATED PUBLICATIONS	<p>19 Users may also wish to refer to the following ABS publication of related data which is available on request:</p> <p><i>Australian National Accounts, Financial Accounts</i> (5232.0)—issued quarterly</p>						
SYMBOLS AND OTHER USAGES	<p>20 Discrepancies may occur between sums of the component items and totals due to rounding.</p> <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.						

G L O S S A R Y

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

G L O S S A R Y

Investment managers	<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>
Land and buildings	<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>
Life Insurance Offices	<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>
Loans	<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>
Long term securities	<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*.

SELF-HELP ACCESS TO STATISTICS

DIAL-A-STATISTIC For current and historical Consumer Price Index data, call 1902 981 074.
For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400.
These calls cost 75c per minute.

INTERNET www.abs.gov.au

LIBRARY A range of ABS publications is available from public and tertiary libraries Australia wide. Contact your nearest library to determine whether it has the ABS statistics you require.

WHY NOT SUBSCRIBE?

PHONE +61 1300 366 323

FAX +61 3 9615 7848

CONSULTANCY SERVICES

ABS offers consultancy services on a user pays basis to help you access published and unpublished data. Data that are already published and can be provided within 5 minutes is free of charge. Statistical methodological services are also available. Please contact:

<i>City</i>	<i>By phone</i>	<i>By fax</i>
Canberra	02 6252 6627	02 6207 0282
Sydney	02 9268 4611	02 9268 4668
Melbourne	03 9615 7755	03 9615 7798
Brisbane	07 3222 6351	07 3222 6283
Perth	08 9360 5140	08 9360 5955
Adelaide	08 8237 7400	08 8237 7566
Hobart	03 6222 5800	03 6222 5995
Darwin	08 8943 2111	08 8981 1218



2565500012987

ISSN 1037-7786

RRP \$16.50

POST Client Services, ABS, PO Box 10, Belconnen, ACT 2616

EMAIL client.services@abs.gov.au