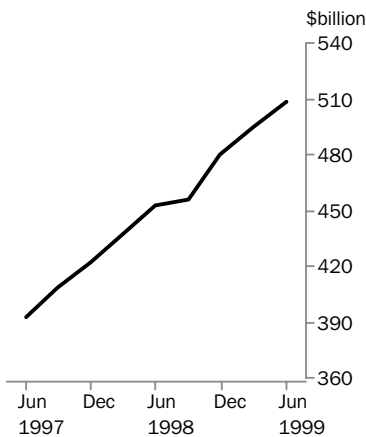


MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) TUES 31 AUG 1999

Total consolidated assets



JUNE QTR KEY FIGURES

CONSOLIDATED ASSETS (a)	Jun Qtr 1998 \$m	Mar Qtr 1999 \$m	Jun Qtr 1999 \$m
Superannuation funds	199 452	213 154	221 403
Life insurance offices(b)	147 640	159 619	160 117
Other managed funds	105 356	122 447	126 835
Total	452 448	495 220	508 356

(a) See note on consolidation on page 2.

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

JUNE QTR KEY POINTS

CONSOLIDATED ASSETS

- The value of consolidated assets of managed funds as at 30 June 1999 was \$508.4 billion, an increase of \$13.1 billion (3%) on the revised 31 March 1999 figure of \$495.2 billion.
- The largest increases in the consolidated assets of managed funds during the June 1999 quarter were in superannuation funds, up \$8.2 billion (4%) and public unit trusts, up \$4.5 billion (5%).

NOTE:
Feature article on
Investment Managers –
see page 22.

INVESTMENT MANAGERS

- The value of managed funds' assets invested through fund managers was \$390.1 billion at the end of June 1999, representing 77% of all the consolidated assets of managed funds.
- At 30 June 1999, 50% of the funds invested through the wholesale investment management market were being managed by investment managers operating within foreign owned financial enterprise groups. This is the same percentage share as at 30 June 1997.
- At 30 June 1999 investment managers operating in banking groups managed 44% of funds invested through the wholesale investment management market; investment managers operating in insurance groups managed 32%; and investment managers operating in other groups managed 24%. The comparative figures at 30 June 1997 were 53% for investment managers in banking groups, 34% for investment managers in insurance groups and 13% for investment managers in other groups.

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

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)

RELEASE DATE

September 1999

30 November 1999

December 1999

29 February 2000



CHANGES IN THIS ISSUE

There are no changes in this issue.



METHOD OF CONSOLIDATION

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

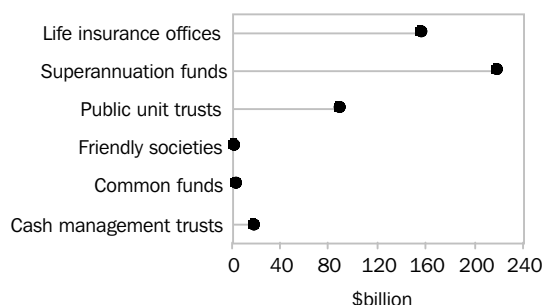


W. McLennan
Australian Statistician

MANAGED FUNDS : Consolidated Assets

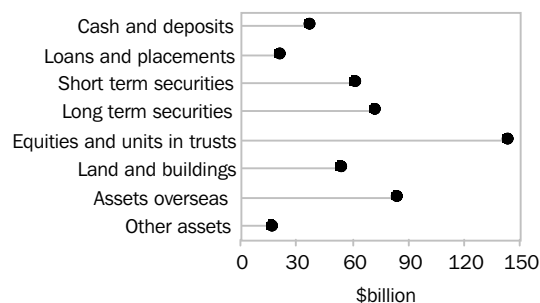
BY TYPE OF INSTITUTION

Assets of superannuation funds held outside life insurance offices increased by \$8.2 billion (4%) to \$221.4 billion during the June quarter 1999. Assets of public unit trusts increased by \$4.5 billion (5%) to \$91.4 billion and assets of life insurance offices increased by \$0.5 billion, less than 1%, to \$160.1 billion. Only small movements were recorded in the levels of assets of the other institution types.



BY TYPE OF ASSET

Short term securities held by managed funds' institutions increased by \$5.8 billion (10%) during the June quarter 1999 to \$64 billion. There were also relatively large increases in cash and deposits, up \$3.6 billion (10%) to \$39 billion, land and buildings, up \$2.2 billion (4%), to \$56.1 billion, and 'other assets', up \$3.0 billion (18%) to \$19.7 billion. Although the \$A appreciated about 5% against the \$US during the quarter, assets overseas fell by \$1.9 billion (2%) to \$85.8 billion.



CROSS INVESTMENT

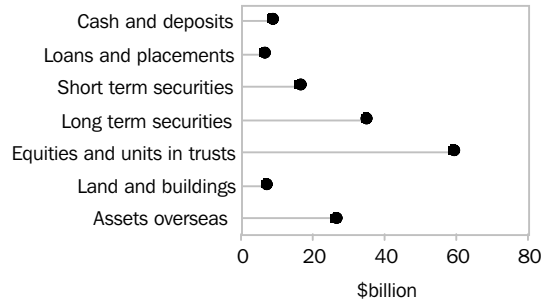
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 30 June 1999.

Type of fund	Unconsolidated assets \$m	Cross-invested assets \$m	Consolidated assets \$m
Life insurance offices	173 476	13 359	160 117
Superannuation funds	268 251	46 848	221 403
Public unit trusts	103 786	12 391	91 395
Friendly societies	6 500	85	6 415
Common funds	7 721	131	7 590
Cash management trusts	21 436	—	21 436
Total	581 170	72 814	508 356

MANAGED FUNDS: Unconsolidated Assets

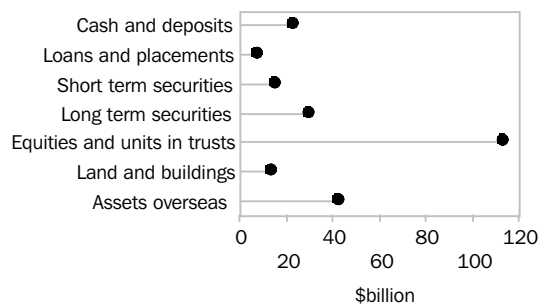
LIFE INSURANCE OFFICES

Total assets of life insurance offices increased by \$0.6 billion, less than 1%, during the June quarter 1999 to \$173.5 billion. The largest increases were in short term securities, up \$1.1 billion (7%), and cash and deposits, up \$0.9 billion (10%).



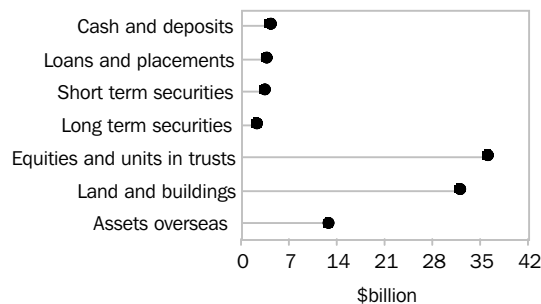
SUPERANNUATION FUNDS

Total assets of superannuation funds increased by \$15 billion (6%) in the June quarter 1999 to \$268.3 billion. The largest increases were in equities and units in trusts, particularly units in trusts, up \$8.4 billion (8%), and short term securities, up \$4.5 billion (35%).



PUBLIC UNIT TRUSTS

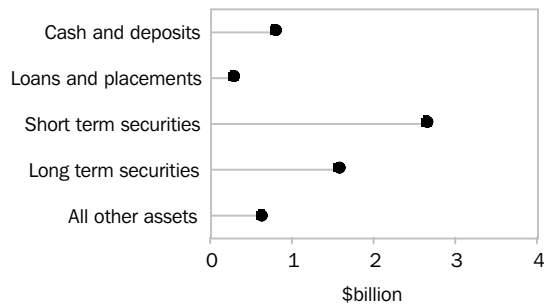
Total assets of public unit trusts increased by \$4.9 billion (5%) in the June 1999 quarter to \$103.8 billion. The largest increases were in the holdings of land and buildings, up \$2.2 billion (7%), and assets overseas, up \$0.7 billion (5%).



MANAGED FUNDS: Unconsolidated Assets *continued*

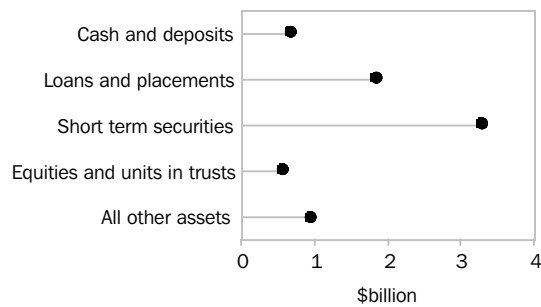
FRIENDLY SOCIETIES

Total assets of friendly societies as at 30 June 1999 were \$6.5 billion, a small decrease, less than 1%, on the total at 31 March 1999 and a continuation of the slowly decreasing value of assets under management. Although cash and deposits increased by \$0.2 billion (37%) this was more than offset by a decrease of \$0.3 billion (10%) in short term securities.



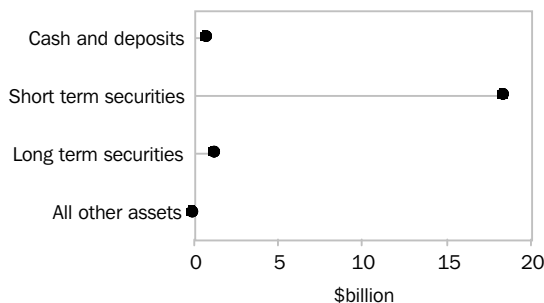
COMMON FUNDS

The assets of common funds decreased by \$0.1 billion (1%) to \$7.7 billion during the June 1999 quarter largely as a result in a fall of \$0.2 billion (6%) in holdings of short term securities.



CASH MANAGEMENT TRUSTS

Total assets of cash management trusts at 30 June 1999 were \$21.4 billion, virtually unchanged from the 31 March 1999 total. Although cash and deposits fell by \$0.5 billion (29%) this was largely offset by an increase in short term securities of \$0.2 billion (1%) and an increase in long term securities of \$0.2 billion (15%)

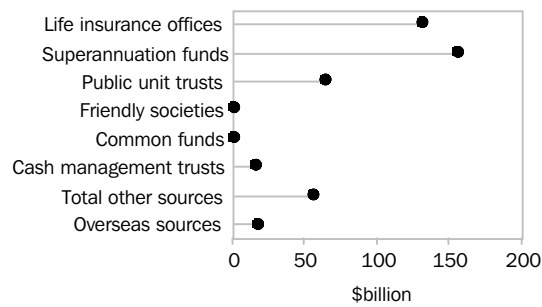


MANAGED FUNDS — INVESTMENT MANAGERS

SOURCE OF FUNDS UNDER MANAGEMENT

During the June 1999 quarter there was an increase in total funds under management by investment managers of \$14.1 billion (3%) bringing the total sources of funds under management to \$470.4 billion. The largest increases were in funds sourced from superannuation funds, \$10.6 billion (7%), life insurance offices, \$1.6 billion (1%) and public unit trusts, \$1 billion (1.5%).

The value of managed funds' assets invested through investment managers was \$390.1 billion at the end of June 1999, representing 77% of all the consolidated assets of managed funds.



MANAGED FUNDS, Consolidated Assets

<i>Institution/asset</i>	<i>Jun Qtr 1996</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>Mar Qtr 1999</i>	<i>Jun Qtr 1999</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Type of institution										
Life insurance offices(a)	120 228	134 738	138 686	141 139	143 353	147 640	148 116	155 605	159 619	160 117
Superannuation funds	142 800	173 273	181 631	185 661	191 769	199 452	198 626	208 149	213 154	221 403
Public unit trusts	44 558	59 474	61 531	67 160	70 036	73 037	74 500	81 465	86 854	91 395
Friendly societies	7 865	7 238	7 022	6 859	6 826	6 769	6 667	6 531	6 472	6 415
Common funds	5 065	6 172	6 395	6 641	6 839	6 874	7 327	7 504	7 693	7 590
Cash management trusts	7 978	12 032	13 591	14 338	17 667	18 676	20 184	20 718	21 429	21 436
Total	328 494	392 926	408 856	421 798	436 490	452 448	455 419	479 971	495 220	508 356
Type of asset										
Cash and deposits(b)	22 965	28 562	27 883	27 926	32 846	35 340	35 601	34 793	35 340	38 984
Loans and placements	16 425	19 227	19 779	20 594	21 917	22 687	23 244	23 843	23 475	23 926
Short term securities(b)	38 707	47 004	48 733	52 167	52 476	53 998	55 915	56 550	58 217	64 015
Long term securities	55 234	59 246	63 059	64 194	63 358	66 039	71 218	74 062	74 676	74 326
Equities and units in trusts	94 192	117 994	123 028	124 443	129 499	130 548	127 366	137 785	145 271	145 529
Land and buildings	38 323	41 262	42 093	45 719	46 710	48 156	50 929	52 335	53 883	56 092
Assets overseas	48 011	62 446	66 122	69 485	72 855	78 632	75 413	84 829	87 725	85 824
Other assets	14 636	17 184	18 159	17 272	16 830	17 047	15 734	15 774	16 633	19 659
Total	328 494	392 926	408 856	421 798	436 490	452 448	455 419	479 971	495 220	508 356

(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 1996	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998	Mar Qtr 1999	Jun Qtr 1999
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	127 174	145 494	149 845	152 074	154 506	159 020	160 473	168 529	172 872	173 476
Assets in Australia	111 590	125 033	127 556	128 090	130 657	132 004	135 044	141 259	144 297	145 729
<i>Cash and deposits</i>	5 981	6 921	6 323	6 442	10 900	9 850	9 464	9 594	9 344	10 254
Banks	3 547	3 616	3 168	3 004	4 316	3 127	3 295	3 657	3 494	4 155
Other deposit taking institutions	2 434	3 304	3 155	3 437	6 584	6 722	6 169	5 937	5 849	6 099
<i>Loans and placements</i>	6 457	6 922	7 046	7 552	8 174	8 171	8 641	8 515	8 078	7 847
<i>Short term securities</i>	14 413	16 268	15 918	18 067	15 006	14 935	15 709	15 755	16 763	17 907
Bills of exchange	6 099	4 749	5 676	5 337	5 220	4 819	4 680	4 910	4 627	3 833
Bank certificates of deposit	4 180	4 987	4 119	4 191	3 600	4 425	4 742	5 207	6 146	7 520
Other short term securities	4 133	6 532	6 123	8 539	6 186	5 691	6 288	5 638	5 991	6 554
<i>Long term securities</i>	29 258	31 975	34 168	33 670	32 393	33 039	35 628	37 205	36 823	35 945
Commonwealth government bonds	11 109	12 594	13 023	11 864	11 518	12 131	13 342	13 519	13 634	11 603
State and local government securities	12 387	11 479	11 990	11 936	11 191	10 898	12 292	13 172	12 284	12 108
Other long term securities	5 762	7 901	9 155	9 870	9 684	10 011	9 993	10 515	10 905	12 233
<i>Equities and units in trusts</i>	41 924	50 691	51 319	50 192	52 416	53 475	53 519	57 911	60 765	60 558
Private trading corporations shares	26 471	28 476	28 179	27 427	25 436	24 639	22 376	23 928	24 836	24 898
Financial sector shares	6 517	8 314	8 683	8 643	9 615	10 402	10 643	11 923	12 726	11 829
Units in trusts	8 937	13 900	14 457	14 122	17 364	18 434	20 500	22 060	23 203	23 832
<i>Other financial assets</i>	2 862	3 104	3 554	2 969	3 189	4 298	3 304	3 428	3 679	4 178
<i>Land and buildings</i>	8 846	7 185	7 235	7 639	7 575	7 520	7 678	7 926	7 971	8 142
<i>Other non-financial assets</i>	1 849	1 968	1 993	1 559	1 004	716	1 101	924	873	897
Assets overseas	15 584	20 460	22 289	23 984	23 849	27 016	25 429	27 270	28 575	27 747

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

SUPERANNUATION FUNDS(a), Unconsolidated Assets

	Jun Qtr 1996	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998	Mar Qtr 1999	Jun Qtr 1999
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	165 449	203 763	214 572	219 048	227 388	235 990	236 179	246 491	253 244	268 251
Assets in Australia	139 466	170 866	180 165	182 846	188 644	194 957	196 116	201 227	206 961	223 697
<i>Cash and deposits</i>	<i>12 495</i>	<i>16 884</i>	<i>18 087</i>	<i>18 415</i>	<i>19 666</i>	<i>22 191</i>	<i>22 791</i>	<i>23 055</i>	<i>23 241</i>	<i>24 566</i>
Banks	7 484	10 836	11 621	11 539	12 356	14 363	13 623	14 464	14 113	15 231
Other deposit taking institutions	5 011	6 047	6 466	6 876	7 309	7 828	9 168	8 591	9 129	9 335
<i>Loans and placements</i>	<i>6 198</i>	<i>7 828</i>	<i>7 923</i>	<i>7 993</i>	<i>8 501</i>	<i>9 186</i>	<i>8 653</i>	<i>9 034</i>	<i>9 116</i>	<i>9 460</i>
<i>Short term securities</i>	<i>10 709</i>	<i>12 048</i>	<i>11 612</i>	<i>11 673</i>	<i>11 532</i>	<i>13 092</i>	<i>12 882</i>	<i>12 401</i>	<i>12 867</i>	<i>17 378</i>
Bills of exchange	4 339	4 990	4 557	5 048	4 498	5 225	5 740	5 540	5 799	6 471
Bank certificates of deposit	5 040	5 543	5 494	4 759	5 210	6 156	5 392	4 851	5 217	7 936
Other short term securities	1 330	1 515	1 561	1 866	1 823	1 711	1 750	2 010	1 851	2 971
<i>Long term securities</i>	<i>22 046</i>	<i>22 978</i>	<i>24 182</i>	<i>25 386</i>	<i>25 455</i>	<i>27 239</i>	<i>29 689</i>	<i>30 272</i>	<i>30 976</i>	<i>31 258</i>
Commonwealth government bonds	12 965	13 423	13 772	14 580	14 314	15 076	16 505	15 989	16 115	15 776
State and local government securities	6 648	6 772	7 076	7 457	7 507	8 112	8 592	7 910	7 879	7 453
Other long term securities	2 433	2 784	3 333	3 349	3 633	4 051	4 592	6 373	6 982	8 029
<i>Equities and units in trusts</i>	<i>68 259</i>	<i>88 699</i>	<i>94 713</i>	<i>95 659</i>	<i>98 852</i>	<i>99 598</i>	<i>97 787</i>	<i>103 113</i>	<i>106 861</i>	<i>115 269</i>
Private trading corporations shares	39 004	47 752	50 162	49 645	50 472	49 924	46 196	49 098	50 250	51 453
Financial sector shares	7 534	12 000	13 286	14 381	14 620	15 166	15 924	17 530	18 620	17 772
Units in trusts	21 722	28 947	31 266	31 633	33 760	34 508	35 667	36 485	37 991	46 044
<i>Other financial assets</i>	<i>7 551</i>	<i>7 790</i>	<i>8 939</i>	<i>8 373</i>	<i>8 613</i>	<i>8 484</i>	<i>8 690</i>	<i>8 622</i>	<i>8 615</i>	<i>10 600</i>
<i>Land and buildings</i>	<i>11 641</i>	<i>13 418</i>	<i>13 340</i>	<i>13 929</i>	<i>14 559</i>	<i>14 641</i>	<i>15 491</i>	<i>14 436</i>	<i>15 110</i>	<i>14 977</i>
<i>Other non-financial assets</i>	<i>567</i>	<i>1 220</i>	<i>1 371</i>	<i>1 417</i>	<i>1 466</i>	<i>526</i>	<i>134</i>	<i>294</i>	<i>175</i>	<i>190</i>
Assets overseas	25 982	32 897	34 407	36 202	38 744	41 033	40 063	45 263	46 283	44 554

(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 1996	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998	Mar Qtr 1999	Jun Qtr 1999
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	48 382	66 449	69 976	75 288	79 329	82 666	85 072	93 141	98 904	103 786
Assets in Australia	41 966	57 405	60 597	66 041	69 190	72 182	75 255	80 944	86 148	90 365
<i>Cash and deposits</i>	2 525	3 997	4 267	4 343	4 030	4 467	4 019	4 287	4 748	5 084
Banks(a)	1 301	2 194	2 089	2 233	2 275	2 384	1 979	2 073	2 407	2 699
Other deposit taking institutions	1 224	1 803	2 178	2 110	1 755	2 083	2 040	2 214	2 341	2 385
<i>Loans and placements</i>	2 094	2 685	2 976	3 176	3 448	3 458	3 914	4 025	4 059	4 336
<i>Short term securities</i>	2 153	2 739	2 880	3 216	3 490	3 499	3 637	3 666	3 671	4 118
Bills of exchange	1 870	2 303	2 454	2 709	2 983	2 865	2 945	3 017	2 966	3 284
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	284	437	427	508	508	635	692	650	706	835
<i>Long term securities</i>	1 208	1 824	1 779	2 094	2 267	2 639	2 733	2 797	2 965	2 992
<i>Equities and units in trusts</i>	14 686	22 512	24 728	25 991	28 660	28 879	30 412	33 311	36 284	36 787
Equities	10 555	15 336	16 160	16 328	17 529	17 710	18 310	20 071	22 492	22 886
Units in trusts	4 131	7 176	8 568	9 663	11 131	11 169	12 102	13 240	13 792	13 901
<i>Other financial assets</i>	1 207	2 300	1 596	2 059	1 675	2 047	1 432	1 450	1 975	2 359
<i>Land and buildings</i>	17 374	20 196	21 113	23 752	24 179	25 670	27 406	29 631	30 462	32 643
<i>Other non-financial assets</i>	719	1 152	1 258	1 410	1 441	1 523	1 702	1 777	1 984	2 046
Assets overseas	6 416	9 044	9 379	9 247	10 139	10 484	9 817	12 197	12 756	13 421

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

FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1996	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998	Mar Qtr 1999	Jun Qtr 1999
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	7 889	7 262	7 056	6 897	6 865	6 807	6 730	6 601	6 543	6 500
Assets in Australia	7 860	7 217	7 008	6 845	6 814	6 752	6 669	6 551	6 475	6 433
<i>Cash and deposits</i>	1 664	1 611	960	824	717	1 463	797	631	626	858
Banks	1 214	1 250	597	572	514	1 234	602	398	416	657
Other deposit taking institutions	450	361	363	252	203	229	195	233	210	201
<i>Loans and placements</i>	412	369	366	370	362	343	333	315	333	366
<i>Short term securities</i>	3 475	3 216	3 305	3 173	3 262	2 680	3 227	3 132	2 992	2 698
Bills of exchange	1 833	1 517	1 700	1 475	1 234	1 211	1 216	1 143	1 086	908
Bank certificates of deposit	1 218	1 495	1 131	1 349	1 658	1 082	1 670	1 589	1 516	1 442
Other short term securities	424	204	474	349	370	387	341	400	390	348
<i>Long term securities</i>	1 558	1 233	1 690	1 792	1 726	1 522	1 510	1 643	1 669	1 631
Commonwealth government bonds	289	228	302	336	295	308	301	344	307	280
State and local government securities	565	412	645	549	564	443	442	442	397	377
Other long term securities	704	593	743	907	867	771	767	857	965	974
<i>Equities and units in trusts</i>	170	171	186	199	204	212	258	287	315	336
Private trading corporations shares	112	119	119	128	133	138	145	166	192	200
Financial sector shares	36	30	34	33	32	36	50	51	53	51
Units in trusts	22	22	33	38	39	38	63	70	70	85
<i>Other financial assets</i>	138	83	63	56	121	129	135	143	144	152
<i>Land and buildings</i>	373	391	341	328	324	292	302	296	292	286
<i>Other non-financial assets</i>	70	143	97	103	98	111	107	104	104	106
Assets overseas	29	45	48	52	51	55	61	50	68	67

COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1996	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998	Mar Qtr 1999	Jun Qtr 1999
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	5 138	6 252	6 493	6 739	6 945	7 018	7 476	7 663	7 827	7 721
Assets in Australia	5 138	6 252	6 493	6 739	6 873	6 974	7 434	7 614	7 784	7 685
<i>Cash and deposits</i>	593	751	745	778	734	772	753	736	698	745
Banks	470	586	572	611	563	594	589	563	520	548
Other deposit taking institutions	123	165	173	167	171	178	164	173	178	197
<i>Loans and placements</i>	1 244	1 413	1 434	1 436	1 398	1 519	1 747	1 854	1 875	1 912
<i>Short term securities</i>	2 094	2 798	2 992	3 196	3 326	3 238	3 380	3 448	3 538	3 340
Bills of exchange	1 490	2 051	2 143	2 327	2 157	2 321	2 303	2 286	2 351	2 121
Bank certificates of deposit	381	450	459	473	663	567	736	789	885	1 018
Other short term securities	223	297	390	396	506	350	341	373	302	201
<i>Long term securities</i>	528	634	665	679	729	789	860	863	871	924
Commonwealth government bonds	60	60	61	64	68	66	62	69	65	58
State and local government securities	260	297	306	319	333	344	353	368	380	364
Other long term securities	208	277	298	296	328	379	445	426	426	502
<i>Equities and units in trusts</i>	590	584	592	580	614	623	642	667	655	631
Private trading corporations shares	269	318	300	291	239	204	195	206	221	214
Financial sector shares	279	227	237	233	312	319	339	345	344	335
Units in trusts	42	39	55	56	63	100	108	116	90	82
<i>Other financial assets</i>	—	—	—	—	—	—	—	—	60	60
<i>Land and buildings</i>	89	72	65	70	72	33	52	46	49	44
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	38	29
Assets overseas	—	—	—	—	72	44	42	49	43	36

CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1996	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998	Mar Qtr 1999	Jun Qtr 1999
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	7 978	12 032	13 591	14 338	17 667	18 676	20 184	20 718	21 429	21 436
Assets in Australia	7 978	12 032	13 591	14 338	17 667	18 676	20 184	20 718	21 429	21 436
<i>Cash and deposits</i>	1 430	1 430	907	810	904	1 230	2 191	1 100	1 583	1 120
Banks	1 101	1 127	691	643	726	1 166	2 148	1 084	1 550	1 045
Other deposit taking institutions	329	304	216	167	178	64	43	16	33	75
<i>Loans and placements</i>	22	12	35	67	52	24	45	123	28	16
<i>Short term securities</i>	5 864	9 935	12 027	12 843	15 860	16 554	17 080	18 148	18 385	18 575
Bills of exchange	3 325	5 329	6 146	5 893	7 148	6 133	6 864	6 270	7 117	5 521
Bank certificates of deposit	1 680	3 356	4 102	4 537	5 709	7 872	7 098	8 726	8 671	9 364
Other short term securities	858	1 250	1 779	2 413	3 004	2 549	3 117	3 152	2 596	3 689
<i>Long term securities</i>	635	602	575	573	788	811	798	1 282	1 371	1 576
Commonwealth government bonds	27	—	—	—	—	—	—	—	—	—
State and local government securities	553	318	298	317	51	49	50	16	—	—
Other long term securities	56	285	276	256	738	762	748	1 266	1 371	1 576
<i>Equities and units in trusts</i>	—	—	—	—	—	—	—	—	—	—
<i>Other financial assets</i>	27	53	48	45	63	57	70	65	61	149
<i>Land and buildings</i>	—	—	—	—	—	—	—	—	—	—
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	—	—	—	—

INVESTMENT MANAGERS, Source of Funds

<i>Source of funds</i>	<i>Jun Qtr 1996</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>Mar Qtr 1999</i>	<i>Jun Qtr 1999</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL SOURCE OF FUNDS	280 983	362 426	379 990	390 646	406 889	420 787	426 414	444 249	456 287	470 375
<i>Funds from Australian sources</i>	273 233	353 052	369 100	377 798	392 377	402 871	408 101	424 046	435 394	449 412
<i>Managed funds</i>	238 524	306 449	321 318	328 242	340 201	350 461	353 838	367 859	377 018	390 100
Life insurance offices	103 612	117 015	121 587	122 676	126 775	128 312	131 116	131 296	133 175	134 760
Superannuation funds (a)	84 379	124 378	130 109	132 778	137 035	140 612	138 286	144 625	147 794	158 373
Public unit trusts	35 250	46 852	50 137	52 343	52 722	57 066	58 359	63 172	66 227	67 245
Friendly societies	6 251	5 640	5 591	5 861	5 808	5 649	5 441	5 380	5 351	5 179
Common funds	2 767	3 137	3 364	3 360	3 437	3 632	3 884	4 633	4 932	5 011
Cash management trusts	6 265	9 427	10 530	11 224	14 424	15 190	16 752	18 753	19 539	19 532
<i>Total other sources</i>	34 709	46 603	47 782	49 556	52 176	52 410	54 263	56 187	58 376	59 312
Government	5 276	5 710	6 166	6 532	6 618	6 879	7 996	7 421	7 668	7 923
Charities	777	1 159	1 160	1 239	1 295	1 293	1 321	1 058	1 077	1 067
Other trusts	4 373	7 126	6 507	7 419	8 610	9 738	10 852	12 554	13 036	13 357
General insurance	10 870	14 323	14 499	15 131	15 913	16 425	16 744	17 179	18 077	17 653
Other sources	13 413	18 285	19 450	19 235	19 740	18 075	17 350	17 975	18 518	19 312
<i>Funds from overseas sources</i>	7 750	9 374	10 890	12 848	14 512	17 916	18 313	20 203	20 893	20 963

(a) In the September quarter 1996, \$18.5 billion previously invested directly by two superannuation funds was placed with investment managers.

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 from the December 1998 quarter onwards to be consistent with the revised treatment of these claims in the ABS publication *Australian National Accounts: Financial Accounts* (Cat. no. 5232.0). This changed treatment is in accord with the recent adoption by national and state and local governments of accrual accounting principles and the implementation of System of National Accounts 1993 standards. These assets, valued at \$4,774 million for the December 1998 quarter, are included in the item 'Other financial assets' in Table 3. To ensure there is no break in statistical continuity, this data series, together with all data series to which it contributes, has been revised back to September 1990.

10 The statistics on Public Unit Trusts do not include trusts which are exempted under Section 1069(3) of the *Corporations Act 1974* from providing redemption facilities (e.g. film and agriculture trusts); trusts which do not seek funds from the general public and small trusts are also excluded.

11 The statistics on Friendly Societies are compiled from information obtained from the 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 (5232.0)</i>. 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 (5232.0)</i>—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.						

GLOSSARY

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

GLOSSARY

- Investment managers** A considerable proportion of the assets of managed funds institutions in Australia (particularly the funds of life insurance offices and superannuation funds) is invested through *investment managers*.
- Investment managers invest and manage their clients' assets and often act as administrators for smaller funds, and as agents for other financial entities, on a fee for service basis. Whilst they accept individual portfolios for management they typically manage pooled funds, providing a sophisticated level of service, including matching return and risk, on behalf of their clients. Investment managers are generally life insurance offices, subsidiaries of banks, merchant banks, or organisations related to these types of institutions. They can be either separately constituted legal entities or form a segment of a particular financial institution.
- The funds which investment managers invest remain the asset of their clients and are not brought to account on the balance sheet of the investment manager. The ultimate responsibility for the investment remains with the client. For example, if a superannuation fund had all or part of its assets invested through investment managers, the trustees of the superannuation fund remain responsible for the investments, not the investment manager.
- Land and buildings** Land and buildings refers to land and buildings held and the value of units in unitised buildings. New acquisitions are reported at acquisition cost and existing assets are reported at the latest available market valuation.
- Life Insurance Offices** Most of the investment funds of life insurance offices are held in Statutory Funds. Statutory Funds of Life Insurance Offices have been set up under Commonwealth Government legislation and are analogous to trust funds. The legislation requires that the assets of any statutory fund must be kept separate and distinct from the assets of other statutory funds and any other assets of the company. All income received must be paid into and become an asset of the appropriate statutory fund and these assets are only available to meet the liabilities and expenses of that fund.
- Loans** Loans are intermediated borrowings which are not evidenced by the issue of debt securities. An example of this would be money borrowed from a life insurance office with a mortgage over property as collateral.
- Long term securities** A long term security is a document which represents the issuers pledge to pay the holder, on a date which, at the time of issue, is more than one year in the future, the sum of money shown on the face of the document. Until that future date the issuer usually promises to pay coupon interest to the holder quarterly or half-yearly at a rate which is fixed at the time the security is issued. These securities are therefore known as *fixed interest securities* in the professional market.

GLOSSARY

Long term securities <i>continued</i>	<p><i>Long-term securities</i> in these statistics include the following types of securities.</p> <ul style="list-style-type: none">▪ 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 <i>semi-government securities</i> by professional traders.▪ Debentures, transferable certificates of deposit and unsecured notes, which are collectively called <i>corporate securities</i> or <i>medium term notes</i> by brokers.▪ Asset-backed bonds, such as mortgage-backed securities.▪ Convertible notes, prior to conversion. <p>The first two of these are published separately in this publication. The last three types are combined together as <i>other long term securities</i>.</p>
Managed funds	<p>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.</p>
Managed funds institutions	<p>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.</p>
Non-financial assets	<p>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.</p>
Other financial assets	<p>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.</p>
Other non-financial assets	<p>Other non-financial assets refers to all assets not classified elsewhere except for assets overseas.</p>
Placements	<p>Placements are account balances with entities not regarded as deposit-taking institutions (see <i>cash and deposits</i>). Examples of these are account balances of funds with State governments central borrowing authorities.</p>
Promissory notes	<p>A promissory note—also called <i>commercial paper</i> or <i>one-name paper</i> in the professional market—is a written promise to pay a specified sum of money to the bearer at an agreed date. It is usually issued for terms ranging from 30 to 180 days and is sold to an investor at a simple discount to the face value. A promissory note is different from a bill of exchange in that it is not ‘accepted’ by a bank and is not endorsed by the parties which sell it in the market place.</p>

G L O S S A R Y

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*.

FEATURE ARTICLE

INVESTMENT MANAGERS

INTRODUCTION

This article updates statistics on the structure of the wholesale investment management market. These were previously published in the June quarters 1996, 1997 and 1998 releases of this publication. The Reserve Bank and ABS collaborated on cross-classificatory attributes of investment managers, namely group ownership and main financial activity of group. These cross-classifications have been applied to the data collected from investment managers in the ABS quarterly Survey of Financial Information (SFI), the results of which are presented in Table 8, Investment Managers, Source of Funds in this publication.

To facilitate the analysis of the wholesale investment management market, the sources of funds have been grouped into *retail* and *other*. In addition, some market concentration analysis has also been undertaken. The time series for total funds under management by group ownership and main financial activity is also presented to show growth and changes in the structure of the market over the previous two years.

The data sources and methodology (including the classification standards) are presented at the end of the article.

In principle, the analysis could be extended to cover retail investment managers. In practice, retail investment managers utilise the services of wholesale investment managers for approximately 77% of their investments. Moreover, the task of collecting the ownership and control characteristics of the relatively large number of retail institutions is constrained by both the reporting load that would be imposed on survey respondents, and the ABS costs in collecting and processing the information.

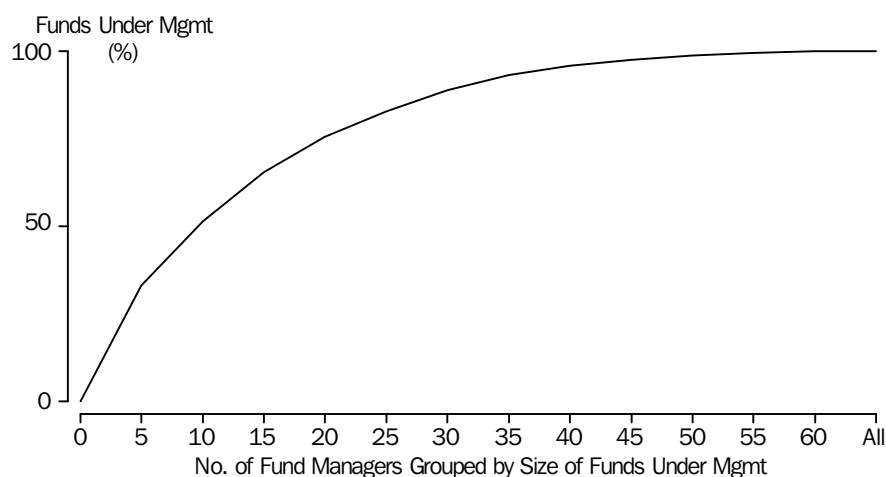
ANALYSES OF RESULTS

The following table shows the amount of funds under management with investment managers as at 30 June 1999, classified according to their group ownership and main financial activity characteristics.

FUNDS UNDER MANAGEMENT BY SOURCE, MANAGER OWNERSHIP AND TYPE OF FINANCIAL GROUP AS AT 30 JUNE 1999

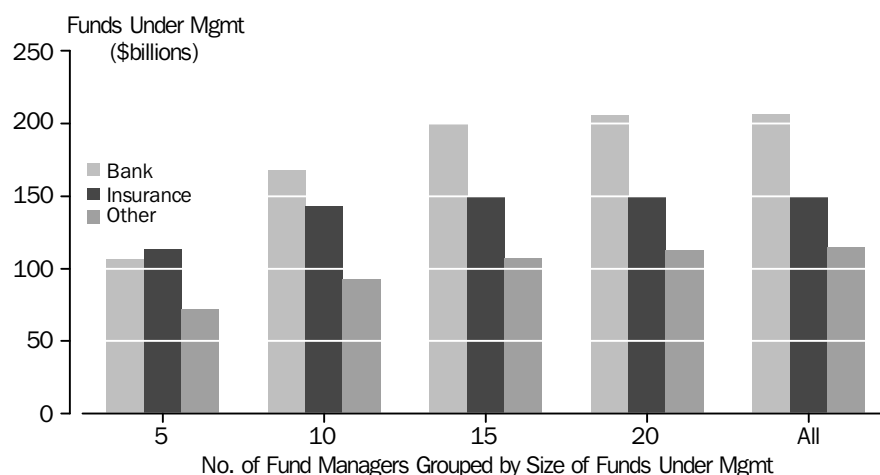
Funds under management by	SOURCED FROM RETAIL FUNDS.....		OTHER SOURCES.....		TOTAL.....	
	\$ billion	% share of retail funds	\$ billion	% share of funds from other sources	\$ billion	% share of funds under management
Ownership						
Public	—	—	—	—	—	—
Private domestic	203.4	52	32.6	41	236.0	50
Mutual societies & cooperatives	4.2	1	5.9	8	10.1	2
Other	199.2	51	26.7	33	225.9	48
Private foreign	186.7	48	47.7	59	234.4	50
Total	390.1	100	80.3	100	470.4	100
Main financial activity						
Bank	169.3	43	31.4	39	206.4	44
Insurance	124.9	32	24.4	30	149.3	32
Other	95.8	25	24.5	31	114.7	24
Total	390.1	100	80.3	100	470.4	100

- SOURCE OF FUNDS** Funds to the value of \$470.4 billion were invested through wholesale investment managers at 30 June 1999. These funds were sourced predominantly (83%) from retail managed funds, with 17% from other sources. A finer dissection of funds under management, by source, is provided in Table 8 of this publication.
- OWNERSHIP** At 30 June 1999, half of wholesale funds were under management by private domestic financial enterprise groups and half were under management by private foreign financial enterprise groups. As a result of the demutualisation of AMP Society in the March quarter 1998, there has been a significant change in the total amounts of funds under management and related percentage shares between mutual societies and co-operatives and 'other'.
- MAIN FINANCIAL ACTIVITY** Investment managers associated with banks and insurance companies dominate the wholesale funds management market, accounting for 44% and 32% respectively of the market at 30 June 1999, leaving 24% under management by other types of financial groups.
- MARKET CONCENTRATION** The following graphs are derived by firstly ranking investment managers according to size of funds under management and then assigning each investment manager to a cumulative size grouping. For example, on the horizontal axis, the number 10 represents the 10 investment managers with most funds under management; the number 20 refers to the funds under management accounted for by the largest 20 investment managers, and so on.
- The graph below shows that the 10 investment managers with most funds under management accounted for 51% (\$241.8 billion) of the total investment management market. The remaining investment managers accounted for 49% of the total investment management market. Ninety per cent of the funds under management are managed by the 31 largest investment managers.



MARKET CONCENTRATION The graph below shows that the five largest investment managers in insurance groups accounted for \$113.1 billion (76% of funds under management by insurance groups) and that the five largest investment managers in banking groups accounted for \$107.0 billion (52% of funds under management by bank groups).

continued



FUNDS UNDER MANAGEMENT TIME SERIES

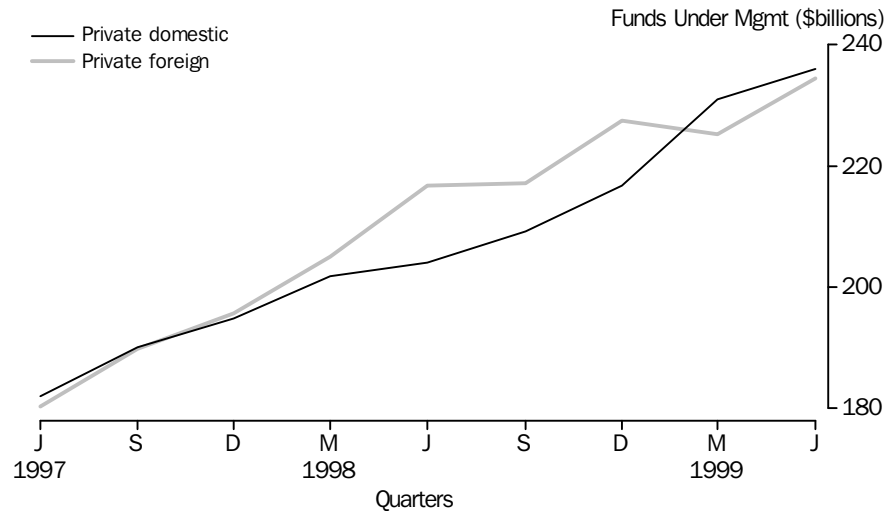
The following table shows that between 30 June 1997 and 30 June 1999, the wholesale investment management industry grew by 30% (\$108 billion). Note that comparisons over time of funds under management by the different investment manager groupings may be affected by structural changes (such as mergers, takeovers, privatisations and demutualisations) as well as changes in the level of business activity. As noted earlier the demutualisation of AMP Society in the March quarter 1998 resulted in significant changes to the ownership categories mutual societies and cooperatives and 'other'.

TOTAL FUNDS UNDER MANAGEMENT BY OWNERSHIP AND TYPE OF FINANCIAL GROUP

	June 97	Sep 97	Dec 97	Mar 98	Jun 98	Sep 98	Dec 98	Mar 99	Jun 99
<i>Investment manager</i>	<i>\$ billion</i>	<i>\$ billion</i>	<i>\$ billion</i>	<i>\$ billion</i>	<i>\$ billion</i>	<i>\$ billion</i>	<i>\$ billion</i>	<i>\$ billion</i>	<i>\$ billion</i>
Ownership									
Public	—	—	—	—	—	—	—	—	—
Private domestic	182.0	190.1	194.9	201.8	204.0	209.2	216.8	231.0	236.0
Mutual societies and cooperatives	57.8	60.1	61.6	9.5	9.4	9.4	9.9	10.7	10.1
Other	124.2	130.1	133.3	192.3	194.6	199.8	206.9	220.4	225.9
Private foreign	180.4	189.9	195.7	205.1	216.8	217.2	227.5	225.2	234.4
Total	362.4	380.0	390.6	406.9	420.8	426.4	444.2	456.3	470.4
Main financial activity									
Bank	191.3	200.5	204.4	212.2	221.1	223.7	232.2	237.0	206.4
Insurance	124.0	129.5	134.0	137.9	141.2	144.7	148.3	146.6	149.3
Other	47.1	50.0	52.3	56.8	58.5	57.9	63.8	72.6	114.7
Total	362.4	380.0	390.6	406.9	420.8	426.4	444.2	456.3	470.4

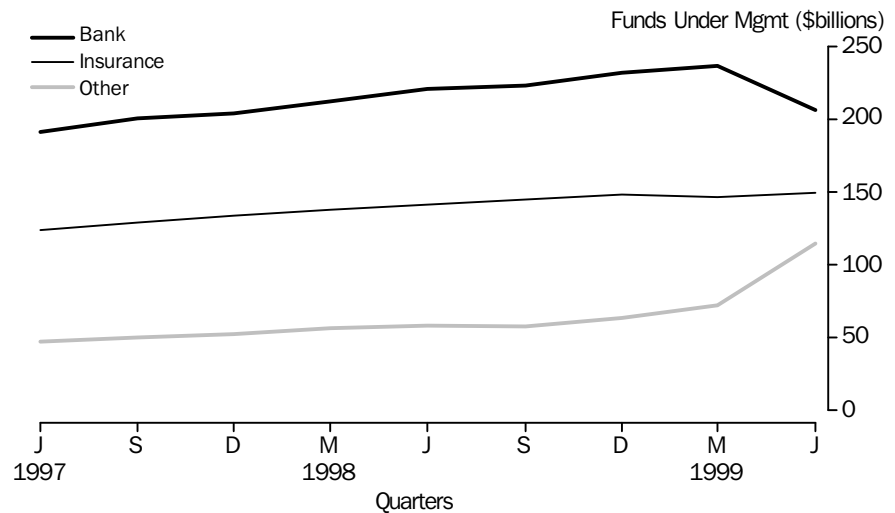
FUNDS UNDER MANAGEMENT
BY OWNERSHIP

The graph below shows the change between June 1997 and June 1999 to funds under management according to the ownership characteristics of groups with funds under management. Since the September quarter 1997 up until the December quarter 1998, foreign owned investment managers held marginally more funds under management than privately owned domestic investment managers. Since the March quarter 1999 the position has been reversed.



FUNDS UNDER MANAGEMENT
BY FINANCIAL ACTIVITY

The graph below shows the change between June 1997 and June 1999 to funds under management according to main financial activity of groups with funds under management. During this period funds managed by banking groups increased by \$15.1 billion (8%), funds managed by insurance groups increased by \$25.3 billion (20%) and funds managed by other groups increased by \$67.6 billion (144%). The relatively large increase in funds under management by the other category during the June 1999 quarter, and the corresponding decrease in the bank category, in large part reflected sales of funds management operations by banks to others.



DATA SOURCES

COLLECTION SCOPE The results presented in this report are derived from the investment manager collection which forms part of the ABS Survey of Financial Information. Conceptually, this collection includes all significant investment managers operating within Australia; in practice this covers wholesale investment managers with funds under management of \$50 million or more. As at 30 June 1999 there were 65 investment managers in the survey. (The Glossary contains a more comprehensive description of the roles and functions of investment managers.)

DATA DEFINITION The investment manager survey collects data on the sources of funds managed by an 'investment management group' (a group being defined as entities related under the *Corporations Act 1989*). The results presented include both the total funds under management and total retail funds under management as at 30 June 1999. *Retail* funds offer individuals the opportunity to pool their investment with a large number of other individuals to produce a better return than would otherwise be available. Types of funds included in this group are noted below under *Sources of Funds*. *Other* funds primarily consist of wholesale funds from institutional investors.

The statistics present investment manager data cross-classified according to *public* or *private ownership* and *main financial activity*. The private ownership category is sub-divided into the categories *private domestic* and *private foreign*; private domestic is further sub-divided into the two categories *mutual societies and cooperatives* and *other*. ABS confidentiality restrictions prevent a more detailed presentation of the data than that presented in the table of results.

METHODOLOGY

The criteria used for classifying the financial groups are detailed below. However, in a few cases lack of comprehensive data on ownership and type of activity of financial enterprise groups means that subjective judgements have to be made in assigning categories.

In classifying enterprise groups, all non-financial enterprises are excluded from the group structure. Their inclusion would have increased the complexity of the process and would probably have reduced the usefulness of the statistics for analytical purposes.

OWNERSHIP CLASSIFICATION The procedure for classifying groups to the ownership categories *public*, *private domestic*, and *private foreign* is based on the ownership characteristics of the parent company within a group. This entails identifying the ultimate holding company for each group and examining the ownership linkages. In a small number of cases some subjective judgements are required. Generally, ownership categories are assigned on the basis of the owning entity having greater than 50% share ownership, or equivalent, in the investment manager entity.

The classification criteria adopted is based on the System of National Accounts 1993 and employs the concept of control. Control over an enterprise is defined as the ability to determine general corporate policy, by choosing appropriate directors if necessary.

Public enterprises are resident enterprises that are subject to control by government units. The government may secure control over an enterprise:

- by owning more than half the voting shares or otherwise controlling more than half the shareholders' voting power; or
- as a result of special legislation, decree or regulation which empowers the government to determine the corporate policy or to appoint directors.

OWNERSHIP CLASSIFICATION <i>continued</i>	<p>To control more than half the shareholders' voting power, a government unit need not own any of the voting shares itself. A public enterprise could be a subsidiary of another public enterprise in which the government owns a majority of the voting shares.</p> <p><i>Private Domestic enterprises</i> include all resident enterprises that are not controlled by government or by non-resident institutional units. Such enterprises may, or may not, be controlled by other resident institutional units. They are simply characterised by the fact that they are not subject to control by the government or from abroad.</p> <p>This category is further sub-divided into two sub-categories - <i>mutual societies and cooperatives</i> and <i>other</i>. The former recognises that ownership may be attributable to policy holders or society members; ownership based on share equity or equivalent is included in <i>other</i>.</p> <p><i>Private foreign enterprises</i> consist of all resident enterprises that are controlled by non-resident institutional units. The subsector includes:</p> <ul style="list-style-type: none"> ▪ all subsidiaries of non-resident enterprises (but not associates of non-resident enterprises); ▪ all enterprises controlled by a non-resident institutional unit, such as a foreign government that is not itself an enterprise. It also includes enterprises controlled by a group of non-resident units acting in concert; and ▪ all branches or other unincorporated agencies of non-resident corporate or unincorporated enterprises that are engaged in significant amounts of production on the economic territory on a long term basis and that are, therefore, treated as resident quasi-corporations. Quasi-corporations in this context include unincorporated branches of foreign banks.
MAIN FINANCIAL ACTIVITY CLASSIFICATION	<p>The <i>main financial activity</i> classification is based on the financial activity of the largest institution in the financial enterprise group. A major criterion in assigning main financial activity is the presence of a bank or life insurance company within the group. This criterion is based on investigations which showed that banks and life insurance offices are in general the largest entities within groups. Where both types of institutions are present within a group then whichever institution has more assets determines the activity category for the group. Financial enterprise groups with neither a bank nor life insurance office within the group are classified to the <i>other</i> category.</p> <p>Multiple entities of the same type (i.e. two banks) within a group are merged for comparison with the other types of financial sector entities.</p>
CHANGES IN CLASSIFICATION	<p>Changes in classification can cause significant movements in the data. These changes can occur as a result of demutualisations, privatisations, new company floats, takeovers and mergers.</p>
SOURCES OF FUNDS	<p>The data presented are the sources of funds for wholesale investment managers as detailed in Table 8 of this publication.</p> <p><i>Retail</i> figures indicate the value of assets of retail managed funds invested through the wholesale investment managers. Retail managed funds include:</p> <ul style="list-style-type: none"> ▪ life insurance offices; ▪ superannuation funds; ▪ public unit trusts; ▪ friendly societies; ▪ common funds; and ▪ cash management trusts.

SOURCES OF FUNDS *Other* sources of funds invested through wholesale investment managers are from:
continued

- overseas;
- government;
- general insurance;
- charities;
- other trusts; and
- other.

FURTHER INFORMATION

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