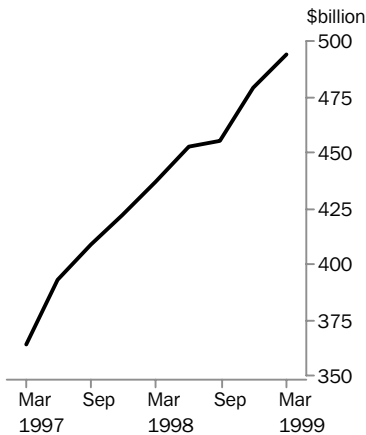


MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) MON 31 MAY 1999

Total consolidated assets



MARCH QTR KEY FIGURES

CONSOLIDATED ASSETS

	<i>Mar Qtr 1998</i>	<i>Dec Qtr 1998</i>	<i>Mar Qtr 1999</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Superannuation funds	192 484	207 373	212 511
Life insurance offices	143 353	155 605	159 863
Other managed funds	101 239	115 548	121 285
Total	437 077	478 525	493 659

MARCH QTR KEY POINTS

CONSOLIDATED ASSETS

- The value of consolidated assets of managed funds as at 31 March 1999 was \$493.7 billion, an increase of \$15.1 billion (3%) on the revised 31 December 1998 figure of \$478.5 billion and an increase of \$56.6 billion (13%) on the revised 31 March 1998 figure of \$437.1 billion.
- The largest increases in the consolidated assets of managed funds during the March 1999 quarter were in superannuation funds, up \$5.1 billion (2%), public unit trusts, up \$4.9 billion (6%) and life insurance offices, up \$4.3 billion (3%).
- The value of managed funds' assets invested through fund managers was \$374.8 billion at the end of March 1999, representing 76% 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

June 1999

31 August 1999

September 1999

30 November 1999



CHANGES IN THIS ISSUE

There are no changes in this issue.



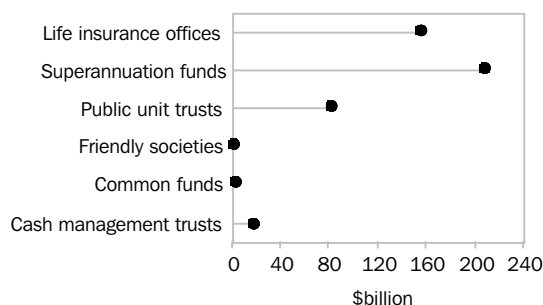
T.J. Skinner

Acting Australian Statistician

MANAGED FUNDS: Consolidated Assets

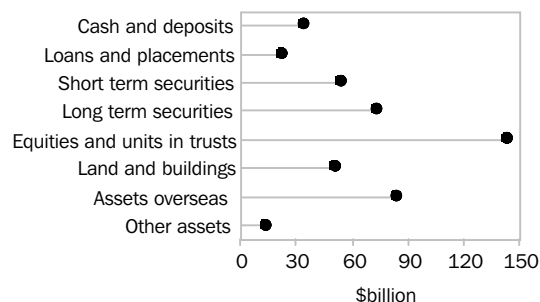
BY TYPE OF INSTITUTION

Assets of superannuation funds held outside life offices increased by \$5.1 billion (2%) to \$212.5 billion during the March 1999 quarter. Assets in public unit trusts increased by \$4.9 billion (6%) to \$85.7 billion and assets in life insurance offices increased by \$4.3 billion (3%) to \$159.9 billion.



BY TYPE OF ASSET

Equities and units in trusts held by managed funds' institutions increased by \$7.6 billion (5%) to \$145.8 billion. Buoyant share market prices during the March 1999 quarter, with the All Ordinaries index increasing by over 5%, contributed to the increases in equities and units in trusts. Assets overseas increased by \$2.2 billion (3%) to \$86.5 billion, broadly in line with the appreciation of the Australian dollar.



CROSS INVESTMENT

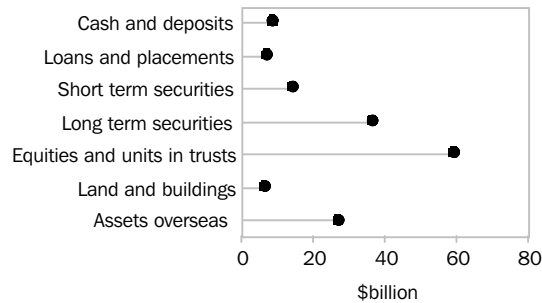
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 31 March 1999. Statistics for life insurance offices include superannuation funds' assets held in life office statutory funds.

Type of fund	Unconsolidated assets \$m	Cross-invested assets \$m	Consolidated assets \$m
Life insurance offices	172 822	12 959	159 863
Superannuation funds	252 968	40 457	212 511
Public unit trusts	97 900	12 214	85 686
Friendly societies	6 543	71	6 472
Common funds	7 827	135	7 693
Cash management trusts	21 435	—	21 435
Total	559 494	65 835	493 659

MANAGED FUNDS: Unconsolidated Assets

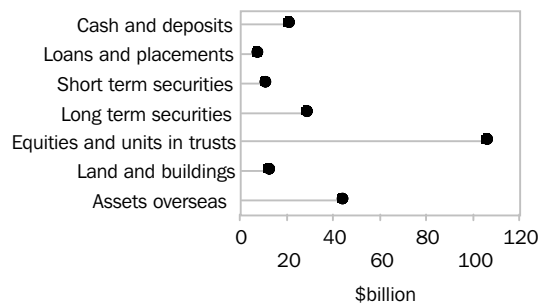
LIFE INSURANCE OFFICES

Total assets of life insurance offices increased by \$4.3 billion (3%) in the March 1999 quarter to \$172.8 billion. The largest increases were in equities and units in trusts, up \$2.7 billion (5%), and in assets overseas, up \$1.1 billion (4%).



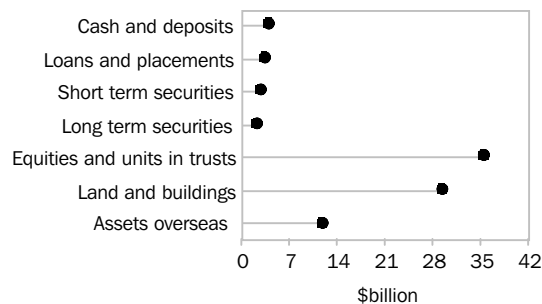
SUPERANNUATION FUNDS

Total assets of superannuation funds increased by \$6.5 billion (3%) in the March 1999 quarter to \$253 billion. The largest increases were in equities and units in trusts, up \$3.4 billion (3%), and long term securities, up \$ 1.1 billion (4%).



PUBLIC UNIT TRUSTS

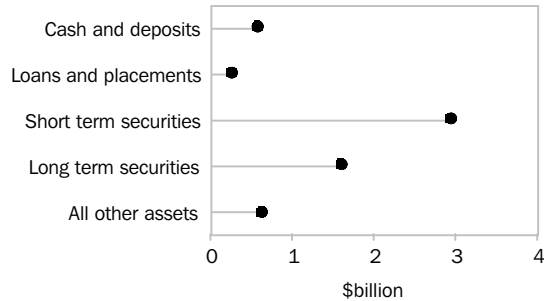
Total assets of public unit trusts increased by \$5.5 billion (6%) in the March 1999 quarter to \$97.9 billion. The largest increases were in equities and units in trust, up \$3.0 billion (9%), land and buildings, up \$0.8 billion (3%), and other financial assets, up \$0.6 billion (39%).



MANAGED FUNDS: Unconsolidated Assets *continued*

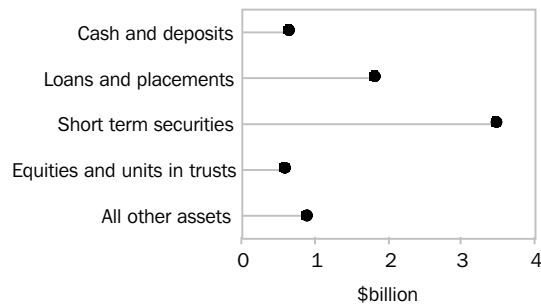
FRIENDLY SOCIETIES

The assets of friendly societies decreased by \$0.1 billion (1%) to \$6.5 billion during the March 1999 quarter. This continues the quarterly decline in asset holdings evident since September 1997.



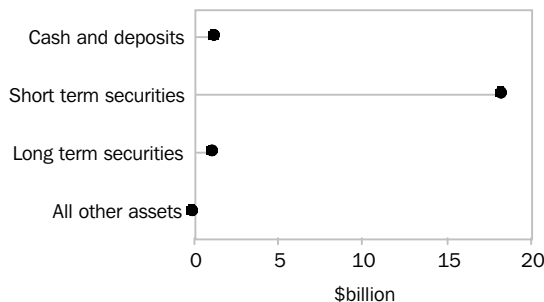
COMMON FUNDS

Total assets of common funds increased by \$0.2 billion (2%) to \$7.8 billion during the March 1999 quarter. The assets of common funds have been growing steadily since March 1995.



CASH MANAGEMENT TRUSTS

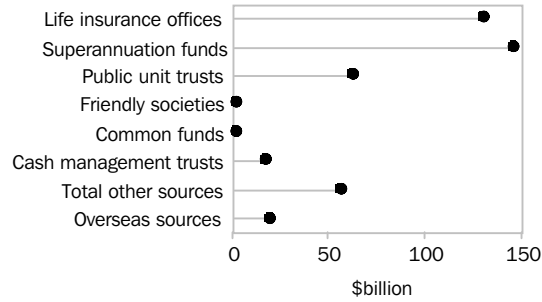
Total assets of cash management trusts increased by \$0.7 billion (3%) to \$21.4 billion during the March 1999 quarter. The largest increases were in cash and deposits, up \$0.4 billion (40%), and short term securities, up \$0.3 billion (2%).



MANAGED FUNDS — INVESTMENT MANAGERS

SOURCE OF FUNDS UNDER MANAGEMENT

During the March 1999 quarter there was an increase in total funds under management by investment managers of \$10 billion (2%) bringing the total sources of funds under management to \$454.6 billion. The largest increases were in funds sourced from superannuation funds, \$2.8 billion (2%) and public unit trusts, \$2.1 billion (3%). The value of managed funds' assets invested through investment managers was \$374.8 billion at the end of March 1999, representing 76% of all the consolidated assets of managed funds.



MANAGED FUNDS, Consolidated Assets

<i>Institution/asset</i>	<i>Jun Qtr 1995</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>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Type of institution										
Life insurance offices(a)	113 229	120 228	134 738	138 686	141 139	143 353	147 640	148 116	155 605	159 863
Superannuation funds	125 709	142 800	173 273	181 631	185 661	192 484	199 910	198 865	207 373	212 511
Public unit trusts	38 179	44 558	59 474	61 531	66 952	69 907	72 674	74 198	80 796	85 686
Friendly societies	8 612	7 865	7 238	7 022	6 859	6 826	6 769	6 667	6 531	6 472
Common funds	4 466	5 065	6 172	6 395	6 641	6 839	6 874	7 327	7 504	7 693
Cash management trusts	6 424	7 978	12 032	13 591	14 338	17 667	18 676	20 184	20 718	21 435
Total	296 619	328 494	392 926	408 856	421 590	437 077	452 543	455 356	478 525	493 659
Type of asset										
Cash and deposits(b)	20 226	22 965	28 562	27 883	27 924	33 249	35 548	35 831	34 911	35 793
Loans and placements	14 667	16 425	19 227	19 779	20 516	21 864	22 625	23 183	23 770	23 978
Short term securities(b)	30 782	38 707	47 004	48 733	52 167	52 504	54 020	55 919	56 566	56 851
Long term securities	55 363	55 234	59 246	63 059	64 194	63 385	66 061	71 234	73 668	75 547
Equities and units in trusts	82 796	94 192	117 994	123 028	124 443	129 638	130 600	127 645	138 231	145 811
Land and buildings	36 130	38 323	41 262	42 093	45 591	46 710	48 010	50 421	51 381	52 704
Assets overseas	44 585	48 011	62 446	66 122	69 485	72 872	78 649	75 428	84 321	86 488
Other assets	12 070	14 636	17 184	18 159	17 272	16 855	17 029	15 695	15 677	16 488
Total	296 619	328 494	392 926	408 856	421 590	437 077	452 543	455 356	478 525	493 659

(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	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998	Mar Qtr 1999
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	118 523	127 174	145 494	149 845	152 074	154 506	159 020	160 473	168 529	172 822
Assets in Australia	101 306	111 590	125 033	127 556	128 090	130 657	132 004	135 044	141 259	144 426
<i>Cash and deposits</i>	4 913	5 981	6 921	6 323	6 442	10 900	9 850	9 464	9 594	9 773
Banks	2 951	3 547	3 616	3 168	3 004	4 316	3 127	3 295	3 657	3 503
Other deposit taking institutions	1 962	2 434	3 304	3 155	3 437	6 584	6 722	6 169	5 937	6 270
<i>Loans and placements</i>	5 809	6 457	6 922	7 046	7 552	8 174	8 171	8 641	8 515	8 249
<i>Short term securities</i>	9 929	14 413	16 268	15 918	18 067	15 006	14 935	15 709	15 755	15 751
Bills of exchange	4 507	6 099	4 749	5 676	5 337	5 220	4 819	4 680	4 910	4 530
Bank certificates of deposit	2 902	4 180	4 987	4 119	4 191	3 600	4 425	4 742	5 207	6 006
Other short term securities	2 520	4 133	6 532	6 123	8 539	6 186	5 691	6 288	5 638	5 215
<i>Long term securities</i>	28 708	29 258	31 975	34 168	33 670	32 393	33 039	35 628	37 205	37 634
Commonwealth government bonds	8 936	11 109	12 594	13 023	11 864	11 518	12 131	13 342	13 519	13 387
State and local government securities	13 170	12 387	11 479	11 990	11 936	11 191	10 898	12 292	13 172	12 975
Other long term securities	6 602	5 762	7 901	9 155	9 870	9 684	10 011	9 993	10 515	11 272
<i>Equities and units in trusts</i>	38 073	41 924	50 691	51 319	50 192	52 416	53 475	53 519	57 911	60 630
Private trading corporations shares	25 414	26 471	28 476	28 179	27 427	25 436	24 639	22 376	23 928	25 012
Financial sector shares	5 862	6 517	8 314	8 683	8 643	9 615	10 402	10 643	11 923	12 531
Units in trusts	6 797	8 937	13 900	14 457	14 122	17 364	18 434	20 500	22 060	23 088
<i>Other financial assets</i>	2 216	2 862	3 104	3 554	2 969	3 189	4 298	3 304	3 428	3 491
<i>Land and buildings</i>	9 487	8 846	7 185	7 235	7 639	7 575	7 520	7 678	7 926	7 980
<i>Other non-financial assets</i>	2 169	1 849	1 968	1 993	1 559	1 004	716	1 101	924	918
Assets overseas	17 217	15 584	20 460	22 289	23 984	23 849	27 016	25 429	27 270	28 395

(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	Jun Qtr 1997	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1998	Dec Qtr 1998	Mar Qtr 1999
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	141 813	165 449	203 763	214 572	219 048	228 802	237 107	237 033	246 462	252 968
Assets in Australia	120 571	139 466	170 866	180 165	182 846	190 041	196 057	196 955	201 707	207 398
<i>Cash and deposits</i>	11 426	12 495	16 884	18 087	18 415	20 071	22 503	23 022	23 181	23 303
Banks	7 474	7 484	10 836	11 621	11 539	12 636	14 583	13 991	14 828	14 563
Other deposit taking institutions	3 953	5 011	6 047	6 466	6 876	7 435	7 920	9 031	8 353	8 740
<i>Loans and placements</i>	5 119	6 198	7 828	7 923	7 993	8 529	9 215	8 682	9 065	9 529
<i>Short term securities</i>	8 644	10 709	12 048	11 612	11 673	11 560	13 114	12 898	12 432	12 619
Bills of exchange	4 773	4 339	4 990	4 557	5 048	4 512	5 236	5 748	5 590	5 692
Bank certificates of deposit	2 899	5 040	5 543	5 494	4 759	5 224	6 167	5 400	4 851	5 237
Other short term securities	972	1 330	1 515	1 561	1 866	1 823	1 711	1 750	1 992	1 690
<i>Long term securities</i>	22 816	22 046	22 978	24 182	25 386	25 483	27 261	29 706	29 878	30 949
Commonwealth government bonds	12 969	12 965	13 423	13 772	14 580	14 328	15 087	16 514	16 157	16 266
State and local government securities	7 380	6 648	6 772	7 076	7 457	7 521	8 123	8 600	7 473	7 843
Other long term securities	2 467	2 433	2 784	3 333	3 349	3 633	4 051	4 592	6 248	6 840
<i>Equities and units in trusts</i>	55 652	68 259	88 699	94 713	95 659	99 690	100 309	98 683	104 340	107 762
Private trading corporations shares	33 828	39 004	47 752	50 162	49 645	50 584	49 971	46 490	49 481	50 601
Financial sector shares	6 593	7 534	12 000	13 286	14 381	14 648	15 171	15 910	17 626	18 740
Units in trusts	15 230	21 722	28 947	31 266	31 633	34 459	35 167	36 283	37 233	38 420
<i>Other financial assets</i>	6 190	7 551	7 790	8 939	8 373	8 641	8 492	8 682	8 559	8 573
<i>Land and buildings</i>	10 597	11 641	13 418	13 340	13 929	14 601	14 636	15 149	13 958	14 467
<i>Other non-financial assets</i>	126	567	1 220	1 371	1 417	1 466	526	134	294	197
Assets overseas	21 242	25 982	32 897	34 407	36 202	38 761	41 050	40 078	44 755	45 569

(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 1995	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
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	41 586	48 382	66 449	69 976	75 074	79 189	82 288	84 737	92 446	97 900
Assets in Australia	35 460	41 966	57 405	60 597	65 827	69 050	71 804	74 920	80 249	85 488
<i>Cash and deposits</i>	2 190	2 525	3 997	4 267	4 335	4 016	4 348	3 985	4 254	4 720
Banks(a)	1 011	1 301	2 194	2 089	2 231	2 272	2 280	1 978	2 066	2 439
Other deposit taking institutions	1 179	1 224	1 803	2 178	2 104	1 744	2 068	2 007	2 188	2 281
<i>Loans and placements</i>	1 841	2 094	2 685	2 976	3 098	3 367	3 367	3 824	3 921	3 977
<i>Short term securities</i>	2 121	2 153	2 739	2 880	3 216	3 490	3 499	3 624	3 651	3 522
Bills of exchange	1 843	1 870	2 303	2 454	2 709	2 983	2 865	2 932	3 002	2 817
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	279	284	437	427	508	508	635	692	650	705
<i>Long term securities</i>	1 158	1 208	1 824	1 779	2 094	2 267	3 650	3 106	2 797	3 049
<i>Equities and units in trusts</i>	11 177	14 686	22 512	24 728	25 991	28 660	28 879	30 411	33 278	36 308
Equities	8 121	10 555	15 336	16 160	16 328	17 529	17 710	18 309	20 038	22 398
Units in trusts	3 056	4 131	7 176	8 568	9 663	11 131	11 169	12 102	13 240	13 910
<i>Other financial assets</i>	859	1 207	2 300	1 596	2 059	1 672	2 040	1 421	1 437	2 001
<i>Land and buildings</i>	15 578	17 374	20 196	21 113	23 624	24 137	25 528	27 240	29 155	29 916
<i>Other non-financial assets</i>	536	719	1 152	1 258	1 410	1 441	1 504	1 682	1 756	1 995
Assets overseas	6 126	6 416	9 044	9 379	9 247	10 139	10 484	9 817	12 197	12 412

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

FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1995	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
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	8 631	7 889	7 262	7 056	6 897	6 865	6 807	6 730	6 601	6 543
Assets in Australia	8 631	7 860	7 217	7 008	6 845	6 814	6 752	6 669	6 551	6 475
<i>Cash and deposits</i>	2 438	1 664	1 611	960	824	717	1 463	797	631	626
Banks	1 784	1 214	1 250	597	572	514	1 234	602	398	416
Other deposit taking institutions	654	450	361	363	252	203	229	195	233	210
<i>Loans and placements</i>	553	412	369	366	370	362	343	333	315	333
<i>Short term securities</i>	2 790	3 475	3 216	3 305	3 173	3 262	2 680	3 227	3 132	2 992
Bills of exchange	1 465	1 833	1 517	1 700	1 475	1 234	1 211	1 216	1 143	1 086
Bank certificates of deposit	1 019	1 218	1 495	1 131	1 349	1 658	1 082	1 670	1 589	1 516
Other short term securities	306	424	204	474	349	370	387	341	400	390
<i>Long term securities</i>	2 080	1 558	1 233	1 690	1 792	1 726	1 522	1 510	1 643	1 669
Commonwealth government bonds	465	289	228	302	336	295	308	301	344	307
State and local government securities	666	565	412	645	549	564	443	442	442	397
Other long term securities	949	704	593	743	907	867	771	767	857	965
<i>Equities and units in trusts</i>	147	170	171	186	199	204	212	258	287	315
Private trading corporations shares	103	112	119	119	128	133	138	145	166	192
Financial sector shares	37	36	30	34	33	32	36	50	51	53
Units in trusts	7	22	22	33	38	39	38	63	70	70
<i>Other financial assets</i>	163	138	83	63	56	121	129	135	143	144
<i>Land and buildings</i>	382	373	391	341	328	324	292	302	296	292
<i>Other non-financial assets</i>	78	70	143	97	103	98	111	107	104	104
Assets overseas	—	29	45	48	52	51	55	61	50	68

COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1995	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
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	4 567	5 138	6 252	6 493	6 739	6 945	7 018	7 476	7 663	7 827
Assets in Australia	4 567	5 138	6 252	6 493	6 739	6 873	6 974	7 434	7 614	7 784
<i>Cash and deposits</i>	509	593	751	745	778	734	772	753	736	698
Banks	377	470	586	572	611	563	594	589	563	520
Other deposit taking institutions	132	123	165	173	167	171	178	164	173	178
<i>Loans and placements</i>	1 238	1 244	1 413	1 434	1 436	1 398	1 519	1 747	1 854	1 875
<i>Short term securities</i>	1 713	2 094	2 798	2 992	3 196	3 326	3 238	3 380	3 448	3 538
Bills of exchange	1 283	1 490	2 051	2 143	2 327	2 157	2 321	2 303	2 286	2 351
Bank certificates of deposit	226	381	450	459	473	663	567	736	789	885
Other short term securities	204	223	297	390	396	506	350	341	373	302
<i>Long term securities</i>	480	528	634	665	679	729	789	860	863	871
Commonwealth government bonds	50	60	60	61	64	68	66	62	69	65
State and local government securities	231	260	297	306	319	333	344	353	368	380
Other long term securities	199	208	277	298	296	328	379	445	426	426
<i>Equities and units in trusts</i>	541	590	584	592	580	614	623	642	667	655
Private trading corporations shares	254	269	318	300	291	239	204	195	206	221
Financial sector shares	219	279	227	237	233	312	319	339	345	344
Units in trusts	68	42	39	55	56	63	100	108	116	90
<i>Other financial assets</i>	—	—	—	—	—	—	—	—	—	60
<i>Land and buildings</i>	86	89	72	65	70	72	33	52	46	49
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	38
Assets overseas	—	—	—	—	—	72	44	42	49	43

CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1995	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
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	6 424	7 978	12 032	13 591	14 338	17 667	18 676	20 184	20 718	21 435
Assets in Australia	6 424	7 978	12 032	13 591	14 338	17 667	18 676	20 184	20 718	21 435
<i>Cash and deposits</i>	578	1 430	1 430	907	810	904	1 230	2 191	1 100	1 541
Banks	485	1 101	1 127	691	643	726	1 166	2 148	1 084	1 509
Other deposit taking institutions	93	329	304	216	167	178	64	43	16	33
<i>Loans and placements</i>	119	22	12	35	67	52	24	45	123	28
<i>Short term securities</i>	5 585	5 864	9 935	12 027	12 843	15 860	16 554	17 080	18 148	18 428
Bills of exchange	3 180	3 325	5 329	6 146	5 893	7 148	6 133	6 864	6 270	7 165
Bank certificates of deposit	1 116	1 680	3 356	4 102	4 537	5 709	7 872	7 098	8 726	8 667
Other short term securities	1 288	858	1 250	1 779	2 413	3 004	2 549	3 117	3 152	2 596
<i>Long term securities</i>	121	635	602	575	573	788	811	798	1 282	1 375
Commonwealth government bonds	40	27	—	—	—	—	—	—	—	—
State and local government securities	2	553	318	298	317	51	49	50	16	—
Other long term securities	79	56	285	276	256	738	762	748	1 266	1 375
<i>Equities and units in trusts</i>	—	—	—	—	—	—	—	—	—	—
<i>Other financial assets</i>	22	27	53	48	45	63	57	70	65	61
<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 1995</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>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL SOURCE OF FUNDS	252 361	280 983	362 426	379 990	390 646	406 889	420 787	426 414	444 558	454 589
<i>Funds from Australian sources</i>	245 483	273 233	353 052	369 100	377 798	392 377	402 871	408 101	423 996	433 498
<i>Managed funds</i>	214 677	238 524	306 449	321 318	328 242	340 201	350 461	354 038	367 471	374 822
Life insurance offices	96 757	103 612	117 015	121 587	122 676	126 775	128 312	131 116	131 346	132 591
Superannuation funds (a)	75 134	84 379	124 378	130 109	132 778	137 035	140 612	138 286	144 602	147 443
Public unit trusts	29 283	35 250	46 852	50 137	52 343	52 722	57 066	58 359	62 652	64 746
Friendly societies	6 441	6 251	5 640	5 591	5 861	5 808	5 649	5 441	5 380	5 366
Common funds	1 937	2 767	3 137	3 364	3 360	3 437	3 632	3 884	4 633	4 924
Cash management trusts	5 125	6 265	9 427	10 530	11 224	14 424	15 190	16 952	18 858	19 752
<i>Total other sources</i>	30 806	34 709	46 603	47 782	49 556	52 176	52 410	54 063	56 525	58 676
Government	4 302	5 276	5 710	6 166	6 532	6 618	6 879	7 446	6 974	7 169
Charities	582	777	1 159	1 160	1 239	1 295	1 293	1 321	1 083	1 079
Other trusts	2 064	4 373	7 126	6 507	7 419	8 610	9 738	10 852	12 554	12 817
General insurance	12 231	10 870	14 323	14 499	15 131	15 913	16 425	16 544	16 930	17 934
Other sources	11 627	13 413	18 285	19 450	19 235	19 740	18 075	17 900	18 984	19 677
<i>Funds from overseas sources</i>	6 878	7 750	9 374	10 890	12 848	14 512	17 916	18 313	20 562	21 091

(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	<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.

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.

G L O S S A R Y

Long term securities *Long-term securities* in these statistics include the following types of securities.
continued

- Treasury Bonds and Australian Savings Bonds. These are issued to corporations and the general public by the Commonwealth Government.
- Various series of inscribed stock which are issued by state government owned borrowing authorities and enterprises. These are known as *semi-government securities* by professional traders.
- Debentures, transferable certificates of deposit and unsecured notes, which are collectively called *corporate securities* or *medium term notes* by brokers.
- Asset-backed bonds, such as mortgage-backed securities.
- Convertible notes, prior to conversion.

The first two of these are published separately in this publication. The last three types are combined together as *other long term securities*.

Managed funds The term managed funds is used to describe the investments undertaken by those collective investment institutions and investment managers who engage in financial transactions in the managed funds market.

Managed funds institutions Managed funds institutions are those financial intermediaries which operate in the managed funds market by acquiring and incurring financial assets and liabilities respectively on their own account. Typically these institutions arrange for the 'pooling' of funds from a number of investors for the purpose of investing in a particular type or mix of assets, with a view to receiving an on-going return or capital gain. However, funds of a speculative nature that do not offer redemption facilities (e.g. agriculture and film trusts) and funds not established for investment purposes (e.g. health funds and general insurance funds) are excluded. It includes statutory funds of life offices, superannuation funds, public unit trusts, friendly societies, common funds and cash management trusts.

Non-financial assets Non-financial assets comprise all those assets which are not financial in nature: i.e. physical assets. For the purposes of these statistics they are broken down into only two categories—land and buildings, and other types of non-financial asset.

Other financial assets This covers any other financial claims on residents that do not fit into the foregoing categories, such as trade credit, interest accruals and other derivative (but not synthetic) financial products. Synthetic financial products combine a primary financial instrument with a derivative financial instrument and are classified to the category appropriate to the primary instrument used.

Other non-financial assets Other non-financial assets refers to all assets not classified elsewhere except for assets overseas.

Placements Placements are account balances with entities not regarded as deposit-taking institutions (see *cash and deposits*). Examples of these are account balances of funds with State governments central borrowing authorities.

Promissory notes A promissory note—also called *commercial paper* or *one-name paper* in the professional market—is a written promise to pay a specified sum of money to the bearer at an agreed date. It is usually issued for terms ranging from 30 to 180 days and is sold to an investor at a simple discount to the face value. A promissory note is different from a bill of exchange in that it is not 'accepted' by a bank and is not endorsed by the parties which sell it in the market place.

GLOSSARY

- Public unit trusts** A public unit trust is defined as an arrangement, governed by a trust deed between a management company and a trustee, which is open to the public for the purchase of units in the trust. Unit trusts invest the pooled funds of unit holders to yield returns in the form of income and/or capital gain. Unit holders can dispose of their units within a relatively short period of time.
- Short term securities** Debt securities are divided into short term and long term using original term to maturity as the classificatory criterion. *Short term securities* are those with an original term to maturity of one year or less. Issuers of promissory notes and bills of exchange do negotiate rollover facilities which allow them to use these instruments as sources of floating-rate long term funds. However, in these statistics the existence of rollover facilities does not convert what are legally short term instruments into long term ones.
- There are four types of short term securities shown in this publication: bills of exchange, promissory notes, Treasury notes and bank certificates of deposit. All of these are issued at a discount to face value and are traded on well-established secondary markets with bills of exchange and certificates of deposit being the most actively traded. Professional traders call these short term instruments *money market securities*. Treasury notes are inscribed stock in that ownership is recorded in a register maintained by the issuer and a non-transferable certificate of ownership is issued, but the owner does not physically hold the documents. The other short term securities are bearer securities, that is the owner is not registered with the issuer but physically holds the documents. Bearer securities are payable to the holder on maturity and transferable by delivery.
- Superannuation funds** Superannuation funds are indefinitely continuing funds maintained for the provision of benefits for either members of the fund, or the dependants of members in the event of retirement or death of the member.
- The statistics include both public and private sector superannuation funds that either directly invest on their own behalf, or use fund managers on a fee for service basis, and approved deposit funds.
- Treasury notes** Treasury notes are inscribed instruments issued by the Commonwealth Government with original maturity terms of five, thirteen or twenty-six weeks. Treasury notes are included in these statistics as *other short term assets*.

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