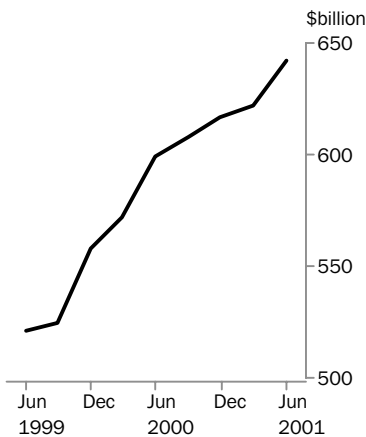


# MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 31 AUG 2001

## Total consolidated assets



## JUNE QTR KEY FIGURES

CONSOLIDATED ASSETS (a)	Jun Qtr 2000 \$m	Mar Qtr 2001 \$m	Jun Qtr 2001 \$m
Superannuation funds	278 307	288 477	298 917
Life insurance offices(b)	173 522	171 495	175 465
Other managed funds	147 261	161 880	167 407
<b>Total</b>	<b>599 090</b>	<b>621 852</b>	<b>641 789</b>

(a) See note on consolidation on page 2.

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

## JUNE QTR KEY POINTS

### CONSOLIDATED ASSETS

- Total consolidated assets of managed funds institutions were \$641.8 billion at the end of the June quarter 2001, an increase of \$20.0 billion (3%) over the revised March quarter 2001 figure.
- The largest increase in consolidated assets of managed funds during the June quarter 2001 was in superannuation funds, up \$10.4 billion (4%) followed by public unit trusts, up \$4.0 billion (3%).
- The major asset class movement during the quarter was in domestic equities and units in trusts, up \$16 billion (7%), due primarily to valuation changes (the All Ordinaries Index increased 11% during the June quarter 2001). Other major movements were cash and deposits (up 7%), loans and placements (up 5%), other assets (up 6%), and long term securities (down 4%).
- Investment managers managed \$483.3 billion (75%) of consolidated managed funds' assets. See Table 8.

- For further information about these and related statistics, contact Judy Sykes on Canberra 02 6252 5222, or the National Information and Referral Service on 1300 135 070.

# NOTES

## FORTHCOMING ISSUES

### *ISSUE (Quarter)*

### *RELEASE DATE*

September 2001

30 November 2001

December 2001

28 February 2002



## CHANGES IN THIS ISSUE

There have been a number of revisions in many series as a result of quality assurance work undertaken with data providers, in particular with the superannuation industry.



## 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.

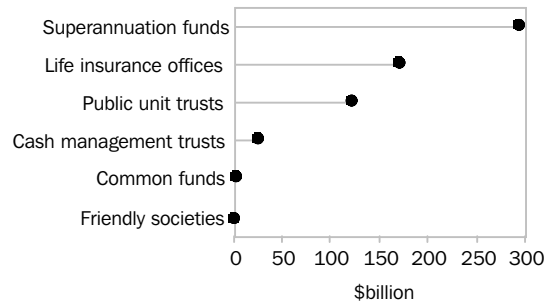


R.W. Edwards  
Acting Australian Statistician

# MANAGED FUNDS : Consolidated Assets

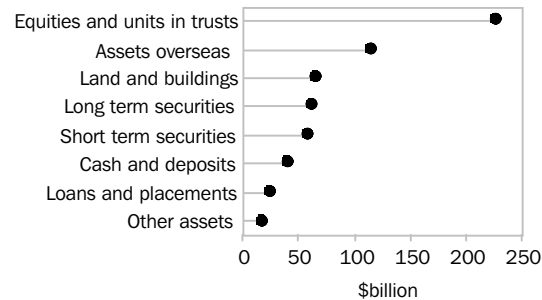
## BY TYPE OF INSTITUTION

At the end of the June quarter 2001 consolidated assets of superannuation funds stood at \$298.9 billion, up \$10.4 billion since 31 March 2001. Life insurance assets stood at \$175.5 billion (up \$4.0 billion), public unit trusts assets stood at \$125.1 billion (up \$4.0 billion), cash management trust assets stood at \$28.7 billion (up \$1.2 billion), common fund assets stood at \$8.1 billion (up \$0.4 billion). Assets of friendly societies stood at \$5.5 billion, virtually unchanged.



## BY TYPE OF ASSET

Assets classes which increased during the quarter were: equities and units in trusts, up \$16.0 billion to \$230.6 billion, an increase of 7% (the All Ordinaries Index increased 11% during the quarter); cash and deposits, up \$3.0 billion to \$44.2 billion; loans and placements, up \$1.5 billion; short term debt securities, up \$1.3 billion; land and buildings, up \$0.3 billion; and other assets, up \$1.2 billion. Since 31 March 2001 the value of long-term debt securities held decreased \$2.4 billion to \$65.8 billion and assets held overseas decreased by \$0.9 billion to end the June quarter at \$119.1 billion.



## CROSS INVESTMENT

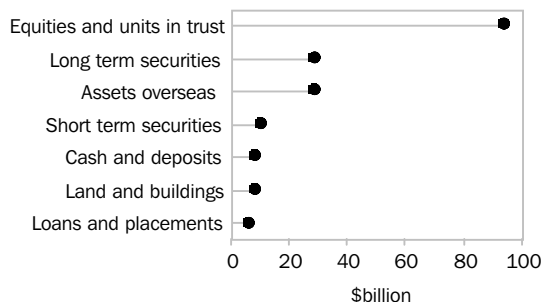
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 30 June 2001.

Type of fund	Unconsolidated assets \$m	Cross-invested assets \$m	Consolidated assets \$m
Life insurance offices	197 814	22 348	175 465
Superannuation funds	354 713	55 796	298 917
Public unit trusts	143 806	18 748	125 058
Friendly societies	5 967	437	5 530
Common funds	8 203	77	8 126
Cash management trusts	28 693	—	28 693

# MANAGED FUNDS : Unconsolidated Assets

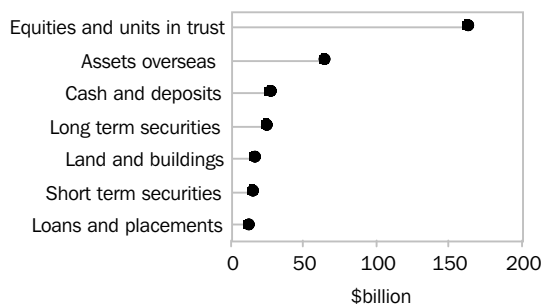
## LIFE INSURANCE OFFICES

The total assets of life offices was \$197.8 billion at 30 June 2001, an increase of \$3.5 billion (2%) compared to 31 March 2001. Equities and units in trusts increased by \$3.5 billion (4%), short term securities increased by \$1.7 billion (18%), while long term securities decreased by \$0.7 billion (2%) and loans and placements decreased by \$0.2 billion (3%). Since June 2000 total assets of life offices have risen by \$6.2 billion (3%); during this same period, life office holdings of units in trusts have risen by \$16.6 billion (49%).



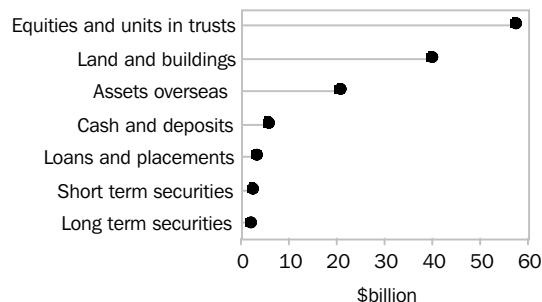
## SUPERANNUATION FUNDS

The total assets of superannuation funds was \$354.7 billion at 30 June 2001, an increase of \$12.4 billion (3.6%) compared with the March quarter 2001. The holdings of equities and units in trusts which account for 47% of total assets were boosted by a \$6.1 billion increase in holdings of trading corporation shares. Holdings of financial sector shares and units in trusts increased by \$3.0 billion and \$2.2 billion respectively. Since June 2000 total assets of superannuation funds have increased by \$29.4 billion (9%).



## PUBLIC UNIT TRUSTS

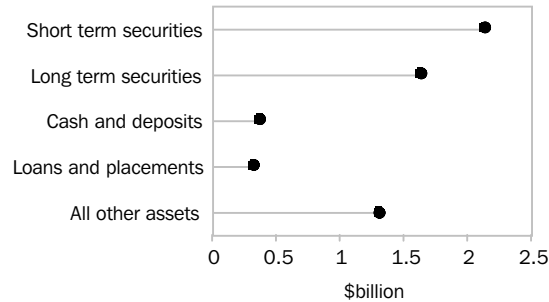
The total assets of public unit trusts was \$143.8 billion at 30 June 2001, an increase of \$4.9 billion (3%) compared with March quarter 2001. The major increases in assets during the quarter were equities and units in trusts, up \$2.8 billion (5%) and cash and deposits with deposit taking institutions other than banks, up \$1.0 billion (28%). Since June 2000 total assets of public unit trusts have increased by \$20.6 billion (17%).



# MANAGED FUNDS: Unconsolidated Assets *continued*

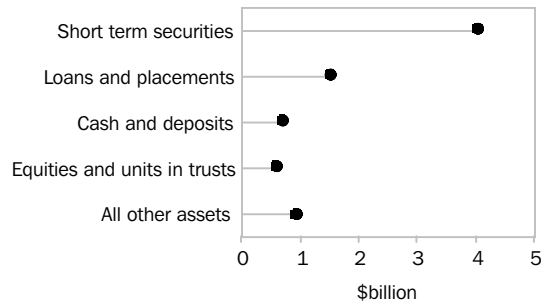
## FRIENDLY SOCIETIES

The assets of friendly societies were \$6.0 billion at 30 June 2001, no significant change from the March quarter 2001. Short term securities accounted for 36% of total assets, with bank certificates of deposit accounting for 55% of short term securities. Since June 2000 total assets of friendly societies decreased by \$0.2 billion (3%).



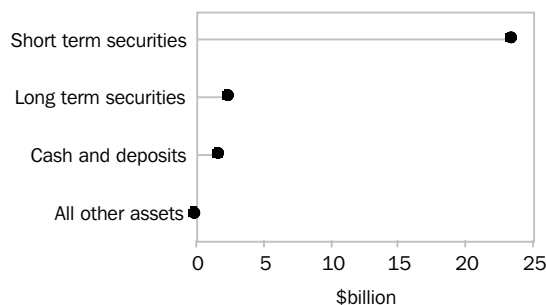
## COMMON FUNDS

Total assets of common funds were \$8.2 billion at 30 June 2001, an increase of \$0.4 billion (5%) on the March quarter 2001. Short term securities accounted for 50% of total assets, of which 51% were in bills of exchange and 49% in bank certificates of deposit. Since June 2000 total assets of common funds increased by \$0.6 billion (8%).



## CASH MANAGEMENT TRUSTS

Total assets of cash management trusts were \$28.7 billion at 30 June 2001, an increase of \$1.2 billion (4%) on the March quarter 2001. The largest contributor to the increase was bank certificates of deposit which was up \$1.2 billion (13%), partly offset by a decrease of \$0.2 billion (2%) in bills of exchange. Bank certificates of deposit accounted for 44% of short term securities, bills of exchange 33% and other short term securities 23%. Since June 2000 total assets of cash management trusts increased by \$3.9 billion (16%).

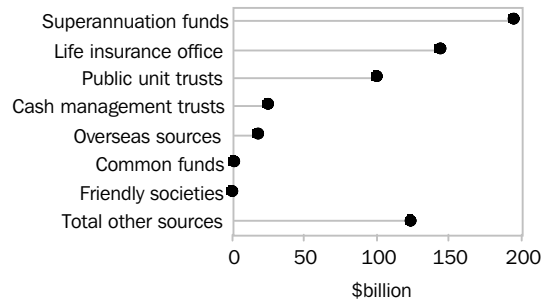


# MANAGED FUNDS — INVESTMENT MANAGERS

## SOURCE OF FUNDS UNDER MANAGEMENT

During June quarter 2001 there was an increase in total funds under management by investment managers of \$30.4 billion (5%), bringing the total sources of funds under management to \$630.1 billion. Funds sourced from public unit trusts increased by \$5.6 billion (6%), funds sourced from superannuation funds increased by \$5.5 billion (3%), funds sourced from life insurance offices increased by \$3.6 billion (3%), and funds sourced from other trusts rose by \$6.6 billion (13%). Since June 2000 investment managers have increased their funds under management by \$74.5 billion (13%).

The value of managed funds assets invested through investment managers was \$483.3 billion at 30 June 2001, representing 75% of the consolidated assets of managed funds. This compares to \$444.8 billion at 30 June 2000, representing 74% of the consolidated assets of managed funds.



## MANAGED FUNDS, Consolidated Assets

<i>Institution/asset</i>	<i>Jun Qtr 1998</i>	<i>Jun Qtr 1999</i>	<i>Sep Qtr 1999</i>	<i>Dec Qtr 1999</i>	<i>Mar Qtr 2000</i>	<i>Jun Qtr 2000</i>	<i>Sep Qtr 2000</i>	<i>Dec Qtr 2000</i>	<i>Mar Qtr 2001</i>	<i>Jun Qtr 2001</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Type of institution</b>										
Life insurance offices(a)	148 170	163 384	161 259	165 201	170 152	173 522	171 755	170 873	171 495	175 465
Superannuation funds	198 478	228 427	233 225	252 887	259 150	278 307	284 344	287 650	288 477	298 917
Public unit trusts	73 435	93 968	93 824	103 479	106 070	109 156	113 010	118 831	121 039	125 058
Friendly societies	6 769	6 415	6 135	5 989	5 910	5 895	5 697	5 543	5 617	5 530
Common funds	6 845	7 568	7 603	7 669	7 940	7 434	7 058	7 242	7 734	8 126
Cash management trusts	18 676	21 531	22 321	22 654	22 794	24 776	26 102	26 828	27 490	28 693
<b>Total</b>	<b>452 375</b>	<b>521 291</b>	<b>524 366</b>	<b>557 879</b>	<b>572 016</b>	<b>599 090</b>	<b>607 965</b>	<b>616 967</b>	<b>621 852</b>	<b>641 789</b>
<b>Type of asset</b>										
Cash and deposits(b)	35 421	36 825	35 939	37 035	36 334	38 988	39 011	38 779	41 176	44 156
Loans and placements	22 812	26 936	28 393	29 328	29 989	30 609	30 174	27 791	27 696	29 181
Short term securities(b)	54 089	67 034	59 817	58 544	58 535	63 358	62 185	63 066	61 248	62 545
Long term securities	66 039	70 625	74 562	72 384	72 052	72 187	68 859	69 411	68 240	65 758
Equities and units in trusts	130 837	152 199	154 852	171 598	177 983	194 105	204 871	213 981	214 612	230 561
Land and buildings	48 466	56 754	56 999	60 710	61 839	63 713	64 318	66 992	68 838	69 102
Assets overseas	77 658	90 769	96 045	110 530	117 030	115 115	120 309	116 677	119 972	119 142
Other assets	17 051	20 150	17 761	17 751	18 253	21 014	18 237	20 270	20 069	21 344
<b>Total</b>	<b>452 375</b>	<b>521 291</b>	<b>524 366</b>	<b>557 879</b>	<b>572 016</b>	<b>599 090</b>	<b>607 965</b>	<b>616 967</b>	<b>621 852</b>	<b>641 789</b>

(a) Figures include superannuation funds held in the statutory funds of life insurance offices.

(b) Bank certificates of deposit held by public unit trusts are included in 'Cash and deposits' at banks.

## LIFE INSURANCE OFFICES(a), Unconsolidated Assets

	Jun Qtr 1998	Jun Qtr 1999	Sep Qtr 1999	Dec Qtr 1999	Mar Qtr 2000	Jun Qtr 2000	Sep Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>159 550</b>	<b>176 378</b>	<b>175 264</b>	<b>182 341</b>	<b>186 898</b>	<b>191 599</b>	<b>193 723</b>	<b>194 322</b>	<b>194 326</b>	<b>197 814</b>
<b>Assets in Australia</b>	<b>132 534</b>	<b>147 893</b>	<b>146 587</b>	<b>150 549</b>	<b>152 974</b>	<b>158 773</b>	<b>161 094</b>	<b>164 828</b>	<b>163 759</b>	<b>168 001</b>
<i>Cash and deposits</i>	9 850	10 315	9 515	9 460	9 504	9 854	9 775	8 866	9 253	9 366
Banks	3 127	4 216	3 311	4 175	4 553	4 881	4 832	4 392	4 836	5 126
Other deposit taking institutions	6 722	6 099	6 203	5 284	4 951	4 973	4 944	4 474	4 417	4 240
<i>Loans and placements</i>	8 171	7 673	8 545	8 464	8 995	8 847	9 596	8 493	7 915	7 680
<i>Short term securities</i>	14 935	18 724	15 132	13 795	12 982	14 085	11 117	11 082	9 696	11 419
Bills of exchange	4 819	4 473	3 268	3 111	2 661	2 307	2 357	2 897	3 698	3 431
Bank certificates of deposit	4 425	7 537	6 082	4 612	4 889	5 409	3 971	3 249	2 712	2 623
Other short term securities	5 691	6 714	5 782	6 071	5 432	6 368	4 788	4 936	3 286	5 365
<i>Long term securities</i>	33 039	35 990	38 422	36 562	36 814	35 600	31 402	30 740	30 874	30 249
Commonwealth government bonds	12 131	11 781	11 621	10 299	9 522	8 953	7 928	8 722	8 148	7 171
State and local government securities	10 898	11 705	11 893	11 361	12 354	12 583	10 594	9 915	9 753	10 148
Other long term securities	10 011	12 504	14 909	14 901	14 938	14 064	12 880	12 103	12 973	12 930
<i>Equities and units in trusts</i>	54 005	61 684	62 533	71 193	72 573	76 845	86 597	92 953	91 854	95 355
Trading corporations shares	25 169	26 408	27 163	30 332	30 130	29 289	28 720	29 633	30 108	30 379
Financial sector shares	10 402	11 467	10 910	11 817	11 538	13 594	12 449	13 052	12 737	14 426
Units in trusts	18 434	23 809	24 460	29 044	30 905	33 962	45 427	50 267	49 008	50 550
<i>Other financial assets</i>	4 298	4 466	3 107	2 579	3 433	4 203	3 208	3 155	4 162	3 851
<i>Land and buildings</i>	7 520	8 159	8 446	7 839	7 966	8 637	8 803	8 829	9 284	9 336
<i>Other non-financial assets</i>	716	882	887	659	707	703	596	711	721	745
<b>Assets overseas</b>	<b>27 016</b>	<b>28 485</b>	<b>28 677</b>	<b>31 792</b>	<b>33 924</b>	<b>32 825</b>	<b>32 629</b>	<b>29 494</b>	<b>30 567</b>	<b>29 812</b>

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



## SUPERANNUATION FUNDS(a), Unconsolidated Assets

	Jun Qtr 1998	Jun Qtr 1999	Sep Qtr 1999	Dec Qtr 1999	Mar Qtr 2000	Jun Qtr 2000	Sep Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>235 004</b>	<b>266 427</b>	<b>273 841</b>	<b>296 049</b>	<b>305 046</b>	<b>325 301</b>	<b>335 199</b>	<b>340 047</b>	<b>342 340</b>	<b>354 713</b>
<b>Assets in Australia</b>	<b>194 945</b>	<b>217 513</b>	<b>219 139</b>	<b>232 256</b>	<b>238 966</b>	<b>260 239</b>	<b>267 236</b>	<b>272 349</b>	<b>272 985</b>	<b>286 946</b>
<i>Cash and deposits</i>	22 191	23 279	23 480	23 771	23 844	24 751	25 746	26 508	28 035	30 596
Banks	14 363	16 610	17 105	17 943	18 823	20 374	21 340	22 843	24 121	25 729
Other deposit taking institutions	7 828	6 669	6 376	5 828	5 021	4 376	4 407	3 665	3 913	4 868
<i>Loans and placements</i>	9 186	12 345	13 116	13 627	13 917	14 756	14 629	13 986	14 262	15 669
<i>Short term securities</i>	13 092	19 609	15 723	16 139	16 229	19 208	19 581	19 592	18 524	17 701
Bills of exchange	5 225	7 034	5 991	5 161	5 231	6 055	6 033	6 744	6 411	6 149
Bank certificates of deposit	6 156	8 274	6 568	7 224	7 430	8 870	9 070	8 870	8 659	8 941
Other short term securities	1 711	4 301	3 165	3 754	3 568	4 282	4 478	3 979	3 453	2 611
<i>Long term securities</i>	27 239	27 325	28 207	27 891	27 390	28 963	29 875	30 675	29 218	27 400
Commonwealth government bonds	15 076	14 000	13 363	13 090	13 605	14 314	14 061	14 542	13 748	12 248
State and local government securities	8 112	5 430	5 311	4 846	4 843	5 368	6 081	6 103	5 755	5 733
Other long term securities	4 051	7 895	9 534	9 955	8 943	9 281	9 732	10 031	9 714	9 419
<i>Equities and units in trusts</i>	99 586	110 497	114 075	124 900	130 950	142 914	149 304	153 638	154 094	165 406
Trading corporations shares	49 924	55 326	56 876	63 176	66 235	73 042	74 179	75 157	74 294	80 400
Financial sector shares	15 166	19 062	18 546	20 626	20 718	24 710	26 388	28 359	28 263	31 279
Units in trusts	34 496	36 109	38 654	41 098	43 997	45 163	48 738	50 122	51 536	53 727
<i>Other financial assets</i>	8 484	10 082	10 176	10 481	10 611	11 786	10 253	9 728	9 567	10 474
<i>Land and buildings</i>	14 641	14 165	14 205	15 294	15 880	16 965	17 104	17 447	18 505	18 847
<i>Other non-financial assets</i>	526	212	157	154	144	896	742	774	782	854
<b>Assets overseas</b>	<b>40 059</b>	<b>48 914</b>	<b>54 702</b>	<b>63 793</b>	<b>66 080</b>	<b>65 062</b>	<b>67 963</b>	<b>67 698</b>	<b>69 355</b>	<b>67 766</b>

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

## PUBLIC UNIT TRUSTS, Unconsolidated Assets

	Jun Qtr 1998	Jun Qtr 1999	Sep Qtr 1999	Dec Qtr 1999	Mar Qtr 2000	Jun Qtr 2000	Sep Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>83 064</b>	<b>107 114</b>	<b>106 660</b>	<b>116 873</b>	<b>119 960</b>	<b>123 181</b>	<b>129 489</b>	<b>136 831</b>	<b>138 936</b>	<b>143 806</b>
<b>Assets in Australia</b>	<b>72 580</b>	<b>93 847</b>	<b>94 096</b>	<b>102 041</b>	<b>103 054</b>	<b>106 056</b>	<b>109 853</b>	<b>117 439</b>	<b>118 986</b>	<b>122 342</b>
<i>Cash and deposits</i>	4 463	5 094	5 225	5 456	4 928	6 061	5 313	5 479	6 112	6 750
Banks(a)	2 380	2 739	2 840	3 132	2 637	3 675	2 933	2 957	3 555	3 230
Other deposit taking institutions	2 083	2 355	2 385	2 324	2 291	2 386	2 380	2 522	2 557	3 520
<i>Loans and placements</i>	3 696	4 743	4 789	5 148	5 005	4 888	4 264	3 606	3 582	3 961
<i>Short term securities</i>	3 590	4 120	4 023	4 462	4 134	3 410	4 033	4 384	4 006	3 441
Bills of exchange	2 956	3 264	3 153	3 553	3 196	2 492	3 087	3 505	3 205	2 780
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	635	857	870	910	939	918	946	880	802	661
<i>Long term securities</i>	2 639	3 137	3 206	3 013	3 062	3 141	2 944	3 210	3 064	2 840
<i>Equities and units in trusts</i>	28 638	37 481	38 672	42 122	44 016	46 447	50 617	53 151	55 445	58 197
Equities	17 420	22 337	23 189	25 565	26 083	27 828	29 180	29 261	30 672	32 337
Units in trusts	11 218	15 144	15 483	16 557	17 933	18 619	21 437	23 890	24 773	25 860
<i>Other financial assets</i>	2 046	2 901	1 747	2 082	1 813	1 828	1 746	2 003	2 353	2 537
<i>Land and buildings</i>	25 980	34 079	34 016	37 249	37 668	37 820	38 124	40 430	40 775	40 654
<i>Other non-financial assets</i>	1 528	2 292	2 418	2 509	2 428	2 461	2 812	5 176	3 649	3 962
<b>Assets overseas</b>	<b>10 484</b>	<b>13 267</b>	<b>12 564</b>	<b>14 832</b>	<b>16 906</b>	<b>17 125</b>	<b>19 636</b>	<b>19 392</b>	<b>19 950</b>	<b>21 464</b>

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

## FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1998	Jun Qtr 1999	Sep Qtr 1999	Dec Qtr 1999	Mar Qtr 2000	Jun Qtr 2000	Sep Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>6 807</b>	<b>6 500</b>	<b>6 220</b>	<b>6 236</b>	<b>6 222</b>	<b>6 163</b>	<b>6 028</b>	<b>5 945</b>	<b>6 033</b>	<b>5 967</b>
<b>Assets in Australia</b>	<b>6 752</b>	<b>6 433</b>	<b>6 153</b>	<b>6 163</b>	<b>6 143</b>	<b>6 083</b>	<b>5 947</b>	<b>5 854</b>	<b>5 935</b>	<b>5 870</b>
<i>Cash and deposits</i>	1 463	858	506	391	449	523	393	348	327	410
Banks	1 234	657	352	240	311	387	295	242	217	315
Other deposit taking institutions	229	201	154	151	138	136	98	106	110	95
<i>Loans and placements</i>	343	366	328	373	370	409	345	355	350	366
<i>Short term securities</i>	2 680	2 698	2 893	2 664	2 517	2 525	2 479	2 216	2 411	2 177
Bills of exchange	1 211	908	891	815	804	1 020	760	632	722	562
Bank certificates of deposit	1 082	1 442	1 593	1 564	1 423	1 218	1 396	1 244	1 261	1 202
Other short term securities	387	348	409	285	290	287	323	340	428	413
<i>Long term securities</i>	1 522	1 631	1 609	1 685	1 721	1 618	1 607	1 755	1 639	1 669
Commonwealth government bonds	308	280	220	248	259	254	233	238	218	229
State and local government securities	443	377	239	240	313	276	321	382	380	371
Other long term securities	771	974	1 150	1 197	1 149	1 088	1 053	1 135	1 041	1 069
<i>Equities and units in trusts</i>	212	336	329	528	545	511	607	658	682	713
Trading corporations shares	138	200	205	213	175	177	213	210	221	249
Financial sector shares	36	51	39	68	58	66	63	46	45	45
Units in trusts	38	85	85	247	312	268	331	402	416	419
<i>Other financial assets</i>	129	152	122	140	155	175	181	194	212	222
<i>Land and buildings</i>	292	286	285	281	279	251	245	244	232	223
<i>Other non-financial assets</i>	111	106	81	101	107	71	90	84	82	90
<b>Assets overseas</b>	<b>55</b>	<b>67</b>	<b>67</b>	<b>73</b>	<b>79</b>	<b>80</b>	<b>81</b>	<b>91</b>	<b>98</b>	<b>97</b>

## COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1998	Jun Qtr 1999	Sep Qtr 1999	Dec Qtr 1999	Mar Qtr 2000	Jun Qtr 2000	Sep Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>7 018</b>	<b>7 726</b>	<b>7 797</b>	<b>7 853</b>	<b>8 122</b>	<b>7 622</b>	<b>7 221</b>	<b>7 363</b>	<b>7 829</b>	<b>8 203</b>
<b>Assets in Australia</b>	<b>6 974</b>	<b>7 690</b>	<b>7 762</b>	<b>7 813</b>	<b>8 081</b>	<b>7 599</b>	<b>7 221</b>	<b>7 361</b>	<b>7 827</b>	<b>8 201</b>
<i>Cash and deposits</i>	885	849	800	825	719	852	594	555	733	797
Banks	594	543	483	541	421	564	389	384	591	593
Other deposit taking institutions	291	306	317	284	298	288	205	171	142	204
<i>Loans and placements</i>	1 406	1 803	1 873	1 898	1 992	2 018	1 742	1 849	1 690	1 594
<i>Short term securities</i>	3 238	3 328	3 392	3 313	3 600	3 003	3 237	3 365	3 700	4 125
Bills of exchange	2 321	2 105	2 325	2 006	2 073	1 465	1 978	1 744	1 772	2 104
Bank certificates of deposit	567	1 022	901	1 122	1 330	1 353	1 062	1 401	1 753	2 006
Other short term securities	350	201	166	185	197	185	197	220	175	15
<i>Long term securities</i>	789	924	916	918	903	865	873	845	844	728
Commonwealth government bonds	66	58	59	58	49	42	16	15	16	15
State and local government securities	344	363	353	363	371	377	334	332	315	266
Other long term securities	379	503	504	497	483	446	523	498	513	447
<i>Equities and units in trusts</i>	623	631	646	715	722	716	667	650	658	669
Trading corporations shares	204	214	204	232	239	213	214	228	170	283
Financial sector shares	319	335	327	370	375	387	341	344	428	360
Units in trusts	100	82	115	113	108	116	112	78	60	26
<i>Other financial assets</i>	—	60	60	60	60	71	66	55	160	246
<i>Land and buildings</i>	33	66	46	46	46	41	42	42	42	42
<i>Other non-financial assets</i>	—	29	29	38	39	33	—	—	—	—
<b>Assets overseas</b>	<b>44</b>	<b>36</b>	<b>35</b>	<b>40</b>	<b>41</b>	<b>23</b>	<b>—</b>	<b>2</b>	<b>2</b>	<b>2</b>

## CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1998	Jun Qtr 1999	Sep Qtr 1999	Dec Qtr 1999	Mar Qtr 2000	Jun Qtr 2000	Sep Qtr 2000	Dec Qtr 2000	Mar Qtr 2001	Jun Qtr 2001
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>18 676</b>	<b>21 531</b>	<b>22 321</b>	<b>22 654</b>	<b>22 794</b>	<b>24 776</b>	<b>26 102</b>	<b>26 828</b>	<b>27 490</b>	<b>28 693</b>
<b>Assets in Australia</b>	<b>18 676</b>	<b>21 531</b>	<b>22 321</b>	<b>22 654</b>	<b>22 794</b>	<b>24 776</b>	<b>26 102</b>	<b>26 828</b>	<b>27 490</b>	<b>28 693</b>
<i>Cash and deposits</i>	1 230	1 190	1 304	1 973	1 506	1 564	2 075	2 131	1 911	2 087
Banks	1 166	1 115	1 246	1 856	1 450	1 452	1 965	2 044	1 810	2 019
Other deposit taking institutions	64	75	58	116	56	112	110	87	101	68
<i>Loans and placements</i>	24	16	20	15	8	1	42	—	1	1
<i>Short term securities</i>	16 554	18 555	18 653	18 172	19 073	21 127	21 738	22 427	22 911	23 682
Bills of exchange	6 133	5 491	4 279	4 031	5 490	7 053	7 078	9 170	7 963	7 808
Bank certificates of deposit	7 872	9 404	10 171	9 888	7 950	9 087	9 686	7 212	9 235	10 464
Other short term securities	2 549	3 660	4 204	4 252	5 634	4 987	4 973	6 044	5 713	5 410
<i>Long term securities</i>	811	1 618	2 202	2 315	2 162	2 000	2 158	2 186	2 602	2 873
Commonwealth government bonds	—	—	—	—	—	—	—	—	—	—
State and local government securities	49	—	—	—	—	—	—	—	—	—
Other long term securities	762	1 618	2 202	2 315	2 162	2 000	2 158	2 186	2 602	2 873
<i>Equities and units in trusts</i>	—	—	—	—	—	—	—	—	—	—
<i>Other financial assets</i>	57	151	142	181	45	84	89	84	66	50
<i>Land and buildings</i>	—	—	—	—	—	—	—	—	—	—
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
<b>Assets overseas</b>	—	—	—	—	—	—	—	—	—	—

## INVESTMENT MANAGERS, Source of Funds

<i>Source of funds</i>	<i>Jun Qtr 1998</i>	<i>Jun Qtr 1999</i>	<i>Sep Qtr 1999</i>	<i>Dec Qtr 1999</i>	<i>Mar Qtr 2000</i>	<i>Jun Qtr 2000</i>	<i>Sep Qtr 2000</i>	<i>Dec Qtr 2000</i>	<i>Mar Qtr 2001</i>	<i>Jun Qtr 2001</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL SOURCE OF FUNDS</b>	<b>420 787</b>	<b>474 350</b>	<b>487 244</b>	<b>517 698</b>	<b>527 909</b>	<b>555 647</b>	<b>575 779</b>	<b>586 980</b>	<b>599 741</b>	<b>630 134</b>
<b><i>Funds from Australian sources</i></b>	<b>402 871</b>	<b>456 190</b>	<b>470 243</b>	<b>500 564</b>	<b>510 003</b>	<b>535 760</b>	<b>556 923</b>	<b>569 419</b>	<b>580 227</b>	<b>609 410</b>
<i>Managed funds</i>	350 461	388 661	395 309	418 506	422 661	444 760	458 892	461 345	467 201	483 315
Life insurance offices	128 312	130 706	131 627	137 377	136 615	142 226	143 402	141 197	142 924	146 535
Superannuation funds	140 612	155 248	159 319	170 227	172 599	186 566	189 438	193 151	192 123	197 590
Public unit trusts	57 066	72 266	74 307	80 650	82 224	84 142	92 301	93 163	96 640	102 205
Friendly societies	5 649	5 133	4 749	4 410	4 615	4 285	4 239	3 639	3 411	3 483
Common funds	3 632	5 167	4 721	4 353	4 274	4 257	4 222	4 006	4 682	5 463
Cash management trusts	15 190	20 141	20 586	21 489	22 334	23 284	25 290	26 189	27 421	28 039
<i>Total other sources</i>	52 410	67 529	74 934	82 058	87 342	91 000	98 031	108 074	113 026	126 095
Government	6 879	9 232	8 542	8 787	9 243	8 978	9 181	9 747	10 688	12 438
Charities	1 293	950	845	870	839	886	893	889	931	961
Other trusts	9 738	20 793	25 357	28 644	30 464	32 804	38 694	46 111	50 557	57 139
General insurance	16 425	15 449	15 246	16 295	18 526	19 189	17 431	20 584	20 773	23 314
Other sources	18 075	21 105	24 944	27 462	28 270	29 143	31 832	30 743	30 077	32 243
<b><i>Funds from overseas sources</i></b>	<b>17 916</b>	<b>18 160</b>	<b>17 001</b>	<b>17 134</b>	<b>17 906</b>	<b>19 887</b>	<b>18 856</b>	<b>17 561</b>	<b>19 514</b>	<b>20 724</b>

# EXPLANATORY NOTES

## INTRODUCTION

**1** The statistics presented in this publication on managed funds institutions in Australia have been compiled from the Survey of Financial Information conducted by the Australian Bureau of Statistics (ABS) and from a quarterly Survey of Superannuation Funds processed by the ABS on behalf of the Australian Prudential Regulation Authority (APRA).

**2** Movements in the levels of assets of managed funds institutions between periods reflect two components—transactions activity in particular assets and valuation changes arising from price changes in particular assets.

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

**4** A further development within the managed funds market is the emergence of specialist investment managers who engage primarily in activities closely related to financial intermediation but are employed on a fee for service basis to manage and invest in approved assets on their clients’ behalf. They usually act as investment managers for the smaller institutions, including unit trusts and superannuation funds. While they accept individual portfolios to manage, for example from charities, they are generally not accessible to the small investor. They act in the main as the managers of pooled funds, but also manage clients’ investments on an individual portfolio basis.

## SCOPE AND COVERAGE

**5** The scope of the statistics presented in this publication relates to the assets of all registered managed funds institutions operating in Australia. The types of managed funds covered by the statistics in this publication are:

- Life Insurance Offices,
- Superannuation Funds (which includes Approved Deposit Funds),
- Public Unit Trusts,
- Friendly Societies,
- Common Funds, and
- Cash Management Trusts.

**6** Statistics in this publication relating to the Life Insurance Offices are derived from returns from 22 of the 41 registered life insurance offices operating in Australia, representing approximately 98% of the total assets of statutory funds. Data have been extrapolated to provide 100% coverage.

**7** For Superannuation Funds, the information in this publication is derived from:

- Superannuation funds and approved deposit funds (ADFs) that directly invest their assets on their own behalf, and
- Fund managers who invest in assets on behalf of superannuation funds and ADFs.

## EXPLANATORY NOTES

### SCOPE AND COVERAGE *continued*

**8** Up to and including the March quarter 1995, data on superannuation funds and ADFs that directly invest their assets on their own behalf were collected by the ABS Survey of Financial Information. From the June quarter 1995 the information on these superannuation funds is from a survey of the largest funds, processed by the ABS on behalf of APRA. At the end of June 2001 there were 368 funds in the survey.

**9** The statistics for superannuation funds in Table 3 include estimates, provided by APRA, for superannuation funds not currently surveyed.

**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. At the end of June 2001 there were 601 trusts in the survey.

**11** The statistics on Friendly Societies are compiled from information obtained from the 29 largest friendly societies. This provides coverage of approximately 95% of the total assets of friendly societies. No estimate is included for the friendly societies not covered in the survey.

**12** Common Funds are operated by Trustee Companies under relevant State Trustee Companies Acts. At the end of June 2001 there were 14 trustee companies managing 48 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 30 cash management trusts included in the Survey of Financial Information.

### METHOD OF CONSOLIDATION

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

### BASIS OF VALUATION

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

### ASSETS IN AUSTRALIA/OVERSEAS

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



## EXPLANATORY NOTES

### FINANCIAL INSTRUMENTS

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

### REVISIONS AND CHANGES TO CONTENT

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

### RELATED STATISTICS

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

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

*Cash Management Trusts, Australia* (5635.0.40.001)—issued monthly

*Common Funds, Australia* (5657.0.40.001)—issued quarterly

*Friendly Societies, Australia* (5660.0.40.001)—issued quarterly

*Public Unit Trusts, Australia* (5645.0.40.001)—issued quarterly

### SYMBOLS AND OTHER USAGES

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

— nil or rounded to zero

billion one thousand million

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

## GLOSSARY

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

## G L O S S A R Y

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

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

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

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

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

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

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

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

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

## 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*.





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