



March Quarter 1996

Managed Funds

Australia

Statistics



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**MANAGED FUNDS, AUSTRALIA
MARCH QUARTER 1996**

**W. McLennan
Australian Statistician**

AUSTRALIAN BUREAU OF STATISTICS

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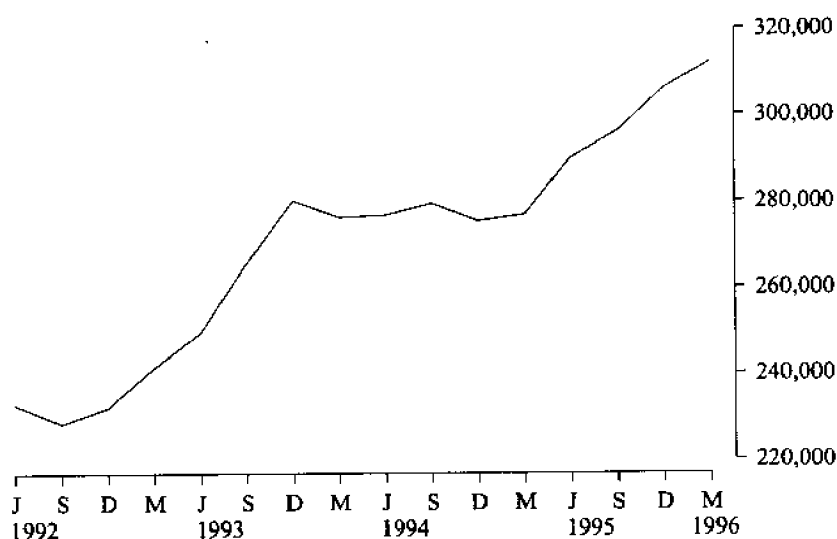
INQUIRIES

- *for further information about statistics in this publication and the availability of related unpublished statistics, contact John Carson on Canberra (06) 252 7109 or any ABS State office.*
 - *for information about other ABS statistics and services, please contact Information Services on Canberra (06) 252 6627 or any ABS State office.*
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MAIN FEATURES

MANAGED FUNDS - TOTAL CONSOLIDATED ASSETS AT END OF QUARTER (\$ million)



The market value of consolidated assets of managed funds in Australia at 31 March 1996 was \$312,159 million, an increase of \$6,249 million (2.0%) on the revised 31 December 1995 figure of \$305,910 million, and an increase of \$35,411 million (12.8%) on the revised 31 March 1995 figure of \$276,748 million.

The largest increases in the consolidated assets of managed funds during the March 1996 quarter occurred in Superannuation and Approved Deposit Funds, up \$2,534 million (1.9%), and the Statutory Funds of Life Insurance Offices, up \$2,366 million

(2.1%). The only decrease was recorded by Friendly Societies, down \$192 million (2.4%).

The largest movements by asset type during the March 1996 quarter occurred in short term securities, up \$3,092 million (9.5%), overseas assets, up \$2,185 million (5.0%), and land and buildings, up \$1,477 million (3.9%). The value of long term securities held decreased by \$1,263 million (2.3%).

The value of managed funds' assets invested through Professional Fund Managers was \$252,054 million at the end of March 1996, representing 80.7% of all the consolidated assets of managed funds.

NOTES ON CONSOLIDATION

The statistics in this publication relating to the assets of managed funds are presented in two ways; *Part One* contains statistics on the consolidated assets of managed funds, *Part Two* contains individual tables for each type of managed fund on an unconsolidated basis.

The two presentations are included to allow users of the statistics to distinguish between a measure of the total amounts invested with managed funds (*Part One*) and the amounts invested with the individual types of managed funds (*Part Two*). *Part Two* also contains a more detailed asset category dissection.

Method of Consolidation

To arrive at a figure for the total consolidated assets of managed funds in Australia it is necessary to eliminate the cross-investment 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 *Part Two*.

The following table presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 31 March 1996.

ASSETS OF MANAGED FUNDS IN AUSTRALIA,
BY TYPE OF FUND — 31 March 1996
(\$ million)

Type of Fund	Assets		
	Total	Cross-invested	Consolidated
Statutory Funds of Life Insurance Offices	126,384	8,928	117,456
Superannuation and Approved Deposit Funds	147,287	13,505	133,782
Public Unit Trusts	46,292	4,419	41,873
Friendly Societies	7,993	34	7,959
Common Funds	4,465	83	4,382
Cash Management Trusts	6,706	—	6,706
Total	339,127	26,968	312,159

PART ONE: ASSETS OF MANAGED FUNDS — CONSOLIDATED BASIS

CONSOLIDATED ASSETS OF MANAGED FUNDS, BY TYPE OF FUND
Percentage change for the quarter ended March 1996

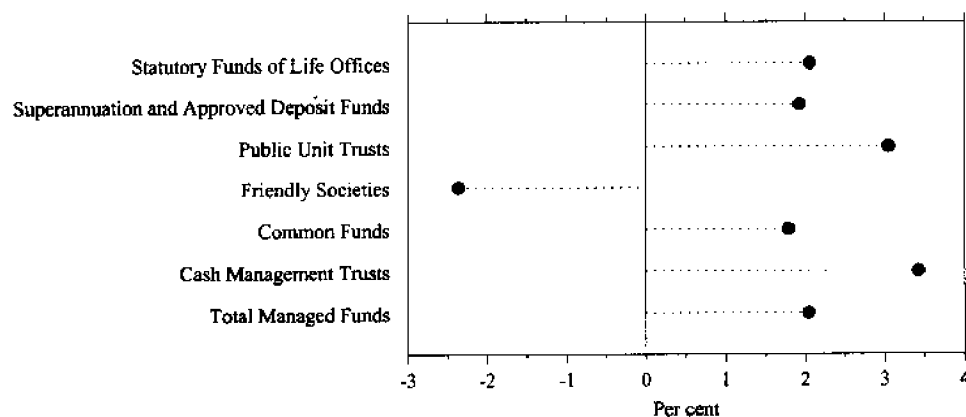


TABLE 1. CONSOLIDATED ASSETS OF MANAGED FUNDS BY TYPE OF FUND
(\$ million)

	1992	1993	1994	1994-95			1995-96			
	June	June	June	Sept.	Dec.	March	June	Sept.	Dec.	March
Statutory Funds of Life Insurance Offices(a)	99,627	103,794	108,233	109,549	107,221	107,286	110,839	113,169	115,090	117,456
Superannuation and Approved Deposit Funds	90,963	100,552	114,038	116,128	115,300	116,209	123,251	125,522	131,248	133,782
Public Unit Trusts	23,589	26,291	34,688	35,503	35,205	35,577	37,561	39,025	40,632	41,873
Friendly Societies	8,963	9,171	8,996	8,777	8,446	8,524	8,512	8,227	8,151	7,959
Common Funds	4,319	4,474	4,785	3,905	3,817	3,823	4,064	4,159	4,305	4,382
Cash Management Trusts	5,344	5,316	5,915	5,623	5,398	5,329	5,625	5,868	6,484	6,706
Total	232,805	249,597	276,655	279,484	275,387	276,748	289,852	295,970	305,910	312,159

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

CONSOLIDATED ASSETS OF MANAGED FUNDS, BY TYPE OF ASSET
Percentage change for the quarter ended March 1996

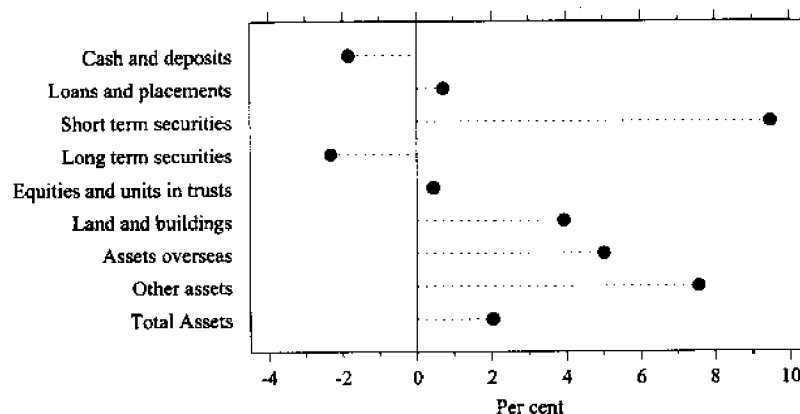


TABLE 2. CONSOLIDATED ASSETS OF MANAGED FUNDS BY TYPE OF ASSET
(\$ million)

	1992	1993	1994	1994-95			1995-96			
	June	June	June	Sept.	Dec.	March	June	Sept.	Dec.	March
Cash and deposits(a)	18,678	17,369	22,100	20,336	20,037	20,458	21,563	22,344	23,314	22,887
Loans and placements	15,512	15,965	14,601	15,029	15,802	15,317	15,439	16,524	17,013	17,134
Short term securities(a)	27,651	28,772	29,322	29,719	31,260	28,219	29,832	31,614	32,604	35,696
Long term securities	46,787	52,093	53,469	54,172	51,913	53,410	54,726	53,703	54,577	53,314
Equities and units in trusts	59,256	63,419	76,326	79,300	76,476	75,652	79,526	83,830	88,655	89,047
Land and buildings	32,579	29,673	33,294	33,622	35,186	36,791	36,609	36,882	37,394	38,871
Overseas assets	25,874	35,576	41,168	40,565	38,942	40,435	43,735	42,579	43,519	45,704
Other assets	6,469	6,728	6,571	6,740	5,771	6,466	8,423	8,492	8,837	9,504
Total	232,805	249,597	276,655	279,484	275,387	276,748	289,852	295,970	305,910	312,159

(a) Includ

osit held by Public Unit Trusts.

PART TWO: ASSETS OF MANAGED FUNDS — UNCONSOLIDATED BASIS

Statutory Funds of Life Insurance Offices.

Statutory Funds of Life Insurance Offices have been set up under Commonwealth Government legislation and are analogous to trust funds. The legislation requires that the assets of any statutory fund must be kept separate and distinct from the assets of other statutory funds and any other assets of the company. All income received must be

paid into and become an asset of the appropriate statutory fund and these assets are only available to meet the liabilities and expenses of that fund.

The information presented in the table below was compiled using data from the ABS Survey of Balance Sheet Information and represents total coverage of Life Insurance Office Statutory Funds.

STATUTORY FUNDS OF LIFE INSURANCE OFFICES
Percentage change in selected assets for the quarter ended March 1996

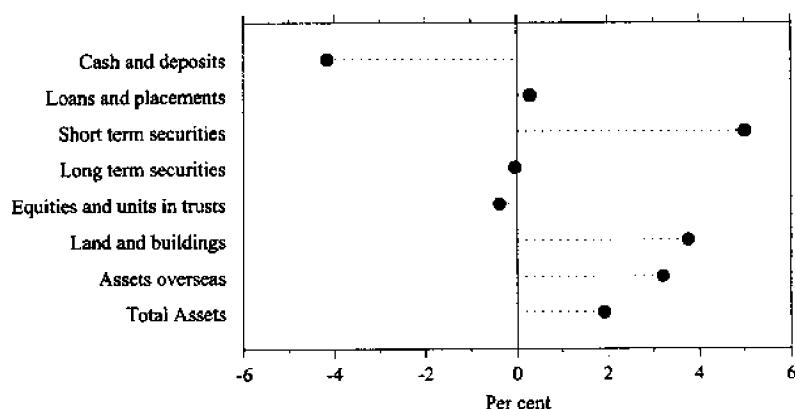


TABLE 3. ASSETS OF THE STATUTORY FUNDS OF LIFE INSURANCE OFFICES(a)
(\$ million)

	1992	1993	1994	1994-95			1995-96			
	June	June	June	Sept.	Dec.	March	June	Sept.	Dec.	March
ASSETS IN AUSTRALIA										
<i>Financial assets —</i>										
Cash and deposits										
Banks	1,953	1,909	2,649	2,590	2,276	2,563	2,895	2,797	2,864	2,856
Other deposit taking institutions	2,237	2,472	2,414	2,659	2,543	2,560	1,941	2,498	2,503	2,288
Loans and placements	6,625	6,587	5,320	5,525	6,177	5,616	5,809	6,524	6,662	6,682
Short term securities										
Bills of exchange	4,633	4,987	5,615	5,493	5,732	5,182	4,507	5,352	5,866	5,778
Bank certificates of deposit	2,275	2,340	1,473	1,711	2,068	2,059	2,767	3,273	3,265	3,502
Other short term securities	3,430	3,095	2,745	2,980	3,241	2,497	2,503	2,667	2,857	3,306
Long term securities										
Commonwealth government bonds	2,565	5,323	8,258	8,722	8,241	8,631	8,791	8,974	9,355	10,374
State and local government securities	11,558	12,335	13,281	12,212	12,162	12,966	13,125	13,233	13,238	12,499
Other long term securities	8,149	7,569	6,339	6,857	6,351	5,528	6,528	6,362	6,471	6,181
Equities and units in trusts										
Private trading corporations shares	23,832	22,725	25,308	26,645	25,434	24,340	25,194	25,894	26,510	26,492
Financial sector shares	4,046	4,424	5,500	5,030	5,297	5,804	5,989	6,505	6,792	6,617
Units in trusts	3,273	3,877	6,200	5,928	6,000	6,979	7,487	8,063	8,663	8,699
Other assets	2,021	2,033	2,132	1,821	1,711	2,143	2,216	2,102	1,922	2,509
<i>Non-financial assets —</i>										
Land and buildings	11,835	9,761	9,126	9,203	9,384	9,673	9,486	9,028	8,879	9,212
Other	1,905	1,751	1,328	1,808	1,404	1,610	2,169	2,399	1,919	2,630
Total assets in Australia	90,337	91,188	97,688	99,184	98,021	98,151	101,407	105,671	107,766	109,625
ASSETS OVERSEAS	12,787	16,730	16,986	16,559	15,454	16,370	17,113	15,811	16,237	16,759
Total assets	103,124	107,918	114,674	115,743	113,475	114,521	118,520	121,482	124,003	126,384

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

Superannuation Funds and Approved Deposit 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. Approved Deposit Funds are established under the *Occupational Superannuation Act 1987* and are maintained solely for receiving, on deposit, amounts that are deemed by section 27D of the Tax Act as eligible termination payments.

The information presented in the table below is compiled using data from the ABS Survey of Balance Sheet Information (to March 1995) and preliminary results from a new joint ABS/Insurance and Superannuation Commission Survey of Superannuation Funds (from June 1995). The surveys 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. (See paragraph 5 of the Explanatory Notes for recent changes involving the way in which superannuation statistics are compiled by the ABS.)

SUPERANNUATION AND APPROVED DEPOSIT FUNDS
Percentage change in selected assets for the quarter ended March 1996

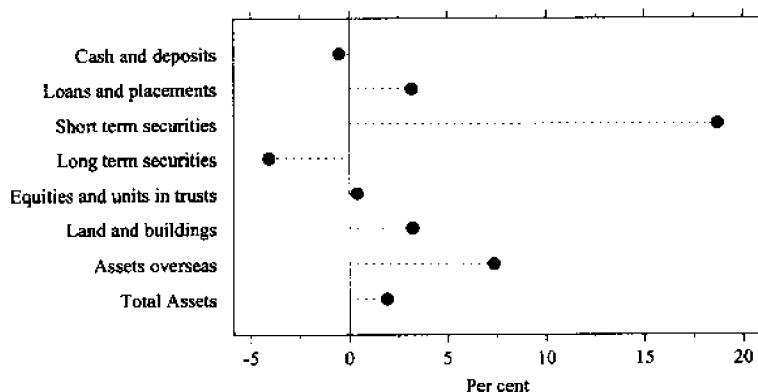


TABLE 4. ASSETS OF SUPERANNUATION FUNDS AND APPROVED DEPOSIT FUNDS(a)(b)
(\$ million)

	1992	1993	1994	1994-95				1995-96		
	June	June	June	Sept.	Dec.	March	June	Sept.	Dec.	March
ASSETS IN AUSTRALIA										
<i>Financial assets —</i>										
Cash and deposits										
Banks	5,190	5,662	8,070	7,911	7,927	8,392	8,612	8,969	9,924	9,516
Other deposit taking institutions	4,981	3,381	3,686	4,143	3,945	4,187	4,250	4,769	4,824	5,160
Loans and placements	6,011	6,322	5,764	5,653	5,755	5,943	5,993	6,378	6,738	6,952
Short term securities										
Bills of exchange	2,776	3,814	4,196	4,249	4,934	4,200	4,571	3,862	3,526	4,020
Bank certificates of deposit	1,884	2,085	3,468	3,162	3,272	2,512	3,030	3,272	3,211	3,896
Other short term securities	1,679	1,369	1,144	1,265	1,721	1,238	1,136	1,100	1,190	1,492
Long term securities										
Commonwealth government bonds	7,152	8,989	9,719	10,035	9,540	11,777	12,560	11,940	12,287	11,963
State and local government securities	7,836	9,357	8,413	8,709	8,803	7,865	7,579	7,198	7,088	6,506
Other long term securities	5,473	3,958	3,048	2,483	2,345	2,243	2,521	2,445	2,389	2,414
Equities and units in trusts										
Private trading corporations shares	22,753	25,488	31,207	32,859	31,382	30,225	33,477	35,274	38,336	38,591
Financial sector shares	4,286	4,889	6,031	5,989	5,801	6,439	5,761	6,252	6,626	6,422
Units in trusts	5,085	6,525	7,319	7,404	7,926	8,820	9,559	12,216	12,436	12,729
Other assets	465	808	392	596	410	445	1,421	1,427	1,482	1,488
<i>Non-financial assets —</i>										
Land and buildings	10,543	9,962	11,327	11,498	12,132	12,752	12,507	12,856	13,002	13,424
Other	328	269	342	465	234	312	408	488	581	430
Total assets in Australia	86,442	92,878	104,126	106,421	106,127	107,350	113,384	118,447	123,739	125,005
ASSETS OVERSEAS	10,290	14,890	18,072	17,894	17,769	18,343	20,223	20,044	20,755	22,282
Total assets	96,732	107,768	122,198	124,315	123,896	125,693	133,607	138,491	144,494	147,287

(a) Excludes superannuation funds that are invested and administered by life insurance offices. (b) The statistics in this table do not include those accounts receivable from Commonwealth and State Governments reported by certain public sector superannuation funds. Approximately \$3,059 million of such assets were reported at 31 March 1996.

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.

The information in the table below is compiled from data collected by the ABS in the quarterly Public Unit Trusts Survey.

Excluded from the table below are:

- Trusts which are exempted from providing redemption facilities under Section 1069(3) of the

Corporations Act (e.g. most film and agriculture trusts),

- Cash Management Trusts (see Table 8),
- Trusts which have not sought or do not intend to seek funds from the general public in Australia and therefore have not registered a prospectus with the Australian Securities Commission, and
- Some small trusts which are insignificant in statistical terms.

Further information is available through subscription to a special data service.

PUBLIC UNIT TRUSTS
Percentage change in selected assets for the quarter ended March 1996

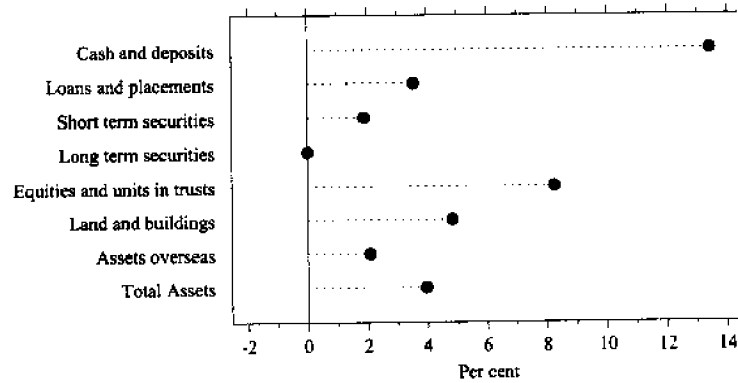


TABLE 5. ASSETS OF PUBLIC UNIT TRUSTS
(\$ million)

	1992	1993	1994	1994-95			1995-96			
	June	June	June	Sept.	Dec.	March	June	Sept.	Dec.	March
ASSETS IN AUSTRALIA										
<i>Financial assets —</i>										
Cash and deposits										
Banks(a)	1,260	1,200	1,345	1,053	992	739	1,030	1,097	1,062	1,056
Other deposit taking institutions	1,317	1,270	750	754	903	595	570	811	627	859
Loans and placements	1,113	1,446	1,784	1,945	1,911	1,899	1,825	1,822	1,824	1,889
Short term securities										
Bills of exchange	828	844	1,628	1,429	1,204	1,193	1,640	1,457	1,680	1,721
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	513	260	318	414	415	379	283	338	271	267
Long term securities										
Commonwealth government bonds										
State and local government securities	1,209	1,666	1,672	1,462	1,296	1,319	1,307	1,228	1,295	1,295
Other long term securities										
Equities and units in trusts										
Private trading corporations shares	3,589	4,818	6,901	8,133	7,973	8,261	8,492	9,236	9,614	10,242
Financial sector shares										
Units in trusts	1,747	1,862	3,144	3,280	2,988	2,712	3,545	3,588	3,773	4,247
Other assets	454	446	694	605	617	555	731	650	826	828
<i>Non-financial assets —</i>										
Land and buildings	9,725	9,530	12,389	12,493	13,234	13,926	14,165	14,550	15,066	15,793
Other	1,086	1,113	1,246	1,253	1,123	1,108	1,232	1,275	1,966	1,431
Total assets in Australia	22,840	24,457	31,872	32,821	32,655	32,686	34,821	36,051	38,003	39,629
ASSETS OVERSEAS	2,758	3,949	6,110	6,112	5,719	5,722	6,399	6,724	6,527	6,663
Total assets	25,599	28,406	37,982	38,933	38,374	38,408	41,220	42,776	44,530	46,292

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

Friendly Societies

Friendly societies are organisations registered as such under the appropriate State legislation. All assets of friendly societies, with the exception of the assets of separately operated and controlled Health Insurance Funds, are included in the table below.

The information in the table below is compiled from data supplied to the ABS by 25 of the largest friendly societies

as part of the Survey of Balance Sheet Information and approximates 95 per cent of the total assets of friendly societies as at June 1992.

Further information is available through subscription to a special data service.

FRIENDLY SOCIETIES
Percentage change in selected assets for the quarter ended March 1996

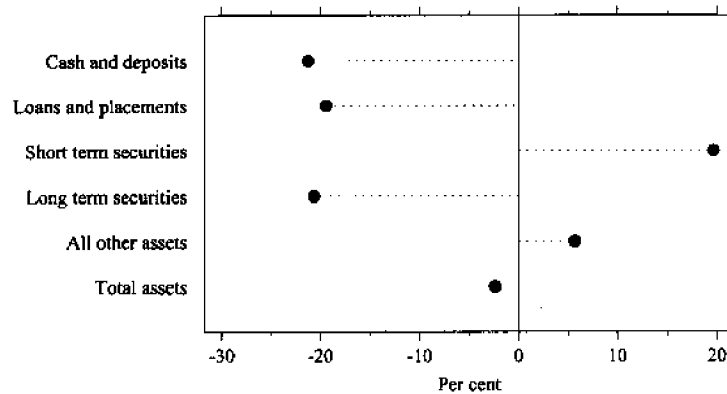


TABLE 6. ASSETS OF FRIENDLY SOCIETIES
(\$ million)

	1992	1993	1994	1994-95			1995-96			
	June	June	June	Sept.	Dec.	March	June	Sept.	Dec.	March
ASSETS IN AUSTRALIA										
<i>Financial assets —</i>										
Cash and deposits										
Banks	1,224	1,029	2,218	906	828	898	1,775	995	969	643
Other deposit taking institutions	713	607	587	472	595	607	653	537	509	521
Loans and placements	858	647	614	609	605	588	535	550	511	412
<i>Short term securities</i>										
Bills of exchange	1,772	2,188	919	1,158	1,325	1,296	1,452	1,487	1,697	1,422
Bank certificates of deposit	570	614	847	1,075	917	1,039	996	1,250	1,246	2,002
Other short term securities	572	686	503	528	554	619	306	637	339	502
<i>Long term securities</i>										
Commonwealth government bonds	502	635	585	876	538	471	461	482	695	465
State and local government securities	1,089	1,118	1,077	1,443	1,464	1,479	664	816	751	613
Other long term securities	1,042	933	751	1,070	913	778	944	836	800	705
<i>Equities and units in trusts</i>										
Private trading corporations shares	67	70	100	95	75	82	103	122	120	116
Financial sector shares	28	30	30	32	38	38	37	35	38	38
Units in trusts	23	10	11	9	10	9	7	7	28	28
Other assets	123	107	230	113	187	207	163	70	61	102
<i>Non-financial assets —</i>										
Land and buildings	333	315	349	334	342	349	365	361	360	360
Other	72	193	188	68	66	73	70	65	63	64
Total assets in Australia	8,988	9,182	9,009	8,788	8,457	8,533	8,531	8,250	8,187	7,993
ASSETS OVERSEAS										
Total assets	8,988	9,182	9,009	8,788	8,457	8,533	8,531	8,250	8,187	7,993

Common Funds

Common funds are operated by Trustee Companies under the relevant State Trustee Companies Act. 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.

The table below is compiled using data supplied from all 14 trustee companies operating in Australia as part of the ABS Survey of Balance Sheet Information. At the end of June 1995, trustee companies were managing 85 common funds throughout Australia.

Further information is available through subscription to a special data service.

COMMON FUNDS
Percentage change in selected assets for the quarter ended March 1996

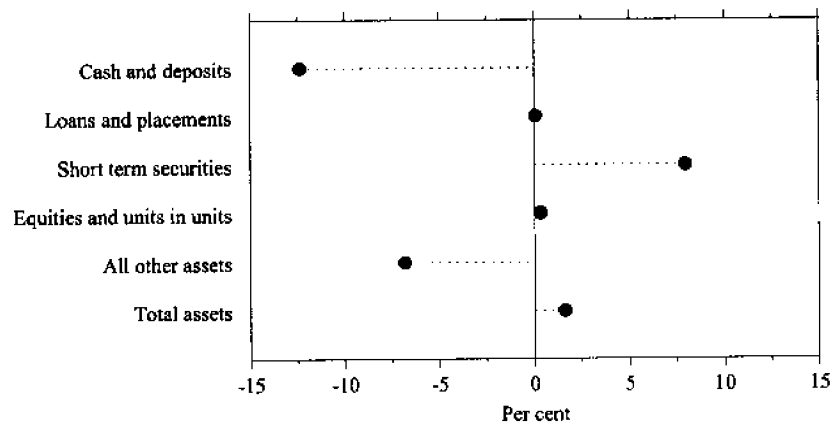


TABLE 7. ASSETS OF COMMON FUNDS
(\$ million)

	1992	1993	1994	1994-95			1995-96			
	June	June	June	Sept.	Dec.	March	June	Sept.	Dec.	March
ASSETS IN AUSTRALIA										
<i>Financial assets —</i>										
Cash and deposits										
Banks	332	345	308	235	271	244	298	320	382	318
Other deposit taking institutions	195	207	194	169	231	142	132	106	144	143
Loans and placements	872	950	1,089	1,127	1,139	1,177	1,170	1,126	1,162	1,163
Short term securities										
Bills of exchange	1,655	1,389	1,367	1,332	1,190	1,201	1,304	1,359	1,401	1,424
Bank certificates of deposit	186	184	162	188	172	193	226	275	292	384
Other short term securities	240	244	202	128	119	156	204	239	192	227
Long term securities										
Commonwealth government bonds	—	17	13	23	18	19	23	29	34	36
State and local government securities	4	28	75	64	62	68	74	61	58	51
Other long term securities	45	74	71	70	103	105	107	72	69	62
Equities and units in trusts										
Private trading corporations shares	465	708	905	268	262	251	254	266	261	269
Financial sector shares	190	267	345	249	214	212	219	246	259	259
Units in trusts	5	47	50	61	63	68	68	48	53	47
Other assets	2	1	—	—	—	—	—	—	—	—
<i>Non-financial assets —</i>										
Land and buildings	143	105	103	94	94	91	86	87	87	82
Other	—	—	—	—	—	—	—	—	—	—
Total assets in Australia	4,334	4,566	4,884	4,008	3,938	3,927	4,165	4,234	4,394	4,465
ASSETS OVERSEAS	39	7	—	—	—	—	—	—	—	—
Total assets	4,373	4,573	4,884	4,008	3,938	3,927	4,165	4,234	4,394	4,465

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.

The information in the table below is compiled from data supplied to the ABS in the monthly Cash Management Trusts Survey. Currently there are 20 trusts in this survey.

Further information is available through subscription to a special data service.

CASH MANAGEMENT TRUSTS
Percentage change in selected assets for the quarter ended March 1996

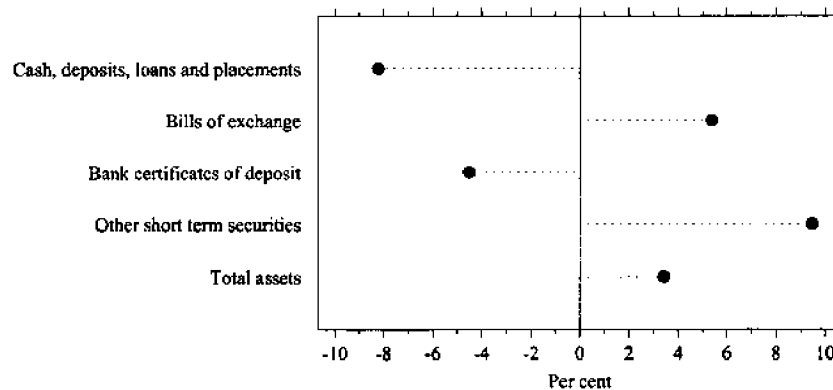


TABLE 8. ASSETS OF CASH MANAGEMENT TRUSTS
(\$ million)

	1992	1993	1994	1994-95			1995-96			
	June	June	June	Sept.	Dec.	March	June	Sept.	Dec.	March
ASSETS IN AUSTRALIA										
<i>Financial assets —</i>										
Cash and deposits										
Banks	240	268	1,026	550	622	507	452	565	595	529
Other deposit taking institutions	256	263	134	136	67	99	93	73	132	210
Loans and placements	35	14	32	172	216	94	119	140	124	42
<i>Short term securities</i>										
Bills of exchange	2,198	2,318	1,809	2,147	2,053	2,156	2,891	2,628	2,919	3,076
Bank certificates of deposit	1,007	1,170	1,484	1,292	1,100	1,107	884	1,187	1,617	1,544
Other short term securities	1,433	1,185	1,242	1,168	1,243	1,192	1,132	1,231	1,035	1,133
<i>Long term securities</i>										
Commonwealth government bonds	—	—	2	2	—	30	40	20	—	26
State and local government securities	72	n.p.	163	144	47	16	2	6	47	124
Other long term securities	91	n.p.	2	—	30	115	—	1	—	—
<i>Equities and units in trusts</i>										
Private trading corporations shares	—	—	—	—	—	—	—	—	—	—
Financial sector shares	—	—	—	—	—	—	—	—	—	—
Units in trusts	—	—	—	—	—	—	—	—	—	—
Other assets	13	7	19	11	19	13	13	16	17	22
<i>Non-financial assets —</i>										
Land and buildings	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
Total assets in Australia	5,344	5,316	5,915	5,623	5,398	5,329	5,625	5,868	6,484	6,706
ASSETS OVERSEAS										
Total assets	5,344	5,316	5,915	5,623	5,398	5,329	5,625	5,868	6,484	6,706

PART THREE: PROFESSIONAL FUND MANAGERS

Professional Fund Managers

A considerable proportion of the assets of managed funds in Australia (particularly the statutory funds of life insurance offices and superannuation funds) is invested through *Professional Fund Managers*. The amount the various types of managed and other funds have invested through professional fund managers is shown in the table below.

Professional fund managers act as investment managers and often 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. Professional fund managers are generally life insurance offices, subsidiaries of banks, merchant banks, or organisations related to these types of institutions. They

can either be separately constituted legal entities or form a segment of a particular financial institution.

The funds professional fund managers invest remain the asset of their clients and are not brought to account on the balance sheet of the professional fund 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 professional fund managers, the trustees of the superannuation fund remain responsible for the investments, not the professional fund manager.

The information presented in the table below is compiled using data from the ABS Survey of Balance Sheet Information and includes all significant professional fund managers operating within Australia. The information has been shown separately for amounts managed by professional fund managers on behalf of managed funds and on behalf of other funds.

PROFESSIONAL FUND MANAGERS—SOURCE OF FUNDS UNDER MANAGEMENT
Percentage change for the quarter ended March 1996

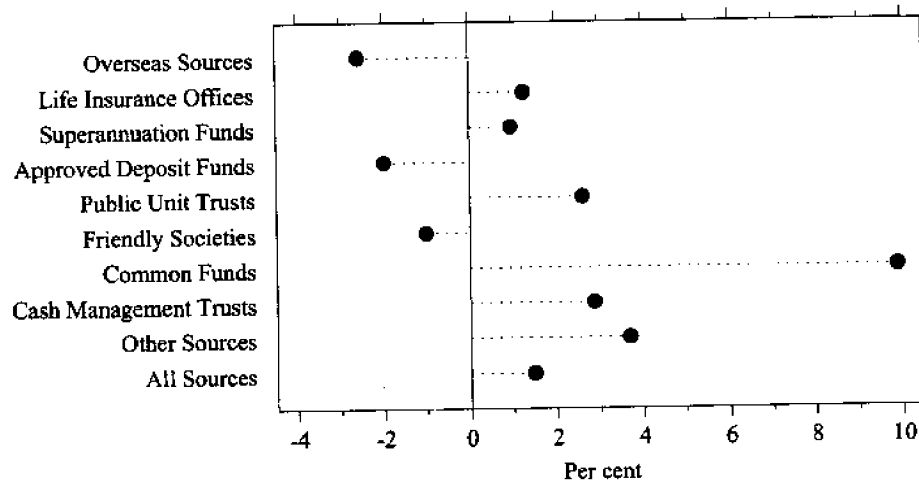


TABLE 9. PROFESSIONAL FUND MANAGERS — SOURCE OF FUNDS
(\$ million)

	1992	1993	1994	1994-95			1995-96			
	June	June	June	Sept.	Dec.	March	June	Sept.	Dec.	March
Funds from Overseas Sources	1,858	2,439	4,443	5,272	4,552	5,206	6,458	7,498	7,279	7,093
Funds from Australian Sources										
Managed Funds										
Life Insurance Offices	98,129	106,476	113,067	111,629	110,002	110,934	115,193	119,451	121,108	122,664
Superannuation Funds	45,409	51,935	60,015	61,178	61,622	61,804	66,252	68,796	72,291	72,982
Approved Deposit Funds	9,183	9,607	9,180	9,012	8,462	8,340	8,575	8,506	8,577	8,407
Public Unit Trusts	17,786	20,368	26,602	26,722	26,529	27,928	30,082	31,380	32,937	33,800
Friendly Societies	6,822	6,959	6,280	6,565	6,324	6,296	6,425	6,438	6,387	6,323
Common Funds	288	305	354	374	509	1,916	1,937	1,958	2,496	2,743
Cash Management Trusts	4,069	4,048	4,638	4,387	4,292	4,167	4,326	4,555	4,991	5,135
Total Managed Funds	181,686	199,698	220,136	219,867	217,740	221,385	232,790	241,084	248,787	252,054
Other Sources										
Government	2,621	3,366	4,230	4,157	3,898	3,933	4,302	4,432	4,753	4,971
Charities	206	314	347	343	332	444	562	598	623	649
Other Trusts	1,099	783	1,684	1,859	1,667	1,848	2,064	2,285	3,082	3,605
General Insurance	8,586	10,504	12,439	12,137	11,916	11,755	12,231	12,547	12,500	12,572
Other sources	7,942	11,071	10,863	9,994	9,899	10,403	10,829	12,182	11,399	11,757
Total Other Sources	20,454	26,038	29,563	28,490	27,712	28,443	29,988	32,044	32,357	33,554
TOTAL	203,998	228,175	254,142	253,629	250,004	255,034	269,236	280,626	288,423	292,701

EXPLANATORY NOTES

Introduction

The statistics presented in this publication on managed funds in Australia have been compiled from the quarterly Survey of Balance Sheet Information conducted by the ABS and from selected data compiled from a new survey on superannuation funds conducted jointly by the ABS and the Insurance and Superannuation Commission.

Scope and coverage

2. The scope of the statistics presented in this publication relates to the assets of all managed funds operating in Australia. The term *Managed Funds* has been used to denote any fund whereby the monies of a number of investors are pooled together for the purpose of investing in a particular type or mix of assets, with a view to receiving an on-going return. 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. The types of managed funds covered by the statistics in this publication are:

- Statutory Funds of Life Insurance Offices,
- Superannuation Funds and Approved Deposit Funds,
- Public Unit Trusts,
- Friendly Societies,
- Common Funds, and
- Cash Management Trusts.

3. Statistics in this publication relating to the *Statutory Funds of Life Insurance Offices* are derived from the ABS Survey of Balance Sheet Information. This survey receives returns from 29 of the 51 registered life insurance offices operating in Australia, representing approximately 98 per cent of the total assets of statutory funds. Data have been extrapolated to provide 100 per cent coverage.

4. For *Superannuation Funds and Approved Deposit Funds (ADFs)* the information in this publication is derived from:

- Superannuation funds and ADFs that directly invest their assets on their own behalf, and
- Fund managers who invest the monies on behalf of superannuation funds and ADFs.

5. 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 Balance Sheet Information. From the June quarter 1995, the information on these superannuation funds is obtained from a new survey run jointly by the ABS and the Insurance and Superannuation Commission (ISC). The statistics also include estimates, provided by the ISC, for superannuation funds not currently surveyed. Because ISC estimates for the non-surveyed funds for the

latest quarter generally do not become available until after release of this publication, the ABS derives preliminary estimates for inclusion in the published data. These data are then revised in the subsequent release of this publication when the ISC estimates become available. (The December 1995 quarter issue of this publication contains a detailed description of the changed methodology used by the ABS for measuring the assets of superannuation funds.)

6. For all other types of managed funds all registered organisations are covered by the ABS Survey of Balance Sheet Information, except the following:

- Public Unit Trusts: Information is obtained from data supplied in the quarterly ABS Public Unit Trusts Survey. Trusts which are exempted under Section 1069(3) of the Corporation Act from providing redemption facilities (e.g. film and agriculture trusts), trusts which do not seek funds from the general public, and some small trusts, are all excluded from managed funds statistics.
- Cash Management Trusts: Information is obtained from data supplied in the monthly ABS Cash Management Trusts Survey.

7. While friendly societies are covered by the Survey of Balance Sheet Information, data are only collected from the 25 largest friendly societies. This provides coverage of approximately 95 per cent of the total assets of friendly societies. No estimate is included for the friendly societies not covered in the survey.

Basis of valuation

8. Respondents to the quarterly ABS Survey of Balance Sheet Information are requested to report assets at their market value.

Assets in Australia/Overseas

9. 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 military establishments located in Australia, which are classified as non-resident. Non-residents also 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 non-residents.

Financial instruments

10. 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 below.

Cash and deposits

11. *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* 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*.

Loans and placements

12. *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 Office with a mortgage over property as collateral.

13. *Placements* are account balances with entities not regarded as deposit-taking institutions (see paragraph 10). Examples of these are account balances of funds with State governments' central borrowing authorities.

Short term securities

14. 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.

15. 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 but the others are bearer securities, that is the owner of the assets is not registered with the issuer but physically holds the documents. Bearer securities are payable to the holder on maturity and transferable by delivery. Ownership of inscribed stock is recorded in a register and a non-transferable certificate of ownership is issued but the owner of the asset does not physically hold the documents.

16. *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.

17. *Promissory notes*. A promissory note 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 to 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.

18. *Treasury notes*. These 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*.

19. *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 or NCD's. *Transferable* certificates of deposit with an original term to maturity greater than one year are included in *long term assets*.

Long term securities

20. A long term security is a document which represents the issuer's 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.

21. The following types of securities make up the category called 'long term securities' in this publication.

- 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 *state and local general government (or 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.

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

Equities and units in trusts

23. 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.

Other financial assets

24. This covers any other financial claims on residents that do not fit into the foregoing categories, such as trade credit, interest accruals and 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.

Non-financial assets

25. 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.

26. *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.

27. *Other non-financial assets* refers to all assets not classified elsewhere except for overseas assets (see below).

Assets overseas

28. Assets overseas include physical assets located overseas and financial claims on non-residents. See paragraph 8 for definition.

Revisions and Changes to Content

29. Revisions to previously published statistics are included in this publication.

30. The split of total assets into superannuation funds and approved deposit funds is no longer available due to the introduction of the joint ABS/Insurance and Superannuation Commission Survey of Superannuation. The introduction of the new Superannuation Industry (Supervision) legislation has made the distinction between the two fund types obsolete.

Related publications

31. Users may also wish to refer to the following ABS publications of related data which are available on request:

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

Symbols and other usages

- nil, or rounded to zero
- n.a. not applicable
- n.p. not available for publication but included in totals where applicable, unless otherwise indicated

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

W. McLennan
Australian Statistician

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