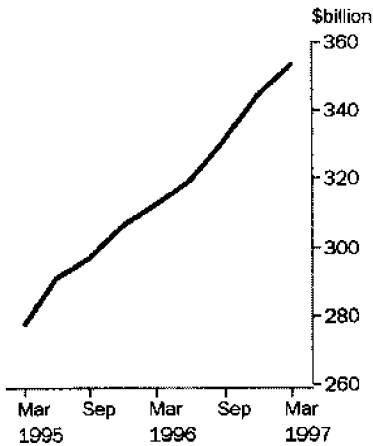


MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 6 JUN 1997

Total Consolidated Assets



MARCH QTR KEY FIGURES

CONSOLIDATED ASSETS

	Mar Qtr 1996 \$m	Dec Qtr 1996 \$m	Mar Qtr 1997 \$m
Superannuation funds	135 342	150 292	152 838
Statutory funds of life insurance offices	116 361	122 736	124 610
Other managed funds	61 045	71 086	75 918
Total	312 746	344 114	353 364

MARCH QTR KEY POINTS

CONSOLIDATED ASSETS

- The value of consolidated assets of managed funds in Australia as at 31 March 1997 was \$353.4 billion, an increase of \$9.3 billion (2.7%) on the revised 31 December 1996 figure of \$344.1 billion, and an increase of \$40.6 billion (13.0%) on the revised 31 March 1996 figure of \$312.7 billion.
- The largest increase in the consolidated assets of managed funds during the March 1997 quarter occurred in public unit trusts, up \$3.7 billion (7.5%) and superannuation funds, up \$2.5 billion (1.7%).
- The value of managed funds' assets invested through investment managers was \$303.2 billion at the end of March 1997, representing 85.8% of all the consolidated assets of managed funds.

INQUIRIES

- For further information about these and related statistics, contact John Carson on 06 252 7109, or any ABS Office.

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)

RELEASE DATE

June 1997

5 September 1997

September 1997

5 December 1997

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CHANGES IN THIS ISSUE

There are no changes in this issue.

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INVESTMENT MANAGER RESTRUCTURE

During the September quarter, two superannuation funds ceased directly investing their funds into the financial markets and instead placed them with investment managers. While this change in investment strategy does not affect the statistics in Table 3, it has contributed \$18.5 billion to the increase in superannuation funds managed by investment managers detailed in Table 8.

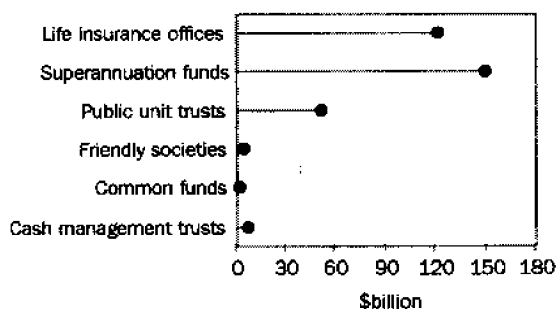
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Dennis Trewin
Acting Australian Statistician

MANAGED FUNDS: Consolidated assets

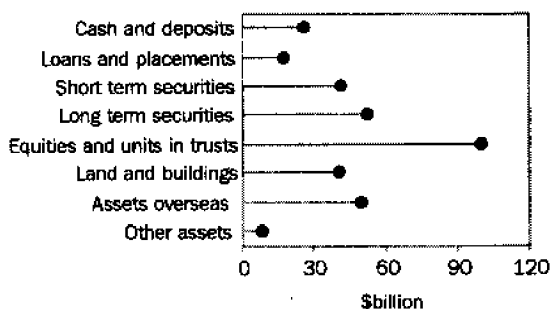
BY TYPE OF INSTITUTION

Public unit trusts recorded the largest increase in assets during the quarter of \$3.7 billion (7.5%), compared with the December 1996 quarter. Assets in superannuation funds increased by \$2.5 billion (1.7%) and in statutory funds of life offices the increase was \$1.9 billion (1.5%). Cash management trusts had a large proportional movement in assets with an increase of \$0.7 billion (7.4%).



BY TYPE OF ASSET

With the exception of long term securities, most asset types increased during the March 1997 quarter. The largest increases were recorded in cash and deposits, \$2.4 billion (9.4%), and equities and units in trusts, \$2.2 billion (2.2%).



CROSS INVESTMENT

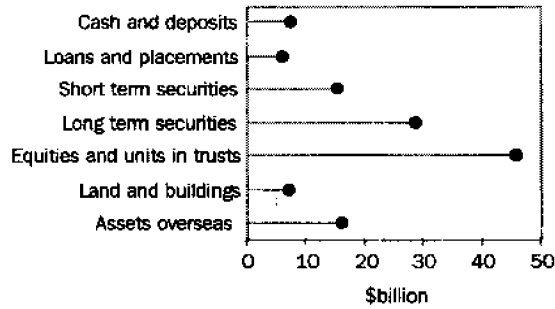
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 31 March 1997.

Type of Fund	Unconsolidated	Cross-invested	Consolidated
	assets	assets	assets
	\$m	\$m	\$m
Statutory funds of life insurance offices	136 781	12 171	124 610
Superannuation funds	171 388	18 551	152 838
Public unit trusts	59 844	5 977	53 867
Friendly societies	7 107	25	7 082
Common funds	5 395	75	5 320
Cash management trusts	9 649	—	9 649
Total	390 164	36 800	353 364

MANAGED FUNDS: Unconsolidated Assets

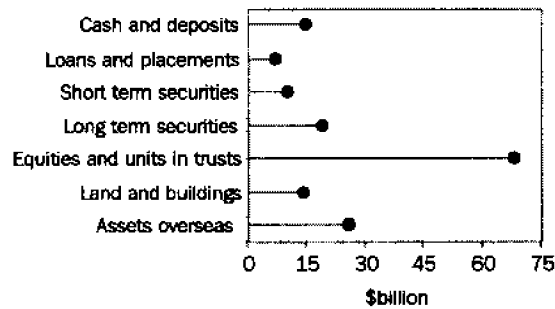
STATUTORY FUNDS OF LIFE INSURANCE OFFICES

The largest change in asset class during the March 1997 quarter was in the holding of cash and deposits in banks, an increase of \$1.2 billion (30.0%). Other changes included loans and placements, up \$0.6 billion (9.3%) and holdings of commonwealth government bonds, down \$0.5 billion (4.4%).



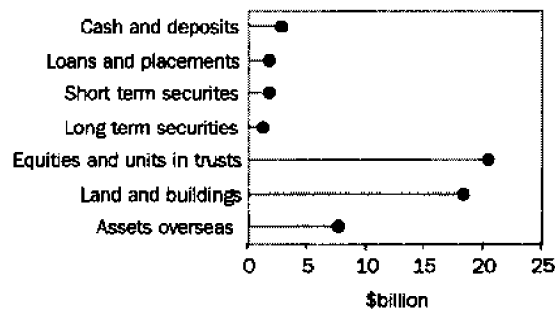
SUPERANNUATION FUNDS

The largest change in asset class during the March 1997 quarter was in the holdings of units in trusts, an increase of \$0.7 billion (3.9%). Other changes included holdings of financial sector shares, up \$0.6 billion (6.8%), and holdings of other financial assets, down \$0.4 billion (16.8%).



PUBLIC UNIT TRUSTS

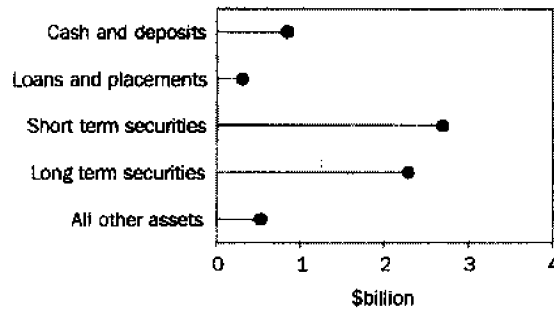
Strong growth in the equity holdings of public unit trusts continued during the March 1997 quarter with holdings of equities increasing by \$1.0 billion (7.2%). Holdings of overseas assets increased by \$1.1 billion (15.1%), while land and buildings increased by \$0.9 billion (5.0%).



MANAGED FUNDS: Unconsolidated assets *continued*

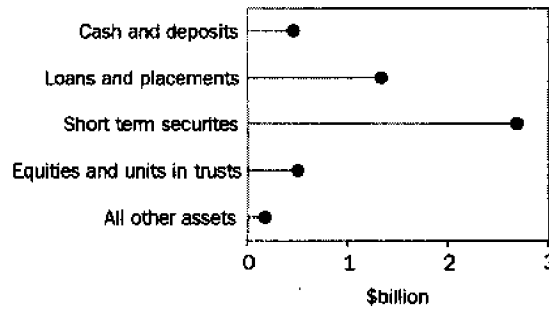
FRIENDLY SOCIETIES

Total assets of friendly societies increased by \$81 million (1.2%) in the March 1997 quarter to \$7.1 billion. This reverses a decline in total assets which began in the June 1995 quarter. The major increases were recorded in holdings of commonwealth government bonds, up \$0.2 billion (20.5%). There was a large decline in holdings of bank certificates of deposit, down \$0.3 billion (16.4%).



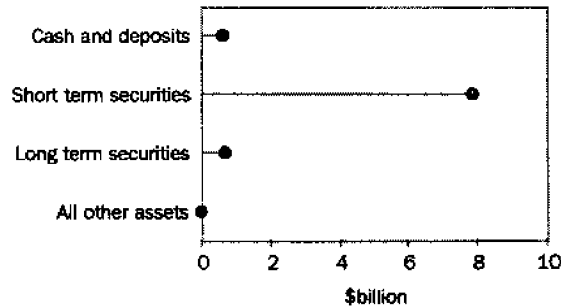
COMMON FUNDS

The assets in common funds increased by \$346 million (6.9%) to \$5.4 billion during the March 1997 quarter. Most of this increase was attributed to loans and placements, up \$208 million (17.8%) to \$1.4 billion.



CASH MANAGEMENT TRUSTS

Total assets of cash management trusts increased by \$663 million (7.4%) to \$9.6 billion during the March 1997 quarter. The largest changes by asset class during the quarter were in holdings of bank certificates of deposit, up \$425 million (18.8%), long term state and local government securities, up \$194 million (38.8%), and cash and deposits with banks, down \$200 million (24.7%).



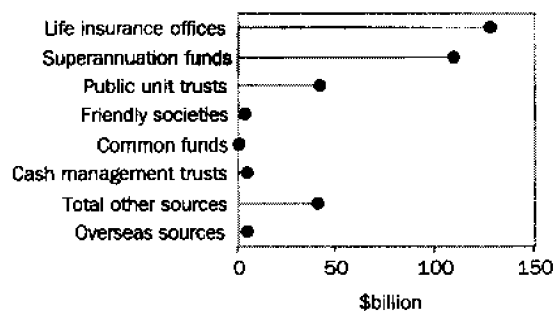
MANAGED FUNDS — INVESTMENT MANAGERS

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SOURCE OF FUNDS UNDER MANAGEMENT

During the March 1997 quarter there was an increase in total funds under management by investment managers of \$7.9 billion (2.3%), bringing the total sources of funds under management to \$353.7 billion. The largest increase was in funds sourced from public unit trusts which increased \$2.8 billion (7.0%) to \$43.7 billion. Funds sourced from superannuation funds increased by \$1.6 billion (1.4%) to \$112.0 billion. In the category 'Other sources', funds under management increased by \$2.2 billion (5.3%) to \$43.7 billion.

The value of managed funds' assets invested through investment managers was \$303.2 billion at the end of March 1997, representing 85.8% of all the consolidated assets of managed funds.



MANAGED FUNDS, Consolidated Assets

<i>Institution/ asset</i>	<i>Jun Qtr 1993</i>	<i>Jun Qtr 1994</i>	<i>Jun Qtr 1995</i>	<i>Sep Qtr 1995</i>	<i>Dec Qtr 1995</i>	<i>Mar Qtr 1996</i>	<i>Jun Qtr 1996</i>	<i>Sep Qtr 1996</i>	<i>Dec Qtr 1996</i>	<i>Mar Qtr 1997</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Type of institution										
Statutory funds of life insurance offices(a)	103 794	108 233	110 839	113 036	115 080	116 361	117 218	121 143	122 736	124 610
Superannuation funds	100 552	114 038	123 938	126 387	131 993	135 342	139 321	143 970	150 292	152 838
Public unit trusts	26 291	34 688	37 931	39 162	40 286	42 025	43 901	45 963	50 125	53 867
Friendly societies	9 171	8 996	8 512	8 227	8 151	7 962	7 748	7 233	7 001	7 082
Common funds	4 474	4 785	4 037	4 134	4 278	4 352	4 493	4 719	4 974	5 320
Cash management trusts	5 316	5 915	5 625	5 868	6 484	6 706	7 036	7 710	8 986	9 649
Total	249 597	276 655	290 882	296 814	306 273	312 746	319 717	330 738	344 114	353 364
Type of asset										
Cash and deposits(b)	17 369	22 100	21 379	22 253	23 397	22 688	23 564	24 553	25 553	27 944
Loans and placements	15 965	14 601	15 465	16 455	16 967	17 105	17 352	18 125	18 188	19 645
Short term securities(b)	28 772	29 122	29 734	31 677	32 407	35 673	37 832	38 773	42 026	43 518
Long term securities	52 093	53 469	54 723	53 615	54 557	53 403	54 204	57 096	55 703	54 826
Equities and units in trusts	63 419	76 326	79 519	83 878	88 805	88 896	89 052	92 273	99 941	102 141
Land and buildings	29 673	33 294	37 250	37 384	37 884	39 204	40 052	41 162	41 607	42 522
Assets overseas	35 576	41 168	44 067	42 869	43 937	45 653	46 794	48 204	51 350	52 224
Other assets	6 728	6 571	8 747	8 682	8 321	10 124	10 868	10 551	9 745	10 545
Total	249 597	276 655	290 882	296 814	306 273	312 746	319 717	330 738	344 114	353 364

(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.

STATUTORY FUNDS OF LIFE INSURANCE OFFICES(a), Unconsolidated Assets

	Jun Qtr 1993	Jun Qtr 1994	Jun Qtr 1995	Sep Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	107 918	114 674	118 520	121 482	124 148	125 492	127 298	131 795	134 543	136 781
Assets in Australia	91 188	97 688	101 407	105 671	107 891	109 229	111 801	115 006	117 131	119 829
<i>Cash and deposits</i>	<i>4 381</i>	<i>5 063</i>	<i>4 836</i>	<i>5 295</i>	<i>5 373</i>	<i>5 133</i>	<i>5 912</i>	<i>6 262</i>	<i>6 720</i>	<i>8 199</i>
Banks	1 909	2 649	2 895	2 797	2 867	2 878	3 496	3 542	4 010	5 210
Other deposit taking institutions	2 472	2 414	1 941	2 498	2 506	2 255	2 416	2 720	2 710	2 989
<i>Loans and placements</i>	<i>6 587</i>	<i>5 320</i>	<i>5 809</i>	<i>6 524</i>	<i>6 670</i>	<i>6 636</i>	<i>6 464</i>	<i>6 886</i>	<i>6 512</i>	<i>7 115</i>
<i>Short term securities</i>	<i>10 422</i>	<i>9 833</i>	<i>9 794</i>	<i>11 354</i>	<i>12 084</i>	<i>12 791</i>	<i>14 308</i>	<i>14 333</i>	<i>15 886</i>	<i>16 198</i>
Bills of exchange	4 987	5 615	4 507	5 352	5 873	6 050	6 117	5 960	6 482	6 426
Bank certificates of deposit	2 340	1 473	2 767	3 273	3 269	3 500	4 053	4 013	4 007	4 607
Other short term securities	3 095	2 745	2 520	2 729	2 942	3 241	4 138	4 360	5 397	5 165
<i>Long term securities</i>	<i>25 227</i>	<i>27 878</i>	<i>28 427</i>	<i>28 507</i>	<i>29 014</i>	<i>28 840</i>	<i>29 008</i>	<i>30 163</i>	<i>30 084</i>	<i>29 411</i>
Commonwealth government bonds	5 323	8 258	8 791	8 974	9 468	10 678	10 977	12 046	12 163	11 628
State and local government securities	12 335	13 281	13 066	13 131	13 233	12 363	12 296	11 886	11 487	11 382
Other long term securities	7 569	6 339	6 570	6 402	6 313	5 799	5 735	6 231	6 434	6 401
<i>Equities and units in trusts</i>	<i>31 026</i>	<i>37 008</i>	<i>38 670</i>	<i>40 595</i>	<i>42 159</i>	<i>41 678</i>	<i>42 569</i>	<i>43 623</i>	<i>46 024</i>	<i>46 556</i>
Private trading corporations shares	22 725	25 308	25 194	25 894	26 542	26 006	26 037	25 906	26 612	26 268
Financial sector shares	4 424	5 500	5 989	6 505	6 800	6 767	6 694	7 337	7 876	8 416
Units in trusts	3 877	6 200	7 487	8 196	8 817	8 905	9 838	10 380	11 536	11 872
<i>Other financial assets</i>	<i>2 033</i>	<i>2 132</i>	<i>2 216</i>	<i>2 102</i>	<i>1 924</i>	<i>2 505</i>	<i>2 835</i>	<i>2 446</i>	<i>2 335</i>	<i>2 824</i>
<i>Land and buildings</i>	<i>9 761</i>	<i>9 126</i>	<i>9 486</i>	<i>8 895</i>	<i>8 746</i>	<i>8 984</i>	<i>8 856</i>	<i>8 884</i>	<i>8 096</i>	<i>7 919</i>
<i>Other non-financial assets</i>	<i>1 751</i>	<i>1 328</i>	<i>2 169</i>	<i>2 399</i>	<i>1 921</i>	<i>2 662</i>	<i>1 849</i>	<i>2 409</i>	<i>1 474</i>	<i>1 607</i>
Assets overseas	16 730	16 986	17 113	15 811	16 257	16 263	15 497	16 789	17 412	16 952

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

SUPERANNUATION FUNDS(a), Unconsolidated Assets

	<i>Jun Qtr</i> 1993	<i>Jun Qtr</i> 1994	<i>Jun Qtr</i> 1995	<i>Sep Qtr</i> 1995	<i>Dec Qtr</i> 1995	<i>Mar Qtr</i> 1996	<i>Jun Qtr</i> 1996	<i>Sep Qtr</i> 1996	<i>Dec Qtr</i> 1996	<i>Mar Qtr</i> 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	107 768	122 198	134 970	140 031	146 433	149 558	155 166	160 610	168 272	171 388
Assets in Australia	92 878	104 126	114 151	119 278	124 972	126 476	130 388	135 990	141 500	144 361
<i>Cash and deposits</i>	9 049	11 756	12 682	13 683	14 771	14 532	13 594	14 577	15 297	15 889
Banks	5 662	8 070	8 495	9 034	9 970	9 591	8 486	9 305	9 885	10 221
Other deposit taking institutions	3 381	3 686	4 187	4 649	4 801	4 941	5 108	5 272	5 412	5 668
<i>Loans and placements</i>	6 322	5 764	6 019	6 309	6 684	6 967	7 333	7 558	8 024	8 526
<i>Short term securities</i>	7 268	8 808	8 643	8 222	7 621	9 165	10 797	11 108	11 180	11 619
Bills of exchange	3 814	4 196	4 559	3 853	3 320	3 845	3 965	4 343	3 950	4 457
Bank certificates of deposit	2 085	3 468	3 028	3 289	3 241	3 968	5 279	5 167	5 543	5 789
Other short term securities	1 369	1 144	1 056	1 080	1 060	1 352	1 553	1 598	1 687	1 373
<i>Long term securities</i>	22 304	21 180	22 674	21 557	21 794	21 179	21 426	22 924	21 082	20 402
Commonwealth government bonds	8 989	9 719	12 532	11 938	12 355	12 357	12 119	13 106	11 955	11 560
State and local government securities	9 357	8 413	7 578	7 195	7 087	6 443	6 821	6 720	6 678	6 516
Other long term securities	3 958	3 048	2 564	2 424	2 352	2 379	2 486	3 098	2 449	2 326
<i>Equities and units in trusts</i>	36 902	44 557	49 467	54 466	58 786	58 630	59 611	61 834	67 499	69 218
Private trading corporations shares	25 488	31 207	33 471	35 329	38 436	38 770	38 224	38 567	42 184	42 664
Financial sector shares	4 889	6 031	5 759	6 245	6 722	6 423	6 373	7 501	8 418	8 994
Units in trusts	6 525	7 319	10 237	12 892	13 628	13 437	15 014	15 766	16 897	17 560
<i>Other financial assets</i>	808	392	1 699	1 698	1 677	1 645	2 527	2 311	2 585	2 150
<i>Land and buildings</i>	9 962	11 327	12 514	12 936	13 053	13 484	13 980	14 835	15 191	15 389
<i>Other non-financial assets</i>	269	342	454	407	584	874	1 121	843	642	1 167
Assets overseas	14 890	18 072	20 819	20 753	21 461	23 082	24 778	24 620	26 772	27 028

(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 1993	Jun Qtr 1994	Jun Qtr 1995	Sep Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	28 406	37 982	41 590	42 912	44 198	46 437	48 456	50 995	55 774	59 844
Assets in Australia	24 457	31 872	35 455	36 607	37 980	40 129	41 966	44 234	48 644	51 642
<i>Cash and deposits</i>	<i>2 470</i>	<i>2 095</i>	<i>1 600</i>	<i>1 908</i>	<i>1 809</i>	<i>1 915</i>	<i>2 213</i>	<i>2 225</i>	<i>2 864</i>	<i>3 253</i>
Banks(a)	1 200	1 345	1 030	1 097	1 062	1 056	1 309	1 426	1 808	2 050
Other deposit taking institutions	1 270	750	570	811	747	859	904	799	1 056	1 203
<i>Loans and placements</i>	<i>1 446</i>	<i>1 784</i>	<i>1 825</i>	<i>1 822</i>	<i>1 824</i>	<i>1 889</i>	<i>1 987</i>	<i>2 066</i>	<i>2 063</i>	<i>2 210</i>
<i>Short term securities</i>	<i>1 104</i>	<i>1 946</i>	<i>1 923</i>	<i>1 795</i>	<i>1 951</i>	<i>1 988</i>	<i>1 786</i>	<i>1 772</i>	<i>2 155</i>	<i>2 221</i>
Bills of exchange	844	1 628	1 640	1 457	1 680	1 721	1 493	1 372	1 810	1 888
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	260	318	283	338	271	267	293	400	345	333
<i>Long term securities</i>	<i>1 666</i>	<i>1 672</i>	<i>1 307</i>	<i>1 228</i>	<i>1 295</i>	<i>1 305</i>	<i>1 493</i>	<i>1 661</i>	<i>1 613</i>	<i>1 708</i>
<i>Equities and units in trusts</i>	<i>6 680</i>	<i>10 045</i>	<i>12 037</i>	<i>12 824</i>	<i>13 388</i>	<i>14 489</i>	<i>15 402</i>	<i>17 134</i>	<i>19 572</i>	<i>20 885</i>
Equities	4 818	6 901	8 492	9 236	9 625	10 248	11 028	12 262	14 135	15 148
Units in trusts	1 862	3 144	3 545	3 588	3 763	4 241	4 374	4 872	5 437	5 737
<i>Other financial assets</i>	<i>446</i>	<i>694</i>	<i>731</i>	<i>650</i>	<i>759</i>	<i>819</i>	<i>895</i>	<i>876</i>	<i>971</i>	<i>1 015</i>
<i>Land and buildings</i>	<i>9 530</i>	<i>12 389</i>	<i>14 799</i>	<i>15 105</i>	<i>15 638</i>	<i>16 294</i>	<i>16 772</i>	<i>17 015</i>	<i>17 881</i>	<i>18 773</i>
<i>Other non-financial assets</i>	<i>1 113</i>	<i>1 246</i>	<i>1 232</i>	<i>1 275</i>	<i>1 315</i>	<i>1 430</i>	<i>1 417</i>	<i>1 483</i>	<i>1 525</i>	<i>1 579</i>
Assets overseas	3 949	6 110	6 135	6 305	6 219	6 308	6 490	6 762	7 129	8 202

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

FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1993	Jun Qtr 1994	Jun Qtr 1995	Sep Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	9 182	9 009	8 531	8 250	8 187	7 989	7 772	7 259	7 026	7 107
Assets in Australia	9 182	9 009	8 531	8 250	8 187	7 999	7 743	7 226	6 989	7 065
<i>Cash and deposits</i>	1 636	2 805	2 428	1 500	1 446	1 130	1 656	1 259	873	907
Banks	1 029	2 218	1 775	963	937	609	1 207	836	488	550
Other deposit taking institutions	607	587	653	537	509	521	449	423	385	357
<i>Loans and placements</i>	647	614	535	550	511	414	394	387	379	373
<i>Short term securities</i>	3 488	2 269	2 754	3 406	3 314	3 963	3 434	3 295	2 875	2 744
Bills of exchange	2 188	919	1 452	1 508	1 724	1 453	1 817	1 124	984	1 186
Bank certificates of deposit	614	847	996	1 250	1 246	2 002	1 193	1 688	1 541	1 289
Other short term securities	686	503	306	648	344	508	424	483	350	269
<i>Long term securities</i>	2 686	2 413	2 069	2 134	2 246	1 780	1 534	1 611	2 166	2 344
Commonwealth government bonds	635	585	461	482	695	465	275	332	392	599
State and local government securities	1 118	1 077	664	816	775	643	560	665	915	911
Other long term securities	933	751	944	836	776	672	699	614	859	834
<i>Equities and units in trusts</i>	110	141	147	164	186	175	170	168	164	163
Private trading corporations shares	70	100	103	122	120	116	112	111	109	108
Financial sector shares	30	30	37	35	38	38	36	33	32	32
Units in trusts	10	11	7	7	28	21	22	24	23	23
<i>Other financial assets</i>	107	230	163	70	61	102	138	93	98	101
<i>Land and buildings</i>	315	349	365	361	360	360	355	348	364	369
<i>Other non-financial assets</i>	193	188	70	65	63	65	62	65	70	64
Assets overseas	—	—	—	—	—	—	29	33	37	42

COMMON FUNDS, Unconsolidated Assets

	<i>Jun Qtr</i> 1993	<i>Jun Qtr</i> 1994	<i>Jun Qtr</i> 1995	<i>Sep Qtr</i> 1995	<i>Dec Qtr</i> 1995	<i>Mar Qtr</i> 1996	<i>Jun Qtr</i> 1996	<i>Sep Qtr</i> 1996	<i>Dec Qtr</i> 1996	<i>Mar Qtr</i> 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	4 573	4 884	4 138	4 209	4 367	4 435	4 566	4 787	5 049	5 395
Assets in Australia	4 566	4 884	4 138	4 209	4 367	4 435	4 566	4 787	5 049	5 395
<i>Cash and deposits</i>	552	502	424	420	518	453	476	539	463	516
Banks	345	308	292	314	374	310	353	391	291	349
Other deposit taking institutions	207	194	132	106	144	143	123	148	172	167
<i>Loans and placements</i>	950	1 089	1 170	1 126	1 162	1 163	1 154	1 169	1 171	1 379
<i>Short term securities</i>	1 817	1 731	1 713	1 854	1 866	2 013	2 094	2 275	2 580	2 727
Bills of exchange	1 389	1 367	1 283	1 340	1 382	1 402	1 490	1 650	1 990	2 068
Bank certificates of deposit	184	162	226	275	292	384	381	361	406	437
Other short term securities	244	202	204	239	192	227	223	264	184	222
<i>Long term securities</i>	119	159	204	162	161	149	163	137	152	157
Commonwealth government bonds	17	13	23	29	34	36	25	26	36	16
State and local government securities	28	75	74	61	58	51	51	53	49	45
Other long term securities	74	71	107	72	69	62	87	58	67	96
<i>Equities and units in trusts</i>	1 022	1 300	541	560	573	575	590	587	608	544
Private trading corporations shares	708	905	254	266	281	269	269	262	303	343
Financial sector shares	267	345	219	246	259	259	279	294	273	168
Units in trusts	47	50	68	48	53	47	42	31	32	33
<i>Other financial assets</i>	1	—	—	—	—	—	—	—	—	—
<i>Land and buildings</i>	105	103	86	87	87	82	89	80	75	72
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
Assets overseas	7	—	—	—	—	—	—	—	—	—

CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1993	Jun Qtr 1994	Jun Qtr 1995	Sep Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	5 316	5 915	5 625	5 868	6 484	6 706	7 036	7 710	8 986	9 649
Assets in Australia	5 316	5 915	5 625	5 868	6 484	6 706	7 036	7 710	8 986	9 649
<i>Cash and deposits</i>	531	1 160	545	638	727	739	998	1 034	945	753
Banks	268	1 026	452	565	595	529	859	924	810	610
Other deposit taking institutions	263	134	93	73	132	210	139	110	135	143
<i>Loans and placements</i>	14	32	119	140	124	42	22	61	41	44
<i>Short term securities</i>	4 673	4 535	4 907	5 046	5 571	5 753	5 413	5 990	7 350	8 009
Bills of exchange	2 318	1 809	2 891	2 628	2 919	3 076	3 111	3 153	3 856	3 959
Bank certificates of deposit	1 170	1 484	884	1 187	1 617	1 544	1 444	1 453	2 266	2 691
Other short term securities	1 185	1 242	1 132	1 231	1 035	1 133	858	1 384	1 228	1 359
<i>Long term securities</i>	n.p.	167	42	27	47	150	580	600	606	804
Commonwealth government bonds	—	2	40	20	—	26	27	26	26	—
State and local government securities	n.p.	163	2	6	47	124	553	524	500	694
Other long term securities	n.p.	2	—	1	—	—	—	50	80	110
<i>Equities and units in trusts</i>	—	—	—	—	—	—	—	—	—	—
Private trading corporations shares	—	—	—	—	—	—	—	—	—	—
Financial sector shares	—	—	—	—	—	—	—	—	—	—
Units in trusts	—	—	—	—	—	—	—	—	—	—
<i>Other financial assets</i>	7	19	13	16	17	22	24	25	45	38
<i>Land and buildings</i>	—	—	—	—	—	—	—	—	—	—
<i>Other non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
Assets overseas	—	—	—	—	—	—	—	—	—	—

INVESTMENT MANAGERS, Source of Funds

Source of funds	Jun Qtr 1993	Jun Qtr 1994	Jun Qtr 1995	Sep Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996	Dec Qtr 1996	Mar Qtr 1997
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL SOURCE OF FUNDS	229 499	255 677	270 587	282 074	290 267	295 124	300 363	331 558	345 772	353 711
Funds from Australian sources	227 060	251 234	264 129	274 576	282 958	287 967	293 263	324 203	338 929	346 806
<i>Managed funds</i>	199 698	220 136	233 190	241 584	249 540	252 723	258 129	287 360	297 487	303 150
Life insurance offices	106 476	113 067	115 193	119 451	121 111	121 927	123 535	128 498	130 143	130 563
Superannuation funds (a)	61 542	69 195	75 227	77 802	81 568	82 271	83 821	105 536	110 424	111 983
Public unit trusts	20 368	26 602	30 082	31 380	32 937	34 224	36 192	37 671	40 833	43 681
Friendly societies	6 959	6 280	6 425	6 438	6 387	6 323	6 181	5 950	5 736	5 960
Common funds	305	354	1 937	1 958	2 546	2 843	3 077	3 656	3 978	3 594
Cash management trusts	4 048	4 638	4 326	4 555	4 991	5 135	5 323	6 049	6 373	7 369
<i>Other sources</i>	27 362	31 098	30 939	32 992	33 418	35 244	35 134	36 843	41 442	43 656
Government	3 366	4 230	4 302	4 432	4 740	4 958	5 276	5 338	5 488	5 781
Charities	314	347	562	598	636	662	747	649	1 005	1 034
Other trusts	783	1 684	2 064	2 285	3 282	4 005	4 143	5 277	5 685	6 009
General insurance	10 504	12 439	12 231	12 547	12 450	12 472	10 850	11 089	12 830	13 293
Other sources	12 395	12 398	11 780	13 130	12 310	13 147	14 118	14 490	16 434	17 539
Funds from overseas sources	2 439	4 443	6 458	7 498	7 309	7 157	7 100	7 355	6 843	6 905

(a) There was a restructuring of arrangements between superannuation funds and investment managers during the September 1996 quarter. See the note on page 2.

EXPLANATORY NOTES

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INTRODUCTION

1 The statistics presented in this publication on managed funds 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 Insurance and Superannuation Commission.

2 Movements in the levels of assets of managed funds 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:

- Statutory Funds of 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 Statutory Funds of 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

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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 the Insurance and Superannuation Commission.

9 The statistics for superannuation funds in Table 3 include estimates, provided by the Insurance and Superannuation Commission, for superannuation funds not currently surveyed. Excluded from the statistics on Superannuation funds are those accounts receivable from Commonwealth and State Governments reported by certain public sector superannuation funds. Approximately \$3,247 million of such assets were reported at 31 March 1997. (The December quarter 1995 edition of this publication provides details on the reasons for excluding these assets.)

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 25 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 1996 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 20 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

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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 PUBLICATIONS

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

Australian National Accounts, Financial Accounts (5232.0) — 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

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.

GLOSSARY

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- Investment 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 *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.
- 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.
- 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.

GLOSSARY

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- 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.
- 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.

GLOSSARY

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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.

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.

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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