



MANAGED FUNDS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 6 DEC 1996

SEPTEMBER QTR KEY FIGURES

CONSOLIDATED ASSETS

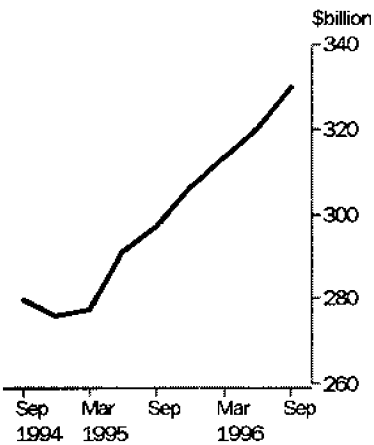
	Sep Qtr 1995	Jun Qtr 1996	Sep Qtr 1996
	\$m	\$m	\$m
Superannuation funds	126 309	139 365	143 492
Statutory funds of life insurance offices	113 036	117 114	120 877
Other managed funds	57 391	63 199	65 322
Total	296 737	319 678	329 691

SEPTEMBER QTR KEY POINTS

CONSOLIDATED ASSETS

- Under the influence of improved equity and security market prices, the market value of consolidated assets of managed funds in Australia at 30 September 1996 was \$329.7 billion an increase of \$10.0 billion (3.1%) on the revised 30 June 1996 figure of \$319.7 billion, and an increase of \$33.0 billion (11.1%) on the revised 30 September 1995 figure of \$296.7 billion.
- The largest increases in the consolidated assets of managed funds during the September 1996 quarter occurred in superannuation funds, up \$4.1 billion (3.0%) and statutory funds of life insurance offices, up \$3.8 billion (3.2%).
- The value of managed funds' assets invested through investment managers was \$287.2 billion at the end of September 1996, representing 87.1% of all the consolidated assets of managed funds. This increase from the 1995-96 average of 81.1% is largely due to two superannuation funds ceasing direct investment of their funds during the September 1996 quarter, and instead placing funds through investment managers.

Total Consolidated Assets



INQUIRIES

- For further information about these and related statistics, contact Suzanne Hartshorn on 06 252 6627, or any ABS Office.

NOTES

FORTHCOMING ISSUES

<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
December 1996	7 March 1997
March 1997	6 June 1997

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CHANGES IN THIS ISSUE

Readers are advised that there have been significant changes to the presentation of the statistics in this edition of the publication. One change in particular which should be noted in the table presentations, is the reordering of the item "Total Assets" in Tables 2 to 7 and "Total Source of Funds" in Table 8 to the top of the table instead of the bottom.

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.

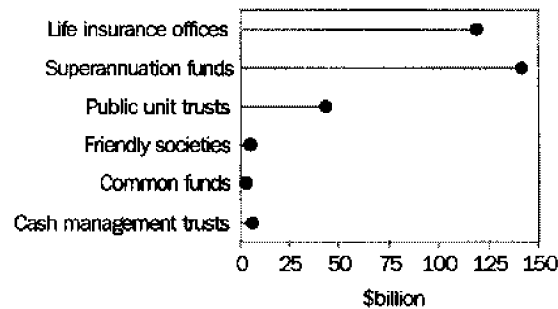
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W. McLennan
Australian Statistician

MANAGED FUNDS : Consolidated assets

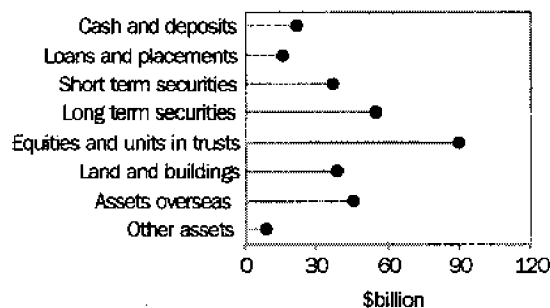
BY TYPE OF INSTITUTION

The continued strengthening of domestic and international equity and securities markets contributed to the overall movements in asset values. Superannuation funds recorded the largest increase in assets during the September 1996 quarter of \$4.1 billion (3.0%) compared with the June 1996 quarter. Assets in the statutory funds of life insurance offices increased by \$3.8 billion (3.2%). The largest proportional movement in assets was recorded by cash management trusts, an increase of 9.6%. The only decrease was recorded by friendly societies, down \$0.5 billion (6.6%).



BY TYPE OF ASSET

There was a general increase across all asset types in the September 1996 quarter, partly attributable to the strengthening of securities markets. The largest increases were recorded in equities and units in trusts, \$2.9 billion (3.3%), and long term securities, \$2.8 billion (5.1%).



CROSS INVESTMENT

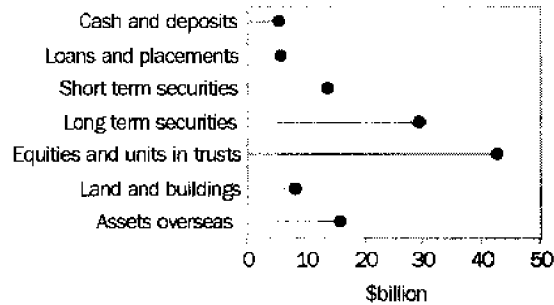
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 30 September 1996.

Type of Fund	Unconsolidated assets \$m	Cross-invested assets \$m	Consolidated assets \$m
Statutory funds of life insurance offices	131 518	10 641	120 877
Superannuation funds	158 903	15 412	143 492
Public unit trusts	51 606	5 952	45 654
Friendly societies	7 264	25	7 239
Common funds	4 787	68	4 719
Cash management trusts	7 710	0	7 710
Total	361 788	32 097	329 691

MANAGED FUNDS: Unconsolidated Assets

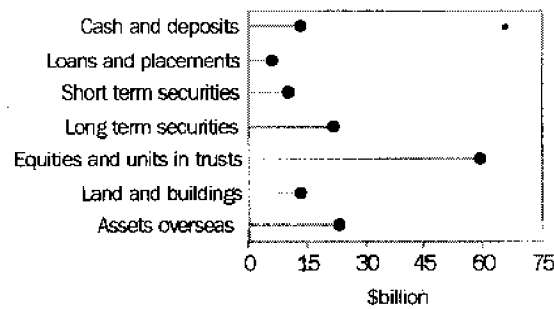
STATUTORY FUNDS OF LIFE INSURANCE OFFICES

The largest change by asset class during the September 1996 quarter was in the holdings of assets overseas, an increase of \$1.2 billion (7.6%). The change in value was influenced by the improved exchange rate during the September quarter.



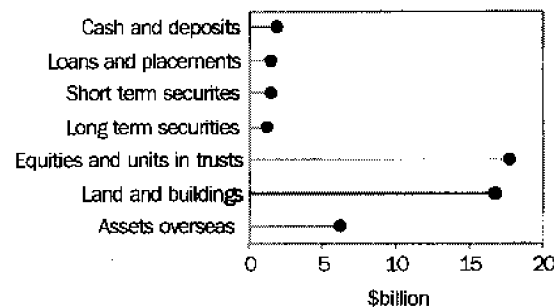
SUPERANNUATION FUNDS

The largest movement in the assets of superannuation funds was in holdings of shares issued by the financial sector, an increase of \$1.1 billion (17.4%) for the September 1996 quarter. Holdings of units in trusts also increased by just under \$1.1 billion (7.9%). Improved equity prices contributed to these increases.



PUBLIC UNIT TRUSTS

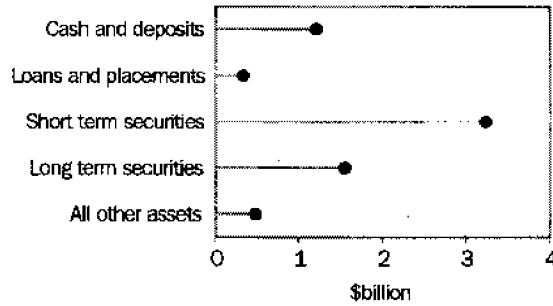
There was a significant increase in the equity holdings of public unit trusts during the September 1996 quarter, partly attributable to the improvement in share prices. Holdings of equities increased by \$1.2 billion (10.9%).



MANAGED FUNDS: Unconsolidated assets *continued*

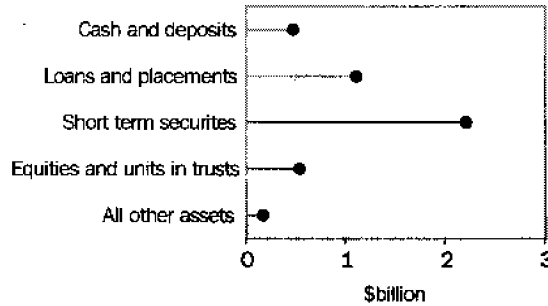
FRIENDLY SOCIETIES

Total assets of friendly societies, decreased by just over \$0.5 billion (6.5%) in the September 1996 quarter to \$7.3 billion, continued the quarterly decline in their total asset portfolio which began in the June 1995 quarter. The major decreases were recorded in cash and deposits at banks, down \$370 million (30.1%) and bills of exchange, down \$691 million (38.0%), while bank certificates of deposit increased by \$495 million (41.5%).



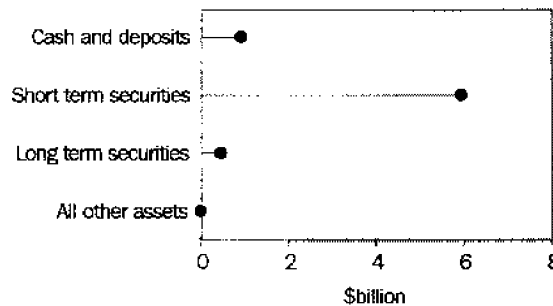
COMMON FUNDS

The assets in common funds increased by \$221 million (4.8%) to \$4.8 billion during the September 1996 quarter. Most of this increase was attributed to a rise of approximately \$160 million (10.7%) in holdings of bills of exchange.



CASH MANAGEMENT TRUSTS

Total assets in cash management trusts increased by \$674 million (9.6%) to \$7.7 billion. A large part of this rise was attributable to an increase of \$576 million (67%) in the holdings of 'Other short term securities'.



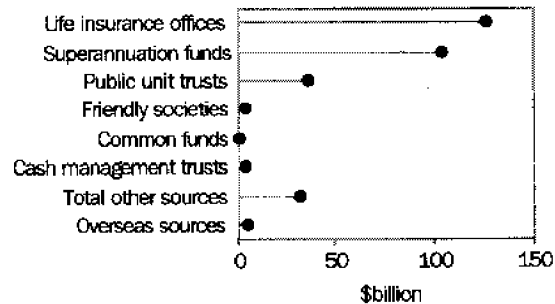
MANAGED FUNDS — INVESTMENT MANAGERS

SOURCE OF FUNDS UNDER MANAGEMENT

During the September 1996 quarter there was an increase in total funds under management of \$30.7 billion (10.3%), bringing the total sources of funds under management to \$328.6 billion. While part of this increase is due to the inclusion of a new respondent in the survey the most significant portion of the increase, \$18.5 billion, results from a restructuring in the investment arrangements of two superannuation funds ceasing direct investment into the financial markets and the rerouting of investment funds through investment managers. This has had a major impact on the amount of managed funds sourced to superannuation funds which increased by \$21.7 billion (25.9%) during the September quarter.

In the "Other Sources" categories of funds under management, the most significant increase was in funds sourced from Other Trusts, up \$0.9 billion (26.4%).

The total value of managed funds' assets invested through investment managers was \$287.2 billion at the end of September 1996, representing 87.1% of all consolidated assets of managed funds.





MANAGED FUNDS, Consolidated Assets

Institution/ asset	Jun Qtr	Jun Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr
	1993	1994	1994	1995	1995	1995	1995	1996	1996	1996
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Type of institution										
Statutory funds of life										
insurance offices(a)	103 794	108 233	107 221	107 286	110 839	113 036	115 080	116 360	117 114	120 877
Superannuation funds	100 552	114 038	115 300	116 209	123 923	126 309	132 206	135 507	139 365	143 492
Public unit trusts	26 291	34 688	35 712	36 181	37 931	39 162	40 289	42 031	43 922	45 654
Friendly societies	9 171	8 996	8 446	8 524	8 512	8 227	8 151	7 962	7 748	7 239
Common funds	4 474	4 785	3 817	3 823	4 037	4 134	4 278	4 352	4 493	4 719
Cash management trusts	5 316	5 915	5 398	5 329	5 625	5 868	6 484	6 706	7 036	7 710
Total	249 597	276 655	275 894	277 352	290 867	296 737	306 488	312 918	319 678	329 691
Type of asset										
Cash and deposits(b)	17 369	22 100	20 037	20 458	21 371	22 210	23 366	22 604	23 438	24 181
Loans and placements	15 965	14 601	15 802	15 317	15 465	16 453	16 962	17 100	17 270	17 543
Short term securities(b)	28 772	29 122	31 260	28 219	29 739	31 679	32 705	35 970	38 127	39 135
Long term securities	52 093	53 489	51 913	53 410	54 723	53 614	54 556	53 395	54 202	56 966
Equities and units in trusts	63 419	76 326	76 476	75 652	79 531	83 881	88 797	88 878	89 017	91 942
Land and buildings	29 673	33 294	35 693	37 395	37 259	37 383	37 870	39 208	40 035	41 131
Assets overseas	35 576	41 168	38 942	40 435	44 033	42 834	43 909	45 633	46 701	47 733
Other assets	6 728	6 571	5 771	6 466	8 747	8 682	8 324	10 132	10 889	11 060
Total	249 597	276 655	275 894	277 352	290 867	296 737	306 488	312 918	319 678	329 691

(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	Dec Qtr 1994	Mar Qtr 1995	Jun Qtr 1995	Sep Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	107 918	114 674	113 475	114 521	118 520	121 482	124 148	125 491	127 194	131 518
Assets in Australia	91 188	97 688	98 021	98 151	101 407	105 671	107 891	109 227	111 697	114 842
<i>Cash and deposits</i>	4 381	5 063	4 819	5 123	4 836	5 295	5 373	5 133	5 912	6 142
Banks	1 909	2 649	2 276	2 563	2 895	2 797	2 867	2 878	3 496	3 422
Other deposit taking institutions	2 472	2 414	2 543	2 560	1 941	2 498	2 506	2 255	2 416	2 720
<i>Loans and placements</i>	6 587	5 320	6 177	5 616	5 809	6 524	6 670	6 637	6 361	6 625
<i>Short term securities</i>	10 422	9 833	11 041	9 738	9 794	11 354	12 084	12 789	14 307	14 496
Bills of exchange	4 987	5 615	5 732	5 182	4 507	5 352	5 873	6 050	5 845	5 844
Bank certificates of deposit	2 340	1 473	2 068	2 059	2 767	3 273	3 269	3 499	4 324	4 269
Other short term securities	3 095	2 745	3 241	2 497	2 520	2 729	2 942	3 240	4 138	4 383
<i>Long term securities</i>	25 227	27 878	26 754	27 125	28 427	28 507	29 014	28 837	29 008	30 169
Commonwealth government bonds	5 323	8 258	8 241	8 631	8 791	8 974	9 468	10 678	10 977	11 768
State and local government securities	12 335	13 281	12 162	12 966	13 066	13 131	13 233	12 363	12 296	12 178
Other long term securities	7 569	6 339	6 351	5 528	6 570	6 402	6 313	5 796	5 735	6 223
<i>Equities and units in trusts</i>	31 026	37 008	36 731	37 123	38 670	40 595	42 159	41 680	42 569	43 440
Private trading corporations shares	22 725	25 308	25 434	24 340	25 194	25 894	26 542	26 006	26 037	25 519
Financial sector shares	4 424	5 500	5 297	5 804	5 989	6 505	6 800	6 769	6 694	7 552
Units in trusts	3 877	6 200	6 000	6 979	7 487	8 196	8 817	8 905	9 838	10 369
<i>Other financial assets</i>	2 033	2 132	1 711	2 143	2 216	2 102	1 924	2 505	2 835	2 641
<i>Land and buildings</i>	9 761	9 126	9 384	9 673	9 486	8 895	8 746	8 984	8 856	8 920
<i>Other non-financial assets</i>	1 751	1 328	1 404	1 610	2 169	2 399	1 921	2 662	1 849	2 409
Assets overseas	16 730	16 986	15 454	16 370	17 113	15 811	16 257	16 264	15 497	16 676

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

SUPERANNUATION FUNDS(a), Unconsolidated Assets

	Jun Qtr 1993	Jun Qtr 1994	Dec Qtr 1994	Mar Qtr 1995	Jun Qtr 1995	Sep Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	107 768	122 198	123 896	125 693	134 383	139 403	145 602	148 592	153 673	158 903
Assets in Australia	92 878	104 126	106 127	107 350	113 598	118 685	124 169	125 531	128 988	134 464
<i>Cash and deposits</i>	9 043	11 756	11 872	12 579	12 677	13 643	14 743	14 448	13 462	14 345
Banks	5 662	8 070	7 927	8 392	8 491	8 927	9 919	9 499	8 381	9 157
Other deposit taking institutions	3 381	3 686	3 945	4 187	4 186	4 716	4 824	4 949	5 081	5 188
<i>Loans and placements</i>	6 322	5 764	5 755	5 943	6 019	6 307	6 679	6 961	7 354	7 544
<i>Short term securities</i>	7 268	8 808	9 927	7 950	8 648	8 224	7 919	9 464	11 093	11 270
Bills of exchange	3 814	4 196	4 934	4 200	4 565	3 856	3 521	4 049	4 174	4 565
Bank certificates of deposit	2 085	3 468	3 272	2 512	3 028	3 269	3 209	3 924	5 237	5 128
Other short term securities	1 369	1 144	1 721	1 238	1 055	1 099	1 189	1 491	1 682	1 577
<i>Long term securities</i>	22 304	21 180	20 688	21 885	22 674	21 556	21 793	21 174	21 424	22 928
Commonwealth government bonds	8 989	9 719	9 540	11 777	12 532	11 937	12 354	12 354	12 115	13 096
State and local government securities	9 357	8 413	8 803	7 865	7 578	7 195	7 086	6 441	6 819	6 745
Other long term securities	3 958	3 048	2 345	2 243	2 564	2 424	2 353	2 379	2 490	3 087
<i>Equities and units in trusts</i>	36 902	44 557	45 109	45 484	48 905	53 915	57 734	57 479	58 044	60 479
Private trading corporations shares	25 488	31 207	31 382	30 225	33 481	35 331	38 430	38 755	38 195	38 465
Financial sector shares	4 889	6 031	5 801	6 439	5 762	6 246	6 722	6 419	6 366	7 472
Units in trusts	6 525	7 319	7 926	8 820	9 662	12 338	12 582	12 305	13 483	14 542
<i>Other financial assets</i>	808	392	410	445	1 699	1 651	1 670	1 635	2 492	2 295
<i>Land and buildings</i>	9 962	11 327	12 132	12 752	12 523	12 935	13 039	13 488	13 963	14 696
<i>Other non-financial assets</i>	269	342	234	312	454	454	591	884	1 156	907
Assets overseas	14 890	18 072	17 769	18 343	20 785	20 718	21 433	23 061	24 685	24 440

(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	Dec Qtr 1994	Mar Qtr 1995	Jun Qtr 1995	Sep Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	28 406	37 982	38 881	39 012	41 590	42 912	44 198	46 437	48 456	51 606
Assets in Australia	24 457	31 872	33 162	33 290	35 455	36 607	37 980	40 129	41 966	45 022
<i>Cash and deposits</i>	2 470	2 095	1 895	1 334	1 600	1 908	1 809	1 915	2 213	2 196
Banks(a)	1 200	1 345	992	739	1 030	1 097	1 062	1 056	1 309	1 414
Other deposit taking institutions	1 270	750	903	595	570	811	747	859	904	782
<i>Loans and placements</i>	1 446	1 784	1 911	1 899	1 825	1 822	1 824	1 889	1 987	1 756
<i>Short term securities</i>	1 104	1 946	1 619	1 572	1 923	1 795	1 951	1 988	1 786	1 757
Bills of exchange	844	1 628	1 204	1 193	1 640	1 457	1 680	1 721	1 493	1 357
Bank certificates of deposit(a)	0	0	0	0	0	0	0	0	0	0
Other short term securities	260	318	415	379	283	338	271	267	293	400
<i>Long term securities</i>	1 666	1 672	1 296	1 319	1 307	1 228	1 295	1 305	1 493	1 571
<i>Equities and units in trusts</i>	6 680	10 045	10 961	10 973	12 037	12 824	13 385	14 482	15 381	18 029
Equities	4 818	6 901	7 973	8 261	8 492	9 236	9 625	10 248	11 028	12 234
Units in trusts	1 862	3 144	2 988	2 712	3 545	3 588	3 760	4 234	4 353	5 795
<i>Other financial assets</i>	446	694	617	555	731	650	763	827	919	1 027
<i>Land and buildings</i>	9 530	12 389	13 741	14 530	14 799	15 105	15 638	16 294	16 772	17 087
<i>Other non-financial assets</i>	1 113	1 246	1 123	1 108	1 232	1 275	1 314	1 430	1 414	1 598
Assets overseas	3 949	6 110	5 719	5 722	6 135	6 305	6 219	6 308	6 490	6 584

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

FRIENDLY SOCIETIES, Unconsolidated Assets

	Jun Qtr 1993	Jun Qtr 1994	Dec Qtr 1994	Mar Qtr 1995	Jun Qtr 1995	Sep Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	9 182	9 009	8 457	8 533	8 531	8 250	8 187	7 989	7 772	7 264
Assets in Australia	9 182	9 009	8 457	8 533	8 531	8 250	8 187	7 989	7 743	7 231
<i>Cash and deposits</i>	1 636	2 805	1 423	1 505	2 428	1 500	1 446	1 130	1 656	1 260
Banks	1 029	2 218	828	898	1 775	963	937	609	1 207	837
Other deposit taking institutions	607	587	595	607	653	537	509	521	449	423
<i>Loans and placements</i>	647	614	605	588	535	550	511	414	394	390
<i>Short term securities</i>	3 488	2 269	2 796	2 954	2 754	3 406	3 314	3 963	3 434	3 297
Bills of exchange	2 188	919	1 325	1 296	1 452	1 508	1 724	1 453	1 817	1 126
Bank certificates of deposit	614	847	917	1 039	996	1 250	1 246	2 002	1 193	1 688
Other short term securities	686	503	554	619	306	648	344	508	424	483
<i>Long term securities</i>	2 686	2 413	2 915	2 728	2 069	2 134	2 246	1 780	1 534	1 611
Commonwealth government bonds	635	585	538	471	461	482	695	465	275	332
State and local government securities	1 118	1 077	1 464	1 479	664	816	751	613	510	628
Other long term securities	933	751	913	778	944	836	800	702	749	651
<i>Equities and units in trusts</i>	110	141	123	129	147	164	186	175	170	167
Private trading corporations shares	70	100	75	82	103	122	120	116	112	111
Financial sector shares	30	30	38	38	37	35	38	38	36	33
Units in trusts	10	11	10	9	7	7	28	21	22	23
<i>Other financial assets</i>	107	230	187	207	163	70	61	102	138	93
<i>Land and buildings</i>	315	349	342	349	365	361	360	360	355	348
<i>Other non-financial assets</i>	193	188	66	73	70	65	63	65	62	65
Assets overseas	- 0	- 0	0	0	0	0	0	0	29	33

COMMON FUNDS, Unconsolidated Assets

	<i>Jun Qtr</i> 1993	<i>Jun Qtr</i> 1994	<i>Dec Qtr</i> 1994	<i>Mar Qtr</i> 1995	<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>Assets</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	4 573	4 884	3 938	3 927	4 138	4 209	4 367	4 435	4 566	4 787
Assets in Australia	4 566	4 884	3 938	3 927	4 138	4 209	4 367	4 435	4 566	4 787
<i>Cash and deposits</i>	552	502	502	386	424	420	518	453	476	539
Banks	345	308	271	244	292	314	374	310	353	391
Other deposit taking institutions	207	194	231	142	132	106	144	143	123	148
<i>Loans and placements</i>	950	1 089	1 139	1 177	1 170	1 126	1 162	1 163	1 154	1 169
<i>Short term securities</i>	1 817	1 731	1 481	1 550	1 713	1 854	1 866	2 013	2 094	2 275
Bills of exchange	1 389	1 367	1 190	1 201	1 283	1 340	1 382	1 402	1 490	1 650
Bank certificates of deposit	184	162	172	193	226	275	292	384	381	361
Other short term securities	244	202	119	156	204	239	192	227	223	264
<i>Long term securities</i>	119	159	183	192	204	162	161	149	163	137
Commonwealth government bonds	17	13	18	19	23	29	34	36	25	26
State and local government securities	28	75	62	68	74	61	58	51	51	53
Other long term securities	74	71	103	105	107	72	69	62	87	58
<i>Equities and units in trusts</i>	1 022	1 300	539	531	541	560	573	575	590	587
Private trading corporations shares	708	905	262	251	254	266	261	269	269	262
Financial sector shares	267	345	214	212	219	246	259	259	279	294
Units in trusts	47	50	63	68	68	48	53	47	42	31
<i>Other financial assets</i>	1	0	0	0	0	0	0	0	0	0
<i>Land and buildings</i>	105	103	94	91	86	87	87	82	89	80
<i>Other non-financial assets</i>	0	0	0	0	0	0	0	0	0	0
Assets overseas	7	0	0	0	0	0	0	0	0	0

CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1993	Jun Qtr 1994	Dec Qtr 1994	Mar Qtr 1995	Jun Qtr 1995	Sep Qtr 1995	Dec Qtr 1995	Mar Qtr 1996	Jun Qtr 1996	Sep Qtr 1996
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL ASSETS	5 316	5 915	5 398	5 329	5 625	5 868	6 484	6 706	7 036	7 710
Assets in Australia	5 316	5 915	5 398	5 329	5 625	5 868	6 484	6 706	7 036	7 710
<i>Cash and deposits</i>	531	1 160	689	606	545	638	727	739	998	1 034
Banks	268	1 026	622	507	452	565	595	529	859	924
Other deposit taking institutions	263	134	67	99	93	73	132	210	139	110
<i>Loans and placements</i>	14	32	216	94	119	140	124	42	22	61
<i>Short term securities</i>	4 673	4 535	4 396	4 455	4 907	5 046	5 571	5 753	5 413	6 040
Bills of exchange	2 318	1 809	2 053	2 156	2 891	2 628	2 919	3 076	3 111	3 293
Bank certificates of deposit	1 170	1 484	1 100	1 107	884	1 187	1 617	1 544	1 444	1 313
Other short term securities	1 185	1 242	1 243	1 192	1 132	1 231	1 035	1 133	858	1 434
<i>Long term securities</i>	n.p.	167	77	161	42	27	47	150	580	550
Commonwealth government bonds	0	2	0	30	40	20	0	26	27	26
State and local government securities	n.p.	163	47	16	2	6	47	124	553	524
Other long term securities	n.p.	2	30	115	0	1	0	0	0	0
<i>Equities and units in trusts</i>	0	0	0	0	0	0	0	0	0	0
Private trading corporations shares	0	0	0	0	0	0	0	0	0	0
Financial sector shares	0	0	0	0	0	0	0	0	0	0
Units in trusts	0	0	0	0	0	0	0	0	0	0
<i>Other financial assets</i>	7	19	19	13	13	16	17	22	24	25
<i>Land and buildings</i>	0	0	0	0	0	0	0	0	0	0
<i>Other non-financial assets</i>	0	0	0	0	0	0	0	0	0	0
Assets overseas	-	0	0	0	0	0	0	0	0	0

INVESTMENT MANAGERS, Source of Funds

Source of funds	Jun Qtr	Jun Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr
	1993	1994	1994	1995	1995	1995	1995	1996	1996	1996
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL SOURCE OF FUNDS	228 175	254 142	250 004	255 034	269 236	280 626	288 473	292 968	297 903	328 642
Funds from Australian sources	225 736	249 699	245 452	249 828	262 778	273 128	281 194	285 875	290 953	321 487
<i>Managed funds</i>	199 698	220 136	217 740	221 385	233 190	241 584	249 487	252 623	257 979	287 248
Life insurance offices	106 476	113 067	110 002	110 934	115 193	119 451	121 108	121 927	123 535	128 586
Superannuation funds(a)	61 542	69 195	70 084	70 144	75 227	77 802	81 568	82 271	83 821	105 536
Public unit trusts	20 368	26 602	26 529	27 928	30 082	31 380	32 937	34 224	36 192	37 671
Friendly societies	6 959	6 280	6 324	6 296	6 425	6 438	6 387	6 323	6 181	5 950
Common funds	305	354	509	1 916	1 937	1 958	2 496	2 743	2 927	3 456
Cash management trusts	4 048	4 638	4 292	4 167	4 326	4 555	4 991	5 135	5 323	6 049
<i>Other sources</i>	26 038	29 563	27 712	28 443	29 588	31 544	31 707	33 252	32 974	34 239
Government	3 366	4 230	3 898	3 993	4 302	4 432	4 740	4 958	5 276	5 338
Charities	314	347	332	444	562	598	636	662	747	649
Other trusts	783	1 684	1 667	1 848	2 064	2 285	3 082	3 605	3 543	4 477
General insurance	10 504	12 439	11 916	11 755	12 231	12 547	12 450	12 472	10 850	11 001
Other sources	11 071	10 863	9 899	10 403	10 429	11 682	10 799	11 555	12 558	12 774
Funds from overseas sources	2 439	4 443	4 552	5 206	6 458	7 498	7 279	7 093	6 950	7 155

(a) There was a restructuring of arrangements between superannuation funds and investment managers during the September 1996 quarter. See the note on "Changes in this issue" on Page 2.

EXPLANATORY NOTES

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

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 run jointly by the ABS and the Insurance and Superannuation Commission. The statistics also include estimates, provided by the Insurance and Superannuation Commission, for superannuation funds not currently surveyed.

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 are those accounts receivable from Commonwealth and State Governments reported by certain public sector superannuation funds. Approximately \$3,237 million of such assets were reported at 30 September 1996. (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.

12 Common Funds are operated by Trustee Companies under the relevant State Trustee Companies Act. 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 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 PUBLICATIONS

19 Users may also wish to refer to the following ABS publication of related data which are 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.

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 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.
- 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 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 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.
- 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

- 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 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.
- 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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