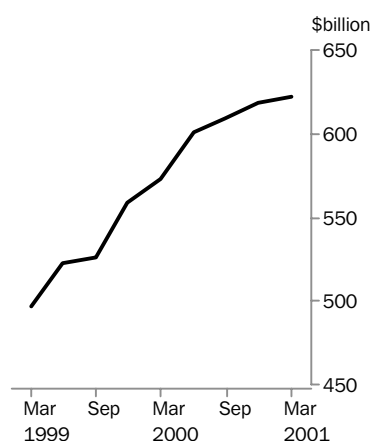


# **MANAGED FUNDS**

**AUSTRALIA**

EMBARGO: 11:30AM (CANBERRA TIME) THURS 31 MAY 2001

## **Total consolidated assets**



## **MARCH QTR KEY FIGURES**

<b>CONSOLIDATED ASSETS (a)</b>	<b>Mar Qtr 2000 \$m</b>	<b>Dec Qtr 2000 \$m</b>	<b>Mar Qtr 2001 \$m</b>
Superannuation funds	260 445	289 255	288 823
Life insurance offices(b)	170 152	170 476	171 052
Other managed funds	142 714	158 465	161 785
<b>Total</b>	<b>573 311</b>	<b>618 196</b>	<b>621 659</b>

(a) See note on consolidation on page 2.

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

## **MARCH QTR KEY POINTS**

- Total consolidated assets of managed funds institutions were \$621.7 billion at the end of the March quarter 2001, an increase of \$3.5 billion over the December quarter 2000.
- Superannuation funds recorded a small decrease (\$0.4 billion) in consolidated assets due mainly to increased cross investment in public unit trusts, see table 3.
- Asset classes which increased in value during the quarter were overseas assets, \$121.1 billion up \$2.8 billion; cash and deposits, \$41.1 billion up \$2.1 billion; and land and buildings, \$68.7 billion up \$1.7 billion. See table 1.
- The value of domestic securities held decreased during the quarter: equities down \$0.8 billion to \$213.3 billion; short-term debt securities down \$1.8 billion to \$60.9 billion; and long-term debt securities down \$1.1 billion to \$68.2 billion. See table 1.
- Investment managers managed \$469.5 billion (76%) of consolidated managed funds assets, up from 74% at 31 December 2000. See table 8.

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

# NOTES

## FORTHCOMING ISSUES

*ISSUE (Quarter)*

*RELEASE DATE*

June 2001

31 August 2001

September 2001

30 November 2001

.....

## CHANGES IN THIS ISSUE

There are no changes in this issue.

.....

## REVISIONS IN THIS ISSUE

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

In consultation with Australian Prudential Regulatory Authority and the Australian Taxation Office (ATO) the asset profile of small and medium superannuation funds has been adjusted and revised back to March 1999 to reflect preliminary analysis of the annual regulatory returns to ATO.

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## METHOD OF CONSOLIDATION

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

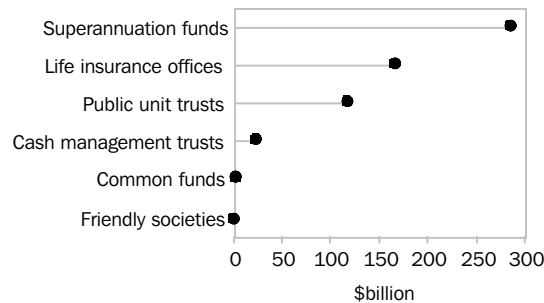
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Dennis Trewin  
Australian Statistician

## MANAGED FUNDS: Consolidated Assets

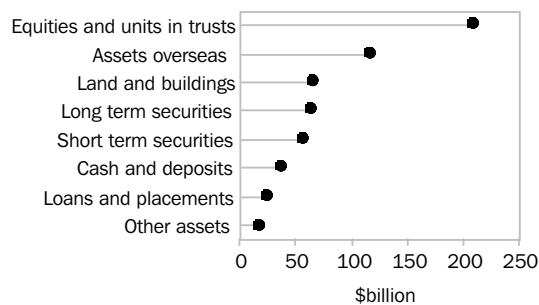
### BY TYPE OF INSTITUTION

At the end of the March quarter 2001 consolidated assets of superannuation funds stood at \$288.8 billion, down \$0.4 billion since 31 December 2000 as a result of increased cross-investment in public unit trusts. Life insurance assets stood at \$171.1 billion (up \$0.6 billion), public unit trusts assets stood at \$121 billion (up \$2.2 billion), cash management trust assets stood at \$27.5 billion (up \$0.7 billion), common fund assets stood at \$7.7 billion (up \$0.5 billion). Assets of friendly societies stood at \$5.6 billion, virtually unchanged.



### BY TYPE OF ASSET

At the end of the March 2001 quarter, the value of assets held overseas had increased by \$2.8 billion since 31 December 2000, mainly reflecting exchange rate changes. Other assets to increases in the quarter were cash and deposits, up \$2.0 billion, land and buildings, up \$1.7 billion, and other assets, up \$0.7 billion. Loans and placements were virtually unchanged, whilst equities, short term debt securities and long-term debt securities all decreased in the quarter.



### CROSS INVESTMENT

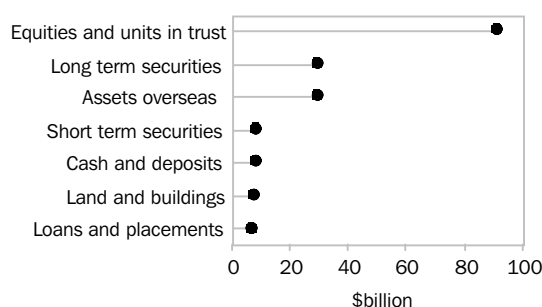
The table below presents the unconsolidated, cross-invested and consolidated assets of managed funds by type of fund as at 31 March 2001.

Type of fund	Unconsolidated assets \$m	Cross-invested assets \$m	Consolidated assets \$m
Life insurance offices	194 102	23 050	171 052
Superannuation funds	342 481	53 658	288 823
Public unit trusts	138 894	17 897	120 997
Friendly societies	5 990	414	5 576
Common funds	7 822	101	7 721
Cash management trusts	27 490	—	27 490
<b>Total</b>	<b>716 779</b>	<b>95 120</b>	<b>621 659</b>

## MANAGED FUNDS: Unconsolidated Assets

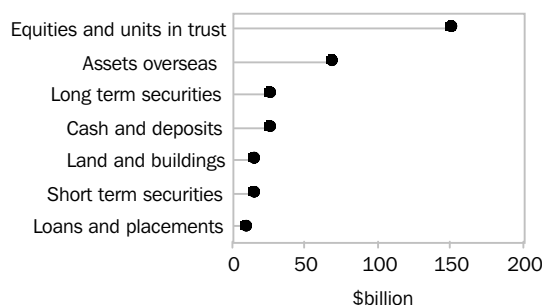
### LIFE INSURANCE OFFICES

The total assets of life offices was \$194.1 billion at 31 March 2001, virtually unchanged from December quarter 2000. Equities and units in trusts decreased by \$1.1 billion (1%), short term securities decreased by \$1.4 billion (12%), assets overseas increased by \$1.0 billion (4%), cash and deposits increased by \$0.4 billion (5%) and other financial assets increased by \$1.0 billion (33%).



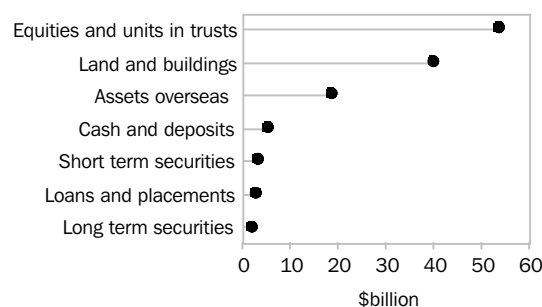
### SUPERANNUATION FUNDS

The total assets of superannuation funds was \$342.5 billion at 31 March 2001, an increase of \$0.8 billion compared with the December quarter 2000. Assets overseas were boosted by the weak Australian dollar during the quarter, increasing by \$1.7 billion (2%) to \$71 billion. Overseas assets made up 20.7% of total superannuation assets outside life offices. Other major increases in assets during the quarter were units in trust, up \$1 billion (2%), land and buildings, up \$0.8 billion (5%) and cash and deposits, up \$1.3 billion (5%).



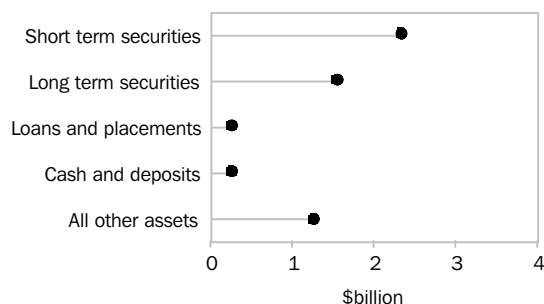
### PUBLIC UNIT TRUSTS

The total assets of public unit trusts was \$138.9 billion at 31 March 2001, an increase of \$2.1 billion (2%) compared with December quarter 2000. The major increases in assets during the quarter were equities and units in trusts, up \$1.5 billion (3%) and cash and deposits, up \$0.6 billion (10%). Equities and units in trusts account for 46% of the total Australian assets.



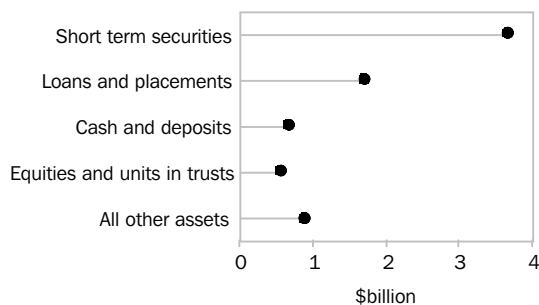
## FRIENDLY SOCIETIES

The assets of friendly societies were \$6.0 billion at 31 March 2001, no change from the December quarter 2000. Short term securities accounted for 40% of total assets, with bank certificates of deposit accounting for 57% of short term securities.



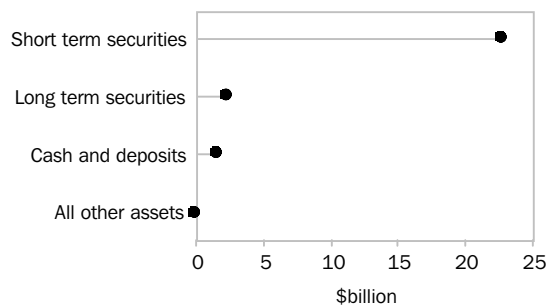
## COMMON FUNDS

Total assets of common funds was \$7.8 billion at 31 March 2001, an increase of \$0.5 billion (6%) on the December quarter 2000 of \$7.4 billion. Short term securities accounted for 48% of total assets, with assets in short term securities allocated equally in bills of exchange and bank certificates of deposit.



## CASH MANAGEMENT TRUSTS

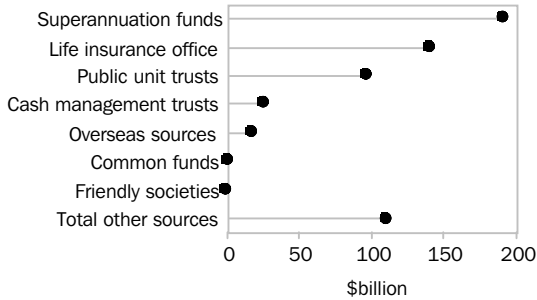
The total assets of cash management trusts was \$27.5 billion at 31 March 2001, an increase of \$0.7 billion (2%) on the December quarter 2000. The largest contributor to the increase was bank certificates of deposit which was up \$2.0 billion (28%) partly offset by a decrease in bills of exchange by \$1.2 billion (13%). Bank certificates of deposit accounted for 40% of short term securities, bills of exchange 35% and other short term securities 25%.



# MANAGED FUNDS — INVESTMENT MANAGERS

## SOURCE OF FUNDS UNDER MANAGEMENT

During March quarter 2001 there was an increase in total funds under management by investment managers of \$14.4 billion (2%), bringing the total sources of funds under management to \$601.1 billion. Funds sourced from public unit trusts increased by \$5.2 billion (6%), funds sourced from cash management trusts increased by \$1.2 billion (5%) and funds sourced from other trusts rose by \$4.3 billion (9%). The value of managed funds assets invested through investment managers was \$469.5 billion at 31 March 2001, representing 76% of the consolidated assets of managed funds.



## MANAGED FUNDS, Consolidated Assets

<i>Institution/asset</i>	<i>Jun Qtr 1997</i>	<i>Jun Qtr 1998</i>	<i>Jun Qtr 1999</i>	<i>Sep Qtr 1999</i>	<i>Dec Qtr 1999</i>	<i>Mar Qtr 2000</i>	<i>Jun Qtr 2000</i>	<i>Sep Qtr 2000</i>	<i>Dec Qtr 2000</i>	<i>Mar Qtr 2001</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Type of institution</b>										
Life insurance offices(a)	134 738	148 170	163 384	161 259	165 201	170 152	173 522	171 653	170 476	171 052
Superannuation funds	173 273	199 452	229 525	234 311	254 076	260 445	279 548	285 642	289 255	288 823
Public unit trusts	59 474	73 435	93 968	93 824	103 479	106 070	109 156	113 010	118 831	120 997
Friendly societies	7 238	6 769	6 415	6 135	5 989	5 910	5 895	5 697	5 564	5 576
Common funds	6 172	6 845	7 568	7 603	7 669	7 940	7 434	7 058	7 242	7 721
Cash management trusts	12 032	18 676	21 531	22 321	22 654	22 794	24 776	26 102	26 828	27 490
<b>Total</b>	<b>392 926</b>	<b>453 348</b>	<b>522 390</b>	<b>525 453</b>	<b>559 069</b>	<b>573 311</b>	<b>600 330</b>	<b>609 161</b>	<b>618 196</b>	<b>621 659</b>
<b>Type of asset</b>										
Cash and deposits(b)	28 562	35 421	36 825	35 939	37 035	36 519	39 188	39 338	39 131	41 092
Loans and placements	19 227	22 812	26 936	28 393	29 328	29 989	30 609	30 164	27 827	27 850
Short term securities(b)	47 004	54 089	67 034	59 817	58 544	58 350	63 158	61 860	62 671	60 871
Long term securities	59 246	66 039	70 625	74 562	72 384	72 052	72 187	68 859	69 301	68 154
Equities and units in trusts	117 994	130 837	152 199	154 852	171 598	177 983	194 105	204 871	214 077	213 264
Land and buildings	41 262	48 466	56 754	56 999	60 710	61 839	63 713	64 329	66 942	68 650
Assets overseas	62 446	78 632	91 867	97 131	111 719	118 325	116 356	121 602	118 317	121 141
Other assets	17 184	17 051	20 150	17 761	17 751	18 253	21 014	18 138	19 928	20 638
<b>Total</b>	<b>392 926</b>	<b>453 348</b>	<b>522 390</b>	<b>525 453</b>	<b>559 069</b>	<b>573 311</b>	<b>600 330</b>	<b>609 161</b>	<b>618 196</b>	<b>621 659</b>
(a) Figures include superannuation funds held in the statutory funds of life insurance offices.										
(b) Bank certificates of deposit held by public unit trusts are included in 'Cash and deposits' at banks.										

## LIFE INSURANCE OFFICES(a), Unconsolidated Assets

	Jun Qtr 1997	Jun Qtr 1998	Jun Qtr 1999	Sep Qtr 1999	Dec Qtr 1999	Mar Qtr 2000	Jun Qtr 2000	Sep Qtr 2000	Dec Qtr 2000	Mar Qtr 2001
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>145 494</b>	<b>159 550</b>	<b>176 378</b>	<b>175 264</b>	<b>182 341</b>	<b>186 898</b>	<b>191 599</b>	<b>193 622</b>	<b>194 111</b>	<b>194 102</b>
<b>Assets in Australia</b>	<b>125 033</b>	<b>132 534</b>	<b>147 893</b>	<b>146 587</b>	<b>150 549</b>	<b>152 974</b>	<b>158 773</b>	<b>160 992</b>	<b>164 573</b>	<b>163 522</b>
<i>Cash and deposits</i>	6 921	9 850	10 315	9 515	9 460	9 504	9 854	9 775	8 878	9 295
Banks	3 616	3 127	4 216	3 311	4 175	4 553	4 881	4 832	4 405	4 878
Other deposit taking institutions	3 304	6 722	6 099	6 203	5 284	4 951	4 973	4 944	4 474	4 417
<i>Loans and placements</i>	6 922	8 171	7 673	8 545	8 464	8 995	8 847	9 596	8 536	7 955
<i>Short term securities</i>	16 268	14 935	18 724	15 132	13 795	12 982	14 085	11 117	10 989	9 635
Bills of exchange	4 749	4 819	4 473	3 268	3 111	2 661	2 307	2 357	2 858	3 640
Bank certificates of deposit	4 987	4 425	7 537	6 082	4 612	4 889	5 409	3 971	3 216	2 728
Other short term securities	6 532	5 691	6 714	5 782	6 071	5 432	6 368	4 788	4 915	3 267
<i>Long term securities</i>	31 975	33 039	35 990	38 422	36 562	36 814	35 600	31 402	30 641	30 819
Commonwealth government bonds	12 594	12 131	11 781	11 621	10 299	9 522	8 953	7 928	8 694	8 161
State and local government securities	11 479	10 898	11 705	11 893	11 361	12 354	12 583	10 594	9 826	9 682
Other long term securities	7 901	10 011	12 504	14 909	14 901	14 938	14 064	12 880	12 121	12 976
<i>Equities and units in trusts</i>	50 691	54 005	61 684	62 533	71 193	72 573	76 845	86 597	93 239	92 167
Trading corporations shares	28 476	25 169	26 408	27 163	30 332	30 130	29 289	28 720	29 763	30 234
Financial sector shares	8 314	10 402	11 467	10 910	11 817	11 538	13 594	12 449	12 964	12 647
Units in trusts	13 900	18 434	23 809	24 460	29 044	30 905	33 962	45 427	50 512	49 286
<i>Other financial assets</i>	3 104	4 298	4 466	3 107	2 579	3 433	4 203	3 106	2 903	3 873
<i>Land and buildings</i>	7 185	7 520	8 159	8 446	7 839	7 966	8 637	8 803	8 779	9 232
<i>Other non-financial assets</i>	1 968	716	882	887	659	707	703	596	609	546
<b>Assets overseas</b>	<b>20 460</b>	<b>27 016</b>	<b>28 485</b>	<b>28 677</b>	<b>31 792</b>	<b>33 924</b>	<b>32 825</b>	<b>32 629</b>	<b>29 538</b>	<b>30 580</b>

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



## SUPERANNUATION FUNDS(a), Unconsolidated Assets

	Jun Qtr 1997	Jun Qtr 1998	Jun Qtr 1999	Sep Qtr 1999	Dec Qtr 1999	Mar Qtr 2000	Jun Qtr 2000	Sep Qtr 2000	Dec Qtr 2000	Mar Qtr 2001
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>203 763</b>	<b>235 978</b>	<b>267 526</b>	<b>274 927</b>	<b>297 238</b>	<b>306 341</b>	<b>326 542</b>	<b>336 497</b>	<b>341 652</b>	<b>342 481</b>
<b>Assets in Australia</b>	<b>170 866</b>	<b>194 945</b>	<b>217 513</b>	<b>219 139</b>	<b>232 256</b>	<b>238 966</b>	<b>260 239</b>	<b>267 242</b>	<b>272 358</b>	<b>271 482</b>
<i>Cash and deposits</i>	<i>16 884</i>	<i>22 191</i>	<i>23 279</i>	<i>23 480</i>	<i>23 771</i>	<i>24 029</i>	<i>24 951</i>	<i>26 074</i>	<i>26 851</i>	<i>28 102</i>
Banks	10 836	14 363	16 610	17 105	17 943	19 008	20 574	21 665	23 179	24 075
Other deposit taking institutions	6 047	7 828	6 669	6 376	5 828	5 021	4 376	4 409	3 671	4 027
<i>Loans and placements</i>	<i>7 828</i>	<i>9 186</i>	<i>12 345</i>	<i>13 116</i>	<i>13 627</i>	<i>13 917</i>	<i>14 756</i>	<i>14 629</i>	<i>13 986</i>	<i>14 246</i>
<i>Short term securities</i>	<i>12 048</i>	<i>13 092</i>	<i>19 609</i>	<i>15 723</i>	<i>16 139</i>	<i>16 044</i>	<i>19 008</i>	<i>19 256</i>	<i>19 256</i>	<i>18 212</i>
Bills of exchange	4 990	5 225	7 034	5 991	5 161	5 131	5 905	5 788	6 494	6 196
Bank certificates of deposit	5 543	6 156	8 274	6 568	7 224	7 345	8 820	8 990	8 784	8 559
Other short term securities	1 515	1 711	4 301	3 165	3 754	3 568	4 282	4 478	3 979	3 457
<i>Long term securities</i>	<i>22 978</i>	<i>27 239</i>	<i>27 325</i>	<i>28 207</i>	<i>27 891</i>	<i>27 390</i>	<i>28 963</i>	<i>29 875</i>	<i>30 675</i>	<i>29 217</i>
Commonwealth government bonds	13 423	15 076	14 000	13 363	13 090	13 605	14 314	14 061	14 542	13 748
State and local government securities	6 772	8 112	5 430	5 311	4 846	4 843	5 368	6 081	6 103	5 755
Other long term securities	2 784	4 051	7 895	9 534	9 955	8 943	9 281	9 732	10 031	9 713
<i>Equities and units in trusts</i>	<i>88 699</i>	<i>99 586</i>	<i>110 497</i>	<i>114 075</i>	<i>124 900</i>	<i>130 950</i>	<i>142 914</i>	<i>149 304</i>	<i>153 638</i>	<i>153 106</i>
Trading corporations shares	47 752	49 924	55 326	56 876	63 176	66 235	73 042	74 179	75 157	73 773
Financial sector shares	12 000	15 166	19 062	18 546	20 626	20 718	24 710	26 388	28 359	28 148
Units in trusts	28 947	34 496	36 109	38 654	41 098	43 997	45 163	48 738	50 122	51 185
<i>Other financial assets</i>	<i>7 790</i>	<i>8 484</i>	<i>10 082</i>	<i>10 176</i>	<i>10 481</i>	<i>10 611</i>	<i>11 786</i>	<i>10 256</i>	<i>9 731</i>	<i>9 504</i>
<i>Land and buildings</i>	<i>13 418</i>	<i>14 641</i>	<i>14 165</i>	<i>14 205</i>	<i>15 294</i>	<i>15 880</i>	<i>16 965</i>	<i>17 104</i>	<i>17 447</i>	<i>18 329</i>
<i>Other non-financial assets</i>	<i>1 220</i>	<i>526</i>	<i>212</i>	<i>157</i>	<i>154</i>	<i>144</i>	<i>896</i>	<i>742</i>	<i>774</i>	<i>766</i>
<b>Assets overseas</b>	<b>32 897</b>	<b>41 033</b>	<b>50 013</b>	<b>55 788</b>	<b>64 982</b>	<b>67 375</b>	<b>66 303</b>	<b>69 255</b>	<b>69 295</b>	<b>70 999</b>

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

## PUBLIC UNIT TRUSTS, Unconsolidated Assets

	<i>Jun Qtr 1997</i>	<i>Jun Qtr 1998</i>	<i>Jun Qtr 1999</i>	<i>Sep Qtr 1999</i>	<i>Dec Qtr 1999</i>	<i>Mar Qtr 2000</i>	<i>Jun Qtr 2000</i>	<i>Sep Qtr 2000</i>	<i>Dec Qtr 2000</i>	<i>Mar Qtr 2001</i>
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>66 449</b>	<b>83 064</b>	<b>107 114</b>	<b>106 660</b>	<b>116 873</b>	<b>119 960</b>	<b>123 181</b>	<b>129 489</b>	<b>136 831</b>	<b>138 894</b>
<b>Assets in Australia</b>	<b>57 405</b>	<b>72 580</b>	<b>93 847</b>	<b>94 096</b>	<b>102 041</b>	<b>103 054</b>	<b>106 056</b>	<b>109 853</b>	<b>117 439</b>	<b>119 432</b>
<i>Cash and deposits</i>	<i>3 997</i>	<i>4 463</i>	<i>5 094</i>	<i>5 225</i>	<i>5 456</i>	<i>4 928</i>	<i>6 061</i>	<i>5 312</i>	<i>5 479</i>	<i>6 054</i>
Banks(a)	2 194	2 380	2 739	2 840	3 132	2 637	3 675	2 932	2 957	3 497
Other deposit taking institutions	1 803	2 083	2 355	2 385	2 324	2 291	2 386	2 380	2 522	2 557
<i>Loans and placements</i>	<i>2 685</i>	<i>3 696</i>	<i>4 743</i>	<i>4 789</i>	<i>5 148</i>	<i>5 005</i>	<i>4 888</i>	<i>4 254</i>	<i>3 606</i>	<i>3 634</i>
<i>Short term securities</i>	<i>2 739</i>	<i>3 590</i>	<i>4 120</i>	<i>4 023</i>	<i>4 462</i>	<i>4 134</i>	<i>3 410</i>	<i>4 033</i>	<i>4 384</i>	<i>4 006</i>
Bills of exchange	2 303	2 956	3 264	3 153	3 553	3 196	2 492	3 087	3 505	3 205
Bank certificates of deposit(a)	—	—	—	—	—	—	—	—	—	—
Other short term securities	437	635	857	870	910	939	918	946	880	802
<i>Long term securities</i>	<i>1 824</i>	<i>2 639</i>	<i>3 137</i>	<i>3 206</i>	<i>3 013</i>	<i>3 062</i>	<i>3 141</i>	<i>2 944</i>	<i>3 210</i>	<i>3 064</i>
<i>Equities and units in trusts</i>	<i>22 512</i>	<i>28 638</i>	<i>37 481</i>	<i>38 672</i>	<i>42 122</i>	<i>44 016</i>	<i>46 447</i>	<i>50 617</i>	<i>53 151</i>	<i>54 664</i>
Equities	15 336	17 420	22 337	23 189	25 565	26 083	27 828	29 180	29 261	29 886
Units in trusts	7 176	11 218	15 144	15 483	16 557	17 933	18 619	21 437	23 890	24 778
<i>Other financial assets</i>	<i>2 300</i>	<i>2 046</i>	<i>2 901</i>	<i>1 747</i>	<i>2 082</i>	<i>1 813</i>	<i>1 828</i>	<i>1 746</i>	<i>2 003</i>	<i>2 311</i>
<i>Land and buildings</i>	<i>20 196</i>	<i>25 980</i>	<i>34 079</i>	<i>34 016</i>	<i>37 249</i>	<i>37 668</i>	<i>37 820</i>	<i>38 135</i>	<i>40 430</i>	<i>40 803</i>
<i>Other non-financial assets</i>	<i>1 152</i>	<i>1 528</i>	<i>2 292</i>	<i>2 418</i>	<i>2 509</i>	<i>2 428</i>	<i>2 461</i>	<i>2 812</i>	<i>5 176</i>	<i>4 896</i>
<b>Assets overseas</b>	<b>9 044</b>	<b>10 484</b>	<b>13 267</b>	<b>12 564</b>	<b>14 832</b>	<b>16 906</b>	<b>17 125</b>	<b>19 636</b>	<b>19 392</b>	<b>19 462</b>

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

## FRIENDLY SOCIETIES, Unconsolidated Assets

	<i>Jun Qtr 1997</i>	<i>Jun Qtr 1998</i>	<i>Jun Qtr 1999</i>	<i>Sep Qtr 1999</i>	<i>Dec Qtr 1999</i>	<i>Mar Qtr 2000</i>	<i>Jun Qtr 2000</i>	<i>Sep Qtr 2000</i>	<i>Dec Qtr 2000</i>	<i>Mar Qtr 2001</i>
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>7 262</b>	<b>6 807</b>	<b>6 500</b>	<b>6 220</b>	<b>6 236</b>	<b>6 222</b>	<b>6 163</b>	<b>6 028</b>	<b>5 965</b>	<b>5 990</b>
<b>Assets in Australia</b>	<b>7 217</b>	<b>6 752</b>	<b>6 433</b>	<b>6 153</b>	<b>6 163</b>	<b>6 143</b>	<b>6 083</b>	<b>5 947</b>	<b>5 874</b>	<b>5 892</b>
<i>Cash and deposits</i>	<i>1 611</i>	<i>1 463</i>	<i>858</i>	<i>506</i>	<i>391</i>	<i>449</i>	<i>523</i>	<i>393</i>	<i>346</i>	<i>330</i>
Banks	1 250	1 234	657	352	240	311	387	295	240	220
Other deposit taking institutions	361	229	201	154	151	138	136	98	106	110
<i>Loans and placements</i>	<i>369</i>	<i>343</i>	<i>366</i>	<i>328</i>	<i>373</i>	<i>370</i>	<i>409</i>	<i>345</i>	<i>349</i>	<i>342</i>
<i>Short term securities</i>	<i>3 216</i>	<i>2 680</i>	<i>2 698</i>	<i>2 893</i>	<i>2 664</i>	<i>2 517</i>	<i>2 525</i>	<i>2 479</i>	<i>2 250</i>	<i>2 392</i>
Bills of exchange	1 517	1 211	908	891	815	804	1 020	760	596	674
Bank certificates of deposit	1 495	1 082	1 442	1 593	1 564	1 423	1 218	1 396	1 314	1 371
Other short term securities	204	387	348	409	285	290	287	323	340	347
<i>Long term securities</i>	<i>1 233</i>	<i>1 522</i>	<i>1 631</i>	<i>1 609</i>	<i>1 685</i>	<i>1 721</i>	<i>1 618</i>	<i>1 607</i>	<i>1 744</i>	<i>1 607</i>
Commonwealth government bonds	228	308	280	220	248	259	254	233	217	186
State and local government securities	412	443	377	239	240	313	276	321	364	380
Other long term securities	593	771	974	1 150	1 197	1 149	1 088	1 053	1 163	1 041
<i>Equities and units in trusts</i>	<i>171</i>	<i>212</i>	<i>336</i>	<i>329</i>	<i>528</i>	<i>545</i>	<i>511</i>	<i>607</i>	<i>654</i>	<i>675</i>
Trading corporations shares	119	138	200	205	213	175	177	213	207	216
Financial sector shares	30	36	51	39	68	58	66	63	46	45
Units in trusts	22	38	85	85	247	312	268	331	401	414
<i>Other financial assets</i>	<i>83</i>	<i>129</i>	<i>152</i>	<i>122</i>	<i>140</i>	<i>155</i>	<i>175</i>	<i>181</i>	<i>195</i>	<i>211</i>
<i>Land and buildings</i>	<i>391</i>	<i>292</i>	<i>286</i>	<i>285</i>	<i>281</i>	<i>279</i>	<i>251</i>	<i>245</i>	<i>244</i>	<i>246</i>
<i>Other non-financial assets</i>	<i>143</i>	<i>111</i>	<i>106</i>	<i>81</i>	<i>101</i>	<i>107</i>	<i>71</i>	<i>90</i>	<i>92</i>	<i>89</i>
<b>Assets overseas</b>	<b>45</b>	<b>55</b>	<b>67</b>	<b>67</b>	<b>73</b>	<b>79</b>	<b>80</b>	<b>81</b>	<b>91</b>	<b>98</b>

## COMMON FUNDS, Unconsolidated Assets

	Jun Qtr 1997	Jun Qtr 1998	Jun Qtr 1999	Sep Qtr 1999	Dec Qtr 1999	Mar Qtr 2000	Jun Qtr 2000	Sep Qtr 2000	Dec Qtr 2000	Mar Qtr 2001
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>6 252</b>	<b>7 018</b>	<b>7 726</b>	<b>7 797</b>	<b>7 853</b>	<b>8 122</b>	<b>7 622</b>	<b>7 221</b>	<b>7 363</b>	<b>7 822</b>
<b>Assets in Australia</b>	<b>6 252</b>	<b>6 974</b>	<b>7 690</b>	<b>7 762</b>	<b>7 813</b>	<b>8 081</b>	<b>7 599</b>	<b>7 221</b>	<b>7 361</b>	<b>7 820</b>
<i>Cash and deposits</i>	751	885	849	800	825	719	852	594	555	746
Banks	586	594	543	483	541	421	564	389	384	583
Other deposit taking institutions	165	291	306	317	284	298	288	205	171	163
<i>Loans and placements</i>	1 413	1 406	1 803	1 873	1 898	1 992	2 018	1 742	1 849	1 775
<i>Short term securities</i>	2 798	3 238	3 328	3 392	3 313	3 600	3 003	3 237	3 365	3 715
Bills of exchange	2 051	2 321	2 105	2 325	2 006	2 073	1 465	1 978	1 744	1 763
Bank certificates of deposit	450	567	1 022	901	1 122	1 330	1 353	1 062	1 401	1 777
Other short term securities	297	350	201	166	185	197	185	197	220	175
<i>Long term securities</i>	634	789	924	916	918	903	865	873	845	845
Commonwealth government bonds	60	66	58	59	58	49	42	16	15	16
State and local government securities	297	344	363	353	363	371	377	334	332	315
Other long term securities	277	379	503	504	497	483	446	523	498	514
<i>Equities and units in trusts</i>	584	623	631	646	715	722	716	667	650	639
Trading corporations shares	318	204	214	204	232	239	213	214	228	170
Financial sector shares	227	319	335	327	370	375	387	341	344	409
Units in trusts	39	100	82	115	113	108	116	112	78	60
<i>Other financial assets</i>	—	—	60	60	60	60	71	66	55	60
<i>Land and buildings</i>	72	33	66	46	46	46	41	42	42	40
<i>Other non-financial assets</i>	—	—	29	29	38	39	33	—	—	—
<b>Assets overseas</b>	<b>—</b>	<b>44</b>	<b>36</b>	<b>35</b>	<b>40</b>	<b>41</b>	<b>23</b>	<b>—</b>	<b>2</b>	<b>2</b>

## CASH MANAGEMENT TRUSTS, Unconsolidated Assets

	Jun Qtr 1997	Jun Qtr 1998	Jun Qtr 1999	Sep Qtr 1999	Dec Qtr 1999	Mar Qtr 2000	Jun Qtr 2000	Sep Qtr 2000	Dec Qtr 2000	Mar Qtr 2001
Assets	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL ASSETS</b>	<b>12 032</b>	<b>18 676</b>	<b>21 531</b>	<b>22 321</b>	<b>22 654</b>	<b>22 794</b>	<b>24 776</b>	<b>26 102</b>	<b>26 828</b>	<b>27 490</b>
<b>Assets in Australia</b>	<b>12 032</b>	<b>18 676</b>	<b>21 531</b>	<b>22 321</b>	<b>22 654</b>	<b>22 794</b>	<b>24 776</b>	<b>26 102</b>	<b>26 828</b>	<b>27 490</b>
<i>Cash and deposits</i>	<i>1 430</i>	<i>1 230</i>	<i>1 190</i>	<i>1 304</i>	<i>1 973</i>	<i>1 506</i>	<i>1 564</i>	<i>2 075</i>	<i>2 131</i>	<i>1 911</i>
Banks	1 127	1 166	1 115	1 246	1 856	1 450	1 452	1 965	2 044	1 810
Other deposit taking institutions	304	64	75	58	116	56	112	110	87	101
<i>Loans and placements</i>	<i>12</i>	<i>24</i>	<i>16</i>	<i>20</i>	<i>15</i>	<i>8</i>	<i>1</i>	<i>42</i>	<i>—</i>	<i>1</i>
<i>Short term securities</i>	<i>9 935</i>	<i>16 554</i>	<i>18 555</i>	<i>18 653</i>	<i>18 172</i>	<i>19 073</i>	<i>21 127</i>	<i>21 738</i>	<i>22 427</i>	<i>22 911</i>
Bills of exchange	5 329	6 133	5 491	4 279	4 031	5 490	7 053	7 078	9 170	7 963
Bank certificates of deposit	3 356	7 872	9 404	10 171	9 888	7 950	9 087	9 686	7 212	9 235
Other short term securities	1 250	2 549	3 660	4 204	4 252	5 634	4 987	4 973	6 044	5 713
<i>Long term securities</i>	<i>602</i>	<i>811</i>	<i>1 618</i>	<i>2 202</i>	<i>2 315</i>	<i>2 162</i>	<i>2 000</i>	<i>2 158</i>	<i>2 186</i>	<i>2 602</i>
Commonwealth government bonds	—	—	—	—	—	—	—	—	—	—
State and local government securities	318	49	—	—	—	—	—	—	—	—
Other long term securities	285	762	1 618	2 202	2 315	2 162	2 000	2 158	2 186	2 602
<i>Equities and units in trusts</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Other financial assets</i>	<i>53</i>	<i>57</i>	<i>151</i>	<i>142</i>	<i>181</i>	<i>45</i>	<i>84</i>	<i>89</i>	<i>84</i>	<i>66</i>
<i>Land and buildings</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Other non-financial assets</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
<b>Assets overseas</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## INVESTMENT MANAGERS, Source of Funds

	<i>Jun Qtr 1997</i>	<i>Jun Qtr 1998</i>	<i>Jun Qtr 1999</i>	<i>Sep Qtr 1999</i>	<i>Dec Qtr 1999</i>	<i>Mar Qtr 2000</i>	<i>Jun Qtr 2000</i>	<i>Sep Qtr 2000</i>	<i>Dec Qtr 2000</i>	<i>Mar Qtr 2001</i>
<i>Source of funds</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>TOTAL SOURCE OF FUNDS</b>	<b>362 426</b>	<b>420 787</b>	<b>474 350</b>	<b>487 244</b>	<b>517 698</b>	<b>527 909</b>	<b>555 647</b>	<b>575 779</b>	<b>586 743</b>	<b>601 149</b>
<b><i>Funds from Australian sources</i></b>	<b>353 052</b>	<b>402 871</b>	<b>456 190</b>	<b>470 243</b>	<b>500 564</b>	<b>510 003</b>	<b>535 760</b>	<b>556 923</b>	<b>569 182</b>	<b>581 635</b>
<i>Managed funds</i>	306 449	350 461	388 661	395 309	418 506	422 661	444 760	458 892	461 845	469 490
Life insurance offices	117 015	128 312	130 706	131 627	137 377	136 615	142 226	143 402	141 197	142 924
Superannuation funds (a)	124 378	140 612	155 248	159 319	170 227	172 599	186 566	189 438	193 651	192 650
Public unit trusts	46 852	57 066	72 266	74 307	80 650	82 224	84 142	92 301	93 163	98 402
Friendly societies	5 640	5 649	5 133	4 749	4 410	4 615	4 285	4 239	3 639	3 411
Common funds	3 137	3 632	5 167	4 721	4 353	4 274	4 257	4 222	4 006	4 682
Cash management trusts	9 427	15 190	20 141	20 586	21 489	22 334	23 284	25 290	26 189	27 421
<i>Total other sources</i>	46 603	52 410	67 529	74 934	82 058	87 342	91 000	98 031	107 337	112 145
Government	5 710	6 879	9 232	8 542	8 787	9 243	8 978	9 181	9 747	10 688
Charities	1 159	1 293	950	845	870	839	886	893	889	931
Other trusts	7 126	9 738	20 793	25 357	28 644	30 464	32 804	38 694	45 374	49 679
General insurance	14 323	16 425	15 449	15 246	16 295	18 526	19 189	17 431	20 584	20 773
Other sources	18 285	18 075	21 105	24 944	27 462	28 270	29 143	31 832	30 743	30 074
<b><i>Funds from overseas sources</i></b>	<b>9 374</b>	<b>17 916</b>	<b>18 160</b>	<b>17 001</b>	<b>17 134</b>	<b>17 906</b>	<b>19 887</b>	<b>18 856</b>	<b>17 561</b>	<b>19 514</b>

## EXPLANATORY NOTES

### INTRODUCTION

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

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

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

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

### SCOPE AND COVERAGE

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

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

**6** Statistics in this publication relating to the Life Insurance Offices are derived from returns from 25 of the 51 registered life insurance offices operating in Australia, representing approximately 98% of the total assets of statutory funds. Data have been extrapolated to provide 100% coverage.

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

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

## EXPLANATORY NOTES

### SCOPE AND COVERAGE

*continued*

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

**9** The statistics for superannuation funds in Table 3 include estimates, provided by APRA, for superannuation funds not currently surveyed. Also, the treatment of accounts receivable from national government by a number of large public sector employee funds has been changed from the December 1998 quarter onwards to be consistent with the revised treatment of these claims in the ABS publication *Australian National Accounts: Financial Accounts* (Cat. no. 5232.0). This changed treatment is in accord with the recent adoption by national and state and local governments of accrual accounting principles and the implementation of System of National Accounts 1993 standards. These assets, valued at \$4,774 million for the December 1998 quarter, are included in the item 'Other financial assets' in Table 3. To ensure there is no break in statistical continuity, this data series, together with all data series to which it contributes, has been revised back to September 1990.

**10** The statistics on Public Unit Trusts do not include trusts which are exempted under Section 1069(3) of the *Corporations Act 1974* from providing redemption facilities (e.g. film and agriculture trusts); trusts which do not seek funds from the general public and small trusts are also excluded.

**11** The statistics on Friendly Societies are compiled from information obtained from the 34 largest friendly societies. This provides coverage of approximately 95% of the total assets of friendly societies. No estimate is included for the friendly societies not covered in the survey.

**12** Common Funds are operated by Trustee Companies under relevant State Trustee Companies Acts. At the end of December 1999 there were 17 trustee companies managing 85 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 29 cash management trusts included in the Survey of Financial Information.

### METHOD OF CONSOLIDATION

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

### BASIS OF VALUATION

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



# EXPLANATORY NOTES

ASSETS IN AUSTRALIA/OVERSEAS	<p><b>16</b> <i>Assets in Australia</i> include land and buildings located in Australia and financial claims on residents; <i>assets overseas</i> include land and buildings located overseas and financial claims on non-residents. A resident is any person, corporation or other entity ordinarily domiciled in Australia, except foreign embassies, consulates and foreign controlled military establishments located in Australia, which are classified as non-resident. Non-residents include any persons, corporations or other entities ordinarily domiciled overseas. Entities located in Australia which are owned by non-residents are classified as residents of Australia (e.g. a branch or subsidiary of an overseas company). Overseas branches or subsidiaries of Australian companies are classified as non-residents.</p>						
FINANCIAL INSTRUMENTS	<p><b>17</b> The classification of financial instruments in this publication follows that contained in the ABS publication <i>Australian National Accounts, Financial Accounts</i> (5232.0). Definitions of the various types of instrument are given in the glossary.</p>						
REVISIONS AND CHANGES TO CONTENT	<p><b>18</b> Revisions to previously published statistics are included in this publication. A special note on Page 2 of each publication highlights any major revisions to the statistics in certain tables.</p>						
RELATED PUBLICATIONS	<p><b>19</b> Users may also wish to refer to the following ABS publication of related data which is available on request:</p> <p><i>Australian National Accounts, Financial Accounts</i> (5232.0)—issued quarterly</p>						
SYMBOLS AND OTHER USAGES	<p><b>20</b> Discrepancies may occur between sums of the component items and totals due to rounding.</p> <table><tr><td>—</td><td>nil or rounded to zero</td></tr><tr><td>billion</td><td>one thousand million</td></tr><tr><td>n.p.</td><td>not available for publication but included in totals where applicable, unless otherwise indicated.</td></tr></table>	—	nil or rounded to zero	billion	one thousand million	n.p.	not available for publication but included in totals where applicable, unless otherwise indicated.
—	nil or rounded to zero						
billion	one thousand million						
n.p.	not available for publication but included in totals where applicable, unless otherwise indicated.						

## G L O S S A R Y

<b>Assets overseas</b>	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.
<b>Bank certificates of deposit</b>	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.
<b>Bills of exchange</b>	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.
<b>Cash and deposits</b>	<i>Cash</i> covers notes and coin on hand. <i>Deposits</i> are credit account balances with deposit-taking institutions as defined by the Reserve Bank. These are banks and cash management trusts and all corporations registered under the <i>Financial Corporations Act 1974</i> except for intra-group financiers and retailers. Bonds, debentures, notes and transferable certificates of deposit issued by deposit-taking institutions are classified as <i>long term assets</i> and negotiable certificates of deposit issued by banks as <i>bank certificates of deposit</i> .
<b>Cash management trusts</b>	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.
<b>Common funds</b>	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.
<b>Equities and units in trusts</b>	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.
<b>Friendly societies</b>	Friendly societies are organisations registered as such under the appropriate State legislation.

## G L O S S A R Y

<b>Investment managers</b>	<p>A considerable proportion of the assets of managed funds institutions in Australia (particularly the funds of life insurance offices and superannuation funds) is invested through <i>investment managers</i>.</p> <p>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.</p> <p>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.</p>
<b>Land and buildings</b>	<p>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.</p>
<b>Life Insurance Offices</b>	<p>Most of the investment funds of life insurance offices are held in Statutory Funds. Statutory Funds of Life Insurance Offices have been set up under Commonwealth Government legislation and are analogous to trust funds. The legislation requires that the assets of any statutory fund must be kept separate and distinct from the assets of other statutory funds and any other assets of the company. All income received must be paid into and become an asset of the appropriate statutory fund and these assets are only available to meet the liabilities and expenses of that fund.</p>
<b>Loans</b>	<p>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.</p>
<b>Long term securities</b>	<p>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 <i>fixed interest securities</i> in the professional market.</p>

## G L O S S A R Y

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

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

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

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

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

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

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

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

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

## G L O S S A R Y

**Public unit trusts** A public unit trust is defined as an arrangement, governed by a trust deed between a management company and a trustee, which is open to the public for the purchase of units in the trust. Unit trusts invest the pooled funds of unit holders to yield returns in the form of income and/or capital gain. Unit holders can dispose of their units within a relatively short period of time.

**Short term securities** Debt securities are divided into short term and long term using original term to maturity as the classificatory criterion. *Short term securities* are those with an original term to maturity of one year or less. Issuers of promissory notes and bills of exchange do negotiate rollover facilities which allow them to use these instruments as sources of floating-rate long term funds. However, in these statistics the existence of rollover facilities does not convert what are legally short term instruments into long term ones.

There are four types of short term securities shown in this publication: bills of exchange, promissory notes, Treasury notes and bank certificates of deposit. All of these are issued at a discount to face value and are traded on well-established secondary markets with bills of exchange and certificates of deposit being the most actively traded. Professional traders call these short term instruments *money market securities*. Treasury notes are inscribed stock in that ownership is recorded in a register maintained by the issuer and a non-transferable certificate of ownership is issued, but the owner does not physically hold the documents. The other short term securities are bearer securities, that is the owner is not registered with the issuer but physically holds the documents. Bearer securities are payable to the holder on maturity and transferable by delivery.

**Superannuation funds** Superannuation funds are indefinitely continuing funds maintained for the provision of benefits for either members of the fund, or the dependants of members in the event of retirement or death of the member.

The statistics include both public and private sector superannuation funds that either directly invest on their own behalf, or use fund managers on a fee for service basis, and approved deposit funds.

**Treasury notes** Treasury notes are inscribed instruments issued by the Commonwealth Government with original maturity terms of five, thirteen or twenty-six weeks. Treasury notes are included in these statistics as *other short term assets*.





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