

**CASH MANAGEMENT TRUSTS, AUSTRALIA
SEPTEMBER 1988**

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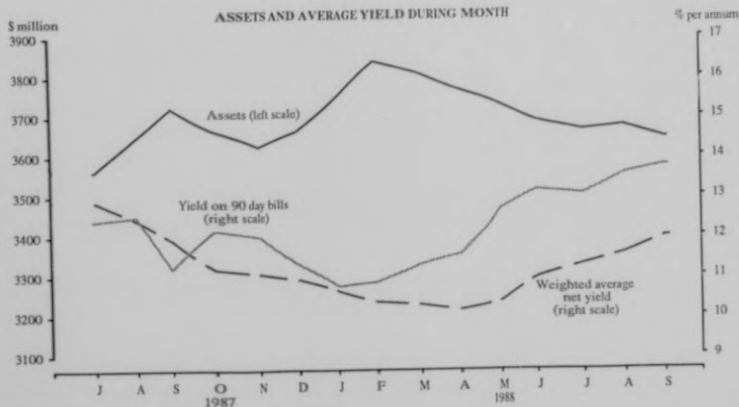
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MAIN FEATURES



The weighted average net yield on cash management trusts for the month of September 1988 was 11.97%, continuing the upward trend evident since May 1988. The 90 day bill rate has also increased in September 1988 to 13.75%.

Units in issue dropped slightly to total \$3,605.9 million at the end of September 1988. Total assets were \$3,644.3 million.

The weighted average term to maturity of assets increased during September 1988 by 9.3 days to 50.3 days.

EXPLANATORY NOTES

Introduction

This publication continues the series of monthly statistics for Australia on the financial operations, assets, units in issue, net yields and maturity profile of assets of cash management trusts. Information has been compiled from returns collected under the *Census and Statistics Act 1905*.

2. For the purposes of these statistics a cash management trust is defined as a unit trust which:

- (a) is governed by a trust deed;
- (b) is open to the public; and
- (c) generally confines its investments (as authorised by the trust deed) to financial securities available through the short-term money market.

Definition and descriptions of data items

3. *Units* are the interests offered for subscription or purchase.

4. *Units issued* are those issued to existing and new unit holders as a result of new applications and to existing unit holders when income is converted to units after the end of each distribution period. Excluded are units issued to managers and their related corporations.

5. *Units redeemed* refers to the redemption of units and includes any income paid to unit holders on redemption of units. Excluded are units redeemed by managers and their related corporations.

6. *Units in issue* as at the end of the period represents the total stock of units held by unit holders, and includes units in issue to managers and their related corporations. In principle, this figure may be obtained by adding units issued as a result of new applications and re-invested income for the current month to the previous month's total of units in issue, and subtracting any redemptions. However derived data will not equal data published for units in issue, because units issued as a result of new applications and re-invested income exclude units issued and redeemed by the manager, and units redeemed includes income paid out on redemptions.

7. *Gross investment income* is the accrued investment income of the trusts for the month, before deducting any expenses. Investment income is calculated by trusts on a daily basis and includes discounts on negotiable securities and interest receivable earned on that day, together with the realised appreciation or depreciation on any investments sold on that day.

8. *Fees and expenses* refers to the accrued value for the month of the managers' fees, trustees' fees, interest payable on borrowings and other expenses incurred in connection with the administration of the trusts. Trusts calculate their fees and expenses on a daily basis, generally in proportion to the number of units in issue.

9. *Borrowings* refers to the borrowings (including overdraft facilities) used to finance the purchase of investments and/or for the purpose of providing funds for

the redemption of units and the distribution of income to unit holders.

10. *Net yield to unit holders at end of period* is the net income accruing to unit holders for the last day of the month, expressed as a percentage per annum. The net yield for all trusts has been derived by weighting the net yield for each trust by the number of units in issue for that trust on the last day of the month.

11. *Net yield to unit holders for the period* represents the average of the net yields to unit holders for each day of the month. The net yield to unit holders for the month for all trusts has been derived by weighting the average net yield to unit holders for the month for each trust by the average number of units in issue for the month.

12. *Yield on 90-day bank bills* represents the average of daily market yields reported to the Reserve bank for the week ended last Wednesday of the month. This yield gives an indication of competing market rates.

13. *Banks*, as referred to in the asset classification (Table 3), are banks within the meaning of the *Banking Act 1959* or banks constituted by State acts.

14. *FCA Corporations* refers to corporations which are registered under the *Financial Corporations Act 1974*.

15. *Other Commonwealth government securities* are all securities issued by the Commonwealth government, other than Treasury notes. It excludes securities issued by Commonwealth public authorities.

16. *Term to maturity of assets* refers to:

- (a) the period of notice for withdrawal where securities can be redeemed without incurring an income penalty; or
- (b) the remaining term to maturity where a maturity date is specified.

17. *The average period for term to maturity* represents the weighted average of the terms to maturity of all trust assets.

Asset valuation

18. The value of total assets presented in Table 3 has been compiled on a 'cost plus accrued income' basis. Where trusts supply individual categories of assets on a cost of investment basis, the accrued investment income which is not yet received is supplied as a separate item.

Other publications

19. Readers may also wish to refer to the following publication which is available on request:

Public Unit Trusts, Australia (\$645.00)—issued quarterly.

20. Current publications produced by the ABS are listed in the *Catalogue of Publications, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

Symbols used

- nil, or rounded to zero
- r figures revised since previous issue

21. Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

Electronic services

VIATEL. Key *656# for selected current economic, social and demographic statistics.

AUSSTATS. Thousands of up-to-date time series are available on this ABS on-line service through CSIRONET.

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IAN CASTLES
Australian Statistician

TABLE 1. UNITS IN ISSUE, FINANCIAL OPERATIONS AND NET YIELDS

Financial operations during the period											
Number of trusts	Units in issue at end of period	Units					Borrowings at end of period	Weighted average net yield		Yield on 90-day bank bill(b)	
		Issued as a result of—			Gross investment income	Fees and expenses		At end of period	Average for the period		
		New applications	Re-invested income	Redeemed (a)							
—\$ million—											—% per annum—
1987—											
July	19	3,499.3	936.7	36.3	706.7	42.7	3.3	0.5	12.67	12.88	12.40
August	19	3,574.5	741.9	42.3	687.0	40.0	3.8	1.9	12.35	12.42	12.50
September	19	3,622.1	912.8	—	892.5	39.0	4.1	0.3	11.56	11.91	11.20
October	19	3,637.9	1,032.6	36.5	1,076.0	39.9	4.0	—	11.10	11.18	12.15
November	19	3,570.6	686.3	41.6	765.9	36.2	3.8	3.2	11.03	11.07	12.00
December	19	3,582.9	652.3	0.2	643.3	36.7	4.2	7.4	10.98	10.92	11.30
1988—											
January	19	3,718.4	485.0	33.1	408.1	36.4	3.8	3.4	10.10	10.63	10.75
February	19	3,803.0	603.2	41.0	546.7	34.6	3.8	—	10.27	10.35	10.85
March	19	3,758.5	686.2	5.7	740.6	37.4	6.1	—	10.34	10.28	11.30
April	18	3,742.8	500.2	24.2	558.5	34.7	3.8	0.3	10.14	10.15	11.55
May	18	3,691.6	700.9	45.0	795.7	36.7	4.1	—	10.54	10.37	12.70
June	18	3,625.5	683.2	6.3	747.5	36.7	4.2	—	11.17	10.96	13.15
July	18	3,636.5	607.6	22.5	632.5	37.8	3.6	0.3	11.38	11.29	13.05
August	18	3,640.0	660.6	41.4	677.4	39.5	3.7	0.3	11.63	11.56	13.55
September	18	3,605.9	612.1	6.4	647.5	39.5	3.8	—	12.17	11.97	13.75

(a) Includes income paid out on the redemption of units. (b) Rates are an average of daily market yields reported to the Reserve Bank for the week ended last Wednesday of the month. Source: Reserve Bank of Australia Bulletin.

TABLE 2. ASSETS CLASSIFIED BY TERM TO MATURITY

At end of month	Term to maturity of assets						Total assets	Weighted average period
	At call and up to 24 hours	Over 24 hours and up to 7 days	Over 7 days and up to 30 days	Over 30 days and up to 90 days	Over 90 days and up to 180 days	Over 180 days		
	—\$ million—							
1987—								days
July	173.4	189.9	479.0	2,168.2	552.3	0.6	3,563.4	54.5
August	209.9	378.9	1,161.8	1,204.2	691.7	1.5	3,648.0	46.8
September	203.4	204.1	636.5	2,061.7	593.3	23.6	3,722.6	58.9
October	208.7	226.8	609.5	1,904.5	711.0	5.9	3,666.5	57.6
November	237.4	363.9	1,192.4	1,106.1	717.8	9.2	3,626.6	46.7
December	232.2	228.1	648.6	2,005.2	536.6	14.3	3,665.0	53.0
1988—								
January	303.7	281.7	823.4	1,733.4	566.7	42.2	3,751.1	53.2
February	426.3	338.6	1,171.4	1,273.8	431.7	197.0	3,838.9	45.0
March	286.2	339.9	660.3	1,749.7	714.9	57.6	3,808.6	67.4
April	464.8	206.1	896.5	1,558.8	431.1	210.7	3,768.1	58.3
May	410.2	367.9	932.7	1,177.4	622.1	218.9	3,729.2	50.4
June	256.1	294.6	657.1	1,747.7	463.4	270.5	3,689.5	53.9
July	202.3	208.8	704.6	2,101.2	305.0	143.7	3,665.6	51.5
August	355.7	628.9	1,031.5	1,143.8	338.8	176.0	3,674.7	41.0
September	369.6	514.6	579.2	1,657.8	321.2	201.9	3,644.3	50.3

TABLE 3. ASSETS

(\$ million)

		Deposits and loans with authorised money market dealers	Bills of exchange purchased and held										Other government and public authority securities							
			Other deposits and loans with		Bank accepted/endorsed						Promissory notes purchased and held				Other Commonwealth government securities			Investment income accrued	Other assets	Total assets
					Public authorities	FCA Corporations	Other	Other bills			Public authorities	FCA Corporations	Other	Treasury notes	Other					
								Accepted by FCA Corporations	Public authorities	FCA Corporations						Other				
At end of month	Cash and deposits with banks																			
1987—																				
July	268.6	5.1	336.8	175.1	83.3	550.7	1,458.4	—	208.1	38.2	161.7	192.5	7.0	42.8	1.8	10.4	22.8	—	3,563.4	
August	149.7	7.9	225.5	265.6	6.5	548.2	1,689.0	10.7	148.0	52.2	204.0	222.1	52.1	27.4	1.8	10.4	26.8	—	3,648.0	
September	260.0	7.8	347.0	158.2	6.5	612.0	1,646.2	10.7	162.1	15.8	179.6	213.8	47.6	19.7	2.2	10.9	22.5	—	3,722.6	
October	272.9	7.1	374.9	163.1	6.5	610.0	1,557.7	10.7	166.2	70.5	176.3	175.7	22.7	13.3	6.2	10.9	21.8	—	3,666.5	
November	221.7	4.3	359.5	154.5	16.3	689.9	1,560.6	14.4	176.4	16.0	162.0	148.7	58.1	4.0	2.2	12.9	25.0	—	3,626.6	
December	204.4	4.1	345.6	128.3	28.7	705.8	1,579.0	—	152.8	11.0	259.8	185.2	18.7	4.0	2.2	16.0	19.4	—	3,665.0	
1988—																				
January	133.3	6.0	395.3	132.4	32.7	656.7	1,705.7	—	181.1	14.9	192.5	227.1	13.9	4.0	7.3	25.1	22.8	—	3,751.1	
February	230.4	12.9	417.9	117.4	6.5	605.5	1,619.9	21.2	209.8	45.3	217.9	253.4	23.6	4.2	12.9	14.1	25.8	—	3,838.9	
March	263.2	39.8	334.0	162.8	15.6	691.7	1,564.9	16.4	161.5	6.5	210.3	225.7	34.3	27.8	19.1	18.2	16.8	—	3,808.6	
April	371.4	20.3	422.1	169.1	10.8	657.8	1,436.7	—	156.1	14.9	181.4	196.6	60.4	15.6	25.2	11.2	18.5	—	3,768.1	
May	290.9	29.6	406.3	148.1	6.0	696.0	1,547.4	—	150.8	28.1	140.7	121.8	94.4	10.3	13.4	24.0	21.3	—	3,729.2	
June	313.3	11.6	305.0	153.5	6.0	774.4	1,593.6	—	79.5	30.4	138.6	161.7	58.6	10.4	8.2	24.5	20.3	—	3,689.5	
July	278.5	22.2	314.1	146.6	19.9	801.3	1,574.6	—	81.2	29.9	143.6	169.9	19.9	10.4	8.2	24.4	20.9	—	3,665.6	
August	307.0	6.8	390.1	158.1	6.0	821.9	1,496.5	—	76.8	40.6	77.9	201.9	15.5	10.5	8.2	29.0	27.9	—	3,674.7	
September	451.2	6.3	367.2	142.8	97.0	746.0	1,233.0	—	144.3	20.3	112.4	242.5	19.8	9.2	5.1	27.5	19.7	—	3,644.3	

