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CASH MANAGEMENT TRUSTS, AUSTRALIA
FEBRUARY, 1984

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MAIN FEATURES

The total value of units in issue in cash management trusts (CMTs) stood at $1,656 million at the end of February 1984, a decline of 4.6 per cent on the January 1984 figure. The major contributor to this movement comprise new applications for units of $232 million (an increase of $23 million over the previous month) which together with re-invested income of $13.2 million, was insufficient to offset the value of units redeemed, $232 million. The February results continue the largely downward trend from July 1983 which reflect the easing of short term money market rates. However, the CMT average net yields for February showed the first increase since June 1983, with the average net yield at the end of the period being 10.00 per cent (an increase of 0.33% over the previous month) and the net yield for the month being 9.82 per cent (an increase of 0.06% over the previous month).

Total assets for February declined by $94 million to $1,690 million. Significant changes in CMT assets structure occurred with reductions in deposits and loans with other institutions, bills with other institutions, promissory notes with other institutions, and Treasury notes. These were partly offset by increases in cash and deposits with banks, and bank accepted bills. The largest asset item fall ($137 million) was in deposits and loans with other institutions. The largest asset item rise ($82 million) resulted from increased purchases of bank accepted/endorsed bills by several CMTs.

The weighted average term to maturity declined to 60 days, which continues the recent downward trend from a peak average of 72 days in October 1983. The maturity profile of assets for CMTs indicates significant drops in 30 to 90 day securities ($162 million) and 180 day to 1 year securities ($45 million). This is partly offset by increases in 24 hour to 7 day securities ($65 million) and 90 to 180 day securities ($37 million).

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.

Definitions 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. This figure may, in principle, 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. While this publication includes the item 'borrowings' for the first time, the ABS has collected this item since the introduction of the survey in July 1983.

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. *Banks*, as referred to in the asset classification (Table 2), are banks within the meaning of the *Banking Act* 1959 or banks constituted by State Acts.

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

14. *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.

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

Asset valuation

16. The value of total assets presented in Table 2 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

17. 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 *Publication 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.
n.a. not available.
r figures revised since previous issue

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

R. J. CAMERON
Australian Statistician

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

	Number of trusts	Units in issue at end of period	Financial operations during the period — Units — Issued as a result of— New applications	Re-invested income	Redeemed (a)	Gross investment income	Fees and expenses	Borrowings at end of period	Weighted average net yield — At end of period	Average for the period
		—$ million—							% per annum	
1983—										
January	16	2,189.8	341.4	12.9	327.9	25.7	2.0	—	12.45	12.79
February	16	2,202.0	309.0	21.6	333.0	22.8	1.9	—	12.66	12.35
March	16	2,163.0	451.6	0.5	494.3	27.5	2.1	—	13.48	13.34
April	16	2,203.0	373.5	9.8	344.5	25.1	2.0	—	13.37	13.51
May	16	2,297.2	475.8	20.6	404.3	26.4	2.2	—	12.84	12.99
June	16	2,152.6	353.9	0.5	505.7	25.7	2.1	—	13.04	12.73
July	16	2,247.1	437.9	11.1	340.6	25.7	2.1	—	12.19	12.54
August	16	2,214.4	341.2	20.4	394.5	25.2	2.2	—	11.80	11.90
September	16	2,121.1	292.4	0.4	386.2	23.4	2.1	—	11.40	11.53
October	15	2,001.9	241.8	11.8	376.6	21.2	1.9	—	10.89	11.10
November	15	1,867.6	r236.4	16.7	397.8	19.1	1.8	4.3	10.67	10.70
December	16	1,801.6	326.1	—	393.9	17.6	1.9	0.3	9.82	10.14
1984—										
January	16	1,735.3	209.1	9.2	278.2	16.8	2.7	0.1	9.67	9.76
February	16	1,656.2	232.0	13.2	322.7	14.7	1.5	3.1	10.00	9.82

(a) Includes income paid out on the redemption of units.

TABLE 2. ASSETS
($ million)

At end of month	Cash and deposits with banks	Deposits and loans with authorised money market dealers	Other deposits and loans	Bills of exchange purchased and held— Bank accepted/endorsed	Other bills: Public authorities	Other bills: Other	Promissory notes purchased and held— Public authorities	Other	Other government and public authority securities: Treasury notes	Other Commonwealth government securities	Others	Investment income accrued	Other assets	Total assets
1983—														
January	503.5	94.5	581.6	558.9	3.4	115.2	95.6	188.6	36.4	44.9	4.9	15.4	—	2,242.9
February	488.1	99.4	538.1	699.6	2.8	144.3	40.9	160.0	14.1	29.5	5.0	14.8	—	2,236.5
March	568.8	82.9	534.2	690.0	1.4	141.8	57.5	113.6	3.0	11.5	5.3	11.7	—	2,221.7
April	474.1	89.6	553.0	728.4	2.7	183.7	59.7	138.9	2.4	4.3	3.4	14.7	—	2,254.8
May	386.6	80.5	573.9	865.8	4.3	200.7	60.5	135.7	0.5	6.6	4.6	18.3	1.2	2,339.1
June	340.5	62.4	553.2	850.0	3.4	185.4	50.8	133.4	—	7.2	5.3	21.0	1.2	2,213.8
July	306.9	83.7	615.9	859.6	4.1	160.8	39.6	188.2	—	13.7	4.2	21.6	1.2	2,299.5
August	178.4	67.9	743.4	840.4	7.1	145.4	28.8	179.9	5.5	23.5	4.9	22.2	1.2	2,248.7
September	63.3	80.5	737.0	806.2	1.0	171.2	r20.2	201.4	5.8	42.6	r17.7	20.6	2.7	2,170.2
October	141.2	74.3	638.7	724.3	12.1	139.5	r24.2	184.6	9.0	65.3	r2.0	18.5	2.9	2,036.6
November	129.9	64.5	579.2	701.6	6.5	133.9	17.1	165.2	11.9	66.9	0.2	18.4	3.0	1,898.2
December	119.3	59.4	498.4	779.7	—	142.7	27.2	182.6	8.5	12.4	2.1	15.4	3.1	1,850.8
1984-														
January	98.2	42.0	527.0	691.5	—	149.9	45.1	180.2	10.9	22.7	0.2	13.3	3.1	1,784.0
February	124.6	32.1	389.7	773.3	—	120.0	42.1	167.8	0.1	20.2	4.2	12.7	3.2	1,690.1

TABLE 3. ASSETS CLASSIFIED BY TERM TO MATURITY

At end of month	Term to maturity of assets: 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 and up to 1 year	Total assets	Weighted average period
	—$ million—							days
1983—								
January	248.4	153.4	449.0	985.6	353.6	52.8	2,242.9	54.0
February	221.3	209.8	763.6	533.2	456.5	52.1	2,236.5	49.1
March	136.5	212.7	672.4	680.0	475.7	44.4	2,221.7	55.2
April	153.8	131.5	350.1	1,001.5	561.7	56.2	2,254.8	62.0
May	200.0	205.8	554.8	583.2	730.9	64.3	2,339.1	62.2
June	129.0	164.2	393.0	861.5	637.7	28.4	2,213.8	65.7
July	218.5	118.0	439.1	926.1	563.5	34.3	2,299.5	60.7
August	318.2	174.3	396.3	744.1	565.3	50.5	2,248.7	59.3
September	208.4	84.8	429.7	838.9	515.6	92.9	2,170.2	70.1
October	160.8	81.4	386.1	787.8	537.0	83.5	2,036.6	72.4
November	128.9	86.3	398.7	731.8	439.2	113.4	1,898.2	70.3
December	122.9	51.1	399.4	835.1	361.9	80.4	1,850.8	66.9
1984—								
January	131.5	66.1	396.0	706.5	381.6	102.3	1,784.0	63.8
February	129.8	131.0	408.9	544.3	418.4	57.7	1,690.1	60.3

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