



**ASIC**

Australian Securities & Investments Commission

## INFORMATION SHEET 142

### Estimated frozen funds under management

The term ‘frozen fund’ refers to a registered managed investment scheme, which was originally marketed on the basis that investors had an ongoing or periodic right to redeem their investments on request, but which has since suspended that right. This information sheet provides an update of the estimated frozen funds under management (FUM) in these schemes.

If you are an investor in a fund that has been frozen, our information sheet *Information for investors in frozen funds* (INFO 111) provides details on your rights and how you can get your money back, the duties that responsible entities have to investors, and our role.

### Current frozen fund estimates

Based on the most recent data available to ASIC (at November 2011), we estimate that FUM that are considered frozen have declined to \$15.26 billion from a high of \$25.36 billion in November 2009: see Table 1.

**Table 1: Estimated frozen funds under management (FUM)**

Type of fund	November 2011				November 2009		November 2008	
	Total no. of schemes	Total frozen FUM (\$b)	Breakdown of total frozen FUM		Total no. of schemes	Total frozen FUM (\$b)	Total no. of schemes	Total frozen FUM (\$b)
			Restructured or being wound up (\$b)	Remaining FUM (\$b)				
Mortgage funds	63	\$9.2	\$4.7	\$4.5	63	\$14.8	63	\$16.8
Property funds	13	\$3.3	\$0.2	\$3.1	13	\$4.9	11	\$3.7
Cash-enhanced funds	10	\$2.7	\$1.1	\$1.6	10	\$5.6	6	\$2.0
Hedge funds	1	\$0.06	–	\$0.06	1	\$0.06	1	\$0.06
<b>Total</b>	<b>87</b>	<b>\$15.26</b>	<b>\$6.0</b>	<b>\$9.26</b>	<b>87</b>	<b>\$25.36</b>	<b>81</b>	<b>\$22.56</b>

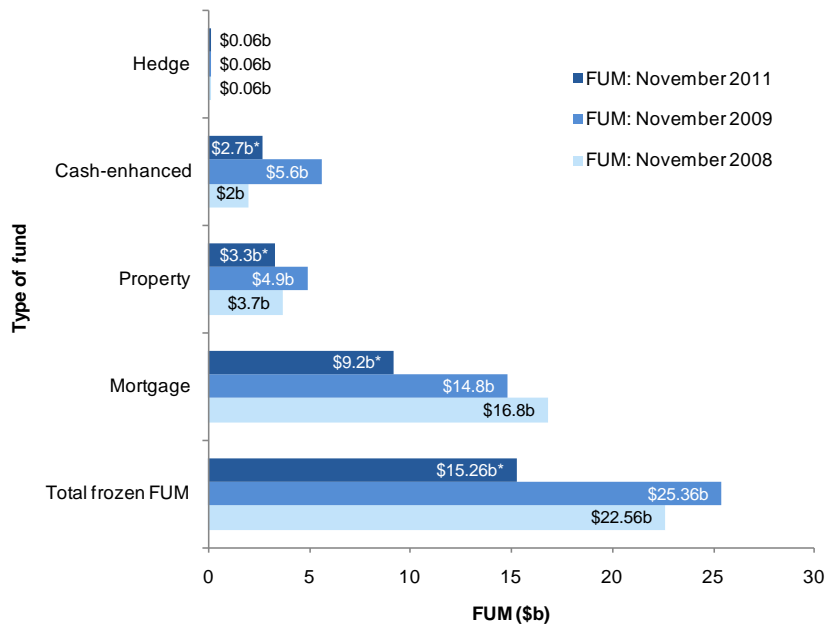
Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Since November 2009, frozen FUM have declined through periodic withdrawal offers, as well as \$127 million of hardship redemptions and asset write-downs. Of the current total frozen FUM of \$15.26 billion, funds worth \$6.0 billion have been restructured with member approval or are winding up their schemes.

We, therefore, estimate that \$9.26 billion<sup>1</sup> remains frozen and inactive in 34 mortgage funds, 11 property funds, 5 cash-enhanced funds and 1 hedge fund.

Figure 1 summarises estimated frozen FUM from November 2008 to November 2011.

**Figure 1: Estimated FUM: November 2008–November 2011**



\* Note: As at November 2011, funds with \$1.1b FUM in cash-enhanced funds (6 schemes), \$0.2b in property funds (1 scheme) and \$4.7b in mortgage funds (29 schemes) have restructured or are winding up their schemes (which represents \$6.0b of the total frozen FUM at November 2011).

## Where can I get more information?

- Go to [www.asic.gov.au](http://www.asic.gov.au).
- Phone ASIC on 1300 300 630.

## Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice. You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases your particular circumstances must be taken into account when determining how the law applies to you.

<sup>1</sup> This number is derived by removing schemes that have been restructured through members' approval, are in the process of winding up, or have advised ASIC of their intention to wind up (approximately \$165 million).