INDEX

THE INVESTMENT OF TRUST FUNDS

"Annuity" Trust
differentiated from "fixed-income" trust, 373.
See "Fixed-Income" Trust.

Bank Examinations
of trust departments, before 1933, 462; reasons for extension of, 462-463; analysis of trust department organization and routine in, 464-465; check in, of non-legal investments, 465-466, of stock holdings in trustee institution, 467; flexibility of program of, 468-469.

Bonds
In portfolios of national banks, 345, of Massachusetts trust companies, 345, of 100 largest trust institutions, 345, of 196 selected trusts, 346-347; shortage of suitable, for trust investment, 352.

Common Trust Funds

Co-Trustees
model clauses governing investment powers of, 384-385; power of, to invest in common trust funds, 432-433, 449; liability of, for investment losses of common trust funds, 433.

Diversification
need for, in purchase of common stocks, 365; required by Ind. statute, 429; required for common trust funds, 445; check of, by bank examiners, 467-468.

Edwards, George W.
study of legal list standards by, described, 390-392.

Exculpatory Clauses
in model trust investment provisions, 379, 382; tendency of courts to ignore, 470.

Farm Credit Agencies
laws authorizing investment in issues of, 405.

Federal Home Loan Banks
laws authorizing investments in issues of, 401.

Federal Housing Adm'N
laws authorizing investment in mortgages insured by, 403-406.

Federal Reserve Board
regulations of, regarding common trust funds, see Common Trust Funds.

Federal Savings & Loan System
laws authorizing investment in shares, etc., of members of, 402-403.

"Fixed-Income" Trust
basic similarity of, to "annuity" and "modernized" trusts, 368; differentiated from customary type of trust, 369; advantage of, in relieving trustee of need to maintain high yields, 369-371, in reducing administrative costs, 372, in effecting tax savings, 372-373; superiority of, to "invasion of principal" clauses, 371-372; problem of accumulations under, 372; differentiated from "annuity" and "modernized" trusts, 373-375; need for consideration of, in planning estates, 376.

Government Obligations
changes in legal lists affecting, of U. S., 400-401, and agencies, 401-406, of foreign nations, 406-407, of states, 407-408.

Harvard College v. Amory, 381.

Home Owners' Loan Corp.
laws authorizing investment in issues of, 401-402.

Industreal Corporate Securities

Inflation
transitory nature of value and monetary instability in relation to, 355-361; difficulties of escape from, by purchase of other currencies, 361, commodities, 361-362, land, 362, common stocks, 352-353, 362-363; trustee's duty to hedge against, questioned, 363-365; relating beneficiary's income to commodity index as protection against, 366-374; power to invade principal in time of, 366, 371-372; purchase of homes and businesses as protection against, 366; risk of, insufficient to justify departure from conservatism, 367.

Insurance
see Surcharge Liability Insurance.

Investments, Trust
problems of, compared to non-trust investments, 343; types of, by national banks, 344-345; tendency to select sounder securities for, 347-348; criticism of, based on study of 196 trusts, 348-349; effect
of lowered yields on, 350-352; current interest in common stocks as, 352-353; as affected by problem of inflation, 361-367; problems of, diminished under "fixed-income" and similar types of trust, 369-371; model clause authorizing, in property acquired from the general estate, 379-380; model clauses governing, 380-382. See Common Trust Funds, Legal Lists, and entries for various types of securitites.

LISRS, and entries for various types of securitites.

The Investment of Trust Funds—Index

Purchasing Power Preservation
as duty of trustee, questioned, 365-366; possibilities for, under "modernized" type of trust, 375.

Public Utility Securities

Railroad Securities

Reconstruction Finance Corp.
law authorizing investment in issues of, 405.

Retention of Securities
model clause authorizing, received from settlers' estate, 378-379; statutory authorization of, 428-429.

Self-Dealing

Stocks
in portfolios of national banks, 345, of Massachusetts trust companies, 345, of 100 largest trust institutions, 345, of 106 selected trusts, 346-347; current interest in, for trust investment, 352-353; difficulties in, as hedge against inflation, 362; of trustee institution checked by bank examiners, 467.

Successor Trustees
model clauses governing investment powers of, 383-384.

 Suffrage Liability Insurance
reasons why needed, 470-471; lack of companies authorized to write, 471-472; scope of proposed contracts for, 472-474; institutions eligible for, 474; effect of, on trustees' practices, 474-475; reactions of public to, 475; not contrary to public policy, 475.

Taxation
of income under "fixed-income" and similar types of trusts, 372-373; exemption of common trust funds from, as corporations, 430, 439-440; effect of error in good faith on, 452.

Trust Institutions
lack of adequate data regarding, 339-340; number of, 340; capital of, 340; effect of lowered yields on income of, 350-351; potential control of enterprise by, 353-354; good investment record of, 354; organization and routine of, checked by bank examiners, 464-465; insurance protection of, against surcharge liability, 470-475.

Trusts
lack of adequate data regarding, 339-340; number of, 341; volume of property in, 341-343; concentration of, in large centers, 342.