

appointed for consultation on business matters, another may be concerned with the maintenance and education of the children, and so on without limitation as to number, according to the various problems likely to arise in each case.

5. *Facilities in Public Trustee's Administration.*—As he is a State official, and as such is called upon to undertake the administration of all classes of estates, a number of special powers have been conferred upon the Public Trustee which enable him to perform expeditiously and inexpensively the services which he renders to the public. So that the rights of beneficiaries may not be jeopardized in any way by the exercise of these special powers, it is expressly provided that a beneficiary who considers himself aggrieved or feels that he has any reason for dissatisfaction with any action of the Public Trustee may, by a simple procedure laid down, apply to the Supreme Court of New Zealand for its decision as to the course of administration to be followed.

INVESTMENT OF ESTATE FUNDS—COMMON FUND.

6. A matter of supreme importance in the administration of estates is the investment of trust funds. In this aspect of trustee work the advantages afforded by the Office system of investment to the estate under administration are most pronounced.

7. A wide and extensive guarantee of security of investment is provided by what is known as the "Common Fund" system. Under this system, investments are not set aside for any particular estate, but the moneys belonging to estates fall into one common fund from which the individual investments are made, and the rate of interest payable on the various funds included in the general funds is fixed by the Governor-General in Council and is determined by the prevailing economic and financial conditions. Capital and interest are guaranteed by the State, and are so afforded the most complete security. Testators have therefore the sure and certain knowledge when they appoint the Public Trustee to act in a fiduciary capacity, and direct investment in the Common Fund, that the money they leave at their death will be absolutely secure for the benefit of their dependants and beneficiaries. The chief considerations of most testators and settlors are the security of their capital and a regular income to their dependants—the Common Fund system infallibly meets both these essentials.

8. Clients interested in estates under administration by the Public Trustee the funds of which are invested in the Common Fund are freed entirely from the worry so frequently attendant on other forms of investment. They are not concerned with the individual investments made from the Common Fund, and any losses made by the Public Trustee must be borne by him and not by the estate. They have thus no cause for concern about the safety of their investments; slumps in value and periods of depression do not endanger the interest or depreciate the capital, nor has even such an extensive local disaster as the Hawke's Bay earthquake, which resulted in substantial losses in respect of trustee securities, affected the individual sums of money which make up the Common Fund.

During recent years substantial difficulties have been experienced in this country, as in other lands, in the management of mortgage securities, but in the case of estates whose funds are invested in the Common Fund of the Public Trust Office the persons interested in the estates are freed from the anxieties associated with the general control of mortgage investments or the handling of individual securities.

9. Once money becomes part of the Common Fund, interest accrues immediately and continues until the funds are withdrawn. There is no break, with loss of interest, such as occurs when old investments are repaid and new ones have to be found. The Common Fund offers a continuing investment, and interest is allowed on the daily balance. This interest can be made payable at any time—weekly, monthly, quarterly, or half-yearly—as may be desired, whereas interest from special investments is usually payable quarterly or half-yearly, and is available only after it has been paid by the borrower. Investment in the Common Fund ensures payment to the beneficiaries at an appointed date, whether interest on the individual investments is paid or is in arrear.