

pand their efforts to attract additional trust business and, as we have indicated above, the growing use of tax-exempt bond funds will enable trust departments to invest efficiently trust funds of the size which cannot be handled economically as separate accounts. The investment of accounts in whole or in part in a tax-exempt bond fund will depend, of course, upon the factors set forth in the section above on portfolio considerations.

We have made no projection for the amount of securities issued by nonprofit organizations which personal trusts may be expected to hold because we have no data on which to base a judgment as to trends and, in any case, the amounts of such securities involved are relatively small.

Since we have been dealing solely with trusts, we have not attempted to assess the present holdings and the trends in agency accounts. Many of these, especially the larger ones, hold large amounts of tax-exempt securities. This reflects not only the fact that the principals are in high income brackets but also that the tax-exempt market, largely a new issue one, is unfamiliar to most individual investors.