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## Side Lines, Foiled

James W. Michaels

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## Side Lines

### Foiled

WE AT FORBES have long been bothered by the fact that while mutual funds have a vast \$45.2 billion in assets, bank trusts have a far vaster \$282.7 billion. What bothers us is that we have been able to serve our readers well with our annual rating of mutual fund performance, but we have not yet measured performance of bank money management.

It's not that we haven't been trying. For several years now we have been contacting bank trust officers and asking them to supply us with figures on which we could measure their performance—much as we have done with mutual funds. Our problem with the banks is much more complicated than with mutual funds. Funds are required by law to provide many figures that banks aren't.

Some banks were willing to help us. Others weren't. In a few cases, the bankers told us, in effect, to mind our own business—just as some fund managers did in the early days of our mutual fund survey. Other bankers were more reasonable but still declined to cooperate. "We're not in the go-go business," one of them said, "and if you compare us with mutual funds, you're going to lead people to do just that—compare us with go-go funds." Still others were most cooperative.

At any rate, the whole subject now is academic. Last summer the Comptroller of the Currency in Washington informed the banks not to fill out FORBES questionnaire. In addition, one worried banker wrote us: "We also encountered the opinion of our own counsel that Regulation 9 of the Comptroller of the Currency might forbid us participating in such a survey." This regulation states: "The bank shall not advertise or publicize its collective investments fund(s)."

What gives? we asked. Responded Preston Kellogg, chief representative in trusts, Office of the Comptroller: "Magazines may not use the results of surveys properly. We don't want to get banks competing against each other for performance, because this could result in a poorer quality of assets."

Frankly, while we can see why responsible bankers are concerned about getting involved in the go-go rat race, we think the Comptroller of the Currency is wrong in preventing those who want to disclose from disclosing—as if to say that the press and the public aren't mature enough to handle complicated information in a responsible way. Still, Big Brother has spoken and we're unable to get the figures we need to measure bank trusts.

Sorry about that, but for now the best we can do is to pass on some advice that our statistical department has for those who have banks managing their investments:

1) Every so often—not too frequently, because good money management can't be measured over short periods—figure the percentage gain or loss in your account. Then compare this with changes in the popular averages over the same period, or with changes in any mutual funds you may hold. (Unfortunately, you won't be able to measure results against the Ratings shown in the FORBES Annual Mutual Fund Survey, because you won't have comparable figures.)

2) If making your own comparison is too complicated, try calling the bank and asking it to do the comparisons with you.

3) If the bank won't do that, then maybe show your account to a rival bank for comparison with similar accounts. ■