

## SAFEGUARDING INVESTED CAPITAL. 17

stock, the total cost and present value of all the stocks held, the yield afforded by each, and the total income produced are also ascertained and recorded.

An analysis of this kind discloses the total present realisable value of the whole list of investments—how the capital is distributed among the various stocks held—how *much* capital has been invested in each geographical area, the total income produced by the investments during the financial year prior to the analysis, and the average yield, calculated on present values, returned by each stock. Lastly, it reveals whether, and to what extent, the investor has gained or lost capital in the past, and which stocks have displayed increases or decreases in capital value.

The next step in the investigation is to ascertain the quality of the investments. When this has been done and the different qualities of stocks in the investor's list have been separated and arranged under their respective categories, a comparison is instituted between them and the best stocks of each similar kind available.

One department of the Registry's staff is solely engaged in testing the respective merits of all the stocks known throughout the world, and thus, by a process of elimination, maintaining an up-to-date list of the best stocks of every quality.

By the before-mentioned comparison of such stocks with the securities of a similar kind held by the investor, the Registry can at once ascertain and show whether, and to what extent, the investor has been wise in his selection in the past.