

Pensions



or Defensive  
Investment

# The Institutional Bond Fund



... a *diversified* investment  
in high-grade bonds ...

Group Securities, Inc.

(EST. 1933)

*A Mutual Fund*

The Institutional Bond Fund is designed for investors seeking protection of principal together with reasonable income from bonds

### Purpose

The purpose of The Institutional Bond Fund of Group Securities, Inc. is to provide a *defensive* investment combining

- ★ income at a reasonable rate;
- ★ relative stability in market value; and
- ★ ready marketability.

In furtherance of these objectives the professional management invests only in bonds, in *many* different bonds, and only in such bonds as are deemed suitable for *institutional* investment. Specifically, bonds may be bought for the Fund only if they meet the requirements which govern the purchase of bonds by life insurance companies, or by savings banks, in the State of New York.\*

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\*It is provided by New York State Banking Law that the Superintendent of Banks shall prepare each year a "legal list," that is, a list of securities which in his judgment conform to the requirements of the law governing savings bank investment. The investment of reserves for life insurance companies in the State of New York is likewise governed by law, but in this case no specific list is published and the suitability of each issue must be determined by consideration of the law.

### Policy

While the Fund is fully invested at all times, changes are made from time to time in the bonds held and in the proportionate amounts invested in the bonds of each issuer. Bonds which mature, or are redeemed, are replaced with others. Issues which appear overpriced are replaced with those considered under-priced so that at all times the holdings may comprise those bonds, of institutional caliber, which, in the opinion of management, offer the best value obtainable per dollar of market price.

Thus shares of the Fund represent, in effect, a continuing, non-maturing bond investment, suitable for conservative *defensive* investment purposes.

### Characteristics

Every bond held for the Institutional Bond Fund is actively traded on the New York Stock Exchange or New York Curb Exchange. Bonds comprising virtually all of the holdings are owned by one or more of the larger life insurance companies. The companies represented by these bonds derive their income from every section of the United States.

# The Institutional Bond Fund

of Group Securities, Inc.

. . . a defensive investment in high-grade bonds

Through ownership of shares of The Institutional Bond Fund, your money is invested in a broadly diversified list of bonds . . . selected, supervised

and administered by professional management. Investments held by the Fund are shown on the basis of market values October 2, 1950.

<u>Name of Issue</u>	<u>Percentage</u>
United States Treasury 2½% June 15, 1967/62 .....	4.42
Baltimore & Ohio R.R. Co. 1st Mtge. "B" 5s, 1975 .....	4.83
Bell Telephone Co. of Pa. (The) 1st & Ref. "C" 5s, Oct. 1, 1960 .....	4.06
Boston Edison Co. 1st "A" 2½s, 1970 .....	3.05
Chicago Burlington & Quincy R.R. Co. Gen. 4s, 1958 .....	0.10
Cincinnati Gas & Electric Co. 1st 2½s, 1975 .....	2.27
Cleveland, Cinn. Chi., & St. L. Ry. Co. Ref. & Imp. 4½s, "E" July 1, 1977..	1.95
Cleveland Union Terminal 1st Mtge. 5s, April 1, 1973 .....	1.82
Connecticut River Power 1st "A" 3½s, Feb. 15, 1961 .....	3.02
Consolidated Gas Co. of Baltimore 1st 4½s, April 1, 1954 .....	0.75
Illinois Bell Telephone Co. 1st "A" 2½s, 1981 .....	4.35
Jamestown, Franklin & Clearfield R.R. Co. 1st Mtge. 4s, July 1, 1959 .....	4.10
Kansas City Power & Light Co. 1st 2½s, 1976 .....	0.87
Liggett & Myers Tobacco Co. (N. J.) Deb. 5s, August 1, 1951 .....	3.96
Louisville & Nashville R.R. Co. Atlanta Knoxville & Cincinnati Ry. Div. 4s, 1955 .....	2.12
Michigan Central R.R. Ref. & Imp. Mtge. "C" 4½s, Jan. 1, 1979 .....	4.58
Missouri-Kansas-Texas Ry. Co. 1st Mtge. 4s, 1990 .....	4.82
Morris & Essex R.R. Co. 1st Ref. 3½s, 2000 .....	4.79
New England Tel. & Tel. Co. 1st "B" 4½s, 1961 .....	3.96
New York Central R.R. Co. Ref. & Imp. "A" 4½s, Oct. 1, 2013 .....	1.74
New York, Lackawanna & Western Ry. Co. 1st & Ref. Mtge. "A" 4s, 1973	2.19
New York, Lackawanna & Western Ry. Co. 1st & Ref. Mtge. "B" 4½s, 1973	2.56
Northern Pacific Ry. Co. Ref. & Imp. Mtge. "A" 4½s, July 1, 2047 .....	4.28
Northern Pacific Ry. Co. Ref. & Imp. Mtge. "D" 5s, July 1, 2047 .....	0.41
Oregon Washington R.R. & Navigation Co. Ref. "A" 3s, 1960 .....	0.53
Pacific Tel. & Tel. Co. Deb. 2½s, 1986 .....	2.19
Pennsylvania R.R. Co. Gen. "D" 4½s, April 1, 1981 .....	4.72
Philadelphia Electric Co. 1st & Ref. 2½s, 1971 .....	2.95
Pittsburgh & West Virginia Ry. Co. (The) 1st Mtge. "A" 4½s, 1958 .....	1.07
Pittsburgh & West Virginia Ry. Co. (The) 1st Mtge. "B" 4½s, 1959 .....	0.41
Pittsburgh & West Virginia Ry. Co. (The) 1st Mtge. "C" 4½s, 1960 .....	3.03
Pitts., Cinn., Chi. & St. L. R.R. Co. Gen. "B" 5s, April 1, 1975 .....	2.32
Southern Pacific Co. Deb. 4½s, 1981 .....	4.89
Southern Ry. Co. Deb. & Gen. 6½s, April 1, 1956 .....	3.88
Southern Ry. Co. Deb. & Gen. 6s, April 1, 1956 .....	0.72
Winston-Salem Southbound Ry. Co. 1st 4s 1960 .....	0.19
Uninvested .....	2.10

100.00

Bonds may be purchased for The Institutional Bond Fund only if they meet the requirements which govern the purchase of bonds by life insurance companies, or by savings banks, in the State of New York.

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October 1950

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The Institutional Bond Fund is a fund of Group Securities, Inc., one of the oldest and largest mutual investment companies in the United States

**Sponsor**

Group Securities, Inc. is a mutual fund in its seventeenth year of operation, now serving more than 37,000 investors. The Company's sponsor and investment adviser is Distributors Group, Incorporated — a relationship which has existed since the Company was founded in 1933.

**History and Record**

Shares of the Fund were initially made available to the public in February 1944 at \$10.00 per share.

Shareholders have received dividends from net income at the end of February, May, August and November. Payments to shareholders are made in a single, convenient check from interest income received on the 30 to 40 different bonds held.

When net profits result from maturities, redemptions, or from replacing one issue with another for investment reasons, such profits may be paid out as "extra" distributions. The dividend and price record of the Fund follows:

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**DIVIDEND AND PRICE RECORD**

Year	Regular Dividends (from net investment income)	Extra Distributions (from net security profits)	SALES PRICE		Year	Regular Dividends (from net investment income)	Extra Distributions (from net security profits)	SALES PRICE	
			Low	High				Low	High
1944	\$.34	\$.05	\$ 9.99	\$10.92	1948	\$.37	\$ —	\$ 9.68	\$10.19
1945	.335	.175	10.75	11.29	1949	.36	—	9.07	9.89
1946	.36	.02	10.22	11.38	9 mos. 1950	.27	—	9.56*	10.19*
1947	.36	—	9.58	10.64					*To October 2

**DIVIDENDS BY QUARTERS FOR PAST 12 MONTHS:**

<u>NOVEMBER 1949</u>	<u>FEBRUARY 1950</u>	<u>MAY 1950</u>	<u>AUGUST 1950</u>	<u>TOTAL</u>
Reg. 9c	Reg. 9c	Reg. 9c	Reg. 9c	36c

*Some Advantages of Using*

## The Institutional Bond Fund

of Group Securities, Inc.

as a method of *defensive* investing in bonds

◀ **Wide Diversification . . .**

an ownership interest in a broad list of high-grade bonds diversified as to business and industry.

◀ **Continuing Supervision . . .**

by professional management currently administering for some 37,000 shareholders more than \$75,000,000 of investment funds.

◀ **Custody of Assets . . .**

the Fund's cash and securities are held by The First National Bank of the City of New York, as Custodian.

◀ **Convenience . . .**

your participation in the ownership of many bonds requires but a single certificate; your share of the income from these many sources is paid to you quarterly in a single dividend check; complete tax information on these payments is sent to you annually; your ownership of the shares can be added to at any time.

◀ **Marketability . . .**

shares may be resold to the Fund for cash. The repurchase or redemption price may be more — or it may be less — than the investor's cost, inasmuch as the redemption price depends on the market value of the securities held for the Fund at the time of redemption.

This folder presents certain of the investment features and uses of The Institutional Bond Fund. A more complete description of the Fund, and of the Company of which it is a part, is given in the Prospectus.

There is a sales charge to the investor included in the offering price of the shares of this Company. For details thereof and other material information, see the Prospectus.



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