

Pensions



The General Bond Fund



... a *selective* investment
in good-grade bonds ...

Group Securities, Inc.

(EST. 1933)

A Mutual Fund

INSTITUTE OF
INDUSTRIAL RELATIONS

The General Bond Fund is designed for investors seeking a reasonably stable and generous income from tax-sheltered bonds

Purpose

The purpose of The General Bond Fund of Group Securities, Inc. is to provide a comparatively stable income at a generous rate.

In the furtherance of this objective, the professional management invests the assets of the Fund only in bonds, both because interest payments derived from bonds are fixed in amount, and because such payments are a first claim on the earnings of the issuing company — a charge which comes before corporation income taxes and excess profits taxes are computed. It is because of this feature that income from bonds is referred to as “tax-sheltered.”

Policy

It is the policy of the management to keep the assets of the Fund as fully invested as is practicable at all times in a broadly diversified list of bonds issued by many different companies — companies which derive their income from every section of the United States.

Changes are made from time to time in the bonds held, and in the proportionate amounts invested in each.

Bonds which mature or are redeemed are replaced with others. Issues which appear over-priced are replaced with those believed to be under-priced, so that at all times the holdings may comprise bonds which, in the opinion of management, offer the best value obtainable per dollar of market price.

The policy of remaining fully invested is consistent with the purpose of maintaining as stable an income return as possible. It assumes that price fluctuation is not of vital importance to the holder of the shares.

Characteristics

Shares of the Fund represent, in effect, a continuing, non-maturing bond investment. They are an investment suitable for long-term purposes, as is indicated by the fact that trust funds, estates, endowments, profit sharing plans, etc., as well as individuals, are numbered among the many shareholders of the Fund.

Every bond held for the Fund is actively traded on the New York Stock Exchange or New York Curb Exchange. Bonds comprising substantially the largest portion of the total holdings are owned by one or more of the larger life insurance companies.

The General Bond Fund

of Group Securities, Inc.

. . . a selective investment in good-grade bonds

Through ownership of shares of The General 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>
◆ American & Foreign Power Co., Inc. Deb. 5s, 2030	3.36
◆ Baltimore & Ohio R.R. Co. (The) Ref. & Gen. Mtge. "G" 5s, 1995	4.97
◆ Boston & Maine R.R. Co. Inc. Mtge. "A" 4½s, 1970	2.62
◆ Buffalo, Rochester & Pittsburgh Ry. Co. Cons. Mtge. 4½s, 1957	4.65
◆ Bush Terminal Co. Cons. Mtge. 5s, 1955	1.45
◆ Central of Georgia Railway Co., 1st Mtge. 4s, Sr. "A", Jan. 1, 1995	3.50
◆ Chicago, Milwaukee, St. Paul & Pacific R.R. Co. Gen. Mtge. Inc. "A" 4½s, 2019	1.12
◆ Chicago & North Western Ry. Co. 2nd Mtge. Conv. Inc. 4½s, 1999	1.27
◆ Cleve., Cinn., Chi. & St. L. Ry. Co. Ref. & Imp. "E" 4½s, 1977	2.68
◆ Delaware, Lackawanna & Western Penn. Colat. 5/85	2.47
◆ Denver & Rio Grande Western RR, Income Mtge. 4½s, 2018	1.12
◆ Erie Railroad Co., Gen. Mtge. Income 4½s, Jan. 1, 2015	3.27
◆ General Realty & Utilities Corp., Inc. Deb. 4s, 1969	2.33
◆ Gulf Mobile & Ohio R.R. Co. Gen. Mtge. Inc. "B" 4s, 2044	4.41
◆ Hudson & Manhattan R.R. Co. 1st Lien & Ref. "A" 5s, 1957	2.63
◆ Hudson Coal Co. 1st Mtge. S.F. 5s, 1962	3.87
◆ Illinois Central R.R. Co. Deb. 4½s, 1966	3.75
◆ Jamestown, Franklin Clearfield R.R. Co. 1st Mtge. 4s, 1959	0.22
◆ Lehigh Valley Coal Corp. 1st & Ref. Mtge. 5s, 1954	0.12
◆ Lehigh Valley Harbor Term. Ry. Co. 1st Mtge. 5s, (ext'd) 1984	3.87
◆ Lehigh Valley Terminal Ry. Co. 1st Mtge. 5s (ext'd) 1979	3.41
◆ Manati Sugar Co. S.F. 4s, 1957	0.73
◆ Missouri-Kansas-Texas R.R. Co. Pr. Lien Mtge. "A" 5s, 1962	1.43
◆ Missouri-Kansas-Texas Ry. Co. 1st Mtge. 4s, 1990	3.12
◆ Morris & Essex R.R. Co. Constr. Mtge. "A" 5s, 1955	3.58
◆ New York Central R.R. Co. (The) Cons. Mtge. "A" 4s, 1998	1.50
◆ New York Central R.R. Co. (The) Ref. & Imp. Mtge. "C" 5s, 2013	0.78
◆ New York, Lackawanna & Western Ry. Co. 1st & Ref. Mtge. "A" 4s, 1973	3.11
◆ New York, Lackawanna & Western Ry. Co. 1st & Ref. "B" 4½s, 1973	1.26
◆ New York, New Haven & Hartford R.R. Co. 1st Mtge. 4s, 2007	4.41
◆ Northern Pacific Ry. Co. Ref. & Imp. Mtge. "C" 5s, 2047	0.53
◆ Northern Pacific Ry. Co. Ref. & Imp. Mtge. "A" 4½s, 2047	1.75
◆ Northern Pacific Ry. Co. Ref. & Imp. Mtge. "D" 5s, 2047	1.66
◆ Pittsburgh & West Virginia Ry. Co. (The) 1st Mtge. "A" 4½s, 1958	0.34
◆ Pittsburgh & West Virginia Ry. Co. (The) 1st Mtge. "B" 4½s, 1959	0.26
◆ Pittsburgh & West Virginia Ry. Co. (The) 1st Mtge. "C" 4½s, 1960	1.63
◆ St. Louis-San Francisco Railway Co. 2nd Mtge. Inc. Series "A" 4½s, 2022	1.06
◆ Seaboard Air Line Railway, Conv. Inc. Mtge. 4½s, 2016	0.90
◆ Southern Pacific Co. Deb. 4½s, 1981	3.76
◆ Southern Ry. Co. Deb. & Gen. Mtge. "A" 6s, 1956	2.07
◆ Southern Ry. Co. Deb. & Gen. Mtge. "A" 6½s, 1956	2.08
◆ Western Union Telegraph Co. (The) 5s, 1960	4.69
Uninvested	2.26
	100.00

◆ Issues so marked are held in substantial amounts by one or more of the leading life insurance companies.

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The General 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 initially were made available to the public in April 1941 at \$6.50 per share.

Shareholders have regularly 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 40 to 50 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, usually at the year-end. The dividend and price record of the Fund follows:

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
1941	\$.245	\$ —	\$5.27	\$ 6.53	1946	\$.36	\$.32‡	\$8.70	\$10.78
1942	.44	.01	5.68	6.44	1947	.375	.125	7.81	9.28
1943	.415	.125	6.20	7.81	1948	.375	.075	8.00	8.66
1944	.44	.37	7.65	9.84	1949	.39	.01	7.24	8.34
1945	.355	.445	9.59	10.76	9 mos. 1950	.30	—	8.18 ^o	9.23 [*]

‡ 1946 year-end Extra Distribution of 27c was payable in stock at shareholders' option.

^oTo 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. 10c	Reg. 10c	Reg. 10c	Reg. 10c	40c

Some Advantages of Using

The General Bond Fund

of Group Securities, Inc.

as a method of *selective* investing in bonds

◀ **Wide Diversification . . .**

an ownership interest in a broad list of good-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 General 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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