

# Simple Explanation of Mutual Fund Given by Investment Head

By ELMER C. WALZER  
UPI Financial Editor

New York—UPI—The other day the daughter of a Boston executive asked him: "Father, what do you know about mutual funds?"



She explained that a friend had been by to see her about starting a cumulative program in such a fund.

"He sounded very interesting," she said, "but I'm wondering what you think about mutual funds."

This Boston businessman—living in a city that is the headquarters of many a giant mutual fund—admitted he was stumped—just couldn't give a real answer.

The mutual fund industry has grown from less than \$500 million in assets in 1940 to nearly \$12 billion at present, and many still don't know what a mutual fund is.

So this department asked Henry T. Vance, senior partner of Vance, Sanders & Co., and president of the \$177 million Boston Fund, for a simple definition of a mutual fund. Here it is:

**Diversified Investment**  
"A mutual fund (or investment company) simply combines money set aside by thousands of individuals in one large investment fund. Professional management is employed by the mutual fund to select and diversify (spread the risk) investments among a broad cross-section of companies in many industries, and to keep these investments

under continuous supervision. "Thus by owning shares in a mutual fund the investor obtains in a single certificate a managed investment representing a diversified list of securities that he might not individually afford."

**'Open End' Company**  
A mutual fund is also called an open-end investment company. That means there is no specified number of shares outstanding. The number of shares rises or falls as the fund sells its stock or buys it back.

"If the investor wants to close out his investment or sell part of it, he sells the shares back to the fund itself.

The price, of course, is based on the market value of the portfolio at the time of the transaction, and may be more or less than the investor's cost."

Shareholders in mutual funds have risen from 300,000 in 1940 to 3,500,000 today. Arthur Wiesenberger, expert on mutual funds, recently predicted that mutual fund industry will expand to assets of more than \$40 billion with "at least" five million shareholders by 1968.

Explaining the popularity of mutual funds, Vance says that a desire to hedge against inflation is only part of the answer.

**Long Term Holdings**  
He points out that today's investor also is seeking diversification, professional management, and convenience in planning his investments. "A mutual fund," he says, "meets these requirements."

Vance explains the mutuals are no get-rich-quick investment. "They are used by many individuals in long-term

financial planning for retirement, to provide college education and to possibly increase income over that which can be obtained from many fixed income types of savings."

He points out that many trustees and institutional investors such as college endowment funds, profit sharing plans and religious organizations are putting their money to work in mutual funds in increasing numbers. This, he adds, has given the mutual fund an even greater impetus.

## Maybe All Polls Should Be Checked

Indianapolis—UPI—Call this coincidence?

Republican State Chairman Robert Matthews said today that to prevent fraud federal supervision of the polls is needed Nov. 4 at Indianapolis, East Chicago, Evansville, Gary, Hammond, South Bend and Terre Haute, all of which have Democratic mayors.

And Democratic State Chairman Charles Skillen said the cities that need federal protection against vote fraud are Lafayette, Fort Wayne and Elkhart, all of which have Republican mayors.

## November Playboy Order Banned

Washington—UPI—The Post Office Department announced Wednesday night it has ordered copies of the November issue of Playboy magazine withheld from the mails following a complaint it is obscene.

The department said its general counsel, Herbert B. Warburton, "is of the opinion that the November issue . . . is non-mailable and has instructed the postmaster at Chicago to withhold any additional copies offered for mailing . . ."

## TYPHOON KILLS TWO

Manila—UPI—Typhoon Lorna skirted the central Philippines Wednesday, leaving two dead and crippled communications in southern Luzon.

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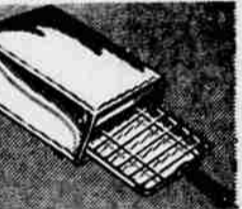
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Regular 6.45  
Grills, bakes, broils, makes buttered ovens toast in 90 seconds! Tray & rack. JCI139



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Regular 4.25  
Tapered bowl. Stirs corn automatically. JCI299  
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**Wizard Food Mixer 24<sup>44</sup>**  
Regular 34.95  
10-speed range, two bowls, juicer attachment. Lift, it's portable! 2-way blend. JCI178



**Electric Heater 5<sup>19</sup>**  
Regular 6.69  
Heats up in a jiffy! Bowl type, reflector and guard chrome-plated. Grey. JI187



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24-month Guar. For most 6-volt car. Reg. Outr. 14.10.  
30-mo. 6-V. Del. W/old batt. 9.95



**Permanent Anti-Freeze 1<sup>98</sup>**  
Regular 2.39  
50-50 mixture of Western Permanent, water protects to 30° below zero. Gal. ZC3122.



**Western Std. Anti-Freeze 79<sup>¢</sup>**  
Regular 98¢  
Low-cost protection. Guards to 20° below. 1 gal. ZC3142



**Special Wastebasket 85<sup>¢</sup>**  
Jumbo Steel Reg. 1.45  
Big 28-qt. capacity. Red enamel finish. K9112



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Sturdy corn fibers securely bound for long, tough service! Reg. 1.49 Blue handle. K9114

**Federal 3-Pc. SAUCE PAN SET 98<sup>¢</sup>**



**Century Cast Iron Skillet 97<sup>¢</sup>**

Regular 1.98  
Smart Vogue pattern, white enamel, red trim! K9200

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**7" Pinking Shears 88<sup>¢</sup>**  
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**Folding Wood Stool 79<sup>¢</sup>**  
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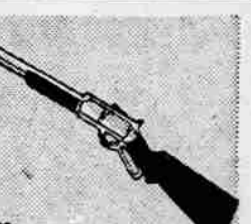
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Regular 98¢  
Enameled metal. Removable canopy, powerful friction motor. Army colors. EC7104



**Vinyl Drink & Wet Doll 88<sup>¢</sup>**

98¢ Value  
This 9 1/2" charmer is dressed in diaper with large pins. Has bottle and nipple. EC5700



**BATTERY IRON with BUZZER 88<sup>¢</sup>**

98¢ Value  
Baked enamel, chrome iron. Battery makes iron buzz and light. Does not heat. EC5604



**Fancy Black Cowboy Hat 88<sup>¢</sup>**

Reg. 98¢  
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## Chinese Reds May Use Sneak Attacks

Taipei, Formosa—UPI—Adm. Liang Hsu-chao, commander of the Chinese Nationalist Navy, said today the Communists may soon send large warships and submarines into the Formosa Straits to attack Nationalist vessels.

Liang, in a congratulatory message to naval personnel credited with meritorious service in the Quemoy area, said the Red Navy may open a second stage in the offshore island fighting with sneak attacks from larger naval vessels.

Civilian authorities on Quemoy reported that 99 civilians have been killed in the Communist bombardments that started Aug. 24. They said 252 civilians have been wounded, 96 seriously. Military casualties were not announced.

## Singer Dean Martin Files Damage Suit

Los Angeles—UPI—Singer Dean Martin Wednesday sought \$90,000 damages in a Superior Court suit growing out of a traffic accident last Aug. 24.

Donald Robert Seddon, 39, of nearby Santa Monica, Calif., was named defendant in the suit which charged he rammed a car driven by actor Tony Curtis in which Martin was riding. The singer asked \$50,000 for injuries and \$40,000 for loss of earnings.

## EJUSIVE MONKEYS

Milwaukee—UPI—Summer may be over as far as people are concerned, but 47 monkeys on the Washington Park Zoo summer island won't accept it. Trainers were able to catch only half of the 97 monkeys that inhabit the island, for transfer to winter quarters.

Louisiana's mechanized sugar industry harvests more than 200,000 acres of cane each year, about three-quarters of the United States crop.