

The Dividend *Thrift* Plan



BUILDING FOR THE FUTURE BY SYSTEMATIC INVESTING

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Over 70,000 investors own shares of Dividend Shares, Inc., a conservative mutual investment fund. In one convenient certificate, they have an interest in the value and income of over 100 high-quality, dividend paying common stocks. Dividend Shares solves their problem of investment *selection*.

An increasing number of investors are buying Dividend Shares on a periodic basis — monthly, bi-monthly, or quarterly, through the Dividend Thrift Plan — because it gives them the opportunity to “average” the cost of the shares they buy. The Dividend Thrift Plan solves the problem of *timing* their purchases of Dividend Shares. This folder tells you *why* the Dividend Thrift Plan is so popular and it tells you how easily you may start *your* Plan to help you gain some future financial goal more rapidly.

What the Dividend Thrift Plan Can Do for You

Under the Dividend Thrift Plan, you buy shares of Dividend Shares at regular periods — for example, every month — and all the income and any profits which these shares earn for you may be reinvested or “plowed back” to help build your investment. More and more people are using the Dividend Thrift Plan as an approach to the important problem of financial planning for the future. For example, at retirement time the Plan may be stopped, and the income from shares accumulated used to supplement social security and other retirement programs. For those who have specific goals in view — education, travel, a business of their own — the shares may be sold for their net asset value at the time.

While no method of investment in stocks assures you of success, many people believe that the accumulation of an investment fund should be a part of every family's financial plan.

Why Invest in Stocks?

What are the reasons for investing a part of the family savings in a professionally supervised common stock program?

America's economic future continues to look bright. The common stocks of our country's leading businesses offer a means of participating in this future.

Common stocks rise and fall in price and the income paid by them tends to vary in close relation to the cost of living. Stocks have usually been worth more and paid larger dividends when price levels were high. This has not been true of most bonds, for example, which pay the same return regardless of price levels and have minor price changes. Dividends paid by good quality common stocks are usually higher than interest paid by savings banks or bonds. This income may be used to

buy more stocks, thus building more rapidly because of a higher rate of return.

Advantages of The Dividend Thrift Plan

The Dividend Thrift Plan is not a way to “beat the market.” It is not designed for speculators. It is a systematic method of investing in common stocks. The Plan does not and cannot protect you from loss in the value of your investment when the market goes down. But, because you are buying shares in not just one, but more than 100 corporations, and because your investment is under constant supervision, your risks are moderated. Here are some other important advantages of the Dividend Thrift Plan:—

Dollar Cost Averaging

This means the investment of the same amount of dollars at regular intervals in securities of fluctuating value and regardless of price levels. In this way, over a period of years, you buy more shares when prices are low, fewer shares when prices are high. In any given period, whether the market is rising or falling, “dollar cost averaging” enables you to obtain a lower average cost on shares purchased than the average of the prices on the dates on which shares are purchased.

Compounding

As an owner of shares of Dividend Shares, you will receive quarterly dividends in varying amounts per share. Distributions from net securities profits have been paid once a year in varying amounts, ever since 1934.

Under the Plan, these dividends and distributions may be reinvested for you in additional shares. Thus the principle of compounding is applied to your investment on a quarterly basis. While Dividend Shares provides no fixed rate of return, because both dividends and distributions are subject to fluctuation, this reinvestment feature is important in helping to build your investment account more rapidly.

Budgeted Investing

Just as you may “budget” the monthly amount you put in the savings bank and in life insurance so you may “budget” your Dividend Thrift Plan — investing in common stocks on a systematic basis.

Before starting your Thrift Plan, you should carefully consider your financial ability to continue your Plan through periods of both high and low price levels. If you must discontinue your Plan when the market value of accumulated shares is less than cost, a loss will be incurred.

Provisions of

DIVIDEND
Thrift **PLAN**

DEFINITIONS: "OWNER" is the person (or persons) investing under this plan. "DEALER" is the investment firm from which shares are purchased by the Owner. "BANK" (Irving Trust Company, New York) is the Transfer Agent for Dividend Shares, Inc. and depository for the cash remitted by and held for the Owner.

INITIAL PURCHASE: Upon receipt of Authorization Form from Dealer, properly executed by the Owner and Dealer and accompanied by necessary funds, the Bank, acting as Agent for the Dealer, purchases as many shares (including fractional shares) of Dividend Shares, Inc. from Calvin Bullock as may be purchased at the offering price for shares prevailing in the morning of the Bank's business day next following after receipt of such Form and funds. Fractional shares shall be purchased to the nearest one-thousandth (1/1000) of a share. Minimum initial amount per Owner: \$250. (An initial minimum payment of \$50 may be made by (a) persons simultaneously depositing 200 shares or more of Dividend Shares, Inc., or (b) persons serving in the U. S. Armed Forces.)

SUBSEQUENT PURCHASES: Upon receipt of Supplemental Authorization Form (pink form), properly executed and accompanied by necessary funds, the Bank will purchase additional shares (including fractional shares) in the same manner as above. Minimum additional amount per Owner: \$25.00. See also "Dividends" below.

OWNER'S ACCOUNT: Shares so purchased are registered by the Bank as Transfer Agent for Dividend Shares, Inc. in the name of the Owner, but stock certificates for such shares are not issued. Following the initial purchase and each subsequent purchase, the Bank forwards to Owner a statement indicating, among other things, (a) the amount received, (b) date received, (c) price at which such funds were applied to purchase shares, (d) shares purchased and registered in Owner's name, (e) total shares registered in Owner's name hereunder, and (f) date when next scheduled payment of Owner is due.

On receipt by the Bank of written request from the Owner, certificates for any or all accumulated full shares of Dividend Shares, Inc., registered in the name of the Owner will be forwarded to the Owner's address together with any or all cash held for the Owner's account.

DIVIDENDS: The Plan provides that, unless the Owner indicates to the contrary, the Bank will collect, for the Owner, all cash dividends and distributions paid by Dividend Shares, Inc. and will credit such dividends and distributions to the Owner's account. Upon receipt by the Bank of the funds representing the next regular payment by the Owner under the Plan, any cash held for his account plus the amount of the regular payment will be invested in additional shares at the price specified in the offering prospectus in the same manner as shown under "Initial Purchase" except that any amount included therein which was derived from net profits on sale of securities will be invested at the net asset value of the shares purchased. At any other time when the dividend amount then to the Owner's credit for the purchase of shares at offering price shall amount to \$50.00 or more, the Bank will similarly purchase shares with such amount, within 10 bank business days, sending notice thereof to the Owner.

TERMINATION: The Plan may be terminated at any time by the Owner upon notice in writing to the Bank or by the Bank on due notice to the Owner. In either case the Bank will forward to the Owner by mail certificates for the number of shares registered in the Owner's name plus any cash in the account and an amount equal to the net asset value of any fraction. The arrangement may be terminated by the Bank, if the Owner fails to make three successive payments scheduled under the plan.

COST: The Bank will make no charge to the Owner for the services described above.

INFORMATION TO OWNERS: In addition to the Owner's statements or confirmations from the Bank described above, each Owner will be forwarded by or on behalf of the Dealer a copy of any new offering prospectus as it becomes effective under the Securities Act of 1933, as amended. He will also receive annually a notice of the Federal tax status of distributions made by the Company during the year. In addition, he will be forwarded copies of the "Dividend Enclosure Letters" as issued by Dividend Shares, Inc. and of that Company's Annual and Semi-Annual Reports to Stockholders. He will have the same rights as any other stockholder with respect to the shares purchased hereunder. For details of the sales charge and other important information on Dividend Shares, see the offering prospectus.

SEE
OVER

How The Dividend Thrift Plan Works

Starting the Plan

The Authorization Form (opposite) is *not a contract* and does not obligate you in any way. It simply indicates your *intention* to buy shares of Dividend Shares at regular times of your own choice (usually each month). Filling out this Form is the first step in starting your Plan.

- 1 Here you indicate the amount of your initial purchase. The minimum amount is \$250.
If you are now an owner of Dividend Shares, this minimum amount is \$50 and you should attach certificates for 200 or more shares. The certificate(s) need not be signed.
Members of the Armed Services may start a Thrift Plan with a first payment of only \$50.
- 2 Sign your name here. For joint account, both owners should sign.
- 3 Print or type your name(s) and address: — exactly as you want the shares registered.
If you are attaching shares, the name(s) in which the Thrift Plan is to be established must be exactly the same as the registration on the certificate(s). If this is not the case, please discuss the matter with your investment dealer.
- 4 Your investment dealer places the name of his firm here, together with the name of the representative who handles your account.
- 5 Your investment dealer signs the form here.

YOUR DEALER MAILES THE FORM WITH YOUR CHECK (AND CERTIFICATE(S) IF YOU NOW OWN DIVIDEND SHARES) TO THE IRVING TRUST COMPANY . . . AND YOUR PLAN IS STARTED!

RECORD OF A DIVIDEND THRIFT PLAN

The summary below shows the hypothetical record of a Dividend Thrift Plan with an initial deposit of \$250 made on January 1, 1945 and monthly purchases of \$50 made through December 31, 1954. As the Plan provides, dividends from income were used to acquire additional shares at offering price. Securities profits payments were reinvested at net asset value — more than 96% of all Thrift Plan owners reinvest in this manner. This is a record of a past period, future results may be more or less favorable.

Initial Investment \$250 plus \$50 monthly	\$ 6,200
Total Dividends from Income Reinvested	1,903
Total Amount Invested	\$ 8,103
Liquidating Value of Shares — December 31, 1954	\$12,371

The initial investment and reinvestment of income dividends include a sales charge which is described in the offering prospectus. No allowance is made for income taxes payable on amounts received.

The table below shows results in a similar period with income dividends received in cash and not reinvested.

Year Ended December 31	Cumulative Investments Each Year	Liquidating Value of Accumulated Shares*	Dividends from Net Investment Income Received in Cash Annually
1945	\$ 800	\$ 882	\$ 14
1946	1,400	1,347	30
1947	2,000	1,886	59
1948	2,600	2,869	90
1949	3,200	3,277	138
1950	3,800	4,396	194
1951	4,400	5,373	250
1952	5,000	6,530	261
1953	5,600	6,782	288
1954	6,200	9,751	305
Total			\$1,629

* Includes distributions from net securities profits reinvested at net asset value.

The Bank Acts as Your Agent

After your first purchase, and all subsequent purchases, the bank mails you an Owner's Statement giving complete up-to-date information on your account including: (1) number of shares purchased, price per share, and total amount invested including dividends reinvested. (2) total shares accumulated in your account. (3) name of Irving Trust Company, which acts as your agent in purchasing shares. Also included with your con-

(Continued on back of this sheet)

DIVIDEND THRIFT PLAN 1
FOR SHARES OF STOCK OF
DIVIDEND SHARES, INC.

No. 23396

OWNER _____ DEALER _____
ACTING AS PRINCIPAL _____

To → _____

BALANCE LAST STATEMENT	THIS REMITTANCE	DIVIDEND	BALANCE FROM BELOW	TOTAL FOR INVESTMENT AT OFFERING PRICE	OFFERING PRICE PER SHARE	COST OF SHARES PURCHASED	NUMBER OF SHARES PURCHASED	CASH BALANCE
DISTRIBUTION	ASSET VALUE PER SHARE	COST OF SHARES PURCHASED	BALANCE TRANSFERRED ABOVE	NUMBER OF SHARES PURCHASED				

* SOURCE—NET INVESTMENT INCOME. † SOURCE—NET SECURITIES PROFITS.

SHARES
2 PREVIOUSLY PURCHASED OR DEPOSITED _____ PURCHASED THIS STATEMENT _____ TOTAL _____

NEXT REMITTANCE DUE _____ DATE _____

For your convenience, a handy supplemental authorization form (pink) is enclosed for making your next monthly purchase.

3 IRVING TRUST COMPANY, AGENT
CORPORATE TRUST DEPARTMENT
ONE WALL STREET
NEW YORK 15, N. Y.

OWNER'S STATEMENT

Authorization Form

DIVIDEND Thrift PLAN

IRVING TRUST COMPANY
Corporate Trust Dept.
One Wall Street
New York 15, N. Y.

1

I enclose a remittance made payable to the Irving Trust Company for \$ for my purchase of shares of the capital stock of Dividend Shares, Inc. from the Investment Dealer whose name is indicated at the bottom of this form. This purchase is to be made under the provisions of the Dividend Thrift Plan, as explained on the reverse side of this form.

I declare my intention to purchase from the same Investment Dealer, once each month, additional shares of Dividend Shares, Inc. in the amount of \$25.00 or more at the then prevailing offering price, under the provisions and terms of the Dividend Thrift Plan. Dividends and distributions shall be automatically credited to my account to be used to buy additional shares (the amount of distributions from net profits on sale of securities, at net asset value; amounts from other sources, at offering price) in accordance with the provisions of the Plan, unless I request payment of dividends and distributions in cash by checking this box []. In the event that Dividend Shares, Inc. should declare a distribution from net securities profits payable in shares or, at my option, in cash, I elect to receive such distribution in full and fractional shares at net asset value.

I have received the offering prospectus of Dividend Shares, Inc. dated within twelve months of the date on this form.

2

SIGNATURE OF INVESTOR
SIGNATURE OF INVESTOR*
DATE

3

*MR. MRS. MISS
FIRST MIDDLE LAST
STREET ADDRESS
CITY STATE

* If there are two or more co-owners, all must be named and sign and plural pronouns will be implied in authorization.

IRVING TRUST COMPANY, NEW YORK 15, N. Y.

Date

Please purchase from Calvin Bullock on my behalf shares of the capital stock of Dividend Shares, Inc., as indicated in the above Authorization Form, and in any Supplemental Authorization Forms received from the above purchaser, and thereafter transfer such stock to the account of the above purchaser from me, remitting to me the amount of my concession less transfer taxes.

4

Name of Investment Dealer
Representative
Address

5

Authorized Signature

This Authorization Form and the benefits of the Dividend Thrift Plan are NON-TRANSFERABLE. (Throughout this Form the words "I", "me" and "my" shall include the plural of these words if applicable.)

SEE OVER

firmation is a handy form and an addressed envelope to send in with your next payment. This form, illustrated at right, should be sent by you directly to the Bank with each subsequent payment made, indicating (1) amount of remittance and (2) your signature.

.....
Date

.....
 (Name of Bank)

.....
 Will you please charge my checking account with your bank \$..... on the..... day of each month effective at once.

Send a check for the amount specified each month, or until such time as these instructions are cancelled, to the following:

Irving Trust Company, Agent
 Corporate Trust Department
 One Wall St., New York, N. Y.
 For Dividend Thrift Plan Account
 of.....

.....
 (Signature)

For Military Personnel

An increasing number of persons in the Armed Services are using the Plan. Because remittances are sent to a bank and because the program is non-contractual, these Plans lend themselves to payroll deductions with allotment checks sent automatically each month to the Irving Trust Company. In such cases an allotment form should be used.

No Penalty for Withdrawal or Termination

If, for some reason, you wish to stop making payments to the Bank under the Dividend Thrift Plan and *withdraw* from the Plan the shares you have accumulated, you may, of course, remain a stockholder of Dividend Shares. The bank will upon written notice, send you a certificate for the total number of full shares purchased up to that point, plus a check for cash balance in your account.

If you wish to *sell* your shares to the Company at the time of discontinuing your Plan and obtain cash, you can receive their full net asset value at the time of surrender under conditions described in the prospectus. This value may be more or less than your cost, depending on the market price at the time. To obtain cash for your shares, it is necessary that you sign and provide the bank with a stock power form. Your investment dealer will help you take care of this formality which is designed for your protection.

The information in this folder is supplemental to the offering prospectus for Dividend Shares and its use is authorized only in case of a concurrent or prior delivery of the current prospectus.

**SUPPLEMENTAL AUTHORIZATION
 FORM FOR MONTHLY PURCHASES**

OWNER

INVESTMENT DEALER

IRVING TRUST COMPANY — CORPORATE TRUST DEPT.
 One Wall Street, New York 15, N. Y.

Enclosed find remittance made payable to Irving Trust Company for \$.....¹ Please apply same, together with any cash then to my (our) credit, pursuant to my (our) DIVIDEND THRIFT PLAN, to purchase shares of DIVIDEND SHARES, INC. from the investment dealer specified in the box above (right) and register the shares in the name indicated in the box above (left).

I (we) have received the current offering prospectus of Dividend Shares, Inc.

DATED

SIGNATURE²

2/24/91 (11-50) FOR OWNER'S USE IN MAKING MONTHLY PURCHASES

Your Bank Can Make Payments for You

Perhaps you would like your bank to send the money from your account directly. This can be done by signing a form similar to the one shown at the left.

ALLOTMENT FORM

Pay to order of:

Irving Trust Company, Agent
 Corporate Trust Department
 One Wall St., New York, N. Y.
 For the Account

of

Address

.....