

Royal Securities Corporation, Limited

AVAILABLE AS COLLATERAL.—The better grade of bonds enjoy a high degree of favor among bankers as collateral for loans, because of their ready sale. Bonds, unless registered, pass from hand to hand as readily as bank notes. A banker can easily inform himself as to the acceptability of a bond.

APPRECIATION.—Bonds, and Industrial bonds in particular, usually have a long time to run. When purchased at a fair interest-return basis they will appreciate in sympathy with the increase in value of the security behind them.

DEPRECIATION.—For the very reasons which cause bonds under normal conditions to advance when the security behind them increases, bonds usually decline when the security is impaired.

NOT AVAILABLE AS COLLATERAL.—In case of adversity the holder of a real estate mortgage will experience difficulty in raising money on the mortgage he owns, and if successful he will be put to a large expense for commission, cost of appraising the property, cost of examining the title, etc.

NO APPRECIATION.—Mortgages, owing to their short life, do not rise in value, even when the security for the loan is greatly enhanced.

DEPRECIATION.—Unless the impairment of security is great, mortgagees do not have a tendency to decline under normal conditions. This is one of the few advantages of this class of investment.