

Mr. LOEFFLER. Generally speaking, they do, yes, sir.

Mr. MOSS. They don't just reach a plateau and stay there.

Mr. LOEFFLER. Well, at some point.

Mr. MOSS. When you lose 10 percent do you because they get better opportunities?

Mr. LOEFFLER. Usually because they have better opportunities.

Mr. MOSS. Or because some of them stop producing?

Mr. LOEFFLER. Some retire and some get better opportunities. Some are sought by competition. If you would like, I have some figures here on that, sir.

Mr. MOSS. I think it would be very helpful.

Mr. LOEFFLER. Yes, sir.

Mr. MOSS. I don't think it is necessary to take the time now. If you will just simply supply them to us for the record.

Mr. LOEFFLER. All right, I can do it very briefly. Of the sales representatives who have been with the company from 1 to 2 years, the average earnings—this is 1965—was \$7,300; 2 to 3 years, it went up to \$8,400; 3 to 5 years, up to \$10,000; 5 to 10 years, up to \$12,000; and then over 10 years the average is \$11,500. If you would like, I can supply these in writing.

Mr. MOSS. I think it would be helpful to supply them for the record. (See letter dated November 7, 1967, on page 490.)

Mr. MOSS. I think that is all I have at this time. I want to express on behalf of the committee our appreciation for your appearance here. It has been very helpful to us, and I assure you that your views will be very carefully considered.

Mr. WATKINS. I join with my chairman in those remarks. Thank you for being so courteous.

Mr. LOEFFLER. Thank you, sir.

Mr. MOSS. Now we have Mr. Fred M. Alger, president of Fred Alger & Co., Inc.

STATEMENT OF FRED M. ALGER, PRESIDENT, FRED ALGER & CO., INC.

Mr. ALGER. Mr. Chairman, members of the subcommittee, I am Fred M. Alger, president of Fred Alger & Co., Inc., a nonregistered institutional investment adviser. Thank you for granting me the honor and privilege of this opportunity to appear before you to express my thoughts on the proposed amendments to the Investment Act of 1940 and the Investment Advisors Act of 1940, numbered H.R. 9510 and H.R. 9511.

My company renders investment advice to corporations and individuals. One of our clients is Security Management Co., Inc., a Kansas-based management company which manages two funds, the Security Equity Fund, Inc., and the Security Investment Fund, Inc. Both funds are corporations registered as open-end investment companies pursuant to the Investment Act of 1940.

Since we began advising the Security Management Co., in January of 1965, the Security Equity Fund, which is a growth fund, has had the best cumulative investment performance of all mutual funds in the United States, recording a gain of 200 percent, more than 10 times that of the Dow Jones industrial average during the same period.