ITEM 6

TABLE A.—FREQUENCY DISTRIBUTION OF THE NUMBER OF FUNDS BY SIZE AND SALES/REDEMPTION RATIO (JUNE 1966–SEPTEMBER 1967)

[Sales/redemption ratio in percent]

Average net asset size (in millions of dollars)	1 0	Net redemption status		Net sales status		Total
		0 to 50	50 to 100	100 to 200	200 and over	
0 to 10	3	3	4	7	11	28
10 to 50	6	7	7	10	16	46
50 to 100	3	3	4	6	11	27
100 to 500	0	3	4	14	15	36
500 and over	0	0	1	8	12	21
Total	12	16	20	45	65	158

1 Funds which had either no sales, or neither sales or redemptions in the 16-month per od.

TABLE B.—AGGREGATE DOLLAR VALUE (IN THOUSANDS) OF 16 MONTHS' NET SALES, DISTRIBUTED BY SIZE AND SALES/REDEMPTION RATIO (JUNE 1966–SEPTEMBER 1967)

[Sales redemption in percent]

Average net asset size (in millions of dollars)	1 0	Net redemption status		Net sales status		Total
		0 to 50	50 to 100	100 to 200	200 and over	
0 to 10	2 (418)	(2, 140)	(165)	2, 066	33, 369	32, 739
10 to 50	(14, 265)	(17, 265)	(9, 973)	9, 866	206, 303	174, 561
50 to 100	(18, 298)	(16, 774)	(15, 044)	50, 916	188, 515	189, 315
100 to 500	0	(30, 079)	(29, 096)	110, 212	641, 983	693, 020
500 and over	0	0	(44, 539)	806, 552	1, 948, 651	2, 710, 664
Total	(32, 981)	(66, 363)	(98, 817)	979, 612	3, 018, 848	3, 800, 299

1 Funds which had either no sales, or neither sales or redemptions in the 16-month period.
2 Excess of redemptions over sales.

(The following material was submitted for the record:)

Statement of Harold L. Bache, Bache & Co., Inc., New York

Many years ago Bache & Co. Incorporated decided that a mutual fund meets the need of many Americans who want to buy common stocks for this purpose but do not have the time and financial skill to make wise choices among the thousands of available stocks, or the capital required to buy the relative protection of an adequately diversified portfolio.

The share of personal savings in this country that has gone into mutual funds over the past decade or two has been influenced by the growing public need for experienced investment help. People with savings to invest have had to seek protection against inflation. Historically, common stocks have provided a hedge against inflation, since they represent participation in the growth and development of the economy.

One major fear that exists duty to the severity of the proposed legislation (S. 1659) is that the number of security dealers able to offer mutual funds may be sharply reduced. In the light of investment success and service to the client, I find it difficult to believe that the need exists for the changes being proposed. A discussion of the most important proposals follows.

SALES CHARGES

The law of supply and demand in the world of personnel and employment demands that highly qualified people receive commensurate remuneration. Registered representatives, as well trained, intelligent and conscientious individuals, are entitled to make an adequate living in the securities field. For the most part, Bache & Co. Incorporated receives 80% of the sales commissions involved in the purchase of a mutual fund with the remainder going to the distributing company.