

Excerpt from the book “One Way Up Wall Street: The Fred Alger Story”
by Fred Alger (1999)

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The Alger Way

“I WOULD RATHER be down sixty percent in a year and be number one than be up sixty percent and be number ten.”

As much as anything Fred Alger has ever said about himself, this battle cry, which he raised to storm the money-management business in the early sixties, fixed the order of his company. Fred’s bluster was roundly reported in the press, and he was portrayed as a paladin of the investment world. That imperfect characterization would hound him for all his years on Wall Street.

“The essence of this business is to be first,” Fred explained. “We are in a race, and the race is to the best. It’s perfectly all right to win by a nose.”

With his edgy bravado, a touch too prodigal for the entrenched generals of Wall Street, Fred easily struck at the heart of the money-management business. It’s about beating the benchmarks—specifically, outperforming the Dow Jones Industrial or Standard & Poor averages.

More important for Fred, it’s about being the best at his game.