

Pensions & Investments

Fred Alger employees remember colleagues, honor them by actions

After losing 35 people on 9/11, the firm remembers them through charity

By Christine Williamson

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The 9/11 experience transformed employees of Fred Alger Management Inc. into one of the most charity-oriented workforces in the investment industry.

The firm's 9/11 remembrance website — www.alger.com/911 — is a moving tribute, featuring a “candlelight painting” that highlights the life of each of the 35 employees killed in the terrorist attack. The firm's employees have been strong supporters of foundations that honor 15 of their fallen colleagues and of the National September 11 Memorial & Museum.

But the enormous drive of Alger's employees to volunteer their time to aid New York, national and international charities really only becomes apparent on the firm's Candlelight Giving Program Facebook page.

The page's wall is full of comments and photos about the dozens of volunteer activities the firm's employees plan every year, events as diverse as planting trees on Earth Day, taking third-graders to the zoo, bathing and feeding animals at a no-kill shelter, and food, clothing and blood drives.



Helping: Daniel Chung is proud of how everyone worked together to rebuild the firm and remember their colleagues.

The legacy of remembrance and community service is strongly supported by Daniel C. Chung, Alger's CEO, chief investment officer and a portfolio manager, who clearly is proud of employees' success in rebuilding the firm, an effort that he said was dedicated to the memory of fallen colleagues.

Mr. Chung, an Alger technology analyst at the time, was out of the firm's headquarters on the 93rd floor of the World Trade Center when the terrorist attack destroyed the tower. Just 10 of the 45 employees who were in the office that day survived.

To this day, Mr. Chung said he has trouble riding the subway in New York.

He and other Alger employees fanned out across New York on Sept. 11, checking hospitals, trying to find their colleagues. Well after midnight, Mr. Chung went into a subway station to catch a train home, only to find the normally crowded platform — and the train that eventually came — eerily empty.

Just one other passenger boarded during Mr. Chung's ride. Both men sat silent in the car, surreptitiously watching each other, as the train entered the tunnel under the East River.

“I could tell that the guy was thinking the same thing I was: This is where the terrorists could really get us. There we were, both with shoulders hunched, expecting the worst. When the announcement came on that we were arriving ... in Brooklyn, that we were out of the tunnel, we both broke out in big grins,” Mr. Chung said.

“I do ride the subway, but there are times when I feel like I just have to get off and walk,” he added.

CEO killed

David Alger, the firm's CEO and chief investment officer, was among those killed in the attacks. Fred Alger, the firm's founder and chairman, came out of retirement and promoted Mr. Chung, his son-in-law, to CIO.

The role Mr. Chung assumed at that time was enormous, because all but four members of the firm's investment team were killed on 9/11. The loss of the vast majority of the firm's investment talent probably should have crushed the firm, which managed \$16 billion in September 2001.

In fact, many investment consultants and institutional investors put Alger Management into the penalty box for a long five-year period to see whether the company could survive and rebuild its track record.

Existing employees, Alger alumni who returned to the firm after the tragedy and new employees “worked really hard and doubled down on our efforts to outperform. We really didn't worry about whether the company could survive or not. No one obsessed about the petty stuff,” said Mr. Chung.

Alger's assets hit a nadir of \$8 billion in March 2003, due mostly to redemptions from its mutual funds — the firm's primary investment vehicle — during the recession that year.

Those retail mutual fund redemptions led Mr. Chung and his team to refocus their attention on the institutional investment market, where the firm had its roots. Strong five-year performance and the addition of international growth equity strategies persuaded institutional investors to come back to the firm. Alger Management today manages \$17 billion, 50% of which is institutional.