ALGER

AI, What Have You Done For Me Today?

AI & Autonomous Driving: The Quiet Revolution on Our Roads

While many are familiar with Artificial Intelligence (AI) through chatbots and virtual assistants, the impact of AI extends far beyond these familiar applications. In fact, AI has become an intrinsic part of our daily lives, often in ways not immediately visible to the public. Today, in industries as diverse as agriculture, transportation, energy, and healthcare, AI is often behind the scenes, quietly revolutionizing business processes, and enhancing efficiencies and accuracy.



Source: Midjourney

AI Drives Us Forward

Historically, driving has been a purely human endeavor—requiring constant attention, judgement, and quick reflexes. Drivers relied on their own senses and experience to make split-second decisions. But now, AI is stepping in as a powerful co-pilot, transforming how vehicles operate and how we interact with them.

Autonomous vehicles use sensors, cameras, and radar to "see" the road, while AI algorithms interpret this data in real time. Advanced driver-assistance systems (ADAS) can automatically brake, steer, and maintain safe distances—reducing accidents and making driving less stressful.

Imagine you're heading to work in a city where autonomous taxis have become commonplace. You hail a ride through an app, and the vehicle arrives—no driver, just a friendly voice greeting you. As you settle in, the car's AI system is already at work, analyzing real-time traffic data, weather conditions, and even local events to choose the fastest and safest route. Cameras and sensors constantly scan for pedestrians, cyclists, and other vehicles. If someone steps into the road, the car can brake instantly—often faster than a human could react. The system continuously gathers information from each journey—drawing on sensor data, user input, and feedback—and applies advanced algorithms to detect patterns. This ongoing learning process enables it to quickly adjust to new or unexpected situations.

Potential Benefits for Everyone

- **Reduced Accidents:** AI-powered vehicles can react faster and more consistently than humans, lowering the risk of collisions.
- **Greater Accessibility:** Autonomous driving opens up mobility for people who can't drive due to age, disability, or other reasons.
- **Improved Logistics and Delivery Efficiency:** Autonomous delivery vehicles operate around the clock, optimizing routes and potentially reducing operational costs

Sample Holdings

Tesla Inc. (TSLA): Tesla's Autopilot and Full Self-Driving (FSD) features use AI to enable lane keeping, adaptive cruise control, and even automated parking. Tesla's vehicles gather data from every drive, feeding back into their neural networks to enhance safety and performance.

NVIDIA Corporation (NVDA): NVIDIA provides the AI hardware and software backbone for many autonomous vehicle systems, powering real-time data processing and deep learning for perception, planning, and control.

▶ **For more information on how AI is impacting you on a daily basis, please visit www.alger.com.**

The views expressed are the views of Fred Alger Management, LLC (FAM) and its affiliates as of October 2025. These views are subject to change at any time and may not represent the views of all portfolio management teams. These views should not be interpreted as a guarantee of the future performance of the markets, any security or any funds managed by FAM. These views are not meant to provide investment advice and should not be considered a recommendation to purchase or sell securities.

Risk Disclosures: Investing in the stock market involves risks, including the potential loss of principal. Growth stocks may be more volatile than other stocks as their prices tend to be higher in relation to their companies' earnings and may be more sensitive to market, political, and economic developments. Local, regional or global events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases and similar public health threats, recessions, or other events could have a significant impact on investments.

Investing in innovation is not without risk and there is no guarantee that investments in research and development will result in a company gaining market share or achieving enhanced revenue. Also, developing technologies to displace older technologies or create new markets may not in fact do so, and there may be sector specific risks as well. As is the case with any industry, there will be winners and losers that emerge, and investors therefore need to conduct a significant amount of due diligence on individual companies to assess these risks and opportunities. **Companies involved in, or exposed to, AI-related businesses may have limited product lines, markets, financial resources, or personnel as they face intense competition and potentially rapid product obsolescence.** These companies may be substantially exposed to the market and business risks of other industries or sectors and may be adversely affected by negative developments impacting those companies, industries, or sectors, as well as by loss or impairment of intellectual property rights or misappropriation of their technology. Companies that utilize AI could face reputational harm, competitive harm, and legal liability, and/ or an adverse effect on business operations as content, analyses, or recommendations that AI applications produce may be deficient, inaccurate, biased, misleading or incomplete, may lead to errors, and may be used in negligent or criminal ways. Companies exploring new technologies may face regulatory, political or legal challenges that may adversely impact their competitive positioning and financial prospects.

Important Information for US Investors: This material must be accompanied by the most recent fund fact sheet(s) if used in connection with the sale of mutual fund and ETF shares. Fred Alger & Company, LLC serves as distributor of the Alger mutual funds.

Important Information for UK and EU Investors: This material is directed at investment professionals and qualified investors (as defined by MiFID/FCA regulations). It is for information purposes only and has been prepared and is made available for the benefit investors. This material does not constitute an offer or solicitation to any person in any jurisdiction in which it is not authorised or permitted, or to anyone who would be an unlawful recipient, and is only intended for use by original recipients and addressees. The original recipient is solely responsible for any actions in further distributing this material and should be satisfied in doing so that there is no breach of local legislation or regulation.

Certain products may be subject to restrictions with regard to certain persons or in certain countries under national regulations applicable to such persons or countries.

Alger Management, Ltd. (company house number 8634056, domiciled at 78 Brook Street, London W1K 5EF, UK) is authorised and regulated by the Financial Conduct Authority, for the distribution of regulated financial products and services. FAM, Weatherbie Capital, LLC, and/or Redwood Investments, LLC, U.S. registered investment advisors, serve as sub-portfolio manager to financial products distributed by Alger Management, Ltd.

Alger Group Holdings, LLC (parent company of FAM and Alger Management, Ltd.), FAM, and Fred Alger & Company, LLC are not an authorized persons for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA") and this material has not been approved by an authorized person for the purposes of Section 21(2) (b) of the FSMA.

Important information for Investors in Israel: Fred Alger Management, LLC is neither licensed nor insured under the Israeli Regulation of Investment Advice, of Investment Marketing, and of Portfolio Management Law, 1995 (the "Investment Advice Law"). This document is for information purposes only and should not be construed as an offering of Investment Advisory, Investment Marketing or Portfolio Management services (As defined in the Investment Advice Law). Services regulated under the Investment Advice Law are only available to investors that fall within the First Schedule of Investment Advice Law ("Qualified Clients"). It is hereby noted that with respect to Qualified Clients, Fred Alger Management, LLC is not obliged to comply with the following requirements of the Investment Advice Law: (1) ensuring the compatibility of service to the needs of client; (2) engaging in a written agreement with the client, the content of which is as described in section 13 of the Investment Advice Law; (3) providing the client with appropriate disclosure regarding all matters that are material to a proposed transaction or to the advice given; (4) a prohibition on preferring certain Securities or other Financial Assets; (5) providing disclosure about "extraordinary risks" entailed in a transaction (and obtaining the client's approval of such transactions, if applicable); (6) a prohibition on making Portfolio Management fees conditional upon profits or number of transactions; (7) maintaining records of advisory/discretionary actions. This document is directed at and intended for Qualified Clients only.

The following represents the noted percentages of firmwide assets under management as of July 31, 2025: Tesla, Inc., 1.53%; NVIDIA Corporation, 9.75%.

Alger pays compensation to third party marketers to sell various strategies to prospective investors.