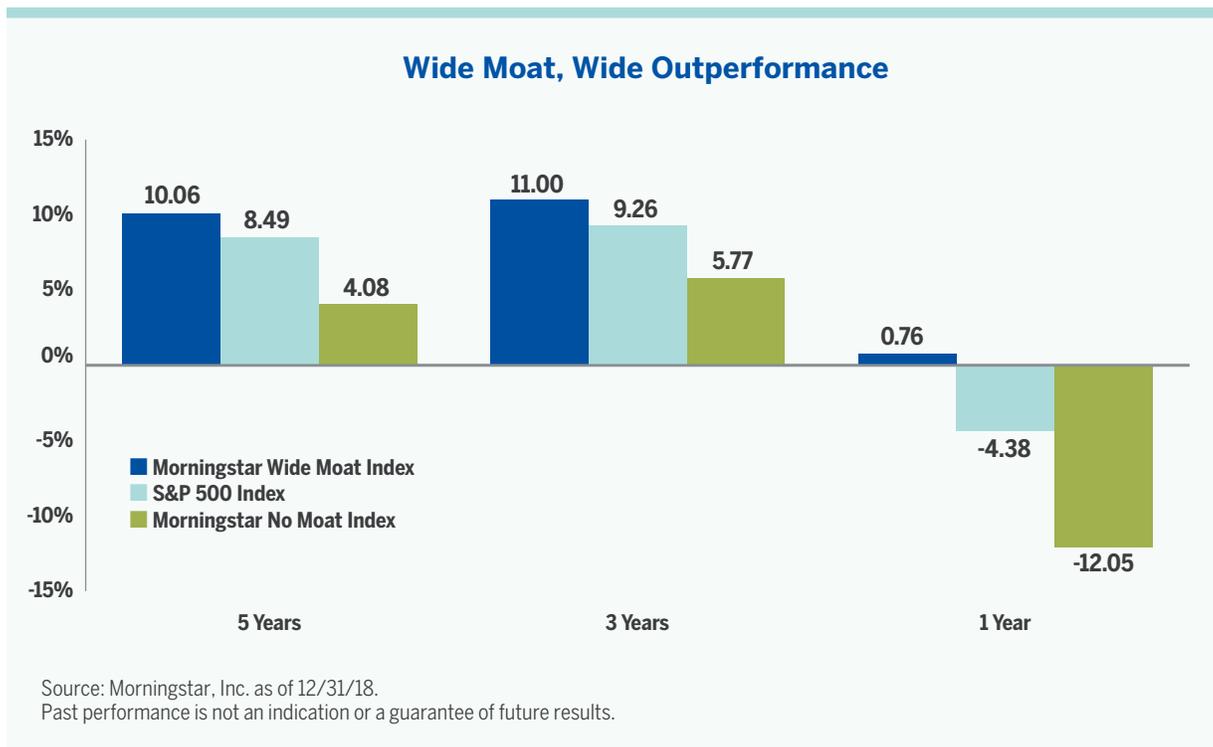


What Does a Moat Get You?

What is an economic moat? It's a representation of a company's sustainable competitive advantage, which matters because wide moat companies, whose competitive advantages are expected to be durable over the long term, have historically outperformed.



- Over the last several time periods, the Morningstar Wide Moat Index outperformed the S&P 500 and the corresponding index for companies with no moat.
- According to Morningstar, there are five factors in determining a moat: switching costs (impediments that prevent customers from switching from one product to another), the network effect (the value of the product increases as more people use it), intangible assets (brand identity, government licenses and patents), cost advantage (producing goods at a lower cost than competitors) and efficient scale (average unit cost declines as production volume increases).
- A wide moat has historically meant higher returns. Picking a fund manager who identifies sustainable competitive advantages resulting in wide moats as a key part of his or her investment process may offer potential benefits.

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Risk Disclosure: Investing in the stock market involves gains and losses and may not be suitable for all investors. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Many technology companies have limited operating histories and prices of these companies' securities have historically been more volatile than other securities, especially over the short term. Technology companies may also face increased competition, government regulation, and risk of obsolescence due to progress in technological developments.

The Morningstar Wide Moat Index is a float market cap weighted index of all securities in the Morningstar US Market Index with a 'Wide Moat' rating.

The Morningstar No Moat index consists of all securities in the Morningstar US Market Index where Morningstar expects the company to be unable to achieve high returns on invested capital relative to cost of capital and has little to no competitive advantage. The security weights are determined by free-float market capitalization.

The S&P 500 Index is an index of large company stocks considered to be representative of the U.S. stock market. Investors cannot invest directly in an index. Index performance does not reflect the deduction for fees, expenses, or taxes. **Performance data quoted represents past performance. Past performance is no guarantee of future results.**

This material must be accompanied by the most recent fund fact sheet(s) if used in connection with the sale of mutual fund shares.