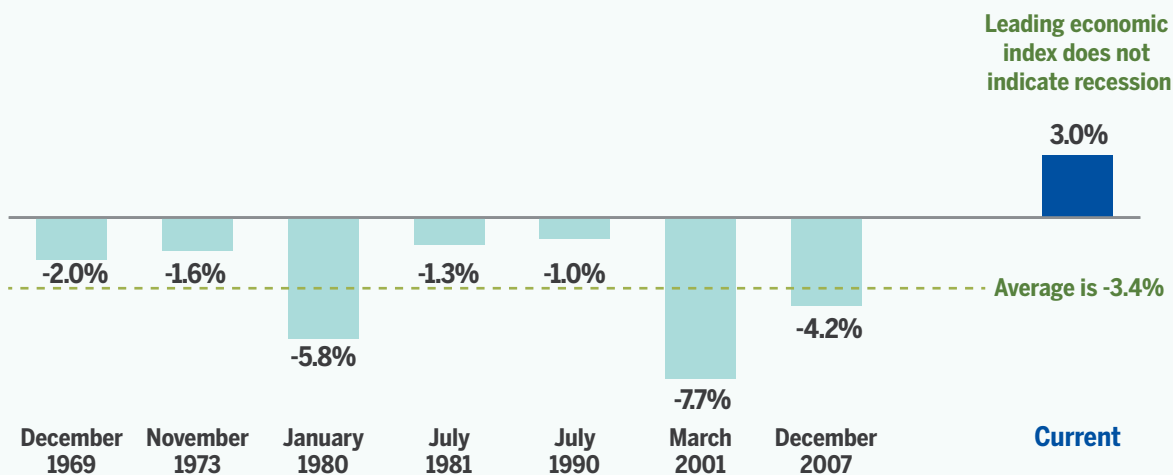


Recession Check

When trying to understand the probability of a recession, it can be challenging to conclude much from news headlines or media stories. However, the Conference Board Leading Economic Index (LEI) has been a reliable indicator of future economic growth and its current reading implies that a recession is not imminent.

Leading Economic Index Prior to U.S. Recession (Year-over-Year % Change)



Source: The Conference Board and Alger analysis.

- Prior to the last seven U.S. recessions, the LEI, an index that tracks ten key economic variables and tends to reach peaks and troughs ahead of the business cycle, was declining.
- While the LEI has historically declined on a year-over-year basis leading up to a recession, it is currently still rising, indicating continued economic growth.
- The LEI tends to peak 6-18 months ahead of similar changes in corporate earnings. Therefore its current momentum suggests future earnings per share growth. As a result, stock market gains may follow.

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The Leading Economic Index is based on a variety of economic data and is part of the Conference Board's analytic system that seeks to signal peaks and troughs in the business cycle.

EPS, or earnings per share, is the total amount of a corporations' profits divided by the total number of outstanding shares.

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.

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