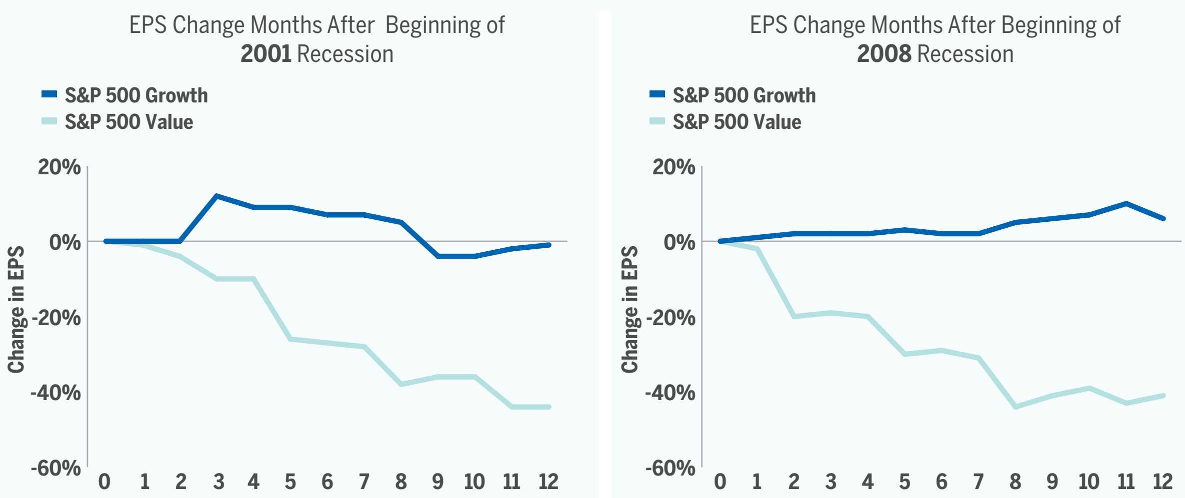
ALGER

Alger On the Money

Worried About a Recession?

When it comes to framing risk, especially in a recessionary environment, it is important to understand history. Gauging expected earnings in a difficult economic environment is key to understanding risk in investments.

Look for Stocks Where Fundamentals May Prove Resilient



Source: FactSet.
Note: EPS is earnings per share, the amount of a company's profit for each share of its stock.

- During the 12 months following the past two recessions (2001 and 2008), the aggregate earnings of the S&P 500 Growth Index held steady while the S&P 500 Value Index companies experienced sharp EPS (earnings per share) losses.
- Historically value stock earnings have been more impacted by economic volatility. Conversely, growth stocks have previously benefitted from steady earnings during difficult economic environments.
- Because the earnings of growth stocks have previously proven more resilient than those of value stocks, investors should consider their Growth vs. Value weightings should they believe a recession is on the horizon. These past two recessions have shown the strength of Growth equity earnings.

Inspired by Change, Driven by Growth.

The views expressed are the views of Fred Alger Management, Inc. as of July 2019. These views are subject to change at any time and they do not guarantee the future performance of the markets, any security or any funds managed by Fred Alger Management, Inc. These views are not meant to provide investment advice and should not be considered a recommendation to purchase or sell securities.

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

Fred Alger & Company, Incorporated 360 Park Avenue South, New York, NY 10010 / www.alger.com
800.305.8547 *(Retail)* / 212.806.8869 *(Institutional)*