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Autumn 2026

Capital Markets: Observations and Insights

Capital Markets: Observations & Insights

Massive capital investment cycles in revolutionary new technologies like generative artificial intelligence (AI) bring many investor worries. Will we overbuild and create a supply glut? Will demand growth reach expectations? Can supply-chain challenges be met?

Ironically, some of these concerns may help alleviate others. Historically, the greatest risk in infrastructure cycles has been excess supply. For example, most of the fiber laid in the internet buildout during the dot-com bubble was not utilized at that time. Capacity constraints, on the other hand, may help prolong an investment cycle.

As we track AI-related developments, demand appears to be growing strongly with token consumption, a measure of AI usage, growing at an accelerating rate, driven by new agentic AI applications. Supply, however, appears to be struggling to keep up. The ability to bring on adequate new capacity is likely to be constrained as communities debate the construction of data centers, utilities grapple with rising power demand, and various components remain scarce.

In our view, this dynamic could reduce the risk of oversupply and extend the period during which demand for AI computing resources exceeds available capacity. Moreover, the bottlenecks prolonging the cycle are likely to reveal compelling investment opportunities, in our view. Companies with secured power access, existing data center capacity, or behind-the-meter energy solutions may be set to thrive in an environment where the priority is bringing on incremental compute swiftly and efficiently.

Ultimately, compelling innovation has historically found a way to succeed and drive change. At Alger, we remain committed to identifying the companies positioned to benefit from that change while seeking to avoid those vulnerable to disruption, as we have for more than 60 years.



A handwritten signature in black ink, appearing to read 'Daniel C. Chung'.

Daniel C. Chung, CFA

Chief Executive Officer
Chief Investment Officer



A handwritten signature in black ink, appearing to read 'Brad Neuman'.

Brad Neuman, CFA

Senior Vice President
Director of Market Strategy

Key Observations and Themes

I

Bull vs. Bear

Will more restrictive monetary policy weigh on economic activity? Or will business investment, driven by AI innovation, push earnings and stocks higher?

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Long-Term Investing

Regardless of how the short-term macroeconomic situation evolves, the long-term outlook for the economy and equity investing is very bright, in our view.

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Artificial Intelligence

We believe AI is the most important technology of our lifetimes, driving productivity, economic growth and investment opportunities.

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Enduring Themes

Secular investment trends may transcend economic volatility, politics, and central bank actions, producing compelling investment opportunities over the long-term.

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Style Wars

Powerful structural forces may keep the long-term trend of growth outperformance intact, in our view.

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Investing Outside the U.S.

In many areas of innovation, leaders exist outside the U.S. and often trade at a discounted valuation to their U.S. peers, potentially offering attractive investment opportunities.

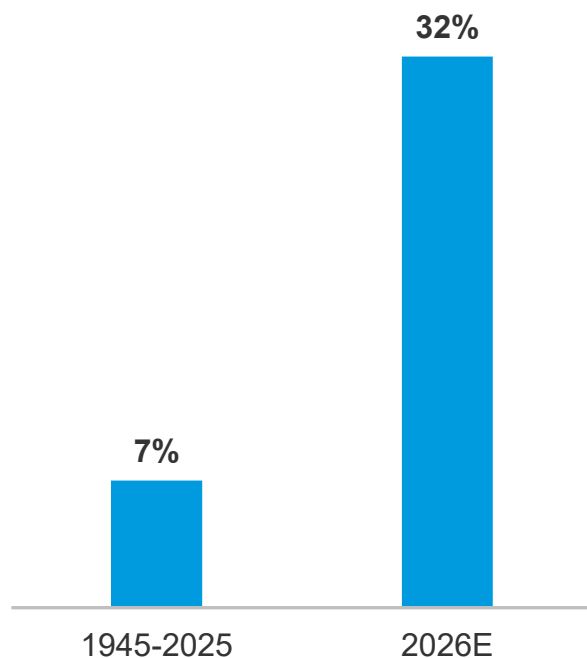
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I Bull vs. Bear

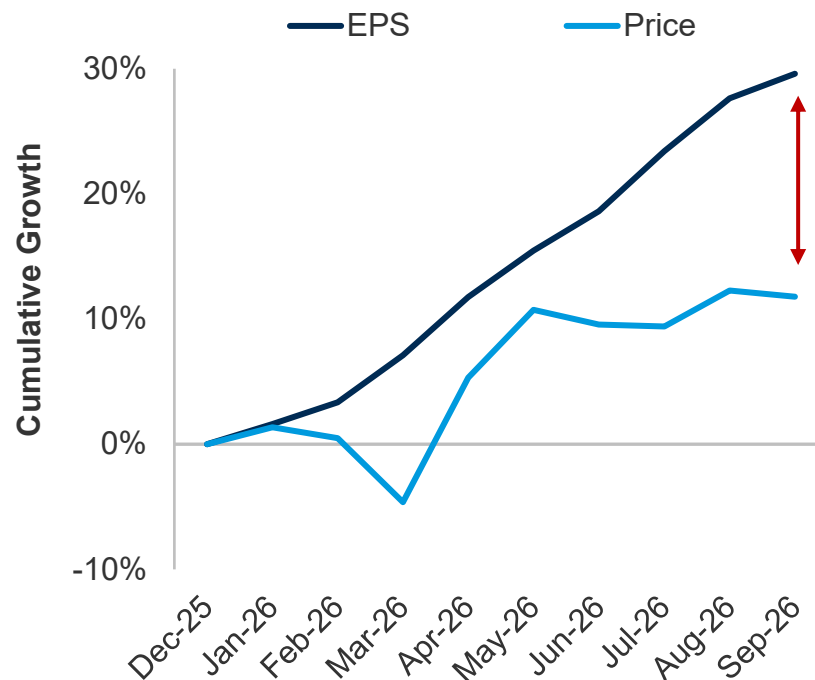
Bull Case: Soaring Earnings

- This year has been a historically strong period of corporate earnings growth
- Stocks have struggled to keep up with the torrid pace of earnings

S&P 500 Annual Earnings Growth



S&P 500 Price vs. Next 12-Month EPS



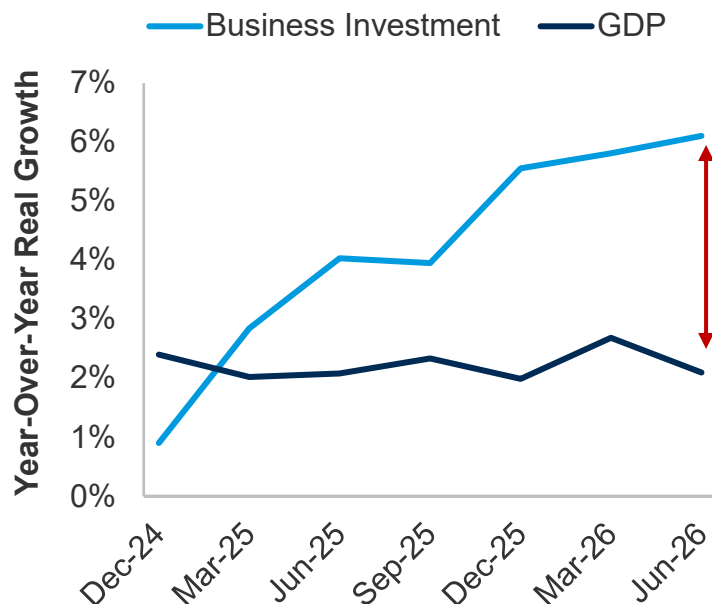
Source: FactSet through September 2026. Earnings per share (EPS) is the portion of a company's earnings or profit allocated to each share of common stock. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

Bull vs. Bear

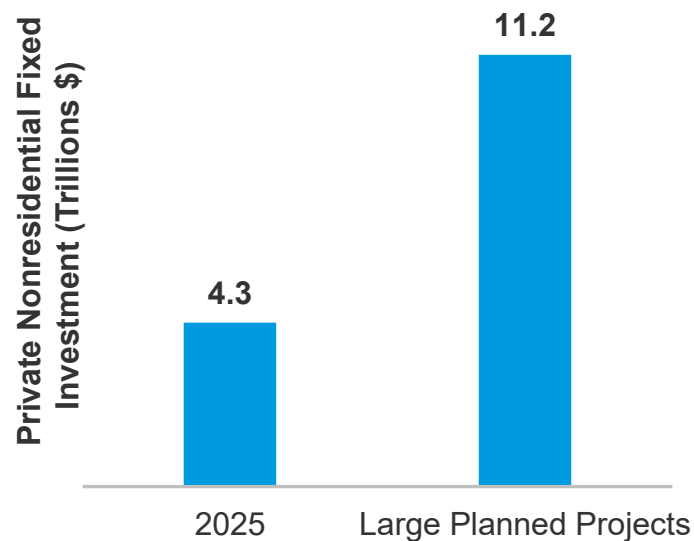
Bull Case: American Business Spending Boom?

- The growth of U.S. business investment is outpacing overall economic growth and may be poised to surge ahead
 - Driven by AI infrastructure needs, as well as reshoring and tax incentives for domestic manufacturing

U.S. Business Investment Outpacing GDP



Robust Pipeline of Business Investment



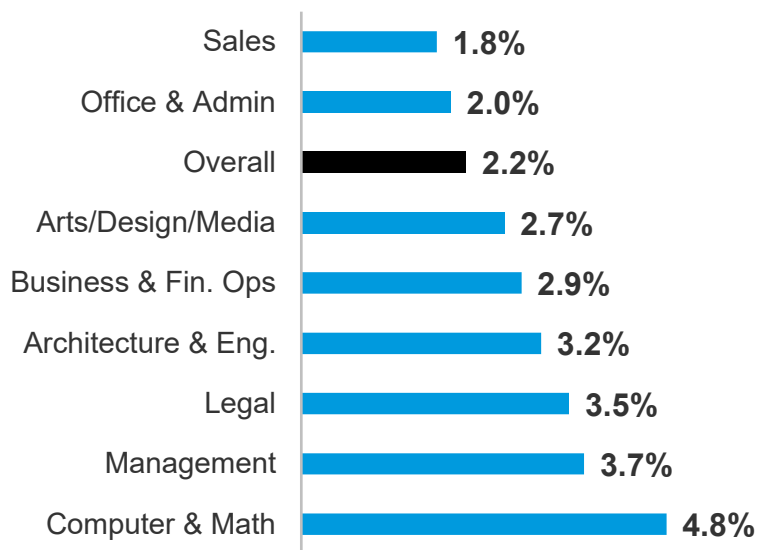
Source: U.S. Bureau of Economics and The White House. Business investment is Private Nonresidential Fixed Investment, which is business spending on productive assets including structures, equipment, and intellectual property.

Bull vs. Bear

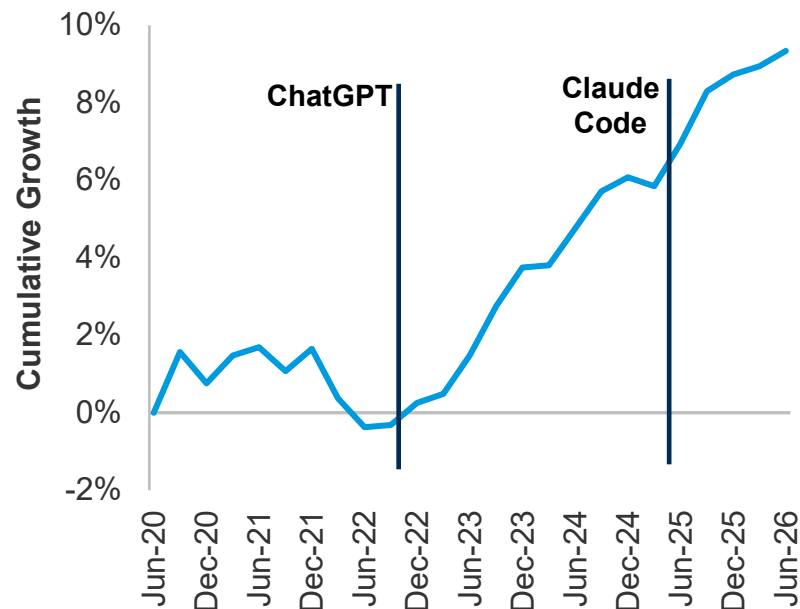
Bull Case: Productivity Boost

- Many occupations are saving significant time due to generative AI
- Productivity should increase with more adoption and better tools
- After a slowdown, U.S. productivity growth is reaccelerating
- Agentic AI can meaningfully amplify this trend, in our view

Share of Labor Hours Saved Per Week Due to AI



U.S. Labor Productivity Growth

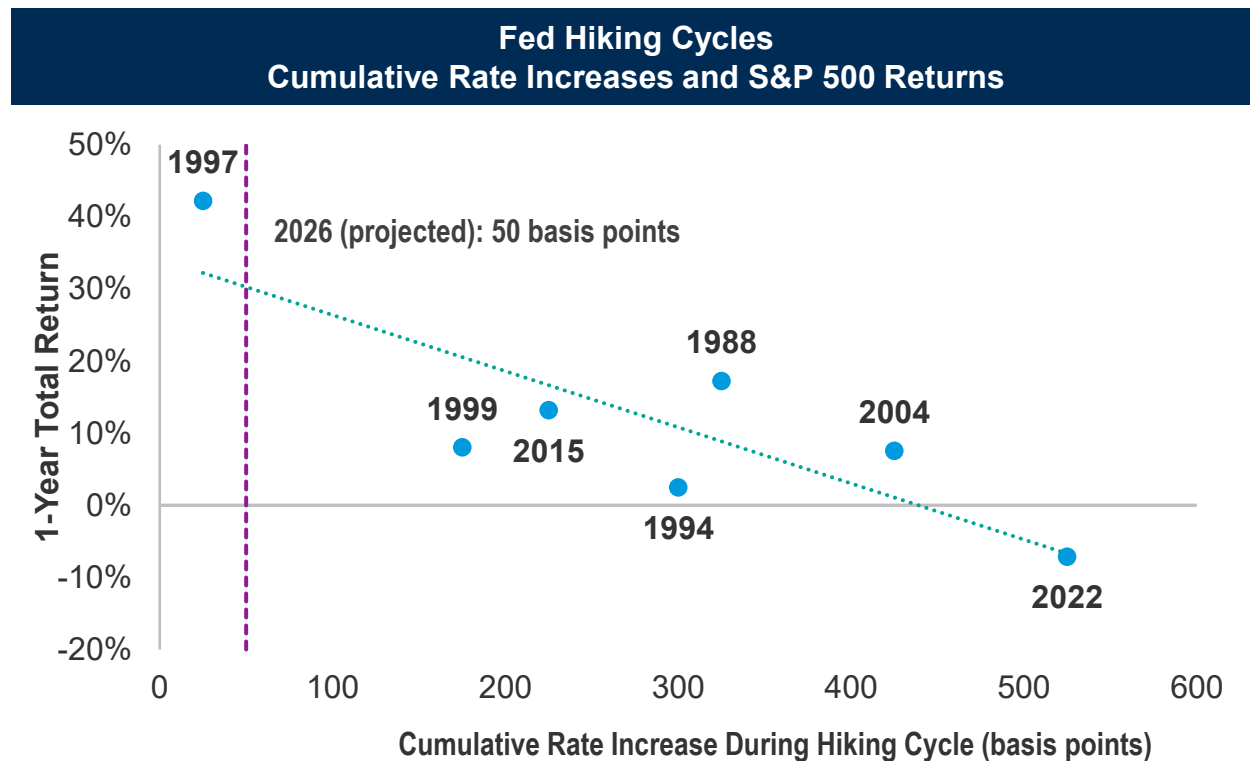


Source: Bick et al., *Generative AI Adoption Tracker*, May 2026 (left). U.S. Bureau of Labor Statistics (right). Productivity growth is the change in nonfarm business output / labor hour.

Bull vs. Bear

Bull Case: Managing the Fed

- Fed tightening cycles have unfolded under vastly different economic conditions and with varying degrees of magnitude
- The Fed currently projects this hiking cycle to look subdued relative to history



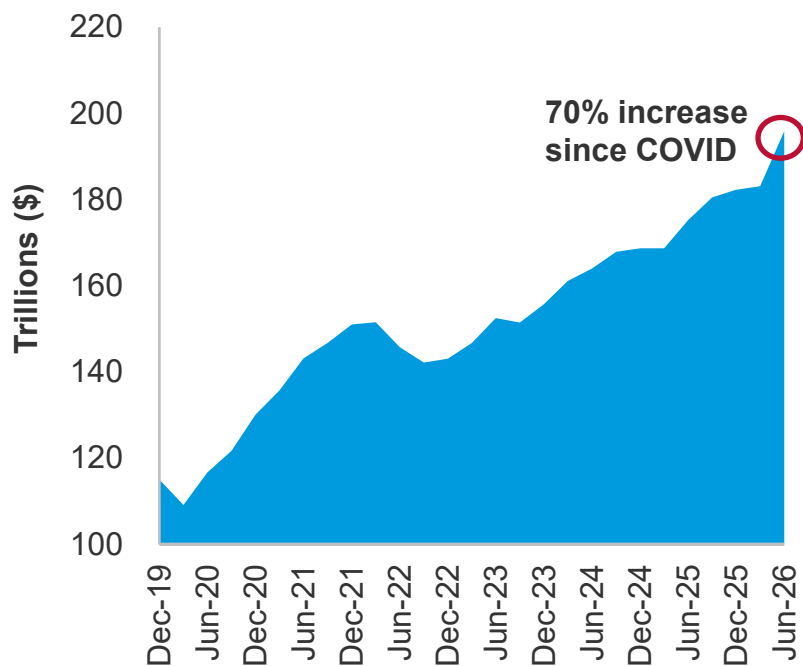
Source: FactSet, S&P Global, and Alger. Each hiking cycle is labeled by the year of its first rate increase. Cumulative increases are measured from the first to the last increase in the federal funds target rate. S&P 500 Index 1-year total returns are measured from the close on the trading day before each cycle's first rate increase. 2026 cycle estimated at 50 basis points based on the FOMC's September 2026 Summary of Economic Projections. The green trend line is for illustrative purposes only and does not represent a forecast of future returns. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

Bull vs. Bear

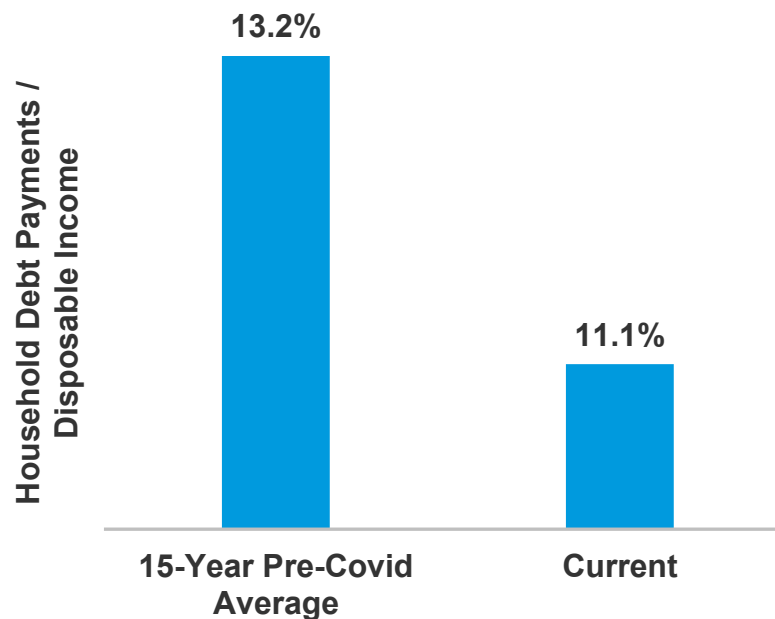
Bull Case: Solid Consumer Balance Sheet

- Soaring household net worth may support spending
- Low debt to income should underpin consumers' ability to spend

U.S. Household Net Worth



Solid Balance Sheets

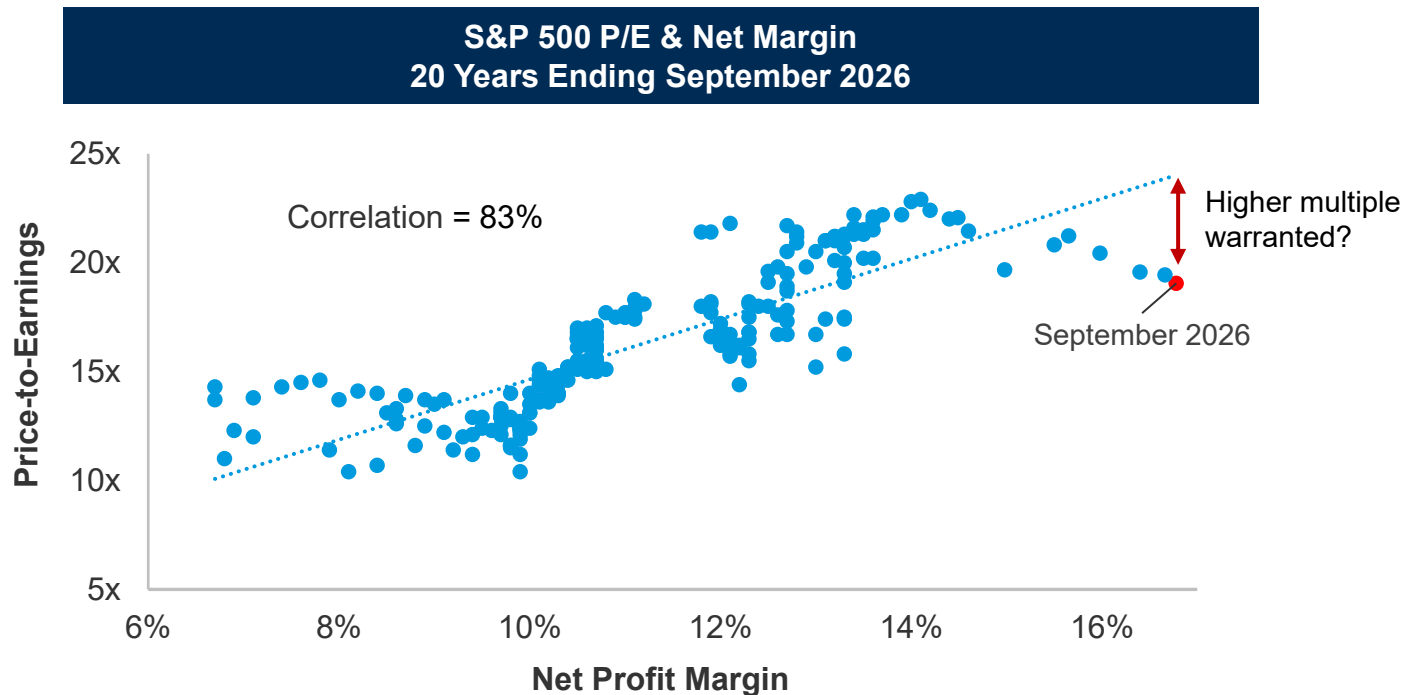


Source: Federal Reserve and Alger. Household net data through 2Q26. Debt payments-to-income is as of 2Q26. Pre-Covid period ends 12/31/19.

Bull vs. Bear

Bull Case: Better Business Models

- Higher profit margins have historically been associated with higher P/E multiples
- Based on the historical relationship, today's profit margins may support higher equity valuations

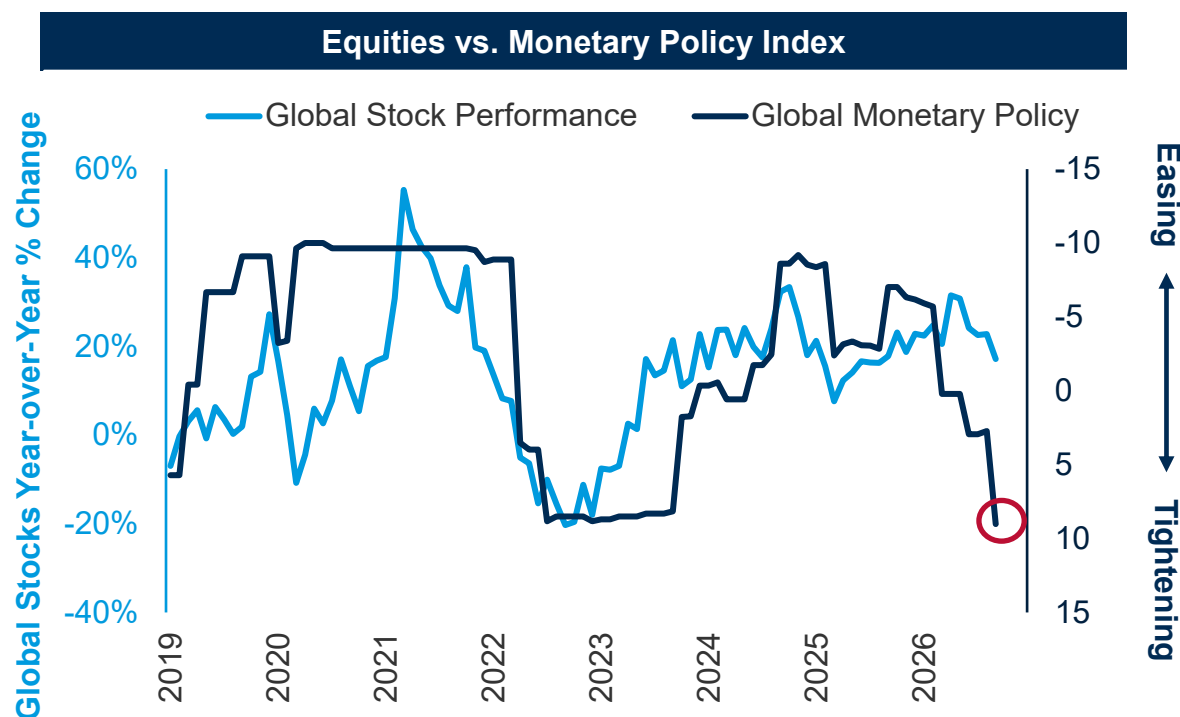


Source: FactSet, Standard & Poor's, and Alger from September 2006 through September 2026 with the COVID period March 2020-December 2020 excluded. Each dot is a month. P/E is the price divided by the next 12-month earnings per share (EPS) estimate of companies in the S&P 500 Index. Net profit margin is the next 12-month EPS divided by the next 12-month sales estimates of companies in the S&P 500 Index. Correlation is a statistical measure that shows how two variables are related to each other. If two variables are correlated, it means that they tend to move together in some way.

Bull vs. Bear

Bear Case: Monetary Tightening

- Central banks around the world are raising interest rates including the Federal Reserve, the European Central Bank, the Bank of Japan, and the Reserve Bank of Australia
- Historically, tighter monetary policy has had an adverse impact on global stock prices



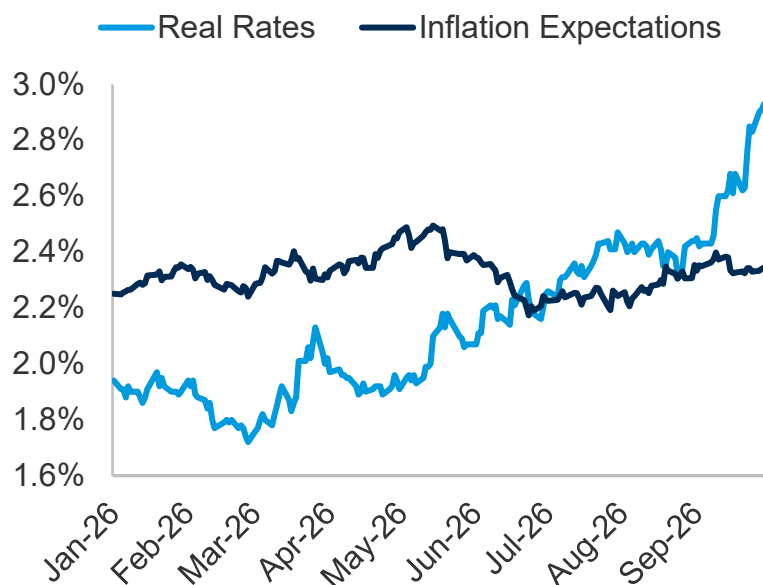
Source: Council On Foreign Relations Global Monetary Policy Tracker, September 2026 Global stocks represented by MSCI ACWI Index. Global Monetary Policy Tracker compiles data from 54 countries to highlight significant global trends in monetary policy. The index ranges from -10, which indicates that all countries are easing, to 10, which indicates that all are tightening. Index weighted by share of global foreign exchange reserves. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

Bull vs. Bear

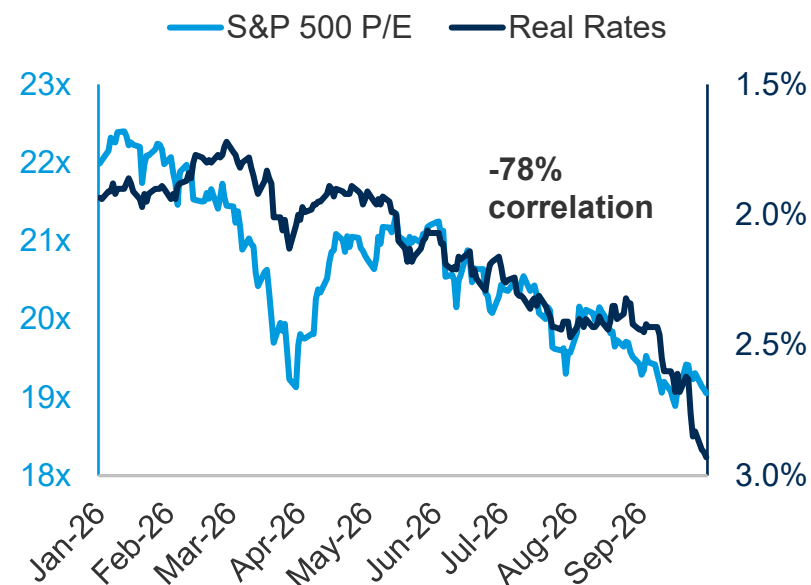
Bear Case: Higher Cost of Capital

- Rising interest rates have been driven by real rates as opposed to inflation expectations
- Higher interest rates, and real rates in particular, have weighed on equity valuations

U.S. Treasury 10-Year Yields



S&P 500 P/E vs. 10-Year Real Rates

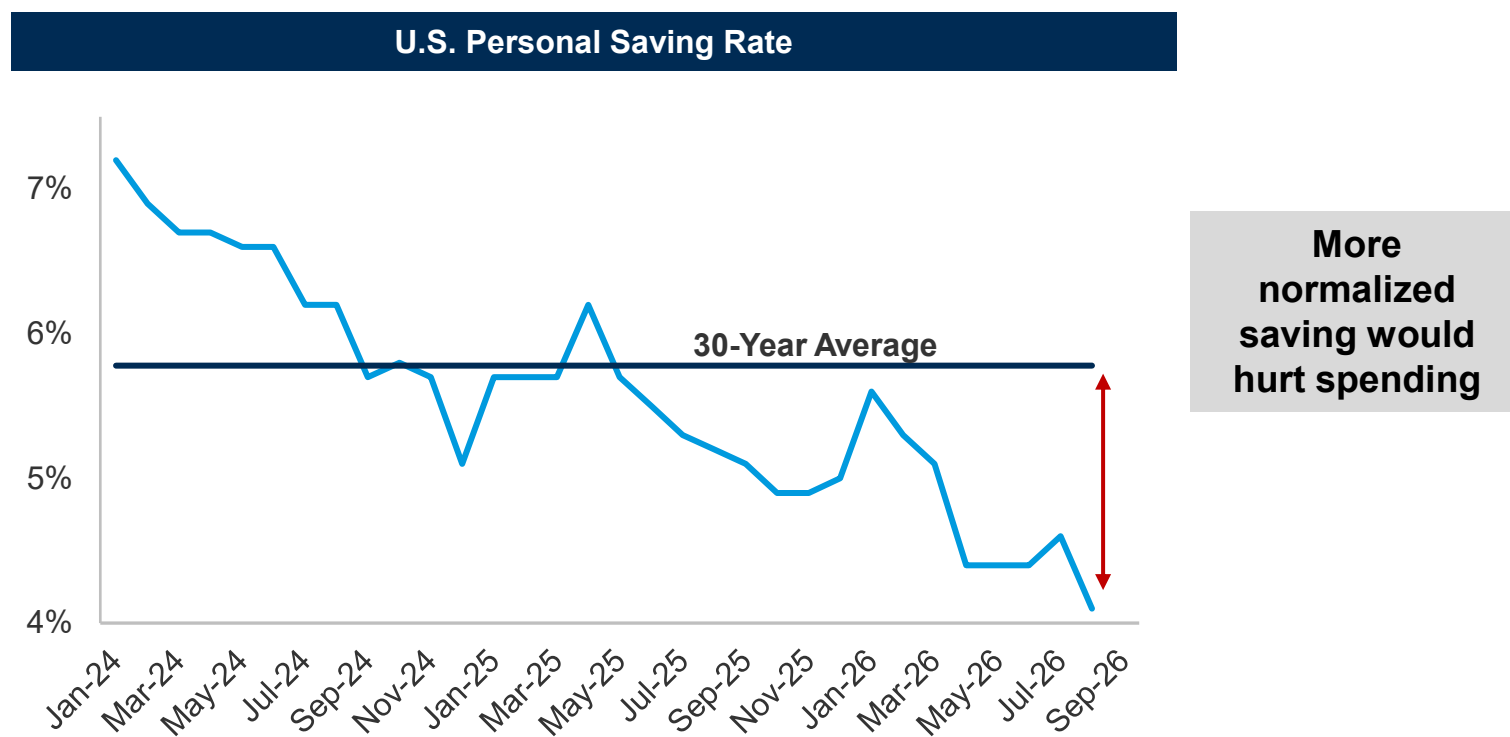


Source: FactSet. Real rates are U.S. constant maturity 10-year Treasury inflation protected securities (TIPS). Inflation expectations are the difference between U.S. constant maturity 10-year yields and 10-year TIPS.

I Bull vs. Bear

Bear Case: The Cost of Saving Less

- The U.S. consumer has been saving less from income, in order to spend more
- Increasing the savings rate back to historical average levels would hurt spending >\$400b



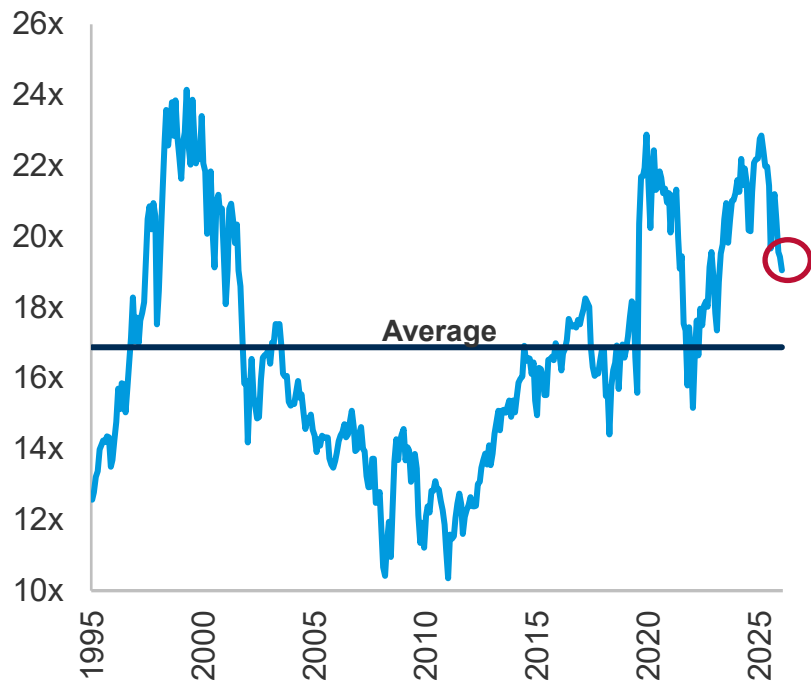
Source: U.S. Bureau of Economic Analysis through August 2026. Saving rate is saving as a percentage of disposable income.

Bull vs. Bear

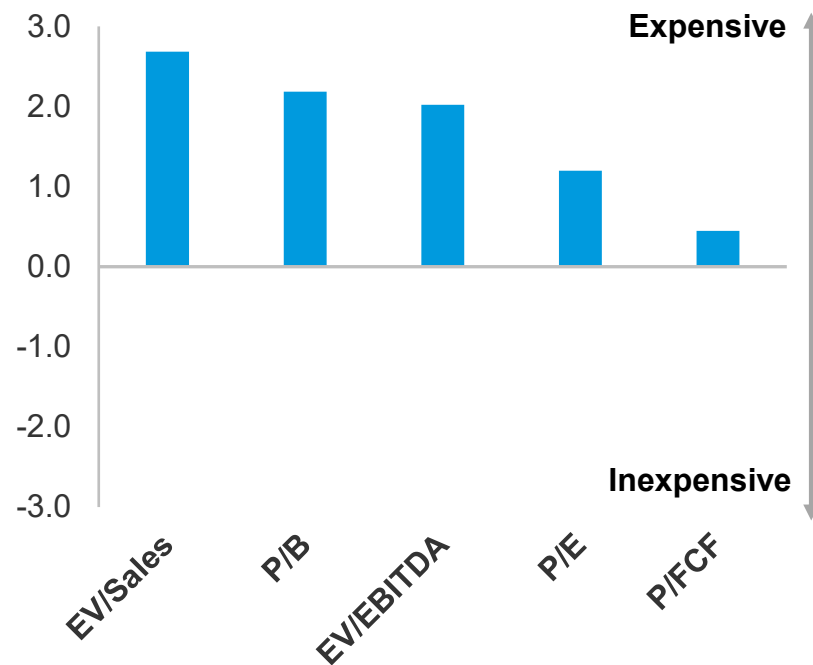
Bear Case: Elevated Valuations

- While some metrics have moderated this year, U.S. equity valuations generally remain materially above their historical average

S&P 500 Price-to-Earnings



Z-Score of Various Valuation Metrics (S&P 500)



Source: FactSet as of 9/30/26; P/E based on consensus next 12-month estimates (left). FactSet as of 9/30/26 and Alger; Z-Score measures number of standard deviations from the 30-year mean. P/E is price divided by LTM earnings. P/FCF is price divided by LTM free cash flow. P/B is price divided by LTM book value. EV/EBITDA is enterprise value divided by LTM earnings before interest, taxes and depreciation and amortization. EV/Sales is enterprise value divided by LTM sales (right).

I

Bull vs. Bear

Bear Case: Fiscal Fiasco?

- With a high federal deficit and growing debt and related service levels, will Treasury bond buyers balk, causing yields to rise further?

II

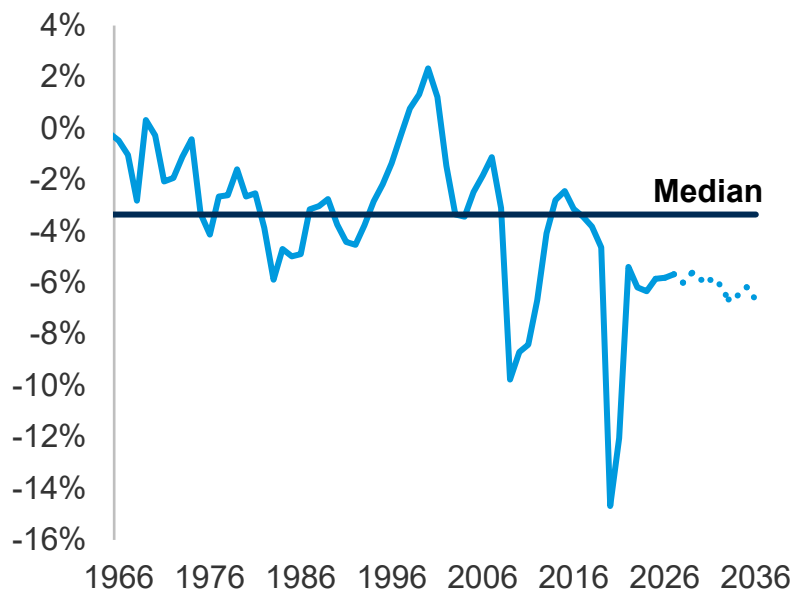
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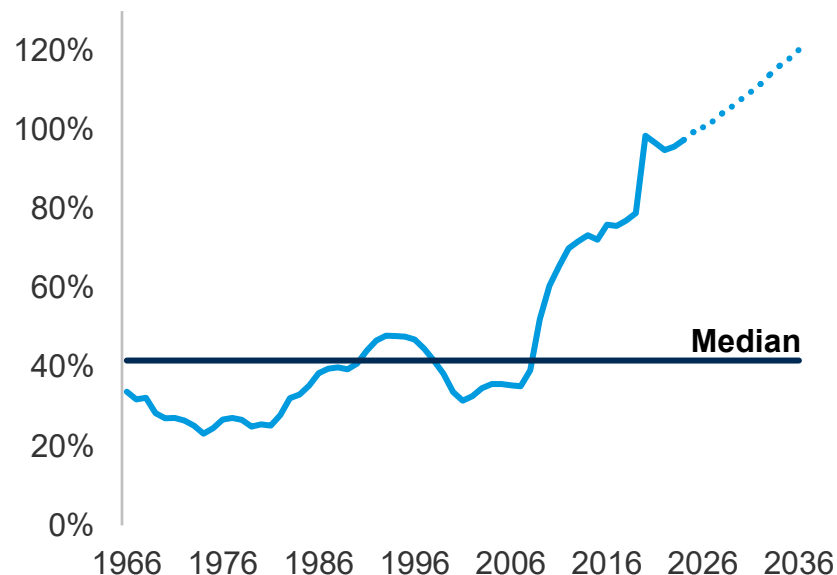
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U.S. Federal Deficit (as a % of GDP)



U.S. Federal Debt (as a % of GDP) Held by the Public

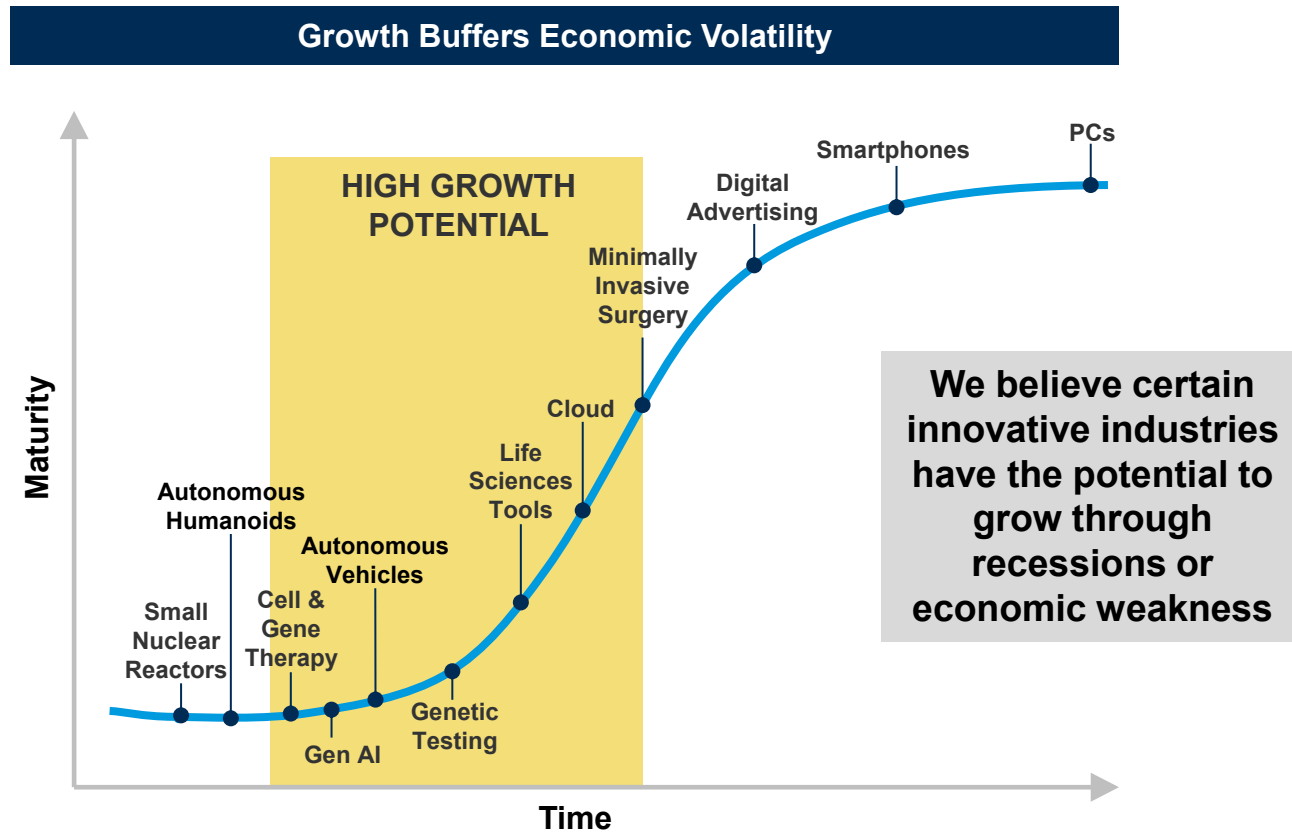


Source: Congressional Budget Office with projections 2026-2036, as of February 2026. U.S. fiscal year end is September.

Bull vs. Bear

Investing for Various Market Environments

- Industries or technologies early in their lifecycle are less susceptible to economic volatility because of their potential for market share gains, in our view



Source: Alger. 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.



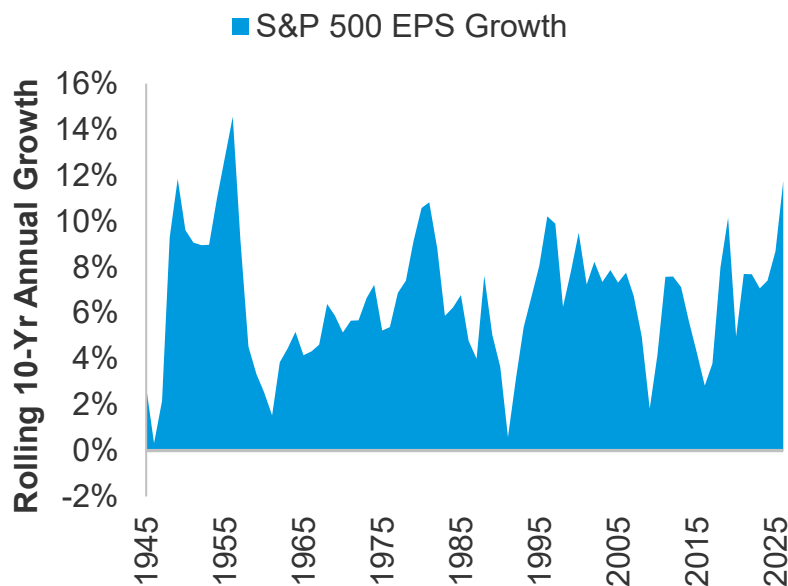
Long-Term Investing

The Bottom Line

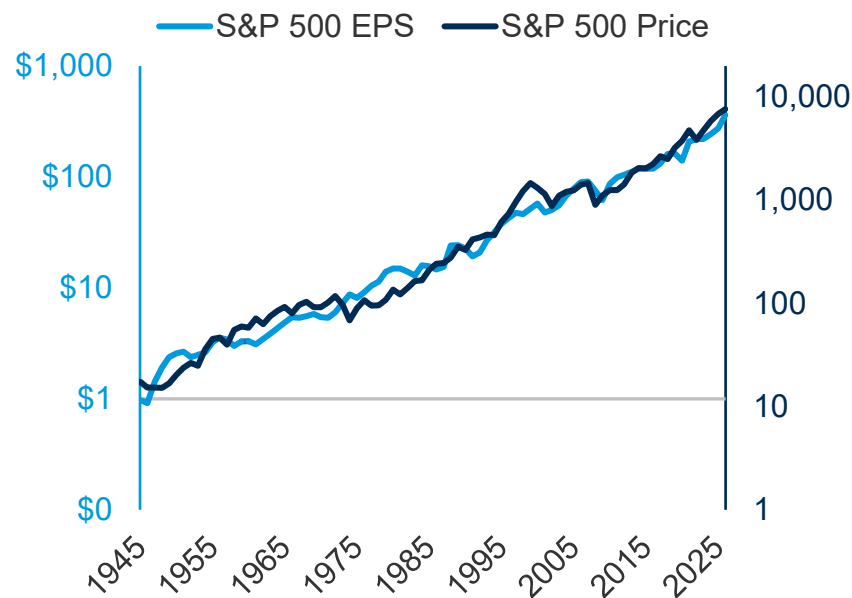
- Earnings per share has historically increased over full cycles
- Post WWII, S&P 500 EPS has always grown over 10-year periods

- The S&P 500 price has tracked the 8% annual growth in earnings
- Huge wealth creation despite 12 recessions and several wars

Earnings Have Historically Grown...

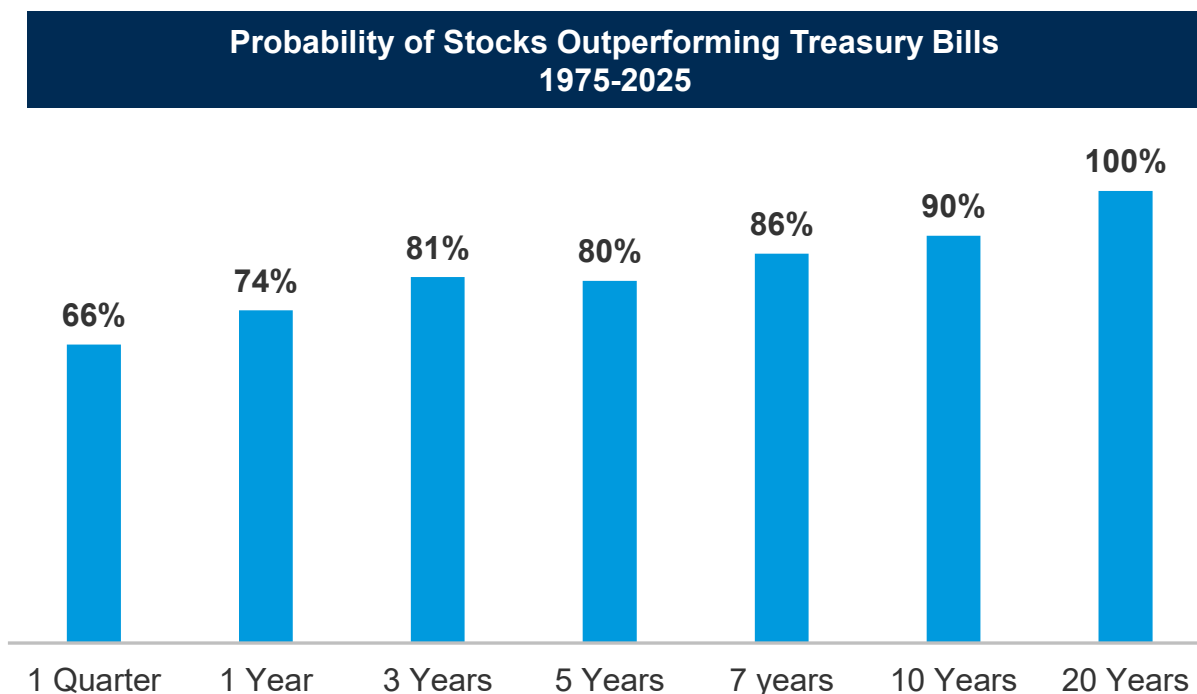


...Driving Stock Prices Upward at a Similar Rate



Source: FactSet as of 9/30/26 using consensus estimate for 2026. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

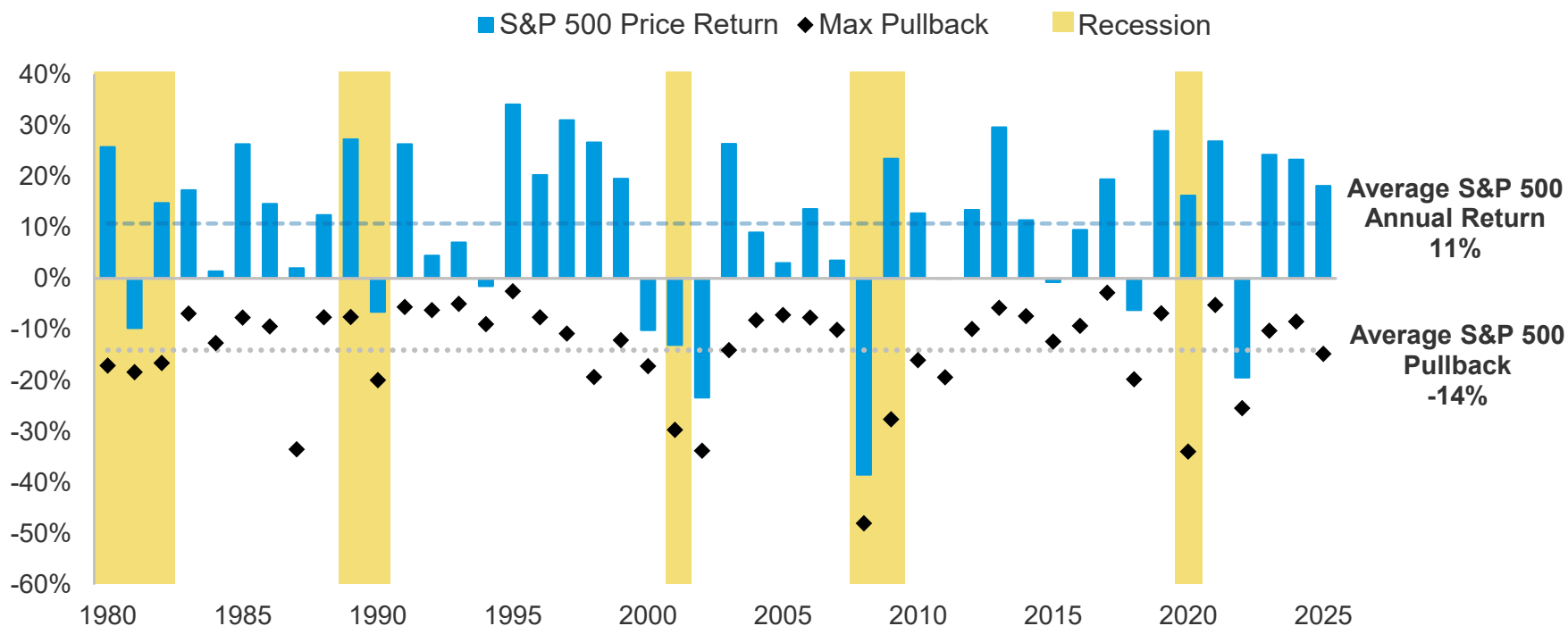
- While market drawdowns can be difficult to endure, historical data supports the adage: it's time in the market, not timing the market
 - The S&P 500 has outperformed Treasury Bills two-thirds of the time on a quarterly basis but 90% of the time over 10-year rolling periods and 100% over 20-year periods



Source: FactSet. Quarterly total return rolling data 12/31/75-12/31/25. Stocks are S&P 500 and Treasury Bills represented by the ICE BofA U.S. Treasury 1-3 Year Index. **The performance data quoted represents past performance, which is not an indication or a guarantee of future performance.**

- Historically, strong equity returns have often been accompanied by significant drawdowns
 - From 1980 through 2025, the average intra-year S&P 500 pullback has been -14%, while the average S&P 500 calendar year increase has been approximately +11%

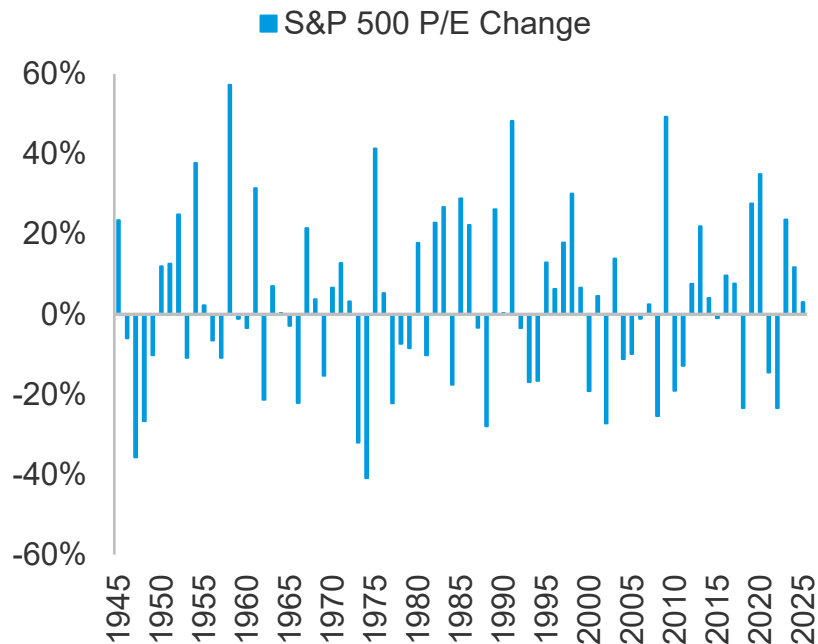
Calendar Year S&P 500 Returns and Maximum Drawdowns



Source: FactSet and Standard & Poor's. Annual S&P 500 performance calculations use daily price returns 1/1/80-12/31/25. **The performance data quoted represents past performance, which is not an indication or a guarantee of future performance.**

- While sentiment shifts may dominate short-term equity price fluctuations, long-term returns are driven by fundamentals such as earnings and cash flows
 - As Buffett's mentor Benjamin Graham said, "In the short run, the market is a voting machine but in the long run, it is a weighing machine"

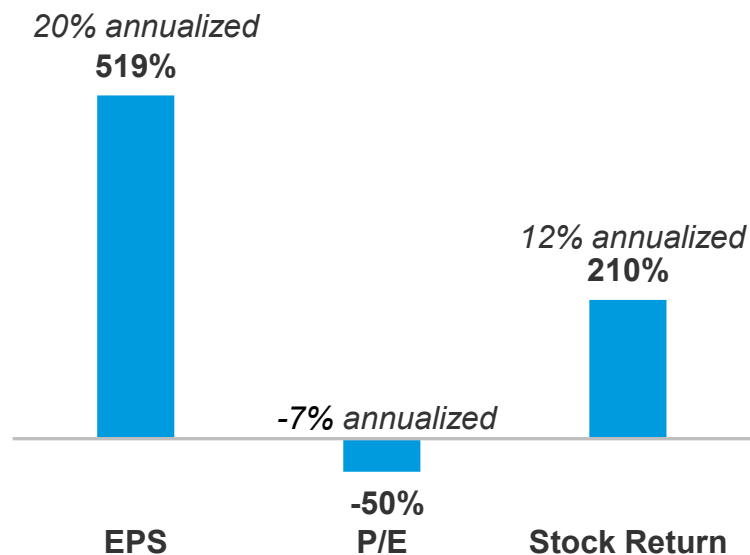
Sentiment Shifts Over Time...



Source: FactSet using last 12-month EPS through 2025 (left). Alger (right).

But Earnings Drive Stock Prices

**Hypothetical 10-year Return of Company
Whose EPS Grows 20% Annually but
P/E Falls in Half**





Artificial Intelligence

When GPT Means More than GPT

- AI is powered by generative pretrained transformers (GPT), but its true economic role is as a general-purpose technology (GPT) that we believe will permeate every aspect of life

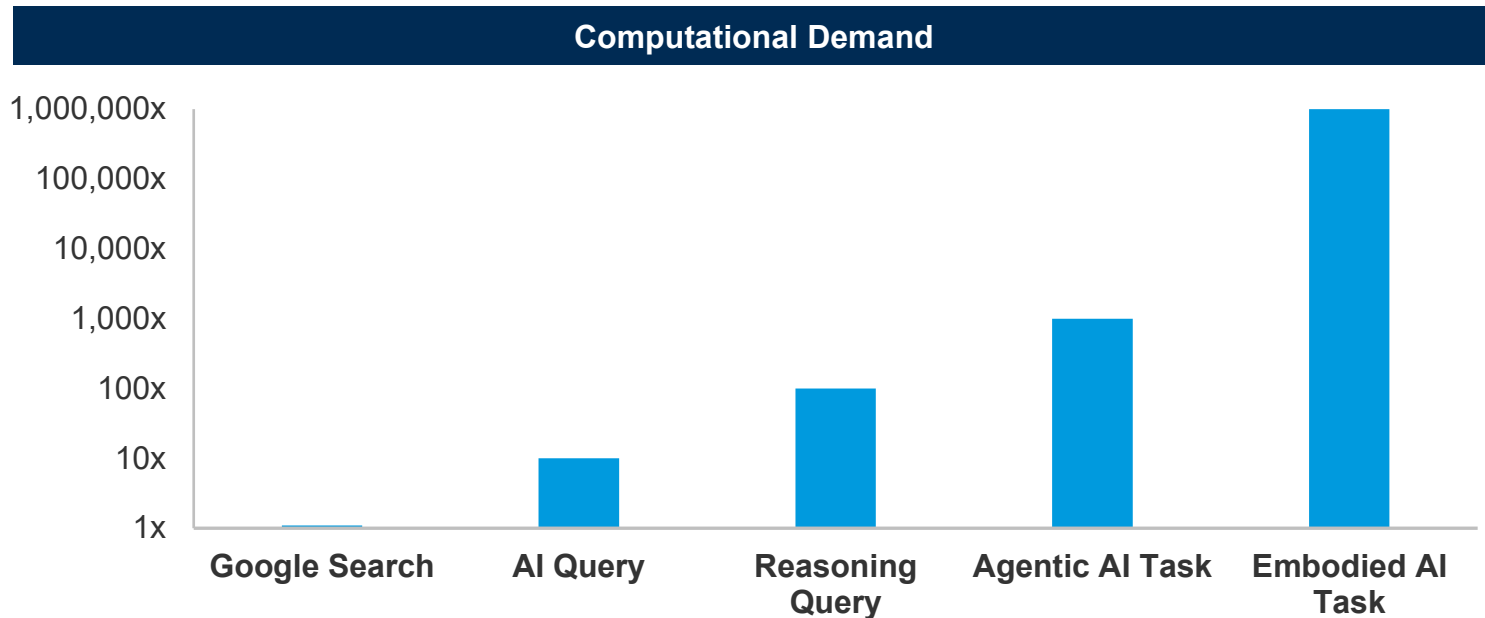
General Purpose Technologies	
Technology	Impacts
Electricity	Factories, lighting, appliances
Automobile	Suburbs, shopping centers
Computer	Digital revolution, service jobs
Internet	Communication, social networking, sharing economy
Artificial Intelligence	Digital assistants and co-workers, autonomous transportation, smart robots



Artificial Intelligence

The Price of Intelligence

- Next-generation AI applications—from basic queries to agent-based reasoning—demand exponentially more compute power, pushing infrastructure needs to unprecedented levels



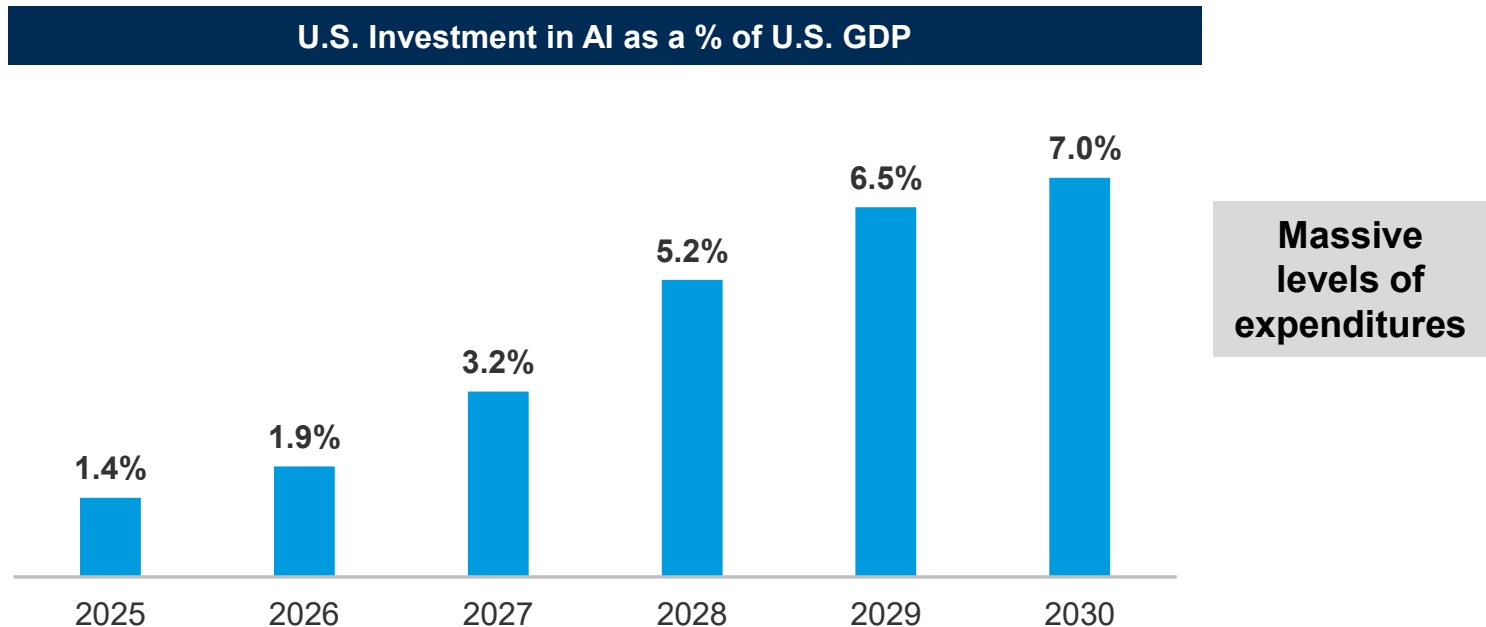
Source: Alphabet, Nvidia, Alger, Kim B., & Ammanabrolu, P. (2025). Beyond Needle(s) in the Embodied Haystack.



Artificial Intelligence

An Infrastructure Buildout With Wartime Scale

- AI investment is projected to reach nearly 7% of U.S. GDP by 2030 or more than \$8 trillion in cumulative investment*
 - Exceeds the aggregate U.S. WW II mobilization spend, adjusted for inflation



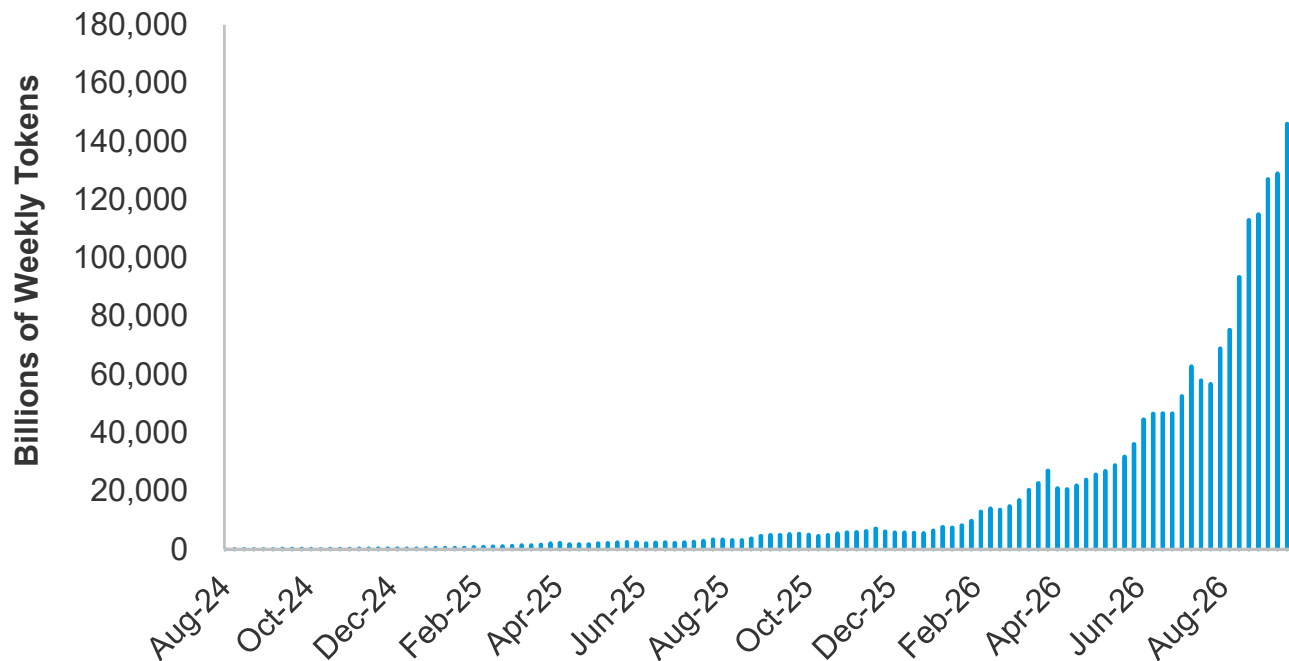
Source: GDP from U.S. Bureau of Economic Analysis and AI investment based on Alger estimates as of September 2026. *2026-2030.



Artificial Intelligence Usage is Exploding

- Demand for generative AI is surging, driven by consumers and rapid enterprise adoption
- Companies are racing to produce tokens, the basic units of generative AI models

AI Tokens Processed Weekly on OpenRouter



**AI tokens
growing >20x
year-over-year**

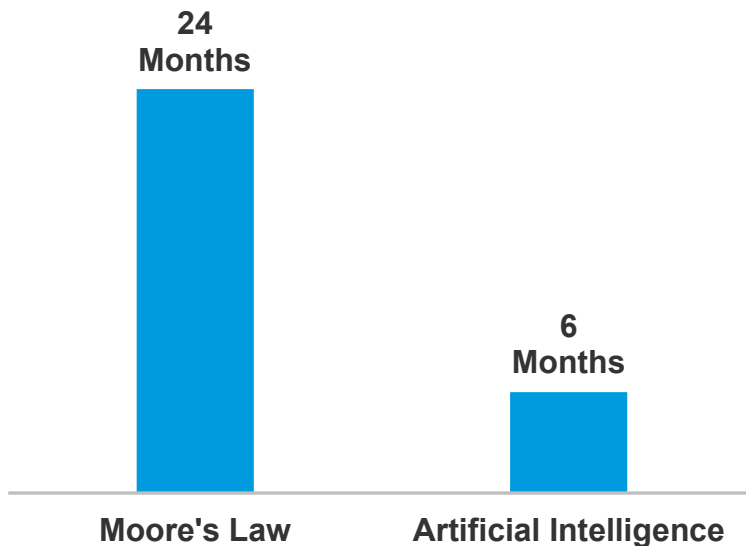
Source: OpenRouter, which is a clearinghouse for AI model traffic serving over 5 million developers worldwide and routing traffic across 300+ models from 60+ providers. It captures approximately 1% of all global spending on AI model inference. A token is a measure of data processed by AI models approximating a few letters or a word in LLMs.



Artificial Intelligence Innovation Is Accelerating

- Artificial intelligence is progressing at a much quicker pace than computer processors

Doubling Time in Months



- At the speed of Moore's Law, a 6-inch plant would grow to 16 feet in a decade, but at the speed of AI, it would reach outer-space

Moore's Law vs. AI



Source: Intel, Microsoft 4/30/25 earnings call. Moore's Law refers to length of time that it takes for number of transistors per integrated circuit to double. Doubling time for AI refers to model capabilities. Note that AI task complexity is doubling every 4 months according to data from METR and global compute capacity is doubling every 7 months according to data from Epoch AI. Image source is Dall-E (right).

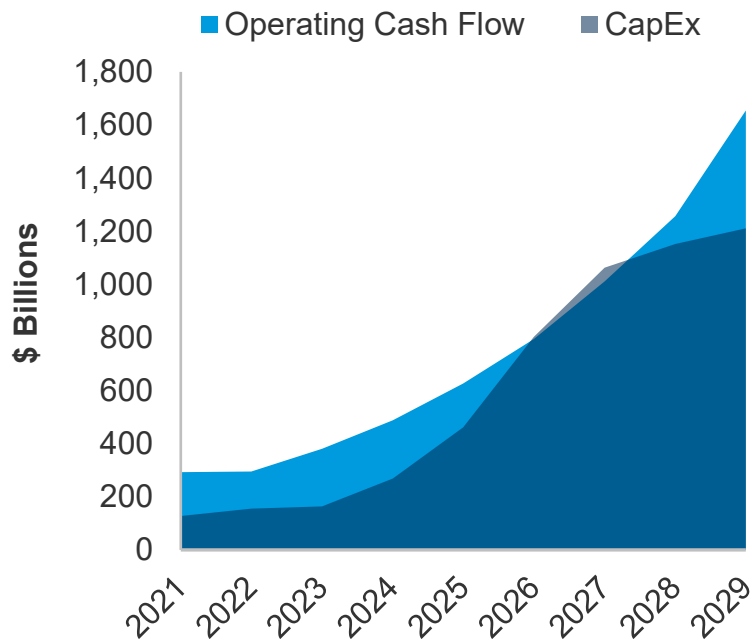


Artificial Intelligence Sustainable Investment

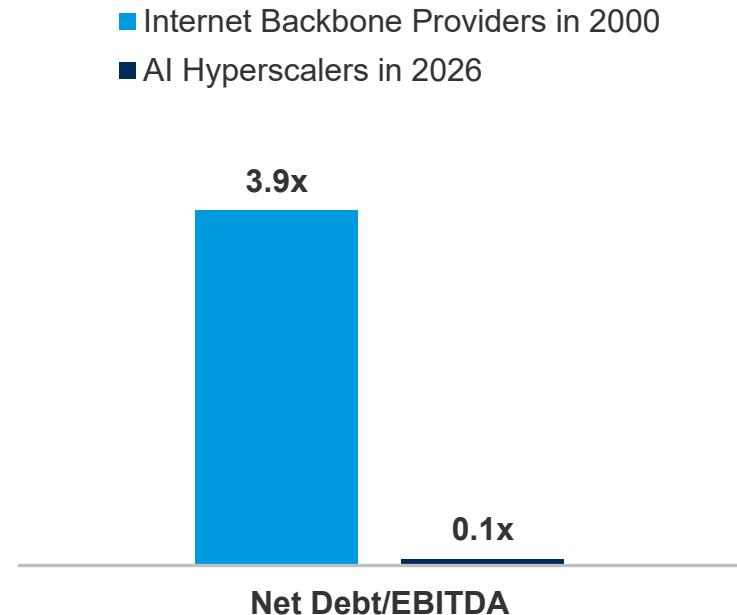
- The majority of AI spending is driven by Hyperscaler capex, which is funded internally

- AI investment appears less dependent on capital markets than the Internet buildout

Capex Relative to Cash Flow of Hyperscalers



Net Debt/EBITDA Then and Now

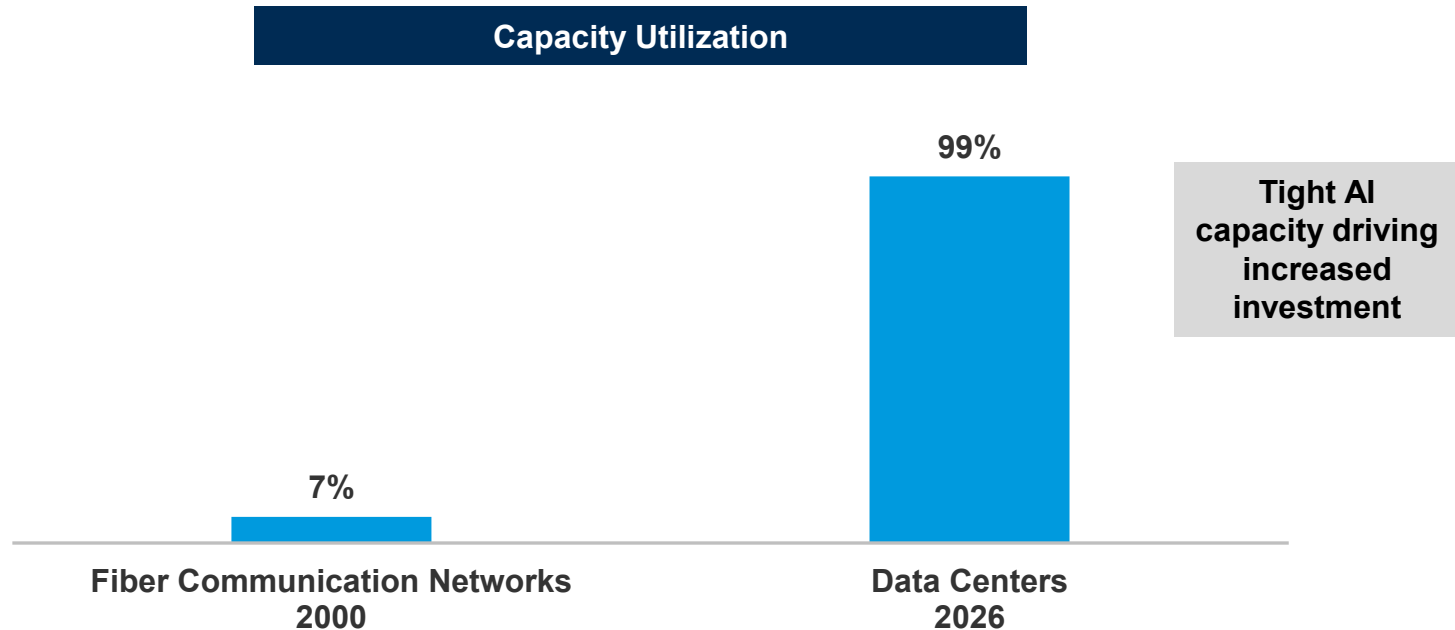


Source: FactSet. Forecasted data (2026-2029) are consensus estimates as of September 2026. Hyperscaler companies, defined as providers of scalable cloud infrastructure and services for large-scale digital applications, include, Alphabet, Amazon, Meta, Microsoft and Oracle. Internet backbone provider data combines full-year figures from Global Crossing Ltd., Sprint Corporation, AT&T Corp., WorldCom Inc., and Level 3 Communications Inc. Internet backbone provider net debt/EBITDA data as of 12/31/00.



Artificial Intelligence This Buildout Looks Different

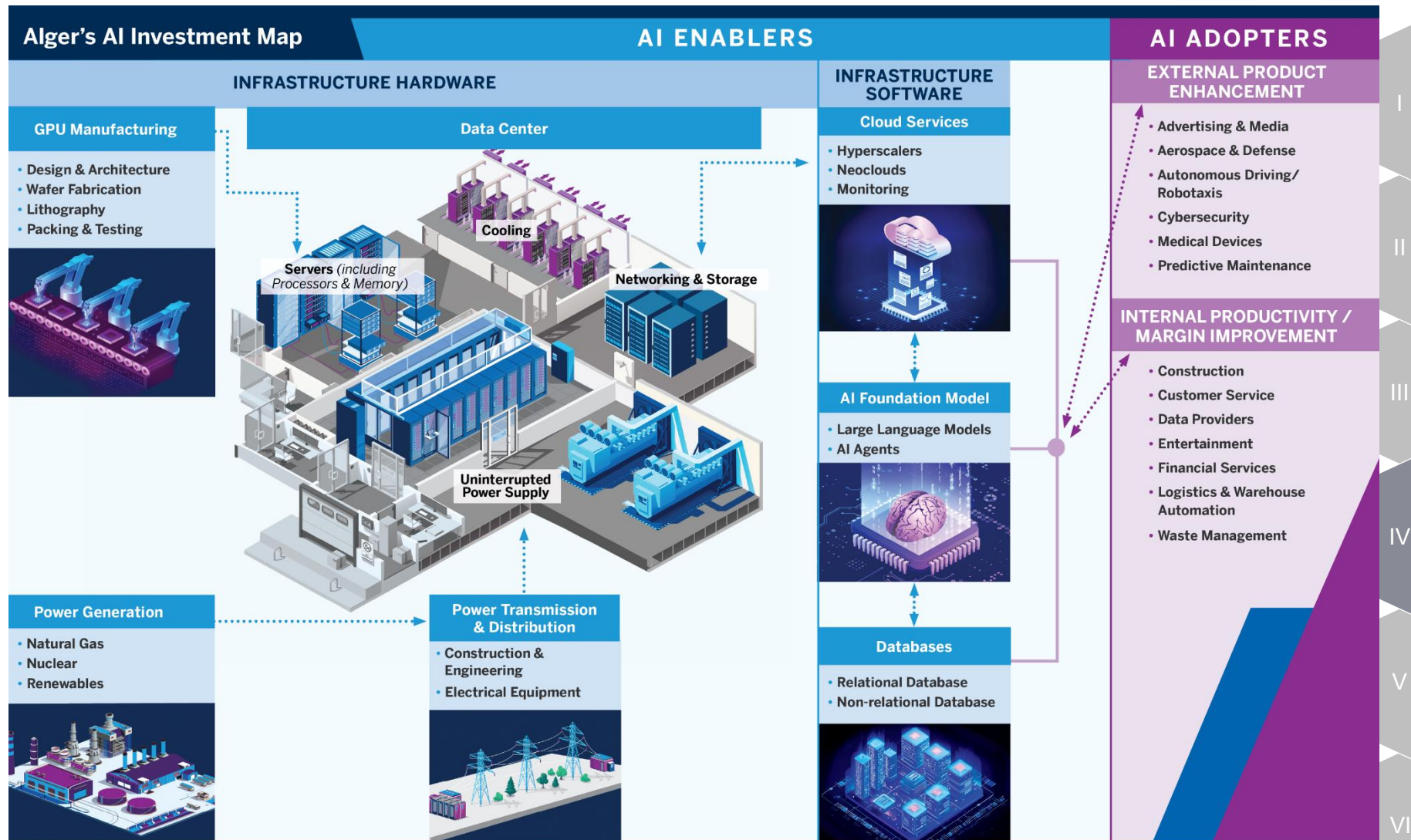
- When demand exceeds capacity, investment rises, but when supply outpaces demand, investment slows, as seen in the early 2000s fiber overbuild that led to low utilization
- Today's AI infrastructure buildout reflects tight capacity and demand exceeding supply, suggesting we are in the early stages of a durable capital investment cycle



Source: Fiber communications networks capacity utilization cited from Silverman, B. S., & Huntsberger, B. (2001, April 19). Level (3) Communications in 2001: The "Pivotal Year" (Harvard Business School Publishing), referencing Renaissance Inc., 2000. Data center capacity utilization from CBRE Group North America Data Center Trends H1 2026.

IV

Enduring Themes Artificial Intelligence (AI)



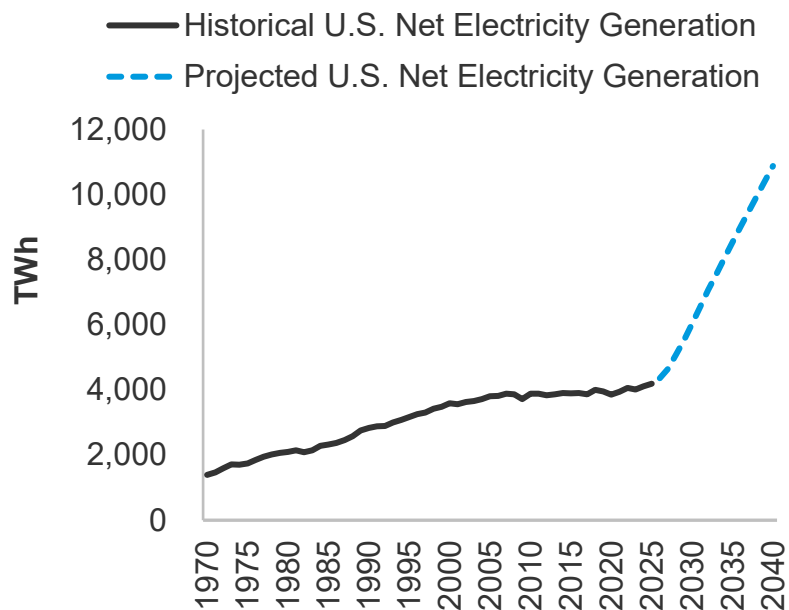
Source: Alger. Enablers are companies developing the building block components for, and investing in, AI infrastructure such as machinery, hardware, software and services. Adopters are companies that integrate AI into their businesses to enhance their products or services or make their operations more productive.

IV

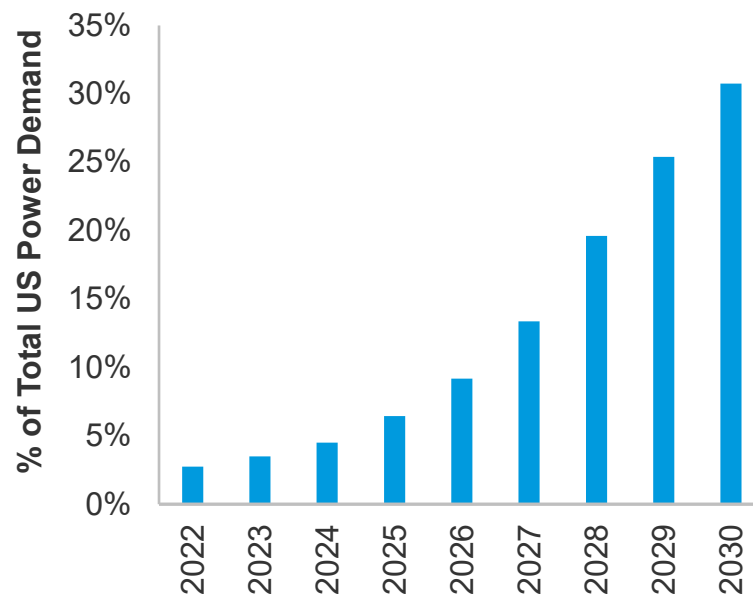
Enduring Themes Power Surge

- Electricity demand is projected to rise sharply, spurred by AI adoption and electric vehicles
- Data centers running power-intensive AI workloads are the most significant driver of electricity demand, in our view

U.S. Total Electricity Generation



U.S. Data Center Power Demand



Source: U.S. Energy Information Administration and Alger estimates for 2026 onward.

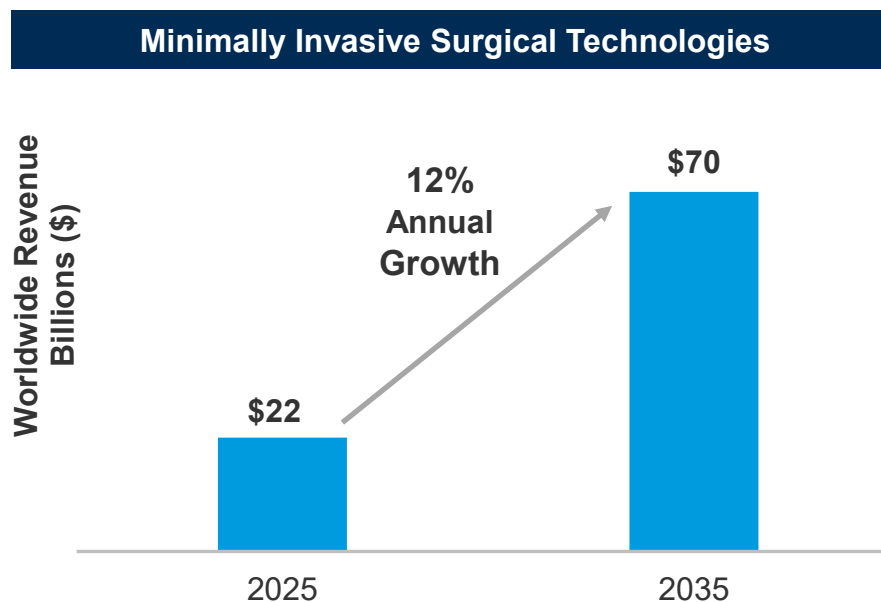
- Much discussion is devoted to who will win from AI, but we think it is equally important to understand the industries and companies that may potentially lose, and construct portfolios accordingly

Industries Potentially Disrupted by AI	
Advertising Agencies	Office REITs
Autos	Insurance Brokerage
Business Process Outsourcing	Ride Sharing
Enterprise Software	Staffing / HR Services
Information / Professional Services	Traditional Retail
Information Technology Consulting	Travel Intermediaries

IV

Enduring Themes Advances in Surgical Technologies

- Improvements in surgical procedures owing to advances in bioengineering, biomaterials, and AI, should drive improved outcomes for patients and revenue opportunities for innovative companies, in our view
 - Robotic surgery
 - Minimally invasive surgery

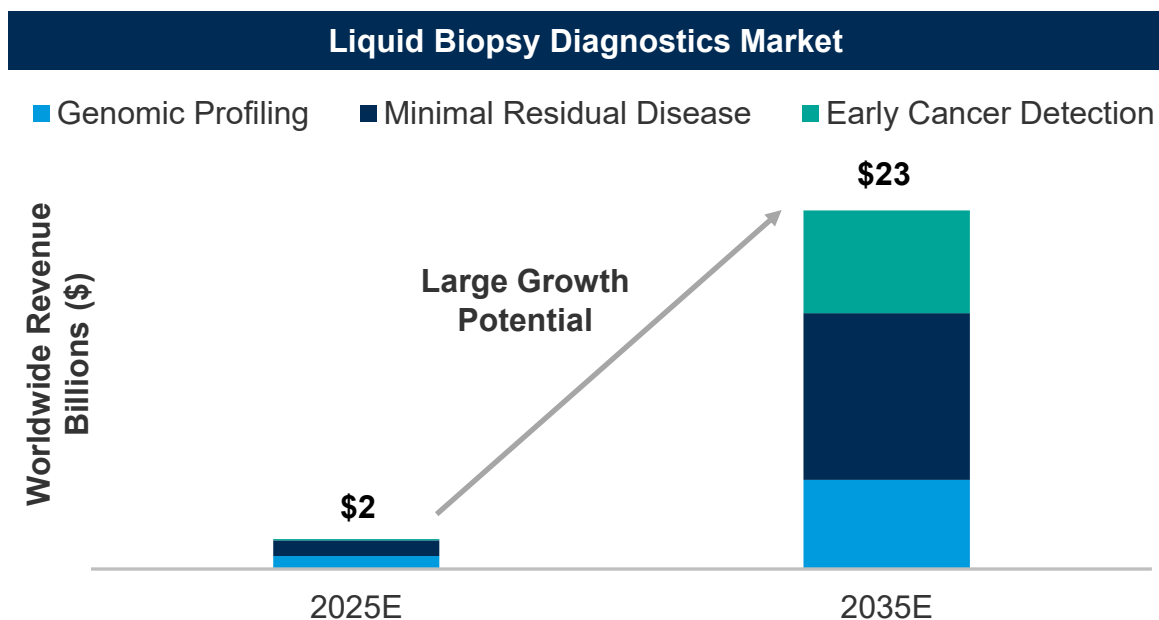


Source: Alger estimates, company reports, as of March 2026. Data includes assumptions for robotic surgery, percutaneous heart valve repair and replacement, LAAC, and mechanical thrombectomy

IV

Enduring Themes Advances in Liquid Biopsy

- Scientific and clinical research, as well as technological advances, are leading to solutions that improve disease detection, monitoring, and treatment
 - Comprehensive Genomic Profiling (Therapy Selection)
 - Detecting trace amounts of remaining cancer (Minimal Residual Disease)
 - Early cancer detection



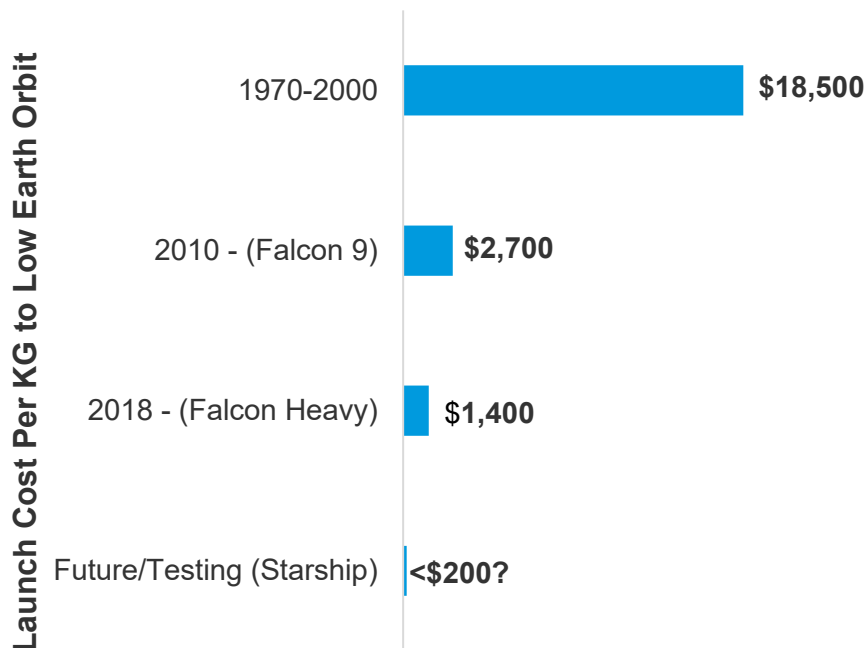
Source: Alger estimates, company reports, as of March 2026. Data includes assumptions for therapy selection (excluding tissue based), minimal residual disease, and colorectal early cancer detection end markets

IV

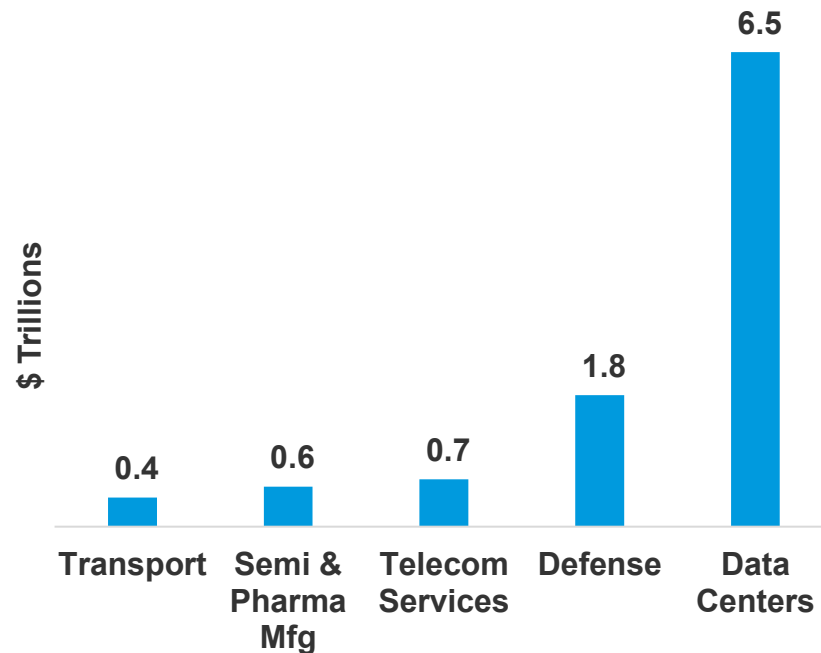
Enduring Themes Space Infrastructure

- The industry is driving a dramatic reduction in launch costs driven by rocket reusability...
- ...which is opening up huge new addressable markets in space

Space Launch Costs



Space Total Addressable Market 2040

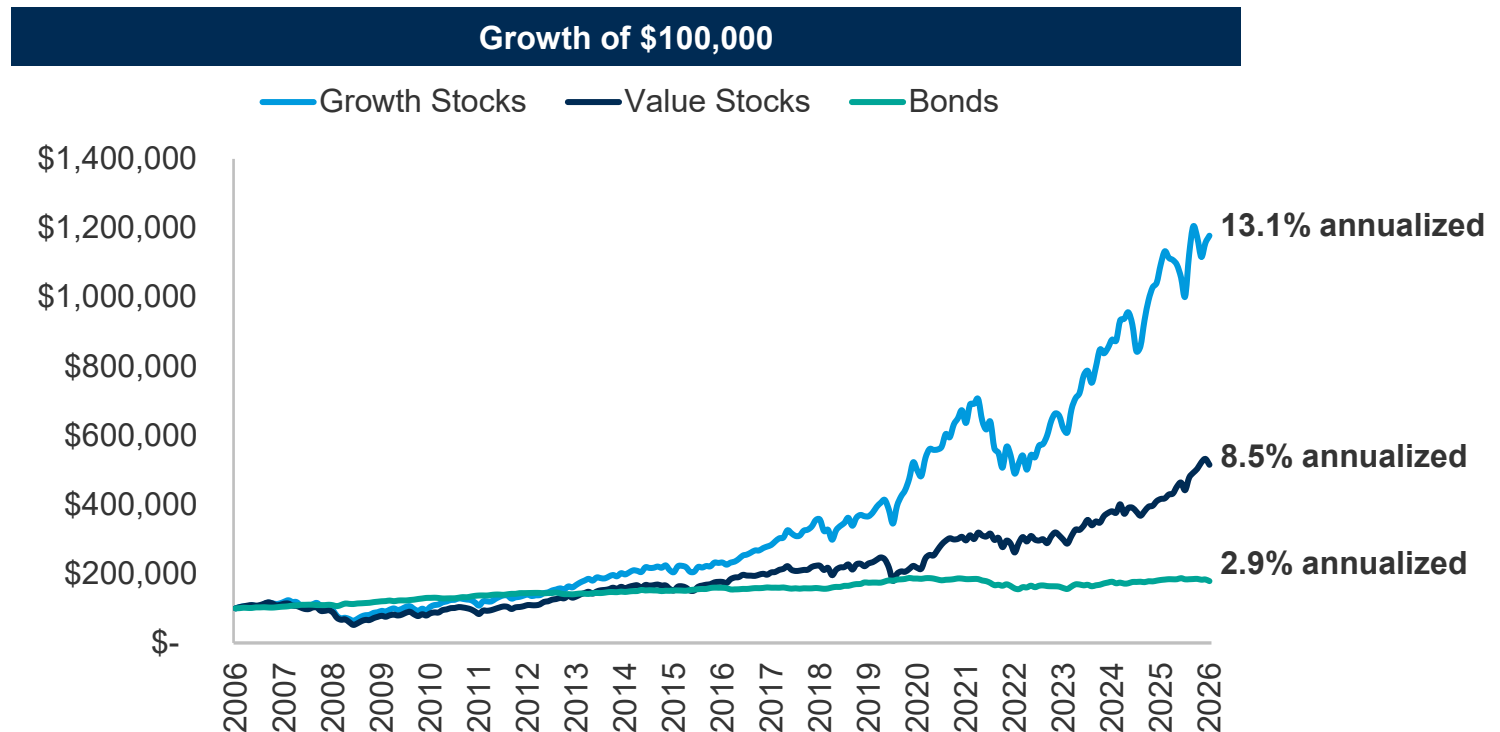


Source: SpaceX (left). New Street Research, 2026 (right).

Style Wars

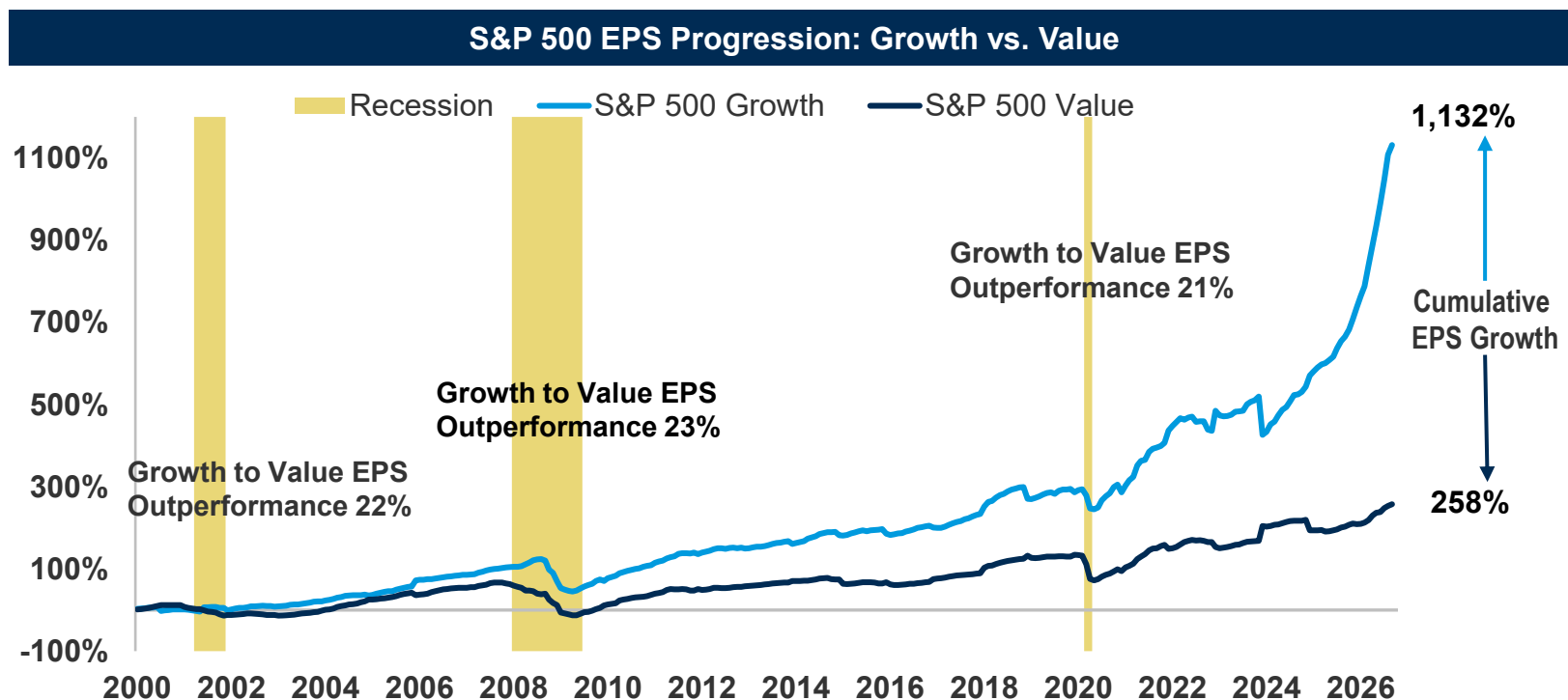
Growth Stocks Have Outperformed

- Growth stocks have outperformed significantly over the past two decades, generating meaningful wealth for long-term holders



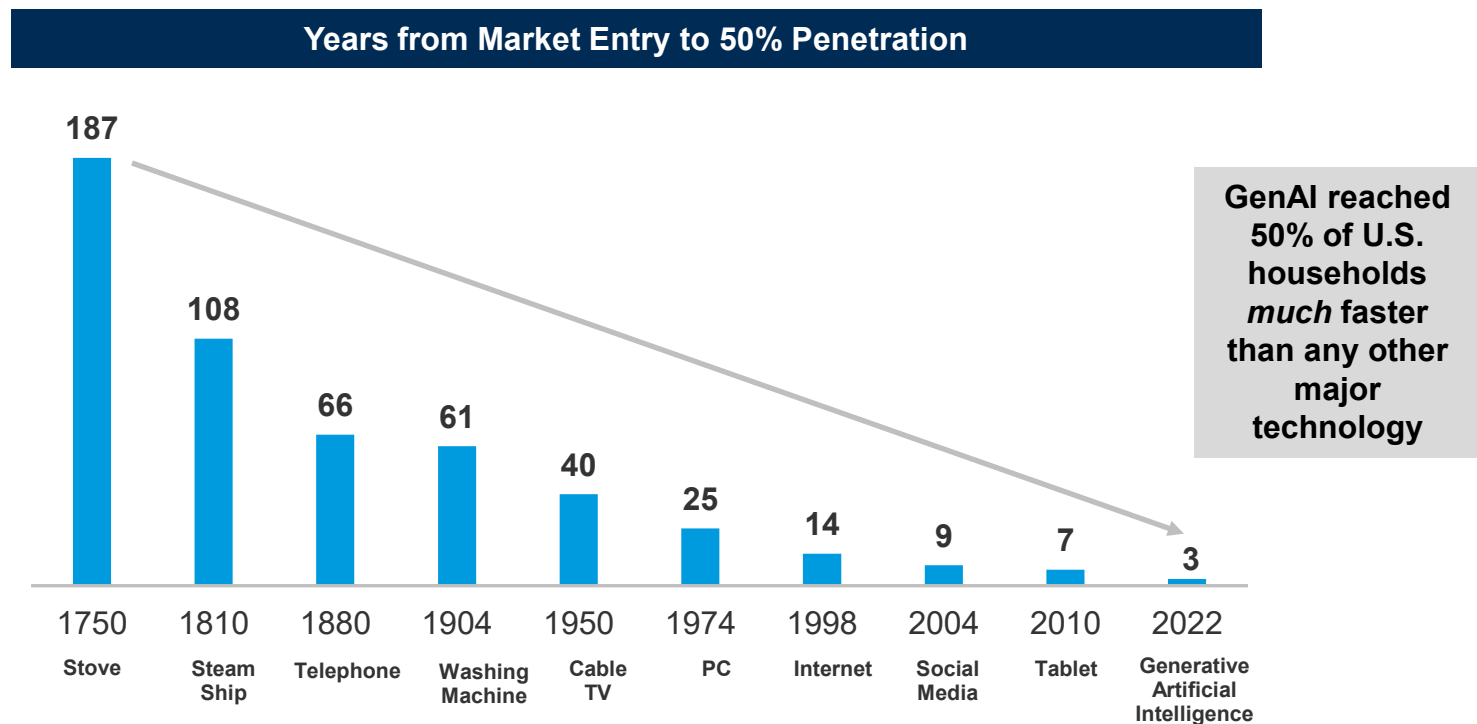
Source: FactSet. 9/30/06 through 9/30/26. Growth stocks represented by Russell 3000 Growth. Value stocks represented by Russell 3000 Value. Bonds represented by Bloomberg U.S. Aggregate Bond Index. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

- Growth stock earnings have far outpaced value stock earnings since 2000 and have historically proven more durable in recessions
- Going forward, we expect growth stocks to post stronger earnings growth than value stocks as they have over the prior two decades



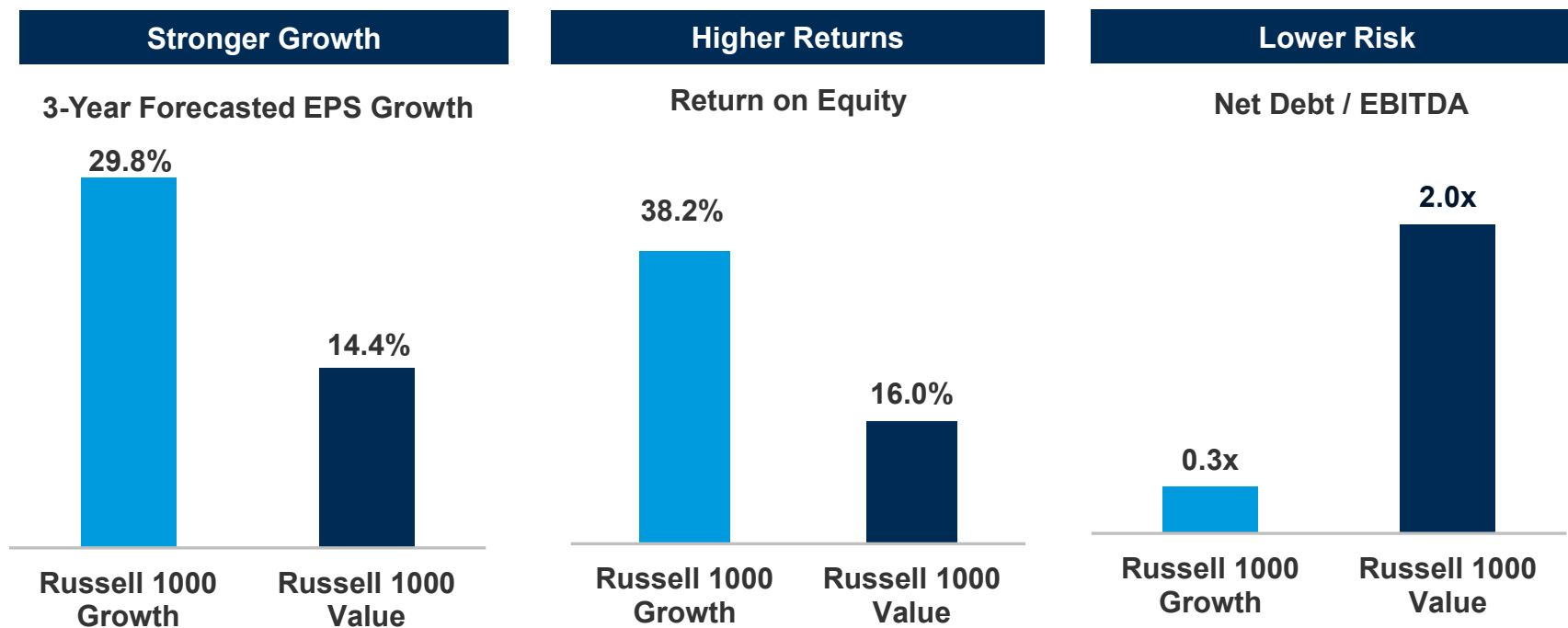
Source: FactSet, Standard and Poor's. Data is through 9/30/26. EPS is a Next Twelve Month (NTM) calculation. EPS Growth to Value outperformance calculation takes the relative difference in NTM EPS level of the S&P 500 Growth and S&P 500 Value Indexes at the beginning of each recession and six months after the end of the corresponding recession.

- Innovation is accelerating across many areas of the economy, causing new products and services to diffuse through society faster and disrupt businesses at a greater pace
- This may be a tailwind to growth companies, which we believe are the drivers of innovation, and a headwind to value stocks, which may be victims of change



Source: Asymco, Real-Time Population Survey.

- Three variables drive P/E multiples: growth, return on capital, and risk
- The Russell 1000 Growth Index has higher expected EPS growth, higher return on equity and lower risk in the form of better balance sheets as compared to the Russell 1000 Value Index



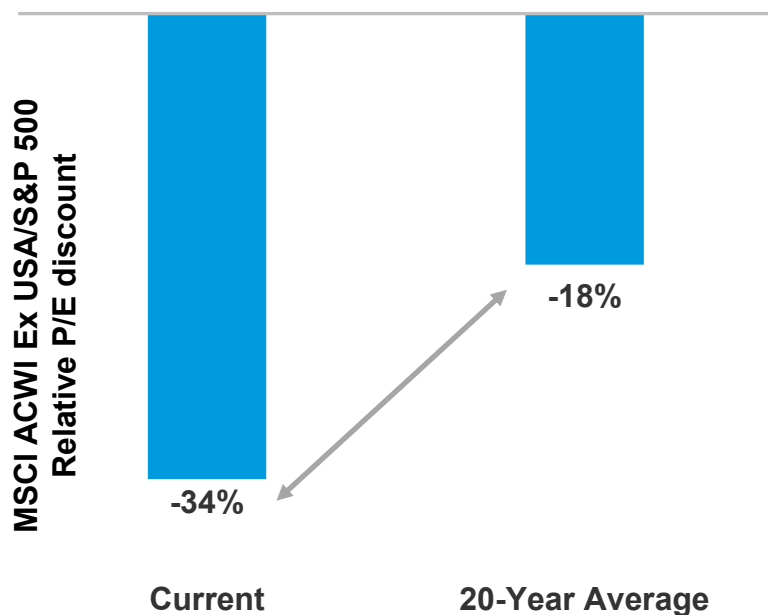
Source: FactSet as of 9/30/26. Growth represents consensus long-term analyst estimates and actual future EPS growth rates might be materially different than the forecasts shown.

VI

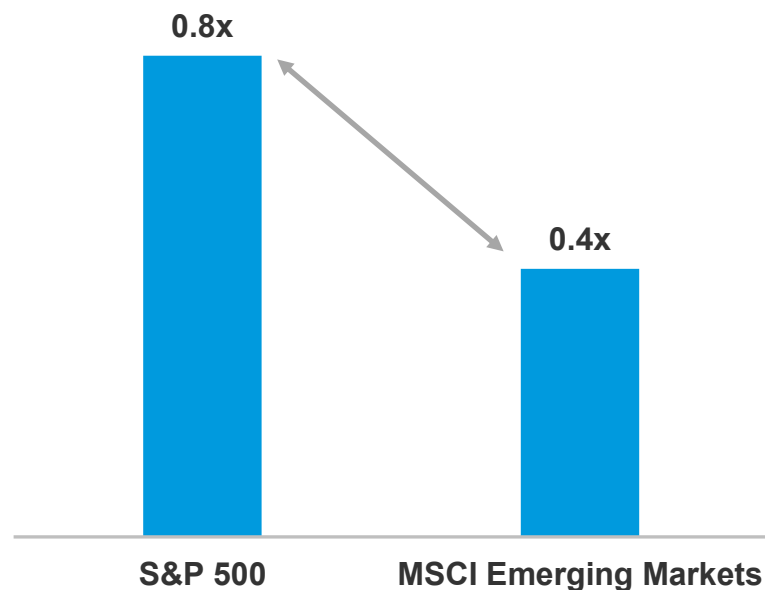
Investing Outside the U.S. Non-U.S. Stocks are Cheap

- The thesis of U.S. exceptionalism has been embraced broadly in markets and has contributed to non-U.S. equities trading at a larger than average discount to U.S. stocks
- Even on a growth-adjusted basis, emerging market equities are attractively valued

Non-U.S. Stocks P/E Discount to the U.S.



EM Stocks Cheaper on P/E-to-Growth



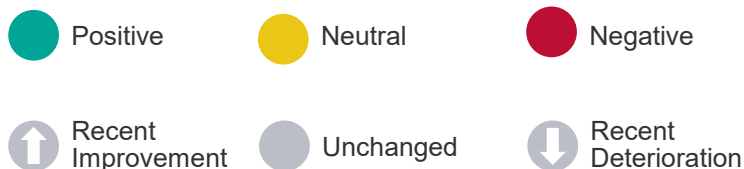
Source: FactSet as of 9/30/26, Non-U.S. stocks represented by MSCI ACWI ex USA Index and U.S. stocks represented by S&P 500.

VI

Investing Outside the U.S. Capital Friendliness

- Stimulus, governance reforms, and shareholder-friendly policies are improving the outlook for international equities, in our view

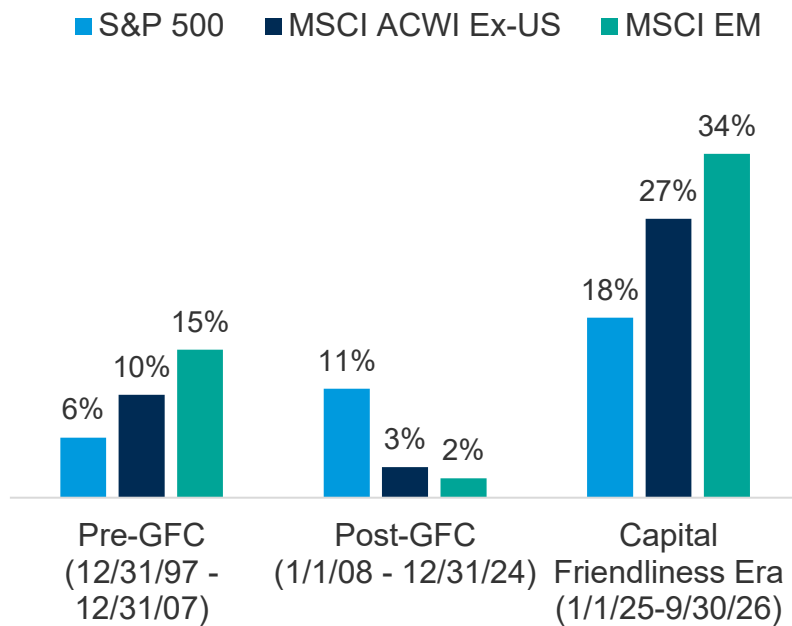
Capital Friendliness Analysis



Country	Overall	Fiscal Policy	Capital Markets	Corp. Governance
China	●	●	●	●
Taiwan	↑	↑	↑	↑
India	●	↑	↑	↑
S. Korea	↑	↑	●	↑
Brazil	↑	●	●	↑
Saudi Arabia	↑	↓	↑	↑
Mexico	↑	↓	●	●
Argentina	↑	↑	↑	↑

- International equities have outperformed U.S. stocks amid increasingly capital-friendly policies abroad

Annualized Total Returns (USD)

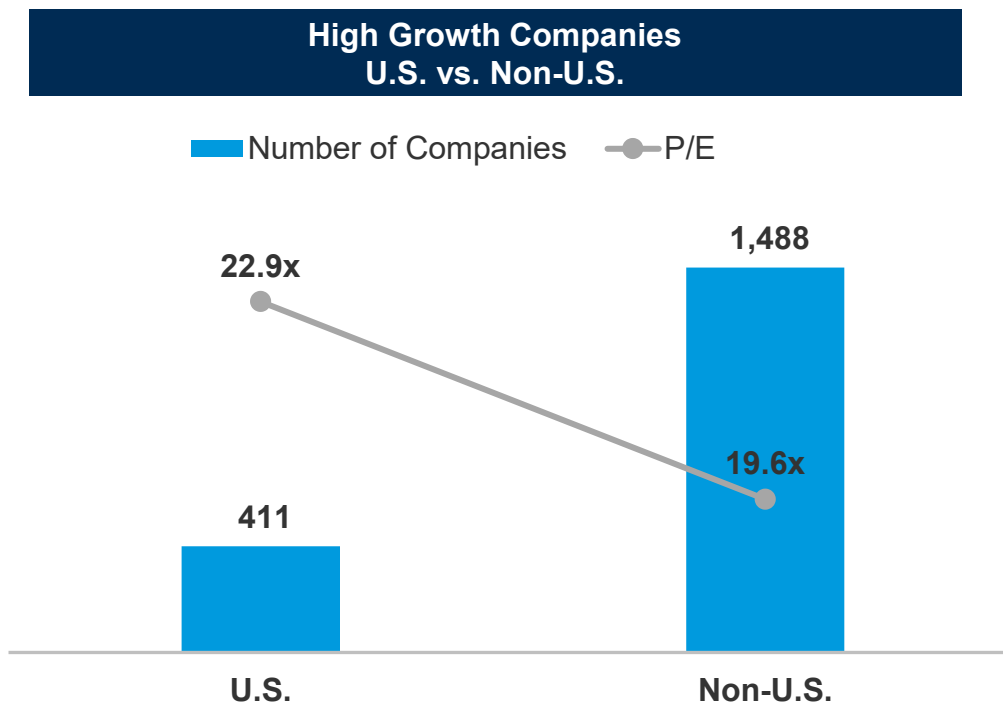


Source: Alger (left) 9 sub-factors used to measure a countries overall Capital Friendliness Rating; and Morningstar (right). **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

VI

Investing Outside the U.S. Wide World of Growth

- Alger believes that the best non-U.S. opportunities are international *growth* stocks
 - There are more than three times as many high-growth companies outside the U.S. as there are within our borders
 - Non-U.S. high growth stocks trade at a discount to their U.S. counterparts



Source: FactSet as of 9/30/26. High growth companies are defined by having two-year consensus compound annual sales growth rate exceeding 15% and market value of more than \$1 billion. U.S. companies are traded on U.S. exchanges, while non-U.S. companies are traded on exchanges outside the U.S. P/E calculated using weighted harmonic average.

Industries that are growing quickly internationally but not in the U.S.

Unique Non-U.S. Growth Industries

Defense
(Europe & Asia)

Energy and Power Infrastructure
(Germany, Eastern Europe)

Banks
(Brazil, India)

E-Commerce
(Latin America, Southeast Asia)

Innovative industries where leaders are located outside the U.S.

Market Leaders Outside the U.S.

Semiconductor Manufacturing
(Taiwan, Korea)

High Bandwidth Memory
(Korea)

Biopharma Manufacturing
(Korea)

Luxury
(Italy, France, Switzerland)

Industrial Gases
(Japan)

Successful U.S. business models replicated internationally but trading at lower valuation multiples

Successful U.S. Business Models at a Discount

Wholesale Clubs
(South America)

Online Brokerage
(Europe)

AI Infrastructure
(China, Europe, Korea)

Unlock Your Growth Potential with Alger

About Alger

Growth Equity Pioneer

- Helping clients achieve their growth equity investment objectives for over 60 years

Inclusive and Independent

- Private, 100% women-owned investment boutique with employee participation
- Over 40% of portfolio managers are women and/or minorities

Time-Tested Investment Philosophy

- Singular focus on researching and investing in companies associated with change, disruption and innovation
- Dedicated to generating superior investment returns for our clients through active management

KEY FACTS

▪ Founded	1964
▪ Percentage of Female Ownership	100%
▪ Number of Employees	151
▪ Number of Investment Professionals	46
▪ Female/Minority Portfolio Managers	47%
▪ Assets Under Management	\$49.7 Billion

The investment organizations that will be successful in the future will be focused boutiques with a clear culture, a strong tradition of excellence, and the capability to compete, like David versus Goliath, on their own terms, in chosen battlefields.

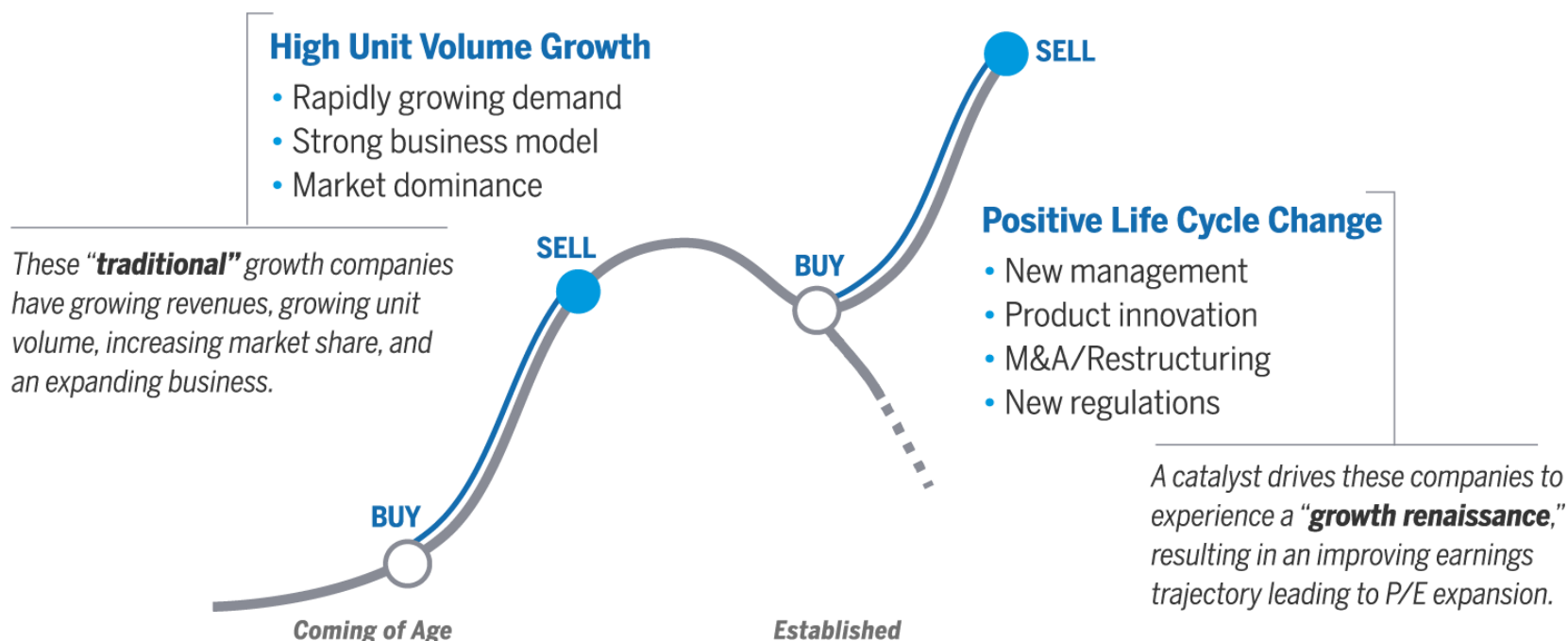
– **Daniel C. Chung, CFA**
Chief Executive Officer
Chief Investment Officer

Unlock Your Growth Potential with Alger

Alger's Investment Philosophy

- We believe companies undergoing **Positive Dynamic Change** offer the best investment opportunities for our clients
- Our competitive edge is identifying these companies and **capitalizing** on the change before it is recognized by the market
- We embrace change found in “**traditional**” growth companies and in companies experiencing a “**growth renaissance**”

Investing in Positive Dynamic Change



Disclosure

The views expressed are the views of Fred Alger Management, LLC ("FAM") and its affiliates as of October 2026. 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. Foreign securities and Emerging Markets involve special risks including currency fluctuations, inefficient trading, political and economic instability, and increased volatility.

Past performance is not indicative of future performance. Investors whose reference currency differs from that in which the underlying assets are invested may be subject to exchange rate movements that alter the value of their investments.

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, and many depend significantly on retaining and growing their consumer base. 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. AI companies, especially smaller companies, tend to be more volatile than companies that do not rely heavily on technology.

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. Companies exploring new technologies may face regulatory, political or legal challenges that may adversely impact their competitive positioning and financial prospects. Developing technologies to displace older technologies or create new markets may not in fact do so, and there may be sector-specific risks. There will be winners and losers that emerge, and investors need to conduct a significant amount of due diligence on individual companies to assess these risks and opportunities.

FactSet is an independent source, which Alger believes to be a reliable source. FAM, however, makes no representation that it is complete or accurate. Alger pays compensation to third party marketers to sell various strategies to prospective investors.

S&P 500® Index: An index of large company stocks considered to be representative of the U.S. stock market. S&P 500 Growth Index: An unmanaged index considered representative of large-cap growth stocks. S&P 500 Value Index: An unmanaged index considered representative of large-cap value stocks. Russell 1000® Growth Index: Measures the performance of the large-cap growth segment of the U.S. equity universe. Russell 1000 Value Index: Measures the performance of the large-cap value segment of the U.S. equity universe. MSCI ACWI Index: Captures large and mid cap representation across Developed and Emerging Market countries. MSCI ACWI ex USA Index: Captures large and mid cap representation across Developed Market countries (excluding the U.S.) and Emerging Market countries. ICE BofA US Treasury 1-3 Year Index: Tracks the performance of short-term U.S. Treasury securities with maturities ranging from one to three years. Russell 3000 Growth Index: An unmanaged index considered representative of U.S. growth stocks. Russell 3000 Value Index: An unmanaged index considered representative of U.S. value stocks. The Bloomberg US Aggregate Bond Index: A broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. MSCI Emerging Markets Index: Captures large and mid cap representation across Emerging Market countries.

The indices presented are provided for illustrative purposes, reflect the reinvestment of dividends and do not assess fees and expenses that would have the effect of reducing returns. Investors cannot invest directly in any index. The index performance does not represent the returns of any portfolio advised by Fred Alger Management, LLC and actual client results might differ materially than the indices shown. **Past performance is no guarantee of future results.**

Disclosure

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The following positions represented the noted percentages of firmwide assets under management as of July 31, 2026: NVIDIA Corporation, 10.94%; Cisco Systems, Inc., 0.04% Microsoft Corporation, 7.09%; Alphabet, Inc., 4.98%; Intel Corporation, 0%; Amazon.com, Inc., 4.24%; Meta Platforms, Inc., 3.19%; Oracle Corporation, -0.01%; AT&T, Inc., 0%; Verizon Communications Inc., 0.02%, and Space Exploration Technologies Corp, 1.05%.

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