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Spring 2026

Capital Markets: Observations and Insights

Capital Markets: Observations & Insights

Periods of geopolitical and economic uncertainty often heighten volatility and investor anxiety. While headlines can influence sentiment in the near term, we do not believe they change the underlying forces that drive long-term value creation. Our experience over more than six decades reinforces a consistent lesson: fundamental trends driven by innovation tend to persist through uncertainty rather than reverse because of it.

History offers useful perspective. During the 1990–1991 Gulf War, the U.S. economy was in recession, yet personal computer shipments grew at strong double-digit rates as businesses continued to invest in productivity-enhancing technology. The need to improve efficiency and remain competitive did not diminish in that environment. If anything, it became more pressing.

We believe the same dynamic applies today. In our view, geopolitical developments or periods of economic weakness do not alter the growing need for artificial intelligence (AI) training and inference. AI adoption is driven by durable incentives such as productivity gains, cost reduction, and competitive differentiation, not by short-term shifts in confidence or macro conditions. Importantly, periods of uncertainty often increase dispersion within equity markets. Companies benefiting from durable secular themes can continue to invest and potentially gain share, while businesses more dependent on cyclical forces may experience sharper adverse changes in demand as economic growth or geopolitical conditions shift.

As always, we remain focused on bottom-up fundamentals and long-term outcomes. We concentrate on identifying businesses with strong competitive advantages, attractive growth opportunities, and the ability to adapt and innovate across a wide range of economic and political environments. Our confidence in the power of innovation, productivity, and active growth investing remains strong, and we remain committed to navigating change on behalf of our clients with discipline and conviction.



A handwritten signature in black ink that reads "Daniel C. Chung".

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



A handwritten signature in black ink that reads "Brad Neuman".

Brad Neuman, CFA
Senior Vice President
Director of Market Strategy

Key Observations and Themes

I

Bull vs. Bear

Will inflation, challenging affordability, and a weak labor market pressure consumer spending and stock prices? Or will business investment, driven by AI innovation, onshoring, and tax incentives, drive earnings and stocks higher?

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II

Long-Term Investing

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

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III

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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V

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.

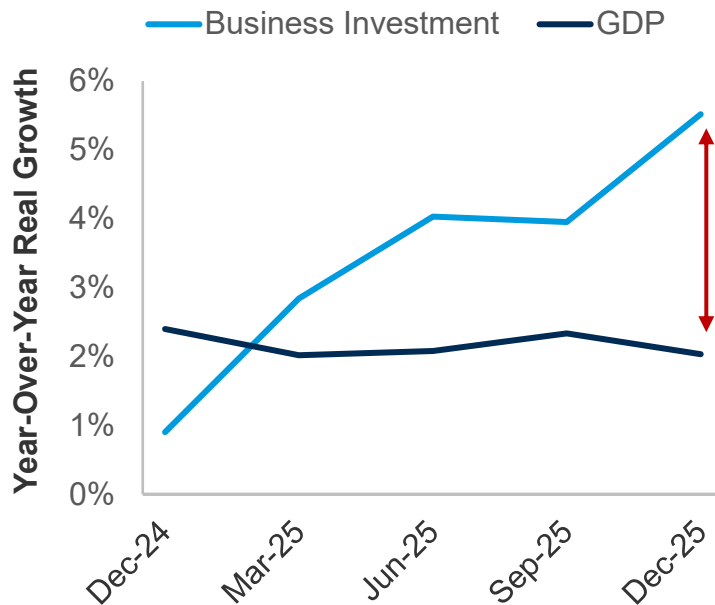
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Bull vs. Bear

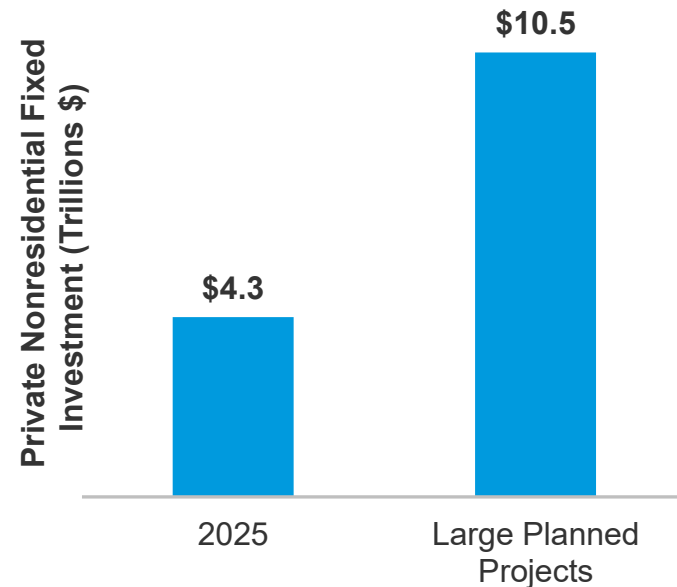
Bull Case: American Business Spending Boom?

- 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 tariffs and tax incentives for domestic manufacturing

U.S. Business Investment Outpacing GDP



Robust Pipeline of Business Investment



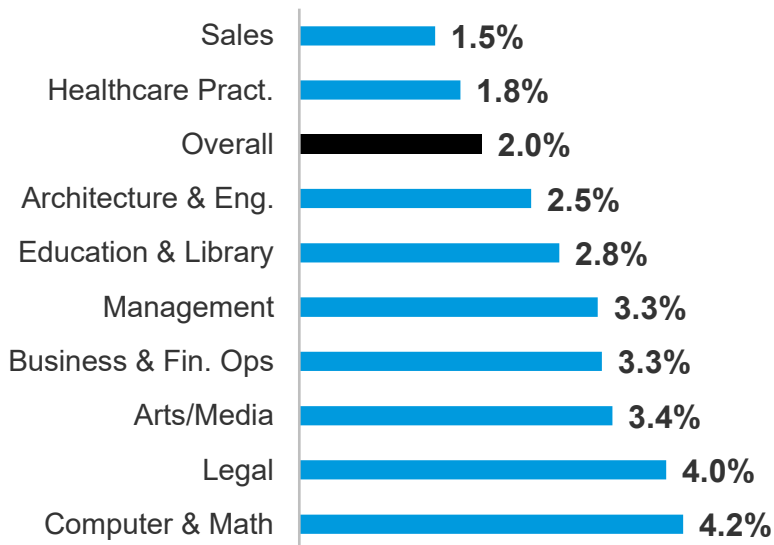
Source: U.S. Bureau of Economic and The White House. Business investment is Private Nonresidential Fixed Investment, which is business spending on productive assets including structures, equipment, and intellectual property.

Bull vs. Bear

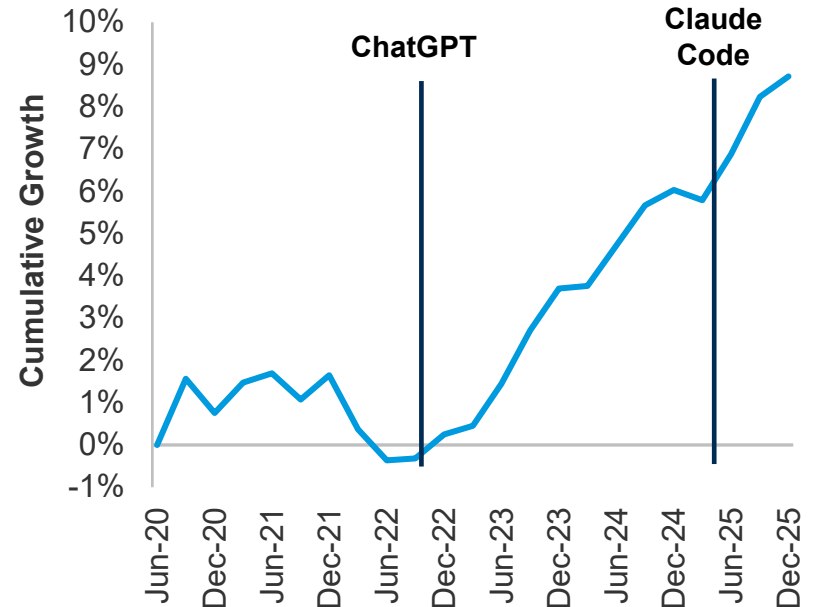
Bull Case: Productivity Boost

- Many occupations are saving several hours per week due to 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*, Nov 2025 (left). U.S. Bureau of Labor Statistics (right). Productivity growth is the change in nonfarm business output / labor hour.

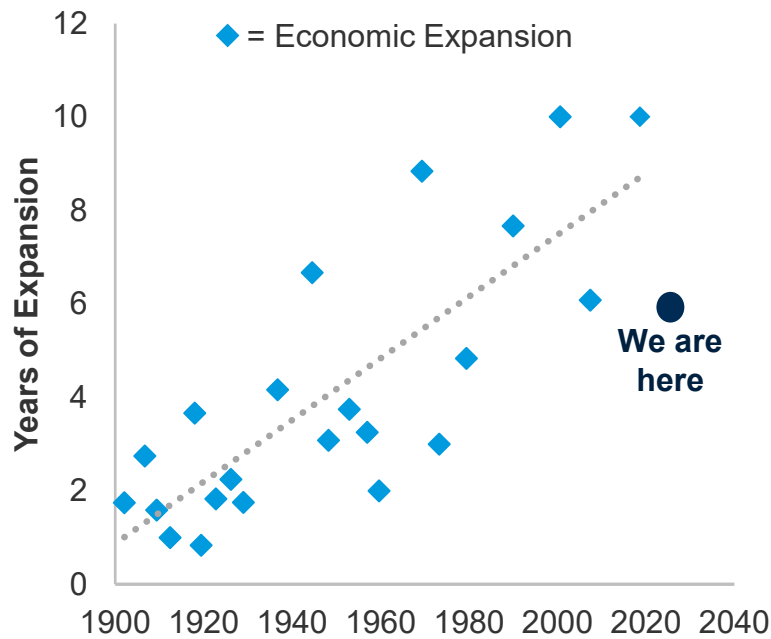
Bull vs. Bear

Bull Case: Still Early

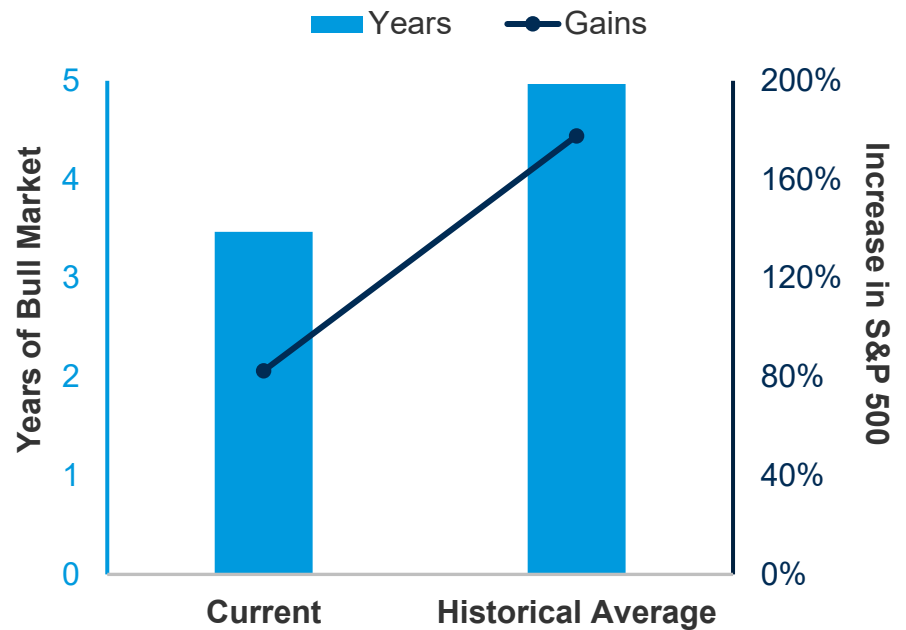
- Economic expansions have been increasing in duration, implying we may have more growth ahead

- Equity bull markets have historically lasted much longer and seen much more appreciation than the current cycle

Age of U.S. Economic Expansions



Current Bull Market vs. Historical Bull Markets



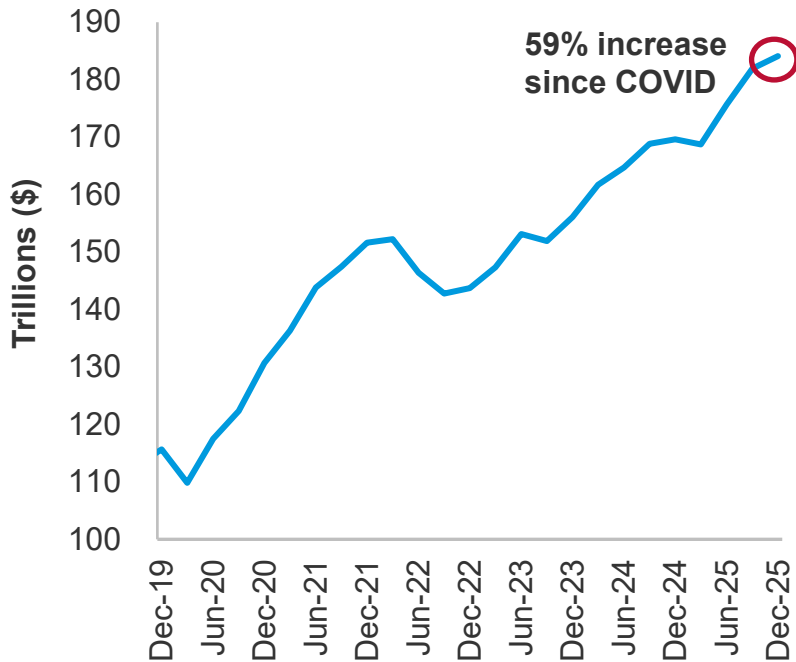
Source: FactSet and Alger. Note: double-dip recession in early 1980s accounted for as one recession. "Economic Expansions" are the periods between recessions, as defined by the National Bureau of Economic Research, (left). Historical bull markets calculated using S&P 500 since 1932. Current period is 10/12/22 through 3/31/26. Bull markets are periods between bear markets or 20% drawdowns (right). **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

Bull vs. Bear

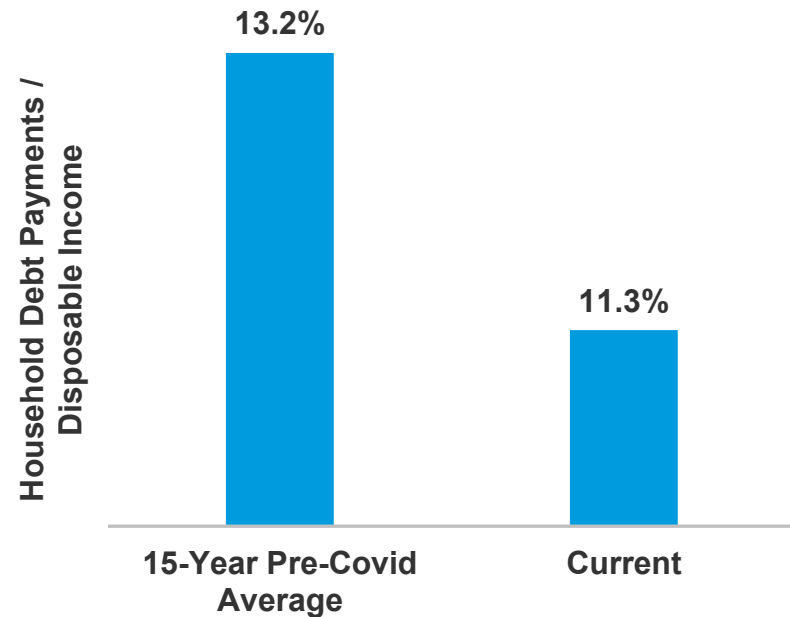
Bull Case: Solid Consumer Balance Sheet

- 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. Current period is 4Q25 for household net worth and 2Q25 for debt payments-to-income. Pre-Covid period ends 12/31/19.

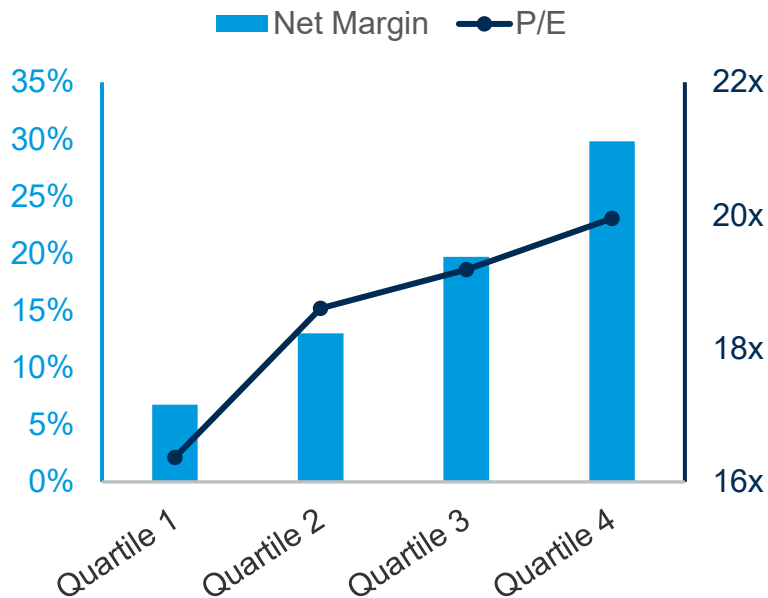
Bull vs. Bear

Bull Case: Better Business Models

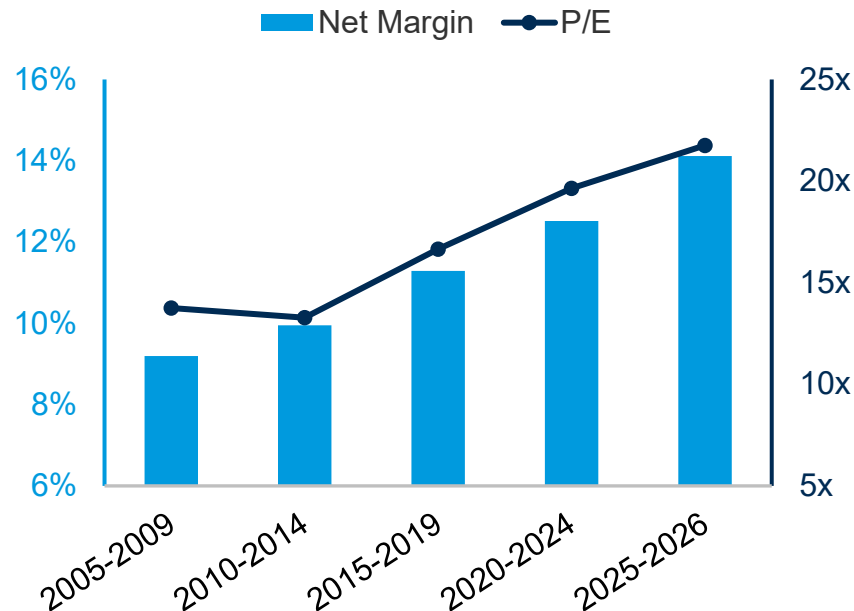
- Superior business models with stronger margins have been rewarded with higher valuations

- Rising margin and better return on capital point to higher S&P 500 multiples over time

**Current
S&P 500 Margin vs. Valuation**



**Historical
S&P 500 Margin vs. Valuation**



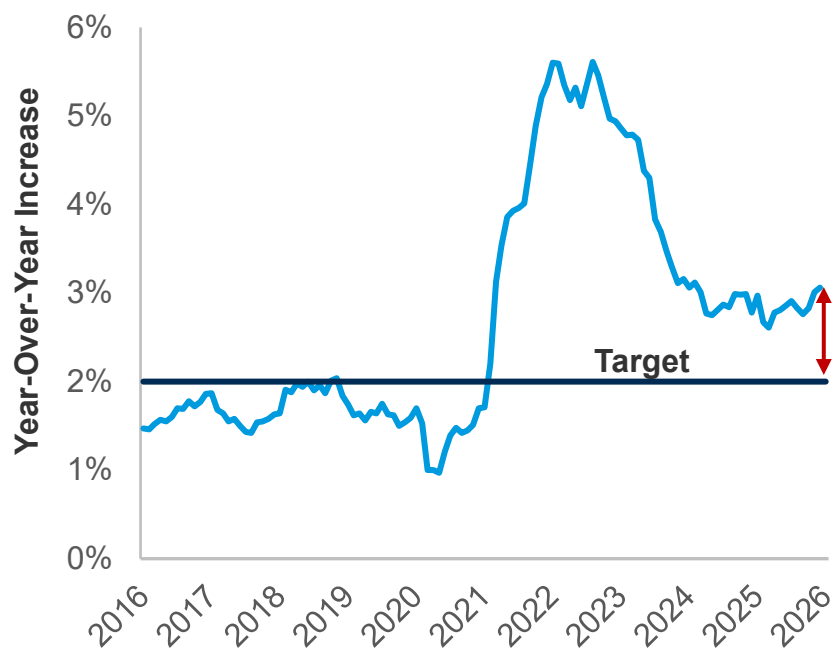
Source: FactSet. Chart on left uses S&P 500 quartiles based on median net margin (net income divided by sales). Chart on right uses S&P 500 P/E and net margin based on aggregate data as of 3/31/26. P/E is price divided by earnings.

Bull vs. Bear

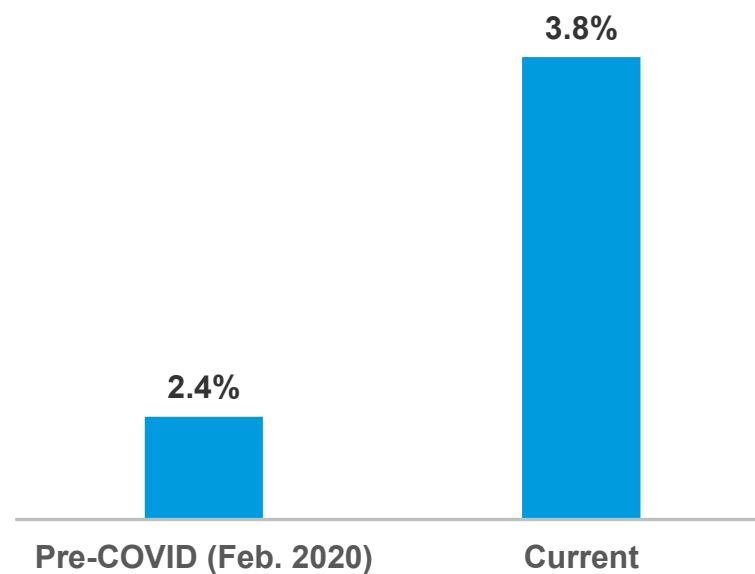
Bear Case: Inflation Too High?

- The Fed's preferred inflation measure is stubbornly above target
- The elevated expectation of inflation risks becoming self-fulfilling, adding pressure to actual inflation

Core Personal Consumption Expenditure Inflation



Expected Change in Prices During the Next Year



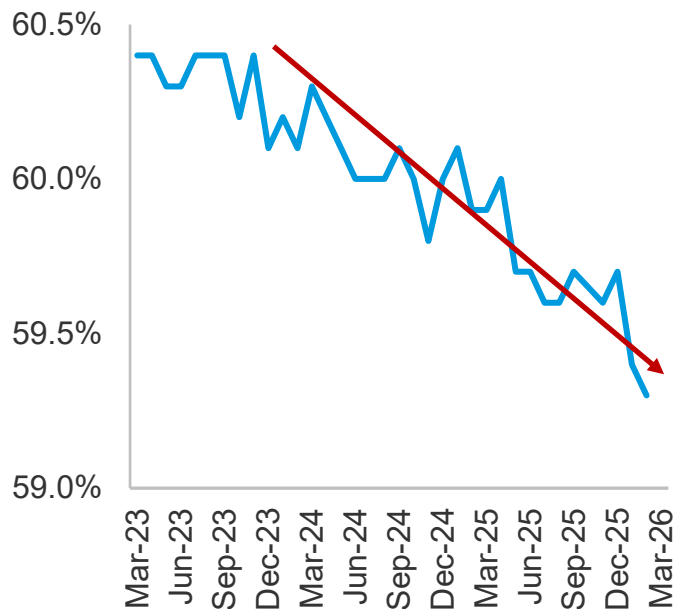
Source: U.S. Bureau of Economic Analysis (left). "Core" excludes food & energy. University of Michigan Survey of Consumers median expected change in prices during the next year, March 2026 (right).

Bull vs. Bear

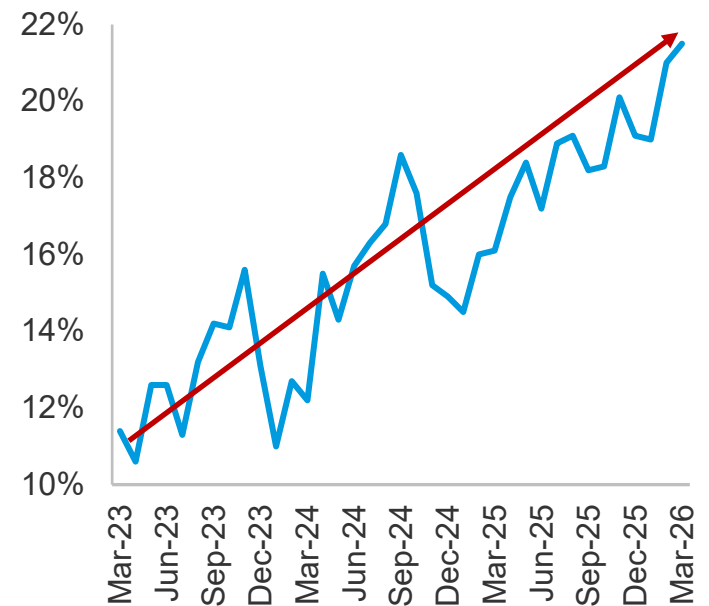
Bear Case: Weak Employment

- Job creation has been anemic, driving down the proportion of those employed
- Worker frustration with labor market is growing

Employment to Population Ratio



Share of People Saying Jobs Are "Hard to Get"



Source: U.S. Bureau of Labor Statistics (left) and Conference Board (right).

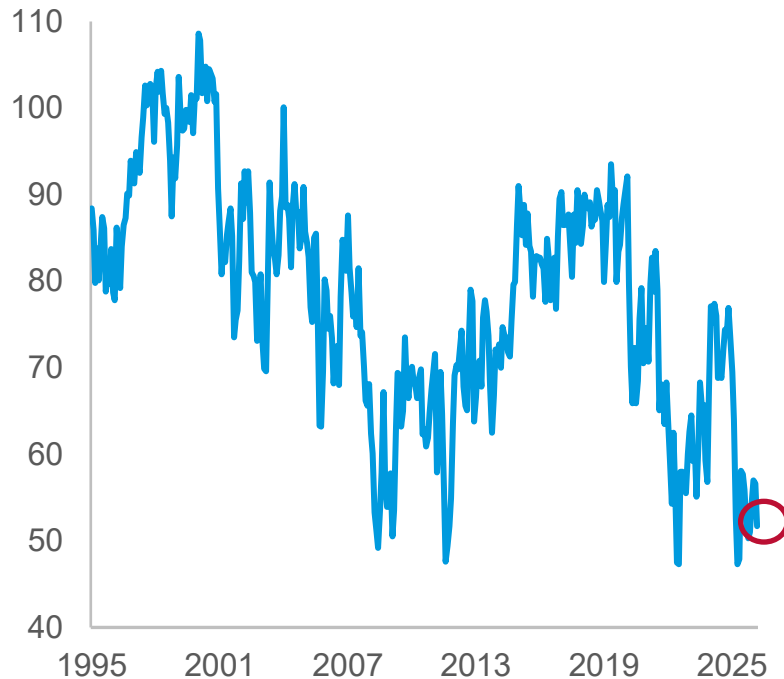
Bull vs. Bear

Bear Case: Cautious Consumers

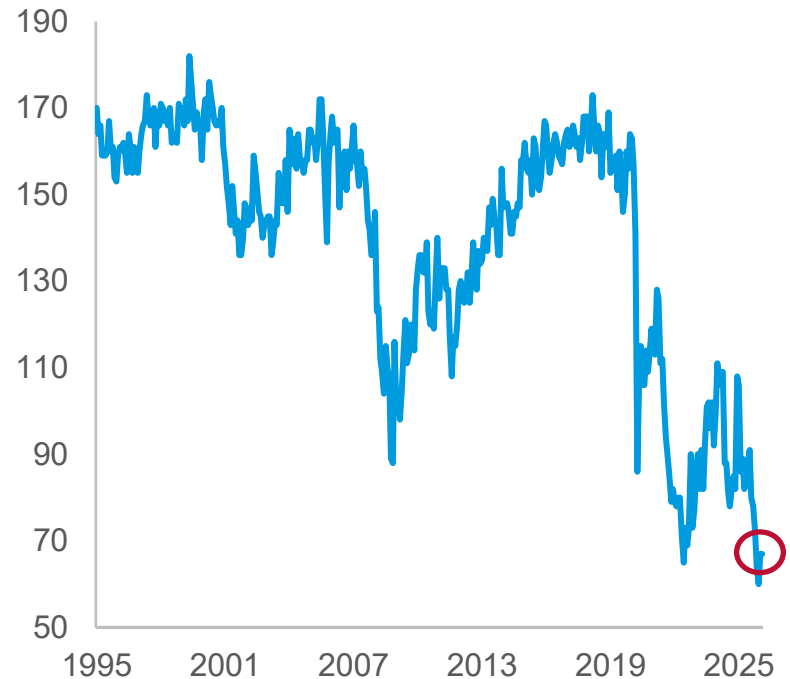
- Affordability issues and a weak labor market are driving consumer confidence down

- As a result, consumers are reticent to make significant purchases

U.S. Consumer Confidence



Buying Conditions for Large Household Durables



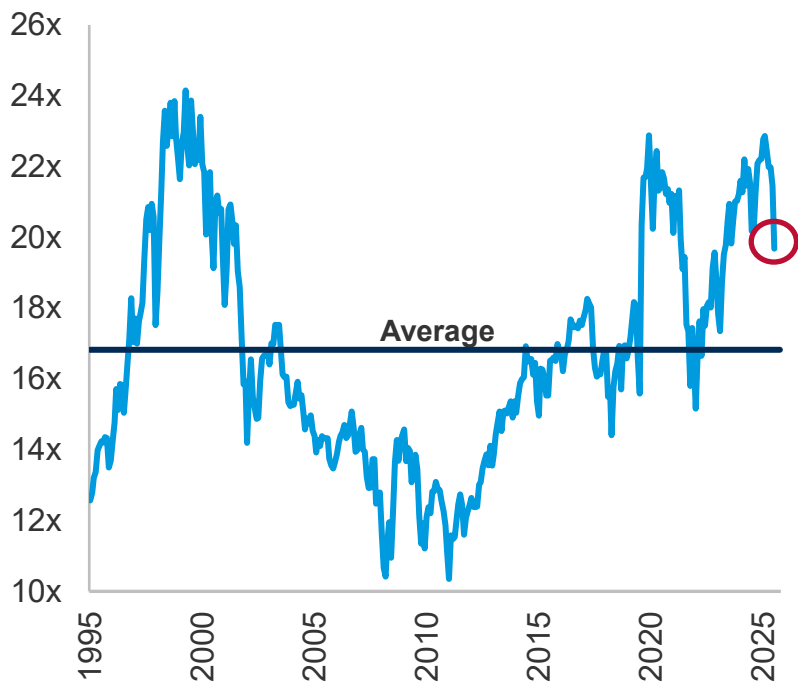
Source: University of Michigan consumer sentiment survey, March 2026. "Buying Conditions for Large Household Durables" is an index calculated as (% saying 'good time to buy' minus % saying 'bad time to buy') plus 100 as of February 2026.

Bull vs. Bear

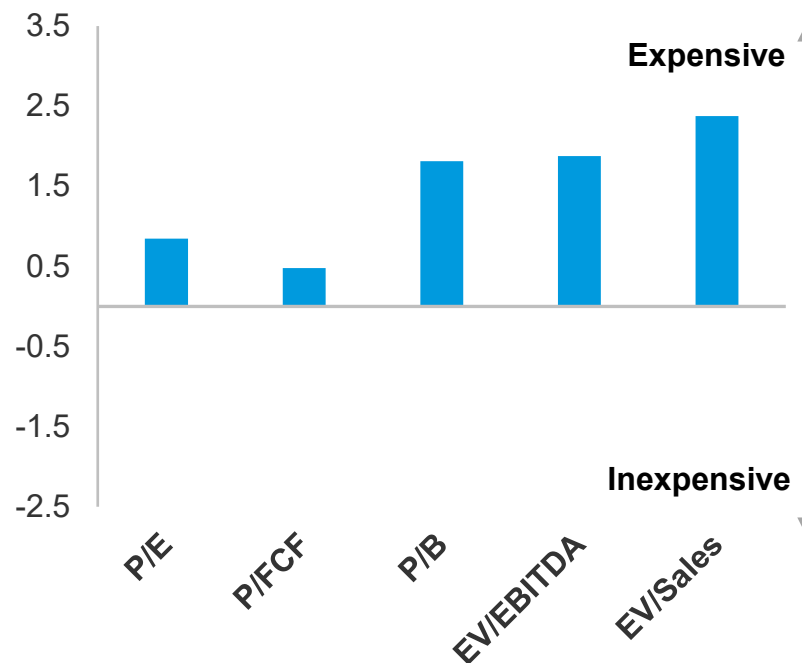
Bear Case: Elevated Valuations

- While they have moderated recently, U.S. equity valuations remain above their historical average

S&P 500 Price-to-Earnings



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



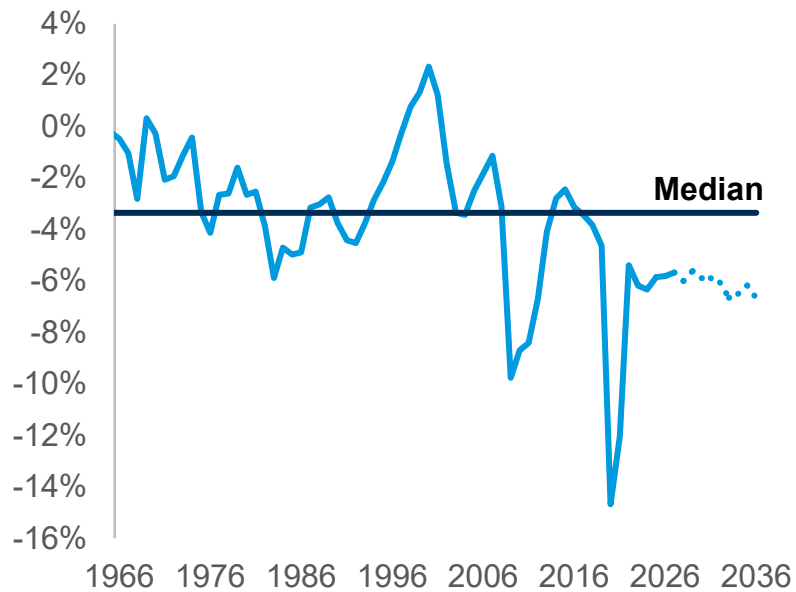
Source: FactSet as of 3/31/26; P/E based on consensus next 12-month estimates (left). FactSet as of 3/31/26 and Alger; Z-Score measures number of standard deviations from the 30-year mean. P/E is price divided by earnings. P/FCF is price divided by free cash flow. P/B is price divided by book value. EV/EBITDA is enterprise value divided by earnings before interest, taxes and depreciation and amortization. EV/Sales is enterprise value divided by sales (right).

Bull vs. Bear

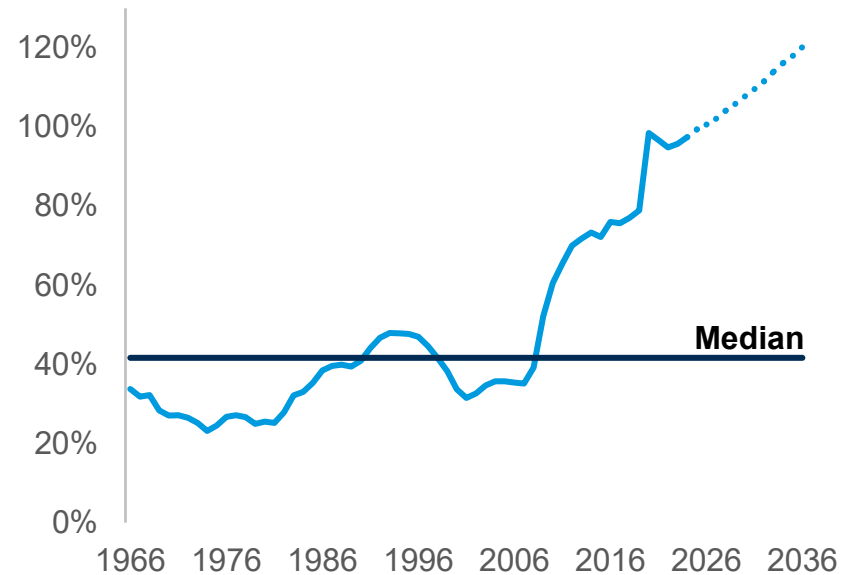
Bear Case: Bonds Balk?

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

U.S. Federal Deficit as a % of GDP



U.S. Federal Debt Held by the Public

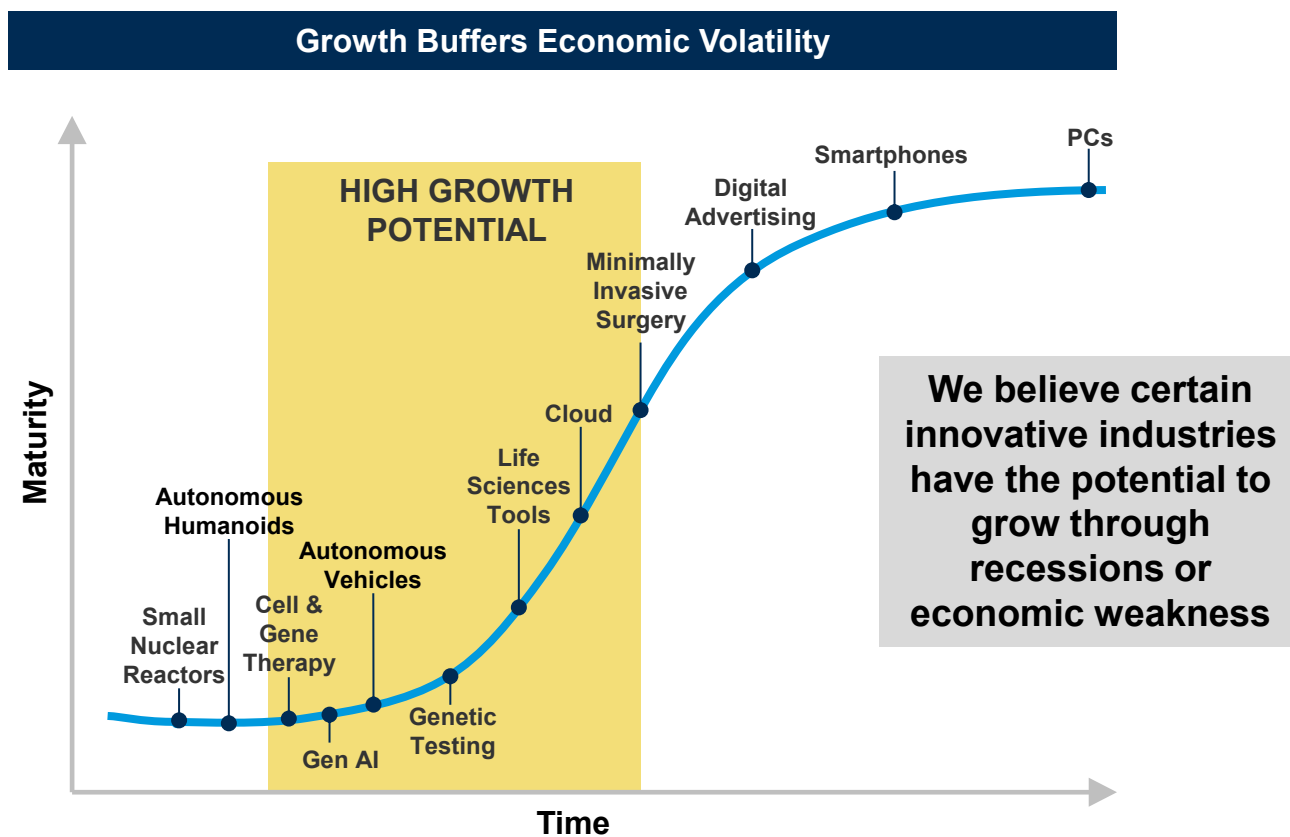


Source: Congressional Budget Office with projections 2026-2036, as of February 2026. U.S. fiscal year end is September.

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



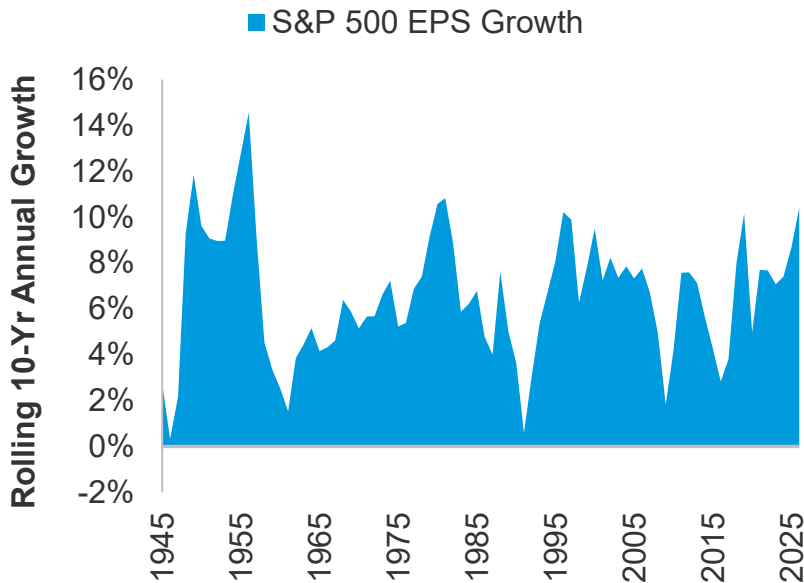
Source: Alger. Investing in innovation is not without risk and there is no guarantee that investments in research and development will result in a company gaining market share or achieving enhanced revenue.



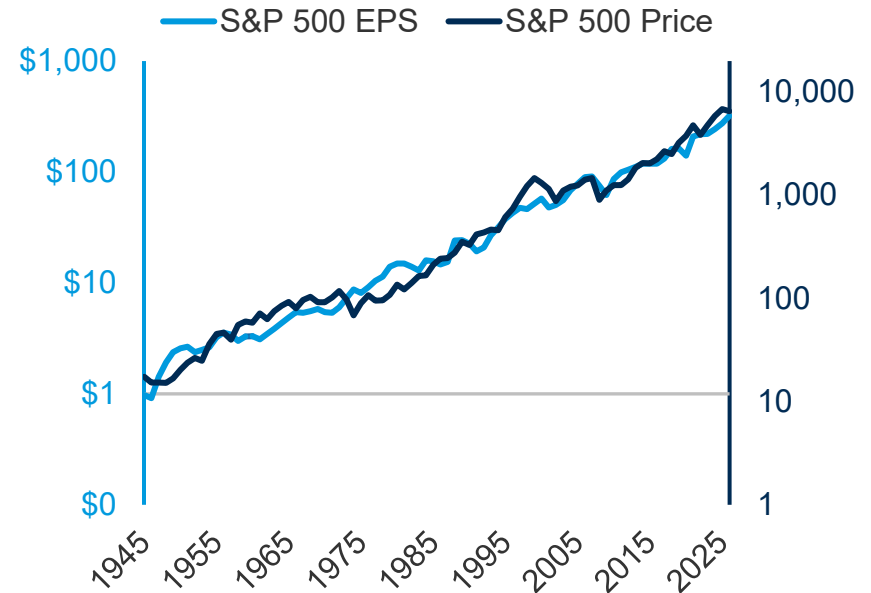
Long-Term Investing The Bottom Line

- 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 7% annual growth in earnings
- Huge wealth creation despite 12 recessions and several wars

Earnings Have Historically Grown...



...Driving Stocks Prices Upward at a Similar Rate

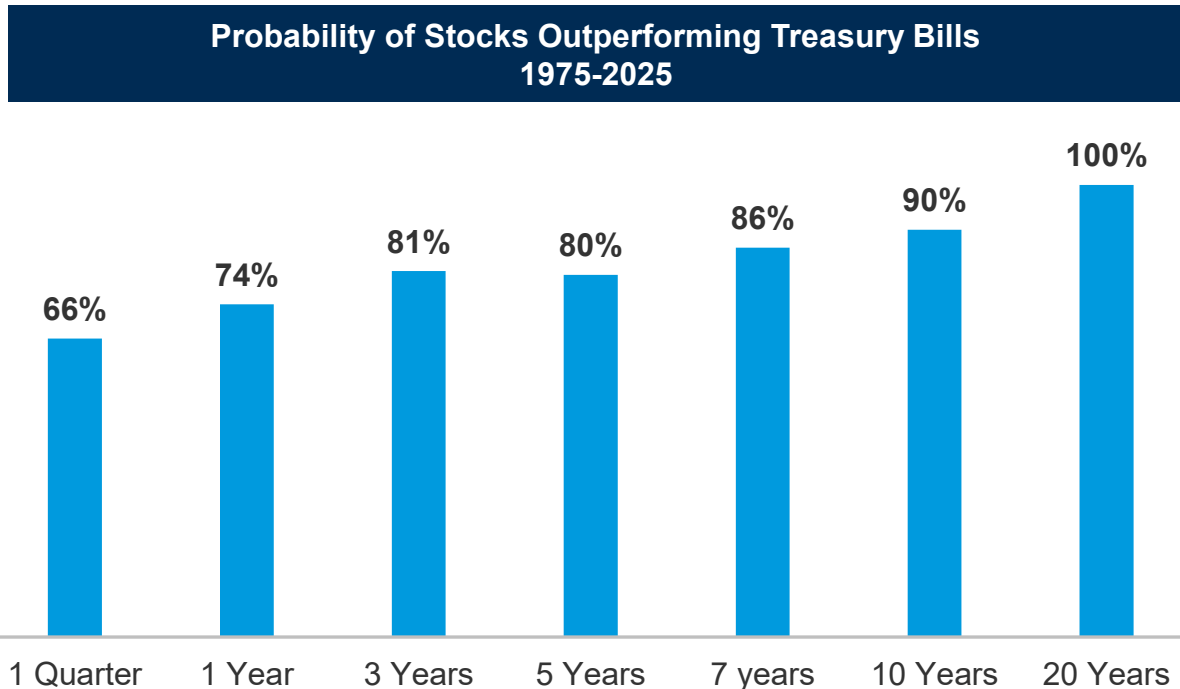


Source: FactSet as of 3/31/26 using consensus estimate for 2026. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**



Long-Term Investing The Power of Patience

- 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 12/31/1975-12/31/2025. 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.**

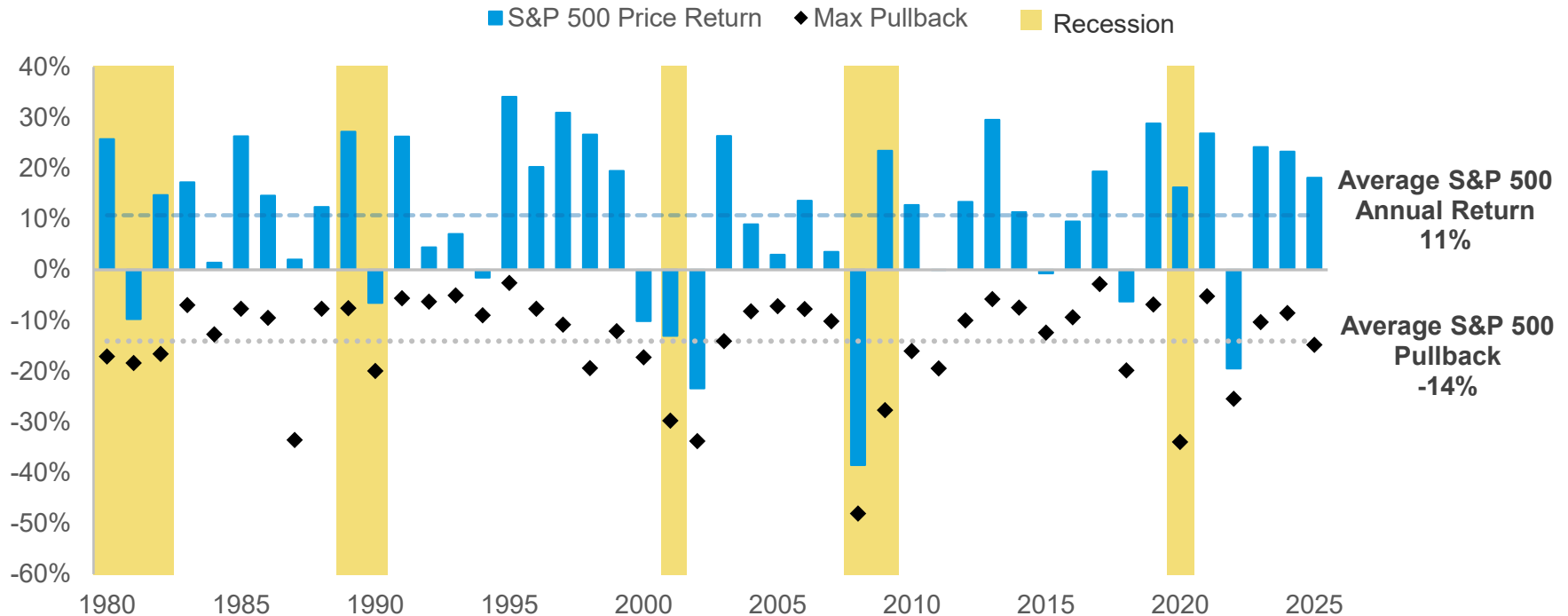


Long-Term Investing

No Pain, No Gain

- 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



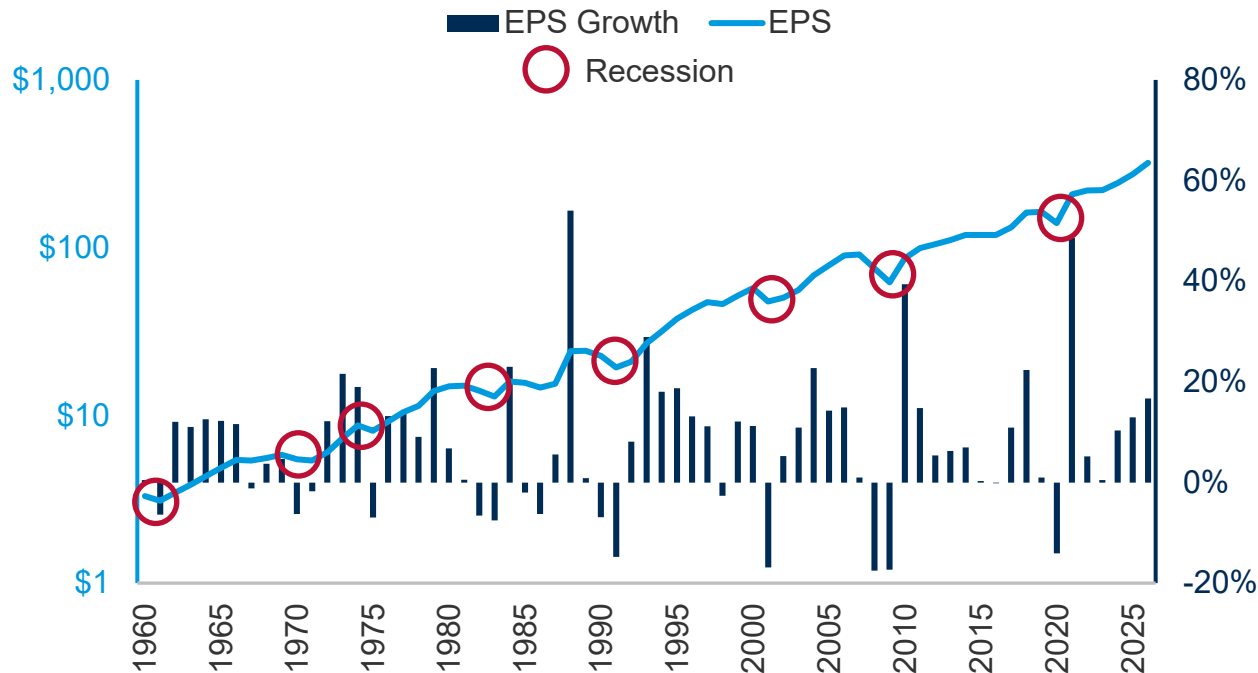
Source: FactSet and Standard & Poor's. Annual S&P 500 performance calculations use daily price returns 1/1/80-12/31/25. **The performance data quoted represents past performance, which is not an indication or a guarantee of future performance.**



Long-Term Investing Recessions and Recoveries

- S&P 500 earnings have declined in past recessions, but historically, EPS has reached or nearly reached a new high in the first or second year after the recession ended
 - Temporary EPS declines shouldn't theoretically impact long-term value significantly

S&P 500 EPS has Historically Trended Higher Despite Recessions



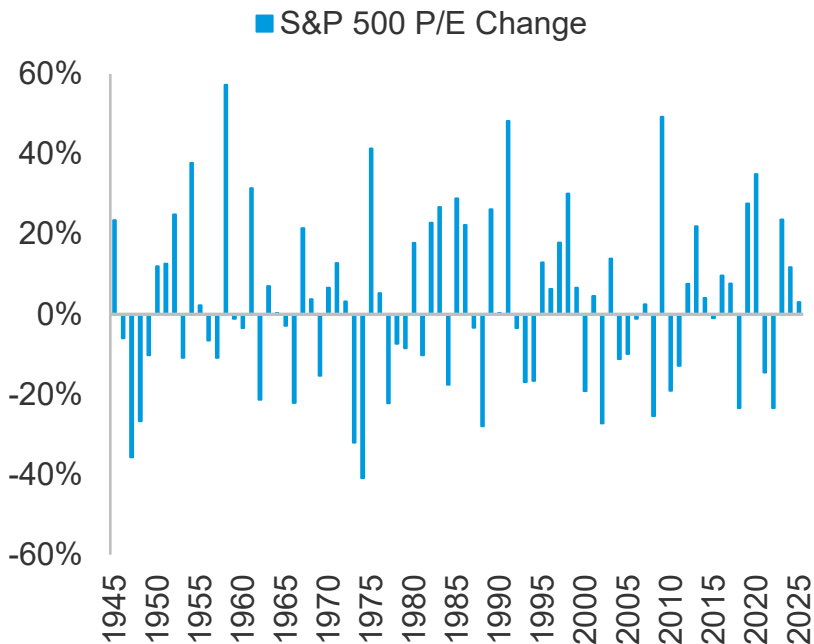
Source: S&P reported EPS 1960-1987. S&P operating EPS 1988-1995, FactSet Operating EPS 1996 to present. 2026 is a bottom-up consensus estimate.



Long-Term Investing Fundamentals > Sentiment

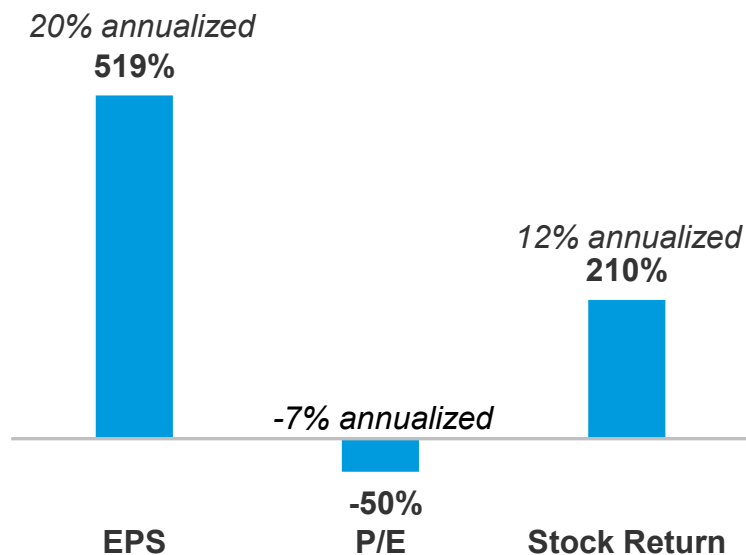
- While sentiment shifts may dominate short-term equity price fluctuations, long-term returns are driven by fundamentals such as earnings and cash flows
 - As Buffet’s mentor Benjamin Graham said, “In the short run, the market is a voting machine but in the long run, it is a weighing machine”

Sentiment Shifts Over Time...



But Earnings Drive Stock Prices

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



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



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

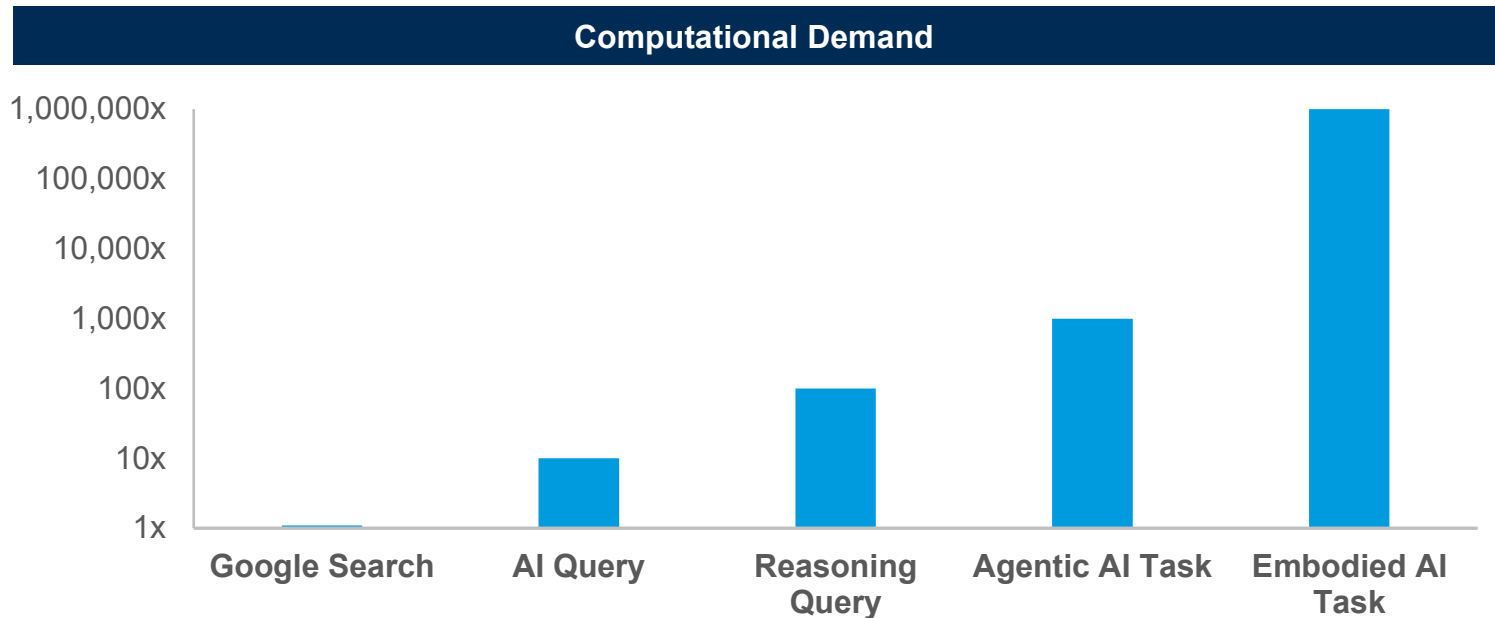
Source: Alger.



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



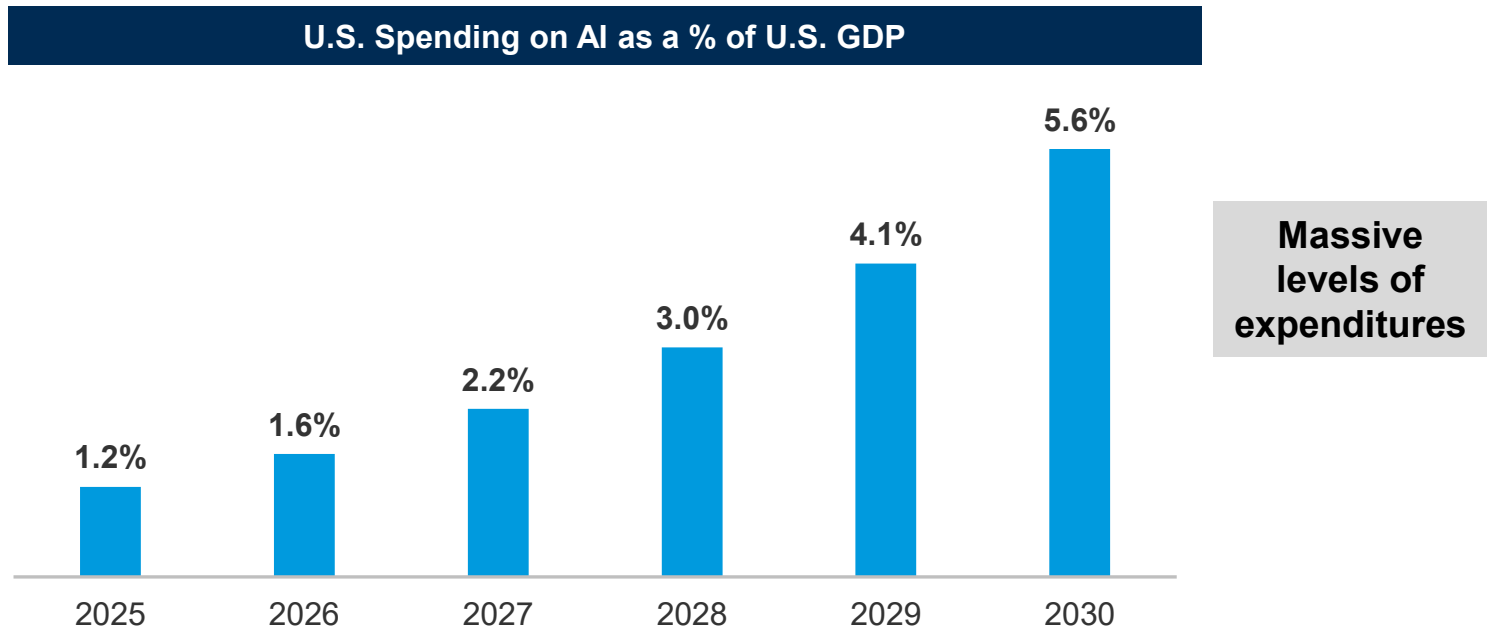
Source: Alphabet, Nvidia, Alger, Kim B., & Ammanabrolu, P. (2025). Beyond Needle(s) in the Embodied Haystack.



Artificial Intelligence

An Infrastructure Buildout With Wartime Scale

- AI investment is projected to reach nearly 6% of U.S. GDP by 2030 or roughly \$6 trillion in cumulative investment
 - Equivalent to the aggregate U.S. WW II mobilization spend, adjusted for inflation



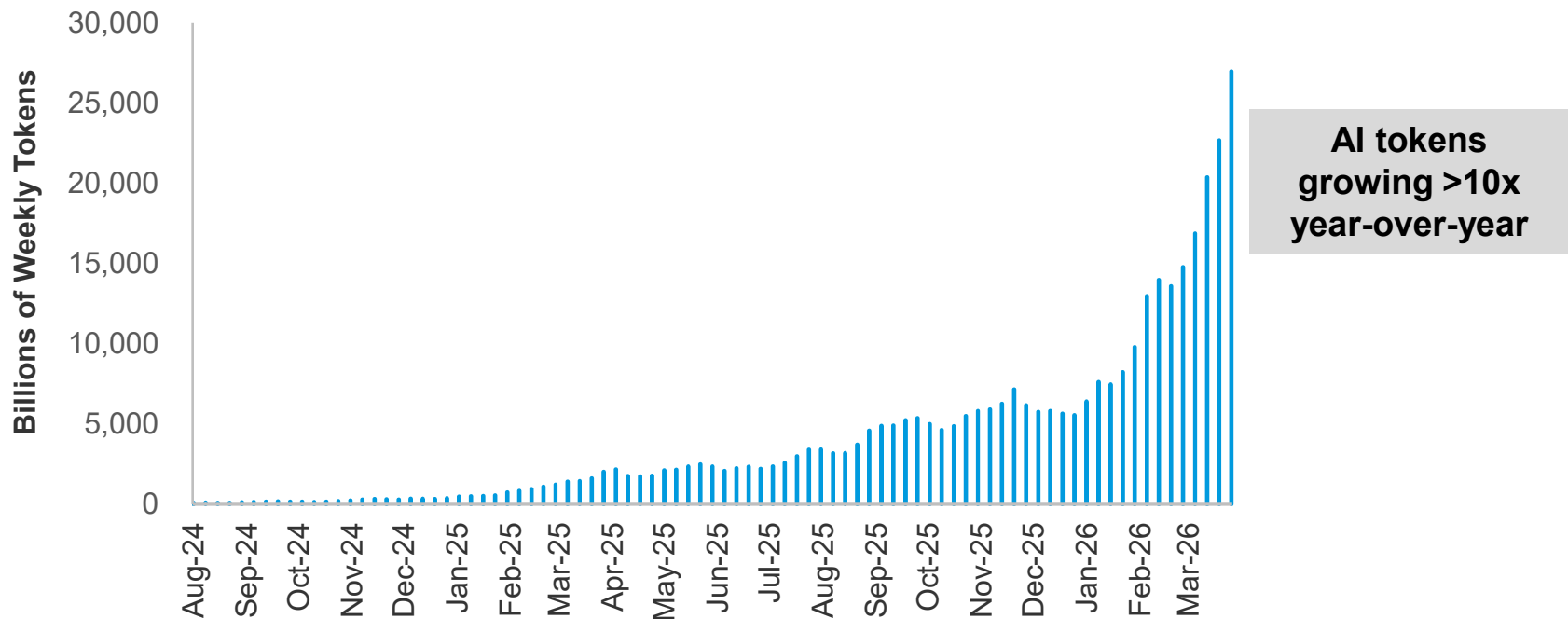
Source: GDP from U.S. Bureau of Economic Analysis and AI spend derived from Nvidia comments on its Fiscal 2Q26 Earnings Call on August 27, 2025. 2026-2030 are estimates.



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



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.



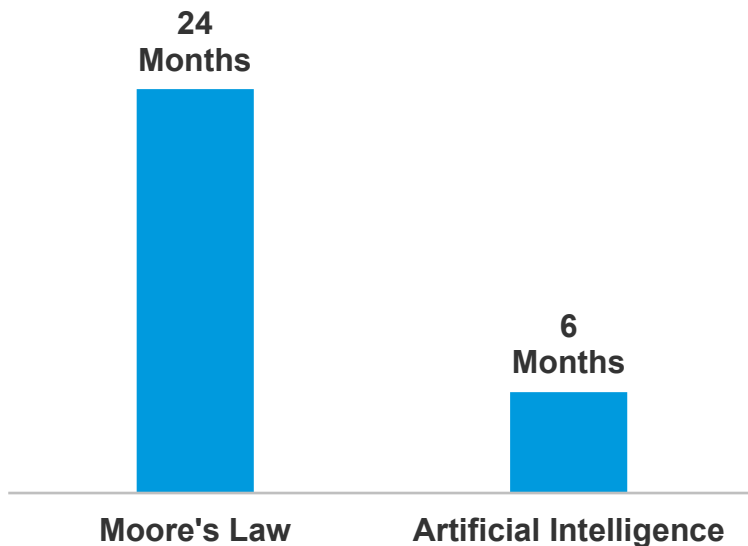
Artificial Intelligence Innovation Is Accelerating



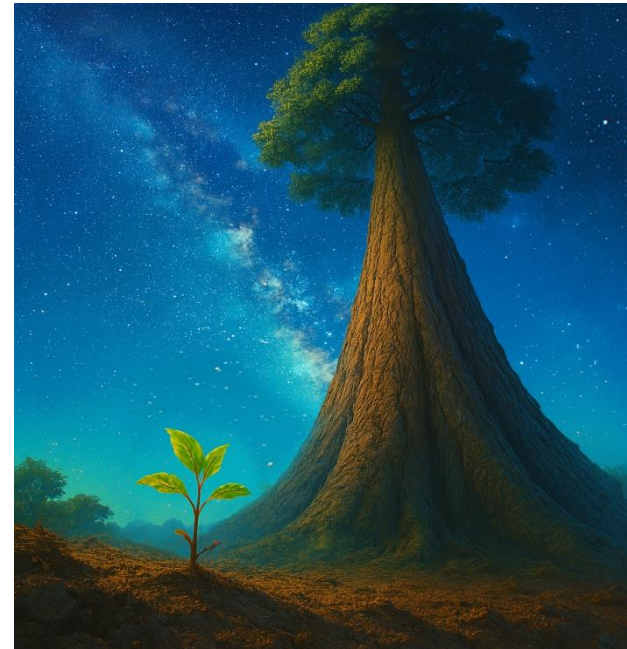
- Artificial intelligence is progressing at a much quicker pace than computer processors

- 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

Doubling Time in Months



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. The calculation period used for AI was 2012-2024 (left). Dall-E (right).

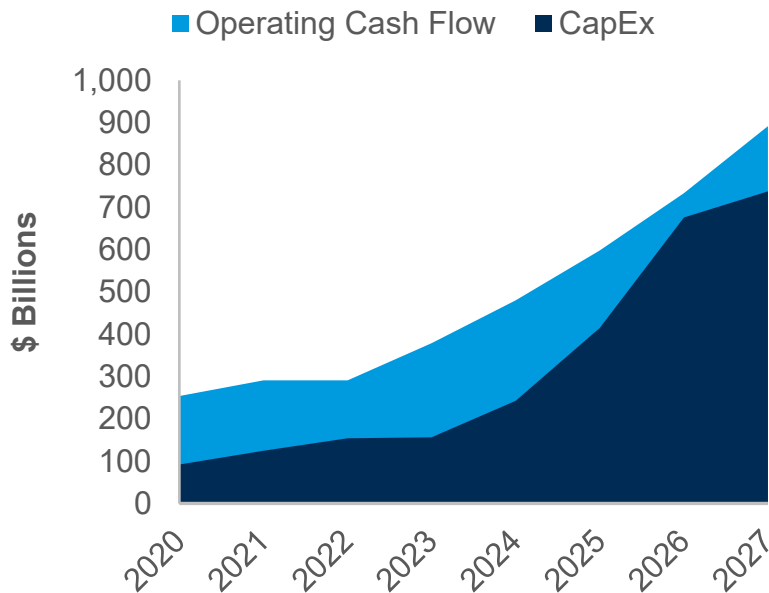


Artificial Intelligence Sustainable Investment

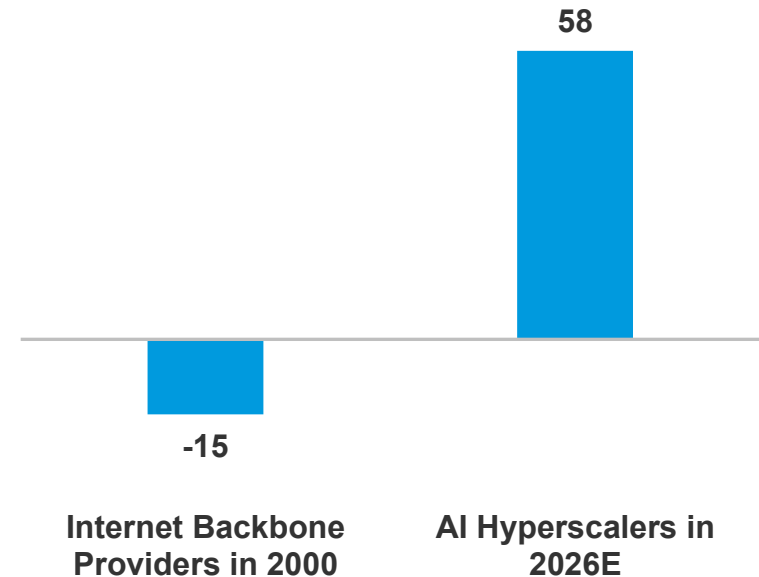
- The majority of AI spending is driven by Hyperscaler capex, which is funded internally

- AI investment appears more sustainable than that of the Internet buildout/bubble

Capex Relative to Cash Flow of Hyperscalers



Free Cash Flow Then and Now (\$B)

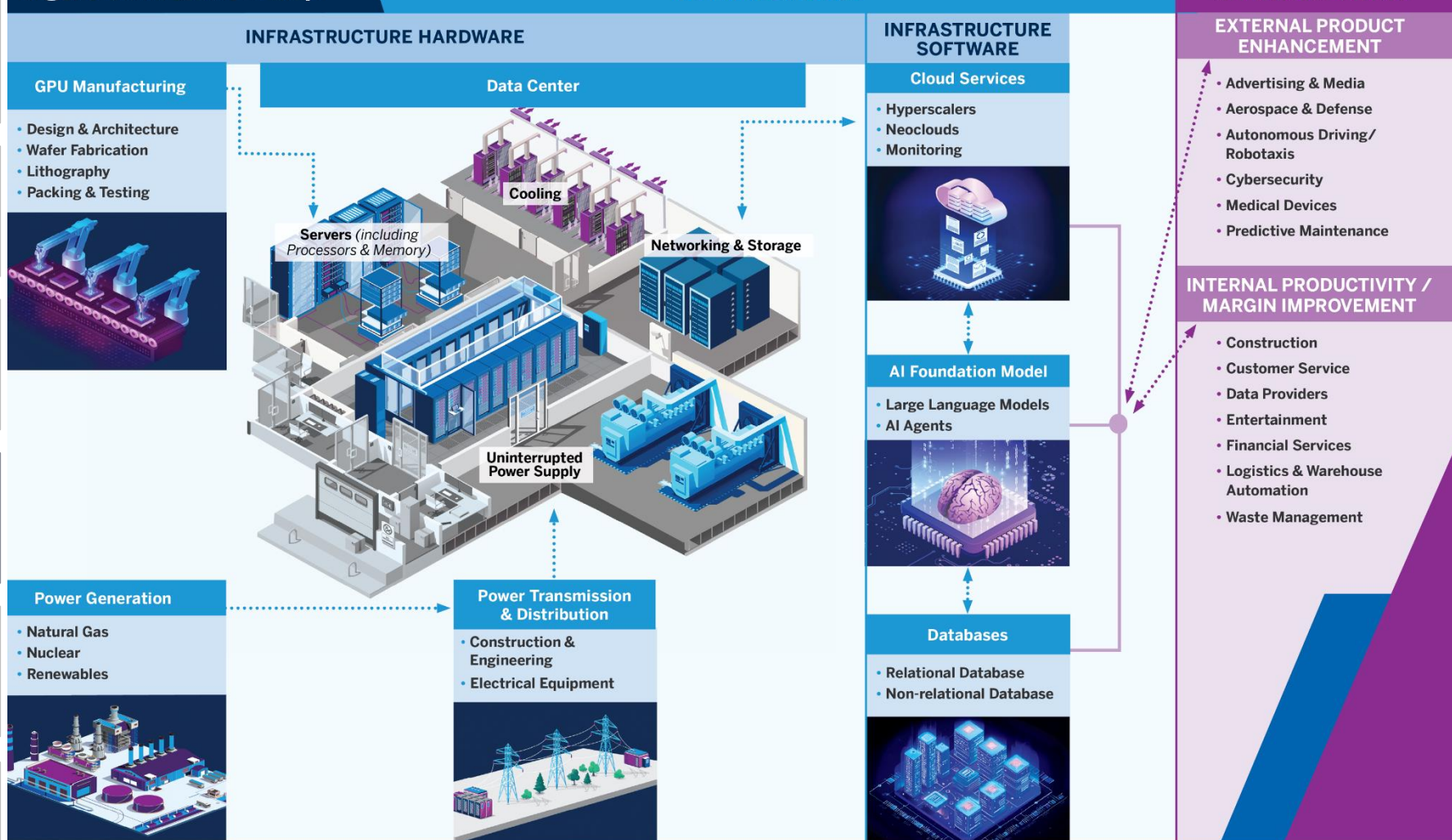


Source: FactSet. Forecasted data (2026 and 2027) are consensus estimates as of March 2026. Free Cash Flow (FCF) represents the cash a company generates after accounting for operational and capital expenses. Hyperscaler companies, defined as providers of scalable cloud infrastructure and services for 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 Verizon Communications Inc. Internet backbone provider FCF data as of 12/31/00.

IV

Enduring Themes Artificial Intelligence (AI)

Alger's AI Investment Map



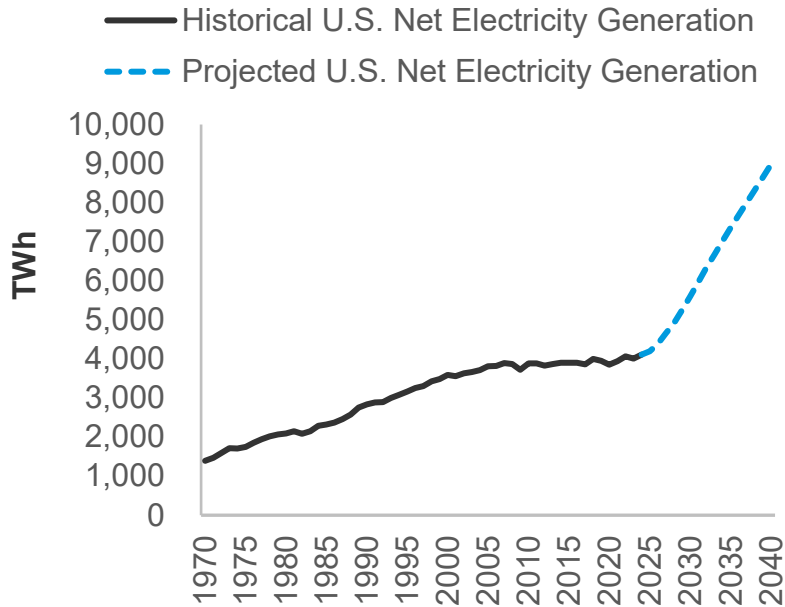
Source: Alger. Enablers are companies developing the building block components for, and investing in, AI infrastructure such as machinery, hardware, software and services. Adopters are companies that integrate AI into their businesses to enhance their products or services or make their operations more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

IV

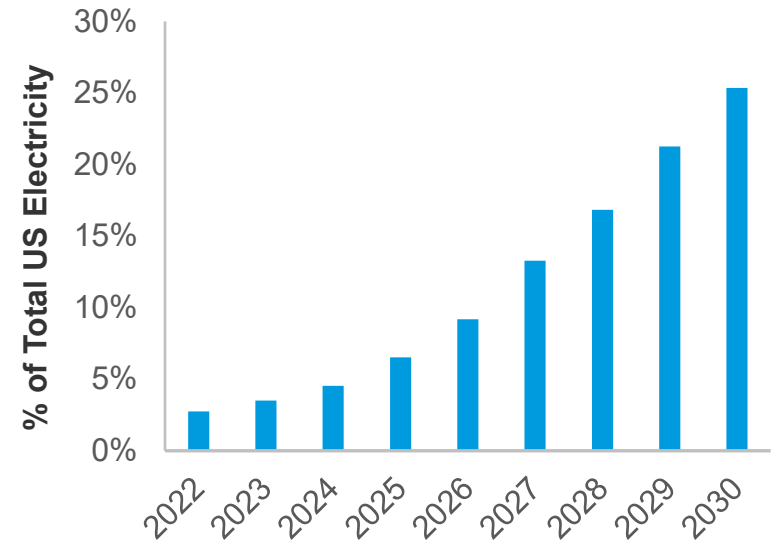
Enduring Themes Power Surge

- Electricity demand is projected to rise sharply, spurred 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 as of March 2026.

- 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

Information Technology Consulting

Enterprise Software

Private Credit

Insurance Brokers

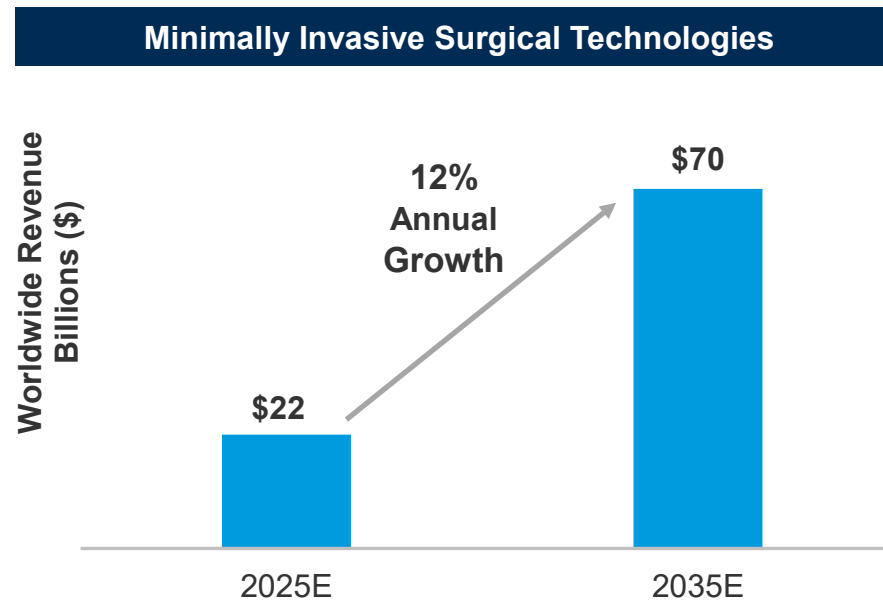
Office REITs

Information / Professional Services

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

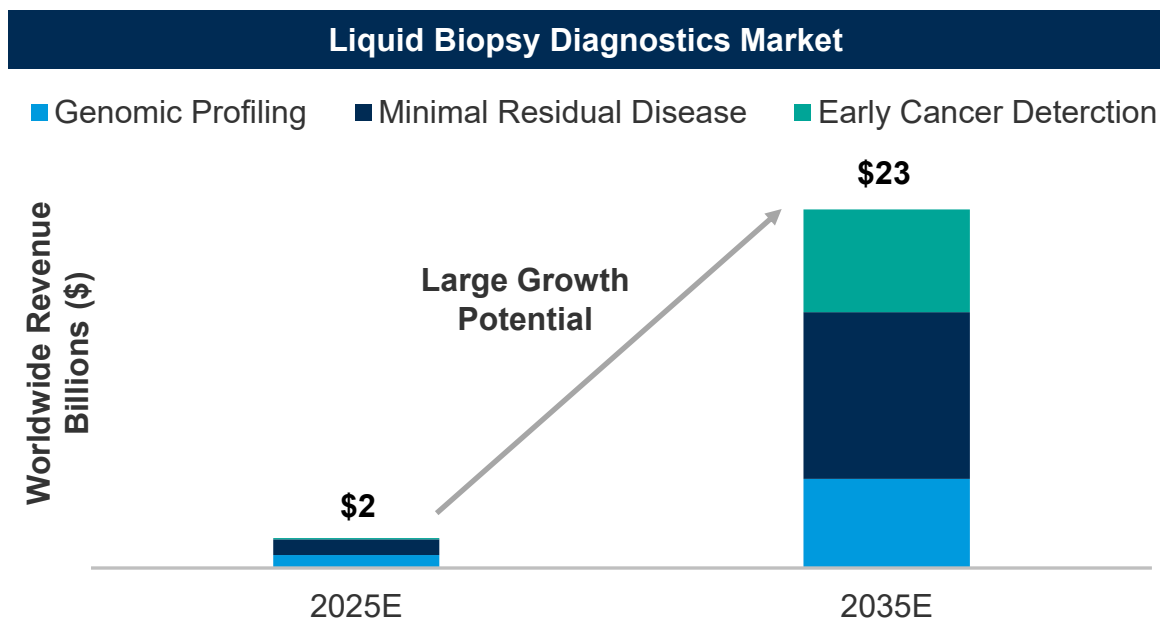


Source: Alger estimates, company reports, as of March 2026. Data includes assumptions for robotic surgery, percutaneous heart valve repair and replacement, LAAC, and mechanical thrombectomy

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



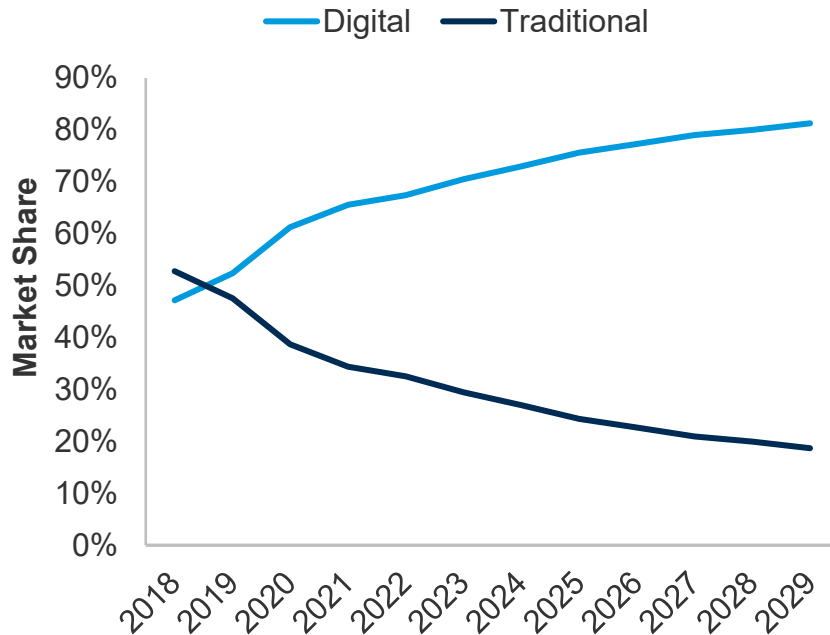
Source: Alger estimates, company reports, as of March 2026. Data includes assumptions for therapy selection (excluding tissue based), minimal residual disease, and colorectal early cancer detection end markets

IV

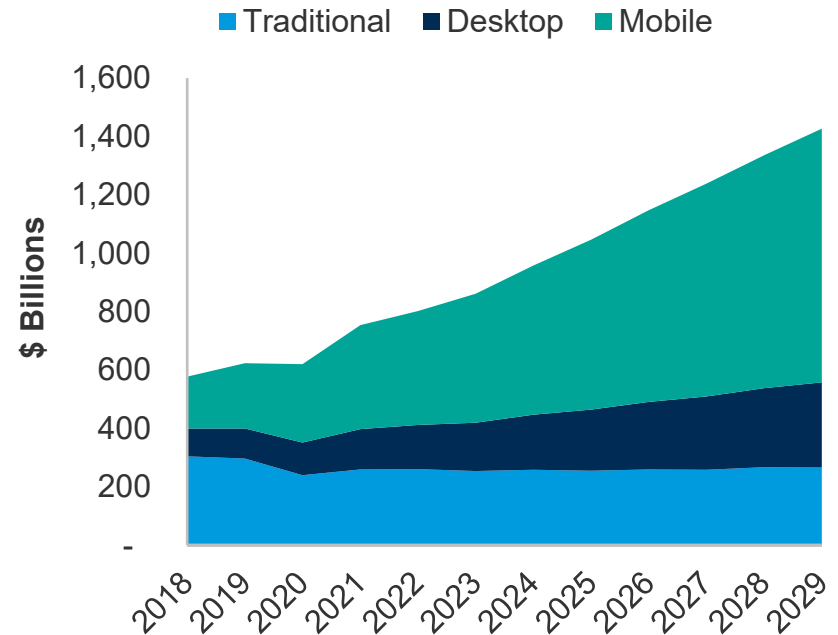
Enduring Themes Digital Advertising

- Digital advertising continues to take share from traditional advertising, spurred recently by AI
- Mobile advertising, driven by in-app ads, is driving the growth

Global Advertising Market Share



Global Advertising Revenue

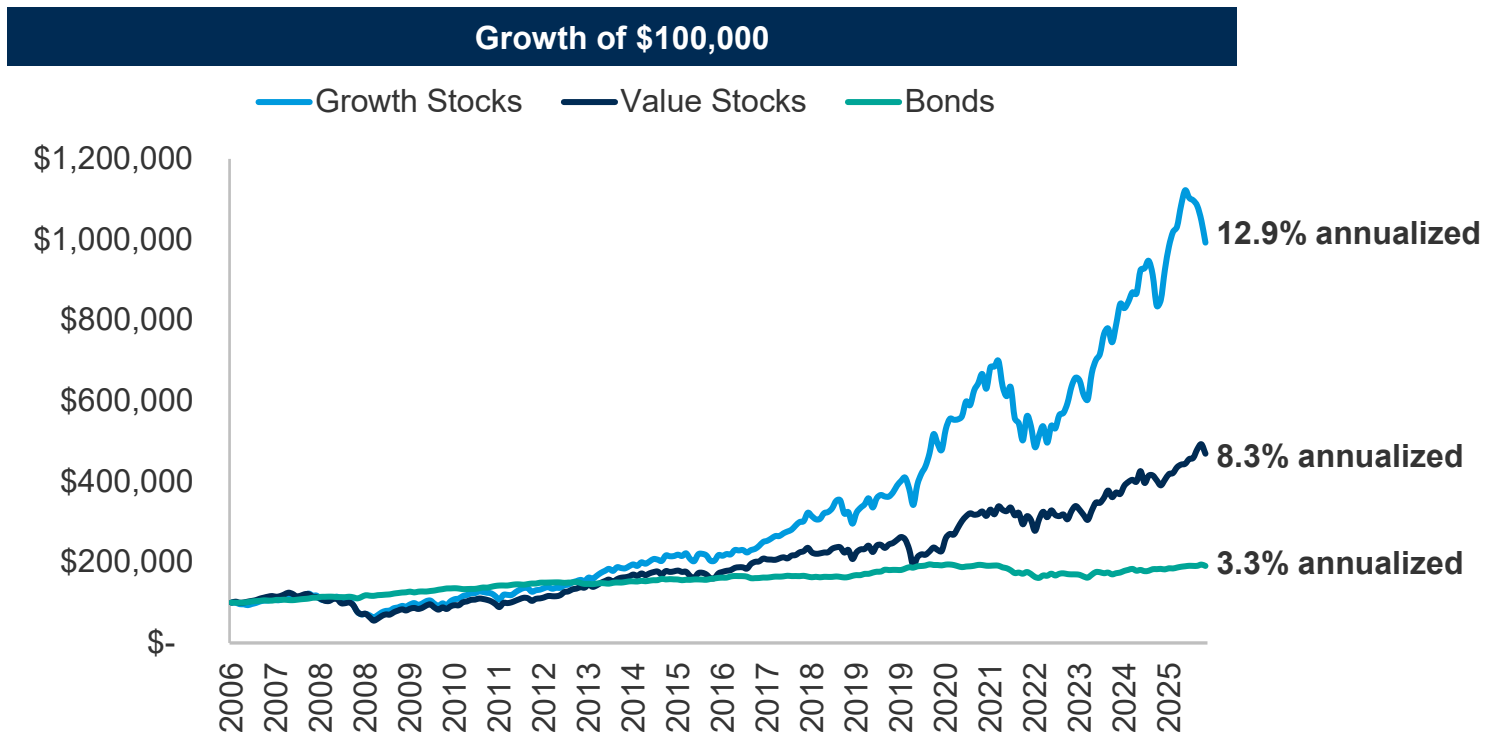


Source: Insider Intelligence, December 2025.

V

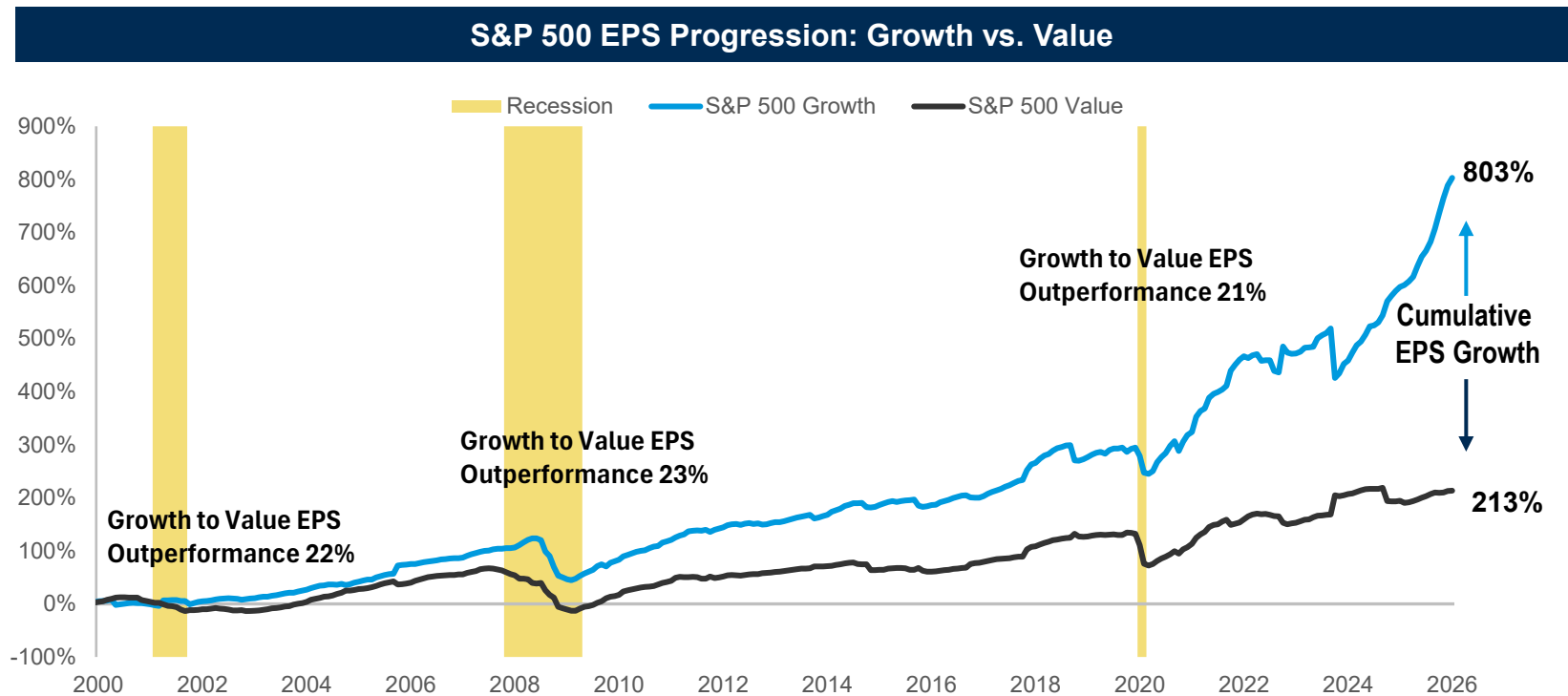
Style Wars Growth Stocks Have Outperformed

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



Source: FactSet. 3/31/06 through 3/31/26. 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

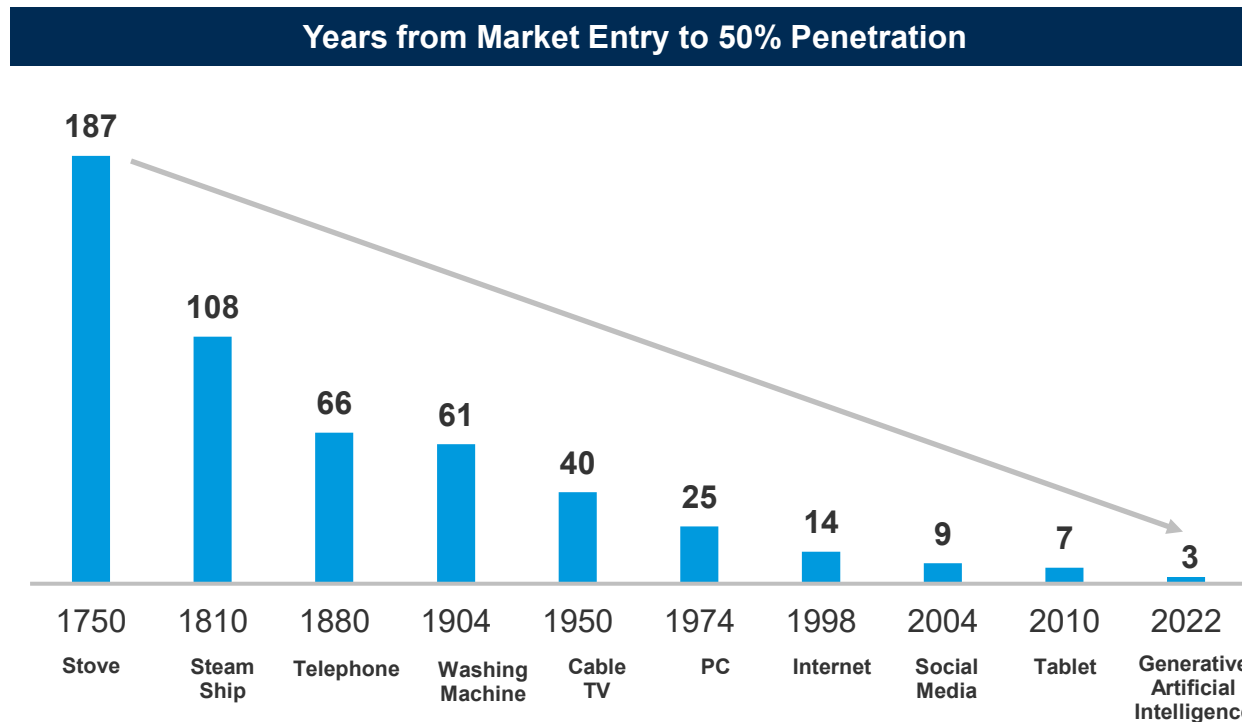


Source: FactSet, Standard and Poor's. Data is through 3/31/26. EPS is a Next Twelve Month (NTM) calculation. Earnings per share (EPS) is the portion of a company's earnings or profit allocated to each share of common stock. EPS Growth to Value outperformance calculation takes the relative difference 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.

V

Style Wars Accelerating Change

- 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

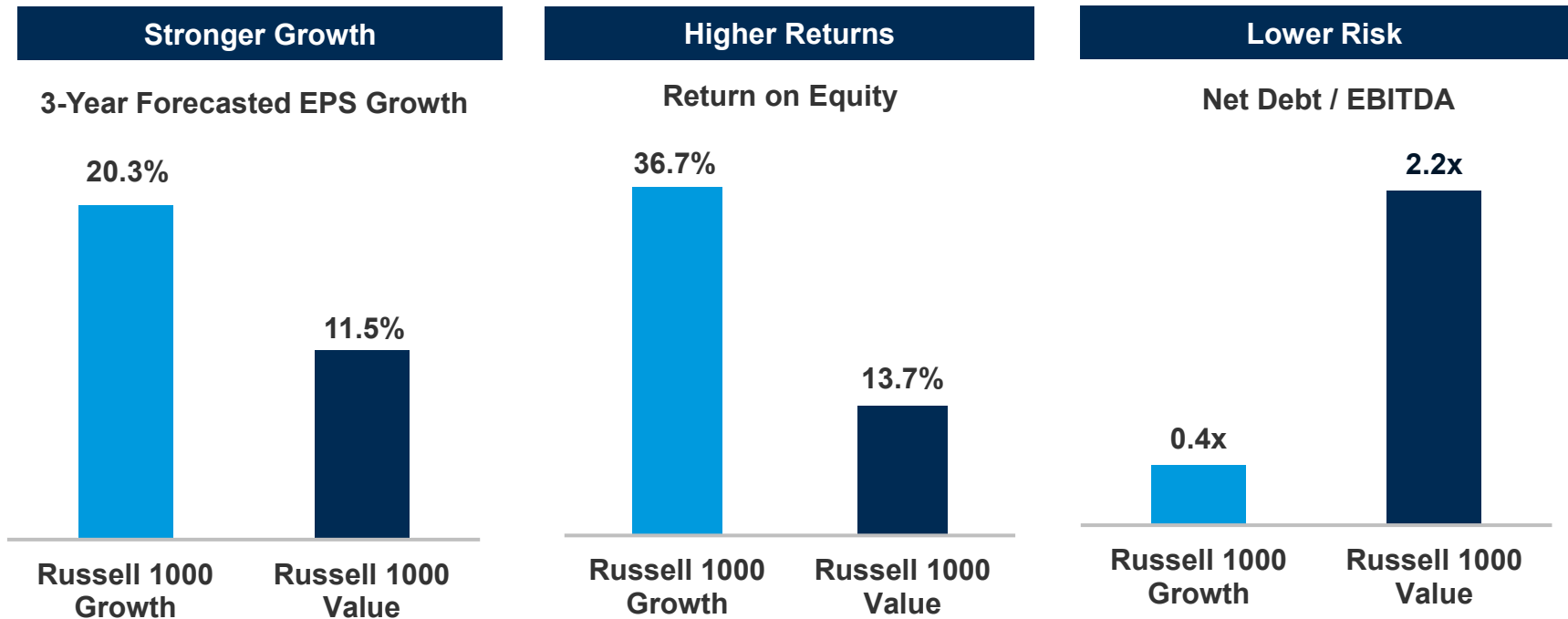


Source: Asymco, Real-Time Population Survey.

V

Style Wars The Growth Advantage

- 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



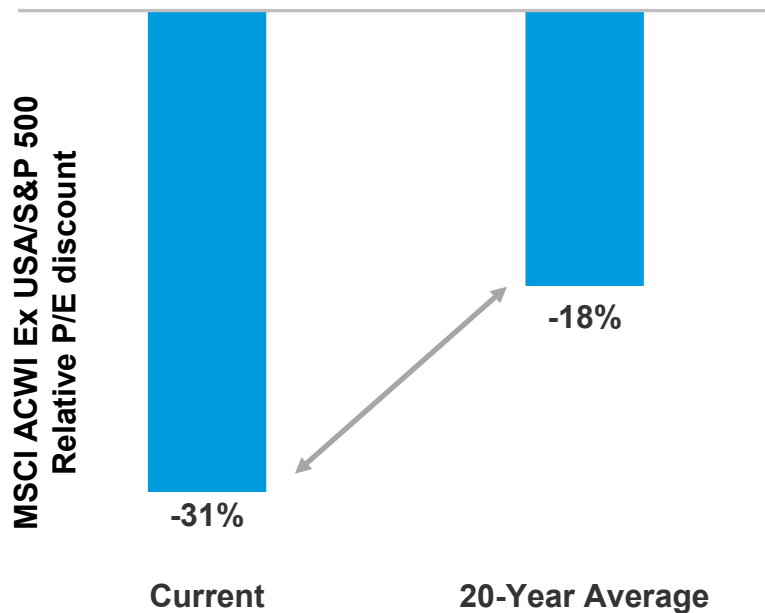
Source: FactSet as of 3/31/26. Growth represents consensus long-term analyst estimates and actual future EPS growth rates might be materially different than the forecasts shown.

VI

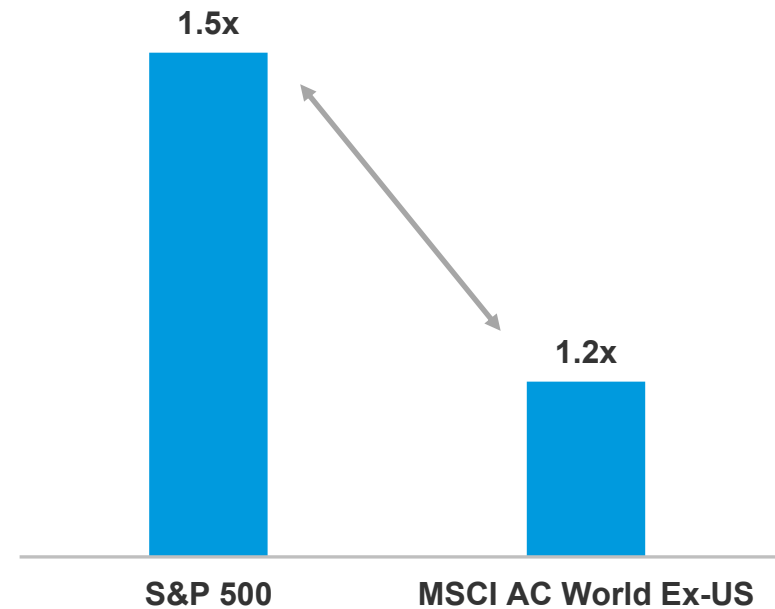
Investing Outside the U.S. Non-U.S. Stocks are Cheap

- 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, non-U.S. stocks are attractively valued

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



Non-U.S. Stocks Cheaper on P/E-to-Growth



Source: FactSet as of 3/31/26, Non-U.S. stocks represented by MSCI ACWI ex USA Index and U.S. stocks represented by S&P 500.

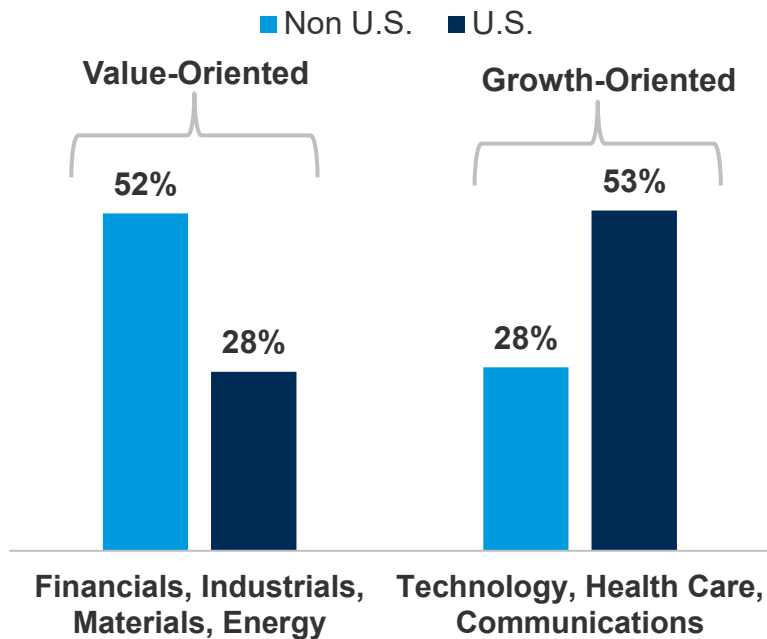
VI

Investing Outside the U.S. Bewildering Benchmarks

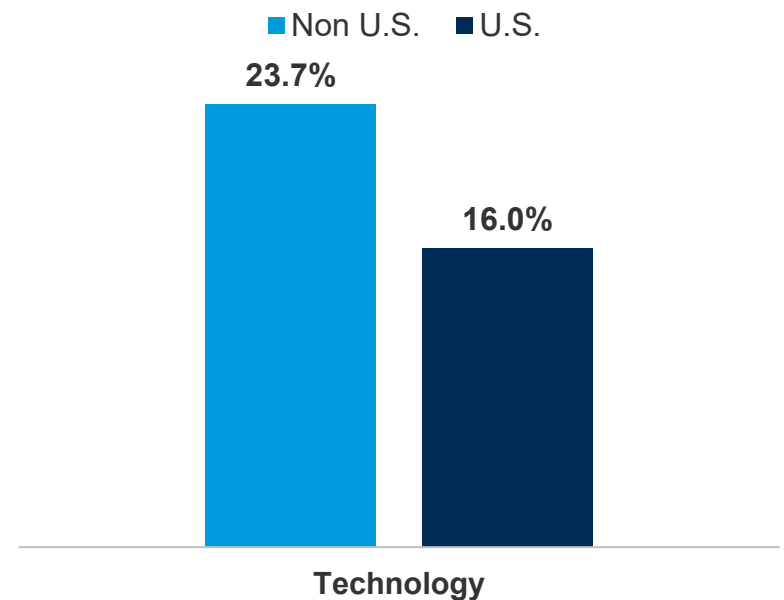
- Non-U.S. indices have far more exposure to slower growing, value-oriented sectors...

- ...But non-U.S. companies are fundamentally competitive within growth oriented-sectors

Variation in Index Weighting



Forecasted 3-Year Annualized Sales Growth



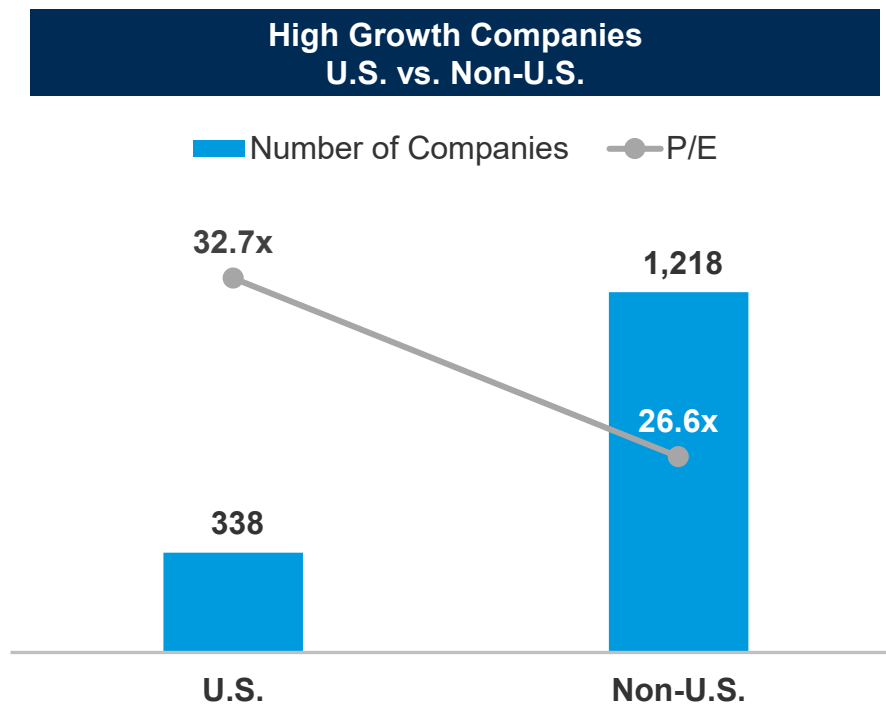
Source: FactSet. Weightings and sales growth as of 3/31/25. U.S. is represented by S&P 500 and non-U.S. by MSCI ACWI ex USA Index. Sales growth based on weighted median of the consensus next 3-year compound annual growth rate.

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 significant discount to their U.S. counterparts



Source: FactSet as of 3/31/26. 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

VI

Investing Outside the U.S. Unique Non-U.S. Investment Opportunities

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

Unique Non-U.S. Growth Industries

Defense
(Europe & Asia)

Hospitals
(India, Turkey, Thailand)

Energy and Power Infrastructure
(Germany, Eastern Europe)

Banks
(Brazil, India, Eastern Europe)

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
(Switzerland, Korea)

Luxury
(Italy, France, Switzerland)

Industrial Gasses
(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)

Online Ticket Agency
(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	159
▪ Number of Investment Professionals	49
▪ Female/Minority Portfolio Managers	47%
▪ Assets Under Management	\$31.8 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.

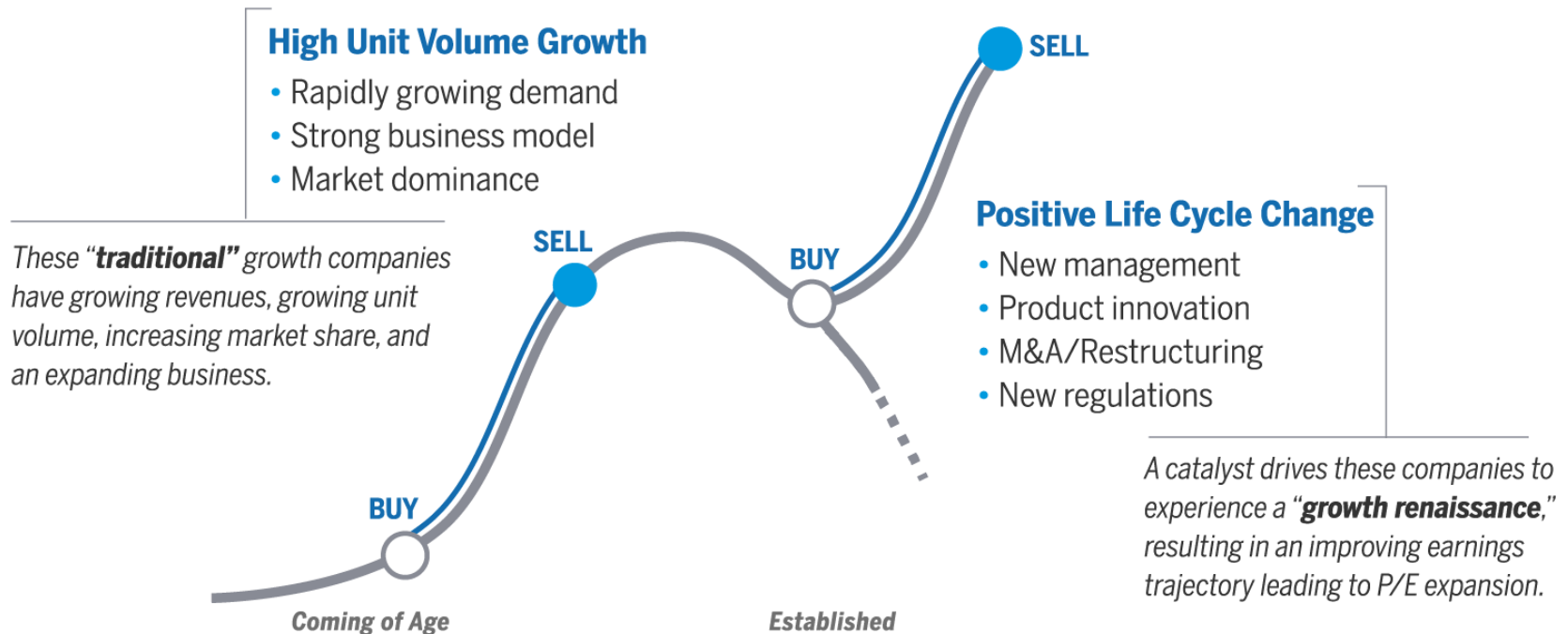
– **Daniel C. Chung, CFA**
Chief Executive Officer
Chief Investment Officer

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 April 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. Earnings Per Share (EPS) is the portion of a company’s earnings or profit allocated to each share of common stock.

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 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.

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 January 31, 2026: NVIDIA Corporation, 10.63%; Microsoft Corporation, 7.62%; Alphabet, Inc., 4.68%; Intel Corporation, 0%; Amazon.com, Inc., 6.30%; Meta Platforms, Inc., 4.57%; Oracle Corporation, 0.01%; AT&T, Inc., 0%; and Verizon Communications Inc., 0.02%.

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