

Alger Growth & Income Fund

1st Quarter 2025 As of March 31, 2025

Ticker Symbols

Class A	ALBAX
Class C	ALBCX
Class Z	AGIZX

Investment Strategy

Primarily invests in growth equity securities of U.S. companies identified through our fundamental research as paying a high dividend yield, having a history of strong and consistent dividend growth, or having the potential for capital appreciation and the ability to return cash to investors. Seeks to provide capital appreciation and current income.

Portfolio Management



Gregory Adams, CFA
Senior Vice President
Portfolio Manager and Director of
Quantitative & Risk Management
38 Years Investment Experience

Benchmark

S&P 500

Standardized performance is available on page 3.

HIGHLIGHTS

- During the first quarter of 2025, the largest portfolio sector weightings were Information Technology and Financials. The largest sector overweight was Energy and the largest sector underweight was Consumer Discretionary.
- The Consumer Discretionary and Health Care sectors contributed to relative performance while Financials and Communication Services were among sectors that detracted from relative performance.

MARKET ENVIRONMENT

In the first quarter of 2025, U.S. equities experienced heightened volatility, driven by evolving fiscal, monetary, and trade policies. Contributing further uncertainty was the emergence of advanced artificial intelligence (AI) models from China, which demonstrated capabilities comparable to leading U.S. models but reportedly at significantly lower development costs. This prompted investors to reassess the substantial capital expenditures of U.S. large-cap technology companies, resulting in a sell-off in AI-related stocks and concerns over the potential returns on domestic AI initiatives.

Escalating trade tensions further compounded market apprehension. The Trump administration's announcement of significant tariff increases, to be announced on April 2, created substantial investor uncertainty. Anticipated retaliatory measures from trading partners further complicated business spending plans, and the expected pass-through of tariff-related costs raised inflationary concerns. Consequently, the S&P 500 Index entered into market correction territory on March 13, declining more than 10% from its prior all-time high on February 19. During the quarter, the Information Technology and Consumer Discretionary sectors were the worst performers within the S&P 500 Index, while the Energy and Health Care sectors outperformed. This period also highlighted concerns about market concentration, as the top ten companies accounted for approximately 37% of the S&P 500 Index at the start of 2025. As a result, the collective underperformance of these leading firms had a significant impact on the S&P 500 Index's -4.27% return for the quarter.

During the quarter, we continued to observe secular themes that we believe are creating attractive investment opportunities - corporations are digitizing their operations, cloud computing is growing and supporting innovation, and AI is at an inflection point, potentially enabling significant increases in productivity, in our view. In the Health Care sector, we believe that advances in surgical technologies and innovations within genomic sequencing offer compelling opportunities ahead.

PORTFOLIO UPDATE

Class A shares of the Alger Growth & Income Fund outperformed the S&P 500 Index during the first quarter of 2025. AbbVie, Inc., Chevron Corporation, KLA Corporation, were among the top contributors to performance.

- AbbVie is a global biopharmaceutical company that develops and markets drugs across various therapeutic areas, including immunology, virology, and oncology. We believe the company has provided strong visibility regarding its newer immunology products, Skyrizi and Rinvoq, which have reinvigorated growth following peak sales and patent expiration of AbbVie's largest drug, Humira, in 2023. During the quarter, AbbVie's shares contributed positively to performance after the company reported better-than-expected fiscal fourth-quarter operating results, driven primarily by robust growth from Skyrizi and Rinvoq. Additionally, management raised fiscal 2025 sales guidance, highlighting strong demand for these drugs in treating Irritable Bowel Disease and Atopic Dermatitis, and noted their potential to capture market share from legacy competitors.

1st Quarter 2025

- Chevron is a leading global integrated energy company that we believe benefits from its substantial scale, consistent earnings visibility, and advantageous exposure to hydrocarbon pricing in an environment of increasing energy demand. During the quarter, shares contributed to performance, driven by rising natural gas prices and increased investor preference for companies demonstrating strong profitability and high dividend yields. Additionally, Chevron reported strong fiscal fourth-quarter results, highlighted by record-high production and significant cash flows, which the company returned to shareholders through dividends and share buybacks.
 - KLA is a high-quality semiconductor capital equipment company that provides advanced inspection tools, metrology systems, and computational analytics. Its wafer fabrication inspection equipment commands strong market share and includes advanced process control and process-enabling solutions for manufacturing wafers and reticles, integrated circuits, packaging, printed circuit boards and flat panel displays. We believe the company is a critical supplier to the semiconductor and electronics industries that facilitates the drive to create and produce smaller, faster, and more powerful chips. During the quarter, shares contributed positively to performance after the company reported strong fiscal second-quarter results, surpassing analyst expectations on both revenue and earnings growth. Management noted an improving industry environment driven by AI as a significant catalyst, emphasizing the increased need for powerful processing chips, high-bandwidth memory, and advanced packaging. Consequently, management raised fiscal third-quarter guidance for revenue, gross margin, and earnings above analyst estimates.
- Broadcom Inc., Apple Inc., and Microsoft Corporation were among the top detractors from performance.
- Broadcom is a global semiconductor company with an extensive product portfolio addressing applications within wired infrastructure, wireless communications, enterprise storage and industrial end markets. The company holds leading positions in networking that are focused on infrastructure solutions to the data center, telecom, and enterprise markets. Broadcom's semiconductors enhance network performance and reliability by enabling faster data transfer and reduced transmission time. In our view, growing demand for cloud computing, AI, video conferencing, and the Internet of Things continues to drive the need for advanced networking. As the AI market expands, we believe Broadcom has the potential to capture market share as an alternative to major semiconductor providers, offering custom ASICs and AI Ethernet networking. During the quarter, the company reported strong fiscal first-quarter results, with revenue increasing by 25% year-over-year (YoY), surpassing analyst estimates, driven by a 77% YoY surge in AI-related revenue. However, Broadcom's share price faced downward pressure due to investor skepticism regarding the sustainability of significant investments in AI infrastructure. This sentiment was influenced by the emergence of cost-effective large language models from China, speculated to be developed with significantly lower capital expenditures. Consequently, shares of several companies with exposure to data center spending, including Broadcom, declined during the quarter. Despite the negative sentiment around AI infrastructure spending, we believe Broadcom remains well positioned to benefit from increased data center demand as AI usage becomes ubiquitous over the long-term.
 - Apple is a leading technology provider in telecommunications, computing, and services. Apple's iOS operating system is the company's unique intellectual property and competitive strength. This software drives particularly tight engagement with consumers and enterprises, which has fostered purchases of high margin services like music, apps, and Apple Pay. During the quarter, the company reported strong fiscal fourth quarter results, where earnings came in higher than expected, and gross margins within their Services segment reached an all-time high. However, shares detracted from performance due to iPhone sales declining by 1% year-over-year (YoY), primarily due to an 11% YoY decrease in the Chinese market, where consumers increasingly opted for local alternatives. Additionally, concerns over limited progress in Apple Intelligence, the company's AI integration initiative, weighed on the company's share price. Despite these near-term challenges, we believe Apple's long-term fundamentals remain strong, given its dominant platform and potential to expand into new verticals.
 - Microsoft is a beneficiary of corporate America's transformative digitization. The company operates through three segments: Productivity and Business Processes (Office365, LinkedIn, and Dynamics), Intelligent Cloud (Server Products and Cloud Services, Azure, and Enterprise Services), and More Personal Computing (Windows, Devices, Gaming, and Search). During the quarter, shares detracted from performance as Azure revenue growth missed analyst estimates, marking the third consecutive quarter of modest disappointment in this segment. However, AI-related sales growth exceeded expectations, accounting for 13% of Azure's quarterly growth. Management also maintained their fiscal third-quarter earnings guidance while highlighting improved operating profitability and lower tax rates. Despite the disappointing quarter, we remain confident in Microsoft's ability to sustain its leadership position in AI.

1st Quarter 2025**Average Annual Total Returns (%) (as of 3/31/25)**

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A (Incepted 12/31/96)							
Without Sales Charge	-3.59	-3.59	8.73	8.85	18.43	11.81	9.46
With Sales Charge	-8.65	-8.65	3.02	6.91	17.16	11.21	9.25
S&P 500 Index	-4.27	-4.27	8.25	9.06	18.59	12.50	(Since 12/31/96) 9.41

Total Annual Operating Expenses by Class

(Prospectus Dated 2/28/25, unless otherwise amended) A: 0.95%

Performance shown is net of fees and expenses.

Only periods greater than 12 months are annualized.

Prior to April 1, 2011, the Fund followed a different investment objective and different strategies under the name "Alger Balanced Fund."

Prior to March 1, 2021, the Fund was co-managed by two portfolio managers.

The performance data quoted represents past performance, which is not an indication or a guarantee of future results. 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. Current performance may be lower or higher than the performance quoted. Performance figures assume all distributions are reinvested. Returns with sales charges reflect a maximum front-end sales charge on Class A Shares of 5.25%. Class A shares may be subject to a maximum deferred sales charge of 1.00%. For performance current to the most recent month end, visit www.alger.com or call 800.992.3863.

The views expressed are the views of Fred Alger Management, LLC ("FAM") and its affiliates as of March 2025. 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. A significant portion of assets may be invested in securities of companies in related sectors, and may be similarly affected by economic, political, or market events and conditions and may be more vulnerable to unfavorable sector developments. Income-producing securities may cut or fail to declare dividends due to market downturns or for other reasons. At times, cash may be a larger position in the portfolio and may underperform relative to equity securities. Active trading may increase transaction costs, brokerage commissions, and taxes, which can lower the return on investment. Income-producing securities may cut or fail to declare dividends due to market downturns or for other reasons. At times, cash may be a larger position in the portfolio and may underperform relative to equity securities. **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.

Holdings and sector allocations are subject to change. Fred Alger Management, LLC uses the Global Industry Classification Standard (GICS®) for categorizing companies into sectors and industries. GICS® is used for all portfolio characteristics involving sector and industry data such as benchmark, active and relative weights and attribution. The Global Industry Classification Standard (GICS®) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third-party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages. Sector and industry classifications are sourced from GICS. Historical classifications use GICS categories available as of the date of this presentation.

The S&P 500 Index is an index of large company stocks considered to be representative of the U.S. stock 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. **Note that past performance is no guarantee of future results.** The S&P indexes are a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Fred Alger Management, LLC and its affiliates. Copyright 2025 S&P Dow Jones Indices LLC, a subsidiary of S&P Global Inc. and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. S&P® is a registered trademark of Standard & Poor's Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

Alger pays compensation to third party marketers to sell various strategies to prospective investors. The following positions represented the noted percentages of portfolio assets as of March 31, 2025: AbbVie, Inc., 2.26%; Chevron Corporation, 1.55%; KLA Corporation, 2.99%; Broadcom Inc., 4.41%; Apple Inc., 7.3%; Microsoft Corporation, 7.92%.

Before investing, carefully consider the Fund's investment objective, risks, charges, and expenses. For a prospectus and a summary prospectus containing this and other information about the Fund, call (800) 992-3863, visit www.alger.com, or consult your financial advisor. Read it carefully before investing. Distributor: Fred Alger & Company, LLC. NOT FDIC INSURED. NOT BANK GUARANTEED. MAY LOSE VALUE.