Alger Mid Cap Growth Fund

1st Quarter 2025 As of March 31, 2025

Ticker Symbols

Class A	AMGAX
Class C	AMGCX
Class Z	AMCZX

Investment Strategy

Primarily invests in growth equity securities of U.S. mid cap companies identified through our fundamental research as demonstrating promising growth potential. Seeks long-term capital appreciation.

Portfolio Management

Dan Chung, CFA
Chief Executive Officer
Chief Investment Officer
Portfolio Manager
31 Years Investment Experience

Brandon Geisler
Senior Vice President
Portfolio Manager
24 Years Investment Experience

Benchmark

Russell Midcap Growth

Standardized performance is available on page 3.

HIGHLIGHTS

- During the first quarter of 2025, the largest portfolio sector weightings were Information Technology and Industrials. The largest sector overweight was Industrials and the largest sector underweight was Consumer Discretionary.
- The Communication Services and Financials sectors contributed to relative performance while Information Technology and Health Care 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 Mid Cap Growth Fund underperformed the Russell Midcap Growth Index during the first quarter of 2025. Spotify Technology, GFL Environmental Inc, and HEICO Corporation were among the top contributors to performance.

- Spotify is a leading global streaming platform providing users access to an extensive library of music, podcasts, and other audio and video content. The company primarily generates revenue through its Premium subscription service, offering ad-free listening, offline access, and enhanced audio quality, and also from its ad-supported free tier, where advertisers reach Spotify's large user base. By recently integrating AI, Spotify enriches user experiences with personalized features such as AI Playlist and AI DJ, tailoring content specifically to individual preferences. We believe this strategic use of AI, combined with its expansion into various audio formats, positions Spotify for sustained growth in the evolving digital audio market. During the quarter, shares contributed positively after the company reported better-than-expected fiscal fourth-quarter results driven by strong user growth and margin improvement due to favorable trends in audiobooks and music content costs.

- GFL is a waste and environmental services company undergoing a significant transformation of its balance sheet. Over recent years, the company pursued extensive mergers and acquisitions, resulting in substantial debt. GFL has since committed to reducing this leverage by the end of 2025 through divesting non-core assets and emphasizing strong free cash flow generation. We believe this deleveraging will attract increased investor attention as the company continues to strengthen its balance sheet and sharpen its focus on its core solid waste operations. During the quarter, shares contributed positively to performance after the company reported strong fiscal fourth-quarter operating results and successfully divested its environmental services segment to private equity buyers. This sale generated higher-than-expected proceeds, enabling management to reduce debt to levels comparable with industry peers. Additionally, at its analyst day, management outlined a clear strategy for sustained growth and margin expansion, supporting its industry-leading earnings trajectory. We believe GFL remains undervalued as a pure-play solid waste business with superior growth potential yet trading at a discount relative to peers.
- Heico is a leading manufacturer of Federal Aviation Administration (FAA) approved jet engine and aircraft component replacement parts. Its Flight Support Group (FSG) provides FAA-approved aircraft and engine replacement parts, while the Electronics Technologies Group (ETG) serves industries such as aerospace, defense, homeland security, space, and medical with specialized electronic components. We believe the company is well-positioned to benefit from the steady aging of the global commercial aerospace fleet, resulting in increased consumption of aftermarket parts. Additionally, ongoing production issues from two major aircraft manufacturers have reduced the projected new plane deliveries, further supporting our view that the average age of the global fleet is likely to remain elevated over the next few years. During the quarter, shares contributed positively to performance after the company reported strong fiscal first-quarter results, driven by continued strength in the FSG segment as commercial flight hours remained robust. Furthermore, management highlighted a recovery within the ETG segment, supported by increased demand from the U.S. Department of Defense.

Vertiv Holdings Co., AppLovin Corp., and Astera Labs, Inc. were among the top detractors from performance.

- Vertiv specializes in critical cooling and power management infrastructure technologies, catering primarily to data center clients. As an industry leader in data center power and cooling solutions, we believe Vertiv is well-positioned to benefit from long-term growth driven by increasing demand for AI and computing capabilities. During the quarter, shares detracted from performance due to investor skepticism around the sustainability of substantial capital investments in AI infrastructure. This sentiment was influenced by the emergence of cost-effective large language models from China, which are speculated to require significantly lower capital expenditures. Additionally, concerns about potential order slowdowns stemming from semiconductor shipment delays weighed on Vertiv's share price. Consequently, shares of several companies exposed to data center spending, including Vertiv, declined during the quarter. Despite short-term concerns surrounding AI-related infrastructure spending, we believe Vertiv remains strongly positioned to benefit from the broader adoption of AI and increased data center demand over the long term.
- AppLovin is an advertising technology company offering a digital platform that helps mobile app developers market, monetize, and analyze their apps. We believe the company is experiencing a positive lifecycle change, driven by its AI-powered software engine. While currently focused on mobile gaming, AppLovin is expanding into other market segments. Its Demand Side Platform (DSP) supports ad placements, user acquisition, inventory matching, and performance analytics. Further, we believe AI is central to AppLovin's growth, driving a large majority of the company's revenue through its recommendation and targeting engine. In our view, AppLovin gains a competitive advantage, delivering higher-value app installs by leveraging data from its game portfolio and developer partners. We believe this scale and data advantage enhances its network effect, improving its technology and boosting market share in mobile gaming. As developers use the platform, the company collects data that continuously refines its algorithms, creating more value and attracting more developers to the ecosystem. During the quarter, shares detracted from performance after a report from a short-selling firm questioned AppLovin's business practices. In response, the company defended its operations and hired an independent law firm to investigate the claims. Despite these challenges, AppLovin's focus on AI and machine learning continues to enhance its advertising capabilities, positioning the company for sustained growth in the mobile app ecosystem, in our view.
- Astera Labs is a semiconductor company specializing in connectivity solutions for data-centric systems, including cloud computing, artificial intelligence, and machine learning. Its products optimize data flow and performance in servers, GPUs, and AI accelerators, addressing bottlenecks in high-performance computing environments. The company's Intelligent Connectivity Platform (ICP) integrates advanced semiconductor hardware with the proprietary COSMOS software suite, delivering customizable and cost-effective solutions. Backed by strong relationships with leading cloud and AI providers, we believe Astera is well positioned in rapidly growing markets, demonstrating high profitability and industry-leading gross margins. During the quarter, the company reported strong fiscal fourth-quarter operating results, where revenues beat analyst estimates. However, shares faced downward pressure following broader market dynamics, including concerns over emerging competition.

ALGER

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	-9.69	-9.69	-3.01	0.46	12.31	8.11	8.72
With Sales Charge	-14.43	-14.43	-8.08	-1.33	11.11	7.53	8.52
Russell Midcap Growth Index	-7.12	-7.12	3.57	6.16	14.86	10.14	(Since 12/31/96) 9.37

Total Annual Operating Expenses by Class (Prospectus Dated 2/28/25, unless otherwise amended)	A: 1.27%

Performance shown is net of fees and expenses.
Only periods greater than 12 months are annualized.
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. Holdings and sector allocations are subject to change.

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. Investing in companies of medium capitalizations involves the risk that such issuers may have limited product lines or financial resources, lack management depth, or have limited liquidity. Foreign securities involve special risks including currency fluctuations, inefficient trading, political and economic instability, and increased volatility. Active trading may increase transaction costs, brokerage commissions, and taxes, which can lower the return on investment. 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.

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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. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

The Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher growth earning potential as defined by Russell's leading style methodology. The Russell Midcap Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. The S&P 500 Index is an index of large company stocks considered to be representative of the U.S. stock market.

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: Spotify Technology SA, 2.16%; GFL Environmental Inc, 5.21%; HEICO Corporation, 2.32%; Vertiv Holdings Co. Class A, 2.33%; AppLovin Corp. Class A, 3.82%; Astera Labs, Inc., 0.71%.

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 or for the Fund's most recent month-end performance data, call (800) 992-3863, visit www.alger.com, or consult your financial advisor. Read the prospectus and summary prospectus carefully before investing. Distributor: Fred Alger & Company, LLC. NOT FDIC INSURED. NOT BANK GUARANTEED. MAY LOSE VALUE.