

## 2017 Tax Information

**U.S. Government Obligations**

Most states exempt interest earned on obligations of the federal government from state and local taxes. This may allow a portion of any dividends you may have received from a fund to be exempt from state and local taxes (the exemption requirements vary from state to state). The table below provides a list of Alger funds that received income derived from U.S. government obligations.

Fund	Income Derived from U.S. Government Obligations
<b>Alger Dynamic Opportunities Fund</b> (Classes A, C and Z)	3.18%

**Foreign Source Income**

You are allowed to claim a tax credit or an itemized deduction on your federal income tax return for your share of foreign taxes paid by the Alger Family of Funds during 2017. In most cases, you will receive more benefit by claiming a tax credit.

The amount reported in Box 6 of Form 1099-DIV represents the amount of creditable foreign taxes paid by your Fund. The information that follows will assist you in calculating the information necessary to claim either a credit or itemized deduction.

To calculate your total foreign source income passed through from a Fund, multiply your ordinary dividends (Box 1a of Form 1099-DIV) by the foreign source income factor shown in the Foreign Source Income Factor column below:

Fund	Foreign Source Income Factor
<b>Alger International Growth Fund</b> (Classes A, B, C, I, and Z)	100.00%
<b>Alger Emerging Markets Fund</b> (Classes A, C, I, Y, Y-2, and Z)	100.00%

**Corporate Dividends Received Deduction**

Mutual fund dividends derived from certain domestic corporations may be eligible for the dividends received deduction (DRD) for corporations. A portion of the ordinary income dividend paid by the Alger Family of Funds during 2017 may qualify for the deduction.

The table below provides the portion of the ordinary income dividends attributable to such domestic corporations for the Alger Family of Funds for 2017.

Fund	Corporate DRD Percentage
<b>Alger Balanced Portfolio</b> (Class I-2)	84.96%
<b>Alger Growth &amp; Income Portfolio</b> (Class I-2)	100.00%
<b>Alger Capital Appreciation Portfolio</b> (Classes I-2 and S)	100.00%
<b>Alger SMid Cap Focus Portfolio</b> (Class I-2)	1.77%
<b>Alger Global Growth Fund</b> (Classes A, C, I and Z)	16.72%
<b>Alger SMid Cap Focus Fund</b> (Classes A, C, I, Y and Z)	1.69%
<b>Alger Growth &amp; Income Fund</b> (Classes A, C and Z)	100.00%
<b>Alger Capital Appreciation Fund</b> (Classes A, B, C and Z)	100.00%
<b>Alger Spectra Fund</b> (Classes A, C, I and Z)	100.00%
<b>Alger Dynamic Opportunities Fund</b> (Classes A, C and Z)	36.55%
<b>Alger Capital Appreciation Focus Fund</b> (Classes A, C, I, Y, and Z)	77.25%
<b>Alger Capital Appreciation Institutional Fund</b> (Classes I, R, Y and Z-2)	100.00%
<b>Alger Mid Cap Focus Fund</b> (Classes A, C, I and Z)	5.03%

State and local laws may differ substantially from state to state. Alger does not and cannot take into consideration these variations, and we do not give tax advice. Always consult an attorney or qualified tax professional regarding your specific legal or tax situation.