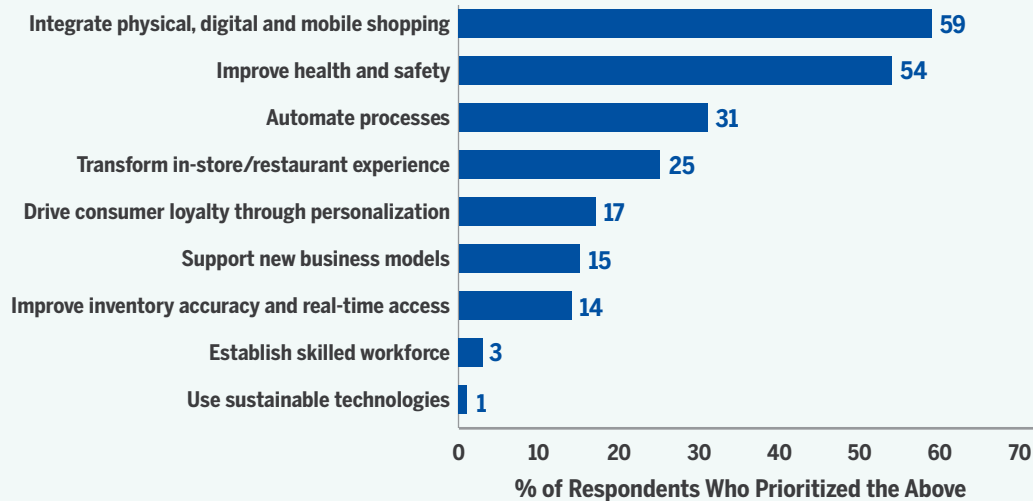


Fast(er) Food

Digital transformation is impacting every industry. In food service, many companies recognize that to keep up with competitors and thrive, they need to invest in technology, which we believe is creating opportunities for investors who can identify the leaders in this race.

Strategic Considerations in Food Service



Source: Panasonic survey conducted in August 2020 and released in March 2021.

- After experiencing the challenges of the pandemic, nearly three quarters of food service executives (71%) said digital transformation is “very important,” according to a survey by Panasonic. More than half (59%) of respondents said their top strategic priority is integrating physical, digital and mobile shopping experiences. This is nearly three times the proportion who ranked integration of physical and digital shopping as a top priority in early 2020.
- Restaurants are investing in technologies to become more efficient. These include mobile devices for associates, customer kiosks, smart inventory/shelf solutions, mobile apps for customers, food lockers for customer pickup and license plate recognition. Some are even experimenting with facial recognition in kiosks and at point-of-sale.
- The technology race is allowing some restaurants to gain significant market share. Consider that only 15% of total food service transactions were initiated via an ordering app in 2020. While that is a huge jump from 6% in the prior year, it pales in comparison to restaurants like Chipotle, which conducts half of business digitally or Wingstop, which is 60% digital. Digital leaders and the companies that enable their transformation are likely to outperform peers, in our view.



The following position represented the noted percentage of assets managed by Fred Alger Management, LLC as of June 30, 2021: Chipotle Mexican Grill, Inc., 0.5%; and Wingstop Inc., 0.6%.

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This material must be accompanied by the most recent fund fact sheet(s) if used in connection with the sale of mutual fund and ETF shares.

Risk Disclosure: Investing in the stock market involves certain 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. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness such as COVID-19 or other public health issues, recessions, or other events could have a significant impact on investments. Technology companies may be significantly affected by competition, innovation, regulation, and product obsolescence, and may be more volatile than the securities of other companies.