

ALGER



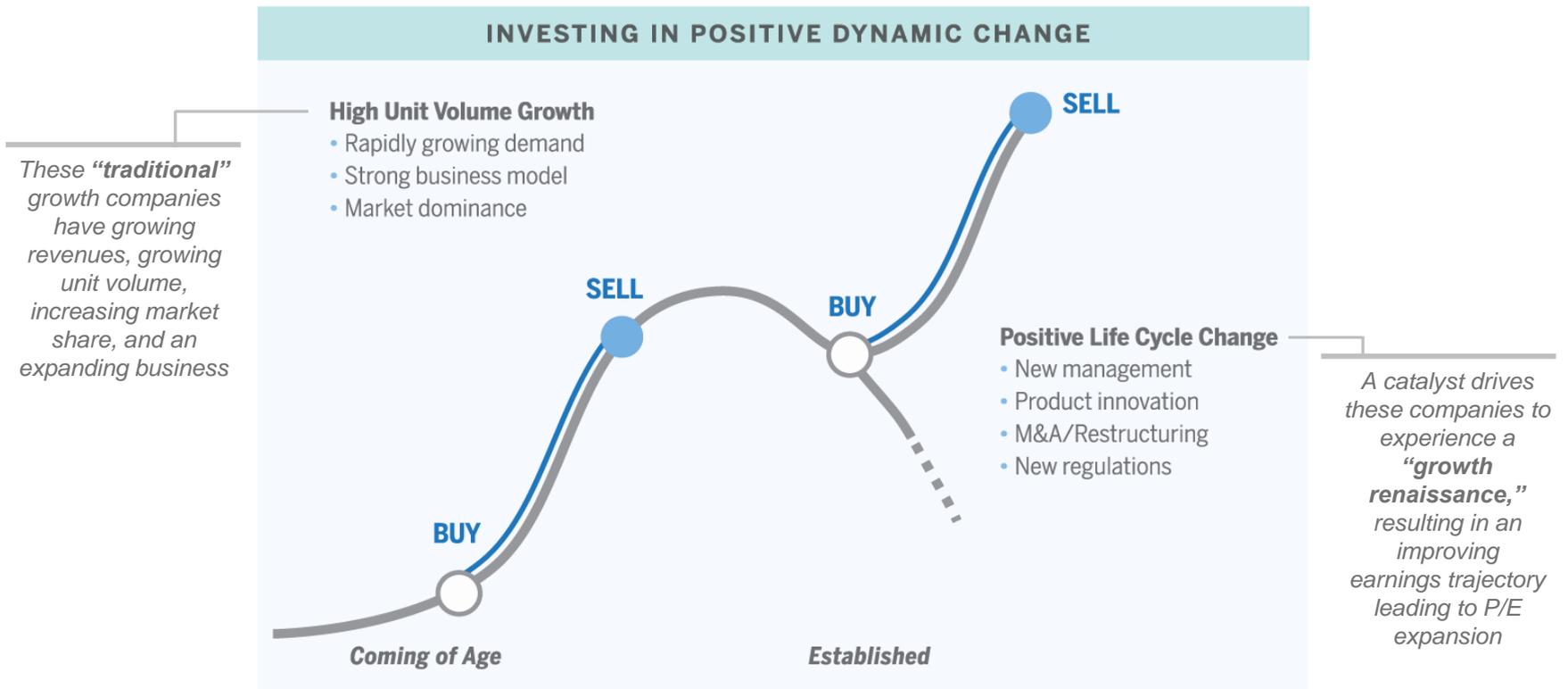
Unlock Your Growth Potential.SM

Winter 2024

Capital Markets: Observations and Insights

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**”



Capital Markets: Observations & Insights

This is a special year for Alger. It marks our 60th anniversary in the pursuit of growth investing excellence. Over these six decades, we have invested through many booms and busts. We have managed portfolios through eight recessions and 10 bear markets, as well as periods of exuberance. Through economic up and downs, our firm has driven strong long-term wealth creation for our clients as compared to the broad equity market, bonds, and cash equivalent, as shown on the following page.

That record has been accomplished with a steadfast adherence to our philosophy of investing in Positive Dynamic Change and the hard work of maintaining a diligent bottom-up fundamental process in our research. As growth investing pioneers, we have endeavored to stay on the leading edge of innovation, recognizing the potential for shareholder value-creation inherent in life-changing technologies such as the personal computer, the internet, and smart phones.

We have seen much change over our investing history, including change itself. We believe accelerating change is one of the key reasons why growth stocks have outperformed value investing over the past 20 years. As innovations in areas like artificial intelligence, genomics, and surgical technologies evolve, we see a bright future for our style of growth investing.

Reflecting on the past 60 years, we have the utmost conviction in our time-tested philosophy and process. We look forward to celebrating many more milestones with our clients.



A handwritten signature in black ink, appearing to read "Daniel C. Chung".

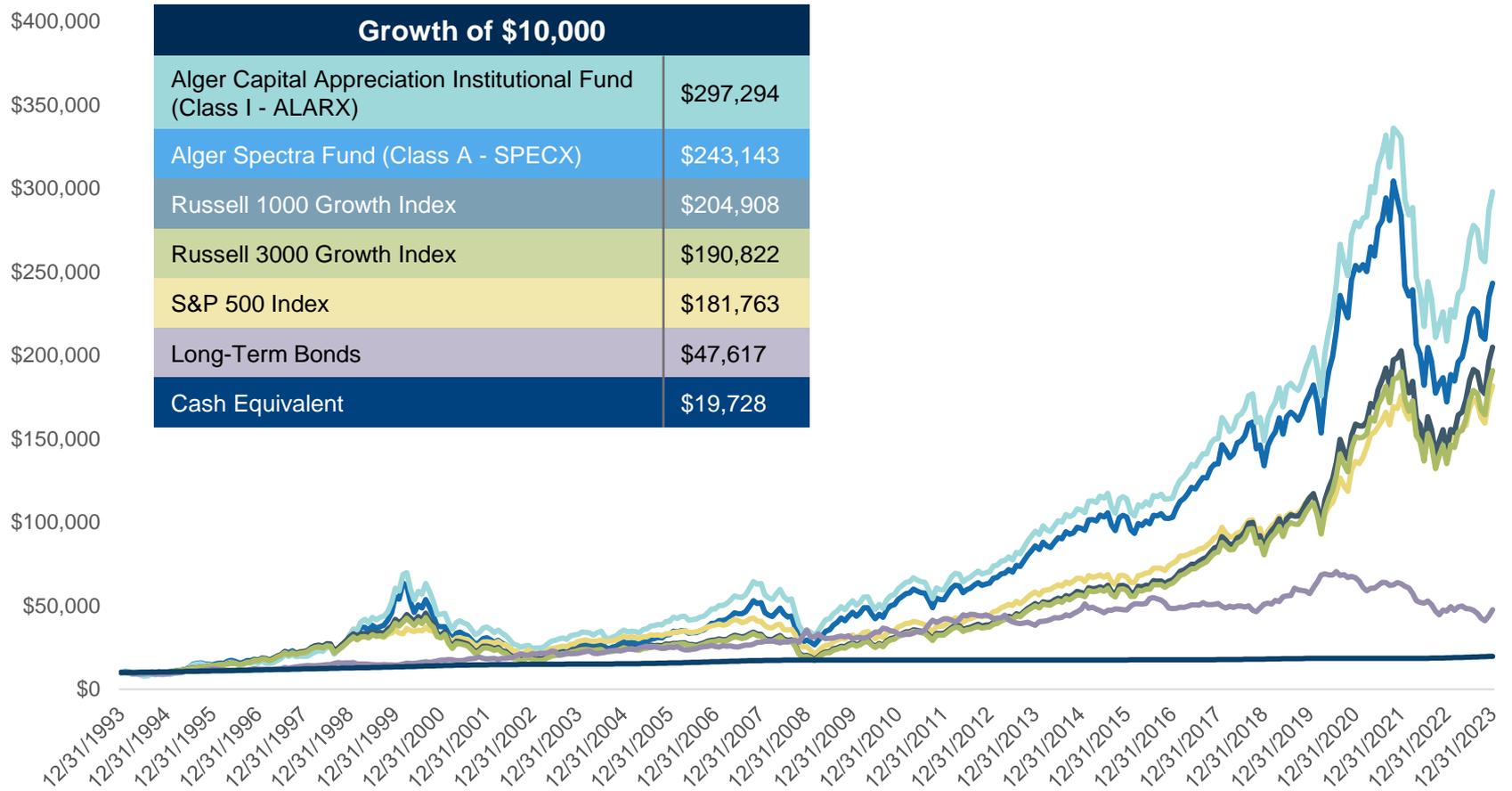
Daniel C. Chung, CFA
Chief Executive Officer
Chief Investment Officer



A handwritten signature in black ink, appearing to read "Brad Neuman".

Brad Neuman, CFA
Senior Vice President
Director of Market Strategy

Strong Long-Term Investment Over 30 Years



Source: FactSet. The chart above illustrates the change in value of a hypothetical \$10,000 investment made in SPECX and ALARX and stated indices (IA SBBI Long-Term Government Index representing Long-Term bonds) and cash equivalent (represented by the IA SBBI US 30 Day T-Bill Index) for the 30-year period ended 12/31/23. Figures include reinvestment of dividends. Figures for SPECX and ALARX also include reinvestment of capital gains. **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. Class A shares are subject to a maximum sales charge 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.**

Strong Long-Term Performance Over 30 Years

Average Annualized Returns (%)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
Alger Capital Appreciation Fund Class A - ACAAX (Incepted 12/31/1996)						
Without Sales Charge	43.04	2.05	14.91	12.12	11.62	--
With Sales Charge	35.54	0.22	13.68	11.52	11.32	--
Alger Capital Appreciation Institutional Fund Class I - ALARX (Incepted 11/8/93)	42.88	2.10	14.90	12.14	11.66	11.98
Alger Spectra Fund Class A - SPECX (Incepted 7/28/69)						
Without Sales Charge	41.34	-1.41	12.70	10.98	11.69	11.40
With Sales Charge	33.94	-3.17	11.49	10.38	11.39	11.20
Russell 1000 Growth Index	42.68	8.86	19.50	14.86	11.29	10.59
Russell 3000 Growth Index	41.21	8.08	18.85	14.33	11.10	10.33
S&P 500 Index	26.29	10.00	15.69	12.03	9.69	10.15
IA SBBI Long-Term Government Index	1.99	-10.66	-1.38	2.19	4.03	5.34
IA SBBI US 30 Day T-Bill Index	4.95	2.12	1.79	1.18	1.36	2.29

Total Annual Operating Expenses by Class
(Prospectus Dated March 1, 2023, unless otherwise amended)

Alger Spectra Fund - Class A: 1.48%

Alger Capital Appreciation Fund – Class A: 1.27%; Class I: 1.23%

Performance shown is net of fees and expenses. Only periods greater than 12 months are annualized.

The Alger Spectra Fund operated as a closed end fund from August 23, 1978 to February 12, 1996. The calculation of total return during that time assumes dividends were reinvested at market value. Had dividends not been reinvested, performance would have been lower. On September 24, 2008, the Fund's name was changed from Spectra Fund to Alger Spectra Fund, and the Fund's Class N shares were redesignated as Class A shares. Performance from February 13, 1996 through September 23, 2008 is that of the Fund's Class N Shares, adjusted to reflect applicable sales charges and operating expenses.

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. Class A shares are subject to a maximum sales charge 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.

Before investing, carefully consider the Fund's investment objective, risks, charges, and expenses. For a prospectus and summary prospectus containing this and other information or for the Fund's most recent month-end performance data, visit www.alger.com, call (800) 992-3863 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.

Key Observations and Themes

I

Bull vs. Bear

A credible case can be made for a variety of economic and market outcomes. We try to position our portfolios for a range of economic environments by investing in companies that we believe will gain market share within the economy.

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II

The Long Run

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

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III

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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IV

International Investing in “3-D”

We expand on our framework for achieving diversification in non-U.S. markets, not just for risk reduction but for generating alpha as well.

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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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VI

The 2024 U.S. Elections

Historically, investing in innovation and fundamentals has outperformed strategies that attempted to profit from policy changes.

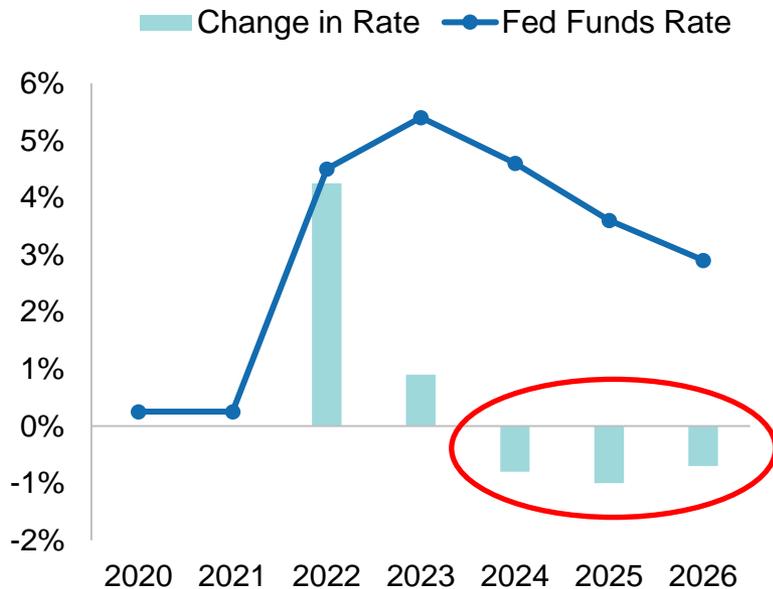
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Bull vs. Bear

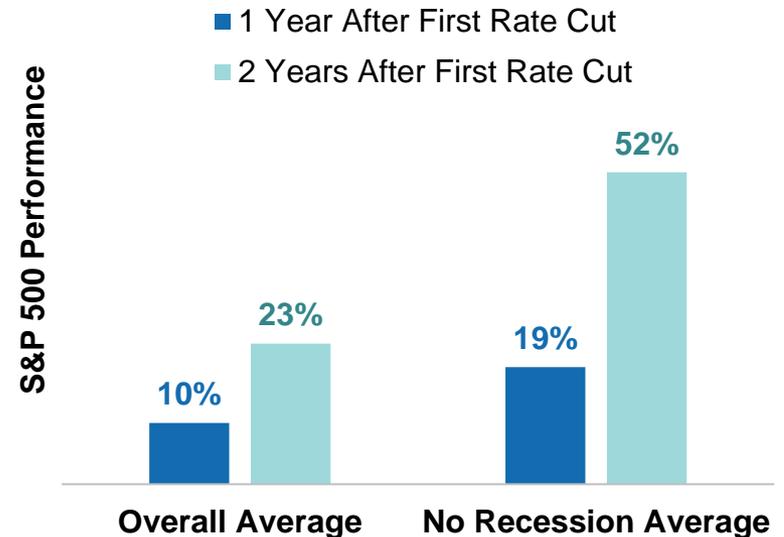
Bull Case: Easing Monetary Policy

- After two years of interest rate hikes, the Federal Reserve forecasts looser monetary policy for the next few years
- Rate cuts have historically led to strong returns when no recession followed

Federal Funds Target Rate Set to Decline



S&P 500 Performance After Rate Cuts



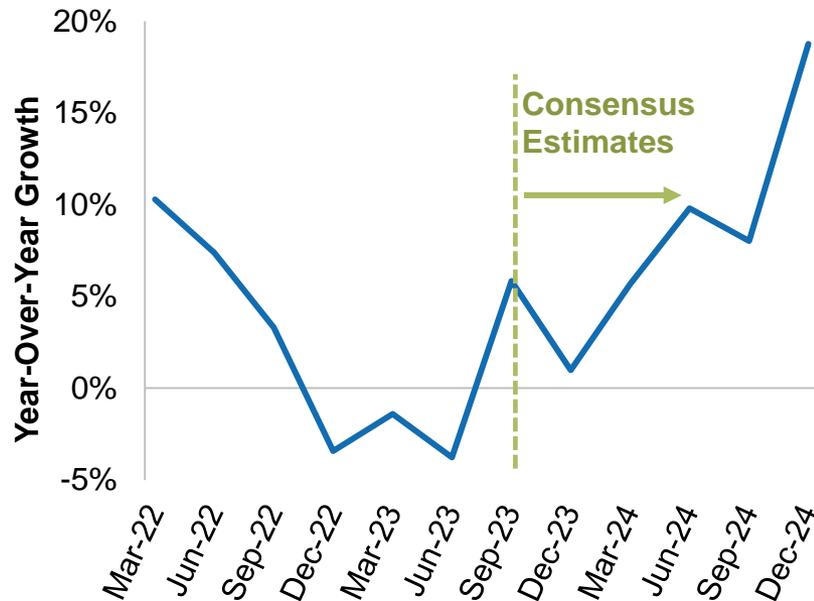
Source: Federal Reserve and FactSet. Fed Funds rate projections for 2023-2026 from the Federal Reserve Summary of Economic Projections released 12/13/23. Projections are for end of calendar years displayed. S&P 500 return based on price performance after rate cuts on 7/24/74, 4/1/80, 6/15/81, 4/15/82, 9/3/84, 6/5/89, 7/6/95, 9/29/98, 1/1/01, 9/18/07, and 8/1/19 with 1984, 1995, and 1998 as the only cuts without a subsequent recession. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

Bull vs. Bear

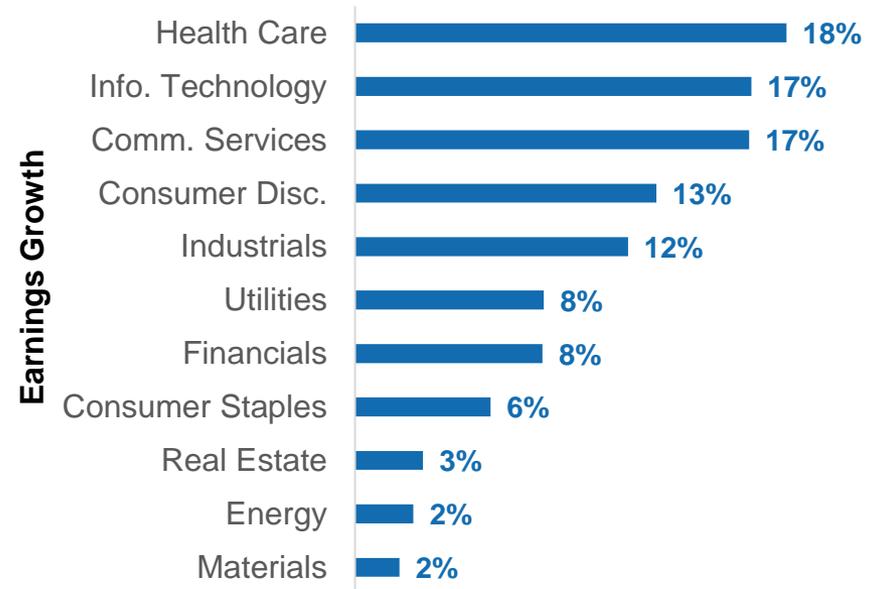
Bull Case: Accelerating Fundamentals

- After a year without material improvement, S&P 500 earnings are projected to return to strong growth this year
- Earnings improvement is expected to be led by growth sectors such as Health Care, Information Technology, and Communications Services

S&P 500 Earnings Growth Projected Improvement



2024 Projected S&P 500 Earnings Growth By Sector



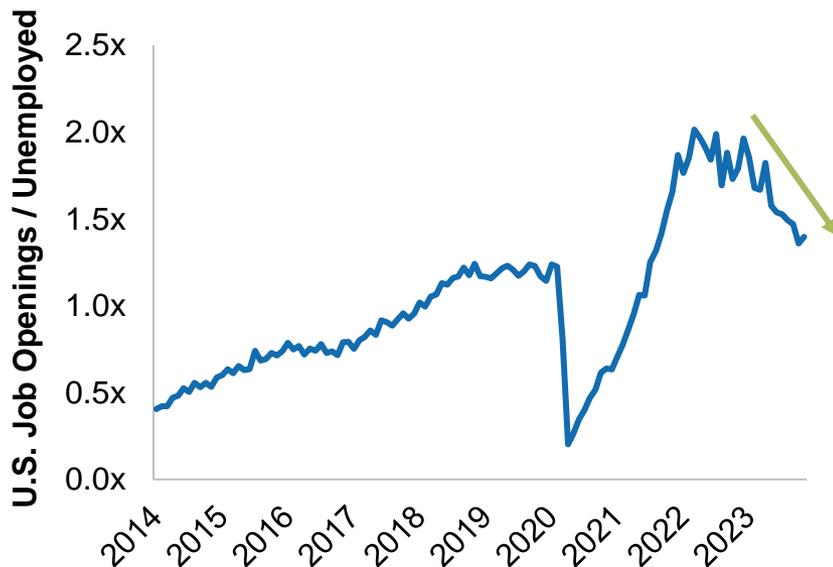
Source: FactSet as of 12/31/23. 4Q23 through 4Q24 are consensus estimates.

Bull vs. Bear

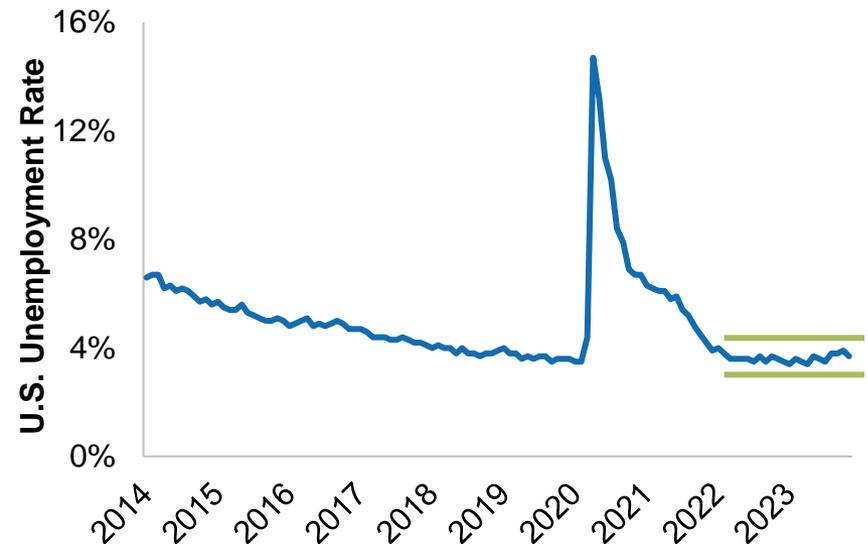
Bull Case: Strong Labor Market

- The Fed may be executing on its plan to remove only “excess” employment demand, so job openings are more in-line with those seeking employment
- As a result, the unemployment rate remains low, which supports consumer incomes and spending

Job Openings per Unemployed Person is Dropping



U.S. Unemployment Rate is Stable



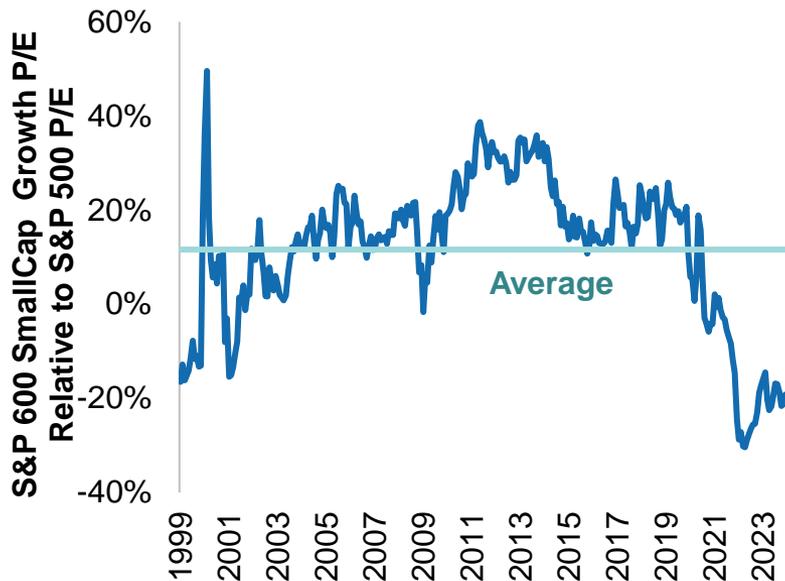
Source: Bureau of Labor Statistics. Data through November 2023.

Bull vs. Bear

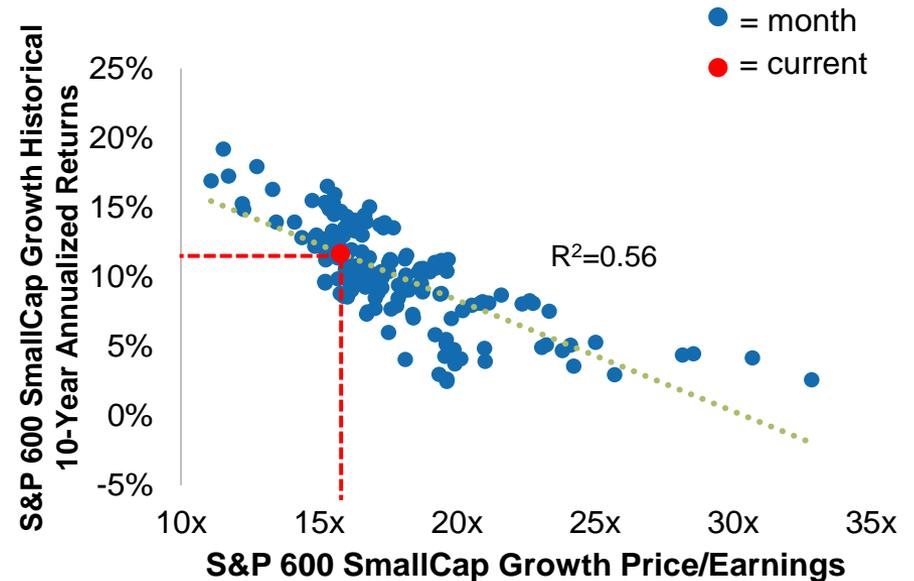
Bull Case: Areas of Attractive Valuations

- Some areas of the stock market such as small and mid cap growth stocks appear attractive, in our view

Small Growth Valuation Relative to History



Valuations & Historical Returns



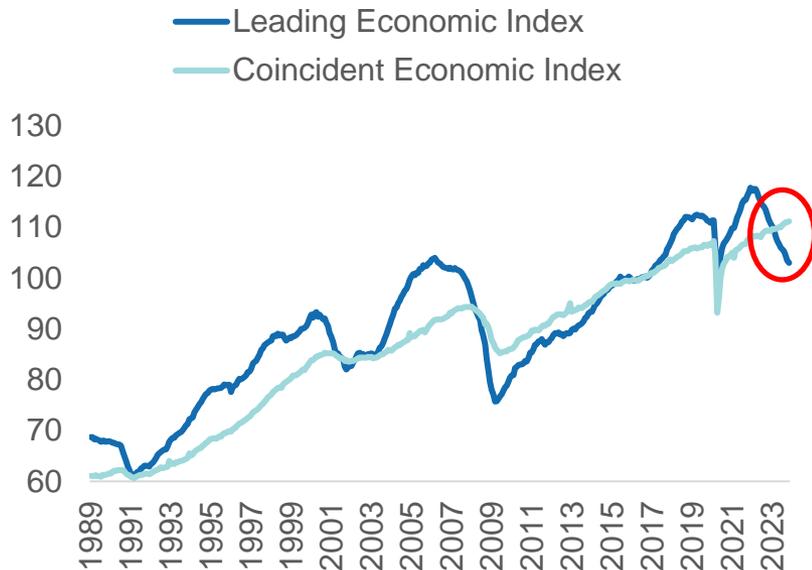
Source: FactSet. Each dot represents the P/E during that month and the returns generated over the subsequent 10 years. The starting P/E ratio is the price divided by the next 12-month earnings per share estimate at the start of each 10-year period measured. Monthly data through December 2023 and beginning in September 1998. R-squared is a statistical measure used to analyze how differences in one variable can be explained by the difference in a second variable. In the chart, the R-squared of 0.56 means that 56% of the variability in subsequent 10-year annualized returns can be explained by the price-to-earnings multiple. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

Bull vs. Bear

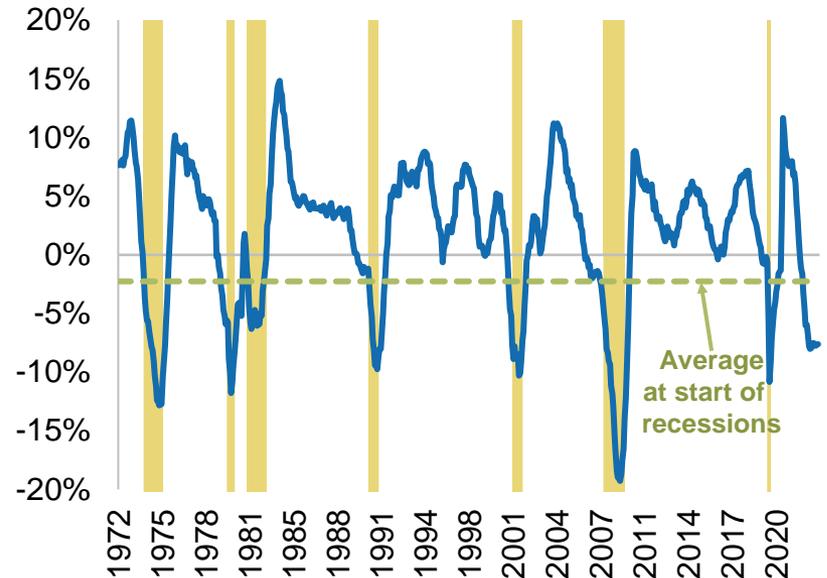
Bear Case: Leading To Where?

- The Leading Economic Index is at odds with the Coincident Economic Index, implying that growth will slow
- The Leading Economic Index continues to indicate a forthcoming recession

Leading vs. Coincident Index



Leading Economic Index Year-Over-Year Change



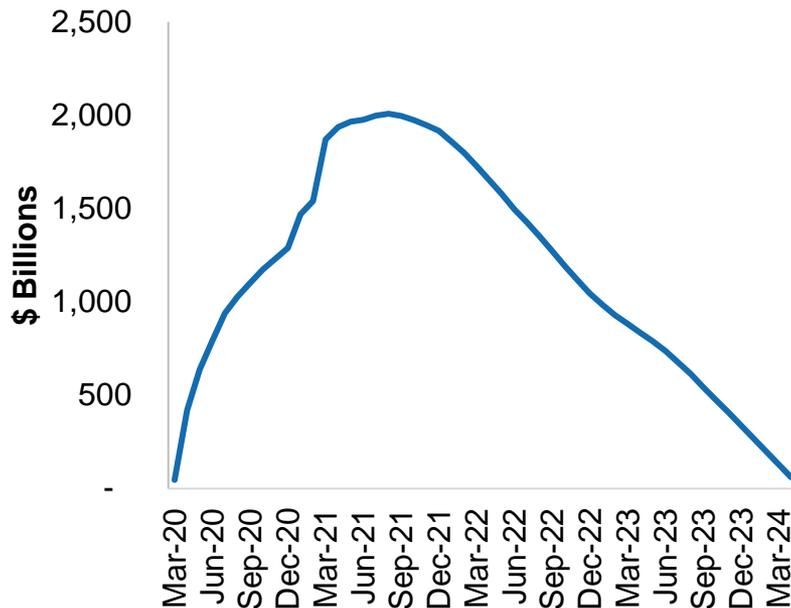
Source: The Conference Board with last data point for November 2023. The Leading Economic Index is a monthly index of 10 economic components used to predict the direction of global economic movements in future months. The Coincident Economic Index provides an indication of the current state of the economy based on payroll employment, personal income less transfer payments, manufacturing and trade sales, and industrial production. Average at start of recessions utilizes data going back to 1960. Shaded regions represent U.S. recessions.

Bull vs. Bear

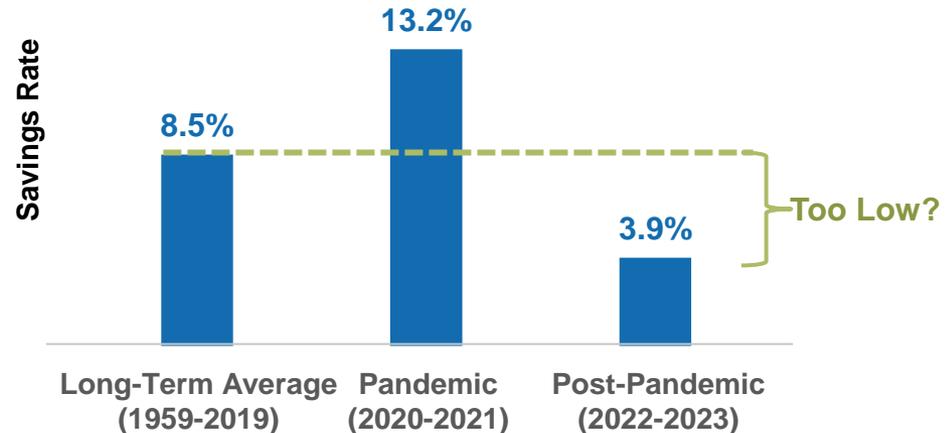
Bear Case: Piggy Bank Running Low

- The U.S. personal savings rate surged during the pandemic, driven in part by trillions of dollars of fiscal stimulus
- However, we believe that excess savings is nearly exhausted, which may cause consumers to increase their savings rate, potentially at the expense of spending

Cumulative “Excess” Savings Depleted?



Current Savings Rate Too Low?



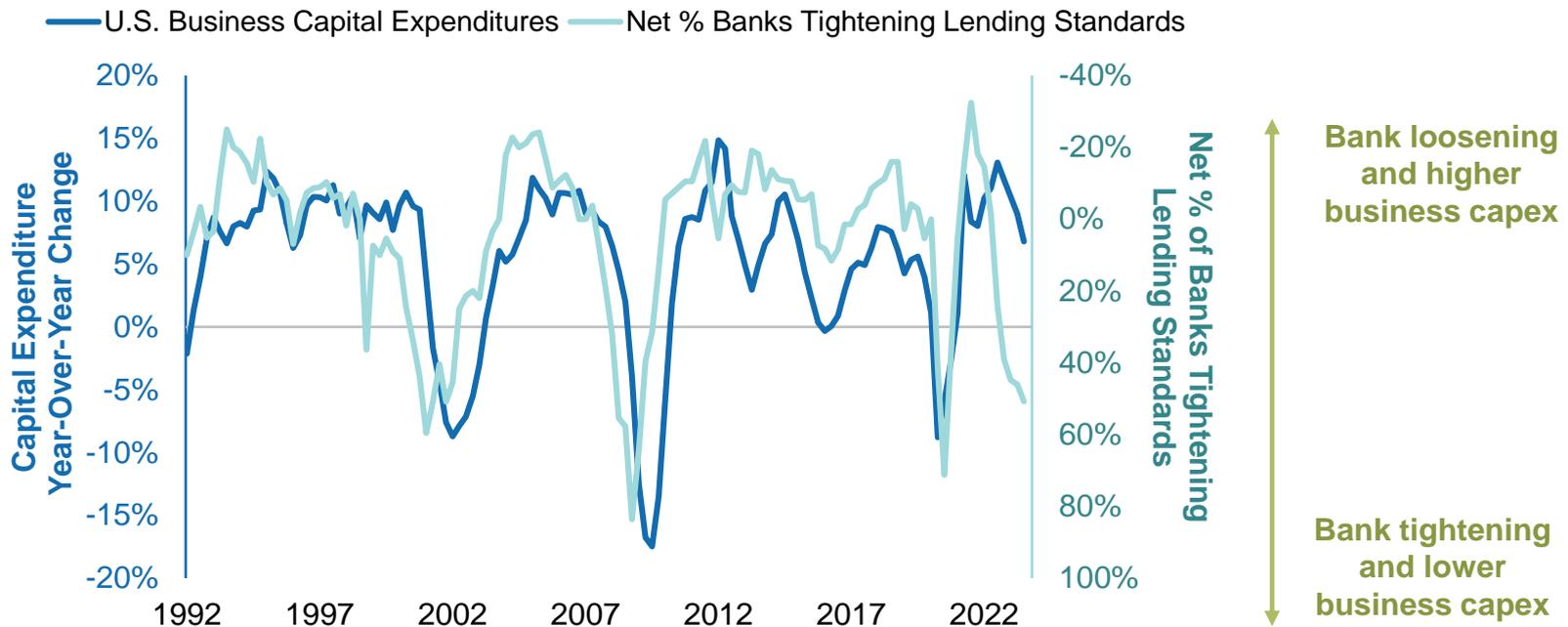
Source: Excess savings are Alger estimates based on data from the U.S. Bureau of Economic Analysis (BEA). Savings rate data from BEA.

Bull vs. Bear

Bear Case: Lower Lending

- There is a strong relationship between bank lending standards and capital expenditures (-72% correlation with two quarter lead)
- Tightening bank lending standards in the U.S. may lead to a decline in business spending expenditures, weighing on economic growth

Lending Standards Have Historically Impacted Capital Expenditures

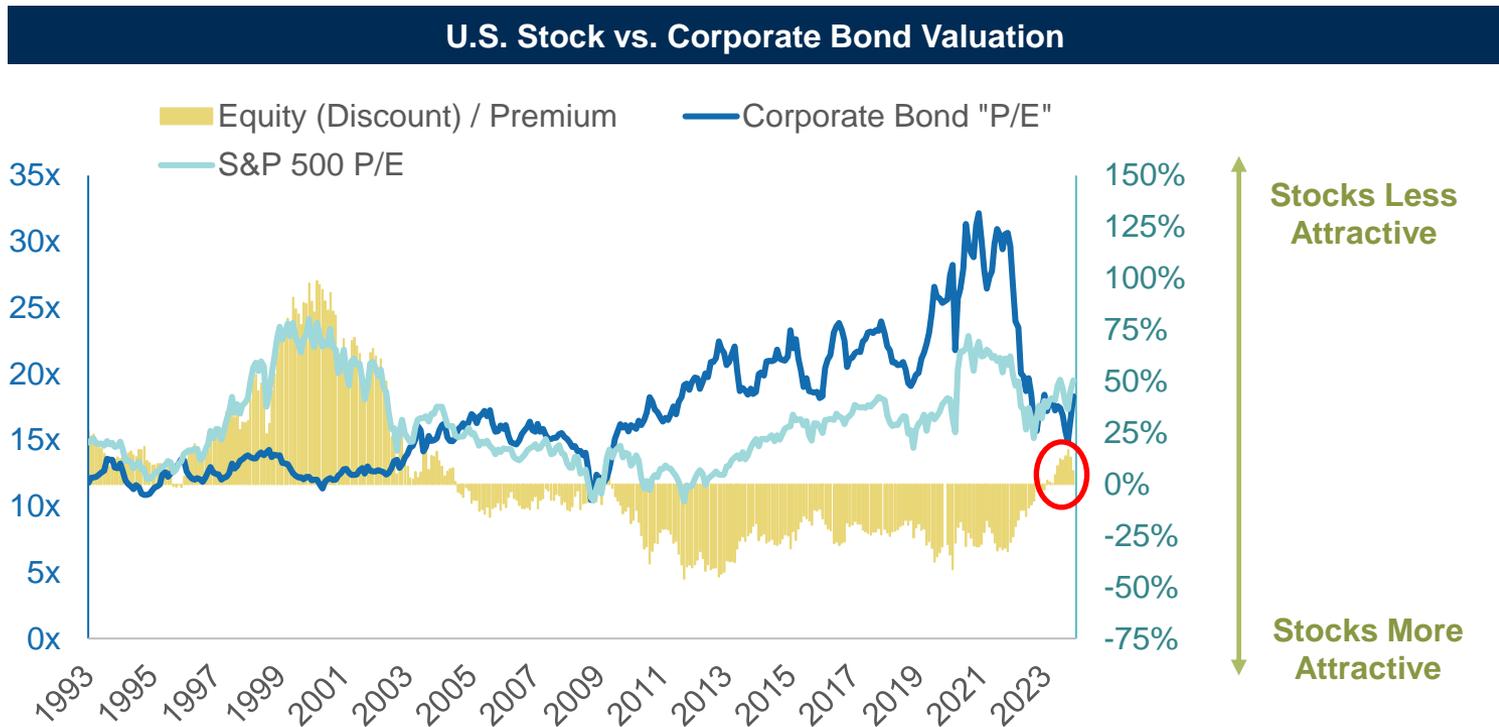


Source: Net percentage of small banks tightening lending standards from the Federal Reserve. U.S. business capital expenditures ("capex") is nonresidential gross domestic fixed investment from the U.S. Bureau of Economic Analysis. Correlation is a statistical measure that shows how two variables are related to each other. Chart data through September 2023.

Bull vs. Bear

Bear Case: Equity Valuations Stretched vs. Bonds

- The rise in equity valuation over the past year has made stocks appear less attractive relative to corporate bonds
- Comparing price-to-earnings of equities to the inverse of bond yields shows stocks are more expensive than corporate bonds - an unusual occurrence in the past couple of decades

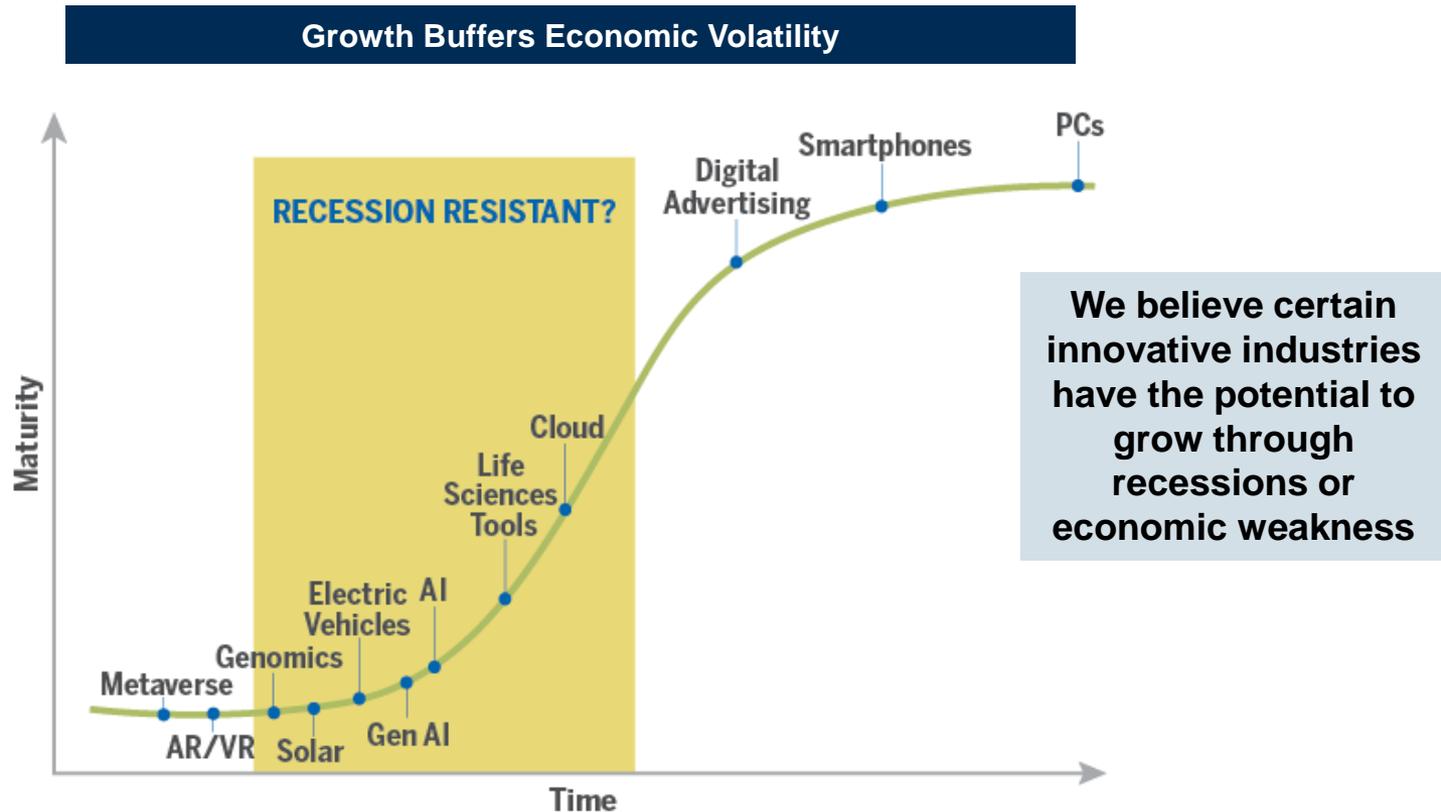


Source: FactSet. Data through 12/31/23. S&P 500 price-to-earnings ratio uses consensus next 12-month estimates. Corporate bond "P/E" is inverse of Moody's Baa corporate bond yield. Equity (Discount) / Premium is the percent of the S&P 500 P/E is (below)/above the corporate bond P/E.

Bull vs. Bear

Investing for Various Economic 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.

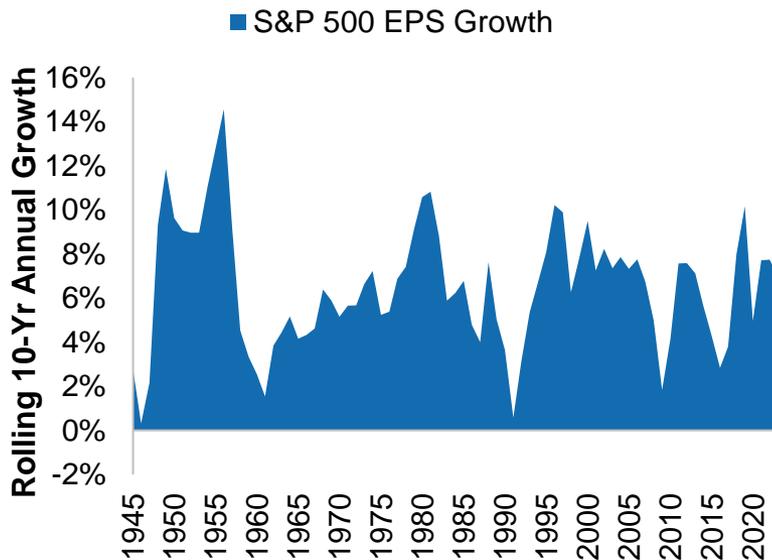


The Long Run

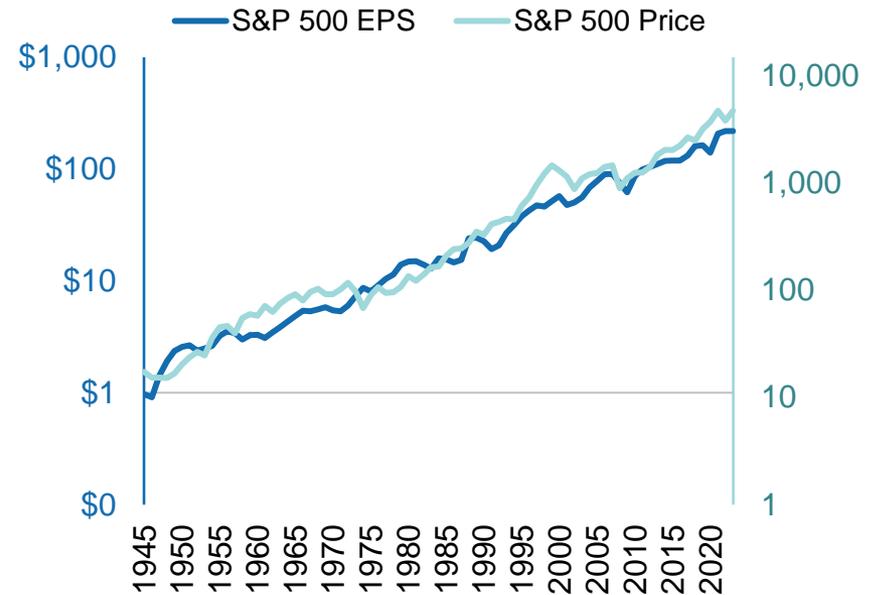
Powerful Long-Term Trends

- Earnings have historically grown over full cycles
- Post WWII, S&P 500 EPS has always grown over 10-year periods
- The S&P 500 price has increased in-line with 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. EPS and Price data through 12/31/23. The performance data quoted represents past performance, which is not an indication or a guarantee of future results.



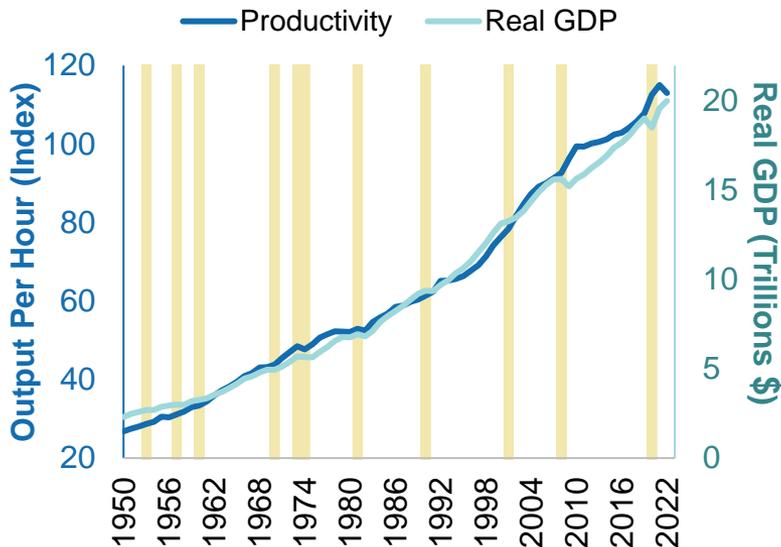
The Long Run

The Engine of Growth

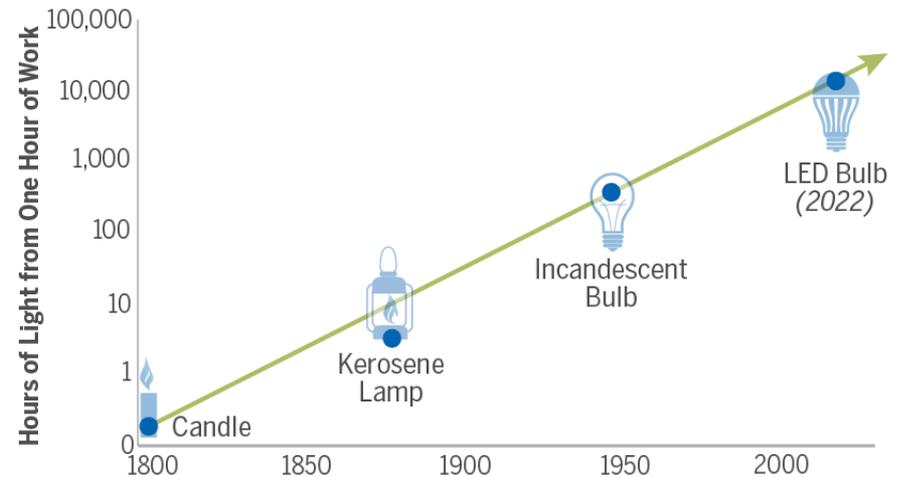
- If earnings drive stock prices and GDP drives corporate earnings, what propels GDP?
 - *Answer:* productivity (output per hour)

- If increasing output per hour is the main ingredient to better living standards over time, what drives productivity higher?
 - *Answer:* innovation

Productivity Improvements Increase GDP



Innovation Drives Productivity



Source: Data for left chart from U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis through 2022. Shaded regions denote U.S. recessions as determined by the National Bureau of Economic Research. Data for right chart from William D. Nordhaus, "Do real output and real wage measures capture reality? The history of lighting suggests not," in "The Economics of New Goods" ed. T.F. Breshnahan and R. Gordon, Chicago University Press, and Alger estimates. **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.**

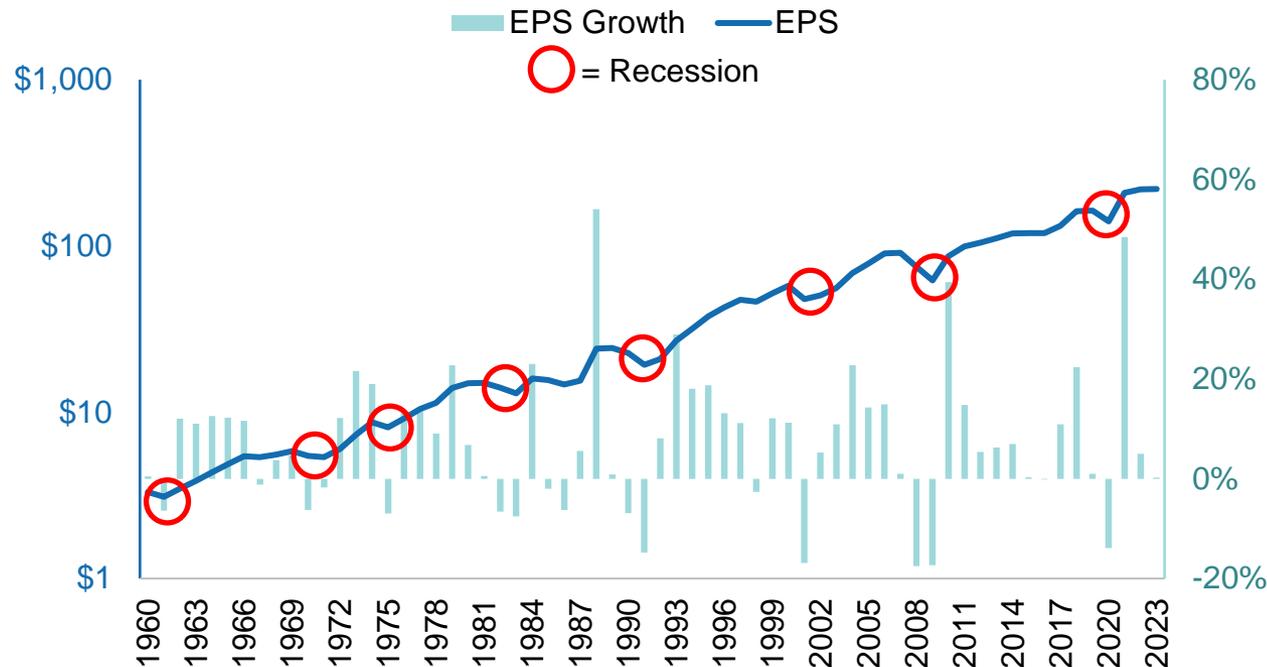


The Long Run

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

EPS has Historically Trended Higher Despite Recessions



Source: S&P reported EPS 1960-1987. S&P operating EPS 1988-1995, FactSet S&P 500 Operating EPS 1996 to present.

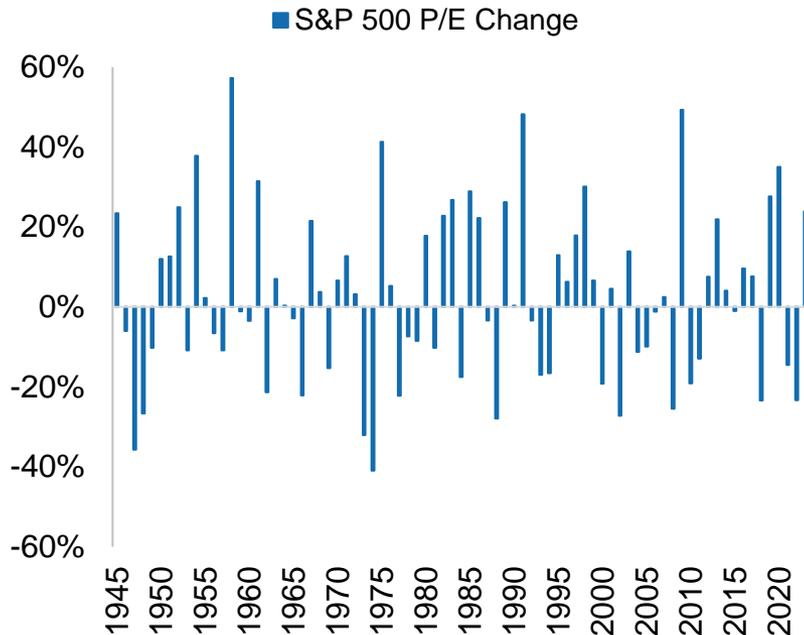


The Long Run

Fundamentals > Sentiment

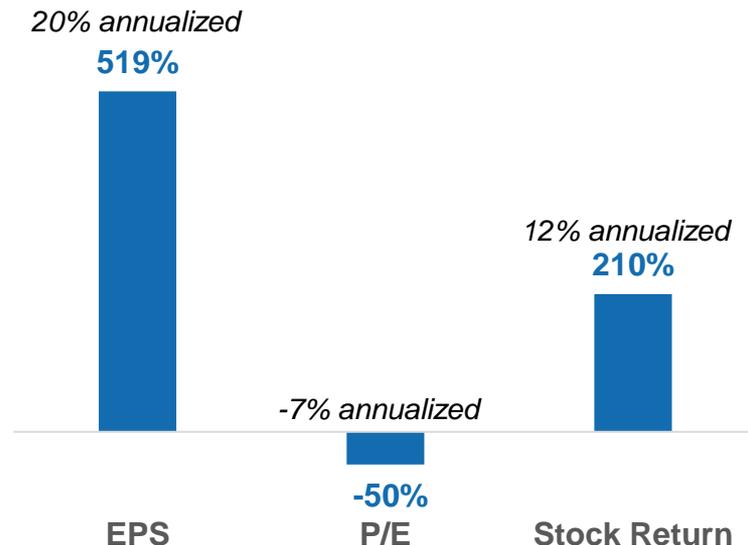
- While sentiment shifts may dominate short-term equity price fluctuations, long-term returns are driven by fundamentals such as earnings and cash flows
 - As Buffet’s mentor Benjamin Graham said, “In the short run, the market is a voting machine but in the long run, it is a weighing machine”

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: P/E change: FactSet using last 12-month EPS; hypothetical EPS example: Alger.



Enduring Themes

The Age of Connected Intelligence is Here

- Every few decades a new technological revolution takes hold and changes the way we live and work
- The Age of Connected Intelligence is a result of a confluence of technologies working together: immense amounts of data and incredibly powerful computing power

Global Technological Revolutions Shape Our Lives



1771

Industrial Revolution

- **Innovations:** machinery and mechanization helped by water power



1829

Age of Steam and Railways

- **Innovations:** iron and coal mining; steam engines



1875

Age of Steel and Electricity

- **Innovations:** cheap steel; electrification



1908

Age of Oil, the Automobile, and Mass Production

- **Innovations:** internal combustion engine; petrochemicals



1971

Age of Information and Telecommunications

- **Innovations:** integrated circuit; internet

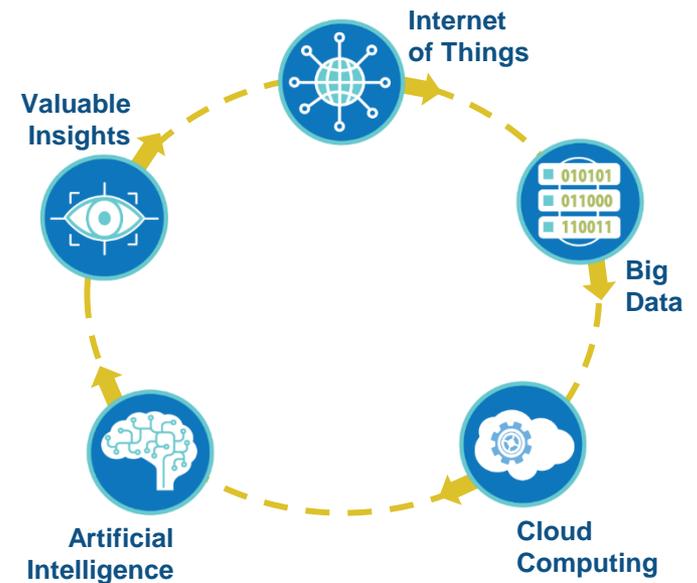


Today

Age of Connected Intelligence

- **Innovations:** artificial intelligence; internet of things

Age of Connected Intelligence



Source: Carlota Perez, "Technological Revolutions and Financial Capital," Edward Elgar Publishing, 2002, and Alger for the last period of technological change.



Enduring Themes

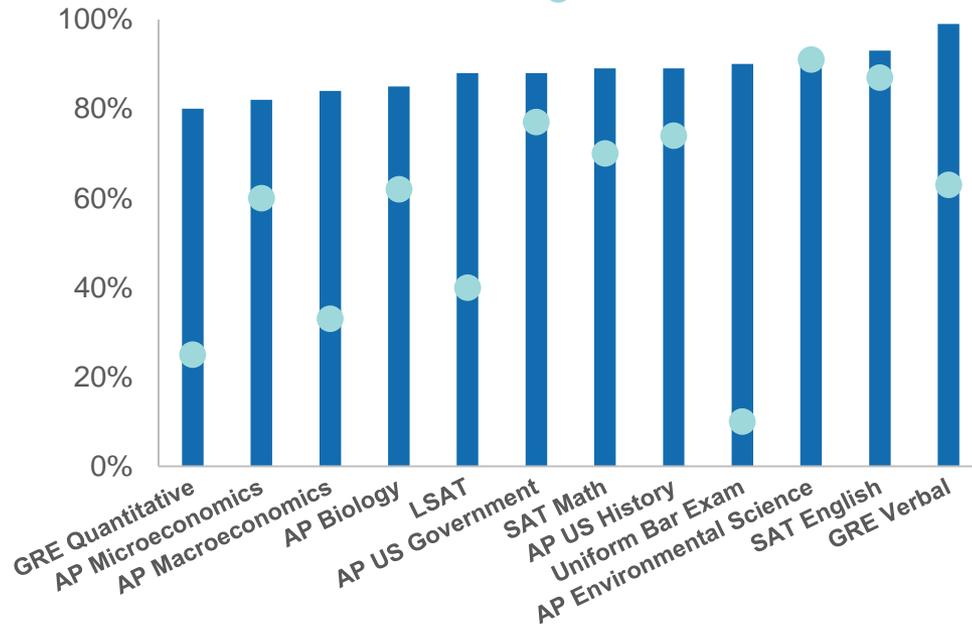
Artificial Intelligence Growth

- With AI growing much faster than Moore’s Law, its utility is expanding rapidly
- Companies providing AI-based software or hardware have a large opportunity, in our view

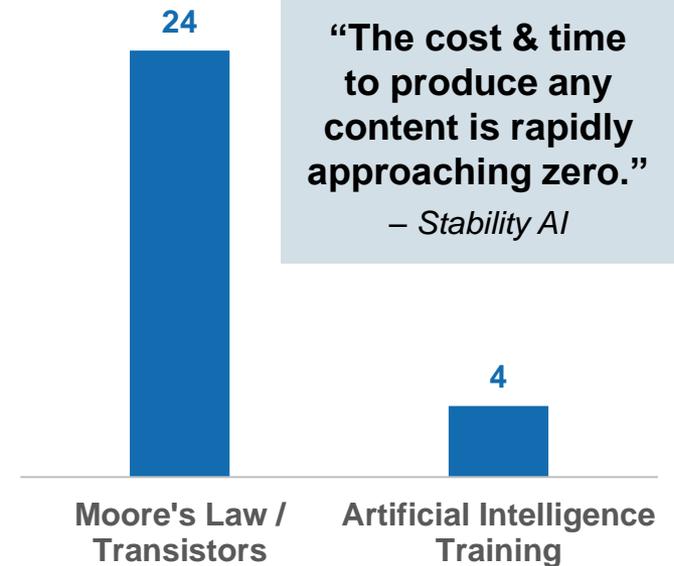
AI is Smart and Getting Smarter

Estimated percentile among test takers

■ GPT-4
● GPT-3.5



Doubling Time in Months



Source: OpenAI (2023). Chat GPT-4, which launched March 13, 2023, is a more advanced language model than Chat GPT-3.5. Doubling time from Intel, Our World in Data, Alger. Doubling time refers to the amount of compute or “training” utilized by AI programs, while Moore’s Law refers to length of time that it takes for the number of transistors per integrated circuit to double. Evaluation periods vary.

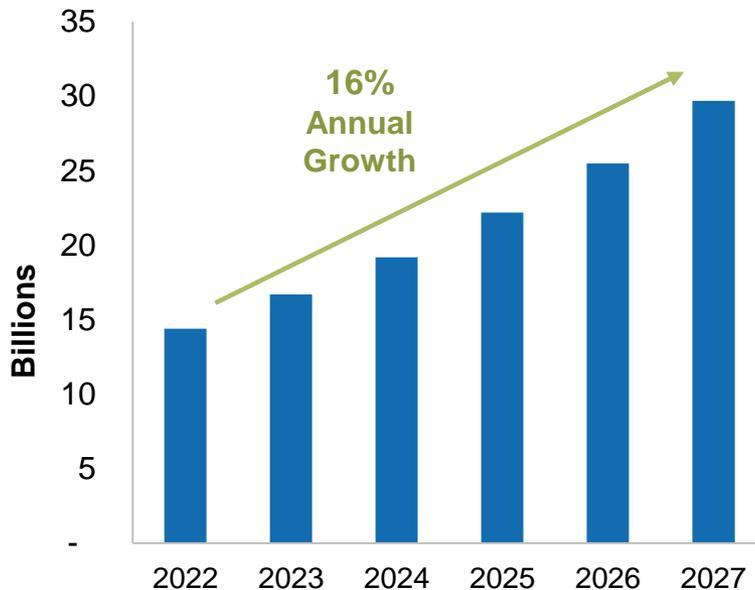


Enduring Themes

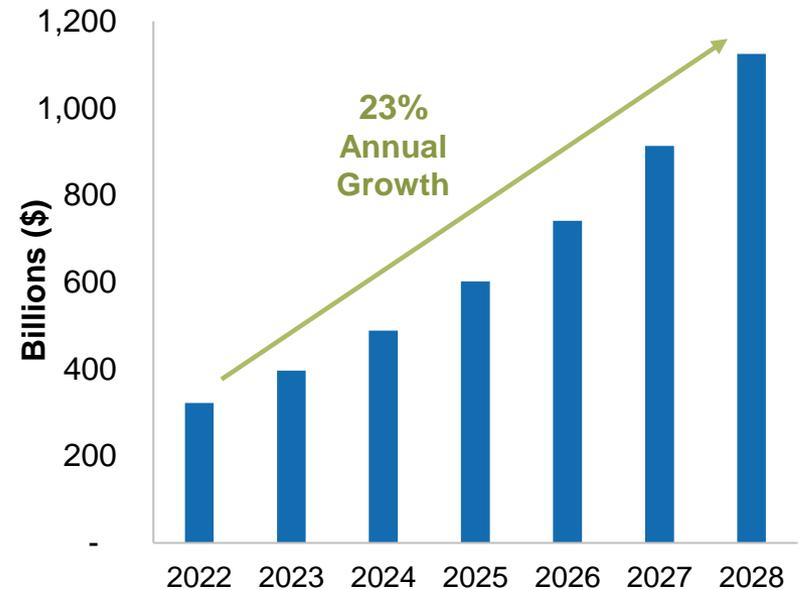
The Internet of Things

- The explosion in connected devices is creating the “Internet of Things” or IoT, transmitting valuable and actionable information
 - Drivers of IoT spending include security, data analytics, efficiencies, reliability, customer service, improved ROI and compliance

Global IoT Connected Devices



Global Industrial IoT Market Size



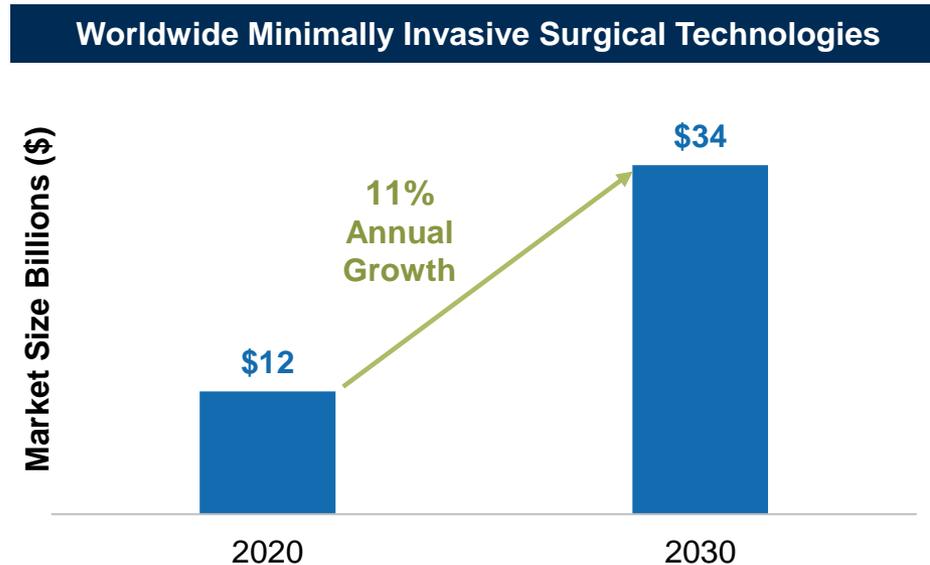
Source: IOT Analytics, May 2023 (2023 – 2027 are estimates), and Grand View Research, March 2022 (2021 – 2028 are estimates).



Enduring Themes

Advances in Surgical Technologies

- Improvements in surgical procedures owing to advances in bioengineering and biomaterials should drive improved outcomes for patients and revenue opportunities for innovative companies in our view
 - Robotic surgery
 - Minimally invasive structural heart interventions
 - Organ preservation for transplants



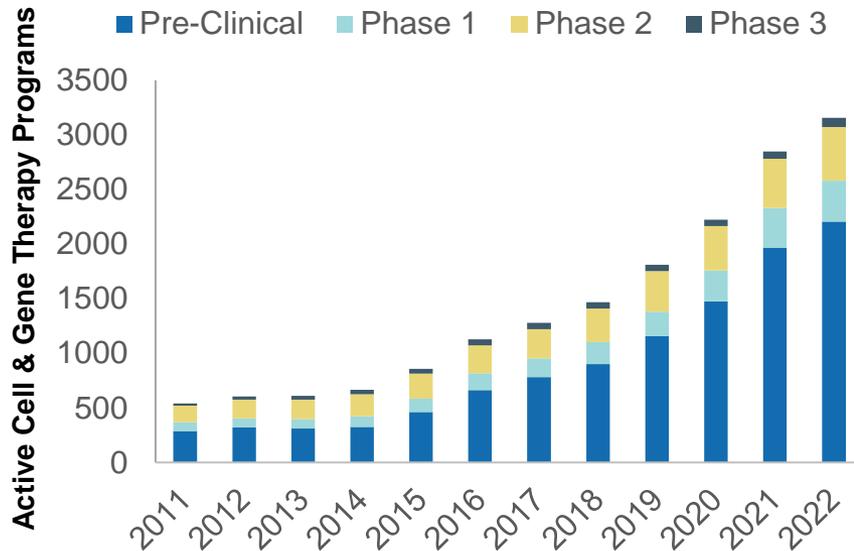
Source: Alger analysis. 2030 is an estimate. Market consists of surgical robotics, percutaneous heart valve repair, and minimally invasive technologies.



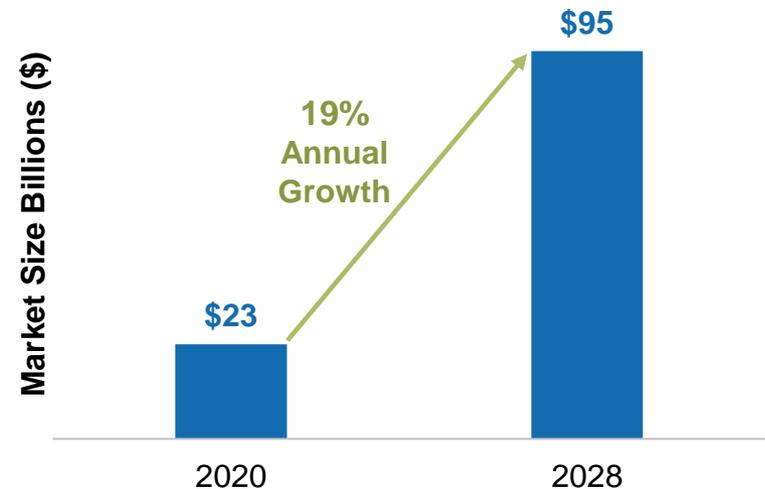
Enduring Themes Genomics Innovation

- Genetic analysis and manipulation will increasingly impact the practice of health care
 - Turning sick care into preventive health care by giving insight into predisposed diseases (e.g., liquid biopsy for early multi-cancer detection)
 - Delivering more efficacious treatments via targeted therapies (e.g., mRNA therapies)

Cell & Gene Therapy Pipeline



Global Genomics Market

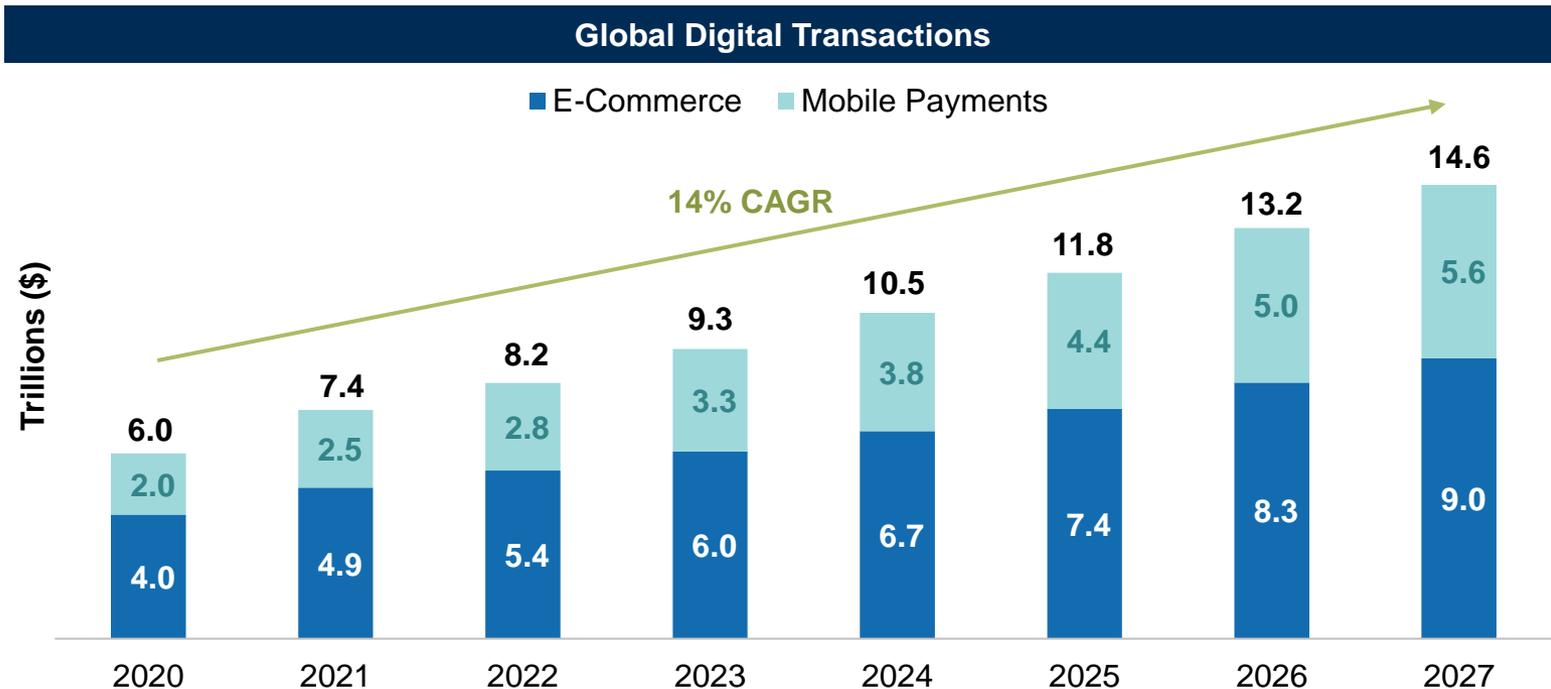


Source: Lefthand chart data from Cryoport, November 2023, based on worldwide pipeline data. Righthand chart data from Fortune Business Insights, January 2022. 2028 is an estimate.



Enduring Themes Digital Payments

- Digital payments continue to outgrow the broad economy as they gain penetration, driven by increasing e-commerce and rapid growth in mobile payments
 - China has the largest volume of digital payments in the world
- Payment networks, processors and software companies can capitalize on the trend

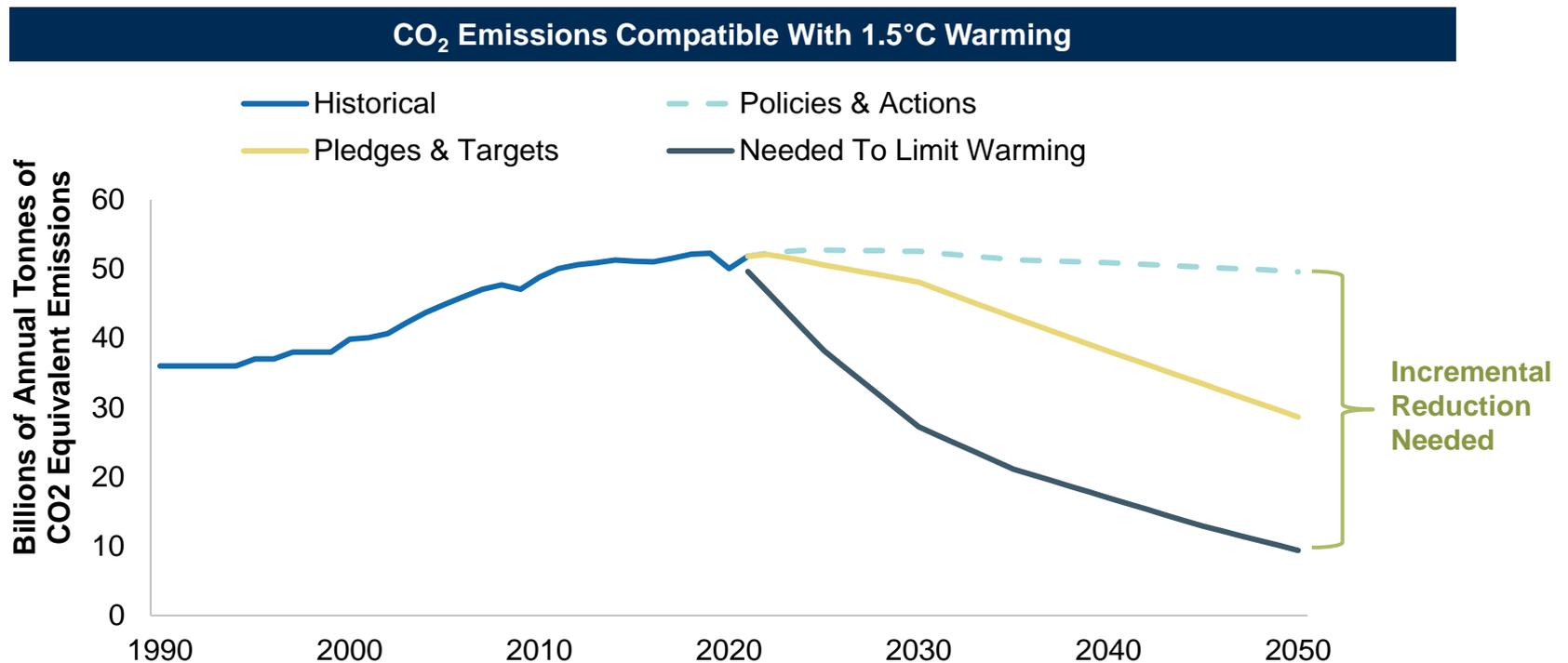


Source: Statista, April 2023 (2023 – 2027 are forecasts). E-commerce includes digital remittances. CAGR is compound annual growth rate, the rate of return required for a quantity to grow from its beginning balance to its ending balance. Mobile payments occur when smartphones are used to process transactions using wireless communication or scan QR barcodes.



Enduring Themes Emission Reductions

- The rate of CO₂ emissions is not sustainable in our view and current emission targets need to be reduced further
- Reducing emissions may provide opportunities in alternative energy sources and in electric vehicles and related products and services

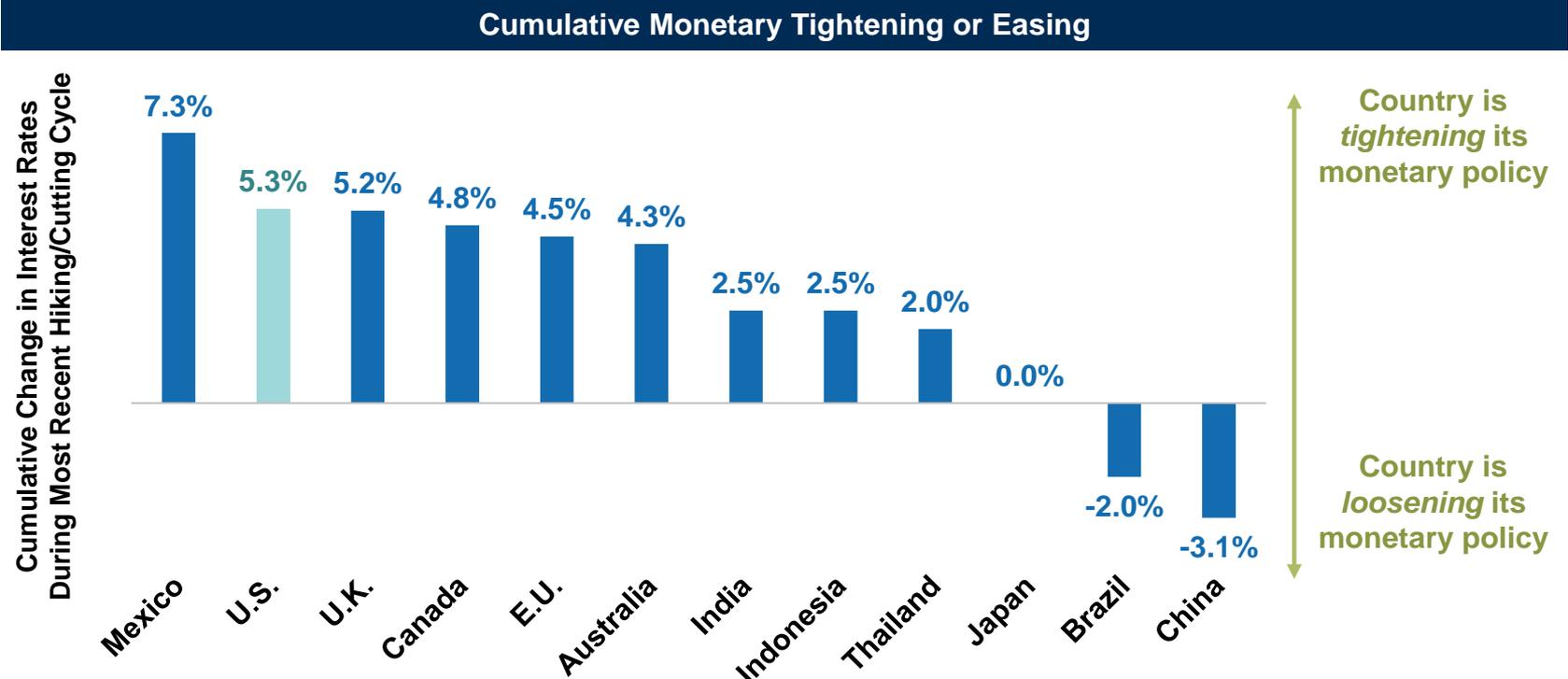


Source: Climate Action Tracker (an independent scientific analysis that measures government climate action), December 2023. "Policies & Actions" and "Pledges & Targets" represent average of "high" and "low" estimates. "Needed to Limit Warming" based on median scenario to achieve 1.5 degrees Celsius global warming.

IV

International Investing in “3-D” 1st “D” = Diversification of Economies

- Monetary policy differs across the world ranging from very tight monetary policy to with some countries tightening more and others less, while some are even easing monetary policy
- Diversification across economies may provide interesting opportunities to generate alpha



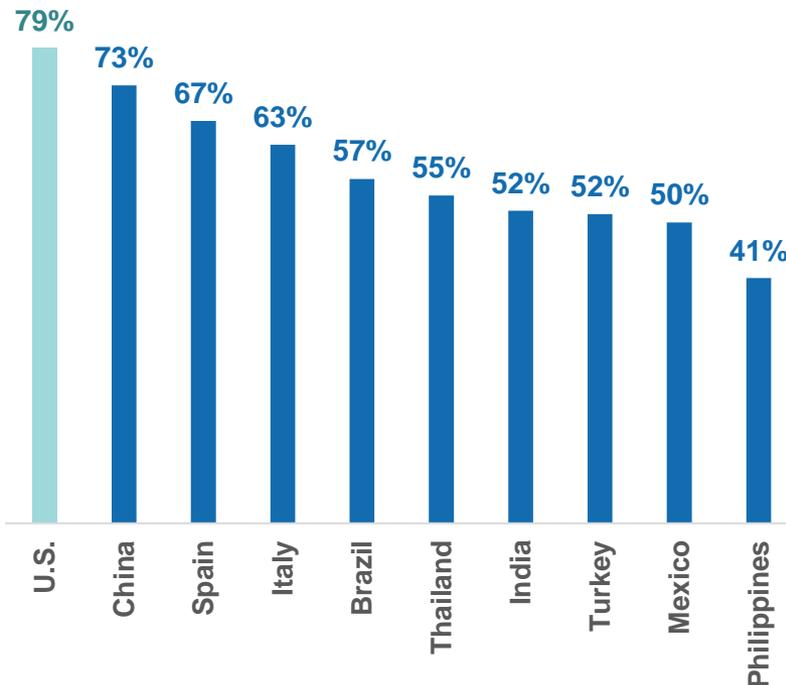
Source: Council On Foreign Relations Global Monetary Policy Tracker, December 2023. Data refers to cumulative monetary policy changes in most recent hiking/cutting cycle.

IV

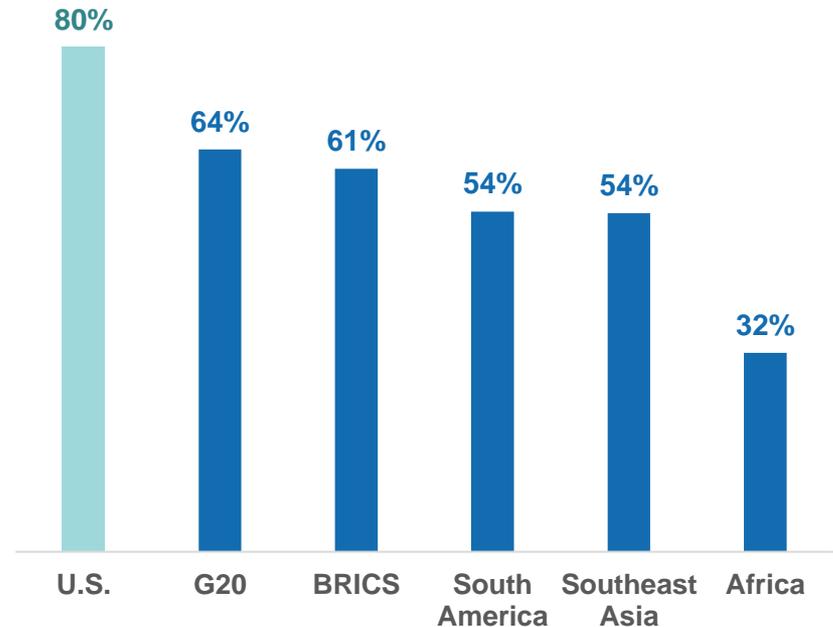
International Investing in “3-D” 2nd “D” = Different Stages of Digital Transformation

- The U.S. generally has the highest penetration rates in digital transformation such as e-commerce, digital payments and e-services
- This suggests to us that the growth outlook for certain non-US companies may be compelling as they follow the path and penetration of the US

e-Commerce Penetration Rate (%)



Digital Payments User Penetration (%)



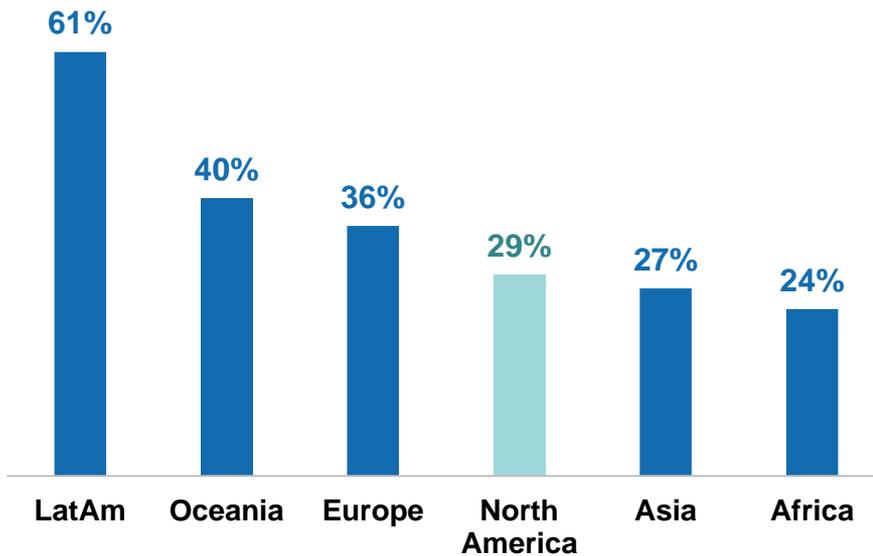
Source: All data is from Statista. Data is for 2022.

IV

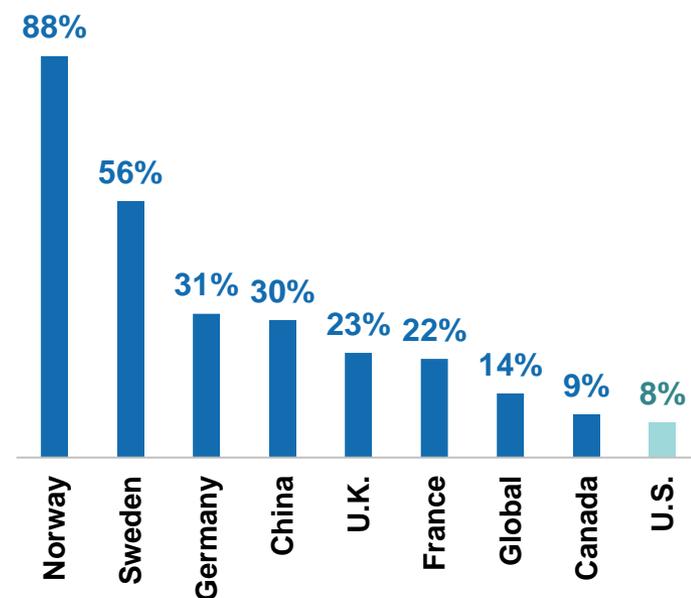
International Investing in “3-D” 3rd “D” = Distribution of Innovation

- We believe innovation is expanding into many other sectors outside of technology such as energy, automotive, manufacturing and healthcare where the U.S. is not the leader
- This expansion of the distribution of innovation is creating significant opportunities for alpha generation outside of the U.S., in our view

Renewable as % of Total Electricity



Electric Vehicle Penetration by Country



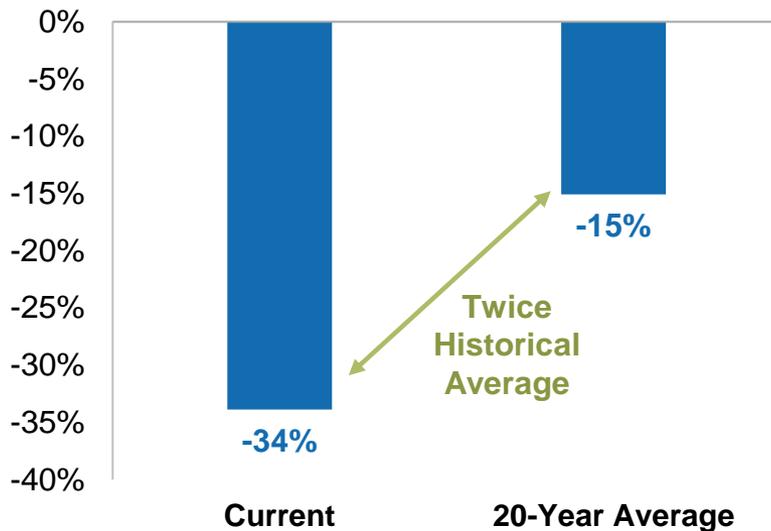
Source: Electricity data from Ember, REN21, 2022. EV data from https://en.wikipedia.org/wiki/Electric_car_use_by_country. Data is for 2022.

IV

International Investing in “3-D” Plus a 4th “D” for Discount

- Non-U.S. stocks typically trade at a discount to U.S. equities, but that discount is more than twice as large as it has been historically
- Equities in key innovation categories often trade for much cheaper valuations in foreign markets as compared to those within the U.S.

Non-U.S. P/E Discount to U.S. Equities



Innovative Themes Available For Less in Non-U.S.

Industry	Large Non-U.S. Discount?
Semiconductors	✓
Pharmaceuticals	✓
E-commerce	✓
Information Analytics	✓
Enterprise Software	✓

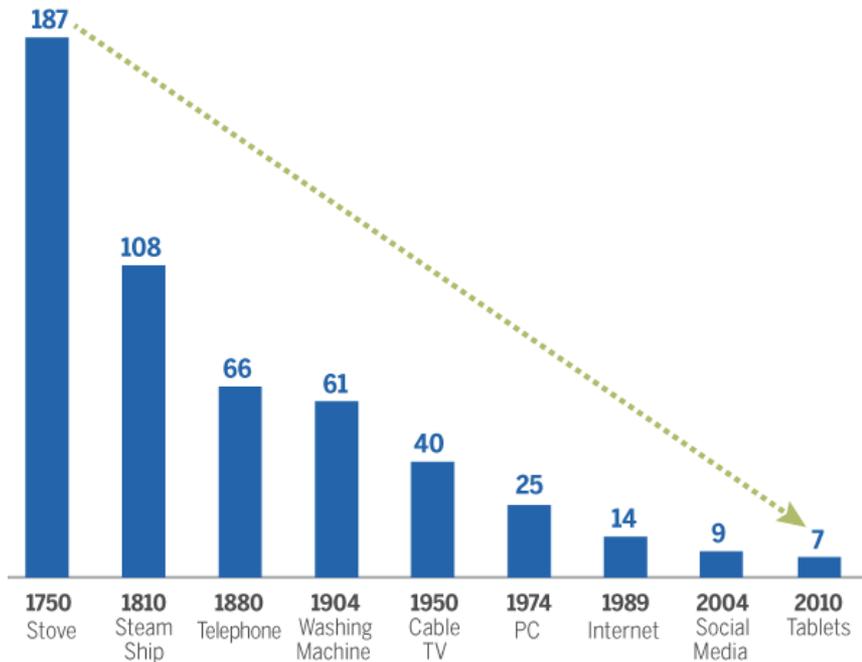
Source: FactSet and Alger as of 12/31/23. U.S. represented by the S&P 500 index and non-U.S. represented by the MSCI All Country World Ex-US Index.

V

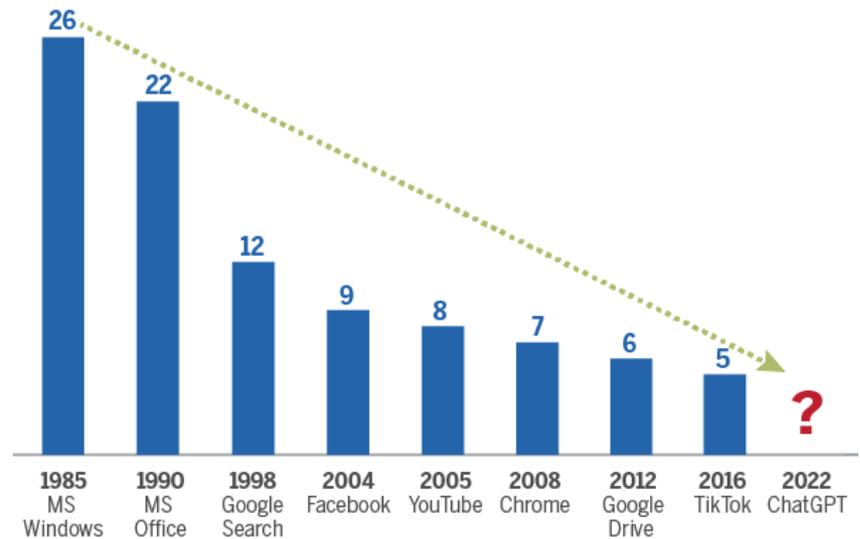
Style Wars Accelerating Change

- 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

Years from Market Entry to 50% Penetration



Years to Reach 1 Billion Users



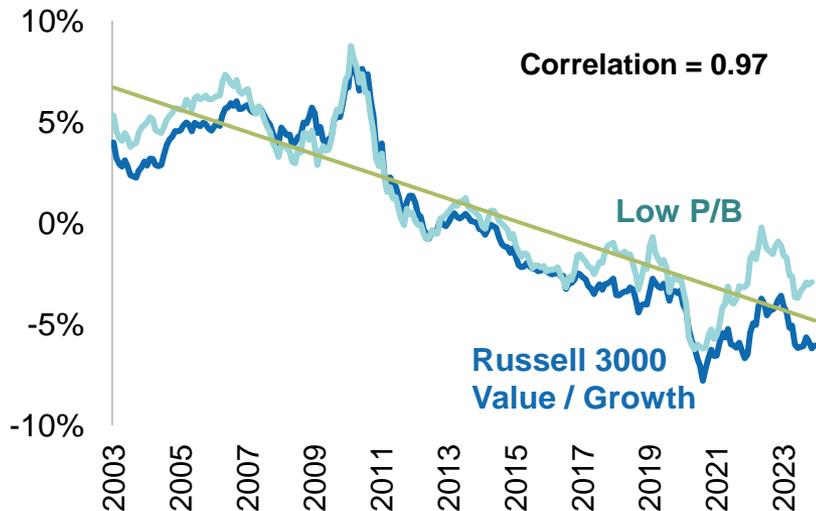
Source: Asymco, Visual Capitalist, company disclosures, Alger estimates.

V

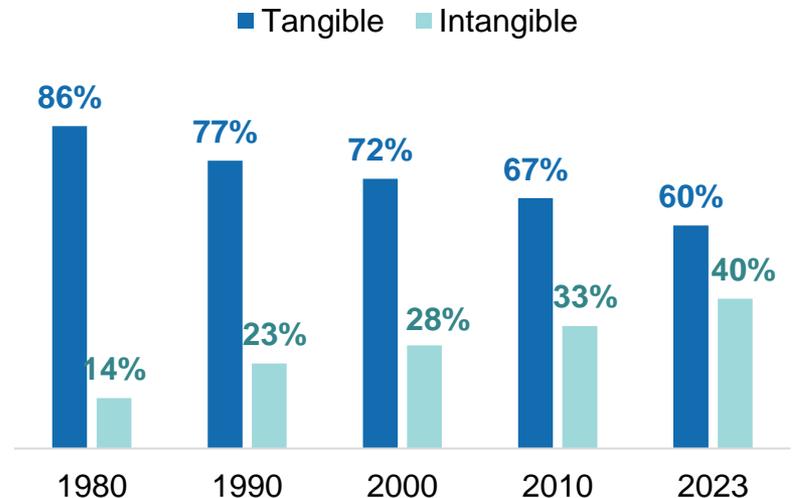
Style Wars Structural Issues Driving Growth vs. Value

- Despite recent outperformance, value stocks have underperformed over the long-term
 - Driven by the very weak performance of the price-to-book valuation metric
- Book value may no longer be as relevant, making current style classification flawed
 - As a result of increasing use of intangible assets that are expensed rather than capitalized

**Value/Growth vs. P/B Cumulative Return
10-Year Rolling Return**



**Business Investment
Intangible vs. Tangible**

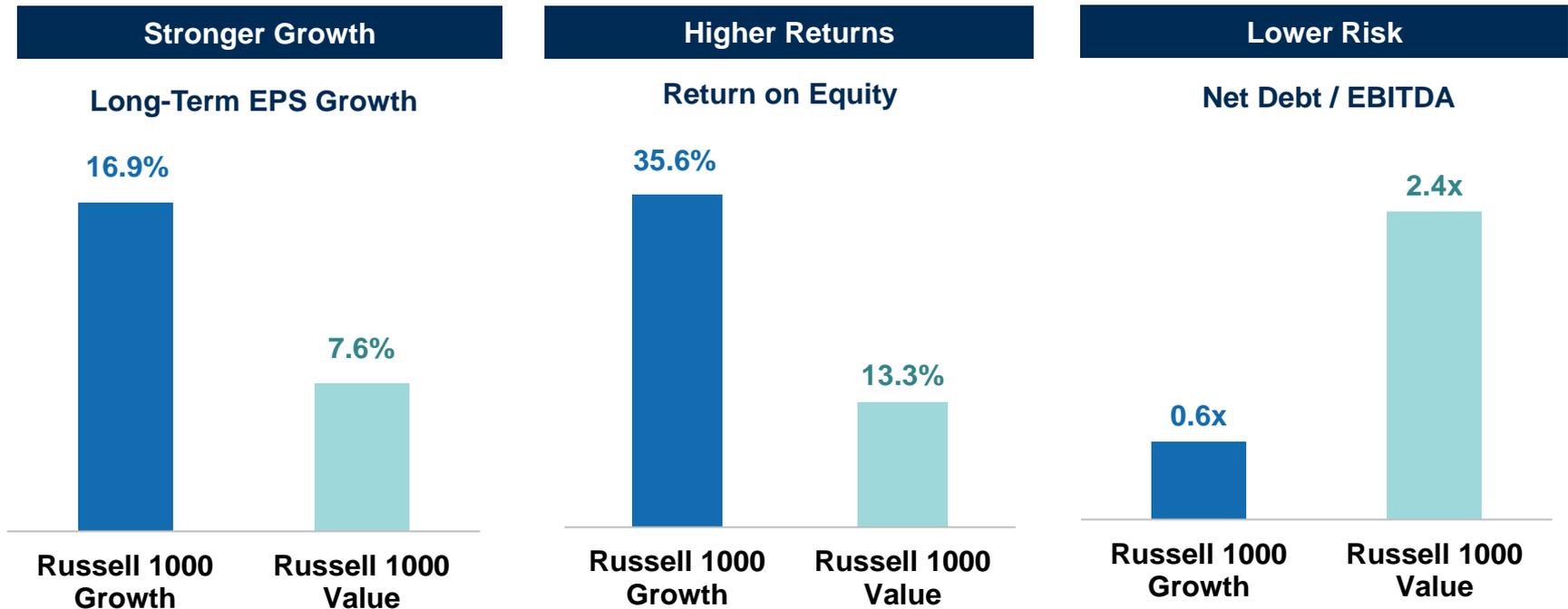


Source: FactSet, Kenneth R. French, FactSet, Bureau of Economic Analysis. Low price-to-book returns are based on the B/P Fama/French factor for the CRSP universe which includes US firms listed on the NYSE, AMEX, or NASDAQ. Most recent data as of December 2023. Correlation measures a relationship estimate between two variables. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

V

Style Wars The Growth Advantage

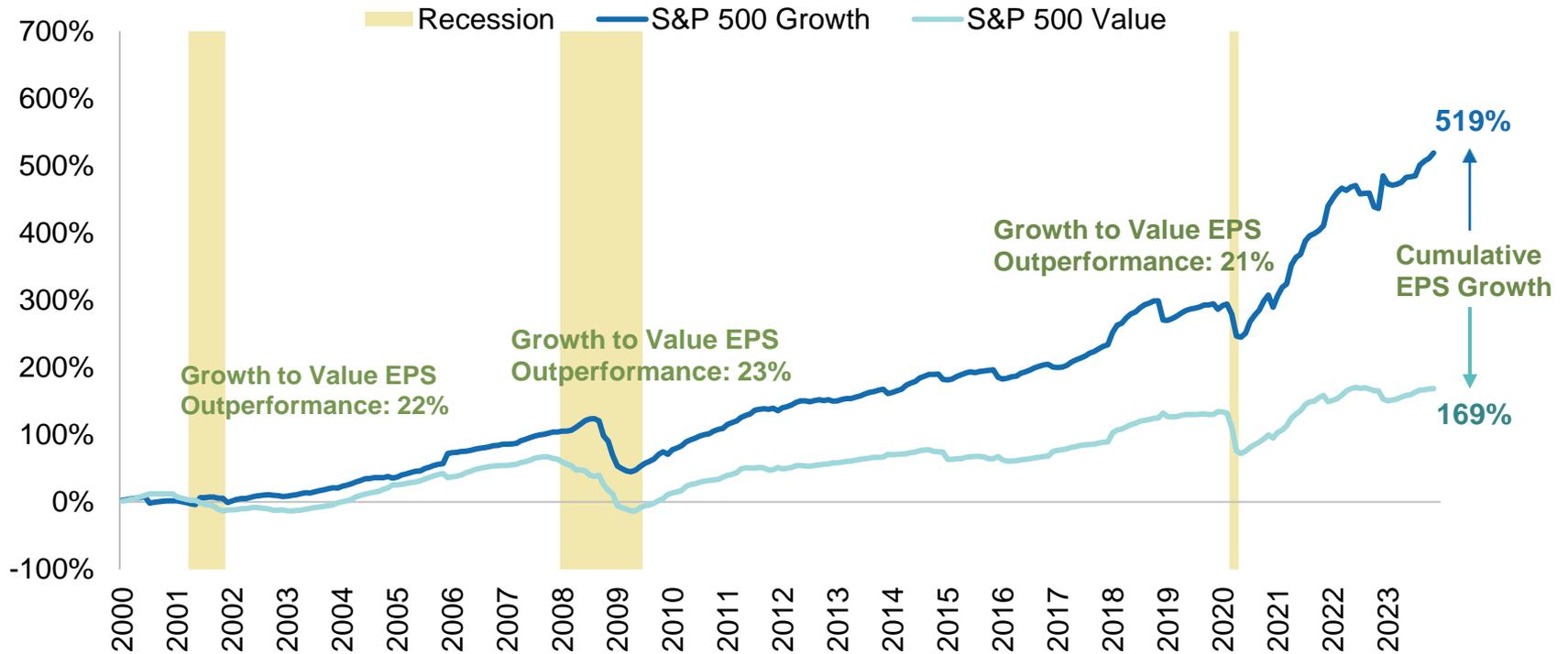
- Three variables drive P/E multiples: growth, return on capital and risk
- The Russell 1000 Growth Index has higher expected EPS growth, higher return on equity and lower risk in the form of better balance sheets as compared to the Russell 1000 Value Index



Source: FactSet as of 12/31/23. Growth represents consensus long-term analyst estimates and actual future EPS growth rates might be materially different than the forecasts shown.

- Market share gains have enabled growth stocks to post better fundamentals than value stocks in the past, including in recessions

Growth Stocks Have Historically Had Better Fundamentals

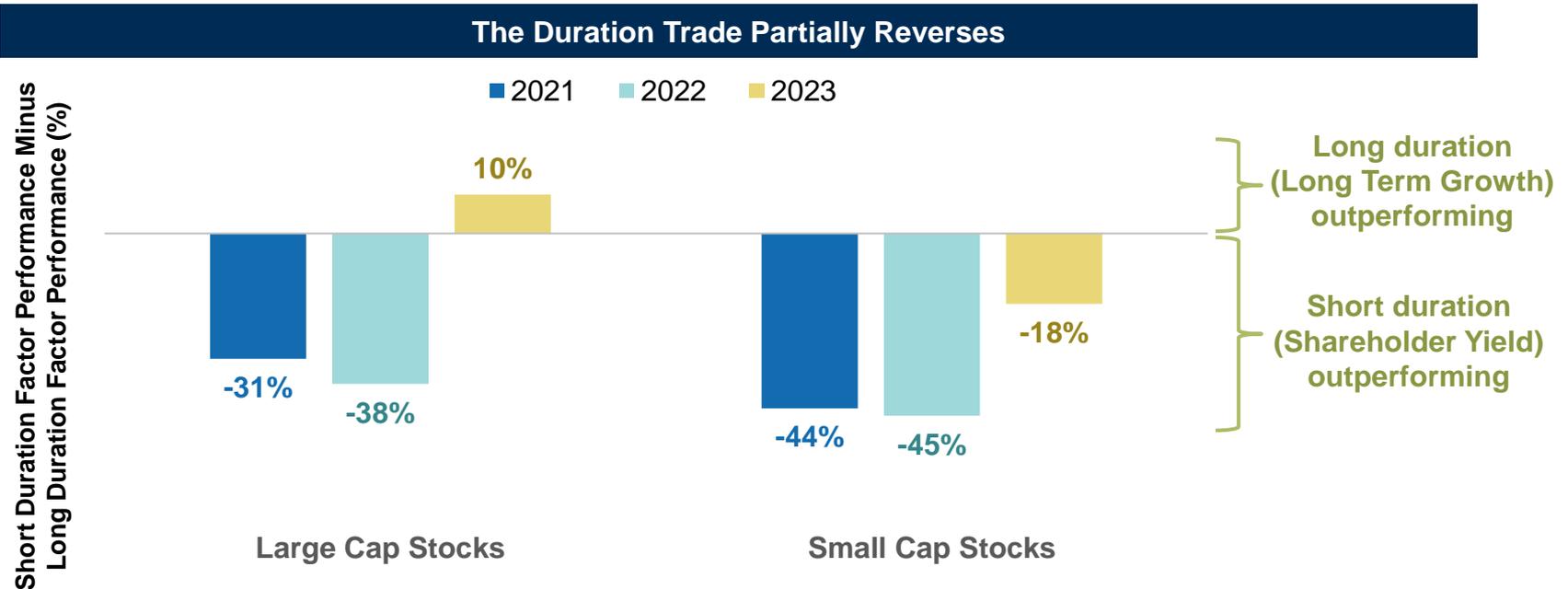


Source: FactSet, Standard and Poor's. Data is through November 2023. EPS is a Next Twelve Month (NTM) calculation. Earnings per share (EPS) is the portion of a company's earnings or profit allocated to each share of common stock. EPS Growth to Value outperformance calculation takes the relative difference 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 The Duration Trade

- Over the last few years, we believe rising interest rates hurt those securities with cash flows furthest in the future or those with higher “durations”
- The duration trade drove investors to seek more current cash flows at the expense of growth, reducing the valuations of some of the longest duration growth equities relative to the broad market
 - In 2023, the duration trade reversed in large caps but not in small caps



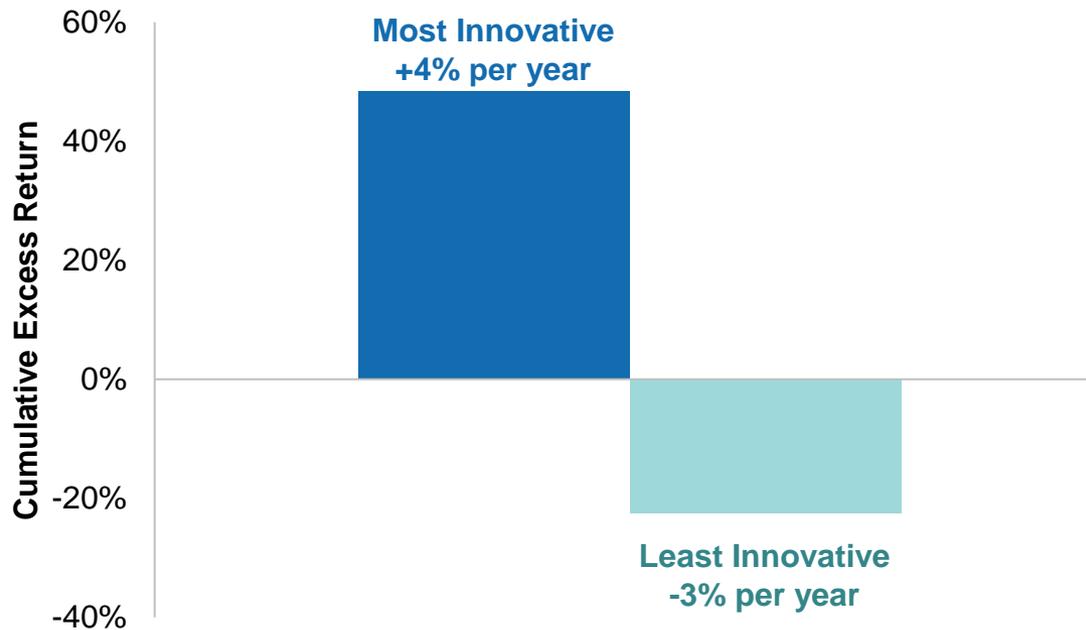
Source: Piper Sandler and FactSet as of 12/31/23. Large cap stocks are represented by the Russell 1000 index; small cap stocks are represented by the Russell 2000 index. Factor performance, which is the performance of a group of securities with a common set of attributes, is sector neutral and is calculated by taking the relative performance of the top quintile of stocks against the bottom quintile of stocks for each factor. The constituents in the quintiles are rebalanced monthly. Short Duration represented by the factor “Shareholder Yield” which is $[\text{Last Twelve Months (LTM) Common and Preferred Stock Purchased} - \text{LTM Common and Preferred Stock Sold} + \text{LTM Total Common Dividends}] / \text{Market Capitalization}$. Long Duration factor “Long-term Growth” is mean estimated 5-year EPS growth.

Style Wars

A Powerful New Investing Factor?

- Studies have shown and our research demonstrates that the most innovative companies have grown their sales, earnings and stock prices faster*

Innovative Companies Have Outperformed Over the Past Decade



Source: FactSet. Excess performance of the quintiles of R&D as a percentage of revenue with the most innovative being top quintile and the least innovative being bottom quintile of the stocks in the S&P 1500 index. Stocks were divided into quintiles based on R&D spending-to-revenue and calculated monthly for the 10-year period ended November 2023. *Baruch Lev and Suresh Radhakrishnan, "The Stock Market Valuation of R&D Leaders." **The performance data quoted represents past performance, which is not an indication or a guarantee of future results. Innovative companies may be defined as those companies with a high ratio of annual R&D investment to revenue. 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.**

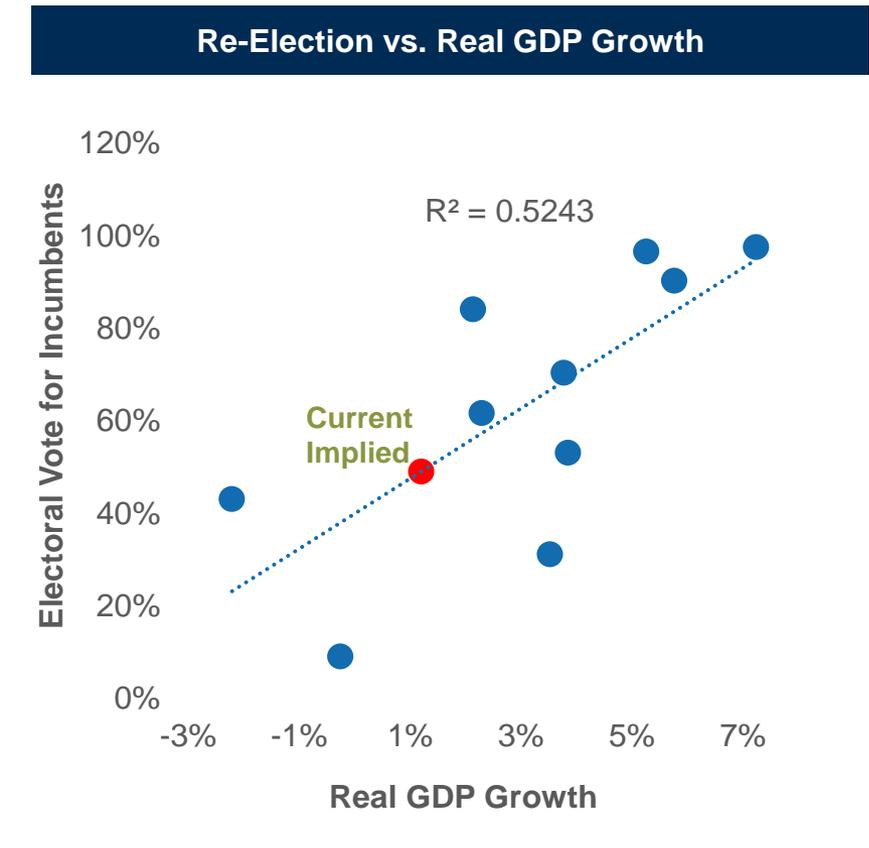
VI

The Election It's the Economy

- No recession in the preceding two years has historically meant successful Presidential re-election

Re-Election vs. Recession			
Year	Candidate	Recession in Past Two Years?	Re-Elected?
2020	Trump	✓	X
2012	Obama		✓
2004	GW Bush		✓
1996	Clinton		✓
1992	GH Bush	✓	X
1984	Reagan		✓
1980	Carter	✓	X
1976	Ford	✓	X
1972	Nixon		✓
1964	Johnson		✓
1956	Eisenhower		✓
1948	Truman		✓
1944	Roosevelt		✓
1940	Roosevelt		✓
1936	Roosevelt		✓
1932	Hoover	✓	X

- The share of electoral votes that the Presidential incumbent receives has been highly correlated with real GDP growth



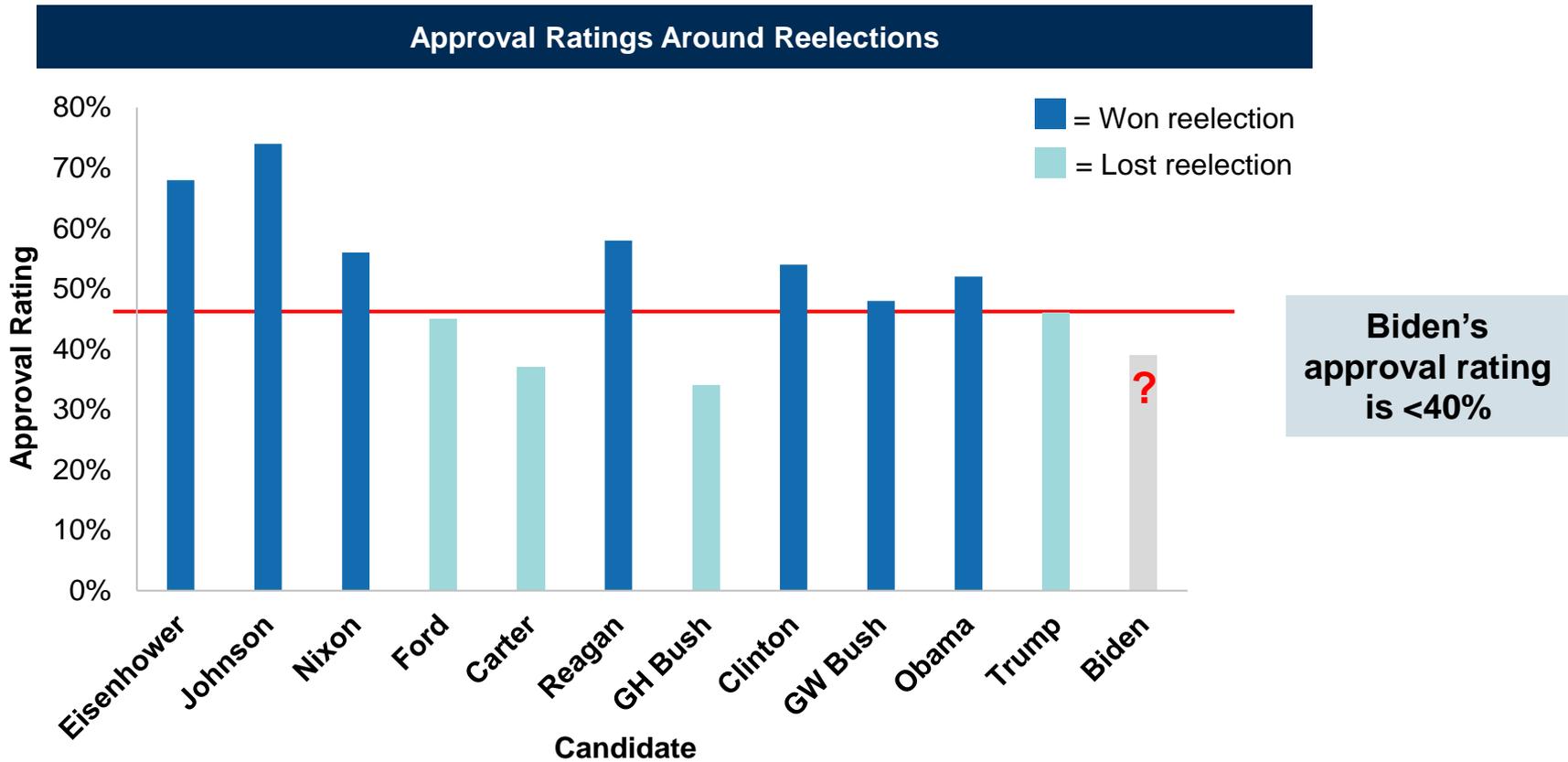
Source: Bruce Mehlman: The Roaring 2020s and Alger

Source: FactSet and Statista. Re-election campaigns since 1950 (i.e. 1956, 1964, 1972, 1980, 1984, 1992, 1996, 2004, 2012, 2020). Red dot is based on consensus real GDP growth estimate of 1.2% and historical regression or slope of line in chart.

VI

The Election Does the U.S. Approve?

- Approval ratings of near 50% or better have historically led to reelection, while below 40% has not



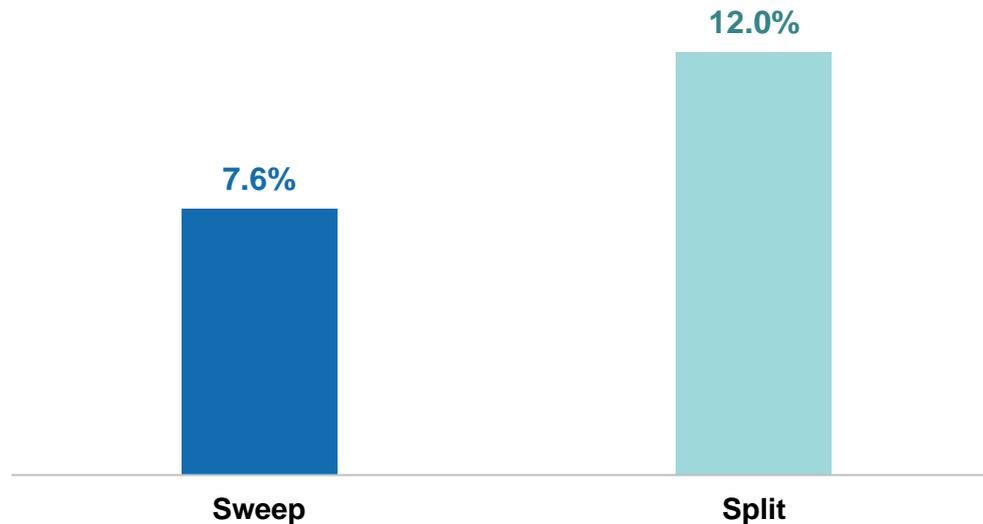
Source: Gallup as of December 2023.

VI

The Election Gridlock is Good

- Market returns have historically been higher in periods when no one party controlled both the White House and Congress

U.S. Equity Returns by Degree of Party Control



Periods of split control of government has historically driven strong returns for equities

Source: FactSet and Alger. S&P 500 median price performance from November through October 1980-2023. A "Sweep" is when the House, Senate and Presidency are all controlled by the same party, and a "Split" is any other time. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

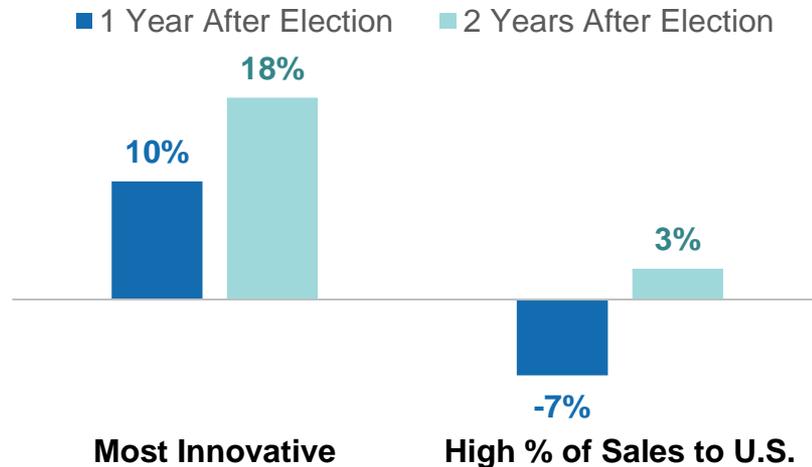
VI

The Election Does Investing in Politics Work?

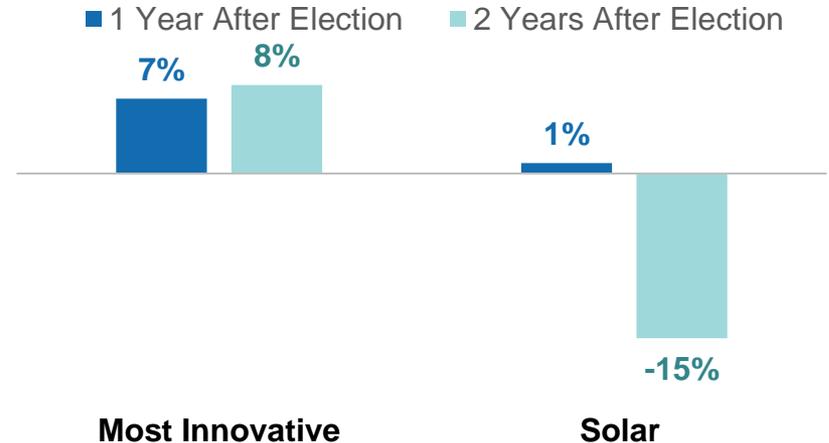
- Investing in domestically-oriented companies based on America First policies (e.g. corporate tax cuts) did not work after the 2016 election
- Investing in renewable energy companies based on environmentally friendly policies did not work after the 2020 election

Innovative Stocks Historically Beat Politically Focused Strategies

Return Relative to S&P 500
after 2016 Election



Return Relative to S&P 500
after 2020 Election



Source: FactSet, Piper Sander. Performance measured monthly from end of October of 2016 and 2020, respectively. "Politically Focused" strategies are represented by High % of Sales to U.S. and Solar. "Most Innovative" performance based on top quintile of S&P 500 measured by R&D spending-to-revenue and calculated monthly relative to S&P 500. High % Sales to U.S. is highest % of sales quintile of S&P 500 less the lowest % sales quintile of S&P 500. Solar stock performance is that of Invesco Solar ETF (TAN) relative to S&P 500. The performance data quoted represents past performance, which is not an indication or a guarantee of future results.

About Alger

Growth Equity Pioneer

- Helping clients achieve their growth equity investment objectives for over 50 years

Inclusive and Independent

- Private, 100% women-owned investment boutique with employee participation
- 50% 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	173
▪ Number of Investment Professionals	57
▪ Female/Minority Portfolio Managers	50%
▪ Assets Under Management	\$22.1 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

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