

Alger Large Cap Growth Portfolio

4th Quarter 2018 As of December 31, 2018

Ticker Symbols

Class I-2 **AAGOX**

Investment Strategy

Primarily invests in equity securities of U.S. large cap companies identified through our fundamental research as demonstrating promising growth potential.

Portfolio Manager



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

Benchmark

Russell 1000 Growth

Morningstar

Category: Large Growth

Morningstar Style Box™

reveals a fund's investment strategy by showing its investment style and market capitalization based on the portfolio holdings. As of 10/31/2018



Overall Rating:
(Class I-2, among 1,246 Large Growth funds, based on Risk adjusted Returns)

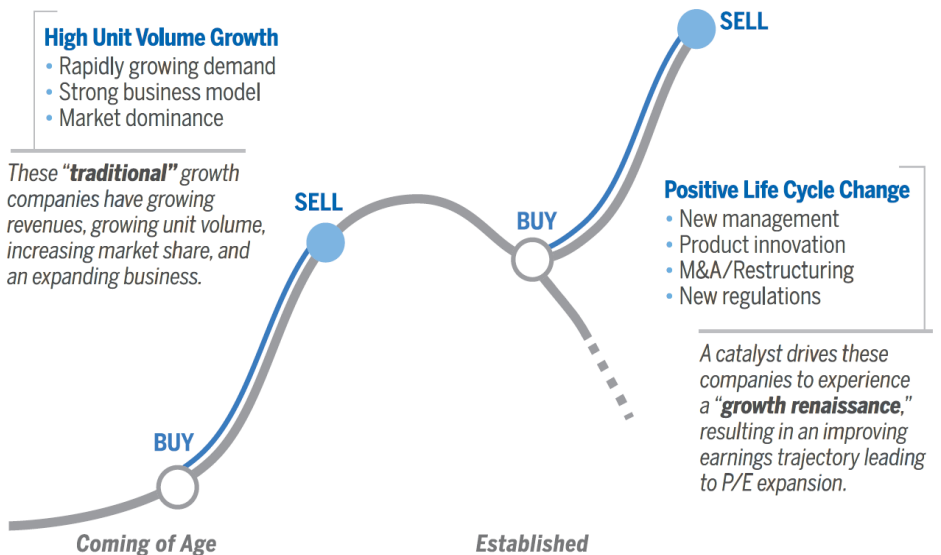


Who We Are

Fred Alger Management, Inc. is widely recognized as a pioneer of growth-style investment management. We have been an independent, privately owned firm since our founding in 1964. For more than 50 years, we have had **three leaders with one vision**: Maintaining the legacy and continuity of the Alger Investment Philosophy.

Philosophy

Alger has been committed to a growth style of investing since the firm was founded in 1964. We believe that the best way to uncover and evaluate such companies is through intensive, fundamental, proprietary investment research. At Alger, we believe companies undergoing **Positive Dynamic Change** offer the best investment opportunities. By Positive Dynamic Change, we mean those companies experiencing High Unit Volume Growth and Positive Life Cycle Change.



Process

- NEW IDEAS** Analysts identify companies experiencing positive dynamic change in their sectors and regions to generate potential investment ideas
- ANALYSIS** Analysts perform in-depth company analysis to develop a differentiated view supported by detailed financial models and stress-tested for a range of potential outcomes
- DIALOGUE** Analysts present their ideas to portfolio managers and have their investment thesis and assumptions challenged
- CONSTRUCTION** Portfolio managers construct portfolios of the highest conviction ideas while managing risk
- MONITORING** Risks are collaboratively managed by analysts, portfolio managers, the Director of Quantitative and Risk Management, and compliance

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Average Annual Total Returns (%) (as of 12/31/18)

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class I-2 (Incepted 1/6/89)	-20.20	2.21	2.21	9.20	8.01	13.78	10.39
Morningstar Category Average (Large Growth)	-15.43	-2.09	-2.09	8.98	8.16	13.74	—
Russell 1000 Growth Index	-15.89	-1.51	-1.51	11.15	10.40	15.29	(Since 1/6/89) 9.99
Morningstar Percentile Rank (Large Growth) Based on Total Returns							
Class I-2	—	—	13% 192/1405	49% 620/1246	56% 649/1106	49% 410/798	—
Total Annual Operating Expenses by Class (Prospectus Dated 5/1/18)		Without Waiver: 1-2: 0.90% With Waiver: 0.88%					

Fred Alger Management, Inc. (the "Manager") has contractually agreed to waive its advisory fee in an amount equal to Acquired Fund Fees and Expenses comprised of advisory fees to the Manager permanently. This commitment may only be amended or terminated prior to its expiration date by agreement between FAM and the Fund's Board of Trustees, and will terminate automatically in the event of termination of Investment Advisory Agreement.

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. For performance current to the most recent month end, visit www.alger.com or call 800.992.3863.

Calendar Year Returns (%) (as of 12/31/18)

	Fund (Class I-2)	Morningstar Large Growth Category Average	Russell 1000 Growth Index
2018	2.21	-2.09	-1.51
2017	28.46	27.67	30.21
2016	-0.83	3.23	7.08
2015	1.72	3.60	5.67
2014	10.99	10.00	13.05
2013	35.08	33.92	33.48
2012	9.87	15.34	15.26
2011	-0.35	-2.46	2.64
2010	13.39	15.53	16.71
2009	47.57	35.68	37.21
2008	-46.15	-40.67	-38.43
2007	19.94	13.35	11.82
2006	5.15	7.05	9.09

Characteristics (as of 12/31/18)

	Alger Large Cap Growth Portfolio	Russell 1000 Growth Index
Equity Holdings	54	546
Active Share (%)	71.13	—
Market Cap (Median-\$Bn)	\$31.38	\$10.65
Market Cap (Wtd Average-\$Bn)	\$176.89	\$247.51
P/E Ratio	27.49	18.34
EPS Growth (1 Yr Forecasted) (%)	13.61	9.41
EPS Growth (3-5 Yr Forecasted) (%)	15.96	13.13

Portfolio Statistics (5 Years as of 12/31/18 for Class I-2)

	Alger Large Cap Growth Portfolio	Russell 1000 Growth Index
Alpha	-3.30	—
Beta	1.15	1.00
Standard Deviation	14.66	11.96
Sharpe Ratio	0.55	0.83
Information Ratio	-0.40	—
Upside Capture (%)	103.82	—
Downside Capture (%)	125.97	—

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Top 10 Holdings (%) (as of 12/31/18)

	Alger Large Cap Growth Portfolio	Russell 1000 Growth Index	Active Weight
Amazon.com, Inc.	6.53	5.28	1.25
Microsoft Corporation	4.83	6.31	-1.48
Alphabet Inc. Class C	4.00	2.73	1.28
Intuitive Surgical, Inc.	3.96	0.47	3.50
Illumina, Inc.	3.50	0.38	3.12
ABIOMED, Inc.	3.45	0.12	3.33
Bio-Techne Corporation	2.97	0.05	2.92
Humana Inc.	2.85	0.32	2.52
Visa Inc. Class A	2.84	2.01	0.83
Alger 25 Fund Class P	2.81	0.00	2.81
Total	37.75	17.66	20.09

Top 10 Active Holdings (%) (as of 10/31/18)

	Alger Large Cap Growth Portfolio	Russell 1000 Growth Index	Active Weight
ABIOMED, Inc.	3.70	0.12	3.59
Alphabet Inc. Class C	6.07	2.60	3.48
Intuitive Surgical, Inc.	3.68	0.46	3.21
Veeva Systems Inc Class A	3.03	0.09	2.94
Alger 25 Fund Class P	2.67	0.00	2.67
Illumina, Inc.	3.00	0.36	2.64
Square, Inc. Class A	2.61	0.17	2.45
Take-Two Interactive Software, Inc.	2.49	0.07	2.42
Adobe Inc.	3.12	0.96	2.16
Tiffany & Co.	2.17	0.02	2.15
Total	32.55	4.84	27.71

Market Capitalization (as of 12/31/18)

Market Capitalization	Alger Large Cap Growth Portfolio	Russell 1000 Growth Index
>\$50B	42.76	65.52
\$15B-\$50B	22.38	21.80
\$7.5B-\$15B	22.09	7.23
\$1.5B-\$7.5B	9.88	5.44
\$750M-\$1.5B	0.00	0.01
<\$750M	2.89	0.00

■ Alger Large Cap Growth Portfolio ■ Russell 1000 Growth Index

Sector Allocation (as of 12/31/18)

Sector	Alger Large Cap Growth Portfolio	Russell 1000 Growth Index	Active Weight
Health Care	12.13		12.13
Information Technology	-5.88		-5.88
Consumer Discretionary	1.61		1.61
Communication Services	2.39		2.39
Industrials	-4.60		-4.60
Real Estate	2.72		2.72
Financials	-0.23		-0.23
Consumer Staples	-5.56		-5.56
Energy	-0.76		-0.76
Materials	-1.84		-1.84
Utilities	0.00		0.00

■ Alger Large Cap Growth Portfolio ■ Russell 1000 Growth Index

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Risk Disclosures - Investing in the stock market involves risks, and may not be suitable for all investors. Growth stocks tend to 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 will be invested in technology and healthcare companies, which may be significantly affected by competition, innovation, regulation, and product obsolescence, and may be more volatile than the securities of other companies. Active trading may increase transaction costs, brokerage commissions, and taxes, which can lower the return on investment.

Total return for Class I-2 does not include deductions at the Fund or contract level for cost of insurance charges, premium load, administrative charges, mortality, and expense risk charges or other charges that may be incurred under the variable annuity contract, variable life insurance plan, or retirement plan for which the Portfolio serves as an underlying investment vehicle. Please refer to the variable insurance product or retirement plan disclosure documents for any additional applicable expenses. Sector allocations shown are exclusive of cash.

Portfolio Statistics are sourced from Morningstar, an independent source which we believe to be reliable and based on the fund share class referenced.

Active Share is a measure of the percentage of stock holdings in a portfolio that differs from the benchmark index. Alpha measures the difference between a portfolio's actual returns and its expected performance, given its level of risk (as measured by beta); a positive alpha means that the portfolio has performed better than its beta would predict. Beta measures a portfolio's sensitivity to market movements relative to a particular index; a portfolio with a beta of 1.00 would be expected to have returns equal to such index. Capture Ratio is Upside Capture divided by Downside Capture.

Upside Capture Ratio measures a portfolio's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return. Downside Capture Ratio measures a portfolio's performance in down markets. A down-market is defined as those periods (months or quarters) in which market return is less than 0. In essence, it tells you what percentage of the down-market was captured by the portfolio. For example, if the ratio is 110%, the portfolio has captured 110% of the down-market and therefore underperformed the market on the downside. Equity Holdings for the referenced fund or composite represents individual securities held, where other securities including private placements, private equity, rights, warrants, options, other derivatives, cash or cash equivalents and securities where the total market value in the portfolio is less than one dollar are excluded from the count. A list of all holdings can be found at www.alger.com for the applicable fund or composite.

Information Ratio presented was calculated as the difference between the portfolio's rate of return less the index's rate of return relative to the difference between the portfolio's standard deviation less the index's standard deviation for the period shown. Please note that using a different index might have materially different results.

Performance characteristics are sourced from FactSet, an independent source which we believe to be reliable. Fred Alger Management, Inc., however, makes no representation that it is complete or accurate. Sharpe Ratio presented was calculated as the difference between the portfolio's rate of return less the 3 month T-Bill's rate of return relative to the difference between the portfolio's standard deviation less the 3 month T-Bill's standard deviation for the period shown. Please note that using a different proxy for the risk-free rate of return might have materially different results. Standard Deviation measures how much the portfolio's return has deviated from its average historical return. If a portfolio has a high standard deviation, there have been large swings in its returns, and vice versa. Standard deviation is generally used to compare the relative risk of two portfolios or of a portfolio to a benchmark. The Strategy's P/E Ratio and Market Caps (which is sourced from FactSet) are as of the current period. Figures for the P/E Ratios were calculated using a weighted harmonic average and EPS Growth rates were calculated using a weighted median. Please note that alternative methodologies exist for calculating P/E Ratios and EPS Growth, and utilizing another methodology might produce materially different results than those shown. Earnings per share (EPS) is the portion of a company's earnings or profit allocated to each share of common stock.

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Portfolio holdings may change and stocks of companies noted may or may not be held by one or more Alger portfolios from time to time. Investors should not consider references to individual securities as an endorsement or recommendation to purchase or sell such securities. Transactions in such securities may be made which seemingly contradict the references to them for a variety of reasons, including but not limited to, liquidity to meet redemptions or overall portfolio rebalancing.

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Morningstar percentile rankings are based on the total return percentile rank that includes reinvested dividends and capital gains (excluding sales charge) within each Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. If sales charges were included, performance would be lower and the rank may be lower.

Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating may differ among share classes of a mutual fund as a result of different sales loads and/or expense structures. It may be based in part, on the performance of a predecessor fund. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics.

Alger Large Cap Growth Portfolio I-2 was rated 3, 3, and 3 Star(s) for the 3-, 5-, and 10-year periods among 1246, 1106, and 798 Large Growth funds as of 12/31/18.

Rankings and ratings may be based in part on the performance of a predecessor fund or share class and are calculated by Morningstar using a performance calculation methodology that differs from that used by Fred Alger Management, Inc.'s. Differences in the methodologies may lead to variances in calculating total performance returns, in some cases this variance may be significant, thereby potentially affecting the rating/ranking of the Fund(s). When an expense waiver is in effect, it may have a material effect on the total return or yield, and therefore the rating/ranking for the period.

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