

# Alger Dynamic Opportunities Fund



2nd Quarter 2021 As of June 30, 2021

**Advisor**

Fred Alger Management, LLC

**Sub-Advisor**

Weatherbie Capital, LLC



**Ticker Symbols**

Class A **SPEDX**  
Class Z **ADOZX**

**Investment Strategy**

Hedged equity strategy seeking long term capital appreciation and lower volatility by primarily investing in long and short positions in equity securities.

**Portfolio Managers**

**Dan Chung, CFA**

Chief Executive Officer, Chief Investment Officer  
27 Years Investment Experience

**Gregory Adams, CFA**

Senior Vice President  
34 Years Investment Experience

**H. George Dai, Ph.D.**

Chief Investment Officer, Senior Portfolio Manager  
23 Years Investment Experience

**Joshua D. Bennett, CFA**

Chief Operating Officer, Senior Portfolio Manager  
21 Years Investment Experience

**Daniel J. Brazeau, CFA**

Managing Director, Portfolio Manager  
21 Years Investment Experience

**Benchmark**

S&P 500

**Morningstar**

**Category:** Long-Short Equity

**Morningstar Style Box™**

reveals a fund's investment strategy by showing its investment style and market capitalization based on the portfolio holdings. As of 04/30/2021



**Overall Rating:**

(Class A, among 179 Long-Short Equity funds, based on Risk adjusted Returns)



**Who We Are**

Founded in 1964, Alger is widely recognized as a pioneer of growth-style investment management. Headquartered in New York City with affiliate offices in Boston and London, Alger provides U.S. and non-U.S. institutional investors and financial advisors access to a suite of growth equity separate accounts, mutual funds, and privately offered investment vehicles. The firm's investment philosophy, discovering companies undergoing Positive Dynamic Change, has been in place for over 50 years. Weatherbie Capital, LLC, a Boston-based investment adviser specializing in small and mid-cap growth equity investing, is a wholly-owned subsidiary of Alger.

**Multi-Manager Approach**

Investors can access two premier growth equity managers through this multi-manager approach. These are proven teams with complementary approaches combined into a single strategy.

<p><b>ALGER</b></p> <ul style="list-style-type: none"> <li>• Founded in 1964</li> <li>• Growth equity pioneer</li> <li>• Investing in dynamic change</li> </ul>	<p><b>WEATHERBIE CAPITAL</b></p> <ul style="list-style-type: none"> <li>• Founded in 1995; acquired by Alger in 2017</li> <li>• Growth equity specialists</li> <li>• Investing in Smaller Companies</li> </ul>
---	--

**Process**

- RESEARCH** Our fundamental, bottom-up research incorporates detailed financial analysis and field research as the Investment Teams proactively look for new investment ideas.
- DIALOGUE** Before ideas enter into a portfolio, Portfolio Managers test the conviction of the Analyst to ensure the new idea is worthy of a place in the portfolio. This dialogue continues if additional research is needed.
- PORTFOLIO CONSTRUCTION** Each discrete portfolio management team constructs a portfolio of the best growth-oriented long and short ideas in their respective universe. The combined portfolio is a diversified portfolio of U.S. long/short equities up and down the market cap spectrum.
- MONITORING** The Portfolio Managers regularly discuss the overall portfolio, optimal gross and net exposures, individual positions and allocation of portfolio assets.
- RISK MANAGEMENT** Risk Management is a critical component to the success of a long/short strategy. We continuously monitor and manage risk at the industry, sector and overall portfolio level using qualitative and quantitative methods.

## 2nd Quarter 2021

## Average Annual Total Returns (%) (as of 6/30/21)

	QTR	YTD	1Year	3 Years	5 Years	10 Years	Since Inception
<b>Class A</b> (Incepted 11/2/09)							
Without Sales Charge	5.25	8.31	32.01	18.08	16.36	9.70	9.64
With Sales Charge	-0.29	2.61	25.08	15.97	15.12	9.11	9.14
<b>Class Z</b> (Incepted 12/29/10)	5.32	8.44	32.27	18.37	16.70	10.00	10.09
<b>Morningstar Category Average</b> (Long-Short Equity)	3.85	9.18	22.90	7.45	7.00	4.81	—
<b>S&amp;P 500 Index</b>	8.55	15.25	40.79	18.67	17.65	14.84	(Since 11/02/2009) 15.24 (Since 12/29/2010) 14.70
<b>HFRI Equity Hedge (Total) Index</b>	5.50	12.72	37.43	11.52	10.98	6.53	(Since 11/02/2009) 6.90 (Since 12/29/2010) 6.31
<b>Morningstar Percentile Rank</b> (Long-Short Equity) Based on Total Returns							
<b>Class A</b>	—	—	18% 35/202	6% 10/179	2% 4/151	3% 3/49	—
<b>Class Z</b>	—	—	17% 33/202	5% 8/179	2% 3/151	2% 2/49	—
<b>Total Annual Operating Expenses by Class</b> (Prospectus Dated 3/1/21)		Without Waiver: With Waiver:	A: 2.81% 2.00%	Z: 2.47% 1.75%			

Fred Alger Management, LLC has contractually agreed to waive fees or to reimburse Fund expenses (excluding acquired fund fees and expenses, interest, taxes, brokerage and extraordinary expenses) through February 28, 2023 to the extent necessary to limit the annual operating expenses of Class A to 2.00% and Class Z to 1.75% of the class's average daily net assets. This expense reimbursement may only be amended or terminated prior to its expiration date by agreement between Fred Alger Management, LLC and the Fund's Board of Trustees, and will terminate automatically in the event of termination of the Investment Advisory Agreement. Fred Alger Management, LLC may, during the term of the contract, recoup any fees waived or expenses reimbursed pursuant to the contract to the extent that such recoupment would not cause the expense ratio to exceed the stated limitation in effect at the time of (i) the waiver or reimbursement and (ii) the recoupment by Fred Alger Management, LLC, after repayment of the recoupment is taken into account.

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%. For performance current to the most recent month end, visit [www.alger.com](http://www.alger.com) or call 800.992.3863.**

## Calendar Year Returns (%) (as of 12/31/20)

	Fund (Class A)	Morningstar Long-Short Equity Category Average	S&P 500 Index
<b>2020</b>	47.26	7.89	18.40
<b>2019</b>	12.80	11.90	31.49
<b>2018</b>	-2.33	-6.29	-4.38
<b>2017</b>	16.90	11.18	21.83
<b>2016</b>	-0.26	2.34	11.96
<b>2015</b>	1.85	-2.02	1.38
<b>2014</b>	3.96	2.92	13.69
<b>2013</b>	17.92	14.62	32.39
<b>2012</b>	9.43	5.15	16.00
<b>2011</b>	-4.80	-2.81	2.11
<b>2010</b>	6.82	4.13	15.06
<b>2009</b> (from 11/2)	2.70	—	7.35

## Characteristics (as of 6/30/21)

	Long	Short
<b>Equity Holdings</b>	150	63
<b>Market Cap (Median—\$Bn)</b>	\$12.13	\$6.72
<b>Market Cap (Wtd Average—\$Bn)</b>	\$93.91	\$23.42
<b>Price/Book (Wtd Average)</b>	12.69	5.22
<b>P/E Ratio</b>	38.76	27.26
<b>Return on Equity (Median) (%)</b>	15.19	3.97
<b>EPS Growth (3-5 Yr Forecasted) (%)</b>	19.00	5.50

## Portfolio Statistics (3 Years as of 6/30/21 for Class A)

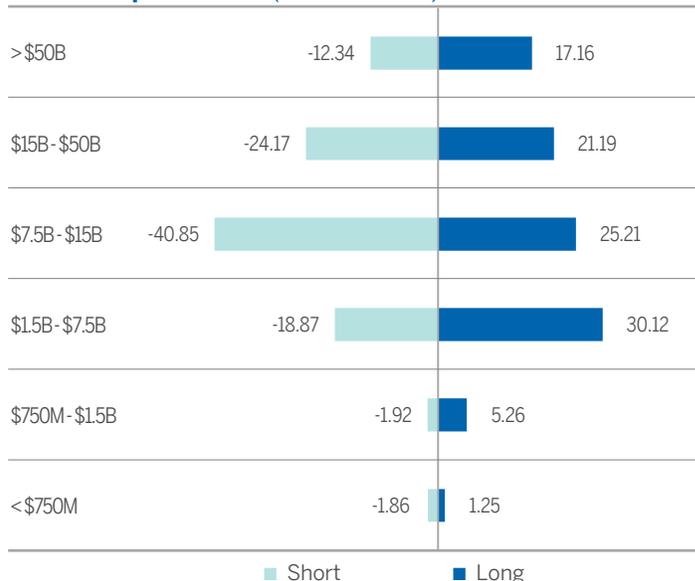
	Alger Dynamic Opportunities Fund	Morningstar Long-Short Equity Category Average
<b>Alpha</b>	7.60	-3.92
<b>Beta</b>	0.50	0.54
<b>Standard Deviation</b>	13.92	10.18
<b>Sharpe Ratio</b>	1.17	0.55
<b>R-Squared</b>	0.44	0.96
<b>Downside Capture (%)</b>	21.95	61.02

2nd Quarter 2021

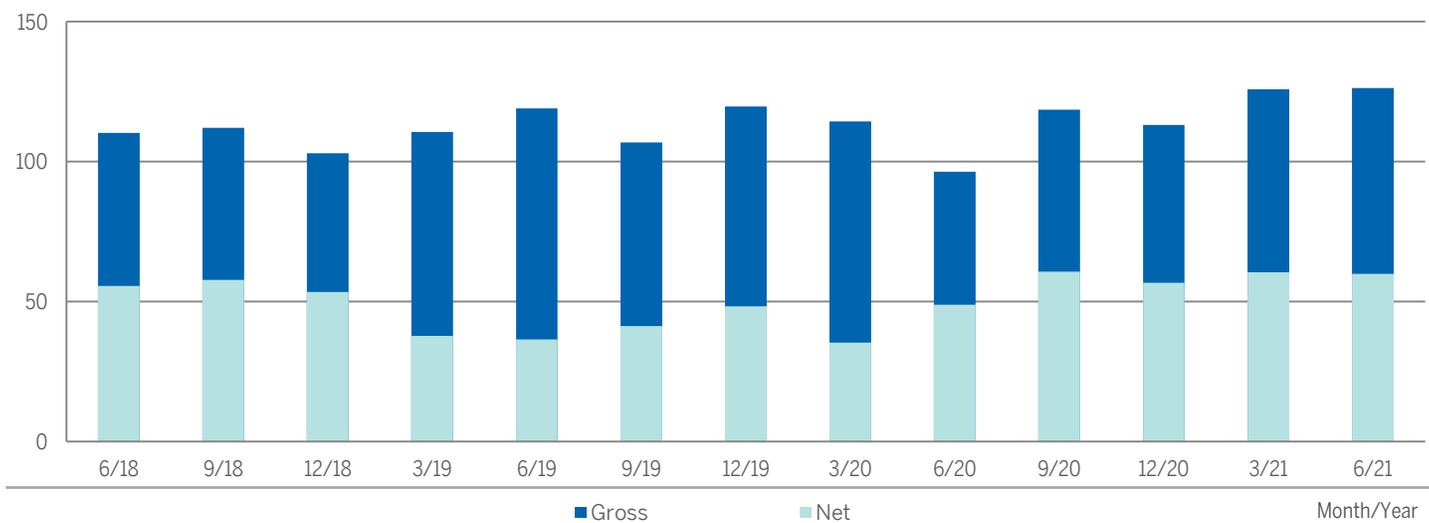
Top Equity Holdings (%) (as of 6/30/21)

Long	
Chegg, Inc.	4.27
Natera, Inc.	3.57
Upstart Holdings, Inc.	2.79
Nevro Corp.	2.68
Signature Bank	2.63
Short	
iShares Russell 2000 Growth ETF	-10.39
iShares Russell Mid-Cap Growth ETF	-4.72
Omega Healthcare Investors, Inc.	-1.69
Invesco QQQ Trust	-1.48
Snowflake, Inc. Class A	-1.06

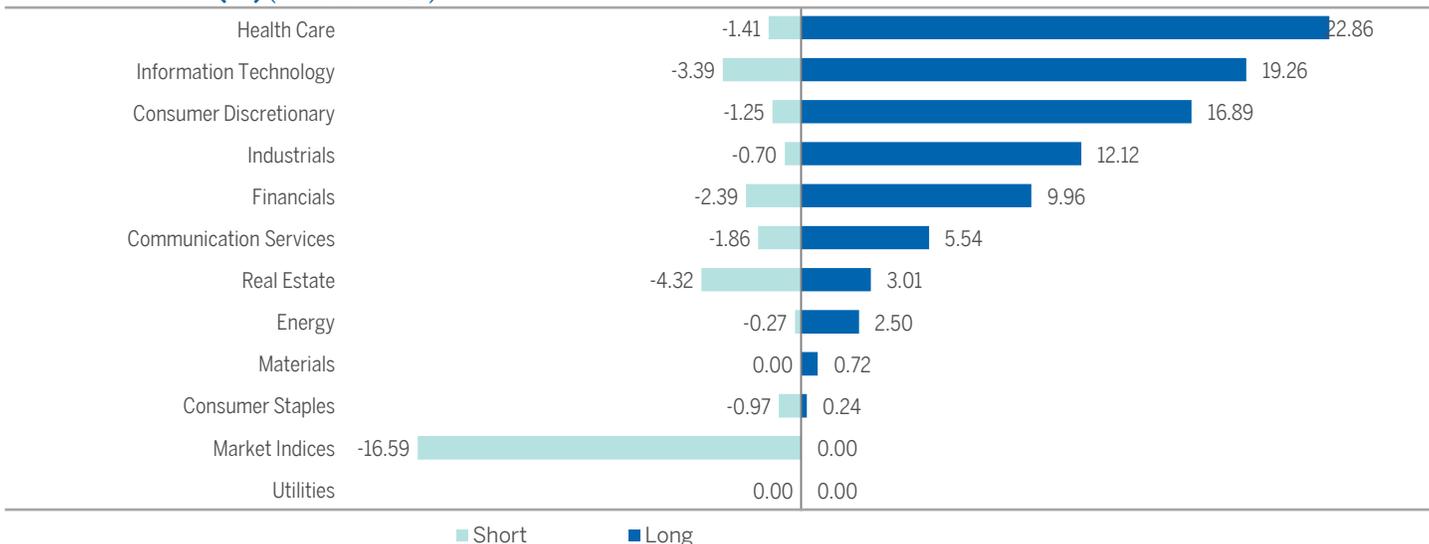
Market Capitalization (as of 6/30/21)



Fund Exposure (%) (as of 6/30/21)



Sector Allocation (%) (as of 6/30/21)



## 2nd Quarter 2021

**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. 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. 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. Cash positions may underperform relative to equity and fixed-income securities. Options and Short sales could increase market exposure, magnifying losses and increasing volatility. Assets may be invested in Financial Derivatives Instruments (FDIs) such as Total Return Swaps (TRS) or options, which involve risks including possible counterparty default, illiquidity, and the risk of losses greater than if they had not been used. Issuers of convertible securities may be more sensitive to economic changes. Investing in companies of small capitalizations involve the risk that such issuers may have limited product lines or financial resources, lack management depth, or have limited liquidity. Leverage increases volatility in both up and down markets and its costs may exceed the returns of borrowed securities. 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. This material is not meant to provide investment advice and should not be considered a recommendation to purchase or sell securities.

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.

Alpha measures the difference between a portfolio's actual returns and its expected performance, given its level of risk (as measured by beta). 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. Characteristics and portfolio statistics are sourced from FactSet, an independent source which we believe to be reliable. Fred Alger Management, LLC, however, makes no representation that it is complete or accurate. Downside Capture Ratio measures a portfolio's performance in down markets relative to the benchmark. It is calculated by taking the portfolio's downside return and dividing it by the benchmark's downside return. A down-market is defined as those time periods in which market return is less than 0. Equity Holdings for the referenced product represents individual securities held, excluding 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. A list of all holdings can be found at [www.alger.com](http://www.alger.com) for the applicable fund or composite. 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. R-Squared reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark. Sharpe Ratio was calculated as the portfolio's rate of return less the 3 month T-Bill's rate of return relative to the portfolio's standard deviation less the 3 month T-Bill's standard deviation for the period. Please note that using different points of comparison may have materially different results. Standard Deviation measures how much the portfolio's return has deviated from its average historical return.

Fred Alger Management, LLC has changed its methodology as of May 31, 2019 for classifying long put positions as short positions. Previously, such option positions had been treated as long positions. For purposes of calculating Exposure, an option's delta adjusted exposure will be used. Delta adjusted exposure represents the expected amount an option price will change if an option's underlying reference security changed by \$1. The formula for calculating delta adjusted exposure is the number of option contracts multiplied by 100 (option multiplier) and multiplied by both the underlying security price and the option's delta (ranges from -1 to 0 for put options and 0 to 1 for call options based on whether option is in- or out-of-the-money). Gross exposure equals the value of both a fund's long positions and short positions. Net exposure equals the value of the long positions less its short positions. The S&P indexes are a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Fred Alger Management, LLC and its affiliates. Copyright 2021 S&P Dow Jones Indices LLC, a subsidiary of S&P Global Inc. and/or its affiliates. All rights reserved.

Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. For more information on any of S&P Dow Jones Indices LLC's indices please visit [www.spji.com](http://www.spji.com). S&P® is a registered trademark of Standard & Poor's Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein. Alger Dynamic Opportunities Fund, Class Z, won the HFM US Performance Awards 2020 for Best 40 Act fund out of 12 entries in the Best 40 Act fund category. Any funds satisfying the following requirements were eligible for the HFM US Performance Awards 2020: Must be based in North America, must submit monthly performance data for a USD share class to HFM, must have a minimum of \$25 million in assets under management as of June 2020, and must submit a 3-year track record of monthly performance through June 2020 to HFM. The judges for the HFM US Performance Awards 2020 were carefully selected for their wealth of experience and expertise and were comprised of leading institutional and private investors and specialist investment consultants. Judges focused on absolute performance as well as standard deviation of returns and outperformance of the relevant HFM benchmark. They also took into consideration the relative AUM, nature of the investment strategy, track-records, other supporting materials and professional knowledge they have about shortlisted funds to come to their decisions. The winners were announced

on November 5, 2020. Past performance is not an indication or guarantee of future results. Short selling (or "selling short") is a technique used by investors who try to profit from the falling price of a stock. It is the act of borrowing a security from a broker and selling it, with the understanding that it must later be bought back and returned to the broker. In order to engage in a short sale, an arrangement is made with a broker to borrow the security being sold short. In order to close out its short position, the security will be replaced by purchasing the security at the price prevailing at the time of replacement. A loss will be incurred if the price of the security sold short has increased since the time of the short sale and may experience a gain if the price has decreased since the short sale.

Fred Alger Management, LLC uses the Global Industry Classification Standard (GICS®) for categorizing companies into sectors and industries. GICS® is used for all portfolio characteristics involving sector and industry data such as benchmark, active and relative weights and attribution. The Global Industry Classification Standard (GICS®) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages. Sector and industry classifications are sourced from GICS. Historical classifications use GICS categories available as of the date of this presentation.

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.

The Morningstar Long/Short Equity Category includes open-end funds, of various share classes, that hold sizable stakes in both long and short positions in equities and related derivatives. Index performance does not reflect deductions for fees or expenses.

© 2021 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.**

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 Dynamic Opportunities Fund A was rated 5, 5, and 5 Star(s) for the 3-, 5-, and 10- year periods among 179, 151, and 49 Long-Short Equity funds as of 06/30/21.

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, LLC'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.

S&P 500®: An index of large company stocks considered to be representative of the U.S. stock market. S&P 500 Index performance does not reflect deductions for fees or expenses. The HFRI Equity Hedge (Total) Index ("HFRI") publishes equally weighted monthly performance based on a number of hedge funds reporting to create a composite, net of fees. HFRI constituents may change without notice. HFRI, therefore, may have possibly lower risk, and differ in asset allocation, portfolio structure, and holdings. Unlike asset-weighting, the equal-weighting of HFRI presents a more general picture of performance of the hedge fund industry. Any bias towards the larger funds potentially created by alternative weightings is greatly reduced, especially for strategies that encompass a small number of funds. HFRI returns are as of the date shown based on the initial provided information and are subject to change. Please visit [www.alger.com](http://www.alger.com) for the most recent return information. Investors cannot invest directly in any index. Index performance does not reflect deductions for taxes. Note that comparing the performance to a different index might have materially different results than those shown. The performance data quoted represents past performance, which is not an indication or a guarantee of future results.

**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](http://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.**