

# Alger Spectra Fund

3rd Quarter 2021 As of September 30, 2021

### Ticker Symbols

- Class A **SPEXC**
- Class I **ASPIX**
- Class Y **ASPYX**
- Class Z **ASPZX**

### Investment Strategy

Primarily invests in growth equity securities of U.S. companies identified through our fundamental research as demonstrating promising growth potential, and engages in short selling (up to approximately 10% of the market value of the portfolio).

### Portfolio Managers



**Patrick Kelly, CFA**  
Executive Vice President  
Portfolio Manager,  
Head of Alger Capital Appreciation  
and Spectra Strategies  
24 Years Investment Experience



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



**Dr. Ankur Crawford**  
Executive Vice President  
Portfolio Manager  
17 Years Investment Experience

### Benchmark

Russell 3000 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 07/31/2021



**Overall Rating:**  
(Class A, among 1,133 Large Growth funds, based on Risk adjusted Returns)



**Analyst Rating:**

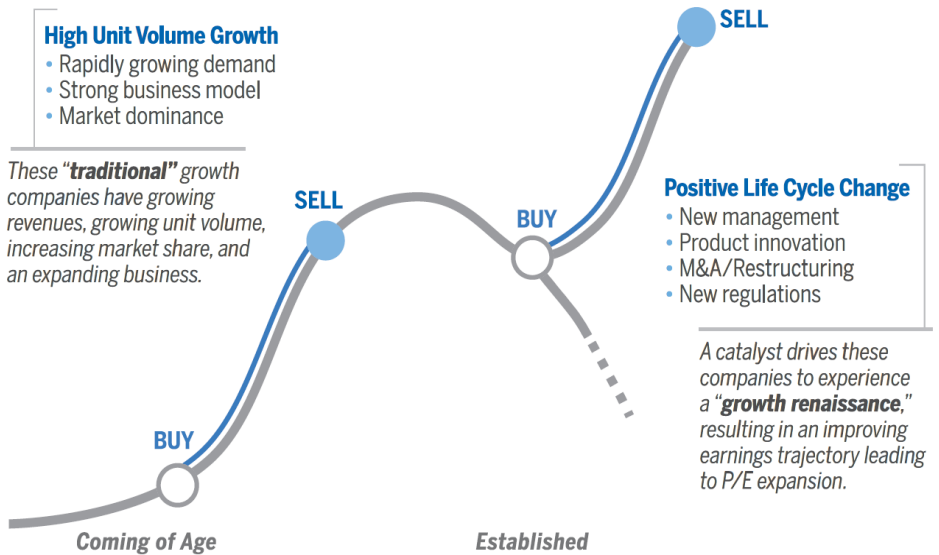


### Who We Are

Fred Alger Management, LLC 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

## 3rd Quarter 2021

## Average Annual Total Returns (%) (as of 9/30/21)

	QTR	YTD	1Year	3Years	5Years	10 Years	Since Inception
<b>Class A</b> (Incepted 7/28/69)							
Without Sales Charge	1.49	10.65	22.94	20.63	21.69	19.14	16.33
With Sales Charge	-3.83	4.85	16.47	18.48	20.39	18.50	16.20
<b>Class I</b> (Incepted 9/24/08)	1.47	10.65	22.89	20.63	21.71	19.15	16.35
<b>Class Y</b> (Incepted 12/3/18)	1.58	10.92	23.33	—	—	—	25.64
<b>Class Z</b> (Incepted 12/29/10)	1.55	10.91	23.29	21.01	22.08	19.50	16.95
<b>Morningstar Category Average</b> (Large Growth)	-0.07	12.40	26.60	19.75	20.68	17.93	—
<b>Russell 3000 Growth Index</b>	0.69	13.49	27.57	21.27	22.30	19.40	(Since 12/03/2018) 25.88 (Since 12/29/2010) 16.99
<b>Morningstar Percentile Rank</b> (Large Growth) Based on Total Returns							
<b>Class A</b>	—	—	79% 980/1235	39% 472/1133	37% 387/1024	28% 210/762	—
<b>Class I</b>	—	—	79% 983/1235	39% 471/1133	37% 385/1024	28% 207/762	—
<b>Class Y</b>	—	—	76% 955/1235	—	—	—	—
<b>Class Z</b>	—	—	77% 961/1235	35% 408/1133	32% 329/1024	22% 158/762	—
<b>Total Annual Operating Expenses by Class</b> (Prospectus Dated 3/1/21)		Without Waiver: With Waiver:	A: 1.40% —	I: 1.39% —	Y: 1.09% 1.05%	Z: 1.09% —	

Fred Alger Management, LLC began managing the Spectra Class A portfolio on December 31, 1974. Class A and Class I share since inception returns are calculated from this date.

Fred Alger Management, LLC has contractually agreed to waive fees or to reimburse Fund expenses (excluding acquired fund fees and expenses, dividend expense on short sales, borrowing costs, interest, taxes, brokerage and extraordinary expenses) through February 28, 2023 to the extent necessary to limit the annual operating expenses of Class Y to 0.79% and Class Z to 0.99% 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.

Prior to April 2021, the Fund was co-managed by two portfolio managers. 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. The 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. Performance of the Fund's Class I Shares prior to September 24, 2008 reflects the performance of the Fund's Class A Shares, as adjusted with currently applicable sales charges and operating expenses, which differ from historical charges and 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. 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 Large Growth Category Average	Russell 3000 Growth Index
<b>2020</b>	43.58	35.86	38.26
<b>2019</b>	32.15	31.90	35.85
<b>2018</b>	-0.88	-2.09	-2.12
<b>2017</b>	31.03	27.67	29.59
<b>2016</b>	-0.18	3.23	7.39
<b>2015</b>	7.08	3.60	5.09
<b>2014</b>	12.28	10.00	12.44
<b>2013</b>	35.07	33.92	34.23
<b>2012</b>	18.79	15.34	15.21
<b>2011</b>	-0.63	-2.46	2.18

## 3rd Quarter 2021

## Characteristics (as of 9/30/21)

	Alger Spectra Fund	Russell 3000 Growth Index
Equity Holdings	120	1727
Active Share (%)	68.26	—
Market Cap (Median—\$Bn)	\$32.89	\$2.51
Market Cap (Wtd Average—\$Bn)	\$594.59	\$770.47
P/E Ratio	41.44	28.24
EPS Growth (1 Yr Forecasted) (%)	9.90	9.56
EPS Growth (3-5 Yr Forecasted) (%)	18.55	18.55

## Top 10 Holdings (%) (as of 9/30/21)

	Alger Spectra Fund	Russell 3000 Growth Index	Active Weight
Microsoft Corporation	7.96	9.31	-1.35
Amazon.com, Inc.	7.96	6.25	1.71
Alphabet Inc. Class C	4.92	2.82	2.10
Apple Inc.	4.26	9.74	-5.48
Upstart Holdings, Inc.	3.72	0.06	3.66
Tesla Inc	3.24	2.71	0.53
PayPal Holdings, Inc.	2.90	1.34	1.56
Visa Inc. Class A	2.70	1.65	1.05
Adobe Inc.	2.65	1.20	1.44
Square, Inc. Class A	1.97	0.42	1.55
Total	42.29	35.51	6.78

## Market Capitalization (as of 9/30/21)

Market Cap Range	Alger Spectra Fund	Russell 3000 Growth Index
>\$50B	62.07	76.37
\$15B-\$50B	28.61	12.93
\$7.5B-\$15B	5.73	3.47
\$1.5B-\$7.5B	3.32	6.19
\$750M-\$1.5B	0.26	0.69
<\$750M	0.01	0.36

■ Alger Spectra Fund

■ Russell 3000 Growth Index

## Portfolio Statistics (5 Years as of 9/30/21 for Class A)

	Alger Spectra Fund	Russell 3000 Growth Index
Alpha	-0.37	—
Beta	1.00	1.00
Standard Deviation	16.78	16.51
Sharpe Ratio	1.19	1.24
Information Ratio	-0.15	—
Upside Capture (%)	98.49	—
Downside Capture (%)	100.00	—

## Top 10 Active Holdings (%) (as of 7/31/21)

	Alger Spectra Fund	Russell 3000 Growth Index	Active Weight
Alphabet Inc. Class C	5.54	2.84	2.70
Roku, Inc. Class A	2.27	0.21	2.06
Shopify, Inc. Class A	1.92	0.00	1.92
HEICO Corporation Class A	1.79	0.01	1.78
PayPal Holdings Inc	3.14	1.39	1.75
Danaher Corporation	1.66	0.04	1.62
Square, Inc. Class A	2.00	0.42	1.59
Adobe Inc.	2.82	1.28	1.54
Intuitive Surgical, Inc.	2.04	0.50	1.54
Lam Research Corporation	1.81	0.39	1.42
Total	25.00	7.09	17.91

## Sector Allocation (as of 9/30/21)

Sector	Alger Spectra Fund	Russell 3000 Growth Index	Active Weight
Information Technology	45	45	1.86
Consumer Discretionary	18	18	0.27
Health Care	12	12	3.22
Communication Services	10	10	-2.38
Industrials	8	8	0.73
Financials	5	5	3.21
Real Estate	2	2	-0.85
Energy	1	1	-0.18
Materials	1	1	-1.10
Utilities	1	1	-0.04
Consumer Staples	1	1	-4.74

■ Alger Spectra Fund

■ Russell 3000 Growth Index

### 3rd 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. Foreign securities involve special risks including currency fluctuations, inefficient trading, political and economic instability, and increased volatility. Short sales could increase market exposure, magnifying losses and increasing volatility. Leverage increases volatility in both up and down markets and its costs may exceed the returns of borrowed securities. This material is not meant to provide investment advice and should not be considered a recommendation to purchase or sell securities.

Class I shares are an investment vehicle for institutional investors, such as corporations, foundations, and trusts managing various types of employee benefit plans, as well as charitable, religious, and educational institutions. Investors may purchase or redeem Class I shares through a financial intermediary. There are no sales charges on purchases or redemptions. 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). 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. Information Ratio was calculated as the portfolio's rate of return less the index's rate of return relative to the portfolio's standard deviation less the index's standard deviation for the period shown. 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. 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. Upside Capture Ratio measures a portfolio's performance in up markets relative to the benchmark. It is calculated by taking the portfolio's upside return and dividing it by the benchmark's upside return.

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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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Alger Spectra Fund A was rated 3, 3, and 4 Star(s) for the 3-, 5-, and 10-year periods among 1133, 1024, and 762 Large Growth funds as of 09/30/21.

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.

The Russell 3000® Growth Index combines the large-cap Russell 1000® Growth, the small-cap Russell 2000® Growth and the Russell Microcap® Growth Index. It includes companies that are considered more growth oriented relative to the overall market as defined by Russell's leading style methodology. The Russell 3000 Growth Index is constructed to provide a comprehensive, unbiased, and stable barometer of the growth opportunities within the broad market. The Russell 3000® Growth Index performance does not reflect deductions for fees or expenses. 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.**

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