

# Alger Health Sciences Fund

3rd Quarter 2021 As of September 30, 2021

## Ticker Symbols

Class A **AHSAX**  
Class Z **AHSZX**

## Investment Strategy

Primarily invests in equity securities of companies in the health sciences sector identified through our fundamental research as demonstrating promising growth potential.

## Portfolio Managers



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



**Sanjiv Talwar, Ph.D.**  
Senior Vice President  
Portfolio Manager, Senior  
Analyst and Head of Healthcare  
15 Years Investment Experience

## Benchmark

S&P 500

## Morningstar

Category: Health

## 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

	STYLE		
	Value	Blend	Growth
SIZE	Large		
	Medium		
	Small		

## Overall Rating:

(Class A, among 138  
Health funds, based on  
Risk adjusted Returns)

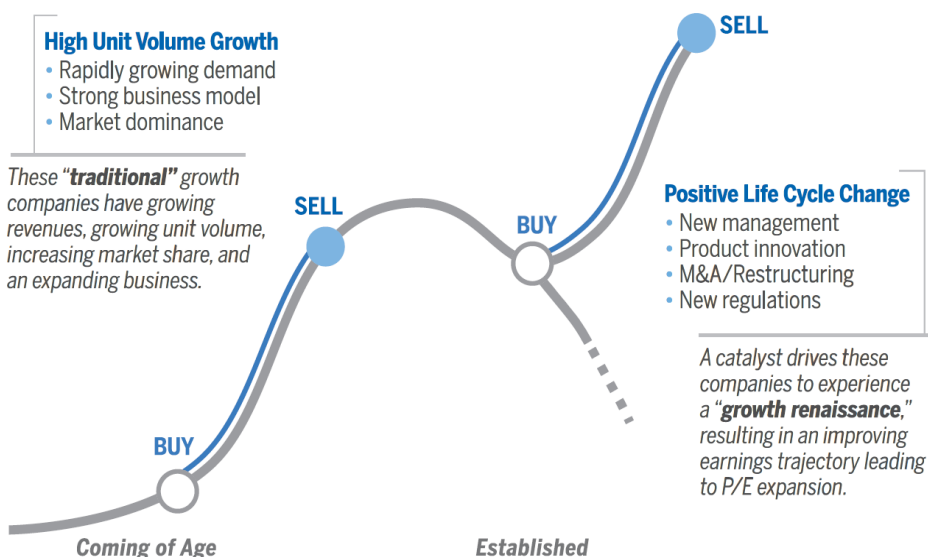


## Who We Are

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



Alger is committed to sustainability and is a signatory to the PRI.

Inspired by Change, Driven by Growth.

## 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 5/1/02)							
Without Sales Charge	4.59	11.33	20.78	13.09	21.46	17.69	13.44
With Sales Charge	-0.89	5.49	14.42	11.07	20.16	17.06	13.13
<b>Class Z</b> (Incepted 5/28/15)	4.69	11.57	21.17	13.47	21.89	—	13.77
<b>Morningstar Category Average</b> (Health)	-2.11	5.69	20.86	11.46	13.75	16.95	—
<b>S&amp;P 500 Index</b>	0.58	15.92	30.00	15.99	16.90	16.63	(Since 05/01/2002) 9.52 (Since 05/28/2015) 14.01
<b>Russell 3000 Health Care Index</b>	0.17	10.66	21.81	12.91	14.97	17.71	(Since 05/01/2002) 10.26 (Since 05/28/2015) 11.10
<b>Morningstar Percentile Rank</b> (Health) Based on Total Returns							
<b>Class A</b>	—	—	40% 50/167	28% 41/138	6% 6/130	39% 42/106	—
<b>Class Z</b>	—	—	39% 44/167	24% 31/138	4% 4/130	—	—

## Total Annual Operating Expenses by Class

(Prospectus Dated 3/1/21)

A: 1.04% Z: 0.71%

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 Z to 0.75% 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 Health Category Average	S&P 500 Index
<b>2020</b>	30.98	27.63	18.40
<b>2019</b>	22.03	26.23	31.49
<b>2018</b>	5.79	-0.40	-4.38
<b>2017</b>	37.16	24.31	21.83
<b>2016</b>	-3.31	-10.60	11.96
<b>2015</b>	2.35	8.05	1.38
<b>2014</b>	21.99	27.25	13.69
<b>2013</b>	35.59	48.17	32.39
<b>2012</b>	11.38	21.55	16.00
<b>2011</b>	10.60	7.66	2.11

## 3rd Quarter 2021

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

	Alger Health Sciences Fund	S&P 500 Index
Equity Holdings	53	505
Active Share (%)	97.92	—
Market Cap (Median—\$Bn)	\$6.09	\$30.73
Market Cap (Wtd Average—\$Bn)	\$28.16	\$563.34
P/E Ratio	34.58	20.98
EPS Growth (1 Yr Forecasted) (%)	7.04	8.18
EPS Growth (3-5 Yr Forecasted) (%)	15.86	14.77

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

	Alger Health Sciences Fund	S&P 500 Index	Active Weight
Celldex Therapeutics, Inc.	5.16	0.00	5.16
InMode Ltd.	4.30	0.00	4.30
Brooks Automation, Inc.	4.03	0.00	4.03
DexCom, Inc.	3.51	0.14	3.37
Danaher Corporation	3.17	0.53	2.64
Bio-Techne Corporation	3.14	0.05	3.09
Avantor, Inc.	3.09	0.00	3.09
Catalent Inc	3.00	0.06	2.93
Intuitive Surgical, Inc.	2.98	0.32	2.66
IDEXX Laboratories, Inc.	2.88	0.14	2.73
Total	35.25	1.26	33.99

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

> \$50B	19.16	78.32
\$15B - \$50B	19.14	20.48
\$7.5B - \$15B	2.48	14.44
\$1.5B - \$7.5B	0.05	33.25
\$750M - \$1.5B	0.00	7.57
< \$750M	0.00	5.10

■ Alger Health Sciences Fund

■ S&amp;P 500 Index

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

	Alger Health Sciences Fund	S&P 500 Index
Alpha	7.01	—
Beta	0.84	1.00
Standard Deviation	18.78	15.20
Sharpe Ratio	1.07	1.03
Information Ratio	0.28	—
Upside Capture (%)	106.83	—
Downside Capture (%)	86.24	—

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

	Alger Health Sciences Fund	S&P 500 Index	Active Weight
Moderna, Inc.	5.23	0.29	4.94
UnitedHealth Group Incorporated	5.55	1.05	4.50
Celldex Therapeutics, Inc.	4.42	0.00	4.42
DexCom, Inc.	3.50	0.13	3.36
Bio-Techne Corporation	3.31	0.00	3.31
Forte Biosciences Inc.	3.25	0.00	3.25
InMode Ltd.	3.24	0.00	3.24
IDEXX Laboratories, Inc.	3.32	0.16	3.16
Veeva Systems Inc Class A	3.05	0.00	3.05
Intuitive Surgical, Inc.	3.14	0.32	2.83
Total	38.00	1.94	36.06

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

	Active Weight
Biotechnology	35.94
Health Care Equipment & Supplies	30.03
Life Sciences Tools & Services	11.85
Health Care Providers & Services	4.29
Health Care Technology	4.43
Pharmaceuticals	0.20

■ Alger Health Sciences Fund

■ S&amp;P 500 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 will be invested in 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. 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. Private placements are offerings of a company's securities not registered with the SEC and not offered to the public, for which limited information may be available. Such investments are generally considered to be illiquid. 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.

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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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 Health Sciences Fund A was rated 3, 5, and 3 Star(s) for the 3-, 5-, and 10- year periods among 138, 130, and 106 Health 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.

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 Russell 3000 Health Care Index is an unmanaged index that measures the performance of those companies in the Russell 3000 Index involved in the medical services or health care field. Also included are companies involved in research, development and production of pharmaceuticals and biotechnology. The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on the total market capitalization, which represents 99% of the U.S. equity market. Russell 3000 Health Care 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.**

**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.**