

# Alger Spectra Fund

2nd Quarter 2022 As of June 30, 2022

### Ticker Symbols

Class A	<b>SPEXC</b>
Class I	<b>ASPIX</b>
Class Y	<b>ASPYX</b>
Class Z	<b>ASPZX</b>

### 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). Seeks long-term capital appreciation.

### Portfolio Managers



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



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



**Dr. Ankur Crawford**  
Executive Vice President  
Portfolio Manager  
18 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 04/30/2022



### Overall Rating:

(Class A, among 1,138 Large Growth funds, based on Risk adjusted Returns)



### Analyst Rating:

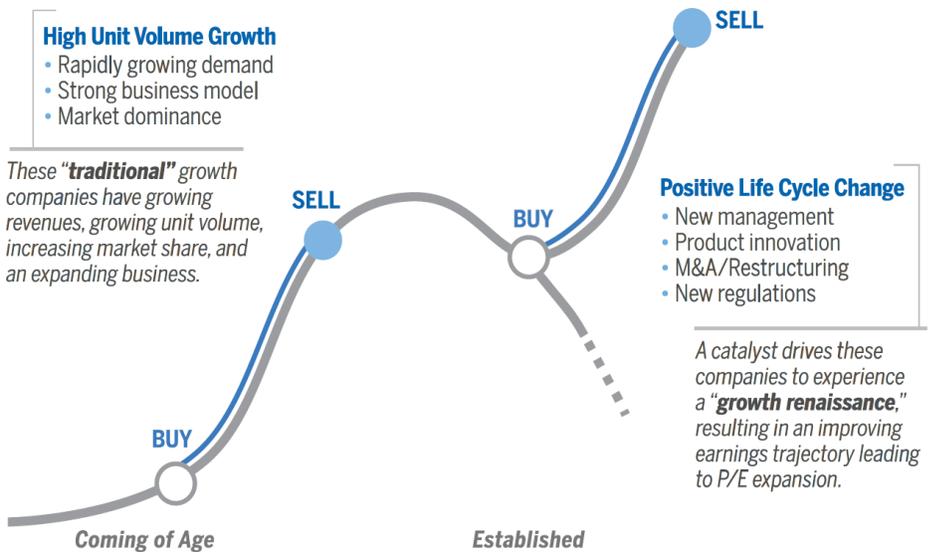


### Who We Are

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

## 2nd Quarter 2022

## Average Annual Total Returns (%) (as of 6/30/22)

	QTR	YTD	1Year	3Years	5Years	10 Years	Since Inception
<b>Class A</b> (Incepted 7/28/69)							
Without Sales Charge	-23.94	-35.82	-34.22	3.70	8.70	11.81	15.00
With Sales Charge	-27.94	-39.20	-37.67	1.86	7.54	11.21	14.87
<b>Class I</b> (Incepted 9/24/08)	-23.98	-35.83	-34.23	3.69	8.71	11.83	15.02
<b>Class Y</b> (Incepted 12/3/18)	-23.86	-35.70	-33.99	4.06	—	—	6.16
<b>Class Z</b> (Incepted 12/29/10)	-23.90	-35.72	-34.01	4.03	9.05	12.17	11.50
<b>Morningstar Category Average</b> (Large Growth)	-20.82	-29.12	-23.86	8.10	11.01	12.51	—
<b>Russell 3000 Growth Index</b>	-20.83	-28.15	-19.78	11.84	13.63	14.41	(Since 12/03/2018) 12.56 (Since 12/29/2010) 13.53
<b>Morningstar Percentile Rank</b> (Large Growth) Based on Total Returns							
<b>Class A</b>	—	—	87% 1069/1248	88% 1004/1138	83% 876/1052	70% 555/787	—
<b>Class I</b>	—	—	87% 1070/1248	88% 1006/1138	83% 875/1052	70% 552/787	—
<b>Class Y</b>	—	—	87% 1063/1248	86% 979/1138	—	—	—
<b>Class Z</b>	—	—	87% 1064/1248	86% 981/1138	80% 839/1052	64% 499/787	—

## Total Annual Operating Expenses by Class

(Prospectus Dated 3/1/22)

A: 1.39% I: 1.40% Y: 1.09% 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 29, 2024 to the extent necessary to limit the total annual fund 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; however, the Fund will only make repayments to Fred Alger Management, LLC if such repayment does not cause the Fund's expense ratio after the repayment is taken into account, to exceed both (i) the expense cap in place at the time such amounts were waived or reimbursed, and (ii) the Fund's current expense cap. Such recoupment is limited to two years from the date the amount is initially waived or reimbursed.

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 12/31/21)

	Fund (Class A)	Morningstar Large Growth Category Average	Russell 3000 Growth Index
<b>2021</b>	11.74	20.45	25.85
<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

## 2nd Quarter 2022

## Characteristics (as of 6/30/22)

	Alger Spectra Fund	Russell 3000 Growth Index
Equity Holdings	99	1656
Active Share (%)	72.74	—
Market Cap (Median-\$Bn)	\$29.82	\$2.19
Market Cap (Wtd Average-\$Bn)	\$460.27	\$686.36
P/E Ratio	22.86	20.66
Sales Growth (Next 12 Months) (%)	13.82	11.69
EPS Growth (3-5 Yr Forecasted) (%)	16.47	15.77

## Top 10 Holdings (%) (as of 6/30/22)

	Alger Spectra Fund	Russell 3000 Growth Index	Active Weight
Microsoft Corporation	8.92	10.23	-1.31
Apple Inc.	5.03	11.13	-6.10
Amazon.com, Inc.	4.82	5.03	-0.21
Alibaba Group Holding Ltd. Sponsored ADR	3.10	0.00	3.10
Visa Inc. Class A	3.03	1.73	1.31
Costco Wholesale Corporation	2.83	1.13	1.70
Alphabet Inc. Class C	2.68	2.78	-0.10
Intuit Inc.	2.54	0.57	1.97
Advanced Micro Devices, Inc.	2.47	0.52	1.95
HEICO Corporation Class A	2.39	0.04	2.34
Total	37.81	33.16	4.66

## Market Capitalization (as of 6/30/22)

Market Cap Range	Alger Spectra Fund	Russell 3000 Growth Index
>\$50B	58.04	74.62
\$15B-\$50B	30.35	13.64
\$7.5B-\$15B	3.08	3.79
\$1.5B-\$7.5B	8.74	6.56
\$750M-\$1.5B	0.88	0.93
<\$750M	-1.08	0.46

■ Alger Spectra Fund ■ Russell 3000 Growth Index

## Portfolio Statistics (5 Years as of 6/30/22 for Class A)

	Alger Spectra Fund	Russell 3000 Growth Index
Alpha	-4.73	—
Beta	1.04	1.00
Standard Deviation	20.48	19.07
Sharpe Ratio	0.46	0.71
Information Ratio	-0.85	—
Upside Capture (%)	92.02	—
Downside Capture (%)	108.77	—

## Top 10 Active Holdings (%) (as of 4/30/22)

	Alger Spectra Fund	Russell 3000 Growth Index	Active Weight
MGM Resorts International	4.11	0.00	4.11
TransDigm Group Incorporated	2.14	0.04	2.10
NextEra Energy, Inc.	1.77	0.00	1.77
Advanced Micro Devices, Inc.	2.41	0.70	1.71
Astrazeneca PLC Sponsored ADR	1.56	0.00	1.56
SolarEdge Technologies, Inc.	1.55	0.00	1.55
Live Nation Entertainment, Inc.	1.52	0.03	1.49
CrowdStrike Holdings, Inc. Class A	1.68	0.20	1.48
HEICO Corporation Class A	1.46	0.01	1.45
Alibaba Group Holding Ltd. Sponsored ADR	1.43	0.00	1.43
Total	19.62	0.98	18.63

## Sector Allocation (as of 6/30/22)

Sector	Alger Spectra Fund	Russell 3000 Growth Index	Active Weight
Information Technology	~40	~45	-3.06
Consumer Discretionary	~15	~18	1.57
Health Care	~10	~12	1.20
Communication Services	~8	~10	-0.20
Industrials	~8	~9	-1.03
Energy	~5	~10	4.31
Financials	~5	~6	0.77
Consumer Staples	~5	~9	-3.44
Utilities	~5	~7	1.76
Real Estate	~5	~6	-0.80
Materials	~5	~6	-1.08

■ Alger Spectra Fund ■ Russell 3000 Growth Index

## 2nd Quarter 2022

**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 environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases and similar public health threats, 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. 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.

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. Sales Growth and EPS Growth rates were calculated using a weighted median. Please note that alternative methodologies exist for calculating P/E Ratios, Sales Growth, 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. Sales Growth is a measure of the estimated sales growth rate of a company over the next 12-months. 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.

Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and / or Russell ratings or underlying data and no party may rely on any Russell Indexes and / or Russell ratings and / or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

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 Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark, or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weight of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's conviction in a fund's prospects for outperformance. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to [global.morningstar.com/managerdisclosures/](http://global.morningstar.com/managerdisclosures/). The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause Analyst expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.

©2022 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 Spectra Fund A was rated 2, 2, and 2 Star(s) for the 3-, 5-, and 10-year periods among 1138, 1052, and 787 Large Growth funds as of 06/30/22.

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.**

**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.**