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Autumn 2025

Capital Markets: Observations and Insights

Capital Markets: Observations & Insights

The United States is in the midst of a business spending boom, powered by the convergence of innovation and economic policy, in our view.

Innovation is being driven by extraordinary advances in artificial intelligence (AI) and the insatiable demand for computing power that follows. The scale of the projected U.S. AI infrastructure build-out is immense, drawing comparisons to America's wartime mobilization during World War II, when the nation spent roughly \$330 billion in 1945 dollars—about \$6 trillion in today's terms—an amount comparable to estimates for cumulative U.S. AI outlays between 2025 and 2030.

This innovation cycle is being reinforced by a powerful policy backdrop. Trade policy is incentivizing domestic investment as corporations seek to avoid tariffs by producing in the United States, helping to reindustrialize our nation. Fiscal policy, combined with pro-business regulation, is amplifying this momentum through generous tax incentives, including immediate expensing of equipment, manufacturing facilities, domestic R&D, and software. Finally, monetary policy is also supportive: the 100 basis points of Fed cuts last year, together with additional interest rate reductions this year, are lowering the cost of capital and reinforcing the spending cycle.

At Alger, we are optimistic that this surge in business investment will lift near-term economic growth and also lay the foundation for lasting productivity gains. Just as the massive outlays of World War II left a legacy of transformative innovations—jet engines, radar, microwave electronics, and early computing—the current boom in business investment may catalyze breakthroughs with the potential to raise productivity across the economy for years to come.



A handwritten signature in black ink, appearing to read 'Daniel C. Chung'.

Daniel C. Chung, CFA

Chief Executive Officer
Chief Investment Officer



A handwritten signature in black ink, appearing to read 'Brad Neuman'.

Brad Neuman, CFA

Senior Vice President
Director of Market Strategy

Key Observations and Themes

I

Bull vs. Bear

Will tariffs push up inflation and sap consumer spending, conspiring with high valuations to keep a lid on equity markets? Or will tax cuts, easing monetary policy, and AI innovation drive business investment, earnings, and stock prices to new highs?

3

II

Long-Term Investing

Regardless of how the short-term macroeconomic situation evolves, the long-term future of the economy and equity investing is very bright, in our view.

15

III

The Power of Innovation

We believe innovation is accelerating, pushing productivity higher and driving long-term economic growth and wealth creation.

20

IV

Enduring Themes

Secular investment trends may transcend economic volatility, politics, and central bank actions, producing compelling investment opportunities over the long-term.

25

V

Style Wars

Powerful structural forces may keep the long-term trend of growth outperformance intact, in our view.

32

VI

Investing Outside the U.S.

In many areas of innovation, leaders exist outside the U.S. and often trade at a discounted valuation to their U.S. peers, potentially offering attractive investment opportunities.

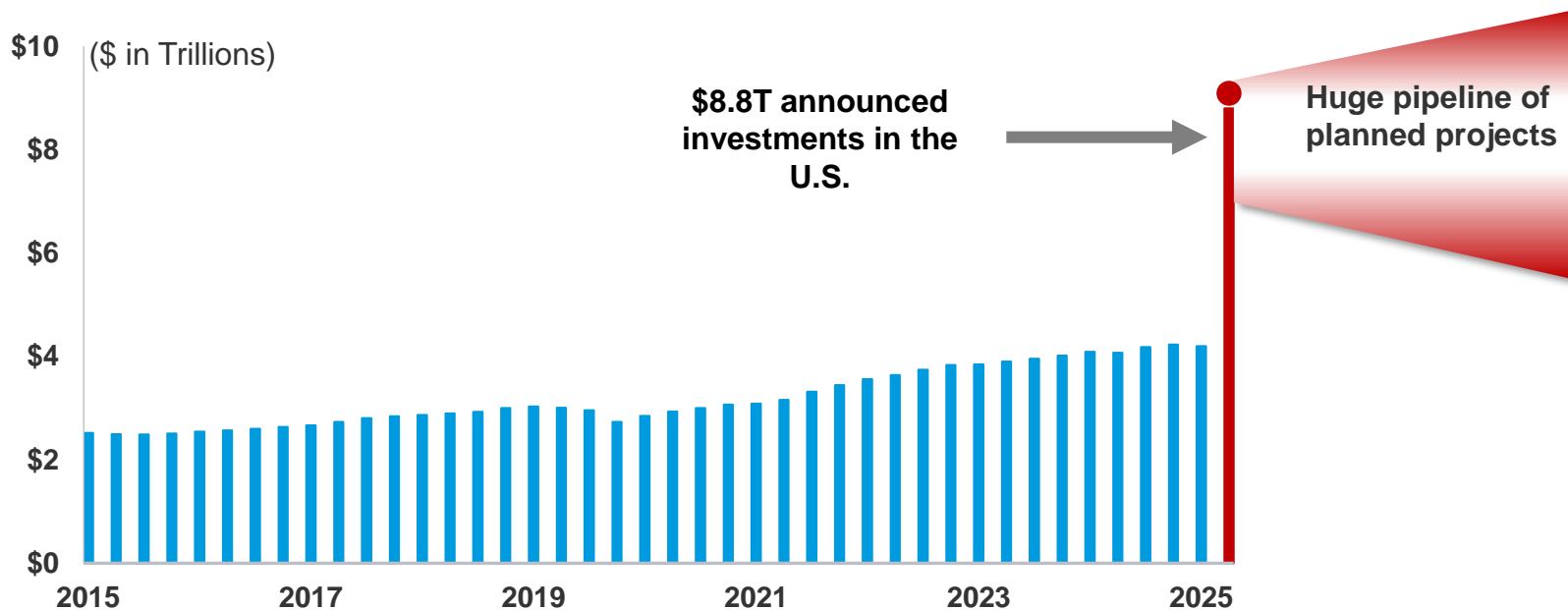
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I Bull vs. Bear

Bull Case: American Business Spending Boom

- The growth of U.S. business investment is outpacing overall economic growth and may be poised to surge ahead
 - Driven by tariffs encouraging domestic production and tax incentives for manufacturing facilities, equipment, and domestic R&D, as well as the need for infrastructure required to enable the AI revolution

U.S. Private Nonresidential Fixed Investment



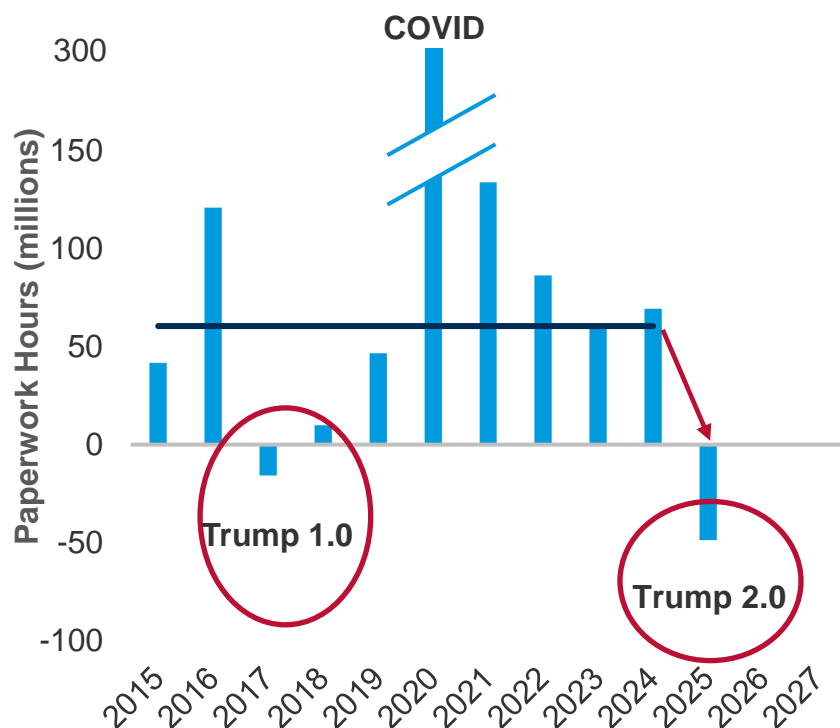
Source: U.S. Bureau of Economics and The White House. Private Nonresidential Fixed Investment is business spending on productive assets including structures, equipment, and intellectual property.

Bull vs. Bear

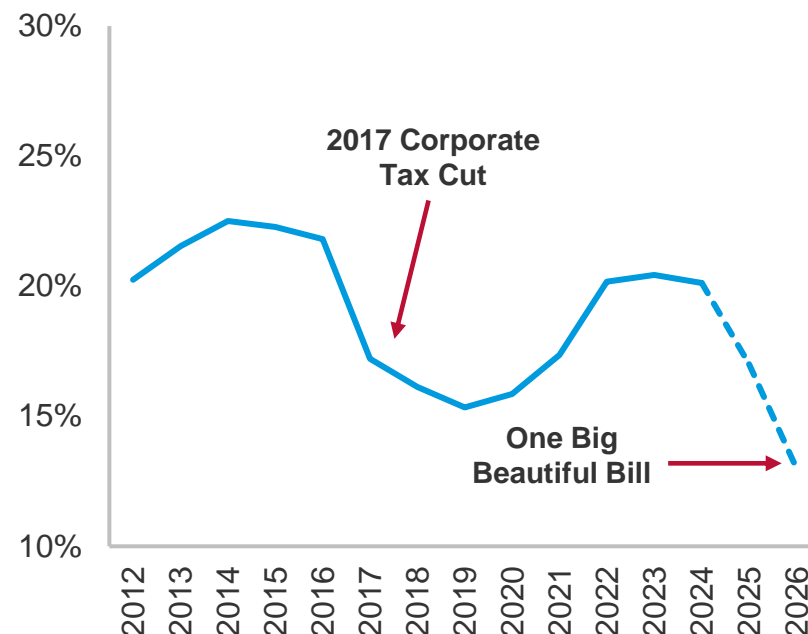
Bull Case: Deregulation & Lower Taxes

- Lower regulation requirements may encourage corporate investment and M&A
- Tax incentives will lower corporate taxes and may spur business spending

New Federal Regulation Paperwork Hours



U.S. Effective Corporate Tax Rate



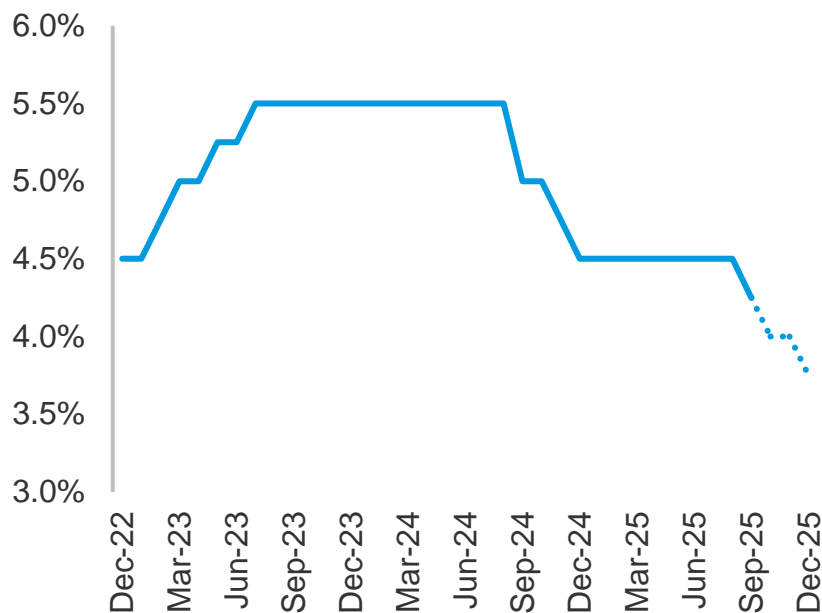
Source: American Action Forum as of September 2025. Black line is median value over the data series. Trump 1.0 refers to first Trump presidency with Republican Congress (left). Effective tax rate from U.S. Bureau of Economic Analysis with forecast from Piper Sandler (right).

Bull vs. Bear

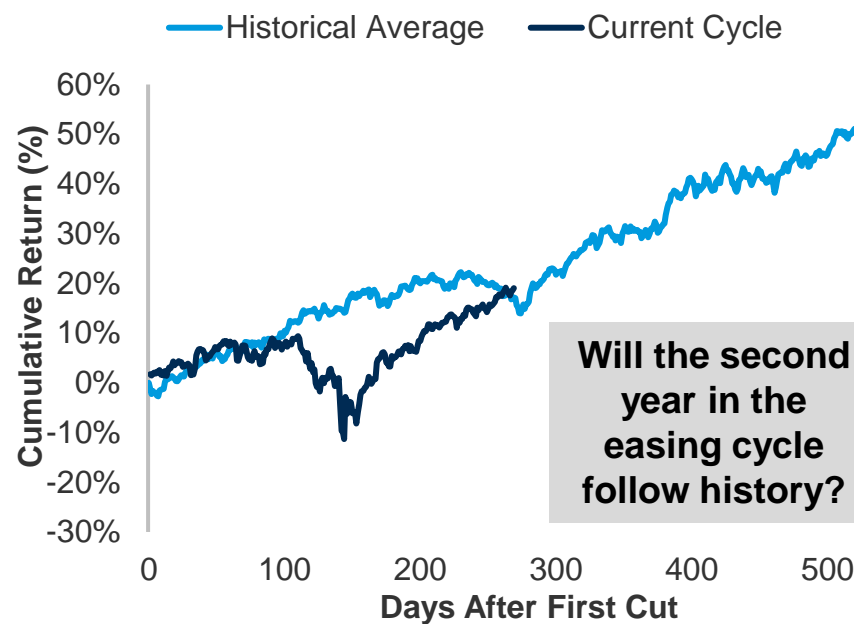
Bull Case: Fed Easing

- The Fed is cutting rates, making borrowing cheaper, in an effort to spur growth and support the labor market
- Easing monetary policy in the absence of recession has historically been positive for equities

Fed Funds Target Rate



S&P 500 Two Years After Rate Cut With No Recession



Source: Federal Reserve, FactSet and Alger. Historical rate cut average based on rate cuts on 9/3/84, 7/6/95, and 9/29/98 with current cycle 9/18/24 through 09/30/25 (right). The performance data quoted represents past performance, which is not an indication or a guarantee of future results.

I

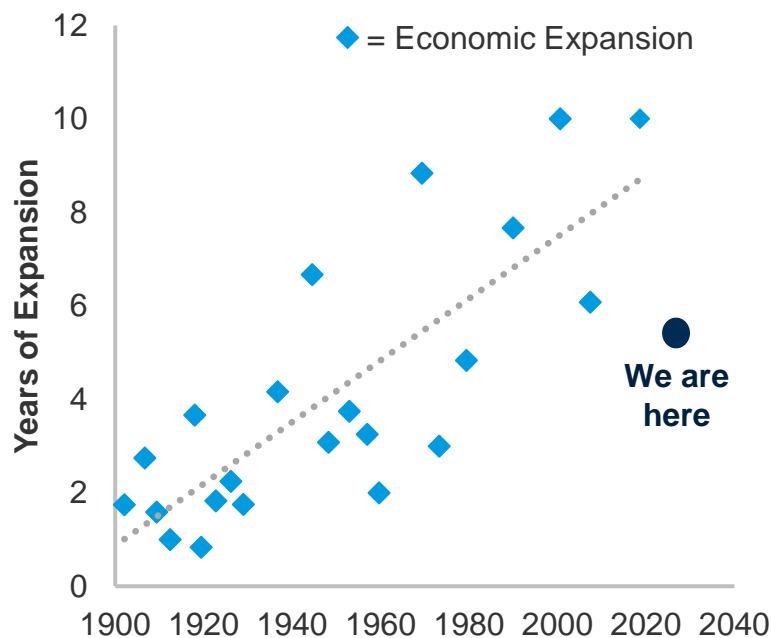
Bull vs. Bear

Bull Case: Still Early

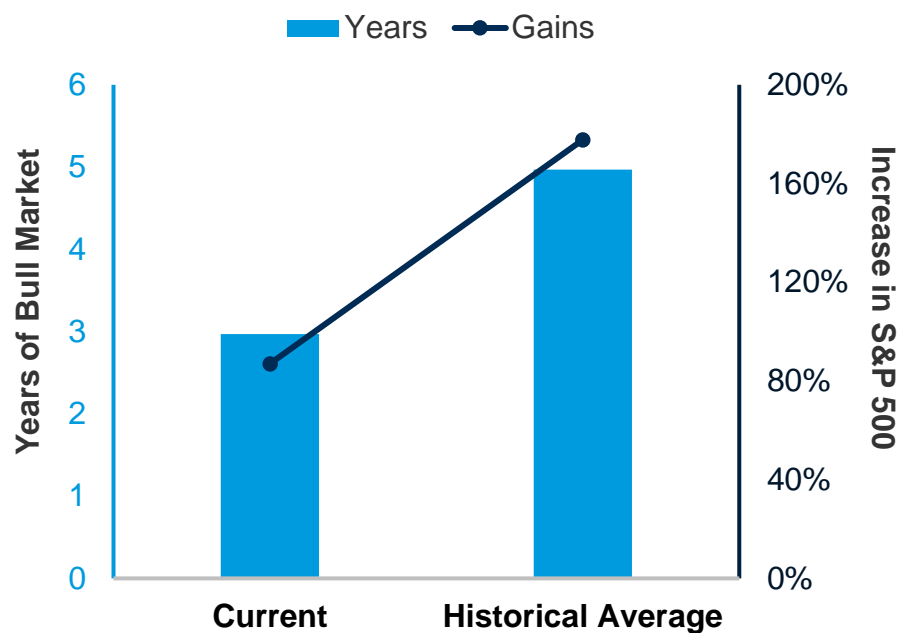
- Economic expansions have been increasing in duration, implying we may have more growth ahead

- Equity bull markets have historically lasted much longer and seen much more appreciation than the current cycle

Age of U.S. Economic Expansions



Current Bull Market vs. Historical Bull Markets



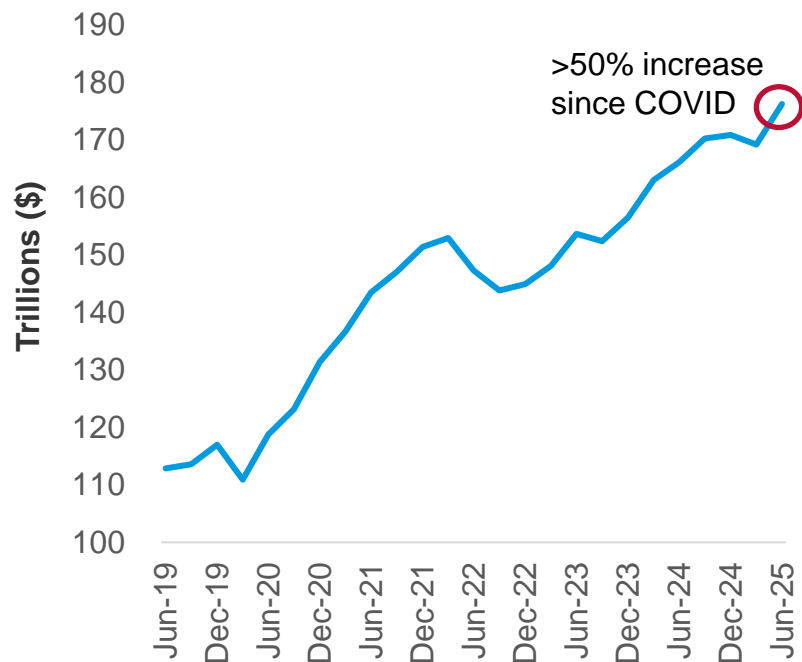
Source: FactSet and Alger. Note: double-dip recession in early 1980s accounted for as one recession. "Economic Expansions" are the periods between recessions, as defined by the National Bureau of Economic Research, (left). Historical bull markets calculated using S&P 500 since 1932. Current period is 10/12/22 through 9/30/25. Bull markets are periods between bear markets or 20% drawdowns (right). **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

Bull vs. Bear

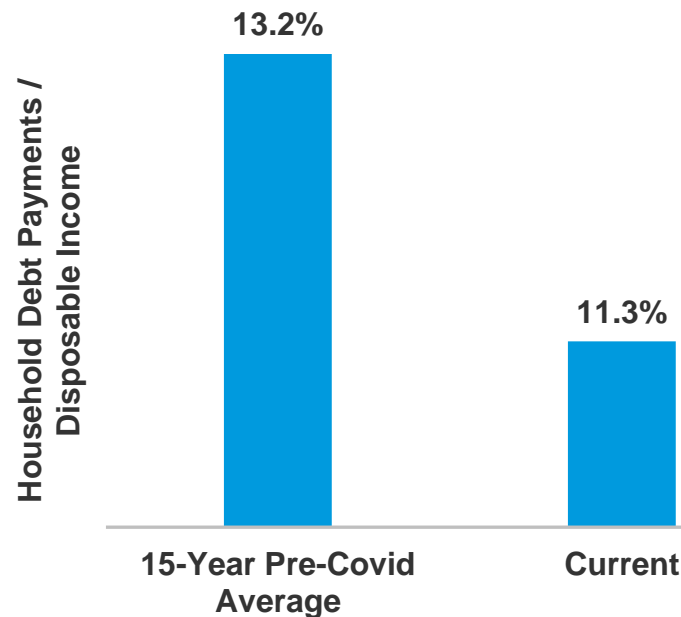
Bull Case: Solid Consumer Balance Sheet

- Soaring household net worth may support spending
- Low debt to income should underpin consumers' ability to spend

U.S. Household Net Worth



Solid Balance Sheets



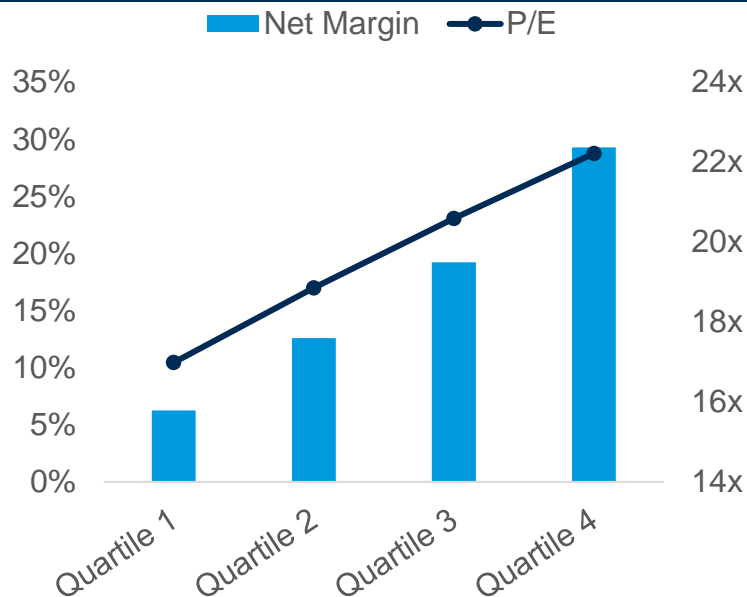
Source: Federal Reserve. Pre-Covid period 1/1/05-12/31/19 and current period is 2Q25 for both debt payments-to-income and household net worth.

Bull vs. Bear

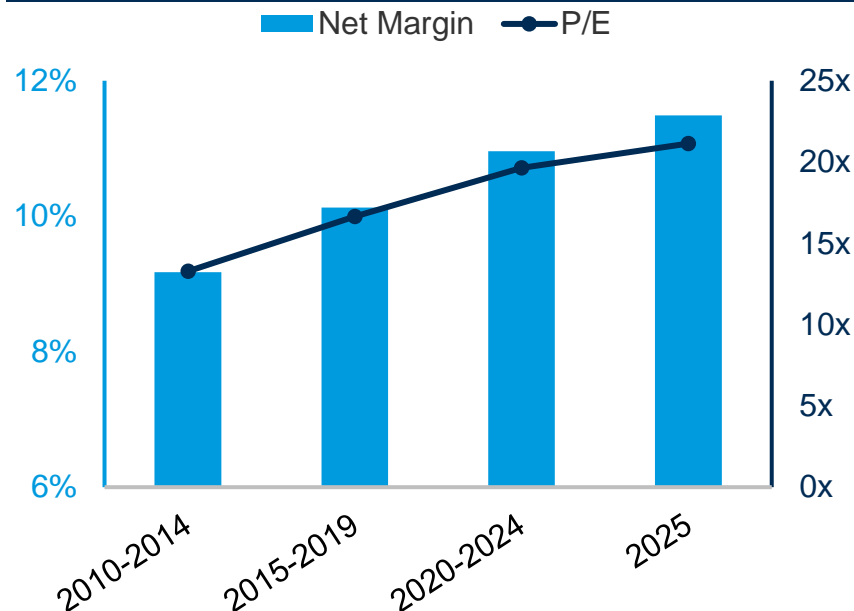
Bull Case: Better Business Models

- Superior business models with stronger margins have been rewarded with higher valuations
- Rising margin and better return on capital point to higher S&P 500 multiples over time

**Current
S&P 500 Margin vs. Valuation**



**Historical
S&P 500 Margin vs. Valuation**



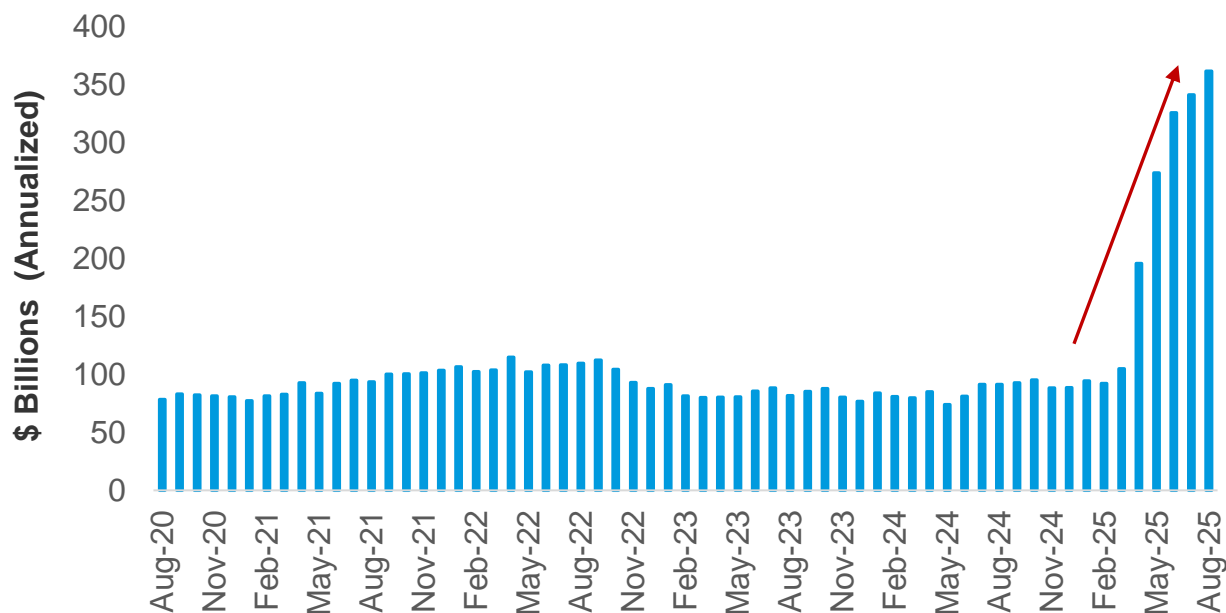
Source: FactSet. S&P 500 quartiles based on median net margin (net income divided by sales) and P/E (Price-to-earnings is the ratio for valuing a company that measures its current share price relative to its earnings per share) as of 8/31/25.

Bull vs. Bear

Bear Case: Trade Wars

- Higher tariffs are likely to reduce real consumption and/or corporate profitability, in our view

U.S. Customs Duties



**Customs
duties
exceeded
\$350B/year or
>1% of GDP**

Source: U.S. Treasury.

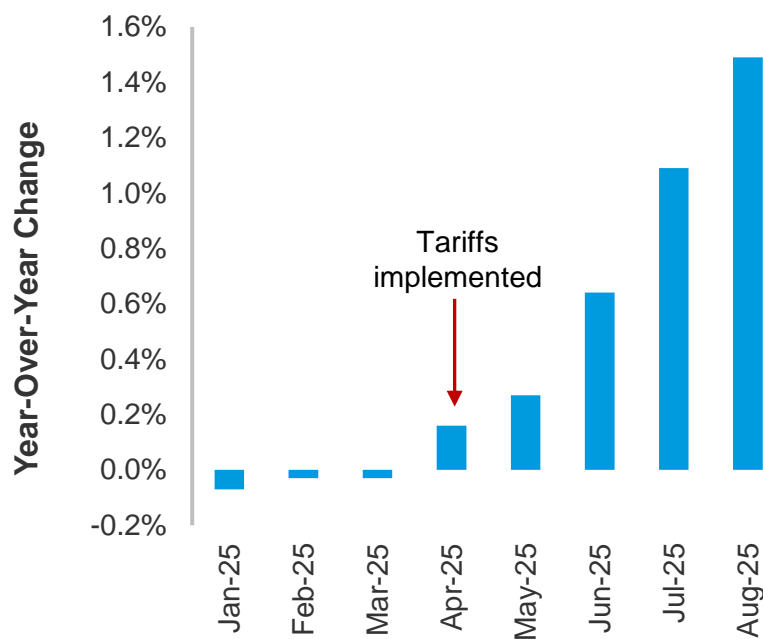
Bull vs. Bear

Bear Case: Inflation Resurgence?

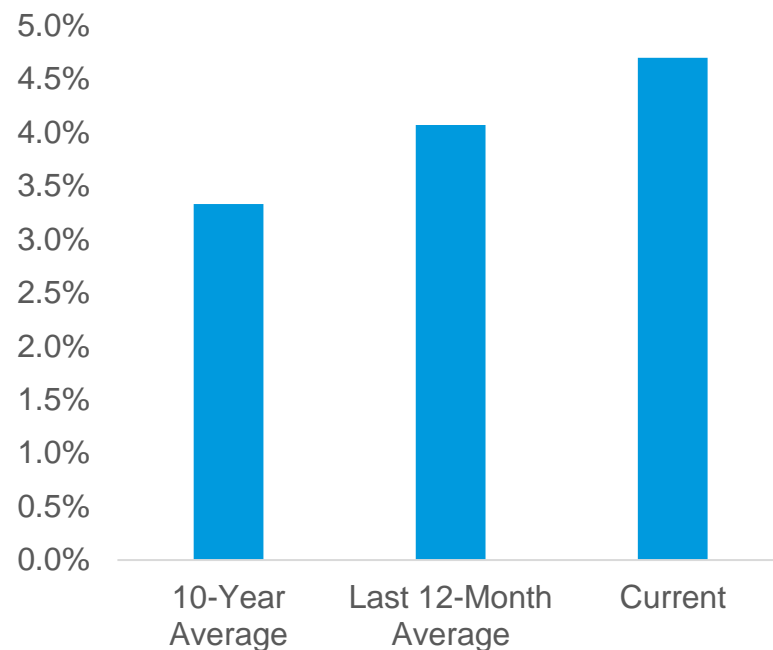
- If tariffs continue to drive inflation beyond a temporary spike, expectations for Fed easing could be challenged

- Rising consumer expectations of higher prices risk becoming self-fulfilling, adding pressure to actual inflation

Core Consumer Goods Inflation



Expected Change in Prices During the Next Year



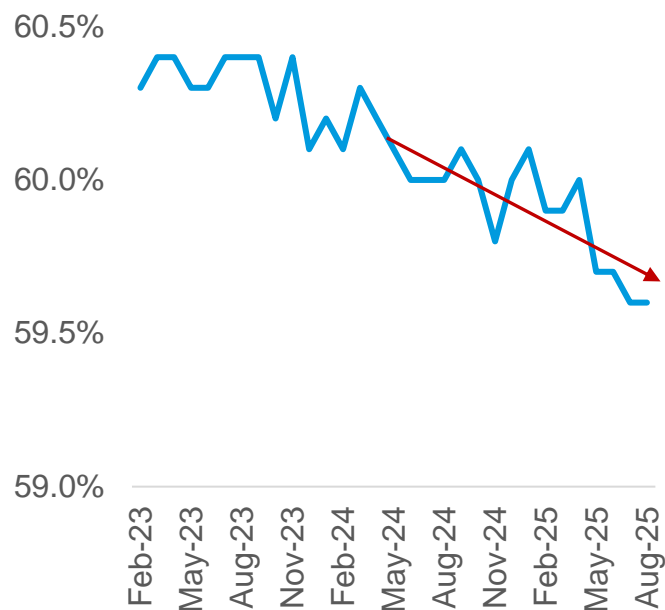
Source: U.S. Bureau of Labor Statistics Consumer Prices, August 2025. "Core goods" excludes food & energy (left). University of Michigan Survey of Consumers, September 2025 (right).

Bull vs. Bear

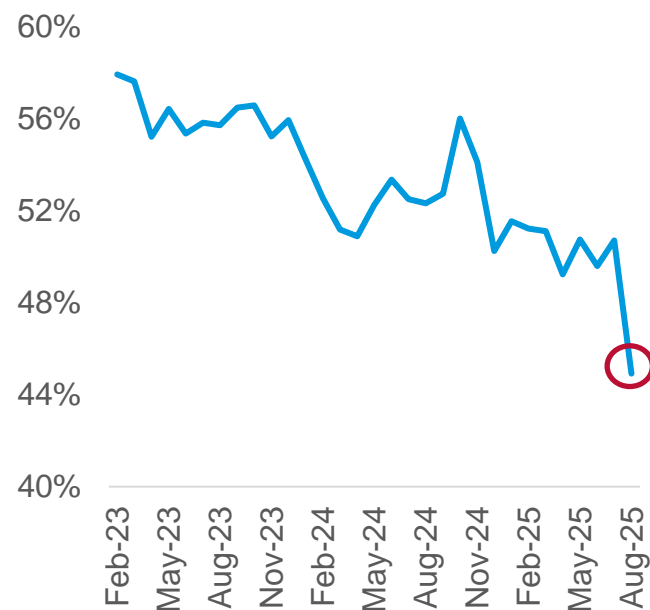
Bear Case: Weak Employment

- Job creation is anemic, driving down the proportion of those employed
- Worker confidence in finding jobs is at very low levels

Employment to Population Ratio



Probability of Finding Job if Lost



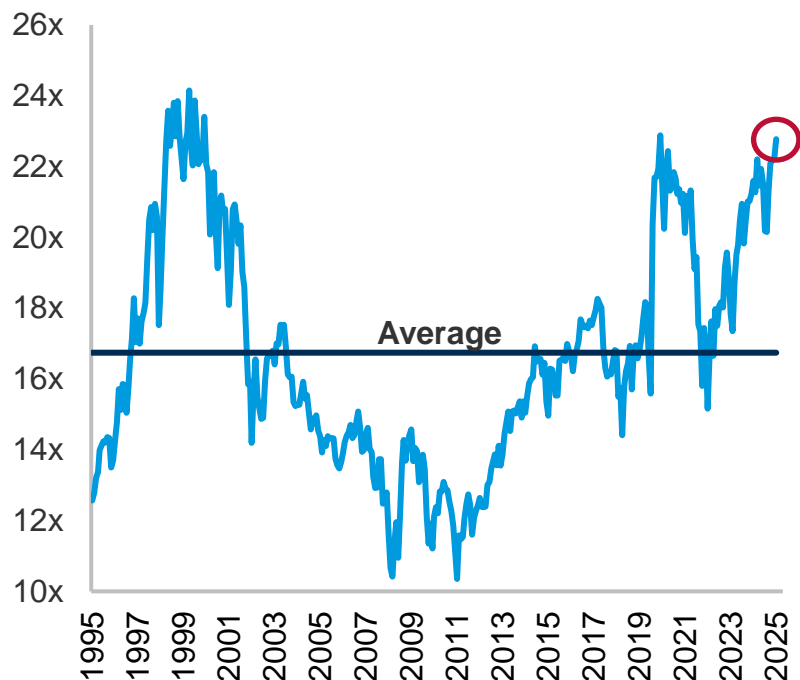
Source: U.S. Bureau of Labor Statistics (left) and NY Fed Survey of Consumer Expectations (right) – mean expectation of probability of finding a job in the next three months if one loses a job today.

Bull vs. Bear

Bear Case: Elevated Valuations

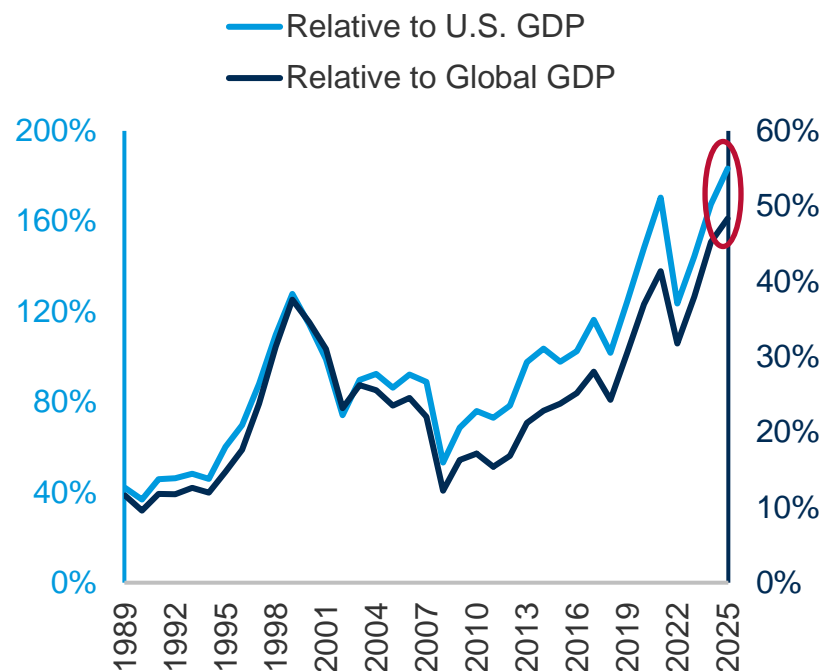
- On traditional metrics, U.S. equity valuations are significantly above average

S&P 500 Price-to-Earnings



- They also appear expensive using alternative metrics like this one popularized by Warren Buffett

S&P 500 Market Capitalization To GDP



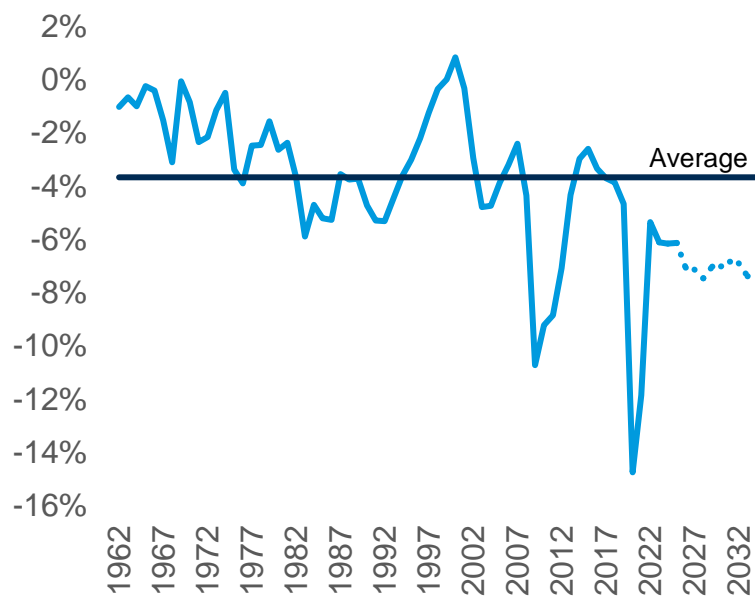
Source: FactSet as of 9/30/25; P/E based on consensus next 12-month estimates (left). S&P 500 market capitalization from FactSet as of 9/30/25, U.S.GDP from Bureau of Economic Analysis and worldwide GDP from the World Bank. 2025 estimates from Alger as of September 2025 (right).

Bull vs. Bear

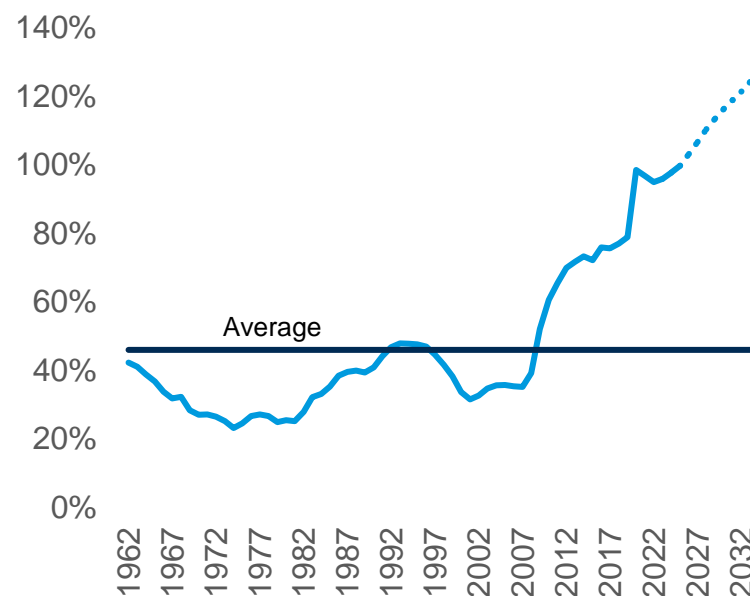
Bear Case: Bonds Balk?

- With a very high federal deficit and growing debt and related service levels, will Treasury bonds balk and yields rise?

U.S. Federal Deficit as a % of GDP



U.S. Federal Debt Held by the Public

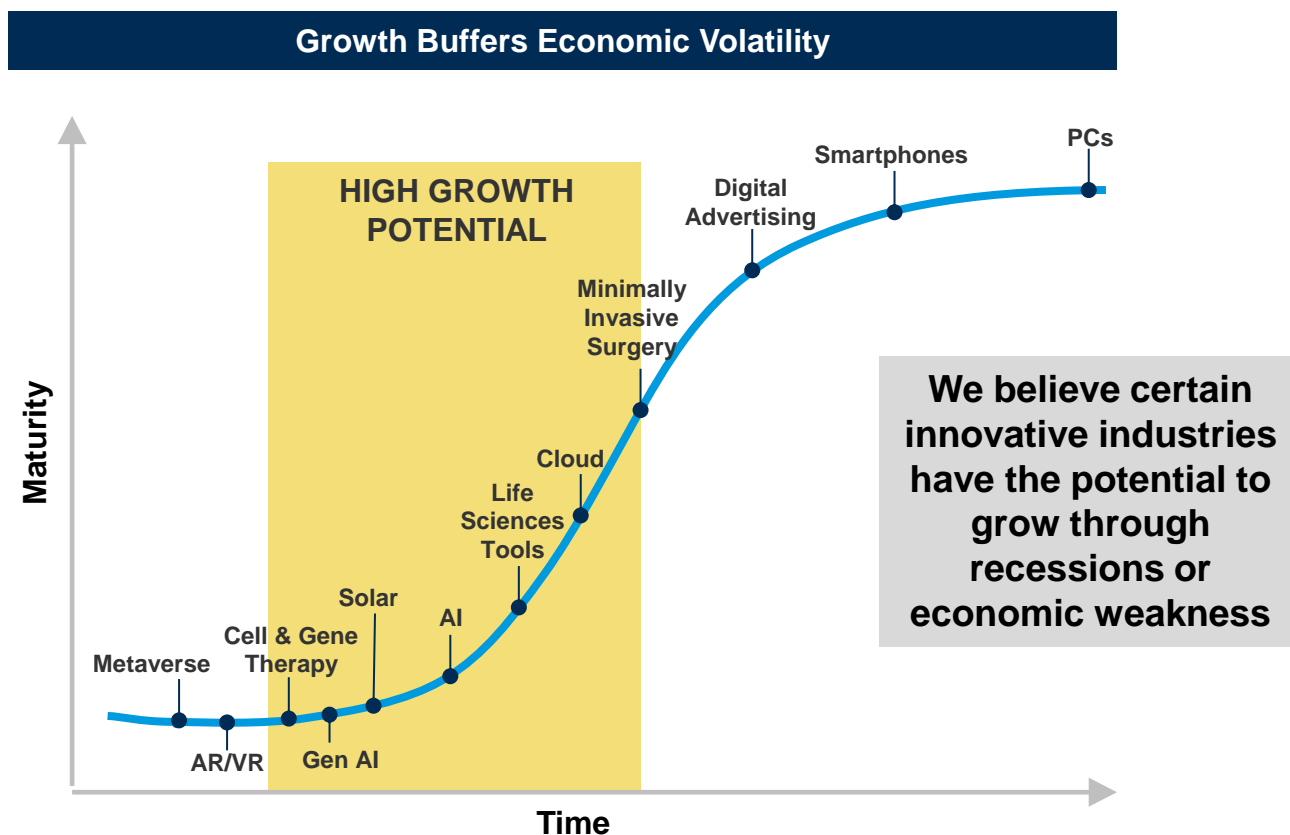


Source: Congressional Budget Office with projections 2025-2034. U.S. fiscal year end is September.

Bull vs. Bear

Investing for Various Market Environments

- Industries or technologies early in their lifecycle are less susceptible to economic volatility because of their potential for market share gains, in our view

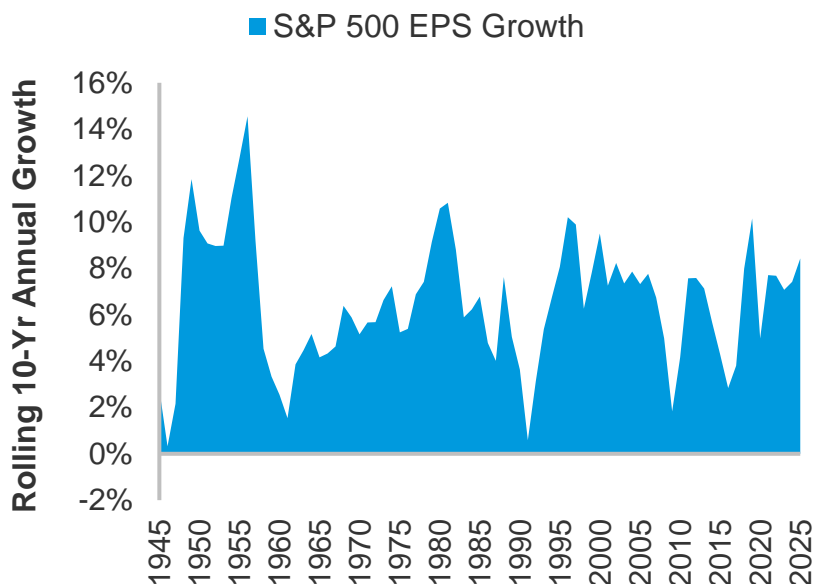


Source: Alger. Investing in innovation is not without risk and there is no guarantee that investments in research and development will result in a company gaining market share or achieving enhanced revenue.

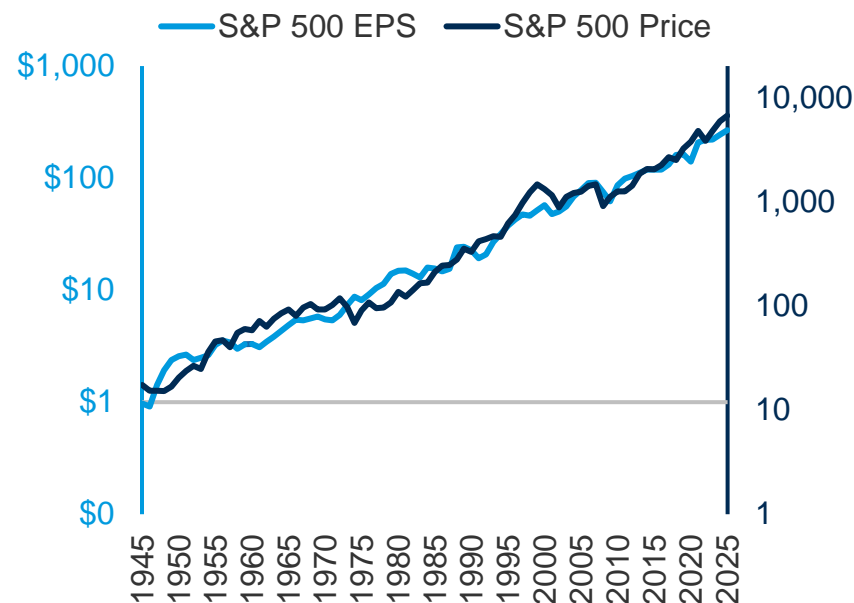
- Earnings per share has historically increased over full cycles
- Post WWII, S&P 500 EPS has always grown over 10-year periods

- The S&P 500 price has tracked the 7% annual growth in earnings
- Huge wealth creation despite 12 recessions and several wars

Earnings Have Historically Grown...

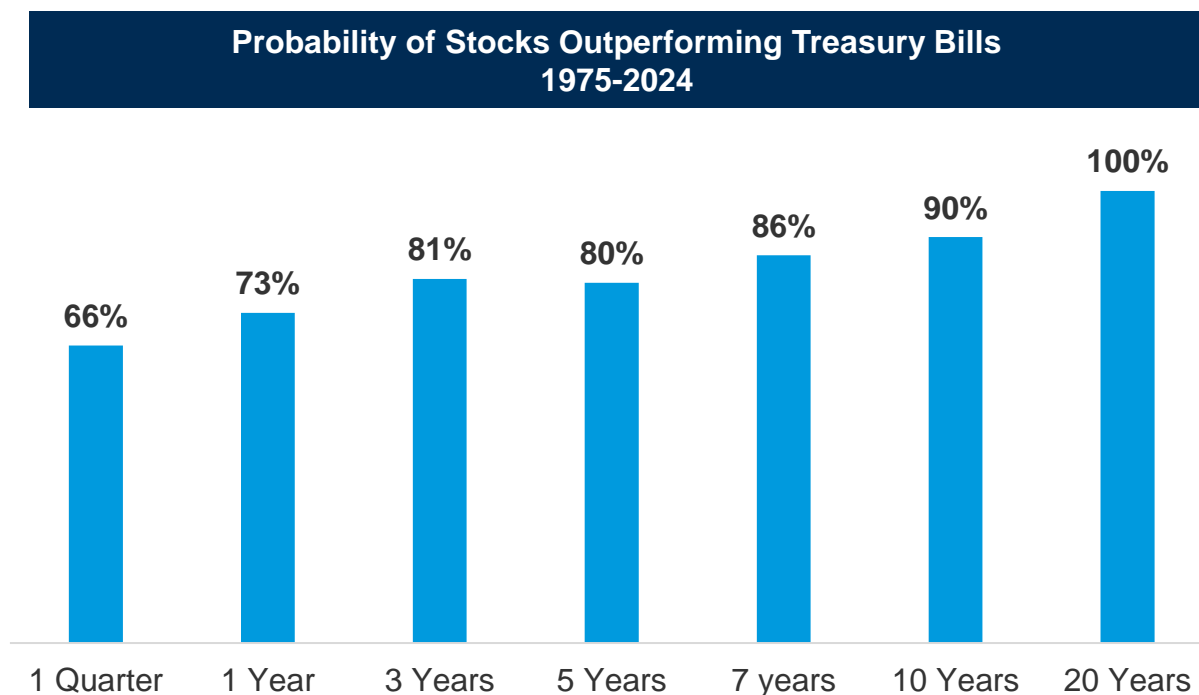


...Driving Stocks Prices Upward at a Similar Rate



Source: FactSet as of September 2025. The performance data quoted represents past performance, which is not an indication or a guarantee of future results.

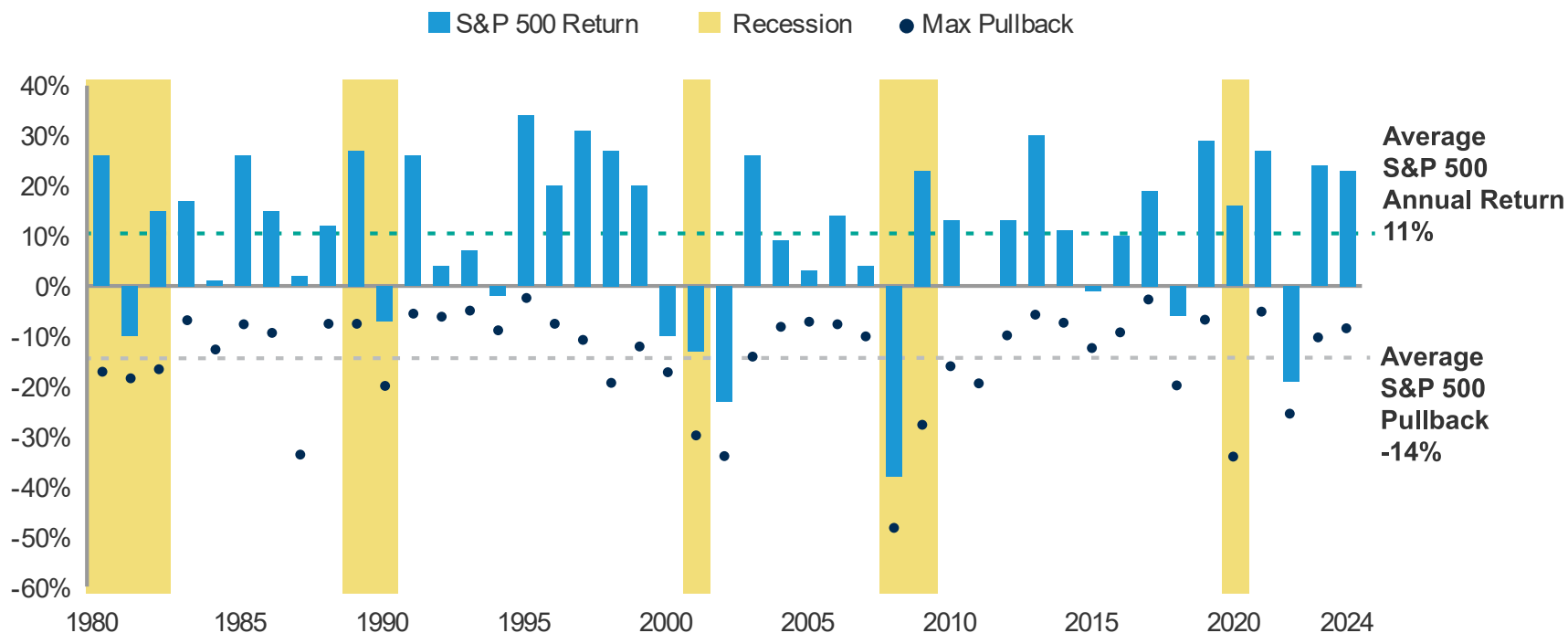
- While market drawdowns can be difficult to endure, historical data supports the adage: it's time in the market, not timing the market
 - The S&P 500 has outperformed Treasury Bills two-thirds of the time on a quarterly basis but 90% of the time over 10-year rolling periods and 100% over 20-year periods



Source: FactSet. Quarterly total return rolling data 12/31/1975-12/31/2024. Stocks are S&P 500 and Treasury Bills represented by the ICE BofA U.S. Treasury 1-3 Year Index. **The performance data quoted represents past performance, which is not an indication or a guarantee of future performance.**

- Historically, strong equity returns have often been accompanied by significant drawdowns
 - From 1980 through 2024, the average intra-year S&P 500 pullback has been -14%, while the average S&P 500 calendar year increase has been approximately +11%

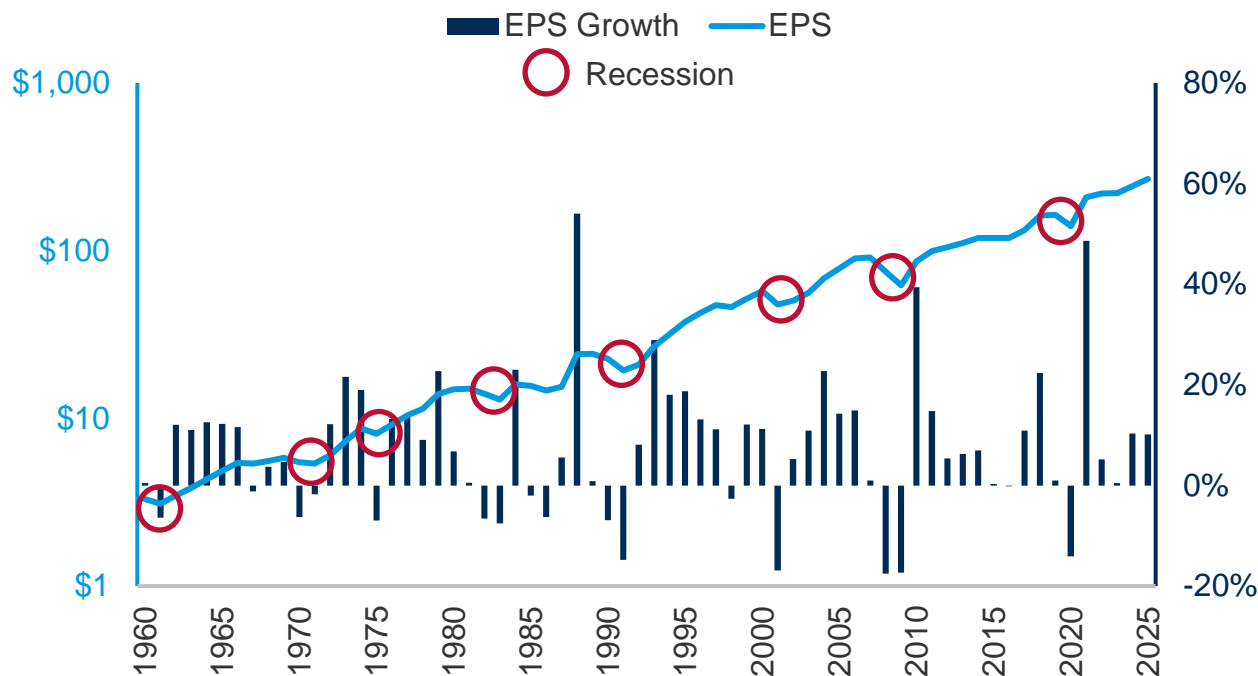
Calendar Year S&P 500 Returns and Maximum Drawdowns



Source: FactSet and Standard & Poor's. Annual S&P 500 performance calculations use daily price returns 1/1/80-12/31/24. **The performance data quoted represents past performance, which is not an indication or a guarantee of future performance.**

- S&P 500 earnings have declined in past recessions, but historically, EPS has reached or nearly reached a new high in the first or second year after the recession ended
 - Temporary EPS declines shouldn't theoretically impact long-term value significantly

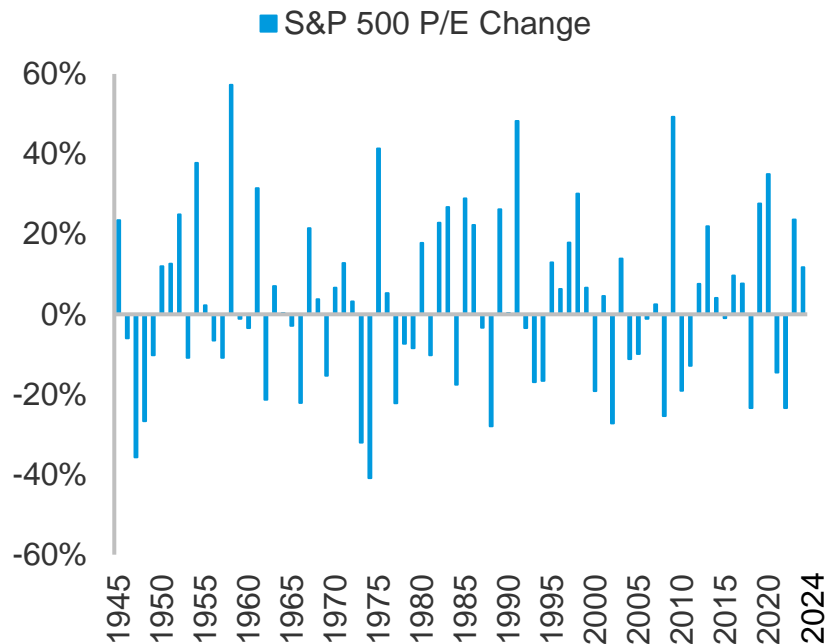
S&P 500 EPS has Historically Trended Higher Despite Recessions



Source: S&P reported EPS 1960-1987. S&P operating EPS 1988-1995, FactSet Operating EPS 1996 to present. 2025 is a bottom-up consensus estimate.

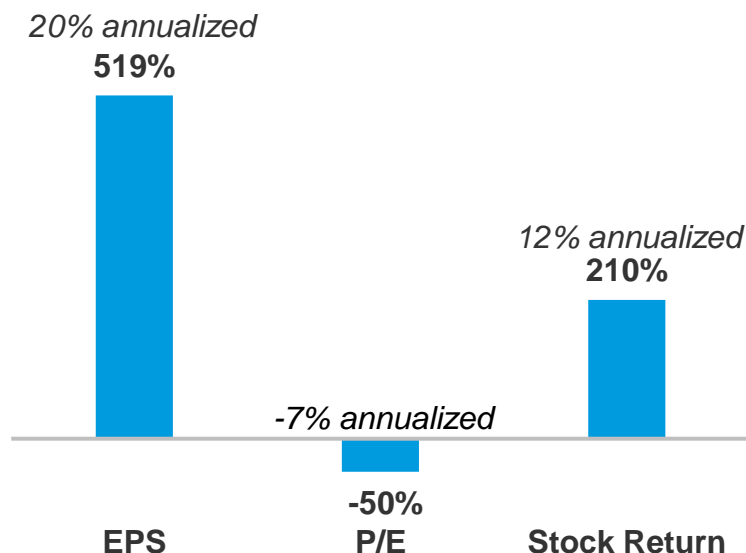
- While sentiment shifts may dominate short-term equity price fluctuations, long-term returns are driven by fundamentals such as earnings and cash flows
 - As Buffet's mentor Benjamin Graham said, "In the short run, the market is a voting machine but in the long run, it is a weighing machine"

Sentiment Shifts Over Time...



But Earnings Drive Stock Prices

**Hypothetical 10-year Return of Company
Whose EPS Grows 20% Annually but P/E
Falls in Half**



Source: FactSet using last 12-month EPS through 2024 (left). Alger (right).

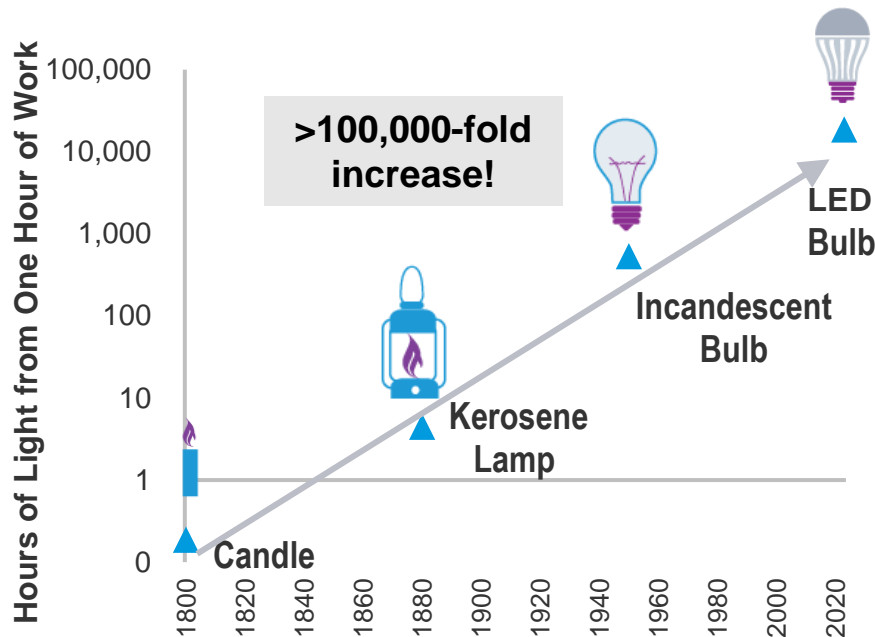


The Power of Innovation

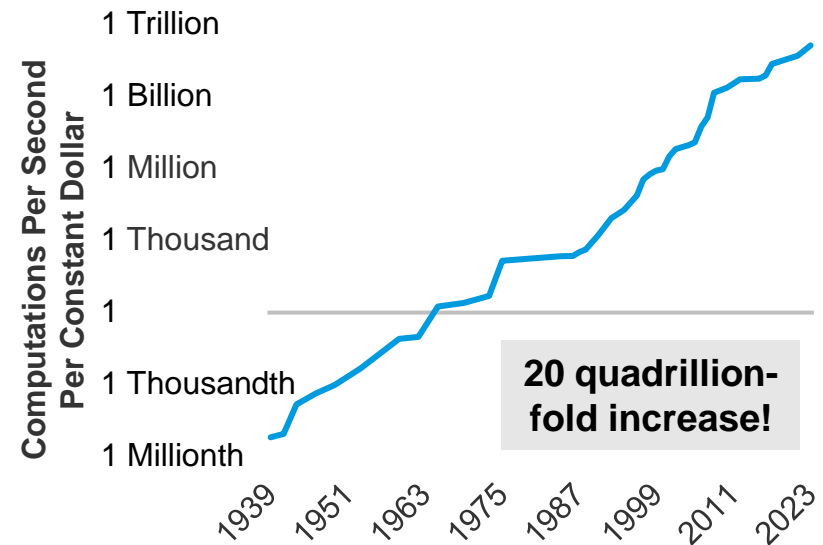
Innovation Drives Productivity

- Technological progress is a powerful engine of exponential productivity growth

Productivity in Light



Productivity in Computation



Source: William D. Nordhaus, "Do real output and real wage measures capture reality? The history of lighting suggests not," in "The Economics of New Goods" ed. T.F. Breshnahan and R. Gordon, Chicago University Press and Alger estimates (left). Ray Kurzweil, "The Singularity is Nearer," Penguin Random House, 2024 (right).



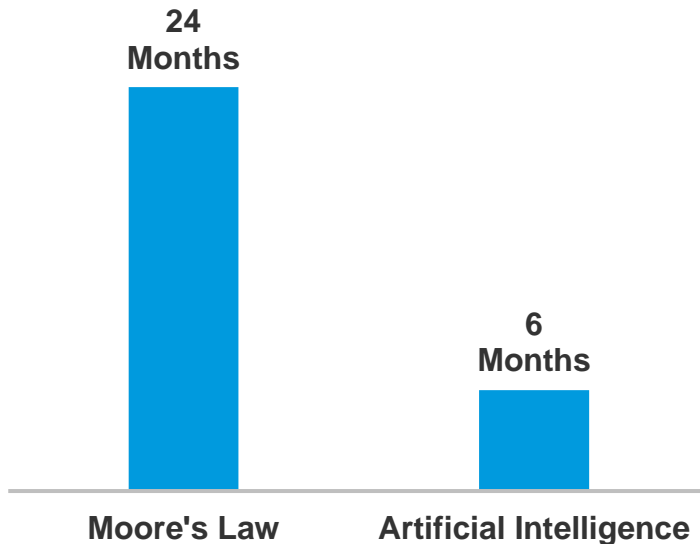
The Power of Innovation

Innovation Is Accelerating



- Artificial intelligence is progressing at a much quicker pace than computer processors

Doubling Time in Months



- At the speed of Moore's Law, a 6-inch plant would grow to 16 feet in a decade, but at the speed of AI, it would reach outer-space

Moore's Law vs. AI



Source: Intel, Microsoft 4/30/25 earnings call. Moore's Law refers to length of time that it takes for number of transistors per integrated circuit to double. Doubling time for AI refers to model capabilities. The calculation period used for AI was 2012-2024 (left). Dall-E (right).

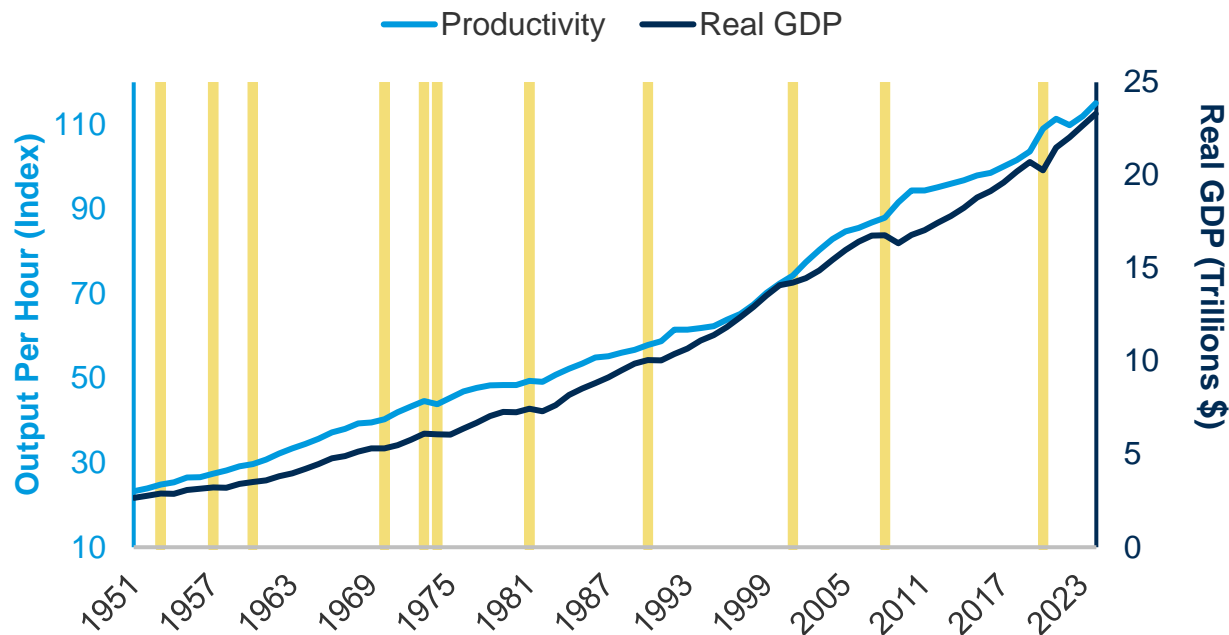


The Power of Innovation

The Engine of Growth

- Innovation boosts productivity, or output per hour, which ultimately fuels real GDP
 - If innovation is accelerating, what will happen to productivity and GDP growth?

Productivity Improvements Increase GDP



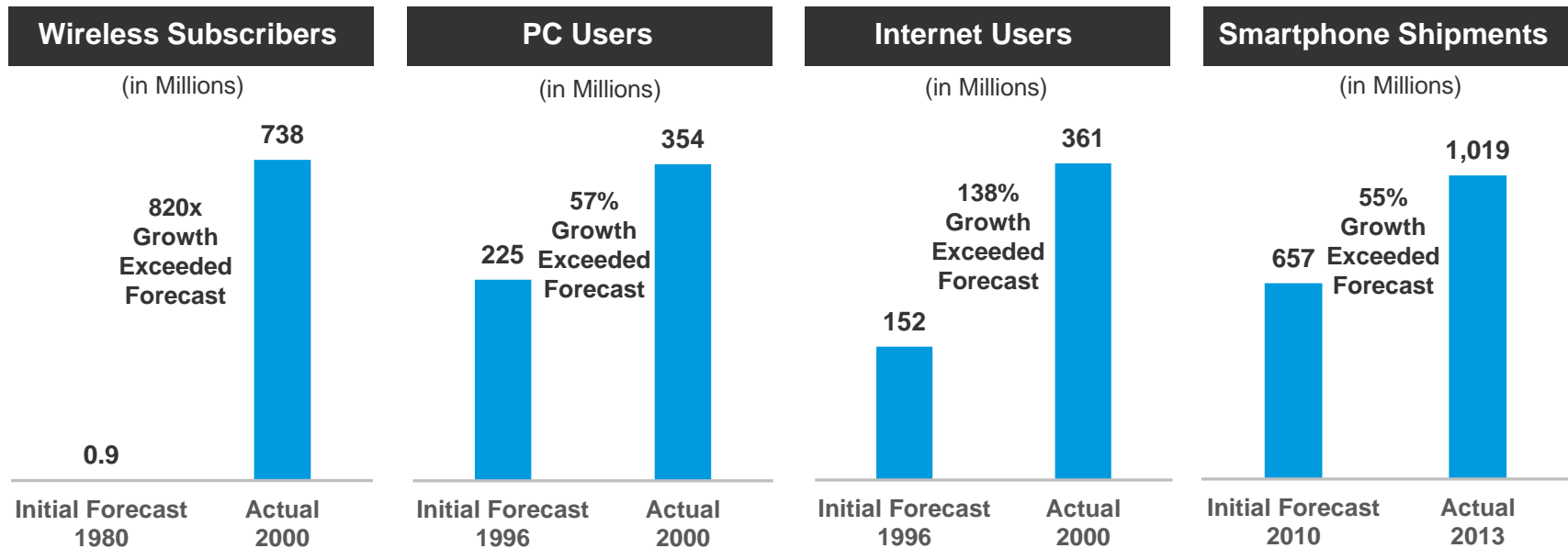
**Productivity
has increased
over time,
driving real
GDP higher**

Source: U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis through 2024. Shaded regions denote U.S. recessions as determined by the National Bureau of Economic Research.



The Power of Innovation Faster Than You Think

- The long-term impact of emerging technologies is often underestimated because investors fail to account for innovative breakthroughs that drive rapid adoption



Source: The Economist 10/7/99 – “Cutting the Cord” and World Bank 2024, Morgan Stanley Research, Global Technology, North America, (2024), Morgan Stanley AI Guidebook: Fourth Edition, January 23, 2024, and Alger.



The Power of Innovation

A New Technological Revolution

- Every few decades a new technological revolution takes hold and changes the way we live and work
- The Age of Connected Intelligence is a result of a confluence of technologies working together: immense amounts of data and incredibly powerful computing power

Global Technological Revolutions Shape Our Lives



1771

Industrial Revolution

- **Innovations:** machinery and mechanization helped by water power



1829

Age of Steam and Railways

- **Innovations:** iron and coal mining; steam engines



1875

Age of Steel and Electricity

- **Innovations:** cheap steel; electrification



1908

Age of Oil, the Automobile, and Mass Production

- **Innovations:** internal combustion engine; petrochemicals



1971

Age of Information and Telecommunications

- **Innovations:** integrated circuit; internet

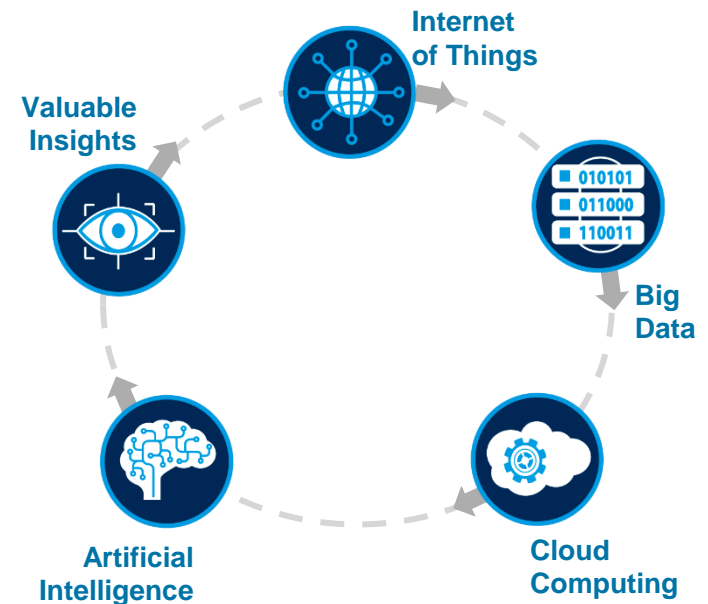


Today

Age of Connected Intelligence

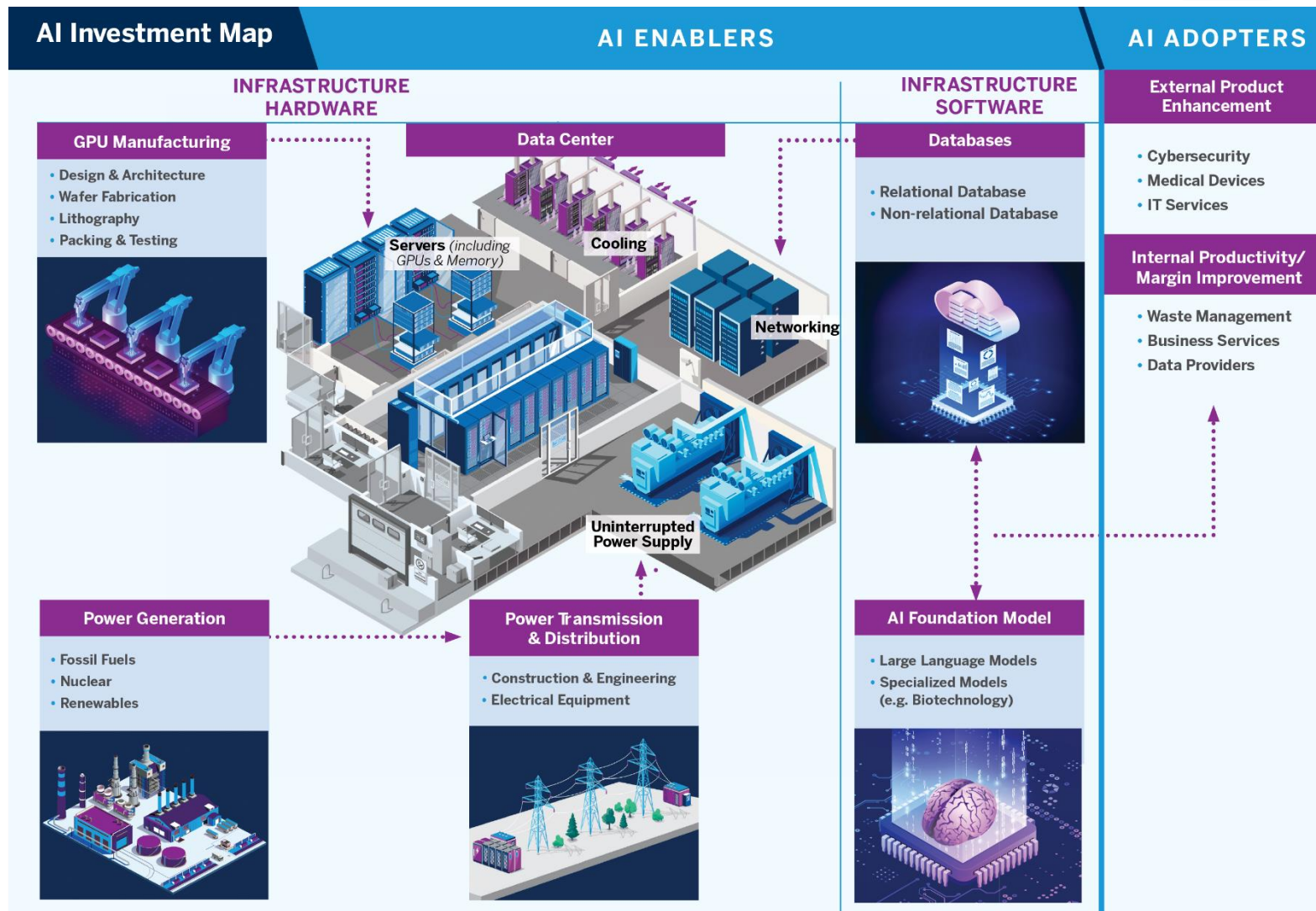
- **Innovations:** artificial intelligence; internet of things

Age of Connected Intelligence



IV

Enduring Themes Artificial Intelligence (AI)

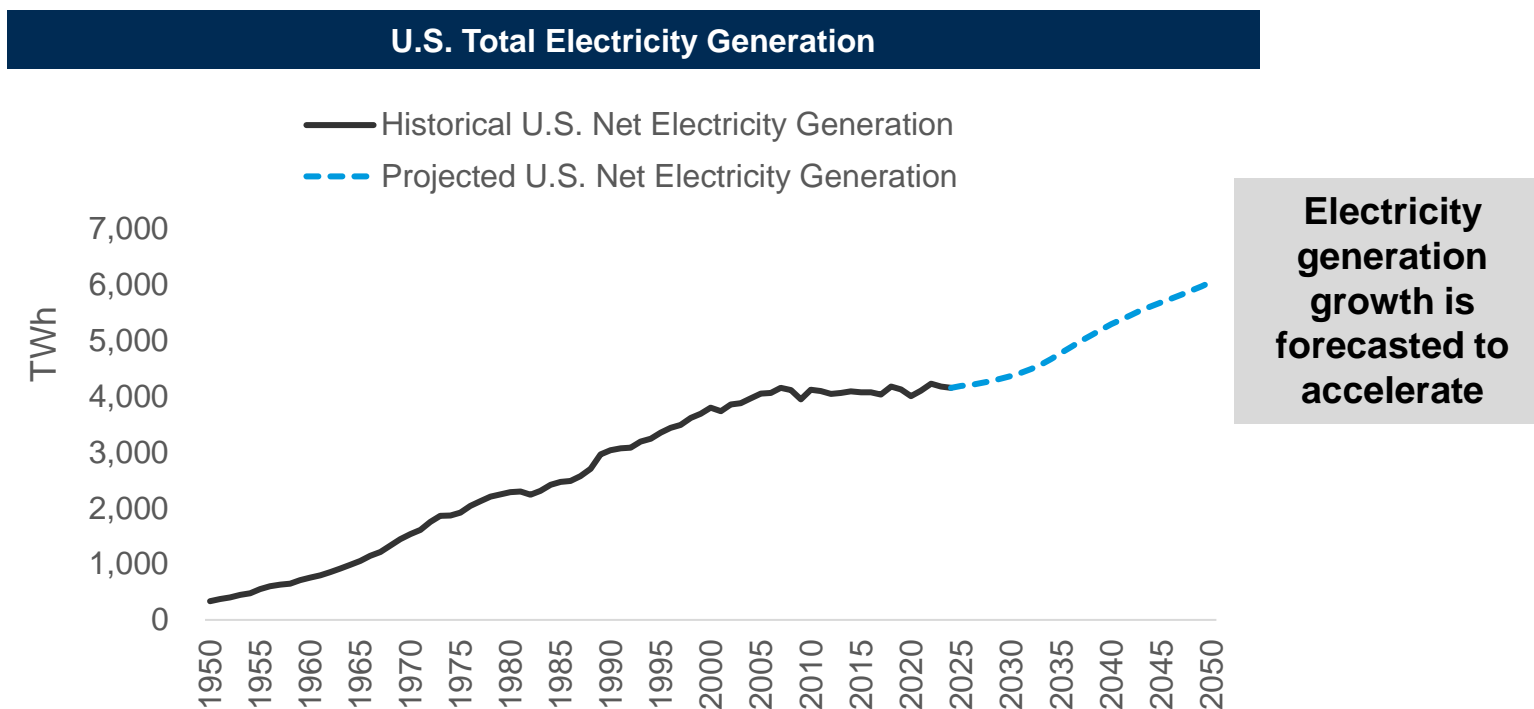


Source: Alger. Enablers are companies developing the building block components for, and investing in, AI infrastructure such as machinery, hardware, software and services. Adopters are companies that integrate AI into their businesses to enhance their products or services or make their operations more productive.

IV

Enduring Themes Electricity

- Electricity demand is projected to rise sharply, spurred by a combination of electrification—such as electric vehicles, industrial automation, and robotics—and data centers running power-intensive AI workloads
 - Over the next five years, demand is estimated to rise 6x faster than during the previous five years



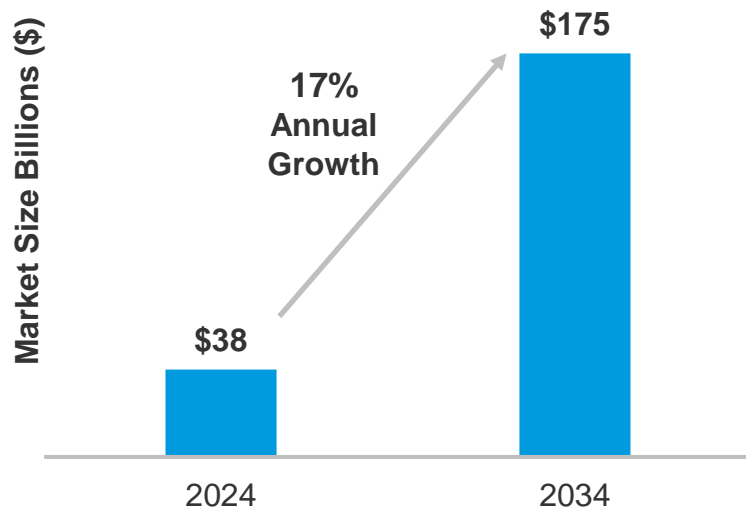
Source: U.S. Energy Information Administration Annual Energy Outlook 2025.

IV

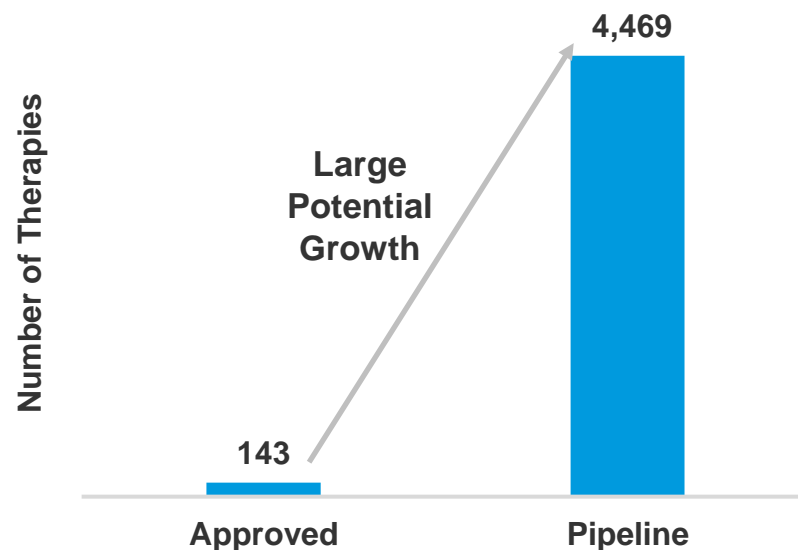
Enduring Themes Life Science Innovation

- Scientific and clinical research, as well as technology advances, are leading to solutions that improve disease detection, monitoring, and treatment
- Cell and gene therapies are driving potential breakthroughs in battling untreated diseases beyond cancer

Global Genomics Market



Cell & Gene Therapy Pipeline



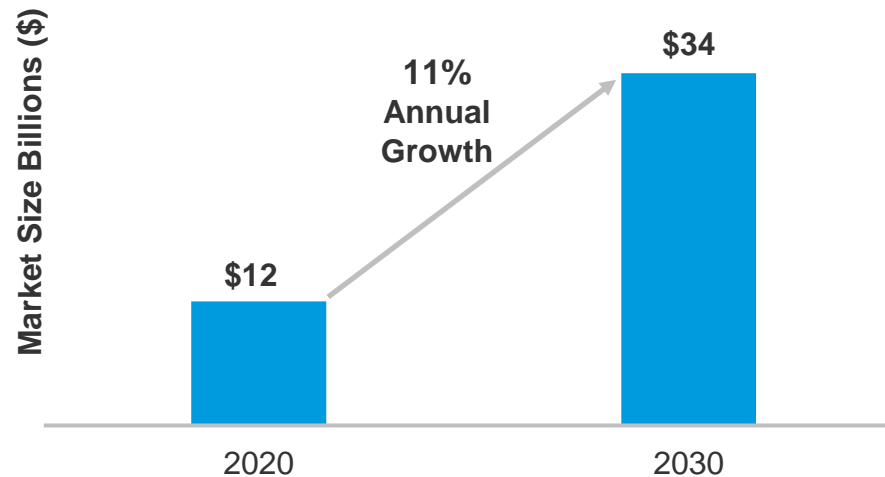
Source: Precedence Research, December 2024; 2034 is an estimate (left). American Society of Gene & Cell Therapy, Q2 2025 Quarterly Data Report including Cell, Gene, and RNA therapies (right).

IV

Enduring Themes Advances in Surgical Technologies

- Improvements in surgical procedures owing to advances in bioengineering and biomaterials should drive improved outcomes for patients and revenue opportunities for innovative companies in our view
 - Robotic surgery
 - Minimally invasive surgery

Worldwide Minimally Invasive Surgical Technologies



Source: Alger analysis. 2030 is an estimate. Market consists of surgical robotics, percutaneous heart valve repair, and minimally invasive technologies.

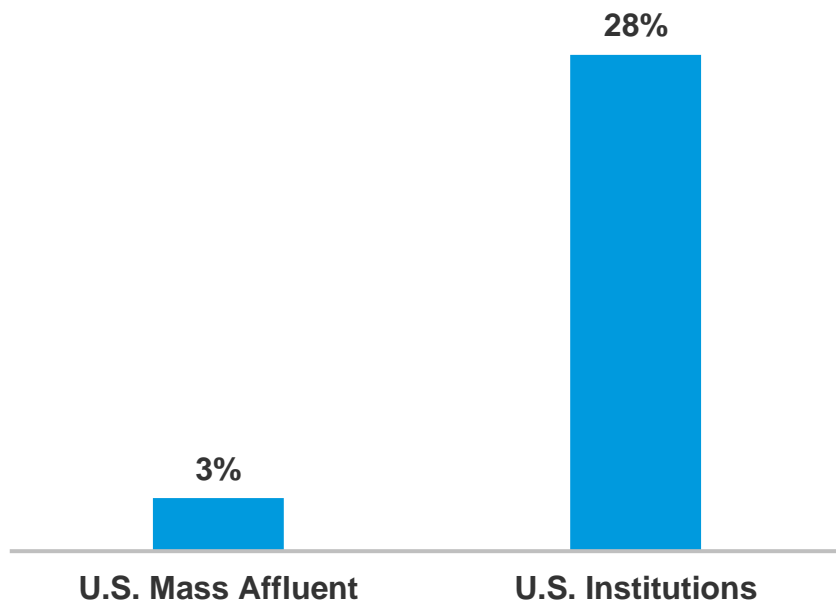
IV

Enduring Themes Private Market Growth

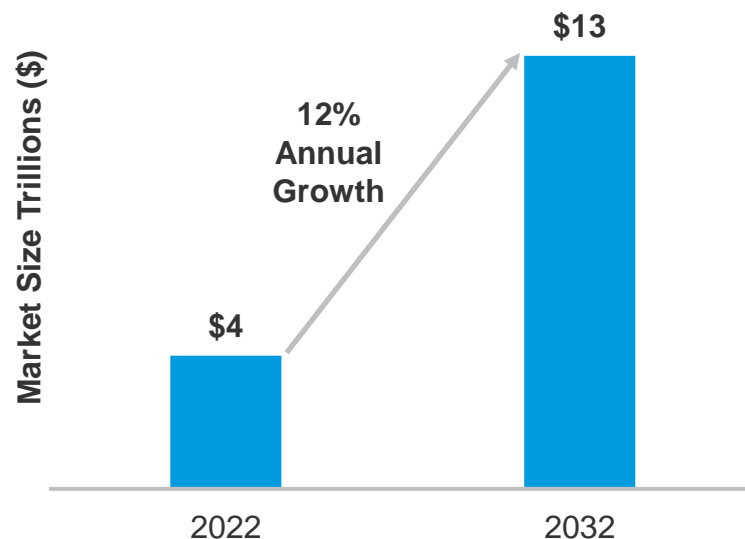
- Individual investors' small allocation to private markets could grow a lot if it approaches institutional allocation levels

- As individuals allocate more to alternatives, AUM of the category may grow strongly in the future

Asset Allocation to Private Markets



Individuals' Global Alternatives AUM

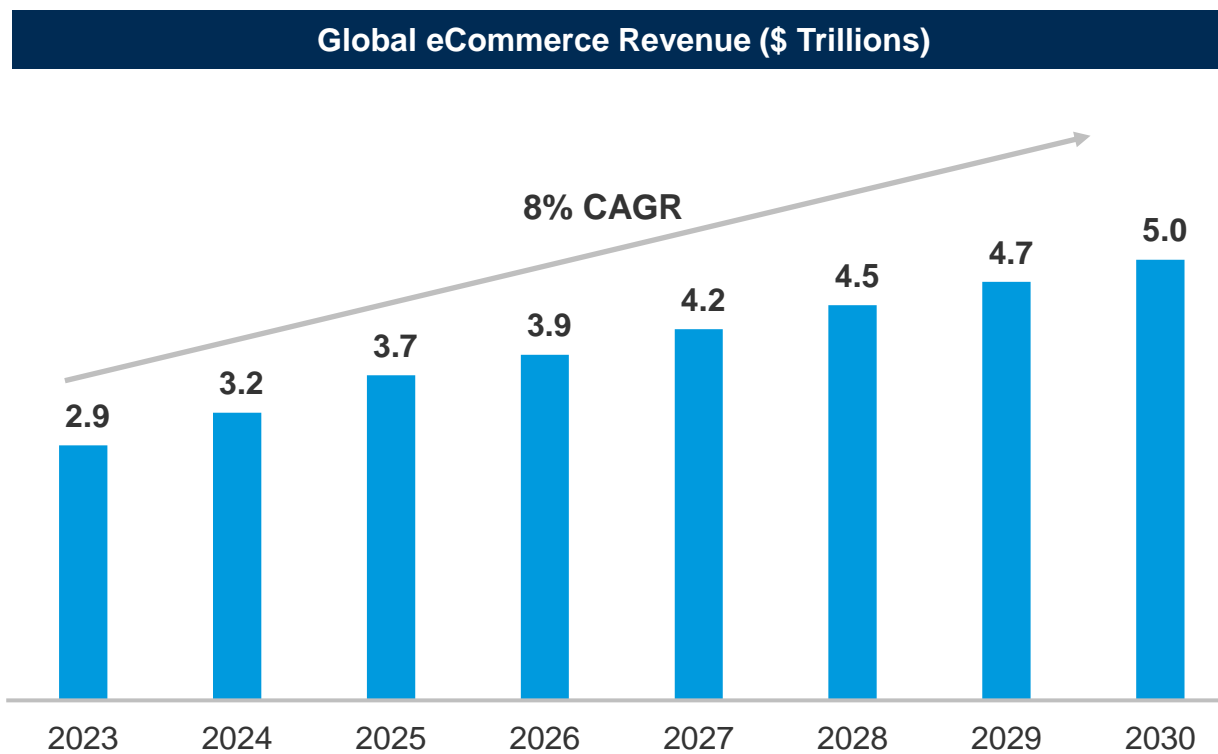


Source: Alger estimate for U.S. mass affluent and institutional data (includes Canada) from BlackRock 2023 Global Private Markets Survey (left). Bain & Company, "Why Private Equity Is Targeting Individual Investors," February 2023. 2032 data is forecasted.

IV

Enduring Themes E-commerce

- Global e-commerce is only about one-quarter of total retail sales leaving significant room for growth, in our view



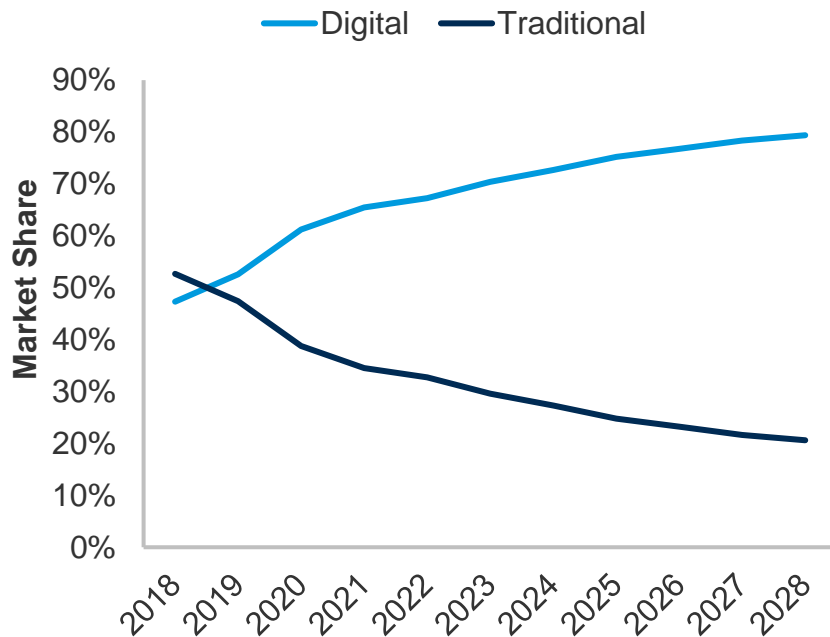
Source: Statista Market Insights, August 2025. Global e-commerce share of total retail is estimated to be 24% in 2025 according to Statista Market Insights. CAGR is compound annual growth rate, the rate of return required for a quantity to grow from its beginning balance to its ending balance.

IV

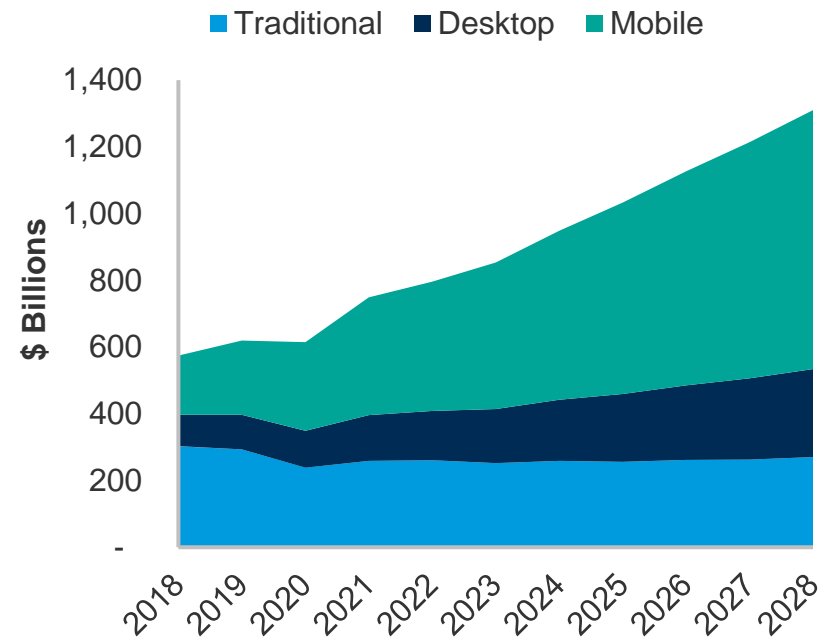
Enduring Themes Digital Advertising

- Digital advertising continues to take share from traditional advertising, spurred recently by AI
- Mobile advertising, driven by in-app ads, is driving the growth

Global Advertising Market Share



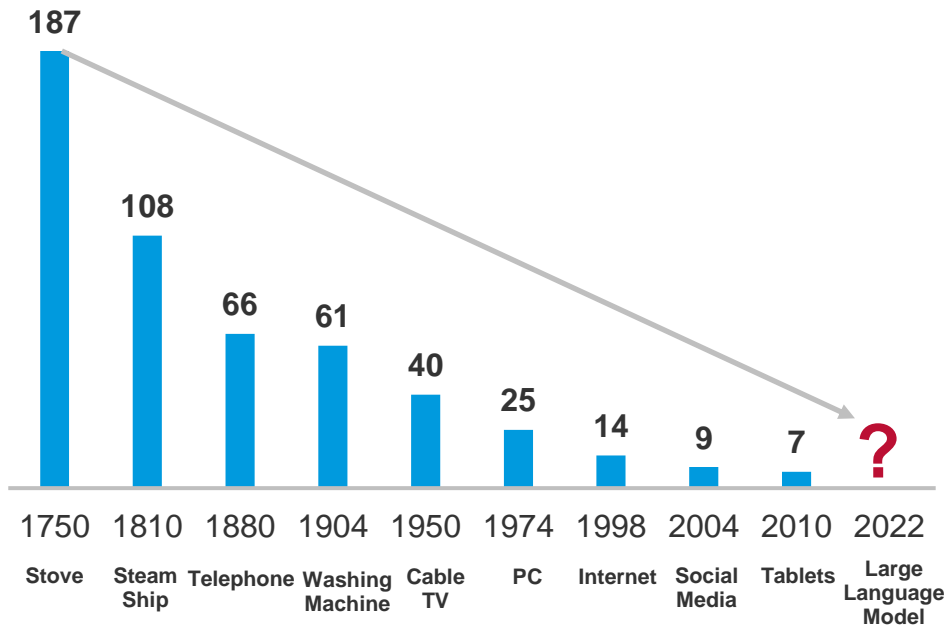
Global Advertising Revenue



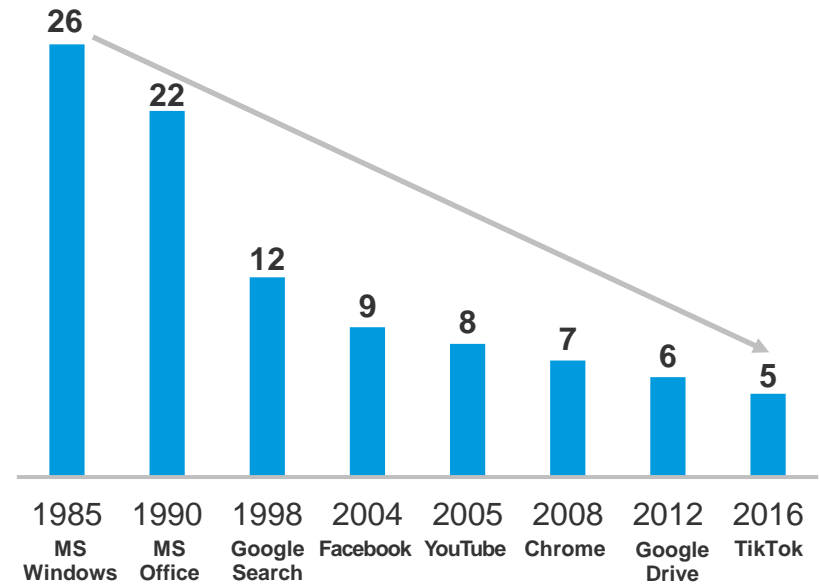
Source: Insider Intelligence, November 2024.

- Innovation is accelerating across many areas of the economy, causing new products and services to diffuse through society faster and disrupt businesses at a greater pace
- This may be a tailwind to growth companies, which we believe are the drivers of innovation, and a headwind to value stocks, which may be victims of change

Years from Market Entry to 50% Penetration



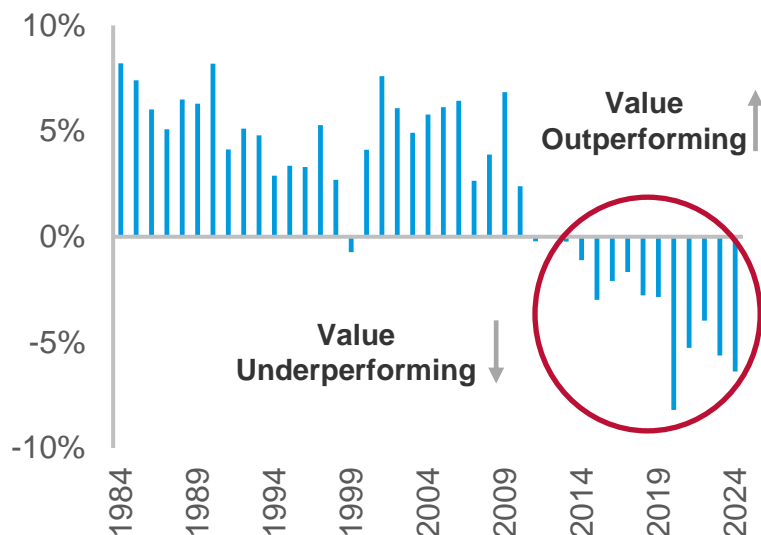
Years to Reach 1 Billion Users



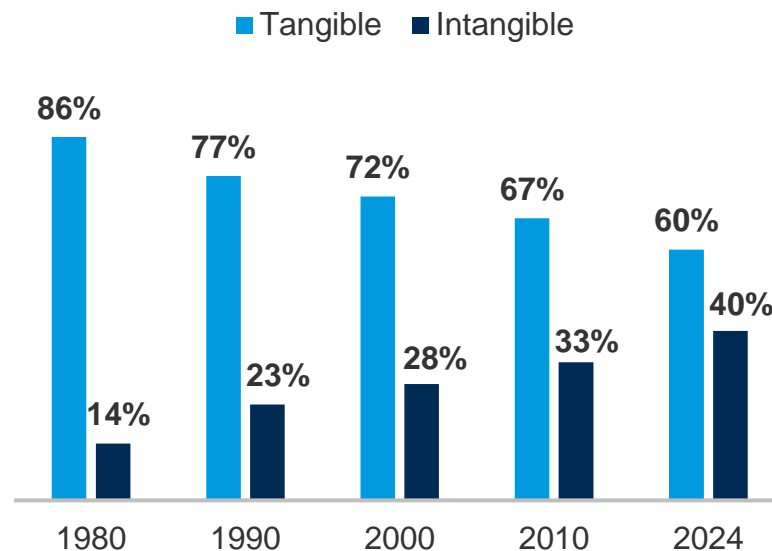
Source: Asymco, Visual Capitalist, company disclosures, Alger estimates.

- After a long period of outperformance, value stocks have consistently underperformed over the past 20 years
 - Driven by the very weak performance of the price-to-book valuation metric
- Book value may no longer be as relevant, making current style classification flawed
 - Result of increasing use of intangible assets that are expensed rather than capitalized

Low Price-to-Book Value 10-Year Rolling Return

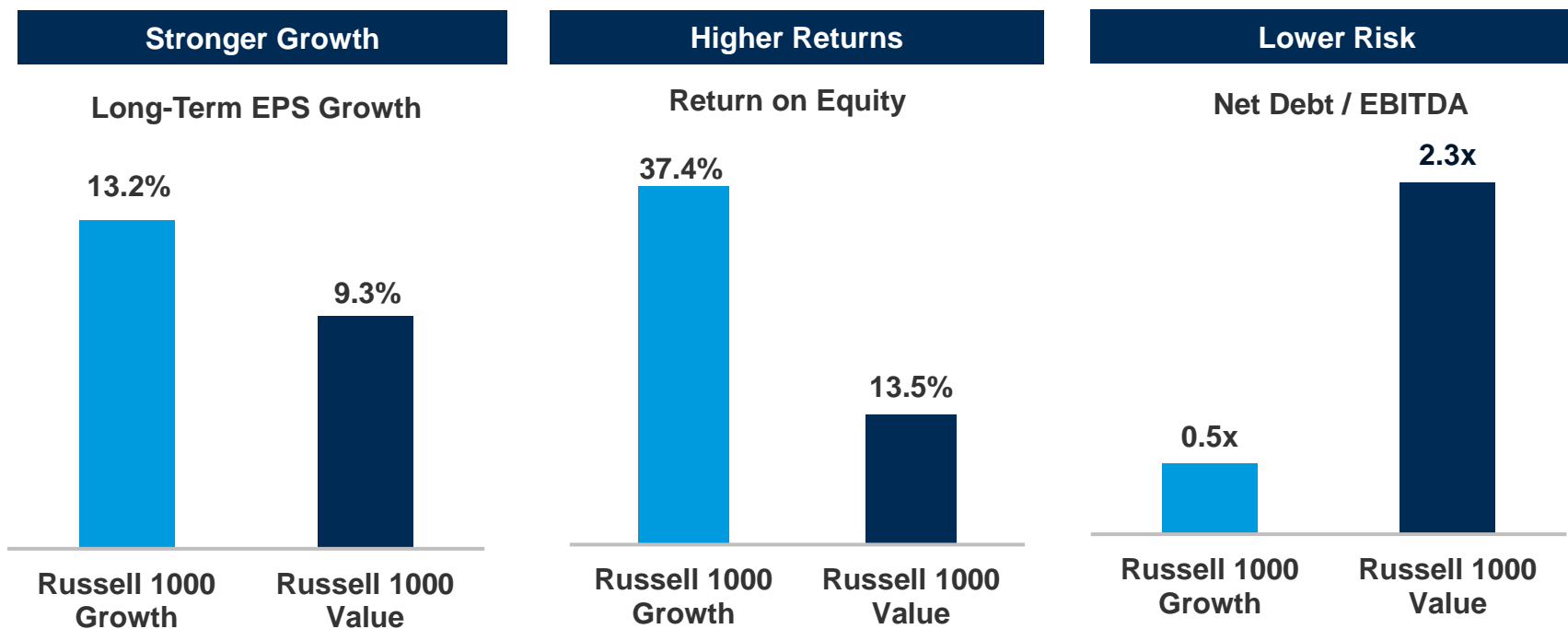


Business Investment



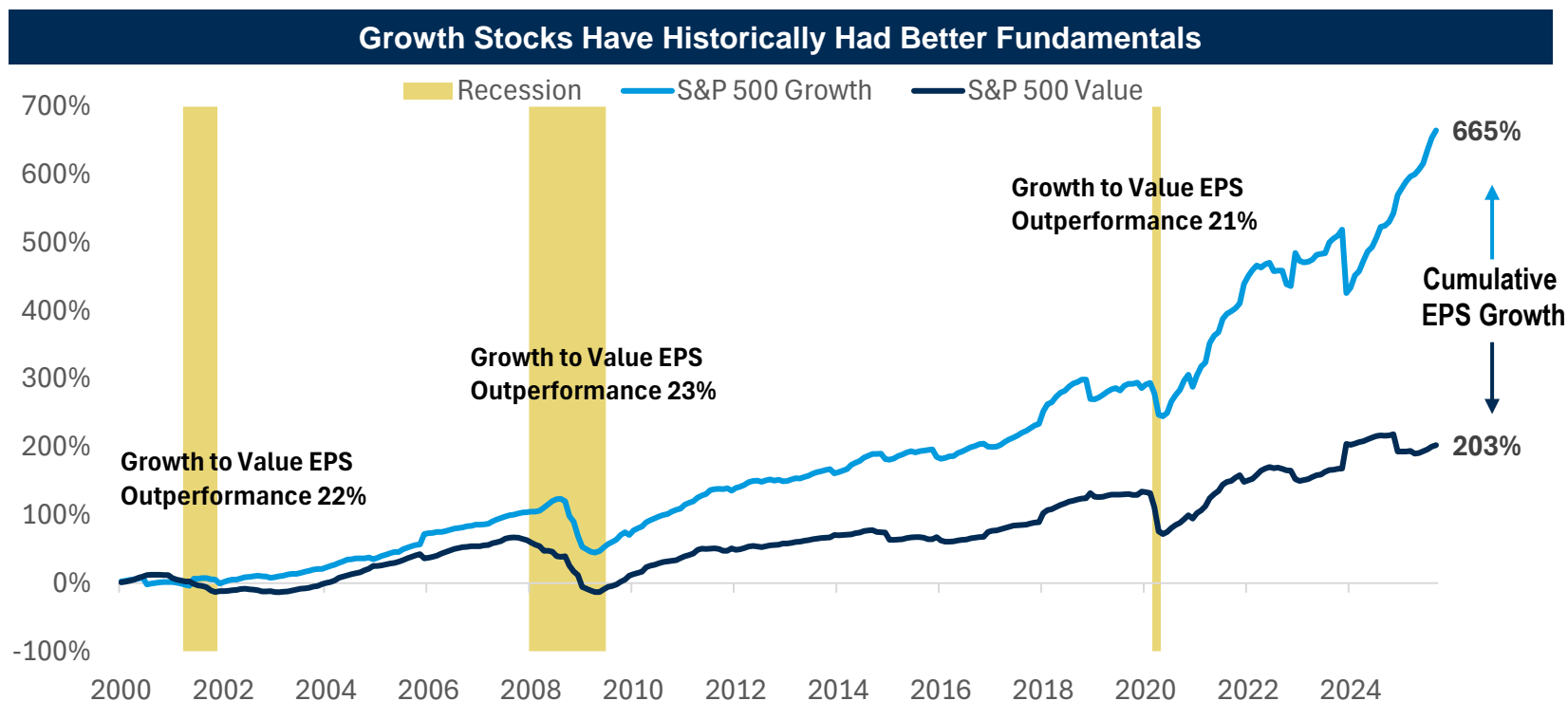
Source: Kenneth R. French through December 2024 (left), Bureau of Economic Analysis through 2024 (right). Low price-to-book returns are based on the B/P Fama/French factor for the CRSP universe which includes US firms listed on the NYSE, AMEX, or NASDAQ. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

- Three variables drive P/E multiples: growth, return on capital, and risk
- The Russell 1000 Growth Index has higher expected EPS growth, higher return on equity and lower risk in the form of better balance sheets as compared to the Russell 1000 Value Index



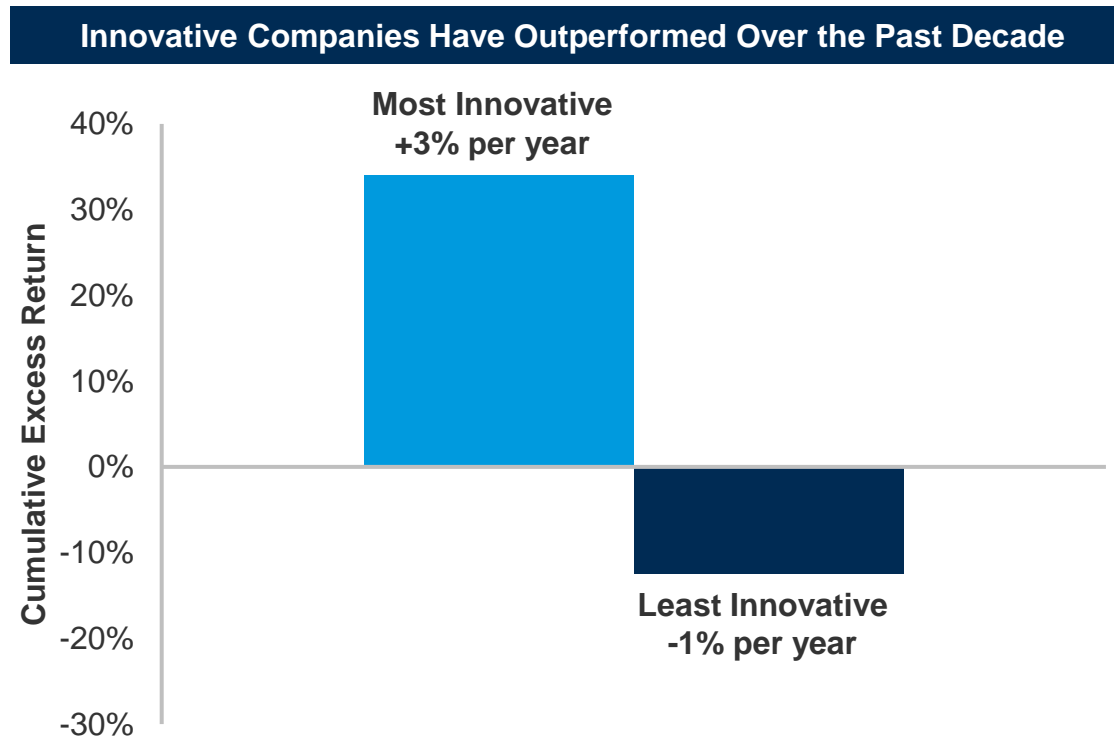
Source: FactSet as of 9/30/25. Growth represents consensus long-term analyst estimates and actual future EPS growth rates might be materially different than the forecasts shown.

- Growth stock earnings have far outpaced value stock earnings since 2000 and have historically proven more durable in recessions
- Going forward, we expect growth stocks to post stronger earnings growth than value stocks as they have over the prior two decades



Source: FactSet, Standard and Poor's. Data is through 9/30/25. EPS is a Next Twelve Month (NTM) calculation. Earnings per share (EPS) is the portion of a company's earnings or profit allocated to each share of common stock. EPS Growth to Value outperformance calculation takes the relative difference in NTM EPS level of the S&P 500 Growth and S&P 500 Value Indexes at the beginning of each recession and six months after the end of the corresponding recession.

- Innovation may be an important component of equity returns



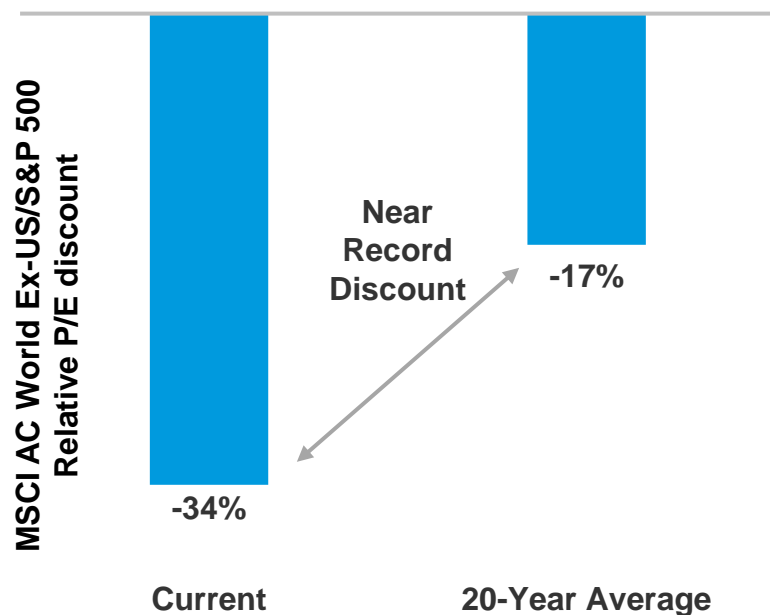
Source: FactSet. Excess performance of the quintiles of R&D as a percentage of revenue with the most innovative being top quintile and the least innovative being bottom quintile of the stocks in the S&P 1500 index. Stocks were divided into quintiles based on R&D spending-to-revenue and data was calculated monthly for the 10-year period ended August 2025. The performance data quoted represents past performance, which is not an indication or a guarantee of future results. Innovative companies may be defined as those companies with a high ratio of annual R&D investment to revenue. Investing in innovation is not without risk and there is no guarantee that investments in research and development will result in a company gaining market share or achieving enhanced revenue.

VI

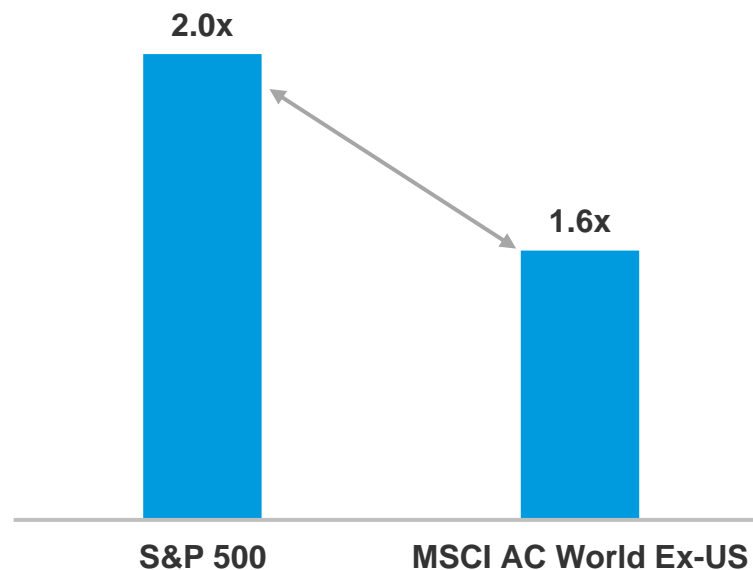
Investing Outside the U.S. Non-U.S. Stocks are Cheap

- The thesis of U.S. exceptionalism has been embraced broadly in markets and has contributed to non-U.S. equities trading at a near record discount to U.S. stocks
- Even on a growth-adjusted basis, non-U.S. stocks are attractively valued

Non-U.S. Stocks P/E Discount to the U.S.

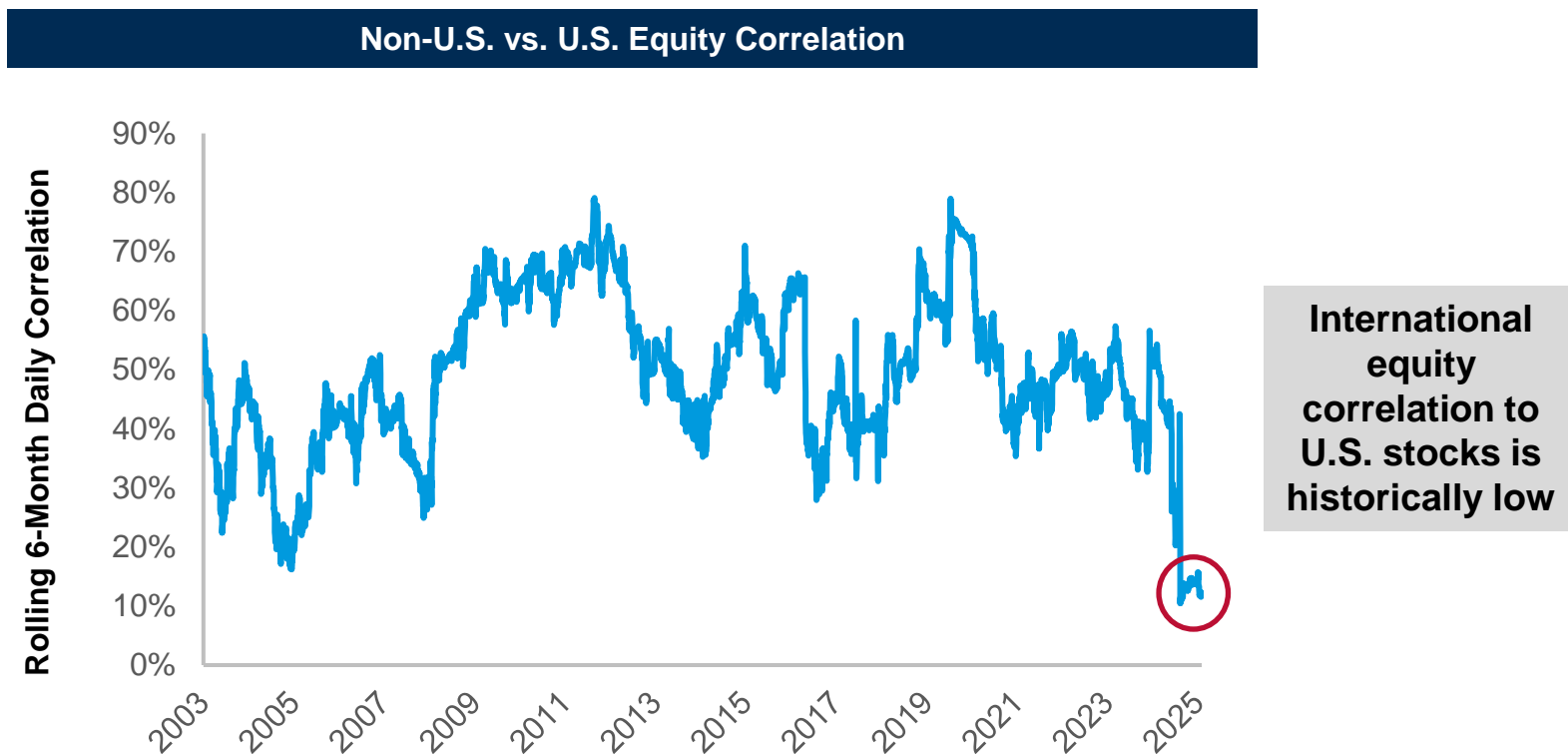


Non-U.S. Stocks Cheaper on P/E-to-Growth



Source: FactSet as of 9/30/25, Non-U.S. stocks represented by MSCI All Country (AC) World Ex-US Index and U.S. stocks represented by S&P 500.

- With so much change globally, including evolving geopolitics, fiscal and monetary policy adjustments, and national corporate governance reforms, international markets are providing historically strong diversification benefits, as evidenced by their low correlation to U.S. equities



Source: FactSet, through September 2025. Non-U.S. stocks represented by MSCI All Country World Index Ex-USA in USD and U.S. stocks represented by S&P 500. Correlation is a statistical measure that shows how two variables are related to each other. If two variables are correlated, it means that they tend to move together in some way.

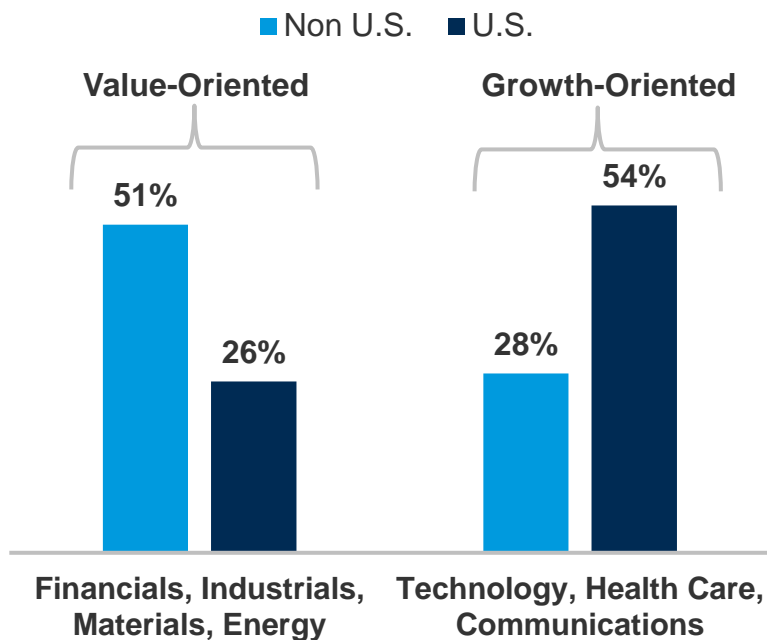
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Investing Outside the U.S. Bewildering Benchmarks

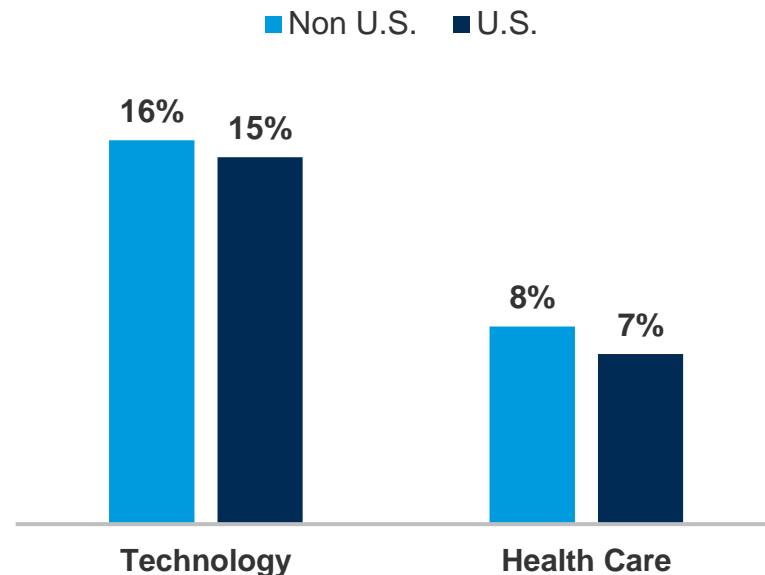
- Non-U.S. indices have far more exposure to slower growing, value-oriented sectors...

- ...But non-U.S. companies are fundamentally competitive within growth oriented-sectors

Variation in Index Weighting



Forecasted 3-Year Annualized Sales Growth



Source: FactSet. Weightings and EPS growth as of 9/30/25. U.S. is represented by S&P 500 and non-U.S. by MSCI All Country World Index ex-USA. Sales growth based on weighted median of the consensus next 3-year compound annual growth rate.

- Alger believes that the best non-U.S. opportunities are international *growth* stocks
 - There are four times as many high-growth companies outside the U.S. as there are within our borders
 - Non-U.S. high growth stocks trade at a material discount to their U.S. counterparts



Source: FactSet as of 9/30/25. High growth companies are defined by having two-year consensus compound annual sales growth rate exceeding 15% and market value of more than \$1 billion. U.S. companies are traded on U.S. exchanges, while non-U.S. companies are traded on exchanges outside the U.S. P/E calculated using weighted harmonic average

Industries that are growing quickly internationally but not in the U.S.

Unique Non-U.S. Growth Industries

Banks
(Brazil, Indonesia)

Hospitals
(India, Turkey, Thailand)

Energy and Power Infrastructure
(Germany, Eastern Europe)

Defense
(Europe)

E-Commerce
(Latin America, Southeast Asia)

Innovative industries where leaders are located outside the U.S.

Market Leaders Outside the U.S.

Semiconductor Manufacturing
(Taiwan)

High Bandwidth Memory
(Korea)

Biopharma Manufacturing
(Switzerland, Korea)

Luxury
(Italy, France, Switzerland)

Industrial Gasses
(Japan)

Successful U.S. business models replicated internationally but trading at lower valuation multiples

Successful U.S. Business Models at a Discount

Wholesale Clubs
(South America)

Online Travel Agency
(China)

Unlock Your Growth Potential with Alger

About Alger

Growth Equity Pioneer

- Helping clients achieve their growth equity investment objectives for over 60 years

Inclusive and Independent

- Private, 100% women-owned investment boutique with employee participation
- Over 40% of portfolio managers are women and/or minorities

Time-Tested Investment Philosophy

- Singular focus on researching and investing in companies associated with change, disruption and innovation
- Dedicated to generating superior investment returns for our clients through active management

KEY FACTS

▪ Founded	1964
▪ Percentage of Female Ownership	100%
▪ Number of Employees	163
▪ Number of Investment Professionals	53
▪ Female/Minority Portfolio Managers	47%
▪ Assets Under Management	\$32.8 Billion

The investment organizations that will be successful in the future will be focused boutiques with a clear culture, a strong tradition of excellence, and the capability to compete, like David versus Goliath, on their own terms, in chosen battlefields.

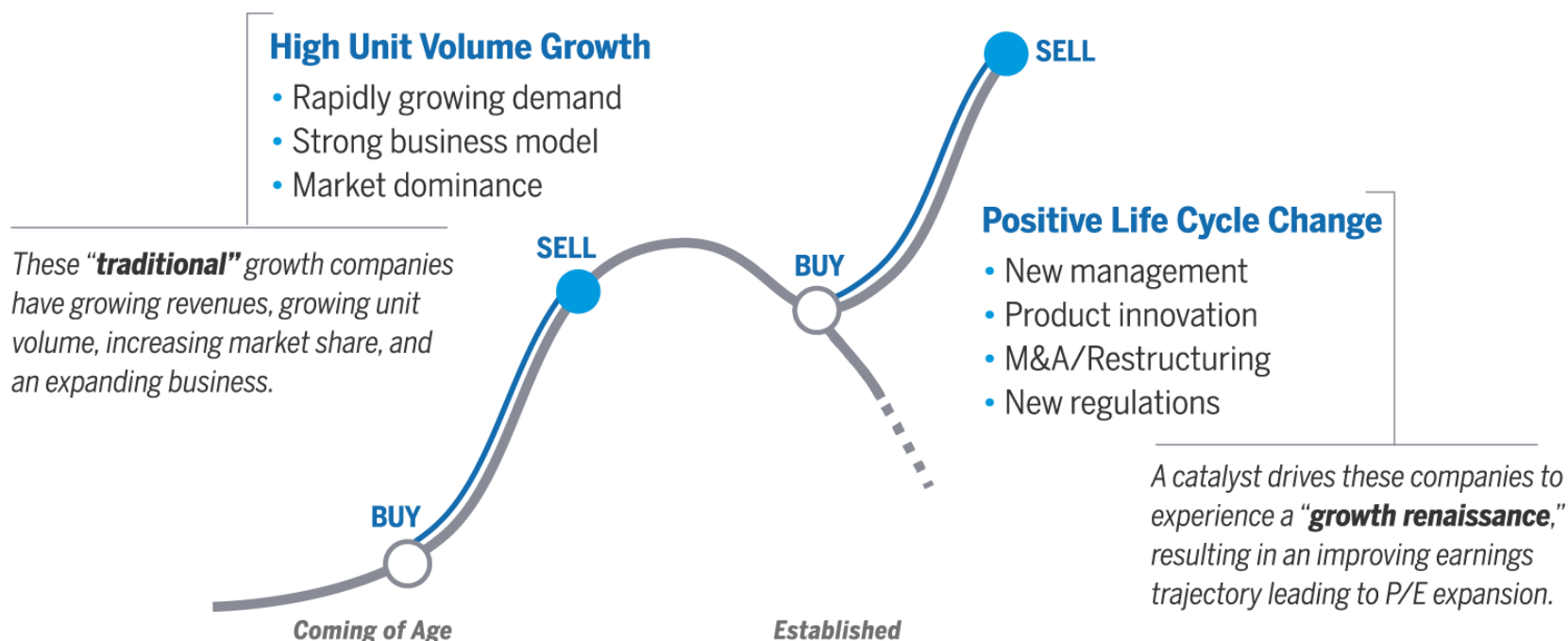
– **Daniel C. Chung, CFA**
Chief Executive Officer
Chief Investment Officer

Unlock Your Growth Potential with Alger

Alger's Investment Philosophy

- We believe companies undergoing **Positive Dynamic Change** offer the best investment opportunities for our clients
- Our competitive edge is identifying these companies and **capitalizing** on the change before it is recognized by the market
- We embrace change found in “**traditional**” growth companies and in companies experiencing a “**growth renaissance**”

Investing in Positive Dynamic Change



Disclosure

The views expressed are the views of Fred Alger Management, LLC ("FAM") and its affiliates as of October 2025. These views are subject to change at any time and may not represent the views of all portfolio management teams. These views should not be interpreted as a guarantee of the future performance of the markets, any security or any funds managed by FAM. These views are not meant to provide investment advice and should not be considered a recommendation to purchase or sell securities.

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. Foreign securities and Emerging Markets involve special risks including currency fluctuations, inefficient trading, political and economic instability, and increased volatility. Investing in companies of small and medium capitalizations involves the risk that such issuers may have limited product lines or financial resources, lack management depth, or have limited liquidity. **Past performance is not indicative of future performance.** Investors whose reference currency differs from that in which the underlying assets are invested may be subject to exchange rate movements that alter the value of their investments.

Companies involved in, or exposed to, AI-related businesses may have limited product lines, markets, financial resources or personnel as they face intense competition and potentially rapid product obsolescence, and many depend significantly on retaining and growing their consumer base. These companies may be substantially exposed to the market and business risks of other industries or sectors, and may be adversely affected by negative developments impacting those companies, industries or sectors, as well as by loss or impairment of intellectual property rights or misappropriation of their technology. Companies that utilize AI could face reputational harm, competitive harm, and legal liability, and/or an adverse effect on business operations as content, analyses, or recommendations that AI applications produce may be deficient, inaccurate, biased, misleading or incomplete, may lead to errors, and may be used in negligent or criminal ways. AI companies, especially smaller companies, tend to be more volatile than companies that do not rely heavily on technology.

Investing in innovation is not without risk and there is no guarantee that investments in research and development will result in a company gaining market share or achieving enhanced revenue. Companies exploring new technologies may face regulatory, political or legal challenges that may adversely impact their competitive positioning and financial prospects. Developing technologies to displace older technologies or create new markets may not in fact do so, and there may be sector-specific risks. There will be winners and losers that emerge, and investors need to conduct a significant amount of due diligence on individual companies to assess these risks and opportunities.

FactSet is an independent source, which Alger believes to be a reliable source. FAM, however, makes no representation that it is complete or accurate. Alger pays compensation to third party marketers to sell various strategies to prospective investors. Earnings Per Share (EPS) is the portion of a company's earnings or profit allocated to each share of common stock.

S&P 500® Index: An index of large company stocks considered to be representative of the U.S. stock market. S&P Composite 1500 Index: An unmanaged index that covers approximately 90% of the U.S. market capitalization. S&P 500 Growth Index: An unmanaged index considered representative of large-cap growth stocks. S&P 500 Value Index: An unmanaged index considered representative of large-cap value stocks. Russell 1000® Growth Index: Measures the performance of the large-cap growth segment of the U.S. equity universe. Russell 1000 Value Index: Measures the performance of the large-cap value segment of the U.S. equity universe. MSCI ACWI Index: Captures large and mid cap representation across Developed Market and Emerging Market countries. MSCI ACWI ex USA Index: Captures large and mid cap representation across Developed Market countries (excluding the U.S.) and Emerging Market countries. ICE BofA US Treasury 1-3 Year Index: Tracks the performance of short-term U.S. Treasury securities with maturities ranging from one to three years. After March 24, 2025, FTSE Russell implemented a new methodology capping individual companies at no more than 22.5% of the index and capping companies that have a weight greater than 4.5% in aggregate at no more than 45% of the index.

The indices presented are provided for illustrative purposes, reflect the reinvestment of dividends and do not assess fees and expenses that would have the effect of reducing returns. Investors cannot invest directly in any index. The index performance does not represent the returns of any portfolio advised by Fred Alger Management, LLC and actual client results might differ materially than the indices shown. **Past performance is no guarantee of future results.**

Disclosure

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