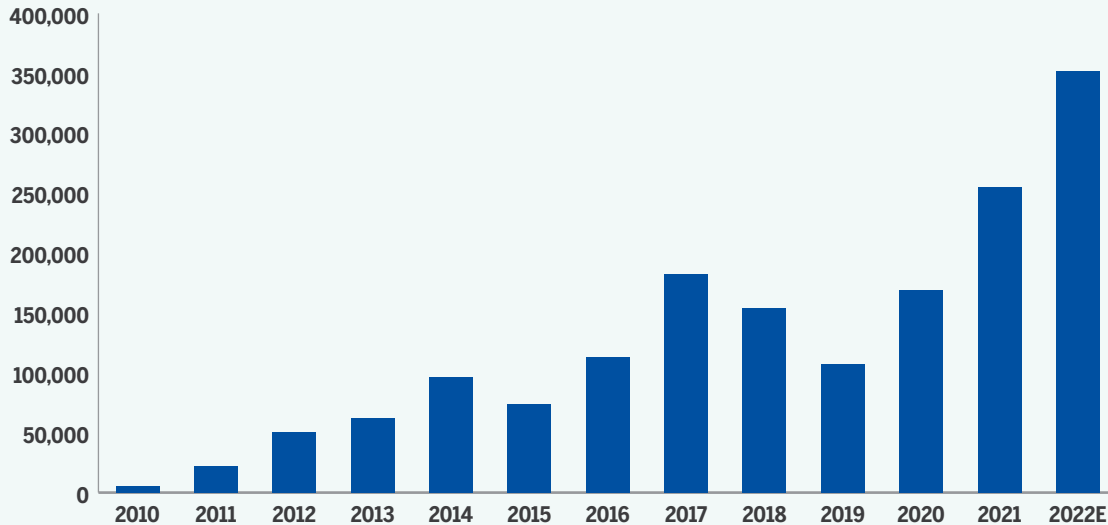


Waves of Reshoring

Over the past few decades, U.S. companies enjoyed supply chain efficiencies and competitively lower prices by sourcing products overseas. However, the Covid-19 pandemic interrupted this dynamic. As a result, companies are now reconsidering the viability of their supply chain operations, with several companies already reshoring, or bringing manufacturing and production back to the U.S. How could reshoring impact U.S. companies over the next decade and how might investors be positioned to potentially benefit?

**U.S. Job Announcements Per Year
(Reshoring + Foreign Direct Investment)**



Source: Data and 2022 estimates from The Reshoring Initiative 2022 Q3 report.

- The reshoring wave has accelerated due to the Covid-19 pandemic, as well as heightened geopolitical tensions and trade wars. Consequently, U.S. companies are reconsidering the implicit costs of sourcing goods and services overseas, where shipment reliability remains paramount. As the chart indicates, annual job announcements of reshoring and foreign direct investment (FDI), or international companies operating within the U.S., have ramped up considerably over the last three years.
- We believe that an influx in manufacturing jobs and advancements in automation will lead to greater productivity gains over the long-term, making U.S. manufacturers more cost competitive. Moreover, increases in automation can also address the difficulty of finding a skilled workforce while providing the ability to quickly respond to customer needs ([see Chatting with the Future](#)).
- In our view, U.S. manufacturers will require significant investments in automation over the long-term as they strive to remain competitive on the global stage. Also, we believe that companies who enable automation and increases in productivity, such as industrial hardware, semiconductors, software, and energy exploration technology may offer a compelling opportunity for long-term investors.



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The Reshoring Institute provides information research and support for companies trying to reshore their manufacturing and services back to the U.S.

Alger pays compensation to third party marketers to sell various strategies to prospective investors.