Alger Dynamic Opportunities Fund

WEATHERBIE CAPITAL

4th Quarter 2024 As of December 31, 2024

Advisor
Fred Alger Management, LLC

Sub-Advisor
Weatherbie Capital, LLC

Ticker Symbols

Class A	SPEDX
Class C	ADOCX
Class Z	ADOZX

Investment Strategy
A long/short hedged equity strategy seeking long-term capital appreciation and lower volatility by primarily investing in long and short positions in equity securities.

Portfolio Management

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

Gregory Adams, CFA
Senior Vice President
Portfolio Manager and Director of Quantitative & Risk Management
37 Years Investment Experience

H. George Dai, Ph.D.
Chief Investment Officer
Senior Portfolio Manager
Senior Analyst
Weatherbie Capital, LLC
25 Years Investment Experience

Joshua D. Bennett, CFA
Director of Research
Portfolio Manager
Senior Portfolio Manager
Weatherbie Capital, LLC
24 Years Investment Experience

Daniel J. Brazeau, CFA
Senior Vice President
Portfolio Manager
Senior Analyst
Weatherbie Capital, LLC
24 Years Investment Experience

George Ortega
Senior Vice President
Portfolio Manager
Senior Analyst
11 Years Investment Experience

Benchmark
S&P 500

Standardized performance is available on page 3.

HIGHLIGHTS

- During the fourth quarter of 2024, the largest portfolio sector weightings were Information Technology and Health Care. The largest sector overweight was Industrials and the largest sector underweight was Information Technology.
- The Health Care and Information Technology sectors contributed to relative performance while Financials and Consumer Discretionary were among sectors that detracted from relative performance.

MARKET ENVIRONMENT

U.S. equities were positive in the fourth quarter, largely driven by a decisive U.S. presidential election outcome. Equity markets initially declined in October amid pre-election uncertainty and increased scrutiny of corporate artificial intelligence (AI) spending. However, U.S. equities rebounded sharply in November as Donald Trump's re-election and a GOP majority boosted investor sentiment, with expectations of deregulation and corporate tax reforms supporting corporate earnings growth. Market enthusiasm waned in December following the Federal Reserve's (Fed) FOMC meeting. While the Fed cut rates by 25 basis points (bps) as expected, it signaled caution about the "extent and timing" of future cuts, and its updated Summary of Economic Projections reduced 2025 rate cut expectations to 50bps (from 100bps) while raising economic growth and inflation forecasts.

U.S. Treasury yields surged during the quarter, with 2-year and 10-year yields rising by 60bps and 78bps, respectively, amid concerns over fiscal deficits, post-election tariffs, and inflation pressures. While higher yields weighed on interest rate-sensitive areas like homebuilders, the S&P 500 Index rose 2.41%, led by the Consumer Discretionary and Communication Services sectors. Consumer Discretionary stocks benefited from post-election optimism and stronger consumer spending, while Communication Services stocks gained on strength in streaming, gaming, and digital advertising. Conversely, the Health Care sector underperformed due to potential regulatory scrutiny under the Trump administration, while the Materials sector lagged due to a stronger U.S. dollar and rising yields.

During the quarter, we continued to observe secular themes that we believe are creating attractive investment opportunities - corporations are digitizing their operations, cloud computing is growing and supporting innovation, and AI is at an inflection point, potentially enabling significant increases in productivity, in our view. In the Health Care sector, we believe that advances in surgical technologies and innovations within genomic sequencing offer compelling opportunities ahead.

PORTFOLIO UPDATE

Class A shares of the Alger Dynamic Opportunities Fund outperformed the S&P 500 Index during the fourth quarter of 2024. For the quarter, the portfolio's average long exposure was 84.75% and the average short exposure was -25.81%. The portfolio's average cash exposure was 41.06%. Among long positions, the Information Technology and Industrials sectors were the largest absolute sector weightings, while the Health Care and Industrials sectors were the largest relative sector weightings. During the quarter, long positions, in aggregate, contributed to both absolute and relative performance. Short positions, in aggregate, detracted from absolute and relative performance.

Long positions Astera Labs, Inc., Natera, Inc., and AppLovin Corp. were among the top contributors to performance.

- Astera Labs is a semiconductor company specializing in connectivity solutions for data-centric systems, including cloud computing, artificial intelligence, and machine learning. Its products optimize data flow and performance in servers, GPUs, and AI accelerators, addressing bottlenecks in high-performance computing environments. The company's Intelligent Connectivity Platform (ICP) integrates advanced semiconductor hardware with the proprietary COSMOS software suite, delivering customizable and cost-effective solutions. Astera's Platform-Specific Standard Products (PSSP) enhance flexibility with features such as predictive analytics, monitoring, and troubleshooting. Backed by strong relationships with leading cloud and AI providers, we believe Astera is well positioned in rapidly growing markets, demonstrating high profitability and industry-leading gross margins. During the quarter, shares contributed to performance after reporting better-than-expected fiscal third-quarter results, with revenues and gross margins exceeding analyst estimates. Specifically, revenue growth spanned all four product segments, led by accelerated custom silicon sales and robust GPU demand. Management also raised fiscal fourth-quarter guidance, citing expanding product ramps and a broader customer base.

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- Natera is a specialty lab providing genetic testing services in the reproductive health, oncology and transplant markets. Reproductive health tests are run to screen for common genetic disorders such as trisomy 13, 18, and 21 in pregnant women - these tests are also known as non-invasive prenatal testing (NIPT). The company's oncology franchise is led by Signatera, a test used to detect minimal residual disease (MRD) - the applications of this test are primarily to monitor therapy response and detect cancer recurrence. Lastly, Natera's transplant franchise is led by Prospera, a test used to monitor transplant organ rejection. Natera's tests are all based on the company's proprietary liquid biopsy platform to detect cell-free DNA. During the quarter, shares contributed to performance after the company reported better-than-expected fiscal third quarter revenues, driven by accelerated growth in Signatera, as well as continued market share gains within women's health business. Moreover, higher pricing and product cost control led to gross margin expansion, as management believes this trend should continue as key productivity initiatives like less costly sequencing in the neo-natal franchise are just beginning to positively impact earnings.
- AppLovin is an advertising technology company offering a digital platform that helps mobile app developers market, monetize, and analyze their apps. We believe the company is experiencing a positive lifecycle change, driven by its AI-powered software engine. While currently focused on mobile gaming, AppLovin is expanding into other market segments. Its Demand Side Platform (DSP) supports ad placements, user acquisition, inventory matching, and performance analytics. Further, we believe AI is central to AppLovin's growth, driving a large majority of the company's revenue through its recommendation and targeting engine. In our view, AppLovin gains a competitive advantage, delivering higher-value app installs by leveraging data from its game portfolio and developer partners. We believe this scale and data advantage enhances its network effect, improving its technology and boosting market share in mobile gaming. As developers use the platform, the company collects data that continuously refines its algorithms, creating more value and attracting more developers to the ecosystem. During the quarter, shares contributed to performance following better-than-expected fiscal third quarter results, reporting a 39% year-over-year (yoy) revenue growth, along with a substantial 182% yoy growth in free cash flow. The company has also been proactive in shareholder returns, authorizing $2.30 billion for share repurchases.

Our short exposure to a clean energy solutions provider contributed positively to performance. We established the position due to the company's heavy reliance on government incentives for clean energy and renewable natural gas (RNG) projects, which face risks from potential policy changes in Washington, D.C. During the quarter, the company's share price fell after reporting mixed fiscal third-quarter results and issued weaker-than-expected earnings guidance, citing project revenue delays. Shares continued to fall following the November presidential election results, as concerns over potential policy shifts under President-elect Donald Trump to roll back clean energy incentives further benefited our short position.

Long positions Montrose Environmental Group Inc, Tandem Diabetes Care, Inc., and Neogen Corp. were among the top detractors from performance.

- Montrose Environmental Group offers various environmental services to a diverse client base, primarily in the U.S. The company has expertise in a wide variety of areas, including environmental assessment and permitting, measurement and analysis, and remediation and reuse. Despite reporting strong fiscal third-quarter results, shares detracted from performance due to misconceptions about the Supreme Court's decision to overturn the Chevron deference doctrine (shifting more regulatory authority to Congress) and concerns that the incoming Trump administration might slow the pace of federal environmental regulation.
- Tandem Diabetes Care, Inc. designs and manufactures innovative insulin delivery systems for people with diabetes. The company's flagship product, the t:slim X2 insulin pump, integrates advanced technology for precise insulin management, including features like continuous glucose monitoring (CGM) compatibility and remote software updates. During the quarter, the company reported strong fiscal third-quarter results, with revenue beating analyst estimates and accelerating to 25% year-over-year, driven by strong renewal rates, the U.S. launch of the Mobi pump boosting new customer starts, and international growth. However, shares detracted from performance as investor sentiment was impacted by management's lack of formal 2025 guidance, instead offering preliminary commentary focused on predictable revenue streams and gradual growth from new opportunities. While the company highlighted progress with Mobi adoption, renewal rates, and new sensor integrations, concerns lingered about the timeline and execution of key product launches, such as the t:slim X3 pump and the Sigi patch pump, as well as uncertainties around the pace of market expansion and margin improvements. In our view, the company has a number of margin accretive new products recently launched—or soon to launch—as well as efficiency initiatives underway, and believe these near-term profitability concerns appear to be overblown.
- Neogen develops, manufactures, and markets a diverse line of products dedicated to food and animal safety. Food safety products include diagnostic test kits and complementary products sold to food producers and processors to detect dangerous and/or unintended substances in human food and animal feed. Animal safety products include pharmaceuticals, rodenticides, disinfectants, vaccines, veterinary instruments, topicals, diagnostic products, and genomic testing services for the worldwide animal safety market. During the quarter, the company reported fiscal first-quarter results in line with analyst estimates. While execution has improved after initial challenges with the 3M Food Safety acquisition, overall financial progress remains constrained by external factors, including weak global food volumes, cyclical softness in the animal health business, and foreign currency headwinds. As a result, shares detracted from performance during the quarter.

Our short exposure to a producer of recycled polypropylene (PP) negatively impacted performance. The company holds a license for restoring waste PP into what it calls “virgin-like” resin. We established our short position based on concerns that their production consistency and unit economics remain unproven. The company's proprietary process claims to remove color, odor, and other contaminants from a mixed stream of recycled feedstock to produce recycled PP. During the quarter, the company's share price rose after reporting that it hit its three key production milestones they had guided to for the year.

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Average Annual Total Returns (%) (as of 12/31/24)

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A (Incepted 11/2/09)							
Without Sales Charge	6.75	23.03	23.03	3.36	11.06	8.25	7.74
With Sales Charge	1.16	16.58	16.58	1.51	9.87	7.67	7.36
S&P 500 Index	2.41	25.02	25.02	8.94	14.53	13.10	(Since 11/02/09) 14.26
HFRI Equity Hedge (Total) Index	1.74	12.30	12.30	3.97	8.15	6.34	(Since 11/02/09) 6.01

Total Annual Operating Expenses by Class (Prospectus Dated 3/1/24, unless otherwise amended)	A: 2.05%

Performance shown is net of fees and expenses.

Fred Alger Management, LLC has contractually agreed to waive and/or reimburse Fund expenses (excluding custody fees, acquired fund fees and expenses, interest, taxes, brokerage and extraordinary expenses, to the extent applicable) through October 31, 2025 to the extent necessary to limit the other expenses and any other applicable share class-specific expenses of Class A to 0.80% 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 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%. Class A shares may be subject to a maximum deferred sales charge of 1.00%. For performance current to the most recent month end, visit www.alger.com or call 800.992.3863.

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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. 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. Options and Short sales could increase market exposure, magnifying losses and increasing volatility. Assets may be invested in Financial Derivatives Instruments (FDIs) such as Total Return Swaps (TRS) or options, which involve risks including possible counterparty default, illiquidity, and the risk of losses greater than if they had not been used. Issuers of convertible securities may be more sensitive to economic changes. Investing in companies of small capitalizations involves the risk that such issuers may have limited product lines or financial resources, lack management depth, or have limited liquidity. Leverage increases volatility in both up and down markets and its costs may exceed the returns of borrowed securities. 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. At times, cash may be a larger position in the portfolio and may underperform relative to equity securities. **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.

The views expressed are the views of Fred Alger Management, LLC ("FAM") and its affiliates as of December 2024. 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. Holdings and sector allocations are subject to change.

The S&P 500 Index is an index of large company stocks considered to be representative of the U.S. stock market. Index performance does not reflect deduction for fees, expenses, or taxes. Investors cannot invest directly in an index. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

Fred Alger Management, LLC has changed its methodology as of May 31, 2019 for classifying long put positions as short positions. Previously, such option positions had been treated as long positions. For purposes of calculating Exposure, an option's delta adjusted exposure will be used. Delta adjusted exposure represents the expected amount an option price will change if an option's underlying reference security changed by $1. The formula for calculating delta adjusted exposure is the number option contracts multiplied by 100 (option multiplier) and multiplied by both the underlying security price and the option's delta (ranges from -1 to 0 for put options and 0 to 1 for call options based on whether option is in- or out of-the-money). 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.

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. **Note that past performance is no guarantee of future results.**

The HFRI Equity Hedge (Total) Index ("HFRI") publishes equally weighted monthly performance based on a number of hedge funds reporting to create a composite, net of fees. HFRI constituents may change without notice. HFRI, therefore, may have possibly lower risk, and differ in asset allocation, portfolio structure, and holdings. Unlike asset-weighting, the equal-weighting of HFRI presents a more general picture of performance of the hedge fund industry. Any bias towards the larger funds potentially created by alternative weightings is greatly reduced, especially for strategies that encompass a small number of funds. HFRI returns are as of the date shown based on the initial provided information and are subject to change. Please visit www.alger.com for the most recent return information. Performance data for the HFRI Equity Hedge (Total) Index is only available on a month-end basis. As a result, since inception performance data for the index is as of the month end prior to the Fund's inception date if the Fund's inception date is on or prior to the 15th or is as of the Fund's inception month end if the Fund's inception date is after the 15th of the month.

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

The following positions represented the noted percentages of portfolio assets as of December 31, 2024: Astera Labs, Inc., 2.05%; Natera, Inc., 4.63%; AppLovin Corp. Class A, 5.64%; 3M Company, 0.0%; Tandem Diabetes Care, Inc., 1.94%;Neogen Corp, 1.07%;Montrose Environmental Group Inc, 0.22%.

Before investing, carefully consider the Fund's investment objective, risks, charges, and expenses. For a prospectus and a summary prospectus containing this and other information about the Fund, call (800) 992-3863, visit www.alger.com, or consult your financial advisor. Read it carefully before investing. Distributor: Fred Alger & Company, LLC. NOT FDIC INSURED. NOT BANK GUARANTEED. MAY LOSE VALUE.