Alger Focus Equity Fund

4th Quarter 2024 As of December 31, 2024

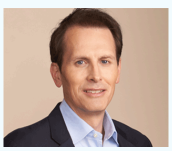
Ticker Symbols

Class A	ALAFX
Class C	ALCFX
Class I	ALGRX
Class Z	ALZFX

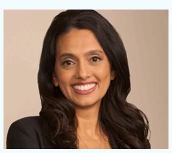
Investment Strategy

Invests in a focused portfolio of approximately 50 holdings consisting of companies of any capitalization identified through our fundamental research as demonstrating promising growth potential. Seeks long-term capital appreciation.

Portfolio Management



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



Dr. Ankur Crawford
Executive Vice President
Portfolio Manager
20 Years Investment Experience

Benchmark

Russell 1000 Growth

Standardized performance is available on page 3.

HIGHLIGHTS

- During the fourth quarter of 2024, the largest portfolio sector weightings were Information Technology and Communication Services. The largest sector overweight was Industrials and the largest sector underweight was Information Technology.
- The Information Technology and Industrials sectors contributed to relative performance while Consumer Discretionary and Financials 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 Focus Equity Fund outperformed the Russell 1000 Growth Index during the fourth quarter of 2024. AppLovin Corp., NVIDIA Corporation, and Broadcom Inc., were among the top contributors to performance.

- Broadcom is a global semiconductor company with an extensive product portfolio addressing applications within wired infrastructure, wireless communications, enterprise storage and industrial end markets. The company holds leading positions in networking that are focused on infrastructure solutions to the data center, telecom, and enterprise markets. Broadcom's semiconductors enhance network performance and reliability by enabling faster data transfer and reduced transmission time. In our view, growing demand for cloud computing, AI, video conferencing, and the Internet of Things continues to drive the need for advanced networking. As the AI market expands, we believe Broadcom has the potential to capture market share as an alternative to major semiconductor provers, offering custom ASICs and AI Ethernet networking. Broadcom's share price rose significantly during the quarter after reporting better-than-expected fiscal fourth quarter operating results. The company reported a 51% year-over-year revenue increase for the quarter, driven by a 220% surge in AI-related revenue, which accounts for approximately 41% of its semiconductor business. Broadcom's ability to capitalize on the growing demand for AI infrastructure and deliver robust results fueled investor optimism, propelling its share price higher and contributing to performance.

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- Nvidia Corporation is a leading supplier of graphics processing units (GPUs) for a variety of end markets, such as gaming, PCs, data centers, virtual reality, and high-performance computing. The company is leading in most secular growth categories in computing, and especially artificial intelligence and super-computing parallel processing techniques for solving complex computational problems. In our view, Nvidia's computational power is a critical enabler of AI and therefore essential to AI adoption. During the year, the company has reported better-than-expected operating results driven by strong demand from data centers. Additionally, management noted that large cloud service providers, contributing approximately 50% of data center sales, recognize the high return on investment offered by Nvidia's computing solutions, which are driving AI spending. The company also introduced its next-generation H200 chip, which nearly doubles the inference performance compared to the H100 chip, enhancing how trained AI models process new data. In our view, Nvidia's leadership in scaling AI infrastructure, including advancements in inference and test-time scaling (i.e., reasoning during inference), is driving adoption among enterprises and startups, providing continued demand for its high-performance chips and software solutions. As older-generation chips are repurposed for inference and new clusters are deployed, we believe Nvidia is well-positioned to capitalize on growing compute needs across AI applications.
- 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.

Microsoft Corporation, Eli Lilly and Company, and MercadoLibre, Inc. were among the top detractors from performance.

- Microsoft is a beneficiary of corporate America's transformative digitization. The company operates through three segments: Productivity and Business Processes (Office365, LinkedIn, and Dynamics), Intelligent Cloud (Server Products and Cloud Services, Azure, and Enterprise Services), and More Personal Computing (Windows, Devices, Gaming, and Search). During the quarter, Microsoft delivered better-than-expected fiscal first-quarter revenues, beating analyst estimates across all three segments. In the Intelligent Cloud business, Azure revenue grew 34% year-over-year, slightly above consensus, with AI Services contributing 12% to Azure's growth, up from 11% in the previous quarter, as demand for AI continues to outpace capacity. However, shares declined after management signaled a potential deceleration in Azure growth for the next quarter and highlighted a negative earnings impact from OpenAI-related losses. Additionally, concerns over significantly increased AI-related capital expenditures (CapEx) raised questions about short-term profitability despite the long-term growth potential. While these near-term challenges led to shares detracting from performance for the quarter, we remain confident in Microsoft's ability to maintain its leadership in AI.
- Eli Lilly is a global pharmaceutical company with core franchises in diabetes, obesity, neurology, and oncology. Its portfolio includes innovative drugs like Mounjaro, Zepbound, Trulicity, Jardiance (diabetes and obesity), Taltz (psoriasis), Emgality (migraines), and Verzenio (breast cancer). Shares detracted from performance during the quarter after the company reported fiscal third-quarter revenues below analyst estimates. The revenue shortfall was attributed to inventory destocking in the wholesaler channel for Mounjaro and Zepbound, following inventory building in the prior quarter, which led to an 11% miss in obesity drug revenues. Management slightly lowered fiscal 2024 guidance but emphasized that demand for its obesity drugs remains strong. They also moderated promotions during the quarter to manage supply and ensure patient continuity. While shares detracted from performance, we believe the revenue miss was largely due to temporary inventory dynamics and moderated promotion activity.
- MercadoLibre is Latin America's leading e-commerce and fintech platform, holding dominant positions in Brazil, Mexico, and Argentina but it also operates in 17 other countries. Despite competition from global e-commerce players, the company has successfully maintained and expanded its market share. MercadoLibre has leveraged its strengths in customer data and distribution to drive rapid growth in its profitable advertising and fintech segments. In our view, the company's success is largely driven by strong network effects in e-commerce and logistics, data and distribution advantages in fintech, and a rapidly growing advertising business. As more buyers and sellers join the platform, the marketplace becomes more valuable, attracting even more users. This expanding user base enhances its logistics and payment services, making transactions smoother and more reliable, further drawing in additional users. The growing ecosystem also generates more data, enabling improved personalization, advertising, and fintech services. In our view, these network effects create a virtuous cycle, reinforcing MercadoLibre's market position and making it increasingly difficult for competitors to challenge them. Shares detracted from performance during the quarter following an unexpected fiscal third-quarter earnings miss. The earnings weakness was primarily due to faster credit card growth and a shift toward upmarket consumer lending, which pressured operating margins.

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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 12/31/12)							
Without Sales Charge	11.64	51.72	51.72	11.89	19.54	16.94	18.13
With Sales Charge	5.78	43.74	43.74	9.90	18.25	16.31	17.60
Russell 1000 Growth Index	7.07	33.36	33.36	10.47	18.96	16.78	(Since 12/31/12) 17.77

Total Annual Operating Expenses by Class	Without Waiver:	A: 0.95%
(Prospectus Dated 3/1/24, unless otherwise amended)	With Waiver:	—

Performance shown is net of fees and expenses.
Only periods greater than 12 months are annualized.
Prior to October 15, 2018, the Fund followed its current investment strategy, with the same portfolio managers, under the name "Alger Capital Appreciation Focus Fund."
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.

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. Foreign securities involve special risks including currency fluctuations, inefficient trading, political and economic instability, and increased volatility.Assets may be focused in a small number of holdings, making them susceptible to risks associated with a single economic, political or regulatory event than a more diversified portfolio. Active trading may increase transaction costs, brokerage commissions, and taxes, which can lower the return on investment. **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.

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The S&P 500 Index is an index of large company stocks considered to be representative of the U.S. stock market. The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher growth earning potential as defined by Russell's leading style methodology. The Russell 1000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. Russell 1000® Growth Index performance does not reflect deductions for fees or expenses. Index performance does not reflect deduction for fees, expenses, or taxes. Investors cannot invest directly in an 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. **Note that past performance is no guarantee of future results.**

The following positions represented the noted percentages of portfolio assets as of December 31, 2024:AppLovin Corp. Class A, 5.07%; NVIDIA Corporation, 11.15%; Broadcom Inc., 4.2%; Microsoft Corporation, 10.05%; Eli Lilly and Company, 0.82%; MercadoLibre, Inc., 1.01%.

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.