Alger Growth & Income Fund

4th Quarter 2024 As of December 31, 2024

Ticker Symbols

Class A	ALBAX
Class C	ALBCX
Class Z	AGIZX

Investment Strategy

Primarily invests in growth equity securities of U.S. companies identified through our fundamental research as paying a high dividend yield, having a history of strong and consistent dividend growth, or having the potential for capital appreciation and the ability to return cash to investors. Seeks to provide capital appreciation and current income.

Portfolio Management

Gregory Adams, CFA
Senior Vice President
Portfolio Manager and Director of Quantitative & Risk Management
37 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 Financials. The largest sector overweight was Energy and the largest sector underweight was Consumer Discretionary.
- The Financials and Industrials sectors contributed to relative performance while Consumer Discretionary and Information Technology 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 Growth & Income Fund underperformed the S&P 500 Index during the fourth quarter of 2024. Broadcom Inc., Apple Inc., and Amazon.com, 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.

- Apple is a leading technology provider in telecommunications, computing, and services. Apple's iOS operating system is the company's unique intellectual property and competitive strength. This software drives particularly tight engagement with consumers and enterprises, which has fostered purchases of high margin services like music, apps, and Apple Pay. During the quarter, shares contributed to performance after the company reported better-than-expected fiscal fourth-quarter revenues, driven in part by stronger-than-anticipated iPhone sales across all regions. Additionally, the launch of Apple Intelligence, a new AI integration that enhances device capabilities and user experiences, increased investor confidence in the company's ability to continue innovating its product offerings.
- Amazon.com is a renowned online retailer and leader in cloud computing. The company's Amazon Web Services (AWS) division offers utility-scale cloud solutions that support corporate America's digital transition. During the quarter, Amazon's shares contributed to performance as the company reported better-than-expected fiscal third-quarter results, with revenues and earnings beating analyst estimates. Operating margins expanded to 11%, driven by efficiency gains in logistics and robust AWS performance. Notably, AWS revenue growth accelerated during the quarter, along with recording its highest-ever operating margin of 38.1%, driven by easing cloud cost optimizations, renewed workload migrations, and an increasing contribution from AI workloads. On their earnings call, management highlighted plans to increase capital expenditures to enhance their technology infrastructure, catering to the surging demand for AI-driven computing.

KLA Corporation, UnitedHealth Group Incorporated, and Eli Lilly and Company, were among the top detractors from performance.

- KLA is a high-quality semiconductor capital equipment company that provides advanced inspection tools, metrology systems, and computational analytics. Its wafer fabrication inspection equipment commands strong market share and includes advanced process control and process-enabling solutions for manufacturing wafers and reticles, integrated circuits, packaging, printed circuit boards and flat panel displays. We believe the company is a critical supplier to the semiconductor and electronics industries that facilitates the drive to create and produce smaller, faster, and more powerful chips. During the quarter, shares detracted from performance due to heightened investor concerns regarding expanding trade restrictions on semiconductor capital equipment companies' sales to Chinese entities. Additionally, persisting demand weakness in some memory end markets have caused customers to reduce orders in order to cut inventory levels.
- UnitedHealth Group integrates insurance benefits, primary care, pharmacy services, and data analytics, leveraging its scale to address rising healthcare costs effectively. Historically, the company has delivered strong double-digit earnings growth driven by solid revenue expansion as more employers and payers adopt its solutions. However, shares detracted from performance during the quarter as the company faced profit margin pressures due to mispricing higher-than-expected customer utilization, a challenge shared by other industry participants. Investor sentiment was further impacted by the tragic death of UnitedHealth CEO Brian Thompson, which spotlighted widespread criticism of the healthcare insurance industry and raised concerns about heightened regulatory scrutiny under the new Trump administration.
- 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.

4th Quarter 2024

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

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A (Incepted 12/31/96)							
Without Sales Charge	1.90	21.81	21.81	8.77	14.15	12.35	9.69
With Sales Charge	-3.46	15.43	15.43	6.84	12.93	11.74	9.48
S&P 500 Index	2.41	25.02	25.02	8.94	14.53	13.10	(Since 12/31/96) 9.67
Total Annual Operating Expenses by Class (Prospectus Dated 3/1/24, unless otherwise amended)	A: 0.96%						

Performance shown is net of fees and expenses.
Only periods greater than 12 months are annualized.
Prior to April 1, 2011, the Fund followed a different investment objective and different strategies under the name "Alger Balanced Fund."
Prior to March 1, 2021, the Fund was co-managed by two portfolio managers.
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. 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.

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. 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 S&P 500 Index is an index of large company stocks considered to be representative of the U.S. stock market. 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 S&P indexes are a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Fred Alger Management, LLC and its affiliates. Copyright 2025 S&P Dow Jones Indices LLC, a subsidiary of S&P Global Inc. and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. S&P® is a registered trademark of Standard & Poor's Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

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: Broadcom Inc., 6.85%; Apple Inc., 8.49%; Amazon.com, Inc., 3.15%; KLA Corporation, 2.75%; UnitedHealth Group Incorporated, 2.13%; Eli Lilly and Company, 1.55%.

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.