



Alger International Focus Fund

2nd Quarter 2024 As of June 30, 2024

Ticker Symbols

Class A	ALGAX
Class I	ALGIX
Class Z	ALCZX

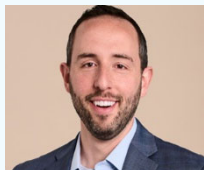
Investment Strategy

Primarily invests in a focused portfolio of approximately 35-45 equity securities of companies located in countries outside the U.S. identified through our fundamental research as demonstrating promising growth potential based on earnings, quality and valuation. Seeks long-term capital appreciation.

Portfolio Management



Michael J. Mufson, CFA
Co-Founder, Co-Chief Investment Officer and Managing Partner
Redwood Investments, LLC
36 Years Investment Experience



Ezra Samet, CFA
Portfolio Manager, Analyst
Redwood Investments, LLC
18 Years Investment Experience



Donald W. Smith, CFA
Portfolio Manager, Analyst
Redwood Investments, LLC
25 Years Investment Experience

Benchmark

MSCI ACWI ex USA

MARKET ENVIRONMENT

During the second quarter of 2024, international equity markets were positive, driven by strength in the Emerging Markets, although slightly offset by weakness in Japan due to the continued depreciation of the Japanese yen. In the U.S., continued artificial intelligence (AI) enthusiasm and resilient economic indicators in the U.S. reinforced market confidence, supporting expectations of a soft landing—an economic slowdown without entering a recession.

In Europe, equity markets were marginally higher though experienced some volatility around French parliamentary elections and lowered expectations for significant interest rate cuts. The European Central Bank reduced interest rates by 25 basis points in early June but noted further cuts may be constrained by persistent inflation, which rose to 2.6% in May from 2.4% in April.

In Japan, equity markets declined as continued depreciation of the Japanese yen was driven by strength in the U.S. dollar. Real wage growth remained negative, with wage increases failing to outpace inflation, dampening consumer sentiment. Further, corporate earnings generally beat expectations due to strong sales growth and effective cost management, boosting corporate profitability. Further, companies continued to adopt the Tokyo Stock Exchange initiatives aimed at improving capital efficiency, setting practical financial targets and updating capital allocation policies to increase shareholder value through increased share buybacks and dividends.

Emerging market equities outperformed developed markets during the quarter, buoyed by softer US macroeconomic data which quelled concerns about potential U.S. interest rate hikes, along with a recovery in China. Taiwan displayed strong equity market performance supported by increased semiconductor demand related to AI. Strong equity market performance within India was driven by robust household consumption, moderating inflation, and an uptick in foreign investment, underpinned by strong structural growth from increased government spending and a growing middle class. Conversely, equity markets in Brazil and Mexico recorded large losses for the quarter, impacted by cautious central bank signals on future rate cuts and local challenges. In Brazil, flooding raised concerns about economic growth and inflation. In Mexico, the election of Claudia Sheinbaum and her party's significant majority led to concerns about potential institutional weakening due to proposed reforms.

During the quarter, the MSCI ACWI Index ex USA rose 1.17%. The Information Technology and Communication Services sectors outperformed the index, while the Consumer Discretionary and Real Estate sectors underperformed. Style factors profitability and growth posted outsized returns, while market sensitivity (Beta) and volatility displayed negative returns.

PORTFOLIO UPDATE

Class A shares of the Alger International Focus Fund recorded a 2.02% net return for the second quarter of 2024, compared to the 1.17% return of the MSCI AC World Index ex USA. The Alger International Focus Fund primarily seeks to derive performance from stock specific sources. During the quarter, returns driven by individual stocks were positive relative to the benchmark with outperformance related to factor exposures. The portfolio's overweighting of style factors such as exchange rate sensitivity and underweighting volatility were the most significant contributors to performance during the quarter. On the other hand, the portfolio's underweight to growth and overweighting to dividend yield were the most significant detractors from performance during the quarter.

Among countries, India, Canada, and the United Kingdom provided the largest contributions to relative performance while France, China, and Switzerland were the most notable detractors from relative performance.

Standardized performance is available on page 3.

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CONTRIBUTORS TO PERFORMANCE

Bharat Electronics Limited, Dollarama Inc., and Taiwan Semiconductor Manufacturing Co., Ltd were among the top relative contributors to performance.

- Bharat Electronics is India's premier defense electronics company that produces radars, missile systems, defense communication radios, electronic warfare systems, avionics, fire control systems, and electro-optic devices like night vision. Defense sales generate approximately 90% of revenues, with the remainder coming from civilian projects, including tablet PCs and the national population register. In our view, the company remains well positioned for increased demand for defense equipment, air traffic management systems and metros. During the quarter, shares outperformed the index after the company reported better-than-expected revenues. Further, management raised their full-year revenue and profit margin forward guidance, driven by high order inflows adding to the company's health backlog, and strong visibility on new orders from both defense and non-defense customers.
- Dollarama is Canada's leading fixed-price retailer, which operates over 1,500 stores across the country, making it four times larger than its nearest competitor and surpassing the combined store count of the next five largest competitors. The company sells a wide range of everyday items, general merchandise, and seasonal products at prices up to US\$5.00 in corporate-owned stores. Additionally, Dollarama holds a majority interest in Dollarcity, a growing Latin American retailer with over 525 stores that offers similar products at price points up to US\$4.00. During the quarter, shares outperformed the index after reporting strong fiscal first quarter operating results. Higher-than-expected same-store-sales were driven by impressive traffic and basket metrics, along with gross margin expansion from lower freight costs. Elsewhere, Dollarama purchased an additional 10% stake of Dollarcity ahead of the joint venture's 2025 expansion into Mexico.
- Taiwan Semiconductor (TSMC) is the global leader in integrated circuit (IC) manufacturing. Operating as a built-to-order foundry, TSMC provides comprehensive services including IC manufacturing, mask-making, design, turn-key solutions, and process development. We believe the company's success is attributed to its proven business model, significant economic scale, and deep technological expertise. Given the rising demand for semiconductors in mobile devices, AI, and the Internet of Things (IoT), TSMC is well-positioned to capitalize on the increasing need for computing power, in our view. Further, the company's leadership in advanced technology nodes (3nm/5nm) and packaging gives it high revenue visibility and pricing power. We believe the company's significant capital investments, driven by AI computing demands and shortened product cycles, could potentially suggest rapid growth in edge computing. During the quarter, shares outperformed the index, buoyed by heightened demand for AI chips and TSMC's cutting-edge production capabilities in nodes like N3E and N2.

DETRACTORS FROM PERFORMANCE

Gaztransport & Technigaz SA, Lasertec Corp., and Pan Pacific Holdings were among the top relative detractors from performance.

- Lasertec designs, manufactures, and sells advanced extreme ultraviolet (EUVL) mask and mask blank inspection systems for semiconductor fabrication. We believe the company is well positioned to benefit from the upcoming 2nm Gate All Around semiconductor cycle. Although Lasertec reported strong quarterly earnings, shares fell due to investor concerns about the pace of recovery.

- Gaztransport & Technigaz SA is a French multinational engineering firm that designs containment systems with cryogenic membranes for transporting liquified natural gas (LNG), serving onshore and offshore storage needs. The company operates across several areas, including LNG carriers, multi-gas carriers, floating LNG units, floating storage and regasification units, and onshore storage tanks. During the quarter, the company reported solid fiscal first-quarter operating results, delivering strong revenue growth from an increase in the number of LNG carriers under construction and a considerable rise in revenue in its services segment. However, despite a strong rally year-to-date, shares fell in the second quarter due to heightened political risk following French President Macron's call for a snap election after Marine Le Pen's National Rally party showed surprisingly strong results in the EU elections on June 9th. While natural gas and LNG prices have remained relatively stable, and the company maintaining high revenue visibility extending into 2028-29, shares underperformed the index during the quarter.
- Pan Pacific Holdings is a Japan-based operator of the Don Quijote discount stores along with a general merchandise and international business. We believe the company is well-positioned to capitalize on value shopping trends as households contend with cost-of-living increases and stagnant wages in Japan. Despite some improvements in real wage growth in 2024, a significant segment of the population is likely to continue to frequent discount stores due to insufficient wage increases, in our view. Further, Don Quijote is aggressively expanding its store openings and enhancing its private label offerings, which could potentially improve gross profit margins. While the company reported strong quarterly earnings, where sales and operating profits beat analyst estimates, the company's share price fell due to weakness in the Japanese yen relative to the U.S. dollar, thereby underperforming the index. Despite the near-term foreign currency headwind, we believe the company remains well positioned for long-term growth. We believe Don Quijote's unique store format remains competitive against e-commerce, supported by ongoing stock-keeping-unit reductions and a focused enhancement of inventory turnover.

PORTFOLIO POSITIONING

We continue to position the portfolio to potentially benefit from secular trends including the following:

- Energy security and transition, such as grid development, renewable energy, electric vehicles and batteries/materials
- Digitization
- Automation
- Financial inclusion

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Average Annual Total Returns (%) (as of 6/30/24)

	QTR	YTD	1 Year	3 Years	5 Years	10 Years
Class A (Incepted 12/31/96)						
Without Sales Charge	2.02	5.90	14.23	-3.11	7.68	4.53
With Sales Charge	-3.33	0.36	8.22	-4.84	6.52	3.97
MSCI ACWI ex USA Index	1.17	6.04	12.17	0.97	6.05	4.34
Total Annual Operating Expenses by Class (Prospectus Dated 3/1/24, unless otherwise amended)	Without Waiver:	A: 1.31%				
	With Waiver:	—				

Performance shown is net of fees and expenses.

Only periods greater than 12 months are annualized.

The Fund had portfolio manager changes effective February 1, 2024 and March 28, 2018. Prior to August 15, 2018, the Fund followed its current investment strategy under the name "Alger International Growth Fund," and prior to March 28, 2018, the Fund followed the prior investment strategy.

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. Local, regional or global events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases and similar public health threats, recessions, or other events could have a significant impact on investments. 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. 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. 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 capitalizations involve the risk that such issuers may have limited product lines or financial resources, lack management depth, or have limited liquidity. At times, cash may be a larger position in the portfolio and may underperform relative to equity securities. Active trading may increase transaction costs, brokerage commissions, and taxes, which can lower the return on investment. **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. Also, developing technologies to displace older technologies or create new markets may not in fact do so, and there may be sector-specific risks as well. As is the case with any industry, there will be winners and losers that emerge and investors therefore need to conduct a significant amount of due diligence on individual companies to assess these risks and opportunities. **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.** 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. Companies exploring new technologies may face regulatory, political or legal challenges that may adversely impact their competitive positioning and financial prospects.

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The MSCI ACWI ex USA Index (gross) captures large and mid cap representation across Developed Markets (DM) countries (excluding the U.S. and Emerging Markets (EM) countries). The index covers approximately 85% of the global equity opportunity set outside the US. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

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.**

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

The following positions represented the stated percentages of portfolio assets as of June 30, 2024: Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR, 5.78%; Bharat Electronics Limited, 2.75%; Dollarama Inc., 2.99%; Lasertec Corp., 2.14%; Pan Pacific International Holdings Corporation, 2.37%; Gaztransport & Technigaz SA, 2.26%; Dollarcity, 0.00%

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