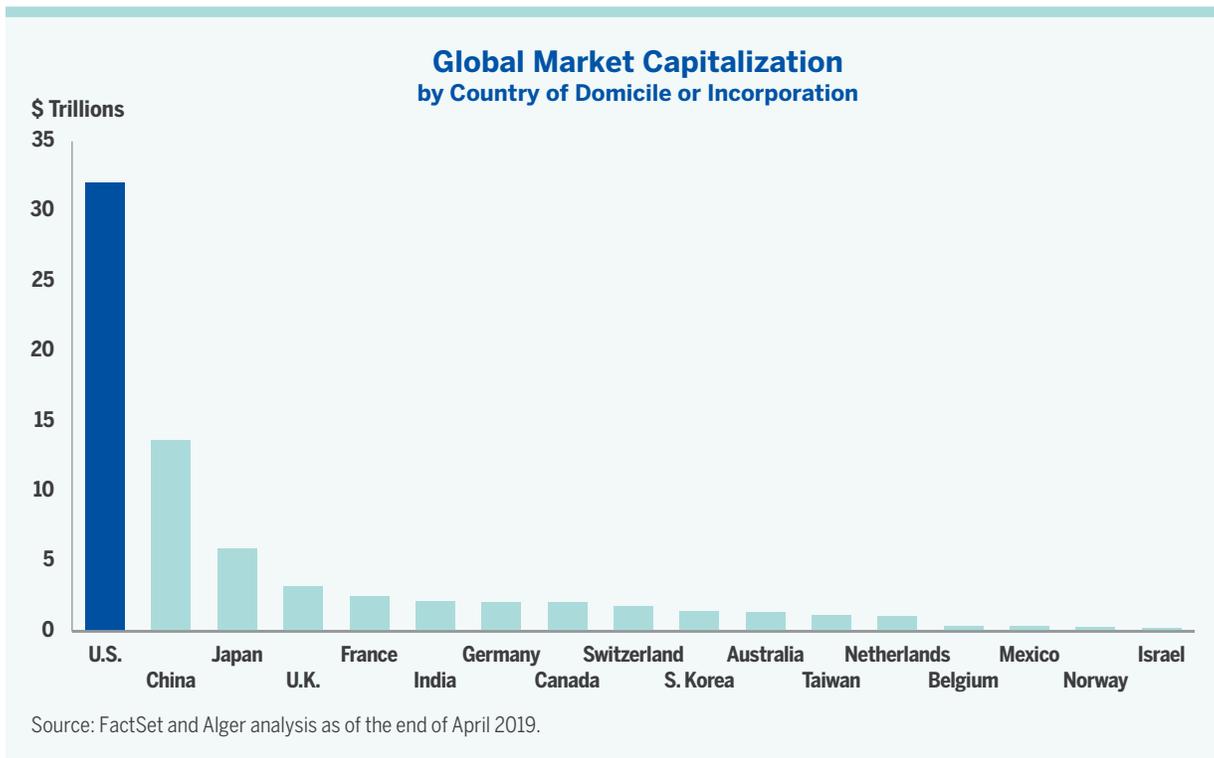


# Innovation Independence

This year we celebrate the 243rd birthday of the U.S. Since its founding the U.S. has been renowned for its democracy and capitalist system that embraces change and innovation. These factors have been the catalysts of the U.S.'s robust stock market, which outstrips that of any other nation worldwide.



- Of the approximately \$85 trillion in global stock market capitalization, the U.S. represents nearly 40% or over \$32 trillion. This is significantly more than the roughly 25% of worldwide GDP for which the U.S. accounts.
- The U.S. share of global market capitalization is more than twice that of its nearest competitor, China. More impressive is that the U.S. commands more than two thirds of global market capitalization in growth-oriented industries such as software and biotechnology.
- But will the U.S. remain dominant in the future? The U.S. has one very strong advantage: innovation. The U.S.'s share of research and development spending among U.S. public companies is higher than its share of market capitalization—a sign that the U.S. may likely continue to lead in growth and change.

The views expressed are the views of Fred Alger Management, Inc. as of July 2019. These views are subject to change at any time and they do not guarantee the future performance of the markets, any security or any funds managed by Fred Alger Management, Inc. These views are not meant to provide investment advice and should not be considered a recommendation to purchase or sell securities.

This document is directed at investment professionals and qualified investors (as defined by MiFID/FCA regulations). It is for information purposes only and has been prepared and is made available for the benefit of investors. This document does not constitute an offer or solicitation to any person in any jurisdiction in which it is not authorised or permitted, or to anyone who would be an unlawful recipient, and is only intended for use by original recipients and addressees. The original recipient is solely responsible for any actions in further distributing this document and should be satisfied in doing so that there is no breach of local legislation or regulation. This document is not for distribution in the United States.

Any opinions expressed herein are those at the date this material is issued. Data, models and other statistics are sourced from our own records, unless otherwise stated herein. We caution that the value of investments in discretionary accounts, and the income derived, may fluctuate and it is possible that an investor may incur losses, including a loss of the principal invested. Investors should ensure that they fully understand the risks associated with investing and should consider their own investment objectives and risk tolerance levels. **Past performance is not indicative of future performance.** Investors whose reference currency differs from that in which the underlying assets are invested may be subject to exchange rate movements that alter the value of their investments.

Certain products may be subject to restrictions with regard to certain persons or in certain countries under national regulations applicable to such persons or countries. NOTABLY, THIS MATERIAL IS EXCLUSIVELY INTENDED FOR PERSONS WHO ARE NOT U.S. PERSONS, AS SUCH TERM IS DEFINED IN REGULATIONS OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) AND WHO ARE NOT PHYSICALLY PRESENT IN THE UNITED STATES.

**Risk Disclosures:** Investing in the stock market involves gains and losses and may not be suitable for all investors. 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. Many technology companies have limited operating histories and prices of these companies' securities have historically been more volatile than other securities, especially over the short term. Technology companies may also face increased competition, government regulation, and risk of obsolescence due to progress in technological developments.

**Important Information for All Investors:** Alger Management, Ltd. (company house number 8634056, domiciled at 78 Brook Street, London W1K 5EF, UK) is authorised and regulated by the Financial Conduct Authority, for the distribution of regulated financial products and services. FAM and/or Weatherbie Capital, LLC, U.S. registered investment advisors, serve as sub-portfolio manager to financial products distributed by Alger Management, Ltd.

Fred Alger & Company, Incorporated (parent company of FAM), is not an authorized person for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA") and this material has not been approved by an authorized person for the purposes of Section 21(2)(b) of the FSMA.

**Important Information for UK Investors:** The distribution of this material in the United Kingdom is restricted by law. Accordingly, this material is provided only for and is directed only at persons in the United Kingdom reasonably believed to be of a kind to whom such promotions may be communicated by an unauthorized person pursuant to an exemption under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO"). Such persons include: (a) persons having professional experience in matters relating to investments and (b) high net worth bodies corporate, partnerships, unincorporated associations, trusts, etc. falling within Article 49 of the FPO. Most of the rules made under the FSMA for the protection of retail clients do not apply, and compensation under the United Kingdom Financial Services Compensation Scheme will not be available.