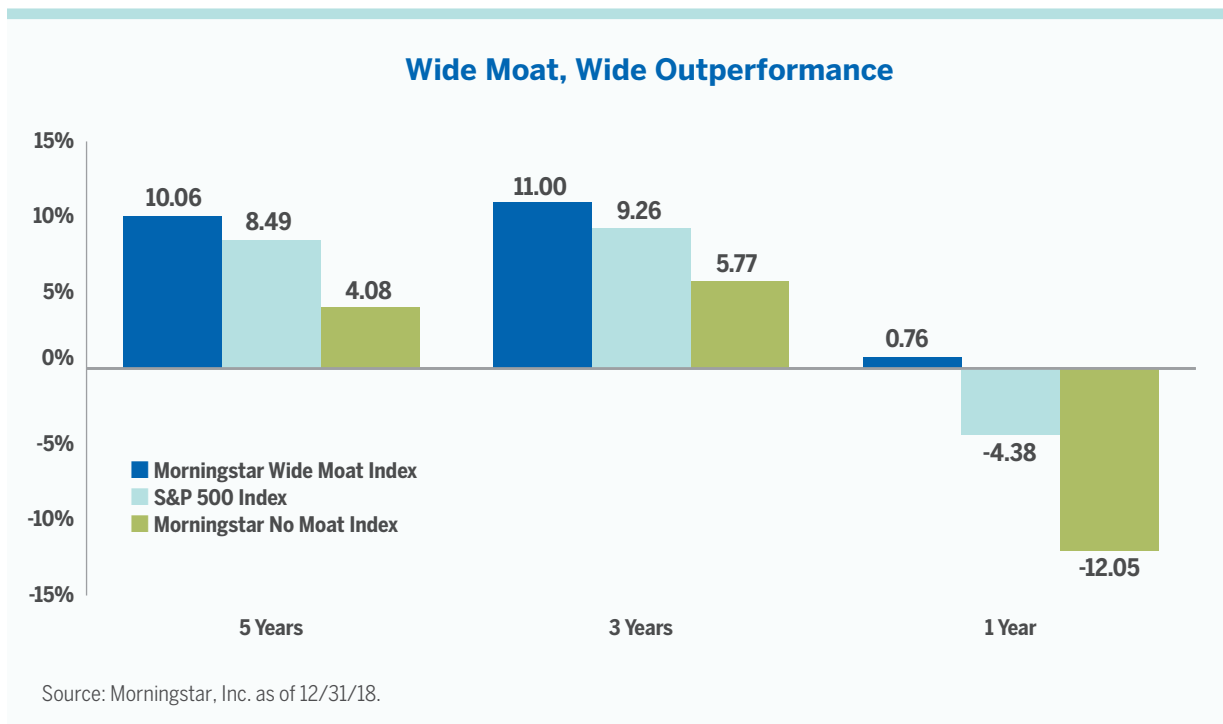


What Does a Moat Get You?

What is an economic moat? It's a representation of a company's sustainable competitive advantage, which matters because wide moat companies, whose competitive advantages are expected to be durable over the long term, have historically outperformed.



- Over the last several time periods, the Morningstar Wide Moat Index outperformed the S&P 500 and the corresponding index for companies with no moat.
- According to Morningstar, there are five factors in determining a moat: switching costs (impediments that prevent customers from switching from one product to another), the network effect (the value of the product increases as more people use it), intangible assets (brand identity, government licenses and patents), cost advantage (producing goods at a lower cost than competitors) and efficient scale (average unit cost declines as production volume increases).
- A wide moat has historically meant higher returns. Picking a fund manager who identifies sustainable competitive advantages resulting in wide moats as a key part of his or her investment process may offer potential benefits.

The views expressed are the views of Fred Alger Management, Inc. ("FAM") and Alger Management, Ltd. ("AML") as of February 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. FAM serves as sub-advisor to AML.

This material must be accompanied by the most recent fund fact sheet(s) if used in connection with the sale of mutual fund shares.

Funds authorized by the Swiss Financial Market Supervisory Authority FINMA for distributing their shares publicly in Switzerland: for interested parties, fund regulations or the articles of incorporation, the key investor information document (KIID) and the full prospectus, in their current versions, as well as the annual and semi-annual reports are provided free of charge at the representative in Switzerland. ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich. Paying agent in Switzerland is Neue Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zürich.

Important information for UK investors: Fred Alger & Company, Incorporated is not an authorised person for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA") and the information shown has not been approved by an authorised person for the purposes of Section 21(2)(b) of the FSMA. The presentation of this information in the United Kingdom is restricted by law. Accordingly, this information 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 unauthorised 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. The services provided by Fred Alger & Company, Incorporated and its affiliated entities and the investment opportunities to which this information relates are available only to such persons, and persons of any other description may not rely on it. 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.

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. La Française AM International has a signed agreement with Alger Management Ltd., whereby La Française AM International is authorized to distribute Fred Alger Management, Inc. products in Europe.