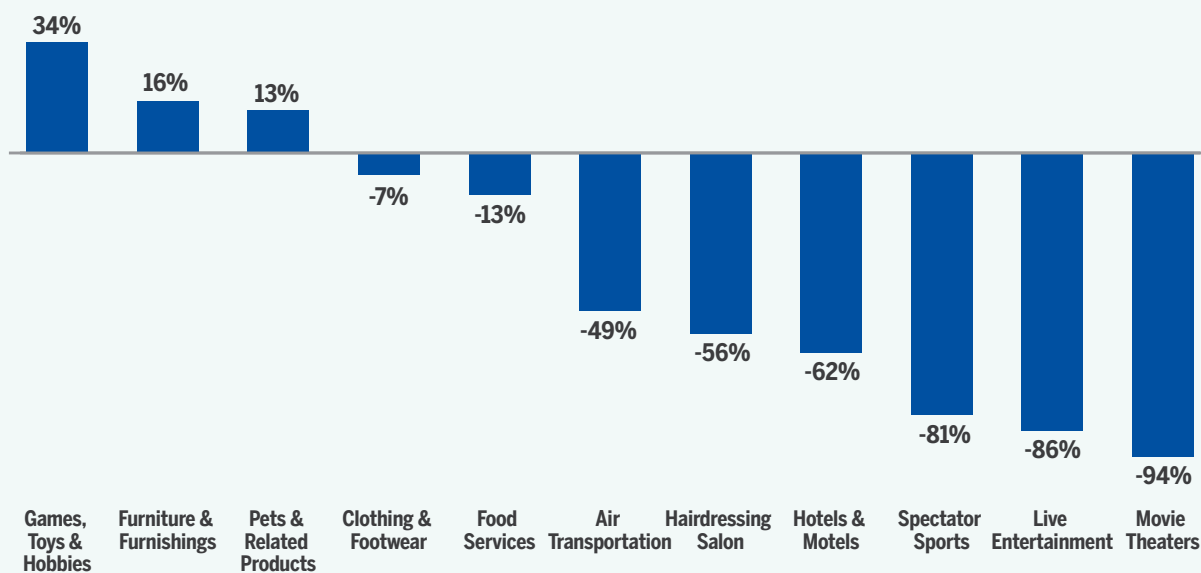


How to Play Economic Dispersion

It isn't difficult to understand where Americans have been spending their money throughout the Covid-19 pandemic. Many people have invested in hobbies or fixing up their homes. They haven't been traveling much, nor spending on leisure or entertainment. We believe some of these lagging areas are due to rebound when a vaccine is widely available, but we believe that it is important to gain exposure to those end-markets with high quality, innovative companies.

Change in Personal Consumption During Pandemic



Source: U.S. Bureau of Economic Analysis and Alger. Change is calculated as November 2020 spending versus December 2019.

- Areas such as spectator sports, live entertainment and movie theaters have been hardest hit by pandemic considerations. Games, toys and hobbies, furniture and furnishings and pets and related products have prospered.
- Some investors believe picking stocks right now is a question of growth vs. value, with value equating to cyclical stocks, i.e., those whose price is affected by macroeconomic or systematic changes in the overall economy. At Alger, we believe value stocks have structural headwinds. Still, we believe there is a sweet spot to be found in growth equities.
- We believe the most potential returns lie in gaining exposure to innovative growth companies that are taking market share, have high return on capital and have exposure to some of the markets we think may potentially rebound. Examples of innovative growth companies include, in our view, digital travel platform company Booking.com, commercial real estate information services business CoStar, automobile voice services company Cerence and energy technology company Core Laboratories.



Return on capital is a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments. The return on capital ratio gives a sense of how well a company is using its money to generate returns.

The following positions represented the noted percentages of assets managed by Fred Alger Management, LLC as of December 31, 2020: Booking Holdings Inc., 0.4%; CoStar Group Inc., 0.5%; Cerence Inc., 0.2%; and Core Laboratories NV, 0.2%.

The views expressed are the views of Alger Management, Ltd. as of February 2021. 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. These views are not meant to provide investment advice and should not be considered a recommendation to purchase or sell securities.

Important Disclosures: 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.

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 Disclosure: 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. Technology companies may be significantly affected by competition, innovation, regulation, and product obsolescence, and may be more volatile than the securities of other companies.

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. Fred Alger Management, LLC ("FAM") and/or Weatherbie Capital, LLC, U.S. registered investment advisors, serve as sub-portfolio manager to financial products distributed by Alger Management, Ltd.

Alger Group Holdings, LLC (parent company of FAM and Alger Management, Ltd.), 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 Investors in Israel: This material is provided in Israel only to investors of the type listed in the first schedule of the Securities Law, 1968 (the "Securities Law") and the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 1995. The Fund units will not be sold to investors who are not of the type listed in the first schedule of the Securities Law.