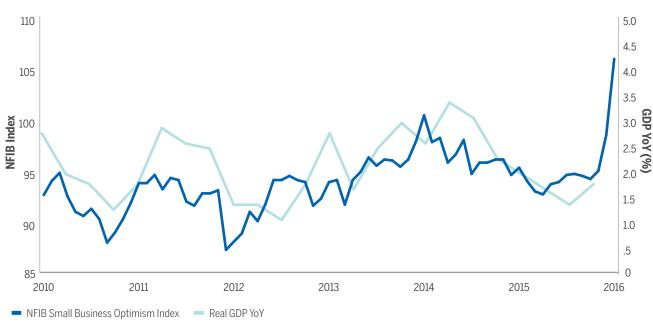


Small Business Confidence Has Catapulted

A recent survey among small businesses points to a surge in confidence following the recent U.S. presidential election. This could continue well into 2017 due to expectations for lower taxes and less regulation brought forth by the new administration.



Optimism on the Upswing (December 2010 through December 2016)

Source: FactSet.

ALGER Alger Management, Ltd.

- The National Federation of Independent Business's Small Business Optimism Index saw the largest monthly increase since monthly tracking commenced in 1986.
- The high level of optimism may indicate a material acceleration in economic growth to 3-4% through increased business activity, such as capital investment. Since 2008, there has been a 73% correlation between the Index and real GDP growth.
- Strong business confidence along with potential cuts in corporate tax rates implies business spending will outpace consumer spending. Investors should consider equity portfolios with exposure to business spending, including enterprise software companies, digital media leaders, and industrial conglomerates.

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The NFIB Index of Small Business Optimism is one of the oldest and most widely respected economic research reports in the country. It is a survey asking small business owners a battery of questions related to their expectations for the future and their plans to hire, build inventory, borrow, and expand.

Risk Disclosures: Investing in the stock market involves gains and losses and may not be suitable for all investors. Growth stocks tend to be more volatile than

other stocks, as the prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic development.

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