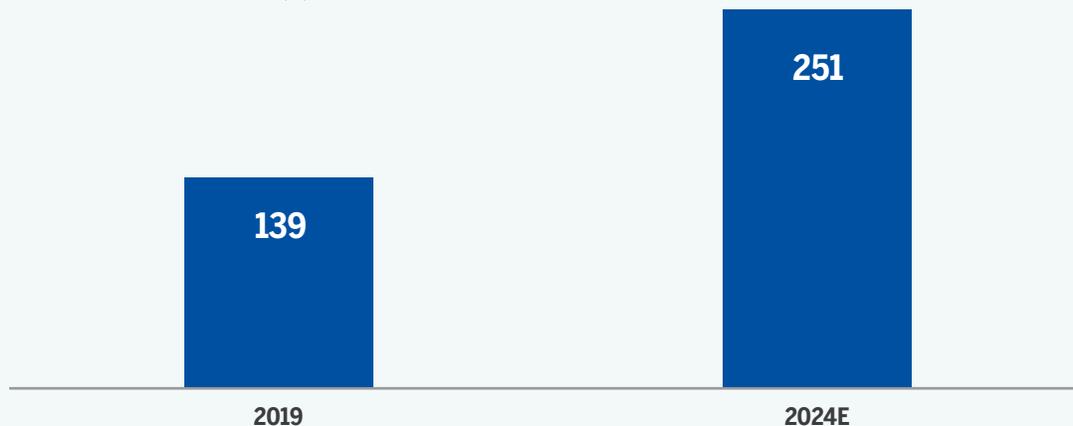


Investing on the Edge

How do we make the internet faster to support the fast-growing Internet of Things? We need to change the architecture of the internet if we want to support increasingly quick connections. This way we can analyze and respond to the vast amount of data that the growing number of connected devices is producing. The key enabling technology: edge computing.

Dollars Spent Worldwide on Edge Computing-Related Services, Hardware and Software

Market Revenue in Billions (\$)



Source: IDC, September 2020.

- Edge computing is about moving resources to the edge of the internet network to enable faster or lower latency communications (latency is the lag between a user's action and a web application's response). Rather than wait for content to travel halfway around the world to and from a central data center, edge computing helps put equipment and content in closer proximity to the user.
- Examples of equipment on the infrastructure edge of the network include regional data centers, where switching equipment, which allows connected devices to share information and communicate, is deployed, as well as access sites that house cellular radio base stations.
- The global market for edge computing is expected to grow quickly at 12.5% annually over the five years ending 2024 and reach over \$250 billion. Drivers of this growth include applications like content delivery/streaming services, augmented and virtual reality, autonomous vehicles and remote monitoring, which allows IT personnel or machines to observe and interact with networked devices.
- Beneficiaries of the move to edge computing may include content delivery networks, such as Cloudflare. Other beneficiaries may include communications infrastructure companies like wireless tower companies, data centers and fiber companies, as well as semiconductor manufacturers.



The following position represented the noted percentage of assets managed by Fred Alger Management, LLC as of September 30, 2020: Cloudflare, Inc., 0.0%.

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