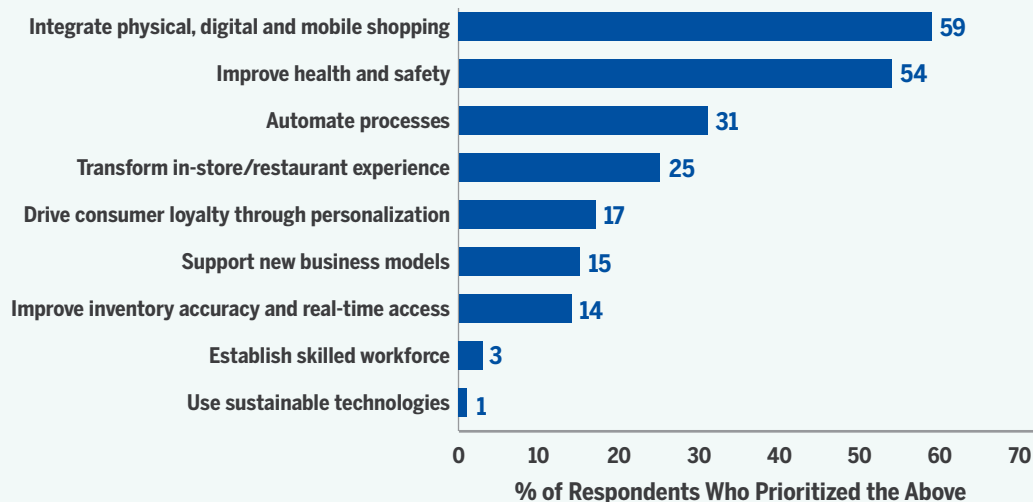


## Fast(er) Food

Digital transformation is impacting every industry. In food service, many companies recognize that to keep up with competitors and thrive, they need to invest in technology, which we believe is creating opportunities for investors who can identify the leaders in this race.

### Strategic Considerations in Food Service



Source: Panasonic survey conducted in August 2020 and released in March 2021.

- After experiencing the challenges of the pandemic, nearly three quarters of food service executives (71%) said digital transformation is “very important,” according to a survey by Panasonic. More than half (59%) of respondents said their top strategic priority is integrating physical, digital and mobile shopping experiences. This is nearly three times the proportion who ranked integration of physical and digital shopping as a top priority in early 2020.
- Restaurants are investing in technologies to become more efficient. These include mobile devices for associates, customer kiosks, smart inventory/shelf solutions, mobile apps for customers, food lockers for customer pickup and license plate recognition. Some are even experimenting with facial recognition in kiosks and at point-of-sale.
- The technology race is allowing some restaurants to gain significant market share. Consider that only 15% of total food service transactions were initiated via an ordering app in 2020. While that is a huge jump from 6% in the prior year, it pales in comparison to restaurants like Chipotle, which conducts half of business digitally or Wingstop, which is 60% digital. Digital leaders and the companies that enable their transformation are likely to outperform peers, in our view.



The following position represented the noted percentage of assets managed by Fred Alger Management, LLC as of June 30, 2021: Chipotle Mexican Grill, Inc., 0.5%; and Wingstop Inc., 0.6%.

The views expressed are the views of Fred Alger Management, LLC ("FAM") and its affiliates as of July 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. Holdings and sector allocations are subject to change.

**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. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness such as COVID-19 or other public health issues, recessions, or other events could have a significant impact on investments. 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.