

Alger Spectra Fund

1st Quarter 2026 As of March 31, 2026

Ticker Symbols

Class A	SPECX
Class C	ASPCX
Class I	ASPIX
Class Y	ASPYX
Class Z	ASPZX

Investment Strategy

Primarily invests in growth equity securities of U.S. companies identified through our fundamental research as demonstrating promising growth potential, and engages in short selling (up to approximately 10% of the market value of the portfolio). Seeks long-term capital appreciation.

Portfolio Management



Patrick Kelly, CFA
Executive Vice President
Portfolio Manager,
Head of Alger Capital Appreciation
and Spectra Strategies
29 Years Investment Experience



Dan Chung, CFA
Chief Executive Officer,
Chief Investment Officer
Portfolio Manager
32 Years Investment Experience



Dr. Ankur Crawford
Executive Vice President
Portfolio Manager
22 Years Investment Experience

Benchmark

Russell 3000 Growth Index

Standardized performance is available on page 3.

HIGHLIGHTS

- During the first quarter of 2026, the largest portfolio sector weightings were Information Technology and Consumer Discretionary. The largest sector overweight was Information Technology and the largest sector underweight was Financials.
- The Information Technology and Financials sectors contributed to relative performance while Consumer Discretionary and Utilities were among sectors that detracted from relative performance.

MARKET ENVIRONMENT

U.S. equities endured a turbulent first quarter, with the S&P 500 Index declining 4.33% as two distinct forces converged to reshape the investment landscape. The period began with a sharp recalibration across the software industry, as the emergence of agentic artificial intelligence (AI) tools raised questions about the durability of traditional software business models. Investors moved swiftly to reprice companies most exposed to AI disruption, triggering a broad sell-off that weighed heavily on the technology-heavy corners of the market. The dislocation also spilled into private credit, where several firms with outsized exposure to software faced redemption pressures. Despite this turbulence, the underlying economy remained strong through the opening months of the year — consumers continued to spend, and expectations held firm for another quarter of solid earnings growth within the S&P 500 Index.

The second, and more consequential, disruption arrived in late February with the outbreak of the U.S.–Iran conflict and the subsequent closure of the Strait of Hormuz — a critical chokepoint through which roughly 20% of the world's seaborne oil transits. The resulting supply shock sent crude prices surging past \$100 per barrel for the first time in four years, injecting potential inflationary pressure into an economy the Federal Reserve (Fed) had been carefully guiding lower. Higher energy costs complicated the Fed's rate-cutting path; markets entered the quarter pricing in two rate cuts in 2026 but exited with expectations that the Fed will remain on hold. At its March meeting, the Fed held rates steady and raised its 2026 inflation projections, acknowledging that the economic implications of the conflict remain uncertain. Accordingly, Energy was the top performing sector within the S&P 500 Index, while the Financials sector was the weakest.

While we understand the equity market's focus this year will likely be on which industries and companies may be disrupted by AI progress, we continue to see opportunity in those companies enabling and adopting the technology as it enters the agentic phase — where systems move beyond generating answers to autonomously executing tasks, making decisions, and coordinating workflows. This shift is accelerating demand for compute capacity and, in turn, driving growth across the ecosystem of companies that build, service, and power data centers. Moreover, U.S. business spending is emerging as a more prominent driver of economic growth, supported by a confluence of factors — most notably burgeoning demand for AI infrastructure and tax incentives from the One Big Beautiful Bill, which allow companies to deduct 100% of eligible equipment and qualifying manufacturing-facility costs in the year placed in service, boosting near-term cash flow and after-tax returns.

PORTFOLIO UPDATE

Class A shares of the Alger Spectra Fund underperformed the Russell 3000 Growth Index during the first quarter of 2026. GE Vernova Inc., Nebius Group, and Western Digital Corporation were among the top contributors to performance.

- GE Vernova is a purpose-built global energy company operating through three segments — Power, Wind, and Electrification — that provide technologies to generate, transfer, convert, and store electricity. The company supports approximately a quarter of the world's electricity generation through a massive installed base of gas and wind turbines, and its record backlog and high-margin services business provide significant visibility into long-term free cash flow potential through the end of the decade. We believe GE Vernova is uniquely positioned to benefit from the global energy transition and rising power demand driven by AI data centers. During the quarter, shares contributed positively to performance supported by a strong fiscal fourth-quarter earnings report that highlighted a significant organic increase in orders, led by a tripling of Gas Power equipment orders and record bookings in the Electrification segment.

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- Western Digital is a hard disk drive (HDD) storage company benefiting from rising hyperscaler data-center investment and the continued proliferation of data. The HDD industry is highly consolidated, with only two scaled manufacturers, and Western Digital holds a leading market position. The business has structurally shifted toward cloud customers as consumer exposure has declined, with cloud representing the majority of Western Digital's revenue. Importantly, industry participants have emphasized capital discipline—prioritizing higher areal density (i.e., more terabytes per drive) rather than adding significant unit capacity—which supports a healthier supply/demand balance and improved profitability. During the quarter, shares contributed positively to performance after the company delivered strong fiscal second-quarter results highlighted by robust revenue growth, record gross margins, and favorable pricing dynamics in a tightly supplied market. Notably, the company's full-year production capacity is committed under long-term agreements, providing strong revenue visibility. We believe Western Digital's leadership in high-capacity drive technology and its essential role within the AI data infrastructure ecosystem support a durable long-term growth trajectory.
- Nebius Group is a specialized AI infrastructure company that provides a full-stack platform, including GPU-accelerated cloud computing, to help enterprises build, train, and deploy large-scale artificial intelligence models. The company has positioned itself as a leading next-generation cloud provider purpose-built for machine learning and high-performance computing workloads. We believe the company is anchored by its vertically integrated approach, which combines proprietary data center design with in-house software to deliver superior performance and lower operating costs compared to traditional GPU cloud providers. During the quarter, shares contributed positively to performance driven by several reinforcing catalysts. The company announced a landmark multi-year infrastructure agreement with a major AI hyperscaler, significantly expanding its contracted backlog and validating its platform at scale. Additionally, fiscal fourth-quarter results were exceptionally strong, with revenue increasing dramatically year over year as demand for dedicated AI compute capacity accelerated. Profitability also reached a meaningful milestone, as the company reported positive adjusted earnings at the group level for the first time, reflecting strong pricing power and growing operating leverage within the core AI cloud business. We believe Nebius's differentiated infrastructure model and rapidly expanding customer base position the company to capitalize on the sustained buildout of AI computing capacity.

Our short position in a human capital management software solutions company contributed positively to performance. Its solutions include payroll services, hiring services, business insurance, time and attendance, employee benefits, finance and payments, human resources services, and startup services. We maintained a short position as we believe the growing adoption of AI presents a structural headwind to the company's labor-intensive service model over time. While the company delivered better-than-expected fiscal third-quarter results driven by strong HR outsourcing demand, shares declined as investor concerns around AI disruption continued to weigh on sentiment.

Microsoft Corporation, AppLovin Corp. and NVIDIA Corporation were among the top detractors from performance.

- Microsoft is a global technology leader and a primary beneficiary of the ongoing digital transformation of enterprise computing, holding dominant positions in desktop software, cloud infrastructure, and generative artificial intelligence. We believe the company is well positioned as businesses continue to shift workloads to the cloud and integrate AI into their operations. During the quarter, shares detracted from performance despite the company delivering better-than-expected total revenue and earnings, with operating profitability improving substantially year over year. The primary source of investor disappointment was the company's Azure cloud business, where revenue growth came in slightly below elevated expectations. Management attributed the shortfall in part to supply constraints and the allocation of computing resources, suggesting that the company is currently unable to fully meet customer demand rather than facing any softening in underlying appetite. Despite the near-term shortfall, the total value of newly signed customer contracts grew significantly, providing multiple years of committed future revenue, while management noted that its entire GPU capacity is fully contracted for its useful life.
- AppLovin is an advertising technology company offering a digital platform that helps mobile app developers market, monetize, and analyze their apps. We believe the company is experiencing a positive lifecycle change, driven by its AI-powered software engine. While currently focused on mobile gaming, AppLovin is expanding into other market segments. Its Demand Side Platform (DSP) supports ad placements, user acquisition, inventory matching, and performance analytics. Further, we believe AI is central to AppLovin's growth, driving a large majority of the company's revenue through its recommendation and targeting engine. In our view, AppLovin gains a competitive advantage, delivering higher-value app installs by leveraging data from its game portfolio and developer partners. We believe this scale and data advantage enhances its network effect, improving its technology and boosting market share in mobile gaming. As developers use the platform, the company collects data that continuously refines its algorithms. During the quarter, shares detracted from performance despite another strong earnings report that exceeded expectations on both revenue and profitability. Investor sentiment was pressured by short seller reports alleging questionable ad practices — claims we view as a misunderstanding of the company's business model — coupled with a broad selloff across the software space. Additionally, early channel checks on the company's e-commerce initiative have been mixed, with some advertisers reporting difficulty scaling spend on the platform. We remain constructive on the company's long-term trajectory.

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- Nvidia is the world's leading designer of graphics processing units (GPUs) and accelerated computing platforms, providing the foundational hardware and software that power artificial intelligence training and inference across data centers, cloud infrastructure, and edge applications globally. The company's GPUs have become the de facto standard for AI workloads, and its expanding ecosystem of networking, software, and systems solutions has deepened its strategic importance to hyperscalers, enterprises, and sovereign AI initiatives worldwide. We believe Nvidia is a direct beneficiary of the AI infrastructure buildout given its dominant market position, unmatched product roadmap, and rapidly expanding addressable market. During the quarter, shares detracted from performance despite the company delivering record fiscal fourth-quarter results that exceeded expectations on both revenue and earnings, with strong forward guidance that pointed to continued acceleration. However, a sharp post-earnings sell-off reflected broader investor anxiety around the sustainability of AI capital spending, lingering questions about whether more cost-efficient AI models could reduce demand for high-end computing hardware, and a wider rotation out of mega-cap technology names. Despite the near-term volatility, we believe the structural demand for accelerated computing remains firmly intact.

Our short position in a major defense and aerospace contractor detracted from performance as shares rose during the quarter. The company delivered a better-than-expected outlook, highlighted by exceptional growth in its missiles and munitions business, which is benefiting from global demand for weapons replenishment. While we continue to monitor long-term headwinds facing certain legacy programs, the recent strength in missiles and broader defense budget tailwinds challenged our short position.

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Average Annual Total Returns (%) (as of 3/31/26)

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A (Incepted 7/28/69)							
Without Sales Charge	-10.92	-10.92	31.82	28.27	10.58	15.34	15.67
With Sales Charge	-15.59	-15.59	24.89	26.00	9.40	14.72	15.55
Russell 3000 Growth Index	-9.54	-9.54	18.75	20.64	12.05	16.38	(Since 9/24/08) 14.23

Total Annual Operating Expenses by Class Without Waiver: A: 1.53%
(Prospectus Dated 2/28/26, unless otherwise amended)

Performance shown is net of fees and expenses.

Only periods greater than 12 months are annualized.

The first full calendar year that Fred Alger Management, LLC was the Fund's investment manager was 1975; therefore, since inception performance is reflected as of this date. The Fund operated as a closed end fund from August 23, 1978 to February 12, 1996. The calculation of total return during that time assumes dividends were reinvested at market value. Had dividends not been reinvested, performance would have been lower. On September 24, 2008, the Fund's name was changed from Spectra Fund to Alger Spectra Fund, and the Fund's Class N shares were redesignated as Class A shares. Performance from February 13, 1996 through September 23, 2008 is that of the Fund's Class N Shares, adjusted to reflect applicable sales charges and operating expenses.

The performance data quoted represents past performance, which is not an indication or a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Performance figures assume all distributions are reinvested. Returns with sales charges reflect a maximum front-end sales charge on Class A Shares of 5.25%. Class A shares may be subject to a maximum deferred sales charge of 1.00%. CDSC. For performance current to the most recent month end, visit www.alger.com or call 800.992.3863.

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Risk Disclosures: 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. A significant portion of assets may be invested in securities of companies in related sectors, and may be similarly affected by economic, political, or market events and conditions and may be more vulnerable to unfavorable sector developments. Private placements are offerings of a company's securities not registered with the SEC and not offered to the public, for which limited information may be available. Such investments are generally considered to be illiquid. Foreign securities involve special risks including currency fluctuations, inefficient trading, political and economic instability, and increased volatility. Short sales could increase market exposure, magnifying losses and increasing volatility. Leverage increases volatility in both up and down markets and its costs may exceed the returns of borrowed securities. At times, cash may be a larger position in the portfolio and may underperform relative to equity securities. **Companies involved in, or exposed to, AI-related businesses may have limited product lines, markets, financial resources or personnel as they face intense competition and potentially rapid product obsolescence, and many depend significantly on retaining and growing their consumer base.** These companies may be substantially exposed to the market and business risks of other industries or sectors, and may be adversely affected by negative developments impacting those companies, industries or sectors, as well as by loss or impairment of intellectual property rights or misappropriation of their technology. Companies that utilize AI could face reputational harm, competitive harm, and legal liability, and/or an adverse effect on business operations as content, analyses, or recommendations that AI applications produce may be deficient, inaccurate, biased, misleading or incomplete, may lead to errors, and may be used in negligent or criminal ways. AI companies, especially smaller companies, tend to be more volatile than companies that do not rely heavily on technology. **Investing in innovation is not without risk and there is no guarantee that investments in research and development will result in a company gaining market share or achieving enhanced revenue.** Companies exploring new technologies may face regulatory, political or legal challenges that may adversely impact their competitive positioning and financial prospects. Developing technologies to displace older technologies or create new markets may not in fact do so, and there may be sector-specific risks. There will be winners and losers that emerge, and investors need to conduct a significant amount of due diligence on individual companies to assess these risks and opportunities.

Holdings and sector allocations are subject to change. Fred Alger Management, LLC uses the Global Industry Classification Standard (GICS®) for categorizing companies into sectors and industries. GICS® is used for all portfolio characteristics involving sector and industry data such as benchmark, active and relative weights and attribution. The Global Industry Classification Standard (GICS®) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages. Sector and industry classifications are sourced from GICS. Historical classifications use GICS categories available as of the date of this presentation.

S&P 500® Index: An index of large company stocks considered to be representative of the U.S. stock market. Index performance does not reflect deductions for fees, expenses, or taxes.

Russell 3000® Growth Index: Considered representative of US growth stocks. Index performance does not reflect deductions for fees, expenses, or taxes. The indices presented are provided for illustrative purposes, reflect the reinvestment of dividends and do not assess fees and expenses that would have the effect of reducing returns. Investors cannot invest directly in any index. The index performance does not represent the returns of any portfolio advised by Fred Alger Management, LLC and actual client results might differ materially than the indices shown.

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Alger pays compensation to third party marketers to sell various strategies to prospective investors.

The following positions represented the stated percentages of portfolio assets as of March 31, 2026: Western Digital Corporation, 2.33%; Nebius Group N.V. Class A, 4.27%; GE Vernova Inc., 1.54%; Microsoft Corporation, 9.89%; AppLovin Corp. Class A, 2.83%; NVIDIA Corporation, 15.79%.

Before investing, carefully consider the Fund's investment objective, risks, charges, and expenses. For a prospectus and a summary prospectus containing this and other information about the Fund, call (800) 992-3863, visit www.alger.com, or consult your financial advisor. Read it carefully before investing. Distributor: Fred Alger & Company, LLC. NOT FDIC INSURED. NOT BANK GUARANTEED. MAY LOSE VALUE.