

Alger Weatherbie Specialized Growth Fund


WEATHERBIE CAPITAL
2nd Quarter 2025 As of June 30, 2025

Sub-Advisor

Weatherbie Capital, LLC

Ticker Symbols

| | |
|---------|-------|
| Class A | ALMAX |
| Class C | ALMCX |
| Class I | ASIMX |
| Class Z | ASMZX |

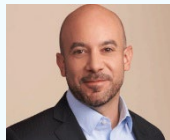
Investment Strategy

Invests in a focused portfolio of approximately 50 holdings of primarily small and mid cap companies identified through our fundamental research as demonstrating promising growth potential. Seeks long-term capital appreciation.

Portfolio Management



H. George Dai, Ph.D.
Chief Investment Officer
Portfolio Manager
Senior Analyst
Weatherbie Capital, LLC
26 Years Investment Experience



Joshua D. Bennett, CFA
Director of Research
Portfolio Manager
Senior Analyst
25 Years Investment Experience

Benchmark

Russell 2500 Growth

HIGHLIGHTS

- During the second quarter of 2025, the largest portfolio sector weightings were Industrials and Health Care. The largest sector overweight was Industrials and the largest sector underweight was Consumer Discretionary.
- The Health Care and Industrials sectors contributed to relative performance while Information Technology and Consumer Staples were among sectors that detracted from relative performance.

MARKET ENVIRONMENT

In the second quarter of 2025, U.S. equity markets rebounded notably following a challenging first quarter. Initial volatility emerged in April due to heightened trade-policy uncertainty following U.S. President Trump's aggressive tariff announcements on April 2. These measures particularly pressured the share prices of companies reliant on imports, including consumer durables, automotive manufacturers, airlines, and commodity producers. However, market stability returned on April 9, after the Trump administration announced a 90-day pause on most new duties. Market sentiment strengthened in May, as investors welcomed the White House's decision to suspend reciprocal tariff increases on China on May 12. In June, an advance in U.S.–China trade talks—featuring expedited rare-earth shipments and the prospect of deferred reciprocal tariffs—further propelled the S&P 500 to a record high, ending the second quarter with a 10.94% return.

Concurrently, strong corporate earnings as well as increased evidence of adoption and investment in artificial intelligence (AI), propelled the Information Technology and Communication Services sectors to outperform the S&P 500 Index. Information Technology benefited from significant corporate investment in AI and robust earnings results, while Communication Services gained traction from enhanced ad monetization and AI-driven user engagement. Conversely, the Health Care and Energy sectors underperformed the S&P 500. Health Care stocks faced persistent regulatory uncertainties weighing on investor confidence, while Energy stocks lagged due to declining oil prices driven by increased production, despite a brief geopolitical conflict with Iran toward the quarter's end. Overall, the second quarter was characterized by renewed investor optimism, supported by easing trade tensions, strong corporate earnings, and moderating inflationary pressures.

During the quarter, we continued to observe secular themes that we believe are creating attractive investment opportunities—corporations are digitizing their operations, cloud computing is growing and supporting innovation, and AI is at an inflection point, potentially enabling significant increases in productivity, in our view.

PORTFOLIO UPDATE

Class A shares of the Alger Weatherbie Specialized Growth Fund outperformed the Russell 2500 Growth Index during the second quarter of 2025. Sterling Infrastructure, Inc., Upstart Holdings, Inc., and ACADIA Pharmaceuticals Inc. were among the top contributors to performance.

- Sterling Infrastructure, Inc. provides construction services across the United States for a variety of commercial and public sector customers. The company has three main business areas: Transportation Solutions, E-Infrastructure Solutions, and Building Solutions. The E-Infrastructure Solutions segment is growing quickly and mainly involves projects such as data centers, e-commerce distribution facilities, manufacturing plants, warehouses, and power generation facilities. Shares contributed positively during the quarter after the company reported stronger-than-expected operating results, where the E-Infrastructure and Transportation segments performed better than expected, while results from Building Solutions were slightly below forecasts. Further, management increased its revenue guidance for the full year citing that the E-Infrastructure Solutions segment is seeing continued growth in its backlog of future projects.

Standardized performance is available on page 3.



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- Upstart Holdings, Inc. provides a cloud-based lending platform that uses artificial intelligence to help banks and lenders make better lending decisions. The company primarily offers personal loans but has also expanded into auto loans and other types of lending. Shares contributed positively during the quarter after the company reported strong fiscal-first quarter operating results, where management noted their credit quality remained stable, and newer products continued to gain traction. Auto loans and home equity lines of credit (HELOCs) both grew significantly, becoming a more meaningful part of the overall business. These new lending products involve collateral (such as vehicles or homes), which typically means the company earns slightly less per loan, but benefits from larger loan amounts and fewer defaults. As a result, management slightly raised its full-year guidance but remained cautious on their quarterly earnings call given ongoing economic uncertainty.
- Acadia is a biopharmaceutical company that focuses on the development and commercialization of medicines to address unmet medical needs in central nervous system (CNS) disorders. Its products include Nuplazid, which is used for the treatment of hallucinations and delusions associated with Parkinson's disease psychosis, and Daybue, designed for treating Rett Syndrome—a rare genetic disorder that affects brain development in children. Shares of Acadia contributed positively during the quarter after the company delivered better-than-expected fiscal first-quarter revenue driven by Nuplazid, which management highlighted is seeing the highest rate of new patient starts since 2020. Additionally, management reaffirmed its full-year 2025 revenue guidance, noting Daybue sales growth now appears more attainable following sequential patient growth after two quarters of stability, combined with consistent patient retention. Encouragingly, prescription growth from community-based healthcare providers—where most patients receive treatment—accelerated even prior to the completion of a roughly 30% salesforce expansion in the first quarter. With approximately 67% of Rett syndrome patients yet to try Daybue, we believe the product holds significant long-term growth potential.
- Neogen Corp, RXO, Inc., and NeoGenomics, Inc., were among the top detractors from performance.
- Neogen develops, manufactures, and markets a diverse range of products dedicated to food and animal safety. Its Food Safety segment includes diagnostic test kits and related products used by food producers and processors to detect harmful or unintended substances in human food and animal feed. Its Animal Safety segment provides pharmaceuticals, vaccines, veterinary instruments, disinfectants, diagnostic products, rodenticides, and genomic testing services. Shares detracted from performance during the quarter after the company reported fiscal third-quarter revenue and profitability below expectations. Additionally, management modestly lowered its full-year 2025 guidance, citing a weaker macroeconomic environment impacting food production volumes and the strategic decision to exit non-core areas within its animal genomics business.
- RXO provides transportation services primarily by connecting customers with carriers, without owning many trucks itself. It operates mainly as a broker for two types of shipping: truckload (TL), where one customer's shipment fills an entire truck, and less-than-truckload (LTL), which combines smaller shipments from multiple customers into a single truck. The company also offers managed transportation services, freight forwarding, and last-mile delivery solutions. During the quarter, shares detracted from performance after the company reported weaker-than-expected revenues and earnings compared to analyst estimates. While its LTL segment performed well, the TL business experienced lower shipping volumes, despite higher revenue per shipment. While management indicated a weak April, they also highlighted encouraging progress in improving efficiency. In our view, these productivity improvements position RXO well to outperform the broader industry when market conditions improve.
- NeoGenomics remains the leading pure-play provider of specialty oncology lab testing services, serving hospitals, oncologists, and pathologists. We believe the company's competitive advantage stems from its extensive testing menu, ability to serve as a comprehensive one-stop solution, strong commercial presence, trusted reputation among pathologists, and nationwide laboratory footprint. During the quarter, shares detracted from performance after the company reported slightly weaker-than-expected revenues, although it exceeded consensus estimates for earnings before interest, taxes, depreciation, and amortization (EBITDA). Management noted that the revenue shortfall was primarily attributed to weakness in non-clinical segments, such as pharma services, reflecting broader cyclical pressures from reduced funding in the biopharma industry. Nevertheless, the company reaffirmed its full-year 2025 organic revenue guidance, while total revenue guidance was slightly increased to reflect a recent acquisition.

2nd Quarter 2025

Average Annual Total Returns (%) (as of 6/30/25)

| | QTR | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|--|-----------------|----------|--------|---------|---------|----------|----------------------|
| Class A (Incepted 5/8/02) | | | | | | | |
| Without Sales Charge | 11.63 | -5.19 | 4.20 | 6.49 | 1.34 | 7.79 | 8.51 |
| With Sales Charge | 5.79 | -10.18 | -1.28 | 4.60 | 0.26 | 7.21 | 8.26 |
| Russell 2500 Growth Index | 11.31 | -0.71 | 8.81 | 12.05 | 7.50 | 8.53 | (Since 5/08/02) 9.19 |
| Total Annual Operating Expenses by Class | Without Waiver: | A: 1.26% | | | | | |
| (Prospectus Dated 2/28/25, unless otherwise amended) | With Waiver: | — | | | | | |

Performance shown is net of fees and expenses.

Only periods greater than 12 months are annualized.

Prior to September 30, 2019, the Fund's name was "Alger SMid Cap Focus Fund." Prior to August 30, 2017, the Fund followed different investment strategies under the name "Alger SMid Cap Growth Fund" and before March 1, 2017 was managed by different portfolio managers.

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%. For performance current to the most recent month end, visit www.alger.com or call 800.992.3863.

The views expressed are the views of Fred Alger Management, LLC ("FAM") and its affiliates as of June 2025. 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 by FAM. These views are not meant to provide investment advice and should not be considered a recommendation to purchase or sell securities.

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. Investing in companies of small and medium capitalizations involves the risk that such issuers may have limited product lines or financial resources, lack management depth, or have limited liquidity. Assets may be focused in a small number of holdings, making them susceptible to risks associated with a single economic, political or regulatory event than a more diversified portfolio. 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.

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Russell 2500® Growth Index: Measures the performance of the small to mid-cap growth segment of the U.S. equity universe. Index performance does not reflect deductions for fees, expenses, or taxes. After March 24, 2025, FTSE Russell implemented a new methodology capping individual companies at no more than 22.5% of the index and capping companies that have a weight greater than 4.5% in aggregate at no more than 45% of the index. 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. 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. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

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

The following positions represented the noted percentages of portfolio assets as of June 30, 2025: Sterling Infrastructure, Inc., 1.66%; Upstart Holdings, Inc., 3.72%; ACADIA Pharmaceuticals Inc., 3.9%; Neogen Corp, 0.65%; RXO, Inc., 1.26%; NeoGenomics, Inc., 0.51%.

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.