

Alger Spectra Fund

3rd Quarter 2025 As of September 30, 2025

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
28 Years Investment Experience



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



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

Benchmark

Russell 3000 Growth

HIGHLIGHTS

- During the third quarter of 2025, the largest portfolio sector weightings were Information Technology and Communication Services. The largest sector overweight was Communication Services and the largest sector underweight was Health Care.
- The Information Technology and Utilities sectors contributed to relative performance while Health Care and Communication Services were among sectors that detracted from relative performance.

MARKET ENVIRONMENT

In the third quarter of 2025, U.S. equity markets extended their upward trajectory with the S&P 500 Index up 8.12%. Strong equity market performance was propelled by a combination of improving economic conditions, solid corporate earnings, and growing expectations for monetary easing. A key driver was the shift in Federal Reserve (Fed) policy outlook: what began as a cautious stance going into the third quarter evolved into a more dovish tone as signs of labor market softening emerged. Fed Chair Powell's remarks at Jackson Hole reinforced this pivot, and the September 25-basis-point rate cut marked the resumption of monetary easing. While uncertainty remained about the pace of additional cuts, the prospect of lower rates supported equity valuations and investor sentiment. At the same time, inflation—though still above the Fed's 2% target—showed signs of moderation, allowing markets to focus on the likelihood of policy support rather than restrictive measures.

Corporate earnings provided another strong tailwind, as second-quarter results broadly exceeded expectations, and third quarter guidance remained upbeat despite some tariff-related cost pressures. Many firms successfully mitigated these headwinds through pricing strategies and operational efficiencies, while consumer spending stayed firm, buoyed by steady gains in household net worth and greater clarity around trade tariffs. Within the S&P 500 Index, the Information Technology sector outperformed, driven by continued enthusiasm for artificial intelligence (AI), along with robust demand for cloud and semiconductor products. In contrast, the Consumer Staples sector underperformed the index. While consumer resilience supported market optimism, there was growing acknowledgment that lower-income households are under significant strain, and even higher-income families are feeling pressure, as reflected in increased 'trade-down' shopping behavior.

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. Moreover, U.S. business spending appears to be accelerating, driven 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 outperformed the Russell 3000 Growth Index during the third quarter of 2025. AppLovin Corp., NVIDIA Corporation, and Nebius Group N.V. were among the top contributors to performance.

- 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. Shares contributed positively to performance during the period due to strong operating results, which highlighted continued growth in its advertising platform and software business. Momentum further accelerated in September when AppLovin was added to the S&P 500 Index, a milestone that enhanced visibility and underscored the company's growing market presence.

Standardized performance is available on page 3.

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- Nvidia Corporation is a leading supplier of graphics processing units (GPUs) for a variety of end markets, such as gaming, PCs, data centers, virtual reality, and high-performance computing. The company is leading in most secular growth categories in computing, and especially AI and super-computing parallel processing techniques for solving complex computational problems. In our view, Nvidia's computational power is a critical enabler of AI and therefore essential to AI adoption. Shares of Nvidia contributed positively to performance largely because the company delivered results and guidance that reinforced its leadership in the artificial intelligence boom. The company reported record revenue and earnings that exceeded analyst estimates, driven by surging demand for its AI-focused chips and related data center products. Specifically, the strongest growth came from its data center segment, which benefited from widespread adoption of Nvidia's advanced processors by cloud providers and enterprise customers building AI infrastructure. This momentum was supported by the ramp-up of its next-generation Blackwell chips, which are designed to handle increasingly complex AI workloads. Investors were also encouraged by management's upbeat outlook for the coming quarter.
- Nebius is a leading provider of AI infrastructure and cloud-based solutions, delivering specialized GPU computing capabilities designed to support large-scale AI workloads for enterprise and research clients globally. We find Nebius compelling due to its impressive growth trajectory and expanding deployment of advanced Nvidia GPU technology within data centers across Europe and North America, positioning it as a key beneficiary of accelerating AI adoption. During the period, shares contributed positively, aided by continued demand for AI compute and a landmark multi-year agreement with Microsoft. Under this deal, Nebius will supply dedicated GPU infrastructure to power Microsoft's AI services, marking Nebius's first long-term contract with a major cloud service provider. We believe this partnership not only validates Nebius's technology and execution capabilities but also provides a significant revenue anchor, reinforcing its role as a critical player in the global AI infrastructure ecosystem.

Our short position in a healthcare enterprise provider contributed positively to performance. The company delivers programs and services to government-sponsored healthcare plans and operates through Medicaid, Medicare, Commercial, and Other Services segments. During the quarter, shares declined due to weakness in Medicaid and Commercial Exchanges. Medicaid results were pressured by higher utilization of behavioral health, home health, and costly drugs, while Commercial Exchanges faced a worsening morbidity mix and increased member usage. The company also reported results below expectations and issued full-year guidance well below analyst estimates. Although management expressed confidence in margin recovery across all business lines, visibility remains limited in our view and improvements may take longer than management's forecast. Consequently, the company's share price fell, benefiting our short position.

James Hardie Industries, Netflix, Inc., and Intuitive Surgical, Inc. were among the top detractors from performance.

- James Hardie is a global leader in exterior building materials, best known for fiber-cement siding, trim and related products across North America, APAC and Europe. The company offers a broad portfolio spanning siding, decking, railing and pergolas under a unified platform. During the quarter, shares declined after management delivered fiscal first-quarter results that disappointed investors and signaled a more cautious outlook. The company highlighted softer housing demand, ongoing affordability challenges, and the need to work through elevated channel inventories.
- Netflix is a global leader in streaming entertainment, delivering premium video content through a subscription-based platform that now includes an advertising-supported tier and selective live-event programming. We find Netflix to be a compelling investment for its ability to sustain strong engagement at scale, its pricing power, and its expansion into new revenue streams such as advertising and live events. In our view, management's emphasis on consistent revenue growth and profitability, rather than headline subscriber metrics, supports a more predictable financial profile. During the quarter, shares declined as investors looked past strong fiscal second-quarter results and focused on full year guidance and second-half profitability. Management's full-year revenue raise was attributed largely to foreign-exchange tailwinds rather than stronger underlying demand, which disappointed expectations following strong year-to-date performance. Moreover, commentary around higher content and marketing investment in the second half of 2025 tempered margin expectations, adding to investor concerns. Despite these near-term headwinds, we believe Netflix remains well positioned due to its global scale, advertising initiatives, and selective expansion into live programming.
- Intuitive Surgical develops advanced surgical systems that help physicians perform less invasive procedures across a range of specialties. The company complements its systems with instruments, services, and training that support consistent use and outcomes over time. We believe Intuitive Surgical benefits from a strong business model, deep clinical expertise, and a large installed base that encourages ongoing adoption. Shares detracted during the quarter as procedure growth trends moderated and investors grew cautious about spending by hospitals amid a more uncertain macro backdrop. Additional pressure came from concerns around competitive dynamics and the timing of new system placements. While these factors weighed on sentiment, we continue to believe in Intuitive Surgical's strong market position and ability to benefit from the ongoing shift toward minimally invasive care.

Our short position in a producer of breakfast cereals, recognized for its iconic household brands across various consumer segments, detracted from portfolio performance. The company operates in a highly competitive packaged-food market, relying on product innovation and brand recognition to attract consumers. Although cereal products generally remain appealing to consumers, even the company's healthier options have been losing market share. We believe achieving the company's ambitious margin goals by 2026 depends significantly on successfully improving its supply chain and stabilizing market share—two areas where the company has yet to demonstrate consistent results. During the quarter, the company announced that it had agreed to be acquired by a global confectionery and packaged food leader for a significant premium. As a result, shares appreciated sharply, which negatively impacted our short position.

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Average Annual Total Returns (%) (as of 9/30/25)

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A (Incepted 7/28/69)							
Without Sales Charge	15.97	31.01	46.02	38.40	15.53	17.34	16.12
With Sales Charge	9.88	24.12	38.37	35.93	14.29	16.71	16.00
Russell 3000 Growth Index	10.41	16.82	24.79	30.76	17.03	18.26	—
Total Annual Operating Expenses by Class (Prospectus Dated 2/28/25, unless otherwise amended)	Without Waiver:	A: 1.52%					
	With Waiver:	—					

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%. 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 September 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. 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. Active trading may increase transaction costs, brokerage commissions, and taxes, which can lower the return on investment. 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. 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. 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. **Note that past performance is not 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 stated percentages of portfolio assets as of September 30, 2025: AppLovin Corp. Class A, 5.99%; NVIDIA Corporation, 14.48%; Nebius Group N.V. Class A, 4.32%; Microsoft Corporation, 12.64%; James Hardie Industries PLC, 0%; Netflix, Inc., 1.92%; and Intuitive Surgical, Inc., 1.01%.

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.