

Alger Small Cap Focus Fund

4th Quarter 2025 As of December 31, 2025

Ticker Symbols

Class A	AOFAX
Class C	AOFCX
Class I	AOFIX
Class Y	AOFYX
Class Z	AGOZX

Investment Strategy

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

Portfolio Management



Amy Zhang, CFA
Executive Vice President
Portfolio Manager
30 Years Investment Experience

Benchmark

Russell 2000 Growth Index

Standardized performance is available on page 3.

HIGHLIGHTS

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

MARKET ENVIRONMENT

U.S. equities ended the fourth quarter on a firm footing, with the S&P 500 Index returning 2.7%, extending the steady grind upward that characterized 2025, after the tariff announcements. Investor confidence was supported by a familiar trio: corporate earnings that came in better than expected, a Federal Reserve (Fed) that pushed further into an easing stance, and a macroeconomic backdrop that — despite mounting cross-currents — remained resilient in the aggregate. Market sentiment also benefited from improving clarity on trade policy, including an extension of the U.S. – China truce and selective tariff relief aimed at easing consumer affordability pressures.

At the same time, the quarter was defined by widening dispersion beneath the index-level surface. The market's biggest tailwind — continued investment tied to artificial intelligence (AI) — was increasingly accompanied by scrutiny around AI infrastructure bottlenecks, sources of financing, and whether the AI theme could deliver returns commensurate with the capital deployed. Macroeconomic risks also remained in play: labor market softening became harder to ignore, consumers appeared more cautious and bifurcated across income cohorts, and housing stayed under pressure. Complicating the read-through, a prolonged government shutdown reduced economic data visibility, amplifying debate over inflation and employment signals just as global central-bank dynamics leaned less uniformly supportive. Nevertheless, U.S. equities reinforced a constructive baseline for the S&P 500 Index, where Health Care was the top performing sector, while Real Estate was the weakest.

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 Small Cap Focus Fund outperformed the Russell 2000 Growth Index during the fourth quarter of 2025. Exact Sciences Corporation, Guardant Health, Inc., and Natera, Inc. were among the top contributors to performance.

- Exact Sciences is a molecular diagnostics company focused on oncology testing, best known for its Cologuard noninvasive colorectal cancer screening franchise, alongside a broader portfolio and pipeline that includes molecular residual disease (MRD) and multi-cancer early detection (MCED) testing initiatives. Shares contributed positively during the quarter after Abbott announced a definitive all-cash agreement to acquire Exact Sciences for approximately \$21 billion in equity value, reflecting a meaningful premium and driving the stock higher.

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- Guardant Health is a molecular diagnostics company specializing in liquid biopsy tests for oncology applications. Unlike traditional tissue-based tests, Guardant's liquid biopsies use blood samples, enabling faster results and improved patient comfort. The company's tests include comprehensive genomic profiling, cancer diagnosis, and treatment monitoring. Shares contributed to performance after the company delivered strong fiscal third-quarter operating results and raised full-year 2025 revenue guidance, signaling stronger-than-expected momentum across Oncology, Screening, and Biopharma & Data.
- Natera is a specialty diagnostics laboratory that provides high-value genetic testing across three core franchises: reproductive health (including non-invasive prenatal testing for chromosomal conditions such as trisomy 13, 18, and 21), oncology (led by Signatera, which measures circulating tumor DNA to assess treatment response and detect molecular residual disease and cancer recurrence), and transplant (tests used to monitor organ rejection). These tests are built on the company's proprietary cell-free DNA liquid biopsy platform, enabling highly sensitive detection from a blood sample. Shares contributed positively after the company reported strong fiscal third-quarter earnings, with management commentary pointing to revenue and margin performance that exceeded expectations on the back of higher test volumes and favorable reimbursement dynamics—particularly within the Signatera franchise—alongside another increase to full-year 2025 revenue and margin guidance.

Nebius Group, uniQure N.V., and Stevanato Group were among the top detractors from performance.

- Nebius is a provider of AI-focused cloud infrastructure, operating GPU compute capacity across Europe and expanding in the U.S. We view the company as a differentiated "neocloud" beneficiary of accelerating AI adoption, as demand for high-quality GPU compute continues to outstrip available supply of chips, power, and data center capacity. Nebius already operates a first-party data center in Finland and has deployed GPU capacity in Paris, while adding U.S. capacity through a Kansas City, Missouri deployment and a new data center build-out in New Jersey. During the quarter, shares detracted amid a broader selloff in AI infrastructure-related equities as investors grew more concerned about the "circularity" of AI ecosystem financing and the durability of AI infrastructure spending. Despite near-term volatility, Nebius continues to sign large, long-term agreements with tier-one customers, including multi-year AI infrastructure contracts with major cloud service providers, improving revenue visibility as new capacity comes online.

- uniQure is a biotechnology company developing AMT-130, an investigational gene therapy for Huntington's disease—an area with no approved disease-modifying treatments. Shares were highly volatile in 2025, surging after the company reported three-year Phase 1/2 data indicating meaningfully slower disease progression—approximately 75% versus a propensity-matched external control cohort. However, shares detracted during the quarter after U.S. Food and Drug Administration (FDA) feedback signaled that the external-control dataset may no longer be adequate as primary evidence to support an accelerated approval filing, increasing regulatory uncertainty and likely extending the timeline despite the encouraging efficacy signal.
- Stevanato is a leading supplier of pharmaceutical-grade glass packaging used to store and deliver medicines, including vials, pre-filled syringes, and cartridges across many therapies. The company also provides end-to-end solutions that support the drug life cycle, which can shorten lead times, lower total costs, and reduce supply-chain risk for customers. Shares detracted in the fourth quarter after third-quarter results benefited from shipment timing—orders that were originally expected to ship in the fourth quarter were pulled forward into the third quarter—raising concerns that fourth-quarter results would be softer. Full-year revenue guidance was unchanged, which also implied a fourth-quarter outlook slightly below investor expectations. In addition, some investors remain concerned that the growth of oral GLP-1 drugs could eventually take share from injectable GLP-1s, a recent demand driver for Stevanato's delivery components.

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Average Annual Total Returns (%) (as of 12/31/25)

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A (Incepted 3/3/08)							
Without Sales Charge	3.62	6.90	6.90	10.04	-6.59	7.98	7.66
With Sales Charge	-1.83	1.31	1.31	8.08	-7.59	7.40	7.34
Russell 2000 Growth Index	1.22	13.01	13.01	15.59	3.18	9.57	(Since 3/03/08) 9.51

Total Annual Operating Expenses by Class

Without Waiver: A: 1.22%

(Prospectus Dated 2/28/25, unless otherwise amended)

Performance shown is net of fees and expenses.

Only periods greater than 12 months are annualized.

Prior to August 7, 2015, the Fund followed different investment strategies under the name "Alger Growth Opportunities Fund" and prior to February 12, 2015 was managed by a different portfolio manager. Effective August 7, 2015, the Fund's primary benchmark is the Russell 2000 Growth Index.

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.

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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 2000® Growth Index:** Measures the performance of the small-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. Index performance does not reflect deduction 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 December 31, 2025: Exact Sciences Corporation, 0%; Guardant Health, Inc., 3.66%; Natera, Inc., 3.82%; Nebius Group N.V. Class A, 2.51%; uniQure N.V., 0.32%; Stevanato Group SpA, 1.84%; Abbott Laboratories, 0.0%.

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.