

Alger Spectra Fund

4th Quarter 2025 As of December 31, 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 Index

Standardized performance is available on page 3.

HIGHLIGHTS

- During the fourth 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

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 Spectra Fund underperformed the Russell 3000 Growth Index during the fourth quarter of 2025. Alphabet Inc., Natera, Inc., and Cidara Therapeutics, Inc. were among the top contributors to performance.

- Alphabet is the parent of Google and a global leader in digital advertising, cloud computing, and AI-driven consumer services. Shares contributed positively during the quarter as investors increasingly recognized improving execution across the company's AI strategy, supported by strong engagement trends and rising AI-related workloads. Google Cloud was a key driver, with management highlighting accelerating usage, including increased AI token processing and continued momentum in the Gemini ecosystem. Sentiment was further supported by strengthening cloud demand and new customer wins, as well as reports that Google may broaden access to its TPU capabilities, including potential deployments beyond Google Cloud.

4th Quarter 2025

- 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.
- Cidara Therapeutics is a biotechnology company developing drug-Fc conjugate (DFC) therapeutics, with its lead program CD388, an investigational long-acting, strain-agnostic antiviral designed to prevent influenza infection in individuals at higher risk of complications. CD388 was supported by compelling Phase 2b NAVIGATE results and advanced into the Phase 3 ANCHOR study, positioning it as a potentially first-in-class, single-dose prophylactic option for influenza prevention. Share contributed positively after Merck announced an all-cash agreement to acquire Cidara for approximately \$9.2 billion.

Our short exposure to a global technology company contributed positively to performance. During the quarter, management issued weaker-than-expected forward earnings guidance and announced a restructuring plan that included meaningful headcount reductions, reinforcing concerns about near-term profitability. Investors also remained skeptical that strength in PCs could offset continued softness in printing. As a result, the company's share price declined during the quarter, benefiting our short position.

Nebius Group N.V., Microsoft Corporation, and Meta Platforms Inc. 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.

- Microsoft is a beneficiary of corporate America's transformative digitization. The company operates through three segments: Productivity and Business Processes (Office365, LinkedIn, and Dynamics), Intelligent Cloud (Server Products and Cloud Services, Azure, and Enterprise Services), and More Personal Computing (Windows, Devices, Gaming, and Search). Shares detracted during the quarter after the company reported Azure cloud growth and forward guidance fell short of elevated investor expectations, in part because revenue recognition lagged strong demand and the company remained capacity constrained. While Azure still grew 39% year-over-year (YoY) and management guided to 37% growth in the current quarter, we believe investors focused on the near-term mismatch between demand and available capacity. Importantly, demand signals improved: commercial bookings surged (reported up approximately 111% YoY) and remaining performance obligations rose 51% compared to 37% from the prior quarter, extending revenue visibility. To address the backlog and support AI/cloud workloads, management signaled a step-up in investment, including roughly \$30B of capital expenditures (CapEx) in the current quarter and an expectation that fiscal-2026 CapEx growth will be higher than fiscal-2025.
- Meta is the world's largest social-media company, operating platforms that include Facebook, Instagram, WhatsApp, and Messenger. Shares detracted during the quarter as investors focused on management's guidance for materially higher operating expenses and capital expenditures (CapEx) tied to AI infrastructure investments. Management noted that 2026 CapEx is expected to be "notably" higher than 2025, which pressured forward earnings and free-cash-flow expectations despite strong underlying results. While the company highlighted continued advertising momentum and indicated that revenue growth could remain robust into year-end, investors remained concerned about the magnitude and timing of the AI-related CapEx.

Our short exposure to a system integrator of utility-scale battery storage detracted from performance. During the quarter, the company reported mixed fiscal fourth-quarter results, with revenue missing expectations due to ongoing domestic manufacturing ramp-up issues. Despite the revenue miss, the company posted stronger-than-expected margins and delivered a record quarter for orders and backlog, prompting management to initiate fiscal 2026 revenue guidance that investors viewed as more feasible given substantial backlog support. Management also pointed to an emerging data center opportunity, citing a largely new behind-the-meter pipeline and an expanding total addressable market that could contribute more meaningfully over the longer term. The stock rose on these developments, pressuring our short position during the quarter.

4th Quarter 2025

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

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A (Incepted 7/28/69)							
Without Sales Charge	-1.23	29.41	29.41	39.24	12.85	16.24	16.01
With Sales Charge	-6.40	22.60	22.60	36.77	11.64	15.61	15.89
Russell 3000 Growth Index	1.14	18.15	18.15	30.25	14.59	17.59	(Since 9/24/08) 15.11

Total Annual Operating Expenses by Class

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

Without Waiver: A: 1.52%

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 December 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.**

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2026. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" "Russell®", "FTSE4Good®", "ICB®", "Mergent®", The Yield Book®, are trademarks of the relevant LSE Group companies and are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication. The S&P indexes are a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Fred Alger Management, LLC and its affiliates. Copyright 2026 S&P Dow Jones Indices LLC, a subsidiary of S&P Global Inc. and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. S&P® is a registered trademark of Standard & Poor's Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

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 December 31, 2025: Alphabet Inc. Class C, 4.05%; Natera, Inc., 1.58%; Cidara Therapeutics, Inc., 0%; Nebius Group N.V. Class A, 2.94%; Microsoft Corporation, 12.38%; Meta Platforms Inc Class A, 6.75%; Merck & Co., Inc., 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.