Alger Spectra Fund

2nd Quarter 2022 As of June 30, 2022

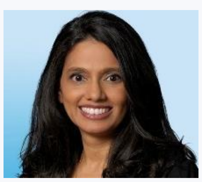
Investment Strategy

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).

Portfolio Managers

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

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



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

Benchmark

Russell 3000 Growth

Ticker Symbol

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

Highlights

- During the second quarter of 2022, the largest portfolio sector weightings were Information Technology and Consumer Discretionary. The Health Care sector was the largest sector overweight and the Information Technology sector was the largest sector underweight.
- The Communication Services and Materials sectors provided the greatest contributions to relative performance while the Consumer Discretionary and Energy sectors were the most significant detractors from performance.

Market Environment

Broadly speaking, investors during the second quarter focused on fears about inflation, supply chain woes, a tight labor market, a potential recession and a disruption of manufacturing in China due to efforts to curtail COVID-19. Concerns about inflation were reinforced when the May Consumer Price Index registered an 8.6% 12-month increase (year over year). The Federal Reserve (the Fed) intervened. After raising the fed funds rate 25 basis points (bps) in March, it bumped rates up by 50bps in May and 75bps in June. The Fed also signaled that an additional rate increase could occur this summer. The rate hikes combined with growing concerns that economic growth may be weakening sparked a reversal in investors' preference for value stocks, which started on May 24. From that date until the end of the second quarter, the Russell 3000 Growth Index declined 3.44%, outperforming the 5.80% decline of the Russell 3000 Value Index. The strong relative performance of value earlier in the quarter, however, resulted in growth stocks lagging for the three-month period, with the Russell 3000 Growth Index declining 20.83% compared to the 12.40% decline of the Russell 3000 Value Index. The broad market as measured by the S&P 500 declined 16.10%.

During the second quarter, we continued to observe broad themes that are creating attractive investment opportunities–corporations are digitizing their operations, cloud computing is growing and supporting innovation and artificial intelligence is allowing businesses to be more productive and efficient. In the Health Care sector, the new product pipeline is robust. We also continued to consider the Principles for Responsible Investment when analyzing companies.

Portfolio Update

Class A shares of the Alger Spectra Fund underperformed the Russell 3000 Growth Index during the second quarter of 2022. Alibaba Group Holding Ltd., Rivian Automotive, Inc. and Meta Platforms, Inc. were among the top contributors to performance.

- Alibaba is a leading e-commerce and cloud computing company in China. It also serves the big data analytics, digital media and entertainment markets. Alibaba's shares have previously suffered from concerns about heightened regulatory oversight of the Chinese internet sector by the Chinese Communist Party. Additionally, many investors became concerned about the potential for U.S. exchange listed Chinese ADRs to be delisted if they failed to meet U.S. financial reporting standards by 2024. The shares have since outperformed in response to statements by the Chinese government supporting stable markets and overseas listings. The Chinese government also stated that its intensified regulatory efforts aimed at tech companies may end soon. Alibaba's first quarter earnings and revenues exceeded estimates as determined by a consensus of analysts at financial services firms and provided by FactSet. The quarterly results benefited from better direct sales and increasing marketing efficiency.
- Rivian Automotive is a vertically integrated electric vehicle (EV) manufacturer producing consumer and commercial vehicles. Rivian plans to capture more of the lifetime value of vehicles than traditional original equipment manufacturers by offering insurance, software like advanced driver assistance, and charging network memberships. The shares contributed to performance as Rivian's quarterly production rate accelerated despite industry supply chain issues.

Additionally, management reiterated its guidance and explained that it has significant pre-orders (including a large delivery van order) and increased pricing underscores healthy demand for its vehicles.

- Meta Platforms operates Facebook, the world's largest social network. The digital advertising industry is taking market share of advertising dollars from print, radio, and TV media. However, concerns about brand risk, or having advertisements appear alongside of controversial content, caused brands and agencies to move budgets away from Meta, resulting in disappointing revenue. Diminished ad tracking capability relative to consumer opt-out also weighed upon sentiment for Meta shares. Meta's share performance responded favorably, however, to first quarter results that that while not strong fundamentally, were positive against extremely low expectations among some investors. The positive contribution to portfolio performance was due to a sequential quarterly increase in customer utilization and management lowering its expense guidance $3 billion in order to protect earnings. In a market environment that is rewarding companies with relatively high current earnings, we believe Meta's spending discipline resonated with investors.

Short exposure to an online retailer that specializes in furniture, rugs, lighting and other household goods also contributed to performance. The company was a prime beneficiary of increased pandemic-related demand for household spending as consumers nested in during stay-at-home restrictions designed to curtail the COVID-19 pandemic. With those restrictions having been largely or entirely lifted, the company is particularly vulnerable to weakening demand for goods as consumers shift their spending to services, such as travel and entertainment. Lagging real wage growth and increasing interest rates are an additional headwind for the company. We believe the company's cash flow is weak. Its share price declined during the second quarter when management released results that included poor cash flow and negative earnings. Management also provided weak guidance for the coming quarter. As the share price declined, the short position contributed to portfolio performance.

Amazon.com, Inc., Apple Inc. and Microsoft Corp. were among the top detractors from performance.

- Amazon detracted from portfolio performance in part due to poor operating profit and concerns about future margins. The company disclosed that its first quarter retail revenues increased 3% relative to Q1 2021 due to increased online shopping last year during the COVID-19 pandemic restrictions fueled by direct-to-consumer fiscal stimulus payments. This growth met an estimate from a consensus of analysts at financial services firms, according to FactSet. For the first quarter, however, Amazon.com reported $3.7 billion in operating profit versus $5.3 billion anticipated by a consensus estimate. This substantial miss was driven by increased fuel and international shipping expenses, increased staffing due to hiring for employees who were sick with COVID-19 and fulfillment center capacity buildout that is now becoming better utilized. These factors resulted in shares of Amazon.com underperforming during the second quarter.
- Apple is a leading technology provider in telecommunications, computing and services. Apple's iOS operating system is the company's unique intellectual property and competitive strength. This software drives extremely tight engagement with consumers and enterprises. The engagement is fostering the growing purchase of high margin services like music, apps, and Apple Pay. Apple's shares detracted from performance as management lowered its guidance for the second quarter due to headwinds from the war in Ukraine, adverse foreign currency shifts, and dampened consumer demand associated with the coronavirus in China. Additionally, many investors were concerned that lockdowns implemented to curtail the spread of COVID-19 would impact production of Apple products, however the manufacturing facilities have resumed activity.
- Microsoft is a positive dynamic change beneficiary of corporate America's transformative digitization. During a previous earnings call, Microsoft's CEO estimated that technology spending as a percent of GDP may increase from about 5% today to 10% in 10 years. Microsoft's enterprise cloud product, Azure, is rapidly growing and accruing market share and its revenues increased 49% during the first three months of this year as the company's revenue growth approached 20%. Microsoft's share price declined despite its high unit volume growth as the broad equity market was down due to higher interest rates and slowing economic growth.

Short exposure to a global energy company also detracted from performance. We established the short position in part because the company has less exposures to oil than other sector counterparts. As demand for oil exceeded supply, prices for the commodity increased, which supported the company's share price despite it having less exposure than other companies to the commodity. As the share price increased, the short exposure detracted from performance.

2nd Quarter 2022

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. Local, regional or global events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases and similar public health threats, recessions, or other events could have a significant impact on investments. 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. 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. Active trading may increase transaction costs, brokerage commissions, and taxes, which can lower the return on investment.

The views expressed are the views of Fred Alger Management, LLC ("FAM") and its affiliates as of June 2022. 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. Holdings and sector allocations are subject to change. and are subject to change.

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. All returns assume reinvestment of dividends and are gross of withholding taxes where applicable. Returns with a maximum sales charge reflect a front-end sales charge on Class A Shares of 5.25%.

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. 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. Performance of the Fund's Class I Shares prior to September 24, 2008 reflects the performance of the Fund's Class A Shares, as adjusted with currently applicable sales charges and operating expenses, which differ from historical charges and expenses

The S&P 500 Index is an index of large company stocks considered to be representative of the U.S. stock market. The Russell 3000 Growth index is an unmanaged index considered representative of U.S. growth stocks. The Russell 3000 Value index is an unmanaged index considered representative of U.S. value stocks. Index performance does not reflect deduction for fees, expenses, or taxes. Investors cannot invest directly in an index.

The following positions represented the stated percentages of Alger Spectra Fund assets as of June 30, 2022: Alibaba Group Holding, 3.10%; Rivian Automotive, Inc., 0.28%; Meta Platforms, Inc., less than 0.01%; Amazon.com, Inc., 4.91%; Apple Inc., 5.06%; and Microsoft Corporation, 8.97%.

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.

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