Form ADV Part 2A
Brochure
(1) Cover Page:

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This brochure provides information about the qualifications and business practices of Fred Alger Management, Inc. ("FAM"). If you have any questions about the contents of this brochure, please contact us at (212) 806-8800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about FAM also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that registration of FAM with the SEC does not imply any level of skill or training.

(2) Material Changes:

Item 4 - Advisory Business: Additional strategies offered
Item 5 - Fees and Compensation: Standard fee schedules updated
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss: Additional disclosure added regarding certain investment strategies; disclosure added regarding sector and industry restrictions
Item 11 - Code of Ethics, Participation in Client Transactions and Personal Trading: Personal trading restrictions updated to reflect current Code of Ethics
Item 12 - Brokerage Practices: Certain disclosures moved to this section for clarity
Item 17 - Voting Client Securities: Disclosure of proxy voting policy updated for clarity; disclosure regarding securities class action policies added

(3) Table of Contents:[1]

[1] The SEC requires advisers to use a certain format and certain headings for this Brochure. To the extent that a particular item does not apply to FAM's business, we will indicate that it is not applicable.

(4) Advisory Business:

FAM has been an independent, privately owned firm since its inception in October 1964. FAM is wholly-owned by Fred Alger & Company, Incorporated (“FAC”), which is wholly-owned by, Alger Group Holdings, LLC, which, in turn, is wholly-owned by Alger Associates, Inc. (“AAI”). Alexandra D. Alger, Hilary M. Alger and Nicole D. Alger together own in the aggregate in excess of 99% of the common stock of AAI.

FAM provides both discretionary and non-discretionary investment advisory services to institutional investors through separate accounts, U.S. and foreign registered and privately offered funds, as well as through a bank collective investment trust; and to retail investors through wrap programs and U.S. and foreign registered pooled investment vehicles. Investments primarily include exchange-listed and over-the-counter equity securities of U.S. and foreign companies. FAM also provides investment advice with respect to other securities, including options contracts on various securities and securities indices and warrants, private placements, convertible securities, corporate debt securities, mutual fund shares, United States Government and Agency securities and currency contracts. FAM is also registered as an investment adviser in Australia, Ireland, and Canada.

FAM offers multiple investment strategies, including Capital Appreciation, Focus Equity, Dynamic Return, Dynamic Opportunities, Emerging Markets, Growth & Income, Health Sciences, International Focus, Global Focus, Large Cap Growth, Mid Cap Growth, Mid Cap Focus, Small Cap Growth, Small Cap Focus, SMid Cap Focus, Spectra, Socially Responsible (“SRI”) Capital Appreciation, Balanced, Responsible Investing, Alger 25, and Alger 35.

Clients, relevant laws, rules, or regulations may impose restrictions on investing in certain securities, certain types of securities, or the percentage of ownership in any single security that FAM can make. In addition, each of FAM’s strategies follows a specific investment discipline with their own portfolio construction parameters. Accordingly, FAM will not enter into an advisory relationship with any prospective client whose investment objectives are incompatible with FAM’s investment philosophy or strategies or who seeks to impose unduly restrictive guidelines.

Wrap Fee Programs

Clients may also access a number of FAM’s investment strategies through programs sponsored by unaffiliated financial intermediaries, advisers or planners in which FAM serves as an investment adviser (“wrap programs”). The wrap programs for which FAM serves as a Portfolio Manager are listed in Section 5.I.(2) of FAM’s Form ADV Part 1, a copy of which is available either 1) on request or 2) on the Securities and Exchange Commission’s website at the following link:

http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Landing.aspx?SearchGroup=Firm&FirmKey=106750&IndvlKey=-1&ORG_PK=106750

In managing accounts in a wrap program, FAM seeks to avoid investing in illiquid or foreign securities and such accounts will also not participate in allocations of initial public offerings. FAM is also sensitive to the tax status of the investor, and attempts to minimize the tax impact of portfolio transactions. Finally, FAM will seek to avoid purchasing partnerships for wrap clients as a result of the tax implications of such investments.

Additionally, because wrap clients generally pay the wrap sponsor to effect transactions for their accounts, FAM does not aggregate transactions on behalf of wrap program accounts with other accounts or funds it advises. Because of the distinct trading process FAM follows for wrap accounts and the portfolio limitations discussed above, the timing of trades for wrap accounts may differ from other accounts and will generally be made later in time than for other accounts managed by FAM (see Item 12: Brokerage Practices, for details about FAM's trading practices for wrap accounts). Further, FAM maintains relationships with multiple sponsors, and transactions through different sponsors are also not aggregated. Furthermore, as a result of limitations from such sponsors, trades placed by FAM are on a "rotational" basis among all sponsors.

The practices described above may cause a wrap program account's performance to diverge from another account managed by FAM according to the same strategy.

With respect to wrap program accounts subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA" and such accounts "Plan Accounts"), FAM provides services both as a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act") and as a fiduciary as that term is defined in Section 3(21)(A) of ERISA with respect to the Plan Accounts. Under these arrangements, FAM is selected on behalf of the Plan Accounts by the wrap sponsor or by a plan fiduciary other than FAM or its affiliates to supervise and direct the investment of certain assets of the Plan Accounts, in accordance with the investment strategy selected for the Plan Accounts. FAM may also, from time to time, perform certain related services in respect of the supervision and direction of the investment of such assets of the Plan Accounts and in relation to the wrap program. These may include, for example, account reconciliation, data management, provisions of research or market-related information or other customary ancillary services. These additional services are provided at no cost to the wrap sponsor or any Plan Account.

Given the structure of the wrap program and the fact that payments to FAM are paid directly by the wrap sponsor, FAM does not believe it receives any direct compensation from clients (including Plan Accounts). The wrap sponsor is responsible for billing and collecting any fees owed by clients to the wrap sponsor pursuant to such accounts' participation in the wrap program.

Each client's ability to allocate, reallocate or redeem its investment in the strategy under the wrap program is governed by the terms of the client's agreement with the wrap sponsor and as is disclosed by the wrap sponsor. Any termination-related provisions would be found in the agreement between the client and the wrap sponsor.

As discussed below under the heading "Custodial and Brokerage Fees", with respect to the wrap program, FAM does not direct client brokerage transactions, including those of the Plan Accounts, to any broker-dealer in exchange for products and services (e.g., research) or otherwise participate in "soft dollar" arrangements.

FAM offers advisory services through the following types of wrap programs:

Single Contract Program

In Single Contract Wrap Programs, clients generally pay the sponsor a single fee (the wrap fee), FAM receives a percentage of the wrap fee for its services from the sponsor, and the sponsor executes trades and administers the account without additional charges. Each client enters into an agreement with the sponsor of the wrap program, and each investment manager available in the program maintains a sub-advisory agreement with the sponsor of the wrap program, to provide discretionary advisory services to the clients.

Dual Contract Program

In Dual Contract Wrap Programs, sponsors offer clients a package of services including trade execution and account administration and clients generally pay FAM for its investment management services directly. FAM is directed by clients in these wrap programs to effect transactions for their accounts through the program sponsor or the sponsor's broker-dealer affiliate. Fees and services are unbundled and FAM enters into an investment advisory agreement directly with the client, who then enters into a separate contract with the sponsor, which covers custodian, brokerage and other service provider fees.

Model Portfolio Program

In a Model Portfolio Program, FAM enters into an agreement with the sponsor to provide an initial model portfolio, which the sponsor then seeks to replicate for its clients. FAM will then regularly provide updated model portfolio information to sponsors. FAM does not place trades on behalf of accounts in these programs and therefore has no ability to ensure that accounts conform to the model portfolio provided. Trades for model portfolios may be placed by the sponsor after FAM has placed trades for wrap programs and other clients for which it serves as investment adviser. FAM provides a model portfolio to the wrap program sponsor to duplicate on behalf of the client.

Client Assets Under Management

As of December 31, 2018, FAM managed $21,293,109,780 of client assets on a discretionary basis, and $540,950,383 of client assets on a non-discretionary basis.

(5) Fees and Compensation:

FAM is generally paid an advisory fee, calculated as a percentage of assets under management. FAM's standard fee schedules are presented below. Fees are negotiable, and as a result, potential or existing clients may pay higher or lower fees than noted below and one client may pay a higher fee to FAM than a second client who is receiving substantially similar services. For example, FAM generally applies an alternate schedule with lower fees to clients whose initial funding is at least $100 million. In addition, there are many other factors which could lead to a client paying a fee which deviates from the standard fee schedule or from a different client who is receiving substantially similar services. Such factors may include, but are not limited to, the level of investment management activity and supervision required, the size of the client's account, the number of client accounts managed, the length of the relationship, the nature of the discretionary service provided, the types of investment guidelines and restrictions applicable to the account, the level of client service required, or FAM's addition of a new strategy or attempt to increase assets in an existing strategy or in a new distribution channel. In addition, as is more fully discussed below, some clients may pay FAM a performance based fee for its services.

Clients are generally billed in arrears either on a monthly or quarterly basis with billing generally based on the account total market value at the end of the billing periods or the average value over the billing period. With respect to the clients that are billed in advance, if the advisory contract is terminated before the end of the billing period, FAM will generally refund a pro-rata portion of the advisory fee.

Employees and affiliates of FAM may hire FAM, and may be charged reduced or no management fees. Wrap account clients are generally billed by the wrap program sponsor, with a portion of such fee paid to FAM as discussed below.

Fee Schedule[2]

Large Cap Growth		**Mid Cap Growth**	
0.65%	First $25 million	0.70%	First $25 million
0.55%	Next $25 million	0.65%	Next $25 million
0.45%	Next $50 million	0.55%	Next $50 million
0.35%	Over $100 million	0.50%	Over $100 million
Small Cap Growth		**Responsible Investing**	
0.85%	First $25 million	0.65%	First $10 million
0.80%	Next $25 million	0.55%	Next $15 million
0.70%	Next $50 million	0.50%	Next $25 million
0.60%	Next $150 million	0.45%	Next $50 million
0.50%	Over $250 million	.40%	Over $100 Million

[2] A different, and generally lower, fee schedule applies to clients whose initial funding is in excess of $100 million.

Capital Appreciation		**Focus Equity**	
0.65%	First $50 million	0.55%	First $50 million
0.55%	Next $50 million	0.40%	Over $50 million
0.45%	Next $150 million		
0.35%	Over $250 million		
Small Cap Focus		**Spectra**	
0.90%	First $25 million	0.74%	First $50 million
0.85%	Next $25 million	0.64%	Next $50 million
0.75%	Next $50 million	0.54%	Next $150 million
0.65%	Next $150 million	0.44%	Over $250 million
0.60%	Over $250 million		
Growth & Income		**Emerging Markets**	
0.50%	First $25 million	0.80%	First $25 million
0.40%	Next $25 million	0.75%	Next $25 million
0.35%	Next $50 million	0.70%	Next $50 million
0.30%	Over $100 million	0.65%	Next $150 million
		0.60%	Over $250 million
International Focus		**Global Focus**	
0.75%	First $25 million	0.75%	First $25 million
0.65%	Next $75 million	0.65%	Next $75 million
0.60%	Over $100 million	0.60%	Over $100 million
Dynamic Return		**SRI Capital Appreciation**	
1.00% of total assets		0.68%	First $10 million
		0.60%	Next $40 million
		0.55%	Next $50 million
		0.45%	Next $150 million
		0.40%	Over $250 million
Dynamic Growth			
0.75%	First $50 million		

0.65%	Next $50 million
0.55%	Over $100 million

Additionally, FAM's standard fee schedule offered for separately managed institutional Alger 25 and Alger 35 strategy accounts is as follows: .30% base fee plus a performance fee of 0.01% for each 0.10% of the outperformance of the account over the S&P 500 Index (benchmark) up to a total maximum fee of 0.80%.

Wrap Program Fee Structures

For its services in wrap programs, FAM's fee generally ranges between 0.25% and 0.50% of an account's market value annually.

Custodial and Brokerage Fees

Each client (other than wrap program clients described above) must select a custodian (generally a bank or broker-dealer) to provide custodial services in connection with the management of its account. The cost of these services is not included in FAM's advisory fees. Clients will also be responsible for paying any additional costs charged by custodians. These additional costs may include, but are not limited to:

- Margin interest
- Costs relating to exchanging foreign currencies
- Odd lot differentials
- Regulatory fees (*e.g.*, fees charged by the SEC)
- Transfer taxes, exchange fees, wire transfer fees, postage fees, auction fees, foreign clearing and settlement fees, and other fees or taxes required by law.
- Mutual fund expenses

FAM's advisory fees also generally do not include the costs, expenses or commissions that a broker or dealer may charge in connection with transactions executed on behalf of an account. Brokerage is discussed in more detail in Item 12: Brokerage Practices. These brokerage costs are generally borne directly by clients. FAM's fees also do not cover mark-ups and mark-downs or dealer spreads that broker-dealers may receive when acting as principal in certain transactions; or the amount of any annual retirement plan fees, or the fees and expenses a client may incur as a shareholder of a mutual fund.

For wrap program accounts, FAM generally does not negotiate brokerage commissions or other costs related to the execution of trades because those charges are generally included in the single fee paid by the client to the sponsor, and the client has generally contractually agreed to execute trades through the wrap sponsor. In the event that FAM was to pick a broker-dealer other than the sponsor, the client would typically pay a commission, concession, or dealer mark-up or mark-down in addition to the wrap fee paid to the sponsor.

Brokerage Through FAC

FAC, an affiliate of FAM, is a registered broker-dealer. FAC does not conduct public brokerage business and generally limits its services to acting as a broker-dealer for trades placed on behalf of FAM clients. Subject to the requirements of applicable law, it is at the client's discretion whether FAC will be included among other non-affiliated broker-dealers selected by FAM for trade execution. FAM does not reduce its advisory fees to offset commission fees FAC charges. Consistent with its obligation to provide best execution, it is anticipated that the commissions, rates and fees charged by FAC will be commercially reasonable. Information about FAM's conflicts related to its affiliates such as FAC is described more fully in Item 10: Other Financial Activities and Affiliations, below.

Further, Clients may instruct FAM to place trades to specific non-affiliated broker-dealers.

Investment Vehicle Fees

Investors may access FAM's capabilities through U.S. and foreign registered and privately offered pooled investment vehicles advised or sub-advised by FAM. In such cases, FAM or its affiliates may receive, in addition to advisory fees, performance-based, shareholder servicing, administration, co-administration and/or distribution fees directly from the vehicles, from the investors in the vehicles, and/or from other investment advisers' mutual funds for which FAM acts as an adviser or sub-adviser. The fees and other contractual arrangements for each of these vehicles are described in the prospectus or other offering documents for each such vehicle and differ from the separate account fees described above.

Subject to requirements of applicable law and the consent of each client, FAM may invest its client assets in pooled investment vehicles managed by FAM or its affiliates. In the event of investment of a client's assets in such pooled vehicles, FAM will take steps to avoid having the client pay duplicative fees. There can be no assurance, however, that duplicative fees will not be charged.

Compensation for the Sale of Securities and Other Investment Products

While FAM generally does not receive compensation for sales of FAM advised investment products, FAC serves as the principal underwriter for mutual funds advised by FAM and generally receives an asset-based fee for distribution or shareholder servicing from the funds advised by FAM.

FAC sales personnel may receive as compensation a portion of the fees earned by FAM as well as a portion of the fees received by FAC. Such compensation may be higher for some products or services than others and thus the incentive to sell those products may be greater.

To the extent FAM offers its services through investment products such as mutual funds, clients may purchase these products through brokers or agents that are not affiliated with FAM. FAM may enter into revenue-sharing arrangements or other types of fee sharing arrangements with certain of these brokers or agents and such arrangements differ depending on the broker-dealer or agent. A purchase or sale through a given broker or agent therefore may result in greater profit to FAM than a purchase or sale through another, depending on the particular revenue-sharing arrangement.

(6) Performance Based Fees and Side-by-Side Management:

FAM currently has clients from whom performance-based fees may be received in addition to management fees. These clients include separate accounts and registered and unregistered pooled investment vehicles. These accounts are managed by personnel of FAM who also have portfolio management responsibilities for to accounts for which only asset-based management fees are received. In these situations, an inherent conflict of interest is present, as there is an incentive to favor the performance fee based relationship since FAM's fee rate will increase based on the performance of these accounts, whereas FAM's fee rate with respect to non-performance fee based accounts remains the same regardless of the accounts' performance.

To mitigate these conflicts, FAM's policies and procedures seek to ensure that investment personnel make decision based on the best interests of clients, without consideration of FAM's economic or pecuniary interests. Please see Item 12, Brokerage Practices for more information about FAM's trading aggregation, allocation, and best execution policies. Trades for performance fee based accounts are reviewed to ensure such accounts are not systematically favored.

(7) Types of Clients:

FAM offers investment advice to religious organizations, foundations/endowments, corporate pensions, public plans, Taft-Hartley clients, sub-advisory clients, and other types of institutional investors and platforms. FAM also offers investment advice to individual investors through separately managed accounts (including wrap fee programs).

FAM's clients also include various taxable and tax-exempt institutions, and publicly and privately offered pooled investment vehicles, both domestic and foreign.

FAM typically requires a minimum asset size of $10 million for separate account advisory services (other than wrap program accounts). FAM may, in its discretion, waive the asset minimum for a number of reasons, including, but not limited to, clients or consultants with multiple relationships with FAM, specialty asset class assignments such as socially responsible mandates, or clients who are willing to pay the fee equivalent of the minimum asset size. FAM may also waive the asset minimum when it is adding a new strategy or trying to increase assets in an existing strategy or distribution channel. FAM generally requires a minimum asset size of $100,000 for wrap program accounts (see Item 5: Fees and Compensation).

Minimum investments for mutual fund shares and interests in privately offered pooled investment vehicles are listed in the offering material for each such fund or vehicle.

(8) Methods of Analysis, Investment Strategies and Risk of Loss:

FAM's Capital Appreciation, Focus Equity, Dynamic Return, Dynamic Opportunities, Emerging Markets, Health Sciences, Large Cap Growth, Mid Cap Growth, Mid Cap Focus, Small Cap Growth, Small Cap Focus, SMid Cap Focus, Spectra, SRI Capital Appreciation, Balanced, Responsible Investing, Alger 25, and Alger 35 strategies generally follow the philosophy and investment process described below:

Our Philosophy

Since FAM's founding in 1964, we have focused on investing in companies undergoing Positive Dynamic Change, which we believe offer the best investment opportunities. We seek to identify change in both "traditional" growth companies and in companies experiencing a "growth renaissance."

We define Positive Dynamic Change as:

Companies experiencing **High Unit Volume Growth:** 'Traditional' growth companies that are established or emerging and are experiencing growing demand, have a strong business model or have market dominance.

Companies undergoing **Positive Life Cycle Change:** A catalyst drives these companies to experience a "growth renaissance," resulting in improving earnings leading to P/E expansion. Companies experiencing Positive Lifecycle Change may be benefitting from a new product introduction a regulatory change or new management

Our Process

Research is the foundation of FAM's investment process and robust idea generation is a key component of our long-term success. FAM's focus on growth investing and belief that companies undergoing "*Positive Dynamic Change*" offer the best investment opportunities is the lens through which we view potential investments opportunities.

At FAM, we believe our competitive edge is to identify change and determine which companies will ultimately be the beneficiaries of the change. We seek to capitalize on our differentiated view of a company's future earnings growth before the change is fully recognized by the market.

Alger's investment team's search for new investment ideas derives from multiple sources including, but not limited to: meetings with company management, industry seminars, independent research and analysis, and frequent discussions with customers, suppliers, and competitors.

Analysis

At FAM, we seek to identify and analyze change occurring in sectors, industries, and companies. We concentrate on seeking an understanding of the underlying drivers of change, including, among other things, technological advances, evolving customer preferences, and new government regulations.

Qualitative Evaluation

As our analysts identify companies with the potential for significant change, there are two main ways their skills are used to develop a critical, differentiated view. The first is conducting bottom up fundamental analysis. Our team seeks to find market out and underperformers by, among other things, investigating the customer demand for a new product or service or a company's source of competitive advantage such as intellectual property, brand, platform, or management capability. Our analysts meet with industry participants and may design and conduct surveys to, for example, gauge market potential and customer feedback for a product or service.

Quantitative Evaluation

The second way we develop a differentiated view is analytical and includes, in part, building models of a company, many times building the model at the division, product or country level in order to seek a differentiated perspective relative to other investors. This could come from more detailed modeling of the building blocks of demand rather than simply assuming revenue growth rates.

FAM analyst financial models specific to a company's key drivers typically include:

- Multi-scenario analysis of income statement, balance sheet, and cash flow models
- Valuation analysis based on discounted cash flows (e.g., EV/FCF) and comparable industry multiples (e.g., EV/EBITDA, Price/Sales, and Price/Earnings)

Scenario Forecasting

In addition to forecasting the most likely outcome, a 'base-case' model, analysts will typically develop bull-(best) and bear-(worst) case models and price targets.

FAM's scenario forecasting is a framework for dialogue between the portfolio manager and analysts as they assess the relative expected return and risk of each current or potential holding in the portfolio. Models are generally updated to aid in monitoring the realization of the investment thesis. For example, a stock whose key drivers are unchanged and has surpassed its base-case price target and is nearing its bull-case price target may be a candidate for sale whereas a stock that is trading down toward its bear-case price target may be a candidate to add to.

Dialogue

For new ideas, analysts generally provide the portfolio manager(s) an executive summary of their investment thesis in person and through publication on FAM's research database. Generally included is the rationale for purchase, key drivers and catalysts, financial models and risk measurements, and any other data that may be pertinent to the buy decision. The portfolio manager(s) and analyst generally discuss the merits of the investment thesis and review the

underlying assumptions in detail. In order to build conviction for a new idea, analysts often invite portfolio manager(s) to participate in meetings with company managements.
After this collaborative process, the portfolio manager(s) ultimately determine whether the investment is appropriate for the portfolio, and at what position size. On an ongoing basis, FAM's analysts seek to constantly communicate with portfolio managers on developments in their stocks, industries or sectors.

Additional Information about Certain Strategies:

Certain strategies which follow the investment philosophy and process described above are subject to additional constraints or considerations when selecting their investments. For example: the Responsible Investing strategy considers a company's social, environmental, health, and political impact, among other factors; the Emerging Markets strategy considers its allocation among emerging market economies; the Health Sciences strategy invests primarily in health-related industries; the Balanced strategy considers its allocation among equity and fixed income instruments; and Spectra, Dynamic Opportunities, and Dynamic Return strategies seek opportunities to short securities which FAM believes may decrease in value, or for hedging purposes.

Growth & Income:

Growth & Income Strategy invests primarily in equity securities such as common or preferred stocks which FAM believes offer opportunities for capital appreciation and which also pay dividends. In considering such companies, FAM classifies them into three categories: Dividend Leaders – companies that generate high dividend yields; Dividend Growers – companies that have a history of strong and consistent dividend growth; and Kings of Cash Flow – companies that have strong potential for generating capital appreciation and the ability to return significant amounts of cash to investors as a result of their free cash flow.

International Focus and Global Focus:

International Focus and Global Focus Strategies invest in companies that FAM believes are attractively valued, high quality growth companies. High quality growth companies are those companies that have definable strategic advantages/moat and competitive positioning that offer strong earnings visibility and sustainability. Moat refers to a business' ability to maintain competitive advantages over its competitors in order to protect its long-term profits and market share from competing firms. In implementing these strategies, FAM focuses on analyzing growth trajectories and identifying catalysts for future growth for companies that are in a positive earnings revision cycle. The strategies are all-cap, all-country, opportunistic focused strategies.

Risk Controls

FAM endeavors to control and monitor portfolio risk by seeking to ensure that all of its portfolios are comprised of stocks where its analysts have a high degree of conviction. FAM's investment philosophy and proprietary research capabilities are designed to help FAM try to mitigate risk by thoroughly understanding the stocks in its portfolios. Through careful stock selection, diversification of holdings (certain Alger strategies, however, may not be diversified or may be considered ‘concentrated’) and our investment process, FAM seeks to maintain the desired portfolio characteristics that our Portfolio Managers expect while managing overall risk.

FAM’s Portfolio Managers and analysts monitor stocks held in client accounts. Portfolio Managers monitor changes at the portfolio, industry and economic level and analysts focus on the specific companies. As FAM is a bottom-up stock selector, the portfolio weighting in a particular industry or an economic sector is generally the result of individual stock selection.

FAM manages multiple strategies that at times can have exposure to a company through ownership of common stock, debt, warrants or other securities issued by the same company. When such situations exist, FAM will take steps to identify any potential conflicts, seek to mitigate the conflicts and provide adequate disclosures and reporting to clients.

FAM additionally analyzes each portfolio and considers a number of measures, including attribution analysis, to help the Portfolio Managers to fully understand certain risk parameters of their portfolios. FAM also uses other tools to monitor the risk profile of portfolios versus their relevant benchmarks. FAM does not actively manage the portfolios’ sector exposures, but uses the reports to seek to understand portfolio characteristics and any unintentional exposure.

FAM generally limits exposure in any one economic sector to 40% of a portfolio, exposure to any one industry to 20% of a portfolio, and exposure to any single security to 10% of the portfolio. These sector and industry limits are generally based on third party determinations (e.g. GICS) regarding how a security is classified. For certain of our Focus strategies, generally those with 25 to 50 holdings, FAM may have no sector, industry, or individual security limits. Certain strategies may generally limit exposure in any one economic sector to 50% of a portfolio, exposure to any one industry to 25% of a portfolio, and exposure to any single security to 10% of the portfolio, at purchase. FAM may deviate from these limits when, for example, it believes that a sector/industry/stock is undergoing profound change; offers what it thinks is a compelling opportunity; or represents a larger percentage of an applicable benchmark.

Notwithstanding the extensive risk control measures FAM has in place, it is important for clients to consider the risk of loss associated with investing in securities, and the particular risks associated with their accounts. All clients should recognize that investing in securities involves the risk of loss.

General Risks

As with any account that invests in stocks, an investment held in an account advised by FAM will fluctuate in value due to changes in the market prices of its investments. The loss of your investment is a risk of investing. In addition, the account’s investments may not grow as fast as the rate of inflation and stocks tend to be more volatile than some other investments you could make.

Prices of growth stocks tend to be higher in relation to their companies’ earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile. An investment advised by FAM may be better suited to investors who can tolerate fluctuations in their investment's value.

The following risks apply generally to strategies managed by FAM:

Risks of Investing in Small and Medium-Cap Issuers

Investing in securities of smaller capitalization companies may involve greater volatility than investing in larger more established companies because smaller capitalization companies can be subject to more dramatic and volatile share price changes than larger, more established companies due to investor perceptions of the issuing company's earnings growth potential. Small and medium-cap issuers may have limited product lines, financial resources, or management depth. Investing in securities issued by such companies may pose a greater risk than investing in securities issued by larger, more established issuers. It may be significantly more difficult to liquidate a position in a smaller cap security, owing to potentially less frequent trading of these securities.

Diversification

The Client's account may be exposed to market risk due to many factors, including the movements in interest rates, indexes, market volatility, and security values underlying these instruments. The Client's portfolio may at certain times hold a few security positions that are relatively large in relation to its capital, with the result that a loss in any such position could have a material adverse impact on the Client's portfolio.

Initial Public Offerings ("IPO") or ("New Issues") Risk

New Issues or IPOs occur when shares of a company are issued for the first time to the stock exchange. Risks associated with purchasing a New Issue include a lack of publically available historical information about the company, lack of trading history, increased volatility, and no quarterly financial filings with the SEC to enable the level of in-depth, fundamental research that can be conducted on a company that is already public.

Sector Risk

Accounts invested in certain strategies may have a significant portion of their assets allocated to securities of companies conducting business within a single sector. Companies in the same sector may be similarly affected by economic, regulatory, political or market events or conditions, which may make the strategy's returns more vulnerable to unfavorable developments in that sector than a strategy that has a more diversified portfolio. Generally, the more broadly a strategy invests, the more it spreads risk and potentially reduces the risks of loss and volatility.

Technology Sector Risk

Many accounts may be more susceptible to particular risks that may affect companies in the information technology sector than if they were invested in a wider variety of companies in unrelated sectors. At times, the performance of such companies will lag the performance of other industries or the broader market as a whole. Certain technology related companies may face special risks that their products or services may not prove to be commercially successful. Technology related companies are also strongly affected by worldwide scientific or technological developments. As a result, their products may rapidly become obsolete. Such companies are also often subject to governmental regulation and may, therefore, be adversely affected by governmental policies. These factors may lead to limited earnings and/or failing profit margins. As a result, the value of technology related companies' securities may fall or fail to rise. In addition, many technology-related companies have limited operating histories and prices of these companies' securities have historically been more volatile than other securities, especially over the short term.

Healthcare Sector Risk

Certain accounts may be more susceptible to risks that may affect companies in the health sciences sector. The value of such accounts may be more volatile than other accounts that do not similarly concentrate their investments. Furthermore, because many of the industries in the health sciences sector are subject to substantial government regulation, changes in applicable regulations could adversely affect companies in those industries. In addition, the comparative rapidity of product development and technological advancement in many areas of the sector may be reflected in greater volatility of the stocks of companies operating in those areas.

Risks of Foreign Investment

Investing in foreign securities involves risks related to the political, social and economic conditions of foreign countries, particularly emerging market countries. These risks may include political instability, exchange control regulations, expropriation, lack of comprehensive information, national policies restricting foreign investment, currency fluctuations, less liquidity, undiversified and immature economic structures, inflation and rapid fluctuations in inflation, withholding or other taxes, and operational risks. There may be less stringent government supervision and oversight of foreign markets than in the United States. There may be less corporate financial information publicly available, less stringent investor protection and disclosure standards, and differing auditing and legal standards.

Investment in foreign currencies is subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedged positions, that the U.S. dollar will decline relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities held by a Fund and denominated in those currencies. Foreign currencies also are subject to risks caused by inflation, interest rates, budget deficits and low savings rates, political factors and government controls.

Emerging Markets Risk

Certain Accounts' performance will be influenced by political, social and economic factors affecting investments in emerging country issuers. Special risks associated with investments in emerging country issuers include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards. The securities of issuers located in emerging markets can be more volatile, and less liquid, than those of issuers in more mature economies. Accounts investing in Emerging Markets may have significant exposure to one sector or industry, and are impacted by sector risks (see above).

Such accounts may invest heavily in issuers located in emerging countries such as Brazil, Russia, India and China, and therefore may be particularly exposed to the economies, industries, securities and currency markets of such countries, which may be adversely affected by protectionist trade policies, a slow U.S. economy, political and social instability, regional and global conflicts, terrorism and war, including actions that are contrary to the interests of the U.S.

Risks Inherent in FAM's Investment Process

As a result of FAM's disciplined investment process, Portfolio Managers are likely to engage in active trading of portfolio securities. Accounts may incur increased transaction costs and brokerage commissions, both of which can lower the actual return on an investment. Active trading may also increase short-term gains and losses, which may affect the taxes a client has to pay.

Additional Risks Associated with Certain FAM Strategies

Some of the specific types of strategies FAM employs can create additional risks beyond those already discussed. Listed below are these strategies and a description of these additional risks.

The following risks apply to the Spectra, Dynamic Opportunities and Dynamic Return strategies:

Risks of Selling Securities Short

Certain accounts may sell securities short, which is the sale of a security the account does not own. The account arranges with a broker to borrow the security being sold short, and replaces the security by buying it at the current market price when it closes the short sale. If the price of the security sold short has increased since the time of the short sale, the account will incur a loss in addition to the costs associated with establishing, maintaining and closing out the short position. If the price of the security sold short has decreased since the time of the short sale, the account will experience a gain to the extent the difference in price is greater than these costs. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit. Furthermore, there can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss.

Risks of Levered Accounts

The cost of borrowing money to leverage may exceed the returns for the securities purchased, or securities purchased may actually go down in value; thus, an account's value can decrease more quickly than if the account had not borrowed.

Risks of Investing in Derivative Instruments

Certain accounts can invest in derivative instruments. FAM currently expects that the primary uses of derivatives will involve: (1) purchasing put and call options and selling (writing) covered put and call options, on securities and securities indexes, to increase gain, to hedge against the risk of unfavorable price movements in the underlying securities, or to provide diversification of risk, (2) entering into forward currency contracts to hedge the account's foreign currency exposure when it holds, or proposes to hold, non-U.S. dollar denominated securities, and (3) entering into total return swap contracts on securities or securities indexes to increase gain by obtaining short exposure to securities or securities indexes that FAM believes will underperform on a relative or absolute basis.

A small investment in derivatives could have a potentially large impact on an account's performance. When purchasing options, the account bears the risk that if the market value of the underlying security does not move to a level that would make exercise of the option profitable, the option will expire unexercised. When a covered call option written by the account is exercised, the account will not participate in any increase in the underlying security's value above the exercise price. When a put option written by the account is exercised, the account will be required to purchase the underlying security at a price in excess of its market value. Use of options on securities indexes is subject to the risk that trading in the options may be interrupted if trading in certain securities included in the index is interrupted, the risk that price movements in the account's portfolio securities may not correlate precisely with movements in the level of an index, and the risk that FAM may not predict correctly movements in the direction of a particular market or of the stock market generally. Because certain options may require settlement in cash, the account may be forced to liquidate portfolio securities to meet settlement obligations. Forward currency contracts are subject to currency exchange rate risks. All derivatives are subject to the risk of non-performance by the contract counterparty.

Focus Strategies

This risk applies to any FAM strategy with typically 50 or fewer holdings including the Focus Equity, SMid Cap Focus, Mid Cap Focus, Small Cap Focus, SMid Cap Focus, International Focus, Global Focus, Alger 25, and Alger 35 strategies.

These strategies invest a substantial portion of their assets in a small number of issuers, and so may be more vulnerable to changes in the market value of a single issuer and more susceptible to risks associated with a single economic, political, or regulatory occurrence than a fund that has a higher number of holdings. At times, the performance of shares of particular companies will lag the performance of other sectors or the market as a whole. This risk is magnified when a strategy has a small number of holdings. Generally, the more broadly a strategy invests, the more it spreads its risks and potentially reduces the risk of loss and volatility. Generally, the strategies will hold approximately 25 to 50 securities depending on the strategy being implemented. The number of securities held in these strategies may occasionally exceed this range for a variety of reasons.

Socially Responsible Strategy

Accounts invested primarily utilizing socially responsible investment criteria may limit the number of available investment opportunities, and as a result, at times the accounts' returns may be less than those of accounts that are not subject to such special investment considerations. Moreover, companies that promote socially responsible programs may not perform as well as companies that do not pursue such goals.

Health Sciences Strategy

The value of accounts that invest a significant portion of their assets in a particular sector, such as the health sciences sector, may be more volatile than that of accounts that do not similarly concentrate their investments. Accounts following such a strategy will be substantially more susceptible to the risks which affect that particular sector.

(9) Disciplinary Information:

A complete description of all disciplinary events impacting FAM, its advisory personnel and affiliates can be found in Part 1 of FAM's Form ADV and FAC's Form BD and is available upon request. FAM's Form ADV Part 1 is also available on the SEC's website at the following link:

http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Landing.aspx?SearchGroup=Firm&FirmKey=106750&IndvlKey=-1&ORG_PK=106750

In connection with allegations of violations of federal and state securities laws relating to undisclosed arrangements allowing certain investors to engage in market timing between 1998 and 2003, FAM and its affiliates entered into settlements with the SEC and the office of the New York Attorney General ("NYAG").

On October 11, 2006, neither admitting nor denying the findings, respondents FAM, FAC and Alger Shareholder Services, Incorporated ("Alger Shareholder Services") entered into an assurance of discontinuance with NYAG to settle allegations that various subsidiaries and affiliates of AAI had violated the Martin Act (Article 23-A of the General Business Law), Executive Law section 63(12), and the General Business Law section 349. The assurance of discontinuance found that, during the period 1998 through September 2003, FAM, FAC and Alger Shareholder Services allegedly facilitated market timing and late trading by numerous select investors, and allegedly failed to adhere to the company's policies or procedures to prevent the misuse of material non-public information about certain Alger Funds' portfolio holdings.

The NYAG assurance of discontinuance provides that: (1) FAC shall pay, jointly and severally with FAM, $30 million in disgorgement and/or restitution plus a civil money penalty of $10 million, for a total payment of $40 million; (2) FAC and FAM shall retain an independent distribution consultant; (3) FAC and FAM shall cease and desist from engaging in any acts in violation of the Martin Act, Executive Law section 63(12), and the General Business Law section 349; (4) FAM agrees to reduce management fees for certain funds distributed to investors by $1 million per year through 2011, for a total of $5 million in fee reductions over five years; (5) FAM agrees not to manage or advise a fund unless the fund implements certain corporate governance practices, including having at least 75% of trustees meet independence standards, having an independent chairman, and appointing a senior officer who meets independence standards to, among others, monitor compliance with applicable federal and state securities laws, state laws respecting conflicts of interest, and fiduciary duties and codes of ethics and compliance policies, and manage the negotiation process for management fees; and (6) FAM agrees to develop procedures for the disclosure to investors of fees and costs in actual dollars on a fund-by-fund basis. In July 2015, the SEC approved the plan to distribute to investors the $40 million via the SEC Fair Fund.

Pursuant to offers of settlement by FAM and FAC in which they neither admitted nor denied the findings, the SEC entered an order on January 18, 2007 (the "Order") finding that FAM and FAC violated certain federal securities laws. The Order states that FAM violated, and FAC aided and abetted a violation of, sections 206(1) and 206(2) of the Advisers Act, FAM and FAC violated section 17(d) of the Investment Company Act of 1940, as amended (the "Investment Company Act") and Rule 17d-1 thereunder, and FAC violated section 15(c) of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"), with respect to undisclosed arrangements with numerous select investors that allegedly allowed them to engage in market timing. The Order also found that FAC violated rule 22c-1 by allowing one of its investors to engage in late trading. The Order further states that as a result of the activity above, FAM violated Section 34(b) of the Investment Company Act with respect to the filing of registration statements and prospectuses with the SEC.

The Order provided that FAM and FAC are censured; FAM shall cease and desist from committing or causing any violations and any future violations of sections 206(1) and 206(2) of the Advisers Act, and sections 17(d) and 34(b) of the Investment Company Act and rule 17d-1 thereunder; FAC shall cease and desist from committing any violations and any future violations of section 15(c) of the Securities Exchange Act, and section 17(d) of the Investment Company Act, and rule 17d-1 thereunder, and rule 22c-1 as adopted under section 22(c) of the Investment Company Act, and causing any violations and any future violations of sections 206(1) and 206(2) of the Advisers Act.

The Order also provided that (1) FAM and FAC shall retain an independent compliance consultant to, among other things, review FAM and FAC compliance, supervisory, and other policies and procedures; (2) FAM and FAC shall adopt the recommendations of such consultant subject to a mechanism for resolving disagreements; (3) FAM and FAC shall undergo a third-party compliance review in 2008; (4) FAM and FAC shall retain an independent distribution consultant; and (5) FAM and FAC shall pay, on a joint and several basis, $30 million in disgorgement plus a civil money penalty of $10 million, for a total payment of $40 million.

(10) Other Financial Industry Activities and Affiliations:

FAM is affiliated with FAC, a registered broker-dealer. FAC serves as the principal underwriter for the mutual funds advised by FAM and as a broker-dealer for securities trades placed on behalf of FAM clients and accounts. FAC does not conduct public brokerage business and substantially all of its transactions are for those FAM clients who authorize FAM to use FAC as a broker and provided that relevant regulations that govern their accounts allow it. From time to time, FAC, FAM, AGH, or AAI, or other affiliated persons may hold controlling positions in certain pooled investment vehicles, such that they are considered affiliates. Additionally, FAM is under common ownership with Weatherbie Capital, LLC, an investment adviser based in Boston, Massachusetts.

Please see the response to Item 12: Brokerage Practices for more complete information regarding FAC's brokerage practices. FAM is the investment adviser to The Alger Funds, The Alger Funds II, The Alger Portfolios, The Alger Institutional Funds, and Alger Global Growth Fund, each of which is a registered investment company. FAM is the investment manager for Alger Dynamic Return Fund, a privately offered pooled investment vehicle. FAM serves as the sub-Portfolio Manager for Alger SICAV, a publicly offered pooled investment vehicle registered in Luxembourg, other jurisdictions in the European Union, Japan, Korea, and Singapore. FAM also serves as a sub-adviser to third-party registered investment companies, as well as a bank collective investment trust. From time to time, FAM, its affiliates or a related person ("Alger Affiliates") may own significant stakes in one or more of the above entities.

Alger Affiliates also have other direct and indirect interests in the equity markets, directly or through investments in pooled products in which accounts directly and indirectly invest.

Conflicts as a Result of FAM's Affiliates

Selection of Administrative and Other Service Providers

FAM may choose to (and currently does) have Alger Affiliates provided administrative services, shareholder services, brokerage and other account services to certain of its clients. While any such engagement should be on market terms, it will nevertheless result in greater benefit to FAM than hiring a similarly qualified unaffiliated service provider.

In connection with these services and subject to applicable law, Alger Affiliates, including FAM, may from time to time, and without notice to investors or clients, in-source or outsource certain processes or functions that it provides in its administrative or other capacities. Such in-sourcing or outsourcing may give rise to additional conflicts of interest, including which processes or functions to in-source or outsource, which entity to outsource to, and the fees charged by the Alger Affiliates or the third party.

Information FAM May Receive

FAM and its affiliates may have or be deemed to have access to the current status of certain markets, investments, and funds because of Alger Affiliates' activities. Alger Affiliates may therefore possess information which, if known to FAM, might cause FAM to seek to dispose of, retain, or increase interests in investments held by accounts, or acquire certain positions for the accounts. Moreover, FAM and its affiliates may come into possession of material, non-public information that would prohibit or otherwise limit its ability to trade on behalf of client accounts. A client not advised by FAM would not be subject to these restrictions. FAM maintains policies designed to mitigate the conflicts described in this paragraph; however, such policies may not fully address situations described above.

(11) Code of Ethics, Participation in Client Transactions and Personal Trading:

FAM maintains a Code of Ethics that establishes standards and procedures for detecting and preventing the abuse of fiduciary duties by persons with knowledge of recommended investments and investment restrictions of FAM's clients. In general, the fiduciary principles that govern personal investment activities reflect, at the minimum, the following:

- The duty at all times to place the interests of clients first,
- The requirement that all personal securities trades be conducted consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of a position of trust and responsibility, and
- The fundamental standard that one should not take advantage of their position.

Among other things, the Code of Ethics addresses disclosure of information regarding client transactions, and trading while in possession of material non-public information, and imposes obligations with respect to their personal securities trading by FAM personnel.

With respect to personal securities transactions, employees are generally required to pre-clear transactions and are required to submit duplicate confirmations and account statements to FAM's Compliance Department. Further, a FAM employee may not:

- Engage in a personal securities transaction within seven days of a trade made on behalf of an advisory client in the same security, subject to a de minimis limit
- Engage in a personal securities transaction in the same security that is recommended for transaction in client accounts within the next seven days, subject to a de minimis limit
- Engage in a personal securities transaction in their sector of coverage (applies to Portfolio Managers, Traders and Analysts)
- Engage in excessive trading, including successive transactions in the same security
- Purchase and sell or sell and purchase a security within sixty days
- Purchase securities in an initial public offering
- Engage in short sales
- Invest in futures and options on an individual security
- Make an investment in a private placement (without prior approval)
- Serve on the board of directors of a publicly traded or private company without prior approval

The Code of Ethics will be provided to any client or prospective client upon request.

Interest in Client Transactions

A conflict of interest will exist to the extent that FAM recommends that its clients invest in securities in which one or more Alger Affiliates has a financial interest or position. Additionally, FAM has conflicts related to its management of client accounts alongside accounts (including FAM advised mutual funds) in which Alger Affiliates personnel have interests (collectively, the "Alger Affiliates Accounts"). For example, FAM and Alger Affiliates hold investments in certain investment companies or other publicly or privately offered pooled investment vehicles for which FAM acts as an investment adviser and from which FAM receives advisory, administration and/or distribution fees. FAM might recommend that its advisory clients purchase shares of such investment companies or other pooled vehicles.

Additionally, to the extent FAM or Alger Affiliates own a significant percentage of the outstanding shares of an investment company or the interests in a pooled investment vehicle, FAM may be deemed to control that entity, and may have enough shares to determine the outcome of any matters submitted for a shareholder vote. As noted above in Item 10: Other Financial Industry Activities and Affiliations, the investment company or pooled investment vehicle may be precluded or limited in its ability to make certain investments, or participate in certain transactions because of the ownership interest of FAM or Alger Affiliates. Clients should be aware that FAM may be incented to make decisions for its own benefit or the benefit of an Alger Affiliate with respect to mutual funds and other investment products in which it or said Affiliate owns significant stakes.

FAM considers these conflicts of interest when allocating investment opportunities and portfolio securities, selecting service providers or brokers, and setting up investment products, guidelines for the selection of share classes, sales incentives, and compensation practices. FAM has adopted numerous procedures in an attempt to limit or manage these conflicts of interest.

FAM or Alger Affiliates may invest in mutual funds or other pooled investment vehicles, and other equity or fixed-income securities that it recommends to its clients. The results achieved by Alger Affiliates proprietary accounts may differ from those achieved for other accounts. FAM may give advice, and take action, with respect to any current or future account or investment that may compete or conflict with the advice FAM may give to other accounts (or for its own account) including with respect to the return of the investment, the timing or nature of action relating to the investment or method of exiting the investment. For a more detailed discussion of FAM's conflicts related to its affiliates, please see Item 10: Other Financial Industry Activities and Affiliations.

Recommending, Purchasing, or Selling Securities for Clients that an Alger Affiliate May Purchase or Sell for its Own Account

Alger Affiliates may provide seed capital to, or own significant shares of, any of the registered investment companies, or other publicly or privately offered pooled investment vehicles that FAM advises or that its affiliates offer. These investments may be for the purposes of establishing a track record for a new vehicle or for hedging purposes. Such funding may also occur in a separate account maintained in the name of Alger Affiliates. As such, it is possible for securities held or traded in client accounts to be similarly held in Alger Affiliates' separate account(s) and an Alger Affiliate may purchase or sell for its own account securities at or about the same time that it recommends those securities to its clients.

Alger Affiliates consider these conflicts of interest when making investments. FAM has adopted numerous procedures in an attempt to limit or manage these conflicts of interest. These policies are discussed in more detail in Item 12: Brokerage Practices "Trade Allocation."

FAM may be deemed to be affiliated with certain pooled investment vehicles managed by Weatherbie Capital, LLC, and its affiliates may have a financial interest in separate accounts or pooled investment vehicles managed by Weatherbie Capital, LLC. These relationships could create conflicts of interest with clients with regard to simultaneous trading of securities, allocation of investment opportunities, or recommending securities in which an affiliate has a material financial interest, but FAM's accounts generally follow different strategies than those accounts, implemented independently by different investment personnel, and traded independently by different trading personnel.

(12) Brokerage Practices:

Most clients for whom FAM serves as adviser give FAM discretion as to the selection of brokers or dealers to effect securities transactions. FAM places securities trades with the overriding goal of seeking best execution, meaning the most favorable combination of price and execution. In seeking best execution, FAM evaluates a wide range of criteria including price, the broker-dealer's execution capability, facilities, positioning, ability to handle difficult trades, as well as elements such as timing and order size.

To the extent permitted by applicable law and if not prohibited by a client, FAM will direct a significant amount of the equity trades to FAC. It is anticipated that the commissions, brokerage fees, other fees, compensation or profits, rates, terms and conditions charged by FAC will be commercially reasonable, but will nonetheless be in FAM's and its affiliate's commercial interests and could have an adverse effect on the accounts. FAM has policies and procedures in place to prevent excessive trading, and FAM checks trades periodically to ensure that transactions are placed with the goal of receiving best execution.

Soft Dollars

FAM relies primarily on its own internal research to provide primary research in connection with buy and sell recommendations. However, FAM does pay for both brokerage fees and soft dollars. Soft dollars would include any general research services provided by a third party vendor. The services that FAM may receive include:

- Management meetings
- Conferences
- Research on specific industries
- Research on specific companies
- Macroeconomic analyses

- Analyses of national and international events and trends
- Evaluations of thinly traded securities
- Computerized trading screening techniques and securities ranking services
- General research services (*i.e.* Bloomberg, FactSet)

Commissions for the combination of execution and research services may be higher than for execution services alone. FAM may pay higher commissions for receipt of brokerage and research services in connection with securities trades that are consistent with the "safe harbor" provisions of Section 28(e) of the Securities Exchange Act. This benefits FAM because it does not have to pay for the research, products, or services. Such benefit gives FAM an incentive to select a broker-dealer based on its interest in receiving the research, products, or services rather than on its clients' interest in receiving the most favorable execution.

Research or other services obtained in this manner may be used in servicing any or all of the accounts. This includes accounts other than those that pay commissions to the broker providing soft dollar benefits. Therefore, such products and services may disproportionately benefit certain accounts to the extent that the commissions from such accounts are not used to purchase such services.

Neither the research services nor the amount of brokerage given to a particular broker-dealer are made through an arrangement or commitment that obligates FAM to pay selected broker-dealers for the services provided.

FAM has entered into certain commission sharing arrangements that it considers soft dollar arrangements, and that comply with the terms of Section 28(e) of the Securities Exchange Act. A commission sharing arrangement allows FAM to aggregate commissions at a particular broker-dealer, and to direct that particular broker-dealer to pay various other broker-dealers from this pool of aggregate commissions for research and research services the firms have provided to FAM. These arrangements allow FAM to limit the broker-dealers it trades with, while maintaining valuable research relationships.

In certain cases, a research service may serve additional functions that are not related to the making of investment decisions (such as accounting, record keeping or other administrative matters). Where a product obtained with commissions has such a mixed use, FAM will make a good faith allocation of the cost of the product according to its use. FAM will not use soft dollars to pay for services that provide only administrative or other non-research assistance.

Directed Brokerage

FAM does not consider client referrals when it selects a broker-dealer for executing trades on behalf of the accounts it advises. Further, FAM's procedures provide that no mutual fund advised by FAM may direct brokerage or any other payment to any broker in consideration of sales of shares of the Alger Family of Funds.

Separate account clients may, however, direct brokerage to a specific firm or firms of its choosing. Because trades directed to specific brokers may not be aggregated with larger trades, transaction costs and execution quality may be adversely impacted. FAM will generally place orders for clients that have given us full brokerage discretion first, then for clients that have requested a specific broker. If FAM places orders on behalf of clients who direct brokerage after it places other trades, this may negatively impact the price at which trades are completed for such clients.

Trade Aggregation

If FAM believes that the purchase or sale of a security is in the best interest of more than one account, it may (but is not obligated to) aggregate the orders to be sold or purchased to seek favorable execution or lower brokerage commissions. Aggregation of trades under this circumstance should, on average, decrease the costs of execution. In the event FAM aggregates a trade for participating accounts, the method of allocation will generally be determined prior to the trade execution. Although no specific method of allocation of trades is expected to be used, allocations are generally pro rata and if not, will be designed so as not to systematically and consciously favor or disfavor any account in the allocation of investment opportunities. The accounts aggregated may include registered and unregistered investment companies, Alger Affiliates Accounts, and separate accounts. Transaction costs will be shared by participants on a pro-rata basis according to their allocations. FAM may delay the execution of a trade for a client account so it may be included as part of an aggregated trade.

When trades are aggregated, prevailing trading activity frequently may make impossible the receipt of the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may be averaged, and a participating account will be charged or credited with the average price. Thus, the effect of the aggregation may operate on some occasions to the disadvantage of the account. In addition, under certain circumstances, the account will not be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order.

When orders are aggregated for execution, it is possible that Alger Affiliates will benefit from such trades, even in limited capacity situations. FAM maintains policies and procedures that it believes are reasonably designed to deal equitably with conflicts of interest that may arise in certain situations when purchase or sale orders for an account are aggregated for execution with orders for Alger Affiliates Accounts. FAM may aggregate trades for its clients and affiliates in private placements pursuant to internally developed procedures. In such cases, FAM will only negotiate the price of such investments, and no other material terms of the offering, and will prepare a written allocation statement reflecting the allocation of the securities.

Trade Allocation

As FAM manages multiple client accounts, including Alger Affiliates, conflicts may arise as a result of how FAM allocates investment opportunities. In an effort to treat all clients reasonably in light of all factors relevant to managing an account, aggregated trades will generally be allocated pro rata among the accounts whenever possible. There are exceptions to this practice, however. Some of these exceptions are described below:

Unusual Market Conditions

During periods of unusual market conditions, FAM may deviate from its normal trade allocation practices. During such periods, FAM will seek to exercise a disciplined process for determining its actions to appropriately balance the interests of all accounts.

Availability of Investments

The availability of certain investments such as initial public offerings (IPOs) or private placements may be limited. In such cases, all accounts may not receive an allocation. As a result, the amount, timing, structuring or terms of an investment by one account may differ from, and performance of such account may be higher or lower than, other accounts.

FAM, as a general practice, allocates IPOs and other limited availability investments pro rata among eligible accounts where the portfolio manager seeks an allocation. An account or accounts may not receive an allocation because it lacks available cash, is restricted from making certain investments, the account pays a performance fee, the account is so large that the allocation is determined to not be meaningful to the account's overall performance, or due to co-investment by Alger Affiliates. When a pro rata allocation of limited availability investments is not possible or is not appropriate, FAM considers numerous other factors to determine an appropriate allocation. These factors include:

- FAM's good faith assessment of the best use of such limited opportunities relative to the investment objectives, investment limitations and requirements of the accounts
- Suitability requirements and the nature of the investment opportunity, including relative attractiveness of a security to different accounts
- Relative sizes of applicable accounts
- Impact on overall performance an allocation of such securities may have on an account
- Cash and liquidity considerations, including without limitation, availability of cash for investment
- Minimum denomination, minimum increments, *de minimis* threshold and round lot consideration
- Account investment horizons and guidelines
- Client-specific investment guidelines and restrictions
- An account's risk tolerance and/or risk parameters
- Tax sensitivity of accounts
- Concentration of positions in an account
- Appropriateness of a security for the account given the benchmark and benchmark sensitivity of an account
- Use of the opportunity as a replacement for another security FAM believes to be attractive for an account or the availability of other appropriate investment opportunities
- Considerations related to giving a subset of accounts exposure to an industry
- Account turnover guidelines

In some circumstances, it is possible that the application of these factors may result in certain accounts receiving an allocation when other accounts do not. Moreover, accounts in which FAM and/or its employees (or of affiliates of FAM and their employees) have interests, may receive an allocation or an opportunity not allocated to other accounts.

Differing Guidelines, Objectives and Time Horizons

Because accounts are managed according to different strategies and individual client guidelines, certain accounts may not be able to participate in a transaction considered by FAM.

Actions taken by one account could affect others. For example, in the event that withdrawals of capital result in one account selling securities, this could result in securities of the same issuer falling in value, which could have a material adverse effect on the performance of other accounts that do not sell such positions.

Alger Affiliates may also develop and implement new strategies, which may not be employed in all accounts or pro rata among the accounts where they are employed, even if the strategy is consistent with the objectives of all accounts. Alger Affiliates may make decisions based on such factors as strategic fit and other portfolio management considerations, including:

- An account's capacity for such strategy
- The liquidity of the strategy and its underlying instruments
- The account's liquidity
- The business risk of the strategy relative to the account's overall portfolio make-up
- The effectiveness of, or return expectations from, the strategy for the account
- Any other factors Alger Affiliates deem relevant in their sole discretion

For example, such a determination may, but will not necessarily, include consideration of the fact that a particular strategy will not have a meaningful impact on an account given the overall size of the account, the limited availability of opportunities in the strategy and the availability of other strategies for the account.

For ease of management, FAM may group accounts with similar guidelines together for portfolio management purposes. As a result, an account may not invest in certain stocks that its guidelines would allow because other similar accounts restrict such holdings. This could affect the performance of the account.

Conflicts Related to Timing of Transactions

When FAM implements a portfolio decision or strategy for an account ahead of, or contemporaneously with, similar portfolio decisions or strategies for another account, market impact, liquidity constraints, or other factors could result in the second account receiving less favorable trading results. The costs of implementing such portfolio decisions or strategies could be increased or the other account could otherwise be disadvantaged. FAM may, in certain cases, implement internal policies and procedures designed to limit such consequences to the accounts, which may cause an account to be unable to engage in certain activities, including purchasing or disposing of securities, when it might otherwise be desirable for it to do so.

Moreover, each account is managed independently of other accounts. Given the independence in the implementation of advice to these accounts, there can be no warranty that such investment advice will be implemented simultaneously. FAM will use reasonable efforts to procure timely execution. It is possible that prior execution for or on behalf of an account could adversely affect the prices and availability of the securities and instruments in which other accounts invest. In other words, an account, by trading first, may increase the price or decrease the availability of a security to a second account.

In some instances, internal policies designed to facilitate trade aggregation may result in delays in placing trades, which may adversely affect trade execution. Differences in allocations will affect the performance of the accounts.

Cross Transactions

From time to time and for a variety of reasons, certain FAM accounts may buy or sell positions in a particular security while another account is undertaking the opposite strategy, which could disadvantage some of the accounts. For example, FAM may manage an account on one side of a trade and another account on the other side of the trade (including an account in which Alger Affiliates may have a proprietary interest). In an effort to reduce any negative impact, and when permitted by applicable law and otherwise practical to do so, the accounts may enter into "cross transactions." A cross transaction, or cross trade, occurs when FAM causes an account to buy securities from, or sell a security to, another client of FAM. FAM will ensure that any such cross transactions are effected on commercially reasonable market terms and in accordance with applicable law, including but not limited to FAM's fiduciary duties to all accounts.

Certain Non-Discretionary Accounts

Some non-discretionary accounts receive trade instructions or model account allocations later than other accounts as a result of bespoke arrangements with particular clients.

Wrap Programs

Wrap accounts generally follow a distinct trading process from other accounts. Portfolio Manager(s) of FAM's strategies continuously evaluate investment opportunities and make buy and sell recommendations. Such recommendations are reviewed for the purposes of implementing buy and sell recommendations for wrap accounts given the considerations and constraints that exist in such wrap accounts. These considerations include, security type constraints (foreign securities, private placements, IPOs), trade size, cash flows, holding periods, and the ability of a sponsor to implement a trade. Once determined, wrap trades are reviewed to ensure they are compliant with the specific wrap strategy and/or account guidelines. The trades are then submitted once per day to the various wrap sponsors according to a randomly selected rotation. As a result of this trading process, FAM typically takes more time to review and implement recommended transactions for wrap accounts; and therefore, wrap accounts generally trade after separate and fund accounts.

(13) Review of Accounts:

FAM's Portfolio Managers, Compliance team and Institutional Sales and Service team review each client's portfolio guidelines when the account is opened, and if changes are made. Portfolio Managers work closely with FAM's traders to seek to adhere to client guidelines when making security selection decisions.

FAM's Compliance Department regularly reviews and evaluates accounts for compliance with each client's investment objectives, policies and restrictions using an automated compliance monitoring system. Prior to execution, portfolio trades pass through real-time compliance checks that test the trade against account guidelines. Post-trade and end of day are also monitored daily. Certain guidelines which cannot be automated are reviewed manually; the frequency of these checks depends on the perceived risk of violation.

All accounts are also reviewed by the Client Administration Team for the purpose of reconciling FAM's records with those of the account's custodian. Cash and portfolio holdings are reconciled by the Client Administration Team on a daily basis and the Client Administration Team prepares month-end separate account reconciliations (including cash, security positions, local market values, prices and accruals, where applicable) to a client's custodian bank account statement.

On a quarterly basis, each client generally receives a report containing a portfolio listing showing cost and market value of all securities in the account, a detailed listing of all trades in the account for the period, a listing of all realized gains and losses, a listing of dividends and interest received by the account, a listing of all security purchases and security sales, and account and benchmark performance. Certain clients also receive historical performance reports on a monthly basis. Clients may also receive specialized reporting at their request.

(14) Client Referrals and Other Compensation:

Other Compensation

FAM does not receive any compensation from third parties relating to advisory services provided to clients.

Compensation of Third Parties for Client Referrals

Referral Fees

FAM pays fees to financial intermediaries, advisers, and financial planners, among other individuals and entities, in return for referring potential clients. Alger Affiliates may also pay intermediaries who recommend FAM to their clients for separate account or wrap fee program services. Individual payment agreements vary, and some intermediaries may have a greater incentive to recommend FAM's services because the intermediary receives a higher fee as a result. These payments are made from FAM's advisory fees.

FAM may also pay a fee to pension and corporate consultants for certain services the consultants provide to FAM. These consultants may recommend FAM to these potential clients and may also advise current FAM clients. FAM may also pay Alger Affiliates for referring potential clients.

FAM currently has a relationship with a third-party firm to assist in sourcing business in certain East Asian countries.

Marketing Payments

Subject to applicable law, FAC may pay dealers and other financial intermediaries for, among other things, marketing the mutual funds, Alger Affiliates Accounts and other products. Such payments may relate to or result in the funds' and other investment products' inclusion on preferred or recommended fund lists or certain sales programs sponsored by the intermediaries. FAC may also participate in or partially sponsor industry and consultant sponsored conferences, and may pay for access to intermediaries' registered representatives or salespersons. FAC may also pay to assist in the training and education of intermediaries' salespersons.

Intangibles

Alger Affiliates may have board, advisory, brokerage, or other relationships with issuers, distributors, consultants and others. These persons or entities may have investments in the mutual funds or other investment products, and may recommend or distribute the mutual funds or other products. Alger Affiliates may make charitable contributions to institutions, including those that have relationships with clients, personnel of clients, dealers and other financial intermediaries and/or their registered representatives, and pension consultants.

As a result of the relationships and arrangements described in the preceding paragraphs, consultants, distributors, and other parties may have conflicts associated with their promotion of the mutual funds or other investment products or other dealings that create incentives for them to promote the mutual funds or other products or certain portfolio transactions.

(15) Custody:

FAM does not have actual custody of client assets. However, because it has a related person that serves as general partner of a pooled investment vehicle, and because it has the authority to collect its fees from certain client accounts, it may be deemed to have custody of the assets in those vehicles and accounts. Clients will receive account statements from both FAM and from their custodians. Clients should review these statements carefully, and compare them to each other.

(16) Investment Discretion:

FAM generally has the authority to make investment determinations on behalf of its clients. Such authority is generally set forth in the investment advisory agreement between FAM and its clients. As noted in Item 4: Advisory Business above, certain clients limit FAM's discretionary authority over their account.

Some clients or program sponsors retain FAM to provide model portfolios, which they replicate for their clients' accounts. In these cases, FAM is not exercising investment discretion with respect to the account.

(17) Voting Client Securities:

Clients are free to grant authority to or withhold authority from FAM to vote proxies.

If a client withholds authority from FAM to vote its proxies, the client should make arrangements directly with its custodian to receive proxy statements. While a client who withholds authority may seek FAM's guidance in this regard, proxy issues are often time-sensitive and it may not be practical to request FAM's input.

If a client grants FAM authority to vote its proxies, FAM exercises its proxy voting authority generally by following the recommendations of Institutional Shareholder Services Inc. ("ISS"). FAM has instructed ISS to apply its Socially Responsible Investment Proxy Voting Guidelines in providing such recommendations, as well as its Taft-Hartley U.S. Voting Guidelines in applicable circumstances, and FAM has adopted these guidelines as part of its own policies. When issuing vote recommendations and casting proxy votes in accordance with its pre-determined proxy voting guidelines, ISS discloses any conflicts of interest it has with the issuer of such securities that are the subject of its recommendation. To the extent ISS has a material conflict of interest with the company whose proxies are at issue, it may recuse itself from voting proxies. In such cases, Alger instructs ISS how to vote. When ISS does not recuse itself, but still discloses a conflict, FAM reviews ISS's disclosure regarding such conflict to ensure adherence to the pre-determined proxy voting guidelines and in consideration with its clients' best interests. Moreover, FAM regularly considers the robustness of ISS's policies and procedures regarding its ability to (i) ensure that its proxy voting recommendations are based on current and accurate information and (ii) identify and address any conflicts of interest.

Notwithstanding such proxy voting policies and procedures, actual proxy voting decisions of FAM may have the effect of favoring the interests of certain clients or Alger Affiliates over others.

FAM maintains proxy statements received, records of its proxy voting policies and procedures (which are available upon client request), records of votes cast on behalf of each account, records of requests for proxy voting information, and any documents prepared that were material to making a voting decision.

Class Actions

In addition to voting rights with respect to securities held in our client portfolios, there may be other rights associated with those securities, including the right or opportunity to participate in class action, bankruptcy, or other litigation with respect to those securities. Unless specifically mandated in an account's investment management agreement or otherwise agreed to, as a general matter, FAM will not participate in or render any advice with respect to the filing of any class action, bankruptcy settlement claims, or other litigation with respect to the issuers of securities held in the accounts of its separate account clients. FAM will, however, at the client's request, assist clients and their agent(s) in determining their eligibility to participate in any given class action. With respect to corporate actions (such as an issuer's merger, tender offer, dividend distribution, etc.), FAM participates on behalf of clients who authorize the firm to do so, taking such action as the firm deems to be in the best interest of the portfolio.

(18) Financial Information:

Not applicable.

(19) Requirements for State-Registered Advisers:

Not Applicable. FAM is not a State-Registered Adviser.

Rev. 3/20/19

FACT

WHAT DOES ALGER DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ■ Social Security number and ■ Account balances and ■ Transaction history and ■ Purchase history and ■ Assets When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share personal information to run their everyday business. In the section below, we list the reasons financial companies can share their personal information; the reasons chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Alger share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Call 1-800-342-2186

Who we are	
Who is providing this notice?	Alger includes Fred Alger Management, Inc. and Fred Alger & Company, Incorporated as well as the following funds: The Alger Funds, The Alger Funds II, The Alger Institutional Funds, The Alger Portfolios, and Alger Global Focus Fund.
What we do	
How does Alger protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Alger collect my personal information?	We collect your personal information, for example, when you ■ Open an account or ■ Make deposits or withdrawals from your account or ■ Give us your contact information or ■ Provide account information or ■ Pay us by check.
Why can't I limit all sharing?	Federal law gives you the right to limit only ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. □□*Our Affiliates include Fred Alger Management, Inc. and Fred Alger & Company, Incorporated, and Weatherbie Capital, LLC as well as the following funds: The Alger Funds, The Alger Funds II, The Alger Institutional Funds, The Alger Portfolios, and Alger Global Focus Fund.*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you.
Other important information	