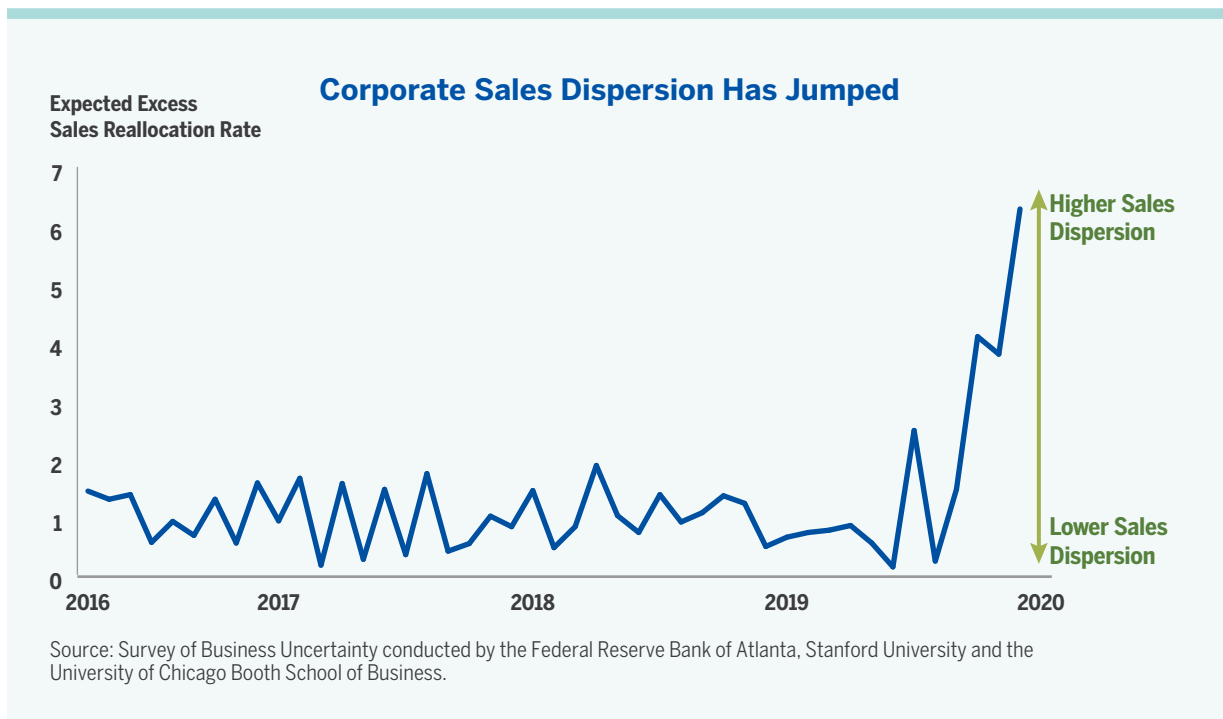


## Opportunity in Dispersion

While the daily headlines may have us believe that the economy is one entity moving in one direction at any given time, the reality is different. The economy comprises many different businesses in various industries that are experiencing divergent trends, potentially providing opportunities for investors.



- Researchers at the Federal Reserve, Stanford and the University of Chicago have recently developed a statistic that measures the level of sales dispersion within the economy. The greater the difference between firms that are growing and those that are shrinking, the higher the statistic rises. In the current pandemic, it is over five times as high as its three-year average.
- This dispersion is something we see in our research at Alger. Even within an industry like multiline retail where store closures are surging and companies are fighting for their lives, some companies with strong value propositions, such as Ollie's Bargain Outlet, are still able to grow their sales in this environment. Additionally, various e-commerce businesses are experiencing exploding growth.
- As the tide goes out on economic growth and innovation accelerates, the corporate winners and losers are more differentiated than ever, potentially providing a fertile environment for stock pickers.



The following position represented the noted percentage of Alger assets under management as of 3/31/2020: Ollie's Bargain Outlet Holdings, Inc., 0.1%.

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