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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-1743

The Alger Funds II

(Exact name of registrant as specified in charter)

111 Fifth Avenue, New York, New York

(Address of principal executive offices)

10003

(Zip code)

Mr. Hal Liebes  
Fred Alger Management, Inc.  
360 Park Avenue South  
New York, New York 10010

(Name and address of agent for service)

Registrant's telephone number, including area code: 212-806-8800

Date of fiscal year end: October 31

Date of reporting period: January 31, 2012

ITEM 1. Schedule of Investments.

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**THE ALGER FUNDS II | ALGER SPECTRA FUND**  
**Schedule of Investments‡ (Unaudited) January 31, 2012**

	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—97.7%</b>		
<b>ADVERTISING—0.8%</b>		
Focus Media Holding Ltd. #*	601,100	<u>\$ 12,022,000</u>
<b>AEROSPACE &amp; DEFENSE—2.2%</b>		
General Dynamics Corp.	48,900	3,381,924
Goodrich Corp.	51,265	6,395,309
Honeywell International, Inc.	134,100	7,783,164
United Technologies Corp.	161,300	12,637,855
		<u><b>30,198,252</b></u>
<b>AIR FREIGHT &amp; LOGISTICS—1.8%</b>		
FedEx Corp. +	69,800	6,386,002
United Parcel Service, Inc., Cl. B +	258,000	19,517,700
		<u><b>25,903,702</b></u>
<b>AIRLINES—0.4%</b>		
United Continental Holdings, Inc. *	256,200	<u><b>5,918,220</b></u>
<b>APPLICATION SOFTWARE—1.1%</b>		
Adobe Systems, Inc. *	138,200	4,277,290
Nice Systems Ltd. #*	62,295	2,240,128
Salesforce.com, Inc. *	74,200	8,666,560
		<u><b>15,183,978</b></u>
<b>ASSET MANAGEMENT &amp; CUSTODY BANKS—0.8%</b>		
Affiliated Managers Group, Inc. *	26,450	2,658,490
Ameriprise Financial, Inc.	25,900	1,386,945
Blackstone Group LP	434,500	6,869,445
		<u><b>10,914,880</b></u>
<b>AUTO PARTS &amp; EQUIPMENT—1.0%</b>		
Delphi Automotive PLC *	148,800	3,992,304
Lear Corp.	229,350	9,609,765
		<u><b>13,602,069</b></u>
<b>BIOTECHNOLOGY—1.8%</b>		
Dendreon Corp. *	176,200	2,392,796
Gilead Sciences, Inc. *	197,021	9,622,506
Human Genome Sciences, Inc. *	268,930	2,646,271
Optimer Pharmaceuticals, Inc. *	304,400	3,948,068
United Therapeutics Corp. *	156,800	7,711,424
		<u><b>26,321,065</b></u>
<b>BROADCASTING &amp; CABLE TV—1.0%</b>		
CBS Corp., Cl. B	162,300	4,622,304
Liberty Media Corp., Capital, Cl. A *	84,697	6,979,880
Scripps Networks Interactive, Inc.	46,100	1,998,896
		<u><b>13,601,080</b></u>
<b>CABLE &amp; SATELLITE—1.0%</b>		
Comcast Corporation, Cl. A	523,300	<u><b>13,914,547</b></u>
<b>CASINOS &amp; GAMING—1.0%</b>		
Las Vegas Sands Corp. *	289,900	<u><b>14,236,989</b></u>
<b>COAL &amp; CONSUMABLE FUELS—0.5%</b>		
Arch Coal, Inc.	454,690	<u><b>6,561,177</b></u>
<b>COMMUNICATIONS EQUIPMENT—2.5%</b>		
Cisco Systems, Inc.	393,700	7,728,331



	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>COMMUNICATIONS EQUIPMENT—(CONT.)</b>		
QUALCOMM, Inc. +	486,617	\$ 28,622,812
		<b>36,351,143</b>
<b>COMPUTER HARDWARE—7.6%</b>		
Apple, Inc.*+	235,272	<b>107,396,964</b>
<b>COMPUTER STORAGE &amp; PERIPHERALS—2.5%</b>		
EMC Corp. *	684,199	17,624,966
NetApp, Inc. *	250,100	9,438,774
SanDisk Corp. *	45,200	2,073,776
Seagate Technology PLC	325,200	6,874,728
		<b>36,012,244</b>
<b>CONSTRUCTION &amp; ENGINEERING—0.3%</b>		
Chicago Bridge & Iron Co., NV#	114,200	<b>4,862,636</b>
<b>CONSTRUCTION &amp; FARM MACHINERY &amp; HEAVY TRUCKS—2.6%</b>		
Caterpillar, Inc.	198,600	21,671,232
Deere & Co.	81,100	6,986,765
WABCO Holdings, Inc. *	133,600	6,927,160
		<b>35,585,157</b>
<b>DATA PROCESSING &amp; OUTSOURCED SERVICES—1.0%</b>		
Mastercard, Inc. +	34,265	12,183,606
VeriFone Systems, Inc. *	53,400	2,280,180
		<b>14,463,786</b>
<b>DIVERSIFIED BANKS—1.9%</b>		
SPDR S&P Regional Banking ETF	129,075	3,331,426
Wells Fargo & Co.	791,500	23,119,714
		<b>26,451,140</b>
<b>DIVERSIFIED METALS &amp; MINING—1.5%</b>		
Freeport-McMoRan Copper & Gold, Inc.	335,400	15,498,834
Molycorp, Inc. *	179,500	5,560,910
		<b>21,059,744</b>
<b>DRUG RETAIL—2.1%</b>		
CVS Caremark Corp.	703,500	<b>29,371,125</b>
<b>EDUCATION SERVICES—0.4%</b>		
New Oriental Education & Technology Group#*	260,700	<b>6,209,874</b>
<b>ELECTRICAL COMPONENTS &amp; EQUIPMENT—0.9%</b>		
Cooper Industries PLC, CL. A	197,845	11,696,596
GrafTech International Ltd. *	76,900	1,262,698
		<b>12,959,294</b>
<b>ENVIRONMENTAL &amp; FACILITIES SERVICES—0.4%</b>		
Republic Services, Inc.	184,000	<b>5,387,520</b>
<b>FERTILIZERS &amp; AGRICULTURAL CHEMICALS—0.8%</b>		
Monsanto Co.	87,700	7,195,785
Mosaic Co., /The	63,093	3,531,315
Potash Corporation of Saskatchewan, Inc.	14,300	668,382
		<b>11,395,482</b>
<b>FOOTWEAR—1.5%</b>		
Deckers Outdoor Corp. *	64,600	5,222,910
NIKE, Inc., Cl. B	79,400	8,256,806

	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>FOOTWEAR—(CONT.)</b>		
Salvatore Ferragamo Italia SpA *	436,630	\$ 7,327,648
		<b>20,807,364</b>
<b>GENERAL MERCHANDISE STORES—1.1%</b>		
Dollar General Corp. *	184,715	7,870,706
Target Corp.	150,300	7,636,743
		<b>15,507,449</b>
<b>HEALTH CARE EQUIPMENT—1.5%</b>		
Covidien PLC +	355,512	18,308,868
Gen-Probe, Inc. *	9,000	602,370
Insulet Corp. *	109,101	2,124,196
		<b>21,035,434</b>
<b>HEALTH CARE FACILITIES—0.8%</b>		
HCA Holdings, Inc.	166,900	4,079,036
Universal Health Services, Inc., Cl. B	191,580	7,910,338
		<b>11,989,374</b>
<b>HEALTH CARE SERVICES—1.6%</b>		
Express Scripts, Inc. *	407,100	20,827,236
Medco Health Solutions, Inc. *	22,000	1,364,440
		<b>22,191,676</b>
<b>HEALTH CARE TECHNOLOGY—0.3%</b>		
Agilent Technologies, Inc.*	101,300	4,302,211
<b>HOME IMPROVEMENT RETAIL—1.5%</b>		
Lowe's Companies, Inc.	796,172	21,361,295
<b>HOMEBUILDING—0.2%</b>		
KB Home	174,500	1,573,990
Lennar Corp., Cl. A	61,600	1,323,784
		<b>2,897,774</b>
<b>HOTELS RESORTS &amp; CRUISE LINES—0.2%</b>		
Royal Caribbean Cruises Ltd.	69,000	1,875,420
Wyndham Worldwide Corporation	34,600	1,375,696
		<b>3,251,116</b>
<b>HOUSEHOLD PRODUCTS—1.3%</b>		
Procter & Gamble Co., /The	293,700	18,514,848
<b>HUMAN RESOURCE &amp; EMPLOYMENT SERVICES—0.1%</b>		
Towers Watson & Co.	32,500	1,943,500
<b>INDUSTRIAL CONGLOMERATES—0.8%</b>		
Tyco International Ltd.	231,321	11,785,805
<b>INDUSTRIAL MACHINERY—1.9%</b>		
Eaton Corp.	54,700	2,681,941
Ingersoll-Rand PLC	19,800	691,812
Stanley Black & Decker, Inc.	293,360	20,588,005
Timken Co.	56,500	2,758,895
		<b>26,720,653</b>
<b>INTEGRATED OIL &amp; GAS—2.6%</b>		
ConocoPhillips	291,300	19,869,573
Royal Dutch Shell PLC #	250,600	17,882,816
		<b>37,752,389</b>

	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>INTERNET RETAIL—2.0%</b>		
Amazon.com, Inc. *	137,300	\$ 26,696,611
Expedia, Inc.	68,300	2,210,871
		<b>28,907,482</b>
<b>INTERNET SOFTWARE &amp; SERVICES—5.8%</b>		
Cornerstone OnDemand, Inc. *	95,200	1,736,448
eBay, Inc. *	505,700	15,980,120
Google, Inc., Cl. A *	52,555	30,487,681
IAC/InterActiveCorp. +	311,546	13,418,286
OpenTable, Inc. *	46,057	2,218,566
VistaPrint NV *	434,145	15,533,708
Yahoo! Inc. *	167,100	2,585,037
		<b>81,959,846</b>
<b>IT CONSULTING &amp; OTHER SERVICES—2.9%</b>		
Cognizant Technology Solutions Corp., Cl. A *	93,600	6,715,800
Gartner, Inc. *	151,897	5,758,415
International Business Machines Corp. +	153,813	29,624,384
		<b>42,098,599</b>
<b>LEISURE FACILITIES—0.4%</b>		
Six Flags Entertainment Corp.	104,496	4,580,060
Vail Resorts, Inc.	31,000	1,351,910
		<b>5,931,970</b>
<b>LEISURE PRODUCTS—1.2%</b>		
Coach, Inc.	51,400	3,600,570
Hanesbrands, Inc. *	119,500	2,939,700
PVH Corp.	94,500	7,294,455
Ralph Lauren Corp.	23,200	3,526,400
		<b>17,361,125</b>
<b>LIFE &amp; HEALTH INSURANCE—0.1%</b>		
MetLife, Inc.	56,600	<b>1,999,678</b>
<b>LIFE SCIENCES TOOLS &amp; SERVICES—1.8%</b>		
Life Technologies Corp. *	325,700	15,773,651
Thermo Fisher Scientific, Inc. *	194,812	10,305,555
		<b>26,079,206</b>
<b>MANAGED HEALTH CARE—3.2%</b>		
Aetna, Inc.	628,000	27,443,600
Cigna Corp.	183,700	8,235,271
UnitedHealth Group, Inc.	168,900	8,747,331
		<b>44,426,202</b>
<b>MORTGAGE REITS—0.4%</b>		
Annaly Capital Management, Inc.	349,700	<b>5,888,948</b>
<b>OIL &amp; GAS EQUIPMENT &amp; SERVICES—3.8%</b>		
Baker Hughes, Inc.	305,000	14,984,650
Cameron International Corp. *	82,700	4,399,640
Halliburton Company	552,400	20,317,272
National Oilwell Varco, Inc.	83,400	6,169,932
Superior Energy Services, Inc. *	63,000	1,796,130
Weatherford International Ltd. *	344,600	5,768,604
		<b>53,436,228</b>

	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>OIL &amp; GAS EXPLORATION &amp; PRODUCTION—1.7%</b>		
Anadarko Petroleum Corp.	130,400	\$ 10,525,888
Cabot Oil & Gas Corp.	32,400	1,033,560
Kodiak Oil & Gas Corp. *	453,800	4,115,966
Pioneer Natural Resources Co.	72,700	7,219,110
Whitinig Petroleum Corp. *	40,700	2,038,663
		<u>24,933,187</u>
<b>OIL &amp; GAS STORAGE &amp; TRANSPORTATION—0.6%</b>		
Plains All American Pipeline LP	111,900	<u>8,728,200</u>
<b>OTHER DIVERSIFIED FINANCIAL SERVICES—0.6%</b>		
Citigroup, Inc.	140,500	4,316,160
JPMorgan Chase & Co.	115,543	4,309,754
		<u>8,625,914</u>
<b>PAPER PRODUCTS—0.4%</b>		
International Paper Co.	170,800	<u>5,318,712</u>
<b>PHARMACEUTICALS—1.7%</b>		
Allergan, Inc.	13,600	1,195,576
Johnson & Johnson	85,200	5,615,532
Pfizer, Inc. +	754,799	16,152,699
Teva Pharmaceutical Industries Ltd. #	42,400	1,913,512
		<u>24,877,319</u>
<b>PRECIOUS METALS &amp; MINERALS—0.7%</b>		
ETFS Physical Palladium Shares *	62,042	4,212,652
SPDR Gold Trust *	33,511	5,673,747
		<u>9,886,399</u>
<b>RAILROADS—1.1%</b>		
CSX Corp.	693,100	<u>15,629,405</u>
<b>REGIONAL BANKS—0.5%</b>		
East West Bancorp, Inc.	320,600	7,040,376
SunTrust Banks, Inc.	32,700	672,639
		<u>7,713,015</u>
<b>RESEARCH &amp; CONSULTING SERVICES—0.5%</b>		
IHS, Inc., Cl. A *	16,697	1,494,048
Verisk Analytic, Inc., Cl. A *	152,200	6,098,654
		<u>7,592,702</u>
<b>RESIDENTIAL REITS—0.5%</b>		
American Campus Communities, Inc.	14,300	612,040
Home Properties, Inc.	117,100	6,976,818
		<u>7,588,858</u>
<b>RESTAURANTS—1.6%</b>		
McDonald's Corp.	171,161	16,953,497
Starbucks Corp.	132,500	6,350,725
		<u>23,304,222</u>
<b>SEMICONDUCTOR EQUIPMENT—0.8%</b>		
Lam Research Corp.*	272,775	<u>11,617,487</u>
<b>SEMICONDUCTORS—2.2%</b>		
Avago Technologies Ltd.	308,500	10,470,490
Broadcom Corp., Cl. A *	258,800	8,887,192
Inphi Corp. *	269,900	3,959,433



	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>SEMICONDUCTORS—(CONT.)</b>		
ON Semiconductor Corp. *	334,693	\$ 2,911,829
Skyworks Solutions, Inc. *+	259,866	5,607,908
		<b>31,836,852</b>
<b>SOFT DRINKS—2.1%</b>		
Coca-Cola Co., /The	233,900	15,795,267
PepsiCo, Inc. +	223,215	14,658,529
		<b>30,453,796</b>
<b>SPECIALIZED REITS—0.8%</b>		
American Tower Corp., Cl. A	177,800	<b>11,292,078</b>
<b>SPECIALTY CHEMICALS—1.6%</b>		
Celanese Corp.	156,670	7,631,396
Cytec Industries, Inc.	126,300	6,297,318
LyondellBasell Industries NV	94,600	4,077,260
Rockwood Holdings, Inc. *	128,300	6,479,150
		<b>24,485,124</b>
<b>STEEL—0.1%</b>		
Allegheny Technologies, Inc.	26,500	<b>1,202,835</b>
<b>SYSTEMS SOFTWARE—1.1%</b>		
Oracle Corp.+	576,345	<b>16,252,929</b>
<b>TOBACCO—1.4%</b>		
Philip Morris International, Inc.+	262,694	<b>19,641,630</b>
<b>TRADING COMPANIES &amp; DISTRIBUTORS—1.2%</b>		
United Rentals, Inc. *	290,200	11,097,248
WESCO International, Inc. *	107,500	6,759,600
		<b>17,856,848</b>
<b>TRUCKING—0.4%</b>		
Hertz Global Holdings, Inc.*	479,442	<b>6,520,411</b>
<b>WIRELESS TELECOMMUNICATION SERVICES—1.2%</b>		
SBA Communications Corp. *	64,200	2,935,224
Vodafone Group PLC #	545,600	14,780,304
		<b>17,715,528</b>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$1,283,151,596)		<b>1,397,107,691</b>
<b>CONVERTIBLE PREFERRED STOCK—0.2%</b>		
<b>PHARMACEUTICALS—0.2%</b>		
Merrimack Pharmaceuticals, Inc., Series G*,(L3),(a)		
(Cost \$2,843,610)	406,230	<b>2,843,610</b>
<b>PREFERRED STOCKS—0.4%</b>		
<b>OTHER DIVERSIFIED FINANCIAL SERVICES—0.4%</b>		
JPMorgan Chase & Co., 8.63%, 09/1/13		
(Cost \$5,391,283)	194,990	<b>5,303,728</b>
	<b>PRINCIPAL</b>	
	<b>AMOUNT</b>	
<b>CONVERTIBLE CORPORATE BONDS—0.6%</b>		
<b>CABLE &amp; SATELLITE—0.1%</b>		
XM Satellite Radio, Inc., 7.00%, 12/1/14*,(L2)(b)	1,500,000	<b>2,103,750</b>

	PRINCIPAL AMOUNT	VALUE
<b>CONVERTIBLE CORPORATE BONDS—(CONT.)</b>		
<b>HOMEBUILDING—0.5%</b>		
Lennar Corp., 2.75%, 12/15/20*,(L2)(b)	\$ 1,989,000	\$ 2,421,608
Lennar Corp., 3.25%, 11/15/21*,(L2)(b)	3,911,000	4,649,201
		<b>7,070,809</b>
<b>TOTAL CONVERTIBLE CORPORATE BONDS</b>		
(Cost \$7,464,323)		<b>9,174,559</b>
 Total Investments		
(Cost \$1,298,850,812)(c)	98.9%	1,414,429,588
Other Assets in Excess of Liabilities	1.1	15,471,826
 <b>NET ASSETS</b>	 100.0%	 <b>\$ 1,429,901,414</b>

‡ Securities classified as Level 1 for ASC 820 disclosure purposes based on valuation inputs unless otherwise noted.

+ All or a portion of this security is held as collateral for securities sold short.

\* Non-income producing security.

# American Depository Receipts.

(a) Restricted Security - Investment in security not registered under the Securities Act of 1933 and deemed to be illiquid. Security was acquired on April 6, 2011 for a cost of \$2,843,610 and represents 0.2% of the net assets of the Fund.

(b) Pursuant to Securities and Exchange Commission Rule 144A, these securities may be sold prior to their maturity only to qualified institutional buyers. These securities are deemed to be liquid and represent 0.6% of the net assets of the Fund.

(c) At January 31, 2012, the net unrealized appreciation on investments, based on cost for federal income tax purposes of \$1,330,486,831, amounted to \$83,942,757 which consisted of aggregate gross unrealized appreciation of \$138,253,206 and aggregate gross unrealized depreciation of \$54,310,449.

(L2) Security classified as Level 2 for ASC 820 disclosure purposes based on valuation inputs.

(L3) Security classified as Level 3 for ASC 820 disclosure purposes based on valuation inputs.

**See Notes to Schedule of Investments.**

**THE ALGER FUNDS II | ALGER SPECTRA FUND****Securities Sold Short**‡ (Unaudited) January 31, 2012

	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—(1.9)%</b>		
<b>AUTOMOBILE MANUFACTURERS—(0.1)%</b>		
Brilliance China Automotive Holdings Ltd.*	1,132,536	<u>\$ 1,210,628</u>
<b>CONSTRUCTION &amp; FARM MACHINERY &amp; HEAVY TRUCKS—(0.1)%</b>		
Weichai Power Co., Ltd.	257,700	<u>1,382,331</u>
<b>CONSUMER ELECTRONICS—(0.5)%</b>		
Sony Corp.#	281,900	5,136,218
Garmin Ltd.	49,200	<u>2,051,640</u>
		<u>7,187,858</u>
<b>DEPARTMENT STORES—(0.1)%</b>		
JC Penney Co., Inc.	41,200	<u>1,711,860</u>
<b>DIVERSIFIED SUPPORT SERVICES—(0.5)%</b>		
KAR Auction Services, Inc.*	460,800	<u>6,792,192</u>
<b>ELECTRONIC COMPONENTS—(0.1)%</b>		
DTS, Inc.*	24,500	<u>694,085</u>
<b>FOOD RETAIL—(0.4)%</b>		
Whole Foods Market, Inc.	68,900	<u>5,100,667</u>
<b>INTERNET SOFTWARE &amp; SERVICES—0.0%</b>		
Monster Worldwide, Inc.*	40,100	<u>288,720</u>
<b>SPECIALIZED REITS—(0.1)%</b>		
Host Hotels & Resorts, Inc.	74,500	<u>1,223,290</u>
<b>TRUCKING—(0.1)%</b>		
Landstar System, Inc.	30,700	<u>1,570,305</u>
<b>TOTAL (proceeds \$25,479,661)</b>		<u><b>\$ 27,161,936</b></u>

‡ Securities classified as Level 1 for ASC 820 disclosure purposes based on valuation inputs unless otherwise noted.

+ All or a portion of this security is held as collateral for securities sold short.

\* Non-income producing security.

# American Depository Receipts.

(a) Restricted Security - Investment in security not registered under the Securities Act of 1933 and deemed to be illiquid. Security was acquired on April 6, 2011 for a cost of \$2,843,610 and represents 0.2% of the net assets of the Fund.

(b) Pursuant to Securities and Exchange Commission Rule 144A, these securities may be sold prior to their maturity only to qualified institutional buyers. These securities are deemed to be liquid and represent 0.6% of the net assets of the Fund.

(c) At January 31, 2012, the net unrealized appreciation on investments, based on cost for federal income tax purposes of \$1,330,486,831, amounted to \$83,942,757 which consisted of aggregate gross unrealized appreciation of \$138,253,206 and aggregate gross unrealized depreciation of \$54,310,449.

(L2) Security classified as Level 2 for ASC 820 disclosure purposes based on valuation inputs.

(L3) Security classified as Level 3 for ASC 820 disclosure purposes based on valuation inputs.

**See Notes to Schedule of Investments.**

**THE ALGER FUNDS II | ALGER GREEN FUND**  
**Schedule of Investments**‡ (Unaudited) January 31, 2012

	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—96.9%</b>		
<b>AEROSPACE &amp; DEFENSE—0.7%</b>		
General Dynamics Corp.	5,030	<u>\$ 347,875</u>
<b>AIR FREIGHT &amp; LOGISTICS—3.0%</b>		
FedEx Corp.	8,040	735,580
United Parcel Service, Inc., Cl. B	10,510	<u>795,081</u>
		<u><b>1,530,661</b></u>
<b>APPLICATION SOFTWARE—1.0%</b>		
Adobe Systems, Inc.*	17,145	<u><b>530,638</b></u>
<b>AUTO PARTS &amp; EQUIPMENT—1.2%</b>		
Johnson Controls, Inc.	18,900	<u><b>600,453</b></u>
<b>AUTOMOBILE MANUFACTURERS—0.9%</b>		
Tesla Motors, Inc.*	16,050	<u><b>466,574</b></u>
<b>BROADCASTING &amp; CABLE TV—1.4%</b>		
Discovery Communications, Inc., Series A*	16,965	<u><b>727,459</b></u>
<b>COAL &amp; CONSUMABLE FUELS—0.3%</b>		
Solazyme, Inc.*	12,305	<u><b>142,984</b></u>
<b>COMMUNICATIONS EQUIPMENT—1.4%</b>		
Cisco Systems, Inc.	36,280	<u><b>712,176</b></u>
<b>COMPUTER HARDWARE—6.2%</b>		
Apple, Inc.*	6,795	<u><b>3,101,782</b></u>
<b>COMPUTER STORAGE &amp; PERIPHERALS—1.7%</b>		
EMC Corp.*	32,465	<u><b>836,298</b></u>
<b>CONSTRUCTION &amp; ENGINEERING—0.8%</b>		
Aecom Technology Corp.*	17,030	<u><b>389,817</b></u>
<b>CONSTRUCTION &amp; FARM MACHINERY &amp; HEAVY TRUCKS—2.9%</b>		
Cummins, Inc.	4,985	518,440
Westport Innovations, Inc. *	22,390	<u>931,424</u>
		<u><b>1,449,864</b></u>
<b>CONSUMER ELECTRONICS—0.4%</b>		
Skullcandy, Inc.*	15,700	<u><b>211,165</b></u>
<b>DATA PROCESSING &amp; OUTSOURCED SERVICES—1.8%</b>		
Visa, Inc., Cl. A	9,290	<u><b>934,946</b></u>
<b>DISTRIBUTORS—1.1%</b>		
LKQ Corp.*	17,110	<u><b>557,786</b></u>
<b>DIVERSIFIED CHEMICALS—1.3%</b>		
Solutia, Inc.	24,445	<u><b>672,238</b></u>
<b>DIVERSIFIED SUPPORT SERVICES—0.4%</b>		
EnerNOC, Inc.*	24,535	<u><b>224,495</b></u>
<b>ELECTRIC UTILITIES—3.3%</b>		

Duke Energy Corp.	38,085	811,591
ITC Holdings Corp.	11,980	<u>883,046</u>
		<u><b>1,694,637</b></u>
<b>ELECTRONIC EQUIPMENT MANUFACTURERS—0.8%</b>		
Itron, Inc.*	11,000	<u><b>426,690</b></u>

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	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>ELECTRONIC MANUFACTURING SERVICES—2.0%</b>		
Trimble Navigation Ltd.*	21,300	\$ 997,479
<b>ENVIRONMENTAL &amp; FACILITIES SERVICES—5.7%</b>		
Clean Harbors, Inc. *	17,415	1,104,982
Covanta Holding Corp.	37,680	538,447
Tetra Tech, Inc. *	29,295	677,593
Waste Management, Inc.	16,780	583,273
		<u>2,904,295</u>
<b>FOOTWEAR—2.0%</b>		
Deckers Outdoor Corp. *	5,540	447,909
NIKE, Inc., Cl. B	5,215	542,308
		<u>990,217</u>
<b>GENERAL MERCHANDISE STORES—1.2%</b>		
Target Corp.	11,540	586,347
<b>HEALTH CARE SERVICES—1.2%</b>		
Express Scripts, Inc.*	11,735	600,363
<b>HOME IMPROVEMENT RETAIL—0.9%</b>		
Lowe's Companies, Inc.	16,280	436,792
<b>HOUSEHOLD PRODUCTS—1.8%</b>		
Procter & Gamble Co., /The	14,149	891,953
<b>HYPERMARKETS &amp; SUPER CENTERS—2.7%</b>		
Wal-Mart Stores, Inc.	22,735	1,395,020
<b>INDUSTRIAL GASES—0.6%</b>		
Praxair, Inc.	3,050	323,910
<b>INDUSTRIAL MACHINERY—1.5%</b>		
Woodward Governor Co.	17,510	735,070
<b>INTEGRATED OIL &amp; GAS—1.5%</b>		
Chevron Corp.	7,095	731,353
<b>INTERNET RETAIL—2.9%</b>		
Amazon.com, Inc. *	5,180	1,007,199
Expedia, Inc.	6,897	223,256
TripAdvisor, Inc. *	6,897	226,980
		<u>1,457,435</u>
<b>INTERNET SOFTWARE &amp; SERVICES—4.7%</b>		
eBay, Inc. *	16,110	509,076
Google, Inc., Cl. A *	2,415	1,400,966
Yahoo! Inc. *	30,655	474,233
		<u>2,384,275</u>
<b>INVESTMENT BANKING &amp; BROKERAGE—1.1%</b>		
Goldman Sachs Group, Inc., /The	4,815	536,728
<b>IT CONSULTING &amp; OTHER SERVICES—2.2%</b>		
International Business Machines Corp.	5,795	1,116,117
<b>LEISURE PRODUCTS—1.0%</b>		
Lululemon Athletica, Inc.*	7,665	483,891
<b>LIFE SCIENCES TOOLS &amp; SERVICES—0.5%</b>		

Life Technologies Corp.\*

4,985

241,424

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	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>MANAGED HEALTH CARE—0.9%</b>		
WellPoint, Inc.	7,140	\$ 459,245
<b>METAL &amp; GLASS CONTAINERS—2.6%</b>		
Ball Corp.	19,430	762,821
Crown Holdings, Inc. *	14,355	517,785
		<u>1,280,606</u>
<b>MOVIES &amp; ENTERTAINMENT—1.1%</b>		
Walt Disney Co., /The	14,710	572,219
<b>OIL &amp; GAS REFINING &amp; MARKETING—0.4%</b>		
Gevo, Inc.*	26,175	227,199
<b>PACKAGED FOODS &amp; MEATS—1.5%</b>		
General Mills, Inc.	18,610	741,236
<b>PHARMACEUTICALS—5.6%</b>		
Abbott Laboratories	11,275	610,541
Johnson & Johnson	15,690	1,034,127
Merck & Co., Inc.	7,775	297,472
Pfizer, Inc.	41,647	891,245
		<u>2,833,385</u>
<b>RAILROADS—1.1%</b>		
Norfolk Southern Corp.	7,640	551,608
<b>RESTAURANTS—4.6%</b>		
Chipotle Mexican Grill, Inc. *	1,430	525,225
McDonald's Corp.	10,770	1,066,769
Starbucks Corp.	15,850	759,691
		<u>2,351,685</u>
<b>SEMICONDUCTORS—4.4%</b>		
Broadcom Corp., Cl. A *	13,575	466,166
Cree, Inc. *	13,350	339,491
First Solar, Inc. *	2,550	107,814
Intel Corp.	40,690	1,075,029
Trina Solar Ltd. #*	32,235	259,169
		<u>2,247,669</u>
<b>SOFT DRINKS—2.7%</b>		
Coca-Cola Co., /The	20,445	1,380,651
<b>SPECIALTY CHEMICALS—2.4%</b>		
Celanese Corp.	11,860	577,701
Rockwood Holdings, Inc. *	12,295	620,897
		<u>1,198,598</u>
<b>SPECIALTY STORES—0.5%</b>		
Teavana Holdings, Inc.*	14,380	272,932
<b>SYSTEMS SOFTWARE—4.4%</b>		
Microsoft Corp.	42,495	1,254,877
Oracle Corp.	33,985	958,377
		<u>2,213,254</u>



	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—(CONT.)</b>		
<b>TRUCKING—0.6%</b>		
Hertz Global Holdings, Inc.*	22,145	<u>\$ 301,172</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$40,298,111)		<u>49,002,666</u>
	<u>PRINCIPAL</u>	
	<u>AMOUNT</u>	
<b>CONVERTIBLE CORPORATE BONDS—0.2%</b>		
<b>ENVIRONMENTAL &amp; FACILITIES SERVICES—0.2%</b>		
Covanta Holding Corp., 3.25%, 6/1/14*,(L2)(a)		
(Cost \$110,000)	110,000	<u>118,938</u>
Total Investments		
(Cost \$40,408,111)(b)	97.1%	49,121,604
Other Assets in Excess of Liabilities	<u>2.9</u>	<u>1,492,379</u>
<b>NET ASSETS</b>	<u>100.0%</u>	<u>\$ 50,613,983</u>

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‡ Securities classified as Level 1 for ASC 820 disclosure purposes based on valuation inputs unless otherwise noted.

\* Non-income producing security.

# American Depositary Receipts.

(a) Pursuant to Securities and Exchange Commission Rule 144A, these securities may be sold prior to their maturity only to qualified institutional buyers. These securities are deemed to be liquid and represent 0.2% of the net assets of the Fund.

(b) At January 31, 2012, the net unrealized appreciation on investments, based on cost for federal income tax purposes of \$40,490,090, amounted to \$8,631,514 which consisted of aggregate gross unrealized appreciation of \$11,257,379 and aggregate gross unrealized depreciation of \$2,625,865.

(L2) Security classified as Level 2 for ASC 820 disclosure purposes based on valuation inputs.

**See Notes to Schedule of Investments.**

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**THE ALGER FUNDS II | ALGER ANALYST FUND**  
**Schedule of Investments**‡ (Unaudited) January 31, 2012

	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—95.1%</b>		
<b>ADVERTISING—0.5%</b>		
Focus Media Holding Ltd.#*	783	<u>\$ 15,660</u>
<b>AEROSPACE &amp; DEFENSE—3.0%</b>		
Esterline Technologies Corp. *	481	29,413
Precision Castparts Corp.	304	49,758
Spirit Aerosystems Holdings, Inc., Cl. A *	1,089	<u>24,764</u>
		<u>103,935</u>
<b>AIR FREIGHT &amp; LOGISTICS—0.6%</b>		
United Parcel Service, Inc., Cl. B	280	<u>21,182</u>
<b>APPAREL RETAIL—0.3%</b>		
Abercrombie & Fitch Co., Cl. A	228	<u>10,474</u>
<b>APPLICATION SOFTWARE—1.9%</b>		
Adobe Systems, Inc. *	389	12,040
Informatica Corp. *	510	21,573
Nice Systems Ltd. #*	162	5,826
Salesforce.com, Inc. *	164	19,155
Taleo Corp., Cl. A *	235	8,462
		<u>67,056</u>
<b>ASSET MANAGEMENT &amp; CUSTODY BANKS—0.7%</b>		
KKR & Co., LP	1,615	<u>22,578</u>
<b>AUTO PARTS &amp; EQUIPMENT—0.4%</b>		
Tenneco, Inc.*	405	<u>13,001</u>
<b>AUTOMOBILE MANUFACTURERS—1.2%</b>		
Honda Motor Co., Ltd.#	1,219	<u>41,507</u>
<b>BIOTECHNOLOGY—4.1%</b>		
Incyte Corp., Ltd. *	1,114	19,718
Synageva BioPharma Corp. *	777	27,607
Theravance, Inc. *	2,643	46,886
United Therapeutics Corp. *	952	46,819
		<u>141,030</u>
<b>BROADCASTING &amp; CABLE TV—0.5%</b>		
Scripps Networks Interactive, Inc.	406	<u>17,604</u>
<b>CABLE &amp; SATELLITE—3.3%</b>		
AMC Networks, Inc. *	754	32,241
Comcast Corporation, Cl. A	1,342	35,684
DISH Network Corp.	1,048	29,260
Sirius XM Radio, Inc. *	10,383	21,700
		<u>118,885</u>
<b>CASINOS &amp; GAMING—1.3%</b>		
Las Vegas Sands Corp.*	917	<u>45,034</u>
<b>COMMUNICATIONS EQUIPMENT—1.0%</b>		
QUALCOMM, Inc.	596	<u>35,057</u>
<b>COMPUTER HARDWARE—2.5%</b>		
Apple, Inc.*	192	<u>87,643</u>

**COMPUTER STORAGE & PERIPHERALS—0.7%**

EMC Corp. \*

581

14,967

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	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>COMPUTER STORAGE &amp; PERIPHERALS—(CONT.)</b>		
SanDisk Corp. *	224	\$ 10,277
		<u>25,244</u>
<b>CONSTRUCTION &amp; FARM MACHINERY &amp; HEAVY TRUCKS—0.9%</b>		
WABCO Holdings, Inc. *	570	<u>29,555</u>
<b>CONSUMER FINANCE—0.4%</b>		
American Express Co.	290	<u>14,541</u>
<b>DATA PROCESSING &amp; OUTSOURCED SERVICES—2.0%</b>		
Mastercard, Inc.	146	51,913
VeriFone Systems, Inc. *	407	17,379
		<u>69,292</u>
<b>DIVERSIFIED CHEMICALS—4.8%</b>		
Eastman Chemical Co.	431	21,688
EI Du Pont de Nemours & Co.	1,720	87,531
Solutia, Inc.	1,939	53,323
		<u>162,542</u>
<b>DIVERSIFIED METALS &amp; MINING—1.3%</b>		
Cliffs Natural Resources, Inc.	300	21,675
Molycorp, Inc. *	726	22,491
		<u>44,166</u>
<b>DRUG RETAIL—1.2%</b>		
CVS Caremark Corp.	994	<u>41,500</u>
<b>EDUCATION SERVICES—1.0%</b>		
American Public Education, Inc. *	839	<u>33,728</u>
<b>ELECTRICAL COMPONENTS &amp; EQUIPMENT—1.0%</b>		
AMETEK, Inc.	761	<u>35,767</u>
<b>ENVIRONMENTAL &amp; FACILITIES SERVICES—0.5%</b>		
Waste Connections, Inc.	496	<u>16,026</u>
<b>FOOD DISTRIBUTORS—1.0%</b>		
United Natural Foods, Inc. *	770	<u>33,919</u>
<b>FOOTWEAR—1.7%</b>		
Deckers Outdoor Corp. *	296	23,932
NIKE, Inc., Cl. B	323	33,588
		<u>57,520</u>
<b>GENERAL MERCHANDISE STORES—2.1%</b>		
Dollar General Corp. *	744	31,702
Target Corp.	800	40,648
		<u>72,350</u>
<b>GOLD—1.0%</b>		
AuRico Gold, Inc. *	3,789	<u>35,806</u>
<b>HEALTH CARE EQUIPMENT—3.3%</b>		
Covidien PLC	801	41,252
Hospira, Inc. *	1,421	48,967
Medtronic, Inc.	612	23,605
		<u>113,824</u>
<b>HEALTH CARE TECHNOLOGY—2.2%</b>		
Agilent Technologies, Inc. *	1,779	<u>75,554</u>



	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>HOME FURNISHING RETAIL—0.7%</b>		
Bed Bath & Beyond, Inc. *	383	\$ 23,248
<b>HOME IMPROVEMENT RETAIL—0.9%</b>		
Home Depot, Inc., /The	674	29,919
<b>HOTELS RESORTS &amp; CRUISE LINES—2.6%</b>		
Interval Leisure Group *	1,753	23,841
Starwood Hotels & Resorts Worldwide, Inc.	523	28,368
Wyndham Worldwide Corporation	927	36,857
		89,066
<b>HOUSEHOLD PRODUCTS—0.8%</b>		
Procter & Gamble Co., /The	452	28,494
<b>HOUSEWARES &amp; SPECIALTIES—1.0%</b>		
Tupperware Brands Corp.	531	33,368
<b>HUMAN RESOURCE &amp; EMPLOYMENT SERVICES—1.9%</b>		
Robert Half International, Inc.	1,345	37,242
Towers Watson & Co.	477	28,525
		65,767
<b>INDUSTRIAL CONGLOMERATES—0.6%</b>		
Tyco International Ltd.	422	21,501
<b>INDUSTRIAL MACHINERY—1.4%</b>		
Barnes Group, Inc.	863	21,825
SPX Corp.	360	25,067
		46,892
<b>INTEGRATED OIL &amp; GAS—1.7%</b>		
Royal Dutch Shell PLC#	801	57,159
<b>INTERNET RETAIL—0.7%</b>		
Amazon.com, Inc. *	122	23,722
<b>INTERNET SOFTWARE &amp; SERVICES—2.5%</b>		
eBay, Inc. *	613	19,371
IAC/InterActiveCorp.	529	22,783
LogMeIn, Inc. *	379	15,096
OpenTable, Inc. *	256	12,332
VistaPrint NV *	492	17,604
		87,186
<b>IT CONSULTING &amp; OTHER SERVICES—0.7%</b>		
Cognizant Technology Solutions Corp., Cl. A *	314	22,530
<b>LEISURE FACILITIES—0.8%</b>		
Vail Resorts, Inc.	625	27,256
<b>LEISURE PRODUCTS—1.3%</b>		
Coach, Inc.	659	46,163
<b>LIFE &amp; HEALTH INSURANCE—0.8%</b>		
Lincoln National Corp.	1,287	27,721
<b>LIFE SCIENCES TOOLS &amp; SERVICES—2.6%</b>		
Illumina, Inc. *	678	35,093
Life Technologies Corp. *	1,161	56,228

**91,321**

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	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>METAL &amp; GLASS CONTAINERS—1.0%</b>		
Ball Corp.	907	\$ <u>35,609</u>
<b>OIL &amp; GAS EQUIPMENT &amp; SERVICES—4.2%</b>		
Baker Hughes, Inc.	687	33,752
Cameron International Corp. *	765	40,698
Oil States International, Inc. *	536	42,714
Superior Energy Services, Inc. *	1,003	28,596
		<u>145,760</u>
<b>OIL &amp; GAS EXPLORATION &amp; PRODUCTION—3.6%</b>		
Energy XXI Bermuda Ltd. *	1,261	41,399
Pioneer Natural Resources Co.	436	43,295
Stone Energy Corp. *	1,464	41,065
		<u>125,759</u>
<b>PACKAGED FOODS &amp; MEATS—2.0%</b>		
Hormel Foods Corp.	2,424	<u>69,762</u>
<b>PAPER PRODUCTS—0.5%</b>		
International Paper Co.	593	<u>18,466</u>
<b>RAILROADS—1.2%</b>		
CSX Corp.	1,850	<u>41,718</u>
<b>REAL ESTATE SERVICES—1.3%</b>		
CBRE Group, Inc.*	2,409	<u>46,493</u>
<b>RESIDENTIAL REITS—0.7%</b>		
American Campus Communities, Inc.	526	<u>22,513</u>
<b>RESTAURANTS—0.6%</b>		
Chipotle Mexican Grill, Inc.*	55	<u>20,201</u>
<b>RETAIL REITS—0.7%</b>		
Simon Property Group, Inc.	181	<u>24,591</u>
<b>SEMICONDUCTORS—3.9%</b>		
Altera Corp.	719	28,609
Avago Technologies Ltd.	602	20,432
Broadcom Corp., Cl. A *	870	29,875
ON Semiconductor Corp. *	2,680	23,316
Skyworks Solutions, Inc. *	1,283	27,687
		<u>129,919</u>
<b>SOFT DRINKS—1.7%</b>		
Dr Pepper Snapple Group, Inc.	736	28,572
PepsiCo, Inc.	461	30,273
		<u>58,845</u>
<b>SPECIALTY CHEMICALS—1.3%</b>		
Cytec Industries, Inc.	429	21,390
Rockwood Holdings, Inc. *	440	22,220
		<u>43,610</u>
<b>SPECIALTY STORES—1.5%</b>		
PetSmart, Inc.	522	27,781
Tractor Supply Co.	278	22,454
		<u>50,235</u>
<b>SYSTEMS SOFTWARE—2.3%</b>		
Fortinet, Inc. *	1,156	26,369





	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—(CONT.)</b>		
<b>SYSTEMS SOFTWARE—(CONT.)</b>		
MICROS Systems, Inc. *	478	\$ 23,761
Oracle Corp.	482	13,592
VMware, Inc., Cl. A *	154	14,056
		<u>77,778</u>
<b>THRIFTS &amp; MORTGAGE FINANCE—0.6%</b>		
Northwest Bancshares, Inc.	1,803	<u>22,213</u>
<b>TRUCKING—0.6%</b>		
Hertz Global Holdings, Inc.*	1,546	<u>21,026</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$2,869,670)		<u>3,277,791</u>
Total Investments		
(Cost \$2,869,670)(a)	95.1%	3,277,791
Other Assets in Excess of Liabilities	<u>4.9</u>	<u>169,545</u>
<b>NET ASSETS</b>	<u>100.0%</u>	<u>\$ 3,447,336</u>

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‡ Securities classified as Level 1 for ASC 820 disclosure purposes based on valuation inputs unless otherwise noted.

\* Non-income producing security.

# American Depositary Receipts.

(a) At January 31, 2012, the net unrealized appreciation on investments, based on cost for federal income tax purposes of \$2,869,765, amounted to \$408,026 which consisted of aggregate gross unrealized appreciation of \$441,283 and aggregate gross unrealized depreciation of \$33,257.

*See Notes to Schedule of Investments.*

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**THE ALGER FUNDS II | ALGER DYNAMIC OPPORTUNITIES FUND**  
**Schedule of Investments**‡ (Unaudited) January 31, 2012

	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—69.3%</b>		
<b>ADVERTISING—0.5%</b>		
Focus Media Holding Ltd.#*	5,439	<u>\$ 108,780</u>
<b>AEROSPACE &amp; DEFENSE—3.0%</b>		
GeoEye, Inc. *	5,235	114,699
Honeywell International, Inc.	2,035	118,111
Spirit Aerosystems Holdings, Inc., Cl. A *	11,195	254,574
Triumph Group, Inc.	3,770	<u>235,889</u>
		<u>723,273</u>
<b>AIR FREIGHT &amp; LOGISTICS—1.1%</b>		
United Parcel Service, Inc., Cl. B	3,375	<u>255,319</u>
<b>APPAREL ACCESSORIES &amp; LUXURY GOODS—0.7%</b>		
PVH Corp. +	1,405	108,452
Ralph Lauren Corp.	385	<u>58,520</u>
		<u>166,972</u>
<b>APPAREL RETAIL—0.3%</b>		
Fast Retailing Co., Ltd.	335	<u>66,587</u>
<b>APPLICATION SOFTWARE—1.5%</b>		
Cadence Design Systems, Inc.*+	33,450	<u>353,232</u>
<b>ASSET MANAGEMENT &amp; CUSTODY BANKS—1.1%</b>		
Affiliated Managers Group, Inc. *	1,260	126,643
KKR & Co., LP	8,445	<u>118,061</u>
		<u>244,704</u>
<b>AUTO PARTS &amp; EQUIPMENT—0.5%</b>		
Delphi Automotive PLC*	4,355	<u>116,845</u>
<b>AUTO RENTAL—0.5%</b>		
Hertz Global Holdings, Inc.*	8,680	<u>118,048</u>
<b>BIOTECHNOLOGY—2.0%</b>		
Gilead Sciences, Inc. *	2,845	138,950
Human Genome Sciences, Inc. *+	24,360	239,703
Optimer Pharmaceuticals, Inc. *	7,455	<u>96,691</u>
		<u>475,344</u>
<b>CASINOS &amp; GAMING—1.2%</b>		
Las Vegas Sands Corp.*	5,755	<u>282,628</u>
<b>COAL &amp; CONSUMABLE FUELS—0.3%</b>		
Arch Coal, Inc.	5,315	<u>76,695</u>
<b>COMMUNICATIONS EQUIPMENT—2.5%</b>		
Cisco Systems, Inc.	9,105	178,731
Corning, Inc.	13,060	168,082
QUALCOMM, Inc.	4,260	<u>250,574</u>
		<u>597,387</u>
<b>COMPUTER HARDWARE—5.3%</b>		
Apple, Inc.*	2,680	<u>1,223,367</u>
<b>COMPUTER STORAGE &amp; PERIPHERALS—1.4%</b>		
NetApp, Inc.*	8,750	<u>330,225</u>

**CONSTRUCTION & FARM MACHINERY & HEAVY TRUCKS—0.9%**

WABCO Holdings, Inc. \*

1,530

79,331

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	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>CONSTRUCTION &amp; FARM MACHINERY &amp; HEAVY TRUCKS—(CONT.)</b>		
Westport Innovations, Inc. *	3,105	\$ 129,168
		<u>208,499</u>
<b>DISTILLERS &amp; VINTNERS—0.5%</b>		
Beam, Inc.	2,250	<u>117,698</u>
<b>DIVERSIFIED BANKS—1.9%</b>		
Itau Unibanco Holding SA #	6,505	129,840
Wells Fargo & Co.	11,750	343,217
		<u>473,057</u>
<b>DIVERSIFIED CHEMICALS—0.5%</b>		
Eastman Chemical Co.	2,350	<u>118,252</u>
<b>DIVERSIFIED METALS &amp; MINING—0.7%</b>		
Molycorp, Inc. *	2,225	68,931
Walter Energy, Inc.	1,380	95,399
		<u>164,330</u>
<b>EDUCATION SERVICES—0.5%</b>		
New Oriental Education & Technology Group##	4,800	<u>114,336</u>
<b>ELECTRICAL COMPONENTS &amp; EQUIPMENT—0.6%</b>		
Cooper Industries PLC, CL. A	2,215	<u>130,951</u>
<b>FERTILIZERS &amp; AGRICULTURAL CHEMICALS—1.0%</b>		
Monsanto Co.	1,475	121,024
Mosaic Co., /The	2,175	121,735
		<u>242,759</u>
<b>FOOTWEAR—0.5%</b>		
Salvatore Ferragamo Italia SpA*	7,275	<u>122,091</u>
<b>GENERAL MERCHANDISE STORES—2.5%</b>		
Dollar General Corp. *+	7,395	315,101
Family Dollar Stores, Inc.	1,440	80,352
Target Corp.	4,320	219,499
		<u>614,952</u>
<b>HEALTH CARE FACILITIES—0.6%</b>		
Tenet Healthcare Corporation*	26,340	<u>139,339</u>
<b>HEALTH CARE SERVICES—0.8%</b>		
Medco Health Solutions, Inc.*	3,055	<u>189,472</u>
<b>HOME IMPROVEMENT RETAIL—2.0%</b>		
Lowe's Companies, Inc.	17,220	<u>462,013</u>
<b>HOTELS RESORTS &amp; CRUISE LINES—0.8%</b>		
Royal Caribbean Cruises Ltd.	6,760	<u>183,737</u>
<b>HOUSEHOLD PRODUCTS—0.6%</b>		
Procter & Gamble Co., /The	2,240	<u>141,210</u>
<b>INDUSTRIAL MACHINERY—1.9%</b>		
Flowserve Corp. +	1,170	128,899
SPX Corp.	1,765	122,897
Stanley Black & Decker, Inc.	1,795	125,973

	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>INDUSTRIAL MACHINERY—(CONT.)</b>		
Timken Co.	1,465	\$ 71,536
		<b>449,305</b>
<b>INTEGRATED OIL &amp; GAS—1.1%</b>		
ConocoPhillips	1,685	114,934
Royal Dutch Shell PLC #	1,940	138,438
		<b>253,372</b>
<b>INTERNET RETAIL—0.7%</b>		
Amazon.com, Inc.*	850	<b>165,274</b>
<b>INTERNET SOFTWARE &amp; SERVICES—4.2%</b>		
eBay, Inc. *+	7,570	239,211
Google, Inc., Cl. A *	320	185,635
OpenTable, Inc. *	3,715	178,952
VistaPrint NV *	5,655	202,336
Yahoo! Inc. *	11,410	176,513
		<b>982,647</b>
<b>LIFE SCIENCES TOOLS &amp; SERVICES—1.0%</b>		
Life Technologies Corp.*	4,915	<b>238,033</b>
<b>MANAGED HEALTH CARE—4.2%</b>		
Aetna, Inc.	9,845	430,226
Cigna Corp. +	8,175	366,485
Humana, Inc.	2,295	204,301
		<b>1,001,012</b>
<b>OIL &amp; GAS EQUIPMENT &amp; SERVICES—3.4%</b>		
Baker Hughes, Inc. +	3,535	173,675
Cameron International Corp. *	2,175	115,710
Halliburton Company	7,475	274,930
National Oilwell Varco, Inc.	1,665	123,177
Superior Energy Services, Inc. *	4,270	121,738
		<b>809,230</b>
<b>OIL &amp; GAS EXPLORATION &amp; PRODUCTION—0.6%</b>		
Pioneer Natural Resources Co.	1,315	<b>130,580</b>
<b>OTHER DIVERSIFIED FINANCIAL SERVICES—0.3%</b>		
JPMorgan Chase & Co.	1,750	<b>65,275</b>
<b>PHARMACEUTICALS—1.9%</b>		
Johnson & Johnson	1,830	120,615
Medicis Pharmaceutical Corp., Cl. A	3,715	122,929
Mylan, Inc. *	9,840	204,181
		<b>447,725</b>
<b>PRECIOUS METALS &amp; MINERALS—2.0%</b>		
SPDR Gold Trust*	2,753	<b>466,110</b>
<b>REINSURANCE—0.5%</b>		
Endurance Specialty Holdings Ltd.	3,095	<b>115,753</b>
<b>RESEARCH &amp; CONSULTING SERVICES—2.1%</b>		
Verisk Analytic, Inc., Cl. A *	12,050	<b>482,843</b>
<b>RESIDENTIAL REITS—0.7%</b>		
Home Properties, Inc.	2,805	<b>167,122</b>

	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>RESTAURANTS—0.7%</b>		
Yum! Brands, Inc.	2,775	\$ 175,741
<b>SEMICONDUCTORS—3.1%</b>		
Avago Technologies Ltd.	3,440	116,754
Broadcom Corp., Cl. A *	14,305	491,234
Inphi Corp. *	6,030	88,460
Texas Instruments, Inc.	1,135	36,751
		<u>733,199</u>
<b>SOFT DRINKS—0.9%</b>		
PepsiCo, Inc.	3,305	<u>217,039</u>
<b>SPECIALTY CHEMICALS—0.6%</b>		
ADA-ES, Inc. *	5,125	112,494
Cytec Industries, Inc.	620	30,913
		<u>143,407</u>
<b>SPECIALTY STORES—0.4%</b>		
L'Occitane International SA	40,680	<u>89,698</u>
<b>SYSTEMS SOFTWARE—0.4%</b>		
Fortinet, Inc.*	3,985	<u>90,898</u>
<b>TRADING COMPANIES &amp; DISTRIBUTORS—1.2%</b>		
United Rentals, Inc. *	3,350	128,104
WESCO International, Inc. *	2,270	142,738
		<u>270,842</u>
<b>WIRELESS TELECOMMUNICATION SERVICES—1.1%</b>		
Vodafone Group PLC#	9,165	<u>248,280</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$15,108,164)		<u>16,305,487</u>
<b>CONVERTIBLE PREFERRED STOCK—0.9%</b>		
<b>BIOTECHNOLOGY—0.9%</b>		
Merrimack Pharmaceuticals, Inc., Series B-10, *,(L3),(a)	2,286	24,643
Merrimack Pharmaceuticals, Inc., Series B-3, *,(L3),(b)	229	2,469
Merrimack Pharmaceuticals, Inc., Series B-4, *,(L3),(c)	6,852	73,865
Merrimack Pharmaceuticals, Inc., Series B-7, *,(L3),(d)	2,285	24,632
Merrimack Pharmaceuticals, Inc., Series C-2, *,(L3),(e)	12,149	85,043
		<u>210,652</u>
<b>TOTAL CONVERTIBLE PREFERRED STOCK</b>		
(Cost \$113,001)		<u>210,652</u>
<b>PREFERRED STOCKS—0.6%</b>		
<b>OTHER DIVERSIFIED FINANCIAL SERVICES—0.6%</b>		
JPMorgan Chase & Co., 8.63%, 09/1/13		
(Cost \$140,753)	5,075	<u>138,040</u>
<b>RIGHTS—0.1%</b>		
<b>BIOTECHNOLOGY—0.1%</b>		
Adolor Corp., CPR*,(L3),(f)		
(Cost \$—)	49,870	<u>25,932</u>

	<u>PRINCIPAL AMOUNT</u>	<u>VALUE</u>
<b>CONVERTIBLE CORPORATE BONDS—2.1%</b>		
<b>BIOTECHNOLOGY—0.9%</b>		
Human Genome Sciences, Inc., 3.00%, 11/15/18*,(L2)	\$ 205,000	\$ <u>220,375</u>
<b>HOMEBUILDING—1.2%</b>		
Lennar Corp., 3.25%, 11/15/21*,(L2)(g)	231,000	<u>274,601</u>
<b>TOTAL CONVERTIBLE CORPORATE BONDS</b>		
(Cost \$424,789)		<u>494,976</u>
	<u>CONTRACTS</u>	
<b>PURCHASED OPTIONS—0.0%</b>		
<b>PUT OPTIONS—0.0%</b>		
SPDR S&P 500 ETF Trust/ Feb/ 127* (Cost \$24,974)	100	<u>6,600</u>
Total Investments (Cost \$15,811,681)(h)	73.0%	17,181,687
Other Assets in Excess of Liabilities	<u>27.0</u>	<u>6,327,712</u>
<b>NET ASSETS</b>	<u>100.0%</u>	<u>\$ 23,509,399</u>

‡ Securities classified as Level 1 for ASC 820 disclosure purposes based on valuation inputs unless otherwise noted.

+ All or a portion of this security is held as collateral for securities sold short.

\* Non-income producing security.

# American Depository Receipts.

(a) Restricted Security - Investment in security not registered under the Securities Act of 1933 and deemed to be illiquid. Security was acquired on August 25, 2010 for a cost of \$13,231 and represents 0.1% of the net assets of the Fund.

(b) Restricted Security - Investment in security not registered under the Securities Act of 1933 and deemed to be illiquid. Security was acquired on August 25, 2010 for a cost of \$1,325 and represents 0.0% of the net assets of the Fund.

(c) Restricted Security - Investment in security not registered under the Securities Act of 1933 and deemed to be illiquid. Security was acquired on August 25, 2010 for a cost of \$39,659 and represents 0.3% of the net assets of the Fund.

(d) Restricted Security - Investment in security not registered under the Securities Act of 1933 and deemed to be illiquid. Security was acquired on August 25, 2010 for a cost of \$13,226 and represents 0.1% of the net assets of the Fund.

(e) Restricted Security - Investment in security not registered under the Securities Act of 1933 and deemed to be illiquid. Security was acquired on August 25, 2010 for a cost of \$45,560 and represents 0.4% of the net assets of the Fund.

(f) Right - Contingent Payment Right granted December 13, 2011 and may not be sold. Right is deemed to be illiquid and represents 0.1% of the net assets of the Fund.

(g) Pursuant to Securities and Exchange Commission Rule 144A, these securities may be sold prior to their maturity only to qualified institutional buyers. These securities are deemed to be liquid and represent 1.2% of the net assets of the Fund.

(h) At January 31, 2012, the net unrealized appreciation on investments, based on cost for federal income tax purposes of \$16,784,819, amounted to \$396,868 which consisted of aggregate gross unrealized appreciation of \$1,652,940 and aggregate gross unrealized depreciation of \$1,256,072.

(L2) Security classified as Level 2 for ASC 820 disclosure purposes based on valuation inputs.

(L3) Security classified as Level 3 for ASC 820 disclosure purposes based on valuation inputs.

**See Notes to Schedule of Investments.**



**THE ALGER FUNDS II | ALGER DYNAMIC OPPORTUNITIES FUND**  
**Securities Sold Short‡ (Unaudited) January 31, 2012**

	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—(19.0)%</b>		
<b>AEROSPACE &amp; DEFENSE—(0.8)%</b>		
Northrop Grumman Corp.	3,075	<u>\$ 178,504</u>
<b>ALUMINUM—(0.4)%</b>		
Alcoa, Inc.	8,880	<u>90,221</u>
<b>APPAREL ACCESSORIES &amp; LUXURY GOODS—(0.6)%</b>		
Fossil, Inc.*	1,480	<u>140,674</u>
<b>ASSET MANAGEMENT &amp; CUSTODY BANKS—(0.3)%</b>		
Northern Trust Corp.	1,465	<u>60,373</u>
<b>AUTO RENTAL—(0.3)%</b>		
Zipcar, Inc.*	3,870	<u>61,378</u>
<b>AUTOMOBILE MANUFACTURERS—(0.3)%</b>		
Brilliance China Automotive Holdings Ltd.*	54,675	<u>58,445</u>
<b>BIOTECHNOLOGY—(1.1)%</b>		
Amgen, Inc.	1,000	67,910
Celgene Corp.*	1,670	121,409
Myriad Genetics, Inc.*	2,765	65,420
		<u>254,739</u>
<b>COMPUTER &amp; ELECTRONICS RETAIL—(0.5)%</b>		
Best Buy Co., Inc.	4,745	<u>113,643</u>
<b>CONSUMER ELECTRONICS—(0.5)%</b>		
Sony Corp.#	5,185	94,471
Garmin Ltd.	570	23,769
		<u>118,240</u>
<b>DEPARTMENT STORES—(0.4)%</b>		
JC Penney Co., Inc.	2,255	<u>93,695</u>
<b>DIVERSIFIED SUPPORT SERVICES—(1.1)%</b>		
KAR Auction Services, Inc.*	17,480	<u>257,655</u>
<b>ELECTRONIC COMPONENTS—(0.7)%</b>		
DTS, Inc.*	5,450	<u>154,399</u>
<b>EXCHANGE TRADED FUNDS—(3.7)%</b>		
iShares Russell 2000 Index Fund	3,063	242,191
SPDR S&P 500 ETF Trust	4,775	626,528
		<u>868,719</u>
<b>FOOD RETAIL—(0.9)%</b>		
Whole Foods Market, Inc.	2,885	<u>213,577</u>
<b>HEALTH CARE EQUIPMENT—(1.4)%</b>		
Becton Dickinson and Co.	910	71,353
Intuitive Surgical, Inc.*	560	257,550
		<u>328,903</u>
<b>HEALTH CARE SERVICES—(0.2)%</b>		
Quest Diagnostics, Inc.	820	<u>47,626</u>
<b>HEALTH CARE SUPPLIES—(0.8)%</b>		

Essilor International SA	810	59,333
DENTSPLY International, Inc.	3,655	<u>137,940</u>
		<u><b>197,273</b></u>
<b>INTEGRATED OIL &amp; GAS—(0.6)%</b>		
Occidental Petroleum Corp.	1,340	<u><b>133,692</b></u>
<b>INVESTMENT BANKING &amp; BROKERAGE—(0.4)%</b>		
Jefferies Group, Inc.	2,855	43,425
Piper Jaffray Cos*	1,720	<u>38,270</u>
		<u><b>81,695</b></u>

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	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS (CONT.)—(19.0)%</b>		
<b>PERSONAL PRODUCTS—(0.2)%</b>		
Herbalife Ltd.	960	<u>\$ 55,565</u>
<b>PHARMACEUTICALS—(0.5)%</b>		
Perrigo Co.	1,290	<u>123,324</u>
<b>PROPERTY &amp; CASUALTY INSURANCE—(0.2)%</b>		
Axis Capital Holdings Ltd.	1,830	<u>56,327</u>
<b>RESTAURANTS—(1.3)%</b>		
Panera Bread Co., Cl. A*	1,985	<u>294,277</u>
<b>SEMICONDUCTORS—(0.1)%</b>		
Intersil Corp.	2,525	<u>28,432</u>
<b>STEEL—(0.3)%</b>		
AK Steel Holding Corp.	7,445	<u>70,281</u>
<b>SYSTEMS SOFTWARE—(0.7)%</b>		
Ariba, Inc.*	6,165	<u>168,305</u>
<b>THRIFTS &amp; MORTGAGE FINANCE—(0.2)%</b>		
Radian Group, Inc.	19,855	<u>54,601</u>
<b>TRUCKING—(0.7)%</b>		
Landstar System, Inc.	2,150	109,973
Werner Enterprises, Inc.	1,800	<u>47,034</u>
		<u>157,007</u>
<b>TOTAL (proceeds \$4,298,647)</b>		<u><b>\$ 4,461,570</b></u>

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‡ Securities classified as Level 1 for ASC 820 disclosure purposes based on valuation inputs unless otherwise noted.

\* Non-income producing security.

# American Depositary Receipts.

*See Notes to Schedule of Investments.*

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**THE ALGER FUNDS II | ALGER EMERGING MARKETS FUND**  
**Schedule of Investments** ‡ (Unaudited) January 31, 2012

	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—(CONT.)—95.3%</b>		
<b>BRAZIL—15.2%</b>		
<b>AGRICULTURAL PRODUCTS—0.5%</b>		
SLC Agricola SA	5,400	\$ <u>49,450</u>
<b>APPAREL RETAIL—1.1%</b>		
Cia Hering	4,400	<u>105,769</u>
<b>BREWERS—1.3%</b>		
Cia de Bebidas das Americas	3,500	<u>128,205</u>
<b>CONSTRUCTION &amp; ENGINEERING—0.7%</b>		
Mills Estruturas e Servicos de Engenharia SA	5,500	<u>68,246</u>
<b>DEPARTMENT STORES—0.5%</b>		
Lojas Renner SA	1,500	<u>50,653</u>
<b>DIVERSIFIED BANKS—3.0%</b>		
Banco do Estado do Rio Grande do Sul	5,200	59,881
Itau Unibanco Holding SA #	11,588	231,296
		<u>291,177</u>
<b>DIVERSIFIED METALS &amp; MINING—1.9%</b>		
Vale SA#	7,350	<u>185,955</u>
<b>INTEGRATED OIL &amp; GAS—2.1%</b>		
Petroleo Brasileiro SA	13,300	<u>204,844</u>
<b>MANAGED HEALTH CARE—0.6%</b>		
Odontoprev SA	3,100	<u>51,808</u>
<b>OIL &amp; GAS EXPLORATION &amp; PRODUCTION—1.2%</b>		
OGX Petroleo e Gas Participacoes SA*	12,206	<u>115,619</u>
<b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT—1.2%</b>		
BR Malls Participacoes SA	10,575	<u>115,422</u>
<b>STEEL—0.3%</b>		
Gerdau SA	3,400	<u>32,401</u>
<b>TRUCKING—0.8%</b>		
Localiza Rent a Car SA	5,100	<u>83,745</u>
<b>TOTAL BRAZIL</b> (Cost \$1,573,765)		<u>1,483,294</u>
<b>CAYMAN ISLANDS—0.4%</b>		
<b>SEMICONDUCTORS—0.4%</b>		
Spreadtrum Communications, Inc.# (Cost \$48,815)	2,800	<u>43,316</u>
<b>CHILE—2.1%</b>		
<b>BREWERS—1.0%</b>		

Cia Cervecerias Unidas SA #	3,455	<u>93,847</u>
		<u>93,847</u>
<b>DEPARTMENT STORES—1.1%</b>		
SACI Falabella	12,763	<u>109,742</u>
<b>TOTAL CHILE</b>		
(Cost \$179,168)		<u>203,589</u>

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	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>CHINA—11.5%</b>		
<b>APPAREL RETAIL—1.4%</b>		
Belle International Holdings Ltd.	82,000	\$ <u>133,226</u>
<b>CONSTRUCTION MATERIALS—0.8%</b>		
Anhui Conch Cement Co., Ltd.	22,972	<u>77,608</u>
<b>DIVERSIFIED BANKS—3.1%</b>		
China Construction Bank Corp.	95,000	75,949
China Minsheng Banking Corp., Ltd.	79,000	73,344
Industrial & Commercial Bank of China	208,000	<u>145,904</u>
		<u>295,197</u>
<b>EDUCATION SERVICES—0.5%</b>		
New Oriental Education & Technology Group#*	2,000	<u>47,640</u>
<b>INDEPENDENT POWER PRODUCERS &amp; ENERGY TRADERS—0.5%</b>		
GCL Poly Energy Holdings Ltd.	149,000	<u>51,298</u>
<b>INTEGRATED OIL &amp; GAS—1.4%</b>		
PetroChina Co., Ltd.#	900	<u>130,950</u>
<b>INTEGRATED TELECOMMUNICATION SERVICES—0.9%</b>		
China Telecom Corp., Ltd.	150,000	<u>84,330</u>
<b>LIFE &amp; HEALTH INSURANCE—0.7%</b>		
Ping An Insurance Group Co., of China Ltd.	8,000	<u>63,235</u>
<b>MARINE—1.0%</b>		
China Shipping Development Co., Ltd.	136,000	<u>94,171</u>
<b>OIL &amp; GAS EXPLORATION &amp; PRODUCTION—1.2%</b>		
CNOOC Ltd.	56,000	<u>114,668</u>
<b>TOTAL CHINA</b>		
(Cost \$1,146,759)		<u>1,092,323</u>
<b>COLUMBIA—1.2%</b>		
<b>INTEGRATED OIL &amp; GAS—1.2%</b>		
Pacific Rubiales Energy Corp.		
(Cost \$133,411)	4,524	<u>112,962</u>
<b>HONG KONG—3.6%</b>		
<b>INDUSTRIAL CONGLOMERATES—1.0%</b>		
Beijing Enterprises Holdings Ltd.	16,500	<u>95,742</u>
<b>INTEGRATED TELECOMMUNICATION SERVICES—0.8%</b>		
China Unicom Hong Kong Ltd.	40,000	<u>73,653</u>
<b>PACKAGED FOODS &amp; MEATS—1.2%</b>		
China Mengniu Dairy Co., Ltd.	43,000	<u>114,220</u>
<b>SPECIALTY STORES—0.6%</b>		
Chow Tai Fook Jewellery Group*	32,848	<u>62,009</u>

**TOTAL HONG KONG**

(Cost \$382,767)

**345,624**

**INDIA—6.4%**

**APPAREL ACCESSORIES & LUXURY GOODS—0.9%**

Titan Industries Ltd.

22,068

**89,137**

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	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>INDIA—(CONT.)</b>		
<b>DIVERSIFIED BANKS—1.0%</b>		
HDFC Bank Ltd.	10,016	\$ <u>100,120</u>
<b>GAS UTILITIES—0.9%</b>		
GAIL India Ltd.	11,398	<u>85,920</u>
<b>MOTORCYCLE MANUFACTURERS—0.8%</b>		
Hero Motocorp Ltd.	1,972	<u>74,236</u>
<b>OIL &amp; GAS REFINING &amp; MARKETING—0.7%</b>		
Reliance Industries Ltd.(a),(b)	1,946	<u>64,413</u>
<b>TOBACCO—1.0%</b>		
ITC Ltd.	22,474	<u>92,569</u>
<b>WIRELESS TELECOMMUNICATION SERVICES—1.1%</b>		
Bharti Airtel Ltd.	14,437	<u>106,714</u>
<b>TOTAL INDIA</b>		
(Cost \$697,887)		<u>613,109</u>
<b>INDONESIA—2.3%</b>		
<b>AGRICULTURAL PRODUCTS—0.5%</b>		
BW Plantation Tbk PT	347,500	<u>48,318</u>
<b>DIVERSIFIED BANKS—1.3%</b>		
Bank Rakyat Indonesia Persero Tbk., PT	170,000	<u>129,533</u>
<b>REAL ESTATE DEVELOPMENT—0.5%</b>		
Bumi Serpong Damai PT	392,000	<u>45,784</u>
<b>TOTAL INDONESIA</b>		
(Cost \$191,025)		<u>223,635</u>
<b>MACAU—1.5%</b>		
<b>CASINOS &amp; GAMING—1.5%</b>		
Sands China Ltd. (Cost \$104,794)	42,000	<u>141,620</u>
<b>MALAYSIA—3.4%</b>		
<b>AIRLINES—0.6%</b>		
AirAsia BHD	47,500	<u>55,441</u>
<b>COMMODITY CHEMICALS—0.6%</b>		
Petronas Chemicals Group Bhd	24,700	<u>54,167</u>
<b>CONSTRUCTION &amp; ENGINEERING—1.2%</b>		
IJM Corp., BHD	61,700	<u>116,442</u>
<b>REAL ESTATE DEVELOPMENT—1.0%</b>		
UEM Land Holdings Bhd.*	124,000	<u>94,585</u>



**TOTAL MALAYSIA**

(Cost \$334,470)

**320,635**

**MEXICO—4.1%**

**COMMODITY CHEMICALS—0.8%**

Mexichem SAB de CV

23,117

**79,808**

**DEPARTMENT STORES—1.4%**

El Puerto de Liverpool SAB de CV

17,500

**133,747**

	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>MEXICO—(CONT.)</b>		
<b>HYPERMARKETS &amp; SUPER CENTERS—1.3%</b>		
Wal-Mart de Mexico SAB de CV	41,800	\$ <u>129,075</u>
<b>PHARMACEUTICALS—0.6%</b>		
Genomma Lab Internacional SAB de CV*	27,400	<u>60,120</u>
<b>TOTAL MEXICO</b>		
(Cost \$369,882)		<u>402,750</u>
<b>MONGOLIA—0.5%</b>		
<b>DIVERSIFIED METALS &amp; MINING—0.5%</b>		
Mongolian Mining Corp.*		
(Cost \$57,313)	54,500	<u>43,852</u>
<b>PERU—0.5%</b>		
<b>DIVERSIFIED BANKS—0.5%</b>		
Credicorp Ltd.		
(Cost \$41,848)	400	<u>45,464</u>
<b>PHILIPPINES—0.7%</b>		
<b>MULTI-SECTOR HOLDINGS—0.7%</b>		
Metro Pacific Investments Corp.		
(Cost \$73,040)	859,000	<u>70,114</u>
<b>RUSSIA—5.6%</b>		
<b>DIVERSIFIED BANKS—1.2%</b>		
Sberbank of Russia#*	9,848	<u>117,004</u>
<b>OIL &amp; GAS EXPLORATION &amp; PRODUCTION—4.4%</b>		
Gazprom OAO #	15,050	182,105
NovaTek OAO (b)	1,141	153,693
Rosneft Oil Co. (b)	12,515	<u>92,235</u>
		<u>428,033</u>
<b>TOTAL RUSSIA</b>		
(Cost \$578,348)		<u>545,037</u>
<b>SINGAPORE—0.8%</b>		
<b>DIVERSIFIED METALS &amp; MINING—0.8%</b>		
Straits Asia Resources Ltd.		
(Cost \$92,748)	43,000	<u>80,674</u>
<b>SOUTH AFRICA—6.4%</b>		
<b>APPAREL RETAIL—1.1%</b>		
Foschini Group Ltd., /The	7,424	<u>103,297</u>
<b>FOOD RETAIL—1.0%</b>		
Shoprite Holdings Ltd.	5,958	<u>99,213</u>
<b>GOLD—0.9%</b>		

AngloGold Ashanti Ltd.	1,858	<u>85,428</u>
<b>HEALTH CARE FACILITIES—0.8%</b>		
Life Healthcare Group Holdings Ltd.	29,206	<u>79,299</u>
<b>OTHER DIVERSIFIED FINANCIAL SERVICES—1.0%</b>		
FirstRand Ltd.	34,620	<u>99,985</u>
<b>PHARMACEUTICALS—1.1%</b>		
Aspen Pharmacare Holdings Ltd.*	8,116	<u>103,643</u>

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	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>SOUTH AFRICA—(CONT.)</b>		
<b>PRECIOUS METALS &amp; MINERALS—0.5%</b>		
Anglo Platinum Ltd.	650	\$ <u>46,119</u>
<b>TOTAL SOUTH AFRICA</b>		
(Cost \$609,268)		<u>616,984</u>
<b>SOUTH KOREA—13.8%</b>		
<b>AUTO PARTS &amp; EQUIPMENT—1.7%</b>		
Hyundai Mobis	337	82,925
Mando Corp.	504	<u>81,486</u>
		<u>164,411</u>
<b>COMMODITY CHEMICALS—1.4%</b>		
LG Chem Ltd.	401	<u>133,227</u>
<b>CONSTRUCTION &amp; ENGINEERING—1.3%</b>		
Samsung Engineering Co., Ltd.	650	<u>123,856</u>
<b>DEPARTMENT STORES—0.7%</b>		
Hyundai Department Store Co., Ltd.	386	<u>62,750</u>
<b>DIVERSIFIED BANKS—1.0%</b>		
KB Financial Group, Inc. #*	2,426	<u>91,945</u>
<b>HOME ENTERTAINMENT SOFTWARE—1.4%</b>		
NCSOFT Corp.	502	<u>131,331</u>
<b>HOUSEHOLD PRODUCTS—0.8%</b>		
LG Household & Health Care Ltd.	179	<u>76,008</u>
<b>PHARMACEUTICALS—0.6%</b>		
Celltrion, Inc.	1,842	<u>61,444</u>
<b>REINSURANCE—1.0%</b>		
Korean Reinsurance Co.	7,770	<u>99,049</u>
<b>SEMICONDUCTORS—3.5%</b>		
Hynix Semiconductor, Inc. *	1,940	46,273
Samsung Electronics Co., Ltd.	292	<u>287,149</u>
		<u>333,422</u>
<b>STEEL—0.4%</b>		
Hyundai Steel Co.	391	<u>37,686</u>
<b>TOTAL SOUTH KOREA</b>		
(Cost \$1,308,297)		<u>1,315,129</u>
<b>SWITZERLAND—0.5%</b>		
<b>LEISURE PRODUCTS—0.5%</b>		
Cie Financiere Richemont SA		
(Cost \$53,236)	8,699	<u>49,400</u>
<b>TAIWAN—10.7%</b>		
<b>COMPUTER HARDWARE—0.5%</b>		

Foxconn Technology Co., Ltd.	14,000	<u>54,874</u>
<b>COMPUTER STORAGE &amp; PERIPHERALS—1.6%</b>		
Catcher Technology Co., Ltd.	25,000	<u>155,432</u>
<b>CONSTRUCTION MATERIALS—1.4%</b>		
Taiwan Cement Corp.	107,000	<u>133,411</u>

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	SHARES	VALUE
<b>COMMON STOCKS—(CONT.)</b>		
<b>TAIWAN—(CONT.)</b>		
<b>DIVERSIFIED BANKS—1.6%</b>		
Chinatrust Financial Holding Co., Ltd.	132,578	\$ 85,563
E.Sun Financial Holding Co., Ltd.	141,000	66,224
		<u>151,787</u>
<b>ELECTRONIC MANUFACTURING SERVICES—1.8%</b>		
Hon Hai Precision Industry Co., Ltd.	53,300	<u>171,633</u>
<b>FOOD RETAIL—0.7%</b>		
Taiwan FamilyMart Co., Ltd.	14,000	<u>61,024</u>
<b>PACKAGED FOODS &amp; MEATS—0.6%</b>		
Uni-President Enterprises Corp.	40,000	<u>59,064</u>
<b>SEMICONDUCTORS—2.5%</b>		
Career Technology MFG. Co., Ltd.	39,195	63,967
Taiwan Semiconductor Manufacturing Co., Ltd.	67,000	177,716
		<u>241,683</u>
<b>TOTAL TAIWAN</b>		
(Cost \$1,005,366)		<u>1,028,908</u>
<b>THAILAND—1.5%</b>		
<b>CONSTRUCTION MATERIALS—0.5%</b>		
Siam Cement PCL	4,400	<u>49,133</u>
<b>DIVERSIFIED BANKS—1.0%</b>		
Siam Commercial Bank PCL	25,100	<u>98,018</u>
<b>TOTAL THAILAND</b>		
(Cost \$136,649)		<u>147,151</u>
<b>TURKEY—0.9%</b>		
<b>DIVERSIFIED BANKS—0.5%</b>		
Turkiye Garanti Bankasi AS	13,927	<u>50,319</u>
<b>GOLD—0.4%</b>		
Koza Altin Isletmeleri AS	2,516	<u>44,603</u>
<b>TOTAL TURKEY</b>		
(Cost \$83,807)		<u>94,922</u>
<b>UNITED KINGDOM—0.7%</b>		
<b>DIVERSIFIED METALS &amp; MINING—0.7%</b>		
Eurasian Natural Resources Corp., PLC		
(Cost \$69,347)	6,000	<u>65,281</u>
<b>UNITED STATES—1.0%</b>		
<b>COMPUTER HARDWARE—1.0%</b>		
Lenovo Group Ltd.		
(Cost \$80,248)	120,000	<u>95,626</u>

<b>TOTAL COMMON STOCKS</b>		
(Cost \$9,352,258)		<u><b>9,181,399</b></u>
Total Investments		
(Cost \$9,352,258)(c)	95.3%	9,181,399
Other Assets in Excess of Liabilities	<u>4.7</u>	<u>455,149</u>
<b>NET ASSETS</b>	<u>100.0%</u>	<u><b>\$ 9,636,548</b></u>

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‡ *Securities classified as Level 1 for ASC 820 disclosure purposes based on valuation inputs unless otherwise noted.*

\* *Non-income producing security.*

# *American Depositary Receipts.*

(a) *Pursuant to Securities and Exchange Commission Rule 144A, these securities may be sold prior to their maturity only to qualified institutional buyers. These securities are deemed to be liquid and represent 0.7% of the net assets of the Fund.*

(b) *GDR - Global Depositary Receipt*

(c) *At January 31, 2012, the net unrealized depreciation on investments, based on cost for federal income tax purposes of \$9,352,258 amounted to \$167,838 which consisted of aggregate gross unrealized appreciation of \$609,661 and aggregate gross unrealized depreciation of \$777,499.*

***See Notes to Schedule of Investments.***

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## THE ALGER FUNDS II

### NOTES TO SCHEDULE OF INVESTMENTS *(Unaudited)*

#### NOTE 1 — General:

The Alger Funds II (the “Trust”) is a diversified open-end registered investment company organized as a business trust under the laws of the Commonwealth of Massachusetts. The Trust operates as a series company currently issuing an unlimited number of shares of beneficial interest in five funds—Alger Spectra Fund, Alger Green Fund, Alger Analyst Fund, Alger Dynamic Opportunities Fund and Alger Emerging Markets Fund (collectively, the “Funds” or individually, each a “Fund”). The Funds normally invest primarily in equity securities and each has an investment objective of long-term capital appreciation. On December 14, 2010, the Board of Trustees approved the liquidation of the Alger International Opportunities Fund effective January 21, 2011.

Each Fund offers one or more of the following share classes: Class A shares, Class C shares, Class I shares and Class Z shares. Class A shares are generally subject to an initial sales charge while Class C shares are generally subject to a deferred sales charge. Class I shares and Class Z shares are sold to institutional investors without an initial or deferred sales charge. Each class has identical rights to assets and earnings, except that each share class bears the cost of its plan of distribution and transfer agency and sub-transfer agency services.

#### NOTE 2 — Significant Accounting Policies:

*Investment Valuation:* The Funds value their financial instruments at fair value using independent dealers or pricing services under policies approved by the Board. Investments are valued on each day the New York Stock Exchange (the “NYSE”) is open, as of the close of the NYSE (normally 4:00 p.m. Eastern time).

Equity securities and option contracts for which valuation information is readily available are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded. In the absence of reported sales, such securities are valued at a price within the bid and ask price or, in the absence of a recent bid or ask price, the equivalent as obtained from one or more of the major market makers for the securities to be valued.

Debt securities generally trade in the over-the-counter market. Debt securities with remaining maturities of more than sixty days at the time of acquisition are valued on the basis of last available bid prices or current market quotations provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop an estimated tranche-specific spread to the benchmark yield based on the unique attributes of the tranche. Debt securities with a remaining

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**THE ALGER FUNDS II**  
**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

maturity of less than sixty days are valued at amortized cost which approximates market value.

Securities for which market quotations are not readily available are valued at fair value, as determined in good faith pursuant to procedures established by the Board of Trustees.

Securities in which the Funds invest may be traded in foreign markets that close before the close of the NYSE. Developments that occur between the close of the foreign markets and the close of the NYSE may result in adjustments to the closing prices to reflect what the investment adviser, pursuant to policies established by the Board of Trustees, believes to be the fair value of these securities as of the close of the NYSE. The Funds may also fair value securities in other situations, for example, when a particular foreign market is closed but the Fund is open.

Financial Accounting Standards Board Accounting Standards Codification 820 — Fair Value Measurements and Disclosures (“ASC 820”) defines fair value as the price that the Funds would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability and may be observable or unobservable. Observable inputs are based on market data obtained from sources independent of the Funds. Unobservable inputs are inputs that reflect the Funds’ own assumptions based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 — quoted prices in active markets for identical investments
- Level 2 — significant other observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Funds’ own assumptions in determining the fair value of investments)

The Funds’ valuation techniques are consistent with the market approach whereby prices and other relevant information generated by market transactions involving identical or comparable assets are used to measure fair value. Inputs for Level 1 include exchange listed prices and broker quotes in an active market. Inputs for Level 2 include the last trade price in the case of a halted security, a broker quote in an inactive market, an exchange listed price which has been adjusted for fair value factors, and prices of closely related securities. Additional Level 2 inputs include an evaluated price which is based upon a compilation of observable market information such as spreads for fixed income and preferred securities. Inputs for Level 3 include derived prices from unobservable market information which can include cash flows and other information obtained from a company’s financial statements, or from market indicators such as benchmarks and indices.

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**THE ALGER FUNDS II**  
**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

**NOTE 3 — Fair Value Measurements:**

The major categories of securities and their respective fair value inputs are detailed in each Fund's Schedule of Investments. The following is a summary of the inputs used as of January 31, 2012 in valuing the Funds' investments and securities sold short carried at fair value.

<u>Alger Spectra Fund</u>	<u>TOTAL FUND</u>	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>
<b>COMMON STOCKS</b>				
Consumer Discretionary	\$ 212,916,356	\$ 212,916,356	—	—
Consumer Staples	97,981,399	97,981,399	—	—
Energy	131,411,181	131,411,181	—	—
Financials	80,474,511	80,474,511	—	—
Health Care	181,222,487	181,222,487	—	—
Industrials	208,864,105	208,864,105	—	—
Information Technology	393,173,828	393,173,828	—	—
Materials	73,348,296	73,348,296	—	—
Telecommunication Services	17,715,528	17,715,528	—	—
<b>TOTAL COMMON STOCKS</b>	<b>\$ 1,397,107,691</b>	<b>\$ 1,397,107,691</b>	<b>—</b>	<b>—</b>
<b>CONVERTIBLE CORPORATE BONDS</b>				
Consumer Discretionary	\$ 9,174,559	—	\$ 9,174,559	—
<b>CONVERTIBLE PREFERRED STOCK</b>				
Health Care	\$ 2,843,610	—	—	\$ 2,843,610
<b>PREFERRED STOCKS</b>				
Financials	\$ 5,303,728	\$ 5,303,728	—	—
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>\$ 1,414,429,588</b>	<b>\$ 1,402,411,419</b>	<b>\$ 9,174,559</b>	<b>\$ 2,843,610</b>
<b>SECURITIES SOLD SHORT</b>				
<b>COMMON STOCKS</b>				
Consumer Discretionary	\$ 10,110,346	\$ 10,110,346	—	—
Consumer Staples	\$ 5,100,667	\$ 5,100,667	—	—
Financials	1,223,290	1,223,290	—	—
Industrials	9,744,828	9,744,828	—	—
Information Technology	982,805	982,805	—	—
<b>TOTAL COMMON STOCKS</b>	<b>\$ 27,161,936</b>	<b>\$ 27,161,936</b>	<b>—</b>	<b>—</b>
<u>Alger Green Fund</u>	<u>TOTAL FUND</u>	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>
<b>COMMON STOCKS</b>				
Consumer Discretionary	\$ 9,714,955	\$ 9,714,955	—	—
Consumer Staples	4,408,860	4,408,860	—	—
Energy	1,101,536	1,101,536	—	—
Financials	536,728	536,728	—	—
Health Care	4,134,417	4,134,417	—	—
Industrials	8,434,857	8,434,857	—	—
Information Technology	15,501,324	15,501,324	—	—
Materials	3,475,352	3,475,352	—	—
Utilities	1,694,637	1,694,637	—	—
<b>TOTAL COMMON STOCKS</b>	<b>\$ 49,002,666</b>	<b>\$ 49,002,666</b>	<b>—</b>	<b>—</b>
<b>CONVERTIBLE CORPORATE BONDS</b>				
Industrials	\$ 118,938	—	\$ 118,938	—
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>\$ 49,121,604</b>	<b>\$ 49,002,666</b>	<b>\$ 118,938</b>	<b>—</b>

**THE ALGER FUNDS II**  
**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

<u>Alger Analyst Fund</u>	<u>TOTAL FUND</u>	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>
<b>COMMON STOCKS</b>				
Consumer Discretionary	\$ 768,941	\$ 768,941	—	—
Consumer Staples	232,520	232,520	—	—
Energy	328,678	328,678	—	—
Financials	180,650	180,650	—	—
Health Care	421,729	421,729	—	—
Industrials	403,369	403,369	—	—
Information Technology	601,705	601,705	—	—
Materials	340,199	340,199	—	—
<b>TOTAL COMMON STOCKS</b>	<b>\$ 3,277,791</b>	<b>\$ 3,277,791</b>	<b>—</b>	<b>—</b>
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>\$ 3,277,791</b>	<b>\$ 3,277,791</b>	<b>—</b>	<b>—</b>
 <u>Alger Dynamic Opportunities Fund</u>	 <u>TOTAL FUND</u>	 <u>LEVEL 1</u>	 <u>LEVEL 2</u>	 <u>LEVEL 3</u>
<b>COMMON STOCKS</b>				
Consumer Discretionary	\$ 2,669,654	\$ 2,669,654	—	—
Consumer Staples	475,947	475,947	—	—
Energy	1,269,877	1,269,877	—	—
Financials	1,065,911	1,065,911	—	—
Health Care	2,490,925	2,490,925	—	—
Industrials	2,639,080	2,639,080	—	—
Information Technology	4,310,955	4,310,955	—	—
Materials	1,134,858	1,134,858	—	—
Telecommunication Services	248,280	248,280	—	—
<b>TOTAL COMMON STOCKS</b>	<b>\$ 16,305,487</b>	<b>\$ 16,305,487</b>	<b>—</b>	<b>—</b>
<b>CONVERTIBLE CORPORATE BONDS</b>				
Consumer Discretionary	\$ 274,601	—	\$ 274,601	—
Health Care	220,375	—	220,375	—
<b>TOTAL CONVERTIBLE CORPORATE BONDS</b>	<b>\$ 494,976</b>	<b>—</b>	<b>\$ 494,976</b>	<b>—</b>
<b>CONVERTIBLE PREFERRED STOCK</b>				
Health Care	\$ 210,652	—	—	\$ 210,652
<b>PREFERRED STOCKS</b>				
Financials	\$ 138,040	\$ 138,040	—	—
<b>PURCHASED OPTIONS</b>				
	\$ 6,600	\$ 6,600	—	—
<b>RIGHTS</b>				
Health Care	\$ 25,932	—	—	\$ 25,932
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>\$ 17,181,687</b>	<b>\$ 16,450,127</b>	<b>\$ 494,976</b>	<b>\$ 236,584</b>
<b>SECURITIES SOLD SHORT</b>				
<b>COMMON STOCKS</b>				
Consumer Discretionary	\$ 818,974	\$ 818,974	—	—
Consumer Staples	\$ 269,142	\$ 269,142	—	—
Energy	133,692	133,692	—	—
Exchange Traded Funds	868,719	868,719	—	—
Financials	252,996	252,996	—	—
Health Care	951,865	951,865	—	—
Industrials	654,544	654,544	—	—

**THE ALGER FUNDS II**  
**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

<u>Alger Dynamic Opportunities Fund</u>	<u>TOTAL FUND</u>	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>
Information Technology	\$ 351,136	\$ 351,136	—	—
Materials	160,502	160,502	—	—
<b>TOTAL COMMON STOCKS</b>	<b>\$ 4,461,570</b>	<b>\$ 4,461,570</b>	—	—
 <u>Alger Emerging Markets Fund</u>	 <u>TOTAL FUND</u>	 <u>LEVEL 1</u>	 <u>LEVEL 2</u>	 <u>LEVEL 3</u>
<b>COMMON STOCKS</b>				
Consumer Discretionary	\$ 1,327,637	\$ 1,327,637	—	—
Consumer Staples	950,993	950,993	—	—
Energy	1,171,489	1,171,489	—	—
Financials	1,958,738	1,958,738	—	—
Health Care	356,314	356,314	—	—
Industrials	637,643	637,643	—	—
Information Technology	1,227,317	1,227,317	—	—
Materials	1,149,353	1,149,353	—	—
Telecommunication Services	264,697	264,697	—	—
Utilities	137,218	137,218	—	—
<b>TOTAL COMMON STOCKS</b>	<b>\$ 9,181,399</b>	<b>\$ 9,181,399</b>	—	—
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>\$ 9,181,399</b>	<b>\$ 9,181,399</b>	—	—

	<u>FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL3)</u>
	<u>Convertible Preferred Stock</u>
<u>Alger Spectra Fund</u>	
Opening balance at November 1, 2011	\$ 2,843,610
Transfers into Level 3	—
Transfers out of Level 3	—
Total gains or losses	
Included in net realized gain (loss) on investments	—
Included in net unrealized gain (loss) on investments	—
Purchases, issuances, sales, and settlements	
Purchases	—
Issuances	—
Sales	—
Settlements	—
Closing balance at January 31, 2012	<u>2,843,610</u>
<b>The amount of total gains or losses for the period included in net realized and unrealized gain (loss) attributable to change in unrealized appreciation (depreciation) relating to investments still held at January 31, 2012</b>	<b>\$ —</b>

**THE ALGER FUNDS II**  
**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

	FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL3)	
	Convertible Preferred Stock	Rights
<b>Alger Dynamic Opportunities Fund</b>		
Opening balance at November 1, 2011	\$ 210,652	\$ —
Transfers into Level 3	—	—
Transfers out of Level 3	—	—
Total gains or losses		
Included in net realized gain (loss) on investments	—	—
Included in net unrealized gain (loss) on investments	—	—
Purchases, issuances, sales, and settlements		
Purchases	—	—
Issuances	—	25,932
Sales	—	—
Settlements	—	—
Closing balance at January 31, 2012	<u>210,652</u>	<u>25,932</u>
<b>The amount of total gains or losses for the period included in net realized and unrealized gain (loss) attributable to change in unrealized appreciation (depreciation) relating to investments still held at January 31, 2012</b>	<b><u>\$ 97,651</u></b>	<b><u>\$ 25,932</u></b>

For the three months ended January 31, 2012, the Alger Emerging Markets Fund transferred securities totaling \$5,147,471 from Level 2 to Level 1, utilizing exchange listed prices rather than fair value adjusted prices.

**NOTE 4 — Derivatives:**

Financial Accounting Standards Board Accounting Standards Codification 815 — Derivatives and Hedging (“ASC 815”) requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements.

Forward currency contracts—In connection with portfolio purchases and sales of securities denominated in foreign currencies, the Funds may enter into forward currency contracts. Additionally, each Fund may enter into such contracts to economically hedge certain other foreign currency denominated investments. These contracts are valued at the current cost of covering or offsetting such contracts, and the related realized and unrealized foreign exchange gains and losses are included in the statement of operations. In the event that counterparties fail to settle these currency contracts or the related foreign security trades, a Fund could be exposed to foreign currency fluctuations.

Options—The Funds seek to capture the majority of the returns associated with equity market investments. To meet this investment goal, the Funds invest in a broadly diversified portfolio of common stocks, while also buying and selling call and put options on equities and equity indices. The Funds purchase call options to increase their exposure to stock market risk and also provide diversification of risk. The Funds purchase put options in order to protect from significant market declines that may occur over a short period of time. The Funds will write covered call and cash secured put options to

**THE ALGER FUNDS II**  
**NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)**

generate cash flows while reducing the volatility of the Funds' portfolios. The cash flows may be an important source of the Funds' return, although written call options may reduce the Funds' ability to profit from increases in the value of the underlying security or equity portfolio. The value of a call option generally increases as the price of the underlying stock increases and decreases as the stock decreases in price. Conversely, the value of a put option generally increases as the price of the underlying stock decreases and decreases as the stock increases in price. The combination of the diversified stock portfolio and the purchase and sale of options is intended to provide the Funds with the majority of the returns associated with equity market investments but with reduced volatility and returns that are augmented with the cash flows from the sale of options. During the three months ended January 31, 2012, options were used in accordance with these objectives.

The fair values of derivative instruments as of January 31, 2012 are as follows:

**Alger Dynamic Opportunities**

	ASSET DERIVATIVES 2012		LIABILITY DERIVATIVES 2012	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
<b>Derivatives not accounted for as hedging instruments</b>				
Purchased Put Options	Investments in securities, at value	\$ 6,600		—
<b>Total</b>	—	<u>\$ 6,600</u>		<u>—</u>

For the three months ended January 31, 2012, the Alger Dynamic Opportunities Fund had option purchases of \$150,073 and option sales of \$184,266. The effect of derivative instruments on the statement of operations for the three months ended January 31, 2012 is as follows:

**Net realized gain on investments and options**

**Alger Dynamic Opportunities Fund**

<b>Derivatives not accounted for as hedging instruments</b>	<b>Options</b>
Purchased Options	\$ (21,693)
<b>Total</b>	<u>\$ (21,693)</u>

**Net change in Unrealized appreciations (depreciation) on investments, options**

**Alger Dynamic Opportunities Fund**

<b>Derivatives not accounted for as hedging instruments</b>	<b>Options</b>
Purchased Options	\$ (65,631)
<b>Total</b>	<u>\$ (65,631)</u>

ITEM 2. Controls and Procedures.

(a) Based on their evaluation of Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) as of a date within 90 days of the filing of this document, Registrant's principal executive officer and principal financial officer found Registrant's disclosure controls and procedures to provide reasonable assurances that information required to be disclosed by Registrant in the reports it files under the Securities Exchange Act of 1934 (a) is accumulated and communicated to Registrant's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure, and (b) is recorded, processed, summarized and reported within the time periods specified in the rules and forms adopted by the U.S. Securities and Exchange Commission.

(b) No changes in the registrant's internal control over financial reporting occurred during the registrant's last fiscal quarter that materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. Exhibits.

Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940 are attached as Exhibit 99.CERT.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Alger Funds II

By /s/Daniel C. Chung

Daniel C. Chung

President

Date: March 8, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/Daniel C. Chung

Daniel C. Chung

President

Date: March 8, 2012

By /s/ Michael D. Martins

Michael D. Martins

Treasurer

Date: March 8, 2012

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