

## COMMENTARY

## MARSICO FOCUS FUND

(MFOCX/MIFOX)

*The Marsico Investment Fund's portfolio management team share their insights on the Marsico Focus Fund (the "Fund").*

### Q1 Would you please comment on the Fund's performance in 2023 relative to the Morningstar Large Growth Category?

We are pleased the Fund produced a solid return of 45.23% for the one-year period ended December 31, 2023, surpassing the Morningstar Large Growth Category average of 36.74% by over 800 basis points. In addition, the Fund has outperformed the category average for the 5- and 10-year periods ended December 31, 2023.<sup>1,3,5</sup>

We believe the Fund's relative outperformance is primarily due to our high-conviction, performance-oriented investment approach, with a portfolio of generally 20-35 large-cap companies that we believe have strong business fundamentals, innovative teams, are participating in secular growth themes, and are positioned for long-term growth.

### Q2 Artificial Intelligence ("AI") has been an important secular growth theme for the Fund. Would you please provide an update of your perspective on this theme?

We view the AI theme as a long-term cycle that is similar to previous cycles in the advancement of computing technologies. In this current cycle, many companies have made massive investments of resources into the infrastructure needed for data storage, security, and training. Now that much of the initial groundwork has been completed, companies are monetizing their innovative technologies by offering additional services to customers. Many of these companies have well-established business operations and healthy balance sheets and are now positioned to benefit from additional free cash flow growth.

Microsoft Corporation ("Microsoft")<sup>4</sup> is one portfolio example of an established technology company that is now offering an AI-powered chat assistant called Microsoft Copilot. Copilot is designed to assist with productivity, creativity, and security. Microsoft offers Copilot as an additional purchase to its vast customer base of Microsoft 365 subscribers.

Another portfolio example is NVIDIA Corporation ("NVIDIA"), a semiconductor company which produces central processing units and graphical processing units for a wide array of computing processes, including AI. The company has enormous reach, with over 40,000 companies that use its products. NVIDIA has continued to collaborate with numerous companies to bring new innovations to market.



MARSICO  
FUNDS®

### Overall Rating

MORNINGSTAR®



(MFOCX) 3 Stars out of 1,118 Large Growth funds as of 12/31/2023 based on risk-adjusted return.<sup>1,2,3</sup>

### Portfolio Management



#### Tom Marsico

- » Founder, CEO, CIO, and Portfolio Manager
- » Over 40 years' experience



#### Peter Marsico

- » Portfolio Manager
- » Over 15 years' experience



#### Jimmy Marsico

- » Portfolio Manager
- » Over 14 years' experience

### Q3 Would you please share some examples of portfolio companies benefiting from these investment themes?

When selecting companies for investment in the Fund, we look for long-term secular themes that have the potential to drive growth. Our investment process is focused on finding companies that are participating in these themes, capitalizing on innovations, growing market share, and increasing top line growth.

Two noteworthy themes for the Fund include the following highlights:

» **Digital Transformation:** A wide range of activities and processes are being digitalized as companies seek to expand operations into online platforms to meet customer demand. A prime example where we have been finding opportunities in this theme is

e-commerce. Within e-commerce, we are looking for companies that are growing their revenue and earnings at rates higher than GDP. For example, the Fund owns Amazon.com, Inc. ("Amazon"), an e-commerce leader. Amazon has been growing its net sales revenue each year for the past several years and we believe it is well-positioned for continued growth.

» **Digital Advertising:** The opportunities in digital advertising have grown as people have shifted more of their activities into digital platforms. A portfolio example is Meta Platforms, Inc., which has benefited from this trend. The company's social media app Facebook has become one of the largest platforms in terms of digital advertising revenue, with approximately \$113B in advertising revenue worldwide in 2022.

## About The Adviser

Founded in 1997, Marsico Capital Management, LLC, the investment adviser to the Marsico Funds, employs a high-conviction approach to the management of a select suite of growth-oriented domestic and international equity portfolios. Headquartered in Denver, Colorado, the firm managed approximately \$2.8 billion in assets as of December 31, 2023.

The firm's founder, Tom Marsico, has over 40 years of experience in the investment management industry and is one of the industry's first managers to successfully implement high-conviction, concentrated portfolios.

## Marsico Focus Fund Performance (As of 12/31/2023)<sup>5</sup>

	Average Annualized Returns					
	1 Year	3 Year	5 Year	10 Year	Since Inception 12/31/1997*	Since Inception 12/6/2021*
<b>Investor Class Shares (MFOCX)</b>	<b>45.23%</b>	<b>5.18%</b>	<b>18.23%</b>	<b>12.59%</b>	<b>9.77%</b>	<b>—</b>
<b>Institutional Class Shares (MIFOX)<sup>3</sup></b>	<b>45.66%</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-0.33%</b>
S&P 500 Index <sup>6</sup>	26.29%	10.00%	15.69%	12.03%	8.30%	3.53%
Russell 1000 Growth Index <sup>6,7</sup>	42.68%	8.86%	19.50%	14.86%	8.85%	2.26%
Morningstar Large Growth Funds Category Avg. <sup>1</sup>	36.74%	4.68%	15.74%	12.03%	—	—

Expense Ratio: Investor class shares ("Investor Class") 1.03% gross/net; Institutional class shares ("Institutional Class") 0.66% gross/net.<sup>8</sup>

\*Investor Class inception 12/31/1997, Institutional Class inception 12/6/2021.

**Performance data quoted throughout represents past performance. Investment return and principal will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Past performance is no guarantee of future results. Current performance may be lower or higher than the performance information quoted. To obtain the Fund's performance current to the most recent month-end, please visit [marsicofunds.com](https://marsicofunds.com) or call 888-860-8686. The Fund's performance, especially for short time periods, should not be the sole factor in making an investment decision.**

## Important Information

*Please consider the Fund's investment objectives, risks, charges, and expenses carefully before investing. To obtain a prospectus, which contains this and other information about the Fund, call 888-860-8686 or visit [marsicofunds.com](https://marsicofunds.com). Please read the prospectus carefully before investing.*

The Marsico Focus Fund is classified as a non-diversified fund, which means it may hold fewer securities than a diversified portfolio because it is permitted to invest a greater percentage of its assets in a smaller number of securities. Holding fewer securities increases the risk that the value of the Fund could go down because of the poor performance of a single investment. The Fund and the stocks and markets in which it invests are subject to general risks that include unforeseen events such as pandemics, volatility and instability, periods of cyclical change and decline, that investors may at times avoid investments in equity securities, and that the investment adviser may select investments for the Fund that do not perform as anticipated.

<sup>1</sup> Source: Morningstar, Large Growth Funds Category.

<sup>2</sup> The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. © 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. The Fund received 3 stars for the 3-year period, 4 stars for the 5-year period, and 3 stars for the 10-year period ended 12/31/2023 among 1118, 1031, and 810 Large Growth funds, respectively. Past performance is no guarantee of future results. Recent performance may have been negative.

<sup>3</sup> Performance data and Morningstar data available for the Institutional Class is limited because the Institutional Class commenced operations on December 6, 2021.

<sup>4</sup> Of the companies mentioned, the Marsico Focus Fund's holdings as a percentage of net assets as of 12/31/2023 were as follows: Microsoft Corporation 12.20%, NVIDIA Corporation 6.78%, Amazon.com, Inc. 6.52%, and Meta Platforms, Inc. 8.28%. Please keep in mind that our views on investments discussed herein are subject to change at any time, and the holdings represented here do not represent all of the securities purchased, sold, or recommended by Marsico Capital Management, LLC. References to specific securities mentioned herein, which may change due to the active management of the Fund, are not to be construed as a recommendation to buy or sell those securities, and should not be assumed to be or have been profitable investments, and are not guaranteed to be in the portfolio today.

<sup>5</sup> Source for Fund and Index returns: UMB Fund Services, Inc.

<sup>6</sup> The S&P 500 Index is a registered trademark of Standard & Poor's and is an unmanaged broadly-based index of the common stock prices of 500 large U.S. companies, and includes the reinvestment of dividends. The Russell 1000 Growth Index measures the performance of the large cap growth segment of the largest 1000 U.S. companies, based on total market capitalization, higher price-to-book ratios, and higher forecasted growth values, and includes the reinvestment of dividends. The indexes described above are unmanaged and not available for direct investment. For comparison purposes, it should be noted that the indexes described above do not charge fees and have no expenses.

<sup>7</sup> Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2023. FTSE Russell is a trading name of certain of the LSE Group companies. Russell® is a trademark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data discussed herein remains the property of the LSE Group company which owns the index or the data. Neither the LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor, or endorse the content of this communication.

<sup>8</sup> As of the Fund's 1/31/2023 prospectus, as supplemented; Investor Class 1.03% gross/net; Institutional Class 0.66% gross/net.

A basis point is a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point equals 1/100th of 1%, or 0.01%.

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