

COMMENTARY

MARSICO MIDCAP GROWTH FOCUS FUND

(MXXIX/MIDFX)

The Marsico Midcap Growth Focus Fund's (the "Fund") portfolio managers share their latest insights on the Fund.

Q1 How did the Fund perform in 2023 compared to the Morningstar Mid-Cap Growth Category?

The Fund produced a solid return of 21.71% for the one-year period ended December 31, 2023, outperforming the Morningstar Mid-Cap Growth Category average return of 21.37%.^{1,5} We believe the Fund benefited from its high-conviction approach to investing in innovative, faster-growing companies. The Fund is a concentrated portfolio of mid-cap companies that provide innovative products and services, and that are benefiting from secular growth themes.

Q2 Digital Transformation has been a prominent secular theme for the Fund. Would you please describe this theme and share an example from the Fund's portfolio?

Digital Transformation continues to be a dominant theme in the Fund's portfolio as people use digital platforms to conduct business, communicate, access entertainment, and complete daily tasks. Companies are driving innovation in developing digital technologies and the related theme of generative artificial intelligence ("AI"). Businesses are engaged in efforts to collect and store data, protect their data, and use that data to train AI models.

Synopsys, Inc. ("Synopsys")⁴ is one portfolio example of a company participating in this theme. Synopsys provides electronic design automation software used in creating semiconductor microchips. The company provides a wide range of solutions including AI, machine learning, and application security testing, to name just a few. The company has healthy and growing free cash flow and we believe it has the potential for continued growth.

Q3 Would you please provide an update about the Fund's three growth buckets and share some examples?

The portfolio is comprised of three types of growth companies: Core Growth, Aggressive Growth, and Life Cycle Change companies.

A majority of the portfolio, typically 60-75%, is allocated to Core Growth companies, which are well-established companies that have relatively predictable earnings growth rates. A Core Growth example in the Fund is Palo Alto Networks, Inc., a cybersecurity company that helps companies protect their cloud-based data, networks, and mobile devices. The company has integrated multiple services into one multi-inclusive solution that is accessed through a subscription model.



MARSICO
FUNDS®

Overall Rating

MORNINGSTAR®



(MXXIX) 3 Stars out of 523 Mid-Cap Growth funds as of 12/31/2023 based on risk-adjusted return.^{1,2,3}

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

Aggressive Growth companies typically account for up to 25% of the portfolio. These companies offer innovative or disruptive products or services and have the potential for faster growth. For example, Spotify Technology S.A. ("Spotify") fits in this category. Spotify is one of the world's largest music streaming companies. In addition to music and podcasts, Spotify is tapping into the audio book business, offering the company additional room for expansion. The company offers a premium subscription model which has grown substantially, with over 220 million paying subscribers and approximately 20% growth over the past year.

The third growth type is Life Cycle Change companies which also typically account for up to 25% of the portfolio. These companies are undergoing a positive transformational change. One portfolio example is Delta Air Lines, Inc. ("Delta"), one of the largest airline companies in the U.S. Similar to other airline companies, Delta took on debt to survive the sudden drop in demand during the COVID-19 pandemic. Now Delta's operating results are back to pre-pandemic levels. We believe that excess cash flow positions the company to pay down its debt and the company is well positioned to experience share price growth.

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 Midcap Growth Focus Fund Performance (As of 12/31/2023)⁵

	Average Annualized Returns					
	1 Year	3 Year	5 Year	10 Year	Since Inception 2/1/2000*	Since Inception 12/6/2021*
Investor Class Shares (MXXIX)	21.71%	-2.44%	11.87%	9.50%	7.13%	—
Institutional Class Shares (MIDFX)³	22.00%	—	—	—	—	-6.86%
Russell Midcap Growth Index ^{6,7}	25.87%	1.31%	13.81%	10.57%	6.91%	-2.21%
Morningstar Mid-Cap Growth Funds Category Average ¹	21.37%	-0.86%	12.46%	9.23%	—	—

Expense Ratio: Investor class shares ("Investor Class") 1.35% gross/net; Institutional class shares ("Institutional Class") 1.12% gross/net.⁸

*Investor Class inception 2/1/2000, 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 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. Please read the prospectus carefully before investing.

The Marsico Midcap Growth Focus 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.

¹ Source: Morningstar, Mid-Cap Growth Funds Category.

² 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 2 stars for the 3-year period and 3 stars for the 5- and 10-year periods ended 12/31/2023 among 523, 492, and 395 Mid-Cap Growth funds, respectively. Past performance is no guarantee of future results. Recent performance may have been negative.

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

⁴ Of the companies mentioned, the Marsico Midcap Growth Focus Fund's holdings as a percentage of net assets as of 12/31/2023 were as follows: Synopsys, Inc. 6.50%, Palo Alto Networks, Inc. 4.53%, Spotify Technology S.A. 3.71%, and Delta Air Lines, Inc. 3.20%. 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.

⁵ Source for Fund and Index returns: UMB Fund Services, Inc.

⁶ The Russell Midcap Growth Index measures the performance of the mid-capitalization growth sector of the U.S. equity market, and is composed of mid-capitalization U.S. equities that exhibit growth characteristics including higher price-to-book ratios and higher forecasted growth. It is a subset of the Russell Midcap® Index, which measures the performance of the mid-capitalization sector of the U.S. equity market. The index described above is unmanaged and not available for direct investment. For comparison purposes, it should be noted that the index described above does not charge fees and has no expenses.

⁷ 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.

⁸ As of the Fund's 1/31/2023 prospectus, as supplemented; Investor Class 1.35% gross/net; Institutional Class 1.12% gross/net.

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