

# MARSICO CAPITAL MANAGEMENT, LLC

## FIRM PROFILE

As of December 31, 2009



MARSICO  
CAPITAL MANAGEMENT, LLC

### ORGANIZATION

Founded by Thomas F. Marsico in 1997, **Marsico Capital Management, LLC ("MCM") is a Denver, Colorado-based, employee-owned investment management firm** that manages assets for mutual funds, variable insurance funds, corporate retirement plans, endowments and other institutions, separately managed wrap programs, and other clients.

MCM had 74 employees as of December 31, 2009. **The 24-member investment team**, comprised of four portfolio managers/senior analysts, sixteen research analysts, and four senior traders, focuses exclusively on portfolio management, company research, and trading. MCM's business management team is responsible for MCM's overall business operations, including legal, compliance, operations, and client services.

**MCM's primary line of business is investment management of domestic, international, and global growth equity portfolios.** As of December 31, 2009, MCM managed approximately US \$55.24 billion in assets within six investment strategies:

- **Large Cap Focused Growth** – A portfolio that typically invests in 20-30 common stocks and other securities of large companies that are selected for their long-term growth potential; managed by Tom Marsico and Doug Rao\*.
- **Large Cap Diversified Growth** - A portfolio that typically invests in 35-50 common stocks and other securities of large companies that are selected for their long-term growth potential; managed by Tom Marsico and Doug Rao\*.
- **All Cap Growth** - A portfolio that typically invests in 35-50 common stocks and other securities of companies of any size that are selected for their long-term growth potential; managed by Cory Gilchrist.
- **International Growth** - A portfolio that typically invests in 35-75 common stocks and other securities of foreign companies of any size that are selected for their long-term growth potential; managed by Jim Gendelman.
- **Global Growth** - A portfolio that typically invests in 35-65 common stocks and other securities of foreign and domestic companies of any size that are selected for their long-term growth potential; team managed by Cory Gilchrist, Tom Marsico, and Jim Gendelman.
- **Flexible Capital** – A portfolio that typically invests in 20-50 equity securities and other investments in companies of any size throughout the world that are selected primarily for their long-term growth potential; managed by Doug Rao.

\*Doug Rao is joining Tom Marsico as co-manager of the Large Cap Focused Growth and Large Cap Diversified Growth strategies during 2010.

Foreign investments present additional risks due to currency fluctuations, economic and political factors, lower liquidity, differences in securities regulations and accounting standards, possible changes in taxation, limited public information and other factors."

### INVESTMENT PHILOSOPHY AND PROCESS



MCM's investment approach combines elements of "top-down" macroeconomic analysis and "bottom-up" company and security analysis. Our macroeconomic analysis - which includes an assessment of factors such as interest rates, inflation, monetary policy, and demographic trends - serves to create a strategic backdrop for portfolio construction. Stocks are evaluated and selected on the basis of attributes such as a company's market-share position, management team, profit margins, balance sheet strength/flexibility, and free cash-flow

generation. A positive, transformational catalyst, such as a major new innovative product or favorable regulatory development, may also be an important consideration that influences our investment decision. In addition, we carefully consider a stock's current valuation in the context of internally projected growth rates and peer-group comparisons.

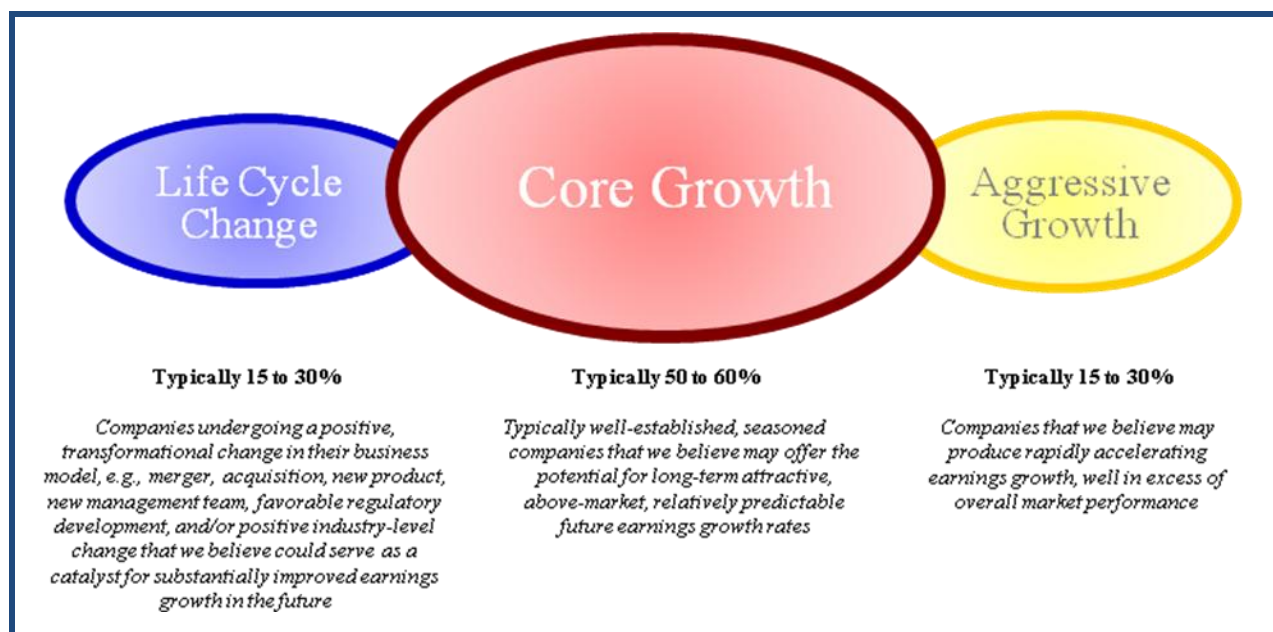
## Key Tenets of MCM's Strategy:

- *Time-tested.* For example, Tom Marsico, MCM's founder, Chief Executive Officer, and Chief Investment Officer, has managed large-cap equities since 1979, and has a public investment track record dating to 1988. Many of MCM's other senior investment team members also have substantial industry experience.
- *Fundamental, intensive, hands-on research.*
- *Blend top-down macroeconomic analysis and theme development with bottom-up stock selection.*
- *Concentrated portfolios.*
- *Diversify across and within a variety of major economic sectors.*

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## PORTFOLIO CONSTRUCTION METHODOLOGY

- *Flexible approach to defining "growth" based on several different characteristics (see illustration below).*
- *Benchmark-agnostic portfolio construction process.*
- *Multi-pronged valuation criteria.*
- *Several sell disciplines: for example, a security's fundamentals change substantially, its price appreciation leads to substantial overvaluation in relation to the investment adviser's estimates of future earnings and cash flow growth, or a better investment idea surfaces.*



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## MCM PORTFOLIO MANAGERS

### Thomas F. Marsico

Chief Executive Officer and Chief Investment Officer  
Employed by MCM since 1997  
Janus Capital, 1986-1997  
Fred Alger Management, 1982-1986  
Boettcher & Co., 1979-1982  
M.B.A., University of Denver, 1979  
B.A., University of Colorado, 1977

### Corydon J. Gilchrist, CFA

Employed by MCM since 2000  
The Principal Financial Group  
(Invista Capital Management), 1996-2000  
M.B.A., University of Iowa, 1996  
B.B.A., University of Iowa, 1993  
Chartered Financial Analyst, 1998

### James G. Gendelman

Employed by MCM since 2000  
Goldman, Sachs & Co., 1987-2000  
CPA, Ernst & Young, 1983-1985  
M.B.A., University of Chicago, 1987  
B.S., Michigan State University, 1983

### A. Douglas Rao

Employed by MCM since 2005  
TCW Group, Inc., 2000-2005  
UBS PaineWebber, Inc., 1996-1999  
M.B.A., UCLA, 2001  
B.A., University of Virginia, 1996