

## COMMENTARY

## MARSICO GLOBAL FUND (MGLBX)



MARSICO  
FUNDS®

*Portfolio Managers Tom Marsico, Brandon Geisler, and Rob Susman share their insights into the management of the Marsico Global Fund.*

### Q1 Would you please share your thoughts on the current global economic environment and its impact on your stock selection?

The Fund features a portfolio of generally 25-40 high-quality, industry-leading, large-cap companies. Our focus is on finding innovative companies from around the world that possess strong global franchises and competitive advantages, solid fundamentals, and compelling long-term growth potential. The Fund's portfolio is a flexible allocation of both U.S. and international companies.

The macroeconomic conditions affecting the global markets are similar to those experienced in the U.S. The COVID-19 pandemic has impacted every region in the world, although the recovery differs from country to country as reopening conditions vary. Many business operations including the travel and hospitality industries are still recovering from a prolonged period of excess capacity. The supply chain disruptions experienced in the U.S. are also being felt on a global scale and inflation is rising worldwide.

As the recovery continues, many businesses have quickly adapted through the use of technology. Many companies are reporting record levels of revenue and earnings fueled by improving consumer balance sheets and strong demand. Accordingly, many global equity markets continued to advance in 2021. Within the U.S., the S&P 500<sup>1</sup> Index reached over 50 new highs in the year-to-date period through September 30, 2021.

Amid this environment, our focus continues to be on owning innovative, high-quality companies with opportunities for attractive long-term growth, regardless of the country of domicile. We believe high-quality companies serve an important role in investors' equity allocations and are pleased that the Fund outperformed the MSCI All Country World Index for the 3-, 5-, 10-year and since inception periods ended September 30, 2021.<sup>2</sup>

### Q2 As a thematic, bottom-up manager, would you please comment on opportunities within the Digital Transformation investment theme?

Digital Transformation is one of the Fund's key investment themes. Within this investment area, we favor high-quality companies that are developing new and creative ways to use technology to enhance efficiencies, disrupt traditional business models and increase market share. A few examples of these types of companies include:

- » Sea Ltd. ADR<sup>3</sup> is a leading global consumer internet company based in Singapore that operates three core businesses across digital

### Overall Rating

MORNINGSTAR®



4 Stars out of 298 World Large Stock Growth funds as of 9/30/21 based on risk-adjusted return.

### Portfolio Management



#### Tom Marsico

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



#### Brandon Geisler

- » Portfolio Manager
- » Over 20 years experience



#### Robert Susman, CFA

- » Portfolio Manager
- » Over 15 years experience

entertainment, e-commerce and digital payments and financial services. The company operates in Asian markets outside of China and is expanding in Latin America.

- » Domino's Pizza Enterprises Ltd., based in Brisbane, Australia, is the master franchisee for Australia as well as several other countries in Europe and Asia. With over 1,500 locations, the company has created technological innovations and best practices that have facilitated expansion into new markets.
- » ASML Holding N.V., based in the Netherlands, is an innovative leader in the semiconductor industry that provides chipmakers with hardware, software and services to mass produce patterns on silicon through lithography.

### **Q3 With personal wealth increasing, how do global consumer trends factor into the Fund's investment approach?**

As global wealth continues to rise, the spending power of the middle class globally has increased as well. The combination of greater wealth and the desire for additional goods and services informs our Global Emerging Middle Class theme, whereby people from around the world are deploying capital in a variety of ways that may not have been possible even a generation ago.

For example, we see continued strength in luxury brand items. Luxury brands have wide appeal and are recognized throughout the world and especially so in Asia. Travel demand is an interesting by-product of our luxury brand theme. For example, an increasing number of affluent tourists from Asia make trips to Paris to purchase luxury goods. We believe these trends should accelerate over time as COVID concerns lighten and the Fund's luxury goods holdings including Hermes International and Moet Hennessy Louis Vuitton S.E. should benefit.

### **Q4 What changes were made to the portfolio in the third quarter?**

In the third quarter we made one new addition to the portfolio: Blackstone Inc., a large alternative asset manager based in New York that serves clients around the world. We exited a few positions during the quarter, including a reduction in our Chinese exposure due to concerns regarding governmental regulation and slowing growth in that market. For example, we exited our positions in two Chinese companies: Alibaba Group Holding Ltd. ADR, an online and mobile commerce company; and Tencent Holdings Ltd., an internet company with services including social networking and gaming.

Going forward, we believe the Fund's high-quality emphasis and compelling growth opportunities bode well for long-term oriented investors.

## **About Marsico Funds**

Founded in 1997, Marsico Capital Management 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 \$3.8 billion in assets as of September 30, 2021.

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.

**Fund Performance (As of 9/30/21)<sup>2</sup>**

	Average Annualized Returns				
	1 Year	3 Year	5 Year	10 Year	Since Inception (12/31/1997)
<b>Marsico Global Fund</b>	<b>16.33%</b>	<b>16.10%</b>	<b>19.53%</b>	<b>16.70%</b>	<b>11.04%</b>
MSCI All Country World Index (ACWI) <sup>1,4</sup>	27.44%	12.58%	13.20%	11.90%	6.25%

Fund Expense Ratio: 1.73% gross, 1.50% net<sup>5</sup>

**Performance data quoted 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 [www.marsicofunds.com](http://www.marsicofunds.com) or call 888-860-8686. A Fund's performance, especially for short time periods, should not be the sole factor in making an investment decision.**

**Disclosure**

*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](http://marsicofunds.com). Please read the prospectus carefully before investing.*

Investments in foreign securities generally, and emerging markets in particular, involve risks that may differ from or at times exceed the risks of U.S. investments for a variety of reasons such as, without limitation, unstable international, regional, or national political and economic conditions, diplomatic developments such as sanctions, embargoes, trade tariffs, trade limitations or trade wars, less stringent investor protections and disclosure standards, currency fluctuations, foreign controls on investment and currency exchange, foreign governmental control of some issuers, potential confiscatory taxation or nationalization of companies by foreign governments, sovereign solvency considerations, withholding taxes, a lack of adequate company information, less liquid and more volatile exchanges and/or markets, ineffective or detrimental government regulation, varying accounting, auditing, disclosure, and reporting standards, political or economic factors that may severely limit business activities, legal systems or market practices that may permit inequitable treatment of minority and/or non-domestic investors, immature economic structures, and less developed and more thinly traded securities markets. In addition, the Fund and the stocks and markets in which it invests are subject to other 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> The S&P 500 Index is a registered trademark of S&P 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 MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. Sources of foreign exchange rates may be different between the Fund and the benchmark. 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>2</sup> Source for Fund and Index returns: UMB Fund Services Inc.

<sup>3</sup> Of the companies mentioned, the Global Fund's holdings as a percentage of net assets as of 9/30/21 were as follows: Sea Ltd. ADR 5.48%, Domino's Pizza Enterprises Ltd. 2.65%, ASML Holding N.V. 4.50%, Hermes International 3.47%, Moet Hennessy Louis Vuitton S.E. 2.81%, Blackstone, Inc. 1.93%, Alibaba Group Holding Ltd. ADR 0.00%, Tencent Holdings Ltd. 0.00%. 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 ongoing management of your portfolio, 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 portfolios today.

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<sup>5</sup> As of the Fund's 2/1/2021 prospectus; 1.73% gross, 1.50% net. Effective February 1, 2021, Marsico Capital Management, LLC, the investment adviser to the Fund (the "Adviser"), has entered into a written expense limitation and fee waiver agreement under which it has agreed to limit the total expenses of the Global Fund (excluding taxes, interest, acquired fund fees and expenses, litigation, extraordinary expenses, and brokerage and other transaction expenses relating to the purchase or sale of portfolio investments) to an annual rate of 1.50% of the Fund's average net assets until January 31, 2022. This expense limitation and fee waiver agreement may be terminated by the Adviser at any time after January 31, 2022 upon 15 days prior notice to the Fund and its administrator, provided that no such modification will be made in a manner inconsistent with the terms of the current prospectus. The Adviser may recoup from the Fund fees previously waived or expenses previously reimbursed by the Adviser with respect to the Fund pursuant to this agreement (or a previous expense limitation agreement) if: (1) such recoupment by the Adviser does not cause the Fund, at the time of recoupment, to exceed the lesser of (a) the expense limitation in effect at the time the relevant amount was waived and/or reimbursed, or (b) the expense limitation in effect at the time of the proposed recoupment, and (2) the recoupment is made within three years after the fiscal year end date as of which the amount to be waived or reimbursed was determined and the waiver or reimbursement occurred. Prior to February 1, 2021, the Adviser had agreed to limit the total expenses of the Global Fund (with certain exclusions) to an annual rate of 1.45% of the Fund's average net assets.

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. ©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 and 4 stars for the 5- and 10-year period ended 9/30/21 among 298, 254 and 159 World Large Stock Growth funds, respectively. Past performance is no guarantee of future results. Recent performance may have been negative.

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