

## COMMENTARY

# MARSICO GROWTH FUND (MGRIX)

*The Marsico Portfolio Management team shares their insights about thematic growth opportunities for and management of the Marsico Growth Fund.*

## Q1 The Marsico Growth Fund is a high-conviction, faster growth strategy. Why do you believe a concentrated, actively managed approach is important for meaningful long-term growth?

In today's rapidly changing investment environment, it is paramount to be highly selective—and in our case, highly concentrated—in order to rigorously research and evaluate companies using the business owner's perspective and do so with a multi-year, forward looking view. Not only do we need to thoroughly understand the competitive positions of the companies under consideration, we also need to fully envision and assess their likelihood of future success. Only then are these companies considered to be potential candidates for inclusion in the portfolio. In-depth research and an understanding of a company's competitive environment are key. We believe this high conviction approach positions us well to capture the most compelling growth opportunities for our investors.

As a result, the Fund typically invests in 30-40 faster-growing, innovative large-cap companies that we believe offer compelling long-term growth potential. These companies have proven business models, offer consumers market-leading solutions, yet are in the early stages of what we believe to be a long-term revenue and earnings growth trajectory.

## Q2 The early identification of long-term secular themes is a key component of your investment approach. How does this play out in the management of the Fund?

Compelling long-term secular trends have the potential to serve as significant catalysts for growth—providing robust tailwinds that propel portfolio companies forward. The early identification of such trends or themes is critical in the management of the Fund.

We continue to find ample opportunity for investment in a rapidly evolving world that is thriving on convenience, advertising on the latest platforms, and anticipating the proliferation of 5G and the emergence of the metaverse (a network of always-on virtual environments in which people interact with each other and digital objects while operating as avatars of themselves). As a result, some of the compelling long-term themes we have identified include the following, among others:

- » **The Growing Role Of Convenience:** From continuous glucose monitoring offered by DexCom, Inc.<sup>1</sup>, to secure digital document transfer through DocuSign, Inc., convenience is the name of the game to meet the demands of consumers rapidly adopting the benefits of an increasingly digital world. Companies that can provide the most "frictionless" digital experience should dominate markets.



MARSICO  
FUNDS®

### Overall Rating

MORNINGSTAR®



4 Stars out of 1,133 Large Growth funds as of 9/30/2021 based on risk-adjusted return.

### Portfolio Management



#### Peter Marsico

- » Portfolio Manager
- » Over 12 years experience



#### Jimmy Marsico

- » Portfolio Manager
- » Over 11 years experience



#### Tom Marsico

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



#### Brandon Geisler

- » Portfolio Manager
- » Over 20 years experience

- » **A Digital World Demands Digital Advertising:** The proliferation of social media, streaming services, and the shift from brick-and-mortar sales to ecommerce have changed the way brands engage consumers. These companies successfully meet consumers where they are, and at any time they choose to view content. Social media, streaming services, and other digital platforms, including Facebook, Inc. and Snap Inc., along with digital advertising have now become table stakes for those seeking to capture consumers' attention across demographics.
- » **Gearing Up For 5G:** The semiconductor industry, having powered every generation of microchips for the past 50 years, is gearing up for 5G. A 5G network designed to operate at higher speeds than consumers have currently experienced requires higher performance through next-gen semiconductors to support a myriad of applications in the ever-expanding internet of things—from self-driving cars and 3D gaming to weather forecasting. We seek ways to capitalize on this evolution, for example, by investing in companies such as NVIDIA Corporation.

**Q3 How does the Fund fit into an overall portfolio allocation?**

The Fund serves as a potentially alpha-generating complement to core equity in an overall portfolio allocation. With its faster growth approach, the Fund has rewarded investors over numerous time periods. In fact, the Fund has impressively outperformed the S&P 500 Index, on an annualized basis, by a range of approximately 150-940 basis points over the 3, 5 and 10-year periods ended September 30, 2021.<sup>2</sup>

As we gradually emerge from the pandemic and focus on a more promising future, we believe the Fund provides exposure to some of the most compelling technologically based opportunities that are accelerating change across the world.

**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 Growth Fund</b>	<b>26.46%</b>	<b>25.40%</b>	<b>23.81%</b>	<b>18.14%</b>	<b>10.23%</b>
S&P 500 Index <sup>3</sup>	30.00%	15.99%	16.90%	16.63%	8.49%
Russell 1000 Growth Index <sup>3,4</sup>	27.32%	22.00%	22.84%	19.68%	9.17%

Fund Expense Ratio: 1.50% gross, 1.45% 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. Please read the prospectus carefully before investing.*

The Growth 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> Of the companies mentioned, the Growth Fund's holdings as a percentage of net assets as of 9/30/21 were as follows: DexCom, Inc. 2.18%, DocuSign, Inc. 0.94%, Facebook, Inc. 4.95%, Snap, Inc. 1.75%, NVIDIA Corporation 3.61%. 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 the 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.

<sup>2</sup> Source for Fund and Index returns: UMB Fund Services Inc.

<sup>3</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 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>4</sup> Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2018. FTSE Russell is a trading name of certain of the LSE Group companies. Russell® is a trade mark of the relevant LSE Group companies and is/are used by any other LSE Group company under license. "TMX®" is a trade mark of TSX, Inc. and used by the LSE Group under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither 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>5</sup> As of the Fund's 2/1/2021 prospectus; 1.50% gross, 1.45% net. 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 Growth 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 1.45% 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.

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 5 stars for the 3-year period, 4 stars for the 5-year period, and 3 stars for the 10-year period ended 9/30/21 among 1133, 1024 and 762 US Fund Large Growth funds, respectively. Past performance is no guarantee of future results. Recent performance may have been negative.

The Marsico Funds are distributed by UMB Distribution Services, LLC