

MARSICO MIDCAP GROWTH FOCUS FUND (MXXIX)



MARSICO
FUNDS®

The Marsico Midcap Growth Focus Fund Portfolio Manager shares his insights about the investment approach of the Fund and compelling reasons to consider an investment in the Fund.

Q1 Would you please discuss the Fund's performance in Q3 2021 relative to the Morningstar Mid-Cap Growth category average?

The Fund's return of 1.75% outperformed the Morningstar category average by 261 basis points for the quarter ended September 30, 2021.^{1,2} While we are pleased with Q3 2021's relative return, our goal is to deliver outperformance over much longer time periods. Accordingly, we are pleased to report that the Fund outperformed its Morningstar peer group for the 1-, 3-, 5- and 10-years periods ended September 30, 2021, and did so with less volatility, as measured by standard deviation, for the 3-, 5- and 10- year periods as well.

Q2 Would you please share your thoughts about the current macroeconomic environment?

COVID continues to leave its mark on the 2021 economic environment. As we recover from the devastating effects of last year's shutdowns, we have faced dramatic changes with respect to employment shortages, supply chain disruptions and inflationary pressures on many manufacturing inputs and end-use products. During the recovery, interest rates have remained at historically low levels, fueling unprecedented activity and price increases in the housing markets throughout the U.S.

Over the first half of 2021, GDP has substantially risen. In Q2, GDP rose at an impressive rate of 6.7%³, a much higher result than pre-pandemic levels. Offsetting labor shortages, many businesses throughout the country have had to rethink their business models and embrace even higher levels of technology utilization. To put employment into perspective, there are 7 million less workers in the workforce today than prior to the pandemic.

As the recovery continued, the market, as measured by the S&P 500 Index, recorded over 50 new highs year-to-date through September 2021, an extraordinary event given relatively low volatility along the way. Many investors across all market capitalizations, whether growth or value companies, have benefitted from the strong broad-based advance of equities. Going forward, we remain bullish on the long-term prospects of equities and expect economic growth to moderate from current levels.

Overall Rating

MORNINGSTAR®



4 Stars out of 549 Mid-Cap Growth funds as of 9/30/21 based on risk-adjusted return.

Portfolio Management



Brandon Geisler

- » Portfolio Manager
- » Over 20 years experience

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.

Q3 What types of mid-cap companies do you own in the portfolio?

The Fund features a high-conviction portfolio of generally 35-50 faster-growing, high-quality, mid-cap companies with strong fundamentals, recurring revenue streams and a long growth runway. These companies incorporate innovative solutions to their business models and tend to experience faster growth from a variety of factors including earnings, cash flow and margin expansion, among others, relative to their peer group.

At Marsico, we incorporate growth-oriented secular themes and strong company fundamentals into our selection process. Within defined themes, such as Industrial Automation, the Changing Consumer and Lifesciences Innovation, we seek innovative companies that are poised to grow faster than the broader market. For example, within our Lifesciences Innovation theme, we own Repligen Corp.⁴, which supplies bioprocessing equipment for the manufacture of a variety of drugs and vaccines, and DexCom, Inc., which produces an innovative continuous glucose monitoring device for patients with diabetes. Each company has grown through impressive levels of recurring revenue and is well positioned for above-average sustained growth.

By owning companies with compelling long-term growth potential and allowing them the time to execute their business plans, we aim to have relatively low turnover. As a result, the Fund's portfolio turnover is generally measured in years and is much lower than the Morningstar Mid-Cap Growth category average.²

Q4 The Fund held a small allocation of companies outside the U.S. Would you please comment on this differentiating characteristic of the portfolio?

Due to Marsico's extensive, proprietary research, we are often able to find high-quality mid-cap companies that other asset managers may not uncover. Currently, we own two high-quality Canadian companies with what we believe is significant growth potential. Descartes Systems Group Inc. provides supply chain management software for users in the shipping industry. Another holding, FirstService Corp is North America's largest manager of residential communities and one of North America's largest providers of essential property services delivered through company-owned operations and individually branded franchise systems, including California Closets, Paul Davis and CertaPro Painters, among others.

In addition, Australia-based Atalassian Corporation, one of the portfolio's largest holdings, is a global company that develops products for software developers, project managers and other software development teams for companies worldwide.

With its concentrated and differentiated portfolio of faster-growing companies, the Fund maintains a high active share relative to the Russell Midcap Index. As of September 30, 2021, the Fund's active share was 84%.⁵

Fund Performance (As of 9/30/21)¹

	Average Annualized Returns				
	1 Year	3 Year	5 Year	10 Year	Since Inception (12/31/1997)
Marsico Midcap Growth Focus Fund	36.56%	20.94%	21.63%	17.84%	8.78%
Russell Midcap Growth Index ^{6,7}	30.45%	19.14%	19.27%	17.54%	7.92%
Morningstar Mid-Cap Growth Funds Category Avg. ²	33.09%	18.19%	18.82%	16.49%	—

Fund Expense Ratio: 1.40% gross, 1.40% net⁸

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 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 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 for Fund and Index returns: UMB Fund Services Inc.

² Source: Morningstar

³ Source: Bureau of Economic Analysis.

⁴ Of the companies mentioned, the Midcap Growth Focus Fund's holdings as a percentage of net assets as of 9/30/21 were as follows: Repligen Corp. 1.75%, DexCom Inc. 2.81%, Descartes Systems Group Inc. 2.80%, FirstService Corp 3.04%, Atalassian Corporation 3.30%. 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.

⁵ Source: FactSet/PA and Marsico Capital Management, LLC. If applicable, this data has not been reviewed by an independent third party, is gross of fees and may differ from official, reported Fund data.

⁶ The Russell Midcap Growth Index (the "Underlying 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. 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 Underlying Index measures the performance of equity securities of Russell Midcap Index issuers with higher price-to-book ratios and higher forecasted growth. 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.

⁷ 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.

⁸ As of the Fund's 2/1/2021 prospectus; 1.40% gross, 1.40% 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 Midcap Growth Focus 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 4 stars for the 3-, 5- and 10-year period ended 9/30/21 among 549, 495 and 386 US Mid-Cap 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