

COMMENTARY

MARSICO FOCUS FUND

(MFOCX/MIFOX)

The portfolio managers share their insights on the economy, the equity market, and the management of the Marsico Focus Fund (the "Fund").

Q1 Would you please provide your perspective on the U.S. stock market in the second quarter?

Stock market performance in Q2 was driven by the enthusiasm surrounding developments in artificial intelligence (AI) and its potential to impact almost every aspect of how we work and live. A concentrated group of mega-cap technology and communication services companies led the charge, elevating the stock market as a whole.

Generative AI appears to be the catalyst for the next productivity enhancing wave in the U.S. and globally. The Fund's portfolio is well positioned to participate in this game-changing AI trend via investment in a variety of innovative and high-quality technology and communication services companies.

Q2 How is the economy faring as a result of the Federal Reserve's (Fed) aggressive rate hike trajectory and now rate hike pause?

The economy continues to be resilient and the lagging impact of the Fed's series of 10 consecutive rate hikes has yet to ripple throughout the economy and substantially slow growth. Instead, job openings remain high, just below the 10 million mark, which is over 3 million more than where we were pre-pandemic. Wage growth also continues to be strong.

Clearly, the economy has been able to withstand these rate hikes. Corporate earnings estimates have not been revised downward, rather they have been reaffirmed or expectations for the year have been increased. The consumer is also in a great position to benefit from real wage growth, which they have not seen in several years.

Regardless of these factors ultimately, we believe that we should see a notable decline in inflation as represented by the consumer price index (CPI). We expect shelter costs, in particular apartment leasing costs, to decline, and productivity and efficiencies driven by AI to increase. Both factors would relieve inflationary pressures. We believe this environment would be a boon for growth stocks, such as those found in the Fund's portfolio.

Q3 The Fund has consistently outperformed its Morningstar Large Growth Funds category average for the YTD, 1-, 3-, 5-, 10-, and 15-year periods as of June 30, 2023. Would you please comment on the significant drivers of the Fund's outperformance in Q2?

NVIDIA Corp. ("NVIDIA")⁴ continues to be a significant contributor to the Fund's portfolio performance and we believe the company has a long and



MARSICO
FUNDS®

Overall Rating

MORNINGSTAR®



(MFOCX) 3 Stars out of 1,117 Large Growth funds as of 6/30/2023 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 14 years' experience



Jimmy Marsico

- » Portfolio Manager
- » Over 14 years' experience

robust growth runway with AI as a major tailwind. The transition to accelerated computing and the insatiable demand for the graphics processing units (GPUs) and application programming interfaces (APIs) NVIDIA manufactures provide ample growth opportunities for the firm. The company has had a meaningful head start in this area and we believe it will be some time until competitors such as Intel Corp. and Advanced Micro Devices, Inc. catch up.

Meta Platforms, Inc. was also a big driver of portfolio outperformance in Q2. We expect significant improvement in operating margins and return on invested capital as well as an acceleration in revenue growth as CEO Mark Zuckerberg refines the company's approach in these areas. In addition, the company has existing business models that generate significant cash flow that can be reinvested in research to realize its long-term AI aspirations.

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 \$2.9 billion in assets as of June 30, 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 Focus Fund Performance (As of 6/30/2023)⁵

	Average Annualized Returns							
	YTD	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception 12/31/1997*	Since Inception 12/6/2021*
Investor Class Shares (MFOCX)	32.93%	26.63%	10.38%	13.52%	13.52%	10.93%	9.59%	—
Institutional Class Shares (MIFOX)³	33.14%	27.05%	—	—	—	—	—	-5.99%
S&P 500 Index ⁶	16.89%	19.59%	14.60%	12.31%	12.86%	10.88%	8.14%	-0.36%
Russell 1000 Growth Index ^{6,7}	29.02%	27.11%	13.73%	15.14%	15.74%	12.92%	8.60%	-3.41%
Morningstar Large Growth Funds Category Avg. ¹	24.20%	22.89%	9.53%	11.37%	13.02%	10.74%	—	—

Expense Ratio: Investor class shares ("Investor Class") 1.03% gross/net; Institutional class shares ("Institutional Class") 0.66% gross/net.⁸

*Investor Class inception 12/31/1997, 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 Focus Fund is classified as a non-diversified fund, which means it may hold fewer securities than a diversified portfolio because it is permitted to invest a greater percentage of its assets in a smaller number of securities. Holding fewer securities increases the risk that the value of the Fund could go down because of the poor performance of a single investment. The 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, Large 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. ©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, 4 stars for the 5-year period, and 3 stars for the 10-year period ended 6/30/2023 among 1117, 1032, and 791 Large 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 Focus Fund's holdings as a percentage of net assets as of 6/30/2023 were as follows: NVIDIA Corp. 8.50%, Intel Corp. 0.00%, Advanced Micro Devices, Inc. 0.00%, and Meta Platforms, Inc. 7.09%. 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 S&P 500 Index is a registered trademark of Standard & Poor's 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.

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 trademark of the relevant LSE Group companies and is used by any other LSE Group company under license. "TMX®" is a trademark 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 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 1.03% gross/net; Institutional Class 0.66% gross/net.

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