

## COMMENTARY

## MARSICO GROWTH FUND

(MGRIX/MIGWX)

*The Marsico Investment Fund's portfolio management team shares their current insights on the opportunities for the Marsico Growth Fund (the "Fund").*

### Q1 How did the Fund perform in 2023 relative to the Morningstar Large Growth Category?

For the one-year period ended December 31, 2023, the Fund returned 47.45%, outperforming the Morningstar Large Growth Category average return of 36.74% by over 1,000 basis points. The Fund also outperformed the broad market, represented by the S&P 500 Index, which returned 26.29% for the year.<sup>1,5</sup>

We believe the Fund's outperformance is primarily due to our investment process, in which we create a concentrated portfolio of large-cap companies that are fast growing, with innovative, disruptive solutions, and potential long growth runways.

### Q2 Would you please share an example of the Fund's thematic approach to investing?

The Fund seeks companies that are using state-of-the art technology to engage customers and expand market share. In the current market environment, Digital Transformation is a secular theme that is driving growth for many companies. As consumers spend more time and resources engaging with digital platforms, companies are investing heavily into providing services online, including entertainment. A portfolio example is Netflix, Inc. ("Netflix"),<sup>4</sup> the company that originated offering DVD rentals and has transitioned into exclusively providing on-demand digital streaming. Netflix has steadily worked to attract additional customers by offering more types of content, including international programs and sports. In the fourth quarter of 2023, the company's subscriber base grew by more than 13 million, and now has approximately 260 million subscribers worldwide.

### Q3 Would you please describe the types of growth companies that you seek for this Fund's portfolio and share an example?

We categorize growth companies into three main types:

- » **Core Growth** companies represent the majority of the Fund, with typically 60-75% of the portfolio allocated to this group. Core Growth companies are well-established companies that typically have fairly predictable earnings growth rates.
- » **Aggressive Growth** companies offer innovative products or services and have the potential for faster growth. This faster-growing group generally accounts for up to 25% of the portfolio.



MARSICO  
FUNDS®

### Overall Rating

MORNINGSTAR®



(MGRIX) 3 Stars out of 1,118 Large Growth funds as of 12/31/2023 based on risk-adjusted return.<sup>1, 2, 3</sup>

### Portfolio Management



**Peter Marsico**

- » Portfolio Manager
- » Over 15 years' experience



**Jimmy Marsico**

- » Portfolio Manager
- » Over 14 years' experience



**Tom Marsico**

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

» **Life Cycle Change** companies are undergoing a positive transformational change, due to a change in management, product line, or some other catalyst for growth. Typically, up to 25% of the portfolio is allocated to Life Cycle Change companies.

A portfolio example in the Aggressive Growth group is Spotify Technology S.A. This music streaming company offers music and podcasts. The company has been growing both its addressable market and revenue, as it recently expanded into the audio book business, which is estimated to be a \$5B market. Customers can select a paid premium subscription that has grown to over 220 million paying subscribers, approximately 20% growth over the past year.

## 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 \$2.8 billion in assets as of December 31, 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 Growth Fund Performance (As of 12/31/2023)<sup>5</sup>

	Average Annualized Returns					
	1 Year	3 Year	5 Year	10 Year	Since Inception 12/31/1997*	Since Inception 12/6/2021*
<b>Investor Class Shares (MGRIX)</b>	<b>47.45%</b>	<b>2.56%</b>	<b>17.67%</b>	<b>11.80%</b>	<b>9.16%</b>	<b>—</b>
<b>Institutional Class Shares (MIGWX)<sup>3</sup></b>	<b>47.81%</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-1.48%</b>
S&P 500 Index <sup>6</sup>	26.29%	10.00%	15.69%	12.03%	8.30%	3.53%
Russell 1000 Growth Index <sup>6,7</sup>	42.68%	8.86%	19.50%	14.86%	8.85%	2.26%
Morningstar Large Growth Funds Cat. Avg. <sup>1</sup>	36.74%	4.68%	15.74%	12.03%	—	—

Expense Ratio: Investor class shares ("Investor Class") 1.20% gross/net; Institutional class shares ("Institutional Class") 0.93% gross/net.<sup>8</sup>

\*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](https://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 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> Source: Morningstar, Large Growth Funds Category.

<sup>2</sup> 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. © 2024 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 2 stars for the 3-year period, 4 stars for the 5-year period, and 3 stars for the 10-year period ended 12/31/2023 among 1118, 1031, and 810 Large Growth funds, respectively. Past performance is no guarantee of future results. Recent performance may have been negative.

<sup>3</sup> Performance data and Morningstar data available for the Institutional Class is limited because the Institutional Class commenced operations on December 6, 2021.

<sup>4</sup> Of the companies mentioned, the Marsico Growth Fund's holdings as a percentage of net assets as of 12/31/2023 were as follows: Netflix, Inc. 0.98% and Spotify Technology S.A. 1.22%. 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.

<sup>5</sup> Source for Fund and Index returns: UMB Fund Services, Inc.

<sup>6</sup> 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.

<sup>7</sup> Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2023. 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. All rights in the FTSE Russell indexes or data discussed herein remains the property of the 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.

<sup>8</sup> As of the Fund's 1/31/2023 prospectus, as supplemented; Investor Class 1.20% gross/net; Institutional Class 0.93% gross/net.

A basis point is a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point equals 1/100th of 1%, or 0.01%.

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