

COMMENTARY

MARSICO INTERNATIONAL OPPORTUNITIES FUND

(MIOFX/MIIOX)



MARSICO
FUNDS®

Portfolio managers Tom Marsico, Peter Marsico, and Jimmy Marsico share their insights about the Marsico International Opportunities Fund (the “Fund”).

Q1 How is the Fund’s portfolio positioned to benefit from investment themes driving the international stock market?

The Fund consists of a diversified portfolio of innovative companies with strong brand franchises, healthy fundamentals, and compelling growth opportunities. We seek to capitalize on long-term secular global themes, including the potential of artificial intelligence (AI), which was a dominant theme driving markets overall in the second quarter of 2023.

During the quarter, we made some opportunistic changes to the portfolio, increasing the Fund’s allocation to companies we believe are positioned well to benefit from secular investment themes driving growth, including AI and Life Sciences Innovation. Given the Fund’s emphasis on companies with compelling growth stories fueled by secular growth themes, the portfolio’s largest sector weightings as of June 30, 2023 were Information Technology at 21.8% and Consumer Discretionary at 14.0%.⁴

Q2 What are some examples of Information Technology companies owned by the Fund that are participating in the AI theme?

The Fund owns positions in several companies that are benefiting from trends in AI, including companies in the semiconductor industry:

- » **Taiwan Semiconductor Manufacturing Co., Ltd.**⁵ is the world’s largest semiconductor fabricator. Many large, industry-leading companies use its products, including Apple, Inc. and NVIDIA Corporation.
- » **ASML Holding N.V.** supplies photolithography equipment for semiconductor manufacturers. Photolithography is a process using light to etch circuit patterns onto silicon wafers. The process is used to allow chipmakers to create increasing amounts of transistors on nano-sized chips.
- » **SAP S.E. (“SAP”)** is a German business software maker that sees huge growth potential in generative AI technology. SAP said in mid-May that it will deepen collaboration with Microsoft Corp. on joint generative AI projects.

Q3 Would you please provide an update on the Life Sciences Innovation investment theme?

One compelling trend we are following within the Life Sciences Innovation theme is the development of anti-obesity drugs. Novo Nordisk A/S has created a few products in this niche, including the drugs Wegovy and Ozempic. Wegovy is an injectable drug indicated for the treatment of obesity, and

Overall Rating



(MIOFX) 3 Stars out of 407 Foreign Large Growth funds as of 6/30/2023 based on risk-adjusted return.^{1,2,3}

Portfolio Management¹⁰



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

Ozempic is used to treat Type 2 diabetes but has weight loss as a side effect. The company is also working toward FDA approval of an oral version of Wegovy, which may lead to wider adoption given the ease of an oral medication over an injection. The drugs have become extremely popular resulting in high sales growth and product shortages, which we believe provides a tailwind for the company's growth.

gradually replace older aircraft, many with newer, fuel-efficient planes, we believe Airbus will benefit. We believe the need to replace aging aircraft will be a long-term demand driver, due to the number of aging planes currently in service, some as old as 20 to 30 years.

Another company benefiting from increased global travel is Hermes International S.A. ("Hermes"). This luxury goods company is 180 years old, with about 300 stores worldwide. Hermes continues to grow its business by primarily offering hand crafted, exclusive products priced at a premium, reflecting the brand's luxury heritage and positioning. We believe that global travel is a secular driver of growth for Hermes, as China's reopening enables Chinese consumers to resume travel, and potentially spend on luxury goods.

Q4 Would you please provide an update of the Global Travel Recovery theme?

We continue to find growth opportunities among companies that stand to benefit from an increase in consumer travel around the world. For example, the Fund owns a position in Airbus S.E. ("Airbus"). Airbus supplies aircraft for commercial and military use. As airline fleets

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 International Opportunities Fund Performance (As of 6/30/2023)⁶

	Average Annualized Returns					
	1 Year	3 Year	5 Year	10 Year	Since Inception 6/30/2000*	Since Inception 12/6/2021*
Investor Class Shares (MIOFX)	17.11%	3.35%	2.48%	5.74%	5.00%	—
Institutional Class Shares (MIIOX)³	17.39%	—	—	—	—	-6.66%
MSCI EAFE Index ^{7,8}	18.77%	8.93%	4.39%	5.41%	3.68%	-0.50%
MSCI All Country World ex USA Index ^{7,8}	12.72%	7.22%	3.52%	4.75%	3.89%	-3.31%

Expense Ratio: Investor class shares ("Investor Class") 1.71% gross, 1.50% net; Institutional class shares ("Institutional Class") 1.81% gross, 1.25% net.⁹

*Investor Class inception 6/30/2000, 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.

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.

¹ Source: Morningstar, Foreign 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, 2 stars for the 5-year period, and 3 stars for the 10-year period, ended 6/30/2023 among 407, 351, and 238 Foreign 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 Source: UMB Fund Services, Inc., FactSet and Marsico Capital Management, LLC. Data shown such as portfolio holdings, percentages, country, and sector weightings generally applied on the date shown above, and may have changed substantially since then.

⁵ Of the companies mentioned, the Marsico International Opportunities Fund's holdings as a percentage of net assets as of 6/30/2023 were as follows: Taiwan Semiconductor Manufacturing Co., Ltd. 4.84%, Apple, Inc. 0.00%, NVIDIA Corporation 0.00%, ASML Holding N.V. 3.79%, SAP S.E. 4.60%, Microsoft Corporation 0.00%, Novo Nordisk A/S 4.07%, Airbus S.E. 4.43%, and Hermes International S.A. 3.02%. 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.

⁶ Source for Fund and Index returns: UMB Fund Services, Inc.

⁷ The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. The MSCI All Country World ex USA Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the U.S. Sources of foreign exchange rates may be different between the Fund and the benchmarks. 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.

⁸ The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form, and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast, or prediction. The MSCI information is provided on an “as is” basis and the user of the information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing, or creating any MSCI information (collectively, the “MSCI Parties”) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability, and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits), or any other damages. (www.msci.com)

⁹ As of the Fund's 1/31/2023 prospectus, as supplemented; Investor Class 1.71% gross, 1.50% net; Institutional Class 1.81% gross, 1.25% 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 (i) to limit the total expenses of the Investor Class of the International Opportunities 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 attributable to Investor Class shares, and (ii) to limit the total expenses of the Institutional Class of the 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 1.25% of the Fund's average net assets attributable to Institutional Class shares, until January 31, 2024. It may be terminated by the Adviser at any time after January 31, 2024, upon 15 days prior notice to the Fund and its administrator. The Adviser may recoup from the Fund (or share class as applicable) any fees previously waived and/or expenses previously reimbursed by the Adviser with respect to the Fund or share class, as applicable, including any applicable waivers which may apply to a specific share class, pursuant to this agreement (including waivers or reimbursements under previous expense limitations) if (1) such recoupment by the Adviser does not cause the Fund's share class, 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. In accordance with the Funds' Multi-Class Plan, amounts eligible for recoupment from periods prior to the addition of the Institutional Class will continue to be eligible for recoupment from the Investor Class.

¹⁰ Effective April 17, 2023 Peter Marsico and Jimmy Marsico were added as portfolio managers to the Fund with Tom Marsico. Prior to this date, Tom Marsico and Rob Susman were the portfolio managers of this Fund.

The Marsico Funds are distributed by UMB Distribution Services, LLC (“UMBDS”). UMBDS and Marsico Capital Management, LLC are not affiliated.