

# MARSICO CAPITAL MANAGEMENT, LLC®

## FORM ADV PART 2A FIRM BROCHURE

**March 31, 2023**

This brochure (“brochure” or “Part 2A”) for clients and prospective clients of Marsico Capital Management, LLC (“MCM”) provides information about the qualifications and business practices of MCM. If you have any questions about the contents of this brochure, please contact us at 303-454-5600 or at [compliance@marsicocapital.com](mailto:compliance@marsicocapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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Additional information about MCM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

None.

This Part 2A client brochure dated March 31, 2023, is the annual update to the previous annual brochure dated March 31, 2022. This update has not introduced material changes to the March 31, 2022, Part 2A brochure, and contains only routine updates or enhanced disclosure.

The attached Part 2B of Form ADV includes brochure supplements describing MCM's portfolio managers as of March 31, 2023. Supplements previously were filed with the Part 2A client brochure dated March 31, 2022. In June, July, August, and September of 2022, MCM made limited changes to Part 2B and provided an updated Part 2B to affected clients following each update. The attached supplements incorporate those changes and other updates.

From time to time MCM may make further updates to its Part 2B brochure supplements and deliver them separately to affected clients without filing them with Part 2A.

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#### **Item 4. Advisory Business**

##### **Description of MCM**

MCM is an independent investment adviser registered with the SEC. MCM primarily manages concentrated growth equity portfolios for diverse institutional and individual clients, as described further below.

A significant percentage of MCM's clients consists of a U.S. registered investment company and other pooled investment vehicles (such as a sub-advised foreign collective investment vehicle) (together, "Fund Clients").

MCM also manages separately managed private accounts ("Private Accounts") for other institutions and individuals, such as corporate retirement plans, foundations, trusts, tax-exempt and charitable institutions, individual retirement accounts, and other institutions and individuals as described further in **Item 7: Types of Clients**. MCM also advises wrap account programs.

Founded by Thomas F. ("Tom") Marsico in 1997, MCM is an independent firm controlled by its management through a parent company structure. Mr. Marsico also serves as Chief Executive Officer and Chief Investment Officer of MCM.

##### **Principal Owners of MCM**

MCM is a direct, wholly-owned subsidiary of Marsico Subco, LLC, which is a direct, wholly-owned subsidiary of Marsico Holdings, LLC ("Holdings"). Holdings, in turn, is owned by Marsico Group, LLC ("Group") and by third parties. Group controls Holdings as its managing member, holds 100% of the voting rights in Holdings, and owns approximately 38% of the equity interests in Holdings, the largest block of equity interests held by any single entity.

Group, in turn, is owned by MCM management, including certain MCM employees and their family interests. The principal owner and managing member of Group is a partnership controlled by Tom Marsico. Through the partnership's control of Group, the partnership retains all voting rights and control over the ongoing management and day-to-day operations of Holdings and its subsidiaries, including MCM.

Tom Marsico also directly owns certain equity interests in Holdings in addition to the interests that he and other MCM employees indirectly own through Group. Taken together, Group, Mr. Marsico, and his family interests own approximately 60% of the equity interests in Holdings.

The remaining minority of the equity interests of Holdings not held by Group and Tom Marsico are held by third parties. Because equity interests in Holdings do not include voting rights over management and operations, they are not considered voting securities under pertinent securities laws, and third-party owners of interests in Holdings are not considered affiliated persons of Holdings or its subsidiaries, including MCM. Equity interests in Holdings may be transferred privately subject to applicable agreements and securities laws.

None of MCM's affiliated companies are public companies, broker-dealers, or investment advisers, are substantially involved in MCM's day-to-day business operations, or perform other functions that may be significant for regulatory purposes.

## **Types of Advisory Services Provided by MCM**

As noted above, MCM primarily manages concentrated growth equity portfolios for diverse clients.

As discussed further in **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**, the primary strategies through which MCM invests client portfolios consist of:

- Focused Growth
- Large Cap Growth
- Select Alpha Growth
- Midcap Growth Focus
- International Growth
- Global Growth

MCM may invest particular clients' accounts based on combinations or modifications of these or other strategies tailored to each client's individual specifications. MCM seeks to accommodate any reasonable guidelines and restrictions that clients may specify, including restrictions on particular securities or industries. MCM may modify its customary strategies for particular clients if desired.

As discussed further in **Item 8** below, MCM primarily uses fundamental methods of analysis including top-down macroeconomic analysis and bottom-up company and security analysis in investing client accounts. From time to time MCM also may use other investment tools or strategies to check, refine, or enhance these methods. While MCM invests primarily in equity securities for clients, client accounts also may hold a variety of other securities and investments potentially including fixed income if desired.

MCM does not generally manage portfolios based on alternative strategies such as asset allocation, long-short, risk-neutral, absolute return, or similar strategies, use quantitative filters or screens or optimization techniques in portfolio construction, or target tracking error levels, standard deviation, or other metrics in managing client portfolios. MCM generally does not manage portfolios that invest significantly in derivatives, swaps, commodities, commodity futures, or options on commodities.

MCM may exercise its discretion to seek to hedge portfolio exposures to individual securities held in a portfolio, broad-based securities indices, currencies, markets, interest rates and other variables that could potentially affect returns to investors, but is not required to hedge any client account. MCM does not hold itself out as a commodity pool operator or commodity trading adviser, and any commodity interest trading advice that MCM may offer is incidental to its business of providing investment advice primarily relating to securities.

## **Clients Include Fund Clients and Separately Managed Private Accounts**

Fund Clients served by MCM include the U.S. registered investment company identified in **Item 10: Other Financial Industry Activities and Affiliations**, and other pooled investment vehicles (such as a sub-advised foreign collective investment vehicle). MCM may provide

services to an entire fund or portfolio or to a sleeve of a fund or portfolio as an advisor or sub-advisor.

In serving Fund Clients, MCM typically serves as investment adviser or sub-adviser to the fund or its principal manager. Fund advisory arrangements and fees vary and generally are approved by fund boards. The prospectus or other disclosure document for each fund or portfolio provides information about advisory or sub-advisory services and fees payable to MCM (or to another principal manager which itself may pay MCM).

Separately managed Private Accounts that MCM manages for other institutions and individuals include corporate retirement plans, foundations, trusts, tax-exempt and charitable institutions, individual retirement accounts, and other institutions and individuals.

### **Clients Include Wrap Programs**

MCM provides services to wrap account programs (“wrap programs”) by serving as investment manager (or sub-adviser to a manager) of wrap program accounts or model portfolios. MCM does not sponsor any wrap programs.

Wrap programs are typically sponsored by a broker-dealer or affiliated advisory firm, and may help brokerage clients to obtain the services of selected managers like MCM in buying securities for accounts that may be too small to be managed as Private Accounts. Wrap programs also include other services such as the sponsor’s oversight of investment managers, sponsor execution of trades, and sponsor custody of portfolio securities. Participants should be aware that wrap account fee rates may be higher than fee rates that certain Private Accounts may pay to retain MCM’s services directly if minimum thresholds are met. Program sponsors, not MCM, generally set program fees and determine program services provided to participants.

Wrap programs generally require sponsors and service providers to provide services to multiple participants. MCM seeks to serve each wrap program participant effectively. Due to the structure of wrap programs and sponsors’ primary role in providing certain services, MCM may not always be in a position to provide the same comprehensive client relationship services to each wrap program participant that it may provide to each Private Account.

Depending on the type of wrap program, MCM’s services as investment manager may include maintaining a model portfolio to guide purchases and sales of securities for program participants, and communicating changes in the model to programs. An MCM portfolio manager, or other persons designated by a portfolio manager, such as MCM’s traders, may make or communicate management decisions for model portfolios based on similar portfolios and other considerations. Other duties potentially performed by MCM, such as assisting in trades if requested, vary depending on the wrap program involved.

Unified Managed Account Wrap Programs. In unified managed account or similar wrap programs (“UMA wrap programs”), the sponsor (or an affiliated or independent “overlay manager” appointed by the sponsor) assumes the primary role in managing client portfolios using recommendations from other investment managers such as MCM. In return for a fee, UMA program clients receive investment management services directly from the sponsor or overlay manager rather than from MCM. The sponsor or overlay manager receives limited services from investment managers such as MCM, which provide ongoing investment

recommendations in the form of a model portfolio and periodically update the model portfolio. The sponsor or overlay manager exercises its discretion in how best to implement the manager's recommendations for clients as the sponsor deems appropriate, often by blending model portfolios provided by MCM and other managers to create portfolios the sponsor deems suitable for clients. The sponsor or overlay manager generally executes trades for UMA portfolios itself.

In UMA arrangements, MCM's duties typically are limited to providing model portfolios to sponsors or overlay managers. In unusual cases, MCM may advise the sponsor on the execution of certain trades. MCM receives a portion of the UMA wrap program fees for its services.

Separately Managed Account Wrap Programs. In a separately managed account wrap program ("SMA wrap program"), the sponsor and other service providers provide a bundle of services to client participants in return for a single fee paid to the sponsor that "wraps" around the various services. The sponsor's services typically include assisting the participant in selecting investment managers such as MCM that can implement investment strategies deemed suitable by the sponsor, participant, and manager based on participant investment objectives, overseeing the services provided by each manager, paying each manager, facilitating the execution of trades through the sponsor or its brokerage affiliate, and holding securities in custody.

In SMA wrap programs, MCM typically would provide management services, oversee the execution of trades typically through the sponsor, and provide other services to SMA sponsors and participants. MCM typically would receive a portion of SMA account wrap fees for its services.

The SMA wrap program sponsor and participants typically expect the manager to transmit most trades to the sponsor for execution. In unusual circumstances, a manager may request that another broker execute trades. The quality of trade executions for wrap programs is generally reasonable but may vary substantially, as described further in **Item 12: Brokerage Practices**.

Effect of Participant Restrictions on Wrap Accounts. Participants in wrap programs may request reasonable investment-related restrictions on the management of their accounts. SMA wrap program participants who request multiple restrictions should be aware that because MCM follows a relatively concentrated strategy favoring a limited number of core equity holdings, MCM may hold cash, cash equivalents or other securities to fill any portion of an SMA wrap program account that participant restrictions prevent from being invested in core equity holdings. As a result, an SMA wrap program account subject to participant restrictions may hold a higher percentage of cash or cash equivalents compared to other accounts that are not restricted, while paying the same wrap fee as an unrestricted account. This could impact the investment performance of a restricted wrap account compared to a similar account without significant investment restrictions.

Wrap Programs in Which MCM Participates. As of the date of this brochure, MCM offers its services through certain UMA wrap program sponsors including Envestnet and Counsel Portfolio Services IPC Private Wealth.

## **Client Assets Under Management**

As of February 28, 2023, MCM managed approximately \$2.43 billion of client assets invested on a discretionary basis. As of that date, MCM also provided investment advice to certain model portfolio wrap programs on a non-discretionary basis totaling approximately \$17 million.

## **Business Continuity Plan**

MCM has long maintained a business continuity and transition plan that is reasonably designed to ensure that MCM provides full service to clients despite any business disruption or impact on staff because of an incident such as a cybersecurity issue, pandemic, or other event. MCM maintains a fully functioning headquarters office, and also maintains a separate alternative work site, as well as the technological capability to allow staff to work securely from remote sites at any time. MCM and its clients have not experienced any service disruptions relating to the COVID-19 outbreak or other matters. During the COVID-19 outbreak, MCM's staff at times worked remotely, or worked in staggered shifts alternating between headquarters offices and remote locations, and may continue to do so.

## **Item 5. Fees and Compensation**

### **Fees for Fund Clients**

As noted in **Item 4: Advisory Business** and **Item 7: Types of Clients**, Fund Clients served by MCM include the U.S. registered investment company identified in **Item 10**, and other pooled investment vehicles (such as a sub-advised foreign collective investment vehicle).

In serving Fund Clients, MCM typically serves as investment adviser or sub-adviser to the fund or its principal manager. Fund advisory arrangements and fees are customized for each fund, and are approved by fund boards. The prospectus or other disclosure document for each fund or portfolio provides information about advisory or sub-advisory services and fees payable to MCM (or to another principal manager which itself may pay MCM).

MCM generally does not calculate its fees for Fund Clients or determine the value of mutual fund portfolios used in calculating fees. Instead, those calculations ordinarily are made by another service provider to the fund such as a fund accountant or custodian, in accordance with each fund's policies.

Fund Clients pay additional fees and expenses to other service providers for custody, fund accounting, administration, transfer agency, distribution, and other services not provided by MCM. Fund Clients also pay brokerage and other fees and expenses discussed further below.

### **Fees for Private Accounts**

For separately managed Private Accounts such as corporate retirement plans, foundations, trusts, tax-exempt and charitable institutions, individual retirement accounts, and other institutions and individuals, the following standard fee schedules generally would apply to new Private Accounts, subject to exceptions negotiated at MCM's discretion:



### Growth Equity Account:

Focused Growth  
Large Cap Growth  
Select Alpha Growth  
Midcap Growth Focus  
International Growth  
Global Growth

<u>Total Assets Under Management</u>	<u>Annual Fee</u>
On the first \$1,000,000	2.0%
On the next \$2,000,000	1.5%
On the next \$2,000,000	1.0%
Assets over \$5,000,000	0.75%
Assets over \$50,000,000	0.65%
Assets over \$100,000,000	Negotiable

Private Account clients pay additional fees and expenses to other service providers for custody and other services not provided by MCM. Private Account clients also pay brokerage and other fees and expenses discussed further below.

### **Calculation of Fees for Private Accounts**

Calculation/Payment of Private Account Fees. Private Accounts typically pay management fees to MCM quarterly in arrears within 30 days after receipt of a fee invoice. MCM typically calculates the fee by making a separate calculation for each month during the quarter based on the market value of the Private Account on the last calendar day of the month.

For accounts that were open during a portion of a quarter, MCM pro-rates each month's fees based upon the number of days the Private Account was open during that month. To minimize complexity, MCM generally does not pro-rate fees to reflect contributions or withdrawals of account assets during a single billing period.

Fee Arrangements for Wrap Programs. MCM provides advisory services to certain wrap programs that use model portfolios in managing their own clients' portfolios. In return for its services in providing model accounts, MCM is paid a fee based on a percentage of the total assets of accounts managed in accordance with MCM's recommendations.

Special Fee Arrangements. MCM reserves the right in its sole discretion to negotiate and charge different fees not specified here, such as those discussed below in **Item 6: Performance-Based Fees and Side-By-Side Management**, or to waive fees. Fees may be charged for certain accounts based on the client's particular needs and service requirements, the nature and size of the investment mandate, customary fee arrangements in the relevant market, the nature and size of MCM's overall relationship with the client, overall financial conditions, investment goals, risk tolerance, restrictions, and other factors relevant to existing, new, special, or additional services.

Payment of Invoices Compared to Direct Fee Deduction. Clients may elect to receive an invoice from MCM for its fees and pay the invoice after receipt. In the alternative, a client may instruct its custodian to periodically deduct the agreed investment advisory fees directly from the client's account and pay the fees to MCM. For more information on direct fee deduction arrangements, please refer to **Item 15: Custody** below.

Brokerage and Other Account Fees and Expenses. MCM's fees do not include brokerage commissions, spreads, transaction fees, and other costs and expenses of buying and selling securities for client portfolios, which are typically paid directly by each client account. Factors that MCM may consider in selecting broker-dealers for client transactions and evaluating the reasonableness of broker compensation are discussed further in **Item 12** below. Other expenses payable to third parties from client accounts for certain transactions may include, without limitation, fees associated with the execution of foreign currency transactions, transfer taxes, and wire transfer and electronic transfer fees.

MCM is not affiliated with any broker-dealer. Neither MCM nor any of its supervised persons receives direct compensation for the sale of securities or other investment products to clients, such as asset-based sales charges or service fees from the sale of mutual funds.

Clients also may incur other fees or expenses charged by other service providers such as custodians, accountants, lawyers, fund administrators, fund transfer agents, ERISA plan administrators, and other advisers selected by clients. Such charges, fees and commissions are generally outside MCM's control, and MCM does not receive any portion of them.

### **Pricing of Portfolio Securities**

A key component of fee calculations is the market value of portfolio securities in an account on the fee calculation date. When MCM is responsible for calculating market value, MCM prices assets in good faith consistent with the applicable contractual terms and fee schedule in the client's advisory agreement and MCM's applicable pricing policies and procedures. Because clients compensate MCM on the basis of the value of assets held in client accounts, MCM may be deemed to have an incentive to set a high market valuation for each security. MCM does not knowingly use valuations that are higher than the security's fair value.

MCM relies on prices provided by independent pricing services on the fee calculation date unless such prices are unavailable or appear unreliable. Pricing services usually provide reliable prices.

Reliable prices occasionally may be temporarily unavailable or appear to be unreliable or stale because of factors such as a corporate action, technical issue at an exchange, a closing price or quotation representing a questionable value, a significant change in related circumstances after the price was set, or a market aberration.

For example, a foreign market price for a foreign security set hours earlier might appear unreliable or stale in light of later company- or country-specific news, regional or global news, or U.S. market developments after the close of the foreign market but before the close of U.S. markets.

As discussed further below under **Fair Valuation of Portfolio Securities**, consistent with applicable pricing policies and procedures, MCM may fair value price a security when reliable

market quotations are not “readily available” as understood under Rule 2a-5 under the Investment Company Act of 1940, as amended (“Investment Company Act”), or may override a price provided by a pricing service when MCM believes that the price provided is not representative of a security’s current market value, or believes that more reliable prices may be available from other sources.

### **Fair Valuation of Portfolio Securities**

Accounts managed by MCM generally invest primarily in highly liquid large-capitalization (or large-cap) and mid-capitalization (or mid-cap) common stocks and other equity securities for which pricing information is generally widely available. When MCM values clients’ portfolios, it may fair value price a security or other asset (or recommend that a client use fair valuation procedures) when reliable market quotations are not readily available because, for example, prices from an independent pricing service are temporarily unavailable or may be stale or unreliable, or for other reasons.

The need to fair value securities may arise when, for example, trading in a stock is halted mid-day due to significant news; a newly issued security has not yet begun to trade on public markets; a security is not priced because it is illiquid, thinly traded, or otherwise difficult to value; U.S. market volatility raises questions about the staleness or reliability of previously determined closing market quotations for foreign securities; or a significant event is believed to affect the price of a particular security or securities in a manner not reflected in market prices.

MCM uses its good faith judgment, consistent with applicable policies and procedures, to make determinations about related factors such as whether reliable market quotations are not readily available, which factors to consider, and how to weigh them in setting fair value prices.

When fair value pricing appears necessary, MCM typically convenes its Pricing Review Committee or available Committee members to assist in pricing securities and other assets in good faith consistent with MCM’s policies and customary valuation methods. In seeking price information, MCM may rely on broker quotations, gray market quotations, trading in similar securities, trading in related indices, markets or countries, quotations for the securities of other companies in similar businesses, estimates of the percentage impact of an event on a stock price, or other information from pricing services, broker-dealers, specialized trading markets for securities, or MCM’s own staff to assist it in determining fair valuations.

MCM may use a variety of methodologies and consider other related factors based on its own analysis in seeking to determine fair valuations in good faith. Sample factors that may be considered include the nature and type of security or asset, the marketplace(s) in which it trades, other securities or benchmarks that share common characteristics, the pricing and trading history, if any, of the security and similar instruments, the price that under the circumstances a reasonable buyer would pay in a reasonably functioning market or that a reasonable seller would expect to receive in an arm’s length transaction, and other factors such as discounted cash flows or movements of similar securities. MCM also may take other actions deemed appropriate in pertinent circumstances by its Pricing Review Committee or available members.

Fair value pricing is an inexact process intended to yield a good faith estimate or approximation of the current value of an asset, and cannot be guaranteed to reflect the precise actual or empirical value of any asset as determined with the benefit of hindsight. Determining the value

of any security at a given time may be highly subjective, price adjustments could prove incorrect in direction or magnitude, and the value received upon the sale of a security may differ from the value assigned to the security.

Although MCM uses its best efforts in making such determinations, assessing the fair market value of a security at a given time may require discretionary judgments, and MCM's judgment could prove to be incorrect at times in hindsight. For example, the fair value assigned to an asset may not match the next available reliable market price, the price at which that asset could have been actually sold, the cost paid for the asset, or the proceeds realized by an account upon the disposition of the asset. Further, the designated fair value may not reflect other developments that may occur after pricing but before the security is traded on markets the next trading day.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

As discussed in detail in **Item 5: Fees and Compensation** above, MCM is compensated for the advisory services it provides through asset-based fees. Rule 205-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"), and related rules, authorizes investment advisers to receive performance-based fees from clients that meet certain qualifications. MCM currently does not maintain performance-based fee arrangements but reserves the right to negotiate such fees with qualified clients at any time.

Side-by-side management of an account that may pay a performance-based fee with other accounts might create conflicts of interest. For example, an adviser that receives a performance-based fee for one account might have an incentive to devote more attention to investment decisions for that account, allocate more favorable investment opportunities to that account, and/or take greater investment risks in that account.

In practice, MCM seeks to avoid favoring any single account, including an account paying a performance-based fee, over other accounts. MCM's Compliance Department periodically reviews and compares the performance of client accounts managed under similar strategies to seek to ensure that any material dispersion is attributable to reasonable causes without favoring particular accounts over the long term.

#### **Item 7. Types of Clients**

As discussed in **Item 4**, MCM manages concentrated growth equity portfolios and other assets for diverse institutional and individual clients.

Fund Clients served by MCM include the U.S. registered investment company identified in **Item 10** and other pooled investment vehicles (such as a sub-advised foreign collective investment vehicle).

MCM also manages separately managed Private Accounts for other institutions and individuals, such as corporate retirement plans, foundations, trusts, tax-exempt and charitable institutions, individual retirement accounts, and other institutions and individuals.

MCM also provides model portfolio services to certain wrap account programs.

MCM is flexible in setting minimum investment thresholds that may apply to funds and other investment companies and to Private Accounts.

MCM may waive minimum investment requirements in its sole discretion on a case-by-case basis. MCM reserves the right to decline to accept any new client or to decline to continue to provide investment advisory services to any existing client for any reason.

Regarding wrap programs, minimum investments or minimum account values required to engage MCM's services may vary from one program to another based in part on program minimums imposed by the sponsor. MCM generally does not have authority to waive sponsor-imposed minimums.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **Investment Strategies**

Primary Strategies. As discussed in **Item 4**, MCM manages concentrated growth equity portfolios and other assets for diverse clients. The primary strategies through which MCM invests client portfolios consist of:

- Focused Growth
- Large Cap Growth
- Select Alpha Growth
- Midcap Growth Focus
- International Growth
- Global Growth

MCM seeks to accommodate any reasonable guidelines and restrictions that clients may specify, including restrictions on investments in particular securities or industries. MCM may modify its customary strategies for particular clients if desired.

As discussed further below, MCM primarily uses fundamental methods of analysis including top-down macroeconomic analysis and bottom-up company and security analysis in implementing its strategies. From time to time MCM also may use other investment tools or strategies to check, refine, or enhance these methods. While MCM invests primarily in growth equity securities for clients, client accounts also may hold a variety of other securities and investments potentially including fixed income if desired.

As noted in **Item 4**, MCM does not generally manage portfolios based on alternative strategies such as asset allocation, long-short, risk-neutral, absolute return, or similar strategies, use quantitative filters or screens or optimization techniques in portfolio construction, or target tracking error levels, standard deviation, or other metrics in managing client portfolios.

As also noted in **Item 4**, MCM generally does not manage portfolios that invest significantly in derivatives, swaps, commodities, commodity futures, or options on commodities.

However, MCM may exercise its discretion to seek to hedge portfolio exposures to individual securities held in a portfolio, broad-based securities indices, currencies, markets, interest rates

and other variables that could potentially affect returns to investors, but is not required to hedge any client account. MCM does not hold itself out as a commodity pool operator or commodity trading adviser, and any commodity interest trading advice that MCM may offer is incidental to its business of providing investment advice primarily relating to securities.

Investment Universe. MCM's investment strategies involve buying and selling U.S. and foreign growth equity securities of companies based in countries around the world, as well as potentially investing in certain income securities and other non-equity investments. MCM's equity investment universe generally includes 500 or more large-cap, mid-cap, and selected small-capitalization (or small-cap) companies.

Principal Types of Growth Investments. MCM's investment approach to equities emphasizes factors such as the selection of what it believes are stocks of high-quality companies with compelling potential for long-term capital appreciation. MCM searches for growth globally by evaluating companies in industries around the world to uncover attractive investment opportunities and understand the competitive landscape on a world-wide basis. MCM defines growth flexibly to include major changes in company direction as well as indicators such as a company's market share and the size of the underlying market it serves.

Three types of companies are typically owned in client portfolios: core growth, aggressive growth, and "life cycle change." The majority of a client portfolio is typically invested in securities of core growth companies, which are well-established seasoned companies and securities that MCM believes may offer the potential for long-term attractive, above-market, relatively predictable future earnings growth rates.

Depending on MCM's macroeconomic view and company-specific investment opportunities, MCM also may allocate smaller portions of a client portfolio to aggressive growth companies or to life cycle change companies. Aggressive growth companies are innovative companies that MCM believes may produce rapidly accelerating earnings growth in excess of overall market performance, such as less mature companies or other companies with more aggressive growth characteristics.

Life cycle change companies are companies that MCM believes are undergoing a positive transformational change in their business model that could serve as a catalyst for substantially improved earnings growth in the future. Often, these are companies whose stocks may be trading at low multiples and which may be out of favor with other growth-oriented equity investors. Some examples of a positive change may include a merger, acquisition, new product, new management team, favorable regulatory development, or other positive industry-level change.

Income Investments. MCM's investment strategies also may consider whether a particular security or other investment potentially offers current income, including dividend income, or other fixed or variable income. To the extent authorized or not restricted by client guidelines, MCM may invest in municipal bonds, corporate bonds, other corporate debt securities, preferred stocks, high-yield securities, Treasury bills, notes, and bonds, foreign sovereign debt, mortgage-backed and other asset-backed securities, and other fixed or variable income securities or instruments for client portfolios. Strategy considerations relevant to income investments may include, without limitation, the direction of interest rates, credit risk, prepayment and extension

risk, pre-refunding, assessments of economic and governmental effects on interest rate conditions, and other factors.

Other Investments. To the extent not restricted by client guidelines, MCM may purchase or sell other types of financial instruments on behalf of its clients, including, but not limited to, convertible securities, index-linked securities, equity-linked, credit-linked, and commodity-linked securities, investment company securities, exchange-traded funds (“ETFs”), exchange-traded notes, unit investment trusts, private placements, closed-end funds, obligations issued or guaranteed by domestic or foreign governments, Real Estate Investment Trusts (“REITs”), other pass-through securities, publicly traded equities issued by special purpose acquisition companies (“SPACs”) participation interests, trust-preferred securities, money market or similar cash equivalent instruments including, but not limited to, discount notes or other obligations of federal agencies or government-sponsored enterprises, commingled short-term investment funds, bankers’ acceptances, repurchase and reverse repurchase agreements, straight coupon securities, strip bonds, zero coupon securities, paid-in-kind, step coupon, or variable and floating rate obligations, standby commitments, tender option bonds, inverse floaters, industrial development bonds, municipal lease obligations, Eurodollar and Yankee dollar instruments, foreign debt securities, foreign currencies, margin transactions, forward contracts (including currency forward contracts), purchased or written options on securities or indices, options on futures, options or futures relating to currencies, single stock futures and narrow-based index futures, rights, warrants, swaps including interest rate swaps, swap-related products, hybrid instruments, indexed/structured securities, depositary or custodial receipts or shares evidencing ownership of an underlying domestic or foreign security (*e.g.*, American Depositary Receipts, Global Depositary Receipts, or European Depositary Receipts), tangible dividend enhanced common stock, foreign investment funds or trusts, passive foreign investment companies, and securities not readily marketable.

Securities may be purchased on a when-issued, delayed delivery, or forward basis. Although it is not a principal investment strategy of the firm, MCM may sell short a security in certain situations, such as, without limitation, when it may be desirable to hedge a similar long position also held in a portfolio if consistent with client guidelines. MCM also may maintain the equivalent of a short position or negative outlook on a security, index, futures contract, or other investment using other means such as purchasing put options, writing call options, or investing in inverse ETFs or other instruments.

MCM may invest in the securities of issuers organized under state laws as publicly traded partnerships or master limited partnerships (collectively referred to as “MLPs”). These entities are limited partnerships that may be publicly traded on stock exchanges or markets such as the New York Stock Exchange (“NYSE”), NYSE Arca, Inc., NYSE American, and NASDAQ. At times, MLPs may offer relatively high yields compared to common stocks. MLPs often own businesses or properties relating to the energy, natural resources, financial services, private equity, and real estate industries. MCM may also invest client assets in limited liability companies that may or may not trade on public markets.

MCM may invest in securities offered in syndicated initial public offerings (“IPOs”) or syndicated secondary or follow-on offerings (together with IPOs, “syndicated offerings”). Opportunities for clients to participate in syndicated offerings are limited because securities may be priced at a discount to market value, offerings may be heavily subscribed, and the number of shares allocated to MCM may be too limited to permit significant participation by all clients that

may be eligible to participate. MCM takes reasonable steps to seek to address potential conflicts of interest that could arise in the allocation of such opportunities. As discussed more fully below in response to **Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**, MCM seeks to ensure that over the long term, each eligible client with the same or similar investment objectives receives an equitable opportunity to participate occasionally in syndicated offerings in which MCM participates, and that no eligible client is unfairly disadvantaged, subject to limitations.

MCM may invest client accounts in special purpose acquisition companies or SPACs, which are cash-laden acquirors used as alternative vehicles for taking private companies public. In a process that differs substantially from a conventional IPO, a SPAC raises cash, sells its shares to the public without initially disclosing its specific target, announces which private company it intends to acquire, and then completes an acquisition or reverse merger that effectively takes the private company public. This process has advantages in speeding up the process of taking a company public, but may have disadvantages such as the avoidance of certain due diligence and other potential safeguards of the conventional IPO process. SPACs also may have limited prospects as “blank check” companies until they announce their targets.

General Approach to Portfolio Management. MCM’s trading strategies rely primarily on investing in growth equity securities and other investments with long-term growth potential with the expectation that their value will rise over time. MCM often seeks to invest for the long term, purchasing securities for client accounts with the intention of holding those securities until the expected earnings growth has materialized or expectations have changed.

Changes in macroeconomic conditions or company-specific considerations can prompt MCM to reduce or sell an investment in a security sooner than originally planned. MCM may scale back or sell an investment if, in its opinion, a security’s fundamentals change substantially, the security reaches MCM’s price target or its price appreciation leads to overvaluation in relation to MCM’s estimates of future earnings and cash flow growth, there is a significant adverse change in the underlying rationale for owning a security or the company appears unlikely to realize its growth potential or current income potential, more attractive investment opportunities appear elsewhere, a significant adverse macroeconomic development occurs, or for other reasons. MCM may purchase and sell a security within a very short period if the portfolio manager believes that doing so may be in the best interests of the account.

Cash management is not a fundamental aspect of MCM’s investment management approach, and cash levels in client accounts are typically a residual of the security selection process. MCM may temporarily increase cash levels for various strategic reasons, including when portfolio managers believe that temporary defensive positions may be appropriate, if and as permitted by client guidelines and applicable law.

Temporary Defensive Positions. Except as limited by client investment restrictions, MCM at any time may cause a client portfolio to hold or invest in cash or cash equivalents, money market securities, U.S. government obligations, short-term debt securities, high-grade commercial paper, certificates of deposit, repurchase agreements, and other investments such as options, futures, short sales of any security or instrument, and forward currency contracts, in amounts that MCM deems appropriate for purposes including, without limitation, to facilitate investment strategies, preserve capital, take a temporary defensive position, meet redemption requests, or meet other



client objectives or obligations. Except as limited by client investment restrictions, under adverse market conditions or in the event of exceptional redemption requests, any client portfolio may temporarily invest up to all of its assets in such cash or cash equivalents and related instruments. This may result in a client portfolio's failure to achieve its investment goal during such a period.

## **Methods of Analysis**

In searching for growth globally, MCM primarily uses a fundamental investment approach that combines top-down macroeconomic analysis and investment theme development with bottom-up company and security analysis to identify attractive opportunities, such as stocks of high-quality companies with compelling potential for long-term capital appreciation, as discussed further below. From time to time MCM also may use other investment tools or strategies to check, refine, or enhance these methods.

Top-Down Macroeconomic Analysis. In selecting growth investments for a client's account, MCM uses a "top-down" approach that generally considers certain macroeconomic factors to formulate a strategic backdrop for security selection. Some relevant factors may include, without limitation, global and U.S. GDP levels and direction, interest rates, inflationary and deflationary forces, employment, fiscal and monetary policy, trade policy, currency movements, credit conditions, demographic trends, the regulatory environment, and the global competitive landscape. MCM also may examine other factors that may include, without limitation, the most attractive global investment opportunities, sector and industry trends, industry consolidation, and the sustainability of financial trends. Through this "top-down" analysis, MCM seeks to identify sectors, industries, and companies that may benefit from the overall trends MCM has observed.

Bottom-Up Company and Security Analysis. In its "bottom-up" analysis, MCM looks for individual companies or securities that are expected to offer earnings, cash flow or sales growth potential that may not be recognized by the market at large. In determining whether a particular company or security may be a suitable investment, MCM evaluates and selects stocks and other securities on the basis of any of a number of different attributes that may include, without limitation, the company's specific market expertise or dominance; its market share position; strong brand franchise, durability, and pricing power; superior scale and distribution; attractive fundamentals (e.g., one or more factors such as a solid balance sheet, improving profit margins and returns on equity, the ability to generate free cash flow, apparent use of conservative accounting standards, and transparent financial disclosure); excellent management teams; commitment to shareholder interests; a security's reasonable current valuation in the context of projected growth rates and peer group comparisons; current income; and other positive, transformational catalysts or indications that a company or security may be an attractive investment prospect such as a major new innovative product or new management team. This process is called "bottom-up" company and security selection.

As part of its fundamental "bottom-up" research, MCM may communicate with a company's management and conduct other research to gain thorough knowledge of the company. MCM also may prepare detailed earnings and cash flow models of certain companies. These models may assist in projecting potential earnings growth, current income, and other important company financial characteristics under different scenarios. A model may be customized to follow a particular company, and may attempt to describe the company's past, present, and potential

future performance. Models may include quantitative information and detailed narratives that reflect updated interpretations of corporate data and company and industry developments. Models may not be considered helpful or necessary in some cases, and MCM does not prepare models for all companies or securities in which it invests.

Sources of Information. MCM may conduct fundamental, intensive hands-on research to evaluate securities for client portfolios. Examples of information about selected sectors, industries, or companies that MCM may consider may include, for example, sources such as, without limitation, pandemic hospitalizations, vaccinations, and other data, container shipments, railroad volumes, advertising spending, credit card trends, hotel occupancies, meetings with company management, company annual reports, filings with the SEC and company press releases, general market commentary and analysis, research materials prepared by others, risk measures, and financial publications and websites.

### **Material Risks Associated with MCM's Investments in Securities and Markets Generally**

This brochure discusses certain risks of investing in client accounts managed by MCM. More information about the risks of investing in mutual funds (such as The Marsico Investment Fund, a registered open-end investment company with five separate series, each managed in a different investment strategy (the "Marsico Funds")), appears in each fund's documents including the Marsico Funds' prospectus and statement of additional information, which can be viewed online at [www.marsicofunds.com](http://www.marsicofunds.com).

Investing in equity securities, income securities, and similar investments involves the risk of loss of investments, and clients and investors should be prepared to bear that risk and other risks. Investors should consider their investment goals, time horizon, risk tolerance, and age before investing in MCM-managed portfolios holding the types of securities and other investments typically purchased for MCM clients. MCM does not guarantee that any client account will meet a particular level of performance or perform comparably with any standard or index.

Investing in equity securities, income securities, and similar investments can be riskier than some other types of investments, and no client account is intended to constitute a complete investment program. MCM's equity investment portfolios typically include investments believed to have long-term growth potential, and are intended primarily for long-term investors who hold their investments for substantial periods of time. Investors have lost money investing in equity securities, and could lose money in such investments in the future. The investments managed by MCM are not guaranteed by any agency or program of the U.S. government or by any other person or entity.

Bonds and other fixed income investments also may decline in value at times such as when interest rates are rising or an issuer's ability to repay debt is uncertain. Investments in multiple parts of an issuer's capital structure, such as paired investments in an issuer's equity and debt securities, might present conflicts of interest, particularly if the company faces financial challenges.

Macroeconomic factors affecting the securities and markets in which MCM invests may include, without limitation, domestic and foreign economic growth and market conditions, interest rate levels, deflation, inflation, fiscal and monetary policy, trade policy, credit conditions, the

solvency of governments and companies, currency fluctuations, volatility, political events, and unforeseen global events, among other factors. There is a risk that MCM will not always accurately predict the applicability of these and other factors or their impact on markets or investments, and, as a result, MCM's investment decisions may not always accomplish what they were intended to achieve. At times, accounts advised or sub-advised by MCM may not perform as well as relevant benchmark indices or peer managers. There may be periods during which certain segments of the investment spectrum, such as bonds, value stocks, or small-cap stocks, are favored over other segments, such as large-cap growth stocks.

At times, the U.S. and global economies have experienced periods of cyclical change and decline resulting in an unusually high level of volatility in domestic and foreign financial markets, including during the 2007-2009 financial crisis and the COVID-19 pandemic. Similar volatility could recur at any time, and may make it unusually difficult to identify risks and opportunities affecting markets generally or particular issuers, or to predict the extent or duration of market movements.

Overall securities market risks affect the value of client accounts. Over time, market forces can be highly dynamic and can cause stock markets to move in cycles, including periods when stock prices rise generally or decline generally. The value of a client account's investments may increase or decrease more than markets in general.

### **Material Risks Associated with MCM's Investment Strategies and Analytical Methods**

Risk of Divergence From Benchmarks. MCM's investment approach at times may diverge from and be more volatile than certain benchmarks or indices. MCM believes that adding value stems from thoughtfully investing in a concentrated set of best ideas, rather than from being "benchmark-centric." A substantial divergence from benchmark indices in terms of country, sector, and industry allocations and individual position sizes can be commonplace in MCM accounts, and should be expected. MCM at times may concentrate client portfolio investments in particular sectors or industries that appear to offer more growth potential, and portfolios at times may have little or no exposure to certain other sectors or industries.

Risks of Concentrated Portfolios. Although most accounts managed by MCM (other than accounts in the Focused Growth or Select Alpha Growth strategies) are relatively diversified across certain industries and issuers, each account may still hold a relatively concentrated portfolio that may contain fewer securities than typical diversified portfolios managed by other investment managers. Holding a relatively concentrated portfolio may increase the risk that the value of an account could go down because of the poor performance of one or a few investments.

Risks of Sector Investing. While MCM does not have a principal investment strategy to focus client account investments in any particular sector, all client portfolios at times may have significantly more exposure than their benchmark indices to one or more sectors that appear to offer more growth potential in current market conditions (such as, for example, in recent years, the information technology sector). Client portfolios may have little or no exposure to certain other sectors. Client portfolios may face various risks associated with investing substantially in certain sectors. For example, an individual sector may be more volatile than the broader market or could perform differently. In addition, the stocks of multiple companies within a sector could simultaneously decline in price because of an event that affects the entire sector.

Technology and other growth stocks could present additional risks in part because they often have higher price-to-earnings multiples than other stocks because their earnings are growing faster. If growth slows, a higher earnings multiple may compress, potentially resulting in a sharply reduced stock price reflecting both a lower multiple and lower profits. Also, growth stocks at times could be perceived by investors as too expensive.

Risks of Non-Diversified Strategies. These risks of divergence from benchmarks, concentrated investing and large positions, and sector investing may be heightened for client portfolios invested in MCM's Focused Growth or Select Alpha Growth strategies, which are considered "non-diversified" portfolios for some regulatory purposes. Focused Growth and Select Alpha Growth accounts may hold fewer securities than portfolios that are "diversified" for regulatory purposes, and may invest a greater percentage of their assets in a smaller number of securities. Holding fewer securities increases the risk that the value of a portfolio could go down because of the poor performance of a single investment.

Risks of Unforeseen Global Events. Global economies and financial markets increasingly are interconnected, and conditions and events in one country, region or financial market may adversely impact markets, issuers, or economies in different countries, regions or financial markets. These risks may be magnified if certain events or developments adversely affect the safety or health of consumers, managers and employees around the world or interrupt the global supply chain. In these and other circumstances, such risks might affect companies and investments worldwide. As a result, unexpected local, regional or global events and their aftermath such as war; acts of terrorism; financial, political or social disruptions; natural, environmental or man-made disasters; the spread of infectious illnesses, pandemics or other public health issues; recessions and depressions; or other tragedies, catastrophes and events could have a significant negative impact on global economic and market conditions and on client portfolios and their investments.

Certain illnesses spread rapidly and have the potential to significantly adversely affect the global economy and client portfolio investments. For example, past outbreaks of infectious diseases such as the severe acute respiratory syndrome (SARS), Middle East respiratory syndrome (MERS), avian influenza, H1N1/09 (swine flu), Ebola virus, and other illnesses at times have had significant adverse impacts on the global economy and client portfolio investments. More recently, the pandemic relating to the spread of an infectious respiratory illness caused by a novel strain of coronavirus (COVID-19) and its variants or other related or similar viruses, and efforts to contain their spread, have resulted in significant adverse effects such as, among other things, closing national borders, shutting down businesses and government agencies, illness and death of consumers, managers and employees, increased health screenings, increased demands on healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, general concern and uncertainty, market volatility, severe market dislocations and liquidity constraints in many markets, including markets for the securities that client portfolios hold. The COVID-19 pandemic continues to negatively affect the economies of countries and companies around the world, and has significantly disrupted the global securities and commodities markets.

Health crises caused by infectious diseases such as COVID-19 and its variants or other pandemics may exacerbate other preexisting political, social and economic risks in certain countries in ways that may not yet be fully apparent. The impact of infectious diseases may be short term in nature or could last for an extended period of time. Other infectious illness

outbreaks, epidemics or pandemics could cause similar or worse effects in the future. The impact of infectious diseases in developing or emerging market countries may be greater due to less established health care systems.

**Other material risks associated with investing in portfolios advised or sub-advised by MCM include:**

Risks of Equity Securities. Accounts managed by MCM generally invest primarily in common stocks and other equity securities selected primarily for their long-term capital appreciation or growth potential. As a result, clients bear the broad risks associated with investing in equity securities markets generally. These risks include, without limitation, that the securities and markets in which client portfolios are invested may experience volatility and instability, that domestic and global economies and markets may undergo periods of cyclical change and decline, that investors at times may avoid investments in equity securities, and that MCM may select investments for client accounts that do not perform as anticipated.

Many factors may affect the performance of an individual company's securities, such as, without limitation, the strength of its management, the demand for its products or services, its ability to innovate and respond to changing market conditions or anticipate consumer demand, the sector or industry it operates in, investors' views of the company's market price and relative value, and other company-specific or broader market factors. The value of the companies in which MCM typically invests is, in part, a function of their expected earnings growth. Underperformance by a company may prevent the company from experiencing the expected growth, which may prevent a client's account from realizing the potential value anticipated by MCM when it selected those securities for the account.

MCM may invest client assets in the common stocks or other equity securities (such as convertible securities or warrants) of companies that may pay dividends or make other distributions as current income. Such companies could in some cases have less dynamic growth characteristics, or their securities may have less potential for gain than companies or securities that pay lower dividends or no dividends or other distributions. Dividends paid by these companies or securities may provide a limited cushion against a decline in the price of the stock. However, dividends may be reduced, suspended or terminated at any time. Dividend paying stocks, like other securities that offer a measure of income, could become less attractive or decline in value as interest rates rise.

Client assets also may be invested in convertible bonds or stocks or other securities that may potentially be converted into equity securities. While the value of convertible securities depends in part on market activity, interest rate changes, and the credit quality of the issuers, the value of these securities will also change based on changes in the value of the underlying equity securities. Income paid by a convertible security may provide a limited cushion against a decline in the price of the security. However, when underlying common stocks appreciate, convertible securities may appreciate to a lesser degree. Also, convertible bonds generally pay less income than non-convertible bonds. Convertible securities, like other securities that offer some income, could become less attractive or decline in value as interest rates rise.

Risks of Investing in Foreign Securities and Markets. Client assets may be invested in foreign securities, including emerging market securities, depending on client investment guidelines and market conditions. Various considerations including a company's economic ties to different

countries may bear on whether a company's securities are deemed to be foreign securities for a particular account.

Investments in foreign securities involve risks that may differ from or at times exceed the risks associated with U.S. securities for a variety of reasons such as, without limitation, unstable international, regional, or national political and economic conditions, currency fluctuations, rising, falling, or negative interest rates, deflation or inflation, inability to borrow at reasonable rates, foreign controls on investment and currency exchange, foreign governmental control of some issuers, restrictions on capital flows or on foreign investments in some countries, potential confiscatory taxation, nationalization of companies or expropriation of assets by foreign governments, sovereign solvency concerns, monetary or fiscal considerations, dependence on central bank accommodation or international aid, changes in central bank policies affecting markets, withholding taxes, limits on client repatriation of assets, a lack of adequate or reliable company information, less liquid and more volatile exchanges and/or markets, ineffective or detrimental government regulation, varying and in some cases less stringent accounting, auditing, disclosure, and reporting standards, political or economic factors that may severely limit business activities, diplomatic developments such as war or other military actions, sanctions, embargoes, trade tariffs, trade limitations, or trade wars, less stringent investor protections and disclosure standards, and legal systems or market practices that may permit inequitable treatment of minority and/or non-domestic investors. As a result of these and other factors, the values of securities of foreign issuers at times may be subject to greater price fluctuation than securities of U.S. companies. Investments in U.S. securities also may indirectly expose an account to foreign investment risk to the extent that U.S. issuers depend on foreign markets or economies.

Because there is generally less publicly available information about many foreign companies than U.S. companies, and foreign companies may be subject to less stringent reserve, accounting, disclosure, auditing, and reporting requirements, it may be difficult at times for MCM to stay currently informed about those issuers and related developments such as legal actions, foreign corporate actions (*e.g.*, acquisitions, divestitures, rights offerings, or dividends), foreign legal or compliance requirements or restrictions, or other matters that may affect the value of portfolio securities. Foreign issuers also may impose burdensome proxy voting requirements that may discourage or effectively prevent the exercise of voting rights that a client may have as a shareholder.

Clients should recognize that foreign stock markets may not be as large or liquid as markets in the United States. Commissions on transactions on foreign stock exchanges often are assessed as a percentage of the security's price rather than a fee per share, and may be higher on an overall basis than negotiated commissions paid for transactions in U.S. securities. There may be less government supervision and regulation of foreign stock exchanges, brokers, and companies than in the United States. Investors should recognize that foreign markets have different clearance and settlement procedures, and in certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct transactions or causing trades to fail. Delays in settlement could result in temporary periods when some client assets are uninvested and earn no return. The inability of a client account to make intended security purchases due to settlement problems could cause the client to miss attractive investment opportunities. Failed trades or the inability to dispose of portfolio securities due to settlement problems could result in losses due to subsequent declines in value of the portfolio security or, if an account has entered into a contract to sell the security, could result

in possible liability for non-delivery to the purchaser. Payment for securities before delivery of the securities, or delivery of securities before payment of cash for them, may be required in certain foreign markets, and could result in a loss of cash or securities. Further, an account may encounter difficulties or be unable to pursue legal remedies and obtain judgments in foreign courts.

Arrangements with foreign custodians are generally necessary to hold assets in foreign countries and these arrangements may pose potential risks. A foreign bank or securities depository or other custodian may maintain internal controls that differ from those customarily applicable to U.S. custodians, may face less stringent regulatory scrutiny, and may be subject to less extensive legal or financial protections for asset holders.

Because investments in foreign securities typically are denominated and traded in foreign currencies, the value of the assets of a client account as measured in U.S. dollars may be affected favorably or unfavorably by changes in foreign currency exchange ("FX") rates and exchange control regulations. In addition, a client will incur costs in connection with conversions between various currencies made to facilitate trades or for other purposes. FX transactions generally are required in order to settle trades in foreign ordinary securities for client accounts. As discussed below, while MCM can supervise the execution of many FX transactions for client accounts on its trading desk, in some cases, clients' FX transactions must be executed by the client's selected custodian pursuant to standing instructions, which at times may involve additional costs. The risks of currency fluctuations and currency transactions are discussed further in a separate section below.

Risks of Emerging Market Securities. Emerging market securities are securities of issuers economically tied to emerging markets. MCM considers emerging markets to include countries listed in the Morgan Stanley Capital International (MSCI) Emerging Markets Index, as well as other countries MCM considers to have an emerging market economy or frontier market economy, based on factors such as the development of the country's financial and capital markets, its political and economic stability, level of industrialization, trade initiatives, per capita income, gross national product, credit rating, or other factors that MCM believes to be relevant. Various considerations including client guidelines also may bear on whether a company's securities are deemed to be emerging market securities for a particular client account.

Emerging market securities are subject to many of the same risks as securities of foreign issuers in developed market countries, but such risks may be more pronounced. Investing in emerging market securities at times may involve greater risks than investing in U.S. securities or securities issued by entities in other developed countries, and such investments could be more volatile or less liquid than investments in developed markets. Potential increased risks may include, among others, greater political and economic instability (including elevated risks of war or other military actions, civil disturbances, and acts of terrorism), amplified boom and bust cycles, sensitivity to currency fluctuations including in the value of the U.S. dollar, greater inflation or deflation, increased challenges in borrowing at reasonable rates, burdensome investment or trading requirements, low trading liquidity and volumes and wider spreads, periods of relative market illiquidity, significant price volatility, restrictions on capital flows or on foreign investments in some countries, price controls, expropriation or confiscatory taxation, seizure, nationalization, or creation of government monopolies, sovereign solvency concerns, monetary or fiscal considerations, fluctuations in central bank policies, greater volatility in currency

exchange rates, devaluation of currencies, less developed securities exchanges and markets, reduced securities liquidity, possible trade barriers or sanctions, fewer potential buyers, an emerging market country's dependence on revenue from particular commodities, greater dependence on international aid, withholding taxes, limits on repatriation of assets, price controls, greater governmental control over issuers and economies, less governmental supervision and regulation, diplomatic developments such as war or other military actions, sanctions, embargoes, trade tariffs, trade limitations or trade wars, less stringent investor protections and disclosure standards, unavailability of currency hedging techniques, capital controls and currency transfer restrictions, companies that are newly organized, smaller, or less seasoned, less stringent requirements regarding accounting, auditing, financial reporting and recordkeeping, which may result in less availability or reliability of material information about issuers or securities, and less developed or effective legal systems.

Investments in emerging markets may also involve other risks such as immature economic structures and less developed and more thinly-traded securities exchanges and markets. Pricing and other valuation information for issuers economically tied to emerging markets may be more difficult to obtain as compared to the securities of issuers tied to developed countries. These factors can make emerging market investments more volatile and less liquid than investments in developed markets, or present other risks in addition to foreign investing risks discussed above.

Certain emerging market countries have enacted measures that tend to discourage or prevent direct foreign investments, such as procedural obstacles to foreign investment or onerous taxation regimes. Some attendant costs of investing in emerging markets may be greater than those of investing in other foreign markets or the U.S. Repatriation of investment income, capital, and the proceeds of sales by outside investors may be more difficult, and may require governmental registration and/or approval in some emerging market countries. MCM may choose to avoid investing in countries that impose such costs. Alternatively, a client account's performance could be affected by limitations or costs associated with investing in emerging market securities.

Risks of Currency Fluctuations and Currency Transactions. Account performance may be materially affected positively or negatively by foreign currency strength or weakness relative to the U.S. dollar, depending upon the extent to which client account assets are invested in foreign securities or other assets denominated in currencies not tightly pegged to the U.S. dollar, or are invested in currency hedging transactions or other investments relating to foreign currencies. Changes in foreign currency exchange rates may have positive or negative effects on the value of any account that holds foreign securities denominated in foreign currencies.

Generally, when the value of the U.S. dollar rises relative to a foreign currency, an investment in an issuer whose securities are denominated in that country's currency (or whose business is conducted principally in that country's currency) loses value, because that currency is worth fewer U.S. dollars. Conversely, when the U.S. dollar declines in value relative to a foreign currency, the value of investments denominated in the foreign currency may increase in relative terms. Devaluation of a currency by a country's government or banking authority may have a significant impact on the value of any investments denominated in that currency. The risk that these events could occur may be heightened in emerging markets.



Client accounts frequently may require foreign exchange or FX trades. To purchase or sell a foreign security priced in a foreign currency, MCM must arrange one or more FX transactions for an account including a purchase of foreign currency to pay for the security, or a conversion to U.S. dollars of foreign currency received in a sale of a security.

MCM rarely may make longer-term investments for client accounts relating to foreign currencies, such as, without limitation, currency forward contracts purchased for hedging purposes or to serve other investment purposes. Currency markets fluctuate unpredictably, and such investments may not be profitable or may lose money. Some currency investments could be highly leveraged at times. Currency markets frequently are volatile, and generally are not regulated as extensively as securities markets.

Risks Due to Limited Ability to Monitor FX Transactions. To the extent not restricted by those client accounts eligible for FX transactions, MCM typically selects independent FX dealers to execute most FX transactions for client accounts if they involve purchases or sales of currencies that are freely traded on global markets (other trades involving restricted currencies or repatriation transactions are handled separately as discussed below). FX dealers may realize a profit in FX transactions based in part on the difference (“spread”) between the price at which they buy (or sell) currencies in the market and the price paid (or received) by MCM on behalf of clients. Dealers often do not disclose their spreads, but when MCM is able to supervise FX transactions for clients, MCM generally seeks to monitor overall dealer prices with spot prices for similar transactions.

For practical and operational reasons, the bank custodian selected by a client to hold its assets overseas generally must execute the remaining minority of FX transactions, such as restricted currency transactions involving currencies that do not trade freely on global markets, and repatriation transactions involving the periodic repatriation into dollars of relatively small amounts of foreign currency dividends or interest payments that accumulate in clients’ accounts from their holdings of foreign securities. Clients choose bank custodians themselves, and custodians typically execute these transactions for their clients pursuant to standing instructions established by the custodian with the client. MCM has little if any ability to negotiate or monitor the terms of standing instructions or the prices at which clients’ custodians execute standing instruction FX transactions. Foreign exchange rates paid by clients to their custodians for those transactions may be competitive, but could at times be higher than the lowest available rates or those charged by other FX dealers. Clients may have the ability to negotiate rates for standing instruction FX transactions with their custodians.

Risks of National and Regional Interdependence and Economic Contagion. The inter-relationships of certain national and regional economies and financial markets around the globe may increase the potential impact that economic and financial conditions in one country or region can have on issuers of securities in a different country or region. Declining economic conditions in one country or region may affect other parts of the globe. Similarly, concerns about the solvency of a country’s or region’s sovereign or financial institutions could reverberate through the economies of other countries or regions using a common currency or whose trade, banks, or other economic arrangements are otherwise exposed to the country or region with solvency issues. The adoption or expansion of protectionist trade policies or sanctions by one or more countries, changes in economic, monetary, or trade policy in the United States or abroad, or a slowdown in the U.S. economy or other countries could lead to a decrease in demand for

products and reduced flows of capital and income to companies in other countries. These events might particularly affect companies in emerging markets.

Mid-Cap and Small-Cap Company Risk. MCM may invest the assets of client accounts in mid-cap companies, as well as occasionally in small-cap companies. Investments in mid-cap and small-cap companies can involve more risk than investments in larger companies because mid-cap and small-cap companies have potentially greater sensitivity to adverse business or economic conditions. Mid-cap and small-cap companies may have more limited financial resources, markets or product lines, less access to capital markets, and more limited trading in their stocks. This can cause the prices of equity securities of these companies to be more volatile than those of larger companies, or to decline more significantly during market downturns than the market as a whole.

Risks of Fixed Income and Variable Income Investing. Depending on client guidelines and the strategy selected, MCM may invest a portion of an account's total assets in fixed income or variable income securities for current income and/or growth, including investments such as investment-grade or other corporate bonds, preferred stocks, high-yield corporate securities, mortgage-backed securities, municipal bonds, Treasury bonds or other government securities, foreign sovereign debt, and other income securities. As a result, clients may bear the risks associated with fixed income investing and variable income investing including, without limitation:

Credit Risk. Client accounts could lose money if the issuer of a fixed or variable income security defaults, goes bankrupt, renegotiates terms that are less favorable to investors, or otherwise cannot meet its financial obligations.

Interest Rate Risk. Interest rates may rise and fall over time. The value of a client account's investments in fixed or variable income securities may decline as a result of changes in the general level of interest rates. The value of a client's account may be subject to a greater risk of rising interest rates due to the recent period of historically low interest rates. The Federal Reserve has since raised, and may continue to raise, the federal funds rate as part of its efforts to address rising inflation. When the general level of interest rates goes up, for example, in response to inflation, the prices of most fixed-income securities go down. Conversely, when the general level of interest rates goes down, the prices of most fixed-income securities go up. During periods when interest rates are low or there are negative interest rates, a client account's yield (and total return) also may be low or otherwise adversely affected, or the client account may be unable to maintain positive returns.

Prepayment and Extension Risk. Client accounts that invest in income securities bear the risk that an issuer will exercise its right to pay principal on an obligation (such as an asset-backed security) earlier than expected. Such a prepayment may happen during periods of declining interest rates or at other times. In these circumstances, a client account may be unable to recoup all of its initial investment, or may receive a lower-than-expected yield from an investment and may need to reinvest in lower yielding securities. In addition, rising interest rates may cause an issuer to defer prepayment on an obligation held by a client account. This extends the duration of income securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, client accounts that invest in income securities may exhibit additional volatility. This is known as extension risk.

Risks of High-Yield Securities. High-yield corporate debt securities with credit ratings that are below investment grade (also referred to as “junk bonds”) may be subject to higher risks of default and greater volatility than other debt securities, including risks that the issuer may not be able to meet its obligation to repay principal or pay interest. These securities are more susceptible to credit risk than investment-grade securities, and are considered more speculative in nature. This is especially true during periods of economic uncertainty or economic downturns. The value of these lower-quality debt securities is subject to greater volatility and is generally more dependent on the ability of the issuer to meet interest and principal payments compared to higher-quality securities. Issuers of high-yield securities may not be as strong financially as those issuing debt securities with higher credit ratings. Also, any potential paired investments in both high-yield income securities and equity securities issued by the same company might present conflicts of interest, particularly if the company faces financial challenges.

Risks of Government Securities. U.S. government securities include direct obligations of the U.S. government that are supported by its full faith and credit. While U.S. government securities have not historically faced a significant risk of default, ratings downgrades have occurred at times, and temporary default, or other adverse development affecting such securities cannot be ruled out. The credit rating of the U.S. government could potentially be downgraded again in the future as the aggregate debt represented by such securities (and other government debt) continues to increase, the sources of funds available to repay principal and pay interest on such debt become less clear, and political consensus on realistic solutions for these issues remains difficult to achieve.

Risks of Foreign Sovereign Debt. The debt of foreign nations or related issuers in some cases may involve a relatively high degree of risk. Governmental entities that control the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt, particularly given the high debt levels of many governments as compared with gross domestic product and other measures of their apparent limited ability to repay principal and pay interest on debt. Some countries’ sovereign debt may present less risk but pay very low rates, or even accrue negative interest, which effectively charges lenders or investors for owning or purchasing sovereign debt.

Risks of Federal Agency or GSE Securities. Regarding certain securities issued by federal agencies or government-sponsored enterprises (“GSEs”) (such as debt securities or mortgage-backed securities issued by the Federal Home Loan Mortgage Corporation (*i.e.*, Freddie Mac), the Federal National Mortgage Association (*i.e.*, Fannie Mae), and the Federal Home Loan Banks), the issuer may be chartered or sponsored by an Act of Congress, and the government reassumed control of certain GSEs and funded large GSE bailouts during the 2007-2009 financial crisis. Nevertheless, such an issuer typically is not formally funded by Congressional appropriations, and its debt and equity securities typically are neither guaranteed nor insured by the U.S. government or any other government agency or program. Without a more explicit commitment, there can be no assurance that the U.S. government will always provide financial support to such issuers or their securities. The risks associated with mortgage-backed investments typically become elevated during periods of distressed economic market, health, or labor conditions. In particular, increased levels of unemployment, delays and delinquencies in payments of mortgage and rent obligations, and uncertainty regarding the effects and extent of government intervention with respect to mortgage payments and other economic matters may adversely affect a client portfolio’s investments in mortgage-backed securities.

Risks of Municipal Securities. In addition to the risks related to all fixed income investments, such as credit risk and interest rate risk, municipal securities face certain additional specific risks. For example, tax policy changes, other legislation or political events and economic conditions may impact the ability of a municipal security issuer to make principal or interest payments. Increasing local government pension liabilities also may affect the value of municipal securities.

Risks of Preferred Stocks. Preferred stock generally does not carry voting rights and preferred stock dividends are generally fixed. Unlike requirements to pay interest on certain other types of debt securities, a company that issues preferred stock may not be required to pay a dividend on preferred stock, and may stop paying a dividend at any time if, for example, it lacks the financial ability to do so. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock also may be subject to optional or mandatory redemption provisions, and an issuer may repurchase these securities at prices that are below the price at which they were purchased. Preferred stock could be adversely affected by substantial increases in interest rates. In these and other circumstances, a client account holding preferred securities could lose money.

Risks of REITs and Other Securities Backed by Real Estate. The risks of investing in REITs and other securities backed by real estate, such as mortgage-backed securities and similar investments, include extraordinary weakness and volatility at times such as during the 2007-2009 financial crisis and the COVID-19 pandemic, which affected mortgage-backed securities, derivatives, and other investments backed by real estate-related obligations issued by participants in housing finance, commercial real estate, and other real estate-related markets; widespread defaults in such investments, particularly during periods of disruptions to business operations; and/or major disruptions of and illiquidity in markets for such investments. Other adverse factors affecting REITs and other real estate-backed securities include past overinvestment in and defaults on residential and commercial mortgages contributing to the 2007-2009 financial crisis and recession, the COVID-19 pandemic, weak economic conditions, and environmental and similar considerations. In addition, when interest rates rise, real estate-related investments may react negatively, particularly investments that are exposed to floating-rate debt. To the extent that portfolio assets are invested in REITs, client accounts will indirectly bear their proportionate share of any expenses (such as operating expenses and advisory fees) paid by REITs in which they invest. As noted above in the discussion of "Risks of Federal Agency or GSE Securities", the risks associated with mortgage-backed investments typically become elevated during periods of distressed economic market, health, or labor conditions.

Risks of Derivatives, Short Sales, and Other Investments. Depending on client restrictions, MCM occasionally may invest on a limited basis in derivative investments or instruments such as forward currency contracts, exchange-traded funds (whether or not considered derivatives), purchased or written put or call options on securities or indices, structured notes or other synthetic securities linked to particular equity or debt exposures, futures contracts, options on futures, swaps, and other investments deemed commodity interests. MCM generally does not manage portfolios that invest significantly in derivatives, swaps, commodities, commodity futures, or options on commodities.

Derivatives could be used to seek to hedge portfolios, or to serve other investment purposes such as, without limitation, to increase or decrease exposure to certain investments, asset classes, or

markets. However, clients should not regard the possible use by MCM of these investments as a major factor in client account investment strategies. MCM may exercise its discretion to seek to hedge portfolio exposures to individual securities held in a portfolio, broad-based securities indices, currencies, markets, interest rates and any other variables that could potentially affect returns to investors, but is not required to hedge any client account, and historically has rarely done so. MCM client accounts are not intended to serve as vehicles for investing substantially in derivatives or commodity interests or similar instruments, and tend to hold such investments only infrequently.

If permitted by client guidelines, in unusual circumstances, MCM also may enter into short sales of a security or instrument, including a security that is currently held in the account (or a security equivalent in kind or amount to another security that the account has an existing right to obtain without the payment of additional consideration) (short sale “against the box”), or other short sales of other securities or instruments not held in the account. If MCM engages in these practices, the intent may be to seek to hedge all or a portion of a client’s portfolio, or to serve another investment purpose.

Investing in derivatives or engaging in short sales for hedging or other investment purposes may result in economic leverage for a client account, and may impose significant transaction costs and other substantial costs, as well as potential losses that may exceed the amount originally invested and may reduce account performance. No assurances can be given that derivative positions or short sales, if utilized, will achieve the desired results (such as a targeted correlation with a security or currency or other investment exposure being hedged), or achieve any other investment purpose.

Risks of Syndicated Offerings. A client account’s performance may be materially affected, positively or negatively, by its participation in other types of investments, including IPOs and other syndicated offerings of common stock or other equity or debt securities. These types of investments may have a magnified impact on an account’s performance, especially for smaller accounts. Whether a client account participates in these types of investments is dependent on a variety of factors including portfolio manager interest and the limited availability of these investments discussed in **Item 11** below, and there can be no assurance that any account will participate in them.

Portfolio Turnover Risk. Client accounts pay transaction costs, including brokerage commissions, when securities are bought or sold for the accounts. Portfolio turnover rates for some accounts may be greater than for others due to the investment strategy selected or other reasons, and may be substantially impacted by market conditions. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes for taxable accounts. These costs affect an account’s overall performance. In recent years, client account portfolio turnover rates have ranged from approximately 15% per year to 120% or more per year of the average value of a client portfolio depending on market and portfolio conditions.

Certain Risks Associated With Cybersecurity. Investment advisers such as MCM, third-party service providers that MCM or its clients may use, and subcontractors to those service providers, all necessarily rely on digital and network technologies to maintain computerized data to facilitate business activities including services to clients. Like all businesses that use computerized data, MCM, its service providers and subcontractors, and the cyber networks they use might in some circumstances be subject to possible cybersecurity incidents or related events

that could potentially result in unauthorized access or damage to data or destruction of data, or otherwise compromise MCM's business or client records. Such incidents might include, without limitation, the inadvertent disclosure of confidential computerized data or client data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers mounting an attack on computer systems.

MCM has implemented robust measures reasonably designed to prevent potential cybersecurity incidents from significantly affecting its computer and other electronic systems, and to protect firm and client data from inadvertent disclosure or wrongful misappropriation or destruction. Among other safeguards, MCM maintains information technology security policies and procedures and uses advanced technology and other technical and physical safeguards intended to protect computerized data about the firm's business, clients, and employees from unauthorized access, damage, or destruction, and to block other efforts to compromise MCM's business operations. MCM also takes other reasonable precautions to seek to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction.

Despite all precautions, the risk remains that cybersecurity incidents could affect MCM or its third-party service providers and subcontractors, and could cause damage to MCM's or its service providers' electronic systems or firm and client data. Such damage in some circumstances might result in unauthorized access to sensitive information about MCM or its clients, impair MCM's activities for clients, or cause economic injury to clients. Given the constant evolution of new cybersecurity threats, there can be no guarantee that any policy will prevent a cybersecurity breach or resulting loss or damage.

Adverse consequences could also result from cybersecurity breaches affecting issuers of securities which MCM has purchased for clients, or counterparties with which MCM has engaged in transactions on behalf of clients, including exchanges, broker-dealers, financial institutions, and other parties. Further, despite all precautions, certain risks associated with cybersecurity may not have been identified.

In the unlikely event that a cybersecurity incident posed a substantial risk of compromising confidential personal data about clients, MCM, through its incident response plan, would seek to promptly notify affected clients to explain the nature of the incident, MCM's response, and steps to be taken going forward.

#### **Item 9. Disciplinary Information**

Not applicable. MCM is not aware of any legal or disciplinary events that would be material to a client's or a prospective client's evaluation of MCM or the integrity of MCM's management.

#### **Item 10. Other Financial Industry Activities and Affiliations**

Financial Industry Activities of MCM and its Affiliates. As discussed in **Item 4**, MCM is an independent investment adviser registered with the SEC whose sole business is managing concentrated growth equity portfolios and other assets for diverse institutional and individual clients. MCM does not participate in other financial industry activities.

To facilitate the distribution of the Marsico Funds, certain employees of MCM may be registered with the Financial Industry Regulatory Authority (“FINRA”) as representatives of UMB Distribution Services, LLC, an unaffiliated broker-dealer that distributes the Marsico Funds. MCM is not a registered broker-dealer.

MCM’s principal owners and certain other affiliates are identified in **Item 4**. None of MCM’s affiliated companies are public companies, broker-dealers, or investment advisers, are substantially involved in MCM’s day-to-day business operations, or perform other functions that may be significant for regulatory purposes.

No Affiliation With Third-Party Owners of Interests in Parent Company. As discussed in **Item 4**, the third-party owners of a minority of the equity interests issued by Holdings, MCM’s indirect parent company, are not affiliated persons of Holdings or its subsidiaries, such as MCM, because equity interests in Holdings do not include voting rights over management and operations. MCM and its affiliates may have other business relationships with third-party equity holders.

Related Registered Investment Companies. MCM serves as investment adviser to the Marsico Funds, which are series or portfolios of a registered open-end investment company. The Marsico Funds include the following:

- Marsico Focus Fund
- Marsico Growth Fund
- Marsico Midcap Growth Focus Fund
- Marsico International Opportunities Fund
- Marsico Global Fund

Unrelated Registered Investment Companies. MCM does not currently provide sub-advisory services to any U.S.-registered investment company, although it may do so in the future. MCM does serve as an investment sub-adviser to a foreign investment company sponsored by another firm.

#### **Item 11. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

##### **MCM’s Code of Ethics and Other Policies Addressing Potential Conflicts of Interest**

In accordance with Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act, and related rules, MCM and the Marsico Funds maintain a Code of Ethics (the “Code”). The Code imposes restrictions on MCM employees’ personal investing and other business activities to help ensure that employees’ professional and personal conduct maintains MCM’s high standards of ethics and integrity.

The Code is based on principles including that MCM and its employees owe certain fiduciary duties to clients whom they serve, and that they should place the interests of clients first; should avoid, minimize, manage, or disclose material conflicts of interest to the extent reasonably feasible; should avoid taking inappropriate advantage of their positions of trust; and should

conduct personal securities transactions in compliance with securities laws and other safeguards in the Code.

To avoid, minimize, or manage potential conflicts of interest involving personal investments, the Code requires MCM employees (and certain members of their families and other persons whose investments are attributed to employees) to preclear all purchases and sales for their personal accounts of certain types of securities that MCM may regularly purchase or hold for clients, including common stocks and corporate debt securities. Personal transactions in certain securities may be limited by blackout restrictions if MCM recently traded the same security for clients or expects to do so soon, subject to exceptions for personal transactions below a principal value threshold in larger companies, special or unforeseen circumstances, or other good cause.

The Code also restricts transactions in shares of the Marsico Funds through measures including minimum holding periods and preclearance requirements for sales of those shares. Employees are generally prohibited from holding shares of mutual funds that are sub-advised by MCM.

Other provisions of the Code require employees to obtain pre-approval of certain investments such as IPOs and limited offerings, and require regular reporting of personal transactions and holdings.

The Code also requires employees to obtain approval of service on the board of directors or in a similar capacity for any for-profit company or other for-profit organization. MCM requires employees to notify the Compliance Department if they hold any such roles or any investment-related positions for any organization. In addition, the Code requires employees to notify MCM's Compliance Department of any significant outside business activities or business-related family employment arrangements that might appear to raise potential conflicts of interest.

The Code restricts employees from accepting or providing certain gifts and entertainment from or to persons engaged in activities relating to MCM's business, including broker-dealers and other service providers and clients. Gifts and entertainment permitted by the Code must be nominal or ordinary and customary, may not be extraordinary or extravagant, and may be received or given for reasons such as to maintain good working relationships and service quality, evaluate capabilities and limitations, or learn more about alternatives. MCM's Compliance Department monitors the reporting of permitted gifts and entertainment by certain departments. Permitted gifts and entertainment should not raise any questions about MCM's commitment to work with service providers based on the quality of services provided.

The Code requires employees periodically to certify to their understanding of and compliance with its provisions. MCM's Compliance Department provides counseling and other training information to employees about their obligations under the Code.

Penalties for violation of the Code by employees may range from a warning or reprimand to monetary penalties or termination of employment. MCM periodically updates its Code as appropriate to seek to ensure that it satisfactorily addresses relevant issues. MCM will provide a copy of its Code to any client or prospective client upon request.

In accordance with Section 204A of the Advisers Act and related rules, MCM maintains an insider trading policy that includes procedures reasonably designed to prevent trading or disclosures by MCM's employees that could present the appearance of potential illegal insider



trading or other misuse of confidential information. Among other things, MCM's policy forbids any employee from buying or selling a security for a personal account or client account in breach of a fiduciary duty or other relationship of trust and confidence while in possession of material nonpublic information about the security or the issuer, or communicating such information to others in violation of law or the policy.

MCM believes that the Code's guidelines for avoiding prohibited acts, as well as MCM's insider trading policy and other MCM compliance policies and procedures, are reasonably designed to avoid or minimize potential trading-related and other conflicts of interest between MCM or its employees and MCM's clients, or to reasonably manage, disclose, or otherwise address those and other potential conflicts.

However, clients should be aware that no set of rules can possibly anticipate or eliminate all potential conflicts of interest, or guarantee exemplary conduct in personal trading or other matters, that conflicts of interest inevitably apply in providing investment advice, and that certain conflicts cannot be fully eliminated, avoided, managed, or disclosed in advance.

### **Participation by Related Persons / Differing Interests Among Clients**

MCM's investment decisions for each client's account are based upon its understanding of the client's investment objectives, guidelines, and restrictions, applicable law and regulations, and policies, practices, and other relevant investment considerations that it believes are applicable to that particular account. MCM seeks to ensure that over the long term, all clients are treated as fairly and equitably as possible relative to each other, including related persons of MCM. MCM seeks to reasonably avoid, minimize, manage, or disclose potential material conflicts of interest associated with serving both client accounts and related persons through practices discussed in this brochure, including under **Allocation of Investment Opportunities and Shares of Investments** in this **Item 11**, other trading practices discussed in **Item 12** below, and MCM's compliance policies and procedures and reviews.

MCM client accounts generally share similar investment objectives (such as long-term growth of capital) and similar principal strategies, and MCM invests most client accounts using U.S., international or global growth equity strategies. Nevertheless, MCM may give different advice to, exercise different investment responsibility for, or take different actions for, certain clients (including related persons) compared to the advice given to, responsibility exercised for, or timing and nature of actions taken for, other clients, even though their investment objectives may be similar.

Some differences in handling client accounts inevitably result from normal differences between accounts such as, without limitation, differing investment strategies, objectives, guidelines and restrictions, risk tolerance, tax status, account opening dates, account sizes, policies, cash flows, cash availability, issuer and regulatory holdings restrictions, ability to open accounts for trading securities in foreign jurisdictions, unique needs, the limited availability of certain investments such as IPOs and other investment opportunities, portfolio manager decisions customized for specific client accounts, and other differences that can routinely arise in the ordinary course of providing individualized investment advice to different clients.

As the result of these and other factors, some clients may not participate in investments in which other clients do participate, or may participate to a different degree or at a different time than

other clients do. On occasion, MCM could cause some clients (including related persons of MCM) to buy or sell securities or other investments while other clients take different positions or potentially take opposite positions (such as for hedging purposes) in the same investments. MCM also may purchase (or sell) securities for one account but not another, or may take similar actions for different accounts at different times.

Normal differences among accounts such as those discussed above routinely cause the mix of securities held in one account to perform differently from the mix of securities held for another. As a result of these considerations, account performance among client accounts will vary, and some performance dispersion will occur even among accounts managed in the same investment strategy.

MCM occasionally may buy or sell securities for clients in which related persons of MCM may have a financial interest. For example, MCM's owners, officers, employees, their family members, and other affiliates of MCM (together, "related persons") may hold in their accounts or sell or potentially take an opposite position for hedging purposes in the same securities that MCM holds or trades for clients, or in similar or related securities.

In addition, MCM's related persons themselves may be MCM clients through pooled investment vehicles advised by MCM, such as the Marsico Funds or a private fund, or through Private Accounts. MCM may buy or sell securities or other investments for the accounts of related persons, or investment vehicles in which related persons invest, that may be very similar to, or may be substantially different from, the securities or investments it buys or sells for other clients.

MCM generally seeks to avoid selling short a security for a client account if it is aware that other MCM client portfolios hold substantial long positions in the same security purchased by MCM, unless the short sale is intended to hedge an existing long position in the account (through, for example, a short sale against the box).

The ownership interests that related persons of MCM may hold in certain portfolios of the Marsico Funds may be significant at times. As a result, those persons at times might be deemed to be "affiliated persons" of, or to have "control" over, one or more fund portfolios managed by MCM, as those terms are defined in the Investment Company Act.

In addition, MCM or its related persons may do other business with, or have other relationships with, certain of MCM's clients, or with issuers whose securities may be held in account portfolios. For example, MCM may purchase or hold for some client accounts securities issued by other clients (or their affiliates). MCM also may purchase or hold for clients securities issued by broker-dealers, banks, or other service providers (or affiliates of service providers) that provide services to MCM, its parent companies, the Marsico Funds, or other MCM clients. Similarly, MCM may purchase or hold securities for clients issued or underwritten by investors in MCM's parent companies, or securities issued or underwritten by affiliates of such investors. MCM also may provide investment advisory or sub-advisory services to such investors in MCM's parent companies or to their affiliates.

### **Allocation of Investment Opportunities and Shares of Investments**

MCM may allocate a particular investment opportunity, or allocate trades in a particular security or other investment, to one client or multiple clients. MCM seeks to allocate investment

opportunities, trades, and trading costs to clients as fairly and equitably as possible in light of the particular circumstances affecting the opportunity, trade, security, and account, without favoring particular accounts over the long term, consistent with practical limitations summarized below.

When allocating investment opportunities or trades to client accounts, MCM seeks to treat accounts owned by related persons like other client accounts. No special treatment or favoritism is permitted for accounts owned by related persons. By the same token, such accounts are not required to be placed at a disadvantage to other client accounts.

Allocations may take into consideration factors such as the size of a client portfolio, the strategy in which it invests, the nature, identity, and number of positions in a client's portfolio, concentration and weight of holdings, investment objectives and guidelines, industry and sector exposure, purchase cost and cash availability, ability to obtain meaningful position sizes, liquidity, investment imbalances, prior participation in similar opportunities, limitations on the availability of an investment, special needs, trading considerations, and other factors.

Inevitably, not all clients, including clients within similar investment strategies, can participate in every investment opportunity, or participate to the same degree. MCM may determine that a limited supply of a particular opportunity or investment or other factors may preclude the participation of some clients in a particular investment opportunity or trade. Similarly, when MCM determines to exit a position for some clients, other clients may not always participate at the same time or to an equal degree.

MCM frequently aggregates or "bunches" trades for more than one client at a time to seek to maximize efficiency and minimize trading costs, and places the bunched trade with one or more broker(s) that MCM believes may provide best execution.

MCM is not required to and does not aggregate trades in all circumstances. For example, MCM typically does not aggregate wrap program trades with trades for other clients, as discussed in **Item 12** below. Although aggregation of trades is intended to benefit client accounts by reducing overall trading costs, it could potentially increase trading costs or have other adverse effects at times.

MCM seeks to allocate bunched trades and trading costs in a manner that is fair and equitable to participating clients in light of the particular circumstances of the trade, security, and account, without favoring particular accounts over the long term, consistent with practical limitations.

The allocation method most commonly used is an equal percentage or level percentage allocation among accounts within a trading group. This leveling method seeks to bring a particular securities position in each account to a relatively equal percentage of total assets following the trade (*e.g.*, purchasing sufficient shares of one stock to reach 3% of each account's assets). Other allocation methods used at times may include, without limitation, a pro rata distribution based on account size or the position size within the account; "fill-first" or other priority instructions intended to address the needs of particular accounts (such as cash issues, investment imbalances or limited quantities); exchanging one existing position for another; or other methods intended to address particular account or trading considerations.

The amount of cash that each account pays to purchase securities or that the account receives for a sale is generally determined by calculating an average price of executions completed and

expenses incurred for all accounts participating in the trading activity. Purchase or sale commissions and other transaction costs generally are allocated pro rata to each participating account based on the amount of securities or proceeds received by the account.

### **Allocation of Syndicated Offerings**

Syndicated offerings are offerings of newly issued securities by a syndicated group of dealers that purchases the securities from the issuer and resells them to the public. Syndicated offerings typically present limited opportunities for meaningful client participation. This is true because of factors including the limited frequency of syndicated offerings, limited number of shares offered, strong interest often resulting in oversubscription by investors, the relatively small number of shares that are typically allotted to each manager and its clients, and the specialized nature of many syndicated offerings which at times may be more suitable for some investment strategies (such as those that invest in small-cap or foreign companies) than for others.

Not all client accounts are eligible to participate in syndicated offerings. FINRA Rule 5130 (“Rule 5130”) may restrict a client account from receiving certain syndicated offerings from a broker-dealer such as IPOs or “new issues,” if a substantial portion of the account is beneficially owned by a “restricted person” such as an employee or owner of a broker-dealer, a portfolio manager, or a finder or fiduciary to a managing underwriter. Related FINRA Rule 5131 (“Rule 5131”) generally restricts underwriters from allocating new issues in a manner that might undermine public confidence in the initial public offering process, such as offering shares to executive officers or directors of certain companies in return for excessive underwriter compensation or separate investment banking business.

Although MCM is not a FINRA member and therefore is not directly subject to Rules 5130 and 5131, MCM could at times cause client accounts to purchase and be allocated IPOs from FINRA members, and might be viewed as a “conduit” entity for such accounts under Rule 5130 in some cases. MCM periodically requests that clients notify MCM whether their accounts are eligible to receive “new issues” in light of these and other restrictions. Some clients may not be eligible to participate in syndicated offerings at all, including clients subject to FINRA or other regulatory restrictions, wrap program clients, and other clients. MCM endeavors to avoid purchasing new issues or other shares of syndicated offerings for clients that it believes are ineligible.

Certain clients eligible to participate in syndicated offerings, such as those subject to the Employee Retirement Income Security Act (“ERISA”), may be excluded from participation in syndicated offerings, or may participate on a more limited basis, because of complex regulatory limitations on dealings with affiliated brokers that may apply under ERISA or other regulations.

Other client accounts that are eligible to receive syndicated offerings may participate rarely for reasons such as, without limitation, limited frequency of offerings, expected relative illiquidity of the newly issued security, investment decisions by MCM or its portfolio managers not to participate or to limit participation, concerns about the issuer’s business or market appeal, the unavailability of meaningful position sizes, client investment guidelines or other account constraints, regulatory restrictions or complexities, compliance policies, or other factors such as those noted above.

The occasional syndicated offerings potentially available to MCM clients may possess special characteristics that make them most suitable for certain investment strategies. For example,

offerings of small-cap companies or foreign company shares may be most suitable for accounts managed under MCM's Midcap Growth Focus, Global Growth, or International Growth strategies. Accounts or groups with these types of investment strategies may receive more frequent opportunities to participate, including certain portfolios of the Marsico Funds (in which MCM's related persons may have invested significantly). Conversely, syndicated offerings may less frequently be allocated to accounts or groups with other strategies, such as Large Cap Growth or Focused Growth.

MCM also may allocate IPOs or other offerings to accounts most likely to obtain a meaningful position size relative to the account's total assets. These allocations at times may benefit smaller accounts or small account groups more than larger accounts or groups.

Secondary offerings are not IPOs, but are subsequent follow-on offerings. MCM may seek to allocate secondary offerings mainly to accounts that already hold positions in the security.

In allocating syndicated offerings, a portfolio manager may issue instructions intended to address particular account needs such as cash limitations or availability, investment imbalances, or other unique account or trading considerations. MCM also may consider special factors such as lack of participation in past offerings, the significance of accounts in obtaining allotments from brokers, or other considerations.

If syndicated offerings are deemed suitable for more than one investment strategy, but are not available in sufficient quantity to allow all account groups within those strategies to participate to a meaningful degree, and some eligible groups appear to have participated to a substantially greater degree than other groups in the past, MCM may allocate such syndicated offerings to eligible client account groups based on considerations such as those discussed above.

Accounts owned by related persons of MCM at times may participate in syndicated offerings to the extent permitted by regulations and other considerations discussed above, or may purchase on open markets the securities issued in such offerings on or after the dates of such syndicated offerings.

MCM seeks to promote the fair treatment of clients eligible to participate in syndicated offerings. In general, MCM seeks to ensure that over the long term, each eligible client with the same or similar investment objectives receives an equitable opportunity to participate occasionally in syndicated offerings in which MCM participates, and that no eligible client is unfairly disadvantaged, subject to limitations such as those noted above.

Subject to the considerations discussed above, MCM will not systematically allocate syndicated offerings in a manner that would be unfairly preferential over the long term to: (i) accounts that are beneficially owned or controlled by MCM, its employees or their immediate family members, or affiliates of MCM, if any; (ii) accounts with poor performance; (iii) new accounts for which a strong performance record would be advantageous; (iv) accounts with a performance-based fee; or (v) unless only a small allocation of securities is available, a limited number of accounts within a larger group of accounts similar in size that are equally eligible to participate in syndicated offerings and share similar investment circumstances, objectives, policies, restrictions, and other relevant suitability factors.

As noted in **Item 8** above, MCM may invest client accounts in the publicly traded equity of special purpose acquisition companies or SPACs, which are sometimes used as alternative vehicles for taking private companies public.

## **Item 12. Brokerage Practices**

### **Best Execution**

When MCM has discretion over broker-dealer selection and execution, it seeks to obtain for client accounts the best execution of portfolio securities transactions that can reasonably be obtained in the circumstances. To seek best execution means to use reasonable diligence in seeking the most favorable execution terms reasonably available in the specific circumstances surrounding each securities trade, so that a client's total costs or proceeds in each securities transaction are the most favorable reasonably available under the prevailing market conditions.

In seeking best execution, MCM may consider various potential costs associated with the execution of securities transactions, including explicit commission costs, client commission benefits, spreads, costs associated with market impact or other price movement during trades, opportunity costs, and the costs of potentially hampering investment goals (such as acquiring too few shares before a large price advance the next day). MCM works actively to contain explicit commission costs, but commissions at times may be a less significant consideration than other costs that can have a larger impact on the overall investment results of securities trades.

To promote best execution, MCM typically takes certain steps when implementing trading decisions, which may include considering the portfolio manager's overall investment goals and anticipated costs and benefits, selecting a reasonable trading venue for a trade (such as an exchange or off-exchange market), selecting an effective broker or alternative trading system ("ATS") to execute the trade, monitoring the trade as it is executed, complying with client trading guidelines including client-directed brokerage instructions or client restrictions on the use of certain brokers, and periodically evaluating broker quality and other concerns affecting best execution through means such as quantitative broker ratings.

MCM seeks to quickly locate sizable sources of trading liquidity when needed, and to arrange trades opportunistically with different counterparties and brokers offering the best terms available in particular trading circumstances. For example, a portion of MCM's trading strategy may involve seeking "natural counterparties," or willing sellers (or buyers) that hold (or seek) relatively sizable positions and have natural incentives to participate on the other side of a trade.

Alternative Trading Systems. Alternative trading systems (*i.e.*, ATSs) include electronic trading systems, networks, or alternative market systems, such as electronic crossing networks, dark pools, as discussed further below, algorithmic trading systems, order matching systems, and other trading systems that may permit at least as favorable a quality of execution as that available through another venue. When possible in particular trading circumstances, MCM frequently executes part or all of the trade order through an ATS if such a system is available, execution of a trade on the system appears reasonably feasible, and doing so may be beneficial (such as when an ATS appears to offer adequate volume and execution capabilities).

Dark pools are crossing networks that provide buy- and sell-side market participants with access to securities quotes or trades that may not be integrated into consolidated quote data or displayed on order books. Dark pools at times may permit access to significant liquidity, limited market impact, low commissions, and protection of proprietary information, while also potentially offering a higher level of anonymity than trading with traditional brokers. Participants such as MCM are generally unaware of the identity of the counterparties to trades executed through dark pools. A pool sponsor itself may take the other side of a trade in order to maintain liquidity or for other reasons.

Dark pool trading systems at times have encountered regulatory and disclosure-related issues concerning discrepancies between their representations and their actual practices. MCM typically must rely on the representations of trading systems about how they conduct their businesses, including their compliance with legal and regulatory obligations, and there can be no assurances that the representations of ATSs and other execution venues always reflect their operations or business practices.

ATSs including dark pools may be particularly useful for trading securities in anonymous transactions subject to lower commissions. ATSs also may reduce the role of market makers and assist buyers and sellers in dealing directly with each other.

ATSs also present certain limitations at times. Factors such as lack of liquidity, time constraints, priority trading needs, resource limitations, or other considerations may make the use of ATSs impractical or undesirable in particular trading circumstances, and favor the use of a conventional full-service broker instead. MCM is not required to use ATSs in any particular circumstances.

MCM seeks to direct trades to ATSs that have provided high quality services. However, the proliferation and linking of trading systems such as algorithms and crossing networks has complicated the task of controlling where client trades are ultimately executed. MCM at times may seek to limit the exposure of orders to certain types of market participants that, in its view, may not provide significant benefits.

Broker Selection Criteria. When selecting a broker (including an ATS), MCM may consider, for example, factors such as each trade order's timing, size, complexity, special features, the availability of liquidity, current market conditions, the full range and quality of an available broker's services, spreads, fees, or commission rates, the broker's general execution capability, its provision of access to underwritten offerings, the value and extent of the broker's past and expected future contributions to overall portfolio performance on a continuing basis (including by providing or facilitating the provision of research, investment ideas, access to corporate executives, permissible commission sharing arrangements, brokerage execution and communications tools, or other brokerage or research services eligible to be paid for with client commissions), its ability to obtain a favorable price, provide or locate liquidity (including natural counterparties), willingness to commit capital, handle relatively large or small orders, the broker's reputation, integrity, facilities, financial responsibility and services offered, trading expertise and responsiveness, reliability in executing trades and keeping records, familiarity with the other side of the trade, fairness in resolving disputes, ability to maintain confidentiality, any client directions to use or not use a particular broker (in accordance with MCM's separate policies and procedures for client-directed brokerage arrangements), and in trades including the

Marsico Funds the broker's ability to use brokerage commission recapture credits to reduce non-distribution-related administrative service expenses charged by the broker or an affiliated service provider to the Marsico Funds for other services such as Fund shareholder recordkeeping.

MCM seeks to ensure that when it selects brokers to execute trades for the Marsico Funds or other mutual funds advised or sub-advised by MCM (as well as other clients), it does not knowingly consider the promotion or sales of fund shares by selling brokers or other client referrals as a factor in selecting brokers.

As discussed further below under **Client Commission Benefits or Soft Dollars**, when selecting a broker (including an ATS), MCM often seeks to obtain research, research-related products, or brokerage services that are intended to assist MCM in its investment decision-making process or in executing trades for clients as effectively as possible, and thereby may benefit MCM's clients as well as MCM itself. In accordance with applicable law, including Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and related rules, the commissions paid to brokers that provide brokerage services or research as part of "client commission benefits" or "soft dollar" benefits may at times be higher than the commissions that would be paid to another broker solely for execution or clearing services.

For efficiency, MCM often utilizes "commission sharing arrangements" discussed further below, in which brokers with efficient execution capabilities execute trades, and set aside a portion of their commissions to pay other brokers or third parties for brokerage services or research. MCM has adopted policies and procedures that seek to ensure that client commissions paid to these brokers (and the other terms on which MCM uses these entities) are competitive, and that the amounts of client commissions paid are believed in good faith to be reasonable in relation to the value of the eligible research and brokerage services and benefits provided by the broker, either in connection with the particular trade, or with MCM's overall responsibilities to the accounts for which it exercises investment discretion in the overall course of dealings with that broker.

Counterparty Risks. Like all investors, MCM's clients necessarily bear certain counterparty risks relating to trading on their behalf. MCM trades for clients in global securities and currency markets with diverse counterparties on the other side of trades such as investors, brokers or dealers, banks, exchanges, and others that facilitate trades. Clients inevitably are exposed to the risk that a counterparty will be unable to complete a transaction or meet related obligations because of financial difficulties or for other reasons.

Counterparty risks are difficult to control, in part because little information may be available about most counterparties. In typical agency securities transactions, counterparties are not known to each other, and the trade is facilitated by intermediaries such as brokers, banks, and exchanges. Even when an investment manager deals directly with a known counterparty, such as a dealer or broker acting as principal, current, transparent, and reliable information about the counterparty's financial condition is often unavailable, and the manager may be unable to assess the creditworthiness of the counterparty or other participants in advance of each transaction. As a result, investment managers often have to engage in trading with diverse and often anonymous counterparties despite the presence of moderate potential risks.

Certain investment and trading practices of MCM may help limit these risks. MCM typically invests in liquid equity securities listed on established securities exchanges, and uses brokers or



ATSS that act as agents between MCM, on behalf of its clients, and the counterparty on the other side of the trade. In these trades, clients' primary exposure to counterparty risk may involve the modest settlement risk that applies during the brief period (typically one to three days) between the execution of any trade and its settlement. It is possible that the counterparty on the other side of the trade might fail to deliver securities or cash, or intermediaries or agents such as brokers, banks, or exchanges might fail to follow procedures intended to reduce such risks or take appropriate action to complete the settlement as expected. If a counterparty on the other side of an agency trade on an established exchange did default, the exchange and its dealer members or the broker agent may assume some responsibility for ensuring that the trade is settled despite the default.

Clients rarely have to depend substantially on a counterparty's balance sheet for a long period of time. MCM occasionally may invest in currency forward contracts with a dealer, but otherwise rarely invests client funds in off-exchange derivative instruments that rely on a dealer's own balance sheet over an extended period.

While counterparty risks for MCM clients may be limited in scope, such risks cannot be completely avoided. For example, when MCM executes trades with a broker that acts as principal in committing its own capital to the trade, settlement-related counterparty risks can extend to a broker's or bank's own creditworthiness for the brief period of time while it uses its own balance sheet or inventories to purchase or sell assets from or to MCM clients.

In the event that a broker or counterparty declares bankruptcy, becomes insolvent or is otherwise unable to honor its obligations, trades may fail to be executed or settled, and client assets committed to such trades could be impaired. A trade that fails to settle could result in the loss of market benefits of the trade, if any, or, in unusual circumstances, loss of clients' securities or cash delivered without corresponding receipts of cash or securities. Clients whose accounts participate in failed trades might lose gains that may otherwise have been obtained, sustain losses that otherwise would have been avoided, or miss opportunities as a result.

In unusual circumstances and market conditions over which MCM has no control, these limited risks might increase dramatically, such as when broker balance sheet problems arise suddenly without warning. It is not feasible to evaluate insolvency risk for every dealer or broker that MCM trades with on behalf of clients. MCM occasionally may conduct a limited review of the creditworthiness of certain brokers, such as when using a broker for the first time, or if a frequently used broker is believed to face material changes in its financial circumstances, to the extent that relevant financial information is available. Broker reviews are not practical or beneficial in many cases, such as for brokers that engage only in agency trades, or that are used only for limited purposes such as to obtain shares of syndicated offerings. Also, a broker review may not identify all risks, and no evaluation can eliminate the risk that a counterparty will fail.

Inevitably, counterparties for particular trades often are anonymous, do not make information available, or may face financial issues that may be unforeseeable for market participants, and MCM may have no choice but to trade with counterparties on behalf of clients despite the presence of potential risks.

Monitoring Trade Quality. MCM's Trading Department seeks to monitor the execution quality of ongoing trades by evaluating a variety of factors depending on the circumstances. Sample

considerations that may be monitored depending on the circumstances include the investment goal, overall market, current market price, bid and ask, volume and high and low prices, venue and broker selection, the broker's or ATS's (together, "brokers") presentation of the trade to the market in light of trading volume and market depth, the promptness of feedback and service provided by the broker, the broker's timeliness in finding the other side of the trade and providing prompt execution information, the price obtained for portions of the trade, the quality of the broker's management of the order in light of changes in the market, the effectiveness of the broker in protecting MCM's (and its clients') confidentiality, and whether the broker appears to be providing effective execution, as applicable. MCM also may consider other information such as the volume-weighted average price during the trade execution, market graphs, securities trading time data, and other data or costs of order execution.

If MCM believes that a broker is not executing a trade effectively, MCM may cancel the balance of the order with the broker and enter the remaining portion of the order with a different broker or trading system. If a broker's execution performance is seriously deficient, MCM may ask the broker to break and re-execute the trade. MCM also may take steps such as requesting coverage by a different representative of the broker firm, or cease using a broker firm until any concerns have been resolved.

MCM maintains a Trade Management Oversight Committee ("TMOC") that includes representatives of departments such as the Investment, Trading, Operations, Marketing/Client Services, Legal, and Compliance Departments. The TMOC is responsible for overseeing the implementation of certain of MCM's portfolio management and trade management policies and procedures, and for evaluating their effectiveness and evaluating trading effectiveness generally. The TMOC generally reviews the firm's periodic ratings of the performance of broker-dealers, discusses the nature, volume, and reasonableness of commissions paid, reviews client commission benefit arrangements including budgets and services provided, and otherwise monitors MCM's performance of its duty to seek best execution. The TMOC generally meets semi-annually, and members may confer informally at other times if and as necessary to address related responsibilities.

MCM uses an internal quantitative broker rating system to assist in evaluating particular brokers, execution quality, and related practices. Members of MCM's Investment, Trading, and Operations Departments periodically evaluate and rate brokers based on factors such as, but not limited to, research or brokerage services provided, service, execution ability, settlements, and other considerations (promotion of the shares of client funds is not a factor considered in broker ratings.) These ratings are helpful as a general check on the execution quality provided by each broker, and a relevant consideration when deciding how to allocate trades among different brokers. The Trading Department and members of the TMOC periodically compare ratings of particular brokers with MCM's actual use of those brokers to confirm whether brokers performing at high levels generally receive a comparable allocation of brokerage.

While MCM seeks best execution of all client securities trades it oversees, it may not always be able to achieve it, particularly when clients restrict opportunities to use diverse trading options, or request that MCM direct trades to a particular broker or bank custodian (including wrap program sponsors) as discussed below under the headings **Brokerage Arrangements for Wrap Program Participants** and **Client-Directed Brokerage**. Foreign currency or FX transactions

present special considerations discussed in **Item 8** above under the heading **Risks Due to Limited Ability to Monitor FX Transactions**.

### **Order of Execution of Trade Orders for Clients**

On a given day, MCM may place similar trade orders for different client accounts or groups, including investment companies, Private Accounts, wrap program participants, and other accounts managed in one or more strategies trading the same security. MCM seeks to ensure that trade orders for different client groups, including accounts for related persons of MCM, are executed in a fair order over the long term, and that no client group is unfairly disadvantaged.

The aggregation with a single broker of trades for multiple clients may realize efficiencies available on larger transactions (aggregation of trades is further discussed in **Item 11** above under the heading **Allocation of Investment Opportunities and Shares of Investments**.) On the other hand, execution of trades with multiple brokers may be preferable if, for example, some clients (such as wrap program participants) have directed that trades be sent to one broker, and trades with multiple brokers are not expected to materially impact one another.

Trades in one security for different client groups will not necessarily overlap in time. MCM generally places each trade order with a trading venue once the order is ready for execution. Portfolio managers may make investment decisions at different times for some clients (such as Fund Clients or Private Accounts) than for other clients (such as wrap program accounts) for reasons such as different investment guidelines, cash availability, the time required to prepare trades, or other circumstances. For example, orders may be placed first for a Fund Client account to address routine cash flows such as subscriptions and redemptions. Trades placed first may have the potential to obtain better or worse purchase prices or sale proceeds depending on market movements, especially with respect to large orders or less liquid securities.

If two portfolio managers initiate orders in the same security for different accounts, MCM's Trading Department may combine the orders on the same trade ticket if they are received at approximately the same time (*e.g.*, within five minutes), or if the price for the security has not changed significantly since the first order was received. If similar orders arrive at different times and the security price has changed significantly, the trader typically will close the first ticket, allocate to the earlier client group the shares or dollars received, and prepare a new ticket for the combined client groups that combines unexecuted trades for shares that weren't purchased or sold in the earlier order with the later order.

Client directions to execute trades through a designated broker, including for wrap program accounts, may affect the order of execution by delaying the execution of trade orders for the directing client. MCM may have an opportunity to obtain favorable execution from another broker for other accounts not affected by a broker designation. MCM at times may execute trade orders for wrap programs and other accounts that direct the use of a particular broker-dealer after the completion of trades for other accounts that do not impose such restrictions. This could have potential adverse or beneficial effects on such later-executed trades depending on market movements.

Simultaneous execution of relatively larger trades with multiple brokers might adversely affect the market for a security by, for example, implying exaggerated demand or supply, or materially moving the market price for the security. MCM instead may choose to execute separate orders

in the order in which they were received, or place a trade for each client group in turn (or a portion of a group's trades at a time). For some wrap program trades or other trades, MCM may rotate among client groups, so that trades for one group are placed first at times while others go first at other times.

### **Trade Errors**

On rare occasions erroneous trades might occur that could cause a monetary impact on a client account. If an error has a significant positive net monetary impact on a client's account, the error is documented in writing, and gains may remain in the client's account or be disposed of in another appropriate manner. If the significant net monetary impact is negative, the loss generally will be moved to MCM's error account and absorbed by MCM, or MCM will otherwise make the client whole. Any net positive balances that occur in MCM's error account after the end of a given quarter may be retained by MCM, given to a charity, or disposed of in another manner as MCM deems appropriate.

### **Brokerage Arrangements for Wrap Program Participants**

As explained in **Item 4** above, wrap program participants generally pay the program sponsor a single fee, or wrap fee, that is intended to cover most costs including most trading costs. Participants generally expect the sponsoring broker to execute most wrap trades, using a portion of the wrap fee to pay brokerage commissions. Thus, the decision to participate in a wrap program generally is an effective decision to direct most brokerage to the sponsor.

In UMA wrap programs that MCM may serve, the sponsor itself typically originates, directs, and executes all trades without MCM's involvement, although in unusual circumstances MCM may assist the sponsor in trading if requested. In a SMA wrap program, MCM generally would send most trades for participants to the sponsor for execution as effectively directed by wrap participants.

Based on the limited information MCM generally receives relating to trade execution quality in wrap programs, it believes that wrap program sponsors (or the brokers designated by the sponsors) usually provide effective execution of wrap program trades, although the quality of executions may vary. If MCM were to receive information that led it to believe that trade quality is substantially less than optimal, MCM may notify the sponsor of any material concerns it may have about trading issues.

Wrap program participants should be aware that their effective decisions to direct most brokerage to the sponsor generally may exclude the use of other brokers that in some circumstances might execute some trades more efficiently.

MCM may execute trade orders for wrap accounts after the completion of trades for other accounts that do not impose restrictions on the use of a broker. When handling trade orders for multiple wrap programs, trades for different programs may be executed in a fixed, random, or variable rotation because of the need to use a different sponsor for each program. The order of execution could affect prices paid or received and account performance.

MCM seeks best execution of securities trades for wrap program participants to the extent that it has trading responsibility, and seeks to enhance trade quality if opportunities arise, although

MCM may have little or no ability to use alternative venues for wrap trades other than the sponsor.

### **Client Commission Benefits or Soft Dollars**

Traditional Client Commission Benefits. When selecting a broker or ATS (together, “broker”) to execute client securities transactions, MCM considers factors including the broker’s ability to provide research and brokerage services to MCM and its clients (“soft dollar benefits” or “client commission benefits”). As permitted by applicable law and SEC guidance, these client commission benefits are paid for by client accounts through their payment of commissions for trades executed by brokers.

Eligible client commission benefits that MCM may receive include brokerage services and resources such as trade communications, settlement services, broker capital commitment to facilitate the execution of certain trades, and other brokerage services, and also may include research, investment information, and other research services provided by the broker (either directly or through third parties) that are expected to provide lawful and appropriate assistance to MCM in the performance of its investment decision-making responsibilities. These services may benefit clients as well as MCM, and in some cases may be unobtainable without the payment of commissions to the providing broker.

To facilitate effective execution of client trades while providing flexible payments for client commission benefits, MCM often utilizes commission sharing arrangements discussed further below, in which brokers with efficient execution capabilities execute trades, and set aside a portion of commissions to pay other brokers or third parties for brokerage services or research. Commission sharing arrangements are one type of brokerage service that may be provided as part of client commission benefits.

Client commission benefits present a potential conflict between the interests of the client and the money manager because they permit the money manager to obtain products or services that benefit the manager (and potentially its clients) without using the manager’s own resources to produce or pay for them. A manager may have an incentive to select brokers that provide client commission benefits instead of alternative execution venues that do not offer such benefits and may charge less for executing transactions.

Certain client commission benefits may benefit some clients more than others. For example, as permitted by applicable U.S. law, some client accounts may contribute a greater percentage of their brokerage commissions toward client commission benefits than other accounts do, or may indirectly pay for research that benefits other accounts more than the paying accounts, or may pay for research relating to investments that the paying accounts are restricted from owning. Applicable law and SEC guidance address these potential conflicts of interest by requiring certain safeguards to apply in arrangements for client commission benefits.

MCM’s client commission benefits arrangements are intended to meet the requirements of the statutory “safe harbor” permitting certain arrangements under Section 28(e) of the Exchange Act as interpreted by the SEC, including in SEC Release No. 34-54165 (July 18, 2006) (“2006 Release”), and any applicable requirements under ERISA. Under these requirements:

- MCM must have investment discretion over broker selection for client trades involving client commission benefits, and must seek best execution of such trades to the best of its ability.
- In connection with client commission benefits received, MCM seeks to make general determinations in good faith that:
  - Client commission benefits constitute “eligible” research and/or brokerage services under the statutory requirements of Section 28(e)(3)(A), (B), or (C) of the Exchange Act as interpreted by the SEC, including in the 2006 Release;
  - Client commission benefits provide lawful and appropriate assistance to MCM in the performance of its investment decision-making responsibilities; and
  - The amounts of client commissions paid are believed, in good faith, to be reasonable in relation to the value of the eligible brokerage and research services and benefits provided by a broker or ATS (together “broker”), either in connection with the particular trade, or with MCM’s overall responsibilities to the accounts for which it exercises investment discretion in the overall course of dealings with that broker.
- Client commission benefits may include “proprietary” research or brokerage services made available to MCM by the executing broker itself, and “third-party” benefits made available by a third-party broker or other service provider and paid for by the executing broker. However, all benefits must be paid for or otherwise “provided by” a broker, whether they are proprietary or third-party services (which the broker may pay for directly or through commission sharing arrangements discussed further below), and the broker must participate at least indirectly in the handling of trades for clients by participating in execution, clearance and settlement, or other trading functions in a manner consistent with the 2006 Release.
- Client commission benefits must be obtained in connection with eligible agency trades or riskless principal trades involving appropriately disclosed charges.
- Consistent with the safe harbor and SEC guidance, brokerage commissions generated by one account may be used to pay for research or brokerage services that assist MCM in carrying out its investment-related responsibilities for that or other accounts, without tracing specific benefits received to commissions paid by each account.

Some of the products and services (proprietary and third-party) that may be provided by a broker to MCM through client commission benefits arrangements may include, without limitation:

Research:

- Traditional “Wall Street” research (proprietary and third-party);
- Meetings with broker research analysts;
- Introductions to corporate executives, economists, government officials, and others;

- Market and economic data, including data providing market color and execution strategies (such as market quotes, volumes, etc.), and data addressing market commentary, execution strategies, risk management tools, legislative developments, economic factors, trends, and portfolio strategies;
- Certain pre-trade and post-trade analytics;
- Software that analyzes securities and portfolios; and
- Specialized publications such as financial newsletters, trade magazines, and other publications intended to serve defined markets (as distinguished from publications of general interest).

#### Brokerage Services:

- Brokerage services relating to trade execution, willingness to commit capital, participation in “stop-loss” orders, clearance, and settlement;
- Components of order execution systems (such as trade matching systems and market data, including systems providing live market data from exchanges/markets);
- Trading software that facilitates certain pre-trade and post-trade analysis;
- Trade and other communications services related to the execution, clearing, and settlement of securities transactions, such as connectivity services between money managers, brokers, and custodians (including through order management systems);
- Dedicated communications lines (such as Financial Information eXchange (“FIX”) Protocol facilities);
- Short-term custody services; and
- Trading software that routes trades to markets, algorithmic trading software, and functions incidental to such trading software.

MCM believes that broker-provided research may benefit clients at times by providing MCM expanded access to sources of research that may facilitate better investment decisions, and potentially enhance the quality of investment advice to clients. Other brokerage services also may benefit clients at times by helping MCM to execute trades for client accounts as efficiently as possible, and assisting MCM in using broker resources to better achieve its overall investment goals.

Most client accounts pay a portion of their overall agency brokerage commissions for brokerage and research products and services. The overall contribution of any account necessarily varies depending on factors such as differences in the account’s size, the nature of the investment strategy used to manage the account (*e.g.*, U.S., global, or international), relative commissions paid on different markets (*e.g.*, commissions for foreign trades are frequently higher than commissions for U.S. trades), the amount of trading done for the account, cash flows into and out of the account, the nature of the brokers or brokerage services used to execute trades for the account, the extent to which clients direct brokerage for the account, the availability of ATSS to execute trades, compensation arrangements with each broker, the types of client commission benefits offered by different brokers or third-party service providers, and other factors.

Wrap program accounts or model-only portfolios may not contribute to client commission benefits because such programs typically limit brokerage discretion, although they may benefit from research and brokerage services to the same extent as other client accounts that do contribute. Applicable U.S. law does not require an investment adviser to attempt to allocate

particular client commission benefits only to clients who pay for them, or to attempt to withhold such benefits from other clients, which would not be feasible for MCM in light of its use of similar research and trading capabilities to serve multiple clients.

Certain laws applicable to European clients might potentially restrict the use of client commissions paid by those clients in some circumstances. In contrast to current U.S. law, European regulations known as the Markets in Financial Instruments Directive II (“MiFID II”) generally prohibit certain investment managers serving European clients from receiving investment research from third parties such as broker-dealers if the research is paid for from client brokerage commissions. Instead, MiFID II generally requires that payments for research (as distinguished from payments for other brokerage services) be made from “research payment accounts” funded by each client if the client agrees to do so, or from “hard dollar” payments by managers. MiFID II also effectively requires broker-dealers to unbundle execution commissions from charges for research paid by European clients.

MCM seeks to limit “mixed use” arrangements in which products or services obtained for client commissions are used both for investment decision-making (such as research) and also for other purposes (such as administrative functions) that are ineligible under Section 28(e) of the Exchange Act. MCM does participate in analogous paired arrangements in which it receives eligible soft dollar products and services from a vendor that are paid for by client commissions, and separately receives ineligible “hard dollar” products and services from the same vendor that are paid for by MCM. In paired or mixed use arrangements, MCM may enter into separate contracts for the soft-dollar and hard-dollar items, or request separate invoices for the items, or otherwise maintain clear separation of the purposes, costs, and sources of payment for the different items. In any mixed use or paired arrangements, MCM maintains books and records that document the appropriate allocation of payments from client commissions solely for eligible uses and payments from MCM’s own resources for any ineligible hard-dollar uses.

Commission Sharing Arrangements. MCM obtains a substantial portion of its client commission benefits through commission sharing arrangements (“CSAs”) with selected brokers. CSA brokers typically may include electronic ATSS that efficiently execute many trades for MCM clients at lower commissions, and place some commissions they receive into pools used to pay appropriate third parties for eligible research or brokerage services provided to MCM. Full-service brokers also may efficiently execute trades and provide useful research or brokerage services and may serve as CSA brokers.

MCM believes that CSAs generally benefit MCM and its clients by allowing the execution of client trades through brokers believed to provide high quality execution services, while causing the brokers to set aside some commissions they receive to pay for research and brokerage services made available by third-party brokers or service providers that may execute trades less efficiently than CSA brokers do.

After the CSA broker sets aside credits within the pool, MCM may direct that the CSA broker use those credits to pay appropriate third-party service providers for eligible client commission benefits made available to MCM, which are deemed to be “provided by” the CSA broker.

MCM seeks to pay client commissions in target amounts sufficient to accumulate CSA credits roughly corresponding to its anticipated client commission benefits requirements. Temporary surpluses or deficits in CSA credits may accumulate depending on factors such as the timing of



billings for qualifying products or services, the need to use significant pool credits to pay obligations incurred relatively early each calendar year, the number of trades executed (including increases in portfolio turnover that may occur during periods of elevated market volatility), the overall amount of assets traded, and the nature of execution terms, among other considerations. From time to time, MCM may alter the CSA brokers that currently maintain pools of credits for clients, as well as the percentages and nature of the commissions that CSA brokers allocate to pools from eligible agency trades, based on factors such as expected trading volumes, trends, current CSA balances, and client commission benefits obligations. MCM does not commit by contract to trade with brokers at specified levels, to generate CSA credits at specified levels, or to pay in hard dollars for any services for which sufficient CSA credits are not available to compensate brokers.

CSA brokers are deemed to own the pools of credits they maintain in connection with CSAs. Broker agreements typically authorize MCM to request that the broker consider using pool credits to pay service providers as recommended by MCM, but MCM generally has little other control over these pools. In accordance with SEC requirements for CSAs, brokers maintaining such pools may disclaim obligations to disburse those credits under certain circumstances, and questions could arise regarding who owns such credits. In the event that a broker merges with another broker or becomes insolvent or in other circumstances, the broker may not necessarily preserve pools of credits accumulated as a result of client brokerage for the benefit of MCM or its clients, and the potential benefits of these credits could be lost. MCM seeks to monitor CSA pool balances and reasonably budget pool balances and flows to attempt to reduce these risks, but cannot eliminate such risks.

### **Commissions for Trades on Securities Exchanges**

MCM may pay higher or lower commissions to different types of brokers that provide different services such as full-service brokers, electronic ATSs, research brokers, and execution-only brokers. These brokers may offer differing execution abilities, CSA participation, research and brokerage services, and other services.

MCM typically may pay higher commissions to brokers for providing higher quality and more comprehensive services including CSAs, and lower commissions for less comprehensive services such as algorithm executions, subject to the need to implement CSAs at necessary target levels. MCM generally pays commissions in the range of \$0.04 per share to top-tier broker-dealers for full-service domestic transactions, and \$0.025 per share or less to execution-only brokers and ATSs for domestic transactions, subject to periodic changes in commission rates paid for CSAs.

Commissions on foreign securities trades vary depending on the foreign market where they are executed. Foreign trade commissions typically are assessed as a percentage of the value of the security being traded rather than on a cents-per-share basis. As a result, foreign securities execution costs generally are relatively higher than U.S. commissions. For typical agency trades, depending on the foreign exchanges on which transactions occur, MCM may pay foreign commissions ranging from approximately 5 basis points or more of the value being traded for electronic trades to 30 basis points or more for full-service trades in some emerging markets.

## **Principal Trades Generally**

MCM at times may execute securities trades with a broker that acts as principal instead of agent and uses its own balance sheet or inventory to fill the other side of a trade. For example, if MCM's investment goal calls for selling or buying a relatively sizable block of securities quickly, it occasionally may ask a broker to act as the counterparty using the broker's own capital or securities inventory to facilitate the trade. To compensate the broker for the risk it takes, the prices at which principal trades are executed may be higher or lower than current market prices for affected securities. The trade may include spreads or commissions that may not be fully transparent, and may be higher than spreads or commissions on other trades.

Principal trades occasionally can play a helpful part in meeting MCM's investment goals, such as completing relatively large trades before security prices move in an unfavorable direction, even if not at the lowest commission cost.

In addition to principal trades arranged by MCM, without MCM's knowledge, a broker executing transactions for MCM on an agency basis at times may complete a transaction by purchasing the remainder of the securities using its own resources on a principal basis, or by filling the order from its own inventory. MCM may not be aware of some occasions when this type of principal trade may occur.

## **Internal Cross Trades**

An internal cross trade is a commission-free transaction in which a buy order for one client account is paired with a sell order for another in the same security. For example, an internal cross trade might be feasible when one account is trimming security positions to raise cash while another account is buying the same securities. Crossing these orders could be beneficial by permitting the execution of complementary trades at minimal cost.

Because of legal, practical, or account-specific restrictions on internal cross trades for certain types of accounts, cross trades are difficult to arrange, MCM uses them very rarely, and MCM has no obligation to effect any internal cross trade for any client in any circumstances.

When they occur, internal cross trades must comply with procedures designed to ensure that the Compliance Department and the Trading Department oversee such trades and that the trades are fair and in the best interests of the clients involved in the trade. Under these procedures, only eligible client accounts (not including accounts affiliated with MCM) may participate, MCM receives no fee (other than its standard advisory fee), the trade generally is effected for cash at an independently determined current market price, clients do not pay brokerage commissions or transaction fees other than customary transfer fees or clearing fees, MCM seeks best execution through the trade, and MCM seeks to ensure that no participating client is unfairly disadvantaged by the cross trade. If an investment company client participates, additional requirements apply.

## **Brokerage for Promotion or Sale of Fund Shares**

MCM does not knowingly allocate trades to brokers in exchange for a broker's promotion or sale of mutual fund shares of MCM's Fund Clients or referrals of new clients to MCM. Consistent with rules for mutual funds, when MCM selects brokers to execute trades for Fund Clients advised or sub-advised by MCM, MCM seeks to ensure that: (i) it does not knowingly consider

the promotion or sales of shares of client funds by selling brokers or other Fund Client referrals as a factor in selecting brokers to execute portfolio securities transactions for those funds; and (ii) it does not knowingly indirectly compensate selling brokers that promote or sell the shares of those funds for such promotion or sales by participating in “step out” or other arrangements in which the selling broker receives any remuneration from fund portfolio transactions effected through another broker (such as a portion of the other broker’s commissions for executing transactions for those funds).

MCM may execute portfolio brokerage or principal transactions for Fund Clients using brokers that promote or sell the shares of those or other funds advised or sub-advised by MCM for reasons not related to the promotion or sale of shares of a Fund Client, such as to meet MCM’s obligation to seek best execution for portfolio securities brokerage transactions.

### **Client-Directed Brokerage**

A client may request in writing that MCM use a broker designated by the client to execute a portion of MCM’s transactions for the client’s account because the designated broker provides certain benefits directly to the client. If MCM agrees in writing, MCM will use its best efforts to comply with such requests.

Clients should understand that such efforts are subject to the disclosures set forth in this Part 2A brochure and other documents. To protect trade execution quality for the directing client and other clients, MCM generally limits client-directed brokerage arrangements to a manageable portion (such as 25%) of all trades for a client’s account, and may primarily limit directed trades to handling account-specific cash inflows and outflows for that client alone. MCM uses its best efforts to meet a target threshold on an annual basis, but may fall short of the target because of limited trading opportunities or other factors.

If a client enters into a directed brokerage arrangement, the broker typically agrees to rebate certain commissions to the client, pay costs incurred by the client, or provide administration, consulting, performance calculation, or other services negotiated by the client in return for commissions from client-directed trades. Broker participation in client-directed brokerage or commission recapture programs has declined over the years because of falling commission levels and other factors, and none of MCM’s clients currently request directed brokerage.

When a client instructs MCM to direct a portion of the securities transactions for its account to a designated broker, the client makes a decision to retain discretion over broker selection and services that MCM otherwise would exercise for the client’s benefit. The client’s decision to choose one broker necessarily limits MCM’s control of and information about certain factors potentially affecting the quality of the broker’s services, such as broker commissions and other terms of trade, execution quality, and benefits received by the client.

MCM seeks best execution of trades involving directed brokerage arrangements by, for example, seeking to execute directed trades as part of any normal trading flow with the directed broker. Because MCM may lack information about some directed broker services and their value to the client, MCM generally is not able to fully evaluate every aspect of the execution of such trades, and the client should satisfy itself concerning the adequacy of the directed brokerage arrangement and related trades.

Directed trades could cost clients more than other trades, and may be executed before or after trades for other client accounts. While a directed brokerage arrangement may be helpful to the client, at times it might have unintended adverse trading effects because the client forgoes the use of other brokers that may be cheaper or more efficient, or other potential benefits of larger trades aggregated with those of other clients such as higher volumes or lower commissions.

### **Item 13. Review of Accounts**

MCM and one or more of its portfolio managers generally provide investment advice and supervision to each client account, subject to limitations regarding wrap program accounts discussed below and in **Item 4** above.

Each portfolio manager regularly monitors the client accounts for which the manager is responsible. Portfolio managers receive daily information about security positions in account portfolios and account performance. Portfolio managers may authorize traders or analysts to communicate or implement limited investment or trading decisions for certain accounts, subject to limitations such as confirmation of trades with portfolio managers and ongoing oversight by portfolio managers.

The Compliance Department uses computerized compliance monitoring software to assist in monitoring portfolios' compliance with client investment policies and regulatory restrictions, and periodically conducts other reviews of certain portfolios. Operations staff generally reconciles account information at least monthly with other available records, such as available custodial records or broker confirmations. Accounting, Marketing/Client Services, and Compliance staff also may periodically review and analyze account performance and related matters. If any question arises about an account, MCM promptly reviews the account, notifies the client if a significant issue is detected, and resolves the issue.

MCM provides account statements to Private Account clients at least quarterly, and encourages clients to carefully review those statements and compare them with any statements received from other service providers such as custodians, as a check on investment holdings and activity in their accounts. Clients should notify MCM promptly if they have any questions.

In the case of wrap program participants, as discussed in **Item 4** above, the wrap program sponsor and each participant are primarily responsible for ensuring that the services provided by the program and each investment manager or sub-adviser are suitable for each participant's needs. Due to the structure of most wrap programs involving the provision of significant services by the sponsor, MCM cannot provide the same level of client relationship services to wrap program participants that it may provide to other clients. Upon request, MCM is reasonably available for consultation with the sponsor and the participant or its representative.

MCM's Compliance Program. MCM maintains a compliance program that is designed to guide its compliance with applicable laws and rules and to seek to prevent violations of relevant legal requirements and other conditions such as applicable client guidelines. The primary elements of MCM's compliance program include the adoption and implementation of written policies and procedures tailored to MCM's business and clients that are reasonably designed to prevent violations by MCM of the Advisers Act and rules, as well as certain requirements of other federal laws. The adoption and implementation of these policies and procedures are joint

responsibilities of MCM's management, the Compliance Department, the Legal Department, and other MCM business units. MCM's Chief Compliance Officer, with the support of other staff, oversees the administration of the compliance program.

MCM devotes considerable time and resources to seeking to ensure that compliance policies are comprehensive and effective and updating them from time to time, and seeks to correct any material violations of its compliance policies promptly if they are detected. Of course, any compliance program has limitations, and no program could prevent, detect, or correct every potential violation of applicable law, client guidelines, or internal policies and procedures.

Class Action Policy and Procedures. Clients of MCM at times might have opportunities to pursue possible claims against the management of companies whose securities are or were held in a client's account with MCM relating to alleged misconduct by such parties. For example, shareholders occasionally may commence a class action against a company or its management for alleged misconduct that may have caused the company's stock price to drop.

While MCM clients generally may not wish to participate in shareholder class actions, clients eventually may wish to file a claim in connection with, for example, a settlement of such an action. For example, a client may receive notice from its bank custodian that a court overseeing a class action has caused the issuance of a written notice of settlement ("claim eligibility notice") stating that the case has been settled, and that persons who owned securities during relevant periods may submit a proof of claim seeking a share of proceeds payable as a result of the settlement.

Monitoring and responding to claim eligibility notices is primarily the responsibility of the client and its custodian bank or portfolio accountant. MCM does not necessarily receive claim eligibility notices for its clients, and cannot accept primary responsibility for forwarding such notices to clients, or for filing, collecting, or taking action on behalf of clients on any claims that a client may be entitled to assert in class action lawsuits or other actions relating to securities currently or formerly held in a client account.

For current clients, MCM will use its best efforts to forward to the client or its custodian or other representative claim eligibility notices or related material information that MCM receives regarding class actions concerning securities held or formerly held in the client's account if MCM believes that the custodian may not receive the information from other sources in due course. MCM also is willing to provide other limited assistance in processing such notices, such as evaluating when relevant securities were held in a client's account. MCM's assistance to clients in these matters generally ends upon termination of the client relationship.

From time to time, MCM or its clients may be solicited by law firms seeking their participation as lead plaintiffs or named plaintiffs in class action suits or other litigation involving securities currently or formerly held in client accounts. In general, MCM does not participate as a lead or named plaintiff for itself or for clients in litigating class action lawsuits, and does not forward law firm solicitations to clients or otherwise assume an active role for clients in such cases.

MCM believes that taking an active role in such cases may not serve the best interests of clients, and may appear inconsistent with MCM's investment strategy and core competence as a passive investor that does not seek to influence or control the management of companies it invests in, its core mission to invest rather than litigate, its concerns about substantial costs and commitments

for clients relating to participation in litigation, its limited knowledge of each client's interests, and the client's need to make its own decisions about key legal matters. Other issues may include potential client concerns about the publication of a client's name as a plaintiff, the absence of clear grants of authority to MCM to file lawsuits on behalf of clients, and clients' frequent preference to handle direct litigation themselves.

"Opt-Out" Legal Actions. Law firms at times inquire whether MCM or its clients wish to "opt-out" of settlements of class actions in favor of pursuing independent litigation or other remedies against a defendant issuer. If an opt-out action is successful, the potential recovery for clients in some circumstances might be substantially greater than the recovery available in a class action settlement.

As in the case of class actions, MCM believes that a decision to bring an action against an issuer and opt out of a class action settlement usually may not serve the best interests of MCM or its clients for reasons similar to those cited above.

A decision to opt out of a class action settlement and file a separate suit is an expensive commitment to a potentially speculative endeavor that clients may or may not choose to undertake after conducting a cost-benefit analysis. An opt-out action substantially increases the legal fees, time commitments, discovery exposure, and other costs, burdens, and risks of litigation compared to class action settlements, generally forfeits the benefits of class action settlements, may delay or prevent the receipt of any legal relief until after a class action settlement, and may introduce a new adversarial element in investing that clients may find unappealing. Other problematic factors may include the difficulties of evaluating potential misconduct by a company and the magnitude of resulting damages, the need to consider and evaluate applicable defenses, the challenge and cost of retaining and consulting suitable counsel, the difficulty of analyzing factors affecting former portfolio holdings held some time ago, and whether holdings, investment decisions, and performance may have been affected by issuer misconduct, the limited time frames for contacting clients and taking action, and the need for rapid responses under court deadlines that may apply. As a result, MCM typically does not accept law firm invitations to opt out of a class action settlement on behalf of itself or clients, and does not forward such invitations to clients, make recommendations as to whether clients should opt out of class action settlements, or provide client contact information to law firms seeking opt-out representations.

In very unusual circumstances, such as if an issuer's management appeared to have made material misrepresentations to MCM that caused serious financial harm to client accounts, or if an issuer engaged in other misconduct causing substantial harm to client accounts not adequately redressed by a class action, MCM would consider assisting interested clients in opting out of a class action and bringing suit on their own behalf, if and to the extent that clients requested assistance and it were reasonable and feasible for MCM to provide it. In such a case, participating clients may be asked to delegate substantial authority to counsel and MCM, relinquish some ability to control such litigation, and hold MCM harmless from liability for their participation in an opt-out lawsuit. MCM generally would assist only clients that requested assistance, and may not be able to determine whether other clients may have an opportunity to opt out, or give notice of the opportunity to opt out to clients or former clients that might potentially participate. MCM's assistance to clients in these matters generally would end upon termination of the client relationship.

MCM reserves the right to decline to participate in opt-out actions for any reason in its discretion.

Foreign “Opt-In” Legal Actions. Many non-U.S. jurisdictions do not provide for a legal remedy comparable to a U.S. class action. Some may recognize other types of collective legal actions by current or former shareholders against an issuing company that engaged in fraudulent or misleading conduct or other malfeasance.

MCM occasionally receives solicitations from third-party service providers asking whether MCM or its clients wish to participate or “opt in” to certain collective legal actions in foreign jurisdictions against issuers of foreign securities held (or formerly held) in client accounts. Like domestic “opt-out” actions, these foreign direct opt-in actions generally would require substantially more active participation by claimants than class actions do, and present other characteristics similar to “opt-out” suits, as well as unique characteristics of their own.

MCM believes that “opt-in” participation in these types of non-U.S. legal actions by MCM or its clients would rarely serve the interests of clients. Many of the challenges cited above for participating in opt-out actions also would apply to opt-in actions. Other factors that may counsel against participating in foreign opt-in actions include the unfamiliar forum and legal framework for such actions in foreign jurisdictions, uncertainties about the outcome of relatively new processes in these jurisdictions, foreign judicial and regulatory skepticism of or hostility to investor claims in certain jurisdictions, the significant burdens of participating in or conducting foreign discovery proceedings or monitoring or presenting testimony abroad, the potential to face counterclaims or other liabilities for participating in such claims in some jurisdictions, the lack of legal and factual clarity about potential recoveries, costs, and liabilities before the need to opt in, potentially onerous contractual requirements regarding costs and other burdens relating to participation, the need to pay some expenses on an ongoing basis regardless of the outcome, and most U.S. parties’ limited expertise regarding certain legal actions and procedures in foreign jurisdictions.

In very unusual circumstances analogous to those that might justify assisting clients to participate in opt-out actions, such as if an issuer’s management appeared to have made material misrepresentations to MCM that caused serious financial harm to client accounts, MCM may consider assisting interested clients in opting into a foreign action and bringing suit on their own behalf, if and to the extent that clients request assistance and it is reasonable and feasible for MCM to provide it. Clients who choose to opt into such an action might face substantial risks analogous to those applicable to opt-out actions as well as other risks. Participating clients may be asked to delegate substantial authority to counsel and MCM, relinquish some ability to control such litigation, and hold MCM harmless from liability for their participation in an opt-in lawsuit. If MCM did assist any clients in opting into an action, because of the risks and other factors discussed above, MCM generally would assist only clients that requested assistance, and may not be able to determine whether other clients may have an opportunity to opt in, or give notice of the opportunity to opt in to clients or former clients that might potentially participate. MCM’s assistance to clients in these matters generally would end upon termination of the client relationship.

MCM reserves the right to decline to participate in opt-in lawsuits for any reason in its discretion.

## Reporting to Clients on Their Accounts.

Mutual Funds. Fund Clients that are registered investment companies or mutual funds provide their own quarterly account statements to fund shareholders. Separately, MCM generally furnishes to principal managers or other representatives of sub-advised mutual Fund Clients at least quarterly reports including information such as portfolio holdings, performance and attribution information, and other information that may be requested by each mutual fund client. The information about mutual fund performance, turnover, and other matters provided by MCM to sub-advised mutual Fund Clients is generally unofficial, informal information derived from MCM's own systems, and is for clients' internal purposes only. Such reports do not constitute the official books and records of any investment company, and unofficial information such as estimated performance or turnover reports should not be used as the basis for reporting information to investment company shareholders in published standardized mutual fund performance data or otherwise.

Private Accounts. MCM furnishes written account statements to Private Account clients at least quarterly. These statements disclose holdings and performance information about Private Account portfolios. MCM also may provide periodic reports to certain Private Account clients about the performance of their accounts, MCM's investment outlook, and other information.

Wrap Program Clients. Wrap program participants generally receive periodic reporting from program sponsors.

## **Item 14. Client Referrals and Other Compensation**

MCM generally does not pay cash referral fees to any persons (whether individuals or entities) for the referral of advisory clients to the firm. MCM employees are compensated based on other criteria, such as the overall performance of MCM and the quality of service provided to clients by MCM personnel. As a result, MCM generally does not face potential conflicts of interest relating to payments for client referrals or similar compensation arrangements.

The Marsico Funds, to which MCM serves as investment adviser, currently have a referral fee arrangement in place with an unaffiliated third party as a component of a broader sales and marketing support arrangement. This arrangement includes a fixed fee for referral services and an additional fee based upon a percentage of the assets of the Marsico Funds invested by shareholders which are referred by the third party (all shareholders in the Marsico Funds are passive investors in the Marsico Funds, which is a registered mutual fund). If and to the extent required, third party entities receiving referral fees from the Marsico Funds may act as registered investment adviser representatives of the Funds.

MCM in its sole discretion may choose to assist the Funds in paying a portion of any referral fee charged to the Funds by a third-party marketing agent, and/or portions of fees charged to the Funds by certain financial intermediaries for making Fund shares available on their platforms or providing related shareholder services, or to assist the Funds in paying other distribution, administrative, or other expenses using MCM's own resources, including profits from providing services to the Funds and other clients.



In the ordinary course of MCM's business in serving as a sub-adviser, it may receive compensation from third parties for giving advice to clients. For example, the principal manager of a sub-advised mutual Fund Client typically pays MCM's fees for sub-advising the Fund Client out of the investment advisory fee that the adviser has negotiated with the fund, rather than requiring the fund to pay MCM directly. Similarly, a wrap program sponsor typically pays MCM's fees for serving the wrap program and its participants from the sponsor's own wrap fee received from participants, rather than requiring participants to pay MCM directly.

Also, in the ordinary course of business, broker-dealers provide MCM and its clients with client commission benefits from their own resources or third-party service providers in exchange for client paid commissions, in accordance with applicable law and SEC guidance, as described in detail under **Client Commission Benefits or Soft Dollars** in **Item 12** above.

### **Item 15. Custody**

MCM does not act as actual custodian of the assets of any client account, and does not seek physical possession of any client's investment cash or assets.

In the ordinary course of business, MCM may enter into advisory arrangements in which it may be deemed to have custody of the assets of certain client accounts because those clients grant direct "fee deduction" authority. In direct fee deduction arrangements, a client expressly authorizes MCM to instruct the client's custodian to periodically deduct the agreed investment advisory fees directly from the client's account and to pay the fees to MCM. These arrangements are authorized by the client, limited to documented fees, and overseen by an independent custodian. For these reasons, Rule 206(4)-2 under the Advisers Act ("Rule 206(4)-2") excepts advisers from certain custody requirements if an adviser is deemed to have custody solely as a result of direct fee deduction arrangements.

To enhance client protections in these deemed custody arrangements, Rule 206(4)-2 generally requires that (a) the actual custodian of the client's account must be a "qualified custodian" (generally a bank or trust company, savings association, registered broker-dealer, registered futures commission merchant, or foreign financial institution), and (b) the adviser must have a reasonable basis, after due inquiry, for believing that the qualified custodian sends an account statement at least quarterly to each client, identifying the amount of cash and securities in the account at the end of the period, and setting forth all transactions in the account during the period. MCM believes that its direct fee deduction arrangements with clients meet Rule 206(4)-2's requirements, subject to MCM's understanding that custodians may provide account statements to their clients in electronic form on their websites rather than in paper form.

Clients should carefully review their custodial agreements with their bank custodians to ensure that the agreements do not contain overbroad language that might appear to inadvertently confer custody over clients' assets on an investment adviser such as MCM. Advisory agreements signed by MCM and clients specifically disclaim any custody authority for MCM.

MCM does not ordinarily have access to clients' custodial agreements, and has no control over the language of such agreements. In general, a custodial agreement should reasonably authorize the client's investment adviser to give instructions to the custodian to disburse cash or securities from the client's account whenever the custodian believes in good faith that the adviser's

instructions are given to facilitate ordinary securities trading activity under an investment advisory agreement between the client and the adviser. If the client wishes, the custodial agreement also can allow the custodian to disburse cash to the investment adviser to pay for the direct fee deduction of investment advisory fees, as discussed above. Clients should note that a custodial agreement is not required to grant unlimited authority to an adviser to withdraw client cash or securities without safeguards such as delivery versus payment, and an agreement could require the custodian to, for example, ask the client for further guidance about adviser instructions that appear unusual or not clearly authorized.

Although MCM does not open custodial accounts on behalf of clients, it suggests that clients carefully compare account statements from the custodian with statements from MCM as a sensible check on account activity, and that clients contact MCM with any questions. Clients also should contact their custodians and MCM if they do not receive access to quarterly account statements from their custodians.

MCM takes reasonable steps to avoid receiving unintentional custody of client assets such as checks from third parties to clients. At times, however, representatives of corporate issuers whose securities are or were held in clients' accounts, trustees or other administrators of settlement funds, and other parties may issue checks made out to MCM on behalf of certain clients, or checks made out to clients in amounts intended as part of distributions, settlements or other payments to investors. When MCM receives such checks or other client assets, it uses its best efforts to comply with SEC guidance issued pursuant to Rule 206(4)-2, and to identify affected clients and distribute amounts believed to be due to them as quickly as practicable. In some cases, practical necessity or other factors may require MCM to deposit such checks in its own account and pay out amounts to current clients as quickly as practicable, or take other actions described below.

Certain factors may make it difficult to timely distribute third-party payments to clients, and MCM cannot assure that all present or former clients will always receive all amounts believed to be due to them from third parties. Distributions may result from events that occurred years earlier, and the paying entity and MCM may not know which clients were affected or in what amounts. MCM may face major challenges in attempting to ascertain what amounts may be due to which clients and in seeking to contact them. Amounts involved in these situations often are minimal, and may not justify costly efforts to allocate or distribute them. MCM's assistance to clients in these matters generally ends upon termination of the client relationship.

If amounts at issue are immaterial, difficulties exist in distributing some amounts, or distributions are impractical or undesirable for other reasons, MCM may make an equitable distribution of amounts in good faith to certain clients that clearly were affected, retain all or a portion to help cover current or previous expenses such as costs incurred in servicing or closing client accounts, processing payments, or other expenses, donate amounts to a charity of its choice, or take any other action that appears reasonable or appropriate in its discretion.

#### **Item 16. Investment Discretion**

MCM believes it serves clients best by exercising discretionary authority to determine the type, amount, and price of investments to be bought or sold in client accounts, the brokers to be used to execute trades, and other investment-related decisions, subject to each client's stated

investment policies, restrictions, and other considerations that may apply. Unless otherwise agreed, clients generally grant MCM discretionary authority over a new account, and MCM begins investing the account's assets after receiving a certified list of assets from the client's custodian.

To meet regulatory requirements or for other reasons, a client may limit the authority it delegates to MCM as reasonably desired. For example, MCM may serve as a sub-adviser to a Fund Client subject to oversight by the principal manager and fund board, or serve as manager of an ERISA plan or trust assets subject to oversight and shared discretion exercised by a plan fiduciary or a trustee.

A client also may request that MCM take certain actions such as retain certain legacy securities in the client's account, or keep part of an account in cash. MCM will seek to comply with these and other reasonable guidelines and restrictions set by clients.

As discussed in **Item 4** above, in UMA wrap programs, the sponsor (or an affiliated or independent "overlay manager" appointed by the sponsor) typically would manage client portfolios itself using recommendations from MCM and other investment managers. MCM generally would provide a model portfolio to UMA sponsors or overlay managers, and not participate in trading or other management of accounts by the UMA sponsor or overlay manager.

Like all investment advisers, MCM is subject to constraints on its investment discretion under regulatory or other compliance restrictions. For example, federal, state, or foreign regulatory requirements or company-specific ownership limits may restrict the total percentage of an issuer's securities that MCM can hold, and the types or amounts of securities available to be purchased for client accounts. Investment companies, ERISA plans, and wrap accounts are subject to other special restrictions. The complexity of certain regulatory regimes such as ERISA may cause MCM to manage related accounts more conservatively than may be required under law or permitted under account restrictions.

Unless otherwise agreed, MCM generally has discretionary authority to select brokers used to execute trades for client accounts. Certain exceptions relating to Client-Directed Brokerage and Brokerage Arrangements for Wrap Program Participants are discussed in **Item 12** above.

#### **Item 17. Voting Client Securities**

MCM maintains a written proxy voting policy and procedures governing its exercise of proxy voting responsibilities as required by Rule 206(4)-6 under the Advisers Act. A summary of MCM's policy appears here.

MCM, acting in a fiduciary capacity on behalf of its clients, seeks to ensure that, to the extent reasonably feasible, proxy ballots and proposals (together "proxies" or "proposals") relating to securities held in client accounts over which MCM has voting authority, and for which it receives timely notice in good order, are voted or otherwise processed (such as through a decision to abstain or take no action) in the best interests of MCM's clients in the economic appreciation of their investments managed by MCM over the long term ("best interests").

MCM invests most client accounts in U.S. and global growth equity strategies. Because client accounts generally share similar investment objectives (such as long-term growth of capital) and similar principal strategies, MCM believes that clients also share similar interests in the voting of proxies relating to securities held in their accounts. Therefore, MCM believes that this policy is the appropriate proxy voting policy for all of its clients (except for any who retain authority to vote proxies themselves). This approach is also supported by MCM's preference usually to vote proxies as recommended by the managers and boards of directors ("management teams") of portfolio companies as discussed further below.

- a. MCM's security analysts are required to review proxy proposals as part of their monitoring of portfolio companies held in client portfolios. Under MCM's growth equity investment discipline, MCM generally seeks certain qualities in companies selected for clients, which usually include good management teams who appear to seek to serve shareholder interests. MCM believes that the management teams of most companies it invests in appear to seek to serve shareholder interests, including when making recommendations on voting proxies relating to those companies. Therefore, when those companies issue proxies, MCM believes that related recommendations by management teams often are in the best interests of company shareholders including MCM's clients. As a result, MCM believes that voting proxy proposals in the best interests of MCM's clients usually, though not always, means voting in accordance with the recommendations of those companies' management teams.
- b. In certain circumstances, MCM's vote-by-vote analysis of proxy proposals could lead it to take a different view from a company's management team. For example, at times MCM may conclude that particular management team recommendations may not appear as closely aligned with shareholder interests as MCM may deem desirable, or may reasonably be disregarded in the best interests of MCM's clients as viewed by MCM. In those and other circumstances, MCM, in its sole discretion, may vote in a manner not in accordance with a management team's recommendation (or may abstain or take no action) based on any factors it deems relevant, provided that in MCM's view such a vote appears consistent with the best interests of MCM's clients.
- c. MCM at times may process proxy proposals without voting them, such as by making a decision to abstain from voting or to take no action. Examples of circumstances in which MCM may abstain or take no action on proxy proposals include, without limitation, when companies issue proxies relating to securities that MCM has decided to sell (which could occur for various reasons including any MCM concerns about a management team's alignment with shareholders), proxies for securities that MCM did not select for a client portfolio (such as securities selected by a previous adviser, unsupervised securities held in a client's account, money market securities, or other securities selected by clients or their representatives other than MCM), or when voting may be unduly burdensome or expensive, such as when foreign companies and/or foreign markets impose unreasonable voting requirements, power of attorney requirements, or holding requirements. MCM also may abstain or take no action on proxy proposals when it believes that voting may not be in the best interests of MCM's clients, or as an alternative to voting with (or against) a management team, or when MCM may face an apparent potential material conflict of interest in voting certain proxies and alternative voting procedures for such conflicts discussed below are not available or desirable.

- d. MCM in unusual circumstances may face the appearance of a potential material conflict of interest between the interests of clients, on the one hand, and the interests of MCM, on the other, in how certain proxies are voted. This could occur, for example, if a company that issues proxies also is a direct client of MCM, to MCM's knowledge. In such a case, MCM generally will resolve any appearance concerns by causing those proxies to be "echo voted" or "mirror voted" in the same proportion as other votes, abstaining or taking no action on the proxies, or following other appropriate procedures instead of voting the proxies in accordance with its own determinations.
- e. MCM may make limited use of one or more independent proxy service providers to assist in functions such as translating proxy materials, processing MCM's own voting instructions, maintaining voting records, assisting in preparing reports to clients or the SEC, and providing research or other information about proxy issues as one input in MCM's own decision-making process. MCM conducts practical checks on proxy service providers' output from time to time to seek to confirm the quality of the services they provide to MCM. Based on these checks and other experience with service providers, MCM believes that proxy service providers generally capture MCM's voting instructions accurately and perform other limited services satisfactorily. To neutralize any potential conflicts of interest that a proxy service provider might have in providing certain research or voting recommendations, MCM typically requires its own security analysts either to follow MCM's preference for usually voting proxies as recommended by the management teams of portfolio companies, or to prepare a written rationale for each proxy vote without relying on service provider recommendations. MCM does not instruct proxy service providers to vote proxies based on the proxy service providers' own recommendations, or request proxy service providers to pre-populate MCM's proxy ballots with recommended votes.
- f. MCM may be unable to vote or otherwise process proxy ballots that are not received or cannot be processed in a timely manner due to functional limitations of the proxy voting system, custodial limitations, or other factors beyond MCM's control. Ballots that cannot be processed may include, without limitation, ballots for securities out on loan under securities lending programs initiated by the client or its custodian, ballots not timely forwarded by a custodian, and ballots for which MCM does not timely receive essential information such as modifications to the proxy proposals or voting deadline date. Other ballots may be voted but not counted, or counted in an unexpected way, because of factors such as foreign voting requirements or other limitations.

MCM generally cannot implement client proxy voting guidelines that do not delegate full discretion to MCM, or that are not consistent with MCM's Proxy Voting Policy and Procedures or MCM's investment policy. In particular, MCM would encourage a client to retain proxy voting authority over its own account instead of authorizing MCM to vote if the client believes that proxies should be voted based on political or social interests or other client-specific considerations, or if the client seeks to impose client-specific voting guidelines that may be inconsistent with MCM's vote-by-vote analysis or the MCM Proxy Voting Policy's view of clients' best interests. MCM does not generally advise a client on proxy voting issues when the client retains authority to handle such matters itself.

Upon request, MCM will provide clients with (i) a copy of MCM's Proxy Voting Policy and Procedures, and (ii) information about how proxies for securities held in their accounts were voted or otherwise processed. For shareholders of the Marsico Funds, information about proxy votes for the 12-month period ended June 30 of each year appears in Form N-PX for the Funds, which is available on the SEC's website at <https://www.sec.gov/edgar/searchedgar/n-px.htm>, and upon request (without charge) by calling 888-860-8686.

**Item 18. Financial Information**

A related party of MCM holds approximately \$18.9 million in medium-term senior loans issued on favorable terms to MCM's parent companies and guaranteed by MCM. MCM and its parent companies have no other debt.

**Item 19. Requirements for State-Registered Advisers**

Not applicable.

**MARSICO CAPITAL MANAGEMENT, LLC (“MCM”)**  
**FORM ADV PART 2B**  
**BROCHURE SUPPLEMENTS DESCRIBING PORTFOLIO MANAGERS**  
**COVER SHEET**

**March 31, 2023**

The attached brochure supplements constituting Part 2B of MCM’s Form ADV provide information to clients about MCM’s portfolio managers to supplement MCM’s separate client brochure known as Part 2A of Form ADV. Portfolio managers include persons who are supervised by MCM, and either: (a) formulate investment advice for clients and have direct client contact; or (b) have discretionary authority over client assets even if they have no direct client contact (except persons who have no direct client contact and have discretionary authority only as part of a team).

A previous version of these brochure supplements was filed with MCM’s annually updated client brochure, Part 2A of Form ADV, on March 31, 2022, and provided to MCM’s clients with Part 2A. Subsequently, MCM made limited changes to these brochure supplements as shown below, and provided the updated brochure supplements to affected clients following each update:

- Limited update effective June 29, 2022, reflecting the addition of Thomas F. Marsico as a co-portfolio manager with then current portfolio manager Brandon A. Geisler of accounts managed in MCM’s Midcap Growth Focus strategy.
- Limited update effective July 1, 2022, reflecting the departure of Brandon A. Geisler from MCM and his corresponding removal as a co-portfolio manager of accounts managed in MCM’s Focused Growth, Diversified Growth, Select Alpha Growth, Midcap Growth Focus, and Global Growth strategies.
- Limited update effective August 4, 2022, reflecting the addition of Peter C. Marsico and James D. Marsico as co-portfolio managers with current portfolio manager Thomas F. Marsico of accounts managed in MCM’s Focused Growth strategy.
- Limited update effective September 16, 2022, reflecting the addition of Peter C. Marsico and James D. Marsico as co-portfolio managers with current portfolio manager Thomas F. Marsico of accounts managed in MCM’s Midcap Growth Focus strategy.

From time to time MCM may make further updates to brochure supplements and deliver them separately to affected clients without filing them with Part 2A of Form ADV.

**MARSICO CAPITAL MANAGEMENT, LLC (“MCM”)**  
**FORM ADV PART 2B**  
**BROCHURE SUPPLEMENT FOR THOMAS F. MARSICO**

**March 31, 2023**

**Item 1. Cover Page**

This document provides information about Thomas F. Marsico that supplements the brochure (also known as Part 2A) provided by MCM to its clients and prospective clients. You should have received a copy of that brochure. Please contact us at 303-454-5600 or [compliance@marsicocapital.com](mailto:compliance@marsicocapital.com) if you did not receive MCM’s brochure or if you have any questions about the contents of this supplement.

Thomas F. Marsico is the founder, Chief Executive Officer, and Chief Investment Officer of MCM. Mr. Marsico sets MCM’s overall research and investment strategy, is a co-portfolio manager of accounts managed in MCM’s Focused Growth, Diversified Growth, Midcap Growth Focus, International Growth, and Global Growth strategies, and is the portfolio manager of accounts managed in MCM’s Select Alpha Growth strategy.

MCM’s address, telephone number, and website are:

Marsico Capital Management, LLC  
1200 17<sup>th</sup> Street, Suite 1700  
Denver, Colorado 80202-5824  
Phone: 303-454-5600  
[www.marsicocapital.com](http://www.marsicocapital.com)

**Item 2. Educational Background and Business Experience**

Mr. Marsico has over 40 years of experience in the investment management field as a securities analyst and a portfolio manager. His extensive background in rigorous securities analysis led him to recruit and train MCM’s multi-talented Investment Team. He is a graduate of the University of Colorado, and holds an MBA from the University of Denver. Mr. Marsico was born in 1955.

**Item 3. Disciplinary Information**

Not applicable.



**Item 4. Other Business Activities**

Mr. Marsico holds other investment-related positions associated with his services to MCM and its clients, including serving as an officer of MCM's parent companies and affiliates, and as a board member and officer of The Marsico Investment Fund, the family of mutual funds advised by MCM. These duties are not undertaken for compensation, and do not present conflicts of interest with Mr. Marsico's services to MCM and its clients. Mr. Marsico is not actively engaged in any non-MCM business or other occupation that involves a substantial amount of his time or provides a substantial amount of his income.

**Item 5. Additional Compensation**

Not applicable.

**Item 6. Supervision**

MCM has extensive policies and procedures, software systems, and other controls that seek to ensure that its portfolio managers manage client accounts in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee certifies in writing to his or her understanding of relevant compliance procedures, and MCM monitors compliance with procedures and performs periodic review and testing of procedures.

Under MCM's compliance and supervision policy and procedures, every MCM employee has the responsibility to know and follow MCM's procedures, and is subject to supervision by MCM's management and the Compliance Department. Thomas F. Marsico is responsible for managing MCM's Investment Team. If you have a question about the management of your account, you can call Mr. Marsico at (303) 454-5600 or Chris Girvan, MCM's Chief Compliance Officer, at (303) 454-5600, or write to them at the address for MCM listed on the previous page.

**MARSICO CAPITAL MANAGEMENT, LLC (“MCM”)**  
**FORM ADV PART 2B**  
**BROCHURE SUPPLEMENT FOR PETER C. MARSICO**

**March 31, 2023**

**Item 1. Cover Page**

This document provides information about Peter C. Marsico that supplements the brochure (also known as Part 2A) provided by MCM to its clients and prospective clients. You should have received a copy of that brochure. Please contact us at 303-454-5600 or [compliance@marsicocapital.com](mailto:compliance@marsicocapital.com) if you did not receive MCM’s brochure or if you have any questions about the contents of this supplement.

Peter C. Marsico is a co-portfolio manager of accounts managed in MCM’s Focused Growth, Diversified Growth, and Midcap Growth Focus strategies, and a senior analyst on MCM’s Investment Team.

MCM’s address, telephone number, and website are:

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1200 17<sup>th</sup> Street, Suite 1700  
Denver, Colorado 80202-5824  
Phone: 303-454-5600  
[www.marsicocapital.com](http://www.marsicocapital.com)

**Item 2. Educational Background and Business Experience**

Mr. Marsico has over 14 years of experience in the financial services industry. His research responsibilities include retail, restaurants, consumer goods, and other industries. He is a graduate of the University of North Carolina, and holds an MBA from the University of Denver. Mr. Marsico was born in 1985.

**Item 3. Disciplinary Information**

Not applicable.

**Item 4. Other Business Activities**

Not applicable.

**Item 5. Additional Compensation**

Not applicable.

**Item 6. Supervision**

MCM has extensive policies and procedures, software systems, and other controls that seek to ensure that its portfolio managers manage client accounts in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee certifies in writing to his or her understanding of relevant compliance procedures, and MCM monitors compliance with procedures and performs periodic review and testing of procedures.

Under MCM's compliance and supervision policy and procedures, every MCM employee has the responsibility to know and follow MCM's procedures, and is subject to supervision by MCM's management and the Compliance Department. Thomas F. Marsico is responsible for managing MCM's Investment Team. If you have a question about the management of your account, you can call Tom Marsico at (303) 454-5600 or Chris Girvan, MCM's Chief Compliance Officer, at (303) 454-5600, or write to them at the address for MCM listed on the previous page.

**MARSICO CAPITAL MANAGEMENT, LLC (“MCM”)**  
**FORM ADV PART 2B**  
**BROCHURE SUPPLEMENT FOR JAMES D. MARSICO**

**March 31, 2023**

**Item 1. Cover Page**

This document provides information about James D. Marsico that supplements the brochure (also known as Part 2A) provided by MCM to its clients and prospective clients. You should have received a copy of that brochure. Please contact us at 303-454-5600 or [compliance@marsicocapital.com](mailto:compliance@marsicocapital.com) if you did not receive MCM’s brochure or if you have any questions about the contents of this supplement.

James D. Marsico is a co-portfolio manager of accounts managed in MCM’s Focused Growth, Diversified Growth, and Midcap Growth Focus strategies, and a senior analyst on MCM’s Investment Team.

MCM’s address, telephone number, and website are:

Marsico Capital Management, LLC  
1200 17<sup>th</sup> Street, Suite 1700  
Denver, Colorado 80202-5824  
Phone: 303-454-5600  
[www.marsicocapital.com](http://www.marsicocapital.com)

**Item 2. Educational Background and Business Experience**

Mr. Marsico has over 13 years of experience in the financial services industry. His research responsibilities include technology, media, consumer discretionary, and other industries. He is a graduate of the University of Texas at Austin, and holds an MBA from the University of Denver. Mr. Marsico was born in 1985.

**Item 3. Disciplinary Information**

Not applicable.

**Item 4. Other Business Activities**

Not applicable.

**Item 5. Additional Compensation**

Not applicable.

**Item 6. Supervision**

MCM has extensive policies and procedures, software systems, and other controls that seek to ensure that its portfolio managers manage client accounts in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee certifies in writing to his or her understanding of relevant compliance procedures, and MCM monitors compliance with procedures and performs periodic review and testing of procedures.

Under MCM's compliance and supervision policy and procedures, every MCM employee has the responsibility to know and follow MCM's procedures, and is subject to supervision by MCM's management and the Compliance Department. Thomas F. Marsico is responsible for managing MCM's Investment Team. If you have a question about the management of your account, you can call Tom Marsico at (303) 454-5600 or Chris Girvan, MCM's Chief Compliance Officer, at (303) 454-5600, or write to them at the address for MCM listed on the previous page.

**MARSICO CAPITAL MANAGEMENT, LLC (“MCM”)**  
**FORM ADV PART 2B**  
**BROCHURE SUPPLEMENT FOR ROBERT G. SUSMAN, CFA**

**March 31, 2023**

**Item 1. Cover Page**

This document provides information about Robert G. Susman, CFA, that supplements the brochure (also known as Part 2A) provided by MCM to its clients and prospective clients. You should have received a copy of that brochure. Please contact us at 303-454-5600 or [compliance@marsicocapital.com](mailto:compliance@marsicocapital.com) if you did not receive MCM’s brochure or if you have any questions about the contents of this supplement.

Robert G. Susman, CFA, is a co-portfolio manager of accounts managed in MCM’s International Growth and Global Growth strategies, and a senior analyst on MCM’s Investment Team.

MCM’s address, telephone number, and website are:

Marsico Capital Management, LLC  
1200 17<sup>th</sup> Street, Suite 1700  
Denver, Colorado 80202-5824  
Phone: 303-454-5600  
[www.marsicocapital.com](http://www.marsicocapital.com)

**Item 2. Educational Background and Business Experience**

Mr. Susman has over 20 years of experience in the financial services industry. Prior to joining MCM in 2013, he served from 2001 to 2005 as an associate in the equity research department at Morgan Stanley in New York City before joining the firm’s Corporate Strategy and Execution Team. Mr. Susman later transitioned to the buy-side where he was an analyst for Baron Capital, Inc. from 2007 to 2013. Mr. Susman was awarded the designation of Chartered Financial Analyst (“CFA”) in 2005. He holds an AB degree in Economics from Harvard College and an MBA from Harvard Business School. Mr. Susman was born in 1978.

The CFA program is a three-level graduate self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements tested in several exams, and typically requires 2-5 years and prior qualifying experience to complete.

**Item 3. Disciplinary Information**

Not applicable.

**Item 4. Other Business Activities**

Not applicable.

**Item 5. Additional Compensation**

Not applicable.

**Item 6. Supervision**

MCM has extensive policies and procedures, software systems, and other controls that seek to ensure that its portfolio managers manage client accounts in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee certifies in writing to his or her understanding of relevant compliance procedures, and MCM monitors compliance with procedures and performs periodic review and testing of procedures.

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