

STATEMENT OF ADDITIONAL INFORMATION

February 1, 2012

This Statement of Additional Information (also referred to as the “SAI”) is not a prospectus. It should be read in conjunction with the prospectus dated February 1, 2012, as amended from time to time (the “Prospectus”) for The Marsico Investment Fund (the “Trust”). A copy of the Prospectus may be obtained without charge by calling 888-860-8686 or writing to UMB Fund Services, Inc., P.O. Box 3210, Milwaukee, WI 53201-3210. The Trust offers seven investment portfolios: the Marsico Focus Fund, the Marsico Growth Fund, the Marsico 21st Century Fund, the Marsico International Opportunities Fund, the Marsico Flexible Capital Fund, the Marsico Global Fund and the Marsico Emerging Markets Fund (each may be separately referred to as a “Fund” and collectively, as the “Funds”). The financial statements of the Funds appearing in the Annual Report to Shareholders for the fiscal year ended September 30, 2011 are incorporated herein by reference. The Annual Report to Shareholders may be obtained without charge by calling 888-860-8686 or writing to UMB Fund Services, Inc., P.O. Box 3210, Milwaukee, WI 53201-3210.

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INVESTMENT GOALS AND POLICIES

The Marsico Focus Fund (“Focus Fund”) is a non-diversified mutual fund whose goal is to seek long-term growth of capital.

The Marsico Growth Fund (“Growth Fund”) is a diversified mutual fund whose goal is to seek long-term growth of capital.

The Marsico 21st Century Fund (“21st Century Fund”) is a diversified mutual fund whose goal is to seek long-term growth of capital.

The Marsico International Opportunities Fund (“International Opportunities Fund”) is a diversified mutual fund whose goal is to seek long-term growth of capital.

The Marsico Flexible Capital Fund (“Flexible Capital Fund”) is a diversified mutual fund whose goal is to seek long-term growth of capital.

The Marsico Global Fund (“Global Fund”) is a diversified mutual fund whose goal is to seek long-term growth of capital.

The Marsico Emerging Markets Fund (“Emerging Markets Fund”) is a diversified mutual fund whose goal is to seek long-term growth of capital.

FUNDAMENTAL INVESTMENT RESTRICTIONS

As indicated in the Prospectus, the Funds are subject to certain fundamental policies and restrictions that may not be changed without shareholder approval. Percentage restrictions on portfolio investments listed in the Prospectus or this SAI apply at the time of investment unless otherwise indicated. Shareholder approval means approval by the lesser of (i) more than 50% of the outstanding voting securities of the Trust (or a particular Fund if a matter affects just that Fund), or (ii) 67% or more of the voting securities present at a meeting if the holders of more than 50% of the outstanding voting securities of the Trust (or of a particular Fund) are present or represented by proxy. As fundamental policies, each Fund may not:

(1) Invest 25% or more of the value of their respective total assets in any particular industry (other than U.S. government securities).

(2) Invest directly in real estate; however, the Funds may own debt or equity securities issued by companies engaged in the real estate business.

(3) Purchase or sell physical commodities other than foreign currencies unless acquired as a result of ownership of securities (but this limitation shall not prevent the Funds from purchasing or selling options, futures, swaps and forward contracts or from investing in securities or other instruments backed by physical commodities).

(4) Lend any security or make any other loan if, as a result, more than 25% of a Fund’s total assets would be lent to other parties (but this limitation does not apply to purchases of commercial paper, debt securities or repurchase agreements).

(5) Act as an underwriter of securities issued by others, except to the extent that a Fund may be deemed an underwriter in connection with the disposition of portfolio securities of the Fund.

(6) Issue senior securities, except as permitted under the Investment Company Act of 1940, as amended (the “1940 Act”).

(7) Borrow money, except that the Funds may borrow money for temporary or emergency purposes (not for leveraging or investment) in an amount not exceeding 33 1/3% of the value of their respective total assets (including the amount borrowed) less liabilities (other than borrowings). If borrowings exceed 33 1/3% of the value of a Fund’s total assets by reason of a decline in net assets, the Fund will reduce its borrowings within three days (not including Sundays and holidays) to the extent necessary to comply with the 33 1/3% limitation. The following are not considered “borrowings” for this purpose, and this policy shall not prohibit the Funds from engaging in them: reverse repurchase agreements; deposits of assets to margin or guarantee positions in futures, options, swaps or forward contracts; or the segregation of assets in connection with such contracts. A Fund will not purchase securities while its borrowings exceed 5% of that Fund’s total assets.

In addition to the foregoing, as a fundamental policy, each of the Growth Fund, the 21st Century Fund, the International Opportunities Fund, the Flexible Capital Fund, the Global Fund and the Emerging Markets Fund are “diversified” investment companies. As a diversified company under the 1940 Act, each of these Funds may not own more than 10% of the outstanding voting securities of any one issuer and, as to seventy-five percent (75%) of the value of its total assets, each Fund may not purchase the securities of any one issuer (except cash items and “government securities” as defined under the 1940 Act), if immediately after and as a result of each such purchase, the combined value of all purchases of the holdings of each Fund in the securities of such issuer (calculated separately for each purchase based on the percentage of total assets it constituted at the time of purchase) would exceed 5% of the value of the Fund’s total assets. Subsequent changes in the market value of each security or other property purchased after the time it was purchased do not affect this calculation. As an alternative to making the total asset calculation at the time of each purchase of securities, each Fund may instead determine its status as a diversified company not less frequently than quarterly, and may disregard interim changes in its total assets due to changes in the market value of its investments insofar as such changes might otherwise affect the Fund’s classification as a diversified company.

As a fundamental policy, the Focus Fund is not a diversified investment company and is considered a “non-diversified” investment company. As a non-diversified company under the 1940 Act, the Focus Fund has the ability to invest a greater percentage of its assets in the securities of particular issuers compared to a diversified portfolio, and is permitted to hold the securities of fewer companies than other funds.

All seven of the Funds seek to maintain their status as regulated investment companies under the Internal Revenue Code of 1986, as amended (the “Code”). Among other requirements to preserve their status as regulated investment companies under the Code, each Fund may not own more than 10% of the outstanding voting securities of any one issuer and, as to fifty percent (50%) of the value of its total assets, each Fund may not purchase the securities of any one issuer (except cash items and “government securities” as defined under the 1940 Act), if at the end of

each fiscal quarter, the value of the holdings of the Fund in the securities of such issuer (based on the percentage of total assets those holdings constituted at the end of each fiscal quarter) would exceed 5% of the value of the Fund's total assets. Fluctuations in the market value of the Funds' portfolios between fiscal quarters will not cause the Funds to lose their status as regulated investment companies under the Code. In addition, each of the Funds may not invest more than 25% of its respective total assets in a single issuer (other than U.S. government securities). These requirements for "regulated investment companies" are the primary diversification requirements that apply to the Focus Fund as a non-diversified portfolio. The other Marsico Funds are also subject to other more stringent diversification requirements as discussed above.

For purposes of the Funds' restriction on investing in a particular industry, the Funds will rely primarily on industry classifications as defined under the Global Industry Classification Standard or, alternatively, as published by Bloomberg L.P. To the extent that such classifications may be so broad that the primary economic characteristics in a single class are materially different, the Funds may further classify issuers in accordance with industry classifications published by the U.S. Securities and Exchange Commission ("SEC").

ADDITIONAL INVESTMENT RESTRICTIONS

The Trustees have adopted additional investment restrictions for the Funds. These restrictions are operating policies of the Funds and may be changed by the Trustees without shareholder approval. The additional investment restrictions adopted by the Trustees to date include the following:

(a) A Fund will not enter into any futures contracts if the full notional amount of the Fund's commitments under outstanding futures contracts positions would exceed the market value of its total assets.

(b) A Fund will not sell securities short, unless it owns the security sold short, or has an existing right to obtain a security equivalent in kind and amount to the security sold short without the payment of any additional consideration therefor, and provided that transactions in futures, options, swaps and forward contracts shall not be deemed to constitute selling securities short.

(c) A Fund will not purchase securities on margin, except that a Fund may obtain such short-term credits as are necessary for the clearance of transactions, and provided that margin payments and other deposits in connection with transactions in futures, options, swaps and forward contracts shall not be deemed to constitute purchasing securities on margin.

(d) A Fund may not mortgage or pledge any securities owned or held by the Fund in amounts that exceed, in the aggregate, 15% of that Fund's net asset value, provided that this limitation does not apply to reverse repurchase agreements, deposits of assets to margin, guarantee positions in futures, options, swaps or forward contracts, or the segregation of assets in connection with such contracts.

(e) A Fund will not purchase any securities or enter into a repurchase agreement if, as a result, more than 15% of that Fund's net asset value would be invested in repurchase agreements not entitling the holder to payment of principal and interest within seven days and in securities that are illiquid by virtue of legal or contractual restrictions on resale or the absence of a readily available market. The Trustees, or the Funds' investment adviser, Marsico Capital

Management, LLC (“Marsico Capital” or the “Adviser”), acting pursuant to authority delegated by the Trustees, may determine that a readily available market exists for securities eligible for resale pursuant to Rule 144A under the Securities Act of 1933, as amended (“Rule 144A Securities”), or any successor to such rule, and Section 4(2) commercial paper. Accordingly, such securities may not be subject to the foregoing limitation. In addition, a foreign security that may be freely traded on or through the facilities of an offshore exchange or other established offshore securities market is not subject to this limitation.

(f) A Fund may not invest in companies for the purpose of exercising control over the management of such companies.

Except as otherwise noted herein and in the Prospectus, a Fund’s investment goal and policies may be changed by a vote of the Trustees without a vote of shareholders.

TYPES OF SECURITIES AND INVESTMENT TECHNIQUES

This section provides a more detailed description of some of the types of securities and other instruments in which the Funds may invest. The Funds may invest in these instruments to the extent permitted by their investment goals and policies and by applicable law. The Funds are not limited by this discussion and may invest in any other types of instruments not listed or discussed below that are not precluded by applicable law or by the policies discussed elsewhere in the Prospectus or SAI.

COMMON STOCK AND OTHER EQUITY SECURITIES

COMMON STOCK

Each Fund invests primarily in common stocks (or may do so in the case of the Flexible Capital Fund, which invests primarily in equity securities (including common stocks) and other investments that are selected primarily for their long-term growth potential). Common stock represents a share of ownership in a company or other issuer, and usually carries voting rights and may be eligible to receive dividends if any are paid. Unlike preferred stock, dividends on common stock are not fixed. Certain risks associated with common stock investing are described in the Prospectus.

Each Fund may also buy securities such as convertible debt, preferred stock, warrants or other securities exchangeable for shares of common stock.

Each Fund may invest in initial public offerings (“IPOs”) of common stock or other equity or debt securities issued in syndicated primary, secondary, or follow-on offerings conducted by or on behalf of a corporate issuer (together “IPO securities”). The purchase of IPO securities often involves higher transaction costs than those associated with the purchase of securities currently traded on exchanges or markets. IPO securities are subject to market risk and liquidity risk. The market value of recently issued IPO securities may fluctuate considerably due to factors such as the absence of a prior public market, lack of support for the issuer or offering, unseasoned trading and speculation, a potentially small number of securities available for trading, limited information about the issuer, and other factors. The Funds may hold IPO securities for a period of time, or may sell them soon after the purchase. Investments in IPO securities could have a magnified impact – either positive or negative – on a Fund’s performance while the Fund’s assets are relatively small. The impact of IPO securities on a Fund’s

performance may tend to diminish as the Fund's assets grow. In circumstances when investments in IPO securities make a significant contribution to a Fund's performance, there can be no assurance that similar contributions from IPO securities will continue in the future. Whether a Fund participates in these types of investments is dependent on many factors, and there can be no assurance that any Fund will participate in them.

CONVERTIBLE SECURITIES

Convertible securities are preferred stocks or bonds that pay a fixed dividend or interest payment and are convertible into common stock or other equity interests at a specified price or conversion ratio. Although convertible bonds, convertible preferred stocks, and other securities convertible into equity securities may have some attributes of income securities or debt securities, the Funds generally treat such securities as equity securities. By investing in convertible securities, the Funds may seek income, and may also seek the opportunity, through the conversion feature, to participate in the capital appreciation of the common stock or other interests into which the securities are convertible, while potentially earning a higher fixed rate of return than is ordinarily available in common stocks. While the value of convertible securities depends in part on 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 stock or other market developments. 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.

WARRANTS AND RIGHTS

Warrants and rights are securities, typically issued with preferred stocks or bonds or common stocks, that give the holder the right to buy an amount of underlying securities at a specified "exercise" price, usually at a price that is higher than the market price of the stock at the time of issuance of the warrant or right. The right may last for a specified period of time or indefinitely. Warrants or rights may at times be issued in connection with certain corporate actions without requiring payment for the warrants or rights or for underlying securities, and may or may not be transferable. The purchaser or holder of a warrant or right generally expects that the market price of the underlying security will eventually exceed the purchase price of the warrant or right, if any, plus the exercise price of the warrant, resulting in a potential profit. Since the market price may not exceed the exercise price on or before the expiration date of the warrant or right, the purchaser risks the loss of the entire purchase price, if any, of the warrant or right. Depending on the terms of the securities, warrants may be transferable and may trade in the open market. Prices of warrants do not necessarily move in tandem with the prices of the underlying securities, and warrants may be considered speculative investments. Warrants and rights pay no dividends and generally confer no rights other than a purchase option. If a warrant or right is not sold or exercised by the date of its expiration, the purchaser or holder will lose its entire investment in such a warrant or right.

PARTNERSHIP SECURITIES

Each Fund may invest in securities issued by publicly traded partnerships or master limited partnerships or limited liability companies (together referred to as "PTPs/MLPs"). These entities are limited partnerships or limited liability companies that may be publicly traded on

stock exchanges or markets such as the New York Stock Exchange (“NYSE”), the NYSE Alternext US LLC (“NYSE Alternext”) (formerly the American Stock Exchange) and NASDAQ. PTPs/MLPs often own businesses or properties relating to energy, natural resources or real estate, or may be involved in the film industry or research and development activities. Generally PTPs/MLPs are operated under the supervision of one or more managing partners or members. Limited partners, unit holders, or members (such as a Fund, if it invests in a partnership) are not involved in the day-to-day management of the company. Limited partners, unit holders, or members are allocated income and capital gains associated with the partnership project in accordance with the terms of the partnership or limited liability company agreement.

At times PTPs/MLPs may potentially offer relatively high yields compared to common stocks. Because PTPs/MLPs are generally treated as partnerships or similar limited liability “pass-through” entities for tax purposes, they do not ordinarily pay income taxes, but pass their earnings on to unit holders (except in the case of some publicly traded firms that may be taxed as corporations). For tax purposes, unit holders may be allocated taxable income and gains in amounts that are lower than the amount of distributions paid to the unit holders as a result of depreciation and other tax deductions available to the PTP/MLP. In such a case any distributions in excess of allocated taxable income and gains would lower the cost basis of the units or shares owned by unit holders. As a result, unit holders may effectively defer taxation on the receipt of some distributions until they sell their units. These tax consequences may differ for different types of entities. If a Fund distributes to its shareholders PTP/MLP distributions that exceed the amount of taxable income or gains allocated from such PTPs/MLPs, then the excess would generally be treated for tax purposes as a return of capital to Fund shareholders. Although such a return of capital would not be taxed currently, there would be a corresponding reduction in the tax basis of Fund shares that would generally result in a higher taxable gain (or lower loss) on the subsequent sale of Fund shares.

Although the high yields potentially offered by these investments may be attractive, PTPs/MLPs have some disadvantages and present some risks. State law may offer fewer protections from enterprise liability to investors in a partnership or limited liability company compared to investors in a corporation. Distribution and management fees may be substantial. Losses are generally considered passive and cannot offset income other than income or gains relating to the same entity. These tax consequences may differ for different types of entities. Many PTPs/MLPs may operate in certain limited sectors such as, without limitation, energy, natural resources, and real estate, which may be volatile or subject to periodic downturns. Growth may be limited because most cash is paid out to unit holders rather than retained to finance growth. The performance of PTPs/MLPs may be partly tied to interest rates. Rising interest rates, a poor economy, or weak cash flows are among the factors that can pose significant risks for investments in PTPs/MLPs. Investments in PTPs/MLPs also may be relatively illiquid at times.

The Funds may also invest in relatively illiquid securities issued by limited partnerships or limited liability companies that are not publicly traded. These securities, which may represent investments in certain areas such as real estate or private equity, may present many of the same risks of PTPs/MLPs. In addition, they may present other risks including higher management and distribution fees, uncertain cash flows, potential calls for additional capital, and very limited liquidity.

FOREIGN SECURITIES

Foreign securities are securities of issuers that are based in or otherwise economically tied to foreign countries. Although all of the Funds may invest without limitation in foreign securities, the International Opportunities Fund invests primarily in foreign securities. The Global Fund invests significantly (generally at least 40% of its net assets) in foreign securities (unless market conditions are not deemed favorable by the Adviser, in which case the Global Fund generally will invest at least 30% of its assets in foreign securities). The Emerging Markets Fund invests at least 80% of its net assets in emerging market securities, and as a general matter, emerging market securities also will be foreign securities. Examples of foreign securities that may be held by the Funds include, without limitation, equity or debt securities or other instruments issued by foreign governments or quasi-governmental entities, and the equity or debt securities of companies principally traded on non-U.S. securities markets, including securities traded in a foreign country as European Depositary Receipts (“EDRs”), Global Depositary Receipts (“GDRs”) or otherwise. Foreign securities also may include the equity or debt securities of companies organized outside of the U.S. or with a principal office or place(s) of business outside the U.S., and securities of companies that derive or are currently expected to derive 50% or more of their total sales, revenues, profits, earnings, growth, or another measure of economic activity from business outside the U.S., or that maintain or are currently expected to maintain 50% or more of their employees, assets, investments, operations, or other business activity outside the U.S., or securities that otherwise expose a Fund’s assets to the economic fortunes and risks of countries outside the U.S. In addition to or as an alternative to trading in non-U.S. markets, securities of some foreign companies may be listed or traded on U.S. securities exchanges or other U.S. markets as U.S.-listed foreign securities, American Depositary Receipts (“ADRs”), or otherwise. Such U.S.-traded securities are considered “foreign securities” in which the Fund may invest.

Individual foreign economies may differ favorably or unfavorably at times from the U.S. economy in respects such as growth of gross national product, rate of inflation, capital formation and reinvestment, resource self-sufficiency, and balance of payments positions. Foreign securities and instruments involve certain inherent risks that may be different from those of domestic issuers, including political or economic instability in the issuer’s home country, sovereign solvency considerations, ability to borrow at reasonable interest rates, foreign governmental control of some issuers, diplomatic developments which could affect U.S. investments in those countries or the securities of their issuers, changes in foreign currency and exchange rates and the possibility of adverse changes in investment or exchange control regulations. As a result of these and other factors, foreign securities purchased by the Funds may be subject to greater price fluctuation than securities of U.S. companies.

Foreign governments may also control some issuers, seek to levy confiscatory taxes, nationalize or expropriate assets, and limit repatriations of assets. Typically, there is less publicly available information about a foreign company than about a U.S. company, and foreign companies may be subject to less stringent reserve, accounting, auditing and reporting requirements. It may be difficult for the Adviser to keep currently informed about foreign corporate actions such as acquisitions or divestitures, rights offerings, dividends, foreign legal or compliance requirements or restrictions, or other matters which may affect the value of portfolio securities. Foreign issuers also may impose burdensome proxy voting requirements that may prevent or discourage a Fund from exercising any voting rights it may have as a shareholder.

Foreign stock markets may not be as large or liquid as those operating in the United States. Commissions on transactions on foreign stock exchanges often are 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 on U.S. exchanges. 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. Delays in settlement could result in temporary periods when assets of a Fund are uninvested and no return is earned thereon. The inability of a Fund to make intended security purchases due to settlement problems could cause the Fund to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems either could result in losses to a Fund due to subsequent declines in value of the portfolio security or, if the Fund has entered into a contract to sell the security, could result in a possible liability to the purchaser. Payment for securities without delivery may be required in certain foreign markets. Further, a Fund 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 Fund assets in foreign countries. These foreign custody 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.

Communications between the United States and foreign countries may be less reliable than within the United States, thus increasing the risk of transactions not being effected as expected, delayed settlements of portfolio transactions, or loss of certificates for portfolio securities. Because a Fund's investments in foreign securities will often be valued in foreign currencies, the value of the assets of the Fund as measured in U.S. dollars may be affected favorably or unfavorably by changes in foreign currency exchange rates and exchange control regulations, and the Fund will generally incur costs in connection with conversions between various currencies made to facilitate trades or for other purposes. The Funds typically must buy and sell foreign currencies in order to settle trades in foreign securities that are not denominated in U.S. dollars. Foreign exchange dealers typically realize a profit based on the difference (the "spread") between the prices at which they are buying and selling currencies for the Funds. Thus, a dealer may offer to sell a foreign currency to the Fund at one rate, while offering a lesser rate should the Fund desire to resell that currency to the dealer. In addition, foreign currency dealers may charge an additional fixed fee or commission in connection with conversions of U.S. dollars or foreign currency.

The Funds' foreign currency exchange transactions typically are conducted either on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency exchange market, or through entering into forward foreign currency exchange contracts or purchasing or writing put or call options on foreign currencies. The Funds and the Adviser have limited ability to negotiate prices at which certain foreign currency trades customarily executed by the Funds' custodian, such as trades in restricted currencies or trades for the repatriation of foreign dividends or interest are effected.

EMERGING MARKET SECURITIES

Emerging market securities are securities of issuers economically tied to emerging markets. All of the Funds may invest in emerging market securities, and the Emerging Markets Fund invests at least 80% of its net assets in emerging market securities. Emerging markets are countries listed in the Morgan Stanley Capital International (MSCI) Emerging Markets Index as well as those the Adviser 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 the Adviser believes to be relevant.

Issuers considered to be “economically tied” to emerging markets include, without limitation: (1) an issuer organized under the laws of or maintaining a principal office or principal place(s) of business in one or more emerging markets; (2) an issuer of securities that are principally traded in one or more emerging markets; (3) an issuer that derives or is currently expected to derive 50% or more of its total sales, revenues, profits, earnings, growth, or another measure of economic activity from, the production or sale of goods or performance of services or making of investments or other economic activity in, one or more emerging markets, or that maintains or is currently expected to maintain 50% or more of its employees, assets, investments, operations, or other business activity in one or more emerging markets; (4) a governmental or quasi-governmental entity of an emerging market; or (5) any other issuer that the Adviser believes may expose a Fund's assets to the economic fortunes and risks of emerging markets. The Adviser may consider any one of the five factors when making a determination that an issuer is “economically tied” to emerging markets. The Adviser may consider an issuer to be economically tied to emerging markets even though it may be based in a developed market such as the United States.

Investing in the securities of issuers economically tied to emerging markets may present greater risks than investing in securities of foreign issuers based in developed markets, as noted above in the discussion of foreign securities. A number of emerging markets restrict direct foreign investment in common stocks or other securities and impose other costly or burdensome obstacles in the paths of foreign investors. Repatriation of investment income, capital, and the proceeds of sales by outside investors such as the Funds may be more difficult, and may require governmental registration and/or approval in some emerging market countries. A number of the currencies of developing countries have experienced significant declines against the U.S. dollar in recent years, and sovereign solvency concerns or devaluation may materialize subsequent to investments in securities associated with these currencies by a Fund. Inflation has had and may continue to have negative effects on the economies and securities markets of certain emerging market countries. There is the risk that a future economic or political crisis could lead to price controls, forced mergers of companies, temporary restrictions on Fund assets, expropriation or confiscatory taxation, seizure, nationalization, or creation of government monopolies, any of which could have a detrimental effect on a Fund's investments. Many emerging markets are relatively small, have low trading volumes, impose burdensome investment or trading requirements, suffer periods of relative illiquidity, or are characterized by significant price volatility. In addition, the currencies of emerging market countries often trade at wider spreads than the currencies of developed countries, thus increasing the costs of engaging in certain currency transactions that may be desirable or necessary in connection with investments in emerging market securities, as mentioned above in the discussion of foreign securities.

HYBRID EQUITY-RELATED SECURITIES AND INVESTMENTS

Certain types of income or debt securities described below, such as preferred stock and index-linked or structured securities or instruments, also may have some attributes of equity securities.

FIXED OR VARIABLE INCOME SECURITIES AND OTHER DEBT SECURITIES

Each Fund may invest up to 10% (15% with regard to the Emerging Markets Fund, and 40% with regard to the Flexible Capital Fund) of its total assets in various types of fixed income or variable income securities. Fixed income securities are income-producing securities that pay a specified rate of return. Such securities generally include, without limitation, short- and long-term government, government agency, corporate or municipal debt obligations that pay a specified rate of interest or coupons for a specified period of time, preferred stocks that pay fixed dividends, high-yield securities, and other securities that pay fixed yields or a specified rate of return and are generally not convertible into equity securities (preferred stock is further described below). Although convertible bonds, convertible preferred stocks, and other securities convertible into equity securities may have some attributes of income securities or debt securities, the Funds generally treat such securities as equity securities.

Variable income securities are income securities that may provide for rates of interest that can vary or float, or for coupon payment features which would provide a variable or floating rate of return.

Investments in certain categories of fixed income or variable income securities are described below.

CORPORATE DEBT SECURITIES

Corporate debt securities include corporate bonds, debentures, notes and other similar corporate debt instruments, including convertible securities.

The investment return on a corporate debt security reflects interest earnings and changes in the market value of the security. The market value of corporate debt obligations may be expected to rise and fall inversely with interest rates generally. There is also a risk that the issuers of the securities may not be able to meet their obligations on interest or principal payments at the time called for by the debt instrument. Bonds rated C or lower or its equivalent by a rating agency (which may include certain so-called “junk bonds” discussed further under “High-Yield/High Risk Securities” below) are considered by the rating agency to be subject to greater risk of loss of principal and interest than higher-rated securities and are considered to be predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal, which may decline further during sustained periods of deteriorating economic conditions or rising interest rates. These securities may also be considered to have poor prospects of attaining investment-grade status, to have a current identifiable vulnerability to default, to be unlikely to have the capacity to pay interest and repay principal when due in the event of adverse business, financial or economic conditions, and/or to be in default or not current in the payment of interest or principal.

U.S. GOVERNMENT SECURITIES

U.S. government securities include direct obligations of the U.S. government that are supported by its full faith and credit. Treasury bills have initial maturities of less than one year, Treasury notes have initial maturities of one to ten years, and Treasury bonds may be issued with any maturity but generally have initial maturities of at least ten years. U.S. government securities also may be deemed to include certain indirect obligations of the U.S. government that are issued by federal agencies and government-sponsored enterprises (“GSEs”). These entities generally are private corporations chartered or created by an Act of Congress to assist in lowering the costs of certain types of borrowings such as mortgages or student loans. Unlike Treasury securities, however, agency securities generally are not backed by the full faith and credit of the U.S. government. Some agency securities are supported by the right of the issuer to borrow from the Treasury, others are supported by the discretionary authority of the U.S. government to purchase the agency’s obligations, and others are supported only by the credit of the sponsoring agency.

Regarding securities issued by certain of these entities (such as debt securities or mortgage-backed securities issued by Freddie Mac (also known as the Federal Home Loan Mortgage Corporation or FHLMC), Fannie Mae (also known as the Federal National Mortgage Corporation or FNMA), Federal Home Loan Banks, and other government-sponsored enterprises), you should be aware that although the issuer may be chartered or sponsored by an Act of Congress, the issuer is not funded by Congressional appropriations, and its debt and equity securities are neither guaranteed nor insured by the U.S. government. Without a more explicit commitment, there can be no assurance that the U.S. government will provide financial support to such issuers or their securities.

Mortgage-backed securities and other securities issued by participants in housing finance and real estate-related markets have experienced extraordinary recent weakness. On September 6, 2008, the Federal Housing Finance Authority (“FHFA”), an agency of the U.S. government, placed Fannie Mae and Freddie Mac into conservatorship under its authority with the stated purpose to preserve and conserve each entity’s assets and property, and to put each entity in a sound and solvent condition. The effect that this conservatorship will have on these entities’ debt and equities is unclear, and no assurance can be given that any steps taken by the FHFA or the U.S. Treasury with respect to Fannie Mae or Freddie Mac will succeed. Fannie Mae and Freddie Mac have each been and remain the subject of investigations by federal regulators over certain accounting matters. Such investigations, and any resulting restatements of financial statements, may adversely affect these entities and, as a result, the payment of principal or interest on securities they issue.

PREFERRED STOCK

Preferred stock is a class of stock that generally pays dividends at a specified rate and has preference over common stock in the payment of dividends and liquidation. Although preferred stocks may have some attributes of equity securities, the Funds generally treat such securities as income securities or debt securities. Preferred stock generally does not carry voting rights. Preferred stock dividends are generally fixed in advance, but a company may not be required to pay a dividend 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. The Funds may also invest in non-cumulative preferred stocks that do not accrue unpaid dividends. Preferred stock also may be subject to optional or mandatory redemption provisions.

TRUST-PREFERRED SECURITIES

The Funds may also invest in trust-preferred securities. These securities, also known as trust-issued securities, are securities that have characteristics of both debt and equity instruments and are typically treated by the Funds as debt securities.

Generally, trust-preferred securities are cumulative preferred stocks issued by a trust that is created by a financial institution, such as a bank holding company. The financial institution typically creates the trust with the objective of increasing its capital by issuing subordinated debt to the trust in return for cash proceeds that are reflected on its balance sheet.

The primary asset owned by the trust is the subordinated debt issued to the trust by the financial institution. The financial institution makes periodic interest payments on the debt as discussed further below. The financial institution will subsequently own the trust's common securities, which may typically represent a small percentage of the trust's capital structure. The remainder of the trust's capital structure typically consists of trust-preferred securities which are sold to investors. The trust uses the sales proceeds to purchase the subordinated debt issued by the financial institution. The financial institution uses the proceeds from the subordinated debt sale to increase its capital while the trust receives periodic interest payments from the financial institution for holding the subordinated debt.

The trust uses the interest received to make dividend payments to the holders of the trust-preferred securities. The dividends are generally paid on a quarterly basis and are often higher than other dividends potentially available on the financial institution's common stock. The interests of the holders of the trust-preferred securities are senior to those of common stockholders in the event that the financial institution is liquidated, although their interests are typically subordinated to those of holders of other debt issued by the institution.

The primary benefit for the financial institution in using this particular structure is that the trust-preferred securities issued by the trust are treated by the financial institution as debt securities for tax purposes (as a consequence of which the expense of paying interest on the securities is tax deductible), but are treated as more desirable equity securities for purposes of calculating the institution's capital requirements.

In certain instances, the structure involves more than one financial institution and thus, more than one trust. In such a pooled offering, an additional separate trust may be created. This trust will issue securities to investors and use the proceeds to purchase the trust-preferred securities issued by other trust subsidiaries of the participating financial institutions. In such a structure, the trust-preferred securities held by the investors are backed by other trust-preferred securities issued by the trust subsidiaries.

The risks associated with trust-preferred securities typically include the financial condition of the financial institution, as the trust typically has no business operations other than holding the subordinated debt issued by the financial institution and issuing the trust-preferred securities and common stock backed by the subordinated debt. If a financial institution is

financially unsound and defaults on interest payments to the trust, the trust will not be able to make dividend payments to holders of the trust-preferred securities such as the Funds.

INDEXED/STRUCTURED SECURITIES AND STRUCTURED PRODUCTS

Index-linked, equity-linked, credit-linked and commodity-linked securities can be either debt or equity securities that call for interest payments and/or payment at maturity in different terms than the typical note where the borrower agrees to make fixed interest payments and to pay a fixed sum at maturity. Indexed/structured securities are typically short- to intermediate-term debt or equity securities whose value at maturity or interest rate is linked to currencies, interest rates, equity securities, indices, commodity prices or other financial indicators. Such securities may be positively or negatively indexed (i.e., their value may increase or decrease if the reference index or instrument appreciates). Indexed/structured securities may have return characteristics similar to direct investments in the underlying instruments and may be more volatile than the underlying instruments. The purchaser bears the market risk of an investment in the underlying instruments, as well as the credit risk of the issuer.

Principal and/or interest payments may depend on the performance of an underlying stock, index, or a weighted index of commodity futures such as crude oil, gasoline and natural gas. With respect to equity-linked securities, at maturity, the principal amount of the debt is exchanged for common stock of the issuer or is payable in an amount based on the issuer's common stock price at the time of maturity. Currency-linked debt securities are short-term or intermediate-term instruments that have a value at maturity, and/or an interest rate, determined by reference to one or more foreign currencies. Payment of principal or periodic interest may be calculated as a multiple of the movement of one currency against another currency, or against an index.

One common type of linked security is a "structured" product. Structured products, including structured notes or synthetic securities, generally are individually negotiated agreements and may be traded over-the-counter. They are organized and operated to restructure the investment characteristics of the underlying security. This restructuring involves the deposit with or purchase by an entity, such as a corporation or trust, of specified instruments (such as commercial bank loans) and the issuance by that entity of one or more classes of securities ("structured securities") backed by, or representing interests in, the underlying instruments. The cash flow on the underlying instruments may be apportioned among the newly issued structured securities to create securities with different investment characteristics, such as varying maturities, payment priorities and interest rate provisions, and the extent of such payments made with respect to structured securities is dependent on the extent of the cash flow on the underlying instruments. Certain synthetic securities such as equity micro-strategies may be linked to the performance of a basket of equity securities, equity indices, or other equity or debt exposures.

Other structured products, such as exchange-traded funds, may have substantial attributes of equity securities. Exchange-traded funds generally are intended to track an underlying portfolio of securities, trade like a share of common stock, and may pay periodic dividends proportionate to those paid by the portfolio of stocks that comprise a particular index. As a holder of interests in an exchange-traded fund, a Fund would indirectly bear its ratable share of that fund's expenses, including applicable management fees. At the same time, a Fund would continue to pay its own management and advisory fees and other expenses, as a result of which

the Fund and its shareholders in effect may be absorbing multiple levels of certain fees with respect to investments in such exchange-traded funds.

STRIP BONDS

Strip bonds are debt securities that are stripped of their interest component (usually by a financial intermediary) after the securities are issued. The market value of these securities generally fluctuates more in response to changes in interest rates than interest-paying securities of comparable maturity.

ZERO COUPON, PAY-IN-KIND AND STEP COUPON SECURITIES

Each Fund may invest up to 5% (10% with regard to the Flexible Capital Fund) of its assets in the aggregate in zero coupon, pay-in-kind and step coupon securities. Zero coupon bonds are issued and traded at a discount from their face value. They do not entitle the holder to any periodic payment of interest prior to maturity. Pay-in-kind bonds normally give the issuer an option to pay cash at a coupon payment date or give the holder of the security a similar bond with the same coupon rate and a face value equal to the amount of the coupon payment that would have been made. Step coupon bonds trade at a discount from their face value and pay coupon interest. The coupon rate is low for an initial period and then increases to a higher coupon rate thereafter. The discount from the face amount or par value depends on the time remaining until cash payments begin, prevailing interest rates, liquidity of the security, the perceived credit quality of the issuer, and other factors.

Current federal income tax law requires holders of zero coupon securities and step coupon securities to report the portion of the original issue discount on such securities that accrues during a given year as interest income, even though the holders receive no cash payments of interest during the year. In order to qualify as a “regulated investment company” under the Code, a Fund must distribute its investment company taxable income, including the original issue discount accrued on zero coupon or step coupon bonds. Because a Fund will not receive cash payments on a current basis in respect of accrued original-issue discount payments, in some years that Fund may have to distribute cash obtained from other sources in order to satisfy the distribution requirements under the Code. A Fund might obtain such cash from selling other portfolio holdings which might cause that Fund to incur capital gains or losses on the sale. Additionally, these actions are likely to reduce the assets to which mutual fund expenses could be allocated and to reduce the rate of return for that Fund. In some circumstances, such sales might be necessary in order to satisfy cash distribution requirements even though investment considerations might otherwise make it undesirable for a Fund to sell the securities at the time.

Generally, the market prices of zero coupon, step coupon and pay-in-kind securities are more volatile than the prices of securities that pay interest more regularly and in cash, and are likely to respond to changes in interest rates to a greater degree than other types of debt securities having similar maturities and credit quality.

PASS-THROUGH SECURITIES

Each Fund may invest up to 5% (10% with regard to the Flexible Capital Fund) of its total assets in various types of pass-through securities, such as mortgage-backed securities and asset-backed securities.

A pass-through security is a share or certificate of interest in a pool of debt obligations that have been repackaged by an intermediary, such as a bank or broker-dealer. The purchaser of a pass-through security receives an undivided interest in the underlying pool of securities. The issuers of the underlying securities make interest and principal payments to the intermediary which are passed through to purchasers, such as the Funds. The most common type of pass-through securities are mortgage-backed securities. Ginnie Mae (also known as the Government National Mortgage Association or GNMA) certificates are mortgage-backed securities that evidence an undivided interest in a pool of mortgage loans. GNMA Certificates differ from bonds in that principal is paid back monthly by the borrowers over the term of the loan rather than returned in a lump sum at maturity. A Fund will generally purchase “modified pass-through” GNMA Certificates, which entitle the holder to receive a share of all interest and principal payments paid and owned on the mortgage pool, net of fees paid to the “issuer” and GNMA, regardless of whether or not the mortgagor actually makes the payment. GNMA Certificates are backed as to the timely payment of principal and interest by the full faith and credit of the U.S. government. Freddie Mac issues two types of mortgage pass-through securities: mortgage participation certificates (“PCs”) and guaranteed mortgage certificates (“GMCs”). PCs resemble GNMA Certificates in that each PC represents a pro rata share of all interest and principal payments made and owned on the underlying pool. Freddie Mac guarantees timely payments of interest on PCs and the full return of principal. GMCs also represent a pro rata interest in a pool of mortgages. However, these instruments pay interest semi-annually and return principal once a year in guaranteed minimum payments. This type of security is guaranteed by Freddie Mac as to timely payment of principal and interest but it is not guaranteed by the full faith and credit of the U.S. government.

Fannie Mae issues guaranteed mortgage pass-through certificates (“Fannie Mae Certificates”). Fannie Mae Certificates resemble GNMA Certificates in that each Fannie Mae Certificate represents a pro rata share of all interest and principal payments made and owned on the underlying pool. This type of security is guaranteed by Fannie Mae as to timely payment of principal and interest but it is not guaranteed by the full faith and credit of the U.S. government.

Except for GMCs, each of the mortgage-backed securities described above is characterized by monthly payments to the holder, reflecting the monthly payments made by the borrowers who received the underlying mortgage loans. The payments to the security holders (such as the Funds), like the payments on the underlying loans, represent both principal and interest. Although the underlying mortgage loans are for a specified period of time, such as 20 or 30 years, the borrowers can, and typically do, pay them off sooner. Thus, the security holders frequently receive prepayments of principal in addition to the principal that is part of the regular monthly payments. A portfolio manager will consider estimated prepayment rates in calculating the average weighted maturity of a pool. A borrower is more likely to prepay a mortgage that bears a relatively high rate of interest compared to rates currently available. This means that in times of declining interest rates, higher yielding mortgage-backed securities held by a Fund might be converted to cash and that a Fund would be forced to accept lower interest rates when that cash is used to purchase additional securities in the mortgage-backed securities sector or in other investment sectors. Additionally, prepayments during such periods will limit a Fund’s ability to participate in as large a market gain as may be experienced with a comparable security not subject to prepayment.

Asset-backed securities represent interests in pools of consumer loans and are backed by paper or accounts receivables originated by banks, credit card companies or other providers of

credit. Generally, the originating bank or credit provider is neither the obligor nor the guarantor of the security, and interest and principal payments ultimately depend upon repayment of the underlying loans by the consumers.

Mortgage-backed and other securities issued by participants in housing finance and real estate-related markets have experienced extraordinary recent weakness. The value of some asset-backed securities, including mortgage-backed securities, can decline sharply when changing circumstances such as falling home prices, increasing defaults, a weakening economy, an increase in personal or corporate bankruptcies, or other factors adversely affect borrowers' ability to repay loans that back such securities. These securities also involve prepayment risk which is the risk that the underlying mortgages or other debt may be refinanced or paid off prior to their maturities. In these circumstances, a Fund may be unable to recoup all of its initial investment or may receive a lower-than-expected yield from this investment and may need to reinvest in lower-yielding securities.

As discussed above in the section addressing U.S. government securities, securities issued by U.S. government agencies or GSEs may or may not be guaranteed by the U.S. government. GNMA, a wholly-owned U.S. government corporation, is authorized to guarantee, with the full faith and credit of the U.S. government, the timely payment of principal and interest on securities issued by institutions approved by GNMA and backed by pools of mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. Other GSEs whose guarantees and securities are not backed by the full faith and credit of the U.S. government may include, for example, Fannie Mae and Freddie Mac. Pass-through securities issued by Fannie Mae are guaranteed as to timely payment of principal and interest by Fannie Mae but are not backed by the full faith and credit of the U.S. government. Freddie Mac guarantees the timely payment of interest and ultimate collection of principal, but its participation certificates are not backed by the full faith and credit of the U.S. government.

HIGH-YIELD/HIGH-RISK SECURITIES

Each Fund may invest up to 5% (10% with regard to the Emerging Markets Fund, and 25% with regard to the Flexible Capital Fund) of its total assets in debt securities that are rated below investment grade under rating designations that may change from time to time. (For split-rated securities, the Funds will generally consider the lowest rating received at the time of purchase in computing the respective 5%, 10%, or 25% test). Corporate debt securities of this type are also often referred to as "high-yield" securities or as "junk bonds." These securities may be subject to potentially 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. High-yield securities involve a higher degree of credit risk than do investment-grade securities. Credit risk is the risk that the issuer will not be able to make principal or interest payments when due. In the event of an unanticipated default, a Fund would experience a reduction in its income, and could expect a decline in the market value of the securities so affected. In addition, the secondary market on which these types of securities trade may be more volatile or less liquid than the market for investment-grade securities. The Funds will not purchase debt securities that are rated lower than C or its equivalent by rating agencies (or, if unrated, deemed of equivalent quality) at the time of purchase, but will not be required to dispose of a security if it is downgraded below this level after the time of purchase.

Each Fund may invest in unrated debt securities of foreign and domestic issuers. Unrated debt, while not necessarily of lower quality than rated securities, may not have as broad a market. Unrated debt securities will be included in the stated limit for investments in high-yield securities by each Fund unless the Adviser deems such securities to be the equivalent of investment-grade securities.

FINANCIAL AND MARKET RISKS OF HIGH-YIELD SECURITIES. Investments in high-yield securities involve a higher degree of financial and market risks that could result in substantial losses. High-yield securities may be more vulnerable than other corporate debt securities to real or perceived economic changes, political changes or adverse developments specific to the issuer. Issuers of such securities may have substantial capital needs and may be more likely to become involved in bankruptcy or reorganization proceedings. Among the potential problems involved in investments in such issuers is the fact that it may be more difficult to obtain current reliable information about the financial condition of such issuers. The market prices of such securities may be subject to abrupt and erratic movements and above average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected.

DISPOSITION OF HIGH-YIELD SECURITIES. Although the Funds generally will purchase securities for which the Adviser expects an active market to be maintained, high-yield securities may be less actively traded than other securities and it may be more difficult to dispose of substantial holdings of such securities at prevailing market prices. Overall holdings of such securities would, in any event, be limited as described above.

CREDIT RISKS OF HIGH-YIELD SECURITIES. The value of lower quality securities generally is more dependent on the ability of the issuer to meet interest and principal payments than is the case for higher quality securities. The value of these lower-quality securities may be more or less sensitive to interest rate movements or other market developments than that of higher quality securities. Issuers of high-yield securities may not be as strong financially as those issuing debt securities with higher credit ratings. Investments in such companies are considered to be more speculative than higher quality investments.

OTHER INCOME-PRODUCING SECURITIES

Other types of income producing securities that the Funds may purchase include, but are not limited to, the following types of securities:

VARIABLE AND FLOATING RATE OBLIGATIONS. These types of securities are relatively long-term instruments that often carry demand features permitting the holder to demand payment of principal at any time or at specified intervals prior to maturity. Variable rate obligations are debt securities that provide for periodic adjustments in their interest rate. Floating rate obligations are debt securities with a floating rate of interest that is tied to another benchmark such as a money market index or Treasury bill rate.

STANDBY COMMITMENTS. These instruments, which are similar to a put, give a Fund the option to obligate a broker, dealer or bank to repurchase a security held by that Fund at a specified price.

TENDER OPTION BONDS. Tender option bonds are relatively long-term bonds that are coupled with the agreement of a third party (such as a broker, dealer or bank) to grant the holders of such securities the option to tender the securities to the institution at periodic intervals.

INVERSE FLOATERS. Inverse floaters are debt instruments whose interest bears an inverse relationship to the interest rate on another security. The Funds will not invest more than 5% of their respective net assets in inverse floaters.

The Funds will purchase standby commitments, tender option bonds and instruments with demand features primarily for the purpose of increasing the liquidity of their portfolios.

REAL ESTATE INVESTMENT TRUSTS (“REITs”) AND OTHER INVESTMENTS RELATING TO REAL ESTATE

Each Fund may invest in REITs and other securities or investments backed by real estate-related interests. REITs are pooled investment vehicles that invest primarily in income-producing real estate or real estate-related loans or interests. REITs generally invest in the ownership or financing of real estate projects such as land or buildings, or real estate-related securities such as mortgage-backed securities, or the funding of real estate ventures. REITs typically pay dividends. Although securities issued by REITs may have some attributes of income securities or debt securities, the Funds generally treat such securities as equity securities. To the extent that a Fund invests in REITs, the Fund will indirectly bear its proportionate share of any additional fees or expenses (such as operating expenses and advisory fees) paid by the REITs in which it invests.

REITs are generally classified as equity REITs, mortgage REITs, or a combination of equity and mortgage REITs. Equity REITs invest most of their assets directly in real property and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs invest most of their assets in real estate mortgages and derive income from interest payments.

Like investment companies, REITs are not taxed on income distributed to shareholders if they comply with several requirements of the Code.

The risks of investing in REITs and other securities or investments backed by real estate-related interests include weakness and volatility in recent years affecting 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; and major disruptions of and illiquidity in markets for such investments. Other adverse factors affecting REITs include past overinvestment in and defaults on residential and commercial mortgages, the recent severe recession, weak economic conditions, and environmental and other considerations. In addition, when interest rates rise, real estate-related investments may react negatively, particularly investments that are highly exposed to floating rate debt. In addition to the risks discussed above, REITs may be affected by any changes in the value of the underlying property owned by the trusts or by the quality of any credit extended to borrowers. REITs are dependent upon management skill, are not diversified, and are therefore subject to the risk of financing single or a limited number of projects. REITs are also subject to heavy cash flow dependency, defaults by borrowers, and the possibility of failing to qualify for special tax treatment under Subchapter M of the Code or to maintain an exemption from registration as an investment company under the 1940 Act. Finally, certain

REITs may be self-liquidating, in that a specific term of existence is provided for in trust documents and such REITs run the risk of liquidating at an economically inopportune time.

Although the Funds will not invest directly in real estate, they may invest in other real estate equity securities or related investments in addition to REITs. As a result, an investment in the Funds may be subject to certain risks associated with the indirect ownership of real estate and with the real estate industry in general. These risks include, among others:

- the factors discussed above concerning REITs;
- declining residential and commercial real estate values;
- adverse general or local economic conditions;
- exposure to subprime mortgage defaults or defaults in other mortgage products;
- lack of availability of or tightening of requirements for obtaining mortgage financing;
- failures of mortgage lenders and mortgage insurers;
- shrinkage of the pool of investors willing to invest in real estate and related instruments;
- overbuilding;
- extended vacancies of properties;
- increases in competition, property taxes and operating expenses;
- changes in zoning or applicable tax law;
- costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems;
- casualty or condemnation losses;
- uninsured damages from floods, earthquakes or other natural disasters;
- borrower defaults on adjustable rate mortgages and other mortgages;
- changes in prepayment rates;
- foreclosures;
- limitations on and variations in rents; and
- unfavorable changes in interest rates.

ILLIQUID INVESTMENTS

Each Fund may invest up to 15% of its net assets in illiquid securities, which are securities that cannot be sold or disposed of within seven days in the ordinary course of business at approximately the amount at which the Fund has valued the securities. There may be a limited trading market for illiquid securities, and a low trading volume of a particular security may result in abrupt, erratic, or unfavorable price movements. A Fund may be unable to dispose of its holdings in illiquid securities at full value in a short period of time and may have to dispose of such securities over extended periods of time or at sharply discounted prices. The Adviser will take reasonable steps to bring a Fund into compliance with this policy if the level of illiquid investments exceeds 15%.

Each Fund may invest in (i) securities that are sold in private placement transactions between issuers and their purchasers and that are neither listed on an exchange nor traded over-the-counter, and (ii) Rule 144A Securities. Such securities are typically subject to contractual or legal restrictions on subsequent transfer. As a result of trading restrictions, the absence of a public trading market, and potentially limited pricing information, such restricted securities may be less liquid and more difficult to value than publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from the sales could, due to illiquidity or other factors, be less than those originally paid by a Fund or less than

their fair value, and in some instances it may be difficult to locate any purchaser. In addition, issuers whose securities are not publicly traded may not be subject to the same disclosure and other investor protection requirements that may be applicable if their securities were publicly traded. If any privately placed or Rule 144A Securities held by a Fund are required to be registered under the securities laws of one or more jurisdictions before being resold, the Fund may be required to bear the expenses of registration. Such registration may not be feasible, or may not be pursued for other reasons. Securities which are freely tradable under Rule 144A may be treated as liquid if the Trustees of the Fund are satisfied that there is sufficient trading activity and reliable price information. For example, securities that are designated as Rule 144A securities in the U.S. but that trade freely on foreign markets will not ordinarily be deemed to be illiquid. Investing in Rule 144A Securities could have the effect of increasing the level of illiquidity of a Fund's portfolio if the securities must be treated as illiquid.

The Trustees have authorized Marsico Capital to make liquidity determinations with respect to each Fund's securities, including private placements, Rule 144A Securities and commercial paper.

Under compliance policies and procedures approved by the Trust's Board of Trustees concerning Rule 144A Securities, to assist in making determinations about Rule 144A Securities, the Funds will consider, on a case-by-case basis, reasonably available information about factors such as the following: (1) recent trading information for the security, such as available information about the frequency of trades and quoted prices for the security, as determined in the discretion of Marsico Capital; (2) the number of dealers recently willing to purchase or sell the security and the number of other known potential purchasers, as determined in the discretion of Marsico Capital; (3) the willingness of dealers to undertake to make a market in the security, including any dealer undertakings to do so; (4) the nature of the security and the nature of the marketplace trades in the security (including factors such as the time needed to dispose of the security, the method of soliciting offers and the mechanics of the transfer); and (5) other factors, if any, which Marsico Capital deems relevant to determining the existence of a trading market for the security.

In the case of commercial paper, Marsico Capital may consider whether the paper is traded "flat" (when, for example, the buyer of the security is not responsible for paying interest that has accrued since the last payment because the security is in default) or otherwise in default as to principal and interest and any ratings of the paper by a nationally recognized statistical rating organization ("NRSRO"). A foreign security that may be freely traded on or through the facilities of an offshore exchange or other established offshore securities market is not deemed to be a restricted security subject to these procedures.

FUTURES, OPTIONS AND OTHER DERIVATIVE INSTRUMENTS

FUTURES CONTRACTS. To the extent described in the Prospectus, each Fund may enter into contracts for the purchase or sale for future delivery of fixed-income securities, foreign currencies, single stocks, narrow-based stock indices or contracts based on financial indices, including indices of U.S. government securities, foreign government securities, equity or fixed-income securities. U.S. futures contracts (with the exception of single stock futures and narrow-based stock index futures) are traded on exchanges which have been designated "contract markets" by the Commodity Futures Trading Commission ("CFTC") and must be executed through a futures commission merchant ("FCM"), or brokerage firm, which is a member of the

relevant contract market. Through their clearing corporations, the exchanges guarantee performance of the contracts as between the clearing members of the exchange. Single stock futures and narrow-based stock index futures are traded on exchanges designated as contract markets by the CFTC and regulated as securities exchanges by the SEC or on foreign exchanges.

Generally, with respect to futures contracts other than futures on individual stocks or narrow-based stock indices, the buyer or seller of a futures contract is not required to deliver or pay for the underlying instrument unless the contract is held until the delivery date. However, both the buyer and seller are required to deposit “initial margin” for the benefit of the FCM when the contract is entered into. Initial margin deposits are equal to a percentage of the contract’s value, as set by the exchange on which the contract is traded, and may be maintained in cash or certain other liquid assets by the Funds’ custodian for the benefit of the FCM. Initial margin payments are similar to good faith deposits or performance bonds. Unlike margin extended by a securities broker, initial margin payments do not constitute purchasing securities on margin for purposes of the Funds’ investment limitations. If the value of either party’s position declines, that party will be required to make additional “variation margin” payments for the benefit of the FCM to settle the change in value on a daily basis. The party that has a gain may be entitled to receive all or a portion of this amount. In the event of the bankruptcy of the FCM that holds margin on behalf of a Fund, that Fund may be entitled to return of margin owed to the Fund only in proportion to the amount received by the FCM’s other customers. The Funds will comply with Rule 17f-6 under the 1940 Act in maintaining margin payments with any FCMs with which the Funds do business, including by seeking contractual assurances that the FCM segregates customer margin payments from the FCM’s own assets.

Pursuant to claims for exemption filed with the CFTC and/or the National Futures Association on behalf of the Funds and the Adviser, the Funds and the Adviser are not deemed to be a “commodity pool” or “commodity pool operator” under the Commodity Exchange Act and are not subject to registration or regulation as such under the Commodity Exchange Act.

Generally, although a Fund will segregate cash and liquid assets in an amount sufficient to cover its open futures obligations, the segregated assets would be available to that Fund immediately upon closing out the futures position, while settlement of securities transactions could take several days. However, because a Fund’s cash that may otherwise be invested would be held uninvested or invested in other liquid assets so long as the futures position remains open, the Fund’s return could be diminished due to the opportunity costs of foregoing other potential investments.

A Fund’s primary purpose in entering into futures contracts is to protect that Fund from fluctuations in the value of securities or interest rates without actually buying or selling the underlying debt or equity security. For example, if a Fund anticipates an increase in the price of stocks, and it intends to purchase stocks at a later time, that Fund could enter into a futures contract to purchase a stock index as a temporary substitute for stock purchases. If an increase in the market occurs that influences the stock index as anticipated, the value of the futures contracts will increase, thereby serving as a hedge against that Fund not participating in a market advance. This technique is sometimes known as an anticipatory hedge. To the extent a Fund enters into futures contracts for this purpose, the segregated assets maintained to cover the Fund’s obligations with respect to the futures contracts will consist of other liquid assets from its portfolio in an amount equal to the difference between the contract price and the aggregate value

of the initial and variation margin payments made by that Fund with respect to the futures contracts.

Conversely, if a Fund holds stocks and seeks to protect itself from a decrease in stock prices, the Fund might sell stock index futures contracts, thereby hoping to offset the potential decline in the value of its portfolio securities by a corresponding increase in the value of the futures contract position. A Fund could protect against a decline in stock prices by selling portfolio securities and investing in money market instruments, but the use of futures contracts enables it to maintain a defensive position without having to sell portfolio securities.

If a Fund owns Treasury bonds and the portfolio manager expects interest rates to increase, that Fund may take a short position in interest rate futures contracts. Taking such a position would have much the same effect as that Fund selling Treasury bonds in its portfolio. If interest rates increase as anticipated, the value of the Treasury bonds would decline, but the value of that Fund's interest rate futures contract would increase, thereby keeping the net asset value of that Fund from declining as much as it may have otherwise. If, on the other hand, a portfolio manager expects interest rates to decline, that Fund may take a long position in interest rate futures contracts in anticipation of later closing out the futures position and purchasing the bonds. Although a Fund can accomplish similar results by buying securities with long maturities and selling securities with short maturities, given the greater liquidity of the futures market than the cash market, it may be possible to accomplish the same result more easily and more quickly by using futures contracts as an investment tool to reduce risk.

The ordinary spreads between prices in the cash and futures markets, due to differences in the nature of those markets, are subject to distortions. First, all participants in the futures market are subject to initial margin and variation margin requirements. Rather than meeting additional variation margin requirements, investors may close out futures contracts through offsetting transactions which could distort the normal price relationship between the cash and futures markets. Second, the liquidity of the futures market depends on participants entering into offsetting transactions rather than making or taking delivery of the instrument underlying a futures contract. To the extent participants decide to make or take delivery, liquidity in the futures market could be reduced and prices in the futures market distorted. Third, from the point of view of speculators, the margin deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market may cause temporary price distortions. Due to the possibility of the foregoing distortions, a correct forecast of general price trends by the portfolio manager still may not result in a successful use of futures.

Futures contracts entail risks. Although the use of such contracts could benefit the Funds in some cases, a Fund's overall performance could be adversely affected by entering into such contracts if the portfolio manager's investment judgment proves incorrect. For example, if a Fund has hedged against the effects of a possible decrease in prices of securities held in its portfolio and prices increase instead, that Fund will lose part or all of the benefit of the increased value of these securities because of offsetting losses in its futures positions. In addition, if a Fund has insufficient cash, it may have to sell securities from its portfolio to meet daily variation margin requirements. Those sales may be, but will not necessarily be, at increased prices which reflect the rising market and may occur at a time when the sales are disadvantageous to a Fund.

The prices of futures contracts depend primarily on the value of their underlying instruments. Because there are a limited number of types of futures contracts, it is possible that the standardized futures contracts available to a Fund will not match exactly the Fund's current or potential investments. A Fund may buy and sell futures contracts based on underlying instruments with different characteristics from the securities in which it typically invests, for example, by hedging investments in portfolio securities with a futures contract based on a broad index of securities, which involves a risk that the futures position will not achieve the desired correlation with the performance of a Fund's investments.

Futures prices can also diverge from the prices of their underlying instruments, even if the underlying instruments closely correlate with a Fund's investments. Futures prices are affected by factors such as current and anticipated short-term interest rates, changes in volatility of the underlying instruments and the time remaining until expiration of the contract. Those factors may affect securities prices differently from futures prices. Imperfect correlations between a Fund's investments and its futures positions also may result from differing levels of demand in the futures markets and the securities markets, from structural differences in how futures and securities are traded, and from imposition of daily price fluctuation limits for futures contracts. A Fund may buy or sell futures contracts with a greater or lesser value than the securities it wishes to hedge or is considering purchasing in order to attempt to compensate for differences in historical volatility between the futures contract and the securities, although this may not be successful in all cases. If price changes in a Fund's futures positions are poorly correlated with its other investments, its futures positions may fail to produce desired gains or result in losses that are not offset by the gains in that Fund's other investments.

Because futures contracts are generally settled within a day from the date they are closed out, compared with a settlement period of three days for some types of securities, the futures markets can provide superior liquidity to the securities markets. Nevertheless, there is no assurance that a liquid secondary market will exist for any particular futures contract at any particular time. In addition, futures exchanges may establish daily price fluctuation limits for futures contracts and may halt trading if a contract's price moves upward or downward more than the set limit in a given day. On volatile trading days when the price fluctuation limit is reached, it may be impossible for a Fund to enter into new positions or close out existing positions. If the secondary market for a futures contract is not liquid because of price fluctuation limits or otherwise, a Fund may not be able to promptly liquidate unfavorable futures positions and potentially could be required to continue to hold a futures position until the delivery date, regardless of changes in its value. As a result, a Fund's access to other assets held to cover its futures positions also could be impaired.

OPTIONS ON FUTURES CONTRACTS. The Funds may buy and write put and call options on futures contracts. An option on a future gives a Fund the right (but not the obligation) to buy or sell a futures contract at a specified price on or before a specified date. The purchase of a call option on a futures contract is similar in some respects to the purchase of a call option on an individual security. Depending on the pricing of the option compared to either the price of the futures contract upon which it is based or the price of the underlying instrument, ownership of the option may or may not be less risky than ownership of the futures contract or the underlying instrument. As with the purchase of futures contracts, when a Fund is not fully invested it may buy a call option on a futures contract to hedge against a market advance.

The writing of a call option on a futures contract constitutes a partial hedge against declining prices of the security or foreign currency which is deliverable under, or of the index comprising, the futures contract. If the futures' price at the expiration of the option is below the exercise price, a Fund will retain the full amount of the option premium which provides a partial hedge against any decline that may have occurred in that Fund's portfolio holdings. The writing of a put option on a futures contract constitutes a partial hedge against increasing prices of the security or foreign currency which is deliverable under, or of the index comprising, the futures contract. If the futures' price at expiration of the option is higher than the exercise price, a Fund will retain the full amount of the option premium which provides a partial hedge against any increase in the price of securities which that Fund is considering buying. If a call or put option a Fund has written is exercised, the Fund will incur a loss which will be reduced by the amount of the premium it received. Depending on the degree of correlation between the change in the value of its portfolio securities and changes in the value of the futures positions, a Fund's losses from existing options on futures may to some extent be reduced or increased by changes in the value of portfolio securities.

The purchase of a put option on a futures contract is similar in some respects to the purchase of protective put options on portfolio securities. For example, a Fund may buy a put option on a futures contract to hedge its portfolio against the risk of falling prices or rising interest rates. The amount of risk a Fund assumes when it buys an option on a futures contract is the premium paid for the option plus related transaction costs. In addition to the correlation risks discussed above, the purchase of an option also entails the risk that changes in the value of the underlying futures contract will not be fully reflected in the value of the options bought.

FORWARD CONTRACTS. A forward contract is an agreement between two parties in which one party is obligated to deliver a stated amount of a stated asset at a specified time in the future and the other party is obligated to pay a specified amount for the assets at the time of delivery. The Funds may enter into forward contracts to purchase and sell government securities, equity or income securities, foreign currencies or other financial instruments. Forward contracts generally are traded in an interbank market conducted directly between traders (usually large commercial banks) and their customers. Unlike futures contracts, which are standardized contracts, forward contracts can be specifically negotiated to meet the needs of the parties that enter into them. The parties to a forward contract may agree to offset or terminate the contract before its maturity, or may hold the contract to maturity and complete the contemplated exchange.

The following discussion summarizes the Funds' principal uses of forward foreign currency exchange contracts ("forward currency contracts"). A Fund may enter into forward currency contracts with stated contract values of up to the value of that Fund's assets. A forward currency contract is an obligation to buy or sell an amount of a specified currency for an agreed price (which may be in U.S. dollars or a foreign currency). A Fund will exchange foreign currencies for U.S. dollars and for other foreign currencies in the normal course of business and may buy and sell currencies through forward currency contracts in order to fix a price for securities it has agreed to buy or sell ("transaction hedge"). A Fund also may hedge some or all of its investments denominated in a foreign currency or exposed to foreign currency fluctuations against a decline in the value of that currency relative to the U.S. dollar by entering into forward currency contracts to sell an amount of that currency (or a proxy currency whose performance is expected to replicate or exceed the performance of that currency relative to the U.S. dollar) approximating the value of some or all of its portfolio securities denominated in that currency

(“position hedge”) or by participating in options or futures contracts with respect to the currency. A Fund also may enter into a forward currency contract with respect to a currency where the Fund is considering the purchase or sale of investments denominated in that currency but has not yet selected the specific investments (“anticipatory hedge”). In any of these circumstances a Fund may, alternatively, enter into a forward currency contract to purchase or sell one foreign currency for a second currency that is expected to perform more favorably relative to the U.S. dollar if the portfolio manager believes there is a reasonable degree of correlation between movements in the two currencies (“cross-hedge”).

These types of hedging minimize the effect of currency appreciation or depreciation, but do not eliminate fluctuations in the underlying U.S. dollar equivalent value of the proceeds of or rates of return on a Fund’s foreign currency denominated portfolio securities. The matching of the increase in value of a forward contract and the decline in the U.S. dollar-equivalent value of the foreign currency denominated asset that is the subject of the hedge generally will not be precise. Shifting a Fund’s currency exposure from one foreign currency to another removes that Fund’s opportunity to profit from increases in the value of the original currency and involves a risk of increased losses to the Fund if its portfolio manager’s projection of future exchange rates is inaccurate. Proxy hedges and cross-hedges may result in losses if the currency used to hedge does not perform similarly to the currency in which hedged securities are denominated. Unforeseen changes in currency prices may result in poorer overall performance for a Fund than if it had not entered into such contracts. In addition, a Fund may not always be able to enter into forward contracts at attractive prices and may be limited in its ability to use these contracts to hedge Fund assets.

The Funds generally will seek to cover outstanding forward currency contracts by maintaining liquid portfolio securities denominated in, or whose value is tied to, the currency underlying the forward contract or the currency being hedged. To the extent that a Fund is not able to cover its forward currency positions with underlying portfolio securities, the Funds’ custodian will segregate cash or other liquid assets having a value equal to the aggregate amount of the Fund’s commitments under forward contracts entered into with respect to position hedges, cross-hedges and anticipatory hedges. If the value of the securities used to cover a position or the value of segregated assets declines, a Fund will find alternative cover or segregate additional cash or liquid assets on a daily basis so that the value of the covered and segregated assets will be equal to the amount of the Fund’s commitments with respect to such contracts. As an alternative to segregating assets, a Fund may buy call options permitting the Fund to buy the amount of foreign currency being hedged by a forward sale contract or a Fund may buy put options permitting it to sell the amount of foreign currency subject to a forward buy contract.

OPTIONS ON FOREIGN CURRENCIES. The Funds may buy and write options on foreign currencies in a manner similar to that in which futures or forward contracts on foreign currencies will be utilized. For example, a decline in the U.S. dollar value of a foreign currency in which portfolio securities are denominated will reduce the U.S. dollar value of such securities, even if their value in the foreign currency remains constant. In order to protect against such diminutions in the value of portfolio securities, a Fund may buy put options on the foreign currency. If the value of the currency declines, the Fund will have the right to sell such currency for a fixed amount in U.S. dollars, thereby offsetting, in whole or in part, the adverse effect on its portfolio.

Conversely, when a rise in the U.S. dollar value of a currency in which securities to be acquired are denominated is projected, thereby increasing the cost of such securities, a Fund may buy call options on the foreign currency.

The purchase of such options could offset, at least partially, the effects of the adverse movements in exchange rates. As in the case of other types of options, however, the benefit to a Fund from purchases of foreign currency options will be reduced by the amount of the premium and related transaction costs. In addition, if currency exchange rates do not move in the direction or to the extent desired, a Fund could sustain losses on transactions in foreign currency options that would require the Fund to forgo a portion or all of the benefits of advantageous changes in those rates.

The Funds may also write options on foreign currencies. For example, to hedge against a potential decline in the U.S. dollar value of foreign currency-denominated securities due to adverse fluctuations in exchange rates, a Fund could, instead of purchasing a put option, write a call option on the relevant currency. If the expected decline occurs, the option will most likely not be exercised and the decline in value of portfolio securities will be offset by the amount of the premium received.

Similarly, instead of purchasing a call option to hedge against a potential increase in the U.S. dollar cost of securities to be acquired, a Fund could write a put option on the relevant currency which, if rates move in the manner projected, will expire unexercised and allow that Fund to hedge the increased cost up to the amount of the premium. As in the case of other types of options, however, the writing of a foreign currency option will constitute only a partial hedge up to the amount of the premium. If exchange rates do not move in the expected direction, the option may be exercised and a Fund would be required to buy or sell the underlying currency at a loss which may not be offset by the amount of the premium. Through the writing of options on foreign currencies, a Fund also may lose all or a portion of the benefits which might otherwise have been obtained from favorable movements in exchange rates.

The Funds may write covered call options on foreign currencies. A call option written on a foreign currency by a Fund is “covered” if that Fund owns the foreign currency underlying the call or has an absolute and immediate right to acquire that foreign currency without additional cash consideration (or for additional cash consideration held in a segregated account by its custodian) upon conversion or exchange of other foreign currencies held in its portfolio. A call option is also covered if a Fund has a call on the same foreign currency in the same principal amount as the call written if the exercise price of the call held (i) is equal to or less than the exercise price of the call written or (ii) is greater than the exercise price of the call written, if the difference is maintained by the Fund in cash or other liquid assets in a segregated account with the Funds’ custodian.

The Funds also may write call options on foreign currencies for cross-hedging purposes. A call option on a foreign currency is for cross-hedging purposes if it is designed to provide a hedge against a decline due to an adverse change in the exchange rate in the U.S. dollar value of a security which a Fund owns or has the right to acquire and which is denominated in the currency underlying the option. Call options on foreign currencies which are entered into for cross-hedging purposes are not covered. However, in such circumstances, a Fund will collateralize the option by segregating cash or other liquid assets in an amount not less than the value of the underlying foreign currency in U.S. dollars marked-to-market daily.

OPTIONS ON SECURITIES. The Funds may write covered put and call options and buy put and call options on securities that are traded on United States and foreign securities exchanges and over-the-counter. Such options may include options on single securities, or options on multiple securities such as options on a securities index or on multiple indices.

A put option written by a Fund is “covered” if that Fund (i) segregates cash not available for investment or other liquid assets with a value equal to the exercise price of the put with the Funds’ custodian or (ii) holds a put on the same security and in the same principal amount as the put written and the exercise price of the put held is equal to or greater than the exercise price of the put written. The premium paid by the buyer of an option will reflect, among other things, the relationship of the exercise price to the current market price and the volatility of the underlying security, the remaining term of the option, supply and demand and interest rates.

A call option written by a Fund is “covered” if that Fund owns the underlying security covered by the call or has an absolute and immediate right to acquire that security without additional cash consideration (or for additional cash consideration held in a segregated account by the Funds’ custodian) upon conversion or exchange of other securities held in its portfolio. A call option is also deemed to be covered if a Fund holds a call on the same security and in the same principal amount as the call written and the exercise price of the call held (i) is equal to or less than the exercise price of the call written or (ii) is greater than the exercise price of the call written if the difference is maintained by that Fund in cash and other liquid assets in a segregated account with its custodian.

The Funds also may write call options that are not covered for cross-hedging purposes. A Fund collateralizes its obligation under a written call option for cross-hedging purposes by segregating cash or other liquid assets in an amount not less than the market value of the underlying security, marked-to-market daily. A Fund would write a call option for cross-hedging purposes, instead of writing a covered call option, when the premium to be received from the cross-hedge transaction would exceed that which would be received from writing a covered call option and its portfolio manager believes that writing the option would achieve the desired hedge.

The writer of an option may have no control over when the underlying securities must be sold (in the case of a call option) or bought (in the case of a put option) since with regard to certain options, the writer may be assigned an exercise notice at any time prior to the termination of the obligation. Whether or not an option expires unexercised, the writer retains the amount of the premium. This amount, of course, may, in the case of a covered call option, be offset by a decline in the market value of the underlying security during the option period. If a call option is exercised, the writer experiences a profit or loss from the sale of the underlying security. If a put option is exercised, the writer must fulfill the obligation to buy the underlying security at the exercise price, which will usually exceed the then-current market value of the underlying security.

The writer of an option that wishes to terminate its obligation may effect a “closing purchase transaction.” This is accomplished by buying an option of the same series as the option previously written. The effect of the purchase is that the writer’s position will be canceled by the clearing corporation. However, a writer may not effect a closing purchase transaction after being notified of the exercise of an option. Likewise, an investor who is the holder of an option may liquidate its position by effecting a “closing sale transaction.” This is accomplished by selling an

option of the same series as the option previously bought. There is no guarantee that either a closing purchase or a closing sale transaction can be effected.

In the case of a written call option, effecting a closing transaction will permit a Fund to write another call option on the underlying security with either a different exercise price or expiration date or both. In the case of a written put option, such transaction will permit a Fund to write another put option to the extent that the exercise price is secured by other liquid assets. Effecting a closing transaction also will permit a Fund to use the cash or proceeds from the concurrent sale of any securities subject to the option for other investments. If a Fund desires to sell a particular security from its portfolio on which it has written a call option, the Fund will effect a closing transaction prior to or concurrent with the sale of the security. A Fund will realize a profit from a closing transaction if the price of the purchase transaction is less than the premium received from writing the option or the price received from a sale transaction is more than the premium paid to buy the option. A Fund will realize a loss from a closing transaction if the price of the purchase transaction is more than the premium received from writing the option or the price received from a sale transaction is a less than the premium paid to buy the option. Because increases in the market price of a call option generally will reflect increases in the market price of the underlying security, any loss resulting from the repurchase of a call option is likely to be offset in whole or in part by appreciation of the underlying security owned by a Fund.

An option position may be closed out only where a secondary market for an option of the same series exists. If a secondary market does not exist, the Fund may not be able to effect closing transactions in particular options and the Fund would have to exercise the options in order to realize any profit. If a Fund is unable to effect a closing purchase transaction in a secondary market, it will not be able to sell the underlying security until the option expires or it delivers the underlying security upon exercise. The absence of a liquid secondary market may be due to the following: (i) insufficient trading interest in certain options, (ii) restrictions imposed by a national securities exchange (“Exchange”) on which the option is traded on opening or closing transactions or both, (iii) trading halts, suspensions or other restrictions imposed with respect to particular classes or series of options or underlying securities, (iv) unusual or unforeseen circumstances that interrupt normal operations on an Exchange, (v) the facilities of an Exchange or of the Options Clearing Corporation (“OCC”) may not at all times be adequate to handle current trading volume, or (vi) one or more Exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options), in which event the secondary market on that Exchange (or in that class or series of options) would cease to exist, although outstanding options on that Exchange that had been issued by the OCC as a result of trades on that Exchange would continue to be exercisable in accordance with their terms.

A Fund may write options in connection with buy-and-write transactions. In other words, a Fund may buy a security and then write a call option against that security. The exercise price of such call will depend upon the expected price movement of the underlying security. The exercise price of a call option may be below (“in-the-money”), equal to (“at-the-money”) or above (“out-of-the-money”) the current value of the underlying security at the time the option is written.

Buy-and-write transactions using in-the-money call options may be used when it is expected that the price of the underlying security will remain flat or decline moderately during

the option period. Buy-and-write transactions using at-the-money call options may be used when it is expected that the price of the underlying security will remain fixed or advance moderately during the option period. Buy-and-write transactions using out-of-the-money call options may be used when it is expected that the premiums received from writing the call option plus the appreciation in the market price of the underlying security up to the exercise price will be greater than the appreciation in the price of the underlying security alone. If the call options are exercised in such transactions, a Fund's maximum gain will be the premium received by it for writing the option, adjusted upwards or downwards by the difference between that Fund's purchase price of the security and the exercise price. If the options are not exercised and the price of the underlying security declines, the amount of such decline will be offset by the amount of premium received.

The writing of covered put options is similar in terms of risk and return characteristics to buy-and-write transactions. If the market price of the underlying security rises or otherwise is above the exercise price, the put option will expire worthless and a Fund's gain will be limited to the premium received. If the market price of the underlying security declines or otherwise is below the exercise price, a Fund may elect to close the position or take delivery of the security at the exercise price and that Fund's return will be the premium received from the put options minus the amount by which the market price of the security is below the exercise price.

A Fund may buy put options to hedge against a decline in the value of its portfolio. By using put options in this way, a Fund will reduce any profit it might otherwise have realized in the underlying security by the amount of the premium paid for the put option and by transaction costs.

A Fund may buy call options to hedge against an increase in the price of securities that it may buy in the future. The premium paid for the call option plus any transaction costs will reduce the benefit, if any, realized by the Fund upon exercise of the option, and, unless the price of the underlying security rises sufficiently, the option may expire worthless to that Fund.

SWAPS AND SWAP-RELATED PRODUCTS. A Fund may enter into interest rate swaps, caps and floors on either an asset-based or liability-based basis, depending upon whether it is hedging its assets or its liabilities, and will usually enter into interest rate swaps on a net basis (i.e., the two payment streams are netted out, with the Fund receiving or paying, as the case may be, only the net amount of the two payments). The net amount of the excess, if any, of a Fund's obligations over its entitlement with respect to each interest rate swap will be calculated on a daily basis and an amount of cash or other liquid assets (marked to market daily) having an aggregate net asset value at least equal to the accrued excess will be maintained in a segregated account by the Funds' custodian. If a Fund enters into an interest rate swap on other than a net basis, it would maintain a segregated account in the full amount accrued on a daily basis of its obligations with respect to the swap. A Fund will not enter into any interest rate swap, cap or floor transaction unless the unsecured senior debt or the claims-paying ability of the other party thereto is rated in one of the three highest rating categories of at least one NRSRO at the time of entering into such transaction. Marsico Capital will monitor the creditworthiness of all swap counterparties, if any, on an ongoing basis, although this is not a guarantee that a default could not occur. If there is a default by the other party to such a transaction, a Fund will have contractual remedies pursuant to the agreements related to the transaction.

The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation. As a result, the swap market has become relatively liquid. Caps and floors are more recent innovations for which standardized documentation has not yet been developed and, accordingly, they are less liquid than swaps. To the extent a Fund sells (i.e., writes) caps and floors, it will segregate cash or other liquid assets having an aggregate net asset value at least equal to the full amount accrued on a daily basis of its obligations with respect to any caps or floors.

There is no limit on the amount of interest rate swap transactions that may be entered into by a Fund, subject to the segregation requirement described above. These transactions may in some instances involve the delivery of securities or other underlying assets by a Fund or its counterparty to collateralize obligations under the swap. Under the documentation currently used in those markets, the risk of loss with respect to interest rate swaps is limited to the net amount of the payments that a Fund is contractually obligated to make. If the other party to an interest rate swap that is not collateralized defaults, a Fund would risk the loss of the net amount of the payments that it contractually is entitled to receive. A Fund may buy and sell (i.e., write) caps and floors without limitation, subject to the segregation requirement described above.

A Fund could enter into credit default swap contracts for investment purposes. As the seller in a credit default swap contract, a Fund would be required to pay the par (or other agreed-upon) value of a referenced debt obligation to the counterparty in the event of a default by a third party, such as a U.S. or foreign corporate issuer, on the debt obligation. In return, the Fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default occurred. If no default occurred, the Fund would keep the stream of payments and would have no payment obligations. As the seller, the Fund would be subject to investment exposure on the notional amount of the swap.

A Fund may also purchase credit default swap contracts in order to hedge against the risk of default of debt securities held in its portfolio, in which case the Fund would function as the counterparty referenced in the preceding paragraph. This would involve the risk that the investment may expire worthless and would only generate income in the event of an actual default by the issuer of the underlying obligation (as opposed to a credit downgrade or other indication of financial instability). It would also involve credit risk that the seller may fail to satisfy its payment obligation to a Fund in the event of a default.

ADDITIONAL RISKS OF OPTIONS ON FOREIGN CURRENCIES, FORWARD CONTRACTS AND FOREIGN INSTRUMENTS. Unlike transactions entered into by the Funds in futures contracts, certain options on foreign currencies and forward contracts are not traded on contract markets regulated by the CFTC (with the exception of certain foreign currency options) or by the SEC. To the contrary, such instruments are traded through financial institutions acting as market-makers, although foreign currency options are also traded on certain exchanges, such as the Philadelphia Stock Exchange and the Chicago Board Options Exchange, subject to SEC regulation. Similarly, options on currencies may be traded over-the-counter. In an over-the-counter trading environment, many of the protections afforded to exchange participants will not be available. For example, there are no daily price fluctuation limits, and adverse market movements could therefore continue to an unlimited extent over a period of time. Although the buyer of an option cannot lose more than the amount of the premium plus related transaction costs, this entire amount could be lost. Moreover, an option writer and buyer or

seller of futures or forward contracts could lose amounts substantially in excess of any premium received or initial margin or collateral posted due to the potential additional margin and collateral requirements associated with such positions.

Options on foreign currencies traded on securities exchanges are within the jurisdiction of the SEC, as are other securities traded on exchanges. As a result, many of the protections provided to traders on organized exchanges will be available with respect to such transactions. In particular, all foreign currency option positions entered into on a securities exchange are cleared and guaranteed by the OCC, thereby reducing the risk of counterparty default. Further, a liquid secondary market in options traded on an exchange may be more readily available than in the over-the-counter market, potentially permitting a Fund to liquidate open positions at a profit prior to exercise or expiration, or to limit losses in the event of adverse market movements.

The purchase and sale of exchange-traded foreign currency options, however, is subject to the risks of the availability of a liquid secondary market described above, as well as the risks regarding adverse market movements, margining of options written, the nature of the foreign currency market, possible intervention by governmental authorities and the effects of other political and economic events. In addition, exchange-traded options on foreign currencies involve certain risks not presented by the over-the-counter market. For example, exercise and settlement of such options, to the extent traded on a securities exchange, must be made exclusively through the OCC, which has established banking relationships in applicable foreign countries for this purpose. As a result, the OCC may, if it determines that foreign governmental restrictions or taxes would prevent the orderly settlement of foreign currency option exercises, or would result in undue burdens on the OCC or its clearing members, impose special procedures on exercise and settlement, such as technical changes in the mechanics of delivery of currency, the fixing of dollar settlement prices or prohibitions on exercise.

In addition, options on U.S. government securities, futures contracts, options on futures contracts, forward contracts and options on foreign currencies may be traded on foreign exchanges and over-the-counter in foreign countries. Such transactions are subject to the risk of governmental actions affecting trading in or the prices of foreign currencies or securities. The value of such positions also could be adversely affected by (i) other complex foreign political and economic factors, (ii) lesser availability than in the United States of data on which to make trading decisions, (iii) delays in a Fund's ability to act upon economic events occurring in foreign markets during non-business hours in the United States, (iv) the imposition of different exercise and settlement terms and procedures and margin requirements than in the United States, and (v) low trading volume.

ADDITIONAL DERIVATIVE INSTRUMENT RISKS

Additional risks inherent in the use of derivative instruments include:

the risk that interest rates, securities prices and currency markets will not move in the direction that the portfolio manager anticipates;

imperfect correlation between the price of derivative instruments and movement in the prices of the securities, interest rates or currencies being hedged;

the fact that the skills needed to use these strategies are different from those needed to select portfolio securities;

inability to close out certain hedged positions to avoid adverse tax consequences;

the possible absence of a liquid secondary market for any particular instrument and possible exchange-imposed price fluctuation limits, either of which may make it difficult or impossible to close out a position when desired;

leverage risk, or the risk that adverse price movements in an instrument can result in a loss substantially greater than a Fund's initial investment in that instrument (in some cases, the potential loss is unlimited); and

particularly in the case of privately negotiated instruments, the risk that the counterparty will fail to perform its obligations, which could leave a Fund worse off than if it had not entered into the position.

Although the Adviser believes the use of derivative instruments will benefit the Funds, the Funds' performance could be worse than if the Funds had not used such instruments if the portfolio manager's judgment proves incorrect. When a Fund invests in a derivative instrument, it may be required to segregate cash and other liquid assets or certain portfolio securities with its custodian to "cover" the Fund's position. Assets segregated or set aside generally may not be disposed of so long as a Fund maintains the positions requiring segregation or cover. Segregating assets could diminish a Fund's return due to the opportunity costs of forgoing other potential investments with the segregated assets.

HYBRID INSTRUMENTS

Each Fund may invest in certain hybrid instruments ("Hybrid Instruments"). Hybrid Instruments include certain types of potentially high-risk derivatives that combine the elements of futures contracts or options with those of debt, preferred equity, or a depositary instrument. Generally, a Hybrid Instrument will be a debt security, preferred stock, depositary share, trust certificate, certificate of deposit, or other evidence of indebtedness on which all or a portion of the interest payments and/or the principal or stated amount payable at maturity, redemption, or retirement, is determined by reference to prices, changes in prices, or differences between prices, of securities, currencies, intangibles, goods, articles, or commodities (collectively "Underlying Assets") or another objective index, economic factor, or other measures, such as interest rates, currency exchange rates, commodity indices, and securities indices (collectively "Benchmarks"). Thus, Hybrid Instruments may take a variety of forms, including, but not limited to, debt instruments with interest or principal payments or redemption terms determined by reference to the value of a currency or commodity or securities index at a future point in time, preferred stock with dividend rates determined by reference to the value of a currency, or convertible securities with the conversion terms related to a particular commodity.

Hybrid Instruments can provide an efficient means of creating exposure to a particular market, or segment of a market, with the objective of enhancing total return. The risks of investing in Hybrid Instruments reflect a combination of the risks of investing in securities, options, futures and currencies. Thus, an investment in a Hybrid Instrument may entail significant risks that are not associated with a similar investment in a traditional debt instrument that has a fixed principal amount, is denominated in U.S. dollars, or bears interest either at a fixed rate or a floating rate determined by reference to a common, nationally published benchmark. The risks of a particular Hybrid Instrument will, of course, depend upon the terms of the instrument, but may include, without limitation, the possibility of significant changes in

the Benchmarks or the prices of Underlying Assets to which the instrument is linked. Such risks generally depend upon factors which are unrelated to the operations or credit quality of the issuer of the Hybrid Instrument and which may not be readily foreseen by the purchaser, such as economic and political events, the supply and demand for the Underlying Assets, and interest rate movements. In recent years, various Benchmarks and prices for Underlying Assets have been highly volatile, and such volatility may be expected in the future. Reference is also made to the discussion of futures, options, and forward contracts herein for a discussion of the risks associated with such investments.

Hybrid Instruments are potentially more volatile and carry greater market risks than traditional debt instruments. Depending on the structure of the particular Hybrid Instrument, changes in a Benchmark may be magnified by the terms of the Hybrid Instrument and have an even more dramatic and substantial effect upon the value of the Hybrid Instrument. Also, the prices of the Hybrid Instrument and the Benchmark or Underlying Asset may not move in the same direction, to the same extent, or at the same time.

Hybrid Instruments may bear interest or pay preferred dividends at below market (or even relatively nominal) rates. Alternatively, Hybrid Instruments may bear interest at above market rates but bear an increased risk of principal loss (or gain). The latter scenario may result if leverage is used to structure the Hybrid Instrument. Leverage risk occurs when the Hybrid Instrument is structured so that a given change in a Benchmark or Underlying Asset is multiplied to produce a greater value change in the Hybrid Instrument, thereby magnifying the risk of loss as well as the potential for gain.

Hybrid Instruments may also carry liquidity risk since the instruments are often customized to meet the needs of a particular investor, and therefore, the number of investors that are willing and able to buy such instruments in the secondary market may be smaller than the number of potential investors in more traditional debt securities. In addition, because the purchase and sale of Hybrid Instruments could take place in an over-the-counter market without the guarantee of a central clearing organization or in a transaction between a Fund and the issuer of the Hybrid Instrument, the creditworthiness of the counterparty or issuer of the Hybrid Instrument would be an additional risk factor which a Fund would have to consider and monitor. Hybrid instruments also may not be subject to regulation of the CFTC, which generally regulates the trading of commodity futures by U.S. persons, the SEC, which regulates the offer and sale of securities by and to U.S. persons, or any other governmental regulatory authority.

The various risks discussed above, particularly the market risk of such instruments, may in turn cause significant fluctuations in the net asset value of a Fund if it invests in Hybrid Instruments.

Certain issuers of Hybrid Instruments known as structured products, such as exchange-traded funds, may be deemed to be investment companies as defined in the 1940 Act. As a result, a Fund's investments in these products may be subject to limits described above under "Structured Products" and below under "Investments in the Shares of Other Investment Companies."

SHORT SALES

Each Fund may engage in "short sales against the box." This technique involves selling for future delivery either a security that a Fund owns, or a security equivalent in kind or amount

to another security that the Fund has an existing right to obtain without the payment of additional consideration. A Fund will generally enter into a short sale against the box to hedge against anticipated declines in the market price of portfolio securities. If the value of the securities sold short increases prior to the delivery date, a Fund loses the opportunity to participate in the gain and may lose money.

DEPOSITARY RECEIPTS

The Funds may invest in sponsored and unsponsored American Depositary Receipts (“ADRs”), which are receipts issued by a U.S. bank or trust company evidencing ownership of an interest in underlying securities issued by a foreign issuer. A sponsored ADR is issued by a depositary that generally has an established relationship with the foreign issuer of the underlying security. An unsponsored ADR may be issued by any number of U.S. depositaries and is generally created without the participation or consent of the foreign issuer. ADRs, in registered form, are designed for trading on U.S. securities exchanges or other markets. Holders of unsponsored ADRs generally bear all the costs of the ADR facility, whereas foreign issuers typically bear certain costs associated with maintaining a sponsored ADR facility. Under the terms of most sponsored arrangements, depositaries agree to distribute notices of shareholder meetings and voting instructions, and to provide shareholder communications and other information to the ADR holders at the request of the issuer of the deposited securities. A depositary of an unsponsored ADR, on the other hand, may not receive information from the foreign issuer, and is under no obligation to distribute shareholder communications, or other information received from the issuer of the deposited securities or to pass through voting rights to ADR holders in respect of the deposited securities. The Funds may also invest in European Depositary Receipts (“EDRs”), Global Depositary Receipts (“GDRs”) and in other similar instruments representing foreign-traded depositary interests in securities of foreign companies. EDRs are receipts issued by a European financial institution evidencing arrangements similar to ADRs. EDRs, in bearer form, are designed for use in European securities markets. GDRs are receipts for foreign-based corporations traded in capital markets around the world.

REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

In a repurchase agreement, the buyer (such as a Fund) purchases securities for cash from a seller (such as a bank or broker-dealer) and simultaneously commits to resell those securities to the seller at an agreed-upon repurchase price on an agreed upon date within a number of days (usually not more than seven) from the date of purchase. The buyer effectively acts as lender to the seller acting as borrower. The repurchase price reflects the purchase price plus an agreed-upon incremental amount that is typically unrelated to the coupon rate or maturity of the purchased securities. A repurchase agreement involves the obligation of the seller to pay the agreed-upon price, which obligation is secured by the value (at least equal to the amount of the agreed-upon resale price and marked-to-market daily) of the underlying securities or “collateral.”

A Fund may engage in a repurchase agreement with respect to any securities in which it is authorized to invest. The primary risk associated with repurchase agreements is the possible failure of the seller to repurchase the securities as agreed. This risk is substantially reduced by the Fund’s holding of the purchased securities as collateral for the seller’s obligation, but the seller’s failure to repurchase the securities could still cause a Fund to suffer a loss if the market value of the securities declines before they can be liquidated on the open market for the benefit of the Fund. In the event of bankruptcy or insolvency of the seller, a Fund could encounter

delays and incur costs in liquidating the underlying securities. Repurchase agreements that mature in more than seven days will be subject to the 15% limit on illiquid investments. While it is not possible to eliminate all risks from these transactions, it is the policy of the Funds to limit repurchase agreements to those parties whose creditworthiness has been reviewed and found satisfactory by Marsico Capital.

A Fund may use reverse repurchase agreements to obtain cash to satisfy unusually heavy redemption requests or for other temporary or emergency purposes without the necessity of selling portfolio securities, or to earn additional income on portfolio securities, such as Treasury bills or notes. In a reverse repurchase agreement, a party (such as a Fund) sells portfolio securities to another party (such as a bank or broker-dealer), in return for cash and agrees to repurchase the securities at a particular price and time. The seller effectively acts as borrower from the buyer acting as lender. While a reverse repurchase agreement is outstanding, a Fund will maintain cash and appropriate liquid assets in a segregated custodial account to cover its obligation under the agreement. The Funds will enter into reverse repurchase agreements only with parties that Marsico Capital deems creditworthy. Using reverse repurchase agreements to earn additional income involves the risk that the interest earned on the invested proceeds may be less than the expense of the reverse repurchase agreement transaction. This investment may also have a leveraging effect on a Fund's portfolio, although the Fund's intent to segregate assets in the amount of the reverse repurchase agreement minimizes this effect.

SOVEREIGN DEBT SECURITIES

The Funds may invest in sovereign debt securities issued by governments of foreign countries or by quasi-governmental entities. The sovereign debt in which the Funds may invest may be rated below investment grade if they are subject to ratings. Lower rated securities usually offer higher yields than higher-rated securities, but are subject to greater risk than higher-rated securities.

Investment in sovereign debt may in some cases involve a relatively high degree of risk. The governmental entity that controls 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. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its solvency and cash flow situation, the availability of revenues or other sources of repayment, budgetary restraints, the extent of foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the size of overall debt burdens on an absolute basis, the relative size of the debt service burden to the economy as a whole, the entity's ability to obtain additional financing, market and political pressures affecting interest rates, the entity's eligibility for assistance from the International Monetary Fund and other international or regional sources of debtor aid, political constraints to which the entity may be subject, and other regional and global economic and political forces, among other risks. Governmental entities also may depend upon expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearages on their debt and such disbursements may not always be available. Dividend and interest income from sovereign debt securities may generally be subject to withholding taxes by the country in which the governmental issuer is located and may not be recoverable by the Funds or their investors.

Sovereign debt issued or guaranteed by emerging market governmental entities and corporate issuers in which the Funds may invest potentially involves a high degree of risk and may be deemed the equivalent in terms of quality to high-risk, low-rated domestic securities (i.e., high-yield bonds) and may be subject to many of the same risks as such securities. The Funds may have difficulty disposing of certain of these debt obligations at reasonable prices for a number of reasons including potentially relatively thin trading markets for such securities. In the event a governmental issuer defaults on its obligations, the Funds may have limited legal recourse against the issuer or guarantor, if any. Remedies, if available at all, must, in some cases, be pursued in the courts of the jurisdiction in which the defaulting party itself operates, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country.

The issuers of the sovereign debt securities in which the Funds may invest may experience substantial difficulties in servicing their debt obligations, which may lead to defaults on certain obligations. In the event of default, holders of sovereign debt may be requested to participate in the rescheduling of sovereign debt and to extend further loans to governmental entities. In addition, no assurance can be given that the holders of commercial bank debt will not contest payments to the holders of foreign government debt obligations in the event of default under their commercial bank loan agreements. Further, in the event of a default by a governmental entity, the Funds may have few or no effective legal remedies for collecting on such debt.

BRADY BONDS

The Funds may invest in Brady Bonds. Brady Bonds are securities created through the exchange of existing commercial bank loans to foreign entities for new obligations in connection with debt restructurings under debt restructuring plans such as those introduced by former U.S. Secretary of the Treasury, Nicholas P. Brady. Brady Bonds may be collateralized or uncollateralized, may be issued in various currencies (but primarily the U.S. dollar), and may be traded in the over-the-counter secondary market. Brady Bonds are not considered to be U.S. government securities. In light of the residual risk of Brady Bonds and, among other factors, the history of defaults with respect to commercial bank loans by public and private entities in countries issuing Brady Bonds, investments in Brady Bonds may be viewed as speculative. There can be no assurance that Brady Bonds acquired by the Funds will not be subject to restructuring arrangements or to requests for new credit, which may cause the Funds to suffer a loss of interest or principal on any of its holdings.

EURODOLLAR AND YANKEE DOLLAR INSTRUMENTS

The Funds may invest in Eurodollar and Yankee Dollar instruments. Eurodollar instruments are bonds that pay interest and principal in U.S. dollars held in banks outside the United States, primarily in Europe. Eurodollar instruments are usually issued on behalf of multinational companies and foreign governments by large underwriting groups composed of banks and issuing houses from many countries. Yankee Dollar instruments are U.S. dollar-denominated bonds issued in the United States by foreign banks and corporations. These investments involve risks that are different from investments in securities issued by U.S. issuers. See “Foreign Securities” above.

Eurodollar futures contracts enable purchasers to obtain a fixed rate for the lending of funds and sellers to obtain a fixed rate for borrowings. The Funds might use Eurodollar futures contracts and options thereon to hedge against changes in the London Interbank Offered Rate (“LIBOR”), to which many interest rate swaps and fixed income instruments may be linked.

WHEN-ISSUED, DELAYED DELIVERY AND FORWARD TRANSACTIONS

When-issued, delayed delivery and forward transactions generally involve the purchase of a security with payment and delivery at some time in the future (i.e., beyond normal settlement). New issues of stocks and bonds, private placements and U.S. government securities may be sold in this manner. The Funds do not earn interest on such securities until settlement, and the Funds bear the risk of market value fluctuations between the purchase and settlement dates. The Funds will segregate cash or liquid assets having an aggregate value equal to the purchase price on the books and records of either the custodian or a broker until payment is made.

INVESTMENTS IN THE SHARES OF OTHER INVESTMENT COMPANIES

The Funds may also invest in the securities of other investment companies to the extent permitted by the 1940 Act. Investment companies are companies that are engaged primarily in the business of investing in securities, or that hold a large proportion of their assets in the form of investment securities. The Funds themselves are investment company portfolios. Other investment companies in which the Funds may invest to the extent permitted by the 1940 Act may include, without limitation, money market funds or other open-end investment companies, exchange-traded funds, closed-end funds or business development companies, other U.S.-registered or foreign-registered investment companies, and other U.S. or foreign companies that are not registered as investment companies but may be viewed as investment companies because of the nature of their businesses or assets.

A Fund may invest in the securities of other investment companies, including exchange-traded funds, for a variety of reasons such as, without limitation, to manage cash, to preserve capital, to seek current income, or to gain exposure to investments in particular sectors, industries, markets, or countries. If the Funds invest in certain investment companies, Fund shareholders will bear not only their proportionate share of a Fund’s expenses (including operating expenses and the fees of the Adviser), but also, indirectly, the Fund’s proportionate share of any expenses (such as operating expenses and advisory fees) that are paid by investment companies in which it invests. The extent to which a Fund may invest in investment companies also may be limited by the 1940 Act and subject to substantial regulation, including potential restrictions on liquidity and potential adverse tax consequences if the investment company does not meet certain requirements.

TRUSTEES AND OFFICERS OF THE TRUST

The Board of Trustees oversees the management of the Trust and elects its officers. Each Board member serves until his or her successor is elected and qualified or until his or her resignation, death or removal. Officers serve until their successors are elected and qualified or until their resignation or removal. The Trust’s officers, assisted by Marsico Capital and other service providers selected by the Trustees, generally oversee certain day-to-day operations of the Trust. Information pertaining to the Trustees and the executive officers of the Trust is set forth below.

INTERESTED TRUSTEES^{*}

NAME, ADDRESS AND AGE	POSITION(S) HELD WITH THE TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER DIRECTORSHIPS HELD BY TRUSTEE
Thomas F. Marsico ¹ 1200 17th Street Suite 1600 Denver, CO 80202 DOB: 1955	Trustee, President, Chief Executive Officer and Chief Investment Officer	Since December 1997	Chief Executive Officer, Marsico Capital Management, LLC (more than five years).	7	None
Christopher J. Marsico ¹ 1200 17 th Street Suite 1600 Denver, CO 80202 DOB: 1961	Trustee, Executive Vice President and Chief Operating Officer	Trustee (from August 2007 to March 2010 and since May 2010); Vice President and Treasurer (from September 2002 to May 2010); Executive Vice President and Chief Operating Officer (since May 2010)	President, Marsico Capital Management, LLC (more than five years).	7	None

¹ Mr. Thomas Marsico and Mr. Christopher Marsico are considered Interested Trustees of the Trust because of their affiliation with Marsico Capital Management, LLC, the Adviser to the Funds. Mr. Thomas Marsico and Mr. Christopher Marsico are brothers.

^{*} Trustees who are “interested persons” of the Funds, as defined in the 1940 Act.

NON-INTERESTED TRUSTEES

NAME, ADDRESS AND AGE	POSITION(S) HELD WITH THE TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER DIRECTORSHIPS HELD BY TRUSTEE
Jay S. Goodgold 1200 17 th Street Suite 1600 Denver, CO 80202 DOB: 1954	Trustee; Lead Independent Trustee	Trustee (since February 2006); Lead Independent Trustee (since November 2010)	Private investor (July 2003 – present); Managing Director, Goldman, Sachs & Co. (August 1978 - June 2003).	7	None
Elizabeth Hoffman 1200 17 th Street Suite 1600 Denver, CO 80202 DOB: 1946	Trustee	Since February 2006	Executive Vice President and Provost, Iowa State University (January 2007 – present); President Emerita and Professor of Economics and Public Affairs, University of Colorado (August 2005 – December 2006).	7	None
Walter A. Koelbel, Jr. 1200 17 th Street Suite 1600 Denver, CO 80202 DOB: 1952	Trustee	Since December 1997	President, and other positions, Koelbel and Company (full service real estate, development, investment, and management company) (more than five years).	7	None
Michael D. Rierson 1200 17 th Street Suite 1600 Denver, CO 80202 DOB: 1952	Trustee	Since November 1998	Senior Vice President for Development, Colonial Williamsburg Foundation (January 2011 – present); Vice President and Vice Chancellor for University Advancement at the University of Houston and UH System, respectively (November 2005 – December 2010).	7	None
Bruce E. Stangle 1200 17 th Street Suite 1600 Denver, CO 80202 DOB: 1948	Trustee	Since May 2010	Chairman, Analysis Group, Inc. (economic consulting) (more than five years).	7	Director, Wellington Trust Company (since 2001).
Joseph T. Willett 1200 17 th Street Suite 1600 Denver, CO 80202 DOB: 1951	Trustee	Since November 2002	Private investor (2002 - present); Chief Operating Officer, Merrill Lynch Europe (1998-2002).	7	None

OFFICERS WHO ARE NOT TRUSTEES

NAME, ADDRESS AND AGE	POSITION(S) HELD WITH THE TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY OFFICER	OTHER DIRECTORSHIPS HELD BY OFFICER
Neil L. Gloude, CPA 1200 17 th Street Suite 1600 Denver, CO 80202 DOB: 1961	Vice President, Treasurer and Secretary	Vice- President and Secretary (since May 2008); Treasurer (since May 2010)	Executive Vice President and Chief Financial Officer, Marsico Capital Management, LLC (September 2007 – present); Partner PricewaterhouseCoopers LLP (public accounting firm) (January 1999 – August 2007).	N/A	N/A
David C. Price, CPA 1200 17 th Street Suite 1600 Denver, CO 80202 DOB: 1969	Chief Compliance Officer	Since August 2004	Chief Compliance Officer, The Marsico Investment Fund, and Director of Compliance, Marsico Capital Management, LLC (August 2004 - present).	N/A	N/A
Thomas M. J. Kerwin 1200 17 th Street Suite 1600 Denver, CO 80202 DOB: 1955	Chief Legal Officer	Since August 2003	Executive Vice President and General Counsel, Marsico Capital Management, LLC (June 2002 – present).	N/A	N/A
Sander M. Bieber 1775 I Street, N.W. Washington, D.C. 20006 DOB: 1950	Assistant Secretary	Since December 1997	Partner, Dechert LLP (law firm) (more than five years).	N/A	N/A

In addition to the information provided in the table above, the following is a brief discussion of the specific experience, qualifications, attributes, or skills that support the conclusion, as of the date of this SAI, that each person listed below is qualified to serve as a Trustee in light of the Trust’s business and structure. The disclosure below regarding the Trustees is not intended to state or imply that any Trustee has any title, expertise or experience that would impose a higher degree of individual responsibility or obligation on such Trustee with respect to the Trust, either as compared to the other Trustees or to board members of other mutual funds generally.

Mr. Thomas Marsico. Mr. Thomas Marsico has served as a Trustee of the Trust since its inception in 1997. He is the Founder and Chief Executive Officer of Marsico Capital, the Adviser to the Trust. Mr. Marsico has over 30 years of experience in the investment management field as a securities analyst and a portfolio manager. Mr. Marsico previously held positions at a number of other investment advisory firms.

Mr. Christopher Marsico. Mr. Christopher Marsico has served as a Trustee of the Trust for approximately three years. Mr. Marsico has been the President of Marsico Capital, the Adviser to the Trust, since 2002. Mr. Marsico previously served as the Chief Operations Officer of Marsico Capital from 1997 to 2002.

Mr. Goodgold. Mr. Goodgold has served as a Trustee of the Trust since 2006 and as Lead Independent Trustee since 2010. He has more than 30 years of experience in the investment management industry, with a focus on capital markets and equity research. He previously served

as a Managing Director at Goldman, Sachs & Co. from 1978 to 2003. Mr. Goodgold also has served as a Director of Dimple Dough Incorporated, a cloud-computing card management company, since 2010.

Ms. Hoffman. Ms. Hoffman has served as a Trustee of the Trust since 2006. She is currently the Executive Vice President and Provost of Iowa State University. She has been a university professor for many years. She previously served as President Emerita and Professor of Economics and Public Affairs at the University of Colorado from 2005 to 2006, and as President of the University of Colorado from 2000-2005.

Mr. Koelbel. Mr. Koelbel has served as a Trustee of the Trust since its inception in 1997, and also serves as Chairman of the Nominating Committee of the Trust. He currently serves as the President of Koelbel and Company, a full service real estate, development, investment and management firm, and has held various positions with Koelbel and Company.

Mr. Rierson. Mr. Rierson has served as a Trustee of the Trust since 1998. He is currently Senior Vice President of Development of the Colonial Williamsburg Foundation. He formerly served as Vice President and Vice Chancellor for University Advancement at the University of Houston and the UH System, respectively from 2005 to 2010. Before that, he served as President and Vice-President of University Advancement at the University of South Florida Foundation and University of South Florida from 2001 to 2005.

Mr. Stangle. Mr. Stangle has served as a Trustee of the Trust since 2010. He currently serves as Chairman of Analysis Group, Inc., an economic consulting firm that Mr. Stangle co-founded in 1981. He has over 30 years experience directing large research and consulting projects on topics such as antitrust, ERISA and securities litigation, regulation and damages. Mr. Stangle also has served as a Director of Wellington Trust Company, a subsidiary of private money management firm Wellington Management Company, since 2001; as Trustee of Bates College since 1998; and as a Director of Select-a-Branch, Inc., an ATM operator, since 2008.

Mr. Willett. Mr. Willett has served as a Trustee of the Trust, and as Chairman of the Audit Committee of the Trust, since 2002. Mr. Willett has over 30 years of experience in the financial services industry. He previously served as Chief Operating Officer for Merrill Lynch Europe from 1998 to 2002, and held a variety of other positions at Merrill Lynch between 1982 and 1998, including Senior Vice President and Chief Financial Officer from 1993 to 1998.

BOARD STRUCTURE, LEADERSHIP, RISK OVERSIGHT, AND COMMITTEES

The Board of Trustees oversees the Trust and business and affairs of the Trust, including oversight of certain aspects of the services that the Adviser and the Funds' other service providers provide to the Trust. Subject to the provisions of the Trust's Trust Instrument, its By-Laws and Delaware law, the Trustees shall have all powers necessary and convenient to carry out this responsibility, including the election and removal of the Trust's officers.

The Board of Trustees holds regularly scheduled in person meetings on a quarterly basis and other special in person and telephonic meetings on an as-needed basis. Currently, there are eight Trustees, six of whom are considered not to be "interested persons" of the Trust ("Independent Trustees") in accordance with 1940 Act and rules adopted by the SEC thereunder. The Board of Trustees has appointed a lead Independent Trustee whose primary role is to serve

as a spokesperson and principal point of contact for the Independent Trustees, to help coordinate the activities of the Independent Trustees, including calling regular executive sessions of the Independent Trustees and assisting management in developing the agenda of each Board meeting.

As discussed further below, the Board of Trustees has established various Committees through which the Trustees focus on matters relating to particular aspects of the Trust's operations, such as Fund audits and financial reporting, nominations of Trustees and officers, and the procedures for valuation of portfolio investments. The Trustees annually review the effectiveness of the Committee structure and each Committee's responsibilities and membership.

The Trustees believe that the Board's leadership and committee structure are appropriate in light of the nature and size of the Trust and each of the Funds because, among other things, they foster strong communications between the Board, its individual members, Marsico Capital and other service providers, allocate responsibilities among the Committees, and permit Committee members to focus on particular areas involving the Trust and each of the Funds. In addition, the Committees support and promote the Independent Trustees in their oversight of all aspects of the Trust's operations and their independent review of proposals made by Marsico Capital.

RISK OVERSIGHT

While responsibility for most day-to-day Trust operations, including certain risk management functions addressed in policies and procedures relating to the Trust, resides with Marsico Capital and other service providers selected by the Trustees, the Board actively performs a risk oversight function, both directly and through its Committees, as described below. The Board and its Committees exercise a risk oversight function through regular and *ad hoc* Board and Committee meetings during which the Board and its Committees meet with representatives of Marsico Capital and other key service providers. The Board also periodically receives reports regarding Fund-level policies and procedures and other service providers' policies and procedures, and reviews and approves changes to the Trust's policies and procedures. The Audit Committee also meets regularly with the Trust's independent registered public accounting firm and Principal Financial and Accounting Officer to discuss internal controls and financial reporting matters, among other things. The Board and Committees regularly require senior management of Marsico Capital and senior officers of the Trust to report to the Board and the Committees on a variety of other risk areas relating to the Funds, including, without limitation, investment risks, credit risks, liquidity risks, valuation risks and operational risks, as well as more general business risks. In addition, the Board has engaged independent counsel to the Independent Trustees and consults with such counsel both during and between meetings of the Board and the Committees.

The Board also meets regularly with the Trust's Chief Compliance Officer ("CCO"), who reports directly to the Board. The CCO has responsibility for testing the compliance procedures of the Funds and their service providers. The CCO regularly discusses issues related to compliance and provides a quarterly report to the Board regarding the Trust's compliance program. In order to maintain a robust risk management and compliance program for the Trust, the Board and its Committees also regularly review and approve, as necessary, the Trust's compliance policies and procedures and updates to these procedures, as well as review and approve the compliance policies and procedures of the Trust's service providers to the extent that

those policies and procedures relate to the operations of the Funds. In addition to the meetings with various parties to oversee the risk management of the Funds, the Board and its Committees also receive regular written reports from these and other parties which assist the Board and the Committees in exercising their risk oversight function. The Board also benefits from other risk management resources and functions within Marsico Capital's organization, including extensive investment, trading, operations, compliance, and other resources and extensive policies and procedures.

The Committees of the Board include the Audit Committee, Nominating Committee and Valuation Committee. The membership of each of the Audit Committee and the Nominating Committee consists solely of Independent Trustees, and an Independent Trustee serves as the chairperson of those Committees. The members of the Valuation Committee consist of Thomas F. Marsico and any one available Independent Trustee.

The primary purpose of the Audit Committee, which meets at least twice annually, is to assist the full Board in fulfilling certain of its responsibilities by overseeing: (i) the integrity of the Trust's financial statements and the independent audit thereof; (ii) the Trust's accounting and financial reporting processes and internal control over financial reporting, and, as the Committee deems appropriate, to inquire into the internal controls of third party service providers; (iii) the Trust's compliance with legal and regulatory requirements that relate to the Trust's accounting and financial reporting, internal control over financial reporting and independent audits, and (iv) the qualifications, independence and performance of the Trust's independent accountants. The members of the Audit Committee, which is comprised entirely of Independent Trustees, are Jay S. Goodgold, Elizabeth Hoffman, Walter A. Koelbel, Jr., Michael D. Rierson, Bruce E. Stangle and Joseph T. Willett. There were two Audit Committee meetings held during the fiscal year ended September 30, 2011.

The purpose of the Nominating Committee is: (1) to evaluate the qualifications of and select and nominate candidates for independent trustee membership on the Board (which may include consideration of good faith written recommendations by shareholders of a well-qualified independent trustee candidate, if the recommendation is delivered to the Trust's address and otherwise complies with requirements adopted by the Board of Trustees, which may be obtained without charge by calling 888-860-8686); (2) to nominate members of Committees of the Board and periodically review Committee assignments; and (3) to make recommendations to the Board concerning the responsibilities or establishment of Board Committees. The members of the Nominating Committee, which is comprised entirely of Independent Trustees, are Jay S. Goodgold, Elizabeth Hoffman, Walter A. Koelbel, Jr., Michael D. Rierson, Bruce E. Stangle and Joseph T. Willett. There was one Nominating Committee meeting held during the fiscal year ended September 30, 2011.

The purpose of the Valuation Committee is to oversee the implementation of the Trust's valuation procedures and to assist as necessary in overseeing the making of fair value determinations in good faith by the Adviser on behalf of the Board as specified in the valuation procedures established by, and under the general supervision of, the Board of Trustees. The Committee meets on an as-needed basis to establish prices of securities for which market quotations are not readily available or readily determinable pursuant to the Trust's approved valuation procedures or by the Adviser's pricing review committee under the general supervision of the Board. Meetings may be held in person or by telephone conference call. The members of the Valuation Committee include Thomas F. Marsico and any one available Independent Trustee.

The Valuation Committee did not convene during the fiscal year ended September 30, 2011, as pricing issues were resolved by approved valuation procedures or by Adviser's pricing review committee under the general supervision of the Board.

For the year ended December 31, 2011, the dollar range of equity securities owned beneficially by each Trustee in the Funds is as follows:

INTERESTED TRUSTEES

NAME OF TRUSTEE	DOLLAR RANGE OF EQUITY SECURITIES IN THE TRUST	AGGREGATE DOLLAR RANGE OF EQUITY SECURITIES IN ALL REGISTERED INVESTMENT COMPANIES OVERSEEN BY TRUSTEE IN FAMILY OF INVESTMENT COMPANIES
Thomas F. Marsico	Focus Fund	Over \$100,000
	Growth Fund	Over \$100,000
	21 st Century Fund	Over \$100,000
	International Opportunities Fund	Over \$100,000
	Flexible Capital Fund	Over \$100,000
	Global Fund	Over \$100,000
	Emerging Markets Fund	Over \$100,000
Christopher J. Marsico	Focus Fund	Over \$100,000
	Growth Fund	Over \$100,000
	21 st Century Fund	Over \$100,000
	International Opportunities Fund	\$50,001-\$100,000
	Flexible Capital Fund	Over \$100,000
	Global Fund	Over \$100,000
	Emerging Markets Fund	None

NON-INTERESTED TRUSTEES

NAME OF TRUSTEE	DOLLAR RANGE OF EQUITY SECURITIES IN THE TRUST⁽¹⁾	AGGREGATE DOLLAR RANGE OF EQUITY SECURITIES IN ALL REGISTERED INVESTMENT COMPANIES OVERSEEN BY TRUSTEE IN FAMILY OF INVESTMENT COMPANIES
Jay S. Goodgold ⁽¹⁾	Focus Fund Over \$100,000 Growth Fund \$10,001-\$50,000 21 st Century Fund \$50,001-\$100,000 International Opportunities Fund \$50,001-\$100,000 Flexible Capital Fund Over \$100,000 Global Fund Over \$100,000 Emerging Markets Fund \$10,001-\$50,000	Over \$100,000
Elizabeth Hoffman ⁽¹⁾	Focus Fund \$50,001-\$100,000 Growth Fund \$50,001-\$100,000 21 st Century Fund \$50,001-\$100,000 International Opportunities Fund \$50,001-\$100,000 Flexible Capital Fund \$50,001-\$100,000 Global Fund \$50,001-\$100,000 Emerging Markets Fund \$1-\$10,000	Over \$100,000
Walter A. Koelbel, Jr. ⁽¹⁾	Focus Fund Over \$100,000 Growth Fund \$10,001-\$50,000 21 st Century Fund Over \$100,000 International Opportunities Fund Over \$100,000 Flexible Capital Fund Over \$100,000 Global Fund Over \$100,000 Emerging Markets Fund None	Over \$100,000
Michael D. Rierson ⁽¹⁾	Focus Fund Over \$100,000 Growth Fund Over \$100,000 21 st Century Fund Over \$100,000 International Opportunities Fund \$10,001-\$50,000 Flexible Capital Fund Over \$100,000 Global Fund \$10,001-\$50,000 Emerging Markets Fund \$10,001-\$50,000	Over \$100,000
Bruce E. Stangle ⁽¹⁾	Focus Fund \$10,001-\$50,000 Growth Fund \$10,001-\$50,000 21 st Century Fund None International Opportunities Fund None Flexible Capital Fund \$10,001-\$50,000 Global Fund \$10,001-\$50,000 Emerging Markets Fund \$10,001-\$50,000	Over \$100,000
Joseph T. Willett ⁽¹⁾	Focus Fund Over \$100,000 Growth Fund Over \$100,000 21 st Century Fund Over \$100,000 International Opportunities Fund Over \$100,000 Flexible Capital Fund Over \$100,000 Global Fund Over \$100,000 Emerging Markets Fund None	Over \$100,000

- (1) Mr. Goodgold, Ms. Hoffman, Messrs. Koebel, Rierson, Stangle and Willett are participants in the Marsico Investment Fund Trustees Deferred Fee Plan (the “Plan”), which beneficially owns securities issued by the Funds. The numbers shown above include the interests that these individuals have in the Plan. Mr. Goodgold, Ms. Hoffman, Messrs. Koebel, Rierson, Stangle and Willett disclaim beneficial ownership of securities through participation in the Plan.

**COMPENSATION RECEIVED FROM THE TRUST
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

INTERESTED TRUSTEES

	Aggregate Compensation From the Trust	Pension or Retirement Benefits Accrued As Part of Trust Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Trust
Thomas F. Marsico	\$0	--	--	\$0
Christopher J. Marsico	\$0	--	--	\$0

NON-INTERESTED TRUSTEES

	Aggregate Compensation From the Trust	Pension or Retirement Benefits Accrued As Part of Trust Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Trust
Jay S. Goodgold ⁽¹⁾	\$77,000	--	--	\$77,000
Elizabeth Hoffman ⁽¹⁾	\$67,000	--	--	\$67,000
Walter A. Koelbel, Jr. ⁽¹⁾	\$70,000	--	--	\$70,000
Michael D. Rierson ⁽¹⁾	\$67,000	--	--	\$67,000
Bruce E. Stangle ⁽¹⁾	\$67,000	--	--	\$67,000
Joseph T. Willett ⁽¹⁾	\$73,000	--	--	\$73,000

(1) Participant in the Marsico Investment Fund Trustees Deferred Fee Plan. Fiscal year 2011 compensation directed to the Plan consisted of \$77,000, \$67,000, \$67,000, \$67,000, and \$73,000 allocated on behalf of Mr. Goodgold, Ms. Hoffman, Messrs. Rierson, Stangle and Willett, respectively, pursuant to the Plan.

The Trustees of the Trust set their level of compensation, which may be subject to change from time to time. Trustees or officers of the Trust who are officers or employees of the Adviser receive no remuneration from the Funds except for the Chief Compliance Officer of the Trust. Each of the other Trustees is currently paid an annual retainer of \$40,000, a fee of \$5,000 for each regular meeting attended, and a fee of \$3,000 and \$1,000, respectively, for each Audit Committee and Nominating Committee meeting attended and is reimbursed for the expenses of attending meetings. Mr. Goodgold receives an additional \$10,000 fee for his role as lead Independent Trustee. Mr. Willett receives an additional \$6,000 fee for his role as chairman of the Audit Committee. Mr. Koelbel receives an additional \$3,000 fee for his role as Chairman of the Nominating Committee. The Trust adopted a deferred compensation plan in February 2000 (which was amended and restated as of December 30, 2005) pursuant to which the Trustees may elect to defer part or all of the fees earned by them for serving as Trustees of the Trust.

As of December 31, 2011, the Trustees and Executive Officers of the Trust owned approximately 1.99% of the outstanding shares of the Focus Fund, 1.55% of the outstanding shares of the Growth Fund, 1.15% of the outstanding shares of the 21st Century Fund, 2.65% of the outstanding shares of the International Opportunities Fund, 5.19% of the outstanding shares of the Flexible Capital Fund, 8.10% of the outstanding shares of the Global Fund and 78.36% of the outstanding shares of the Emerging Markets Fund.

Share Ownership of the Funds

The following table sets forth the information concerning beneficial and record ownership as of December 31, 2011, of the Funds' shares by each person who owned of record, or who was known by the Trust to own beneficially, more than 5% of the voting securities of any Fund.

Name and Address of Shareholder	Fund	Shares Owned	Percentage of Outstanding Shares
Charles Schwab & Co., Inc. ¹ 101 Montgomery Street, San Francisco, CA 94104	Focus Fund	11,074,164	19.54%
	Growth Fund	8,842,422	24.41%
	21st Century Fund	12,301,618	32.31%
	International	3,237,628	24.55%
	Opportunities Fund		
	Flexible Capital Fund	8,548,994	26.61%
	Global Fund	1,304,230	11.74%
National Financial Services Corp (Fidelity) ¹ 200 Liberty Street One World Financial Center New York, NY 10281 National Financial	Focus Fund	15,158,493	26.75%
	Growth Fund	6,636,757	18.32%
	21st Century Fund	11,733,095	30.82%
	International	1,844,889	13.99%
	Opportunities Fund		
	Flexible Capital Fund	10,410,503	32.41%
	Global Fund	1,287,004	11.59%
Thomas F. Marsico 1200 17 th Street Suite 1600 Denver, Colorado 80202	Global Fund	630,967	5.68%
	Emerging Markets Fund	500,000	76.84%
PFPC WRAP Services ¹ FBO Morningstar Managed Plan Clients 760 Moore Road King of Prussia, PA 19406	Global Fund	6,160,842	55.48%
Great West Life ¹ 8515 East Orchard Road Englewood, CO 80111	Focus Fund	5,881,250	10.38%
LPL Financial Corporation ¹ P.O. Box 509046 San Diego, CA 92150	Growth Fund	2,700,019	7.45%
Prudential Investments Management Service	International Opportunities Fund	962,819	7.30%

FBO Mutual Fund Clients
100 Mulberry St.
Newark, NJ 07102

TD Ameritrade ¹ P.O. Box 2226 Omaha, NE 68103	Flexible Capital Fund	1,903,083	5.92%
The Northern Trust Company FBO Accenture Profit Sharing 401(k) Trust Plan P.O. Box 92994 Chicago, IL 60675	Growth Fund	2,029,912	5.60%
State Street Bank & Trust FBO State of Oregon 105 Rosemont Ave. Westwood, MA 02090	International Opportunities Fund	716,669	5.44%
Linercourse & Co. FBO Kaiser Foundation Health Plan of Colorado 1200 Crown Colony Dr. Quincy, MA 02169	Growth Fund	1,906,800	5.26%

- (1) The Trust's shares are sold through channels including broker-dealer intermediaries that may establish single, omnibus accounts with the Trust's transfer agent. The beneficial owners of these shares, however, are the individual investors who maintain accounts within these broker-dealer intermediaries.

INVESTMENT ADVISORY AND OTHER SERVICES

INVESTMENT ADVISORY AGREEMENTS. The Adviser of the Funds is Marsico Capital. Under the terms of the respective investment advisory agreements (the Investment Advisory Agreements), Marsico Capital furnishes overall investment management for the Funds, provides research and credit analysis, oversees the purchase and sales of portfolio securities, maintains books and records with respect to the Funds' securities transactions and provides periodic and special reports to the Board of Trustees as required.

For the advisory services provided and expenses assumed by it, the Adviser has agreed to a fee from each Fund, computed and accrued daily and payable monthly, at an annual rate of 0.85% of average daily net assets up to \$3 billion, and 0.75% per year of average daily net assets exceeding \$3 billion, for the Focus Fund and the Growth Fund; an annual rate of 0.85% of average daily net assets for the 21st Century Fund, the International Opportunities Fund, the Flexible Capital Fund and the Global Fund; and an annual rate of 1.00% of average daily net assets for the Emerging Markets Fund. For the years ended September 30, 2009, September 30, 2010 and September 30, 2011, the Adviser earned the following amounts:

	Fiscal Year Ended <u>September 30, 2009</u>	Fiscal Year Ended <u>September 30, 2010</u>	Fiscal Year Ended <u>September 30, 2011</u>
Focus Fund	\$18,727,143	\$16,303,195	\$10,445,582
Growth Fund	\$10,468,077	\$8,563,304	\$7,445,675
21st Century Fund	\$8,657,862	\$7,165,395	\$6,239,654
International Opportunities Fund	\$3,290,162	\$3,512,856	\$2,353,002
Flexible Capital Fund	\$118,611 ¹	\$466,217 ²	\$4,079,538 ³
Global Fund	\$732,934 ⁴	\$931,221	\$1,106,118
Emerging Markets Fund*	N/A	N/A	\$62,673 ⁵

* The Emerging Markets Fund commenced operations on December 31, 2010. Accordingly, no fees were paid by the Fund under the Investment Advisory Agreement for the fiscal years ended September 30, 2009 and September 30, 2010.

- (1) During the fiscal year ended September 30, 2009, the Adviser waived fees for the Flexible Capital Fund totaling \$291,347.
- (2) During the fiscal year ended September 30, 2010, the Adviser waived fees for the Flexible Capital Fund totaling \$538,029.
- (3) During the fiscal year ended September 30, 2011, the Adviser waived fees for the Flexible Capital Fund totaling \$635,469. During the period from June 1, 2007 to January 31, 2011, Flexible Capital Fund expenses were limited to an annual rate of 0.75% of average net assets. The Adviser has elected not to seek recoupment from the Flexible Capital Fund in the future for fees waived or expenses reimbursed during that period.
- (4) The Adviser waived fees and reimbursed the Global Fund in the total amount of \$944,636 for Fund expenses attributable to the period from the Fund's inception on June 29, 2007 through December 31, 2008. During that period, Global Fund expenses were limited to an annual rate of 0.75% of average net assets. The Adviser has elected not to seek recoupment from the Global Fund in the future for fees waived or expenses reimbursed during that period. The Adviser has returned to the Global Fund \$31,527 representing all recoupments received from the Fund for any fee waivers or expense reimbursements made by the Adviser before January 1, 2009. For the period from January 1, 2009 through September 30, 2010, during which Global Fund expenses were limited to an annual rate of 1.60% of average net assets, \$7,586 in fees was waived by the Adviser and subsequently recouped. As of September 30, 2010, there were \$0 in recoupments remaining that the Adviser may receive from the Global Fund for any waivers of fees or reimbursement of Fund expenses by the Adviser during that period.
- (5) During the fiscal year ended September 30, 2011, the Adviser waived fees for the Emerging Markets Fund totaling \$249,468.

The Investment Advisory Agreement, with respect to each Fund, will continue in effect for an initial two year term and for successive one year periods thereafter, if not sooner terminated, provided that each continuance is specifically approved annually by: (a) the vote of a majority of the Board of Trustees who are not parties to the Investment Advisory Agreement or interested persons (as defined in the 1940 Act), cast in person at a meeting called for the purpose of voting on approval, and (b) either (i) with respect to a Fund, the vote of a "majority of the outstanding voting securities" of that Fund (as defined in the 1940 Act), or (ii) the vote of a majority of the Board of Trustees. Each Investment Advisory Agreement is terminable by vote of the Board of Trustees, or with respect to a Fund, by the holders of a "majority of the outstanding voting securities" of that Fund (as defined in the 1940 Act), at any time without penalty, on 60 days' written notice to the Adviser. The Adviser may also terminate its advisory relationship with a Fund without penalty on 90 days' written notice to the Trust. The Investment Advisory Agreement terminates automatically in the event of its assignment (as defined in the 1940 Act). As described in the Prospectus, the Adviser has agreed in an expense limitation and fee waiver agreement effective through January 31, 2013 to limit the total expenses of each Fund (excluding interest, taxes, acquired fund fees and expenses, litigation, brokerage and extraordinary expenses) to an annual rate of 1.50% of the average net assets of the Growth Fund and the 21st Century Fund, 1.60% of the average net assets of the Focus Fund, International Opportunities Fund, Flexible Capital Fund, and the Global Fund, and 1.75% of the average net assets of the Emerging Markets Fund. The expense limitation agreement may be terminated at any time by the Adviser after January 31, 2013 upon 15 days prior notice to the Fund and its

administrator. Pursuant to this expense limitation and fee waiver agreement (or any previous expense limitation and fee waiver agreement, as applicable), the Adviser shall be entitled to recoup from a Fund fees previously waived or expenses previously reimbursed by the Adviser, provided that any such reimbursements made by a Fund to the Adviser will not cause that Fund's expense limitation to exceed the expense limitation currently in effect and the reimbursement is made within three years after the year in which the Adviser incurred the expense. The expense limitation and fee waiver agreement may only be changed by the Funds' Board of Trustees.

Marsico Group, LLC ("Marsico Group"), a company controlled by current and former employees of Marsico Capital and their family interests, owns 51% of all common equity interests in another company, Marsico Holdings, LLC ("Marsico Holdings"), which in turn indirectly owns 100% of all common equity interests in Marsico Capital. Marsico Group retains complete voting control over matters pertaining to the ongoing management and day-to-day operations of Marsico Capital through its control of the managing member of Marsico Holdings.

Certain officers of Marsico Capital are also officers and trustees of the Trust.

ADMINISTRATION AGREEMENT. Pursuant to an Administration Agreement (the "Administration Agreement"), UMB Fund Services, Inc. (the "Administrator"), 803 W. Michigan Street, Milwaukee, WI, 53233, prepares and files all federal income and excise tax returns and state income tax returns (other than those required to be made by the Trust's Custodian or Transfer Agent), oversees the Trust's insurance relationships, prepares securities registration compliance filings pursuant to state securities laws, compiles data for and prepares required notices and reports to the SEC, prepares financial statements for annual and semi-annual reports to investors, monitors compliance with the Funds' investment policies and restrictions, prepares and monitors the Funds' expense accruals and causes all appropriate expenses to be paid from Fund assets, monitors the Funds' status as regulated investment companies under Subchapter M of the Code, maintains and/or coordinates with the other service providers the maintenance of the accounts, books and other documents required pursuant to Rule 31a-1 under the 1940 Act and generally assists in the Trust's administrative operations. The Administrator is an affiliate of the Funds' distributor. The Administrator, at its own expense and without reimbursement from the Trust, furnishes office space and all necessary office facilities, equipment, supplies and clerical and executive personnel for performing the services required to be performed by it under the Administration Agreement. For the foregoing, the Administrator receives from the Funds a fee, computed daily and payable monthly, based on the Funds' average net assets at an annual rate beginning at 0.12% (0.13% for the International Opportunities Fund, the Global Fund and the Emerging Markets Fund) and decreasing as the assets of each Fund reach certain levels, subject to a minimum fee of \$45,000 (\$50,000 for each of the International Opportunities Fund, the Global Fund and the Emerging Markets Fund) per Fund. For the fiscal years ended September 30, 2009, September 30, 2010 and September 30, 2011, the Administrator earned fees under the Administration Agreement as follows:

	Fiscal Year Ended <u>September 30, 2009</u>	Fiscal Year Ended <u>September 30, 2010</u>	Fiscal Year Ended <u>September 30, 2011</u>
Focus Fund	\$257,660	\$243,401	\$208,945
Growth Fund	\$209,077	\$197,872	\$191,289
21st Century Fund	\$198,429	\$189,649	\$183,408

	Fiscal Year Ended <u>September 30, 2009</u>	Fiscal Year Ended <u>September 30, 2010</u>	Fiscal Year Ended <u>September 30, 2011</u>
International Opportunities Fund	\$173,708	\$176,328	\$162,608
Flexible Capital Fund	\$ 49,023	\$63,348	\$157,995
Global Fund	\$ 90,352	\$103,822	\$112,053
Emerging Markets Fund*	N/A	N/A	\$37,534

* The Emerging Markets Fund commenced operations on December 31, 2010. Accordingly, no fees were paid by the Fund under the Administration Agreement for the fiscal years ended September 30, 2009 and September 30, 2010.

The Trust pays all of its own expenses, including without limitation, the cost of preparing and printing its registration statements required under the Securities Act of 1933, as amended and the 1940 Act and any amendments thereto, the expense of registering its shares with the SEC and in the various states, advisory, administration, transfer agency, and other service provider fees, costs of organization and maintenance of corporate existence, the printing and distribution costs of prospectuses, reports to shareholders and other shareholder communications, website, and advertising expenses, reports to government authorities, proxy statements, costs of meetings of shareholders, fees paid to Trustees who are not officers or employees of the Adviser, certain compliance expenses including a portion of the compensation of the Chief Compliance Officer, acquired fund expenses, interest charges, taxes, legal expenses, association membership dues, auditing services, insurance premiums, brokerage commissions, spreads, and other expenses in connection with portfolio transactions, fees and expenses of the custodian of the Trust's assets, charges of securities pricing services, printing and mailing expenses, administration fees paid to mutual fund supermarkets through which each Fund's shares are sold, and charges and expenses of dividend disbursing agents, accounting services and stock transfer agents.

CUSTODIAN. State Street Bank and Trust Company, 225 Franklin Street, Boston, MA 02110 serves as the Funds' Custodian. The Custodian's responsibilities include safeguarding and controlling each Fund's cash and securities, handling the receipt and delivery of securities, selecting and monitoring foreign subcustodians, executing certain foreign exchange transactions, determining income and collecting interest on each Fund's investments and maintaining certain books and records. The Custodian also performs fund accounting duties for the Funds.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP ("PwC") serves as the Funds' independent registered public accounting firm. PwC audits the Funds' annual financial statements and reviews the Funds' tax returns.

DISTRIBUTION PLAN

The Funds have adopted a Distribution and Service Plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act. The Plan authorizes payments by the Funds in connection with the distribution of their shares at an annual rate, as determined from time-to-time by the Board of Trustees, of up to 0.25% of each Fund’s average daily net assets. Payments may be made by the Funds under the Plan for the purpose of financing any activity primarily intended to result in the sales of shares of the Funds as determined by the Board of Trustees. Such activities typically include compensation to the Funds’ Distributor; advertising; compensation for sales and sales marketing activities of financial service agents and others, such as dealers or distributors; shareholder account servicing; and production and dissemination of prospectuses and sales and marketing materials. To the extent any activity is one which the Funds may finance without a Plan, the Funds may also make payments to finance such activity outside of the Plan and not subject to its limitations. Payments under the Plan are not tied exclusively to actual distribution and service expenses, and the payments may exceed distribution and service expenses actually incurred. In addition, the Adviser may, out of its own resources (which may include legitimate profits from providing advisory services to the Funds or other clients) and at its sole discretion, make certain payments on behalf of the Plan for expenses incurred by a Fund for the distribution of Fund shares and related services or for administrative or other expenses incurred by the Fund.

For the fiscal year ended September 30, 2011, the following Rule 12b-1 payments were made under the Plan:

	Focus Fund	Growth Fund	21st Century Fund	International Opportunities Fund	Flexible Capital Fund	Global Fund	Emerging Markets Fund
Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing and Mailing of Prospectuses to other than current shareholders	\$10,591	\$7,876	\$6,196	\$2,764	\$2,463	\$1,001	\$47
Compensation to Underwriters	\$99,479	\$87,471	\$80,934	\$50,820	\$63,151	\$24,129	\$14,589
Compensation to Broker-Dealers	\$2,531,125	\$1,895,501	\$1,641,630	\$690,913	\$989,945	\$266,629	\$460
Other*	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$2,641,195	\$1,990,848	\$1,728,760	\$744,497	\$1,055,559	\$291,759	\$15,096

* This includes consulting fees, miscellaneous shipping, filing and travel expenses, and storage of printed items.

Administration of the Plan is regulated by Rule 12b-1 under the 1940 Act, which includes requirements that the Board of Trustees receive and review at least quarterly reports concerning the nature and qualification of expenses which are made, that the Board of Trustees approve or ratify any related agreements implementing the Plan, and that the Plan may be continued from

year-to-year only if the Board of Trustees concludes at least annually that continuation of the Plan is likely to benefit shareholders. While the Plan is in effect, a majority of the Trustees must not be “interested persons” of the Funds as defined in the 1940 Act, the selection and nomination of independent Trustees must be committed to the discretion of the independent Trustees, and any person who acts as legal counsel for the Funds’ independent Trustees must be independent legal counsel.

PORTFOLIO TRANSACTIONS AND BROKERAGE

Subject to the supervision of the Board of Trustees, decisions to buy and sell securities for the Funds and negotiation of their brokerage commission rates are made by the Adviser. Transactions on U.S. stock exchanges involve the payment by the Funds of negotiated brokerage commissions. Stated commissions may also apply in the case of securities traded in the over-the-counter market, but in certain cases the price paid by the Funds may include a dealer commission or mark-up (spread). In certain instances, the Funds may purchase IPO Securities or other underwritten issues at prices which include underwriting fees.

When effecting a securities transaction on behalf of the Funds, the Adviser may choose to execute through a traditional broker-dealer, an electronic-based alternative trading or communications system (“ATS”), or a combination of both (each or both of which may be separately or together referred to as a “broker”). The Adviser may utilize an ATS to execute a trade for the Funds whenever such a system is available, execution of a trade on the system appears reasonably feasible, and doing so may be potentially beneficial in the particular circumstances surrounding that trade.

In selecting a broker to execute each particular transaction, the Adviser takes a variety of factors into consideration, which may include, without limitation: the best net price available; the commissions or spreads charged; the reliability, expertise, integrity and financial condition of the broker; the size of the order and difficulty in executing it; the possible availability of substantial broker capital to assist in completing the trade; the ability to locate liquidity; the use of brokerage credits to reduce non-distribution-related administrative service expenses as contemplated in a Board-approved commission recapture program; and the value of the expected contribution of the broker through research and brokerage services to the investment performance of the Funds and other clients of the Adviser on a continuing basis through client commission benefits, as discussed below. Accordingly, the cost of the brokerage commissions to the Funds in any transaction may be greater than that available from other brokers if the difference is reasonably justified by other aspects of the research or brokerage services provided by the broker. For example, the Adviser may consider both “proprietary” and “third party” client commission benefits, such as the research and brokerage services or other brokerage services that may be provided by brokers or dealers that effect or are parties to portfolio transactions of the Funds or the Adviser’s other clients. Such research and investment services may include, without limitation, arranging meetings with research analysts or executives of companies, providing statistical and economic data or research reports on particular companies and industries, providing specialized newsletters or other publications containing economic or market analysis, providing block trading capabilities, providing broker capital to facilitate trades, and research software, among other products or services. Subject to such policies and procedures as the Trustees may determine, the Adviser shall not be deemed to have acted unlawfully or to have breached any duty solely by reason of its having caused the Funds to pay a broker that provides brokerage or research services to the Adviser an amount of commission for effecting a portfolio

investment transaction in excess of the amount another broker would have charged for effecting that transaction, if the Adviser determines in good faith that such research and brokerage services are eligible client commission benefits that provide lawful and appropriate assistance to the Adviser in its investment decision-making responsibilities, and that the amount of commissions is reasonable in relation to the value of all services provided by the broker, including research and other brokerage services, viewed in terms of either that particular transaction or the Adviser's ongoing responsibilities with respect to the Funds and other accounts advised by the Adviser.

Research and investment information and other brokerage services are provided by these and other brokers at no cost to the Adviser and are available for the benefit of other accounts advised by the Adviser, and not all of the information will be used in connection with the services provided to the Funds. While this information is useful and tends to reduce the Adviser's expenses, it is generally extremely difficult to reliably estimate its value, and, in the opinion of the Adviser, it does not reduce the Adviser's expenses by a readily determinable amount. The extent to which the Adviser makes use of statistical, research and other non-distribution-related services furnished by brokers is considered by the Adviser as one of many factors in the allocation of brokerage business, but there is no precise formula by which such business is allocated. The Adviser makes such allocations in accordance with its periodic evaluation of the performance of brokers and its judgment of the best interests of the Funds and their shareholders as well as other clients of the Adviser.

The Board of Trustees has adopted the policy of the Adviser to ensure compliance with Rule 12b-1(h) under the 1940 Act in the selection of brokers to execute portfolio transactions for the Funds. Generally, Rule 12b-1(h) prohibits the Funds from compensating a broker for the promotion or sale of mutual fund shares by directing to the broker securities transactions or remuneration received or to be received from such portfolio securities transactions.

For the fiscal years ended September 30, 2009, September 30, 2010 and September 30, 2011, the Funds paid the following commissions to brokers:

	Fiscal Year Ended <u>September 30, 2009</u>	Fiscal Year Ended <u>September 30, 2010</u>	Fiscal Year Ended <u>September 30, 2011</u>
Focus Fund	\$2,954,068	\$2,029,340	\$1,268,586
Growth Fund	\$1,736,658	\$1,001,074	\$805,389
21st Century Fund	\$2,770,982	\$1,425,814	\$1,249,318
International Opportunities Fund	\$1,003,203	\$1,317,155	\$703,787
Flexible Capital Fund	\$67,380	\$166,961	\$1,418,456
Global Fund	\$283,255	\$229,059	\$175,877
Emerging Markets Fund*	N/A	N/A	\$54,197

* The Emerging Markets Fund commenced operations on December 31, 2010. Accordingly, no commissions were paid by the Fund to brokers for the fiscal years ended September 30, 2009 and September 30, 2010.

The Funds did not pay any commissions to brokers who were affiliated with UMB Distribution Services, LLC or any affiliated person of UMB affiliates.

During the fiscal year ended September 30, 2011, the Adviser on behalf of the Funds directed certain brokerage transactions to brokers because of research and brokerage services provided. The Adviser utilizes commission sharing arrangements (“CSAs”) to assist in obtaining client commission benefits provided by brokers, such as research and brokerage services, by allocating a portion of certain eligible brokerage commissions to credit pools maintained by those brokers. Amounts in the credit pools are then used to obtain these services from brokers or other third parties. The Adviser also obtains client commission benefits through Fund brokerage arrangements other than CSAs.

The amount of eligible commissions paid to brokers with which the Adviser maintains CSA arrangements, amounts credited to CSA credit pools, and principal amount of transactions with CSA brokers, respectively, for each Fund during the fiscal year ended September 30, 2011 were as follows: for the Focus Fund, \$775,768; \$116,365; \$733,693,042; for the Growth Fund, \$453,246; \$67,987; \$304,603,934; for the 21st Century Fund, \$539,135; \$80,870; \$314,299,991; for the International Opportunities Fund, \$389,687; \$58,453; \$264,296,272; for the Flexible Capital Fund, \$489,260; \$73,389; \$336,198,815; for the Global Fund \$68,478; \$10,272; \$45,982,696; and for the Emerging Markets Fund \$23,661; \$3,549; \$10,609,956.

The following information is provided with respect to the Funds’ “regular broker-dealers.” The term “regular broker-dealers” means generally, as of September 30, 2011, any of the ten brokers or dealers who, for the fiscal year ended September 30, 2011, (1) received the greatest dollar amount of brokerage commissions from the Funds, (2) engaged as principal in the largest dollar amount of portfolio transactions for the Funds, or (3) sold the largest dollar amount of securities of the Funds.

The chart below identifies each Fund’s “regular broker-dealers” the securities of which were purchased by a Fund during the fiscal year ended September 30, 2011 and the value of each Fund’s holdings of such securities as of September 30, 2011. Where a value is listed as zero, the Fund no longer held any securities of the indicated broker-dealer as of September 30, 2011.

Regular Brokers	Focus Fund	Growth Fund	21st Century Fund	International Opportunities Fund	Flexible Capital Fund	Global Fund	Emerging Markets Fund
Barclays PLC	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Citigroup, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Goldman Sachs Group Inc.*	\$0	\$0	\$0	\$0	\$3,933,658	\$0	\$0
Jefferies Group, Inc.	\$0	\$0	\$8,306,807	\$0	\$0	\$800,730	\$0

* Affiliates of Marsico Capital maintain certain business relationships with Goldman, Sachs & Co. and its affiliates (“Goldman”), including arrangements relating to a 2007 transaction in which Goldman provided financing to assist Marsico Capital affiliates in buying Marsico Capital from a former owner, and a 2010 debt restructuring transaction, as further discussed in Marsico Capital’s Form ADV Part 2A. Certain Goldman affiliates including Goldman-advised investment funds own interests in a parent company of Marsico Capital. Goldman and its affiliates do not have voting rights over the ongoing management or day-to-day operations of Marsico Capital, and are not considered affiliated persons of Marsico Capital or the Funds. In the ordinary course of business, Marsico Capital utilizes Goldman’s brokerage services for MCM’s clients, including the Funds, when this appears likely to result in best execution. These brokerage services may involve Goldman’s execution of agency trades or principal trades involving Goldman’s own capital or securities, Marsico Capital’s purchasing securities for clients in offerings underwritten by Goldman, and Marsico Capital’s receipt of client commission benefits from Goldman. Additionally, as part of routine investment decisions, Marsico Capital has periodically invested (and may continue to invest) client assets (including Fund assets) in shares of Goldman Sachs Group, Inc., the parent company of Goldman, as noted in the table above. Marsico Capital also may provide investment advisory services to Goldman or its affiliates.

PORTFOLIO TURNOVER

Portfolio turnover rates for the 21st Century Fund, the International Opportunities Fund, the Flexible Capital Fund, the Global Fund and the Emerging Markets Fund may be greater than certain other funds due to the investment style of the Funds, and may vary over time because turnover rates for relatively concentrated growth portfolios may be substantially impacted by market conditions, and the investment style of the Funds may increase their respective turnover rate at times.

PERFORMANCE INFORMATION

From time to time, quotations of the Funds’ performance may be included in advertisements, sales literature or reports to shareholders or prospective investors. These performance figures are calculated in the following manner.

AVERAGE ANNUAL TOTAL RETURN

Average annual total return is the average annual compounded rate of return for periods of one year, five years and ten years, all ended on the last day of a recent calendar quarter. Average annual total return quotations reflect changes in the price of a Fund’s shares and assume that all dividends and capital gains distributions during the respective periods were reinvested in Fund shares. Average annual total return (before taxes) is calculated by computing the average annual compounded rates of return of a hypothetical investment over such periods, according to the following formula (average annual total return is then expressed as a percentage):

$$P(1+T)^n = ERV$$

Where:

- T = average annual total return
- P = a hypothetical initial payment of \$1,000
- n = number of years
- ERV = ending redeemable value of a hypothetical \$1,000 payment made at the beginning of the designated time period.

It should be noted that average annual total return is based on historical performance and is not intended to indicate future performance. Average annual total return for each Fund will vary based on changes in market conditions and the level of the Fund's expenses.

The average annual total return (after taxes on distributions) will be calculated according to the following formula:

$$P(1 + T)^n = ATV_D$$

Where:

- P = a hypothetical initial payment of \$1,000
- T = average annual total return (after taxes on distributions),
- n = number of years, and
- ATV_D = the ending value of a hypothetical \$1,000 payment made at the beginning of the designated time period, after taxes on fund distributions but not after taxes on redemption.

The average annual total return (after taxes on distributions and redemptions) will be calculated according to the following formula:

$$P(1+T)^n = ATV_{DR}$$

Where:

- P = a hypothetical initial payment of \$1,000
- T = average annual total return (after taxes on distributions and redemption),
- n = number of years, and
- ATV_{DR} = the ending value of a hypothetical \$1,000 payment made at the beginning of the designated time period, after taxes on distributions and redemption.

In connection with communicating its average annual total return to current or prospective shareholders, the Funds also may compare these figures to the performance of other mutual funds tracked by mutual fund rating services or to unmanaged indices which may assume reinvestment of dividends but generally do not reflect deductions for administrative and management costs.

COMPARISON OF PORTFOLIO PERFORMANCE

Comparison of the quoted non-standardized performance of various investments is valid only if performance is calculated in the same manner. Since there are different methods of calculating performance, investors should consider the effect of the methods used to calculate performance when comparing performance of a Fund with performance quoted with respect to other investment companies or types of investments.

In connection with communicating its performance to current or prospective shareholders, a Fund also may compare these figures to the performance of unmanaged indices which may assume reinvestment of dividends or interest but generally do not reflect deductions for administrative and management costs. Examples include, but are not limited to the Dow Jones Industrial Average, the Consumer Price Index, Standard & Poor's 500 Composite Stock Price Index (the "S&P 500 Index"), the NASDAQ Composite Index, the Russell 1000 Index, the Russell 1000 Growth Index, the Russell 2000 Index, the Russell 3000 Index, the Wilshire 5000 Index, the Barclays Capital U.S. Aggregate Index (formerly the Lehman Brothers U.S. Aggregate Index), the Morgan Stanley Capital International ("MSCI") Emerging Markets Index, the MSCI Europe, Australasia and Far East ("EAFE") Index, the MSCI All Country World Index, and the MSCI All Country World ex-US (ACWI ex-US) Index.

From time to time, in advertising, marketing and other Fund literature, the performance of a Fund may be compared to the performance of broad groups of mutual funds with similar investment goals, or other groups of mutual funds, as tracked by independent organizations such as Investment Company Data, Inc., Lipper Inc., Thompson Financial Research, Morningstar, Inc., Value Line Mutual Fund Survey and other independent organizations. When these organizations' tracking results are used to compare the Funds to other funds, a Fund may be compared to the appropriate fund category, that is, by fund objective and portfolio holdings, or to the appropriate volatility grouping, where volatility is a measure of a Fund's risk. From time to time, the average price-earnings ratio and other attributes of a Fund's or the model portfolio's securities, may be compared to the average price-earnings ratio and other attributes of the securities that comprise the S&P 500 Index or other relevant indices or benchmarks. The Funds may also quote mutual fund ratings prepared by independent services or financial or industry publications.

Marketing and other Fund literature may include a description of the potential risks and rewards associated with an investment in a Fund. The description may include a "risk/return spectrum" which compares a Fund to broad categories of funds, such as other equity funds, in terms of potential risks and returns. The share price and return of an equity fund also will fluctuate. The description may also compare a Fund to bank products, such as certificates of deposit. Unlike mutual funds, certificates of deposit offer a fixed rate of return and are insured up to \$250,000 by an agency of the U.S. government. The Funds are not insured by any program or entity.

Risk/return spectrums also may depict funds that invest in both domestic and foreign securities or a combination of bond and equity securities.

The Funds may advertise examples of the effects of periodic investment plans, including the principle of dollar cost averaging. In such a program, an investor invests a fixed dollar amount in a Fund at periodic intervals, thereby purchasing fewer shares when prices are higher and more shares when prices are lower. While such a strategy does not ensure a profit or guard against loss, the investor's average cost per share can be lower than if fixed numbers of shares are purchased at the same intervals. In evaluating such a plan, investors should consider their ability to continue purchasing shares during periods of relatively low price levels.

The Funds may include discussions or illustrations of general principles of investing, investment management techniques, economic and political conditions, the relationship between sectors of the economy and the economy as a whole, the effects of inflation and historical performance of various asset classes, the effects of compounding, and tax and retirement planning. The Funds may also include discussions of investments in the Funds by employees of the Adviser.

TAX STATUS

Set forth below is a discussion of certain U.S. federal income tax issues concerning the Funds and the purchase, ownership, and disposition of Fund shares. This discussion does not purport to be complete or to deal with all aspects of federal income taxation that may be relevant to shareholders in light of their particular circumstances. This discussion is based upon present provisions of the Code, the regulations promulgated thereunder, and judicial and administrative ruling authorities, all of which are subject to change, which change may be retroactive. Prospective investors should consult their own tax advisors with regard to the federal tax consequences of the purchase, ownership, or disposition of Fund shares, as well as the tax consequences arising under the laws of any state, foreign country, or other taxing jurisdiction.

Each Fund intends to qualify as a regulated investment company under Subchapter M of the Code. Accordingly, each Fund generally must, among other things, (a) derive in each taxable year at least 90% of its gross income from dividends, interest, payments with respect to certain securities loans, net income derived from an interest in a qualified publicly traded partnerships, and gains from the sale or other disposition of stock, securities or foreign currencies, or other income derived with respect to its business of investing in such stock, securities or currencies; and (b) diversify its holdings so that, at the end of each fiscal quarter, (i) at least 50% of the market value of its assets is represented by cash, U.S. Government securities, the securities of other regulated investment companies and other securities, with such other securities limited, in respect of any one issuer, to an amount not greater than 5% of the value of the Fund's total assets and 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of its total assets is invested in the securities of any one issuer (other than U.S. Government securities and the securities of other regulated investment companies), two or more issuers controlled by the Fund that are determined to be engaged in the same business, or similar or related businesses or of one or more qualified publicly traded partnerships.

As a regulated investment company, a Fund generally will not be subject to U.S. federal income tax on income and gains that it distributes to shareholders, if at least 90% of each Fund's investment company taxable income (which includes, among other items, dividends, interest and

the excess of any net short-term capital gains over net long-term capital losses) and tax-exempt interest for the taxable year is distributed. Each Fund seeks to distribute all or substantially all of such income.

Amounts not distributed on a timely basis in accordance with a calendar year distribution requirement are subject to a nondeductible 4% excise tax at the Fund level. To avoid the tax, each Fund must distribute during each calendar year an amount equal to the sum of (1) at least 98% of its ordinary income (not taking into account any capital gains or losses) for the calendar year, (2) at least 98.2% of its capital gains in excess of its capital losses (adjusted for certain ordinary losses) for a one-year period generally ending on October 31 of the calendar year, and (3) all ordinary income and capital gains for previous years that were not distributed during such years. To avoid application of the excise tax, each Fund intends to seek to make distributions in accordance with the calendar year distribution requirement whenever reasonably feasible.

A distribution will be treated as paid on December 31 of the current calendar year if it is declared by a Fund in October, November or December of that year with a record date in such a month and paid by that Fund during January of the following year. Such distributions will be taxable to shareholders in the calendar year in which the distributions are declared, rather than the calendar year in which the distributions are received.

DISTRIBUTIONS. Distributions of investment company taxable income are taxable to a U.S. shareholder as ordinary income, whether paid in cash or additional Fund shares. Dividends paid by a Fund to a corporate shareholder, to the extent such dividends are attributable to dividends received from U.S. corporations by a Fund, may qualify for the dividends received deduction. However, the revised alternative minimum tax applicable to corporations may reduce the value of the dividends received deduction. Distributions of net capital gains (the excess of net long-term capital gains over net short-term capital losses), if any, designated by a Fund as capital gain dividends, are taxable to shareholders at the applicable long-term capital gains rate, whether paid in cash or in shares, regardless of how long the shareholder has held a Fund's shares, and they are not eligible for the dividends received deduction. Shareholders will be notified annually as to the U.S. federal tax status of distributions, and shareholders receiving distributions in the form of newly issued shares will receive a report as to the net asset value of the shares received. Generally, the maximum tax rate for individual taxpayers is 15% on long-term capital gains from sales and on certain qualifying dividend income through 2012. These rates do not apply to corporate taxpayers. A Fund will be able to separately designate distributions of any qualifying long-term capital gains or qualifying dividends earned by a Fund that would be eligible for the lower maximum rate. A shareholder would also have to satisfy a more than 60-day holding period with respect to any distributions of qualifying dividends in order to obtain the benefit of the 15% rate for dividends. Distributions resulting from a Fund's investments in bonds and other debt instruments will not generally qualify for the lower rates. Note that distributions of earnings from dividends paid by "qualified foreign corporations" can also qualify for the lower tax rates on qualifying dividends. Qualified foreign corporations are corporations incorporated in a U.S. possession, corporations whose stock is readily tradable on an established securities market in the U.S. and corporations eligible for the benefits of a comprehensive income tax treaty with the U.S. which satisfy certain other requirements. Passive foreign investment companies are not treated as "qualified foreign corporations." Foreign tax credits associated with dividends from "qualified foreign corporations" will be limited to reflect the reduced U.S. tax on those dividends.

The favorable treatment for qualifying dividends and the 15% maximum tax rate for individuals on long-term capital gains is scheduled to expire after 2012. After such expiration, qualifying dividends would be taxed as ordinary income and the rate on long-term capital gains for individuals would generally increase to 20%.

If the net asset value of shares is reduced below a shareholder's cost as a result of a distribution by a Fund, such distribution generally will be taxable even though it represents a return of invested capital. Investors should be careful to consider the tax implications of buying shares of a Fund just prior to a distribution. The price of shares purchased at this time may reflect the amount of the forthcoming distribution. Those purchasing just prior to a distribution will receive a distribution which generally will be taxable to them. This is known as "buying a dividend."

For taxable years beginning after December 31, 2012, an additional 3.8% Medicare tax will be imposed on certain net investment income (including ordinary dividends and capital gain distributions received from a Fund and net gains from redemptions or other taxable dispositions of Fund shares) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount.

FUND INVESTMENTS

ORIGINAL ISSUE DISCOUNT. Certain debt securities acquired by the Funds may be treated as debt securities that were originally issued at a discount. Original issue discount can generally be defined as the difference between the price at which a security was issued and its stated redemption price at maturity. Although no cash income is actually received by a Fund, original issue discount that accrues on a debt security in a given year generally is treated for federal income tax purposes as interest and, therefore, such income would be subject to the distribution requirements applicable to regulated investment companies.

MARKET DISCOUNT. Some debt securities may be purchased by the Funds at a discount that exceeds the original issue discount on such debt securities, if any. This additional discount represents market discount for federal income tax purposes. The gain realized on the disposition of any taxable debt security having market discount generally will be treated as ordinary income to the extent it does not exceed the accrued market discount on such debt security. Generally, market discount accrues on a daily basis for each day the debt security is held by a Fund at a constant rate over the time remaining to the debt security's maturity or, at the election of a Fund, at a constant yield to maturity which takes into account the semi-annual compounding of interest.

OPTIONS, FUTURES AND FOREIGN CURRENCY FORWARD CONTRACTS; STRADDLES. A Fund's transactions in foreign currencies, forward contracts, options and futures contracts (including options and futures contracts on foreign currencies) will be subject to special provisions of the Code that, among other things, may affect the character of gains and losses realized by the Fund (i.e., may affect whether gains or losses are ordinary or capital), accelerate recognition of income to the Fund, defer Fund losses, and affect the determination of whether capital gains and losses are characterized as long-term or short-term capital gains or losses. These rules could therefore, in turn, affect the character, amount, and timing of distributions to shareholders. These provisions also may require a Fund to mark-to-market

certain types of positions in its portfolio (i.e., treat them as if they were closed out), which may cause the Fund to recognize income without receiving cash with which to make distributions in amounts necessary to satisfy its distribution requirements for relief from income and excise taxes. Each Fund will monitor its transactions and may make such tax elections as Fund management deems appropriate with respect to foreign currency, options, futures contracts, forward contracts, or hedged investments. The Funds' status as regulated investment companies may limit their transactions involving foreign currency, futures, options, and forward contracts.

Certain transactions undertaken by a Fund may result in "straddles" for federal income tax purposes. The straddle rules may affect the character of gains (or losses) realized by a Fund, and losses realized by the Fund on positions that are part of a straddle may be deferred under the straddle rules, rather than being taken into account in calculating the taxable income for the taxable year in which the losses are realized. In addition, certain carrying charges (including interest expense) associated with positions in a straddle may be required to be capitalized rather than deducted currently. Certain elections that a Fund may make with respect to its straddle positions may also affect the amount, character and timing of the recognition of gains or losses from the affected positions.

CURRENCY FLUCTUATIONS-- "SECTION 988" GAINS OR LOSSES. Each Fund will maintain accounts and calculate income by reference to the U.S. dollar for U.S. federal income tax purposes. Some of a Fund's investments will be maintained and income therefrom calculated by reference to certain foreign currencies, and such calculations will not necessarily correspond to the Fund's distributable income and capital gains for U.S. federal income tax purposes as a result of fluctuations in currency exchange rates. Furthermore, exchange control regulations may restrict the ability of a Fund to repatriate investment income or the proceeds of sales of securities. These restrictions and limitations may limit a Fund's ability to make sufficient distributions to satisfy the 90% distribution requirement for qualification as a regulated investment company. Even if a Fund so qualified, these restrictions could inhibit its ability to distribute all of its income in order to be fully relieved of tax liability.

Gains or losses attributable to fluctuations in exchange rates which occur between the time a Fund accrues income or other receivables (including dividends) or accrues expenses or other liabilities denominated in a foreign currency and the time a Fund actually collects such receivables or pays such liabilities generally are treated as ordinary income or ordinary loss. Similarly, on disposition of some investments, including debt securities and certain forward contracts denominated in a foreign currency, gains or losses attributable to fluctuations in the value of the foreign currency between the date of the acquisition of the security or other instrument and the date of disposition also are treated as ordinary gains or losses. These gains and losses, referred to under the Code as "section 988" gains or losses, increase or decrease the amount of each Fund's investment company taxable income available to be distributed to its shareholders as ordinary income. If section 988 losses exceed other investment company taxable income during a taxable year, a Fund would not be able to make any ordinary dividend distributions, or distributions made before the losses were realized would be re-characterized as a return of capital to shareholders, or, in some cases, as capital gain, rather than as an ordinary dividend.

CONSTRUCTIVE SALES. Under certain circumstances, a Fund may recognize gains from a constructive sale of an "appreciated financial position" it holds if it enters into a short sale, forward contract or other transaction that substantially reduces the risk of loss with respect

to the appreciated position. In that event, the Fund would be treated as if it had sold and immediately repurchased the property and would be taxed on any gain (but not loss) from the constructive sale. The character of gain from a constructive sale would depend upon the Fund's holding period in the property. Loss from a constructive sale would be recognized when the property was subsequently disposed of, and its character would depend on the Fund's holding period and the application of various loss deferral provisions of the Code. Constructive sale treatment does not apply to certain transactions if such transaction is closed before the end of the 30th day after the close of the Fund's taxable year and the Fund holds the appreciated financial position throughout the 60-day period beginning on the date such transaction was closed, if certain conditions are met.

PASSIVE FOREIGN INVESTMENT COMPANIES. Each Fund may invest in shares of foreign corporations which may be classified under the Code as passive foreign investment companies ("PFICs"). In general, a foreign corporation is classified as a PFIC if at least one-half of its assets constitute investment-type assets, or 75% or more of its gross income is investment-type income. If the Fund receives a so-called "excess distribution" with respect to PFIC stock, the Fund itself may be subject to a tax on a portion of the excess distribution, whether or not the corresponding income is distributed by the Fund to shareholders. In general, under the PFIC rules, an excess distribution is treated as having been realized ratably over the period during which the Fund held the PFIC shares. The Fund itself will be subject to tax on the portion, if any, of an excess distribution that is so allocated to prior Fund taxable years and an interest factor will be added to the tax, as if the tax had been payable in such prior taxable years. Certain distributions from a PFIC as well as gains from the sale of PFIC shares are treated as excess distributions. Excess distributions are characterized as ordinary income even though, absent application of the PFIC rules, certain distributions might have been classified as capital gain.

A Fund may be eligible to elect alternative tax treatment with respect to PFIC shares. Under an election that currently is available in some circumstances, the Fund generally would be required to include in its gross income its share of the earnings of a PFIC on a current basis, regardless of whether distributions were received from the PFIC in a given year. If this election were made, the special rules discussed above relating to the taxation of excess distributions, would not apply. In addition, another election would involve marking to market the Fund's PFIC shares at the end of each taxable year, with the result that unrealized gains would be treated as though they were realized and reported as ordinary income. Any mark-to-market losses and any loss from an actual disposition of Fund shares would be deductible as ordinary losses to the extent of any net mark-to-market gains included in income in prior years.

Because the application of the PFIC rules may affect, among other things, the character of gains, the amount of gain or loss and the timing of the recognition of income with respect to PFIC shares, as well as subject the Fund itself to tax on certain income from PFIC shares, the amount that must be distributed to shareholders, and which will be taxed to shareholders as ordinary income or long-term capital gains, may be increased or decreased substantially as compared to a fund that did not invest in PFIC shares.

FOREIGN TAXES. Each Fund may be subject to certain taxes imposed by the countries in which it invests or operates. If a Fund qualifies as a regulated investment company and if more than 50% of the value of the Fund's total assets at the close of any taxable year consists of stocks or securities of foreign corporations, the Fund may elect, for U.S. federal income tax purposes, to treat any foreign taxes paid by the Fund that qualify as income or similar taxes

under U.S. income tax principles as having been paid by the Fund's shareholders. For any year for which a Fund makes such an election, each shareholder will be required to include in its gross income an amount equal to its allocable share of such taxes paid by the Fund and the shareholders will be entitled, subject to certain limitations, including a holding period requirement with respect to Fund shares, to credit their portions of these amounts against their U.S. federal income tax liability, if any, or to deduct their portions from their U.S. taxable income, if any. No deduction for foreign taxes may be claimed by individuals who do not itemize deductions. In any year in which it elects to "pass through" foreign taxes to shareholders, a Fund will notify shareholders within 60 days after the close of the Fund's taxable year of the amount of such taxes and the sources of its income.

Generally, a credit for foreign taxes paid or accrued is subject to the limitation that it may not exceed the shareholder's U.S. tax attributable to his or her total foreign source taxable income. For this purpose, the source of a Fund's income flows through to its shareholders. With respect to each Fund, gains from the sale of securities may have to be treated as derived from U.S. sources and certain currency fluctuation gains, including section 988 gains (defined above), may have to be treated as derived from U.S. sources. The limitation of the foreign tax credit is applied separately to foreign source passive income, including foreign source passive income received from the Fund. Shareholders may be unable to claim a credit for the full amount of their proportionate share of the foreign taxes paid by the relevant Fund.

The foregoing is only a general description of the foreign tax credit. Because the application of the credit depends on the particular circumstances of each shareholder, shareholders are advised to contact their tax advisors.

DISPOSITION OF SHARES. Upon a redemption, sale or exchange of shares of a Fund, a shareholder will realize a taxable gain or loss depending upon the amount realized and the shareholder's basis in the shares. A gain or loss will be treated as capital gain or loss if the shares are capital assets in the shareholder's hands and generally will be long-term or short-term, depending upon the shareholder's holding period for the shares. Any loss realized on a redemption, sale or exchange will be disallowed to the extent the shares disposed of are replaced (including through reinvestment of dividends) within a 61 day period beginning 30 days before and ending 30 days after the shares are disposed of. In such a case, the basis of the shares acquired will be adjusted to reflect the disallowed loss. Any loss realized by a shareholder on the disposition of a Fund's shares held by the shareholder for six months or less will be treated for tax purposes as a long-term capital loss to the extent of any distributions of capital gain dividends received or treated as having been received by the shareholder with respect to such shares.

BACKUP WITHHOLDING. The Funds will be required to report to the Internal Revenue Service (the "IRS") all distributions and gross proceeds from the redemption of the Funds' shares, except in the case of certain exempt shareholders. All distributions and proceeds from the redemption of a Fund's shares will be subject to withholding of federal income tax at a current rate of 28% ("backup withholding") in the case of non-exempt shareholders if (1) the shareholder fails to furnish the Funds with and to certify the shareholder's correct taxpayer identification number or social security number, (2) the IRS notifies the shareholder or the Funds that the shareholder has failed to report properly certain interest and dividend income to the IRS and to respond to notices to that effect, or (3) when required to do so, the shareholder fails to certify that he or she is not subject to backup withholding. If the withholding provisions are

applicable, any such distributions or proceeds, whether reinvested in additional shares or taken in cash, will be reduced by the amounts required to be withheld.

OTHER TAXATION. Distributions may also be subject to additional state, local and foreign taxes depending on each shareholder's particular situation. Non U.S. shareholders may be subject to U.S. tax rules that differ significantly from those summarized above and such shareholders will generally be subject to 30% U.S. withholding tax on distributions by the Funds and may also be subject to U.S. estate taxes on shares held in a Fund. Effective January 1, 2014, the Funds will be required to withhold U.S. tax (at a 30% rate) on payments of dividends and also redemption proceeds made to certain non-U.S. entities that fail to comply with extensive new reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Shareholders may be requested to provide additional information to the Funds to enable the Funds to determine whether withholding is required. This discussion does not address all of the tax consequences applicable to the Funds or shareholders, and shareholders are advised to consult their own tax advisors with respect to the particular tax consequences to them of an investment in a Fund.

NET ASSET VALUE

Shares are purchased at their net asset value per share. Each Fund calculates its net asset value per share ("NAV") as follows:

$$\text{NAV Per Share: } \frac{(\text{Value of Fund Assets}) - (\text{Fund Liabilities})}{\text{Number of Outstanding Shares}}$$

Net asset value is generally calculated as of the close of trading on the NYSE (usually 4:00 p.m. Eastern Time) every day that the NYSE is open.

A security listed or traded on a recognized stock exchange is generally valued at its last sale price quoted on that exchange. Securities traded on NASDAQ generally will be valued at the NASDAQ Official Closing Price. If no last sale price or official closing price is reported on the valuation date, the most current bid price generally will be used. Other over-the-counter securities for which market quotations are readily available will typically be priced using the last sale price. As described in the Funds' Prospectus, when market quotations are not readily available, the Funds' investments are valued based on fair value as determined in good faith by the Adviser in accordance with procedures established by, and under the general supervision of, the Board of Trustees. A Fund that invests substantially in foreign securities may rely frequently on fair value pricing. The Funds may use pricing services to assist in determining the market value of portfolio securities and other investments. In addition, the Board of Trustees has authorized the use of a pricing service to assist the Funds in valuing certain securities listed or traded on foreign securities exchanges in the Funds' portfolios in circumstances where there is a significant change in the value of potentially correlated U.S. traded securities, as represented by, for example, the S&P 500 Index. Debt securities which will mature in more than 60 days are generally valued at their bid prices furnished by a pricing service approved by the Trustees subject to review of the appropriate price by the Adviser. Debt securities which will mature in 60 days or less are valued at amortized cost if it approximates market value.

Generally, trading in foreign securities, as well as U.S. Government securities and certain cash equivalents and repurchase agreements, is substantially completed each day at various times

prior to the close of trading on the NYSE. The values of such securities used in computing the NAV of the shares of the Funds are generally determined as of such times, except as otherwise discussed in this section. For purposes of determining the NAV of each Fund, assets and liabilities initially expressed in foreign currencies will generally be converted into U.S. dollars at the spot rate of such currencies against U.S. dollars furnished by a pricing service approved by the Trustees. To the extent practicable, foreign currency exchange rates will be determined as of or near the close of the NYSE, but in the case of certain instruments, foreign currency exchange rates may be determined some hours prior to the close of the NYSE. Occasionally, events affecting the value of such securities and such exchange rates may occur between the times at which they are determined and the close of the NYSE that may not be reflected in the computation of NAV. As described above and in the Funds' Prospectus, however, if during such periods significant events occur that materially affect the value of such securities and render the closing market quotations for such securities stale or unreliable, the securities may be valued at their fair value as determined in good faith by the Adviser in accordance with procedures established by, and under the general supervision of, the Trustees.

A Fund's NAV will be calculated separately from the NAV of any other portfolio of the Trust. "Assets belonging to" a Fund consist of the consideration received upon the issuance of shares of the particular Fund together with all portfolio securities and investments, net investment income, earnings, profits, realized gains/losses and proceeds derived from the investment thereof, including any proceeds from the sale of such investments, any funds or payments derived from any reinvestment of such proceeds, and a portion of any general assets of the Trust not belonging to a particular series. Each Fund will be charged with the direct liabilities of that Fund and with a share of the general liabilities of the Trust's Funds. Subject to the provisions of the Trust's organizational instrument, determinations by the Trustees as to the direct and allocable expenses, and the allocable portion of any general assets with respect to a particular series of the Trust, are conclusive.

CAPITAL STRUCTURE

DESCRIPTION OF SHARES. The Trust is an open-end management investment company organized as a Delaware statutory trust on October 1, 1997. The Trust's Trust Instrument authorizes the Board of Trustees to issue an unlimited number of shares of beneficial interest. Each share of the Funds has equal voting, dividend, distribution and liquidation rights.

Shares of the Trust have no preemptive rights and only such conversion or exchange rights as the Board may grant in its discretion. When issued for payment as described in the Prospectus, the Trust's shares will be fully paid and non-assessable.

Shareholders are entitled to one vote for each full share held, and fractional votes for fractional shares held, and will vote in the aggregate and not by class or series except as otherwise required by the 1940 Act or applicable Delaware law.

Rule 18f-2 under the 1940 Act provides that any matter required to be submitted to the holders of the outstanding voting securities of an investment company such as the Trust shall not be deemed to have been effectively acted upon unless approved by a "majority of the outstanding shares" (as defined in the 1940 Act) of each fund affected by the matter. A fund is affected by a matter unless it is clear that the interests of each fund in the matter are substantially identical or that the matter does not affect any interest of that fund. Under Rule 18f-2, the approval of an

investment advisory agreement or Rule 12b-1 distribution plan or any change in a fundamental investment policy would be effectively acted upon with respect to a fund only if approved by a “majority of the outstanding shares” (as defined in the 1940 Act) of the fund. However, the rule also provides that the ratification of independent accountants, the approval of principal underwriting contracts and the election of directors may be effectively acted upon by shareholders of the Trust voting without regard to particular funds. Notwithstanding any provision of Delaware law requiring for any purpose the concurrence of a proportion greater than a majority of all votes entitled to be cast at a meeting at which a quorum is present, the affirmative vote of the holders of a majority of the total number of shares of the Trust outstanding (or of a class or series of the Trust, as applicable) will be effective, except to the extent otherwise required by the 1940 Act and rules thereunder. In addition, the Trust Instrument provides that, to the extent consistent with Delaware law and other applicable law, the By-Laws may provide for authorization to be given by the affirmative vote of the holders of less than a majority of the total number of shares of the Trust outstanding (or of a class or series).

If requested to do so by the holders of at least 10% of the Trust’s outstanding shares, the Trust will call a meeting of shareholders for the purpose of voting upon the question of removal of a Trustee, and to assist in communications with other shareholders as required by Section 16(c) of the 1940 Act.

HOW TO BUY AND SELL FUND SHARES

The right of redemption may be suspended, or the date of payment postponed beyond the normal seven-day period by the Funds, under the following conditions authorized by the 1940 Act: (1) for any period (a) during which the NYSE is closed, other than customary weekend or holiday closings, or (b) during which trading on the NYSE is restricted as determined by the SEC; (2) for any period during which an emergency exists, as determined by the SEC, as a result of which (a) disposal by the Fund of securities owned by it is not reasonably practicable, or (b) it is not reasonably practicable for a Fund to determine the value of its net assets; and (3) for such other periods as the SEC may by order permit for the protection of the Funds’ shareholders.

The value of shares of a Fund on redemption may be more or less than the shareholder’s cost, depending upon the market value of that Fund’s assets at the time. Shareholders should note that if a loss has been realized on the sale of shares of a Fund, the loss may be disallowed for tax purposes if shares of the same Fund are purchased within (before or after) 30 days of the sale.

Subject to certain exemptions described in the Prospectus, the Funds will impose a redemption fee of 2.00% of the total redemption amount (calculated at market value) if you sell or exchange your shares after holding them for 30 days or less. The redemption fee is calculated on a first in first out (“FIFO”) basis.

It is possible that conditions may exist in the future which would, in the opinion of the Board of Trustees, make it undesirable for the Funds to pay for redemptions in cash. In such cases the Board may authorize payment to be made in portfolio securities of the Funds. However, the Funds are obligated under the 1940 Act to redeem for cash all shares presented for redemption by any one shareholder up to \$250,000 (or 1% of a Fund’s net assets if that is less) in any 90-day period. Portfolio securities delivered in payment of redemptions will be valued at the

same value assigned to them in computing the net asset value per share. Shareholders receiving such portfolio securities may incur brokerage costs on any sales of those securities.

Any redemption or transfer of ownership request for corporate accounts will require the following written documentation:

1. An original written Letter of Instruction signed by the required number of authorized officers, along with their respective positions. For redemption requests in excess of \$100,000, the written request must be Medallion signature guaranteed. Signature guarantees can be obtained from most banks, credit unions or savings associations, or from broker/dealers, national securities exchanges, registered securities associations or clearing agencies who participate in the Securities Transfer Association Medallion Program.

2. A certified Corporate Resolution that states the date the Resolution was duly adopted and states who is empowered to act, transfer or sell assets on behalf of the corporation.

3. If the Corporate Resolution is more than 60 days old from the date of the transaction request, a Certificate of Incumbency from the Corporate Secretary which specifically states that the officer or officers named in the resolution have the authority to act on the account. The Certificate of Incumbency must be dated within 60 days of the requested transaction. If the Corporate Resolution confers authority on officers by title and not by name, the Certificate of Incumbency must name the officer(s) and their title(s).

When redeeming the Marsico shares of the BofA Cash Reserves Fund, if you redeem less than all of the balance of your account, your redemption proceeds will exclude accrued and unpaid income through the date of the redemption.

IN-KIND PURCHASES. The Trust, in its sole discretion, may, but is not required to, accept purchases of Fund shares by means of in-kind contributions of selected portfolio securities under certain circumstances. An in-kind contribution must be made in the form of securities that are permissible and appropriate investments for the Funds as described in the Prospectus as determined by the Adviser. The Funds will have complete discretion to reject any or all securities offered in connection with a proposed in-kind contribution, and generally will require that any securities considered for such a contribution be liquid, have a readily ascertainable market value, and not be subject to resale or other restrictions or conditions. The Funds will also require, among other things, that the securities accepted for an in-kind contribution be valued in the same manner as they would be valued for purposes of computing a Fund's NAV, and that the Funds receive satisfactory assurances that the securities have been or will be transferred without encumbrance to the Funds.

The Funds may incur brokerage commissions or fees for trading by the Funds in connection with an in-kind purchase of Fund shares. The Funds will not be liable for any brokerage commission or fee (except for customary transfer fees) that you may incur in connection with an in-kind purchase of Fund shares. Your broker may impose a fee in connection with processing your in-kind purchase of Fund shares. An investor contemplating an in-kind purchase of Fund shares should consult his or her tax adviser to determine the tax consequences under Federal and state law of making such a purchase.

AUTOMATIC INVESTMENT PLAN. The Funds offer an Automatic Investment Plan whereby an investor may automatically purchase shares of the Funds on a regular basis (\$50

minimum per transaction). Under the Automatic Investment Plan, an investor's designated bank or other financial institution debits a pre-authorized amount on the investor's account each designated period and applies the amount to the purchase of a Fund's shares. The Automatic Investment Plan must be implemented with a financial institution that is a member of the Automated Clearing House ("ACH"). Also, the designated Fund must be qualified for sale in those states in which it is required. You may enroll in the Automatic Investment Plan by completing the appropriate section of the Account Application. If you wish to establish an Automatic Investment Plan after your account has been opened, please contact the transfer agent at 888-860-8686.

Automatic Investment Plan transactions are scheduled for the 5th, 10th, 15th, and 20th of every month. Transactions also may be scheduled monthly, quarterly, semi-annually or annually. No service fee is currently charged by the Funds for participation in the Automatic Investment Plan. A \$20 fee will be imposed by the Funds if sufficient funds are not available in your account or your account is closed at the time of the automatic transaction and your purchase will be canceled. You will also be responsible for any losses suffered by the Funds as a result. Changes to bank information must be made in writing and signed by all registered holders of the account with Medallion signatures guaranteed. A full redemption of all funds from your account will automatically discontinue Automatic Investment Plan privileges. Termination instructions must be received by the Funds five business days prior to the effective date of termination.

SYSTEMATIC WITHDRAWAL PLAN. The Funds offer a Systematic Withdrawal Plan which allows you to designate that a fixed amount (\$100 minimum per transaction limited to those shareholders with a balance of \$10,000 or greater upon commencement of participation in the Systematic Withdrawal Plan) be redeemed and distributed to you at regular intervals. Redemptions take place on the 5th, 10th, 15th, or 20th of the month but if the day you designate falls on a Saturday, Sunday, or legal holiday, the distribution shall be made on the following business day unless that business day falls on year end, in which case it will occur on the prior business day. Any changes made to the distribution information must be made in writing and signed by each registered holder of the account with signatures guaranteed.

The Systematic Withdrawal Plan may be terminated by you at any time without charge or penalty, and the Funds reserve the right to terminate or modify the Systematic Withdrawal Plan upon 60 days' written notice. Withdrawals involve redemption of Fund shares and may result in a gain or loss for federal income tax purposes. An application for participation in the Systematic Withdrawal Plan may be obtained from the Transfer Agent by calling 888-860-8686.

RETIREMENT PLANS. The Funds offer retirement plans that may allow investors to shelter some of their income from taxes. Descriptions of the plans, application forms, as well as descriptions of applicable service fees and certain limitations on contributions and withdrawals, are available by calling the Transfer Agent at 888-860-8686.

HOW TO EXCHANGE

As explained in the Prospectus, the Trust offers an exchange program whereby shares of any Marsico Fund may be exchanged for shares of another Marsico Fund that is available for investment at that time. In addition, shareholders may exchange all or a portion of their investment from each Fund for the Marsico shares of the BofA Cash Reserves Fund, a money market fund managed by a different investment adviser independent of Marsico Capital. The

BofA Cash Reserves Fund, its investment adviser, and its distributor are not affiliated persons of the Marsico Funds or Marsico Capital. This exchange privilege is further described in the Prospectus, and information about the Marsico shares of the BofA Cash Reserves Fund is provided in a separate prospectus for that money market fund.

UMB Fund Services, Inc., the Funds' transfer agent, receives a service fee from the BofA Cash Reserves Fund at the annual rate of 0.25% of the average daily net assets of the Marsico shares of BofA Cash Reserves Fund. This fee is for transfer agent services provided to shareholders of the Marsico shares of BofA Cash Reserves Fund. UMB Fund Services, Inc. is an affiliate of the Funds' distributor.

FINANCIAL STATEMENTS

The financial statements of the Funds appearing in the Annual Report to Shareholders for the year ended September 30, 2011 have been audited by PricewaterhouseCoopers LLP ("PwC"), the Trust's independent registered public accounting firm. Such financial statements are incorporated herein by reference.

DISTRIBUTION

The Trust has entered into a distribution agreement with UMB Distribution Services, LLC (the "Distributor"). Under the agreement, the Distributor serves as each Fund's principal underwriter and acts as exclusive agent for the Funds in selling their shares to the public. For the marketing and distribution services provided, the Funds pay the Distributor a fee at the annual rate beginning at 0.02% of each Fund's average daily net assets and decreasing as the assets of each Fund reach certain asset levels, subject to a minimum annual fee of \$25,000 per Fund. Total distribution fees paid to the Distributor and to other financial intermediaries involved in distributing shares of the Funds are limited to 0.25% of each Fund's average daily net assets. If the distribution fees exceed 0.25% of each Fund's average daily net assets, the Funds will not pay the difference. Any distribution-related amount in excess of 0.25% will be borne by Marsico Capital, and will not be recouped by Marsico Capital from the Funds thereafter. The Distributor is an affiliate of the Funds' Administrator and transfer agent.

During the fiscal year ended September 30, 2009, the Distributor earned as compensation for underwriting \$136,095 from the Focus Fund, \$106,946 from the Growth Fund, \$100,557 from the 21st Century Fund, \$63,708 from the International Opportunities Fund, \$25,000 from the Flexible Capital Fund and \$25,000 from the Global Fund. During the fiscal year ended September 30, 2010, the Distributor earned as compensation for underwriting \$ 127,540 from the Focus Fund, \$100,223 from the Growth Fund, \$92,149 from the 21st Century Fund, \$66,328 from the International Opportunities Fund, \$25,000 from the Flexible Capital Fund and \$25,000 from the Global Fund. During the fiscal year ended September 30, 2011, the Distributor earned as compensation for underwriting \$106,864 from the Focus Fund, \$93,795 from the Growth Fund, \$86,701 from the 21st Century Fund, \$52,681 from the International Opportunities Fund, \$72,991 from the Flexible Capital Fund, \$26,023 from the Global Fund and \$18,767 from the Emerging Markets Fund.

CODE OF ETHICS

The Trust, the Adviser and the Distributor have adopted Codes of Ethics governing personal trading activities of all officers, Trustees and employees of the Trust, all officers, principals and employees of the Adviser, and certain officers of the Distributor. Under the Trust's and Adviser's Codes, these persons are generally restricted from purchasing common stocks and certain other securities. Under the Distributor's Code, while these persons may invest in securities, including those that may be purchased or held by the Funds, the personal trading of such persons is subject to certain restrictions including blackout periods and preapproval requirements for limited offerings and initial public offerings. The Trust, Adviser and Distributor have developed procedures for administration of their respective Codes.

PROXY VOTING

The Board of Trustees of the Trust has adopted a proxy voting policy pursuant to which the Trustees have delegated proxy voting responsibility to Marsico Capital and approved Marsico Capital's proxy voting policies and procedures (the "Marsico Capital Policy") (described below). The Trustees initially reviewed and approved the Marsico Capital Policy and will review and approve any material amendments to the policy. In the event that Marsico Capital is aware of the existence of an apparent material conflict of interest between the interests of Fund shareholders and the interests of the Adviser or certain affiliates of either the Adviser or the Funds in how proxies will be voted (such as when the Adviser knows that a proxy issuer is also an MCM client), the Adviser will generally resolve any appearance concerns by seeking to follow the alternative voting procedures described in the Adviser's proxy voting policy. Such alternative procedures may include, without limitation: (i) directing the proxies to be "echo voted" or "mirror voted" in the same proportion as the votes of other proxy holders; (ii) directing the proxies to be voted in accordance with the recommendations of an independent service provider that Marsico Capital may use to assist it in voting proxies; (iii) notifying the Trust's Board of Trustees or a designated Board committee or their representative of the conflict of interest (if practical), and seeking a waiver of the conflict to permit Marsico Capital to vote the proxies consistent with its proxy voting policy (other than these conflict procedures); (iv) abstaining from voting (or taking no action on) the proxies when, among other circumstances, alternative voting procedures are not desirable; or (v) forwarding the proxies to the Trust's Board of Trustees or a designated Board committee or their representative, so that the Board or committee or representative may vote the proxies themselves. Information on how the Funds voted proxies relating to portfolio securities during the 12 month period ended June 30 of each year is available (1) without charge, upon request, by calling 888-860-8686, and (2) on the SEC's website at www.sec.gov.

The Marsico Capital Policy is designed to generally ensure that proxies are voted in the best economic interests of Marsico Capital's clients (including the Funds). Because Marsico Capital believes that the management teams of most companies it invests in generally seek to serve shareholder interests, Marsico Capital believes that voting proxy proposals in clients' best economic interests usually (though not always) means voting with the recommendations of these management teams (including their boards of directors). Marsico Capital generally reviews proxy proposals as part of its normal monitoring of portfolio companies and their management. Marsico Capital may choose to vote against management recommendations at times. Marsico Capital may also abstain from voting (or may take no action on) proxies from time to time, such

as when the proxies are issued by companies that Marsico Capital has decided to sell, when foreign issuers impose burdensome or unreasonable voting requirements, as an alternative to voting with management, or for other reasons described in the Marsico Capital Policy. Marsico Capital may be unable to vote or otherwise process proxy ballots that are not received or processed in a timely manner due to functional limitations of the proxy voting system, custodial limitations, or other factors beyond Marsico Capital's control. Marsico Capital seeks to identify situations in which a material conflict of interest may arise for reasons discussed above in the summary of the proxy voting policy of the Trust. For example, Marsico Capital compares proxy issuers with a list of its significant corporate clients and their known public affiliates and asks its securities analysts if they are aware of any major business relationships with proxy issuers, and seeks to follow alternative voting procedures as described above, if an apparent material conflict of interest appears.

PORTFOLIO MANAGERS

PORTFOLIO MANAGERS. Thomas F. Marsico, A. Douglas Rao and Coralie Witter, CFA are co-managers of the Focus Fund and the Growth Fund. Brandon Geisler is the portfolio manager of the 21st Century Fund. James G. Gendelman and Munish Malhotra, CFA are co-managers of the International Opportunities Fund. A. Douglas Rao is the portfolio manager of the Flexible Capital Fund. Thomas F. Marsico and James G. Gendelman co-manage the Global Fund. Munish Malhotra, CFA, Joshua Rubin and Charles Wilson co-manage the Emerging Markets Fund. The following table lists the number and types of accounts (other than the Marsico Funds) managed by each of Messrs. Marsico, Geisler, Gendelman, Malhotra, Rao, Rubin and Wilson and Ms. Witter, and the assets under management in those accounts. Information with respect to Messrs. Marsico, Gendelman, Rao, Malhotra, Rubin and Wilson and Ms. Witter is provided as of September 30, 2011, and information for Mr. Geisler is provided as of December 31, 2011.

Portfolio Manager	Other Registered Investment Company Accounts	Assets Managed (\$ millions)	Other Pooled Investment Vehicle Accounts	Assets Managed (\$ millions)	Other Accounts	Assets Managed (\$ millions)	Total Assets Managed (\$ millions)
Thomas F. Marsico	26	\$12,578.3	15	\$1,790.9	5395 (100 non-wrap clients/5293 wrap clients and 2 model portfolios*)	\$9,996.1	\$24,365.3
Brandon Geisler [^]	2	\$1,916.7	3	\$433.4	407 (3 non-wrap clients/402 wrap clients and 2 model portfolios*)	\$672.4	\$3,022.5
James G. Gendelman	17	\$5,680.3	7	\$771.6	21	\$1,664.1	\$8,116.0

Portfolio Manager	Other Registered Investment Company Accounts	Assets Managed (\$ millions)	Other Pooled Investment Vehicle Accounts	Assets Managed (\$ millions)	Other Accounts	Assets Managed (\$ millions)	Total Assets Managed (\$ millions)
Munish Malhotra	14	\$5,425.1	2	\$92.4	15	\$1,071.3	\$6,588.8
A. Douglas Rao	23	\$12,456.3	9	\$1,052.4	5380 (85 non-wrap clients/5293 wrap clients and 2 model portfolios*)	\$9,388.0	\$22,896.7
Coralie Witter	21	\$12,301.1	9	\$1,052.4	5380 (85 non-wrap clients/5293 wrap clients and 2 model portfolios*)	\$9,388.0	\$22,741.5
Joshua Rubin	0	\$0	0	\$0	0	\$0	\$0
Charles Wilson	0	\$0	0	\$0	0	\$0	\$0

* The model portfolio(s) represents assets in a Unified Managed Account program that has a number of underlying client accounts.

^ Brandon Geisler was appointed portfolio manager of the Marsico 21st Century Fund effective October 1, 2011.

As indicated in the table above, a portfolio manager may manage accounts for other clients. These accounts may include registered investment companies, other types of pooled accounts (e.g., collective investment funds), and separate accounts (*i.e.*, accounts managed on behalf of individuals or public or private institutions). Portfolio managers of the Adviser make investment decisions for each account based on the investment objectives and policies and other relevant investment considerations applicable to that account. The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. Although Marsico Capital does not track the time a portfolio manager spends on a single portfolio, it does assess whether a portfolio manager has adequate time and resources to effectively manage all of the accounts for which he is responsible. Marsico Capital seeks to manage competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline or complementary investment disciplines. Accounts within a particular investment discipline may often be managed by using generally similar investment strategies, subject to factors including particular account restrictions and objectives, account opening dates, cash flows, and other considerations. Even where multiple accounts are managed by the same portfolio manager within the same investment discipline, however, the manager may take action with respect to one account that may differ from the timing or nature of action taken with respect to another account because of different client-specific objectives or restrictions or for other reasons such as different

cash flows. Accordingly, the performance of each account managed by a portfolio manager will vary.

Potential conflicts of interest may also arise when allocating and/or aggregating trades. Marsico Capital often aggregates into a single trade order several individual contemporaneous client trade orders in a single security. Under Marsico Capital's trade management policy and procedures, when trades are aggregated on behalf of more than one account, such transactions will be allocated to participating client accounts in a fair and equitable manner. With respect to initial public offerings and other syndicated or limited offerings, it is Marsico Capital's policy to seek to ensure that over the long term, accounts with the same or similar investment objectives or strategies will receive an equitable opportunity to participate meaningfully in such offerings and will not be unfairly disadvantaged. To deal with these situations, Marsico Capital has adopted policies and procedures for allocating transactions across multiple accounts. Marsico Capital's policies also seek to ensure that portfolio managers do not systematically allocate other types of trades in a manner that would be more beneficial to one account than another. Marsico Capital's compliance department monitors transactions made on behalf of multiple clients to seek to ensure adherence to its policies.

The Adviser has adopted and implemented policies and procedures, including brokerage and trade allocation policies and procedures, that seek to minimize potential conflicts of interest that may arise because the Adviser advises multiple accounts. In addition, the Adviser monitors a variety of areas, including compliance with account investment guidelines and/or restrictions and compliance with the policies and procedures of the Trust and the Adviser, including the Adviser's and the Trust's Code of Ethics.

PORTFOLIO MANAGER COMPENSATION. The compensation package for portfolio managers of Marsico Capital is structured as a combination of base salary (reevaluated at least annually), and periodic cash bonuses. Base salaries may be adjusted upward or downward depending on Marsico Capital's profitability. Bonuses are typically based on two other primary factors: (1) Marsico Capital's overall profitability for the period, and (2) individual achievement and contribution. Exceptional individual efforts are typically rewarded through salary readjustments and through larger bonuses. No other special employee incentive arrangements are currently in place or being planned.

Portfolio manager compensation takes into account, among other factors, the overall performance of all accounts for which the portfolio manager provides investment advisory services. In receiving compensation such as bonuses, portfolio managers do not receive special consideration based on the performance of particular accounts, and do not receive compensation from accounts charging performance-based fees. In addition to salary and bonus, Marsico Capital's portfolio managers may participate in other Marsico Capital benefits such as health insurance and retirement plans on the same basis as other Marsico Capital employees. Marsico Capital's portfolio managers also may be offered the opportunity to acquire equity interests in the firm's parent company.

As a general matter, Marsico Capital does not tie portfolio manager compensation to specific levels of performance relative to fixed benchmarks (e.g., S&P 500 Index). Although performance is a relevant consideration, comparisons with fixed benchmarks may not always be useful. Relevant benchmarks vary depending on specific investment styles and client guidelines or restrictions, and comparisons to benchmark performance may at times reveal more about

market sentiment than about a portfolio manager's performance or abilities. To encourage a long-term horizon for managing client assets and concurrently minimizing potential conflicts of interest and portfolios risks, Marsico Capital evaluates a portfolio manager's performance over periods longer than the immediate compensation period, and may consider a variety of measures in determining compensation, such as the performance of unaffiliated mutual funds or other portfolios having similar strategies as well as other measurements. Other factors that may be significant in determining portfolio manager compensation include, without limitation, the effectiveness of the manager's leadership within Marsico Capital's investment management team, contributions to Marsico Capital's overall performance, discrete securities analysis, idea generation, the ability and willingness to support and train other analysts, and other considerations.

PORTFOLIO MANAGER FUND OWNERSHIP. The dollar range of equity securities beneficially owned by a Fund's portfolio manager in the Fund(s) he or she manages as of September 30, 2011 (with respect to Messrs. Marsico, Gendelman, Rao, Malhotra, Rubin and Wilson and Ms. Witter), and as of December 30, 2011 (with respect to Mr. Geisler), is as follows:

Portfolio Manager	Dollar Range of Equity Securities Beneficially Owned	
Thomas F. Marsico	Focus Fund	Over \$1,000,000
	Growth Fund	Over \$1,000,000
	Global Fund	Over \$1,000,000
Brandon Geisler	21 st Century Fund	\$10,001-\$50,000
James G. Gendelman	International Opportunities Fund	\$100,001-\$500,000
	Global Fund	\$50,001-\$100,000
Munish Malhotra	International Opportunities Fund	\$50,001-\$100,000
	Emerging Markets Fund	\$10,001-\$50,000
A. Douglas Rao	Focus Fund	\$50,001-\$100,000
	Growth Fund	\$10,001-\$50,000
	Flexible Capital Fund	\$100,001-\$500,000
Joshua Rubin	Emerging Markets Fund	\$10,001-\$50,000
Charles Wilson	Emerging Markets Fund	\$10,001-\$50,000
Coralie Witter	Focus Fund	\$10,001-\$50,000
	Growth Fund	\$10,001-\$50,000

DISCLOSURE OF CURRENT PORTFOLIO HOLDINGS

The Funds have adopted the following policies and procedures relating to disclosure of the Funds' current portfolios. The policies and procedures are primarily implemented through related policies and procedures of the Trust and Marsico Capital, including the Trust's policies and procedures addressing market timing, the Trust's Code of Ethics, and Marsico Capital's insider trading policies and procedures. Taken together, these policies and procedures seek to appropriately address the potential for any material conflicts of interest that might flow from

certain types of disclosures of detailed current portfolio holdings information, while allowing disclosure of holdings information when appropriate to the Funds' operations or generally in the interests of the Funds' shareholders, and when there are reasonable expectations that disclosure of the current portfolios will not compromise the integrity or performance of the Funds.

These policies and procedures are primarily designed to address disclosures that identify a particular Fund and provide detailed information about (including specific numbers of particular securities held by) that Fund's current portfolio ("current portfolio(s) of the Fund(s)"). Information about securities holdings that are not identified as holdings of a particular Fund (such as, without limitation, information about aggregate holdings of multiple clients of the Adviser), or information that identifies a Fund and only one or a small number of holdings of the Fund without providing other detailed information about the current portfolio of the Fund, generally does not expose the Funds to the harm that this policy seeks to avoid in preserving the confidentiality of information about the Funds' current portfolios of the Funds.

Disclosure of Current Portfolios of the Funds to Shareholders and the Public. Under these policies and procedures, a schedule of the portfolios of the Funds as they existed at the end of a given calendar month (excluding cash and cash equivalents) is generally posted on the Marsico Funds public website at www.marsicofunds.com approximately 30 days after the end of that month. Each calendar month's information generally will remain accessible on that website until the posting of the following month's schedule of holdings. You may view a Fund's schedule of portfolio holdings for the most recently posted month online at www.marsicofunds.com or obtain a copy of the schedule by calling 888-860-8686. The Funds also file complete schedules of the portfolio holdings of the Funds on Form N-Q (for the first and third quarters of each fiscal year) and in their semi-annual and annual reports (for the second and fourth quarters of each fiscal year). The Funds' Forms N-Q and semi-annual and annual reports are available on the SEC's website at www.sec.gov, or may be reviewed and copied at the SEC's Public Reference Section in Washington, DC. Information on the operation of the Public Reference Section may be obtained by calling (800) SEC-0330.

The Use of Current Portfolios of the Funds In Connection With Fund Operations. The Funds or Marsico Capital may disclose information about the current portfolios of the Funds to persons involved in Fund operations and related activities, including persons which, by explicit agreement or by virtue of fiduciary or other duties to the Funds or Marsico Capital, are required to maintain the confidentiality of the information disclosed, or to other persons that the Funds or Marsico Capital reasonably believe will not misuse the disclosed information, or to persons who are legally entitled to receive the information. These persons include: The Funds' Independent Trustees; Marsico Capital and its officers, directors, and employees; compliance, auditing, and other access persons of affiliates of Marsico Capital subject to a code of ethics; the Funds' auditors; the Funds' custodian and fund accountant; the Funds' principal underwriter, transfer agent or administrator; broker-dealers in connection with the purchase or sale of securities or requests for price quotations or bids on one or more securities; proxy voting service providers; financial printers; pricing service vendors to the Funds or Marsico Capital; counsel to the Funds, to Marsico Capital, or to the Independent Trustees; regulatory authorities; and other service providers to the Funds or Marsico Capital.

Other Uses Of Current Portfolios of the Funds. In addition, the Funds or Marsico Capital may from time to time disclose information about the current portfolios of the Funds to certain parties not directly involved in Fund operations such as, for example, software system

vendors that provide general services to Marsico Capital; third parties that calculate information derived from holdings for use by the Funds, Marsico Capital, or its affiliates; and ratings and rankings organizations. Disclosures of this type are generally reviewed by the Funds' Chief Compliance Officer or other Fund officers to determine whether, based on the specific facts and circumstances, the disclosure appears unlikely to result in harm to a Fund. Entities receiving this information generally must have non-disclosure agreements in place, or must have other control mechanisms reasonably designed to ensure that the disclosed information will not be misused (such as contractual, fiduciary, or other legal duties that foster reasonable expectations that the disclosed information will be protected), or must otherwise agree that: (a) the information will be kept confidential, (b) no employees shall use the information to effect trading for the entity or for employees' personal benefit, and (c) the nature and type of related information that they, in turn, may disclose to third-parties is reasonably limited. Certain entities have been approved to receive information about the current portfolios of the Funds as described in this paragraph. Ongoing operations may at times necessitate that persons not listed below receive information about the current portfolios of the Funds, or that persons listed below may no longer receive such information.

- Software system vendors, including providers of trade order management systems (ITG Macgregor XIP), investment advisory accounting systems (Advent Software, Inc.), and commission tracking software (Cogent Consulting), that may receive lists of securities contained in portfolios managed by Marsico Capital, including current portfolios of the Funds, with or without weightings, in order to provide relevant software services to Marsico Capital;
- Research services (FactSet Research Systems, Bloomberg L.P., and RiskMetrics Group, formerly Institutional Shareholder Services) that may receive lists of securities contained in portfolios managed by Marsico Capital, including current portfolios of the Funds, with or without weightings, in order to provide investment research or investment attribution analysis information to Marsico Capital;
- Portfolio analysis services (FactSet), which may receive lists of securities contained in portfolios managed by Marsico Capital, including current portfolios of the Funds, with or without weightings, in order to provide statistical reports on portfolio characteristics and investment attribution analysis;
- Ratings and rankings organizations (Morningstar and Lipper), which may receive lists of securities contained in portfolios managed by Marsico Capital, including current portfolios of the Funds, with or without weightings, in order to track performance and portfolio characteristics.
- A proxy voting administrator (Broadridge Financial Solutions, Inc., formerly ADP).

The Trust and Marsico Capital review the above list from time to time. The frequency of disclosure varies and may be as frequent as daily, with no lag.

The Funds do not regard information about portfolios of the Funds that is more than six months old as current, and such information is not subject to these policies or procedures. Neither the Trust nor Marsico Capital knowingly enter into any arrangements in which they would receive compensation or other consideration in exchange for the disclosure of current portfolios of the Funds.

The Board of Trustees of the Trust exercises oversight of disclosure of current portfolios of the Funds by reviewing and approving the related Fund and Marsico Capital policies and procedures discussed above, receiving periodic reports and other information about any material violations of these policies and procedures, and periodically reviewing and ratifying other relevant documents such as the Prospectus and Statement of Additional Information.

SERVICE PROVIDERS

Investment Adviser

Marsico Capital Management, LLC, 1200 17th Street, Suite 1600, Denver, CO 80202

Administrator

UMB Fund Services, Inc., 803 W. Michigan Street, Milwaukee, WI 53233

Distributor

UMB Distribution Services, LLC, 803 W. Michigan Street, Milwaukee, WI 53233

Counsel

Dechert LLP, 1775 I St., NW, Washington, DC 20006-2401

Custodian

State Street Bank and Trust Company, 225 Franklin Street, Boston, MA 02110

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP, 1900 16th Street, Suite 1600, Denver, CO 80202

Transfer and Dividend Disbursing Agent

UMB Fund Services, Inc., 803 W. Michigan Street, Milwaukee, WI 53233