

MARKET OVERVIEW

Markets are hard to predict but this quarter played out according to conventional wisdom. Not surprisingly, economic data showed continued weakness and equity markets followed, and volatility remained high. The S&P 500® Index lost 11.01% of its value for the first three months of the year.

Unemployment continued to rise and both home prices and consumer confidence fell. All of which confirmed that we are still in the midst of a severe recession. The macro economic news abroad is just as grim indicating that this is indeed a global recession.

In addition to weak macro economic results, many public companies showed signs of slowing. Throughout the quarter as companies reported their Q4 results – many of which were disappointing – company management teams were reluctant to give guidance on 2009 profits. The lack of visibility, the uncertainty of the general economy and the conservatism kept investors on their heels and unwilling to bid prices (albeit at depressed levels) any higher.

However, the policy response from the government has been nothing short of extraordinary, from both a fiscal and monetary standpoint. There seems to be no limit on the actions they may take in order to provide a backstop to the banking system, and the economy itself.

In Q4, we commented on how the performance of most assets was very closely correlated, as they were all down a similar amount. This quarter, although the direction was the same, there were meaningful differences in performance across equities. In particular, growth strategies handily beat value and mid-cap beat small cap.

PERFORMANCE OVERVIEW

For the first three months of 2009, the Stephens Small Cap Growth Fund Class A was down 7.08% (without sales charge), outperforming its benchmark, the Russell 2000® Growth Index, which fell by 9.74%.

Despite the obvious economic headwinds the consumer faces, the Fund's holdings in Consumer Discretionary stocks were the best performers. The sector did well in general but the Fund also outperformed the benchmark. Citi Trends Inc., a specialty retailer, posted surprisingly good sales numbers and subsequently the stock was a top contributor to performance. National Cinemedia Inc. was another top performer bouncing back from a very depressed valuation.

Healthcare showed continued weakness as many of the growth stocks within the sector are not immune to the economic slowdown and investors worried about the implications of nationalized healthcare. One of our top performers from last quarter, Athenahealth Inc., suffered this quarter despite reporting healthy results as investors were concerned about higher expenses and valuation. Biotech stocks were the best performers in the benchmark and it is the single largest industry in the Russell 2000® Growth Index. Due to our disciplined approach to investing in profitable companies, the Fund has historically had very little exposure to biotechnology and this under-weight position hurt us. However, with the recent market pull back, several high quality, profitable biotech stocks have fallen into small cap territory. As such, we have been building exposure and adding new positions.

For the benchmark, Energy was the worst performing sector, but for the Fund, it was a source of strength. In fact, several of our energy service related holdings had positive returns for the period.

The Fund's largest sector, Technology, averaged better results than the broad market but results among individual holdings were very mixed. Cybersource Corp., our largest holding fared very well and was the Fund's top contributor. We also had success with STEC Inc., which also posted good results with sales of their solid state hard drives. We had weakness in some of our software companies. Vocus Inc., and Concur Technologies Inc. traded lower on mostly macroeconomic concerns but their relatively lofty valuations exacerbated the move.

The Fund did relatively well in Financials owning a mix of high quality companies and companies that have been benefitting from the turmoil, such as pawn shops. The Fund also beat the benchmark in Industrials and Materials as we have been underweight the deep cyclicals.

Performance data as of 3/31/09

	Inception Date	3 Month	YTD	1 Year	3 Year	Since Inception	Expense Ratio Gross	Expense Ratio Net [¶]
Stephens Small Cap Growth Fund Class A (w/ Sales Charge)	12/1/05	-11.97%	-11.97%	-38.34%	-17.23%	-12.79%	1.69%	1.50%
Stephens Small Cap Growth Fund Class A (w/out Sales Charge)	12/1/05	-7.08%	-7.08%	-34.92%	-15.73%	-11.38%		
Stephens Small Cap Growth Fund Class C (w/out CDSC)	3/28/08	-7.29%	-7.29%	-35.42%	-	-34.87%		
Stephens Small Cap Growth Fund Class C (w/CDSC)	3/28/08	-8.21%	-8.21%	-36.07%	-	-34.87%	2.47%	2.25%
Russell 2000® Growth Index		-9.74%	-9.74%	-36.36%	-16.20%	-11.76%*		
S&P 500® Index		-11.01%	-11.01%	-38.09%	-13.06%	-11.06%*		

Performance data quoted represents past performance and does not guarantee future results. Investment returns and principal value will fluctuate, and when sold, may be worth more or less than their original cost. Performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 866-735-7464. The Fund imposes a 2% redemption fee on shares held less than 30 days. Performance data does not reflect the redemption fee. If reflected, total returns would be reduced. Performance data shown without Sales Charge does not reflect the deduction of the sales load or fee. If reflected, the load or fee would reduce the performance quoted. Performance data shown with Sales Charge reflects the maximum sales charge of 5.25%. The performance data shown w/CDSC reflects a 1.00% Contingent Deferred Sales Charge.

*Since inception returns are as of the fund's Class A inception date for the index.

¶The Investment Advisor has contractually agreed to reduce its fees of the Fund to ensure the total amount of Fund normal operating expenses does not exceed 1.50% for Class A and 2.25% for Class C of the Fund's average daily net assets indefinitely. Investment performance reflects fee waiver, in the absence of such waivers, total return would be reduced.

PORTFOLIO CHARACTERISTICS

Our allocation to Consumer Discretionary stocks grew to over 17%, its highest level in over a year. Except for Technology, which was down from 31% to just under 30%, other sectors finished at similar levels to the prior quarter. Our balance between *core growth* holdings and *earnings catalyst* stocks remained about 50/50. In this environment, we would have expected a movement toward core growth but we have found numerous catalyst ideas due to the disruption caused by the recession (e.g. the dramatic changes in consumption patterns and the opportunities enjoyed by companies as their weaker competitors face financing issues or even bankruptcy).

Intra-quarter, valuations hit lower levels but bounced back in March to finish slightly above year end levels. The price-to-earnings ratio for the Fund's median holding was 14.4. Growth forecasts continued to fall. Our median company is now expected to grow at 8.4% over the next twelve months while the expectation for the benchmark is just above 4%. Even in the midst of a severe recession, our median company grew earnings 14% in the most recently reported quarter. As a comparison, the earnings of the median stock in the Russell 2000® Growth Index shrank by over 7%.

OUTLOOK

In our commentary last quarter we tried to focus on *what could go right*. I tried to make the case that there are some basic prerequisites for an improvement in equity markets, and that we had met or were beginning to meet them. Meeting these requirements wasn't a guarantee of performance but an indication that perhaps the market bias would shift.

From the lows in early March the market has bounced quite a bit, coincidentally we have seen some incrementally positive economic data. Of course, there is the massive fiscal stimulus and the unprecedented monetary policy that continues to work its way through the system. Tax refunds are tracking at higher levels. Gasoline prices are much lower than they were a year ago. Industry surveys regarding home building and auto sales seem to have ticked back up.

That's not to say that we are out of the woods just yet. Growth estimates for the broad market may still be too high particularly for Q1. Commercial real estate continues to weaken. The financial system is far from healthy and credit markets are still not normal. Unemployment is headed in the wrong direction although it is a lagging indicator.

The market itself, however, is a leading indicator. And this means that it may be the first thing to show signs of improvement. With the fear and skepticism that is present most of us won't recognize it as a leading indicator, but will probably refer to it as just another "bear market rally". It's probably too early to say that these important metrics and the market itself have turned up but the downward momentum is over.

As bottom-up investors sifting through massive amounts of company data, we are finding ideas, "green shoots" to reference our forest fire analogy from last quarter. There are businesses defying the trends and companies that are benefitting from the turmoil. Additionally, many of our favorite, high quality companies are trading at very depressed valuation levels. If you believe that the economy will stabilize and recover, there are bargains to be had. Think: *Saks Fifth Avenue at Walmart* prices. With all that cash on the sidelines are you ready to go shopping?

The Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. You cannot invest directly in an index. The Price to Earnings (P/E) ratio reflects the multiple of earnings at which a stock sells.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling (866)735-7464, or visiting www.stephensfunds.com. Read it carefully before investing.

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

Mutual fund investing involves risk. Principal loss is possible. The Fund invests in small and/or mid sized companies, which involve additional risks such as limited liquidity and greater volatility than larger companies. The fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods.

NOT FDIC INSURED MAY LOSE VALUE NOT BANK GUARANTEED

Quasar Distributors, LLC, distributor

TOP TEN HOLDINGS

CyberSource Corp.	2.35%
EPIQ Systems, Inc.	2.05%
Core Laboratories N.V.	1.66%
VistaPrint Ltd.	1.64%
Phase Forward, Inc.	1.64%
Aaron Rents, Inc.	1.63%
NuVasive, Inc.	1.60%
Tower Group, Inc.	1.58%
Gen-Probe, Inc.	1.54%
Strayer Education, Inc.	1.52%

TOTAL TOP TEN HOLDINGS* 17.21%

* Excludes Money Market Fund holdings.

Fund holdings and asset allocations are subject to change and are not recommendations to buy or sell and security. *Current and future portfolio holdings are subject to risk.*

FOR MORE INFORMATION, CONTACT:

Stephens Funds®

c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

Stephens Investment Management Group, LLC

111 Center Street
Little Rock, AR 72201

3700 Buffalo Speedway, Suite 900
Houston, TX 77098

WWW.STEPHENSFUNDS.COM

1.866.735.7464