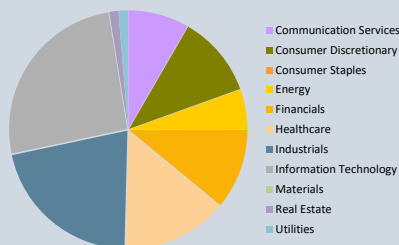


TOP 10 HOLDINGS*

COMPANY	% of PORTFOLIO
1. Axon Enterprise Inc	2.61%
2. AeroVironment, Inc.	2.54%
3. Spotify Technology	2.13%
4. Robinhood Markets, Inc.	2.01%
5. Guidewire Software, Inc.	1.98%
6. Tradeweb Markets, Inc.	1.89%
7. Live Nation Entertainment, Inc.	1.86%
8. Wingstop, Inc.	1.83%
9. Take-Two Interactive Software, Inc.	1.80%
10. Verisk Analytics, Inc.	1.75%

SECTOR WEIGHTINGS*

Communication Services	8.34%
Consumer Discretionary	11.16%
Consumer Staples	0.00%
Energy	5.45%
Financials	11.02%
Health Care	14.43%
Industrials	21.26%
Information Technology	25.79%
Materials	0.00%
Real Estate	1.24%
Utilities	1.31%



*Excludes Money Market Fund Holdings. Portfolio holdings and asset allocations are subject to change and are not recommendations to buy or sell a security. The percentages in the tables above are derived from the model account within the composite.

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MARKET OVERVIEW

It seemed as if there was a year's worth of change packed into this quarter. Sentiment deteriorated quickly after the so-called "Liberation Day," when the Trump administration unveiled tariffs which were much higher than expected. In some cases, international trade ground to a halt. Business deals and M&A transactions froze. Within weeks we were in bear market territory.

President Trump paused some of the tariffs while negotiations were unfolding, and the market quickly rebounded. By the end of the quarter, investors were focused on other things. Congress passed the Big Beautiful Bill, which should be stimulative in the near term. What some feared would be the beginnings of World War III, with the US bombing key nuclear facilities in Iran, ended up being a quickly resolved matter to many pundits' dismay.

Despite cool inflation data, the Fed cited concerns over tariff-fueled inflation, and kept rates steady despite Mr. Trump's protests. Long term rates moved higher, with the 30-year Treasury yield even briefly surpassing 5%. After tumbling over 11% in the first week of the quarter, the S&P 500® Index rallied to finish the period up 10.94%

MID CAP GROWTH COMPOSITE PERFORMANCE

It was an absolute rollercoaster of a quarter. Our catalyst stocks dramatically outperformed our core holdings. The Russell Mid Cap® Growth Index posted a gain of 18.2% after falling over 11% in the first part of the quarter. The Stephens Mid Cap Growth composite slightly trailed the benchmark, gaining 17.43% gross of fees (17.28% net). The Russell Index reconstitution happened near the end of the quarter, and in some regards the composition of the benchmark shifted more than ever before. Before the rebalance, Palantir was as much as a 9% weight in the index. While we owned Palantir, our internal policies and risk control parameters prevent us from owning anywhere near that amount. Our resulting underweight position in Palantir cost us 176 basis points of relative performance, even though the stock contributed 87 basis points of return this period.

Our overweight positioning in Communication Services helped returns, although our returns slightly trailed those of the benchmark. We had great success in the Entertainment industry, with all four of our holdings posting double-digit gains. Reddit, a relatively new position, had a stellar quarter as new users continue to gravitate to the platform.

Consumer stocks were hit hard on tariff concerns. We took advantage of the panic and volatility by opportunistically adding to Five Below and initiated a position in Dutch Bros. After a difficult first quarter, Wingstop bounced back nearly 50% this period. We initiated a position in Viking Holdings, a luxury, smaller-scale cruise line company.

Energy stocks did not really participate in the rally. Early in the quarter OPEC announced increased production unfortunately coincident with tariff concerns. Crude Oil dipped below \$60 for a brief period. Most of our energy exposure is tied to natural gas production, but headwinds from oil were too strong this period.

Within Financials, specialty insurance stocks were relatively weak this quarter as some of the tailwinds they enjoyed in the property market have faded. We have exposure to this industry via Kinsale Capital Group and Ryan Specialty Holdings. We believe the long-term fundamental theses are still intact. We had great success with Robinhood Markets, as they continue to grow clients and now are capitalizing on crypto trading as well.

Healthcare stocks continue to underwhelm in this environment. Uncertainty around the regulatory environment has tamped down any potential enthusiasm in the sector, particularly in the Life Sciences and Tools industry. We did well with our Healthcare Equipment stocks like Dexcom, ResMed, IDEXX Laboratories, and Insulet Corp. Longer term, we are becoming incrementally more excited about growth prospects, as AI technology is finding uses as a diagnostic tool, for drug discovery and research, and even supplanting pre-clinical studies.

¹ The information is supplemental only and complements the full disclosure presentation located at the end of this document. The Russell Midcap® Growth Index measures the performance of those Russell Midcap® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000® Growth Index measures the performance of those Russell 3000® Index companies with higher price-to-book ratios and higher forecasted growth values. You cannot invest directly in an index. 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. Copyright © 2025, S&P Global Market Intelligence (and its affiliates as applicable). All rights reserved. See additional information regarding S&P ratings at <https://www.stephensimg.com/terms-and-conditions/>. The 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000® Index. You cannot invest directly in an index. See our attached GIPS Report.

MID CAP GROWTH COMPOSITE PERFORMANCE

Our best relative performance came from Industrials, particularly around Aerospace and Defense companies. It has become abundantly clear that drones will play a critical role in warfare. AeroVironment, Inc., a leader in military drones was our largest contributor to returns. We added a new position in Leonardo DRS, another innovator and leader in technology on the battlefield.

We had solid performance in Technology, but didn't quite keep up with the benchmark, chiefly because of the aforementioned issue with Palantir, which we finally sold near the end of the period. We sold our position in Globant as tariff uncertainty impacted their business and AI continues to disrupt demand for IT services. Generally, our AI-related and cybersecurity holdings continued to do very well.

PORTFOLIO CHARACTERISTICS*

With no shortage of change, we were busy in the portfolio. We added five new stocks this quarter and eliminated two. Technology, Industrials, and Healthcare are our three biggest sectors. With the Russell Index reconstitution near the end of the period, our relative positioning changed significantly. We are now overweight Technology and underweight Consumer Discretionary.

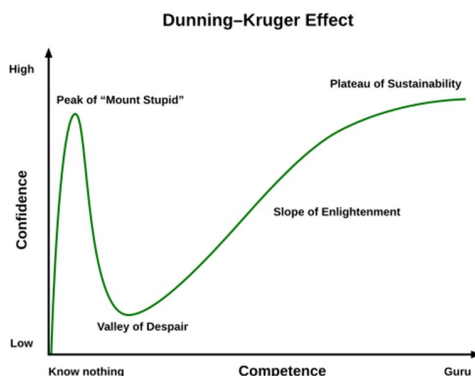
Valuations are still stretched, with our weighted harmonic average P/E ratio standing at just under 30. Growth has been robust. In the most recently reported period, our median company grew earnings at 20.3% and revenues at 12.0%. This compares to the benchmark's growth of 11.4% and 9.5%, respectively.

Most of our new positions fall into the catalyst category, and with a huge spread in the relative performance between *core growth* and *earnings catalyst*, the catalyst portion of the portfolio ticked up to 44.1%. Core holdings make the remaining 55.9%

OUTLOOK

If my memory serves me, there was a time, maybe as little as twenty years ago, where people simply didn't have opinions about some topics. The Internet, social media, and now AI have contributed in creating a society where everyone is an expert in whatever the topic du jour is. In April, everyone I know had a very strong opinion about tariffs and their impact on the economy. So many people were sure that the recent bombing of Iran's nuclear facilities would lead to World War III. Somehow, when the news hit, their 10 minutes of reading social media posts made them experts on the subject. Think about the last five years, where everyone seemed to consider themselves an expert on epidemiology, vaccine safety, monetary policy, inflation, healthcare policy, immigration policy, tension in the Middle East, the Russia-Ukraine conflict, and so on.

You may have heard of the *Dunning-Kruger* effect. It describes the situation when someone learns a *little* about a subject, and then they quickly overestimate their understanding and knowledge on that subject. Wikipedia has a great, self-explanatory chart:



This phenomenon (or cognitive bias) represents a serious lack of self-awareness, at least in the early phases of learning something new. My favorite and most relatable example of this is with new teenage drivers – they're careful at first, and then after only about 3 months into having a driver's license, they suddenly no longer need your advice or instruction. Their skills are developing slowly, but their confidence has skyrocketed. With how quickly world is changing, it feels like we are all having to learn new things constantly. Beware! Many investors are falling into this trap, creating a less efficient and more volatile market - which is music to my ears. As Mark Twain once said, "It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so."

It should be no surprise that it takes a significant investment of time and energy to become an expert in *any* field. The funny thing is, that even the so-called experts have been flat-out wrong about so many things lately. You can't really trust them either. My advice: be a skeptic, question everything.

In this most recent quarter, the market went into full-blown panic over tariffs – replete with headlines about bear markets and recessions, yet then somehow quickly moved on, and the market was back to making new highs. Comically, as I write this today, tariffs are back in the headlines, and the consternation and handwringing is back too. I spent quite a bit of time writing about tariffs last quarter, and I absolutely stand behind and wish to reiterate my thoughts.

- Trump's tariff negotiation process will be messy and unpleasant to watch, but might end up being effective.
- Tariffs, by themselves, are not inflationary. They might cause a one-time bump in the price level.
- The uncertainty and the bias around understanding the implications of tariffs will cause inefficiency and opportunity for level-headed, long-term investors.

* Ratios and percentages in this section are based on holdings of the model account within the composite.

OUTLOOK

One of the big fears around tariffs is inflation. Last quarter I mentioned the inflation expectation data from the University of Michigan. It hasn't changed all that much. Here's the latest version.



If the data is to be trusted, then Democrats seemed convinced there will be catastrophic inflation, and Republicans aren't worried in the least. I can't help but think this is just one example of an overwhelming case of the *Dunning-Kruger effect* combined with some subsequent *confirmation bias* fueled by algorithmic news delivery.

President Trump is a polarizing figure, maybe the most polarizing figure ever. No one has ever seen anything like it. Hugely polarizing. I'm quite certain that there are a significant number of people out there, who perversely want to see a recession and a bear market, if only to justify their disdain for Trump.

I don't want to assume that the Fed is biased against Trump in this way. But it is a curious thing that these are the people who completely failed to recognize that massive COVID stimulus could cause anything more than "transitory" inflation, cut rates aggressively last summer when inflation was still elevated, and now is arguing that these tariffs have a risk to cause persistent inflation. The media and the market have echoed Chair Powell's concerns about tariff-induced persistent inflation. In an interview on *Face The Nation*, Treasury Secretary Scott Bessent fought back with some simple, but powerful logic:

When we were here in March, you said there was going to be big inflation. There hasn't been any inflation. Actually, the inflation numbers are the best in four years. So why don't we stop trying to say this could happen — wait and see what does happen.

I thought our Fed was supposed to be data-dependent?

If tariffs cause higher prices here, then the first thing that will happen is a slowdown. Consumers and firms are constrained by budgets. If prices of imported goods go up, then people will have less money to spend on other things, resulting in a reduction in aggregate demand. The second order effects and beyond, *might* result in some inflation, but we haven't even seen the first order effects yet. If there is risk of inflation (from tariffs), the path is on the labor side of things. If tariffs are sufficiently high that firms (both foreign and domestic) choose to build more means of production here in the US, and hire more American workers, then you could have a wage-price spiral. The irony of this of course is that much of the motivation for tariffs is to rebuild a bigger manufacturing base (and the accompanying jobs) in the US. Some wage inflation is a feature, not a bug!

It will take quite some time for this risk to manifest itself. Like many economic effects, there are lags. It's a little silly for people to be panicked in the near term about inflation. It's perfectly justified to be worried about the price of certain foreign-made goods going up, but again that not inflation, per se.

This is not to say that I'm not worried about inflation. I've been worried about inflation for over a decade. In my humble opinion, our greatest inflation risks stem from monetary policy and from government spending. My optimism for DOGE's spending reductions has faded, and now with the passage of the Big Beautiful Bill, it seems as if we are right back on track of an unsustainable process of ballooning government debt, that will likely only be repaid by a debasement of the currency. Inflation hawks should be much more concerned about the BBB than tariffs!

My conclusion today is back to what it was last year. It doesn't seem that there is any real appetite to rein in government spending. Policy makers are suffering from the boy-who-cried-wolf syndrome with respect to debt and deficit levels: they've been told for year that they're unsustainable, but their experience has been that there are no real problems...yet. We won't be able to tax our way out of this problem. And so, the only alternative is the silent destroyer of savings that no one ever voted for and no one admits to causing — inflation.

I've written previously about how CPI calculations including hedonic adjustments and substitution in the basket of goods combined with a rapidly changing standard of living will understate headline inflation. I believe that where we will see more obvious examples of inflation is in asset inflation: the price of real estate, gold, bitcoin, and stocks.

It's a sad reality, but a nominally bullish one for equities.

As for the boy who cried wolf problem, when the wolf actually shows up, I believe it will be in the form long term yields. There's a lot going on in Treasury markets these days. Tariffs and changes in international trade seem to be reducing foreign demand for dollars and thus Treasuries. There's been much debate about the dollar's status as the world's reserve currency. My take is that it still holds that claim, but not nearly as tightly as before.

OUTLOOK

There are two newer developments that may boost demand for Treasuries. First is the potential exemption of Treasuries from the Supplementary Leverage Ratio (SLR) calculation for big banks – this would drive incremental demand. Second is the rapid growth in stablecoins. Tether reported holding \$120B of Treasuries to support the value of USDT.

These cross currents will complicate interpretations of the yield curve. Some time ago, I wrote about fiscal dominance – the idea that monetary policy is set to accommodate the massive debt burden of the government. I don't think we are there yet. At least not with Powell in charge. We should all keep an eye on this.

I don't think anyone would argue with the idea that change, in just about every measurable sense, is accelerating. The world is a very different place than it was just three months ago. The pre-COVID era seems like a lifetime ago. I mention this phenomenon almost every quarter, but that's because I believe it is worth repeating.

Advancements in generative artificial intelligence are a massive source of change too. I find it very interesting, and a little scary, that none of the top AI firms have mentioned diminishing marginal performance or scalability walls. The performance improvements just keep coming.

We are in the very early days of new applications and uses. I've been very excited about generative AI for video. If you haven't seen some of the latest things to come out of Google's Veo 3 or Midjourney, it's absolutely mind blowing. It was only about a year ago that AI videos looked creepy and awkward – most models failed on rendering hands and mouths, and the physics just weren't right. Those problems have largely been remedied. Today's videos are virtually indistinguishable from reality.

When people worry about jobs that will get replaced by AI, I think Hollywood and the advertising industry may be the first casualties. You don't need actors, you don't need cameramen, you don't need a set. Are there enough AI data centers and nVidia processors to generate all the video content that will be created? It's unlikely.

With all the rapid change, there is more noise than ever in the system. Whether the subject is tariffs, World War III, DOGE, immigration, or even AI, the short-term market narratives are fueling volatility which in turn simply creates more opportunity for long-term investors. With our focus and experience in exploiting opportunities created by behavioral biases, there has never been a more target-rich environment.

P E R F O R M A N C E F O R P E R I O D E N D E D 6 / 3 0 / 2 0 2 5

	Quarter Ended 6/30/2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception Annualized (6/2/2006)	Since Inception Cumulative (6/2/2006)
Stephens Mid Cap Growth Composite Gross*	17.43%	9.92%	19.18%	18.38%	11.00%	12.83%	11.47%	694.99%
Stephens Mid Cap Growth Composite Net of Fees*	17.28%	9.66%	18.62%	17.82%	10.47%	12.24%	10.76%	604.30%
Russell Midcap® Growth Index	18.20%	9.79%	26.49%	21.44%	12.65%	12.11%	10.62%	587.38%

G L O B A L I N V E S T M E N T P E R F O R M A N C E S T A N D A R D S (G I P S) R E P O R T

Year	Total Firm Assets (millions)	Strategy Assets*		Composite Assets		Advisory-Only Assets*	Annual Performance Results				3 Yr Annualized Standard Deviation	
		USD (millions)	Number of Accounts	USD (millions)	Number of Accounts	USD (millions)	Composite		Russell Midcap® Growth	Composite Dispersion	Composite Gross	Russell Midcap® Growth
							Gross	Net				
2024	7,637	1,675	21	1,517	16	116	14.34%	13.80%	22.10%	0.11%	20.82%	22.15%
2023	6,986	1,062	22	923	17	112	26.56%	25.96%	25.87%	0.07%	20.01%	21.06%
2022	5,664	805	23	668	18	118	-27.31%	-27.65%	-26.72%	0.19%	24.57%	24.53%
2021	7,845	1,185	27	980	22	179	13.58%	13.03%	12.73%	0.22%	20.55%	20.19%
2020	6,916	984	25	878	22	97	41.77%	41.09%	35.59%	0.34%	22.26%	21.45%
2019	5,416	654	17	263	13	28	33.57%	32.85%	35.47%	0.29%	14.79%	13.88%
2018	4,301	342	13	216	11	11	3.22%	2.68%	-4.75%	0.12%	14.13%	12.82%
2017	4,442	338	12	240	11	0.00	29.68%	29.01%	25.27%	0.20%	11.72%	10.88%
2016	3,644	287	13	201	9	0.46	7.98%	7.24%	7.33%	0.09%	13.13%	12.17%
2015	2,897	152	12	38	10	0.44	-0.27%	-1.01%	-0.20%	N.A.	12.01%	11.29%

• Strategy Assets are shown as supplemental information as these assets include composite assets and advisory-only assets and include advisory-only UMA assets managed within the Mid Cap Growth Strategy. Prior to 2020, the mutual fund assets managed to the strategy were not included in composite assets. Advisory-Only Assets are as of 11/30/2024.
• N.A.—Composite Dispersion information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Mid Cap Growth Composite contains fully discretionary accounts and pooled investment vehicles invested primarily in mid cap common stock of U.S. companies. Under normal market conditions, most of the securities purchased for this composite have market capitalizations between \$1.0 billion and the market capitalization of the largest company in the Russell Midcap® Index at the time the security was initially purchased by accounts in the composite which appear to have clear indicators of future earnings growth or that appear to demonstrate other potential for growth of capital. In addition to common stock the composite may also purchase convertible and preferred stock as well as certain Exchange Traded Funds. This composite is actively managed and securities in the composite are frequently purchased and sold by the manager. For comparison purposes the composite is measured against the Russell Midcap® Growth Index.

Stephens Investment Management Group, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Stephens Investment Management Group has been independently verified for the periods December 1, 2005 through December 31, 2024. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Mid Cap Growth Composite has had a performance examination for the periods June 2, 2006 through December 31, 2024. The verification and performance examination reports are available upon request.

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Stephens Investment Management Group, LLC is a registered investment advisor specializing in equity investment management, specifically small and mid-capitalization growth companies.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of fees and include the reinvestment of all income. Net of fee performance is calculated using actual fees incurred. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The maximum fee charged is 1.00% of assets under management. Actual investment advisory fees incurred by clients vary.

The Mid Cap Growth Composite creation and inception dates are June 2, 2006.

Prior to September 1, 2011, composite policy required the temporary removal of any account from the composite which incurred a client initiated significant cash inflow or outflow of 10% or more of the value of the net assets of the account in any 30 day period. The temporary removal of such an account occurred at the beginning of the month in which the significant cash flow occurred and the account re-entered the composite at the beginning of the month after the cash flow. This policy was deleted effective September 1, 2011. Additional information regarding the treatment of significant cash flows is available upon request.

The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. The three-year annualized ex-post standard deviation of the composite and annual composite dispersion are calculated using gross-of-fees returns.

Certain accounts in this composite direct trading to broker-dealers that execute trades for no commission. Assets in these accounts are 1.06% of total composite assets as of December 31, 2024.

This composite was redefined January 1, 2020 to include pooled investment vehicles following SIMG's Mid Cap Growth Strategy.

Firm AUM does not include accrued dividends.

A list of composite descriptions, a list of limited distribution pooled fund descriptions and a list of broad distribution pooled funds are available upon request.