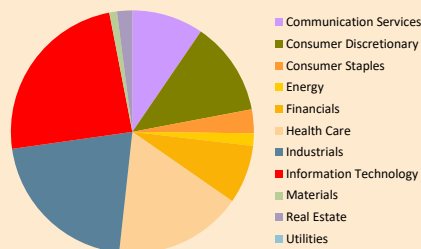


TOP 10 HOLDINGS²

Company	% of Portfolio
1. Spotify Technology	3.37%
2. HEICO Corporation	3.17%
3. Verisk Analytics Inc	3.06%
4. Guidewire Software, Inc.	2.83%
5. Live Nation Entertainment, Inc.	2.72%
6. Axon Enterprise Inc	2.64%
7. Copart, Inc.	2.60%
8. HealthEquity Inc	2.30%
9. ResMed Inc.	2.30%
10. Tyler Technologies, Inc.	2.21%

SECTOR WEIGHTINGS²

Communication Services	9.53%
Consumer Discretionary	12.49%
Consumer Staples	3.17%
Energy	1.66%
Financials	7.81%
Health Care	17.08%
Industrials	21.02%
Information Technology	24.19%
Materials	1.02%
Real Estate	2.03%
Utilities	0.00%



²Excludes 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 grounded 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%.

SMALL-MID CAP CORE GROWTH SEPARATE ACCOUNT COMPOSITE PERFORMANCE

It was an absolute rollercoaster of a quarter. The Russell 2500® Growth Index posted a gain of 11.31% after falling over 10% in the first part of the quarter. The Stephens SMID Cap Core Growth composite finished the quarter gaining 8.72% gross of fees (8.49% net).

Our overweight positioning in Communication Services helped returns. We had good success in the Entertainment industry, with all four of our holdings posting double-digit gains.

Consumer Discretionary stocks were initially hit hard on tariff concerns early in the quarter. We took advantage of the volatility by opportunistically adding to names and initiated a new 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.

Consumer Staples lagged our benchmark. BellRing Brands reported decent enough results, but mentioned some large customers were oversupplied. Given last year's run in the stock and a lofty valuation, the shares sold off considerably.

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.

Healthcare 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 and IDEXX Laboratories. 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.

We had double digit returns in Industrials but trailed our benchmark. We had some success around our Aerospace and Defense companies. Leonardo DRS, an innovator and leader in technology on the battlefield, was one of our top performers.

We had solid performance in Technology, but didn't quite keep up with the benchmark. 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 perform very well.

¹The information is supplemental only and complements the full disclosure presentation at the end of this document. The Russell 2500® Growth Index measures the performance of those Russell 2500® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000® Growth Index measures the performance of those Russell 3000® 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 Russell 2500® Index measures the performance of the 2,500 smallest companies in the Russell 3000® Index. You cannot invest directly in an index. See our attached GIPS Report.

PORTFOLIO CHARACTERISTICS

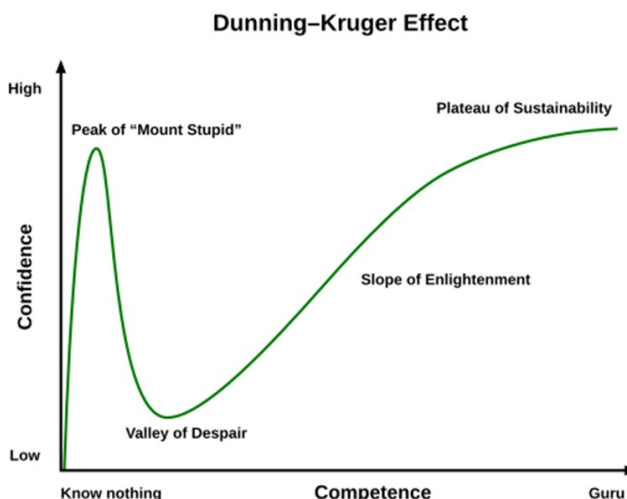
We added three new stocks this quarter and eliminated two. Technology, Industrials, and Healthcare are our three largest sectors. With the Russell Index reconstitution near the end of the period, our relative positioning changed a little. We are overweight Communication Services, Industrials and Technology and underweight Health Care and Financials.

Valuations are still stretched, with our weighted harmonic average P/E ratio standing at 31. Growth has been good. In the most recently reported period, our median company grew earnings at 16.67% and revenues at 9.3%. This compares to the benchmark's growth of 17.45% and 9.0%, respectively.

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."

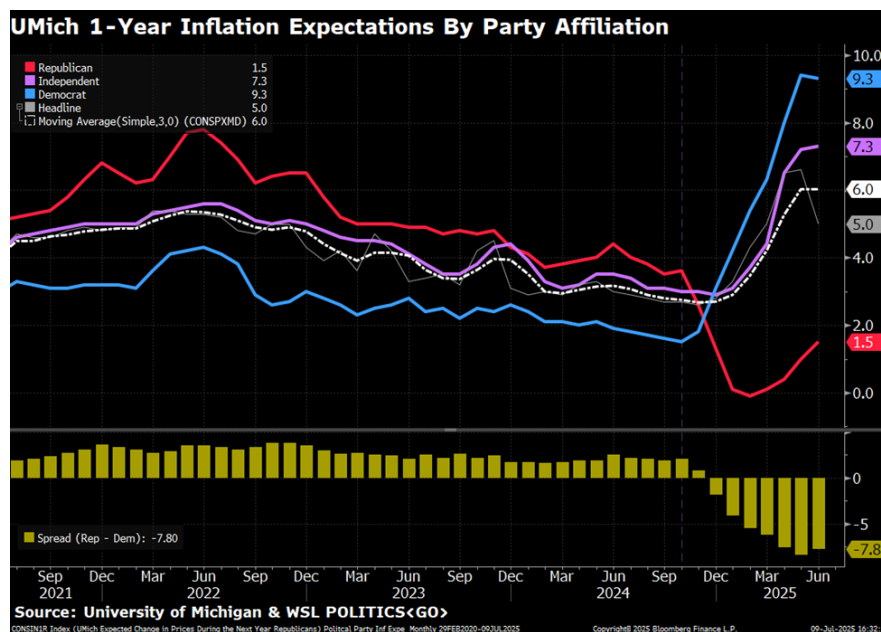
It should be no surprise that it takes a significant investment of time and energy to become an expert in *any* field. The funny thing is that even the so-called experts have been flat-out wrong about so many things lately. You can't really trust them either. My advice: be a skeptic, question everything.

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.

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!

OUTLOOK

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.

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.

PERFORMANCE FOR PERIOD ENDED 6/30/2025

	Quarter Ended 6/30/2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception Annualized (2/1/2005)	Since Inception Cumulative (2/1/2005)
Stephens Small-Mid Cap Core Growth Composite Pure Gross*	8.72%	2.54%	8.00%	11.47%	6.99%	10.34%	10.34%	645.84%
Stephens Small-Mid Cap Core Growth Composite Net of Fees*	8.49%	2.13%	7.13%	10.57%	6.12%	9.42%	9.25%	509.29%
Russell 2500® Growth Index	11.31%	-0.71%	8.81%	12.04%	7.49%	8.52%	9.36%	521.73%
S&P 500® Index	10.94%	6.20%	15.16%	19.69%	16.63%	13.63%	10.59%	681.05%

GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS) REPORT

Year	Total Firm Assets	Strategy Assets*		Composite Assets			Advisory-Only Assets*	Annual Performance Results				3 Yr Annualized Standard Deviation		The investment objectives, risks, charges and expenses should be carefully considered before invest- ing. SIMG nor their representatives provide legal or tax advice. Please consult your tax advisor before making any decision. There are additional risks associated with investments in smaller and/or newer companies because their shares tend to be less liquid than securities of larger companies. Further, shares of small and new companies are generally more sensitive to purchase and sales transactions involving the company's stock and to changes in the company's financial condition or prospects and therefore, the price of such stocks may be more volatile than those of larger
		USD (millions)	Number of Accounts	USD (millions)	Number of Accounts	Wrap Fee Assets	USD (millions)	Composite		Russell 2500® Growth	Composite Dispersion	Composite Gross	Russell 2500® Growth	
								Pure Gross¹	Net					
2024	7,637	84	11	48	8	45.73%	36	8.98%	8.10%	13.90%	0.03%	20.16%	22.80%	
2023	6,986	93	12	63	9	39.71%	30	22.02%	21.03%	18.93%	0.08%	19.42%	20.95%	
2022	5,664	82	13	48	10	44.21%	34	-28.39%	-28.96%	-26.21%	0.09%	23.31%	25.18%	
2021	7,845	105	13	59	10	51.58%	45	12.45%	11.53%	5.04%	0.03%	19.25%	21.97%	
2020	6,916	92	13	54	10	52.28%	38	36.47%	35.33%	40.47%	0.09%	21.26%	23.93%	
2019	5,416	77	14	48	11	47.09%	29	34.86%	33.51%	32.65%	0.19%	14.04%	15.85%	
2018	4,301	64	14	39	11	44.09%	25	5.18%	4.31%	-7.47%	0.09%	13.84%	15.33%	
2017	4,442	59	14	39	11	46.05%	19	22.76%	21.76%	24.45%	0.67%	10.86%	13.04%	
2016	3,644	54	13	32	10	45.60%	23	6.72%	5.82%	9.73%	0.05%	12.43%	14.67%	
2015	2,897	51	13	27	10	51.11%	24	0.45%	-0.40%	-0.19%	0.39%	11.44%	13.29%	

*Strategy assets include composite assets and advisory-only assets, and are shown as supplemental information as these assets include advisory-only UMA assets managed within the SMID Core Growth Strategy. Advisory-Only Assets are as of 11/30/24.

¹Pure Gross returns are shown as supplemental information and are stated gross of all fees and transaction costs; net returns are reduced by all fees and transaction costs incurred.

Small and Mid Cap Core Growth Separate Account Composite contains fully discretionary accounts invested primarily in small cap and mid-cap common stock of U.S. companies. Under normal market conditions, most of the securities purchased for this composite have market capitalizations equal to or less than the largest company contained within the Russell 2500® Growth Index at the time the security was initially purchased by accounts in the composite and are securities of companies which appear to have clear indicators of future earnings growth or that appear to demonstrate other potential for growth of capital. Securities purchased for this composite are predominantly those categorized by SIMG as core growth securities which are securities SIMG perceives to be high quality, well managed businesses that have the potential for consistent, predictable revenue and earnings growth. 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 2500® Growth Index. Prior to September 1, 2011, this composite was known as the Small/Mid Cap Growth Separate Account Composite.

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 Small and Mid Cap Core Growth Separate Account Composite has had a performance examination for the periods February 1, 2005 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 management fees and include the reinvestment of all income. Net of fee performance is calculated using actual fees incurred. In addition to a management fee, the accounts pay an all-inclusive fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes advisory, custody, execution and other services provided in connection with the program. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The maximum fee charged is 1% of assets under management for non-bundled fee accounts. Actual investment advisory fees incurred by clients vary.

The Small-Mid Cap Core Growth Separate Account Composite inception date is February 1, 2005, and the creation date is December 1, 2005. Performance for the period prior to December 1, 2005 occurred while the Portfolio Management Team provided services on behalf of the prior firm, Stephens Inc., and the Portfolio Management Team members were the only individuals responsible for selecting the securities to buy and sell.

Beginning September 30, 2007, composite policy requires the temporary removal of any account from the composite which incurs 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 occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite at the beginning of the month after the cash flow. 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.

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.

The GIPS Composite Report includes a correction of the value of advisory-only assets in the strategy for the years 2020 through 2022. Advisory-only assets were originally understated as \$37 million in 2020, \$41 million in 2021, and \$29 million in 2022. The correct values are \$38 million in 2020, \$45 million in 2021, and \$34 million in 2022, as shown in this revised GIPS Composite Report.