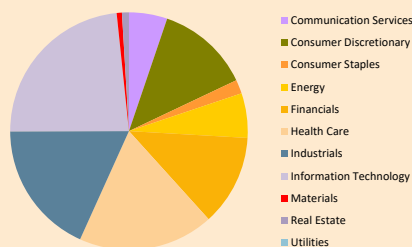


## TOP 10 HOLDINGS<sup>2</sup>

Company	% of Portfolio
1. Kratos Defense & Security Solutions, Inc.	2.08%
2. Guidewire Software, Inc.	2.05%
3. CyberArk Software, Inc.	2.00%
4. BellRing Brands, Inc.	1.88%
5. Tradeweb Markets, Inc.	1.80%
6. Take-Two Interactive Software, Inc.	1.77%
7. Burlington Stores, Inc.	1.74%
8. Ollie's Bargain Outlet Holdings Inc	1.72%
9. HEICO Corporation	1.71%
10. Ryan Specialty Holdings, Inc.	1.67%

## SECTOR WEIGHTINGS<sup>2</sup>

Communication Services	5.21%
Consumer Discretionary	12.74%
Consumer Staples	1.88%
Energy	6.07%
Financials	12.38%
Health Care	18.45%
Industrials	18.21%
Information Technology	23.38%
Materials	0.71%
Real Estate	0.95%
Utilities	0.00%



<sup>2</sup>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

The first four weeks of the year started off well enough. By the end of January, buzz about a new AI Large Language Model (LLM) called DeepSeek, built by a group from China, began to rattle investors. DeepSeek's performance was on par with some of OpenAI's offerings, but its developer claimed the model was trained at a cost of only \$5.6mm. This development caused investors to rethink the pace of investment in AI infrastructure and sent AI-related stocks tumbling.

Eventually, it became clear that the actual training costs were higher, and every tech investor became an overnight expert in [Jevon's Paradox](#). Innovation should be celebrated - driving costs down means that adoption can happen faster and more broadly. Just as the Tech market recovered, economic fears on inflation began to resurface, and then concerns about tariffs.

March was a tough month for equities. While real time economic data looked OK, uncertainty regarding tariffs dominated the headlines. The S&P 500® finished the period down 4.27%. Gold was one of the best performing assets, up over 19% year to date.

## SMALL-MID SELECT GROWTH PERFORMANCE

As uncertainty ratcheted up, investors' appetite for expensive stocks diminished. Growth strategies generally underperformed their value counterparts. Small caps were the hardest hit, and interestingly mid-cap stocks fared better than even large cap. The Russell 2500® Growth Index lost 10.80% of its value, while the Stephens SMID Cap Select Growth Composite was down 7.71% gross of fees (-7.78% net).

Consumer stocks were some of the hardest hit on tariff concerns, as China and other Asian countries are the manufacturing and production source for so many goods. We used the weakness as an opportunity to add some incremental exposure to several of our holdings.

Energy stocks were a source of outperformance. We are still bullish on natural gas demand for use in electricity production domestically and as LNG for export. Foreign LNG sales could potentially be a solution for some of the trade imbalances yet to be reconciled in these tariff negotiations.

The Financials sector was one of our best performing in both relative and absolute terms (many of these companies have no direct risk to tariffs). Palomar Holdings, a specialty insurance company, was one of our best contributor to returns. Palomar posted an excellent result this quarter and guided estimates higher for the rest of the year. We added some exposure back to our investments in the Pawn industry, as economic conditions deteriorated a little. Gold's appreciation has served as an additional tailwind.

Healthcare stocks were only marginally better than the broad market. While there wasn't much noise of tariffs here, changes to NIH budget and uncertainty with potential new policies from the Department of Health and Human Services and FDA have caused investors to shy away from the space. Our relative returns were boosted by our biotech positioning. Halozyme Therapeutics was the strategy's best contributor. We sold Acadia Healthcare after disappointing guidance and a clear lack of oversight in the industry.

We did relatively well in Industrials, although this area was hit hard. Our overweight positioning in Aerospace and Defense was a source of significant alpha. With the Trump administration, it is becoming clearer that allied countries will need to spend more on their own defense. We sold our position in Ameresco, their exposure to Federal spending and alternative energy projects has become a huge headwind for growth.

Technology stocks were the hardest hit. Concerns about the AI data center build out trend rattled the market. With lofty valuations, growing uncertainty and economic concerns sent the group lower. Our holdings fared better than those in the benchmark, in part because our software holdings did relatively well. Manhattan Associates was the strategy's biggest detractor. With roughly 10 years of stellar and consistent earnings performance, Manhattan finally had a disappointing result. We trimmed our position on the surprising news. In hindsight, what seemed like a company specific miss, it now appears that Manhattan was the canary in the coalmine for trade related issues, as their solutions focus on supply chain and distribution center management – an area where businesses are pausing, waiting for more clarity on the trade front.

<sup>1</sup> The 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® 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 Russell 2500® Growth 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 bought five new stocks and eliminated eleven. Technology, Industrials, and Healthcare are our three largest sectors. We are still overweight Tech and Financials, and to a lesser extent, Energy.

It's probably no surprise that valuations shrank. Our weighted harmonic average P/E is down to 24.7%. Growth rates have slowed, too. Our median company grew earnings 18.1% in the most recent quarter, much higher than the benchmark's 13.9%.

Our *core* holdings outperformed our *catalyst* holdings. Catalyst stocks now represent 47.1% of the portfolio, with core growth making up the remaining 52.9%.

## OUTLOOK

~~This is version two of my thoughts. As I was finishing writing this the first time, everything changed. It was already stale. This is version three. I feel certain it will be stale by the time you read it.~~

### When the facts change, I change my mind. What do you do, sir?

My Dad was an incredible man: a pro athlete at 17, first CFA charterholder in his state, CEO of an NYSE listed company, founder of an investment management firm, an amazing father and role model, a loving husband, and much more. I miss him dearly.

He was a tough negotiator too. He was an intimidating man, with a handshake that would leave you wondering if all your metacarpals were still intact. When I was a teenager, he took me with him to go buy a car. He wanted to teach me how to properly negotiate the best deal possible. I won't go through all the details here, but it was confrontational and argumentative, yet somehow productive. I learned well. When I helped my wife buy her first new car, the manager almost assaulted me he was so frustrated. We got a great deal, though. A few years ago, I took my son car shopping. After a series of conversations, all of which included me walking out or hanging up, we finally sat back at the dealership. I told my son, "be prepared to get up and walk out again, there is a good chance we don't buy this car today." It was an emotional rollercoaster for a young man, who really wanted that car!

The salesman was just as anxious. He wanted the commission, but thought I was being way too difficult with the sales manager. I noticed him physically trembling when I picked up my keys and started to leave when they were asking me to "meet them halfway." For me, there was no halfway. There's the price that I had determined to be fair, and I wasn't about to budge. I was willing to risk not getting what I wanted, in order to have a shot at getting the absolute lowest price the dealer would tolerate.

We bought the car, and we got an amazing deal on it, about three weeks after we started the process. Let me assure you, it was a very unpleasant, perhaps even repulsive process for the uninitiated. For me, I loved every minute of it.

I believe that President Trump, is like my Dad in that he relishes a difficult negotiation, especially when he thinks he's holding all the cards. The downside is that all the bystanders are horrified. My wife has been wanting a new car, and she won't go with me to buy it. She can't stand the drama and arguing, but she enjoys knowing we got the best possible deal. Unfortunately for all of us, with respect to these tariff negotiations, we have to watch the sausage being made.

I think we would all agree that free trade is a good thing. Last quarter I encouraged you to refresh your thinking on the relative price-elasticities of supply and demand. Today, I'd point you to Ricardo's work on comparative advantage. If country A is better at making good X, and country B is better at producing good Y, then both countries benefit by focusing on what they're good at, and then trading with their partners. This all works really well in theory. But then you realize some countries don't really have a comparative advantage at producing something, instead the government is subsidizing it (through taxes, financing, or lower regulatory burdens). And then those countries run a permanent trade surplus, not fully cooperating with their trade partners.

David Zervos, Chief Market Strategist at Jefferies, had a thoughtful note recently. He applied economic game theory to this tariff issue, comparing it to the famous prisoner's dilemma. If one party cooperates (the US), and the other party is uncooperative, the other party wins at the US's expense. This has been happening for decades! Think of this regime shift in tariffs as a way to broadcast to the world that we are willing to be uncooperative and screw up the whole system, in an effort to get everyone to move closer to a cooperative/cooperative solution. Perhaps it's a risky endeavor, but the gains will be worth it.

When I began writing this, the tariffs seemed to be the opening bid in a negotiation. While this still may be true for our closest allies, it seems to not be the case for China. Here, the tariffs are massive and might be more than just part of a negotiation. I honestly don't know. So, it's either outlandish, or it's an extremely bold negotiation opener, that doesn't appear as such.

I think it's reasonable to assume that all this is just part of the messy process of tough negotiations. It may be that it's not that different than me offering a lowball number for a car, and then walking out, just to find the limits of the other party.

I think I'll end my comments on tariffs there, because there's a high likelihood that things will have materially changed by the time you read this. Let's move on to the second order effects of tariffs...

I stand by my argument last quarter, that tariffs, by themselves, are not intrinsically inflationary. I mean that in the strict definition of inflation – which is a rise in the price-level. They will certainly lead to higher prices for *some* goods, but that's not the same as *inflation*. If you're spending more on imported/tariffed items, then you simply have less money to spend on other items, thereby reducing demand, *ceteris paribus*.

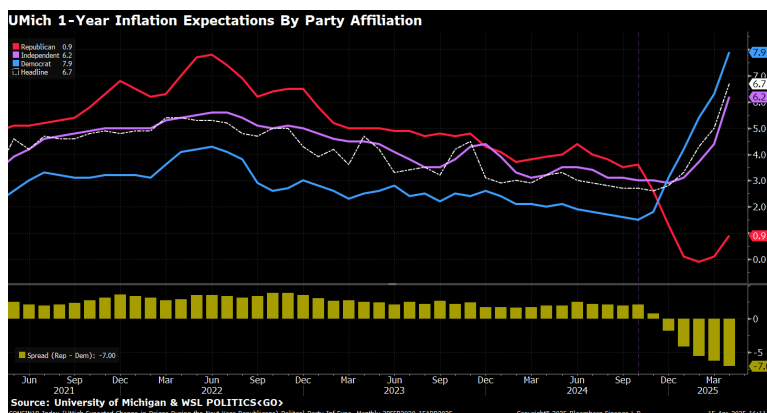
\* Ratios and percentages in this section are based on holdings of the model account within the composite.

## OUTLOOK

The problem is we are definitely not in a *ceteris paribus* situation. It's not just tariffs that are changing. It's closer to *mutatis omnibus*, or whatever the Latin phrase for "everything is changing at the same time." Taxes are changing. Immigration has changed drastically. DOGE has changed the cadence of some government spending. Exchange rates are changing, along with interest rates.

The handwringing and confusion about tariffs is becoming its own problem, and surely some of the stress and uncertainty around tariffs is very real. Business leaders around the globe are having to recalibrate for a post-tariff world, except that no one really seems to know where and when the tariffs will settle out. We have worried that there may be an economic air pocket due to this pause. This is a quite a bit worse than just seeing how the sausage is made – there is a very real, but hopefully short-term cost to the economy.

Since this subject is politically charged, emotions are running high, with opinions about the merits of these policies largely falling around party lines. As someone who is always looking for situations where human bias clouds judgment (potentially creating investment opportunities), I couldn't help but marvel at this chart.



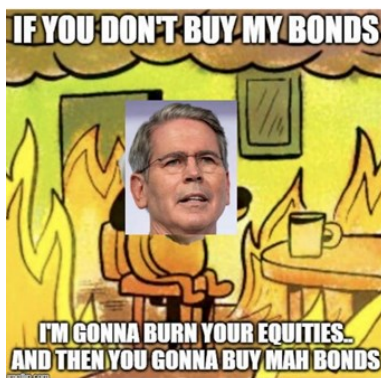
I'll leave this chart without additional comment, other than to say that both parties are almost certainly wrong, and both are clearly biased in their opinions about inflation. These biases are becoming evident in some of the market action we've seen lately. If you really believe inflation is set to be 7.9% for the next year, you would make very different investment and consumption decisions than someone who thought we'd only have 0.9% inflation.

Since I'm rewriting this post quarter end, we just got a look at March CPI data, and it was surprisingly tame. The services component, including shelter, have been stubbornly high since 2021, and they are finally showing signs of improvement. The market reaction to better news on the inflation front has been entirely dismissive. My best guess is that many investors are assuming that *mutatis omnibus* and looking at last month's data provides no real insight.

In my opinion the long-term prospects for inflation have fluctuated quite a bit in the last three months. At first, it was improved – assuming that the efforts of taming government spending are successful. It's been hard to quantify the exact amounts of savings from the efforts of DOGE and other actions, but the fiscal direction and overt recognition of the problem have changed in a constructive way. I'm not alone in my belief that the fiscal path of the US was entirely unsustainable.

More recently, it seems that the DOGE savings might be less impactful than originally thought. And in the meantime, Congress is working on tax legislation that only makes the budget deficit worse. I've heard that many lawmakers have been hearing about how our budget deficit and debt situation isn't sustainable for a very long time, and yet we haven't had a real problem yet. So far, they've been able to kick the can down the road. I now firmly believe that the bureaucracy and the system itself won't change until forced...by the bond market.

In my opinion, during Trump's first term, he looked to equity markets as a proxy for a report card – a strong stock market was a sign of success. Today, I believe the administration is laser focused on long term interest rates (partly because of Bessent's influence, and partly because of the \$9T that needs to be refinanced in the next year), and short-term stock market performance is inconsequential. While internet memes usually lack seriousness, occasionally they can be quite informative. I think this one is spot on.



## OUTLOOK

I'm a little concerned that long term rates haven't moved lower, especially given the drawdowns and volatility in equities – where one would expect Treasuries to be a safe haven. My guess is that the administration is concerned too. The US Dollar hasn't performed well either. With the global system of trade and finance rapidly changing, it's not exactly clear why long-term yields have risen. Less buying from foreign entities? China selling? Inflation or stagflation fears? We will be keeping a close eye on this, as I'm sure Secretary Bessent, self-proclaimed bond salesman for the US, will too. I hope that the administration sees rates and FX as the dashboard, for knowing how hard to push on tariffs.

Is all *mutatis omnibus* pulling forward the bond market's enforcement?

I don't know. I don't think anyone knows. The last five years have taught us to be skeptic of the experts, and I think this is no exception. The global economy and market are in a state of disequilibrium, and I would expect us to continue in that state until the new rules are established, and the market participants believe as much. As we saw on April 9<sup>th</sup>, the facts can change instantly.

Speaking of experts, the action or inaction of the Fed has been a bit inconsistent relative to prior messaging and policy, in my eyes. First off, I think we can all agree that over the last five years the Fed has demonstrated zero ability to forecast inflation, so I'm not sure why we want to trust their take on the impact of tariffs. Secondly, they've claimed to be data dependent. The data has been very clear – inflation has slowed significantly, and GDP is weakening. The Atlanta Fed's GDPNow metric is showing -2.2% GDP growth (-0.1% if you take out all the gold transfers). The data, which is always backward looking, is giving them the green light to cut rates.

It's important that we spend some time thinking about the goal of these tariffs. The administration has stated that these policies are designed to incentivize and bolster US manufacturing capabilities. The COVID experience was an eye-opening event: that decades of globalization gave us low-cost goods, but if we don't control the production of these goods, in times of trouble, we are at the mercy of our trading partners. For cheap t-shirts, maybe this is acceptable. For other, more strategically important goods, it might be wise to control our own destiny.

This seems to be a well-intentioned and noble goal, but this can only be achieved in the long run. I worry that we underestimate how difficult it will be to steer the economy in this way. Decades ago, goods with a "Made in China" stamp on them were generally perceived to be of lower quality, perhaps rightly so. But that is not the case today.

There's a parable that relates to this, and an experiment that has been replicated several times. The most popular version comes from the book *Art & Fear* by Bayles and Orland.

*The ceramics teacher announced on opening day that he was dividing the class into two groups. All those on the left side of the studio, he said, would be graded solely on the quantity of work they produced, all those on the right solely on its quality. His procedure was simple: on the final day of class, he would bring in his bathroom scales and weigh the work of the "quantity" group: fifty pounds of pots rated an "A", forty pounds a "B", and so on. Those being graded on "quality", however, needed to produce only one pot — albeit a perfect one — to get an "A". Well, came grading time and a curious fact emerged: the works of highest quality were all produced by the group being graded for quantity. It seems that while the "quantity" group was busily churning out piles of work — and learning from their mistakes — the "quality" group had sat theorizing about perfection, and in the end had little more to show for their efforts than grandiose theories and a pile of dead clay.*

China has clearly been the equivalent of the group on the left – producing as much as they can, as fast as they can. The unexpected side effect has been that the quality of the work is now quite good. I worry that this desire to revitalize the manufacturing base in the US is righteous enough, but may take a very long time to rebuild, longer than the election cycle.

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Let's shift gears and spend a few minutes on the AI space. Earlier this year, a group out of China released an AI model named DeepSeek. DeepSeek's performance was on par with some of the well-known and more established LLMs but was claimed to be trained on older generation NVIDIA chips and at a much lower cost. This news sent shockwaves through the AI investable universe, and investors worried that such a breakthrough would curtail demand for chips and other infrastructure.

The claims on training costs have since been disputed, and some are questioning whether some of the technology was built on existing techniques and possibly data from other AI firms. Regardless, DeepSeek did demonstrate some meaningful performance improvements, particularly around the Mixture-of-Experts (MoE) architecture.

We should all remember that technological advancement isn't a linear progression; it's much closer to a step function. Breakthroughs lead to lower costs or better performance, and that in turn leads to broader adoption and more demand. This is a feature of innovation, not a bug. Amazingly, I'm still shocked at how few of my friends use AI in any meaningful way (despite my pleas). We are still in the infancy of this trend.

In the last three months, we have seen huge improvements in publicly available AI tools. Most model providers are offering "deep research" versions, where the AI tool will spend a significantly longer time on the request, accessing sources in real time to construct a response. The latest versions of image generation tools seem like a quantum leap from those just a year ago. I think the most important takeaway is that we have yet to see diminishing improvements, despite the mindboggling pace of investment.

What's exciting to me, is that the AI investment narrative isn't one-sided anymore. The mania and excesses we saw last year have faded (e.g. SMCI). We are back to having a market, complete with AI Bulls and AI Bears, and as such, there is more opportunity for stock picking. I'll repeat my plea: if you're not using ChatGPT, Perplexity, Claude, Grok, or some other tool on a daily basis, you're missing out. Take the plunge!

### Putting it all together

A lot has happened since the beginning of the year. I think it's safe to assume that this next quarter will be similarly news-filled and complicated. I know I sound like a broken record, but it's worth repeating: the pace of change is accelerating. So much so, that it is nearly impossible to keep up with it all.

I don't know where this all leads. There is a lot at stake. I personally have been convinced that our country is on an unsustainable path with respect to spending and debt. I hope that Trump's plan is ultimately successful. Many markets are in disequilibrium right now and will probably remain so until there is some certainty on tariffs and other issues. As this administration is trying to build a new system of trade and revitalize manufacturing, we should expect that nothing creative or unorthodox is off the table.

As we have spent a great deal of time examining our portfolio's exposure to companies with tariff-related risk, one thing is clear. Small and mid-sized companies generally have less risk than their large counterparts. In fact, we have some companies who do all their manufacturing and sourcing entirely within the US and aren't directly affected at all.

Remember the lessons of Behavioral Economics. The recency and vividness of tariffs is probably crowding out thinking and analysis on all the other things affecting the economy. Losses hurt more than gains feel good. Everyone is anchored to the old regime; it will be very hard to recalibrate. Confirmation bias will drive us to reinforce our prior conclusions (especially about Trump). As scary as this market is, it's been terribly exciting for us. Bias is everywhere and efficiency is as low as I've seen in a very long time. For long-term investors with a stock picking focus, opportunity abounds.

As quickly as this tariff drama escalated, it could potentially resolve. I don't think that car sales manager liked me very much, but at the end of a hard and unpleasant negotiation, we ended up shaking hands and both walked away with something we wanted. How long that process takes is THE question, and no one knows the answer.



## PERFORMANCE FOR PERIOD ENDED 3/31/2025

	Quarter Ended 3/31/2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception Annualized (09/01/2011)	Since Inception Cumulative (09/01/2011)
<b>Stephens Small-Mid Cap Select Growth Composite Gross*</b>	-7.71%	-7.71%	-4.95%	1.90%	13.99%	10.95%	12.64%	404.43%
<b>Stephens Small-Mid Cap Select Growth Composite Net of Fees*</b>	-7.78%	-7.78%	-5.26%	1.58%	13.64%	10.64%	12.28%	382.61%
<b>Russell 2500® Growth Index</b>	-10.80%	-10.80%	-6.37%	0.55%	11.36%	7.43%	10.52%	289.37%

## GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS) REPORT

Year	Total Firm Assets (millions)	Strategy Assets		Composite Assets		Annual Performance Results				3 Yr. Annualized Standard Deviation		The investment objectives, risks, charges and expenses should be carefully considered before investing. 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
		USD (millions)	Number of Accounts	USD (millions)	Number of Accounts	Composite		Russell 2500® Growth	Composite Dispersion	Composite Gross	Russell 2500® Growth	
						Gross	Net					
2024	7,637	4,443	15	4,414	8	13.39%	13.03%	13.90%	0.05%	21.34%	22.80%	
2023	6,986	4,048	9	4,047	8	24.94%	24.52%	18.93%	0.10%	20.38%	20.95%	
2022	5,664	3,350	7	3,350	7	-29.03%	-29.25%	-26.21%	0.07%	25.13%	25.18%	
2021	7,845	4,506	5	4,506	5	16.68%	16.35%	5.04%	N.A.	20.76%	21.97%	
2020	6,916	3,889	6	3,889	6	44.60%	44.15%	40.47%	N.A.	23.43%	23.93%	
2019	5,416	3,064	5	3,064	5	30.43%	30.05%	32.65%	N.A.	15.55%	15.85%	
2018	4,301	2,408	5	2,408	5	6.62%	6.34%	-7.47%	N.A.	15.65%	15.33%	
2017	4,442	2,243	3	2,243	3	25.05%	24.75%	24.46%	N.A.	12.52%	13.04%	
2016	3,644	1,554	3	1,554	3	9.43%	9.19%	9.73%	N.A.	14.74%	14.67%	
2015	2,897	1,109	3	1,109	3	-0.86%	-1.11%	-0.19%	N.A.	13.52%	13.29%	

N.A. – Composite Dispersion information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. Strategy Assets include composite assets and assets from accounts that are excluded from the composite due to restrictions.

**Small and Mid Cap Select 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. 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.

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 Select Growth Separate Account Composite** has had a performance examination for the periods September 1, 2011 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 management fees and performance fees incurred. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The maximum fee charged is 1.10% of assets under management. Management Fees vary depending on the nature of the services rendered and other factors. Actual investment advisory fees incurred by clients vary. This composite includes two accounts in which we sub-advise a portion of a mutual fund. One of these accounts has a performance-based component known as a "fulcrum fee." The fulcrum fee modifies the base fee in a symmetrical manner, adding to our base fee in periods of outperformance and reducing our base fee in periods of underperformance. It is asset-weighted and based on our performance relative to our benchmark over the trailing 60-month period, calculated after accounting for base fees and after an allocation of the fund's expenses. At its maximum, the fulcrum fee can add or subtract up to 30% of the base fee.

The Small and Mid Cap Select Growth Separate Account Composite creation and inception dates are September 1, 2011.

Orders for certain accounts in the Composite are directed and do not pay commission charges. Assets in these accounts are 0.34% of total composite assets as of December 31, 2024.

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.