Stephens Investment Management Group®
The Power of Growth®

STEPHENS MID CAP GROWTH COMPOSITE

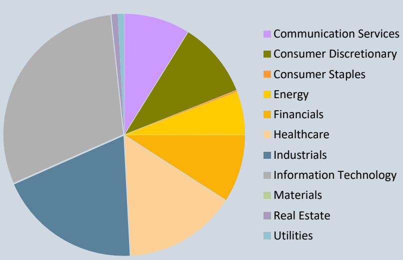
QUARTERLY COMMENTARY[1]
FOURTH QUARTER 2024

TOP 10 HOLDINGS*

COMPANY	% of PORTFOLIO
1. Palantir Technologies Inc.	2.85%
2. Axon Enterprise Inc	2.37%
3. Spotify Technology	2.13%
4. Tradeweb Markets, Inc.	2.13%
5. Copart, Inc.	2.01%
6. Guidewire Software, Inc.	2.00%
7. Burlington Stores, Inc.	1.94%
8. Marvell Technology, Inc.	1.90%
9. Manhattan Associates, Inc.	1.81%
10. Take-Two Interactive Software, Inc.	1.81%

SECTOR WEIGHTINGS*

Communication Services	8.86%
Consumer Discretionary	10.14%
Consumer Staples	0.20%
Energy	5.79%
Financials	9.09%
Health Care	15.09%
Industrials	19.20%
Information Technology	29.93%
Materials	0.00%
Real Estate	0.85%
Utilities	0.85%



**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

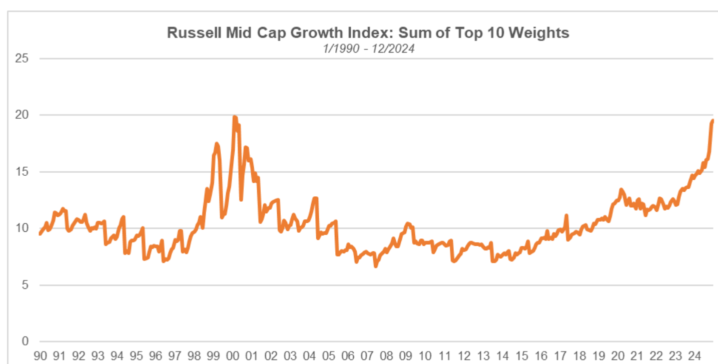
Reflecting back on 2024, it seemed as if each quarter had a year's worth of action in it, in terms of newsworthy events, economic change, political change, and shifts in market sentiment. With all eyes on the election and the wide array of potential outcomes, markets were relieved at the decisive result. Removing the overhang of uncertainty contributed to a sharp rally in risk assets. Investors quickly began trying to price in potential policy moves.

The S&P 500® Index posted a 2.41% gain for the quarter, in the face of a sharp move higher in long term interest rates. The 10-year treasury yield jumped by almost 79 basis points, even while the Federal Reserve made two more 25 basis point cuts to the Fed Funds rate. Bitcoin and other cryptocurrencies rallied post-election as well.

Economic data was generally good, including fairly stable employment numbers. Inflation metrics were stubborn though - this summer's enthusiasm over improving CPI numbers stalled toward the end of the year. There is a new sense of optimism, though uncertainty around the changing administration remains.

MID CAP GROWTH COMPOSITE PERFORMANCE

Large and mid-cap stocks performed best, while growth strategies trounced those with a value tilt. It was a beta-driven rally as equity flows were very positive, and sentiment jumped. Similar to what we experienced with our small cap strategy and the Russell 2000® Growth benchmark in the first half of 2024, the Russell Mid Cap® Growth Index has become significantly more concentrated – and risky – than it's been, maybe ever. At the end of the year, Palantir Technologies and AppLovin Corp represented 5.02% and 2.80% of the benchmark, respectively. The only other time this benchmark has been this concentrated (as measured by % of assets in the top 10 holdings) was in March 2000, which happened to coincide with a market top.



We haven't changed our process or philosophy – it's the benchmark that has been changing. In this instance becoming much more concentrated, and by most metrics, riskier. In a quarter where investors were seeking beta and risk, it made this benchmark very difficult to beat. The Stephens Mid Cap Growth Composite posted a gain of 4.06% gross of fees (3.94% net), but couldn't keep up with the Russell Mid Cap® Growth Index's return of 8.14%. Palantir alone contributed a whopping 2.56% to the index's return. Even though it was our largest position, and contributed 1.73% to our returns, our underweight position impacted our relative returns by 0.81%. We are underweight because our internal risk control protocols prevent us from getting anywhere near the benchmark's weight.

We did well in Communication Services, where we had some of the best absolute returns. Spotify continued its dominance in streaming, hitting all-time highs this quarter. We trimmed our position into the strength. We also sold Warner Music, in part because of Spotify's dominance; they haven't had the negotiating power we would have hoped. We added a new position in Reddit, an online community, as they are rapidly monetizing their unique user-generated content.

[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 © 2024, 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 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

We lagged the benchmark in Consumer Discretionary, primarily as a result of two issues: Wingstop and Bright Horizons Family Solutions. Wingstop has continued their strong fundamental performance, with same store sales growth hitting 20% and new store openings remaining on track. With a lofty valuation, investors penalized the company for having higher-than-expected expenses. Having reduced our position earlier in the year, we used this weakness to rebuild our position. Bright Horizons posted a slightly disappointing quarter, and the stock sold off sharply. However, evidence is mounting that the work-from-home trend has faded. Large employers are demanding that workers come back to the office full-time, fueling increased demand for Bright Horizon's industry-leading employer-driven child care. We added a little to our position.

Energy was another bright spot for us in absolute terms. We have a slight overweight position and our holdings here were up nearly 10% in aggregate. Crude prices are relatively low, after adjusting for inflation, and thus not a headwind for growth. More importantly, there are two major secular growth themes for natural gas – LNG exports and AI-driven electricity demand.

There were a lot of moving parts in Financials this quarter. We trimmed our exposure in FirstCash Holdings, as pawn shops may face headwinds from changes to immigration policy. We added a position in Evercore, based on higher expected M&A activity with the incoming administration. Our best performance came from Toast, Inc. as they continue to dominate restaurant point of sale systems.

Healthcare was lackluster again this quarter. Investors are a little skittish in front of potential changes with the incoming administration and the likelihood of RFK Jr. as the head of HHS. It felt a little like the calm before the storm. We did well again with our single biotech holding, Exelixis, as they posted a beat-and-raise quarter based on strength with Cabometyx. Acadia Healthcare was the only blemish on this quarter's performance. The company announced disappointing results because of a slowdown in referrals due to some bad press regarding patient care. We believe the issue is temporary, and management has been reassuring, calling the allegations false. The regulatory environment for behavioral health minimizes any competitive threats to the company. After last quarter's debacle, Dexcom recovered more than 16%.

Industrials were a source of relative strength this quarter. Axon Enterprise was a top contributor to returns again this quarter, as earnings growth is accelerating in part based on their new AI-related products. We initiated position a in Saia, Inc. – a leader in less-than-truckload shipping, and BWX Technologies – the leader in nuclear energy solutions.

Most of our relative underperformance came from Technology – not because of what we own, but more because of what we don't own, or in Palantir's case, what we don't own as much as the benchmark. Absolute returns were quite good, as our Tech holdings were up over 9% in aggregate. Palantir was our top contributor to returns (but perversely one of our worst relative contributors). Advancements in AI are driving growth and change across the sector. We enjoyed great returns from many of our AI-related holdings, like Marvell Technology, Cadence Design, and Pure Storage.

PORTFOLIO CHARACTERISTICS*

We had a very high level of activity and turnover in the strategy. We added seven new positions and eliminated four. Technology remains our largest sector at nearly 29%. Industrials and Healthcare are second and third. Communication Services stands out as an overweight position, while we are underweight Consumer and Financials.

Valuations are still expensive, up just a little from last quarter. Our weighted harmonic average P/E ratio is at 29.4. Growth accelerated again this quarter. Our median company grew earnings and revenues at 20% and 11% respectively this quarter, versus only 14% and 9% for the benchmark.

As more secular, fundamental growth themes emerge, it is no surprise that our exposure to *earnings catalyst* jumped up to 42.4%, while our *core holdings* make up the remaining 57.6%. This is one of the largest quarterly shifts we've ever seen.

OUTLOOK

A few quarters ago, I wrote a little about the Gell-Mann Amnesia Effect. This is the phenomenon that describes the situation where one can read a news article about a subject in which the reader has a great deal of expertise, and the reader finds the article to be full of errors and inaccuracies (the journalist might be well-intentioned, but doesn't have the expertise to realize the mistakes). But then when the reader sees the next article, one about which he does not have specific expertise, the reader believes that the article is entirely accurate. We fail to read them *all* with a sense of skepticism.

Whenever young people ask me for advice, I strongly encourage them to at least take a few courses in economics. Oftentimes, when young people don't ask me for advice, I will also encourage them to take a few courses in economics. I don't know if the world needs more economists, but I do know that a proper economics education can provide you a toolkit to understand and analyze some complex, counter-intuitive, and non-obvious issues.

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

OUTLOOK

If you never studied economics, or if it's been a while, allow me to refresh you on *elasticities*. Elasticity measures the sensitivity or change in demand or supply, given a change in price. Things that have very elastic demand will have large fluctuations in the amount demanded when prices change. For example, high-end luxury handbags have a relatively elastic demand profile – if the price drops, people will buy a lot more; and if the price goes up, they will defer or seek out other brands. Alternatively, insulin has very inelastic demand – if you need it, a rise in price might be very frustrating, but it almost certainly won't stop you from buying it; and a discount is great, but you won't need to buy more.

There are many factors that go into elasticity of demand, but mainly it's about how essential that product or good is, and whether or not there are substitutes or competing alternatives. To really have a sense of what happens to a good's price (and quantity) after a change in the market, elasticity of supply matters too.

When reading news articles about tariffs, please don't fall into the Gell-Mann Amnesia Effect! Much ink has been spilled on the notion that Trump's plan for tariffs will be inflationary, and nearly every one of these articles I've seen has been wrong. Consider the following:

- Tariffs are effectively corporate taxes. (And the people arguing that tariffs might spur inflation would never argue that higher corporate taxes would do the same.)
- Tariffs will undoubtedly have an impact on exchange rates, and those will likely offset some of the burden of the tariff itself (to the consumer).
  Revenue generated from tariffs could help reduce the deficit, and that might actually help reduce potential inflation.
- Economists study *tax incidence* – which is the way in which the burden of taxes are split between buyers and sellers. The tax is almost never simply passed through to consumers alone.

- Generally speaking, the result is determined by the relative elasticities of supply and demand. If demand is more inelastic, then consumers carry more of the burden. If demand is relatively elastic, the producers suffer more of the tax burden.

And most importantly…

- The change in prices of some goods relative to other goods is **NOT** inflation. Inflation is a deterioration of the purchasing power of the currency, and in my opinion is strictly a result of monetary and fiscal policy, namely too much money and/or too much debt.

I'm not saying tariffs won't have *some* impact, I'm just saying it's not inflation, per se. If we put a 10% tariff on goods from China, only some portion of that 10% will be passed on as higher prices (based on relative elasticities). If the prices of those goods affected by the tariff go up by 5%, for the consumers still buying those goods, they'll have incrementally less money to spend on other things. There's only so much money! Less demand for those other things, means that the price of those things would theoretically go down. Inflation only happens when there is more money to go around.

In short, I think the concerns over tariffs with respect to inflation are overblown. First off, we don't even know exactly what the proposed policies will be, and it's safe to assume they will change before they're implemented. More interestingly is that there will be changes in prices and quantities demanded of goods affected by the tariffs, and changes for goods that are substitutes. Some of those changes will benefit U.S.-based companies – that's the whole point! So, we aren't too worried about the *macro-related* impacts of tariff policies, but we are paying attention to companies that may be affected. (N.B. I realize this is a simplified analysis and that there are second order effects which I haven't addressed.)

Now, speaking of inflation, a lot has changed since the end of last quarter. The Fed had just given us a 50 basis point cut at the end of September, presumably based off of the perceived improvement with inflation. This last quarter, we got two more 25 basis point cuts from the Fed. It's important to note that the bond market doesn't seem to be on board just yet – the yield on the 10-year treasury has gone almost straight up since that first rate cut.

It probably won't surprise you to know that I don't think we are out of the woods yet. I stand by the arguments I made last quarter on inflation:

- CPI understates true inflation.
- Deflationary forces aren't uniform.
- Policy has been very inflationary, but deflationary forces like innovation and globalization have masked or mitigated some of it.
- There is no deflationary offset for most assets, hence the performance of equities, real estate, gold, cryptocurrencies, etc.
- AI technology will be deflationary, but perversely might provide cover for even more accommodative and inflationary policy.

I was starting to think that there really was no way out of our inflationary problem. Today, there is some hope.

OUTLOOK

Politics aside, there are three very interesting *policy* aspects of President Trump's incoming administration. The first is DOGE (the Department Of Government Efficiency) which technically would just be an advisory commission. It's unclear just how much sway this effort will have, but there are some big names behind it, including some cross-partisan support. I think most of us would agree that the Federal government isn't known for being an efficient spender. For example, the Pentagon hasn't passed an audit since they started performing them. Compared to the public companies in which we invest, the government has far worse controls, accountability, and transparency. I have no doubt that there is some very low hanging fruit. It's human nature. Here's a wonderful quote from Milton Friedman:

> *There are four ways in which you can spend money. You can spend your own money on yourself. When you do that, why then you really watch out what you're doing, and you try to get the most for your money. Then you can spend your own money on somebody else. For example, I buy a birthday present for someone. Well, then I'm not so careful about the content of the present, but I'm very careful about the cost. Then, I can spend somebody else's money on myself. And if I spend somebody else's money on myself, then I'm sure going to have a good lunch! Finally, I can spend somebody else's money on somebody else. And if I spend somebody else's money on somebody else, I'm not concerned about how much it is, and I'm not concerned about what I get. And that's government.*

I believe that the ultimate source of inflation is the government spending (other people's) money they don't have, racking up debt that they can only repay by creating more money. If there's a chance that government spending can be reined in, then there is reason for hope! The market appeared to be pricing some of this sentiment in post-election, but that seems a bit premature to me. Even if DOGE actually happens, and their recommendations are implemented, it will take quite some time to move the needle. There will be many other factors driving inflation between now and the time when we might potentially even begin to measure the impact of DOGE.

Another area for hope is in Healthcare. Healthcare spending represents a whopping 17.6% of GDP, and grew by 7.5% in 2023. Growth in Healthcare spending is expected to outpace GDP for the foreseeable future, meaning that its share of GDP will only grow. It would be hard to develop an exhaustive list of why this is happening; there are many reasons. One is that same problem that Milton Friedman identified – with insurance, you're spending someone else's money on yourself. The second is back to elasticities. The elasticity of demand for life-saving drugs is almost entirely *inelastic* – there's no price too high to save your loved one – which makes it far easier for pharma companies to charge very high prices.

I understand that RFK Jr. might be a controversial figure, but I think everyone would agree that his agenda is disruptive. If he gets confirmed and is successful at "making America healthy again," there could be profound economic implications. Healthcare spending is crowding out other, more productive forms of spending, and it represents a disproportionate share of Government spending (which leads to debt and inflation).

On top of that, there is some emerging evidence that some very inexpensive medicines might have legitimate therapeutic benefits that aren't yet widely recognized. One of the structural problems with our Healthcare system is that there is almost no economic incentive to find cheap and effective treatments, certainly not for the companies involved in traditional treatment protocols. The research to explore and verify the potential of inexpensive (and off-patent) treatments falls into the realm of *public goods*. Private enterprises have no incentive to pay for this (and incumbent cancer drug producers have a very strong incentive to prevent this from happening). Public goods are exactly the kind of thing the government *should* be paying for.

I realize this line of thinking is speculative. I don't know that RFK Jr. will be confirmed, or successful. I don't know if clinical trials and testing will ever be done for these potential remedies, and if they are, I can't know if they will validate the speculative hope. However, should they happen, these are needle-moving events. Developments like this could reverse the trajectory of ever-increasing healthcare costs, thereby reducing government spending and debt, and potentially shrinking insurance costs, allowing employers to pay higher wages. It's rare to find these opportunities of this magnitude for improvement in the economic condition of developed economies. Maybe the odds are low, but the outcome would be large, and worth paying attention to.

The other big, needle-moving phenomenon is Artificial Intelligence. Before we go into the recent developments there, and since we've been spending time on Healthcare, let's delve into the intersection of generative AI and Healthcare.

I think there are many avenues by which advancements in AI could transform medicine, including but not limited to drug discovery, research, clinical improvements, and operational efficiencies. It's already proving its worth as a diagnostic tool.

I have had some knee issues over the years, and I've learned quite a bit about the knee and hip and joint health in general, but I was stumped about a year ago when I had some debilitating pain. I had no idea what I had done to it or what the problem could be. I went to ChatGPT and told it the problem and prompted it to ask me questions, just like a doctor would in a clinical exam. It gave me a list of possible conditions: meniscus tear and a couple of other obvious choices, but then it had listed an "injury to the popliteal tendon." I had never heard of that one before.

The pain was bad enough that I went to a doctor friend of mine. Upon the initial exam and X-ray, he thought it was just arthritis and loss of cartilage. I did have a bone fragment loose in there too. Surely it was one of those things.

Eventually I had an MRI, and my doctor was shocked while reading the result, "I almost never see this. It's a very unusual thing. But you have a cyst on your popliteus."

It turns out that my experience with AI's diagnostic ability wasn't a fluke. A recent study showed ChatGPT's o1-preview model significantly outperforms doctors and even doctors assisted by AI in its diagnostic ability.

Figure 5: Comparison of o1-preview, GPT-4 and Physicians for Management and Diagnostic Reasoning

A. Grey Matters Management Cases: o1-preview Management Reasoning Scores Compared to GPT-4 and Physicians

B. Landmark Diagnostic Cases: o1-preview Diagnostic Reasoning Scores Compared to GPT-4 and Physicians

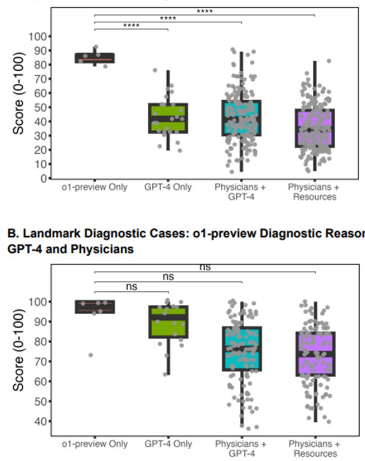
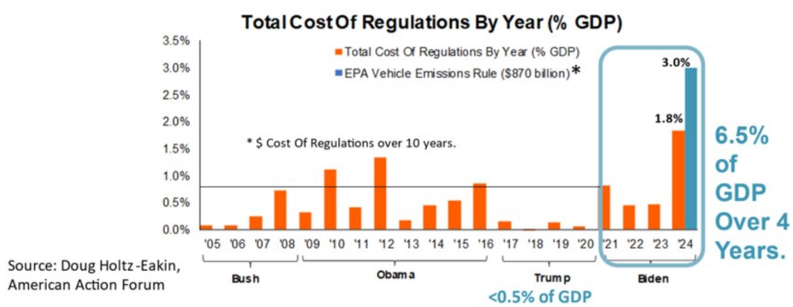


Figure 5: A. Box plot of normalized management reasoning points by LLMs and physicians. Five cases were included. We generated one o1-preview response for each case. The prior study collected five GPT-4 responses to each case, 176 responses from physicians with access to GPT-4, and 199 responses from physicians with access to conventional resources. *: p <= 0.05, **: p <= 0.01, ***: p <= 0.001, ****: p <= 0.0001.
B. Box plot of normalized diagnostic reasoning points by model and physicians. Six diagnostic challenges were included. We generated one o1-preview response for each case. The prior study collected three GPT-4 responses to all cases, 25 responses from physicians with access to GPT-4, and 25 responses from physicians with access to conventional resources. Ns: not statistically significant.

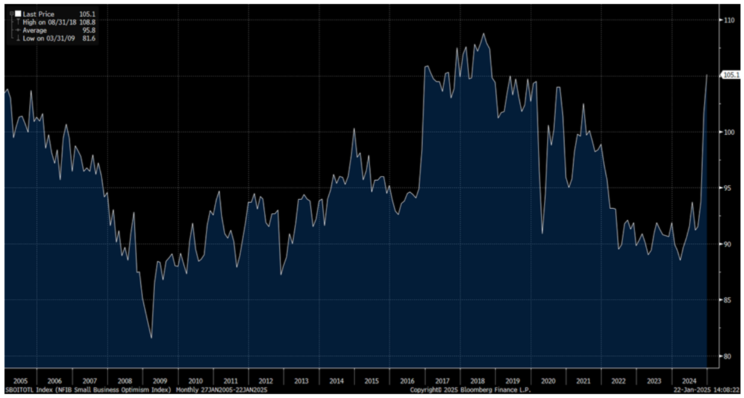
In a mature, developed economy, usually improvements are very incremental. This could be a leap. I realize that there will be regulatory hurdles, and pushback from the established industry, but capitalism and competition should eventually win the day. Better, cheaper healthcare won't solve the inflation problem alone (again, these are just relative price changes), but it does free up money that can be deployed in other, more productive ways. Additionally, given how much government spending is on healthcare, this might ultimately impact the debt and deficit in a positive way – and *that* could help inflation.

The third catalyst from the incoming Trump administration is the promise of a lower regulatory burden. The economics team at Piper Sandler, led by the phenomenal Nancy Lazar, published some data, trying to quantify just how impactful this issue could be. See below.



"Regulation is costly. .... <u>Medium-sized firms experienced 47% more costs than small firms and 18% more than large firms to comply with regulations.</u>"
The Regulatory Review (U of Penn) 2/24.

Many CEO's are giddy about the change. Look at the big uptick in small business optimism. The only other time we saw this big of a move was with Trump's win in 2016.



And for even more reason to be optimistic, advancements in AI technology plowed ahead again this quarter. AGI and ASI (Artificial General Intelligence and Artificial Superintelligence), which many people thought were either unattainable or years away, are rumored to be around the corner. AI's ability to assist in creative endeavors and even research is now coming to light. Improvements in image and video generation have had another step up – it has become very difficult to distinguish real from AI-generated images. Hollywood should be nervous.

These aren't the only examples, of course. With today's pace of innovation, there are many avenues which could lead us to a more efficient, more productive economy. We recognize these advancements as potential fuel for a better economy, contributing to reduce the inflation burdens we face. More importantly for us is that the mechanism through which these advancements impact the broad economy is through the growth and competition between individual companies in free markets. As we've said before, there will be winners and losers. Change is afoot.

In closing, I'd like for you to consider something a bit more personal. I was telling my kids the other day about life before the Internet. There was no email; there were no search engines. We looked up phone numbers in the white or yellow pages. People relied on communicating through what we now call "snail mail." Most of you reading this will know what I mean. And then we spoke of the time before cell phones. I would keep some quarters on hand so I could use a pay phone to check in with my parents. Being out of touch was the norm. And then again on the time before smart phones.

In retrospect, it's clear to see these were irreversible inflection points in civilization. There was life before Internet/cell phone/smart phone, and there is life after. We still don't know all the long term ramifications. It will be the same with AI. We are all living through the transition. Today, it is reckoned that publicly available AI tools have the capability of PhD or even Nobel Laureate-level understanding of *every* subject. It used to be fairly easy to find a so-called hallucination from AI. Now you have to be a true expert in a subject to detect a mistake by AI. Having that level of expertise on all of humanity's knowledge at your fingertips, 24/7 is a shocking situation.

When I first learned to drive, I had a physical map in my car. If I was going somewhere new, I'd literally have to stop and study the map and plan my route. Eventually, I learned the city. It would be quite easy for me to draw a detailed map of Houston just from memory. My kids cannot do this. Apple Maps has spoiled them. **They don't get lost the way I did, but they also haven't learned**. Are they better off?

Struggling *is* learning. In the gym, you don't get stronger by lifting easy weights, you get stronger by pushing weights that cause you to struggle and nearly fail. The same is true with the mind. If you ever had a calculus class trying to figure out the integral of a function you haven't seen before, and then finally have a breakthrough and solve the problem, you know how rewarding that can be. *That* is learning.

I worry that AI technology will have a bifurcating effect on humanity. For some, it will be like Apple Maps – it can solve the problem for you, getting you from point A to point B, figuratively in this case, and bypassing the struggle *and* the learning. For a few, it won't be a crutch, it will be an educator or trainer – helping you find new ways to struggle… and learn. I believe it is a rare and disciplined person that will take full advantage of AI capabilities. I hope that society's capacity for critical thinking doesn't go the way of navigating in the car, but I fear it will. If it does, power will accrue to the few that commit to the journey, that embrace the struggle. Take the AI plunge, just harness it to be your educator, not your crutch.

PERFORMANCE FOR PERIOD ENDED 12/31/2024

	Quarter Ended 12/31/2024	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*	4.06%	14.34%	14.34%	1.70%	11.10%	12.54%	11.23%	623.23%
Stephens Mid Cap Growth Composite Net of Fees*	3.94%	13.80%	13.80%	1.22%	10.57%	11.93%	10.52%	542.24%
Russell Midcap® Growth Index	8.14%	22.10%	22.10%	4.04%	11.46%	11.53%	10.37%	526.11%

GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS) REPORT

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 Gross	Composite Net	Russell Midcap® Growth	Composite Dispersion	Composite Gross	Russell Midcap® Growth
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%
2014	3,430	165	6	31	4	0.43	4.19%	3.40%	11.90%	N.A.	11.71%	10.87%

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 decisions.

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 prices of such stocks may be more volatile than those of larger company stocks. Clients' investment results and principal value will fluctuate.

•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 11/30/23.
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, 2023. 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, 2023. 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 1.99% of total composite assets as of December 31, 2023.

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.