

MARKET OVERVIEW

On the heels of two years of healthy returns, the market continued its upward trajectory in the first quarter of 2011. The S&P 500® posted a gain of 5.92%. Small and mid cap stocks fared even better – the Russell Midcap® Growth Index was up 7.85%.

Political unrest in the Middle East led to toppled regimes in Egypt and Tunisia and a civil war in Libya. Many other neighboring countries experienced various levels of protest. Fears of supply disruption led to higher oil prices. Other commodity prices continued their upward journey, with gold, silver, and many agricultural goods hitting 52-week highs. Additionally, the massive earthquake and subsequent tsunami in Japan killed thousands of people, destroyed hundreds of billions of dollars of infrastructure, and left behind a nuclear disaster that might possibly be on scale with Chernobyl or even worse.

The market's resilience and ability to shrug off many of these negative events continued to surprise many investors. The domestic economic situation showed a few signs of improvement. Although unemployment still sits at roughly 9%, it has come off its peak. Earnings results were generally good. Business confidence has improved, and corporate America's balance sheets appear healthy.

There is no doubt that the stimulative monetary policy is playing a part in rising asset prices as well. Although it is clearly not sustainable, for now the combination of interest rates at essentially zero and the Quantitative Easing mechanism have fueled some of the market's rise.

PERFORMANCE OVERVIEW

The Stephens Mid Cap Growth Fund (Class A) was up 7.95% (without sales charge) for the first quarter of 2011, slightly edging out the Russell Midcap® Growth Index.

Consumer stocks trailed the overall market again this quarter, but our holdings here did much better. Whole Foods Market Inc. was a top contributor again. Netflix Inc. also stood out at a top performer.

Energy was also a great source of strength for the Fund, and our overweight position helped. The price of oil rose with other commodities, but also as a result of fears concerning supply disruptions in the Middle East. After the oil spill and moratorium in the Gulf of Mexico last year, activity has slowly been picking back up. Our investments with exposure to various natural gas shale plays around the country also performed well.

Healthcare stocks rallied this quarter and many of our core growth holdings here performed well. Once again, the Fund benefited from merger and acquisition activity, as one of our biopharmaceutical companies, Cephalon Inc., became an acquisition target at the very end of the quarter.

In a departure from what we saw in the small cap universe, Technology stocks were weaker than most other sectors. After many quarters of boosting our returns, F5 Networks Inc. detracted from the Fund's performance as it traded lower based on a quarterly report that was good, but not good enough for its lofty valuation. ARM Holdings PLC was the Fund's top contributor on continued success with microprocessors for consumer devices.

The Fund's holdings in Financials lagged those in the benchmark, but this was a very small part of the portfolio and did not have much impact overall.

Performance data as of 3/31/11

Average Annualized Total Returns

	3 Month	YTD	1 Year	3 Year	5 Year	Since Inception	Since Inception Date	Expense Ratio Gross	Expense Ratio Net [«]
Stephens Mid Cap Growth Fund Class A (w/out Sales Charge)	7.95%	7.95%	27.45%	6.64%	4.39%	4.85%	2/1/06	2.01%	1.51%
Stephens Mid Cap Growth Fund Class A (w/Sales Charge)	2.24%	2.24%	20.70%	4.75%	3.27%	3.77%	2/1/06		
Stephens Mid Cap Growth Fund Class I	8.03%	8.03%	27.78%	6.93%	-	7.82%	8/31/06	1.76%	1.26%
Russell Midcap® Growth Index	7.85%	7.85%	26.60%	7.63%	4.93%	A: 5.06% I: 6.83%			
S&P 500® Index	5.92%	5.92%	15.65%	2.35%	2.62%	A: 2.80% I: 2.53%			

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

[«]The Investment Advisor has contractually agreed to reduce its fees of the Fund to ensure the total amount of Fund normal operating expenses does not exceed 1.50% for Class A and 1.25% for Class I of the Fund's average daily net assets until March 31, 2012. Investment performance reflects fee waiver, in the absence of such waivers, total return would be reduced.

PORTFOLIO CHARACTERISTICS

There was very little change among sectors. Technology and Healthcare remained the Fund's largest sectors at roughly 30% and 18%, respectively, and both are significantly overweight versus the benchmark. Our position in Energy grew slightly as did our exposure to Basic Materials.

Valuations ended the quarter at about the same level. The Fund's median company still trades at about 20 times its next twelve months earnings estimate, while those same earnings were expected to grow at 16% versus the prior twelve months. Although lower than last quarter's levels, actual growth rates remain above forecasts at 22%.

OUTLOOK

In behavioral economics, the notion of *hyperbolic discounting* is a model of explaining why people make time-inconsistent decisions. Essentially, we heavily discount the cost (or benefit) of things in the future, while recognizing the full benefit (or cost) in present time. It helps explain why people procrastinate or defer activities that they know will benefit them in the future when the cost is now. Think: flossing your teeth, doing your taxes, going to the gym, starting that diet. In each case, the cost is now, but the benefit accrues further down the road. For matters where there is instant gratification, the decision is much easier. When both the cost and the benefit are in the future, easy conclusions can be reached. *Of course I want to start going to the gym, I'll be healthier, look better, live longer, and so on...*

But when the time comes to actually drive to the gym and start that workout, the decision changes. The cost is now: the price of the gym membership, the drive there, the time it takes to workout, the inconvenience of changing clothes, etc., but the benefit is all in the future. You won't walk out of the gym being noticeably healthier right away. So you decide to skip the gym that day, but tomorrow...you'll go for sure.

Do you see where I'm going here? Of course we want a balanced budget. Yes, we need to reduce the level of Federal debt. No, we can't keep interest rates at zero forever. QE2 should come to an end, and the initiation of QE3 would probably be unwise. However, politically, these issues are all *hyperbolically discounted*. And even though we all know what the right thing to do is, it's very hard to actually get it done. So now you have an important sounding way of saying the same thing as "kicking the can down the road".

It's unclear how far we can keep kicking, and what the eventual catalyst to change our current trajectory will be. An oil shock? An inflationary spiral? An administration and congress that finally deal with the issue? So called "bond vigilantes" cracking down on U.S. debt?

In the meantime, things are getting a little better. A virtuous cycle is possible – it's what the optimists are counting on. Employment data has improved (although partially because people are dropping out of the workforce). Gross Domestic Product is growing. Corporate profits have been healthy, and business confidence is good. In as much as the stock market is a leading indicator, that's a good sign as well.

The conclusion is similar to the one we have been expressing over the last few quarters. Things are getting better, but the easy money has been made. There are some looming macro-related problems with which the market and the economy will eventually struggle, but not necessarily in the near term. The exception of course is inflation, or maybe not inflation per se, but a price shock. Since the "easy money has been made", we are excited about the potential differentiation in the market. We believe that the complexities in today's economy will cause investors to favor higher quality companies that can exhibit superior organic growth. It just so happens to be our specialty.

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

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 S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. You cannot invest directly in an index. **Forward EPS Growth:** Earnings per share (EPS) is calculated by taking the total estimated forward earnings divided by the number of shares outstanding by the price per share. **Forward earnings does not guarantee a corresponding increase in the market value of the holdings or the Fund.**

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

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

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

NOT FDIC INSURED MAY LOSE VALUE NOT BANK GUARANTEED

Quasar Distributors, LLC, distributor

TOP TEN HOLDINGS

Stericycle, Inc.	1.66%
Cognizant Technology Solutions Corp.	1.64%
Netflix, Inc.	1.62%
Newfield Exploration Co.	1.61%
Core Laboratories NV	1.61%
Cerner Corp.	1.60%
Iron Mountain, Inc.	1.60%
Illumina, Inc.	1.56%
F5 Networks, Inc.	1.54%
ARM Holdings PLC - ADR	1.52%

TOTAL TOP TEN HOLDINGS* **15.96%**

* Excludes Money Market Fund holdings.

Fund holdings and asset allocations are subject to change and are not recommendations to buy or sell any security.

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