

MARKET OVERVIEW

The powerful rally that began in early March continued through the end of the year, delivering returns no one would have thought possible nine months ago. The S&P 500® Index was up 26.46% and the Russell 2000® Growth Index gained 34.47% on the year.

The stability that investors crave has quietly displaced the fear and volatility we have endured since the summer of 2007. Although economic reports remain depressed, most are either no longer in decline or are actually improving. Throughout the year, corporate profits have been surprisingly healthy, as many companies aggressively controlled costs.

Initially, the rally was very broad based – a rising tide, lifting all boats but those that were about to sink had more to gain. In percentage terms, the performance was biased toward lower quality companies, but this trend showed signs of reversing in the fourth quarter. Growth outperformed value at every market cap level.

PERFORMANCE OVERVIEW

The Stephens Small Cap Growth Fund Class A gained 4.92% (without sales charge) in the fourth quarter of 2009, besting the Fund's benchmark, the Russell 2000® Growth Index by 0.78%. For the year, the Fund had returns of 36.25% (without sales charge).

The Fund's holdings in Consumer stocks did very well. Our restaurant stocks were particularly strong. We also had success with IMAX Corp. based on excellent results at the box office and growing demand for a differentiated theater experience. We sold our position in Guess? Inc. as the stock performed so well it had grown outside of our market cap parameters.

Athenahealth Inc. was a top contributor, and our other holdings in healthcare IT performed well too. But we trailed our benchmark in Healthcare, in part because of reimbursement fears for a top holding, NuVasive Inc.

As it has been nearly all year, Technology was once again a source of strength for the Fund. Throughout the year we have mentioned the stellar performance of STEC Inc., but we have also been opportunistically taking profits. This strategy paid off as we had reduced our exposure to STEC before it sold off during Q4. The holiday selling season had mixed results with retailers, but there was one clear beneficiary – online sales. Cybersource Corp. is a leader in online transaction processing and a top holding for us.

Energy was our best performing sector in nominal terms, and our large overweight position here added to the Fund's return. Both oil and natural gas prices moved higher, and the stocks followed.

Our holdings in Financials did well, in particular Ezcop Inc. and First Cash Financial Services Inc., as pawn shops outperformed and had gains due to their exposure to gold.

Performance data as of 12/31/09

Class A	3 Month	YTD	1 Year	3 Year	Since Inception (12/1/05)	Expense Ratio Gross	Expense Ratio Net [Ⓔ]
Stephens Small Cap Growth Fund (w/ Sales Charge)	-0.61%	29.08%	29.08%	-4.09%	-1.77%	1.54%	1.35%
Stephens Small Cap Growth Fund (w/out Sales Charge)	4.92%	36.25%	36.25%	-2.36%	-0.47%		
Russell 2000® Growth Index	4.14%	34.47%	34.47%	-4.00%	-0.44%		
S&P 500® Index	6.04%	26.46%	26.46%	-5.63%	-0.95%		

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 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%.

[Ⓔ]Effective December 1, 2009, 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 1.35% of the Fund's average daily net assets through March 30, 2010 and indefinitely thereafter. Investment performance reflects fee waiver, in the absence of such waivers, total return would be reduced.

PORTFOLIO CHARACTERISTICS

Technology grew to about 31% of the Fund's assets. This was offset by slight reductions in exposure to Healthcare, Consumer Discretionary, and Industrials at 22%, 14%, and 8%, respectively. Relative to our benchmark, we are overweight Technology, Energy, and to a lesser degree, Financials. We are underweight in Industrials and Materials.

Even with the market appreciation, we managed to reduce the Fund's median market cap this quarter by taking profits in some of our larger stocks and initiating positions in new, smaller companies.

Growth rates and valuations have continued to rebound in tandem. Our median company's price-to-earnings multiple is 20.6, up slightly from 19.8 last quarter. Earnings estimates have also improved, as our median company is expected to grow more than 20% over the next twelve months. Numbers have improved for the benchmark in a similar fashion. The biggest difference however, is with actual growth rates. Our median stock grew earnings at 10.8% in the most recently reported quarter, while the same metric for the benchmark is only 4.4%.

Our balance between *core growth* and *earnings catalyst* companies has again shifted slightly in favor of core growth. However, it is worth noting that more than ever, we have stocks that have characteristics of both categories, and that through the downturn several catalyst companies exhibited the resilience and consistency that we associate with core holdings.

OUTLOOK

This year's low quality rally serves as a reminder that good companies aren't always good stocks. We have commented before on the perverse performance bias favoring the companies with the worst fundamentals – those that had suffered the most. The high quality companies that provided relative protection on the downside didn't quite keep up on the rebound.

The easy money from bouncing off the bottom has been made. We believe that further gains will require improving fundamentals. Valuations aren't cheap anymore and the positive earnings reports from cost-cutting will only last so long. We believe that the stocks that will warrant higher prices will be the ones that are growing.

While the economy seems to have stabilized, the absolute levels of economic activity and employment are still quite depressed. The tailwind of synchronized global growth has subsided, and as such, organic revenue growth will be scarce. We believe that there will be a scarcity of value among these high quality growth stocks, as investors are willing to "pay up" for the better companies.

Lastly, this has been a reluctant bull market. The general consensus seems to be that we may have come too far too fast, or that we are due for a pull-back. Consequently, investors are still sitting on a fair amount of cash. Maybe those things are true, but our contrarian attitude tells us that the fact that people are expecting a pull-back means we are less likely to get a big one.

There are still concerns and fears on the horizon. As we mentioned above, the economy has not fully recovered. Additionally, we are very mindful of the risks of inflation. That being said, we are optimistic about our relative ability to perform. We believe that we are entering an environment that favors quality growth stocks, which happens to be what we do best.

The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Growth Index measures the performance of those Russell 2000 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. The Price to Earnings (P/E) ratio reflects the multiple of earnings at which a stock sells.

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

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TOP TEN HOLDINGS

CyberSource Corp.	1.82%
VistaPrint Ltd.	1.73%
Core Laboratories NV	1.58%
Ansys, Inc.	1.49%
IMAX Corp.	1.47%
Portfolio Recovery Associates, Inc.	1.30%
LKQ Corp.	1.25%
athenahealth, Inc.	1.20%
PSS World Medical, Inc.	1.19%
NuVasive, Inc.	1.14%

TOTAL TOP TEN HOLDINGS* 14.17%

* Excludes Money Market Fund holdings.

Fund holdings and asset allocations are subject to change and are not recommendations to buy or sell and security. *Current and future portfolio holdings are subject to risk.*

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