

***STEPHENS INC.  
111 Center Street  
Little Rock, Ar. 72201  
(501) 377-2000***

**Informational Brochure regarding the**

**Stephens Fixed Income Management Program**

**Form ADV - Schedule H**

**This brochure provides clients with information about Stephens Inc. and the Stephens Fixed Income Management Program that should be considered before becoming a client of the Stephens Fixed Income Management Program. This information has not been approved or verified by any governmental authority.**

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**STEPHENS INC.**  
**Schedule H**  
**Informational Brochure regarding the**  
**Stephens Fixed Income Management Program**

Stephens Inc. (“Stephens”) is a full service broker/dealer and investment bank. It is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (“FINRA”), the New York Stock Exchange, Inc. (“NYSE”), the NYSE AMEX Equity Firm (“AMEX”), the Chicago Stock Exchange (“CHX”), the Municipal Securities Rulemaking Board (“MSRB”), the Chicago Board Options Exchange, Inc. (“CBOE”) and the Securities Investor Protection Corporation (“SIPC”). Stephens is also registered as a Futures Commission Merchant with the Commodities Futures Trading Commission (“CFTC”) and is a member of the National Futures Association (“NFA”). Stephens Inc. is also registered as an investment advisor with the Securities and Exchange Commission; however, Stephens Inc. derives greater revenues from its broker/dealer and investment banking activities than it derives from its investment advisor activities. Affiliates of Stephens are also separately engaged in financial services businesses, including merchant banking, insurance agency and investment advisory businesses.

Stephens Fixed Income Management (SFIM) is an investment advisory division of Stephens Inc., registered with the SEC as an investment advisor. SFIM and certain of its employees may also provide brokerage and other services to certain clients or engage in other functions and duties associated with the broker/dealer, to which they may devote as much time as necessary.

Certain investment advisory services are provided to clients through the Stephens Fixed Income Management. SFIM will manage and direct the investment of the capital in each client’s account on the basis of the individual objectives and needs of the client within the criteria established by the SFIM program.

**Stephens Fixed Income Management Program**

Stephens Fixed Income Management Program as a division of Stephens Inc manages client assets on a discretionary basis. All accounts are advised and managed by the Fixed Income Committee, which has overall responsibility for investment policy, strategy and security selection. The Fixed Income Committee is responsible for making day-to-day investment decisions. The goal of SFIM is to seek to earn the best possible return in income investments for the client consistent with the client’s investment objectives. SFIM seeks to fully invest cash balances at all times. The portfolio objective will be to invest in fixed income securities and money market mutual funds, which invest in fixed income securities.

## **Types of Clients**

The SFIM Program is available to individuals, banks, foundations, pension and profit sharing plans, trusts, IRAs, endowments, corporations, partnerships and any other entities requiring investment services.

## **Management Fee Schedule**

Stephens Fixed Income Management ("FIM") calculates its fee based on a negotiated annual fee that is quoted in basis points.

FIM fees apply to standard accounts and include management, brokerage services\* and investment management reports. In the event this agreement is terminated between quarter-ends, such fees shall be prorated as of the date of termination. The fee is deducted from the account by FIM quarterly unless otherwise agreed in writing. FIM clients will receive a Fee Statement shortly after the deduction of the fee.

The fee for the period from the opening of the account ("effective date") to the end of the calendar quarter shall be obtained by computing the weighted average of the daily market value of cash and securities in the portfolio during such period and multiplying the resultant weighted average market value by one-fourth of the applicable annual fee as indicated above, pro-rated for the percentage of the original calendar quarter during which the portfolio is under management.

The fee for any subsequent three-month period shall be the amount obtained by computing the weighted average of the daily market value of cash and securities in the portfolio during such period and multiplying the resultant weighted average market value by one-fourth of the applicable annual fee as indicated above.

- \* Investment advisory clients have the option to seek execution of transactions recommended by FIM through broker-dealers other than Stephens Inc. However, on transactions executed through Stephens Inc., Stephens Inc. will not charge a commission to the client except when securities of an underwritten issue in which Stephens Inc. is in the syndicate are purchased for the account, in which case the sales and underwriting fees are built into the offering price.

Typically, a portion of any revenue that the firm realizes in connection with an advisory account will be included in the calculation of the compensation to be paid by the firm to the investment advisory account representative; and, therefore, the investment advisory account representative will experience conflicts of interest similar to those experienced by the firm.

## **Investment Management Agreement**

Entering into an advisory relationship with SFIM involves the execution of an investment advisory agreement. The terms of the agreement between the client and SFIM shall be for a period of one year beginning on the effective date of the contract, provided that it shall automatically be renewed for successive additional one-year terms without further action by the parties. At the time of entering into such contract, the client has a right to terminate the contract without penalty within five (5) business days after the entering into the contract. At any time, the contract may be terminated without penalty by either the client or SFIM, upon fifteen (15)

days notice given in writing to the other party hereto. Upon termination of the contract and payment of all sums, which may be owed under the contract, SFIM shall make such disposition of the managed securities or other property of the client held by it as may be directed by the client. The client will agree to pay SFIM the reasonable costs and expenses of collection, including attorney fees, for any unpaid balances under the contract.

From time to time, only in special circumstances, the fees may be negotiable or otherwise varied. These fee arrangements could include flat fee and/or commission compensation. Fees will be payable on a schedule as negotiated by the parties.

Information about the client is communicated to the portfolio managers on the initial opening of the advisory account. A new account application is completed for or by the advisory client and maintained by Stephens. The new account application contains account name and address, investment objectives and specific financial information. The information is updated upon notification from the advisory client of any material changes and noted within the customer file.

### **Conditions for Management**

Generally, a minimum of \$100,000 in assets is required for the establishment of investment advisory accounts under the SFIM Program. However, exceptions may be made to this policy.

### **Other Stephens Wrap Advisory Programs**

Stephens Inc. sponsors the Stephens Capital Management (“SCM”) program. SCM is a separate program, which manages client assets on a discretionary basis and a non-discretionary basis, utilizing both equity and fixed income strategies. This would include **Stephens Capital Management Discretionary (“SCMD”), the Stephens Capital Management Fixed Income Strategy (“SCMFIS”), the Real Return Strategy (“RRS”) Programs and the Asset Allocation and Advisory Program (“AAA”).**

Stephens Inc. sponsors the **Stephens Small-Mid Cap Growth Program (SMID)**. The investment portfolio of SMID accounts is managed by Stephens Investment Management Group, LLC (SIMG), an affiliate of Stephens Inc. SIMG will manage and direct the investment of the assets in each Stephens Small-Mid Cap Growth Program client’s account on a discretionary basis in accordance with its small and mid cap equity investment style and on the basis of the individual objectives and needs of the client within the criteria established by the SMID program.

The **Stephens Asset Maximizer (“SAM”)** program is also sponsored by Stephens Inc. SAM is a separate program, which manages client assets on a non-discretionary basis, utilizing outside money managers in equity, fixed income and mutual fund strategies.

The **Stephens Advisor (“SA”)** is a non- discretionary program sponsored by Stephens Inc. In the SA Program, professional registered personnel (the “Stephens Advisers”) provide advice to clients utilizing equity strategies, fixed income strategies, balanced strategies, or other strategies, or a combination of strategies.

The **Stephens Allocation Strategies Program (“SAS”)** is an asset allocation program sponsored and administered through Stephens Inc. whereby the client is offered a strategy of purchasing a portfolio of “no load” or “load waived” mutual funds and Exchange Traded Funds (“ETFs”) representing a broad spectrum of equities and fixed income markets through Stephens Inc.

The **Professional Wealth Management (“PWM”)** program is a discretionary investment advisory program offered by Stephens Inc. Clients will receive advice from a selected advisory representative of Stephens who will assist them in managing the assets held in the client’s PWM account, with individual attention to the client’s investment needs and objectives.

The **StephensChoice Program (“SC”)** is a platform designed by Stephens to assist clients qualified retirement plans or other deferred compensation programs to invest assets utilizing an asset allocation strategy for the investment of plan assets through investment in a portfolio of “no load” or “load waived” mutual funds through Stephens based upon a line-up of mutual funds representing a range of designated asset classes.

The **Stephens Managed Assets Program (“MAP”)** is an asset allocation program sponsored by Stephens Inc. whereby the client selects certain participating investment managers companies (the “Investment Managers”) to direct their investments of Client’s assets. In this program, Stephens acts as the registered investment advisor establishing a separate account for the client. A separate account is a portfolio of individual securities privately managed by an institutional money manager (“Sub-Manager”). A separate account may include a mix of equities; fixed income and cash equivalents.

**Brochures for the above programs may be obtained from Stephens located at 111 Center Street, Little Rock, Arkansas 72201.**

### **Investment Manager and Management Process**

#### **Investment Committee**

Management of accounts in the Stephens Fixed Income Management Program is overseen and reviewed by the Fixed Income Management Committee, which is composed of:

Henry Kenneth Bennett, Chairman  
Kent Layne Oots  
Troy W. Clark

#### **Portfolio Managers**

Certain portfolio management responsibilities have been delegated by the Fixed Income Management Committee to the SFIM portfolio manager.

## **Education and Business Standards**

As a general rule, Stephens Inc. requires SFIM representatives to have a college degree and at least five years business experience with investment bankers, financial institutions, insurance companies, or equivalent institutions. Such standards may be waived in exceptional cases.

## **Educational and Business Background for Key SFIM Personnel**

(1) Henry Kenneth Bennett

Date of Birth: 03/01/47

Education: Arkansas State University, Jonesboro, AR

Graduated: 1970/BSE

Five Year Business Background: Stephens Inc. 06/81 – present

Mr. Bennett is a Senior Vice President of Stephens Inc. and a member of the Stephens Asset Maximizer Investment Committee. He is also the Chairman of the Fixed Income Management Committee of the Stephens Fixed Income Asset Management Advisory Program. Mr. Bennett is licensed the following: General Securities Representative (“Series 7”), General Securities Sales Supervisor (“Series 8”), Commodity Futures (“Series 3”), Uniform Securities Agent State Law Examination (“Series 63”) and the Uniform Investment Adviser Law Examination (“Series 65”).

(2) Kent Layne Oots

Date of Birth: 12/20/55

Education: Joliet Jr. College, Joliet, IL

Graduated: 1976/AA

College of St. Frances, Joliet, IL

Graduated: 1978/BA

Northern Illinois, Dekalb, IL

Graduated: 1984/MA & PHD

Chartered Financial Analyst 9/94

Five Year Business Background: Stephens Inc., 7/1991 - present

Mr. Oots, a Vice President of Stephens Inc., is a member of the Stephens Allocation Strategies Investment Committee. Mr. Oots is also a member of the Stephens Asset Maximizer Investment Committee, Fixed Income Management Committee of the Stephens Fixed Income Asset Management Advisory Program and the Branch Office Manager over the Memphis Fixed Income. Mr. Oots is licensed the following: National Futures Association Principal (“Series 3”), General Securities Representative (“Series 7”), General Securities Sales Supervisor (“Series 8”), Registered Options Principal (“Series 4”), Supervisory Analyst (“Series 16”), General Securities Principal (“Series 24”), Municipal Security Principal (“Series 53”), Uniform Securities Agent State Law Examination (“Series 63”), the Uniform Investment Adviser Law Examination (“Series 65”) and the Research Analyst Exam. (“Series 86 and 87”).

(3) Troy W. Clark

Date of Birth: 7/25/60  
Education: University of Illinois  
Graduated: 1982/BS  
Certified Public Accountant  
Chartered Financial Analyst  
Five Year Business Background: Stephens Inc. 4/96 - 4/01  
State Farm Insurance Investments 4/01 – 10/01  
Stephens Inc. 10/01 to present

Mr. Clark is a Senior Vice President of Stephens Inc. and a committee member of the Fixed Income Management Committee. Mr. Clark is licensed the following: National Futures Association Principal (“Series 3”), General Securities Representative (“Series 7”), General Securities Sales Supervisor (“Series 8”), Registered Options Principal (“Series 4”), Supervisory Analyst (“Series 16”), General Securities Principal (“Series 24”), Municipal Representative (“Series 52”), Uniform Securities Agent State Law Examination (“Series 63”), Uniform Investment Adviser Law Examination (“Series 65”) and the Research Analyst Exam. (“Series 86 and 87”).

- (4) Sarah Richardson  
Date of Birth: 08/02/1963  
Education: Arkansas State University, Jonesboro, AR  
Graduated: 1985/BS  
Five-Year Business Background: Stephens Inc. 02/1990 - present  
AVP/Asst. Branch Office Manager Private Client Group – Little Rock, Arkansas and Austin, Texas.

### **Review of Accounts**

Henry Kenneth Bennett is responsible for supervisory approval of new advisory accounts, the daily review of trading activity and daily oversight for SFIM operations.

Reviews consist of monthly analysis of activity in SFIM accounts considering suitability and general performance. The Portfolio Manager calculates returns based upon pricing provided by an outside source. The calculations are compared to certain indices, which are chosen by SFIM pursuant to investment guidelines dictated by the client. In addition to the monthly reviews, regular quarterly reviews of the total value of the account and assets in each security and category are completed. The reviewers may refer accounts to the Compliance Department for further analysis if necessary.

Accounts are reviewed regularly by alphabetical sequence, each security percentage of gains and losses, and income and related factors in reference to the client’s objectives. SFIM reviewers are not assigned accounts by any formula or numerical standard. All reviewers adhere to the policies and investment criteria implemented by the Fixed Income Management Committee.



**Performance Review**

SFIM offers annually or more often if the customer requests, an interview discussing the advisory account's actual performance and any change of investment objective.

**Client Meetings**

SFIM meets annually with advisory clients. Clients are encouraged to contact SFIM, at any time if they would like to have additional meetings.

**Reports**

Stephens Inc. will send to each client whose account is carried at Stephens Inc., a confirmation of each transaction executed in the account and periodic account statements, in the regular course of business, unless other arrangements have been agreed between the client and Stephens.

In addition, a Portfolio Analysis report will be provided to the advisory client on a quarterly basis. The Portfolio Analysis report is organized to show the performance of the portfolio and the investments included in the portfolio.

**Additional Compensation to Stephens Inc.**

There are certain instances, including those outlined below, when Stephens may receive income as a result of managing SFIM accounts in addition to the actual fees, which SFIM clients pay.

**Cash Reserves**

Stephens Inc. has discretion to select money market mutual funds, or comparable investments, in which to hold cash reserves. The selections are limited to investments authorized by Stephens Inc. in its capacity as custodian. The alternatives authorized by Stephens Inc. include select money market mutual funds and, from time to time, its in-house "pending reinvestment" account.

The money market mutual fund may pay Stephens Inc. a distribution fee. The income to Stephens Inc. is in addition to the fees that are received from these accounts. Cash balances arising from the sale of securities, redemption of debt securities, dividend and interest payments and funds received from clients are invested automatically on a daily basis.

Funds placed in a client's account by personal check usually will be invested within two business days after deposit to the selected money market mutual fund. Due to the foregoing practices, Stephens, Inc. may obtain federal funds prior to the date that deposits are credited to client accounts and thus may realize some economic benefit because of the delay in investing these funds.

Where an unaffiliated third party acts, as custodian of account assets, SFIM has no discretion to select where cash reserves will be held. The client and/or custodian will make the selection.

**Mutual Funds**

Stephens Inc. has discretion to invest client funds in investment company securities. Individual mutual funds may pay fees to Stephens Inc. as a result of these investments. These fees received by Stephens would be in addition to the fees received from clients. The existence of such

applicable fees is disclosed in the client contract and is fully described in the fund prospectus mailed to each client on initial investment.

### **Additional Information**

#### **Overall Cost**

The SFIM Program may cost the client more or less than purchasing such services separately depending upon such factors as trading activity, account size and investment adviser minimums for non-wrap accounts.

We encourage you to carefully consider your options in establishing or maintaining an advisory fee-based account. As a general matter, a fee-based advisory account approach may be considered appropriate for customers who rely on investment advice or investment management services or who engage in moderate to high levels of trading activity. A fee-based approach may be more economical for customers who engage in active trading, since the price per trade is reduced as the number of trades increases under a fee-based approach. However, fee-based advisory account arrangements may not be appropriate for customers who rely primarily on their own independent resources and judgments for making their investment selections and decisions and do not wish to purchase advisory services. Customers who engage in a lower level of trading activity might prefer a traditional brokerage account with a commission payable on each transaction, particularly if the customer typically does not utilize advisory services for trading decisions, as transaction cost savings might be realized in the context of a traditional pay-per-trade commission structure.

#### **Compensation for Referrals**

Stephens Inc. from time to time may enter into arrangements with other broker/dealers, investment advisers or individuals whereby such parties may refer customers seeking advisory services to SFIM pursuant to Rule 206 (4)-3, the "Solicitation Rule"

Stephens Inc. has an internal incentive program for employees to refer clients to SFIM.

In both of these instances, parties referring advisory clients to SFIM Program may receive compensation as a result of the client's participation in the program; the amount of compensation may be more than what the referring parties would receive if the client participated in other Stephens programs or paid separately for investment advice, brokerage, and other services. Consequently, the referring party may have a financial incentive to the agent to recommend the SFIM Program over other programs or services.

#### **Other Activities**

An affiliate of Stephens has more than a 25% ownership interest in Hotchkis & Wiley Capital Management, LLC. An affiliate of Stephens is the sole owner of all the voting securities of Stephens Investment Management Group, LLC. Both H&W and SIMG are investment advisors registered with the SEC. H&W and SIMG provide investment advisory services for corporate,

pension, public, endowment, foundation, mutual fund and other clients. H&W advises its own family of mutual funds. SIMG serves as investment adviser to one or more mutual funds. Stephens may act as a selected dealer, agent or as broker/dealer with respect to portfolio transactions (including securities and other financial transactions) of the mutual funds and investment advisory accounts advised by H&W or SIMG. In addition, Stephens may provide H&W or SIMG with investment research services. Stephens may also sell shares of mutual funds advised by H&W or SIMG to clients of Stephens.

### **Policies and Procedures for Proxy Voting**

It is Stephens' policy to vote proxies on securities that are owned in a SFIM account and held in custody for the SFIM account by Stephens, and to utilize Investment Advisory policies and procedures, which are reasonably designed to vote client securities in the best interests of the client and to address how potential conflicts of interest are handled.

If the Client chooses to have their securities custodied away from Stephens it will be the responsibility of the client to vote or to arrange for the voting of their proxies

Stephens will make available information of the firm's proxy voting policy and procedures including information regarding how Stephens Inc. voted proxies, if requested.

In response to any request as to how the client's proxies were voted, the Chief Compliance Officer – Investment Advisory would provide the information to the client.

### **Procedure**

Stephens' procedures to implement the Firm's proxy voting policy, is as follows:

**a. Voting Procedures**

- Proxy materials are received on behalf of clients in Stephens' Reorganization Department ("Reorg. Department");
- Copies of the Voting Form and the Annual Proxy are sent to respective investment advisory area for review;
- Stephens will vote the proxy through the Reorg Department in accordance with applicable voting guidelines, either by electronically voting or by mailing the proxy in a timely and appropriate manner.
- Unless the responsible advisor or advisory committee loses confidence in management of the issuer or the client directs the vote, Stephens will vote the shares as recommended by the Board of Directors of the issuer.

**b. Proxy Voting Guidelines**

- Who is responsible for Voting Proxies?  
SCM: Fixed Income Management Committee

**c. Conflicts of Interest**

- On an annual basis Stephens will disclose to affected clients any identified potential material conflicts of interest by providing a list of said conflicts via the U.S. Mail.

- Where Stephens has identified a specific potential material conflict of interest relating to one or more matters to be voted on by shareholders, Stephens: (1) will notify affected clients of the potential conflict of interest, (2) will disclose how the proxy will be voted absent a voting direction from the client, and (3) will give affected clients the opportunity to vote the proxy themselves.
- Stephens will maintain a record of the voting resolution of any conflict of interest.

### **Investment Advisory Code of Ethics**

Stephens has adopted an Investment Advisory Code of Ethics (“Code”), which defines the requirements and expectations for the business conduct of all of its Investment Advisory employees, including employees of the SFIM Program. Furthermore, all Stephens’ employees are expected to adhere to Stephens’ Mission and Values Statement and Code of Professional Conduct.

The fundamental position of Stephens is that all aspects of its business are to be conducted in an ethical and legal manner in accordance with federal law and the laws of all states where the investment advisory divisions do business. In accordance with that position general principles apply:

1. The interests of Stephens’ clients always come first. Any personal securities transaction, which would be detrimental or potentially detrimental to any client account and any personal securities transaction, which is designed to profit by the market effect of any client account, must be avoided.
2. All personal securities transactions should be conducted in such a manner as to be consistent with the Code and to avoid actual or potential conflicts of interest or abuse of a Stephens’ employee’s knowledge of customer information or customer transactions.
3. Investment adviser personnel should not take inappropriate advantage of their positions. Information concerning the identity of security holdings and financial circumstances of clients is confidential.
4. Independence in the investment decision-making process is paramount.

Accordingly, there are certain standards of conduct, which Stephens Inc. investment advisory employees follow to reduce potential conflicts with the interests of our clients. Stephens Inc. will provide a copy of the Code to any client or prospective client upon request.

### **ERISA Accounts**

The laws and regulations applicable to ERISA accounts restrict such accounts from engaging in certain types of transactions, including some types of transactions described herein in which non-ERISA SFIM accounts might engage. Stephens intends to abide by such ERISA restrictions and to deal in and with any ERISA account in the SFIM Program in accordance with policies and practices designed to achieve compliance with all applicable ERISA laws and regulations.

### **Best Execution**

Investment advisory clients are advised that they have the option to seek execution of transactions recommended by the Investment Adviser through broker/dealers other than

Stephens Inc. However, on transactions executed through Stephens Inc., Stephens will not charge a commission to the client, except when an underwriting issue in which Stephens participates is purchased for an account; in this case, the sales concession and underwriting fees are built into the offering price. Transactions on foreign exchanges or in gold or silver bullion or bullion coins may entail a brokerage commission to the foreign broker or bullion dealer, in which Stephens may or may not share.

Stephens will strive to obtain “best execution” of transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.

### **Principal Transactions**

Stephens Inc., acting as a principal for its own account, will not knowingly sell any security to or purchase any security from an advisory client, without obtaining the client’s prior consent to each such transaction and disclosing the capacity in which it is acting.

As a practical matter, the above requirements may impose delays on the time at which principal transactions may be effected for advisory accounts, and thereby may impair the execution quality of such transactions for advisory clients. Accordingly, transactions are generally executed on an agency basis.

Principal transactions in securities in which Stephens Inc. acts as a market-maker will only be effected for SFIM clients if Stephens Inc. matches or betters the highest bid/lowest ask prices as reflected on NASDAQ, if applicable, and the client’s prior consent to such transaction has been obtained. No mark-downs or mark-ups from the highest bid/lowest ask price will be charged. Stephens Inc. acting as a market-maker has the potential for profit or loss on securities it sells to or buys from a customer as principal depending on the price in which Stephens executes the transaction.

### **Other Potential Conflicts of Interest**

Stephens is a diversified financial services company that directly or through affiliates provides a wide variety of investment banking, securities, insurance and other investment-related services to a broad array of customers. These relationships could give rise to potential conflicts of interest. Any of the following types of transactions could present a potential for a conflict of interest.

- (a) Client account assets may be invested in interests of money market funds, mutual funds, other investment companies, privately offered investment funds and other collective vehicles (collectively, “Funds”) for which Stephens or its affiliates may act as investment advisor, sponsor, administrator, distributor, selling agent, or in other capacities (“Affiliated Funds”). In addition, Client account assets may be invested in interests of Funds for which Stephens or its affiliates do not act as investment adviser, sponsor, administrator or in other capacities. Stephens or its affiliates may receive fees for services provided to such Funds, including (but not limited to) fees payable

under a plan adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended (“12b-1 fees”) and fees paid to compensate Stephens for providing administrative services, distribution services, shareholder services, investment advisory services or other services to or for the benefit of such Funds.

- (b) Client account assets may be used to purchase or sell or otherwise deal with securities or other instruments for which (i) Stephens, (ii) an affiliate or employee of Stephens, (iii) an entity in which Stephens or an affiliate has a direct or indirect interest, or (iv) another member of a syndicate or other intermediary (where an entity referred to in (i), (ii), or (iii), above is or was a member of the syndicate), has acted, now acts, or in the future may act as an underwriter, syndicate member, market maker, dealer, broker, principal, agent, research analyst or in any other similar capacity, whether the purchase, sale or dealing occurs during the life of the syndicate or after the close of the syndicate.
- (c) Stephens, or any other broker-dealer that is or may become affiliated with Stephens (the “affiliated brokers”), is expected to act as broker or dealer to execute transactions on behalf of Client’s account. Client will not be charged a separate fee for brokerage services provided to the Account by affiliated brokers.
- (d) Stephens or its affiliates may effect transactions for Client’s account with other accounts for which Stephens or an affiliate provides investment advisory services (“Cross Trades”). Such Cross Trades are intended to enable Stephens to purchase or sell a block of securities at a set price and possibly avoid an unfavorable price movement that may be created through entrance into the market with such purchase or sell order. Stephens may receive compensation from other accounts involved in a Cross Trade.
- (e) Subject to applicable regulations, Stephens or its affiliates may execute “Agency Cross Transactions” for the Client’s account. Agency Cross Transactions are transactions where Stephens, or any affiliate of Stephens, acts as broker for both the Client’s account and the other party to the transaction. In such transactions, Stephens, or any of Stephens’s affiliates acting as broker, may receive commissions from the other party to such transaction, to the extent permitted by law, in addition to its customary investment management or advisory fee for Client’s account.
- (f) Clients of other divisions of Stephens and Clients of other advisory representatives of Stephens, as well as Stephens, its principals, employees, affiliates and their family members, may hold, and may engage in transactions in, securities purchased or sold for Client or about which Stephens may give or may have given Client advice. The Client’s account may purchase as investments securities of companies with which Stephens or its affiliates maintain investment banking relationships or other relationships or securities of companies in which Stephens or its affiliates have an ownership or other investment interest.

- (g) Subject to applicable law, Stephens may pay certain fees to, and/or share revenues with, affiliates and their parties in connection with referrals for investment advisory accounts.
- (h) Stephens, or its affiliates, may provide more than one type of service to Client (or a related organization), including (but not limited to), investment management services, investment advisory services, financial advisory services, underwriting services, placement agency services, investment banking services, securities brokerage services, securities custodial services, insurance agency services, insurance brokerage services, administrative services or other services, or any combination of services, all on such terms as may be agreed between Stephens (or its affiliate) and Client (or its related organization).
- (i) Other divisions and other advisory representatives of Stephens perform investment advisory services for clients other than Client and such other divisions or other advisory representatives of Stephens may give advice or take action with respect to other clients that may be similar to or different from the advice given or action taken for Client's account, in terms of securities, timing, nature of transactions and other factors. Stephens will, to the extent practicable, attempt in good faith to allocate investment opportunities among its clients, including Client, on a fair and equitable basis. However, other divisions and other advisory representatives of Stephens will not undertake to make any recommendation or communication to Client with respect to any security which such other divisions or advisory representatives may purchase or sell (either as principal or for any other client's account) or recommend to any other client, or in which such other divisions or advisory representatives, or their respective principals, employees, affiliates or their family members, may engage in transactions.
- (j) Stephens may determine in particular circumstances that, while it would be both desirable and suitable that a particular security or other investment be purchased or sold for the account of more than one of Stephens' client accounts, there is a limited supply or demand for the security or other investment. Under such circumstances, Stephens will seek to allocate the opportunity to purchase or sell that security or other investment among those accounts on an equitable basis; and Stephens will not be required to assure equality of treatment among all of its clients (including that the opportunity to purchase or sell that security or other investment will be proportionally allocated among those clients according to any particular or predetermined standards or criteria) or to undertake to make investment opportunities offered or provided to clients of other divisions of Stephens or to clients of other representatives of Stephens available to Stephens or to clients of the representative assigned to Client's account, including Client.

- (k) Stephens may aggregate purchase or sale orders in a particular security for Client's account with orders for other clients' accounts when appropriate. However, Stephens is under no obligation to aggregate orders. Where, because of prevailing market conditions, it is not possible to obtain the same price or time of execution for all of the securities or other investments purchased or sold for Client's account in an aggregated order, Stephens may average the various execution prices and charge or credit Client's account with the average price.

### Who To Contact

We are pleased you are considering Stephens Inc. as your investment adviser. If you have any questions about the information contained in this brochure or about any aspect of the services we provide, please do not hesitate to call your registered representative at (501) 377- 2000. Clients often receive this information by electronic delivery.

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For SEC Reference Purpose Only					
Cross References					
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