

Stephens Insured Bank Sweep Program Disclosure

Stephens Inc. (“Stephens”, “we”, “our”, or “us”) offers the Stephens Insured Bank Sweep Program (the “Bank Sweep Program”) to provide our clients (“client” or “you”) the opportunity to put the cash in your Stephens account (“account”) to work with interest rates intended to be competitive with commercial bank deposits that also provides Federal Deposit Insurance Corporation (“FDIC”) insurance coverage. One of the benefits of the Stephens Insured Bank Sweep Program is sweep accounts are FDIC insured up to the Bank Sweep Program’s aggregate limit, which is currently \$2,500,000 for most account types or \$5,000,000 for joint accounts with two or more owners. FDIC insurance is backed by the full faith and credit of the United States Government, which provides the cash in your Stephens account with protection from bank failure up to the aggregate limit. Our Bank Sweep Program is a multiple bank deposit sweep program in which all of the uninvested cash in your account is automatically deposited, or “swept”, into an FDIC-insured, interest-bearing deposit account at one or more banks participating in the Bank Sweep Program (the “program banks”). Any additional funds above the aggregate limit will be deposited into a program bank designated as the “Excess Bank” without limit and without regard to maximum available FDIC insurance coverage. None of the program banks participating in the Bank Sweep Program are owned by or affiliated with Stephens.

Stephens is a registered broker/dealer and a member organization of the Financial Industry Regulatory Authority (“FINRA”) the Securities Investor Protection Corporation (“SIPC”) and the New York Stock Exchange (“NYSE”). Stephens introduces brokerage accounts to Pershing LLC (“Pershing”), a registered broker/dealer and a member organization of the NYSE, SIPC and FINRA that acts as the carrying firm for your account. This disclosure document is supplemental to the terms and conditions contained in your existing Stephens account agreement and any documentation associated with your Stephens account custodied at Pershing.

Participation in the Bank Sweep Program is automatic when a client signs an account agreement with Stephens. Clients are deemed to have agreed to the Bank Sweep Program by signing an account agreement with Stephens. Stephens offers the Bank Sweep Program as a service to you and is not obligated to offer you this or any sweep product or to make available to you a sweep product that offers a rate of return that is equal to or greater than other comparable products or investments. Different rules will apply to ERISA plan accounts and IRA accounts. For those exceptions, see “Ineligible ERISA and IRA Accounts” below.

By selecting the Bank Sweep Program as your sweep option, you agree to the terms and conditions of this disclosure statement and agree to appoint Pershing as your authorized agent to establish and maintain bank deposit accounts at various Banks and to effect deposits to and withdrawals from such Banks pursuant to the terms and conditions of the Bank Sweep Program set forth herein. You acknowledge that you have received and carefully read this disclosure statement. If you have any questions about any of the provisions of this disclosure statement, please contact your Financial Consultant.

The Bank Sweep Program for your Stephens account should not be viewed as a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your Stephens account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, please contact your Financial Consultant to discuss investment options that are available outside of the Bank Sweep Program to help maximize your return potential consistent with your investment objectives, liquidity needs and risk tolerance. Please note, however, that available cash accumulating in your Stephens account will not be automatically swept into any investment you purchase outside of the Bank Sweep Program.

Alternatives to the Bank Sweep Program

You may elect not to participate in the Bank Sweep Program and/or periodically invest cash balances directly in available money market mutual funds or other products offered as direct investments outside of the Bank

Sweep Program by providing instructions to your Financial Consultant. This means your account will not have a sweep feature and the available cash in your account will not be automatically invested (and therefore will not earn interest) unless you give your Financial Consultant a direction to use a specific amount of your funds to purchase one or more of the money market mutual funds or other investments available through Stephens. Please note if you elect not to participate in the Bank Sweep Program, accruing cash balances will not earn a rate of return prior to direct investment. In addition, available cash will not be automatically swept into any money market mutual fund or other investment that you purchase outside of the Bank Sweep Program.

Your Financial Consultant can provide further details and additional information, including a prospectus, for any of the money market mutual funds available for direct investment outside of the Bank Sweep Program. Please read the prospectus carefully before investing. Investments in money market mutual funds are not guaranteed or insured by the FDIC or any other government agency and are not deposits of a bank or bank affiliate. Although money market mutual funds seek to preserve their net asset value at one dollar per share, it is possible to lose money by investing in money market mutual funds.

The interest rates paid on Deposit Accounts at a Bank may be higher or lower than the interest rates available to depositors making deposits directly with the Bank or other depository institutions in comparable accounts and for investments in other cash equivalent investments through Stephens.

BANK SWEEP PROGRAM

Under the Bank Sweep Program, all clients will have their available cash balances in their Stephens accounts automatically swept into FDIC insured, interest-bearing deposit accounts (each, a “Deposit Account”) held at one or more banks (each a “Bank”) participating in the Bank Sweep Program that can be accessed on our website or obtained from your Financial Consultant. Stephens is offering the Bank Sweep Program through our fully disclosed clearing broker-dealer, Pershing. Pershing has appointed IntraFi Network LLC (“IntraFi”) to provide certain services with respect to the operation of the Bank Sweep Program (Pershing and IntraFi together, the “Service Providers”). Each party is compensated for its respective services pursuant to this arrangement by receiving a portion of the fees paid out by each bank in connection with your Deposit Account at each Bank. Please see the section entitled “Fees” under “Information About Your Relationship with Stephens, Pershing and the Banks” for more information.

Below is a brief discussion of the Bank Sweep Program.

You will not have a direct account relationship with the Banks. Pershing, as your agent, will establish the Deposit Accounts for you at each Bank and make deposits to and withdrawals from the Deposit Accounts. Deposits at each Bank are evidenced by a book entry on the account records on each such Bank. Each insured Deposit Account maintained at a Bank is insured by the FDIC within certain applicable limits, as described below. Pershing maintains records of your interest in each Deposit Account at each Bank. No evidence of ownership, such as passbook or certificate, will be issued to you; thus, all transactions in the Bank Sweep Program must be made through your account.

Stephens and the Service Providers will receive a fee from each Bank. **The amount of the fees paid to Stephens will affect the interest rate paid on the Deposit Accounts. You should review carefully the section of this disclosure document titled “Information About Your Relationship with Stephens, Pershing and the Banks” for more information regarding fees associated with Bank Sweep Program.**

Interest rates paid by Banks on the Deposit Accounts will vary based upon prevailing economic and business conditions. The Banks do not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds (“Money Funds”). The rates that the Banks offer are not required to be, and may not be competitive with, prevailing market interest rates. By comparison, Money Funds generally seek to

achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. For more information about bank deposit sweep programs, please see the SEC Office of Investor Education and Advocacy, Investor Bulletin: Bank Sweep Programs, June 5, 2014 (available at https://www.sec.gov/oiea/investor-alerts-bulletins/ib_banksweep.html).

Nothing obligates you to participate in the Sweep Program. You may receive a higher rate of return through products offered outside the Sweep Program, including Money Funds offered through your account with Stephens and Pershing. **The Bank Sweep Program is designed to temporarily hold cash balances in your investment account, and is not designed to act as retail bank account, nor a long-term, ongoing investment vehicle.**

The information in this disclosure document applies, unless otherwise indicated, to each account for which you are a customer of record, whether as an individual, joint tenant, trustee, executor, custodian or in any other capacity, and is furnished to you in each of such capacities in respect of all such accounts.

By having a number of FDIC-insured Banks participating in the Bank Sweep Program, Stephens can allocate your cash balances among these Banks, providing the potential for FDIC insurance coverage greater than the coverage available on cash deposits held only in a single Bank. The number of Banks in the Bank Sweep Program may change from time to time. An increase in the number of Banks in the future could increase the potential FDIC coverage; however, there can be no assurance that additional Banks will be added. The Banks are organized into a number of priority lists (“Priority Lists”) in order to manage the distribution of deposit balances among the Banks. The Priority Lists are as discussed below. Stephens will deposit the available cash in each of your Stephens accounts into a Deposit Account at one or more Banks in the order set forth on the Priority List applicable to your accounts up to the deposit limit of \$246,500 for most account types (\$493,000 for joint accounts with two or more owners) (the “Individual Bank Deposit Limit”) in order to permit your funds to be eligible for the greatest possible FDIC insurance coverage available in the Bank Sweep Program. The deposit insurance limit for most insurable capacities (e.g., individual, joint, etc.) is \$250,000 per owner, including principal and accrued interest per depositor when aggregated with all other deposits held in the same insurable capacity at a Bank. Once funds equal to the Individual Bank Deposit Limit have been deposited in a Bank on the Priority List, additional cash up to the Individual Bank Deposit Limit will be deposited into the next Bank on the Priority List, and so on, until your aggregate cash balance in the Deposit Accounts have been deposited into Banks in order to reach the Bank Sweep Program’s aggregate limit (the “Aggregate Deposit Limit”), which is currently \$2,500,000 for most account types or \$5,000,000 for joint accounts with two or more owners. If a client has multiple accounts of the same type registered under the same tax ID number, those accounts are combined by eligible account type, as recognized by the FDIC, for purposes of determining the Individual Bank Deposit Limit and Aggregate Deposit Limit. Stephens has the right to change or increase the number of Banks into which clients’ cash may be deposited through the Bank Sweep Program, to change the Individual Bank Deposit Limit and to change the Aggregate Deposit Limit upon notice to you. For more information on FDIC insurance, please see “Questions About FDIC Deposit Insurance” below.

All cash balances deposited through the Bank Sweep Program in excess of the Aggregate Deposit Limit will be deposited in a designated “Excess Bank” without limit and without regard to maximum available FDIC insurance coverage. Each Deposit Account constitutes a direct obligation of the Bank and is not directly or indirectly an obligation of Stephens or Pershing. Stephens and Pershing do not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning such Banks. Stephens and Pershing are not responsible for any insured or uninsured portion of a Deposit Account.

Any deposits (including certificates of deposit) that you maintain in the same capacity directly with a Bank, or through an intermediary (such as Stephens or another broker regardless of the number of brokerage accounts), will be aggregated with deposits in your Deposit Accounts at the Bank for purposes of the \$250,000 FDIC deposit insurance limit. You are responsible for monitoring the total amount of deposits that you have with each Bank,

including an Excess Bank, both within the Bank Sweep Program and held directly or through an intermediary, in order to determine the extent of FDIC deposit insurance coverage available to you.

Ineligible ERISA and IRA Accounts

The Bank Sweep Program will not be available to ERISA plans with accounts at Stephens such as employee benefit plans, retirement plans, defined contribution plans, defined benefit plans, (collectively, “ERISA accounts”). The Bank Sweep Program will also not be available to traditional and rollover IRA Accounts Roth, SEP, SIMPLE and inherited individual retirement accounts (“IRAs”); Keogh plans; and Coverdell education savings accounts. However, the Bank Sweep Program will be available to all other account types, including individual, joint and entity accounts.

BANK SWEEP PROCEDURES

Bank Priority List

The Priority List of available Banks into which your funds may be deposited is available on our website at www.stephens.com/investment-disclosures/. Other clients may be assigned different Priority Lists. You can identify the Priority List applicable to you by your state of residence and/or account type. The Banks appear on the Priority List in the order in which the Deposit Accounts will be opened for you and your funds will be deposited. You should review the Priority List carefully.

The Priority List will also include one or more Excess Banks that will accept your funds without limit and without regard to the \$250,000 FDIC deposit insurance limit if all Banks on the Priority List have received funds up to the Applicable Deposit Limit. If all of your funds are withdrawn from an Excess Bank, the next time your funds are available for deposit in an Excess Bank your funds may be deposited in a different Excess Bank.

You may not change the order of the Banks on the Priority List. However, you may, at any time, designate a Bank, including any Alternative Bank, as ineligible to receive your funds. This will result in your funds being deposited into Deposit Accounts at the next Bank on the Priority List. In addition, you may at any time instruct us to remove your funds from a Bank, close your Deposit Accounts with the Bank and designate the Bank as ineligible to receive future deposits. Unless you direct us to place your funds in a different investment, your funds from a closed Deposit Account will be deposited in Deposit Accounts at the first available Bank set forth on the Priority List, as amended by you. For example, if you maintain other accounts at a Bank on the list separate from the Bank Sweep Program, you may wish to designate this Bank as ineligible to avoid the aggregation of funds in your bank account(s) with funds deposited through your Stephens account as the combination of funds may exceed the amount of available FDIC insurance coverage.

You may not designate all of the Excess Banks as ineligible to receive your funds. If you wish to designate a Bank as ineligible to receive your funds, please contact your Financial Consultant.

Changes to the Priority List

One or more of the Banks included on the Priority List may be replaced with a Bank not previously included on the Priority List, a Bank may be deleted from the Priority List or the order of Banks on the Priority List may change. The current Priority List will always be available from your Financial Consultant and at www.stephens.com/investment-disclosures/, and the Banks to which your balances in the Bank Sweep Program have been allocated will be provided on your periodic account statement.

In the event that the order of Banks on the Priority List has changed, your previously deposited funds will not be reallocated based on the new sequence. Deposits and withdrawals of your funds made after a change to the

Priority List will occur as described above under “Deposit Procedures” and “Withdrawal Procedures”, respectively.

On any day, a Bank may be closed for business or temporarily unable to accept your funds. In such event, your funds will be placed at the next Bank on the Priority List. When the Bank that could not accept your funds is again able to accept your funds, future available cash balances swept into the Bank Sweep Program from your account may be placed in that Bank.

If a Bank at which you have Deposit Accounts no longer makes the Deposit Accounts available your funds will be transferred to the next available Bank on the Priority List.

Please see the section below discussing “Changes to the Bank Sweep Program.”

Types of Bank Deposit Accounts

Stephens makes available to you a money market deposit account (“MMDA”) – a type of savings deposit - and a linked transaction account (“TA”) at one or more of the Banks. The TA may be a negotiable order of withdrawal (“NOW”) account or a demand deposit account (“DDA”). If the TA is a NOW account then Stephens will only deposit the funds of individuals, not for profit entities and government entities in that Bank. Ineligible customers will not have Banks offering only NOW accounts on their Priority List. The MMDAs and TAs are non-transferrable. If the TA is a DDA then there are no eligibility restrictions and Banks offering DDAs may appear on any client’s Priority List.

Deposit Procedures

When funds in your Stephens account are first available for deposit, Pershing, as your agent, will open a MMDA and a linked TA on your behalf at one or more of the Banks on the then-current Priority List in the order set forth on the Priority List. Once your funds in the Deposit Accounts at a Bank reach the Individual Bank Deposit Limit, Pershing, as your agent, will open a MMDA and TA for you at the next Bank on the Priority List and place your additional funds in that Bank.

In the event that you have deposits equal to the Individual Bank Deposit Limit in the Deposit Accounts at each of the available Banks on the Priority List, excess funds will be swept into an Excess Bank that will accept your funds without limit and without regard to the \$250,000 FDIC deposit insurance limit. An Excess Bank may be a Bank on the Priority List that has received funds up to the Applicable Deposit Limit, or a Bank that acts solely as an Excess Bank. **It is your obligation to monitor your funds deposited at all Banks, including the Excess Bank. You may at any time direct your Financial Consultant to withdraw funds from an Excess Bank and place them in another investment.**

As your agent, Pershing will deposit swept cash balances into the Bank Sweep Program from your Stephens account into the MMDA at each Bank as set forth above. As necessary to satisfy withdrawals from the Bank Sweep Program, funds will be transferred from the MMDA to the related TA at each Bank and withdrawals will be made from the TA. The Bank, Pershing or Stephens in their discretion may determine a minimum, or “threshold”, amount to be maintained in your TA to satisfy debits in your Stephens account.

Withdrawal Procedures

All withdrawals necessary to satisfy debits in your Stephens account will be made by Pershing as your agent. A debit is created to satisfy a securities purchase or a request for a withdrawal of funds from your Stephens account and, if applicable, when you write a check on your Stephens Advantage Account, make payments via the online bill pay service or withdraw funds through your debit card. Checks written on your Stephens Advantage Account are not drawn directly against the Deposit Accounts established for you at the Banks.

All withdrawals will be made from the TA at each Bank. If a withdrawal of funds from your Deposit Accounts is necessary to satisfy a debit in your account, funds will be withdrawn from your TAs at the Banks on the Priority List beginning with the lowest priority Bank on the Priority List at which your funds have been deposited. If there are insufficient funds at that Bank, funds will be withdrawn from each Bank in the sequence (lowest priority to highest priority) until the debit is satisfied. If funds in the TA at a Bank from which funds are being withdrawn are insufficient to satisfy a debit, funds in the related MMDA at that Bank will be transferred to the TA to satisfy the debit, plus funds to maintain any TA threshold amount. If there are insufficient funds in the Deposit Accounts at the Banks on the Priority List to satisfy the debit, Pershing will withdraw funds from other available sources as described in your Stephens account agreement.

Federal banking regulations limit the transfers from an MMDA to a total of six (6) during a monthly statement cycle. At any point during a month in which transfers from an MMDA at a Bank have reached the applicable limit, all funds will be transferred from that MMDA to the linked TA at the Bank until the end of the month. Deposits for the remainder of the month into this Bank will be made to the TA. At the beginning of the next month, funds on deposit in the TA will be transferred to the MMDA, minus any threshold amount to be maintained in the TA. The limits on MMDA transfers will not limit the number of withdrawals you can make from funds on deposit at a Bank or the amount of FDIC insurance coverage for which you are eligible.

Pursuant to federal banking regulations, the Banks must reserve the right to require seven days' prior written notice before you withdraw or transfer funds from a NOW account or an MMDA. DDAs are not subject to this restriction. The Banks have informed us that they do not currently intend to exercise this right against NOW accounts or MMDAs.

Interest Rates Paid to Clients on Bank Deposit Account Balances

The interest rates on the Deposit Accounts will vary based upon the value of the assets you maintain in your Stephens account, including amounts on deposit in your Deposit Accounts ("Interest Rate Tiers"). The interest rates paid with respect to the Deposit Accounts at a Bank may be higher or lower than the interest rates available to depositors making deposits directly with the Bank or other depository institutions in comparable accounts and for investments in the money market mutual funds and other cash equivalent investments available through Stephens. You should compare the terms, interest rates, required minimum amounts, and other features of the Bank Sweep Program with other accounts and alternative investments.

Each MMDA and TA at each Bank will utilize the same Interest Rate Tiers and will pay the same rate of interest on the Deposit Accounts within each Interest Rate Tier. The interest rates on the Deposit Accounts will be determined by the amount the Banks are willing to pay on the Deposit Accounts minus the fees paid to Stephens and other parties as set forth below under "Compensation to Stephens."

Your Stephens account will be linked to other accounts at Stephens registered with the same tax ID number to determine your Interest Rate Tier. The aggregate balance of all "linked" Stephens accounts is referred to as your "Household Balance." In general, clients with greater Household Balances will receive a higher interest rate than clients with lower Household Balances. Your Household Balance will be determined each month, using previous months Household Balances to determine your eligibility for a particular Interest Rate Tier. Tiers and interest rates on different tiers may change from time to time at our discretion. Please contact your Financial Consultant at the number on your account statement to find out more about householding and to determine which accounts are grouped in a household.

Interest rates paid by Banks on the Deposit Accounts will vary based upon prevailing economic and business conditions. The Banks do not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds ("Money Funds"). See discussion above in the section entitled "Bank Sweep Program."

You may contact your Financial Consultant or access our website at www.stephens.com/investment-disclosures/ to determine the current interest rate for each Interest Rate Tier of the Bank Sweep Program. Interest rates may change daily and will be available on the business day the rates are set.

Interest generally accrues on Deposit Account balances from the day funds are deposited into the Deposit Accounts at a Bank through the business day preceding the date of withdrawal from the Deposit Accounts at the Bank. Interest will be compounded daily and credited monthly.

The Banks are not obligated to pay different interest rates on different tiers, and the Interest Rate Tiers may be changed at any time without notice. The current Interest Rate Tiers are as follows:

	Client Household Balance Account Value	Rate as of 8/31/2021¹
Tier 1	Less than \$100,000	0.00%
Tier 2	\$100,000 - \$249,999	0.00%
Tier 3	\$250,000 - \$499,999	0.00%
Tier 4	\$500,000 - \$999,999	0.00%
Tier 5	\$1,000,000 - \$1,999,999	0.01%
Tier 6	\$2,000,000 - \$5,000,000	0.01%
Tier 7	\$5,000,000 - \$9,999,999	0.01%
Tier 8	\$10,000,000 – \$19,999,999	0.01%
Tier 9	\$20,000,000 or greater	0.01%

The APY paid on the Deposit Accounts is not a blended rate. Therefore, the entire amount of your funds in the Deposit Accounts will be credited at the rate applicable to the tier reached based on your household balance in the Deposit Accounts. The rate tier applicable to your Deposit Accounts is determined based on the amount of your funds in the Deposit Accounts as of the first business day following the fifteenth (15th) of the month.

For example, if the sixteenth (16th) of a month is a business day, and the amount of funds you hold in the Deposit Accounts on the sixteenth (16th) of the month is between \$1,000,000.00 and \$1,999,999.99, you will receive an interest rate of 1.00% through the fifteenth (15th) of the following month. If the amount of funds you hold in the Deposit Accounts is between \$500,000 and \$999,999.99 on the sixteenth of the following month, you will receive an interest rate of 0.80% through the fifteenth (15th) of the following month.

Compensation to Stephens and Related Conflicts of Interest

Stephens and Pershing and its affiliates receive fees and benefits for services provided in connection with the Bank Sweep Program. Administration and operation of the Bank Sweep Program are primarily performed by Pershing and its affiliates, and services performed by Stephens are minimal. Stephens offers the Bank Sweep Program as a service to you and is not obligated to offer you this or any sweep product or to make available to you a sweep product that offers a rate of return that is equal to or greater than other comparable products or investments. Stephens has an economic incentive to make available to our clients sweep options that are more profitable to us than other sweep options.

Each Bank will pay Stephens a fee equal to a percentage of the average daily deposit balance in your Deposit Accounts at the Bank. Because the Banks pay different amounts, the compensation paid to Stephens will vary from Bank to Bank. Because the interest rates paid to clients are subject to tiers based on the aggregate value of accounts with the client's Household Balance, Stephens compensation rate is higher on client's cash in lower interest rate tiers and lower on client's cash balances in higher rate tiers. The differences in Stephens' compensation from Bank to Bank is intended to ensure that all clients receive the same rate of interest on their Deposit Accounts for their respective interest rate tiers, regardless of the Banks at which the Deposit Accounts

¹ Please visit www.stephens.com/investment-disclosures/ for updated rate information

are held. Stephens' compensation, **exclusive of the fees paid to Pershing and its affiliates**, for the Bank Sweep Program as applied to all clients will not exceed 2% per annum on the aggregate balances in the Deposit Accounts at the Banks. In its discretion, Stephens may reduce its fee and may vary the amount of the reductions between clients. Please see <https://www.stephens.com/investment-disclosures/stephens-insured-bank-sweep-program-rates/> for further information about Stephens fees in the Program.

The interest rate and fees will change from time to time. Current interest rates and fees are available at <https://www.stephens.com/investment-disclosures/stephens-insured-bank-sweep-program-rates/> and from your Financial Consultant. The interest rate applicable to your Deposit Accounts will be set at the sole discretion of Stephens. Stephens is compensated by deducting a percentage of the rate paid by Banks for fees paid in connection with the Deposit Accounts. Any increase in Stephens' fees will decrease the interest that you will receive in connection with the Deposit Accounts and any decrease in Stephens' fees will increase the interest that you will receive in connection with the Deposit Accounts.

Stephens retains and exercises the right to determine its own fee, and may reduce or increase its fee. The amount of the fee collected by Stephens reduces the amount of the interest rate payable to customers. Therefore, Stephens has a conflict of interest with regard to the Bank Sweep Program as any increase in the fee Stephens chooses to receive will decrease the amount of interest received by customers. The fee will vary from Bank to Bank, and Stephens' fee will change from time to time. Please see <https://www.stephens.com/investment-disclosures/stephens-insured-bank-sweep-program-rates/> for disclosure of Stephens fee.

The interest rate tiers create a conflict of interest, as it incentivizes Stephens to execute buy transactions in your account prior to the first business day following the fifteenth (15th) of the month, and sell transactions after the first business day following the fifteenth (15th) of the month, therefore permitting Stephens to retain more of the fee payable on the Deposit Accounts.

If your account is an investment advisory account which pays Stephens a fee, in computing your advisory fee, Bank Sweep Program cash balances in your investment advisory account are considered cash and are included in the assets of your account when calculating the investment advisory fee earned by Stephens for management of your account. Therefore, Stephens is paid both its fee from the Banks on the Bank Sweep Program balance in your account, and in addition, Stephens earns an investment advisory fee for your total balances in your account, including your balance in the Bank Sweep Program. This creates a conflict of interest, as Stephens earns more from Bank Sweep Program balances in investment advisory accounts than it would if such balances were held outside of the Bank Sweep Program or outside of the investment advisory account entirely, creating an economic incentive for Stephens to retain advisory assets in cash in the Bank Sweep Program.

In addition to Stephens, other service providers will receive fees from each Bank. Your Financial Consultant does not receive a portion of the fee paid to Stephens by the Banks.

In deciding whether to participate in the Bank Sweep Program, clients should consider the return they are expected to receive versus the safety of the program. Banks participating in the Bank Sweep Program are not selected by Stephens, and each bank participating in the Bank Sweep Program is covered by FDIC deposit insurance up to the applicable FDIC limit. Banks in the program are expected to have acceptable credit but may not have "top tier" credit, and clients should evaluate credit quality and FDIC insurance coverage together with the return they are expected to receive.

Risks of the Program

You may receive a higher or lower rate of return on money deposited through the Bank Sweep Program than on other investment alternatives. Please contact your Financial Consultant for information regarding such

alternatives. Banks are permitted to impose a seven-day delay on any withdrawal request. In the event of a failure of a Bank, there may be a time period during which you may not be able to access your cash. If you have cash at a Bank outside the Bank Sweep Program, this may negatively impact the availability of FDIC insurance for the total amount of your funds held within and outside the Bank Sweep Program. If you have on deposit through the Bank Sweep Program an amount of cash that exceeds the number of Banks multiplied by \$250,000, the balances in excess of this amount will not be insured by the FDIC.

Information About Your Deposit Accounts

You will not receive trade confirmations. All transactions in your Deposit Accounts will be confirmed on your periodic brokerage account statement.

All activity with respect to your Deposit Accounts will appear on your brokerage account statement. For each statement period, your brokerage account statement will reflect:

- All deposits to and withdrawals from the Bank Sweep Program
- The opening and closing balances of the Bank Sweep Program
- The interest rate and interest earned on the Bank Sweep Program
- The total balance in Deposit Accounts at each Bank upon the interest reinvestment

Pershing is responsible for the accuracy of your statement, not the Banks. Your Financial Consultant can assist you in understanding your brokerage account statement and can answer any questions you may have about your statement.

You may obtain information about your Deposit Accounts by calling your Financial Consultant or by accessing your brokerage account through our website.

INFORMATION ABOUT YOUR RELATIONSHIP WITH STEPHENS, PERSHING, AND THE BANKS

Pershing is acting as your agent in establishing the Deposit Accounts at each Bank, depositing funds into the Deposit Accounts, withdrawing funds from the Deposit Accounts and transferring funds among the Deposit Accounts. Deposit Account ownership will be evidenced by a book entry on the account records of each Bank and by records maintained by Pershing as your custodian. No evidence of ownership, such as a passbook or certificate will be issued to you. Your Stephens account statements will reflect the total balances in your Deposit Accounts at the Banks. You should retain the Stephens account statements for your records. You may at any time obtain information about your Deposit Accounts by contacting your Financial Consultant.

All transactions with respect to your Deposit Accounts must be directed by Stephens and all information concerning your Deposit Accounts can only be obtained from Stephens. The Banks have no obligation to accept instructions from you with respect to your Deposit Accounts or provide you with information concerning your Deposit Accounts.

Stephens may, in its sole discretion, terminate your use of the Deposit Accounts as a sweep investment option. If Stephens terminates your use of the Deposit Accounts as a sweep investment option, you may establish a direct depository relationship with each Bank, subject to its rules with respect to maintaining deposit accounts.

Similarly, if you decide to terminate your participation in the Bank Sweep Program, you may establish a direct relationship with each Bank by requesting to have your Deposit Accounts established in your name at each Bank, subject to each Bank's rules with respect to establishing and maintaining deposit accounts.

Establishing your Deposit Accounts in your name at a Bank will separate the Deposit Accounts from your Stephens account. Your Deposit Account balances will no longer be reflected in your Stephens account statement and Stephens will have no further responsibility concerning your Deposit Accounts.

As described above, you will not have a direct account relationship with the Banks. However, each Deposit Account constitutes an obligation of a Bank and is not directly or indirectly an obligation of Stephens or Pershing. You can obtain publicly available financial information concerning each Bank at www.ffiec.gov/nicpubweb/nicweb/nichome.aspx or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200. Stephens does not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning such Banks.

Fees

The Program Banks will pay a fee equal to a percentage of the average daily deposit balance in your Deposit Account at their Banks. The Service Providers earn a fixed percentage of that fee. The remainder of the fee is paid by the Program Banks to Stephens. Stephens in its discretion sets the amount of its fee, and after deducting its fee, Stephens pays customers the balance of the fee received from the Program Banks as interest. The fee retained by Stephens will vary but will not exceed two hundred basis points (200 bps or 2.00%), exclusive of the fees paid to the Service Providers. The total amount of the fee Stephens charges affects the amount of interest payable to customers on their Deposit Accounts since the higher Stephens fee is, the lower the amount of interest is paid to Stephens customers.

Stephens retains and exercises the right to determine its own fee, and may reduce or increase its fee. The fee collected by Stephens affects the amount of the interest rate payable to customers. Therefore, Stephens has a conflict of interest with regard to the Bank Sweep Program as any increase in the fee Stephens chooses to receive will decrease the amount of interest received by customers. The fee may vary from Bank to Bank.

The Bank Sweep Program balances held in a Stephens investment advisory account are considered cash. Cash balances held in an investment advisory account are included in the assets of the account when calculating the investment advisory fee earned by Stephens for management of such account. Stephens therefore retains its fee from the Banks and earns an investment advisory fee for your balances in the Bank Sweep Program. This creates a conflict of interest, as Stephens earns more from Bank Sweep Program balances in investment advisory accounts than it would if such balances were held outside of the Bank Sweep Program or outside of the investment advisory account entirely, creating an economic incentive for Stephens to retain advisory assets in cash in the Bank Sweep Program.

Other than applicable fees imposed by Stephens on your account, there will be no charges, fees or commissions imposed on your account with respect to the Bank Sweep Program.

CHANGES TO THE BANK SWEEP PROGRAM

Stephens or Pershing may discontinue or modify the terms and conditions of the Bank Sweep Program and may change or add the Banks offered therein in their sole discretion. In addition, client balances in Deposit Accounts at one or more Banks may be transferred to other Banks. If Stephens makes a material change to the Bank Sweep Program, Stephens will provide advance notice to you and, if applicable, identify options available to you as a result of the change. If we or Pershing make any change, there is no guarantee that such change will provide an equal or greater rate of return to you during any given period, and the rate of return may be lower.

All notice of changes to the Bank Sweep Program will be communicated to you in writing, and changes will also be posted to the Stephens website at www.stephens.com/investment-disclosures/. Written notice can be provided to you in a separate electronic or written communication, on an account statement or by other reasonable means.

CHANGED ECONOMIC CONDITIONS

From time to time program banks and excess banks participating in the Bank Sweep Program may be unable or unwilling to accept additional deposits in the Program due to economic conditions and other factors which can arise. In the event this situation occurs, Stephens clients will be notified in the manner stated above. Deposits in excess of the amounts banks are willing to accept will be placed on a temporary basis in one or more suitable money market funds chosen by Stephens until Stephens is notified that additional deposits are being accepted by banks participating in the Program.

INFORMATION ABOUT THE FDIC AND SIPC

Deposit Insurance: General

The Deposit Accounts (including principal and accrued interest) are insured by the FDIC, an independent agency of the U.S. Government, up to \$250,000 for all deposits held in the same insurable capacity as recognized by the FDIC at any one Bank. Your funds become eligible for deposit insurance immediately upon placement into a Deposit Account at a Bank. Generally, any accounts or deposits that you may maintain directly with a particular Bank, or through any other intermediary, in the same insurable capacity in which the Deposit Accounts are maintained would be aggregated with the Deposit Accounts for purposes of the \$250,000 FDIC deposit insurance limit.

You are responsible for monitoring the total amount of deposits that you hold with any one Bank, directly or through an intermediary, in order to determine the extent of FDIC insurance coverage available to you on your deposits, including the Deposit Accounts. Stephens and Pershing are not responsible for any insured or uninsured portion of the Deposit Accounts or any other deposits.

In the event a Bank fails, the Deposit Accounts at that Bank are insured, up to \$250,000, for principal and interest accrued to the day the Bank is closed.

Under certain circumstances, if you become the owner of deposits at a Bank because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the \$250,000 FDIC deposit insurance limit with any other deposits that you own in the same insurable capacity at the Bank. Examples of deposit accounts that may be subject to this FDIC policy include joint accounts, “payable on death” accounts and certain trust accounts. The FDIC provides the six-month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

In the event that FDIC deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available, and Stephens and Pershing are under no obligation to credit your Stephens account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to the FDIC through Stephens or Pershing before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Deposit Accounts or other deposits at the Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be insured separately, up to the FDIC insurance coverage limits, from the deposits that you might have established with the acquiring institution until (i) the maturity date of any time deposits (including certificates of deposit) that were assumed, or (ii) with respect to deposits that are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquiring institution held in the same capacity for purposes of FDIC insurance coverage. Any deposit opened at the acquiring

institution after the acquisition will be aggregated with deposits established with the acquiring institution for purposes of FDIC insurance coverage.

Individual Customer Accounts - Amounts owned by an individual in an account in the name of an agent or nominee of such individual (such as the Deposit Accounts held through Stephens) or held by a custodian (for example, UGMA or UTMA) are not treated as owned by the agent, nominee or custodian, but are added to other deposits of such individual held in the same insurable capacity (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate.

Joint Account - An individual's interest in funds in all accounts held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner's interests in other Joint Accounts at the same Bank. Joint Accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners. Stephens treats all cash in a Deposit Account at each Bank held for a Joint Account with two or more owners as eligible for up to \$500,000 in FDIC protection at that Bank.

Revocable Trust Accounts – Bank Sweep Program balances held in accounts with trust registrations are allocated at the account level and not at the trustee level; therefore only balances held in an Excess Bank would potentially be eligible for FDIC insurance coverage at the trustee level. Pershing cannot guarantee that FDIC coverage will be applied at the trustee level, as it is dependent upon the information available on the registration and what the FDIC would require from Pershing. Deposits at any one Bank held in a "revocable trust" are generally insured up to \$250,000 per beneficiary if the beneficiary is a natural person, charity or other non-profit organization. There are two types of revocable trusts recognized by the FDIC. Informal revocable trusts include accounts in which the owner evidences intent that at his or her death the funds shall belong to one or more specified beneficiaries. These trusts may be referred to as a "Totten trust" account, "payable upon death" account or "transfer on death" account. Each beneficiary must be included in Stephens account records.

Formal revocable trusts are written trust arrangements in which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. The trusts may be referred to as "living" or "family" trusts.

Under FDIC rules, FDIC coverage will be up to \$250,000 per beneficiary, multiplied by the number of beneficiaries, regardless of the proportional interest of each beneficiary in the revocable trust. However, if the trust has more than \$2,500,000 in deposits at any one Bank and more than ten beneficiaries, the funds will be insured for the greater of \$2,500,000 or the aggregate amount of all beneficiaries' proportional interest, limited to \$250,000 per beneficiary.

Deposits in all revocable trusts of the same owner – informal and formal – at the same Bank will be aggregated for FDIC insurance purposes. A revocable trust established by two owners where the owners are the sole beneficiaries will be treated as a Joint Account under applicable rules and will be aggregated with other Joint Accounts.

Irrevocable Trust Accounts - Bank Sweep Program balances held in accounts with trust registrations are allocated at the account level and not at the trustee level; therefore only balances held in an Excess Bank would potentially be eligible for FDIC insurance coverage at the trustee level. Pershing cannot guarantee that FDIC coverage will be applied at the trustee level, as it is dependent upon the information available on the registration and what the FDIC would require from Pershing. Deposits of any one Bank held pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be

insured for up to \$250,000 for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). According to the FDIC, Coverdell Education Savings Accounts are treated as irrevocable trust accounts for deposit insurance purposes.

Business Accounts - Amounts owned by a business and held in an account in the name of an agent or nominee of such individual (such as the Deposit Accounts held through Stephens) are not treated as owned by the agent or nominee, but are added to other deposits of such business held in the account type (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate.

Questions About FDIC Deposit Insurance

If you have questions about basic FDIC insurance coverage, please contact your Stephens Financial Consultant. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Depositor and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at www.fdic.gov/deposit/index.html, or by e-mail using the FDIC's On-line Customer Assistance Form available on its website.

SIPC Coverage

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage firms, like Stephens and Pershing, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment. Nor does SIPC insurance insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held in a client's brokerage account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$100,000 may be cash) per customer in each separate capacity under SIPC rules.

Balances maintained in the Deposit Accounts at each Bank are not protected by SIPC or, if any, excess coverage provided by Pershing. If you have questions about SIPC coverage and additional SIPC-like coverage, please contact your Financial Consultant. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at www.sipc.org.

TAX INFORMATION

For most clients, interest earned from the Deposit Accounts will be taxed as ordinary income in the year it is received. A Form 1099 will be sent to you each year showing the amount of interest income you have earned in your Deposit Accounts. You should consult with your tax adviser about how the Bank Sweep Program affects you.

ADDITIONAL INFORMATION

For additional information, contact your Financial Consultant.