

**STEPHENS INC.**  
**Advisory Account**  
**Guide to Services and Compensation**  
**Under ERISA 408b-2**

**Description of Services to be Provided:**

Services are provided to ERISA Plans (“Plan”) based on the class of account. If your Plan has an account with Stephens that is subject to an investment advisory agreement, an investment management agreement or a consulting agreement with Stephens Inc., then your Plan’s account with Stephens Inc. is an Advisory Account.

**Services to Investment Advisory Accounts Include:**

- Discretionary Accounts: Selection or recommendations of investments for purchase or sale by the Plan based on discussions with the Plan, guidelines set by the Plan or guidelines or discussions with an individual Plan Participant
- Non-Discretionary Accounts: Provide information or recommendations regarding a selection of investments for purchase or sale by the Plan or an individual Plan Participant based upon discussion with Plan representatives or guidelines set by the Plan
- Recommendations of securities transactions, managers or strategies
- Purchase and sale of securities
- Clearance of purchases and sales with the Plan custodian (which may be Pershing LLC)
- Investment information such as market quotation, a research report or a security profile
- Investment research including research reports and oral and written research updates
- Investment education regarding industries, markets and securities
- Performance reporting

**Services to Custody Accounts - Services to All Types of Accounts Where Pershing Maintains Custody of Securities Held by the Account:**

- Safekeeping of securities either physically or through industry securities depositories
- Collection of interest or dividends due on securities
- Processing of mergers, tenders, maturities, redemptions and other similar transactions
- Reporting of transactions as they occur in the account through trade confirmations or transaction notices
- Summary of positions held for the account and transactions affected for the account through the customer statement which is usually delivered monthly
- Reporting the dates and prices of transactions in the account
- Regular reinvestment of available funds in the account into a money market mutual fund (cash sweep)
- Investment products sold through Stephens are not insured by the FDIC; are not a deposit or other obligation of a depository institution; are not guaranteed by a depository institution; and are subject to investment risks, including the possible loss of the principal amount invested

**Services Provided as an ERISA Fiduciary:**

- Discretionary Accounts: Selection or recommendations of investments for purchase or sale by the Plan based on discussions with the Plan, guidelines set by the Plan or guidelines or discussions with an individual Plan Participant
- Non-Discretionary Accounts: Provide information or recommendations regarding a selection of investments for purchase or sale by the Plan or an individual Plan Participant based upon discussion with Plan representatives or guidelines set by the Plan
- Recommendations of securities transactions, managers or strategies

## **Services Provided as Registered Investment Advisor:**

- Discretionary Accounts: Selection or recommendations of investments for purchase or sale by the Plan based on discussions with the Plan, guidelines set by the Plan or guidelines or discussions with an individual Plan Participant
- Non-Discretionary Accounts: Provide information or recommendations regarding a selection of investments for purchase or sale by the Plan or an individual Plan Participant based upon discussion with Plan representatives or guidelines set by the Plan
- Recommendations of securities transactions, managers or strategies

## **Compensation Stephens Will Receive From the Plan, the Employer or the Individual Participant:**

The following compensation may be received from the Plan, the Employer or the Individual Participant -

- Asset Management Fee based on the market value of assets under management, usually computed on a monthly or quarterly basis depending on your investment advisory agreement. Please refer to the “Fee” section and/or the Fee Exhibit of the investment advisory agreement, investment management agreement or consulting agreement for details on how this management fee is calculated and any other fees that Stephens may charge as part of our services to the plan. Also, please see Appendix- Fees for Special Account Services.

## **Compensation Stephens Will Receive From Other Parties Not Related to the Plan or the Employer:**

The Plan account may hold one or more mutual funds which may include money market mutual funds, as well as other types of mutual funds. Mutual fund sponsors frequently pay 12b-1 fees and other similar fees to brokerage firms holding their funds in client accounts.

- 12b-1 fees are received on mutual fund holdings in Plan accounts, the amounts of which are disclosed in the mutual fund prospectus
- Other fees from some mutual fund companies to compensate for assuming the responsibility for shareholder reporting, tax reporting and similar duties in amounts that typically vary from zero to 0.25% (25 basis points) on the market value of the holdings in the respective mutual fund
- These fees are typically paid on a monthly or quarterly basis
- These fees are included in the total operating cost of the fund rather than being charged against individual account holdings

Any such fees received from fund sponsors and identified to the Plan’s account are credited back to the account.

For more complete information on the fees and other costs included in total operating costs for any mutual fund held by the Plan, please consult the fund’s prospectus.

Stephens has a schedule of fees for support services such as the transfer of individual securities, transfer of funds by wire transfer, etc. See Appendix - Fees for Special Account Services for a list of these service fees.

In addition to the payments described above Stephens and its financial consultants may, from time to time, receive non-cash compensation from mutual fund companies, investment managers, insurance companies and sponsors of products we distribute in the form of occasional gifts, occasional meals, tickets or other entertainment, sponsorship support of training events for our employees and other forms of marketing support. Such non-cash compensation is received in the context of Stephens’s overall business relationships with such companies and is not generally attributable or allocable to your Plan account or to any plan account. In any event, the value of such non-cash compensation, if allocated among all applicable accounts, is not expected in any year to exceed the Department of Labor’s de minimus reporting threshold for non-cash compensation.

## **Compensation That Will Be Paid Among Stephens and Related Parties:**

The Plan account may hold one or more mutual funds where the fund sponsor and/or investment advisor is Hotchkis & Wiley Capital Management LLC (“H&W”) or with Stephens Investment Management Group LLC (“SIMG”). H&W is an investment adviser registered with the SEC in which affiliates of Stephens hold a substantial ownership interest. SIMG is an investment adviser registered with the SEC in which affiliates of Stephens hold the entire ownership interest.

Hotchkis and Wiley Funds (“H&W Funds”), the American Beacon Stephens Small Cap Growth Fund and the American Beacon Stephens Mid Cap Growth Fund (“SIMG Funds”) pay 12b-1 fees and other similar fees to Stephens Inc. and other brokerage firms holding such funds in client accounts including any Plan accounts that hold such funds. The annual fee is typically between 15 and 25 basis points on the market value of the fund holding. These fees are paid quarterly. These fees are included in the total operating cost of the fund rather than being charged against individual account holdings. These fees are not paid for all classes of H&W Funds or SIMG Funds. The Plan may hold a class of shares to which these fees do not apply.

Please consult the H&W Funds prospectus (available at [www.hwcm.com](http://www.hwcm.com))

or the SIMG Funds prospectus (available at <https://www.americanbeaconfunds.com>)

Any such fees received from fund sponsors and identified to the Plan’s account are credited back to the account.

## **Compensation That Will Be Paid to Subcontractors from Third Parties:**

Stephens has retained Pershing LLC (“Pershing”) to act as its clearing firm and to provide certain custody and clearance services to Stephens for its clients. Under this arrangement, Pershing may receive compensation from third parties in connection with these services. Pershing has provided us the following information regarding this compensation:

### **Mutual Fund Fees**

Pershing has entered into agreements with certain mutual fund companies that pay Pershing for performing certain services for the mutual fund. Pursuant to these agreements, Pershing receives fees for operational services from mutual funds in the form of networking or omnibus processing fees. This work may include, but is not limited to, sub-accounting services, dividend calculation and posting, accounting, reconciliation, client confirmation and statement preparation and mailing and tax statement preparation and mailing.

These fees are based either on (a) a flat fee ranging from \$0 to \$20 per holding or (b) a percentage of assets that can range from 0 to 15 basis points for domestic funds and 0 to 30 basis points for offshore funds. Where applicable, Pershing facilitates payments of SEC Rule 12b-1 fees received from mutual funds and paid to you or your firm. In limited circumstances, pursuant to agreements with certain firms, Pershing retains a portion of those fees.

For additional details about Pershing’s mutual fund no-transaction-fee program or a listing of funds that pay Pershing networking or omnibus fees, please refer to [Mutual Fund, Money Fund and Bank Deposit Program Disclosures](#).

### **Money Fund and Bank Deposit Program Fees**

Money fund and bank deposit program sweep processing fees and revenue sharing arrangements are a source of revenue for Pershing and, where applicable, a source of revenue for your firm. For money funds supported on its sweep platform, Pershing receives remuneration paid out of the total operating expenses of the fund, some of which include SEC Rule 12b-1 fees. If your firm selects a sweep product that pays remuneration, some of the fees Pershing receives from the money fund and bank deposit providers will be shared with your firm. In addition, Pershing receives fees for providing access to its platform from money market funds and bank deposit program providers. In certain circumstances, Pershing shares these fees. A portion of Pershing’s fees are applied against costs associated with providing services, including maintaining cash sweep systems, sub-accounting services, dividend and interest calculations and posting, accounting, reconciliation, client statement preparation and mailing, tax statement

preparation and mailing, marketing and distribution-related support and other services. These fees are typically paid in accordance with an asset-based formula that can range from 0 to 100 basis points annually. For a listing of money funds and bank deposit programs that pay Pershing revenue-sharing and processing fees, refer to [www.pershing.com/disclosures](http://www.pershing.com/disclosures).

## **Fees Received by Affiliates**

Pershing makes available a variety of money market mutual funds in the Dreyfus family of funds on its platform under the names of “Dreyfus,” “Pershing,” “General” and “BNY Mellon,” for which Dreyfus Cash Investment Strategies, a division of BNY Mellon Investment Adviser, Inc. (“Adviser”), serves as investment adviser and BNY Mellon Securities Corporation (“BNYMSC”) serves as distributor. BNYMSC and the Adviser are affiliates of Pershing and BNYMSC receives compensation for delivering services to the money market mutual funds. BNY Mellon, National Association (“BNY Mellon, N.A.”) is a national banking association, which may participate in bank deposit sweep programs that Pershing makes available on its platform. BNY Mellon, N.A. realizes an economic benefit from balances it receives through the bank deposit sweep programs on the Pershing platform. BNYMSC is a registered investment adviser and broker-dealer and a subsidiary of the Adviser. BNYMSC, the Adviser and BNY Mellon, N.A., are BNY Mellon companies. BNY Mellon is the corporate brand for The Bank of New York Mellon Corporation. Fees received by the Adviser and BNYMSC through the funds are described in the fund’s prospectus and related documents.

## **Annuity Fees**

Pershing receives servicing fees from certain insurance companies that participate in Pershing’s annuity program. These one-time fees typically amount to between \$5 and \$25 per annuity contract. In addition, Pershing receives operational reimbursement fees from certain insurance companies for the services it provides, which may include, but are not limited to, posting, accounting reconciliation and client statement preparation and mailing. These fees typically amount to between \$3 and \$12 annually for annuity contracts. Your financial organization may share in these fees. For a listing of the insurers that pay Pershing these fees, please refer to [Annuity Fees and Revenue Disclosure](#).

## **Alternative Investment Network Fees**

Pershing has entered into arrangements through which it may receive servicing fees from managed futures funds, hedge funds, non-traded real estate investment trusts (REITs), private equity, business development companies (BDCs), direct participation programs and fund-of-funds (collectively “alternative investments”) that participate in Pershing’s Alternative Investment Network no-fee program in lieu of transaction fees and special product fee charges to your firm. These fees are calculated in accordance with an asset-based formula that can range from 5 to 50 basis points annually. Pershing also receives set-up fees from alternative investment providers or broker-dealers in the form of a one-time fee to add an alternative investment to the Alternative Investment Network. The fee is a flat fee ranging from \$300 to \$1,200 per fund and is remitted to Pershing for its work to set up the Alternative investment on Pershing’s systems. For additional details regarding Pershing’s Alternative Investment Network no-fee program or a listing of entities that pay fees to Pershing, please refer to [Alternative Investment Network Fees](#).

## **Exchange-Traded Funds (ETF)**

Pershing may receive compensation from third parties or their affiliates for marketing, educational training programs, back office accounting, the development and maintenance of technology platforms and reporting systems, and certain other services (“Services”) related to its securities trading platform (“Platform”). This fee could be in the form of annual payments of up to \$50,000 per ETF or up to 15 basis points per ETF, or both. Pershing is entitled to receive payments in connection with such Services. The payment for such Services may create incentives for Pershing to encourage customers to transact through the Platform and as a result Pershing may make decisions about which investment options it makes available or the level of Services it provides to its customers based on the payments or other financial incentives it is eligible to receive. Additional information about the sources, amounts and terms of compensation may be found in the fund’s prospectus and related documents.

## **Sponsorship Fees**

Third-party product and service providers (e.g., mutual fund companies, annuity companies, ETF providers, money market fund companies, money managers, technology and business solution providers) offer marketing support in the form of sponsorship fee payments to Pershing (or third parties at Pershing's direction) in connection with educational conferences, events, seminars and workshops offered by Pershing to broker-dealers or advisers. These payments can include the expenses of educational materials or other conference-related expenses. Generally, the smallest level of sponsorship is \$5,000, and the level of sponsorship can increase depending on the opportunity. For a listing of companies that pay sponsorship fees to Pershing for events, please refer to this [list](#).

## **Payments for Order Flow**

Pershing sends certain equity orders to exchanges, electronic communication networks or broker-dealers during normal business hours and during extended trading sessions. Certain of these venues provide payments to Pershing or charge access fees to Pershing depending upon the characteristics of the order and any subsequent execution. The details of these payments and fees are available upon written request. Pershing receives payments for directing listed options order flow to certain option exchanges. In addition, Pershing routes certain equity and option orders to its affiliate, BNY Mellon Capital Markets, LLC for execution as principal. Compensation is generally in the form of a per option contract cash payment. Notwithstanding the above regarding payment for order flow, Pershing selects certain market centers to provide execution of over-the-counter and exchange-listed securities transactions which agree to accept orders, transmitted electronically up to a specified size, and to execute them at or better than the national best bid or offer ("NBBO"). On certain larger orders, or if the designated market centers do not make a market in the subject security, Pershing directly contacts market centers to obtain an execution. The designated market centers to which orders are automatically routed are selected based on the consistent high quality of their executions in one or more market segments and their ability to provide opportunities for executions at prices superior to the NBBO. Pershing also regularly reviews reports for quality of execution purposes.

For additional information, refer to Pershing's disclosure at <https://www.orderroutingdisclosure.com/>.

## **Compensation That Stephens Will Receive if You Terminate the Service Agreement:**

If the Plan terminates an account service arrangement and transfers the Plan account to a different financial firm, a transfer fee, currently \$100, will apply to the transfer.

## **Cost of Plan Recordkeeping Services:**

Stephens does not provide any Plan recordkeeping services beyond that provided through the traditional brokerage account reporting discussed above.

## **Fees and Expenses Relating to Plan Investment Options:**

The services provided to the Plan by Stephens may include the recommendation of specific investment alternatives for inclusion in the Plan. Investments utilized by the Plan may include individual securities, mutual funds, including money market mutual and exchange traded funds and other investments.

**Individual Securities** – If the Plan executes trades away from Stephens Inc., the Plan may pay commissions, and regulatory transaction fees, associated with the purchase or sale of individual securities, as discussed above, which are disclosed on each applicable trade confirmation.

**Mutual Funds** - mutual funds, including money market mutual funds, bought, sold or held for the Plan may be of a share class that includes a load, or commission, upon purchase or sale as more fully described in the fund's

prospectus. All mutual funds, including money market mutual funds, have operating expenses that are deducted from the assets of the fund. The amount of these expenses (the fund's expense ratio) varies from fund to fund. Special fees such as short-term redemption fees may be charged by the fund sponsor and deducted from proceeds of a sale or added to the cost of a purchase. For more complete information about the fees and other costs included in the total operating cost of the fund as well as any special transaction fees that may apply, please consult the fund prospectus which is available upon request. Any such fees received from fund sponsors and identified to the Plan's account are credited back to the account.

Exchange Traded Funds - Commissions associated with the purchase or sale of ETFs apply and work like the commissions (and regulatory transaction fees) for individual securities discussed above, if the Plan executes trades away from Stephens Inc. ETF securities are very similar to mutual funds. Like mutual funds they have operating expenses that are deducted from the assets of the fund. The amount of these expenses (the ETF's expense ratio) varies from fund to fund. For more complete information about the fees and other costs included in the total operating cost of any ETFs bought, sold or held for the Plan, please consult the ETF offering documents which are available upon request.

Other Investments – Depending upon the specific investment, there may be commission charges, regulatory transaction fees, load charges, operating expense charges or other charges associated with the purchase, sale or holding of other investments. These charges are disclosed on the trade confirmation or in the disclosure document made available in connection with the Plan's investment in such other types of investments. Typically, the Plan would specifically consent to making investments in these types of investments.

#### **Appendix - Fees for Special Account Services**

Stephens provides a wide range of services to our clients. Special services related to the operation and maintenance of your account carry certain fees. We have summarized the fees on the following page.

# Stephens Fee Schedule

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## Stephens Advantage Accounts

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Cash management account with check writing, Visa® debit card, RewardSuite™ and online bill pay.

**Annual Fee** (no fee the first year; fee charged on anniversary of Stephens Advantage Account opening)<sup>1</sup>

|                               |       |
|-------------------------------|-------|
| Silver account <sup>2</sup> : | \$25  |
| Silver Plus account:          | \$50  |
| Gold account:                 | \$100 |
| Platinum account:             | \$150 |
| Corporate Gold account:       | \$150 |
| Corporate Platinum account:   | \$250 |

*See Stephens Advantage Account (Corestone®) Financial Terms for additional information.*

## Wire Transfer

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|                |               |
|----------------|---------------|
| National:      | \$15 per wire |
| International: | \$30 per wire |

## Returned Checks

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|   |                |
|---|----------------|
| Personal checks or any other check deposited into your account at Stephens that is returned. <sup>1</sup> | \$25 per check |
|---|----------------|

## Stop Payment on Stephens Inc. Issued Checks

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|--|----------------|
| A stop payment is requested on a check within seven business days of issue. <sup>1</sup> | \$15 per check |
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## Handling Fee

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|--|-------------------------|
| This is collected on all confirmations brokerage accounts, advisory accounts are excluded. | \$4.95 per confirmation |
|--|-------------------------|

## Transfer on Death Distributions

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|---|-------|
| This fee is charged at the time the assets are transferred to the beneficiaries. <sup>1</sup> | \$200 |
|---|-------|

## Inactive Brokerage Account Fee

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If at least one of the following criteria are not met the fee will be charged annually.

1.) statement household assets are greater than \$500,000 or; 2.) brokerage account revenue is greater than \$100 or;

3.) average revenue per account in the statement household is greater than \$100.<sup>1</sup>

\$50 per account

## IRA Closing Fee

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|  |      |
|--|------|
| This fee is charged at the closing of any IRA account. | \$95 |
|--|------|

## Account Transfer Fee

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|   |                   |
|---|-------------------|
| When an account submits an Account Transfer Form (ACAT) to Stephens Inc. from another institution. <sup>1</sup> | \$100 per account |
|---|-------------------|

## Employee Stock Option

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When an Employee Stock Option is executed, a handling fee will be charged. Stephens incurs charges from a transfer agent and these charges will be passed on to the client.<sup>1</sup>

Varies

## Transaction Fee

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Under Section 31 of the Securities Exchange Act of 1934, U.S. national securities exchanges are obligated to pay transaction fees to the SEC based on the volume of securities that are sold on their markets. The Exchanges require their broker-dealer members to pay a share of these fees who, in turn, pass the responsibility of paying the fees to their customers. This fee applies to the sale of stocks, options and single stock futures.

## Miscellaneous

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On occasion, Stephens may incur extraordinary clearing and safekeeping charges. These charges will be passed through to the client. Every reasonable effort will be made to notify you prior to incurring these charges.

<sup>1</sup> The fee is reflected on the statement.

<sup>2</sup> The \$25 fee will be waived for Stephens Advantage Accounts (Corestone®) that have \$25,000 or more in average month-end closing sweep balances.