

INDEPENDENT
PERSPECTIVES



Stephens

Capitalize on IndependenceSM



SINCE OUR FOUNDING IN 1933, *a spirit of independence has empowered Stephens to build a financial services firm based on relationships rather than transactions. As a privately held firm, our interest is each client's best interest. Whether we're advising on an acquisition, designing a benefits program or creating an asset allocation plan, we bring fresh thinking and a relentless commitment to quality service and complete transparency. Because we're free from herd mentality and unbound by quarter-to-quarter earnings pressure, we're able to design solutions that truly support the long-term success of the people who matter most: our clients.*



Left to right:

Doug Martin
*Senior Managing Director,
Stephens Capital Partners*

Warren Stephens
*Chairman, President and
Chief Executive Officer*

Mark Doramus
*Chief Financial Officer,
Senior Executive Vice President*

Curt Bradbury
Chief Operating Officer



Case in point:
Viking Range
Corporation

No Exit Strategy

PRIVATE EQUITY

Viking Range Corporation

Headquarters:
Greenwood, MS

Business:
Manufacturer of
major appliances
and premium culinary
products

Portfolio Company Since:
1992

In the late 1980s, entrepreneur Fred Carl noticed that gas ranges manufactured for home use did not deliver the performance of those used by professional chefs in restaurants. His sketches for a hybrid range became the basis for a legendary consumer appliance success story: the Viking Range Corporation. In 1992, with demand for his product soaring, Carl met with Stephens about an equity investment. “To meet the explosive growth we were experiencing, we needed access to capital and access to financial expertise,” Carl explains. “Stephens provided both.”

With Stephens as a long-term partner, Viking continued to expand — with no end in sight. “Stephens believes in long-term relationships,” Carl says. “They’re in it for the long term through thick and thin, good times and tough times. They have a long-term focus, as do we. I see us remaining partners indefinitely — that’s a good thing.”



PRIVATE EQUITY

We look for talented management teams and offer them a strong equity incentive to grow the value of the company.

**\$50–\$200
million
typical
transaction size**

**50
portfolio
companies**

Partnering
with
management

Long-term
value
creation

Our portfolio is focused on profitable, cash-flow-producing businesses with above-average margins and return on invested capital.



Case in point:
DXP Enterprises

If at first...

INVESTMENT BANKING

DXP Enterprises

Headquarters:
Houston, Texas

Business:
Leading national industrial
products distributor

Client Since:
2003

In 2003, DXP retained Stephens to advise on an acquisition. That deal didn't happen — not right away, anyway. But a focus on partnering to build lasting value led to a long-term relationship that continues to flourish today.

DXP is one of the country's leading industrial products distribution businesses. It provides products and services to a variety of industries and continues to stay on the leading edge of technology, training and products. When the company embarked on an ambitious growth agenda in 2003, it was approached by most major investment banking firms. DXP chose Stephens. "They really understood our business because they had done their homework," recalls CEO David Little.

The first test of the relationship was the acquisition effort. Stephens subsequently advised the company on an offering, the first the company had ever done. Not long afterward, the acquisition candidate was back on the block and this time DXP, with Stephens providing extensive due diligence and strategic guidance, prevailed. Persistence and a focus on building a long-term relationship won the day.

Since then, Stephens has advised DXP on a number of acquisitions and public offerings. When the relationship began, DXP had annual revenues of approximately \$200 million; today, revenues top \$700 million. According to CEO David Little, "We're trying to grow faster than our competition, and that's going to require capital, and it's going to take financial expertise. So Stephens is a big part of our growth strategy."



INVESTMENT BANKING

*Independent,
industry-focused
expert advice*

Since 2003,
Stephens
has advised
on more than
\$120 billion
in deals.

Over 100
bankers in **8**
offices
across
the U.S.

Industry coverage includes:

<i>Consumer</i>	<i>Latin American</i>
<i>Energy</i>	<i>Markets (Cori Capital)</i>
<i>Financial Services</i>	<i>Media and</i>
<i>Healthcare and</i>	<i>Communications</i>
<i>Life Sciences</i>	<i>Resource Technologies</i>
<i>Industrial</i>	<i>Real Estate</i>
<i>Information Technology</i>	
<i>and Services</i>	



Case in point:
Brown & Brown, Inc.

A Good Fit

RESEARCH

Brown & Brown, Inc.

Business:
Property and casualty
insurance products
and services

NYSE Symbol:
BRO

Headquarters:
Daytona Beach, Florida

Market Capitalization:
\$3 billion

“They get us.” That’s how Powell Brown, CEO of Brown & Brown, sums up the research team at Stephens. “They’ve put in the time and the legwork to get to know our company and our industry.”

Brown & Brown is the sixth-largest insurance broker in the U.S., a member of the Standard & Poor’s Mid-Cap 400 Index, and has ranked on Forbes magazine’s “The 100 Best Mid-Cap Stocks in America” and on Fortune magazine’s list of “America’s 100 Fastest-Growing Companies.”

Since initiating coverage a decade ago, Stephens has introduced company executives to investors in multiple venues, including Stephens Investor Conferences, non-deal roadshows, and on private jet field trips that bring institutional investors to meet Brown & Brown management at their Florida headquarters.

“Time is our most precious asset,” observes Powell Brown. “Stephens is able to put us in front of the investors who are a good match up for us and not waste our time with those who aren’t.” He continues, “We have a unique culture, based on performance and values. You can’t understand us unless you understand our culture. I think Stephens gets us because they share a similar culture.”



RESEARCH

Stephens hosts several investor conferences annually, with thousands of public and private companies, institutional investors and private equity investors in attendance.

Our research analysts cover more than
300 stocks.

Our staff of more than
50
professionals is located in
7 offices.

Our “Best Ideas” list has become a highly-anticipated annual publication. In each year since its inception, the “Best Ideas” list has outperformed the major market indices.



Case in point:
RS Investments

Trading Expertise

EQUITY SALES & TRADING

RS Investments

Headquarters:
San Francisco and
New York

Business:
Investment
Management Firm

Year Founded:
1986

Client Since:
1996

A keen eye for emerging opportunities and first-rate trade execution: these are the ingredients that have made Stephens a long-term partner for RS Investments, a family of investment management teams united by a common focus on fundamental research, a disciplined investment process, and the pursuit of long-term investment excellence.

“Stephens covers many of the same industries we invest in, and they mesh well with our investment style,” says Scott Tracy, co-portfolio manager of several RS funds, including RS Small Cap Growth Fund, RS Select Growth Fund and RS Mid Cap Growth Fund. Tracy notes that Stephens is well positioned to spot opportunities in the areas he covers. “The fact that they’re located off-Wall Street means they can uncover small, underserved companies before other firms. In addition, a lot of Wall Street firms have abandoned the small and mid-cap space.”

Stephens has supported RS Investments with sales and trading expertise in addition to research. “Particularly with smaller companies, we are able to find liquidity through their trading platform,” says Tracy. “They’re good at execution, so they are able to add value on IPO and secondary transactions.”



EQUITY
SALES & TRADING

*Offices in
New York, Chicago,
Boston and Little Rock*

Our Capital Markets
associates have an
average tenure of
more than
10 years.

Every year,
Stephens hosts
more than
4,000
investor meetings
with company
management.

*Market maker for
more than
300
small to mid cap stocks*



Case in point:
Marine Services CEO

The Toughest Sale is to Ourselves

WEALTH MANAGEMENT

Marine Services CEO

Home:
Houston, TX

Client:
Former Entrepreneur and
Business Owner

When evaluating an investment for a client, we always begin with a simple question: Would we invest our own money in it? This is the philosophy that attracts many wealth management clients to Stephens.

In 2008, a seasoned executive in the oil and gas support business sold the shipping company he'd founded several years earlier to a publicly traded company. Now he faced a challenge common to many successful business builders: how to convert a lifetime of hard work into an enduring legacy of financial security for his family.

After the sale, several money management firms approached him, but only Stephens sent a team of investing professionals who had worked together for a significant number of years.

Stephens did not try to interest him in complex derivative products, which were all the rage at the time. Instead, we recommended an investment strategy that emphasized safety and liquidity.



WEALTH MANAGEMENT

Each Financial Consultant is certified from Stephens University at Wake Forest University.

On average, each Stephens Financial Consultant has more than **30** years of experience.

Fresh viewpoints

Long-term relationships

"In many ways working with individual investors truly reflects the heart of our firm. This is because we are an organization built on relationships."

~Warren A. Stephens



Case in point:
State Municipal League

League Champions

STEPHENS CAPITAL MANAGEMENT

State Municipal League

Membership:
More than 400 cities and towns

Founded early in the last century, this state municipal league serves as a voluntary association of cities and towns that serves its members in a variety of ways, including legislative advocacy, benefits programs, training and education opportunities and publications. For several decades, Stephens Capital Management has been the league's trusted investment advisor in three key areas. Stephens manages investments for the league's pension management program on behalf of the police and fire departments as well as other municipal employees. We manage a cash management trust that the league offers cities to provide them with vital liquidity. And we manage a portion of the league's own assets.

This relationship transcends Stephens Capital Management. For example, the league often works closely with the firm's Fixed Income group to advocate with state officials on issues that benefit the state's municipalities. Because Stephens shares the league's commitment to support these municipalities, the relationship continues to grow based on a spirit of integrity and trust.



STEPHENS CAPITAL
MANAGEMENT

Our team of
seasoned investment
professionals
has an average of
25 years
of money management experience.

Stephens' commentary on the
fixed income and equity markets
is indispensable reading for
investors nationwide. You'll
find our latest perspectives at
stephenscapitalmanagement.com.

Over **\$4 billion**
assets under
management

*Our Real Return Strategy
is designed for today's
uncertain economic
climate, in which the
threat of inflation is a
widespread concern.*



Case in point:
New Hanover County

Going Solo

PUBLIC FINANCE

New Hanover County,
North Carolina

Headquarters:
New Hanover County

Population:
192,538

County Seat:
Wilmington

At Stephens, our working relationships have always been built on trust. So when New Hanover County appointed Stephens as sole manager on a major refinancing, it was yet another example of an issuer showing trust in our firm. To take advantage of favorable market conditions, we presented the idea to refund certain outstanding general obligation bonds and to lock in a fixed rate on a number of the County's variable-rate financings.

In proposing to manage the transaction, Stephens assured the County that it was willing and able to underwrite the entire issue as sole manager. We demonstrated complete transparency by describing the merits of using co-managers to assist in marketing these bonds, an approach that would not have added any incremental cost to the transaction. After thoroughly discussing the options, New Hanover County placed its trust in Stephens by appointing us sole underwriter for this financing.

In marketing the bonds, we attempted to confirm the trust shown by the County. This \$49 million transaction attracted more than \$120 million in orders from a cross-section of national and regional institutions. In addition, we experienced substantial retail participation. "The transaction went smoothly," according to Avril Pinder, New Hanover County's Director of Finance, who has known a key member of the Stephens team for decades. "The financing team was knowledgeable and had the County's interest at heart." For the County, flawless execution resulted in an annual savings of approximately \$250,000. "Given the state of the economy, we were searching for additional revenues or cost savings in every possible area," observes Pinder. "The savings generated by the refinancing freed up monies for direct services to our citizens."



PUBLIC FINANCE

We believe our firm's long-term approach to clients and transactions is the correct model for success.

Conservative advice tailored to the transaction

A core concept of putting clients first

\$13.4
billion in
underwritings and
financial advisory
work since 2005

Areas of expertise:

State and Local Governments

Education

Industrial Development

Public Utilities

Healthcare

Housing

Special Assessment

Districts



Case in point:
VyStar Credit Union

Access +
Transparency

FIXED INCOME SALES & TRADING

VyStar Credit Union

Headquarters:
Jacksonville, Florida

Business:
Member-owned
financial institution
serving Northeast Florida

Assets:
\$3.9 billion
(as of December 31, 2009)

Year Founded:
1952

VyStar Credit Union has a rich history of financial and community service. Founded in 1952 as Jax Navy Federal Credit Union to serve civil service, military employees and their families at Naval Air Station Jacksonville, VyStar today is one of the largest credit unions in the nation, with over 350,000 members nationwide. VyStar's motto, "We never forget that it's your money," inspires all aspects of the organization, including its prudent investment approach.

To achieve its investment goals, VyStar focuses on total return, a combination of price and income – an approach more common to institutional investors like pension funds than credit unions. "The Stephens team understands our philosophy," says Jeff Greenert, Senior Portfolio Manager who invests VyStar's excess deposits. "They do a good job of making sure that both elements, price risk and income generation, are incorporated into their recommendations."

Greenert, who built his career at such institutions as Barnett Bank, Evergreen Asset Management and South Trust, has known the Stephens team for a decade. The relationship is built on two pillars: access and transparency. "Stephens provides access to fixed income inventory from multiple sources," Greenert says. "They also provide the information I need to feel confident that the issue is priced appropriately in the market."

Because of the Stephens team's long-term relationship with Greenert, they are able to bring him targeted ideas based on the unique needs and concerns of VyStar. Observes Greenert, "They understand my investment approach, so they bring us investment ideas that are directly applicable VyStar."



FIXED INCOME
SALES & TRADING

Stephens provides our clients with online access to an advanced suite of online portfolio management and reporting tools.

*Staying strong
in any market
by focusing
on the basics.*

In 1933, Stephens began as a municipal bond firm, buying bonds at as low as 10¢ on the dollar.

Areas of expertise:

*U.S. Government and Agency Bonds
Mortgage Backed Securities
Collateralized Mortgage Obligations
Asset Backed Securities
Corporate Bonds
Tax-free and Taxable Municipal Bonds
Portfolio Analysis and Investment Strategies*



Case in point:
Wyndham Worldwide

First Resort

INSURANCE

Wyndham Worldwide

Headquarters:
Parsippany, New Jersey

Business:
Global hospitality
products and services

2009 Revenues:
\$3.8 billion

Wyndham Worldwide is one of the world's largest hospitality companies, offering a broad array of hospitality products and services as well as various accommodation alternatives through a premier portfolio of world-renowned brands that includes Ramada, Travelodge and Days Inn. Through Wyndham Vacation Resorts, the company provides vacation ownership opportunities at more than 190 timeshare locations.

Offering insurance coverage to each of these timeshare associations is an important component of the company's overarching commitment to customer service. For several years, Wyndham has relied on the Stephens Insurance brokerage team to provide access to this coverage, which totals approximately \$6 billion in insurable value — one of the largest catastrophe-loaded programs in the world.

“This is a very demanding account, because each of the third-party timeshare associations has its own unique needs and requires direct access to Stephens,” observes James Iervolino, Vice President, Risk Management & Insurance for Wyndham Worldwide. “Stephens has managed this program with a high degree of responsiveness and professionalism, making a complicated insurance product understandable to the layman.” Beyond service, Iervolino notes that Stephens Insurance has the technical expertise needed to provide incisive risk management advice to a multifaceted, international company. “I've known the team for a number of years. They have the right carrier relationships, and they're agile enough to move quickly in response to a very dynamic, fast-paced environment. Ultimately, it comes down to the people, and Stephens has the quality people needed to handle a very large and complex program for a Fortune 500 company.”



INSURANCE

A full range
of insurance and
risk management services

*Stephens Insurance
is a member of M Group,
United Benefit Advisors
and The Council of
Insurance Agents
& Brokers.*

Our **21**
Insurance Advisors
are located in Little
Rock, Austin, Dallas,
Fayetteville, Jackson
and Texarkana—
serving clients
across the country.

Stephens

Capitalize on IndependenceSM