

STIFEL

PUBLIC FINANCE

DEBT FINANCING IN A GLOBAL MARKET

JULY 2016

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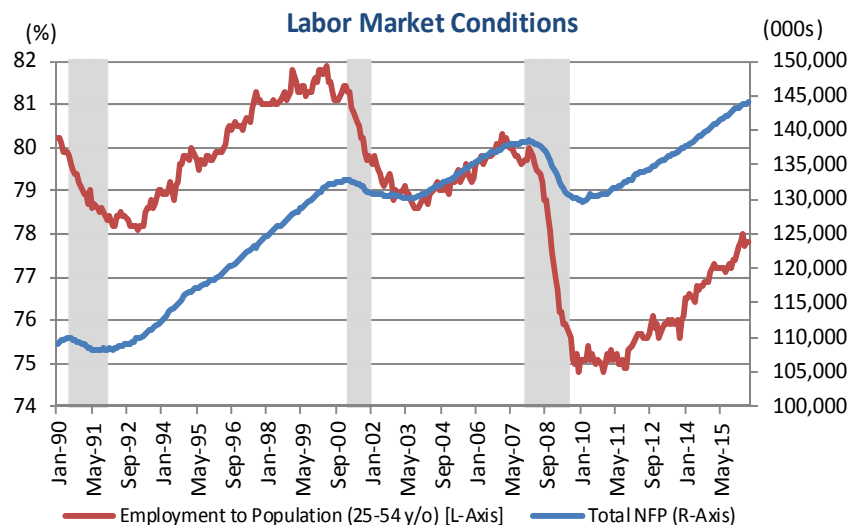
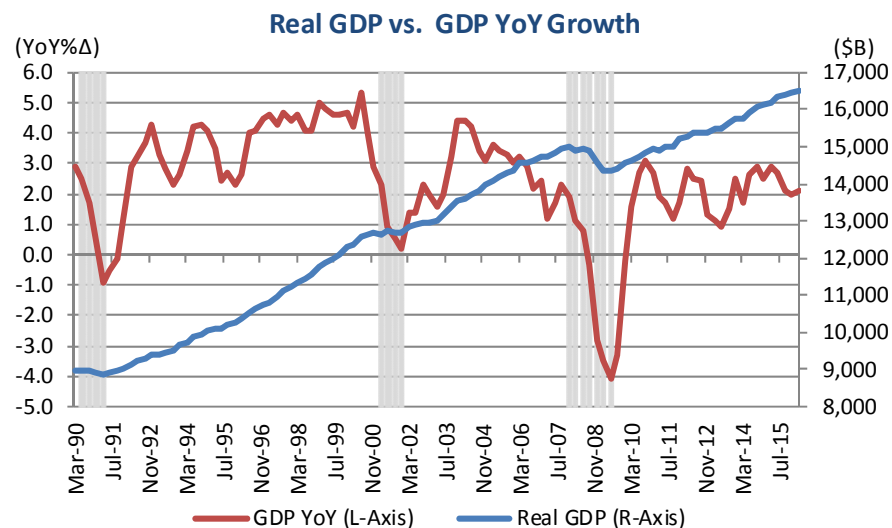
SECTION I:
STATE OF THE BOND MARKET

Outlook Summary: 2016 - 2018

- **Economy:** Our base-case scenario envisions another three years of sluggish GDP growth in the 1.5% to 2.0% range. Recession odds over a 12-month horizon gradually increase from 30% today to 50% by the end of 2018.
- **Fed Policy:** We expect the Fed to normalize monetary policy at a much slower pace than its latest forward guidance suggests. Our forecast calls for no rate hikes in 2016 and only one 25 basis point rate increase in 2017.
- **Treasury Yields:** Long-term Treasury yields will continue to be pulled lower by international sovereigns for at least a few more months. The 10-year yield will likely trade in a 1.25% to 1.50% range for the balance of the year.

U. S. Economic Trends: GDP Growth and Employment

- Total GDP and non-farm payrolls have shown slow but steady progress since the end of the “Great Recession” in June 2009.
- During the current expansion, GDP growth has averaged 2.1%, well below the U. S. long-term growth rate of 3.5%. Likewise, the employment to population ratio has struggled to return to pre-recession levels.
- Structural hurdles, including weak productivity growth, an aging work force, and a mismatch between workers’ skills and job requirements, have mitigated the cyclical benefits of low interest rates.



Economic Forecast

U. S. Economic Projections	GDP		Core PCE Price Index		Unemployment Rate	
	2016	2017	2016	2017	2016	2017
Stifel's Economics Group Forecast	1.8%	1.7%	1.4%	1.2%	4.7%	4.5%
Bloomberg Economists' Survey	1.9%	2.3%	1.7%	1.8%	4.8%	4.6%
Fed Forecast - Central Tendency Mid-Point	2.0%	2.0%	1.7%	1.9%	4.7%	4.6%

Source: Bloomberg, Stifel. Updated as of 7/8/2016

- **Positive Forces:**
 - Solid household consumption
 - Housing market recovery
 - Stabilization in business investment and exports
 - Rebound in government investment

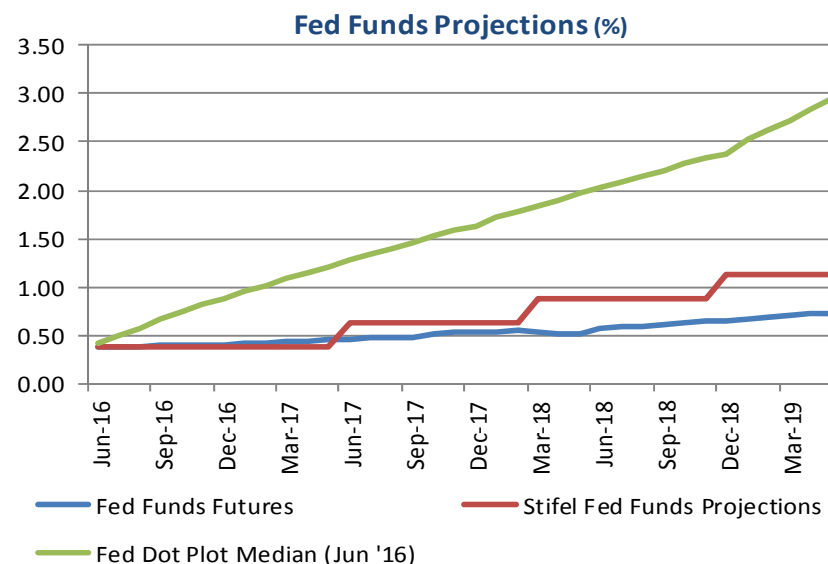
- **Persistent Challenges:**
 - Strong U. S. Dollar
 - Slower growth abroad, particularly in China and the emerging markets
 - Negative consequences of low commodity prices on energy industry
 - **Geopolitical risks**
 - **Brexit Contagion**

Seven Reasons Why the Fed Will Not Raise Rates Prior to 2Q17

- **#1: There is more excess capacity in the labor market than implied by a 4.9% UR.**
- **#2: Realized inflation and inflation expectations remain below the 2% target.**
- **#3: The economy is still not firing on all cylinders.**
- **#4: Another surge in the value of the U. S. Dollar would be counterproductive.**
- **#5: Favorable financial conditions must be maintained to exit successfully.**
- **#6: Rate hikes must be calibrated with global growth to prevent further curve flattening.**
- **#7: Brexit aftermath creates further political uncertainty and downside economic risks.**

Stifel's Interest Rate Projections

- The Fed's June 2016 forward guidance (green line) implies 250 bps of rate increases through 2019. The bond market (blue line) expects the Fed to move much less aggressively, with futures pricing in only 50 bps of rate hikes. Our forecast (red line) lies between those two extremes but much closer to the market's expectations.
- We anticipate no rate hikes this year, only one 25 basis point increase in 2017, then two upward moves in 2018 and 2019.
- Amid low international sovereign bond yields and sustained global easing, Treasury rates should remain range-bound and finish 2016 little changed from current levels.
- The risks to our interest rate forecast are skewed to the downside.



Treasury Yield Curve Projections					
	3Q16	4Q16	2Q17	4Q17	4Q18
Fed Funds - Upper Bound	0.50%	0.50%	0.75%	0.75%	1.25%
2-year	0.50%	0.60%	0.80%	1.00%	1.35%
5-year	0.90%	1.05%	1.30%	1.50%	1.75%
10-year	1.25%	1.45%	1.65%	1.90%	2.15%
30-year	2.00%	2.15%	2.35%	2.65%	2.85%
2s to 10s	+75 bps	+85 bps	+85 bps	+90 bps	+80 bps

**Updated July 11, 2016*

Source: Jim DeMasi, Chief Fixed Income Strategist.
 All projections are as of the end of the respective quarters.
 Fed funds represents the upper bound of the FOMC's target range.

Municipal Market Overview

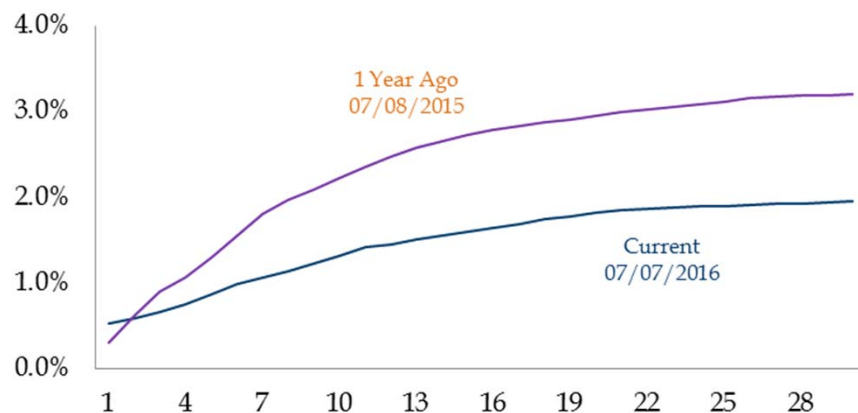
■ Municipal yields significantly lower than this time last year

- Municipal yields moved lower across nearly all maturities in sync with the flight to quality
- Weaker municipal to treasury ratios as the 5-year, 10-year, and 30-year ratios are currently 91%, 95%, and 91%, the 5-year and 30-year ratios currently below their ten year averages

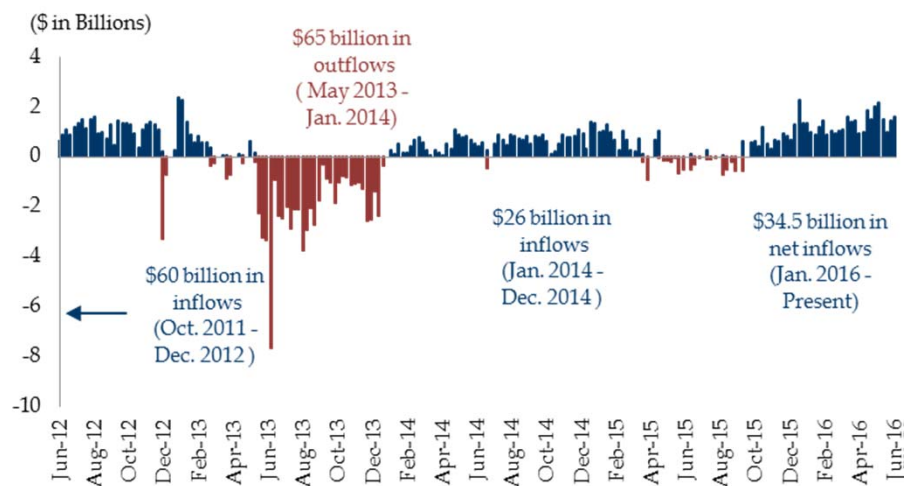
■ Positive Fund Flows into Municipal Asset Class

- 39 consecutive weeks of inflows totaling \$45.3 billion (October 2015 – present)
- \$34.5 billion net inflows since the start of the year

AAA MMD¹ Index Recent Range



Municipal Mutual Fund Flows



¹MMD (Municipal Market Data) is an index of 'AAA' rated general obligation bonds. Sources: Investment Company Institute, Thomson Financial. As of 7/7/16

Municipal Market Overview

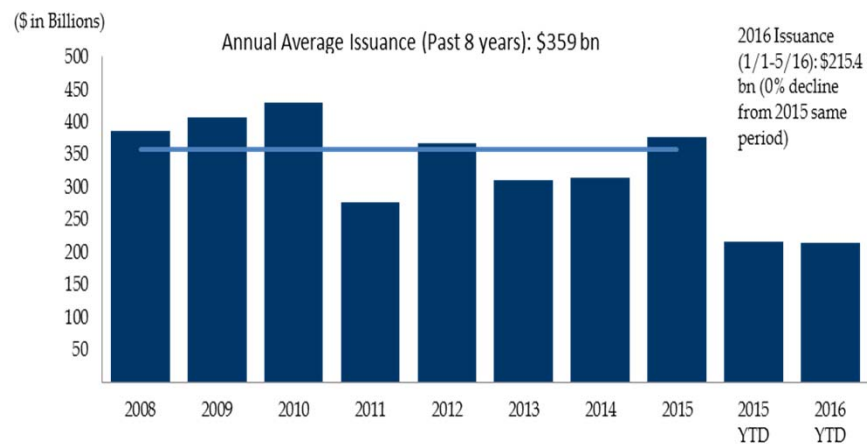
■ 2016 volume is consistent with 2015 volume, year to date

- Volume dominated by refundings
- Overall market contraction expected for 2016
 - Refunded and maturing bonds to outpace issuance

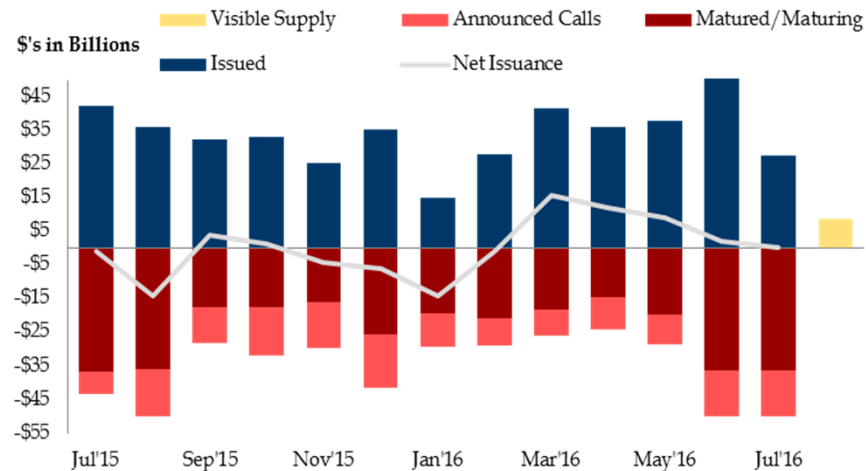
■ New issuances have seasonally increased

- Significant rebound in amount issued to amount maturing or called
 - National net municipal issuance was \$2.2 billion in June

Municipal Market Annual Supply

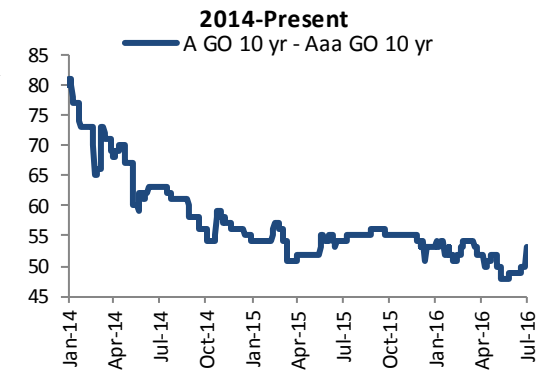
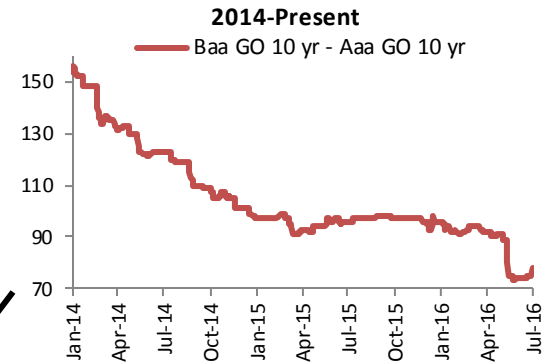
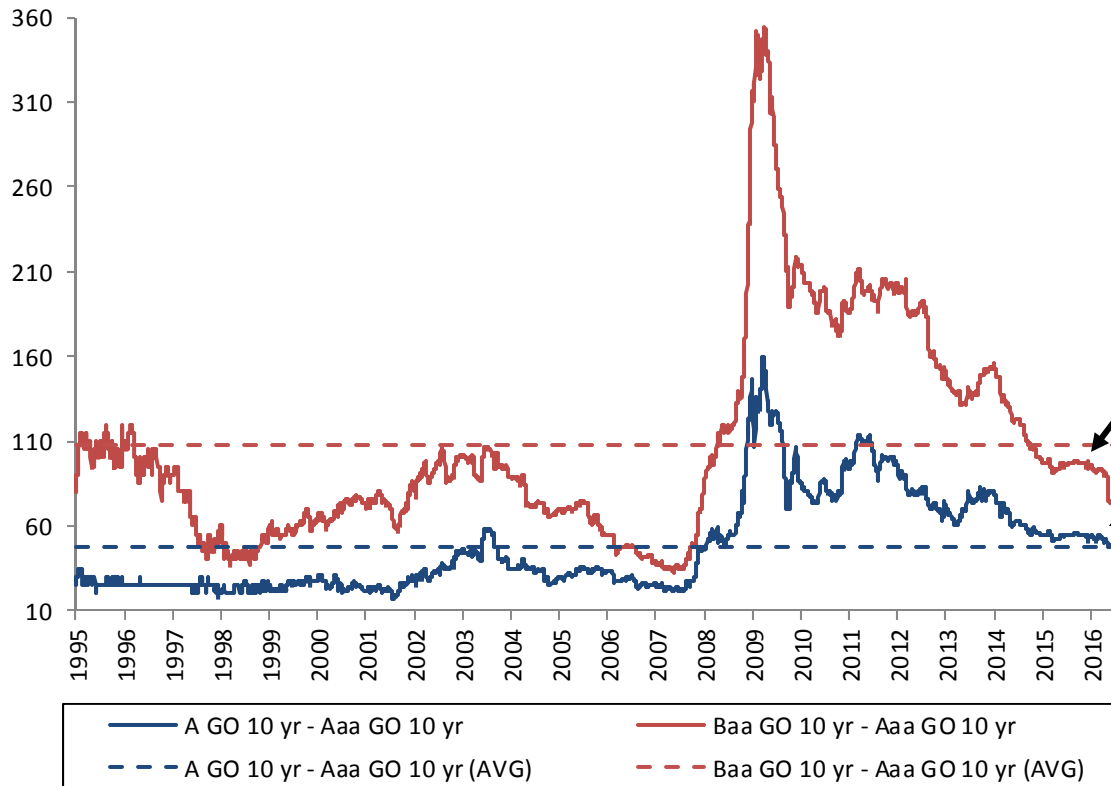


National Net Municipal Issuance



Municipal Credit Spreads Near Averages

Municipal Credit Historical Spreads (1995 - Present)



A - Aaa GO Spread	
Current as of 7/1/16:	53
Average 2010 - 2016:	73
Average 1995 - 2016:	48
**Average 1995 -2016:	44

Baa - Aaa GO Spread	
Current as of 7/1/16:	78
Average 2010 - 2016:	150
Average 1995 - 2016:	108
**Average 1995 -2016:	99

** Excluding period 11/25/2008 - 12/9/2009

Source: Stifel, MMD; as of 7/1/16

Underwriting in the Current Market

- **Call features**
- **Couponing (premium vs. discount)**
- **Timing of pricing**

Recent Pricing: Montgomery Independent School District

Size	\$66,710,000	\$9,795,000	\$33,840,000	\$18,395,000								
Issuer	Montgomery ISD	Deer Park ISD	Liberty Hill ISD	Rio Hondo ISD								
Tax Treatment	Unlimited Tax Bonds	Limited Tax Bonds	Unlimited Tax Bonds	Unlimited Tax Bonds								
Priced	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt								
Rating	7/12/2016	7/12/2016	7/12/2016	7/11/2016								
Insured Rating	Aa3/AA- (Moody's/S&P)	Aa1 (Moody's)	A2 (Moody's)	A (S&P)								
Call	Aaa/AAA (Moody's/S&P) [PSF]	Aaa (Moody's) [PSF]	Aaa (Moody's) [PSF]	AAA (S&P) [PSF]								
	2/15/2026 @ Par	2/15/2026 @ Par	2/1/2025 @ Par	2/15/2026 @ Par								
Maturity	7/11/2016			7/11/2016			7/11/2016			7/8/2016		
	Coupon	Yield-to-call	MMD Spread	Coupon	Yield-to-call	MMD Spread	Coupon	Yield-to-call	MMD Spread	Coupon	Yield-to-call	MMD Spread
2018							2.000%	0.730%	18	2.000%	0.730%	18
2019							2.000%	0.820%	20	2.000%	0.820%	20
2020	2.000%	0.890%	18				2.000%	0.940%	23	3.000%	0.940%	23
2021	5.000%	1.020%	20				2.000%	1.060%	25	3.000%	1.060%	25
2022	5.000%	1.150%	22				2.000%	1.200%	27	4.000%	1.200%	27
2023	5.000%	1.290%	25				2.000%	1.340%	38	4.000%	1.330%	30
2024	5.000%	1.380%	26	3.000%	1.460%	34	2.000%	1.450%	33	4.000%	1.440%	33
2025	5.000%	1.490%	28	3.000%	1.550%	34	4.000%	1.560%	35	4.000%	1.530%	34
2026	5.000%	1.580%	29	3.00% / 4.00%	1.630%	34	4.000%	1.650%	36	4.000%	1.610%	34
2027	5.000%	1.680%	29	4.000%	1.800%	41	4.000%	1.870%	48	4.000%	1.850%	48
2028	5.000%	1.740%	29				4.000%	1.980%	53	4.000%	1.960%	53
2029	5.000%	1.790%	29				4.000%	2.090%	59	4.000%	2.060%	58
2030	4.000%	2.140%	57				4.000%	2.210%	64	4.000%	2.180%	56
2031	4.000%	2.200%	59				4.000%	2.270%	66	4.000%	2.240%	57
2032	3.000%	2.540%	88				4.000%	2.350%	69	4.000%	2.310%	59
2033	3.000%	2.590%	88				4.000%	2.400%	69	4.000%	2.360%	59
2034	4.000%	2.350%	59				4.000%	2.450%	69	3.500%	2.640%	82
2035	5.000%	2.110%	31				4.000%	2.490%	69	4.000%	2.450%	59
2036	5.000%	2.150%	31				4.000%	2.530%	69	4.000%	2.490%	59
2037							4.000%	2.550%	69	4.000%	2.520%	60
2038												
2039												
2040										4.000%	2.590%	63
2041	4.000%	2.530%	62									
2042							4.000%	2.650%	73			
2043										4.000%	2.620%	63
2044												
2045							4.000%	2.680%	73			
2046	4.000%	2.590%	63									



SECTION II:
DEVELOPMENT FINANCING

Development Tools

- **Texas municipalities have a number of tools available to assist in attracting development**
 - Tax Abatements
 - Tax Increment Reinvestment Zones (TIRZs)
 - Public Improvement Districts (PIDs)
 - Municipal Management Districts
 - Municipal Utility Districts
 - Special Districts
 - Economic Development Corporations

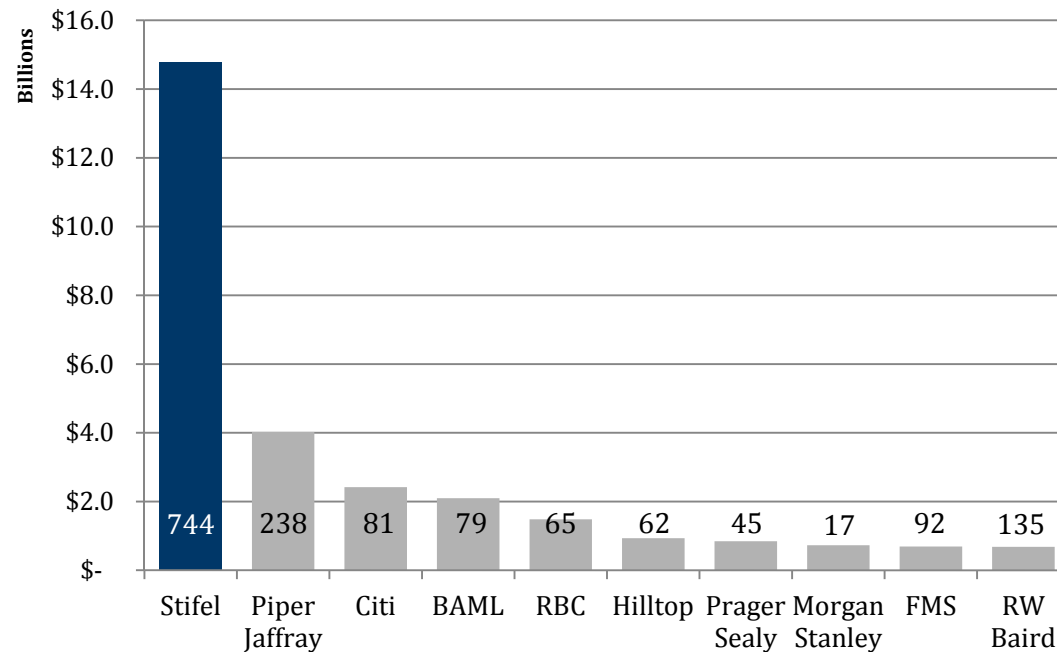
Stifel's Approach

- **Our approach focuses on several key tenets:**
 - 1) Stifel works with the Developer, Financial Advisor, consultants and Attorneys to structure transactions to meet the City's primary goals
 - 2) We work with Developers with proven track records that understand they must have a stake in the project
 - 3) Stifel has extensive experience reviewing pro-formas, financials and legal documents
 - 4) Our breadth and depth of development experience adds significant value to the financing team

Stifel's Proven Record in Development Finance

- Since 2007, Stifel has ranked #1 in Development District financings by volume and number of transactions and Stifel's experience as lead manager for Development District experience exceeds the 2nd through 10th ranked firms by volume.
- During this period, Stifel has served as senior manager on 744 national land-secured financings for a total par amount exceeding \$14.7 billion.
- The following chart puts into perspective our firm's depth, leadership, experience, and commitment to assessment-backed financings

National Development Rankings
2007 - 2015 Lead Managed Issues (Ranked by Par)



National Development Rankings
2015 Lead Managed Issues (Ranked by Par)


Rank	Firm	Par Amount (US\$ mil)	Mkt. Share	# Issues
1	STIFEL	\$3,944	50.5%	147
2	Piper Jaffray	540	6.9	26
3	Citi	488	6.3	15
4	Hilltop Holdings	477	6.1	19
5	Morgan Stanley	393	5.0	4
6	RBC Capital Markets	231	3.0	11
7	FMSbonds	201	2.6	26
8	Raymond James	178	2.3	13
9	Jefferies	178	2.3	15
10	MBS Capital Market	171	2.2	14
11	Wells Fargo	148	1.9	1
12	D A Davidson	98	1.3	6
13	Southwest Securities	82	1	4
14	Mesirow Financial	79	1	2
15	Dougherty	70	0.9	26
16	FirstSouthwest	67	0.9	2
17	BAML	65	0.8	2
18	Goldman Sachs	56	0.7	1
19	Robert W Baird	40	0.5	16
20	Northland Securities	35	0.5	19

Recent Development Financing Experience

<p><i>July 2016</i></p> <p>\$24,580,000</p> <p>East Aldine Management District (TX) Sales Tax Revenue and Refunding Bonds, Series 2016</p> <p>Senior Manager</p>	<p><i>March 2016</i></p> <p>\$9,420,000</p> <p>City of Celina, Texas Wells North PID NIA #1 Project/ MIA Project Special Assessment Revenue Bonds, Series 2016</p> <p>Sole Manager</p>	<p><i>March 2016</i></p> <p>\$13,515,000</p> <p>City of Rowlett, Texas Bayside Public Improvement District Special Assessment Revenue Bonds, Series 2016</p> <p>Sole Manager</p>	<p><i>December 2015</i></p> <p>\$8,230,000</p> <p>Viridian Municipal Management District (TX) Assessment Revenue Bonds, Series 2015</p> <p>Lead Manager</p>	<p><i>August 2015</i></p> <p>\$54,900,000</p> <p>Brooks Development Authority Senior Lien Revenue Bonds, Series 2015A-1, B-1 & B-2</p> <p>Lead Manager</p>
<p><i>February 2016</i></p> <p>\$14,550,000</p> <p>UG of Wyandotte County, KS (Wyandotte Plaza) Special Obligation Improvement Bonds, Series 2016</p> <p>Sole Manager</p>	<p><i>December 2015</i></p> <p>\$16,350,000</p> <p>The IDA of City of Rock Hill, MO (Market at McKnight) Tax Increment/Special District Revenue Bonds, Series 2015A</p> <p>Sole Manager</p>	<p><i>October 2015</i></p> <p>\$47,060,000</p> <p>MDFB (City of Independence, MO - Crackerneck Creek) Infrastructure Facilities Revenue Bonds, Series 2015</p> <p>Sole Manager</p>	<p><i>October 2015</i></p> <p>\$85,160,000</p> <p>UG of Wyandotte County, KS (Vacation Village) Sales Tax Special Obligation Revenue Bonds, Series 2015A & 2015B</p> <p>Sole Manager</p>	<p><i>August 2015</i></p> <p>\$41,930,000</p> <p>Fountain Urban Renewal Authority (South Academy Highlands, Fountain, CO) TIF Revenue Refunding and Improvement Bonds, Series 2015A</p> <p>Sole Manager</p>

Case Study: City of Celina

CITY OF CELINA, TEXAS
\$9,420,000
Wells North Public Improvement District
Neighborhood Improvement Area #1 Project (NIA #1) & Major Improvement Area Project (MIA)
Special Assessment Revenue Bonds, Series 2016

Location	<ul style="list-style-type: none"> • Located in a growing area in north-central Dallas between Interstate 75 and State Highway 289 in Celina, Texas • 45 miles north of the Dallas central business district 	
Development	<p>244 acre master-planned community designed for :</p> <ul style="list-style-type: none"> • 337 residential lots in Neighborhood Area #1 • 509 eventual lots in future development phases • 12 acre elementary school site • Amenity center with pool and playground 	
Developer	Affiliate of Hillwood, a Perot company	
Use of Proceeds	To finance public infrastructure improvements within the District, including roads, storm drainage, wastewater, and water facilities. The MIA bond proceeds will fund infrastructure to serve the entire development, such as a spine road. Much of the MIA assessments are from future development phases. The first phase of development is NIA #1. The NIA #1 bond proceeds will fund neighborhood-level infrastructure to support 337 lots.	
Primary Security	Special Assessments and a fully-funded Debt Service Reserve Fund. The two sets of special assessments do not overlap. The NIA #1 is a distinct area and no additional PID Bonds may be issued from within that area. The MIA bonds permit the issuance of additional obligations.	
Special Features	Bonds are not rated. The Developer had executed lot purchase contracts for 321 of the 337 NIA #1 lots at the time of the sale. The Developer had no contracts for lots within future development phases. No work had begun in either NIA #1 or the MIA by the time of the bond sale.	
Stifel's Role	Sole Manager	

Pricing Comparison: City of Celina

Pricing Comparisons

- Same Structure
- Same Developer
- Projects divided by a roadway (Wells North and Wells South)
- Two different underwriters

City of Celina, Texas Special Assessment Revenue Bonds, Series 2016 (Wells North Public Improvement District Neighborhood Improvement Area #1 Project)				
Maturity	Coupon	Yield	3/28/2016 MMD	Spread to MMD
9/1/2024				
9/1/2026	4.375%	4.375%	1.820%	2.555%
9/1/2027				
9/1/2028				
9/1/2029				
9/1/2030				
9/1/2036	5.000%	5.000%	2.530%	2.470%
9/1/2040				
9/1/2045				
9/1/2046	5.250%	5.250%	2.760%	2.490%
Par			6,425,000	
Rating:			Non-Rated	
Bond Insuran			NA	
Underwriter:			Stifel	
Delivery			4/19/2016	
Call:			9/1/2022	
Pricing Date:			3/29/2016	
Tax Status			Fed Tax Exempt	


City of Celina, Texas Special Assessment Revenue Bonds, Series 2016 (Wells North Public Improvement District Major Improvement Area Project)				
Maturity	Coupon	Yield	3/28/2016 MMD	Spread to MMD
9/1/2024				
9/1/2026	4.625%	4.625%	1.820%	2.805%
9/1/2027				
9/1/2028				
9/1/2029				
9/1/2030				
9/1/2036	5.250%	5.250%	2.530%	2.720%
9/1/2040				
9/1/2045				
9/1/2046	5.500%	5.500%	2.760%	2.740%
Par			3,235,000	
Rating:			Non-Rated	
Bond Insuran			NA	
Underwriter:			Stifel	
Delivery			4/19/2016	
Call:			9/1/2022	
Pricing Date:			3/29/2016	
Tax Status			Fed Tax Exempt	

City of Celina, Texas Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Neighborhood Improvement Area #1 Project)				
Maturity	Coupon	Yield	12/6/2015 MMD	Spread to MMD
9/1/2024				
9/1/2026				
9/1/2027				
9/1/2028				
9/1/2029				
9/1/2030				
9/1/2036				
9/1/2040				
9/1/2045	6.250%	6.250%	2.960%	3.290%
9/1/2046				
Par			5,790,000	
Rating:			Non-Rated	
Bond Insuran			NA	
Underwriter:			Jefferies	
Delivery			12/22/2015	
Call:			9/1/2024 @ Par	
Pricing Date:			12/7/2015	
Tax Status			Fed Tax Exempt	

City of Celina, Texas Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Major Improvement Area Project)				
Maturity	Coupon	Yield	12/6/2015 MMD	Spread to MMD
9/1/2024				
9/1/2026				
9/1/2027				
9/1/2028				
9/1/2029				
9/1/2030				
9/1/2036				
9/1/2040				
9/1/2045	7.500%	7.500%	2.960%	4.540%
9/1/2046				
Par			8,040,000	
Rating:			Non-Rated	
Bond Insuran			NA	
Underwriter:			Jefferies	
Delivery			12/22/2015	
Call:			9/1/2024 @ Par	
Pricing Date:			12/7/2015	
Tax Status			Fed Tax Exempt	

Case Study: City of Rowlett

CITY OF ROWLETT, TEXAS
\$13,515,000
Bayside Public Improvement District
Special Assessment Revenue Bonds, Series 2016

Location	On the shores of Lake Ray Hubbard on Interstate 30 in Rowlett, Texas, 18 miles northeast of the Dallas central business district	
Development	Bonds supported by “North Side” development, consisting of 145 acres and a planned: <ul style="list-style-type: none"> • 365 residential lots • 800-unit apartments • 300,000 square feet of commercial space 	
Developer	Bayside Land	
Use of Proceeds	To finance public infrastructure improvements within the Bayside Public Improvement District, including roads, retaining walls, water and wastewater facilities, parks, public art and entry monuments	
Primary Security	Special Assessments and a fully-funded Debt Service Reserve Fund	
Special Features	<ul style="list-style-type: none"> • Value to Bonds: 3.43:1 overall; • No additional bonds provision. Tax Increment Revenue Zone for certain additional infrastructure costs on a reimbursement basis • At the time of pricing, development will not have commenced; however, executed contract in place for sale to builder of 800 units of multi-family . 	
Stifel’s Role	Sole Manager	

Case Study: Viridian Municipal Management District



TARRANT COUNTY, TX

\$8,230,000

Viridian Municipal Management District
Assessment Revenue Bonds, Series 2015

Location	City of Arlington, Texas, approximately seven miles west of the Dallas-Fort Worth Airport	
Development	<p>2,068 gross acre mix-use master-planned community</p> <ul style="list-style-type: none"> Plans for: <ul style="list-style-type: none"> 234,000 sq. ft. retail space 120 room hotel 381,000 sq. ft. office space 3,854 housing units for sale 	
Developer	Viridian Holdings L.P. (an affiliate of Johnson Development)	
Use of Proceeds	<ul style="list-style-type: none"> Fire Protection Improvements Parks and Greenspace Improvements 	
Primary Security	Special assessments on 200.6 acres of private lands (the "Benefited Area") within Viridian	
Special Features	<ul style="list-style-type: none"> Bonds are not rated Reserve Fund at fifty percent of MADS; Also, delinquency and prepayment reserves 60% owner-occupied within Benefited Area 	
Stifel's Role	Lead Manager	

Case Study: Brooks Development Authority

BROOKS DEVELOPMENT AUTHORITY
\$36,100,000 Senior Lien Revenue Bonds, Series 2015A-1
\$7,200,000 Senior Lien Revenue Bonds, Series 2015B-1
\$11,600,000 Senior Lien Revenue Bonds, Taxable Series 2015B-2


Location	Bexar County, Texas
Development	789 acres on-site and 33 acres off-site. Former Brooks Air Force Base created in 1917. Closed under BRAC (Base Realignment and Closure Act). Being redeveloped into a “live, work, play” community
Developer	Brooks Development Authority
Use of Proceeds	Public infrastructure improvements including streets, parks, drainage/detention, hangar restoration, building renovation, landfill mitigation, hike/bike path and sidewalks
Primary Security	Gross revenues, of the Authority including PILOTs, lease revenues, fees and a mortgage on Authority Property
Special Features	<ul style="list-style-type: none"> • Brooks City Base created by Congress, the State of Texas and the City of San Antonio in 2011 • Currently 26 business located in Brooks City Base • Newly formed authority issued the bonds • Bonds sold via limited public offering; only available to Accredited Investors and Qualified Institutional Buyers • Bonds are not rated
Stifel’s Role	Lead Manager



Case Study: Cibolo Canyons Special Improvement District

\$48,900,000

**CIBOLO CANYONS SPECIAL IMPROVEMENT DISTRICT
HOTEL OCCUPANCY TAX AND SALES & USE TAX REVENUE BONDS,
SERIES 2014 (TAXABLE)**

Location	Far north central area of the San Antonio MSA in Bexar County, Texas	
Development	Master-planned, mixed-use community with several different residential components as well as commercial uses, including multifamily apartments and condo developments, a possible retail area, some small office development areas and a major hotel/golf/resort development known as the JW Marriott San Antonio Hill Country Resort & Spa.	
Developer	Forestar Real Estate Group, SA Real Estate LLP, Miller Global Properties, Western Rim Apartment Developers	
Use of Proceeds	To make economic development grants pursuant to economic development agreements for partial payment of costs borne by the developer in the development of the resort	
Primary Security	Hotel and occupancy tax of 9% on all hotel room rentals, sales and use tax of 1.5% on all sales and use taxable transactions, primary and secondary debt service reserve accounts and a contingency letter of credit	
Special Features	<ul style="list-style-type: none"> • Debt service coverage of 1.38x at issuance • Bonds sold via limited public offering; only available to Accredited Investors and Qualified Institutional Buyers • Bonds are not rated 	
Stifel's Role	Sole Manager	



SECTION III:
STIFEL OVERVIEW

STIFEL

Stifel Overview

Stronger Stifel with the same "Client Service" focus

- Top National Ranking in Key Categories in 2015



Ranked 1st in number of national negotiated new issues (811) and ranked 6th in terms of negotiated par amount (\$16.7 billion)



Ranked 1st in national development issues in terms of negotiated par amount underwritten (\$3,944.2 billion)

- Geographic Expansion to Serve Issuer Clients from Coast to Coast

- Public Finance team has expanded from 50 to 147 over the last five years
- Stifel Public Finance - Growth from 9 offices in 2011 to 26 as of January 2016
- Texas added additional public finance offices in the last 24 months
- Stifel recently completed the acquisition of Barclay's Wealth and Investment Management

Stifel's Growth and Expansion ¹				Key Statistics			
Acquisitions					Today	2005	Increase
BARCLAYS WEALTH	December 2015 Private Client	sterne agee	June 2015 FI, Public Finance, PC	Total Capital	\$1.25 bil ²	\$194 mil	6.4x
MERCHANT CAPITAL LLC	December 2014 Public Finance	De La ROSA & Co.	March 2014 FI, Public Finance	Revenue	\$2.38 bil ²	\$270 mil	8.8x
Knight	March 2013 Fixed Income	KBW	February 2013 I-Banking	Employees	7,458	1,800	4.1x
MILLER BUCKFIRE	December 2012 I-Banking	STONE & YOUNGBERG	October 2011 FI, Public Finance	Institutional Traders	88	10	8.8x
Thomas Weisel Partners	July 2010 I-Banking	ButlerWick	December 2008 Public Finance, PC	Institutional Sales	252	78	3.2x
RYAN BECK & CO.	February 2007 Private Client	MJS&K	December 2006 Private Client	Client Assets	\$234 bil	\$26 bil	9.0x
				Retail Professionals	2,891	644	4.5x
				Retail Offices	361	92	3.9x
				Public Finance Rank	6 th ³	26 th	20 ⁴
				Public Finance Bankers	147	19	7.7x

¹ Excludes Stifel Bank and Trust and its other affiliates.

² As of December 31, 2015.

³ Senior Manager negotiated rank by par, SDC Platinum.

⁴ Stifel has surpassed 20 other firms in the national rankings.

National Underwriter Rankings

Top-ranked national underwriter

- Stifel continues to rank #1 underwriter nationally in terms of number of negotiated transactions

2015 - Negotiated Rankings by Number of Issues			
	Rank	Number of Issues	Par Amount (US\$ mils)
Stifel Nicolaus & Co Inc	1	811	16,718
RBC Capital Markets	2	669	23,475
Piper Jaffray & Co	3	497	11,967
Raymond James	4	479	13,583
Citi	5	337	32,917
D A Davidson & Co	6	314	2,997
Robert W Baird & Co Inc	7	308	2,866
Bank of America Merrill Lynch	8	305	32,880
J P Morgan Securities LLC	9	275	32,116
Morgan Stanley	10	257	23,455

2014 - Negotiated Rankings by Number of Issues			
	Rank	Number of Issues	Par Amount (US\$ mils)
Stifel Nicolaus & Co Inc	1	592	11,576
RBC Capital Markets	2	532	18,978
Piper Jaffray & Co	3	395	8,655
Raymond James	4	355	10,455
Robert W Baird & Co Inc	5	294	3,255
D A Davidson & Co	6	290	2,143
Bank of America Merrill Lynch	7	257	30,191
Citi	8	243	22,461
J P Morgan Securities LLC	9	216	26,400
Ameritas Investment Corp	10	198	637

- In 2015, Stifel ranked 6th nationally in terms of negotiated par amount, up from 8th in 2014

2015 - Negotiated Rankings by Par Amount			
	Rank	Par Amount (US\$ mils)	Number of Issues
Citi	1	32,917	337
Bank of America Merrill Lynch	2	32,880	305
J P Morgan Securities LLC	3	32,116	275
RBC Capital Markets	4	23,475	669
Morgan Stanley	5	23,455	257
Stifel Nicolaus & Co Inc	6	16,718	811
Wells Fargo & Co	7	16,673	191
Barclays	8	14,281	123
Raymond James	9	13,583	479
Piper Jaffray & Co	10	11,967	497

2014 - Negotiated Rankings by Par Amount			
	Rank	Par Amount (US\$ mils)	Number of Issues
Bank of America Merrill Lynch	1	30,191	257
J P Morgan Securities LLC	2	26,400	216
Citi	3	22,461	243
Morgan Stanley	4	20,883	168
RBC Capital Markets	5	18,978	532
Wells Fargo & Co	6	16,551	164
Barclays	7	14,650	95
Stifel Nicolaus & Co Inc	8	11,576	592
Goldman Sachs & Co	9	10,972	65
Raymond James	10	10,455	355

Extensive Distribution Network

Stifel maintains one of the strongest, most balanced distribution networks in the market

Institutional Distribution

- 50 Offices Nationwide
- 26 Municipal Sales Professionals
- 4 Texas Sales Professionals located in Austin, Dallas and Houston

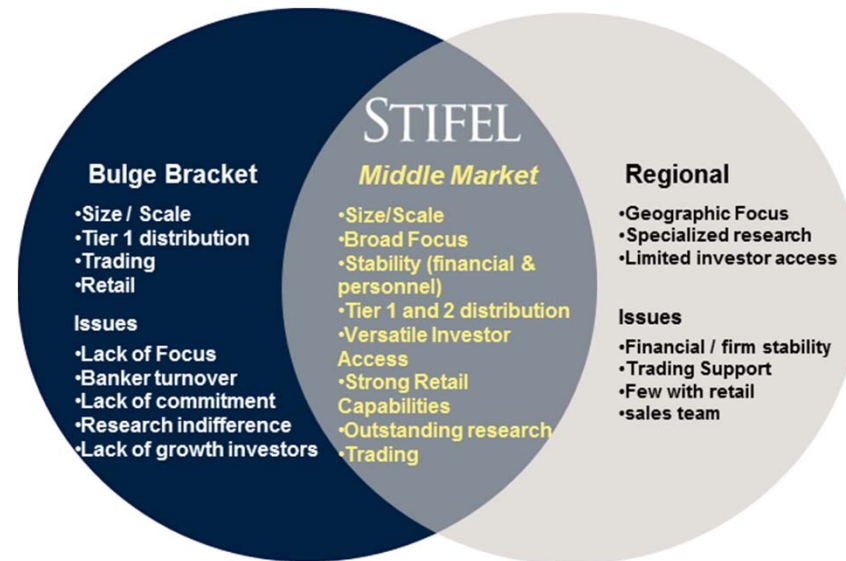
Retail Distribution

- 360+ Offices Nationwide
- 2,800+ Investment Executives
- 58 Texas Retail Sales Professionals

Texas Retail

- | | |
|---------------------|-----------------------|
| ■ Austin | ■ Houston – NW |
| ■ North Austin | ■ Houston – McKinney |
| ■ West Austin | ■ Houston – St. James |
| ■ Belton | ■ Longview |
| ■ Corpus Christi | ■ New Braunfels |
| ■ Dallas | ■ Temple |
| ■ Dallas - Crescent | ■ Texarkana |
| ■ Denton | ■ Waco |
| ■ Georgetown | ■ Wichita Falls |

- **Broad Institutional Coverage**
 - All top tier major buyers of municipal bonds
 - Bond funds, banks trusts, insurance companies, money managers, separately managed accounts (SMAs)
 - Regional reach to smaller institutions and “professional retail” not well served by Wall Street firms
- **Extensive Retail Sales Network**
 - National network includes over 2,800 retail brokers serving 900,000+ retail investors
 - 58 retail brokers in 18 Texas retail branches
 - No reliance on third party distribution agreements to sell bonds directly to individuals
- **Regional Focus**
 - Middle Market accounts in the Tier II and III categories
 - Regional corporations and trust departments often overlooked by institutional sales desks





SECTION IV:
CONTACT INFORMATION

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