

## Understanding How We Are Compensated for Financial Services

At Edward Jones, our approach to financial services is different. By living and working in your community, our financial advisors can meet with you personally to discuss investment strategies to help achieve your goals. It is important that you understand the potential benefits, risks, fees and costs of the services we provide.

When we do business with you, our financial advisors and the equity owners of our firm may benefit financially from fees, commissions and other payments from you and our investment providers. These financial incentives may create a conflict between Edward Jones' interest, your financial advisor's interest, and your own. We believe that the best investor is a well-informed investor. This disclosure document will give you information about how we are compensated and potential conflicts of interest.

We encourage you to:

- Read all disclosure information and understand the fees, commissions and costs for our services before you invest or borrow money
- Ask your financial advisor questions to help you understand the commissions and fees you may pay
- Review your account statements and trade confirmations for the fees, commissions and costs that impact your account(s) with us

### How is Edward Jones compensated for financial services?

We earn our revenue primarily from our clients. We also earn revenue from product providers and money managers ("third parties") who assist us in providing the investments and services that we offer you.

#### Our revenue from clients includes:

- Commissions you pay when you buy or sell equities and fixed-income investments (this applies when we act as agent or broker)
- Markups and markdowns on your price when you buy or sell securities (this applies when we act as principal outside of investment advisory programs, buying and selling from our own inventory, primarily for bonds)
- Sales loads (sales charges), commissions or concessions derived from the offering and sale of various managed investments such as mutual funds, unit investment trusts, insurance and annuities
- Transaction fees on the purchase or sale of certain equity and fixed-income products in brokerage accounts
- Fees based on the value of your assets in our advisory programs
- Interest on margin accounts
- Miscellaneous fees, including fees for IRAs, wire transfers, returned checks, transfer on death services, and money market fund low balances

#### Our revenue from third parties includes:

- Revenue sharing on the products you purchase and hold from mutual fund and insurance companies. For more information, see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing)
- Payments from mutual fund and insurance companies in the form of distribution and/or service fees (12b-1 fees), trail commissions or renewal commissions, which are fully described in the applicable prospectus or offering document

- Payments from mutual fund companies when we provide shareholder accounting and/or networking services on their behalf for our clients' holdings of the mutual funds' securities (for more information, see [www.edwardjones.com/mutualfunds](http://www.edwardjones.com/mutualfunds))
- Payments from insurance companies when we provide services for Inforce Contract Service Agreements (for more information, see [www.edwardjones.com/revenue sharing](http://www.edwardjones.com/revenue sharing))
- Revenue, including management and distribution and/or service fees (12b-1 fees) arising from our ownership of the investment adviser to the Edward Jones Money Market Fund (for more detailed information, ask your financial advisor for a prospectus)
- Payments from Elan Financial Services for the activation and use of the Edward Jones MasterCard<sup>®</sup>
- Profits from our trading activities
- Underwriting discounts or concessions connected to new offerings of equity, fixed-income or other investments
- Payments from unit investment trust ("UIT") sponsors in the form of gross acquisition profits and volume concession
- A portion of the fees paid by issuing companies to Broadridge Investor Communications Solutions, Inc., an unaffiliated third-party vendor with which we contract to distribute proxies, periodic reports and voting instruction information to our clients
- Payments from Edward Jones Trust Company for the referral and ongoing support of accounts managed by Edward Jones Trust Company
- Payments from third parties to offset expenses for financial advisor regional meetings

## Understanding How We Are Compensated for Financial Services

### How is your financial advisor compensated for financial services?

Your financial advisor provides information about investment strategies to help you achieve your goals. Depending on your account type, your financial advisor may provide investment recommendations. While some investments provide more compensation to your financial advisor than others, this should not influence the investment information or recommendations you may receive. Please ask your financial advisor to explain any commissions, sales charges, markups and fees that may apply to any investments you may consider.

New financial advisors are eligible to receive a supplemental salary for up to four years. Supplemental salary is not tied to performance, commissions, fees or assets brought into the firm. All financial advisors receive minimum guaranteed salary (MGS) in an amount determined by federal and state law. To the extent supplemental salary is lower than MGS on a monthly basis, Edward Jones pays additional salary to ensure financial advisors receive full MGS. MGS does not fluctuate and is paid regardless of quality or quantity of work performed.

#### **Asset-based Fees (investment advisory services) –**

When you participate in our Advisory Solutions or Guided Solutions programs, you pay asset-based fees – the Program Fee and Portfolio Strategy Fee (if applicable) to Edward Jones instead of commissions. The fee(s) are based on the market value of all assets held in your account and are assessed monthly, in arrears, based on the annual tiered fee rate schedules. If you invest in separately managed allocations (“SMAs”), a portion of the monthly fees paid to Edward Jones will be paid to the money managers for the SMAs. A portion of your fees are paid to your financial advisor. The payout level to your financial advisor will depend on the average daily total asset value of advisory assets, taking into account any discounts or fee reductions. In addition, the payout level will vary based on years of experience and the state in which the branch is located. For information about our advisory services, please see [www.edwardjones.com/advisorybrochures](http://www.edwardjones.com/advisorybrochures).

When you participate in Retirement Plan Services, you pay a “Retirement Plan Services Fee” to Edward Jones. The Retirement Plan Services Fee is based on the plan’s included assets in the program. If the plan’s included assets grow and reach certain thresholds, you are eligible for a reduction of the Retirement Plan Services Fee. Edward Jones will not automatically increase the Retirement Plan Services Fee if included assets decrease. For this fee, Edward Jones will serve as an investment advice fiduciary at the plan level, as well as provide educational services at both the plan and participant level, if applicable. Your financial advisor receives a portion of the Retirement Plan Services Fee. The payout level will vary based on years of experience and the state in which the branch is located.

**Commissions** – When you buy or sell certain investments, such as stocks, bonds, exchange-traded funds and certificates of deposit, you pay a commission or a sales charge. The amounts differ depending on the investment and the amount of the transaction. Edward Jones also receives payments from the mutual fund or insurance companies if you buy mutual funds, annuities or insurance policies. Edward Jones pays your financial advisor a portion of these charges and payments. The payout level

may vary based on your financial advisor’s years of experience, the location of the branch, the type and amount of the investment, and discounts, if any.

**Account-based Fees** – Your account fees depend on the types of accounts you have with us. For brokerage accounts, please see [www.edwardjones.com/brokeragefeeschedule](http://www.edwardjones.com/brokeragefeeschedule). For individual retirement accounts, please see [www.edwardjones.com/irafeeschedule](http://www.edwardjones.com/irafeeschedule).

**Distribution and/or Service Fees (12b-1 Fees)** – Mutual fund companies pay Edward Jones ongoing service fees. The service fees are comprised of 12b-1 fees or annualized distribution fees that you pay to the mutual fund company. Mutual fund companies pay 12b-1 fees to their managers or distributors for allocation to brokerage firms, in part for assistance in marketing and distributing their shares or products. The amount of the 12b-1 fee Edward Jones receives varies depending upon the mutual fund company, type of mutual fund, and amount of mutual fund purchased. We pay a portion of these fees to your financial advisor. The payout level will vary based on years of experience and the state in which the branch is located. The 12b-1 fee reduces the amount you earn from your mutual fund. For more detailed information, ask your Edward Jones financial advisor for a prospectus. If we receive these fees for shares you hold in an investment advisory program account, we will credit the amount received to your account through Fee Offset. For information about Fee Offset, please see [www.edwardjones.com/advisorybrochures](http://www.edwardjones.com/advisorybrochures).

**Trail Commissions** – Insurance companies that issue variable annuities typically pay Edward Jones ongoing trail commissions. The trail commissions are composed of fees and charges imposed under the variable annuity contract, the separate accounts and other sources. We pay a portion of these fees to your financial advisor. The payout level will vary based on years of experience and the state in which the branch is located.

**New Asset Compensation** – New financial advisors are eligible to receive compensation based on certain new assets brought into the firm.

**Internal Incentive Programs** – We may offer internal incentive programs that may provide financial advisors and branch office administrators with an opportunity to earn additional compensation. These programs exist during a specified duration and are voluntary.

**Branch P&L and Profitability Bonus** – Revenues and expenses of Edward Jones are assigned to each branch’s Profit and Loss Statement (branch “P&L”). The branch receives P&L credits for commissions, distribution and/or service fees (12b-1 fees) and other fees we receive. The branch also receives P&L credits for revenue generated from certain client activities that have no direct payout to your financial advisor, so your financial advisor may benefit financially from credits to the branch P&L without directly receiving any portion of such revenue. Additionally, the branch receives a P&L credit based on assets under care in the branch. Expenses directly related to the branch, such as rent, communications and employee compensation and benefits, are charged against the branch P&L.

In periods in which Edward Jones has reached a certain level of profitability and the branch is profitable on their branch P&L, the financial advisor may receive a branch profitability bonus.

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**Credit Cards** – Your financial advisor and branch office administrator receive a portion of the compensation Edward Jones receives from Elan Financial Services for the activation and initial use of the Edward Jones MasterCard®. The payout level may vary based on your financial advisor's years of experience and the location of the branch.

**Margin Fees** – Your financial advisor will earn a portion of the ongoing interest paid to Edward Jones on your margin loan balances.

**Trust Fees** – Your financial advisor receives a portion of the compensation Edward Jones receives from Edward Jones Trust Company for the referral and ongoing support of accounts managed by Edward Jones Trust Company. The payout level may vary based on your financial advisor's years of experience and the location of the branch.

**Profit Sharing** – We have long believed in sharing the profits of the firm with our associates. All eligible associates, including financial advisors, receive contributions to an employer-sponsored retirement plan based on their total compensation, which includes commissions, fees, salary and bonuses. All contributions are immediately 100% vested.

**Client Transition Programs** – Financial advisors have the opportunity to participate in one of our client transition programs. Involvement in these programs affects or eliminates compensation to the participating financial advisor; however, any fees or charges to the client are not impacted.

**Travel Awards Program** – Financial advisors are eligible to participate in the Edward Jones Travel Awards Program, which includes domestic and international travel, or a cash award in lieu of a trip. Eligibility for a Travel Award Program is based primarily upon the amount of new and existing assets under care for a financial advisor. Certain product providers, such as preferred providers, may participate in these travel programs. These incentives create a conflict of interest between your financial advisor's interest and your own when providing advice to you regarding rolling over or transferring your assets to Edward Jones, taking distributions, and engaging in transactions in your account.

**Training and Marketing Incentives** – Third-party providers such as mutual fund wholesalers, annuity wholesalers, UIT wholesalers, retirement plan distributors, investment managers and insurance distributors may reimburse and/or pay certain expenses on behalf of financial advisors and the firm, including expenses related to training, marketing, and educational efforts. Training of our financial advisors can occur at branch offices, seminars, meetings or other events. The training focuses on, among other things, the third-party provider's products, suitability, product literature and product support. This could lead our financial advisors to focus on these third-party providers' products versus other third-party products that are not represented at these meetings, seminars and/or conferences. We want you to understand that this creates a potential conflict of interest for Edward Jones and our financial advisors to the extent that this may cause them to prefer those Product Partners that have greater access, marketing opportunities and educational opportunities.

**Noncash Incentives** – Third-party providers may also give financial advisors gifts up to a total value of \$100 per provider per year, consistent with industry regulations. Third parties may occasionally provide financial advisors with meals and entertainment of reasonable value. Additionally, third parties may provide the firm and our financial advisors with access to certain research tools or software that is developed or subscribed to by third parties. We want you to understand that this creates a potential conflict of interest to the extent that this may cause the firm or our financial advisors to prefer those Product Partners that provide these noncash incentives.

**Awards and Recognition** – We strive to recognize the success of our financial advisors with awards and recognition, which may be interpreted as a type of incentive.

- **Annual Managing Partner's Conference** – Each year, the top 400 financial advisors are recognized based on their previous year's production and contribution to the firm.
- **Annual Financial Advisor Leaders Conference** – Each year, a conference is held that recognizes and offers additional training to financial advisors with prior year's production within a specified range that places them among the leaders of the firm.
- **Annual Drucker Conference** – This conference recognizes the top teams of financial advisors and branch office administrators based on production and client satisfaction as measured by independent surveys.
- **Annual Regional Meetings** – We hold annual meetings that include an awards banquet to recognize financial advisors' career success. Plaques and mementos recognize the completion of special training, holding a volunteer position such as trainer or mentor, or reaching a special accomplishment or level of production.

**Partnership** – In addition to compensation, Edward Jones financial advisors have been offered partnership interests in the past. Such opportunities may be interpreted as a type of incentive.

- **Partnership Opportunity** – The Jones Financial Companies, L.L.L.P., which is the owner of Edward Jones, is not a publicly traded company. It is a limited partnership owned by its partners, who include financial advisors, branch office administrators and headquarters associates. Financial advisors may be given the opportunity to become limited and/or general partners in The Jones Financial Companies, L.L.L.P., and in that capacity to share in the earnings of Edward Jones and its affiliates. Partners' earnings vary based on the firm's profitability. The amount a partner earns depends on which category of capital the partner owns and how much he or she has invested. All revenue that contributes to Edward Jones' profitability has a positive impact on the amount of income each partner receives.

## Understanding Our Brokerage and Investment Advisory Services

At Edward Jones, our relationship begins by getting to know you and your financial goals. This helps us understand why you are investing so that our discussions about investments make sense.

Edward Jones is registered and provides services as both a broker-dealer and an investment adviser. Provided below is a summary of our brokerage and investment advisory services, as well as the differences in legal and regulatory responsibilities that apply to these services.

### Our brokerage services

Brokerage services allow you to provide us with instructions to buy, sell and hold your investments. We provide you with investment education, research and planning tools. Depending on your account type, we may make recommendations about your investments. You make each investment decision and do not delegate such decisions to us.

#### Our responsibilities when providing brokerage services.

Applicable federal and state securities laws, regulations and self-regulatory organizations set forth our responsibilities. These include that we:

- Obtain your investment profile, including your age, investment experience, time horizon, liquidity needs, risk tolerance, financial situation and needs, tax status and investment objectives
- Act under a suitability responsibility to you. This means that we provide information about investments that we believe are suitable for you based on your investment profile.
- Provide information about investments based on the nature of the security as well as its potential risks and rewards
- Obtain prices for trades that are fair and reasonable according to market conditions and make sure that the commissions and fees that you pay are not excessive

#### How are we paid for brokerage services?

Depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. In addition, you pay transaction-based fees on the purchase or sale of certain equity and fixed-income products. The investments within your non-ERISA plan also may have ongoing expenses such as distribution and/or service fees (12b-1 fees), trail and renewal commissions that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. For more information regarding the fees, commissions and other payments earned by Edward Jones and our financial advisors, see the applicable sections within this document.

#### What is your financial advisor's role when providing brokerage services?

Your financial advisor helps you identify your investment profile, goals and strategies to assess which types of investments may be appropriate for you. Then your financial advisor discusses investments with you based on your financial circumstances, risk tolerance and investment objectives. Your financial advisor serves as your key relationship contact for all of your Edward Jones accounts.

### Edward Jones Select Retirement Account™

#### What is an Edward Jones Select Retirement Account™?

An Edward Jones Select Retirement Account™ is a type of

transactional retirement account. Within this account, you have the choice to buy or sell investments and the ability to use our guidance as a framework, including the flexibility to use this account as a complement to other diversified accounts. The investment options for this account include stocks, bonds, certificates of deposit ("CDs"), exchanged traded funds ("ETFs"), mutual funds and annuities.

#### How are we paid for our services?

Edward Jones receives a commission each time you buy or sell a stock, bond, ETF, or CD, or purchase a mutual fund, a fixed annuity or a variable annuity. The amount of the commission Edward Jones receives on mutual funds varies depending upon the mutual fund company, type of mutual fund, applicable discounts and amount of mutual fund purchased. Insurance companies that issue variable annuities also typically pay Edward Jones a "trail commission." The trail commissions are composed of fees and charges imposed under the variable annuity contract, the separate accounts and other sources. Mutual fund companies also pay Edward Jones ongoing distribution and/or service fees (12b-1 fees) that are paid out of fund assets. Edward Jones or Edward Jones Trust Company also may impose fees for certain transactions and/or services within your account.

At certain investment levels, typically \$1 million, your investments with an individual product provider may carry no sales charges. However, in these instances, the mutual fund company may pay Edward Jones a commission on these investments. A contingent deferred sales charge may apply if you sell these investments within a certain time frame. Please see your prospectus for more information.

*Revenue Sharing* – Certain mutual funds and insurance companies may pay Edward Jones additional amounts known as revenue sharing. For information about revenue sharing, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

*Inforce Contract Service Fees* – Edward Jones has entered into inforce contract service agreements with certain insurance companies to provide support of certain issued and outstanding insurance contracts. We receive payments for providing these services. For information about inforce contract service fees, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

*Networking and Shareholder Accounting Fees* – Edward Jones has entered into networking agreements and shareholder accounting agreements with many mutual fund companies to provide certain services for the mutual fund companies. The mutual funds available in the Select Retirement Account involve product partners that pay shareholder accounting and/or networking fees to Edward Jones. For more information regarding networking or shareholder accounting fees that Edward Jones receives, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

*Edward Jones Money Market Fund* – Edward Jones receives revenue in connection with services it performs for the

## Understanding Our Brokerage and Investment Advisory Services

Edward Jones Money Market Fund and in connection with its ownership of the Fund's investment adviser. Your financial advisor does not receive any portion of such revenues.

### How is your financial advisor compensated?

Your financial advisor receives a portion of the commission you pay each time you buy or sell a stock, bond, ETF, or CD, or purchase a fixed annuity, or a variable annuity.

When you purchase a mutual fund, your financial advisor receives as compensation a percentage of your purchase amount. This compensation does not vary based on the mutual fund family, but rather only by the type of fund, amount of purchase and applicable breakpoint. Your financial advisor receives one percentage for equity and balanced funds<sup>1</sup>, and a different percentage for fixed income funds<sup>2</sup>, regardless of the mutual fund company. Edward Jones also shares a portion of the 12b-1 fees it receives with your financial advisor.

As mentioned above, insurance companies that issue variable annuities also typically pay Edward Jones "trail commissions." Your financial advisor receives a percentage of these revenues as compensation based upon a number of factors, including: your financial advisor's years of experience, the location of the branch, the type of the investment, the type of transaction, the size of the transaction and discounts, if any.

Your financial advisor does not directly receive any portion of the revenue sharing, networking or shareholder accounting fees, or inforce contract service payments received by Edward Jones. However, the revenue that Edward Jones receives from revenue sharing, networking or shareholder accounting fees and inforce contract service payments affects the firm's overall profitability and thus may affect any branch bonus your financial advisor receives.

For more information about how Edward Jones and your financial advisor are compensated within the Select Retirement Account, please see [www.edwardjones.com/select-client-services](http://www.edwardjones.com/select-client-services).

## Our investment advisory services

Investment advisory services allow you to choose how involved you want to be with daily investment decisions. You may choose to delegate such decisions to investment professionals or choose a hands-on approach. The services we offer depend on which advisory program you select. For each of our advisory programs, you will want to read the program's brochure, which describes the program and fees as well as information about our business, personnel and any potential conflicts of interest that could exist.

### Our responsibilities when providing investment advisory services

Applicable federal and state securities laws set forth our responsibilities. These include that we:

- Obtain your overall financial situation, including your age, investment experience, time horizon, liquidity needs, risk tolerance, financial needs, tax status and investment objectives
- Act under a fiduciary responsibility to you. This means that we provide investment advice in your best interest and that we disclose or avoid any material conflicts between our interests and yours

- Provide suitable investment advice and have a reasonable, independent basis for our recommendations
- Obtain prices for trades so that your total cost or proceeds in each transaction are the most favorable under the circumstances

Advisory services are provided only pursuant to a written agreement with you. Additionally, a fiduciary responsibility to you is established only when it is stated in writing in our agreement with you.

### What is your financial advisor's role when providing investment advisory services?

Your financial advisor helps you identify your financial situation and investment objectives to assess the type of advisory program that may be appropriate for you. Then your financial advisor discusses the type of advisory program that may fit you based on your investment objectives and any reasonable restrictions you may impose. Your financial advisor serves as your key relationship contact for all of your Edward Jones accounts.

## Our investment advisory programs

### Edward Jones Advisory Solutions® Fund Model

#### What is the Edward Jones Advisory Solutions® Fund Model program?

This is an asset allocation program. Your account is invested in various allocations of program investments, which include affiliated mutual funds, unaffiliated mutual funds, exchange-traded funds ("ETFs"), affiliated money market funds and unaffiliated money market funds. For more information, please see our Advisory Solutions Fund Model brochure, [www.edwardjones.com/advisorybrochures](http://www.edwardjones.com/advisorybrochures).

#### How are we paid for our services?

When you invest in Edward Jones Advisory Solutions® Fund Model, you pay asset-based fees - the Program Fee and Portfolio Strategy Fee (if applicable) - to Edward Jones (collectively, the "Advisory Solutions Fee"). The Program Fee is charged for certain investment advisory services, including initial and ongoing analysis of your investment needs and objectives, periodic consultations, evaluation and selection of investments for the program, Edward Jones investment policy guidance and services to keep your account aligned with such guidance, periodic performance reporting, custody and transaction execution services. The Portfolio Strategy Fee is charged for discretionary management of your portfolio model, including services related to model construction and active model management and other related discretionary services provided by Edward Jones. Benefit Plan accounts (as defined in the applicable Client Services Agreement and Brochure) participating in Advisory Solutions Fund Models prior to June 1, 2018 do not pay the Portfolio Strategy Fee. You also incur internal fees and expenses associated with the mutual funds and ETFs in your account.

The Advisory Solutions Fee is based on the market value of all assets held in your account and is assessed monthly, in arrears, based on the annual tiered fee rate schedule. As the value of the assets in your account increases or decreases, you are charged according to the tiered fee rate schedule. Advisory Solutions Fund Models Accounts are subject to a \$10 minimum monthly fee. If your account invests in affiliated mutual funds, the investment adviser to the mutual

<sup>1</sup> This includes international equity, commodity and asset allocation funds, as well as funds categorized by Morningstar as U.S. equity or sector equity.

<sup>2</sup> This includes currency and convertible funds, as well as funds categorized by Morningstar as taxable bond.

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funds will be an affiliate of Edward Jones. Affiliated mutual funds (other than Edward Jones Money Market Funds) will be sub-advised for investment management by multiple sub-advisers who are unaffiliated with Edward Jones. If your account invests in such an affiliated mutual fund and the mutual fund pays Edward Jones or its affiliate a management or other fee with respect to the investment, the amounts received by Edward Jones and its affiliates will first be used to compensate the affiliated mutual fund's sub-advisers and certain other service providers. Remaining amounts, if any, that are not otherwise waived by Edward Jones or its affiliate will be credited back to your account.

### How is your financial advisor compensated?

Your financial advisor receives a portion of the Program Fee as a form of compensation.

## Edward Jones Advisory Solutions® Unified Managed Account (“UMA”) Model

### What is the Edward Jones Advisory Solutions® Unified Managed Account (“UMA”) Model program?

This is a wrap fee program in which you may combine multiple investments into a single advisory account. UMA Model offers multi-style investment services implemented by an investment adviser (“Overlay Manager”). Investments available in Advisory Solutions UMA Model include separately managed allocations (“SMAs”) which are managed or recommended by one or more investment advisers (“SMA Managers”), affiliated mutual funds, unaffiliated mutual funds and ETFs. For more information, please see our Advisory Solutions UMA Model brochure, [www.edwardjones.com/advisorybrochures](http://www.edwardjones.com/advisorybrochures).

### How are we paid for our services?

When you invest in Advisory Solutions UMA Model, you pay asset-based fees – the Program Fee, Portfolio Strategy Fee, and SMA Manager Fees to Edward Jones (collectively, the “Advisory Solutions UMA Models Fee”). The Program Fee is charged for certain investment advisory services, including initial and ongoing analysis of your investment needs and objectives, periodic consultations, evaluation and selection of investments for the program, Edward Jones investment policy guidance and services to keep your account aligned with such guidance, periodic performance reporting, custody and transaction execution services. The Portfolio Strategy Fee is charged for discretionary management of your portfolio model, including services related to model construction and active model management, overlay management and other related discretionary services. You also incur internal fees and expenses in the program investments, including the mutual funds and ETFs in your account.

The Advisory Solutions UMA Models Fee is based on the market value of all assets held in your account and is assessed monthly, in arrears. The Program Fee and Portfolio Strategy Fee are based on annual tiered fee rate schedules. As the value of the assets in your account increases or decreases, you are charged according to the tiered fee rate schedules. Annual SMA Manager Fee rates are assessed based on the target allocation of assets associated with each SMA Manager in your account. Advisory Solutions UMA Models Accounts are subject to a \$10 minimum monthly fee. For more information, please see our Advisory Solutions UMA Model brochure, [www.edwardjones.com/advisorybrochures](http://www.edwardjones.com/advisorybrochures).

If your account invests in affiliated mutual funds, the

investment adviser to the mutual funds will be an affiliate of Edward Jones. Affiliated mutual funds (other than Edward Jones Money Market Funds) will be sub-advised for investment management by multiple sub-advisers who are unaffiliated with Edward Jones. If your account invests in such an affiliated mutual fund and the mutual fund pays Edward Jones or its affiliate a management or other fee with respect to the investment, the amounts received by Edward Jones and its affiliates will first be used to compensate the affiliated mutual fund's sub-advisers and certain other service providers. Remaining amounts, if any, that are not otherwise waived by Edward Jones or its affiliate will be credited back to your account.

### How is your financial advisor compensated?

Your financial advisor receives a portion of the Program Fee as a form of compensation.

## Edward Jones Guided Solutions® Flex Account

### What is Guided Solutions Flex Account?

Edward Jones Guided Solutions® Flex Account is a client-directed wrap fee advisory program designed to provide you with ongoing investment advice, guidance and services for an asset-based fee. With Flex Account, you select the investments for your account and allocate your money according to guidelines developed by Edward Jones. You can invest in eligible stocks, mutual funds, ETFs, and, for accounts at certain investment thresholds, individual bonds and CDs are also available. Guided Solutions provides clients with ongoing monitoring and notifications so that if your portfolio moves outside of Edward Jones' guidance, you can work with your financial advisor to bring your account back into alignment. For more information, please see our Guided Solutions Flex Account brochure at <https://www.edwardjones.com/advisorybrochures>.

### How are we paid for our services?

When you invest in Guided Solutions Flex Account, you pay an asset-based fee – the Program Fee – to Edward Jones. The Program Fee is charged for certain investment advisory services, including initial and ongoing analysis of your investment needs and objectives, periodic consultations, evaluation and selection of investments for the program, Edward Jones investment policy guidance and services to keep your account aligned with such guidance, periodic performance reporting, custody and transaction execution services. Mutual funds, ETFs and unit investment trusts have internal fees and expenses, which are in addition to the Program Fee.

The Program Fee is based on the market value of all assets held in your account and is assessed monthly, in arrears, based on annual tiered fee rate schedule. As the value of the assets in your account increases or decreases, you are charged according to the tiered fee rate schedule. Guided Solutions Flex Accounts are subject to a \$10 minimum monthly fee.

### How is your financial advisor compensated?

Your financial advisor receives a portion of the Program Fee as a form of compensation.

## Edward Jones Guided Solutions® Fund Account

### What is Guided Solutions Fund Account?

Edward Jones Guided Solutions® Fund Account is a client-directed wrap fee advisory program designed to provide you with ongoing investment advice, guidance and services

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for an asset-based fee. In consultation with your financial advisor, you select from among the eligible mutual funds and ETFs and allocate your money to the eligible funds based on Edward Jones' guidance. You can rebalance and make changes to your account as often as monthly, and Edward Jones will automatically rebalance your allocations once a year to help ensure your account stays in line with your risk tolerance and goals. For more information, please see our Guided Solutions Fund Account brochure at [www.edwardjones.com/advisorybrochures](http://www.edwardjones.com/advisorybrochures).

### How are we paid for our services?

When you invest in Guided Solutions Fund Account, you pay an asset-based fee – the Program Fee – to Edward Jones. The Program Fee is charged for certain investment advisory services, including initial and ongoing analysis of your investment needs and objectives, periodic consultations, evaluation and selection of investments for the program, Edward Jones investment policy guidance and services to keep your account aligned with such guidance, periodic performance reporting, custody and transaction execution services. Mutual funds and ETFs have internal fees and expenses, which are in addition to the Program Fee.

The Program Fee is based on the market value of all assets held in your account and is assessed monthly, in arrears, based on annual tiered fee rate schedule. As the value of the assets in your account increases or decreases, you are charged according to the tiered fee rate schedule. Guided Solutions Fund Accounts are subject to a \$10 minimum monthly fee.

### How is your financial advisor compensated?

Your financial advisor receives a portion of the Program Fee as a form of compensation.

## Edward Jones Retirement Plan Services

### What is Edward Jones Retirement Plan Services?

Certain employer-sponsored retirement plans are covered under Employee Retirement Act of 1974 ("ERISA"). This law covers qualified plans that incorporate both the pertinent Internal Revenue Code (IRC) provisions and labor law provisions. Edward Jones Retirement Plan Services is a program that provides investment advisory services to ERISA retirement plans and their plan sponsors. The Edward Jones Retirement Plan Services program is an option for plans that allow participants to exercise independent control over the investment of their individual accounts ("Participant-Directed Plans") and to other plans, such as defined benefit and defined contribution plans that do not allow participants to exercise control over plan investments ("Pooled Plans"). Edward Jones serves as an investment advice fiduciary at the plan level and provides educational services at both the plan and participant level, if applicable. For more information, see [www.edwardjones.com/advisorybrochures](http://www.edwardjones.com/advisorybrochures).

### How are we paid for our services?

When you invest in Edward Jones Retirement Plan Services, you pay a "Retirement Plan Services Fee" to Edward Jones. The Retirement Plan Services Fee is based on the plan's included assets in the program. If the plan's included assets grow and reach certain thresholds, you are eligible for a reduction of the Retirement Plan Services Fee. Edward Jones will not automatically increase the Retirement Plan Services Fee if included assets decrease. For this fee, Edward Jones serves as an investment advice fiduciary at the plan level and provides educational services at both the plan and participant level, if applicable.

In addition to the Retirement Plans Services Fee paid to Edward Jones, your plan will be subject to additional fees and charges imposed by your Plan Service Provider, Investment Fiduciary, and Third-Party Administrator, if applicable. For more information, please contact your applicable service provider.

### How is your financial advisor compensated?

Your financial advisor receives a portion of the monthly Retirement Plan Services Fee. The revenue that Edward Jones receives affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Mutual Funds

**What is a mutual fund?**

Mutual funds are professionally managed portfolios of securities that pool the assets of individuals and organizations to invest toward a common objective, such as current income or long-term growth.

**How are we paid for our services?**

The mutual fund company pays Edward Jones a commission at the time you make your investment and also ongoing distribution and/or service fees (12b-1 fees) that are paid out of fund assets.

Most mutual funds carry a direct or indirect sales charge that you pay to the mutual fund company either at the time the shares are purchased (front-end charges) or on a regular basis for as long as you hold the fund (deferred sales charges). Your front-end charges may be reduced or eliminated as the amount of your investment with the mutual fund company increases above certain levels. Such reduced charges are known as breakpoint discounts.

*Class A Shares* – For class A share mutual funds, you typically pay a front-end sales charge, called a load, which is deducted from the initial investment. Mutual funds with front-end loads generally reduce the sales charge as the amount of your investment increases above certain levels, according to a breakpoint schedule. At a certain level, typically \$1 million, you may stop paying sales charges. Annual operating expenses for class A shares are generally lower than those of class C shares.

*Class C Shares* – For class C share mutual funds, you are normally not charged a front-end sales charge or a contingent deferred sales charge (CDSC) unless you sell shares within a short period of time, usually one year. The operating expenses are usually higher than those of class A shares. Class C shares do not offer breakpoint discounts.

Edward Jones does not charge commissions or fees with respect to the liquidation of mutual fund investments and does not share in any CDSC assessed by the mutual fund management company or distributor.

All mutual funds carry built-in operating expenses that affect the fund's return. Examples include investment management fees, distribution and/or service fees (12b-1 fees) and mutual fund transaction fees. Details on the operating expenses are included in each fund's prospectus or offering document.

Mutual fund prospectuses contain more complete information, including the fund's investment objectives, risks, and charges and expenses, as well as other important information that should be carefully considered before investing. For more detailed information, ask your Edward Jones financial advisor for a prospectus.

*Revenue Sharing* – Certain mutual funds may pay Edward Jones additional amounts known as revenue sharing payments, which are based on overall sales and/or assets on behalf of the fund or its fund family. For information about revenue sharing, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

*Networking and Shareholder Accounting Fees* – Edward Jones has entered into networking agreements and shareholder accounting agreements with many mutual fund companies, including all of our preferred mutual fund families, to provide certain services for the mutual fund companies. Virtually all of Edward Jones' transactions relating to mutual funds and 529 plans involve product partners that pay shareholder accounting and/or networking fees to Edward Jones. For information about networking and shareholder accounting fees, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

## Understanding How We Are Compensated for Financial Services

### Mutual Funds

Edward Jones has space-sharing arrangements with certain fund families, which allow their representatives to periodically work from our main office. Although we receive no compensation from the fund families, this arrangement affords them greater access to our marketing departments and financial advisors. For information, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

#### **How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commission and also a portion of any ongoing distribution and/or service fees (12b-1 fees) which are paid out of fund assets. Revenue that Edward Jones receives from revenue sharing, networking and shareholder accounting fees affects our overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Money Market Mutual Funds

**What is a money market mutual fund?**

A money market mutual fund is a mutual fund with the objective to maintain a net asset value (“NAV”) of \$1 per share. Portfolios contain short-term securities representing quality liquid debt and monetary instruments intended to have a constant \$1 per share value. Money market mutual fund prospectuses contain important information, including the fund’s investment objectives, risks, charges and expenses, which should be considered carefully before investing. For more detailed information, ask your Edward Jones financial advisor for a prospectus.

**What is the Edward Jones Money Market Fund?**

This is a money market fund into which your uninvested cash may be automatically transferred, subject to certain restrictions. Edward Jones owns the investment adviser to the Edward Jones Money Market Fund and provides distribution and shareholder accounting services for the Fund. For further information regarding the Edward Jones Money Market Fund, please refer to [www.edwardjones.com/disclosures/prospectusesofficialstatementspricing](http://www.edwardjones.com/disclosures/prospectusesofficialstatementspricing).

**How are we paid for our services?**

We do not charge commissions when you buy or sell money market mutual funds. We receive distribution and/or service fees (12b-1 fees) and other compensation from certain money market mutual funds for distribution and shareholder accounting services we perform.

We receive revenue in connection with services we perform for the Edward Jones Money Market Fund and in connection with our ownership of the Fund’s investment adviser.

**How is your financial advisor compensated?**

Your financial advisor receives a portion of the distribution and/or service fees (12b-1 fees), paid by certain money market funds to Edward Jones. A portion of the revenue received by Edward Jones for shareholder accounting services affects our overall profitability and thus may affect any branch bonus your financial advisor receives.

Your financial advisor does not receive any portion of the revenue received by Edward Jones in connection with either its services to the Edward Jones Money Market Fund or its ownership of the Fund’s investment adviser. However, the revenue received by Edward Jones affects the firm’s overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Municipal Bonds

#### **What is a municipal bond?**

Municipal bonds are bonds issued by states, cities, counties and other governmental entities to raise money, typically for general governmental needs or special projects.

#### **How are we paid for our services?**

##### *Newly issued municipal bonds*

We sell newly issued municipal bonds at the offering price during the initial public offering period. We receive a selling fee, which is incorporated into the initial offering price. You will see the selling fee displayed as a new issue payment line item in the trade confirmation.

##### *Secondary municipal bonds*

Secondary municipal bonds are transactions involving previously issued bonds. When you buy or sell a secondary municipal bond, Edward Jones may act as either an agent or a principal. If we act as an agent, your trade confirmation will display the commission you pay, which may be up to 2% of the dollar amount you buy and up to .75% of the dollar amount you sell.

If you buy a municipal bond from our inventory or sell a municipal bond that we purchase directly from you, we act as a principal. You will see the markup or markdown, which is included in the price, displayed as a line item in the trade confirmation. The markup may be up to 2% of the dollar amount you buy and the markdown may be up to .75% of the dollar amount you sell. The price is also adjusted to reflect changes in interest rates and market prices that have occurred since we bought the security. As a result of these changes, Edward Jones can earn revenue or incur losses from buying or selling securities as principal.

In addition to either a commission or markup or markdown, Edward Jones generally charges a transaction fee when you buy or sell a secondary municipal bond through our brokerage services. If the municipal bond's principal is \$1,000 or less, you will not be charged a transaction fee.

#### **How is your financial advisor compensated?**

Your financial advisor receives a percentage of any commissions, markups or markdowns for municipal bonds. Our revenue affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Corporate Bonds

**What is a corporate bond?**

A corporate bond is a loan to a corporation. When you buy a bond, the corporation pays interest, usually making a payment twice a year. At a stated date in the future, called the maturity date, the corporation returns your principal if you still hold the bond. The maturity dates on corporate bonds can range from one year to 40 years.

**How are we paid for our services?***Newly issued corporate bonds*

We sell newly issued corporate bonds at the offering price during the initial public offering period. We receive a selling fee, which is incorporated into the initial offering price. You will see the selling fee displayed as a new issue payment line item in the trade confirmation.

*Secondary corporate bonds*

Secondary corporate bonds are transactions involving previously issued bonds. When you buy or sell a secondary corporate bond, Edward Jones may act as either an agent or a principal. If we act as an agent, your trade confirmation will display the commission you pay, which may be up to 2% of the dollar amount you buy and up to .75% of the dollar amount you sell.

If you buy a bond from our inventory or sell a bond that we purchase directly from you, we act as a principal. You will see the markup or markdown, which is included in the price, displayed as a line item in the trade confirmation. The markup may be up to 2% of the dollar amount you buy and the markdown may be up to .75% of the dollar amount you sell. The price is also adjusted to reflect changes in interest rates and market prices that have occurred since we bought the security. As a result of these changes, Edward Jones can earn revenue or incur losses from buying or selling corporate bonds as principal.

In addition to either a commission or markup or markdown, Edward Jones generally charges a transaction fee when you buy or sell a secondary corporate bond through our brokerage services. If the bond's principal is \$1,000 or less, you will not be charged a transaction fee.

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of any commissions, markups or markdowns for corporate bonds. In addition, our revenue affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Certificates of Deposit (“CDs”)

#### What is a CD?

CDs are savings instruments issued by banks and savings and loans. When you buy a CD, you lend the bank or savings and loan a set amount of money, which the institution may use to invest in securities or loans. CDs offer a variety of maturities and interest payment options. For information about FDIC insurance, visit [www.FDIC.gov](http://www.FDIC.gov).

#### How are we paid for our services?

*Newly issued CDs: Selling concession, commission or asset-based fee*

When you buy a CD during the initial offering period, Edward Jones may act as either a principal or an agent. The compensation we receive depends on whether we act as a principal or an agent in the transaction and the type of account in which you purchase the CD.

When we act as principal we receive a selling concession and it is incorporated into the initial offering price. You will see the selling concession amount displayed on your trade confirmation.

When we act as agent, you pay a commission for the transaction. You will see the commission amount on your trade confirmation.

If you buy a CD in a fee-based account, we will act as agent. You will not be charged a commission.

The non-Edward Jones entity arranging for a CD to be offered may receive a fee from the CD issuer in connection with your CD purchase during the initial offering period.

#### Secondary CDs

Secondary CDs are transactions involving previously issued CDs. When you buy or sell, Edward Jones may act as either an agent or a principal. If we act as an agent, your trade confirmation will display the commission you pay, which may be up to 2% of the dollar amount you buy and up to .75% of the dollar amount you sell.

If you buy a CD from our inventory or sell a CD that we purchase directly from you, we act as a principal. You will see the markup or markdown, which is included in the price, displayed as a line item in the trade confirmation. The markup may be up to 2% of the dollar amount you buy and the markdown may be up to .75% of the dollar amount you sell. The price is also adjusted to reflect changes in interest rates and market prices that have occurred since we bought the security. As a result of these changes, Edward Jones may earn revenue or incur losses from buying or selling securities as principal.

#### How is your financial advisor compensated?

Your financial advisor receives a percentage of any commissions or charges for CDs. In addition, our revenue affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Government-sponsored Bonds (“Agency Bonds”)

#### **What is an agency bond?**

Agency bonds are bonds issued by government-sponsored enterprises, such as Fannie Mae and the Federal Home Loan Banks, and by wholly owned government corporations such as the Tennessee Valley Authority (“TVA”). When you buy an agency bond, the issuer pays you interest on the number of bonds you purchase. At a stated date in the future (the maturity date), the issuer returns your principal to you if you still hold the agency bond. The maturity dates typically range from one year to 40 years.

#### **How are we paid for our services?**

##### *Newly issued agency bonds*

We sell newly issued agency bonds at the offering price during the initial public offering period. We receive a selling fee, which is incorporated into the initial offering price. You will see the selling fee displayed as a new issue payment line item in the trade confirmation.

##### *Secondary agency bonds*

Secondary agency bonds are transactions involving previously issued bonds. When you buy or sell secondary agency bonds, Edward Jones may act as either an agent or a principal. If we act as an agent, your trade confirmation will display the commission you pay, which may be up to 2% of the dollar amount you buy and up to .75% of

the dollar amount you sell. If you buy a secondary agency bond from our inventory or sell a bond that we purchase directly from you, we act as a principal. You will see the markup or markdown, which is included in the price, displayed as a line item in the trade confirmation. The markup may be up to 2% of the dollar amount you buy and the markdown may be up to .75% of the dollar amount you sell. The price is also adjusted to reflect changes in interest rates and market prices that have occurred since we bought the security. As a result of these changes, Edward Jones can earn revenue or incur losses from buying or selling securities as principal.

In addition to either a commission or markup or markdown, Edward Jones generally charges a transaction fee when you buy or sell a secondary agency bond through our brokerage services. If the agency bond’s principal is \$1,000 or less, you will not be charged a transaction fee.

#### **How is your financial advisor compensated?**

Your financial advisor receives a percentage of any commissions, markups or markdowns for agency bonds. In addition, our revenue affects Edward Jones’ overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### United States Treasury Securities (“U.S. Treasuries”)

#### **What are U.S. Treasuries?**

U.S. Treasuries are debt obligations of the U.S. government. These include bills, notes, bonds, Treasury Inflation-Protected Securities (“TIPS”), and savings bonds. When you buy a U.S. Treasury, you lend money to the federal government for a specified period of time. U.S. Treasury bills are short-term instruments with maturities of no more than one year. U.S. Treasury notes are intermediate- to long-term investments, typically issued in maturities of two, three, five, seven and 10 years. U.S. Treasury bonds cover terms of more than 10 years and are currently issued in 30-year maturities. Interest is paid semiannually.

#### **How are we paid for our services?**

##### *Newly issued U.S. Treasuries*

We sell newly issued U.S. Treasury securities at the offering price during the initial public offering period. We receive a selling fee, which is incorporated into the initial offering price. You will see the selling fee displayed as a new issue payment line item in the trade confirmation.

##### *Secondary U.S. Treasuries*

Secondary U.S. Treasuries are transactions involving previously issued Treasuries. When you buy or sell a secondary U.S. Treasury, Edward Jones may act as either an agent or a principal. If we act as an agent, your trade confirmation will

display the commission you pay, which may be up to 2% of the dollar amount you buy and up to .75% of the dollar amount you sell.

If you buy Treasuries from our inventory or sell Treasuries that we purchase directly from you, we act as a principal. You will see the markup or markdown, which is included in the price, displayed as a line item in the trade confirmation. The markup may be up to 2% of the dollar amount you buy and the markdown may be up to .75% of the dollar amount you sell. The price is also adjusted to reflect changes in interest rates and market prices that have occurred since we bought the security. As a result of these changes, Edward Jones can earn revenue or incur losses from buying or selling Treasuries as principal.

In addition to either a commission or markup or markdown, Edward Jones generally charges a transaction fee when you buy or sell secondary U.S. Treasuries through our brokerage services. If the security’s principal is \$1,000 or less, you will not be charged a transaction fee.

#### **How is your financial advisor compensated?**

Your financial advisor receives a percentage of any commissions, markups or markdowns for U.S. Treasuries. In addition, our revenue affects Edward Jones’ overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Mortgage-backed Securities

**What is a mortgage-backed security?**

Mortgage-backed securities are bonds or notes backed by mortgages on residential or commercial properties. When you buy a mortgage-backed security, you are purchasing an interest in pools of loans or other financial assets. As the borrowers pay off the underlying loans, you receive payments of interest and principal over time.

**How are we paid for our services?***Newly issued mortgage-backed securities*

We sell newly issued mortgage-backed securities at the offering price during the initial public offering period. We receive a selling fee, which is incorporated into the initial offering price. You will see the selling fee displayed as a new issue payment line item in the trade confirmation.

*Secondary mortgage-backed securities*

Secondary mortgage-backed securities are transactions involving previously issued securities. When you buy or sell secondary mortgage-backed securities, Edward Jones may act as either an agent or a principal. If we act as an agent, your trade confirmation will display the commission you pay, which may be up to 2% of the dollar amount you buy and up to .75% of the dollar amount you sell.

If you buy securities from our inventory or sell securities that we purchase directly from you, we act as a principal. You will see the markup or markdown, which is included in the price, displayed as a line item in the trade confirmation. The markup may be up to 2% of the dollar amount you buy and the markdown may be up to .75% of the dollar amount you sell. The price is also adjusted to reflect changes in interest rates and market prices that have occurred since we bought the security. As a result of these changes, Edward Jones can earn revenue or incur losses from buying or selling securities as principal.

In addition to either a commission or markup or markdown, Edward Jones generally charges a transaction fee when you buy or sell a secondary mortgage-backed security through our brokerage services. If the security's principal is \$1,000 or less, you will not be charged a transaction fee.

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of any commissions, markups or markdowns for mortgage-backed securities. In addition, our revenue affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Stock

**What is common stock?**

Common stock is a share of ownership in a company and a claim on part of its assets and profits.

**What is preferred stock?**

Preferred stock is an equity security that has characteristics of both debt and common stock. Preferred stock is a class of ownership in a company that has a higher claim than common stock on the company's assets and profits.

**How are we paid for our services?**

When you buy or sell stock, Edward Jones may act as either an agent or a principal. The compensation we receive depends on whether we act as an agent or a principal in the transaction.

*Commissions*

We act as an agent for most stock transactions. When we act as an agent, you pay a commission based on the amount of the transaction.

*Transaction Fees*

In addition to a commission, Edward Jones generally charges a transaction fee when you buy or sell stock in a brokerage account.

*Trade Corrections*

In the event of a trade correction, Edward Jones acts in a principal capacity. As a principal, Edward Jones can earn profits or incur losses based upon the cost of securities being sold or purchased.

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commissions you pay to buy or sell stock. In addition, our revenue affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Closed-end Funds

**What is a closed-end fund?**

A closed-end fund is a type of investment company that has a fixed number of shares that are publicly traded. Prices for shares of a closed-end fund fluctuate based on investor supply and demand. Closed-end funds are not required to redeem shares. Closed-end funds trade like stocks and are typically listed on an exchange.

**How are we paid for our services?***Commissions*

We act as an agent for your closed-end fund transactions. This means we send your order to an external venue to buy or sell shares of the closed-end fund. You pay a commission based on the amount of the transaction.

Closed-end funds also carry built-in operating expenses that affect the fund's return.

*Transaction Fees*

In addition to a commission, Edward Jones generally charges a transaction fee when you buy or sell shares of a closed-end fund through our brokerage services.

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commissions from closed-end fund trades. Our revenue affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Exchange-traded Funds (“ETFs”)

**What is an ETF?**

An ETF is a security that tracks an index, a commodity or a basket of assets. For example, an ETF may track securities like an index fund. ETFs are typically listed on an exchange and trade like a stock. ETFs may experience price changes throughout the day as they are bought and sold.

**How are we paid for our services?***Commissions*

We act as an agent for your ETF transactions, which means we send your order to an external venue to buy or sell shares of the ETF. You pay a commission based on the amount of the transaction.

ETFs also carry built-in operating expenses that affect the ETF's return.

*Transaction Fees*

In addition to a commission, Edward Jones generally charges a transaction fee when you buy or sell shares of an ETF through our brokerage services.

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commissions from ETF trades. Our revenue affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Unit Investment Trusts (“UITs”)

**What is a UIT?**

A UIT is an investment in a fixed, diversified group of professionally selected securities. As a holder of a unit trust, you own a portion of the securities in the trust.

**How are we paid for our services?**

You typically pay either a front-end sales charge or a combination of front-end and deferred sales charges. We receive a portion of that sales charge from the provider sponsoring the UIT.

UITs carry built-in operating expenses that affect their return. Details on the operating expenses and organizational fees are included in each UIT’s prospectus.

Edward Jones may receive additional compensation based on our overall sales, or volume concessions, which are received from the unit trust sponsor. The potential volume concession amounts are detailed in each UIT’s prospectus. For information about volume concession, please see the corresponding prospectus or [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

We may act as principal on unit trust transactions. As principal, Edward Jones buys UITs and holds them in inventory for client purchases. Edward Jones may earn revenue or incur losses from buying or selling UITs as principal.

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the overall dealer concessions the third-party dealer pays to Edward Jones as outlined in the prospectus. For fixed-income trusts, the dealer concession may vary based on the number of units underwritten. For information about underwriting concession, please see the corresponding prospectus or [www.edwardjones.com/mutualfunds](http://www.edwardjones.com/mutualfunds).

Your financial advisor does not receive commissions from the sale or liquidation of UITs. Also, your financial advisor does not receive direct compensation or any portion of volume concession payments we may receive from UIT sponsors. These payments in addition to any applicable trading revenue affect Edward Jones’ overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Variable Annuities

#### **What is a variable annuity?**

A variable annuity is a contract issued by an insurance company, by which the insurance company invests your premium in separate accounts composed of stocks, bonds or other investments. The value of your contract will fluctuate with changes in the value of the separate accounts.

#### **How are we paid for our services?**

The insurance company pays Edward Jones a commission at the time you make your investment and typically ongoing trail commissions. The trail commissions are composed of fees and charges imposed under the variable annuity contract, the separate accounts and other sources.

Depending on the pricing structure of the variable annuity, you may pay the insurance company a premium-based charge or sales charge over a period of time, a front-end sales charge when you make an investment, and/or a contingent deferred sales charge ("CDSC") if you liquidate, surrender or withdraw all or a portion of your annuity within a certain time period.

If you surrender your variable annuity before the age of 59½, some or all of the surrendered value may be subject to a 10% penalty under the Internal Revenue Code. Please consult your tax advisor for further details.

In addition to sales charges, variable annuities have ongoing operating expenses that reduce your investment returns. These expenses "pay" the insurance benefit fees, administrative fees, distribution and marketing fees, investment management fees and securities transaction fees. There may also be an additional ongoing expense to add an optional benefit to the contract, such as a withdrawal benefit or an enhanced death benefit.

*Revenue Sharing* – Certain insurance companies may pay Edward Jones additional amounts known as revenue sharing. For information about revenue sharing, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

*Inforce Contract Service Fees* – Edward Jones has entered into inforce contract service agreements with certain insurance companies to provide support of certain issued and outstanding annuity contracts. We receive payments for providing these services. For information about inforce contract service fees, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

#### **How does the pricing structure impact the sales charge and annual costs you pay?**

*Premium-based Charges* – When you purchase certain variable annuities, you pay a premium-based charge or sales charge over a period of time, typically seven years. The premium-based charge or sales charge is an amount equal to a fixed percentage of the amount you invest in the contract. This fixed percentage will decrease as the amount of your investment increases above certain levels. The resulting reduced charges are known as breakpoint discounts. The annual operating costs of a variable annuity with this pricing structure are typically comparable to or slightly higher than those of a variable annuity that carries a front-end sales charge. Today, Edward Jones only offers this type of variable annuity pricing structure for new purchases.

You may also pay a CDSC to the insurance company when you liquidate, surrender or withdraw all or a portion of your annuity within a certain time period, typically seven years. The CDSC will reflect breakpoint discounts and will decrease each year until it reaches zero. Edward Jones does not receive a commission or share in any CDSC assessed by the annuity provider as part of a surrender or liquidation.

*Front-end Sales Charges* – For certain variable annuities, when you make an additional contribution to your contract, you pay a front-end sales charge which is deducted from your investment amount. Generally, the amount of the sales charge, as a percentage of your investment, is reduced as the amount of your investment increases above certain levels. The reduced charges are known as breakpoint discounts. The annual operating costs of a variable annuity with

## Understanding How We Are Compensated for Financial Services

### Variable Annuities

this pricing structure are typically comparable or slightly lower than those of a variable annuity for which you pay a premium-based charge.

*Other Pricing Structures* - In certain circumstances, Edward Jones may hold a variable annuity you purchased before premium-based charges or front-end sales charges were available either from Edward Jones or at another firm. These annuities will have a different or unique pricing structure than those listed above. Generally, you pay a CDSC to the insurance company when you liquidate, surrender, or withdraw all or a portion of these annuities within a certain time period, typically seven years. The annual operating expenses of variable annuities with these types of pricing

structure are typically higher than those of a variable annuity for which you pay a premium-based charge or front-end sales charge.

#### **How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commissions and also a portion of any ongoing trail commissions paid to Edward Jones by the insurance company. The trail commissions are composed of fees and charges imposed under the variable annuity contract, the separate accounts and other sources. The total revenue that Edward Jones receives affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Fixed Annuities

#### **What is a fixed annuity?**

A fixed annuity is a contract issued by an insurance company that pays specific rates of interest for a predetermined period of time, subject to the insurance company's conditions and ability to meet obligations.

You do not pay a front-end sales charge when you purchase a fixed annuity, but you may pay a contingent deferred sales charge ("CDSC") to the insurance company if you liquidate the contract before the end of a certain period of time. The percentage amount of the CDSC usually declines over time. Typically, you do not pay any sales charges or annual operating expenses when you purchase a fixed annuity. The insurance company considers all its costs, including commissions, when determining the interest rate and CDSC. If you choose to renew your fixed annuity contract, you typically renew the CDSC schedule as well.

If you liquidate your fixed annuity before the age of 59½, some or all of the surrendered value may be subject to a 10% penalty under the Internal Revenue Code. Please consult your tax advisor for further details. Also, you may pay a market-value adjustment if interest rates have risen and you request a surrender before the end of a certain period of time. There may also be an additional ongoing expense to add an optional benefit to the contract, such as an income rider.

#### **How are we paid for our services?**

The insurance company pays Edward Jones a commission at the time you pay your premium and, for some contracts, at the time of any subsequent renewal. The commission is not deducted from your initial premium or renewal amount. The insurance company considers all its costs, including commissions, when determining the interest rate you earn on your premium.

*Inforce Contract Service Fees* – Edward Jones has entered into inforce contract service agreements with certain insurance companies to provide support of certain issued and outstanding annuity contracts. We receive payments for providing these services. For information about inforce contract service fees, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

#### **How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commissions the insurance company pays to Edward Jones. The total revenue that Edward Jones receives affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Immediate Annuities

**What is an immediate annuity?**

An immediate annuity is a contract issued by an insurance company that provides regularly scheduled payments, often for life, subject to the insurance company's conditions and ability to meet obligations. Such payments typically begin within a year after you pay the premium.

**How are we paid for our services?**

The insurance company pays Edward Jones a commission at the time you pay the premium.

Typically, you do not pay any sales charges or annual operating expenses when you purchase an immediate annuity. The insurance company considers all its costs, including commissions, when determining the amount of the payments you will receive. Other factors that determine the amount of the payments you will receive include, but are not limited to, your age, your gender and the length of time you want the payments to last.

*Inforce Contract Service Fees* – Edward Jones has entered into inforce contract service agreements with certain insurance companies to provide support of certain issued and outstanding annuity contracts. We receive payments for providing these services. For information about inforce contract service fees, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commissions the insurance company pays to Edward Jones. The total revenue that Edward Jones receives affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Deferred Income Annuities

**What is a deferred income annuity?**

A deferred income annuity is a contract issued by an insurance company that provides regularly scheduled payments subject to the insurance company's conditions and ability to meet obligations. Such payments typically begin at least one year after you pay the premium.

**How are we paid for our services?**

The insurance company pays Edward Jones a commission at the time you pay the premium.

Typically, you do not pay any sales charges or annual operating expenses when you purchase a deferred income annuity. The insurance company considers all its costs, including commissions, when determining the amount of the payments you will receive. Other factors that determine the amount of the payments you will receive include, but are not limited to, your age, your gender,

when you want your payments to begin and the length of time you want the payments to last.

*Inforce Contract Service Fees* – Edward Jones has entered into inforce contract service agreements with certain insurance companies to provide support of certain issued and outstanding annuity contracts. We receive payments for providing these services. For information about inforce contract service fees, please see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commissions the insurance company pays to Edward Jones. The total revenue that Edward Jones receives affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Disability Income Insurance

**What is disability income insurance?**

A disability income insurance policy is a contract issued through an insurance company to provide income if a disability prevents the insured from working.

**How are we paid for our services?**

Typically, the insurance company pays Edward Jones a commission at the time you pay the premium for the policy. The commission may vary depending on the insurance company issuing the policy, the coverage provided and the amount of premium paid. Your premium amount depends on the options and level of coverage you select, your age and other factors.

In most cases, the commission we receive will be a fixed percentage of your first annual premium. We also receive annual renewal commissions.

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commissions and renewal commissions the insurance company pays to Edward Jones. The total revenue that Edward Jones receives affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Life Insurance

**What is life insurance?**

A life insurance policy is a contract issued by an insurance company to provide funds to address the financial impacts that may result from the death of the insured.

**How are we paid for our services?**

Typically, the insurance company pays Edward Jones a commission at the time you pay the premium for the policy. The commission may vary depending on the insurance company issuing the policy, the coverage provided by the policy and the amount of premium paid. The amount of premium you pay depends on the type of policy, the options and level of coverage you select, your age and other factors.

In most cases, the insurance company pays Edward Jones a commission based on a fixed percentage of your first-year premium. We also receive annual renewal commissions, typically for a period of time. If you choose to pay more than the required premium in order to use your insurance policy to accumulate cash value or to fund your policy in advance, we receive a lower commission on any such excess premium that you pay. If your premium is higher due to poor health or the election of certain optional contract riders, the commission we

receive may be based on a target premium. There may also be an additional expense to add an optional benefit to the contract, such as a long-term care or chronic illness rider, that would be reflected in a higher premium amount.

Certain “hybrid” life insurance policies, which also provide long-term care benefits, are often funded as a single lump sum. In such cases, the commission paid to Edward Jones will be a fixed percentage of the single premium amount.

You may also pay a contingent deferred sales charge (“CDSC”) to the insurance company if you liquidate, surrender or withdraw all or a portion of your permanent insurance policy (one with a cash value) within a certain time period. We do not receive a commission or share in any CDSC assessed by the insurance company as part of a surrender or liquidation.

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commissions and renewal commissions the insurance company pays to Edward Jones. The total revenue that Edward Jones receives affects Edward Jones’ overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Long-term Care Insurance

**What is long-term care insurance?**

A long-term care insurance policy is a contract issued through an insurance company to provide payments to cover nursing home care, assisted living, home health care and/or personal or adult day care for individuals with a chronic or disabling condition that needs constant supervision.

**How are we paid for our services?**

Typically, the insurance company pays Edward Jones a commission at the time you pay the premium for the policy. The commission may vary depending on the insurance company issuing the policy, the coverage provided and the amount of premium paid. Your premium amount depends on the options and level of coverage you select, your age and other factors.

In most cases, the commission that Edward Jones receives for long-term care insurance is a fixed percentage of your annual premium. We also receive annual renewal commissions, typically for a period of time. In some states, insurance companies are required to pay an equal amount of commissions for a period of years.

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the commissions and renewal commissions the insurance company pays to Edward Jones. The total revenue that Edward Jones receives affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Dollar Cost Averaging (“DCA”)

#### **What is DCA?**

DCA is a service that allows you to automatically invest a certain amount of money each month into a stock, a mutual fund or an annuity. For more information, please see [www.edwardjones.com/systematicinvesting](http://www.edwardjones.com/systematicinvesting).

#### **How are we paid for our services?**

##### *Stocks*

When you automatically buy stocks, you pay 2% of the principal amount or a \$5 fee, whichever is greater. If you systematically sell out of a stock, you pay 2% of the amount you are selling or a \$5 fee, whichever is greater. For example, if you invest \$1,000 per month into a stock, your DCA fee would be \$20 per month, leaving \$980 available for investment.

##### *Mutual Funds and Annuities*

If you systematically buy or sell a mutual fund or an annuity, you pay the price as determined by the prospectus. For more information, please see [www.edwardjones.com/systematicinvesting](http://www.edwardjones.com/systematicinvesting).

#### **How is your financial advisor compensated?**

For stocks, your financial advisor receives a percentage of the DCA fee you pay. For mutual funds and annuities purchased through the DCA service, your financial advisor receives a percentage of the sales charge, if any. Your financial advisor also receives a portion of any ongoing payments provided by distribution and/or service fees (12b-1 fees) paid to Edward Jones. Revenue that Edward Jones receives from revenue sharing, networking and shareholder accounting fees affects our overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Dividend and Income Reinvestment

**What is dividend and income reinvestment?**

Dividend and income reinvestment is a service that allows you to automatically reinvest interest from bonds, CDs and UITs, and dividends from stocks and mutual funds, into either the same security or other investments. If you own bonds or other fixed-income investments, you can choose to automatically receive the income or reinvest into mutual funds. If you own UITs, you can choose to automatically receive the income, reinvest into the same strategy (if available), or cross-reinvest into mutual funds. With stocks, you can choose to automatically receive the income or reinvest into the same stock or a mutual fund. For more information, please see [www.edwardjones.com/systematicinvesting](http://www.edwardjones.com/systematicinvesting).

**How are we paid for our services?**

If you invest in stocks, you pay a 2% reinvestment fee based on the amount of income or dividends you reinvest. This means that if you reinvest \$500 into stocks per month, your fee would be \$10, leaving \$490 available for reinvestment. For most account types, these fees are waived for

households with assets under care of \$250,000 or more.

If you invest into a mutual fund or an annuity, you pay the price determined by the prospectus. If you reinvest mutual fund dividends into the same mutual fund, there is no charge.

**How is your financial advisor compensated?**

Your financial advisor's branch receives a P&L credit for the reinvestment fee when you reinvest into a stock. As a result, your financial advisor's eligibility for a bonus will be positively impacted. When mutual funds are purchased through reinvestment, your financial advisor receives a percentage of the sales charge, if any. Your financial advisor also receives a portion of any ongoing payments, called distribution and/or service fees (12b-1 fees) paid to Edward Jones. Revenue that Edward Jones receives from revenue sharing, networking and shareholder accounting fees affects our overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Individual Retirement Accounts (“IRAs”)

**What is an IRA?**

IRAs are designed to help you save for retirement. IRAs include traditional, Roth, SEP and SIMPLE accounts. For more information, please see [www.edwardjones.com/retirementaccounts](http://www.edwardjones.com/retirementaccounts).

**How are we paid for our services?**

For more information regarding fees for your account, see the Individual Retirement Account Schedule of Fees, available at [www.edwardjones.com/irafeeschedule](http://www.edwardjones.com/irafeeschedule).

**How is your financial advisor compensated?**

Your financial advisor’s branch receives a P&L credit for the full amount of the IRA charges. As a result, your financial advisor’s eligibility for a bonus will be positively impacted. Your financial advisor also receives a share of commissions or other fees arising from investment of the account assets. Depending on the solution you choose for your IRA, if your account holds mutual fund investments or variable annuities, Edward Jones may receive revenue sharing, networking or shareholder accounting fees or inforce contract service fees. For more information, see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing). The revenue that Edward Jones receives affects our overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

# Employer-Sponsored Group Retirement Plans Covered Under the Employee Retirement Income Security Act of 1974 (“ERISA”) Plans

### What are ERISA Plans?

ERISA plans are employer-sponsored retirement plans covered under ERISA. This law covers qualified plans that incorporate both the pertinent Internal Revenue Code (IRC) provisions and labor law provisions. Pension plans, profit-sharing and 401(k) plans are common types of employer-sponsored retirement plans that may be covered under ERISA. For more information regarding employer-sponsored retirement plans, please see [www.edwardjones.com/businessowners](http://www.edwardjones.com/businessowners).

Pooled employer-sponsored retirement plans in transaction-based accounts may have restrictions. You may not transfer investments into these accounts or make new purchases or contributions, other than automatic purchases and reinvestment of dividend and interest payments set up prior to June 9, 2017. If you own a fixed annuity, you may not renew it in this account. For more information, contact your financial advisor.

### How are we paid for our services?

Depending on several factors, including the type of plan you have, we may charge a one-time setup fee to plans for which Edward Jones provides plan installation services and ongoing custodial services, as well as an annual recurring fee. We charge separate fees for additional activities, including adoption agreements, amendments, participant loans, benefit payments, transferring or closing accounts and holding assets that are not publicly traded, if applicable.

In addition, depending on which Edward Jones solution you choose to invest in, you will be charged asset-based fees or transaction-based charges when you buy or sell investments. Depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. In addition, you pay transaction-based fees on the purchase or sale of certain equity and fixed-income products. The investments within your ERISA

plan also may have ongoing expenses such as distribution and/or service fees (12b-1 fees), and trail commissions that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. Your ongoing operating expenses also may include investment management or other fees. Details on the operating expenses are in each underlying investment's prospectus or offering document.

At certain investment levels, typically \$1 million, your investments with an individual product provider may carry no sales charges. However, in these instances, the mutual fund or insurance company will pay Edward Jones a commission on these investments. A contingent deferred sales charge will apply if you sell these investments within a certain time frame. Please see your prospectus or offering document for more information.

If your plan participates in Edward Jones Retirement Plan Services, your plan will be subject to additional fees charged by your Plan Service Provider, Investment Fiduciary and Third-Party Administrator, if applicable. For more information, please contact your applicable service provider.

Depending on the solution you choose for your plan, if your account holds mutual fund investments or variable annuities, Edward Jones may receive shareholder accounting or networking fees and enforce contract service fees. For more information, see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

### How is your financial advisor compensated?

Your financial advisor's branch receives P&L credits for certain revenues, expenses and assets under care in the branch. For more information, see [Understanding How We Are Compensated for Financial Services at www.edwardjones.com/compensationdisclosure](http://www.edwardjones.com/compensationdisclosure). Your financial advisor also receives a share of any transaction-based charges, asset-based fees, distribution and/or service fees, and trail commissions. As a result,

## Understanding How We Are Compensated for Financial Services

your financial advisor's eligibility for a bonus will be positively impacted. Your financial advisor does not share in the incidental fees, which include the adoption agreement amendments and participant loans.

In instances where the mutual fund or insurance company pays Edward Jones a commission for purchases at certain investment levels, typically \$1 million, your financial advisor will receive a portion of the commission.

Fee information is generally found in your account agreement and Schedule of Fees, available at [www.edwardjones.com/retirementaccounts](http://www.edwardjones.com/retirementaccounts). The revenue that Edward Jones receives affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

# Employer-Sponsored Retirement Plans Not Covered Under the Employee Retirement Income Security Act of 1974 (“Non-ERISA” Plans)

### What are Non-ERISA Employer-Sponsored Retirement Plans?

Non-ERISA plans are employer-sponsored retirement plans that are not subject to the Employee Retirement Income Security Act of 1974. Plans established or maintained for employees by Federal or State Government entities, municipalities, school districts, and certain non-profit organizations are examples of employer-sponsored plans that may not be subject to “ERISA.” For more information regarding employer-sponsored retirement plans, please see [www.edwardjones.com/businessowners](http://www.edwardjones.com/businessowners).

### How are we paid for our services?

We charge fees for certain account services such as wire transfers, disbursements, and transferring or closing accounts, if applicable. In addition, you pay transaction-based charges when you buy or sell investments within your plan account or asset-based charges if your plan is on a group annuity platform. Depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. In addition, you pay transaction-based fees on the purchase or sale of certain equity and fixed-income products. The investments within your non-ERISA plan may also have ongoing expenses such as distribution and/or service fees (12b-1 fees), trail and renewal commissions that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. Your ongoing operating expenses may also include investment management or other fees. Details on the operating expenses are in each underlying investment’s prospectus or offering document.

At certain investment levels, typically \$1 million, your investments with an individual product provider may carry no sales charges. However, in these instances, the mutual fund or insurance company will pay Edward Jones a commission on these investments. A contingent deferred sales

charge will apply if you sell these investments within a certain time frame. Please see your prospectus or offering document for more information.

Depending on the solution you choose for your plan, if your account holds mutual fund investments or variable annuities, Edward Jones may receive shareholder accounting or networking fees and inforce contract service fees. For more information, see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

Fee information is generally found in your account agreement and schedule of fees, available at [www.edwardjones.com/disclosures/account-agreements](http://www.edwardjones.com/disclosures/account-agreements).

### How is your financial advisor compensated?

Your financial advisor’s branch receives P&L credits for certain revenues, expenses and assets under care in the branch. For more information, see Understanding How We Are Compensated for Financial Services at [www.edwardjones.com/compensationdisclosure](http://www.edwardjones.com/compensationdisclosure). Your financial advisor also receives a share of any transaction-based charges, asset-based fees, distribution and/or service fees (12b-1 fees), and trail and renewal commissions. As a result, your financial advisor’s eligibility for a bonus will be positively impacted. Your financial advisor does not share in the incidental fees, which include the adoption agreement amendments and participant loans. In instances where the mutual fund or insurance company pays Edward Jones a commission for purchases at certain investment levels, typically \$1 million, your financial advisor will receive a portion of the commission.

Fee information is generally found in your account agreement and Schedule of Fees, available at [www.edwardjones.com/disclosures/account-agreements](http://www.edwardjones.com/disclosures/account-agreements). The revenue that Edward Jones receives affects Edward Jones’ overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Owner-only 401(k) Plans

#### **What are Owner-only 401(k) Plans?**

Owner-only 401(k) plans are plans certain business owners may use to save for retirement. Owner-only 401(k) plans are a type of “one-person” 401(k). Owner-only 401(k) plans may be appropriate for owner-only businesses with no eligible employees, other than business owner(s) and their spouse(s). An Owner-only 401(k) plan may be set up by business types, such as a sole proprietorship, partnership, limited liability company (LLC), corporation (S or C) or non-profit organization.

#### **How are we paid for our services?**

We charge a one-time setup fee of \$150 for plans for which Edward Jones provides plan installation services and ongoing custodial services, as well as an annual recurring fee of \$30. We charge separate transaction fees for additional activities, including adoption agreement amendments, participant loans, benefit payments, transferring or closing accounts and holding assets that are not publicly traded, if applicable. A complete list of fees can be found in the Schedule of Fees within your applicable account agreement.

In addition, depending on which Edward Jones solution you choose to invest in, you may be charged asset-based fees or transaction-based fees and charges when you buy or sell investments. Depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. In addition, you pay transaction-based fees on the purchase or sale of certain equity and fixed-income products. The investments within your owner-only 401(k) plan may also have ongoing expenses such as distribution and/or service fees (12b-1 fees), and trail and renewal commissions that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. Your ongoing operating expenses may also include investment management fees or other fees. Details on the operating expenses are in each underlying investment’s prospectus or offering document.

If your plan holds mutual fund investments or variable annuities, Edward Jones receives shareholder accounting or networking fees and inforce contract service fees. For more information, see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

At certain investment levels, typically \$1 million, your investments with an individual product partner provider may carry no sales charges. However, in these instances, the mutual fund or insurance company will pay Edward Jones a commission on these investments. A contingent deferred sales charge will apply if you sell these investments within a certain time frame. Please see your prospectus or offering document for more information.

#### **How is your financial advisor compensated?**

Your financial advisor’s branch receives P&L credits for certain revenues, expenses and assets under care in the branch. For more information, see Understanding How We Are Compensated for Financial Services at [www.edwardjones.com/compensationdisclosure](http://www.edwardjones.com/compensationdisclosure). Your financial advisor also receives a share of any transaction-based charges, asset-based fees, distribution and/or service fees (12b-1 fees), trail and renewal commissions. As a result, your financial advisor’s eligibility for a bonus will be positively impacted. Your financial advisor does not share in the incidental fees, which include the adoption agreement amendments and participant loans. In instances where the mutual fund or insurance company pays Edward Jones a commission for purchases at certain investment levels, typically \$1 million, your financial advisor will receive a portion of the commission.

For more information, please see your account agreement or contact your financial advisor. The revenue that Edward Jones receives affects Edward Jones’ overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Individual 403(b) Plans

**What is an individual 403(b) plan?**

An individual 403(b) plan is a retirement plan for certain employees of public schools, employees of certain Code §501(c)(3) tax-exempt organizations and certain ministers. An individual 403(b) plan allows employees to contribute some of their salary to the plan. An employer may also contribute to the plan for its employees. For more information, please see [www.edwardjones.com/retirementaccounts](http://www.edwardjones.com/retirementaccounts).

**How are we paid for our services?**

With individual 403(b) plans, you pay transaction-based charges when you buy or sell investments. Depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. Edward Jones Edward Jones receives a portion of these transaction-based charges.

The investments within your 403(b) plan may also have ongoing expenses such as distribution and/or service fees (12b-1 fees), trail and renewal commissions that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. Your ongoing operating expenses may also include investment management fees or other fees. Details on the operating expenses are in each underlying investment's prospectus or offering document.

We charge transaction fees on the purchase or sale of certain equity and fixed-income products within your individual 403(b) plan. Transfer fees for transferring or closing accounts are also imposed when applicable. All fee information is generally disclosed in your enrollment kit.

If your plan holds a variable annuity, Edward Jones receives inforce contract service fees. For more information, see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

Fee information is generally found in your account agreement and schedule of fees, available at [www.edwardjones.com/brokerageaccounts](http://www.edwardjones.com/brokerageaccounts).

**How is your financial advisor compensated?**

Your financial advisor's branch receives P&L credits for certain revenues, expenses and assets under care in the branch. For more information, see Understanding How We Are Compensated for Financial Services at [www.edwardjones.com/compensationdisclosure](http://www.edwardjones.com/compensationdisclosure). Your financial advisor also receives a share of any transaction-based charges, distribution and/or service fees (12b-1 fees), trail and renewal commissions. As a result, your financial advisor's eligibility for a bonus will be positively impacted.

## Understanding How We Are Compensated for Financial Services

### Individual 457 Plans

**What is an individual 457 plan?**

457 plans are deferred compensation plans that are available for certain state and local governments and non-governmental entities. They include eligible plans under 457(b) or ineligible plans under 457(f).

State and local government employers may offer an Internal Revenue Code ("IRC") 457(b) plan to their employees. Tax-exempt organizations may offer another type of IRC 457(b) plan to upper management and highly paid employees only. Both governmental entities and tax-exempt organizations can offer the IRC 457(f), but only to top-level employees. For more information, please see [www.edwardjones.com/retirementaccounts](http://www.edwardjones.com/retirementaccounts).

**How are we paid for our services?**

With some individual 457 plans, you pay transaction-based charges when you buy or sell investments. Depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. Edward Jones receives a portion of these transaction-based charges.

The investments within your 457 plan may also have ongoing expenses such as distribution and/or service fees (12b-1 fees), trail and renewal commissions that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. Your ongoing operating expenses may also include investment management fees or other fees. Details on the

operating expenses are in each underlying investment's prospectus or offering document.

We charge transaction-based fees on the purchase or sale of certain equity and fixed-income products within your 457 plan. Transfer fees are imposed for transferring or closing accounts or for holding assets that are not publicly traded, if applicable.

Depending on the solution you choose for your plan, if your account holds mutual fund investments or variable annuities, Edward Jones may receive shareholder accounting or networking fees and inforce contract service fees. For more information, see [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing).

Fee information is generally found in your account agreement and schedule of fees, available at: [www.edwardjones.com/brokerageaccounts](http://www.edwardjones.com/brokerageaccounts).

**How is your financial advisor compensated?**

Your financial advisor's branch receives P&L credits for certain revenues, expenses and assets under care in the branch. For more information, see Understanding How We Are Compensated for Financial Services at [www.edwardjones.com/compensationdisclosure](http://www.edwardjones.com/compensationdisclosure). Your financial advisor also receives a share of any transaction-based charges, distribution and/or service fees (12b-1 fees), trail and renewal commissions. As a result, your financial advisor's eligibility for a bonus will be positively impacted.

## Understanding How We Are Compensated for Financial Services

### 529 Education Savings Plans

**What is a 529 education savings plan?**

529 education savings plans are state-sponsored programs designed to help finance education expenses. For more information, please see [www.edwardjones.com/529plans](http://www.edwardjones.com/529plans).

**How are we paid for our services?**

Edward Jones works with product partners to offer 529 plans. These plans generally carry sales charges, either front-end or deferred, based on the share class and the amount invested. We receive a portion of your front-end or deferred sales charge.

Front-end sales charges typically decrease as your investment increases, based on a breakpoint schedule. Programs with deferred sales charges carry a fee if you sell investment units before a specified period of time elapses. The sales charge declines over time until it reaches zero. In addition, you may pay an annual account maintenance fee depending on the plan – typically \$0 to \$30. Generally, this fee is automatically deducted from your account and goes directly to the plan provider.

529 plans carry built-in operating expenses that affect the fund's return. Examples of operating expenses include distribution and/or service fees

(12b-1 fees), management fees, networking fees and transaction fees. Details on the operating expenses are included in each plan's program description document. Some product partners may also make payments to Edward Jones for revenue sharing and/or shareholder accounting. For more information, see [www.edwardjones.com/revenusharing](http://www.edwardjones.com/revenusharing). If you choose to close your account, you may pay the fund company a termination fee as detailed in the plan's program description. Edward Jones and your financial advisor do not receive a portion of this fee.

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the sales charge received by Edward Jones. Your financial advisor also receives a portion of any ongoing payments, called distribution and/or service fees (12b-1 fees) paid to Edward Jones. Certain 529 plan providers and some fund companies pay Edward Jones revenue sharing payments on assets in 529 plans. Revenue that Edward Jones receives from revenue sharing, networking and shareholder accounting fees affects our overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Edward Jones Insured Bank Deposit Program

**What is the Edward Jones Insured Bank Deposit Program?**

The Edward Jones Insured Bank Deposit Program is an interest-bearing spending and savings solution that provides Federal Deposit Insurance Corporation (“FDIC”) coverage. The coverage is provided by transferring available cash balances in your Edward Jones account into deposit accounts at banks insured by the FDIC. For more information, please see <https://www.edwardjones.com/disclosures/account-features-terms/saving-spending-borrowing/index.html>. For information about FDIC insurance, visit [www.FDIC.gov](http://www.FDIC.gov).

**How are we paid for our services?**

Banks selected for this program pay us a fee equal to a percentage of the average daily deposit balance in the deposit accounts at the bank. The fee paid to Edward Jones may be as much as 2.5% annually on some deposit accounts.

**How is your financial advisor compensated?**

Deposits in the Edward Jones Insured Bank Deposit Program impact the branch P&L credit for client assets under care. As a result, your financial advisor’s eligibility for a bonus will be positively impacted. More information is available at <https://www.edwardjones.com/disclosures/account-features-terms/saving-spending-borrowing/index.html> or from your financial advisor.

## Understanding How We Are Compensated for Financial Services

### Edward Jones Income Manager® Account

**What is an Edward Jones Income Manager® account?**

An Edward Jones Income Manager® account (“Income Manager”) is an account for cash and/or cash equivalents which allows you to consolidate income from multiple sources. Income Manager provides cash management through the Edward Jones Insured Bank Deposit Program and also previously offered the Edward Jones Money Market Funds. Income Manager allows for systematic transfers of cash and/or cash alternatives from your brokerage account. An Income Manager account may not hold securities positions. For more information, please see <https://www.edwardjones.com/disclosures/account-features-terms/saving-spending-borrowing/index.html>.

**How are we paid for our services?**

We do not charge you a fee to establish Income Manager. However, we may receive account administrative fees for services utilized within Income Manager. We receive fees from program banks for deposits in the Edward Jones Insured Bank Deposit Program. We own the investment adviser to the Edward Jones Money Market Fund. We receive compensation for the distribution and shareholder accounting services we provide for the Fund.

**How is your financial advisor compensated?**

Deposits in the Income Manager account impact the branch P&L credit for client assets under care. As a result, your financial advisor’s eligibility for a bonus will be positively impacted.

## Understanding How We Are Compensated for Financial Services

### Edward Jones MasterCard® Credit Card with Loyalty Rewards®

**What is the Edward Jones MasterCard® credit card with Loyalty Rewards®?**

Edward Jones MasterCard® is a credit card. The creditor and issuer of the Edward Jones MasterCard® credit card with Loyalty Rewards® is Elan Financial Services, pursuant to a license from MasterCard International Incorporated. MasterCard is a registered trademark of MasterCard International Inc. © 2016 Elan Financial Services. All rights reserved. Loyalty Rewards is a registered trademark of Edward Jones. For more information, please see <https://www.edwardjones.com/disclosures/account-features-terms/saving-spending-borrowing/index.html>.

**How are we paid for our services?**

Edward Jones receives compensation from Elan Financial Services for the activation and initial use of the Edward Jones MasterCard®.

To the extent that the Edward Jones MasterCard program produces a profit for Elan after all expenses (including Edward Jones compensation upon card activation), Edward Jones receives additional compensation equal to 50% of the program profit. In addition, Edward Jones receives .01% of annual net credit card sales, defined as your total MasterCard charges minus your interest expense. For more information about the rates, fees, features and benefits associated with the use of your credit card, contact your financial advisor.

**How is your financial advisor compensated?**

Your financial advisor and branch office administrator receive a portion of the compensation received from Elan Financial Services for the activation and initial use of the Edward Jones MasterCard®.

## Understanding How We Are Compensated for Financial Services

### Edward Jones Visa® Debit Card

**What is the Edward Jones Visa® debit card?**

The Edward Jones Visa® debit card enables you to access certain funds held in your Edward Jones Money Market Fund or in the Insured Bank Deposit Program. Charges and withdrawals using this card are debited from your account. For more information, please see <https://www.edwardjones.com/disclosures/account-features-terms/saving-spending-borrowing/index.html>.

**How are we paid for our services?**

Edward Jones receives ongoing payments of up to 26 cents per transaction from use of the debit card.

**How is your financial advisor compensated?**

Your financial advisor does not receive any direct compensation for debit card usage.

## Understanding How We Are Compensated for Financial Services

### Free Credit Balance

**What is a free credit balance?**

The free credit balance is a portion of the account that consists of cash awaiting investment. Your free credit balances are payable on demand. You may require us to disburse the proceeds to you. Your instructions must be made during normal business hours and are subject to terms and conditions of the Account Agreement. We may, in our sole discretion, pay you interest on free credit balances, provided the funds in your account are awaiting investment. If you currently maintain free credit balances in your account solely for the purpose of receiving credit interest and don't plan to invest the funds in the future, we reserve the right to stop paying interest on those balances or to take any additional necessary action with respect to those balances. For more information, please contact your financial advisor to discuss your options.

**How are we paid for our services?**

The free credit balance portion of the account is not an investment or a permanent savings vehicle. We use free credit balances in the ordinary course of our business, subject to applicable laws, rules and regulations. The use of free credit balances generates revenue for us, in the form of interest and income, which Edward Jones retains as additional compensation.

**How is your financial advisor compensated?**

Your financial advisor does not receive any direct compensation from the free credit balance.

## Understanding How We Are Compensated for Financial Services

### Margin Accounts/Personal Lines of Credit

**What is a margin account/personal line of credit?**

Margin accounts allow you to purchase securities or take cash loans by using your margin-eligible securities as collateral. Margin accounts are governed by Regulation T, FINRA and individual brokerage house rules. For more information, please see [www.edwardjones.com/disclosures/marginloans](http://www.edwardjones.com/disclosures/marginloans).

**How are we paid for our services?**

We charge interest when you borrow against securities held in a margin account. The interest rate is tied to the effective prime rate, as long as the prime rate is equal to or greater than 4.0%. (We have a 4.0% base interest rate.) The prime rate is the prime rate as published in The Wall Street Journal. Your interest rate is determined monthly based on the total value of your “Rela-

tionship Pricing Group,” which may include multiple accounts you and other related parties hold with Edward Jones. For more information, please see [www.edwardjones.com/disclosures/marginloans](http://www.edwardjones.com/disclosures/marginloans).

**How is your financial advisor compensated?**

Your financial advisor earns a portion of the ongoing interest paid to Edward Jones on margin loan balances (which include the Personal Line of Credit, overdraft coverage or Write Your Own Loan). This creates a financial incentive for financial advisors to recommend that you use margin in your account and that you maintain a margin loan balance, even if you have funds available to reduce or pay off your loan. For more information, please see [www.edwardjones.com/disclosures/marginloans](http://www.edwardjones.com/disclosures/marginloans).

## Revenue Sharing Disclosure

Edward Jones receives payments known as revenue sharing from certain mutual fund companies, 529 plan program managers and insurance companies (collectively referred to as “product partners”). Virtually all of Edward Jones’ transactions relating to mutual funds, 529 plans and annuity products involve product partners that pay revenue sharing to Edward Jones. We do not receive revenue sharing payments on assets within investment advisory programs. We want you to understand that Edward Jones’ receipt of revenue sharing payments creates a potential conflict of interest in the form of an additional financial incentive and financial benefit to the firm, its financial advisors and equity owners in connection with the sale of products from these product partners. For the year ended December 31, 2018, Edward Jones received revenue sharing payments of approximately \$205.9 million from mutual fund and 529 product partners and \$7.0 million from annuity product partners. For that same period, Edward Jones’ net income was \$990.1 million.

Revenue sharing, as received by Edward Jones, involves a payment from a mutual fund company’s adviser or distributor, a 529 plan program manager, or an insurance company or the entity that markets an annuity contract. It is not an additional charge to you. These payments are in addition to standard sales loads, annual sales fees, expense reimbursements, and sub-transfer agent fees for maintaining client account information and for providing other administrative services for mutual funds (shareholder accounting and networking fees). These payments are also in addition to fees for maintaining technology and providing other administrative services for insurance products (inforce contract service fees), and reimbursements for education, marketing support and training-related expenses.

Mutual fund and 529 plan product partners pay Edward Jones a fee based on the value of assets under management, known as an asset-based fee. For example, if you made a \$10,000 purchase of an investment, held it for a year, and its value remained the same, Edward Jones would be paid 0.075% by the product partner or 7.5 basis points. That would translate to a \$7.50 payment from the product partner to Edward Jones for the \$10,000 investment in your account. For every subsequent year you held that \$10,000 investment in your Edward Jones account, the product partner would make a \$7.50 payment to Edward Jones, assuming no change in the value of your investment. Asset-based payments

will increase or decrease from year to year with changes in the value of the related assets held by Edward Jones’ clients.

Annuity product partners pay Edward Jones a one-time fee based on the amount of the product sold. This approach is referred to as a sales-based fee and is based on the dollar value of your purchase. For example, the product partner may pay Edward Jones up to 0.25% or 25 basis points for each dollar you invest or use to purchase a product. Therefore, if you made a \$10,000 investment, the product partner would pay Edward Jones \$25 for that transaction.

Most, but not all, of the product partners that pay revenue sharing to Edward Jones have been designated as strategic product partners by Edward Jones. Strategic product partners were known as preferred product partners prior to July 26, 2018. The designation means that Edward Jones has determined these product partners have a broad or strategically aligned spectrum of investment and annuity solutions designed to meet a variety of our client needs. Edward Jones grants strategic product partners greater access to certain information about its business practices. In addition, these product partners have frequent interactions with our financial advisors to provide training, marketing support and educational presentations. Non-strategic product partners that pay revenue sharing may receive similar treatment. With regard to annuities, Edward Jones’ financial advisors have limited access to the products and services of other insurance carriers. Additionally, while Edward Jones financial advisors may sell, and our clients are free to select, funds from many mutual fund families, we predominantly promote mutual fund strategic product partners. The vast majority of mutual funds, 529 plans and annuity products sold by Edward Jones involve strategic product partners, and, as noted above, most of these product partners pay revenue sharing to Edward Jones. The names of strategic product partners are shown in bold and italics on the following revenue sharing summary tables.

For additional information on a particular product partner’s payment and compensation practices, please review the applicable prospectus, statement of additional information or offering statement.

Detailed information and disclosures concerning revenue sharing received from product partners are included in the following revenue sharing summary tables.

### MUTUAL FUND COMPANIES: REVENUE SHARING SUMMARY

<b>Paid by</b>	<b>Maximum Annual Asset Fees in 2019</b> (Based on \$10,000 of fund assets owned)	<b>Total 2018 Revenue<sup>1</sup></b>
<b><i>American Funds Distributors, Inc.</i></b>	\$3.50 <sup>2</sup>	\$78.9 million <sup>3</sup>
<b><i>BlackRock Investments, LLC<sup>4</sup></i></b>	\$13.00	\$4.4 million
Federated Securities Corp.	\$10.00	\$0.4 million
<b><i>Franklin Templeton Distributors, Inc.</i></b>	\$6.00	\$27.6 million
Goldman Sachs Asset Management, L.P.	\$13.00	\$1.8 million
<b><i>Hartford Investment Financial Services, LLC</i></b>	\$13.00	\$18.0 million
<b><i>Invesco Distributors, Inc.</i></b>	\$13.00	\$24.7 million
Ivy Funds Distributor, Inc.	\$13.00	\$0.8 million
<b><i>John Hancock Funds, LLC</i></b>	\$13.00	\$7.4 million <sup>5</sup>
<b><i>J.P. Morgan Investment Management Inc.</i></b>	\$13.00	\$5.0 million
<b><i>Lord Abbett &amp; Co., LLC</i></b>	\$10.00	\$12.5 million
<b><i>MFS Fund Distributors, Inc.</i></b>	\$11.00	\$19.3 million
Oppenheimer Funds Distributor, Inc.	\$13.00	\$3.6 million
<b><i>PGIM Investments, LLC<sup>6</sup></i></b>	\$13.00	\$1.0 million

**529 PLAN PROGRAM MANAGERS: REVENUE SHARING SUMMARY**

<b>Paid by</b>	<b>Maximum Annual Asset Fees in 2019</b> (Based on \$10,000 of fund assets owned)	<b>Total 2018 Revenue<sup>1</sup></b>
<i>American Funds Distributors, Inc.</i>	\$3.50 <sup>2</sup>	\$__ <sup>3</sup>
Upromise Investments, Inc.	\$12.50	\$0.5 million

**ANNUITY PRODUCT PROVIDERS: REVENUE SHARING SUMMARY**

<b>Paid by</b>	<b>Product Where Revenue Sharing May Be Received</b>	<b>Maximum Sales Fees</b> (Per \$10,000 of assets purchased)	<b>Total 2018 Revenue<sup>1</sup></b>
<i>American General Life Insurance Company and The United States Life Insurance Company in the City of New York</i>	Polaris suite of variable annuities and American Pathway suite of variable annuities	\$25.00	\$0.5 million
<i>Lincoln National Life Insurance Company and Lincoln Life and Annuity Co. of NY</i>	Lincoln National American Legacy suite of variable annuities and Lincoln Choice Plus suite of variable annuities	\$25.00	\$2.5 million
Brighthouse Securities, LLC (formerly MetLife Investors Insurance Company Inc. and First MetLife Investors Insurance Company)	MetLife Investors variable annuities and all prior variable annuities issued by Cova	\$25.00	\$0.04 million
<i>Pacific Life &amp; Annuity Company, Pacific Life Insurance Company and Pacific Select Distributors, Inc.</i>	Pacific Destinations suite of variable annuities	\$25.00	\$0.7 million
<i>Protective Life Insurance Company and Investment Distributors, Inc.</i>	Protective Dimensions suite of variable annuities, Protective LifeValues suite of variable annuities, ProVariable suite of variable annuities, Elements Access variable annuities and Protective Advantage variable annuities	\$25.00	\$0.4 million
<i>Prudential Annuities Distributors, Inc., Pruco Life Insurance Company of New Jersey and Pruco Life Insurance Company</i>	Prudential Premier Retirement Variable Annuity and Prudential Premier Retirement Variable Annuity NY	\$25.00	\$1.8 million
<i>Transamerica Capital, Inc.</i>	Transamerica suite of variable annuities	\$25.00	\$1.1 million

1 The total 2018 revenue has been reported under the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP).

2 Separate and apart from the asset-based fee referenced above, American Funds Distributors, Inc. ("American Funds") will make an additional \$5 million revenue sharing payment to Edward Jones in 2019.

3 American Funds did not identify to Edward Jones the basis of the revenue sharing payment made in 2018. If the entire amount of revenue paid was categorized as an asset-based fee, the basis of the payment would be \$3.20 per \$10,000 fund assets owned. Also, American Funds did not identify whether a portion of the revenue sharing payment made in 2018 was attributable to Edward Jones' sales of interests in the 529 plan for which American Funds is the program manager.

4 BlackRock Investments, LLC was designated a strategic product partner by Edward Jones on July 26, 2018.

5 In addition to asset-based fees, the amounts received include fees paid by John Hancock for its participation at conferences, seminars, programs and/or other events sponsored by Edward Jones.

6 PGIM Investments, LLC ("Prudential") was designated a strategic product partner on July 26, 2018.

## Edward Jones Shareholder Accounting Disclosure

### Networking and Shareholder Accounting Fees

Edward Jones has entered into Networking agreements and shareholder accounting agreements with many mutual fund companies, including all of our strategic mutual fund families, to perform certain services for the mutual fund companies. Virtually all of Edward Jones' transactions relating to mutual funds and 529 plans involve product partners that pay shareholder accounting and/or Networking fees to Edward Jones. We want you to understand the receipt of these fees creates a potential conflict of interest in the form of an additional financial incentive and benefit to us, our financial advisors, and equity owners in connection with the sale of products from these product partners. For the year ended December 31, 2018, Edward Jones earned \$432 million in shareholder accounting and Networking fees, which represented approximately 5.1% of our net revenue.

When performing shareholder accounting services, Edward Jones holds a pooled account with a mutual fund company that represents all of our clients' holdings in the fund. Under a shareholder accounting agreement, Edward Jones agrees to perform certain transfer agent support services, thereby relieving the mutual fund company or its transfer agent from having to perform these functions. These services may include: tracking the holdings of a fund for an individual client and distributing dividends and shareholder information for the mutual fund company; facilitating purchases, redemptions and exchanges; and responding to client

inquiries regarding their mutual fund holdings. Mutual fund companies pay Edward Jones up to \$19 per mutual fund position or up to 25 basis points (.25%) of total invested assets in the mutual fund annually for these services. Therefore, if you own multiple funds offered by mutual fund families for which we have a shareholder accounting agreement, we will receive payment for each individual mutual fund.

The industry utility National Securities Clearing Corporation (NSCC) facilitates electronic transactions between Edward Jones and mutual fund companies using a service called Networking. Under Networking agreements, Edward Jones agrees to perform certain duties, including (but not limited to): transmission of mutual fund trades; settlement of such trades; account maintenance and processing of distributions and dividends on behalf of a mutual fund company; facilitating purchases, redemptions and exchanges; and responding to client inquiries regarding their mutual fund holdings. Edward Jones is paid by the mutual fund company up to \$10 per mutual fund position annually for Networking services. Therefore, if you own multiple funds offered by mutual fund families for which we have a Networking agreement, we will receive payment for each individual mutual fund.

Edward Jones will receive payments as a result of either the shareholder accounting agreement or the Networking agreement, but does not receive payments under both agreements for the same position.

*A portion of the shareholder accounting fees received on brokerage accounts is also received from the Edward Jones Money Market Fund of which Edward Jones owns directly or indirectly 100% of the investment adviser to the fund. For additional information on a particular fund's payment and compensation practices, please review the fund's prospectus and statement of additional information, which can be obtained from your local Edward Jones financial advisor and should be read carefully before investing.*

For the year ended December 31, 2018, Edward Jones received shareholder accounting and/or Networking payments from the product partners detailed in the following summary table:

Aberdeen	Charles Schwab	Janus	Pioneer
Acadian	Columbia	Jensen	PRIMECAP Odyssey
AIG Funds	Credit Suisse	John Hancock Funds	Principal
Alger	Davis	JP Morgan	Putnam Funds
Alliance Bernstein	Delaware	Lazard	RiverPark
Allianz	Diamond Hill	Legg Mason	Royce
Amana Funds	Dreyfus	Loomis Sayles	Russell Funds
American Beacon	DWS	Lord Abbett Funds	SBH Funds
American Century	Eaton Vance	MainStay	Sterling
American Funds	Federated	Manning & Napier	T. Rowe Price
American Independence	Fidelity	Meridian	TCW
Aquila	First Eagle	Metropolitan West	Third Avenue
Artisan	FPA	MFS	Thornburg
Ave Marie	Franklin Templeton	Miller	Timothy Plan
Baird	Goldman Sachs	Nationwide Funds	Touchstone
Baron	Grandeur Peak	Natixis	Transamerica
BlackRock	Guggenheim	Neuberger Berman	USAA
Brown Capital	Harbor	Nicholas	Victory
Buffalo	Hartford Mutual Funds	Nuveen Funds	Virtus
Calamos	Hotchkis & Wiley	Oak Ridge	Voya
Calvert	Integrity Viking	Oppenheimer Funds	Wasatch
Carillon	Invesco	Pacific Life	Wells Fargo
Causeway	Ironbridge	PGIM Funds	William Blair
Champlain	Ivy	PIMCO	

## Edward Jones Inforce Contract Service Disclosure

Edward Jones has entered into inforce contract service agreements with certain insurance companies to maintain technology and provide other administrative services in support of certain issued and outstanding insurance contracts. We receive payments for providing these services. We want you to understand the receipt of these payments creates a potential conflict of interest in the form of an additional financial incentive and benefit to us, our financial advisors and equity owners in connection with these contracts. For the year ended Dec. 31, 2018, Edward Jones earned \$67.9 million in inforce contract service payments, which represented approximately 0.8% of our net revenue.

Inforce contracts are previously sold insurance contracts with Edward Jones identified as the agent/broker of record. Edward Jones agrees to maintain technology and provide other administrative services in support of this existing business. This support may include facilitating communication between the insurance company and Edward Jones' operation and service support personnel; receiving and storing contract

descriptions and other contract information from the insurance company; maintaining and using the systems and processes necessary to facilitate certain client transactions; and retaining the necessary operational staff to provide support to Edward Jones' financial advisors to support clients with insurance contracts.

In exchange for the support outlined above, insurance companies generally pay Edward Jones as follows: up to 25 basis points (.25%) of total invested assets in the inforce variable annuity contracts annually (for example, if a variable annuity contract had a value of \$10,000, Edward Jones would be paid \$25 by the insurance company) and up to \$12 per inforce fixed or immediate annuity contract annually. If you own multiple insurance contracts in which we have an inforce contract service agreement, we will receive payment for each individual contract.

Edward Jones earns inforce contract service revenue from American General Life, John Hancock, Lincoln National, Brighthouse, Pacific Life, Protective, Prudential and Transamerica.

*For additional information on a particular variable annuity contract's payment and compensation practices, please review the prospectus and statement of additional information. Investors should carefully consider the investment objectives, risks, and charges and expenses of the variable annuity contract before investing. A prospectus containing this and other information can be obtained from your local Edward Jones financial advisor and should be read carefully before investing.*