Edward D. Jones & Co., L.P.
Consolidated Statement of Financial Condition

As of June 28, 2019

Assets: (Unaudited)	(Dollars in millions)
Cash and cash equivalents	$ 633
Cash and investments segregated under federal regulations	7,912
Securities purchased under agreements to resell	1,391
Receivable from:	
Clients	3,353
Mutual funds, insurance companies and other	613
Brokers, dealers and clearing organizations	276
Securities owned, at fair value:	
Investment securities	232
Inventory securities	59
Lease right-of-use asset	822
Equipment, property and improvements, at cost, net of accumulated depreciation and amortization	322
Other assets	95
Total Assets	$ 15,708
Liabilities and Partnership Capital:	
Payable to:	
Clients	$ 11,001
Brokers, dealers and clearing organizations	73
Lease liability	834
Accrued compensation and employee benefits	1,289
Accounts payable, accrued expenses and other	429
	13,626
Commitments and contingencies (Notes 11 & 12)	
Partnership capital	2,082
Total Liabilities and Partnership Capital	$ 15,708

The accompanying notes are an integral part of this Consolidated Statement of Financial Condition.

Edward Jones
MAKING SENSE OF INVESTING

Notes to Consolidated Statement of Financial Condition (Dollars in millions) (Unaudited)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Financial Statement Presentation – The accompanying Consolidated Statement of Financial Condition includes the accounts of Edward D. Jones & Co., L.P. ("Edward Jones") and all wholly-owned subsidiaries (collectively, the "Partnership"). All material intercompany balances and transactions have been eliminated in consolidation. The financial position of the Partnership's subsidiaries in Canada as of May 31, 2019, is included in the Partnership's Consolidated Statement of Financial Condition because of the timing of the Partnership's financial reporting process. The Jones Financial Companies, L.L.L.P. ("JFC") directly and indirectly owns 100% of the capital in the Partnership. JFC is the sole limited partner of Edward Jones. JFC's wholly-owned subsidiary, EDJ Holding Company, Inc. ("EDH"), is the sole general partner of Edward Jones.

Edward Jones is a registered broker-dealer and investment adviser in the United States ("U.S.") and one of the Partnership's subsidiaries is a registered broker-dealer in Canada. Through these entities, the Partnership primarily serves individual investors in the U.S. and Canada. The Partnership is a retail brokerage business and primarily derives revenues from fees for providing investment advisory and other account services to its clients, fees for assets held by clients, the distribution of mutual fund shares, and commissions for the purchase or sale of securities and the purchase of insurance products. The Partnership conducts business throughout the U.S. and Canada with its clients, various brokers, dealers, clearing organizations, depositories and banks. Passport Research, Ltd. ("Passport Research"), a wholly-owned subsidiary of the Partnership, provides investment advisory services to the Edward Jones Money Market Fund ("the Fund").

The Consolidated Statement of Financial Condition has been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles ("GAAP"), which require the use of certain estimates by management in determining the Partnership's assets, liabilities, revenues and expenses. Actual results could differ from these estimates. The Partnership evaluated subsequent events for recognition or disclosure through August 30, 2019, which was the date this Consolidated Statement of Financial Condition was available to be issued, and identified no matters requiring disclosure.

Foreign Exchange – Assets and liabilities denominated in a foreign currency are translated at the exchange rate at the end of the period.

Fair Value – Substantially all of the Partnership's financial assets and financial liabilities covered under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 820, *Fair Value Measurement and Disclosure* ("ASC 820"), are carried at fair value or at contracted amounts which approximate fair value given the short time to maturity.

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, also known as the "exit price." Financial assets are marked to bid prices and financial liabilities are marked to offer prices. The Partnership's financial assets and financial liabilities recorded at fair value in the Consolidated Statement of Financial Condition are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by ASC 820, with the related amount of subjectivity associated with the inputs to value these assets and liabilities at fair value for each level, are as follows:

Level I – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

The types of assets categorized as Level I generally are U.S. treasuries, investments in publicly traded mutual funds with quoted market prices, equities listed in active markets and government and agency obligations.

Level II – Inputs (other than quoted prices included in Level I) are either directly or indirectly observable for the asset or liability through correlation with related market data at the measurement date and for the duration of the instrument's anticipated life. The Partnership uses the market approach valuation technique which incorporates third-party pricing services and other relevant observable information (such as market interest rates, yield curves, prepayment risk and credit risk generated by market transactions involving identical or comparable assets or liabilities) in valuing these types of investments. When third-party pricing services are used, the methods and assumptions used are reviewed by the Partnership.

The types of assets categorized as Level II generally are certificates of deposit, state and municipal obligations, and corporate bonds and notes.

Level III – Inputs are both unobservable and significant to the overall fair value measurement. These inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the inputs to the model.

The Partnership did not have any assets or liabilities categorized as Level III during the six month period ended June 28, 2019.

Cash and Cash Equivalents – The Partnership considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Cash and Investments Segregated Under Federal Regulations – Cash, investments and the related interest receivable are segregated in special reserve bank accounts for the benefit of U.S. clients pursuant to the Customer Protection Rule 15c3-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Securities Purchased Under Agreements to Resell – The Partnership participates in short-term resale agreements collateralized by government and agency securities. These transactions are reported as collateralized financing and are carried at cost plus accrued interest. The fair value of the underlying collateral, plus accrued interest, must equal or exceed 102% of the carrying amount of the transaction in U.S. agreements and must equal or exceed 100% of the carrying amount of the transaction in Canada agreements. It is the Partnership's policy to have such underlying resale agreement collateral delivered to the Partnership or deposited in its accounts at its custodian banks. The Partnership considers these financing receivables to be of good credit quality and, as a result, has not recorded a related allowance for credit loss. In addition, the Partnership considers risk related to these resale agreements to be minimal due to the fact that these resale agreements are fully collateralized. The fair value of the collateral related to these agreements was $1,416 as of June 28, 2019, and was not repledged or sold.

Collateral – The Partnership reports as assets collateral it has pledged in secured borrowings and other arrangements when the secured party cannot sell or repledge the assets or the Partnership can substitute collateral or otherwise redeem it on short notice. The Partnership does not report collateral it has received in secured lending and other arrangements as an asset when the debtor has the right to redeem or substitute the collateral on short notice.

Securities Owned – Securities owned, primarily consisting of investment securities, are recorded on a trade-date basis at fair value which is determined by using quoted market or dealer prices.

Equipment, Property and Improvements – Equipment, including furniture and fixtures, is recorded at cost and depreciated using straight-line and accelerated methods over estimated useful lives of three to seven years. Buildings are depreciated using the straight-line method over their useful lives, which are estimated at thirty years. Leasehold improvements are amortized based on the term of the lease or the economic useful life of the improvement, whichever is less. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation or amortization is removed from the respective category. The cost of significant enhancements is capitalized. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be fully recoverable. If impairment is indicated, the asset value is written down to its fair value.

Non-qualified Deferred Compensation Plan – The Partnership has a non-qualified deferred compensation plan for certain financial advisors. The Partnership has recorded a liability for the future payments due to financial advisors participating in the plan. As the future amounts due to financial advisors change in accordance with plan requirements, the Partnership records the change in future amounts owed to financial advisors as an increase or decrease in accrued compensation in the Consolidated Statement of Financial Condition. The Partnership has chosen to economically hedge this future liability by purchasing securities in an amount similar to the future liability expected to be due in accordance with the plan. These securities are included in investment securities in the Consolidated Statement of Financial Condition. Each period, the net impact of the change in future amounts owed to financial advisors in the non-qualified deferred compensation plan and the change in investment securities are approximately the same, resulting in minimal net impact in the Consolidated Statement of Financial Condition.

Retirement Transition Plans – The Partnership, in certain circumstances, offers individually tailored retirement transition plans to retiring financial advisors. Each retirement transition plan compensates a retiring financial advisor for successfully providing client transition services in accordance with a retirement and transition agreement. Generally, the retirement and transition agreement is for five years.

During the first two years, the retiring financial advisor remains an employee and provides client transition services, which include, but are not limited to, the successful transition of client accounts and assets to successor financial advisors, as well as mentoring and providing training and support to successor financial advisors. The financial advisor retires at the end of year two and is subject to a non-compete agreement for three years. Most retiring financial advisors participating in a retirement transition plan are paid ratably over four years. As of June 28, 2019, $98 was accrued for future payments to financial advisors who have already started a plan, approximately $24 of which is expected to be paid in the remainder of 2019. Successor financial advisors receive reduced compensation on transitioned assets for up to four years.

Lease Accounting – The Partnership enters into lease agreements for certain home office facilities as well as branch office locations which are recorded as operating leases (see Note 2).

Income Taxes – Generally, income taxes have not been provided for in the Consolidated Statement of Financial Condition due to the partnership tax structure where each partner is liable for his or her own tax payments. For the jurisdictions in which the Partnership is liable for tax payments, the income tax provisions are immaterial (see Note 9).

Recently Issued and Adopted Accounting Standards – In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)* ("ASC 842"), which requires lessees to recognize leases with terms greater than 12 months on the balance sheet as lease right-of-use assets and lease liabilities. In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842)*, which allows an entity to recognize a cumulative-effect adjustment to the opening balance of Partnership capital in the period of adoption. Effective January 1, 2019, the Partnership adopted ASC 842 and recorded a lease right-of-use asset of $779 and lease liability of $797 related to the Partnership's branch office network and home offices. The lease right-of-use asset was reduced by $18 for deferred rent on existing leases at adoption. The cumulative-effect adjustment to the opening balance of Partnership capital was zero. The Partnership elected the package of practical expedients for leases that commenced prior to January 1, 2019, which allowed the Partnership to not reassess whether any contracts are or contain leases, lease classification for expired or existing leases, and initial direct costs for existing leases. There was no material impact on the net capital requirements of Edward Jones. See Note 2 for additional information.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 removes the "probable" threshold for credit loss recognition, requiring companies to capture all expected credit losses and to consider a broader range of reasonable and supportable information to inform credit loss estimates. The Partnership is in the process of evaluating the update and expects to adopt ASU 2016-13 as of January 1, 2020, with no material impact to the Consolidated Statement of Financial Condition from adoption.

NOTE 2 – LEASES

The Partnership leases branch office space under numerous operating leases from non-affiliates and financial advisors. Branch offices are generally leased for terms of five years and generally contain a renewal option. Renewal options are not included in the lease term because it is not reasonably certain the Partnership will exercise the renewal option. The Partnership also leases a few of its home office spaces from non-affiliates with terms ranging from 12 to 30 years.

The Partnership recognizes lease liabilities for future lease payments and lease right-of-use assets for the right of use of an underlying asset within a contract. Current leases are all classified as operating leases. Lease right-of-use assets and lease liabilities are recognized on the Consolidated Statement of Financial Condition at commencement date and calculated as the present value of the sum of the remaining fixed lease payments over the lease term. The lease right-of-use asset includes the impact from the timing of lease payments and straight-line rent expense. The Partnership used its incremental borrowing rate based on information available at lease commencement as leases do not contain a readily determinable implicit rate. The Partnership does not separate lease components (i.e., fixed payments including rent, real estate taxes and insurance costs) from non-lease components (i.e., common-area maintenance) and recognizes them as a single lease component.

Intercompany home office leases have a lease term of 12 months and qualify for the short-term lease exception in ASC 842. The Partnership made the accounting policy election to not recognize the lease asset and lease liability for these short-term leases.

For the six months ended June 28, 2019, cash paid for amounts included in the measurement of operating lease liabilities was $137 and lease right-of-use assets obtained in exchange for new operating lease liabilities was $177.

As of June 28, 2019, the weighted-average remaining lease term was four years, and the weighted-average discount rate was 3.4%.

The Partnership's future undiscounted cash outflows for operating leases as of June 28, 2019 are summarized below:

2019	$ 141
2020	250
2021	202
2022	147
2023	92
Thereafter	73
Total lease payments	905
Less: Interest	71
Total present value of lease liabilities	$ 834

While the rights and obligations for leases that have not yet commenced are not significant, the Partnership does continually enter into new branch office leases.

NOTE 3 – RECEIVABLE FROM AND PAYABLE TO CLIENTS

Receivable from clients is primarily composed of margin loan balances. The value of securities owned by clients and held as collateral for these receivables is not reflected in the Consolidated Statement of Financial Condition. Collateral held as of June 28, 2019 was $3,984 and was not repledged or sold. The Partnership considers these financing receivables to be of good credit quality due to the fact that these receivables are primarily collateralized by the related client investments and, as a result, the Partnership considers credit risk related to these receivables to be minimal. Payable to clients is composed of cash amounts held by the Partnership due to clients. Substantially all amounts payable to clients are subject to withdrawal upon client request. The Partnership pays interest on the vast majority of credit balances in client accounts at varying rates.

As of June 28, 2019 and December 31, 2018, $432 and $377, respectively, of the receivable from clients balance related to revenue contracts with customers.

NOTE 4 – RECEIVABLE FROM MUTUAL FUNDS, INSURANCE COMPANIES AND OTHER

The following table shows the Partnership's receivable from mutual funds, insurance companies and other as of June 28, 2019:

Fees from mutual fund and insurance companies	$ 318
Deposit for Canadian retirement accounts	292
Other receivables	3
Total	$ 613

The deposit for Canadian retirement accounts is required by Canadian regulations. The Partnership is required to hold deposits with a trustee for clients' retirement funds held in Canada.

The receivable from mutual funds and insurance companies is related to revenue contracts with customers. The balance was $274 as of December 31, 2018.

NOTE 5 – FAIR VALUE

The following table shows the Partnership's financial assets measured at fair value:

	Financial Assets at Fair Value as of June 28, 2019			
	Level I	Level II	Level III	Total
Cash equivalents:				
Certificate of deposit	$ —	$ 149	$ —	$ 149
Investments segregated under federal regulations:				
U.S. treasuries	$ 1,597	$ —	$ —	$ 1,597
Securities owned:				
Investment securities:				
Mutual funds[1]	$ 230	$ —	$ —	$ 230
Government and agency obligations	2	—	—	2
Total investment securities	$ 232	$ —	$ —	$ 232
Inventory securities:				
State and municipal obligations	$ —	$ 30	$ —	$ 30
Equities	19	—	—	19
Certificates of deposit	—	4	—	4
Corporate bonds and notes	—	3	—	3
Mutual funds	3	—	—	3
Total inventory securities	$ 22	$ 37	$ —	$ 59

1 The mutual funds balance consists primarily of securities held to economically hedge future liabilities related to the non-qualified deferred compensation plan. The balance also includes securities held in relation to profit sharing contributions on behalf of service partners.

NOTE 6 – EQUIPMENT, PROPERTY AND IMPROVEMENTS

The following table shows equipment, property and improvements as of June 28, 2019:

Equipment, furniture and fixtures	$ 689
Buildings and improvements	617
Equipment, property and improvements, at cost	1,306
Accumulated depreciation and amortization	984
Equipment, property and improvements, net	$ 322

NOTE 7 – LINES OF CREDIT

In accordance with the terms of the $500 committed revolving line of credit ("2018 Credit Facility") entered into in September 2018 by JFC and the Partnership with an expiration date of September 21, 2023, Edward Jones is required to maintain a minimum tangible net worth of at least $1,344 and minimum regulatory net capital of at least 6% of aggregate debit items as calculated under the alternative method. The available credit line for the Partnership is reduced by any outstanding borrowing by JFC. JFC has a $200 sublimit on the line of credit, resulting in a minimum available balance of $300 to the Partnership. The Partnership has the ability to draw on various types of loans. The associated interest rate depends on the type of loan, duration of the loan, whether the loan is secured or unsecured and the amount of leverage. Rates include the federal funds rate plus the applicable rate and the eurodollar rate plus the applicable rate. The 2018 Credit Facility is intended to provide short-term liquidity to the Partnership should the need arise. As of June 28, 2019, the Partnership was in compliance with all covenants related to the 2018 Credit Facility.

In addition, the Partnership has $290 of uncommitted secured bank lines of credit in place as of June 28, 2019 that are subject to change at the discretion of the banks. Based on credit market conditions and the uncommitted nature of these credit facilities, it is possible that these lines of credit could decrease or not be available in the future. Actual borrowing availability on the uncommitted secured lines is based on availability of client margin securities or firm-owned securities, which would serve as collateral on loans in the event the Partnership borrowed against these lines.

The Partnership also has a $500 uncommitted unsecured line of credit agreement with JFC which does not have an expiration date. The interest rate is based on the applicable Federal rate, which was 2.72% at June 28, 2019.

There were no amounts outstanding on the 2018 Credit Facility, the uncommitted lines of credit, or the line of credit with JFC as of June 28, 2019. In addition, the Partnership did not have any draws against these lines of credit during the six month period ended June 28, 2019. For the purpose of periodically testing draw procedures, the Partnership made an overnight draw on the uncommitted facility in April 2019 and an intraday draw on the 2018 Credit Facility in June 2019.

NOTE 8 – NET CAPITAL REQUIREMENTS

As a result of its activities as a U.S. broker-dealer, Edward Jones is subject to the net capital provisions of Rule 15c3-1 of the Exchange Act and capital compliance rules of the Financial Industry Regulatory Authority ("FINRA") Rule 4110. Under the alternative method permitted by the rules, Edward Jones must maintain minimum net capital equal to the greater of $0.25 or 2% of aggregate debit items arising from client transactions. The net capital rules also provide that Edward Jones' partnership capital may not be withdrawn if resulting net capital would be less than minimum requirements. Additionally, certain withdrawals require the approval of the Securities and Exchange Commission ("SEC") and FINRA to the extent they exceed defined levels, even though such withdrawals would not cause net capital to be less than minimum requirements.

The Partnership's Canada broker-dealer subsidiary is a registered broker-dealer regulated by the Investment Industry Regulatory Organization of Canada ("IIROC"). Under the regulations prescribed by IIROC, the Partnership's Canada broker-dealer subsidiary is required to maintain minimum levels of risk-adjusted capital, which are dependent on the nature of the Partnership's Canada broker-dealer subsidiary's assets and operations.

The following table shows the Partnership's net capital figures for its U.S. and Canada broker-dealer subsidiaries as of June 28, 2019:

U.S.:		
Net capital	$	1,234
Net capital in excess of the minimum required	$	1,176
Net capital as a percentage of aggregate debit items		42.9%
Net capital after anticipated capital withdrawals, as a percentage of aggregate debit items		27.1%
Canada:		
Regulatory risk-adjusted capital	$	31
Regulatory risk-adjusted capital in excess of the minimum required to be held by IIROC	$	27

U.S. net capital and Canada risk-adjusted capital and the related capital percentages may fluctuate on a daily basis.

The Partnership prepares SEC Form X-17A-5, FOCUS Report, Part II, on an unconsolidated basis. The capital of the Partnership's Canada broker-dealer subsidiary is included as regulatory capital in the computation of Edward Jones' net capital, resulting in an increase in net capital of $24 at June 28, 2019.

The following is a summary of certain consolidating financial information of the Partnership:

	Edward Jones (FOCUS Report)	Edward Jones (Canada)	Other Subsidiaries	Eliminations	Partnership
Total assets	$ 15,109	$ 666	$ 20	$ (87)	$ 15,708
Total liabilities	$ 13,027	$ 602	$ —	$ (3)	$ 13,626
Total partnership capital	2,082	64	20	(84)	2,082
Total liabilities and partnership capital	$ 15,109	$ 666	$ 20	$ (87)	$ 15,708

NOTE 9 – INCOME TAXES

The Partnership is a pass-through entity for federal and state income tax purposes and generally does not incur income taxes. Instead, its earnings and losses are included in the income tax returns of the general and limited partners. However, the Partnership's structure does include certain subsidiaries which are corporations that are subject to income tax.

FASB ASC No. 740, *Income Taxes,* requires the Partnership to determine whether, upon review by the applicable taxing authority, each of its income tax positions has a likelihood of being realized that is greater than 50 percent, which could result in the Partnership recording a tax liability that would reduce Partnership capital. The Partnership did not have any significant uncertain tax positions as of June 28, 2019, and is not aware of any tax positions that will significantly change during the next 12 months. The Partnership is generally subject to examination by the Internal Revenue Service ("IRS") and by various state and foreign taxing authorities in the jurisdictions in which the Partnership conducts business. Tax years prior to 2015 are generally no longer subject to examination by the IRS, state, local or foreign tax authorities.

NOTE 10 – EMPLOYEE BENEFIT PLANS

The Partnership maintains a profit sharing and 401(k) plan covering all eligible U.S. employees, principals, and service partners, a Group Registered Retirement Savings Plan covering all eligible Canada employees and principals, and a Deferred Profit Sharing Plan covering all eligible Canada employees.

NOTE 11 – COMMITMENTS, GUARANTEES AND RISKS

As of June 28, 2019, the Partnership would be subject to termination fees of approximately $86 in the event the Partnership terminated existing contractual commitments with certain vendors providing ongoing services primarily for information technology, operations and marketing. As of June 28, 2019, the Partnership made no such decision to terminate these services. These termination fees will decrease over the related contract periods, which generally expire within the next three years.

As of June 28, 2019, the Partnership also has a revolving line of credit available (see Note 7).

The Partnership provides margin loans to its clients in accordance with Federal Reserve Board Regulation T and FINRA Rule 4210, under which loans are collateralized by securities in client accounts (see Note 3). The Partnership could be liable for the margin requirement of its client margin securities transactions. To mitigate this risk, the Partnership monitors required margin levels and requires clients to deposit additional collateral or reduce positions to meet minimum collateral requirements.

The Partnership's securities activities involve execution, settlement and financing of various securities transactions for clients. The Partnership may be exposed to risk of loss in the event clients, other brokers and dealers, banks, depositories or clearing organizations are unable to fulfill contractual obligations. The Partnership has controls in place to ensure client activity is monitored and to mitigate the risk of clients' inability to meet their obligations to the Partnership. Therefore, the Partnership considers its potential to make payments under these client transactions to be remote and accordingly, no liability has been recognized for these transactions.

Cash balances held at various major U.S. financial institutions, which typically exceed Federal Deposit Insurance Corporation insurance coverage limits, subject the Partnership to a concentration of credit risk. Additionally, the Partnership's Canada broker-dealer subsidiary may also have cash deposits in excess of the applicable insured amounts. The Partnership regularly monitors the credit ratings of these financial institutions in order to help mitigate the credit risk that exists with the deposits in excess of insured amounts. The Partnership has credit exposure to U.S. government and agency securities, which are held as collateral for its resell agreements, investment securities and segregated investments. The Partnership's primary exposure on resell agreements is with the counterparty and the Partnership would only have exposure to U.S. government and agency credit risk in the event of the counterparty's default on the resell agreements.

The Partnership provides guarantees to securities clearing houses and exchanges under their standard membership agreements, which require a member to guarantee the performance of other members. Under these agreements, if a member becomes unable to satisfy its obligations to the clearing houses and exchanges, all other members would be required to meet any shortfall. The Partnership's liability under these arrangements is not quantifiable and may exceed the cash and securities it has posted as collateral. However, the Partnership considers the likelihood that the Partnership will be required to make payments under these agreements to be remote. Accordingly, no liability has been recognized for these transactions.

NOTE 12 – CONTINGENCIES

In the normal course of its business, the Partnership is involved, from time to time, in various legal and regulatory matters, including arbitrations, class actions, other litigation, and examinations, investigations and proceedings by governmental authorities, self-regulatory organizations and other regulators, which may result in losses. These matters include:

Mutual Fund Share Class Waivers. On October 26, 2015, Edward Jones, without admitting or denying the findings, entered into a settlement agreement with FINRA in connection with its investigation of possible violations of the federal securities laws or rules with respect to mutual fund purchases and sales charge waivers for certain retirement plan and charitable organization accounts. On June 12, 2015, the Division of Enforcement of the SEC informed Edward Jones that it is also investigating this matter. The SEC's review is ongoing. Consistent with its practice, Edward Jones is cooperating fully with the SEC with respect to its investigation.

Retirement Plan Litigation. On August 19, 2016, JFC, Edward Jones and certain other defendants were named in a putative class action lawsuit (*McDonald v. Edward D. Jones & Co., L.P., et al.*) filed in the U.S. District Court for the Eastern District of Missouri brought under the Employee Retirement Income Security Act of 1974, as amended, by a participant in the Edward D. Jones & Co. Profit Sharing and 401(k) Plan (the "Retirement Plan"). The lawsuit alleges that the defendants breached their fiduciary duties to Retirement Plan participants and seeks declaratory and equitable relief and monetary damages on behalf of the Retirement Plan. The defendants filed a motion to dismiss the *McDonald* lawsuit which was granted in part dismissing the claim against JFC, and denied in part as to all other defendants on January 26, 2017.

On November 11, 2016, a substantially similar lawsuit (*Schultz, et al. v. Edward D. Jones & Co., L.P., et al.*) was filed in the same court. The plaintiffs consolidated the two lawsuits by adding the *Schultz* plaintiffs to the *McDonald* case, and the *Schultz* action was dismissed. The plaintiffs filed their first amended consolidated complaint on April 28, 2017. On December 13, 2018, the court entered a preliminary order approving a class action settlement agreement reached among the parties. Following a fairness hearing held on April 18, 2019, the court entered judgment on April 22, 2019 in which it granted final approval of the settlement, effected a full release of claims by the settlement class in favor of the defendants, and dismissed the consolidated lawsuit with prejudice. On June 14, 2019, the lone objector filed an appeal to the judgment approving the settlement. The appeal is currently pending before the U.S. Court of Appeals for the Eighth Circuit.

Wage-and-Hour Class Action. On March 13, 2018, JFC and Edward Jones were named as defendants in a purported collective and class action lawsuit (*Bland, et al. v. Edward D. Jones & Co., L.P, et al.*) filed in the U.S. District Court for the Northern District of Illinois by four former financial advisors. The lawsuit was brought under the Fair Labor Standards Act as well as Missouri and Illinois law and alleges that the defendants unlawfully attempted to recoup training costs from departing financial advisors and failed to pay all overtime owed to financial advisor trainees among other claims. The lawsuit seeks declaratory and injunctive relief, compensatory and liquidated damages. JFC and Edward Jones deny the allegations and intend to vigorously defend against the allegations in this lawsuit. On March 19, 2019, the court entered an order granting the defendants' motion to dismiss all claims, but permitting the plaintiffs to amend and re-file certain of their claims. Plaintiffs filed an amended complaint on May 3, 2019. Defendants have filed a renewed motion to dismiss that amended complaint.

Securities Class Action. On March 30, 2018, Edward Jones and its affiliated entities and individuals were named as defendants in a putative class action (*Anderson, et al. v. Edward D. Jones & Co., L.P., et al.*) filed in the U.S. District Court for the Eastern District of California. The lawsuit was brought under the Securities Act of 1933, as amended (the "Securities Act"), and the

Exchange Act, as well as Missouri and California law and alleges that the defendants inappropriately transitioned client assets from commission-based accounts to fee-based programs. The plaintiffs requested declaratory, equitable, and exemplary relief, and compensatory damages. On July 9, 2019, the district court entered an order dismissing the lawsuit in its entirety without prejudice. On July 29, 2019, the plaintiffs filed a second amended complaint, which eliminated certain affiliated entities and individuals as defendants, withdrew the claims under the Securities Act, added claims under the Investment Advisers Act of 1940, as amended, and certain additional state law claims, and reasserted the remaining claims with modified allegations. Edward Jones and its affiliated entities and individuals deny the allegations and intend to continue to vigorously defend this lawsuit.

Discrimination Class Action. On May 24, 2018, Edward Jones and JFC were named as defendants in a putative class action lawsuit (*Bland v. Edward D. Jones & Co., L.P., et al.*) filed in the U.S. District Court for the Northern District of Illinois by a former financial advisor. An amended complaint was filed on September 24, 2018, under 42 U.S.C. § 1981, alleging that the defendants discriminated against the former financial advisor and financial advisor trainees on the basis of race. On November 26, 2018, the plaintiffs filed a second amended complaint adding an allegation of discrimination of Title VII of the Civil Rights Act of 1964. The lawsuit seeks equitable and injunctive relief, as well as compensatory and punitive damages. Edward Jones and JFC deny the allegations and intend to vigorously defend this lawsuit.

Reimbursement Class Action. On April 25, 2019, Edward Jones and JFC were named as defendants in a putative class action (*Watson, et al. v. The Jones Financial Companies L.L.L.P., et al.*) filed by two former financial advisors in the Superior Court of the State of California, Sacramento County. Plaintiffs allege that defendants did not reimburse financial advisors and financial advisor trainees in California for certain categories of business expenses, which plaintiffs allege violates the California Labor Code and California Unfair Competition Law. The lawsuit seeks damages and restitution as well as attorneys' fees and costs and equitable and injunctive relief. Defendants will respond to the complaint in due course and intend to vigorously defend this lawsuit.

In addition to these matters, the Partnership provides for potential losses that may arise related to other contingencies. The Partnership assesses its liabilities and contingencies utilizing available information. The Partnership accrues for potential losses for those matters where it is probable that the Partnership will incur a potential loss to the extent that the amount of such potential loss can be reasonably estimated, in accordance with FASB ASC No. 450, *Contingencies*. This liability represents the Partnership's estimate of the probable loss at June 28, 2019, after considering, among other factors, the progress of each case, the Partnership's experience with other legal and regulatory matters and discussion with legal counsel, and is believed to be sufficient. The aggregate accrued liability may be adjusted from time to time to reflect any relevant developments.

For such matters where an accrued liability has not been established and the Partnership believes a loss is both reasonably possible and estimable, as well as for matters where an accrued liability has been recorded but for which an exposure to loss in excess of the amount accrued is both reasonably possible and estimable, the current estimated aggregated range of additional possible loss is up to $18 as of June 28, 2019. This range of reasonably possible loss does not necessarily represent the Partnership's maximum loss exposure as the Partnership was not able to estimate a range of reasonably possible loss for all matters.

Further, the matters underlying any disclosed estimated range will change from time to time, and actual results may vary significantly. While the outcome of these matters is inherently uncertain, based on information currently available, the Partnership believes that its established liabilities at June 28, 2019 are adequate, and the liabilities arising from such matters will not have a material adverse effect on the consolidated financial position of the Partnership. However, based on future developments and the potential unfavorable resolution of these matters, the outcome could be material to the consolidated financial position of the Partnership for a particular period or periods.

NOTE 13 – RELATED PARTIES

The Partnership has a signed agreement with JFC for a $500 line of credit with the intent to provide short-term liquidity to the Partnership should the need arise. See Note 7.

As of June 28, 2019, the Partnership had declared distributions from partnership capital of $211 which will be paid to JFC and EDH during 2019. These amounts are presented in accounts payable, accrued expenses and other in the Consolidated Statement of Financial Condition.

Edward Jones leases a significant portion of its home office space from EDJ Leasing Co., L.P. ("LEA"). See Note 2 for further details.

As of June 28, 2019, Edward Jones leased approximately 10% of its branch office space from its financial advisors (see Note 2). These leases are executed and maintained in a similar manner as those entered into with third parties.

Trust services are offered to U.S. clients of Edward Jones through Edward Jones Trust Company ("Trust Co."), a wholly-owned subsidiary of JFC. Edward Jones has signed agreements with Trust Co. whereby:

Trust Co. reimburses Edward Jones for the referral and servicing of Trust Co. client accounts.

Trust Co. pays a fee to Edward Jones for operational and administrative support, primarily based on the number of associates supporting Trust Co.

Trust Co. pays a fee to Edward Jones for leasing general office space in connection with Trust Co. operations.

Edward Jones will reimburse Trust Co. for expenses if Trust Co. does not achieve profitability. Trust Co. was profitable for the six month period ended June 28, 2019.

Edward Jones pays Trust Co. a portion of custodial fees for serving as custodian for retirement accounts. Custodial fees are based on the number of accounts.

Edward Jones will indemnify Trust Co. for certain tax obligations of Trust Co. attributable to the activities of Edward Jones.

Olive Street Investment Advisers, LLC ("Olive Street"), a wholly-owned subsidiary of JFC, is the investment adviser to the sub-advised mutual funds of the Bridge Builder® Trust (the "BB Trust"). Olive Street has primary responsibility for setting overall investment strategies and selecting and managing sub-advisers, subject to the review and approval of the BB Trust's Board of Trustees. Edward Jones has a signed service agreement to provide Olive Street with personnel needed to perform services to the BB Trust. In addition, under this service agreement, Edward Jones has agreed to pay a fee to Olive Street for certain administrative services to support the BB Trust.

As the investment adviser to the Fund, Passport Research has contractually agreed to waive fees and/or reimburse Fund operating expenses to the extent necessary to limit the annual operating expenses of the Fund. Further, Edward Jones earns certain fees from the Fund, some of which may be voluntarily waived.

Beginning in 2019, the Partnership has a written agreement with JFC for the services of certain financial advisors who are service partners of JFC and not employees of Edward Jones. Pursuant to the agreement, the Partnership makes payments to the service partners of JFC on JFC's behalf for those services provided. As of June 28, 2019, the Partnership has withheld $22 in future mandatory profit sharing contributions from service partners of JFC that will be contributed to the profit sharing and 401(k) plan in February 2020.

Certain affiliates maintain brokerage accounts with Edward Jones, and Edward Jones pays interest on cash balances in those accounts on a monthly basis. As of June 28, 2019, the cash balances totaled $205.

In the normal course of business, partners of JFC and associates of the Partnership use the same advisory and brokerage services of the Partnership as unrelated third parties, with certain discounts on commissions and fees for certain services. The Partnership has included balances arising from such transactions in the Consolidated Statement of Financial Condition on the same basis as other clients.

NOTE 14 – OFFSETTING ASSETS AND LIABILITIES

The Partnership does not offset financial instruments in the Consolidated Statement of Financial Condition. However, the Partnership enters into master netting arrangements with counterparties for securities purchased under agreements to resell that are subject to net settlement in the event of default. These agreements create a right of offset for the amounts due to and due from the same counterparty in the event of default or bankruptcy.

The following table shows the Partnership's securities purchased under agreements to resell as of June 28, 2019:

			Gross amounts not offset in the Consolidated Statement of Financial Condition		
Gross amounts of recognized assets	Gross amounts offset in the Consolidated Statement of Financial Condition	Net amounts presented in the Consolidated Statement of Financial Condition	Financial instruments	Securities collateral(1)	Net amount
$ 1,391	—	1,391	—	(1,391)	$ —

(1) Actual collateral was 102% of the related assets in U.S. agreements and 100% in Canada agreements.

