

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.

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.