

## 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.