

# **EDWARD JONES ADVISORY SOLUTIONS<sup>®</sup>**

## **Unified Managed Account (UMA) Models Brochure**

as of March 31, 2021

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### **Item 1: Cover Page**

This wrap fee program brochure provides information about the qualifications and business practices of Edward D. Jones & Co., L.P. (“Edward Jones,” “we” or “us”). If you have any questions about the contents of this brochure, please contact us at 800-803-3333. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Edward Jones is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

Our “Summary of Material Changes” describes material changes that have been made to this brochure since our last annual update filed March 30, 2020. We mail the summary to existing clients within 120 days of the end of our fiscal year, and it is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 4: Services, Fees and Compensation

Edward Jones is a registered broker-dealer and investment adviser. As an investment adviser, Edward Jones offers several advisory programs. This brochure (“Brochure”) provides clients (“client,” “you” or “your”) with information about Edward Jones, Edward Jones Advisory Solutions® Unified Managed Account (UMA) Models (“Advisory Solutions UMA Models”) sponsored by Edward Jones, the fees charged for Advisory Solutions UMA Models, and our services and business practices. You should read this Brochure carefully and consult with your tax professional before you decide to invest in Advisory Solutions UMA Models.

Other advisory programs offered through Edward Jones are not described in this Brochure. These programs offer different services and investments and have different fees and minimum investment requirements. To learn more about other advisory programs offered by us, please ask your financial advisor or go to [www.edwardjones.com/advisorybrochures](http://www.edwardjones.com/advisorybrochures) to review the brochures for the available advisory programs.

Edward Jones is the primary operating subsidiary of The Jones Financial Companies, L.L.P. (“JFC”), a holding company registered as a partnership with the State of Missouri. Edward Jones registered with the SEC as a broker-dealer in 1941 and as an investment adviser in 1993. Edward Jones became a member of the National Association of Securities Dealers (“NASD”) (now known as the Financial Industry Regulatory Authority (“FINRA”)) in 1939.

As of December 31, 2020, we managed \$236,832,021,925 in discretionary assets and \$282,948,101,497 in non-discretionary assets across all of our advisory programs.

The decision to invest in Advisory Solutions UMA Models is yours. Before making this decision, you and your financial advisor should discuss whether other programs or investments may be more appropriate for your investment goals or needs. If you decide to invest in Advisory Solutions UMA Models, our advisory relationship does not begin until (a) Edward Jones and the Overlay Manager (defined below) accept and approve the written Client Services Agreement (“CSA”) with you, which occurs on the later date of the approval of Edward Jones or the Overlay Manager, and (b) funding of the account at the initial minimum investment as determined by Edward Jones.

Before investing in Advisory Solutions UMA Models, you should decide if you are comfortable delegating the day-to-day management of your account. Investors in Advisory Solutions UMA Models typically:

- need advice and guidance when making investment decisions;
- are at ease with a financial professional making their day-to-day investment decisions;
- are willing to follow a disciplined investment strategy; and
- are comfortable paying monthly, asset-based (percentage) fees for investments and advice rather than individual, transaction-based commissions or sales charges.

In evaluating fee-based advisory programs, you should consider a number of factors. You may be able to obtain some or all of the same or similar investments and/or services available through this and other fee-based advisory programs separately through Edward Jones or another broker-dealer or investment adviser. You should consider that, depending on the circumstances, the aggregate fees you will pay for investing in Advisory Solutions UMA Models may be lower or higher than if you purchased the investments or services separately or through another broker-dealer or investment adviser. An important factor to consider is the amount of trading activity you have in your accounts and the corresponding brokerage commissions that would be charged if you bought and sold individual securities in a brokerage account. You also may experience different performance results or tax consequences from what you would by purchasing the investments separately or through another broker-dealer or investment adviser. Additionally, some of the mutual funds managed by an affiliate of Edward Jones (“affiliated mutual

funds”) available in Advisory Solutions UMA Models are not available to be held or purchased outside of Advisory Solutions UMA Models and Edward Jones Advisory Solutions® Fund Models (“Advisory Solutions Fund Models” and collectively with Advisory Solutions UMA Models, “Advisory Solutions”).

### Advisory Solutions UMA Models Overview

Advisory Solutions UMA Models is a wrap fee program in which you can combine multiple investments in a single advisory account. Advisory Solutions UMA Models offers multi-style investment services implemented by an investment adviser (“Overlay Manager”). Investments available in Advisory Solutions UMA Models include separately managed allocations (“SMAs”) managed or recommended by one or more investment advisers (“SMA Managers”), affiliated mutual funds, unaffiliated mutual funds and exchange-traded funds (“ETFs”) approved by Edward Jones (collectively referred to as “Program Investments”).

Edward Jones selects the Program Investments that are available in Advisory Solutions UMA Models (“Program List”). Edward Jones categorizes these Program Investments by investment style (e.g., Growth, Income, etc.), which we refer to as “Asset Allocation Categories.” Based on your selected portfolio objective for your Advisory Solutions UMA Models account (your “Account Portfolio Objective”), Advisory Solutions UMA Models will allocate a portion or percentage of your investments to the Asset Allocation Categories. Asset allocation cannot eliminate risk associated with investing, but it can help to keep your account within your stated risk tolerance range.

Investment recommendations are provided to the Overlay Manager by SMA Managers either through (a) providing a Model Portfolio to the Overlay Manager, or (b) investing the Client’s assets with an SMA Manager (the “Executing SMA Manager”). Edward Jones may, at our discretion, restrict the Overlay Manager and Executing SMA Managers from purchasing certain securities. Conversely, the Overlay Manager and Executing SMA Managers may invest in investments that are not otherwise available at Edward Jones. The Overlay Manager and/or Executing SMA Manager may, in its sole discretion, reject an account for any reason.

Your account will invest in one or more affiliated mutual funds. Please read this Brochure carefully to understand the differences between affiliated mutual funds and unaffiliated mutual funds, including additional conflicts of interest that Edward Jones is subject to in connection with recommending affiliated mutual funds and how such conflicts are addressed.

The Edward Jones Money Market Fund is affiliated with Edward Jones but is not an available Program Investment for Advisory Solutions UMA Models. However, cash balances awaiting investment or reinvestment in your account will be automatically swept into the Edward Jones Money Market Fund, where they will be held until invested in a Program Investment. The portion of your Advisory Solutions UMA Models account that is invested in the Edward Jones Money Market Fund will be included in the calculation of your Advisory Solutions UMA Models Fee (defined below). Please refer to Appendix A for more information about the Edward Jones Money Market Fund.

We can make changes to the Program List at any time and can change the amount of your money that is invested in the different Asset Allocation Categories and/or Program Investments. We can also add and remove Asset Allocation Categories at any time without prior notice. These additions or removals could result in the purchase or sale of a Program Investment in your account. Liquidations may cause a taxable event as well as redemption fees, if applicable.

There is no guarantee that the Program Investments will perform in any particular manner. It is important that you read the prospectus of each Program Investment and the Overlay Manager’s and any applicable Executing SMA Manager’s Form ADV Part 2A Brochure, including any supplements, and Part 3 Client Relationship Summary before investing. Further details about a Program Investment can be found in its statement of

additional information (“SAI”) and shareholder reports.

## Services Provided

### A. Account Portfolio Objective, Investment Model Construction and Ongoing Asset Allocation Guidance

In order to invest in Advisory Solutions UMA Models, you will complete a Client Profile that contains important information about your account, which generally includes either your goal or purpose for investing and your time horizon, risk tolerance and other financial information.

Your time horizon will reflect the time frame over which you will be accumulating and/or distributing your investments. Time horizon is expressed as either your life stage or the number of years accumulating and/or distributing.

If your account is not assigned to a goal established at Edward Jones, then we will recommend an Account Portfolio Objective for your account based upon the level of investment risk you are willing to take (your risk tolerance or comfort with risk) and the expected time horizon for your investments. If your account is assigned to a goal established at Edward Jones, then we will recommend that you select an Account Portfolio Objective for your account that aligns with the portfolio objective you selected for your goal (your “Goal Portfolio Objective”).

You may choose an alternative Account Portfolio Objective if you are willing to take more or less risk than the recommended Account Portfolio Objective. You ultimately decide whether you want to select the recommended Account Portfolio Objective or an alternative Account Portfolio Objective, if available.

Account Portfolio Objectives in Advisory Solutions UMA Models currently include:

**All-Equity Focus:** This portfolio objective offers the highest long-term growth and rising dividend potential. It focuses on long-term capital appreciation and provides very little to no current interest income. It also has the highest level of risk, as it contains only equity investments.

**Growth Focus:** This portfolio objective emphasizes higher long-term growth and rising dividend potential, while providing modest current interest income. Over the long term, it should have higher risk than portfolios with a more income-oriented objective.

**Balanced toward Growth:** This portfolio objective emphasizes higher long-term growth and rising dividend potential, with a secondary goal of current interest income. Over the long term, it should have moderate to higher risk.

**Balanced Growth & Income:** This portfolio objective has a balanced emphasis between current interest income and long-term growth with rising dividend potential. Over the long term, it should have moderate risk.

**Balanced toward Income:** This portfolio objective emphasizes current interest income while providing modest long-term growth and rising dividend potential. Over the long term, it should have lower to moderate risk.

**Income Focus:** This portfolio objective emphasizes current interest income with little long-term growth and rising dividend potential. Over the long term, it should have lower risk than portfolios with a more growth-oriented objective.

Edward Jones constructs each Account Portfolio Objective using different Asset Allocation Category targets and different Program Investment weightings within each Asset Allocation Category, taking into account risk tolerance, time horizon and the purpose of investing funds into Advisory Solutions UMA Models. Edward Jones is solely responsible for determining, and periodically reviewing, the Asset Allocation Category targets and ranges, and Program Investment offerings and weightings appropriate for each Account Portfolio Objective.

Once you have selected your Account Portfolio Objective, you

select either a Research Model or construct a Custom Model that is consistent with your chosen Account Portfolio Objective.

**Research Model:** Research Models are based on the Asset Allocation Category and Program Investment weightings determined by Edward Jones to be appropriate for each Account Portfolio Objective. Unlike in a Custom Model, you cannot change the Asset Allocation Category or Program Investment weightings designed for a particular Research Model. These weightings are set at target percentages appropriate for each Research Model's corresponding Account Portfolio Objective.

If you select a Research Model, Edward Jones also has ongoing discretion over the selection of Program Investments within your account.

Due to various influences, such as changing market conditions, a reclassification of a Program Investment to a different Asset Allocation Category or a change in the securities underlying a Program Investment, we may change the Asset Allocation Category or Program Investment weightings within an Account Portfolio Objective. We may remove and/or add a Program Investment to your Research Model at any time without prior notice. If your account is taxable, changes to asset allocation will cause transactions in the account, and these transactions will have tax consequences.

**Custom Model:** Custom Models provide our clients with more flexibility to choose investments consistent with their Account Portfolio Objective. If you select a Custom Model, you are responsible for choosing Program Investments from the Program List and setting your Asset Allocation Category and Program Investment target percentages within the ranges that Edward Jones has deemed acceptable for your Account Portfolio Objective. Program Investments within a Custom Model may be subject to certain investment minimums, as may be determined by Edward Jones and/or an SMA Manager. In addition, Edward Jones may, in our sole discretion, implement guidelines and/or restrictions as to the minimum and maximum number of Program Investments that can be held in an account at any one time and the minimum and maximum percentage allocations to those Program Investments held in a Custom Model.

Where Edward Jones, in our sole discretion, deems appropriate, it may deviate from the weighting ranges within a particular Account Portfolio Objective and create a Custom Model with different weighting ranges that is appropriate for a specific subset of clients within that Account Portfolio Objective. If you elect such a Custom Model, you will be expected to set Asset Allocation Category and Program Investment targets within the range that Edward Jones designates for that portfolio rather than the ranges designated under the Account Portfolio Objective.

Due to various influences, such as changing market conditions, a reclassification of a Program Investment to a different Asset Allocation Category or a change in the securities underlying a Program Investment, we may change the Asset Allocation Category or Program Investment weighting within an Account Portfolio Objective. If such changes conflict with your current Program Investment selections or your chosen Asset Allocation Category or Program Investment targets, we will, when possible, provide you thirty (30) days' notice to modify your selection. If you do not update your selections within 30 days (or such shorter time as may be determined at the discretion of Edward Jones) of such notice, we may trade Program Investments within your account, or change your Asset Allocation Category or Program Investment targets, to bring your account back into alignment with your chosen Account Portfolio Objective. If your account is taxable, such changes will cause transactions in the account, and these transactions may have tax consequences.

If a Program Investment is removed from the Program List for any reason, the Program Investment can no longer be held in your account. If we remove a Program Investment, we will, when possible, provide you thirty (30) days' notice and recommend a replacement Program Investment (which may include affiliated

mutual funds). If you do not want to accept the replacement Program Investment, you must notify Edward Jones within 30 days (or such shorter time as may be determined at the discretion of Edward Jones) of such notice; otherwise, we will select the replacement Program Investment for your account.

Edward Jones, in our discretion, may give taxable accounts invested in Custom Models the option to continue to use an SMA Manager or strategy designated for removal as a Program Investment for a period of time of up to thirteen (13) months (or such shorter or longer time as may be determined in the discretion of Edward Jones). For additional information, please see Item 6, "Portfolio Manager (SMA Manager) Selection and Evaluation, Transition Option for Taxable Accounts Invested in Custom Models."

Until such Program Investment designated for removal is actually removed from your account, there is a possibility that additional shares of that Program Investment may be purchased. Such purchase(s) may occur in certain instances including, but not limited to, when dividend reinvestments occur. The purchase of additional shares of such Program Investment and the eventual mandatory removal of such shares may result in a taxable event.

For both Research and Custom Models, the replacement Program Investment may be subject to a higher SMA Manager Fee or, in the case of mutual funds and ETFs, higher internal expenses than the prior investment and you will be responsible for paying the higher fees. Neither the Program Fee nor the Portfolio Strategy Fee (both defined below) for the Advisory Solutions UMA Models program paid to Edward Jones will change as a result of the replacement Program Investment.

Circumstances may require the replacement of a Program Investment in your account through the utilization of an affiliated transition fund, which is a short-term investment vehicle used to facilitate a mutual fund or ETF replacement. The decision to use a transition fund is solely in our discretion.

**Investment Restrictions:** For both Research and Custom Models, you can restrict the purchase of certain equity securities, including a specific equity security or category of securities. For example, you may restrict the Overlay Manager or Executing SMA Manager(s) from buying specific securities or a category of securities (e.g., tobacco or alcohol companies) that you consider objectionable for personal reasons or that you wish to avoid due to potential overconcentration in a specific security. When a security or category is restricted from purchase, your account performance will differ from other accounts investing in the same Account Portfolio Objective and may be adversely impacted. You may restrict the mutual funds or ETFs your account may invest in, but not the actual securities in which the underlying mutual fund or ETF invests. You cannot restrict the purchase of a fixed-income security.

**Client Services Agreement and Rebalancing:** Once you have selected your Account Portfolio Objective, you will complete a CSA that must be accepted and approved by Edward Jones and the Overlay Manager. Trading of your account will not begin until the CSA is accepted and approved, which can take several business days. Upon approval, the Overlay Manager is authorized to buy, sell or trade securities in your account in a manner consistent with the Asset Allocation Category established by us, the Model Portfolio provided by the applicable SMA Manager and any restrictions you have placed on the account. With certain Program Investments in Research Models or Custom Models, certain Executing SMA Managers have discretion to buy, sell or trade securities directly in your account.

If, pursuant to parameters determined at the sole discretion of Edward Jones, the percentage of an Asset Allocation Category or a Program Investment in your account has drifted too far from its target, your account will generally be rebalanced back toward the target of one or more Asset Allocation Categories or Program Investments in your account at the discretion of the Overlay Manager or Edward Jones. Rebalancing is achieved by buying, redeeming or selling Program Investments, which may include

affiliated mutual funds, until the Asset Allocation Category or Program Investment is in alignment with the target for your account. We may also rebalance your account if a Program Investment is removed from the Program List; if you are invested in a Research Model, a Program Investment is added to the Research Model; or, if you are invested in a Custom Model, you direct a change in your Program Investments. As a result, the portion of your account invested in mutual funds and/or ETFs may be reallocated, in whole or in part, from unaffiliated mutual funds and/or ETFs into affiliated mutual funds. Rebalancing trades are subject to certain dollar minimums as determined by Edward Jones, in our sole discretion. You will not be notified before a rebalancing occurs. Neither asset allocation nor rebalancing is guaranteed to produce a profit or protect against loss. Rebalancing trades in a taxable account may result in a taxable event to you. Consult with your tax professional before you invest in Advisory Solutions UMA Models.

## B. Overlay Management

Pursuant to a contractual agreement between Edward Jones and Natixis Advisors, L.P. ("Natixis"), Natixis currently serves as the Overlay Manager. In this role, Natixis performs the following services:

- Implementing instructions by SMA Managers and Edward Jones in regard to the securities to be bought, sold or held for your account, including determining the amount of securities to be bought or sold;
- Placing orders for the purchase and/or sale of securities in accordance with the Model Portfolio recommendations of the SMA Managers and Edward Jones and/or communicating the orders for the purchase and/or sale of securities through other broker-dealers selected by SMA Managers (please note: a taxable account funded with securities will result in purchase and/or sale orders in your account which may have tax consequences);
- Placing orders for the purchase, sale or redemption of shares of mutual funds and/or ETFs in accordance with instructions received from Edward Jones or you;
- Rebalancing one or more Asset Allocation Categories or Program Investments within your account back toward their respective targets if, pursuant to parameters determined in the sole discretion of Edward Jones, the weighting of the Asset Allocation Category or Program Investment has deviated too far from its target;
- Adding and removing an Asset Allocation Category pursuant to Edward Jones' instruction, which could result in the purchase of Program Investments to fill the newly added Asset Allocation Category, or sale of a Program Investment to support the removal of an Asset Allocation Category;
- Implementing any restrictions that you have placed on the purchase of certain equity securities or category of equity securities; and
- Managing your taxable account in a tax-efficient manner with the objective to minimize your realized gain and maximize realized losses while maintaining the desired investment allocation. Tax-efficient management of your taxable account may conflict with Model Portfolio recommendations from an SMA Manager; in these instances, tax-efficient management may take precedence over the Model Portfolio recommendations of an SMA Manager.

Edward Jones is solely responsible for the selection of the Overlay Manager for Advisory Solutions UMA Models. We reserve the right to change the Overlay Manager at any time in our sole discretion to an unaffiliated investment manager or an affiliated investment manager, or to assume the responsibilities of the Overlay Manager.

## C. Execution Services

In Advisory Solutions UMA Models, the Overlay Manager and Executing SMA Managers have discretion over your account.



Edward Jones executes trades at the direction of the Overlay Manager and Executing SMA Managers. In these cases, Edward Jones acts solely as a broker-dealer, not as an investment adviser. When we act as executing broker, there may be times when we engage in “principal transactions.” This means that we will fill your purchase orders from our own inventory of securities. We will not charge you a markup or markdown on these principal transactions. However, if the Overlay Manager or Executing SMA Manager buys from or sells to our inventory, we may earn revenue or incur losses depending on market or price fluctuations in the security. Edward Jones will engage in principal transactions only where permitted under applicable law.

Edward Jones may also engage in “cross transactions” in Advisory Solutions UMA Models. This means that we act as a broker-dealer for advisory clients on both the sell side and the buy side of the same transaction. When this occurs, the Overlay Manager or Executing SMA Managers will direct all trades and will instruct either Edward Jones or another broker-dealer to execute those trades. Edward Jones will engage in cross transactions only where permitted under applicable law.

The Overlay Manager and Executing SMA Managers are required to seek best execution for all trades, which means the Overlay Manager and Executing SMA Managers have full authority to execute trades with those broker-dealers that they believe are capable of providing the best qualitative execution under the circumstances. In Advisory Solutions UMA Models, you will not pay additional trading costs when Edward Jones executes a trade order in your account as broker-dealer. For this reason, the Overlay Manager and Executing SMA Managers may determine that Edward Jones’ execution capabilities as broker-dealer provide the most favorable option for placing trade orders in your account. However, the Overlay Manager and Executing SMA Managers may choose to execute trades with another broker-dealer if they reasonably believe another broker-dealer can obtain a more favorable execution under the circumstances. This practice is frequently referred to as “trading away,” and these types of trades are frequently called “step-out” trades. Step-out trades are executed at another broker-dealer and cleared and settled at Edward Jones.

If the Overlay Manager or Executing SMA Manager executes trade orders with another broker-dealer, you will incur trading costs in addition to the Advisory Solutions UMA Models Fee. The trading costs for step-out trades to another broker-dealer may include commissions, markups, markdowns or “spreads” paid to market makers in addition to the Advisory Solutions UMA Models Fee. Additionally, if a foreign currency transaction is required, a foreign broker-dealer may receive compensation in the form of a dealer spread, markup or markdown. There may be other exchange or similar fees, including, but not limited to, foreign ordinary conversion and creation of American Depositary Receipts, charged by third parties as well as foreign tax charges. All of these charges are in addition to the Advisory Solutions UMA Models Fee.

In complying with its best execution obligation, the Overlay Manager or Executing SMA Managers will review several factors that reflect on the quality of the trade execution of the broker-dealer. These additional trading costs may be one of several factors the Overlay Manager or Executing SMA Managers assess when deciding to trade away. The Overlay Manager or Executing SMA Manager may also consider other factors such as: the nature of the security; the size and type of transaction; the nature and character of the markets involved; the executing broker’s execution, clearance and settlement capabilities as well as its reputation; soft-dollar arrangements, as described below; the importance of speed, knowledge, efficiency, consistency and anonymity provided by the executing broker; and additional investment opportunities. The Overlay Manager and each Executing SMA Manager may consider different factors or may place different weight on the factors it uses to meet its best execution obligation. The Overlay Manager’s and Executing SMA Managers’ best execution obligations do not require the Overlay Manager or Executing SMA Managers to obtain the best price or the lowest available cost of trade orders.

Clients should be aware that some Executing SMA Managers have historically placed all or substantially all of their client trades as step-out trades with another broker-dealer for execution. Frequently, these trades have been for fixed-income, foreign and small-cap equity securities. As a result, these types of Executing SMA Managers and their strategies could be more costly to a client than Executing SMA Managers that primarily place trades with Edward Jones for execution. Additionally, the Overlay Manager has at times engaged in trading away. Please see Edward Jones’ website at [www.edwardjones.com/advisorybrochures](http://www.edwardjones.com/advisorybrochures) for more information regarding when the Overlay Manager chose to step-out as well as a list of Executing SMA Managers who informed Edward Jones that they traded away from Edward Jones during the most recent year and general information about the additional cost (if any) of those trades.

Edward Jones does not engage in soft-dollar arrangements; however, the Overlay Manager or Executing SMA Managers participating in Advisory Solutions UMA Models may direct transactions to brokers in return for brokerage or research services. In certain instances, the Overlay Manager or Executing SMA Managers engaged in soft-dollar arrangements may pay a broker-dealer (other than Edward Jones) higher commissions than another broker-dealer adequately qualified to effect such transactions would have charged where the Overlay Manager or Executing SMA Manager determines in good faith that the commission is reasonable in relation to the value of the soft-dollar benefits received. Soft-dollar arrangements may be considered as a factor in best execution determinations but will not replace the duty of the Overlay Manager and Executing SMA Managers to seek best execution for trades in your account(s).

The Overlay Manager and Executing SMA Managers may participate in other wrap fee programs sponsored by firms other than Edward Jones. In addition, the Overlay Manager or Executing SMA Managers may manage institutional and other accounts that are not part of a wrap fee program. In order to avoid buying or selling the same security for all client accounts through multiple broker-dealers, the Overlay Manager or Executing SMA Managers may decide to aggregate all such client transactions into a block trade that is executed through one broker-dealer. This practice may enable the Overlay Manager or Executing SMA Managers to obtain more favorable execution, including more favorable pricing, than would otherwise be available if orders were not aggregated. Using block transactions may also assist the Overlay Manager or Executing SMA Managers in potentially avoiding an adverse effect on the price of a security that could result from simultaneously placing a number of separate successive or competing client orders. This practice generally results in “trading away” from Edward Jones, as described above.

Alternatively, the Overlay Manager or Executing SMA Managers may use a trade rotation process where one group of clients may have a transaction effected before or after another group of clients. The Overlay Manager or Executing SMA Managers implement their trades with certain clients, custodians or sponsors using a trade rotation process in order to minimize the impact of their trading on the securities or markets in which they trade. These trade rotation practices may result in a transaction being effected for your account near or at the end of the Overlay Manager or Executing SMA Managers’ rotation, resulting in your account bearing the market price impact, if any, of those trades executed earlier in the rotation. This may result in your receiving a less favorable net price for the trade. However, the Overlay Manager’s and Executing SMA Managers’ trade rotation policies are typically designed to ensure that clients are treated equitably and fairly over time.

The Overlay Manager and Executing SMA Managers will not aggregate or rotate Custom Models trades with Research Models trades when Edward Jones removes a mutual fund or ETF from the Program List. Because Custom Models are typically given notice and time to select a Program Investment replacement other than the recommended Program Investment, Custom Models will normally trade after Research Models. As a result, Research Models and Custom Models may receive different prices.

The Overlay Manager and Executing SMA Managers are solely responsible for ensuring they comply with their best execution obligations to you. You should review the Overlay Manager's and each Executing SMA Manager's Form ADV Part 2A Brochure and Part 3 Client Relationship Summary for more information about the Overlay Manager's or Executing SMA Managers' soft-dollar, trade aggregation and trade rotation practices and any related conflicts of interest. You should also inquire about the Overlay Manager's or Executing SMA Managers' trading practices and consider that information carefully before choosing to invest in Advisory Solutions UMA Models. In particular, you should carefully consider any additional trading costs you may incur.

**Trade Allocation.** From time to time, the volume and/or number of trades that must be executed for Advisory Solutions UMA Models accounts may exceed Edward Jones' operational and technological capacities if these trades are made on a single day. This may occur if Edward Jones is removing a Program Investment from the Program List, if a large number of accounts need to be rebalanced, or by request of a Program Investment. In order to maintain the orderly processing of trades and to minimize the incidence of errors, Edward Jones may decide to allocate trades over an extended period of time. This may result in clients receiving different prices during such events. However, Edward Jones' allocation process is designed to be fair and equitable over time through the use of a random allocation process conducted prior to trade execution.

In addition, if the volume or size of redemptions required to be effected as a result of the removal of a Program Investment from the Program List or the rebalancing of a large number of accounts exceeds the limits set forth in the Program Investment's trading policies and procedures, the Program Investment may exceed the standard settlement period to process redemptions or may redeem positions in-kind. In such circumstances, client assets may not be fully invested and may be subject to market risk between the redemption date and the reinvestment of the assets. Alternatively, Edward Jones may rely on the allocation process described above to effect the redemptions over time in a manner consistent with the limits set forth in the Program Investment's trading policies and procedures.

**Trade Errors.** In certain circumstances, trade errors may occur in your account. When a trade error occurs that is caused by the actions of Edward Jones, the Overlay Manager or an SMA Manager, Edward Jones will work to promptly correct the error while ensuring your account is not disadvantaged.

It is Edward Jones' policy to use an Edward Jones error account to correct trades. This may result in trades between your account and an Edward Jones error account. If the process of resolving trade errors results in a net gain in the error account, as accrued and calculated on a periodic basis, we will donate the amount of such gain to charities chosen by Edward Jones.

## D. Custody, Trade Confirmations and Account Statements

Assets in your account are held at Edward Jones as broker-dealer. However, if you have entered into an IRA Custodial Agreement with Edward Jones Trust Company ("EJTC"), assets in your IRA will be held at EJTC. EJTC has delegated its duties and responsibilities as a custodian to Edward Jones, as sub-custodian.

As custodians, Edward Jones and EJTC are responsible for:

- safekeeping your funds and securities;
- collecting dividends, interest and proceeds from any sales; and
- disbursing funds from your account.

Edward Jones (as broker-dealer) will provide all accounts with written trade confirmations of securities transactions and account statements for each month there is activity in the account. You can waive the right to receive certain trade confirmations; however, you will still receive mutual fund and ETF prospectuses, when applicable. If EJTC is the custodian, the account statement

will be sent by Edward Jones on behalf of EJTC.

**Please review your account statements carefully and notify us immediately if you detect an error or a discrepancy.**

## E. Termination of Advisory Solutions UMA Models Services

You or Edward Jones may terminate your participation in Advisory Solutions UMA Models at any time without any advisory termination fee. While oral instructions to terminate your participation in Advisory Solutions UMA Models are generally acceptable, Edward Jones, in our sole discretion, may require written notice in order to terminate Advisory Solutions UMA Models advisory services for your account.

Upon notice of termination of your Advisory Solutions UMA Models services, Edward Jones will no longer act as an investment adviser and will not be obligated to recommend any action with regard to the assets in your account, but you may instruct us to sell the securities or transfer the securities to another Edward Jones account or a third-party account.

Some mutual funds and/or fund share classes may not be held outside of your Advisory Solutions UMA Models account. In these cases, Edward Jones will sell those shares for you or convert the shares into a share class that can be held outside of an Advisory Solutions UMA Models account. Such sales or conversions could result in higher or lower fees and/or expenses than those paid under the previous share class.

Affiliated mutual funds (except the Edward Jones Money Market Fund) may not be held outside of Advisory Solutions. Accordingly, any positions in affiliated mutual funds (except the Edward Jones Money Market Fund) will be liquidated if you terminate your Advisory Solutions UMA Models services or request to transfer positions in an affiliated mutual fund out of your Advisory Solutions UMA Models account.

In addition, SMA Managers may invest in mutual funds that have been developed for use solely with their respective SMA strategy. Accordingly, any positions in such mutual funds may be liquidated if you terminate your participation in such SMA strategy or your CSA is terminated.

Taxable gains, taxable losses, redemption fees or sales charges may be assessed upon the liquidation or redemption of securities. These fees and expenses may negatively impact your investment performance.

If you request the assets in your account be liquidated, proceeds from the sale of your securities will be available upon settlement of the trades generated to complete the liquidation. Although settlement typically occurs within two (2) business days following the placement of each trade, the Executing SMA Manager or Overlay Manager may use multiple trading days following the date after Edward Jones receives your liquidation request to fully liquidate your securities if the SMA Manager or Overlay Manager believes it is in your best interest to have a longer liquidation period. Because bond markets may be less liquid, these investments may be more difficult to liquidate, especially during periods of extreme market volatility. Therefore, you may experience delays or adverse price fluctuations when liquidating these securities. Account liquidation may cause a taxable event as well as additional fees and expenses.

### Effective until May 5, 2021

If you have a tax-qualified retirement account and, upon notice of termination, fail to instruct Edward Jones as to the disposition of assets in your account within a time period determined by Edward Jones, Edward Jones may liquidate and distribute the assets in your account. Such distribution will cause a taxable event and be subject to tax withholdings and penalties.

If you have a taxable account and, upon notice of termination, fail to instruct Edward Jones as to the disposition of assets in your account, your account will revert to a brokerage account and any transactions will be subject to commissions and sales charges.

**Effective May 6, 2021**

Upon notice of termination, if you fail to instruct Edward Jones as to the disposition of assets in your account, your account will convert to a self-directed brokerage account with limited account features ("Limited Purpose Brokerage Account"). We will no longer act as a fiduciary to your account, and you can no longer rely on us to provide advisory services to your account. You will be able to receive distributions, liquidate securities, and withdraw funds from your Limited Purpose Brokerage Account, but you will not be able to purchase new securities or add to existing positions (except for the Edward Jones Money Market Fund). Any transactions will be subject to commissions and sales charges.

**F. Fees**

Every Advisory Solutions UMA Models account pays asset-based fees (referred to as your "Advisory Solutions UMA Models Fee"). Your Advisory Solutions UMA Models Fee includes a Program Fee, a Portfolio Strategy Fee and SMA Manager Fees, less any applicable fee reduction and/or fee offset (as discussed more fully below).

In addition to your Advisory Solutions UMA Models Fee, Program Investments, including ETFs, affiliated mutual funds and unaffiliated mutual funds in your account, have internal fees and expenses that are described in the prospectus of each fund. These internal fees and expenses vary depending on the particular Program Investment.

You are responsible for the cost of commissions or transaction charges for securities trades directed by the Overlay Manager and/or Executing SMA Managers for execution by broker-dealers other than Edward Jones (i.e., "step-out" trades).

The following section explains:

- the fees and expenses;
- how the fees and expenses are calculated and paid; and
- potential fee reductions and offsets you may receive from Edward Jones.

**Advisory Solutions UMA Models Fee Paid to Edward Jones**

The Advisory Solutions UMA Models Fee paid to Edward Jones = Program Fee + Portfolio Strategy Fee (defined below). You also pay SMA Manager fees as noted above and below.

**The Program Fee**

Every Advisory Solutions UMA Models account is charged a Program Fee for certain investment advisory services, including initial and ongoing analysis of your investment needs and objectives; periodic consultations; ongoing evaluation and selection of investments for this program; Edward Jones' ongoing investment policy guidance and services to keep your account aligned with such guidance; periodic performance reporting; custody and transaction execution services and other related services as described in this Brochure.

**Program Fee Schedule**

VALUE OF ASSETS IN ACCOUNT		ANNUAL FEE RATE
First	\$250,000	1.35%
Next	\$250,000	1.30%
Next	\$500,000	1.25%
Next	\$1,500,000	1.00%
Next	\$2,500,000	0.80%
Next	\$5,000,000	0.60%
Over	\$10,000,000	0.50%

**The Portfolio Strategy Fee**

A Portfolio Strategy Fee is charged for discretionary management of your portfolio model, including services related to model construction and active model management, overlay management as appropriate and other related discretionary services provided by Edward Jones.

**Portfolio Strategy Fee Schedule**

VALUE OF ASSETS IN ACCOUNT		ANNUAL FEE RATE
First	\$250,000	0.19%
Next	\$250,000	0.19%
Next	\$500,000	0.18%
Next	\$1,500,000	0.17%
Next	\$2,500,000	0.12%
Next	\$5,000,000	0.09%
Over	\$10,000,000	0.09%

**How the Advisory Solutions UMA Models Fee Is Calculated**

The Advisory Solutions UMA Models Fee is based on the market value of all assets held in your account, including cash, cash equivalents, shares of third-party money market funds and shares of the Edward Jones Money Market Fund. All Advisory Solutions UMA Models accounts are subject to a \$10 minimum monthly Program Fee. The Advisory Solutions UMA Models Fee is comprised of fees assessed at annual fee rates (shown above), payable monthly in arrears. As the value of the assets in your account increases or decreases, you are charged according to the applicable tiered fee schedules set forth above.

The fees assessed by Edward Jones will reduce your account's overall returns and performance.

The Advisory Solutions UMA Models Fee is charged to your account each month in arrears. If your account is open for part of a month, then your Advisory Solutions UMA Models Fee will be based on the number of days your account was open and invested in the market. The amount you pay is determined by the average daily market value of the assets held in your account for the previous month.

**Pricing Groups**

To determine your Program Fee rate, your account may be grouped with your other Edward Jones advisory accounts or the Edward Jones advisory accounts of people related to or close to you who meet the criteria below that are held in the same Edward Jones branch in what we refer to as a Pricing Group. Your Portfolio Strategy Fee rate is determined based on the value of the Advisory Solutions accounts in your Pricing Group. Each account can only be in one Pricing Group, and we will disclose to you the accounts making up your Pricing Group upon request. Other members of the Pricing Group will receive the same disclosure upon request.

Your Pricing Group is based on the following criteria:

1. Your single, joint, custodial, owner-only 401(k) plan and IRA accounts are grouped together if they are registered at the same address and share one or more of the following: (a) the same last name, (b) the same Social Security number, or (c) the same Edward Jones Relationship Group. (If you have worked with your financial advisor to group your account with other accounts for the purpose of planning and establishing financial goals, that is a Relationship Group. Your Relationship Group may be the same as your Pricing Group. Please contact your



financial advisor if you have any questions about your Relationship Group.)

2. Your revocable trust accounts are grouped with your single, joint, custodial, owner-only 401(k) plan, IRA or other revocable trust accounts if they are registered at the same address and use the same tax ID number for tax reporting.
3. Your association, church, corporation, estate, irrevocable trust, LLC, partnership and sole proprietorship accounts are grouped with other accounts of the same type if they are registered at the same address and use the same tax ID number for tax reporting. These types of accounts will be grouped with each other but not with other account types.

Additionally, accounts that do not meet the above criteria with your account, but that meet the above criteria with another person's account in your Pricing Group, will be added to your Pricing Group. Please contact your financial advisor if you have questions about your Pricing Group.

In addition, the Program Fee and/or Portfolio Strategy Fee may be lower than the above schedules in the following circumstances:

- Either Edward Jones or your financial advisor negotiates a lower Program Fee;
- You are an active or retired associate of Edward Jones; or
- You are a member of an active or retired associate's Pricing Group.

Reducing the Program Fee and/or Portfolio Strategy Fee is at the sole discretion of Edward Jones.

**SMA Manager Fees:** SMA Manager annual fee rates generally range from 0.15% to 0.40%, based on the target allocation of assets associated with SMA Managers in your account. The exact SMA Manager Fee rates depend on the Program Investment of the SMA Manager(s) included in your account. There is no SMA Manager Fee assessed on investments in mutual funds and ETFs held outside an SMA. You pay SMA Manager Fees to Edward Jones, and Edward Jones remits those fees directly to the SMA Manager.

## Potential Fee Reductions or Offsets to the Program Fee

Depending on certain factors, you may be eligible to receive fee reductions or offsets to your Program Fee, as described below.

### Fee Reductions

If your Advisory Solutions UMA Models account is funded from an Edward Jones account that incurred commissions or redemption fees within a preceding period, as established by Edward Jones, the Program Fee may be reduced for up to twenty-four (24) full months in which the account is active in Advisory Solutions UMA Models. The amount of the fee reduction will depend on the type of security held, timing of trade activity for the security or other characteristics of the account activity in the previous Edward Jones account. Ask your financial advisor for additional information about potential fee reductions. Any fee reductions will be applied in accordance with policies established by Edward Jones, which may be amended from time to time. If you close your account in Advisory Solutions UMA Models before receiving the entire fee reduction, you will not receive any of the remaining fee reduction that may have been available for your account. If you are selling securities to invest in Advisory Solutions UMA Models but did not purchase them through Edward Jones, you will not receive a fee reduction.

### Fee Offsets

**Rule 12b-1 Fees:** Some mutual fund companies or their affiliates pay Edward Jones Rule 12b-1 fees for distribution and marketing expenses. This creates a conflict of interest. In order to eliminate this conflict of interest, if we receive Rule 12b-1 fees for the shares in your account, we will credit the amount received to your account.

**Shareholder Accounting Revenue:** Some mutual fund companies pay Edward Jones for account recordkeeping and administrative services provided by Edward Jones for the mutual fund companies. This creates a conflict of interest. In order to eliminate this conflict of interest, if we receive shareholder accounting fees for the shares in your account, we will credit the amount received to your account.

**Affiliated Mutual Funds:** Affiliated mutual funds (other than the Edward Jones Money Market Fund) are Program Investments and are only available through Advisory Solutions. 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 the Edward Jones Money Market Fund) will be sub-advised by multiple sub-advisers who are unaffiliated with Edward Jones. If your account invests in an affiliated mutual fund that pays Edward Jones or our affiliate a management or other fee with respect to the investment, the amounts received by Edward Jones and our affiliate 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 our affiliate will be credited to your account. Please note that Edward Jones or our affiliate has entered or intends to enter into an agreement with each affiliated mutual fund, which can be terminated at any time, to waive any such remaining amounts in order to avoid the need to credit or offset fees.

**Edward Jones Money Market Fund:** Edward Jones is the direct or indirect owner of 100% of the adviser of the Edward Jones Money Market Fund, and Edward Jones receives various revenues related to assets in the Fund (collectively, "Money Market Revenue"). Appendix A includes a detailed discussion of our Money Market Revenue. For any account investing in the Edward Jones Money Market Fund, we will apply a fee offset against the Advisory Solutions UMA Models Fee equal to the amount of the Money Market Revenue received by Edward Jones with respect to such account.

## How the Advisory Solutions UMA Models Fee Is Paid

The Advisory Solutions UMA Models Fee is deducted directly from your account and paid using the cash portion of your account or assets that may be invested in a money market fund. If there is not sufficient cash or assets in a money market fund, Edward Jones or the Overlay Manager is authorized to sell a sufficient amount of assets to pay the Advisory Solutions UMA Models Fee. If Edward Jones sells assets, this may trigger a rebalance of your account. Such transactions will be effected without regard to tax consequences. You may have to pay redemption fees to a fund company if those shares were held only for a short time. (See below for more information on redemption fees.) Trades as a result of a liquidation of a Program Investment in a taxable account may result in a taxable event. At the sole discretion of Edward Jones, you may be allowed to pay your Advisory Solutions UMA Models Fee from an alternate Edward Jones account.

## Internal Fees and Expenses of Mutual Funds and ETFs, Including Redemption Fees

Each mutual fund (including affiliated mutual funds, if any) and ETF has internal management fees and ongoing expenses that are deducted from the mutual fund's or ETF's assets, which has the effect of reducing the net asset value ("NAV") of the mutual fund or ETF. Many mutual funds available in Advisory Solutions UMA Models have different share classes with different fees and expenses. The prospectus for each mutual fund and ETF will describe the internal fees and expenses. Please refer to Item 6 below for more information regarding the selection of mutual funds and ETFs for Advisory Solutions UMA Models.

Internal fees and expenses are in addition to the Advisory Solutions UMA Models Fee described above and vary depending on the particular mutual fund or ETF. You will not see a separate entry on your account statement showing these fees and expenses.

Certain mutual funds may also impose redemption fees if shares of the mutual fund are held for only a short time (typically

anywhere from less than thirty (30) days to twelve (12) months). The prospectus and SAI will describe whether the mutual fund has a redemption fee and whether there are instances when the redemption fees will be waived.

Any internal fees and expenses charged by mutual funds and ETFs held in your account will reduce your account's overall returns and investment performance.

### **Other Fees and Expenses Not Included in the Advisory Solutions UMA Models Fee**

In addition to the Advisory Solutions UMA Models Fee described above, clients may incur other fees and expenses. The Advisory Solutions UMA Models Fee covers portfolio management and investment advice provided by Edward Jones. You may pay for other services including, but not limited to, fees to distribute an account pursuant to a transfer on death agreement, estate service fees, an account transfer fee and/or an account termination fee.

Also, the Advisory Solutions UMA Models Fee does not cover the following (if applicable to your account): transfer taxes; electronic fund, wire and other account transfer fees; internal fees and expenses incurred by mutual funds (including affiliated mutual funds) or ETFs purchased for your account, including commissions and other transaction-related charges incurred by any such fund, even if Edward Jones or an affiliate thereof effects these transactions for the fund; mutual fund redemption fees and contingent deferred sales charges; and any other charges imposed by law or otherwise agreed to by Edward Jones and you with regard to your account.

Deposits, including interest and dividends, received into your account but not yet invested into Advisory Solutions UMA Models may earn interest that will be retained by Edward Jones. Edward Jones may also earn and retain interest on distributions requested from your account until the time the check is cashed or another payment method is completed. The average overnight interest rate on these deposits may fluctuate daily and is tied to changes in widely referenced interbank lending rates, such as Fed Funds Effective Rate, Fed Funds Target Rate, London Interbank Offered Rates and Secured Overnight Financing Rate. Under these arrangements, banks may pay interest based on a spread to one of these rates or may pay a fixed interest rate.

### **Financial Advisor Compensation**

Your financial advisor receives a portion of the Program Fee. As a result, your financial advisor has a financial incentive not to negotiate the Program Fee. The portion of the Program Fee paid to your financial advisor is at the discretion of Edward Jones. The fee rate paid to your financial advisor will be the same regardless of the model in which you invest. As a result, your financial advisor does not have a financial incentive to recommend one model over another.

Similarly, the fee rate paid to your financial advisor will be the same regardless of the investment advisory program in which you invest. As a result, your financial advisor does not have a financial incentive to recommend Advisory Solutions UMA Models over another investment advisory program.

The amount of your financial advisor's compensation may be more or less than what he or she would receive if you had a brokerage account instead of an Advisory Solutions UMA Models account. If you purchased investments through Edward Jones as a broker-dealer, you would pay sales charges or commissions, a portion of which would be paid to your financial advisor. A financial advisor will typically earn more in upfront fees and commissions when you use brokerage services. In the alternative, a financial advisor will typically earn more over time if you invest in Advisory Solutions UMA Models. This creates a financial incentive for your financial advisor to recommend Advisory Solutions UMA Models instead of brokerage services.

The Program Fee, as well as assets under care, will impact your financial advisor's eligibility for a bonus and bonus amount.

Financial advisors are eligible to participate in the Edward Jones Travel Award Program ("Travel Award Program"), which includes domestic and international travel, or a cash award in lieu of a trip. Eligibility for the Travel Award Program is based upon the amount of new and existing assets under care of a financial advisor.

### **Comparing Costs, Expenses and Services**

Your Advisory Solutions UMA Models Fee is a fee for investment advisory, brokerage and custody services as described above under "The Program Fee." Advisory Solutions UMA Models may cost you more or less than purchasing these services separately, depending on the costs of the services if provided separately, the size of your account, the amount of cash in your account, and the trading activity in your account and the corresponding brokerage commissions that would be charged if you bought and sold individual securities in a brokerage account.

You can choose to forgo the services of Advisory Solutions UMA Models and buy and sell securities through Edward Jones as a broker-dealer or through other brokers or agents not affiliated with Edward Jones (although you would not receive the benefits of the program described in this Brochure).

We have provided you with materials that explain our brokerage and investment advisory services, including our Client Relationship Summary ("CRS") and "Making Good Choices" brochure. Additional copies are available from your financial advisor upon request or our CRS is available at [www.edwardjones.com/disclosures/reg-bi-form-crs/client-relationship-summary.html](http://www.edwardjones.com/disclosures/reg-bi-form-crs/client-relationship-summary.html).

### **Item 5: Account Requirements and Types of Clients**

Advisory Solutions UMA Models generally requires a minimum initial investment of \$500,000. For certain Research Models, the minimum initial investment is \$1,000,000. You can fund your Advisory Solutions UMA Models account with cash and/or securities. If you establish your Advisory Solutions UMA Models account or later add to your account with securities that are not Program Investments, you authorize and direct Edward Jones to liquidate or redeem those securities as promptly as practicable without regard to tax consequences or redemption fees that may be assessed on the liquidation or redemption of those securities. Edward Jones will act in our capacity as a broker-dealer, not as a fiduciary or investment adviser, in connection with such transactions and will sell those securities at no commission. The proceeds will be invested in the Account Portfolio Objective you selected. We will not provide advice or guidance regarding the securities being sold to fund the Advisory Solutions UMA Models account. Trades that occur in a taxable account will result in a taxable event to you. Please consult with your tax professional.

The total value of your account is monitored by Edward Jones. If the value of your account falls below the initial investment minimum, we may, in our discretion, remove your account from Advisory Solutions UMA Models.

Edward Jones offers clients a wide range of financial services. Advisory Solutions UMA Models may not be appropriate for every client or every account type. Generally, Advisory Solutions UMA Models is available only to residents or entities of the United States and certain U.S. territories with the following types of accounts: individual; joint; trusts; charitable organizations; corporations and other business entities; traditional IRAs and Roth IRAs; and Benefit Plans. Benefit Plans include owner-only 401(k) plans, Savings Incentive Match Plan for Employees ("SIMPLE") IRAs, Simplified Employee Pension ("SEP") IRAs, traditional IRAs linked to an Edward Jones SEP IRA, and other eligible plans.

Edward Jones can prohibit any person or entity from investing or remaining in Advisory Solutions UMA Models for any reason, including if we do not believe it is an appropriate investment strategy for that person or entity. As a general rule, you should not invest in Advisory Solutions UMA Models if you want to actively trade in mutual funds and/or ETFs or have a time horizon shorter than three (3) years.

You may add or withdraw funds from your account upon request. Additions and withdrawals from your account may result in Edward Jones selling or purchasing assets in your account in accordance with the Asset Allocation Category and Program Investment weighting targets set for your Account Portfolio Objective and in a manner that attempts to minimize variations in the Asset Allocation Category and Program Investment weightings within your account.

If you transfer shares of mutual funds to open an Advisory Solutions UMA Models account and those shares are of current Program Investments but in a different share class from those held for Advisory Solutions UMA Models, you authorize and direct Edward Jones to convert some or all of those shares into a different share class in order to be held in your account. We will try to make this a nontaxable event but cannot guarantee that you will not owe taxes as a result of the conversion.

Mutual fund shares held in your Advisory Solutions UMA Models account may accumulate and be used to satisfy a letter of intent ("LOI") associated with multiple Edward Jones brokerage accounts. However, if a brokerage account transferring into Advisory Solutions UMA Models is the only account where the LOI can be met, Edward Jones can terminate your LOI and sell a portion of your position to adjust the commission paid in your brokerage account before the transfer of your assets into Advisory Solutions UMA Models. Assets in your Advisory Solutions UMA Models account will not be used to pay any adjustment(s) that apply in the event you fail to satisfy the LOI.

## Item 6: Portfolio Manager (SMA Manager) Selection and Evaluation

All Program Investments are selected by Edward Jones based on a process tailored to the type of investment (SMA Managers, affiliated mutual funds, unaffiliated mutual funds and ETFs). Only certain strategies offered by SMA Managers are available in Advisory Solutions UMA Models. Edward Jones-supervised persons serve as portfolio managers for Research Models in Advisory Solutions UMA Models. See Item 4.A. above for a description of our advisory services. Edward Jones does not currently serve as an SMA Manager.

**SMA Managers.** SMA Managers selected for Advisory Solutions UMA Models undergo a due diligence process by Edward Jones, which determines whether each SMA Manager meets our objective and subjective criteria to be included as a Program Investment. Our evaluation criteria include, but are not limited to, the following:

- The amount of assets under management;
- An established history of investment performance;
- An assessment of the risk taken to achieve returns;
- Tax characteristics and consideration;
- An assessment of the organizational strength and stability; and
- An understanding and acceptance of the Edward Jones investment philosophy and mission.

Before we include an SMA Manager or a strategy of the SMA Manager as a Program Investment in Advisory Solutions UMA Models, we review several aspects of their business. We study their investment philosophies, history and performance, and review up-to-date information on their investment performance results. The performance is calculated by the SMA Managers themselves or by third parties. SMA Manager performance information is not calculated on a uniform and consistent basis. Neither Edward Jones nor any third party engaged by us reviews performance information to determine or verify its accuracy or its compliance with presentation standards.

From time to time, SMA Managers will provide us with updated information on their background, investment practices and performance results. We track SMA Managers' returns on a quarterly basis.

**Removal of SMA Managers or Strategies.** Edward Jones may remove an SMA Manager (or strategy of an SMA Manager) from Advisory Solutions UMA Models for any reason, including, but not limited to, the following:

- Key personnel changes at the SMA Manager;
- The SMA Manager deviates from its investment philosophy;
- Legal or regulatory concerns with the SMA Manager;
- Poor performance by an SMA Manager when compared to that of other SMA Managers during a market cycle; and
- The SMA Manager is no longer appropriate for your investment goals and objectives.

If Edward Jones removes an SMA Manager or strategy and you are invested in a Research Model, we will select an appropriate replacement SMA Manager or strategy without giving you any prior notice. If you are invested in a Custom Model, we will, when possible, provide you thirty (30) days' notice and recommend a replacement SMA Manager or strategy. If you do not want to accept the replacement SMA Manager or strategy, you must notify Edward Jones within 30 days (or such shorter time as may be determined at the discretion of Edward Jones) of such notice; otherwise, we will select the replacement SMA Manager or strategy for your account.

**Transition Option for Taxable Accounts Invested in Custom Models.** Edward Jones, in our discretion, may give taxable accounts invested in Custom Models the option ("transition option") to continue to use an SMA Manager or strategy designated for removal as a Program Investment for a period of time ("transition period") of up to thirteen (13) months (or such shorter or longer time as may be determined in the discretion of Edward Jones). Edward Jones will provide you with notice when the transition option is available and you must affirmatively elect the option as described in the notice. If you fail to make an election, we will follow the replacement process described in the notice.

The transition process from one SMA Manager/strategy to another may result in transactions that will generate realized gains or losses. The transition option gives you additional time and flexibility to work with your tax professional. However, you assume the risk of investing with an SMA Manager or strategy that is designated for removal. Please consult with your tax professional regarding whether to elect the transition option.

During the transition period, you may continue to invest with the SMA Manager or strategy and make additional contributions or sell assets. Your account's features, such as rebalancing, will continue to operate as described in this Brochure.

During the transition period, Edward Jones will continue to evaluate the SMA Manager or strategy. We may, in our discretion, recommend the immediate removal of the SMA Manager or strategy at any time, rather than allowing clients who elected the transition option to remain invested for the remainder of the transition period.

Edward Jones will provide you with notice prior to the expiration of the transition period. If you do not respond to the notice, we will select a replacement SMA Manager or strategy for your account.

## Performance-Based Fees and Side-by-Side Management

This section does not apply to Edward Jones.

## Methods of Analysis, Investment Strategies and Risk of Loss

**Mutual Funds and ETFs.** Edward Jones starts with the universe of applicable investments and uses numerous quantitative (investment history, past performance, portfolio analysis of the individual holdings in the mutual fund, etc.) and qualitative (investment strategy, process, personnel, etc.) factors in selecting and monitoring Program Investments. The selection and



monitoring processes take into consideration a variety of factors, each of which may be given different weight in the decision-making process, and generally no one factor determines the outcome of any selection.

**The processes we use to select and monitor affiliated mutual funds are different from the processes we apply to unaffiliated mutual funds and other Program Investments.**

The affiliated mutual funds were created specifically for Advisory Solutions. In selecting and monitoring sub-advisers for our affiliated mutual funds, the investment adviser, which is affiliated with Edward Jones, follows a process that is similar, but not identical, to the process that we use to evaluate unaffiliated mutual funds and other Program Investments. This process includes quantitative and qualitative analysis, including, but not limited to, an evaluation of the investment process, consistency, portfolio composition, strategies employed, risk management, team depth, quality and experience, operations and compliance of the sub-adviser. The evaluation process includes review of literature and documents, quantitative historical performance evaluation and discussions with members of the investment team and Edward Jones management. None of the sub-advisers are affiliated with Edward Jones.

Edward Jones continually reviews Program Investments (other than affiliated mutual funds) to ensure they remain suitable for the Program List. A Program Investment can be removed from the Program List for a variety of reasons, including, but not limited to, the following:

- a significant change to a fund's investment team;
- a major shift in the fund's investment process;
- a drift away from a fund's stated investment style;
- an alternate Program Investment that has been identified within the same Asset Allocation Category;
- a change in Edward Jones' guidance and/or outlook; and
- a decision by Edward Jones to reduce our ownership level of a fund.

Affiliated mutual funds generally will not be removed from the Program List. However, as multi-manager funds, the above events would likely cause the affiliated investment adviser to select a replacement sub-adviser, subject to the terms and conditions of the prospectus. The affiliated investment adviser may also reallocate the fund's assets or change the weightings among the remaining sub-advisers at its discretion. The affiliated investment adviser and the affiliated mutual funds have received an exemptive order from the SEC that allows sub-advisers to be appointed without a vote of the shareholders of the affiliated mutual fund.

**Update Pending Status.** Edward Jones can place a Program Investment (other than an affiliated mutual fund) on "Update Pending" status. Update Pending is an interim status indicating there is some type of important news or issue involving the Program Investment. Once the significance of the news or issue is assessed, we will remove the Update Pending status and either: (1) keep the Program Investment on the Program List, or (2) remove the Program Investment from the Program List. You will not be notified that a Program Investment is in Update Pending status, and your account will continue to hold the Program Investment through the Update Pending period. This process will not apply to affiliated mutual funds.

**Risk of Loss**

All investment strategies and investments involve risk, and the value of your account will fluctuate. As a result, your account may be worth more or less than the amount of money you invested. Past performance does not guarantee future results, and there is no guarantee that your Account Portfolio Objective or Goal Portfolio Objective (if applicable) will be achieved.

Each Program Investment will also fluctuate in value and, when

sold, may be worth more or less than the original cost to purchase. Diversification does not guarantee a profit or protect against loss. You should consider the investment objectives, strategies, risks, fees and expenses, and past performance of each Program Investment before deciding to invest in Advisory Solutions UMA Models.

Set forth below are some of the material risk factors that are often associated with the general types of investments available to clients investing in Advisory Solutions UMA Models. You should not rely solely on the descriptions provided below but should also read the ADV Part 2A Brochures and Part 3 Client Relationship Summaries of the Overlay Manager and the Executing SMA Managers, which include additional and more detailed risk disclosure about their investment strategies and available investments, which may include equity securities (including large cap, mid cap and small cap), preferred stock, fixed-income securities, government securities, municipal securities, foreign securities, emerging market securities, mutual funds, ETFs and money market funds. In addition, certain SMAs may invest in master limited partnerships, real estate investment trusts and derivatives, including, but not limited to, options, future contracts, and interest rate swaps. This list of investments available through SMAs is not meant to be exhaustive, and you are encouraged to read your Executing SMA Manager's brochure for more information. The brochures can be found on Edward Jones' website at [www.edwardjones.com/advisory-prospectus/brochures.html](http://www.edwardjones.com/advisory-prospectus/brochures.html) or you can ask your financial advisor for a copy.

**Mutual Funds Risk.** Mutual funds are diversified, 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. Mutual funds are subject to investment advisory, transactional, operating and other expenses. Each mutual fund is subject to specific risks depending on its investments. The value of mutual funds' investments and the NAV of the funds' shares will fluctuate in response to changes in market and economic conditions, as well as the financial condition and prospects of companies and other investments in which the funds invest. The performance of a mutual fund will depend on whether the fund's investment adviser is successful in pursuing the fund's investment strategy.

**Share Classes.** Unaffiliated mutual funds used in Advisory Solutions UMA Models can have different share classes. While each share class invests in the same pool of investments and has the same investment objective, each has different internal fees and expenses. Mutual funds often permit the conversion of shares from one class to another, subject to certain conditions as determined by the mutual fund. Edward Jones may convert your shares to another available share class when it believes the fee structure of the new class of shares will be more beneficial to you.

Edward Jones considers several factors when selecting a mutual fund share class for Advisory Solutions UMA Models, including, but not limited to, the eligibility criteria set by mutual fund companies and the overall cost structure of the share class. Clients should not assume they will be invested in the share class with the lowest expense ratio.

Edward Jones generally attempts to select institutional and/or advisory share classes for Advisory Solutions UMA Models, when available. Institutional and/or advisory shares generally do not impose a sales charge or ongoing Rule 12b-1 fees and, as a result, are usually less expensive than Class A shares.

Other share classes, including Class A, may be utilized when no institutional or advisory share classes are available. Class A shares are typically purchased in brokerage accounts and usually carry an up-front sales charge and ongoing Rule 12b-1 fees. If Class A shares are selected in Advisory Solutions UMA Models, the up-front sales charges are generally waived, but the Class A shares are still charged the ongoing Rule 12b-1 fees. As described in Item 4 above, if we receive Rule 12b-1 fees for shares held in your account, we will credit the amount received to your account as a fee offset.



Please refer to the appropriate prospectus and SAI for more information regarding the available share classes of mutual funds used in Advisory Solutions UMA Models. In our sole discretion, Edward Jones can change the share class of any Program Investment at any time without prior notice to you.

**Redemptions from Program Investments.** Edward Jones' clients collectively own a large percentage of certain mutual funds that are Program Investments. Due to the significant ownership, there may be adverse consequences in the event that Edward Jones, as the investment adviser, removes a mutual fund from the Program List. If the volume or size of redemptions required to be effected as a result of the removal of a mutual fund from the Program List exceeds the limits set forth in the mutual fund's policies and procedures, the resulting delay in effecting redemptions may result in accounts experiencing increased risk of loss. A mutual fund company can also decide to redeem shares "in-kind" instead of in cash. In that event, you may receive the actual underlying securities of the fund. The underlying securities could lose value before they are sold. Brokerage and other transaction costs will apply to the sale of the underlying securities. We will work with the mutual fund company to reduce the likelihood of an in-kind redemption and will take steps to minimize potential adverse consequences to you, but there is no assurance that you will be able to avoid the risk of loss and other adverse consequences.

**ETFs Risk.** ETFs are typically registered investment companies whose shares are listed on a securities exchange. An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund (i.e., one that is not exchange-traded) that has the same investment objective, strategies and policies. The price of an ETF can fluctuate within a wide range, gaining or losing value throughout the day. ETF performance may vary from that of its benchmark or its peers. Like mutual funds, ETFs are subject to investment advisory, transactional, operating and other expenses. Unlike mutual funds, shares of ETFs cannot be directly purchased from and redeemed by the fund.

**Equity Securities Risk.** Common stocks and other equity securities generally increase or decrease in value based on the earnings of a company and on general industry and market conditions. The value of a company's share price may decline as a result of poor decisions made by management, lower demand for the company's services or products, or if the company's revenues fall short of expectations. There are also risks associated with the stock market overall. The stock market may experience periods of turbulence and instability.

**Preferred Stock Risk.** Preferred stock is a class of capital stock that typically pays dividends at a specified rate. Preferred stock is generally senior to common stock but subordinate to debt securities with respect to the payment of dividends and on liquidation of the issuer. While subject to the same risks affecting equity securities generally, the market value of preferred stock also generally decreases when interest rates rise (interest rate risk) and is also affected by the issuer's ability to make payments on the preferred stock (credit risk).

**Fixed-Income Securities Risk.** Fixed-income securities, such as bonds, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain fixed-income securities.

**Municipal Securities Risk.** Municipal securities are subject to various risks based on factors such as economic and regulatory developments, changes or proposed changes in the federal and state tax structure, deregulation, court rulings and other factors. Repayment of municipal securities depends on the ability of the issuer or project backing such securities to generate taxes or revenues. There is a risk that the interest on an otherwise tax-exempt municipal security may be subject to federal income tax.

**Government Securities Risk.** U.S. government securities are subject to interest rate and inflation risks. Not all U.S. government securities are backed by the full faith and credit of the U.S. government. Certain securities issued by agencies and instrumentalities of the U.S. government are only insured or guaranteed by the issuing agency or instrumentality, which must rely on its own resources to repay the debt. As a result, there is risk that these entities will default on a financial obligation.

**Money Market Funds Risk.** Money market funds are a type of mutual fund that invests in high-quality, short-term debt securities, pays dividends that generally reflect short-term interest rates and seeks to maintain a stable NAV per share (typically \$1). An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund is managed to maintain a stable NAV of \$1 per share, the value of the fund may fluctuate, and you could lose money.

**Foreign Investing Risk.** Investments in foreign markets or foreign companies may be achieved through investments in securities of foreign issuers, ETFs or mutual funds that hold securities of foreign issuers, or ADRs, which are receipts typically issued by a U.S. bank or trust company evidencing ownership of the underlying securities of a foreign company. Investments in foreign markets or foreign companies carry a number of economic, financial and political considerations that are not associated with the U.S. markets and that could unfavorably affect your account's performance. Among those risks are greater price volatility; weak supervision and regulation of securities exchanges, brokers and issuers; higher brokerage costs; fluctuations in foreign currency exchange rates and related conversion costs; adverse tax consequences; and settlement delays.

**Tax-Efficient Management Risk.** In managing your taxable account in a tax-efficient manner, the Overlay Manager relies on various assumptions about the tax posture of a typical investor. Those assumptions may not correspond to your actual situation. In addition, the Overlay Manager only considers securities held in your account (independently of other accounts). Securities outside of your account will not be considered, including securities held in other Advisory Solutions UMA Models accounts. You are responsible for monitoring all accounts under your (and your spouse's) control, held at or outside of Edward Jones, to ensure that transactions in your account do not create a wash sale.

A wash sale may occur if you and/or your spouse buy (directly or indirectly through any account under the control of you and/or your spouse) any security (or a substantially identical security) within 30 days before or after the Overlay Manager sells that same security. In that case, the loss may be deferred or disallowed. Neither the Overlay Manager nor Edward Jones can provide any assurances that wash sales will not occur. In some cases, the Overlay Manager may execute a trade for non-tax reasons that will generate a wash sale when it deems this in the best interest of the client. You are responsible for identifying and reporting any wash sales properly on your tax return. For more information on the wash sale rules, please read Internal Revenue Service ("IRS") Publication 550 and consult your tax professional.

The effectiveness of tax-efficient management, including through such methods as tax loss harvesting, in reducing your overall tax liability will depend on your entire tax and investment profile. Consult your tax professional regarding your situation, your requirements to the IRS or any other taxing authority, along with any potential tax consequences. Edward Jones assumes no responsibility for the tax consequences of any transaction, including any capital gains and/or wash sales that may result.

For more information about tax-efficient management, including tax loss harvesting, see the Overlay Manager's Form ADV brochure available at [www.edwardjones.com/advisory-prospectus/brochures.html](http://www.edwardjones.com/advisory-prospectus/brochures.html).

**Cybersecurity Risk.** The computer systems, networks and devices used by Edward Jones and our service providers employ a variety

of protections designed to protect against damage or interruption from computer viruses, network and computer failures and cyber-attacks. Despite such protections, systems, networks and devices potentially can be breached. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of corrupting data or causing operational disruption, as well as denial-of-service attacks on websites. Cyber incidents may cause disruptions and impact business operations, potentially resulting in financial losses, the inability of Edward Jones or service providers to trade, violations of privacy and other laws, regulatory fines, reputational damage, reimbursement costs and additional compliance costs, as well as the inadvertent release of confidential information.

**Economic Conditions Risk.** Economic, political and financial trends and developments may, from time to time, result in periods of volatility or other potentially adverse effects that could negatively impact your account. Domestic and international markets, including sectors and companies within those markets, may respond in significant and unforeseen ways to matters such as public health issues, geopolitical events, natural disasters and social unrest. Those matters, as well as others not listed here, may increase the risk to your account's performance and cause losses.

### Tailoring Advisory Services to Clients

See Item 4.A. above for a description of how we tailor our advisory services to you and how you can impose restrictions on investing in certain securities or types of securities.

### Wrap Fee Programs

We act as both the wrap fee program sponsor and the portfolio manager in Research Models described in this Brochure. We receive the Program Fee and Portfolio Strategy Fee as described in Item 4.F. We also act as both the wrap fee program sponsor and the portfolio manager in Research Models described in the Advisory Solutions Fund Models Brochure.

We also act as an investment adviser in other advisory programs where we provide different services. Additional information is available at [www.edwardjones.com/advisorybrochures](http://www.edwardjones.com/advisorybrochures).

### Proxy Voting

In Advisory Solutions UMA Models, Edward Jones does not vote proxies for clients. The Overlay Manager or Executing SMA Manager will vote any proxies received in accordance with their proxy voting policies and procedures, which are reasonably designed to ensure that they vote securities in the best interest of clients. You cannot retain the right to vote proxies yourself or direct or recommend how the Overlay Manager or Executing SMA Manager should cast any particular vote. The Overlay Manager endeavors to vote proxies in accordance with the best economic interest of its clients and similarly to resolve any conflicts of interest exclusively in the best economic interests of the clients. In order to mitigate conflicts of interest, the Overlay Manager has contracted with an independent third-party service provider to vote proxies in accordance with instructions and guidelines provided or approved by the Overlay Manager. You should review the Overlay Manager's and each Executing SMA Manager's Form ADV Part 2A Brochure for more information about their proxy voting policies.

The Overlay Manager or Executing SMA Manager is also authorized to receive all proxy-related materials, annual and semi-annual reports, and other shareholder materials, including corporate actions, arising from any Program Investments or other securities in the account. You can receive a copy of these materials, the Overlay Manager's and/or Executing SMA Manager's proxy voting policy and procedures, voting guidelines and/or proxy voting record by submitting a written request to: Edward Jones, Attention: Investment Advisory, 12555 Manchester Road, St. Louis, MO 63131.

### Legal Notices

Edward Jones will not take any action or render any advice regarding any legal action on your behalf relating to any Program

Investments or other assets held in your account (including shares of the Edward Jones Money Market Fund) that may become subject to any legal action, regulatory action, administrative action, class action lawsuit and/or bankruptcy. However, Edward Jones will promptly forward any such documents to you.

### Item 7: Client Information Provided to Portfolio Managers (Overlay Manager and SMA Managers)

Edward Jones does not provide client information to SMA Managers who are not authorized to execute transactions for the account. We will provide client information to the Overlay Manager and to Executing SMA Managers who are authorized to execute transactions to the extent necessary for the Overlay Manager or Executing SMA Managers to manage the account (or any portion thereof).

Over time, your financial goals and objectives may change. Accordingly, you and your financial advisor must perform an annual review, as set forth in Item 9.B. below. We will provide updated investment objective information to the Overlay Manager and/or applicable Executing SMA Manager(s) as necessary to continue managing your account.

### Item 8: Client Contact with Portfolio Managers (Overlay Manager and SMA Managers)

You may contact your Edward Jones financial advisor during normal business hours with questions regarding your account, including questions regarding an SMA. You cannot directly contact the Overlay Manager or SMA Managers or the sub-advisers of the affiliated mutual funds. If you have a complex or non-routine question, Edward Jones will communicate with the Overlay Manager or SMA Manager on your behalf.

### Item 9: Additional Information

#### A. Disciplinary Information and Other Financial Industry Activities and Affiliations

##### Disciplinary Information

Edward Jones is a registered broker-dealer and investment adviser. This section contains information about certain legal and regulatory matters that Edward Jones believes are material to a client's evaluation of our advisory business or the integrity of our management. Edward Jones has also been subject to various legal and regulatory proceedings relating to our brokerage business that are disclosed in Part 1 of our Form ADV, which is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), as well as on FINRA's website at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

**FINRA – ETFs.** In violation of FINRA Rule 2010 and NASD Rules 2110, 2310 and 3010, FINRA alleged that Edward Jones (1) failed to establish and maintain a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with applicable NASD or FINRA rules in connection with the sale of non-traditional ETFs; (2) failed to establish and maintain an adequate supervisory system to monitor transactions in non-traditional ETFs involving retail clients; (3) did not exercise due diligence in investigating non-traditional ETFs; (4) did not ensure that its registered representatives obtained adequate information and instruction regarding traditional ETFs before recommending those products to clients; and (5) did not provide such information directly to registered representatives or require that they obtain it from other sources. FINRA also alleged that Edward Jones' supervisory system was inadequate with respect to its oversight of non-traditional ETF transactions and, until the time when FINRA issued Regulatory Notice 09-31, relied on its general supervisory procedures to oversee transactions in non-traditional ETFs. FINRA alleged that those procedures did not address the products' unique features and risks, e.g., Edward Jones' sales exception reports and other supervisory tools did not differentiate between exchange-traded equity securities, traditional ETFs and non-traditional ETFs. FINRA alleged that Edward Jones' general supervisory procedures did not require it to monitor either the

length of time clients held open positions in non-traditional ETFs or the effect of long holding periods on those positions. On January 9, 2014, without admitting or denying the findings, Edward Jones entered into a letter of acceptance, waiver and consent in which Edward Jones was censured, fined \$200,000, and ordered to pay \$51,581.25 in restitution to clients.

**State of New Hampshire – Solicitation Calls.** In April 2013, the State of New Hampshire brought an action against Edward Jones, in which the allegations included solicitation calls being made in violation of applicable telephone solicitation rules, failure to properly train and supervise registered representatives in the area of telephone solicitation, and failure to establish a system and procedures reasonably designed to ensure compliance with applicable telephone solicitation rules. On February 25, 2014, Edward Jones and the State of New Hampshire entered into a Consent Agreement in which Edward Jones agreed to pay the State \$175,000 in costs, \$175,000 in contribution to New Hampshire investor education, and \$400,000 in an administrative fine, without any admission of fault or wrongdoing.

**SEC – Municipal Bond Pricing.** On August 13, 2015, Edward Jones, without admitting or denying the findings, entered into a settlement in public administrative and cease-and-desist proceedings with the SEC regarding certain of the firm’s municipal securities activities. Pursuant to the settlement, the SEC alleged that Edward Jones violated Sections 17(a)(2) and (3) of the Securities Act of 1933 (“Securities Act”), Sections 15B(c)(1) and 15(b)(4)(E) of the Securities Exchange Act of 1934 (“Exchange Act”), and MSRB Rules G-17, G-11(b) and (d), G-27 and G-30(a). Edward Jones was censured and ordered to cease and desist from violating or causing any current and future violations of Sections 17(a)(2) and (3) of the Securities Act, Section 15B(c)(1) of the Exchange Act and MSRB Rules G-17, G-11, G-27 and G-30. The settlement required Edward Jones to pay \$5,194,401.37 to current and former customers of Edward Jones and to pay a civil money penalty in the amount of \$15,000,000. In entering into the settlement, the SEC considered remedial acts undertaken by Edward Jones related to this matter.

**FINRA – Mutual Fund Sales Charge Waivers.** On May 5, 2015, FINRA’s Enforcement Division advised Edward Jones that it was investigating whether any violations of the federal securities laws or rules had occurred with respect to mutual fund purchases and sales charge waivers for certain retirement plan and charitable organization accounts. Prior to being advised of the investigation, Edward Jones had commenced a review of this issue and self-reported to FINRA. On October 26, 2015, Edward Jones, without admitting or denying the findings, entered into a settlement agreement with FINRA to resolve this matter. Pursuant to the settlement, Edward Jones agreed to provide remediation to certain customers, estimated at the time of the settlement agreement to be approximately \$13.5 million. A monetary penalty was not imposed by FINRA. In reaching the settlement, FINRA recognized the extraordinary cooperation of Edward Jones, including its self-reporting of the issue to FINRA.

**FINRA – Municipal Securities Transactions Below Minimum Denominations.** On June 2, 2017, Edward Jones, without admitting or denying the findings, entered into a settlement agreement with FINRA’s Department of Market Regulation in connection with its investigation of possible violations of MSRB rules regarding transactions in certain municipal securities in amounts lower than the applicable minimum denominations. As part of the settlement, Edward Jones agreed to pay a monetary fine of \$210,000.

**FINRA – Supervision of Tools-Generated Reports.** On July 13, 2017, Edward Jones, without admitting or denying the findings, entered into a settlement agreement with FINRA in connection with its investigation of the supervision of the use and dissemination of reports generated through Edward Jones’ systems by financial advisors. FINRA expressly stated that its review of 65,000 reports did not reveal any instances of reports that were misleading. FINRA also stated that Edward Jones had made changes to enhance its supervisory processes. As part of the settlement,

Edward Jones agreed to pay a monetary fine of \$725,000.

## Other Financial Industry Activities and Affiliations

You should be aware that Edward Jones, our affiliates and our financial advisors perform services for you and other clients outside of Advisory Solutions UMA Models, including the execution of brokerage transactions (e.g., the purchase or sale of securities or insurance products), research, the retail distribution of securities (e.g., mutual funds), the participation in principal transactions and certain underwritings and other investment advisory services. Edward Jones and our affiliates receive compensation, including fees and commissions, associated with these services. We have a financial interest in our clients’ transactions and the recommendations we make to clients to buy or sell securities or investment products.

A conflict of interest exists where Edward Jones has an existing business relationship with the mutual fund families or sub-advisers that also provide products or services in Advisory Solutions UMA Models. Edward Jones receives revenue sharing payments from certain unaffiliated mutual fund families on client assets held outside of Edward Jones’ advisory programs. “Revenue sharing” generally means a mutual fund family shares with another company, like Edward Jones, a portion of the revenue it earns through managing mutual fund assets. Edward Jones’ receipt of revenue sharing outside of advisory programs creates a conflict of interest in the form of additional financial benefits to us, our financial advisors and equity owners. We believe that this conflict of interest is mitigated through internal policies designed to prevent Edward Jones, in our capacity as investment adviser, and any affiliated investment adviser, from considering revenue sharing from existing business relationships when selecting Program Investments and/or sub-advisers. Similarly, no affiliated investment adviser considers such business relationships or revenue sharing in recommending to the board of trustees of any affiliated mutual fund that a sub-adviser be selected to manage the affiliated mutual funds.

For more information regarding revenue sharing, please visit [www.edwardjones.com/disclosures](http://www.edwardjones.com/disclosures) or request a revenue sharing disclosure document from your Edward Jones financial advisor. Edward Jones does not receive revenue sharing on assets held in Advisory Solutions UMA Models accounts. Edward Jones and our financial advisors also receive compensation for services and recommendations that may differ from advice given to you while participating in Advisory Solutions UMA Models.

In our capacity as a broker-dealer, Edward Jones performs research and distributes recommendations to buy, sell or hold the equity securities of asset management companies or financial institutions with asset management affiliates that participate in Advisory Solutions UMA Models. In order to preserve the independence of this process and to address any conflicts of interest, we have adopted a policy under which we do not consider our opinion on equity securities of asset management companies or financial institutions in selecting the SMAs or mutual funds that are designated as Program Investments. Similarly, the affiliated investment adviser does not consider Edward Jones’ opinion on equity securities of asset management companies or financial institutions when recommending sub-advisers to the board of trustees of an affiliated mutual fund.

The following summarizes Edward Jones’ material relationships or arrangements with other entities that participate in the financial industry.

Edward Jones is the primary operating subsidiary of JFC, is dually registered with the SEC as an investment adviser and broker-dealer, and is a member of FINRA.

Olive Street Investment Advisers, LLC, a subsidiary of JFC, is registered as an investment adviser with the SEC and serves as the investment adviser of the affiliated mutual funds that are Program Investments. Certain current or former associates of Edward Jones serve as officers or directors/trustees of the affiliated investment adviser and/or the affiliated mutual funds.



Edward Jones' Canadian operating subsidiary, an Ontario, Canada, limited partnership (Edward Jones in Canada), is a broker-dealer registered with the Investment Industry Regulatory Organization of Canada.

EJTC, a wholly owned subsidiary of JFC, is a federally chartered savings and loan association that offers personal trust and investment management services. EJTC also acts as custodian for certain traditional IRAs and Roth IRAs that are participating, or have participated, in Advisory Solutions UMA Models and other Edward Jones programs. For additional information about this arrangement, please see Item 4.

Edward Jones owns directly or indirectly 100% of three insurance agencies that conduct insurance-related activities in the U.S.: Edward Jones Insurance Agency of New Mexico, L.L.C., a New Mexico limited liability company; Edward Jones Insurance Agency of Massachusetts, L.L.C., a Massachusetts limited liability company; and Edward Jones Insurance Agency of California, L.L.C., a California limited liability company.

Edward Jones indirectly owns 100% of two insurance agencies that conduct general insurance-related activities in Canada: Edward Jones Insurance Agency (Quebec) Inc., a Canadian corporation; and Edward Jones Insurance Agency, an Ontario, Canada, limited partnership.

Edward Jones owns 7% of Customer Account Protection Company Holdings, Inc. (CAPCO), a captive insurance group.

Edward Jones is the direct or indirect owner of 100% of Passport Research, Ltd., a Pennsylvania limited partnership that acts as the investment adviser to the Edward Jones Money Market Fund. Appendix A contains a detailed discussion of our affiliation with the Edward Jones Money Market Fund.

## **B. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading; Review of Accounts; Client Referrals and Other Compensation; and Financial Information**

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Edward Jones has established a Code of Ethics to ensure that our associates:

- act with integrity and in an ethical manner with you and all of our clients;
- place your and all of our clients' interests first;
- conduct personal trading in compliance with our Code of Ethics, avoid potential conflicts of interest and make sure they do not abuse the faith and trust you have placed in them;
- comply with all applicable rules, regulations and laws; and
- do not use any material nonpublic information they may receive as a result of their employment with Edward Jones.

Some Edward Jones associates are deemed "access persons" under our Code of Ethics because they may have access to nonpublic information regarding either the securities in a client's accounts or changes to the Program Investments, including Asset Allocation Category and/or Program Investment weightings. Under our Code of Ethics, access persons must receive prior approval before acquiring a beneficial ownership interest in any security in an initial public offering, limited offering or hedge fund transaction. Additionally, access persons are required to submit to the chief compliance officer, or his or her delegate, a list of any securities they own and securities transactions they made for any account they control at Edward Jones or another financial institution. You may request a copy of the Edward Jones Code of Ethics from your financial advisor.

As a broker-dealer, there may be times when Edward Jones will buy, sell or recommend that our brokerage clients who are not participating in Advisory Solutions UMA Models buy securities that are also available in Advisory Solutions UMA Models. These

brokerage activities are done in the regular course of our business as a broker-dealer and are separate from our investment advisory services. There are times when we act as principal, which means we participate in client transactions by buying securities for our own inventory and selling those securities to our clients. To the extent conflicts arise under such transactions, Edward Jones is nevertheless obligated to execute any such transaction in the manner it believes is in the client's best interest.

You should know that financial advisors, Edward Jones associates (including those directly involved with Advisory Solutions UMA Models) and/or their family members are permitted to and do invest in Advisory Solutions UMA Models. This practice could create a conflict of interest if associates placing trades for their own accounts were to place a trade before our clients and receive a better price on a security. To address this potential conflict, trades for financial advisors, Edward Jones associates (including those directly involved with Advisory Solutions UMA Models) and/or their family members are aggregated along with other trades, which may include trades for your account.

Edward Jones has internal supervisory reviews and procedures to review accounts held by our associates and certain family members and their personal trading practices. The reviews look for improper trading activities, including trading that may be in conflict with the best interests of a client. In addition to the Code of Ethics and the supervisory reviews, we prohibit financial advisors from placing trades for their personal accounts before trades for our clients in the same security. In the event a financial advisor's personal order fills at a better price than a client's order placed close in time, we will adjust the trade so the client receives the better price.

### **Review of Accounts**

At the time your Advisory Solutions UMA Models account is opened, Edward Jones' supervisory associates will review your selected Account Portfolio Objective to confirm it is appropriate based on considerations such as your net worth, risk tolerance, time horizon and/or Goal Portfolio Objective (if applicable). The funding of your Advisory Solutions UMA Models account will also be reviewed. If you have sold investments purchased at Edward Jones in order to fund the account, the holding period of those investments will be reviewed for appropriateness. Supervisory personnel may also call you directly to discuss your understanding of Advisory Solutions UMA Models, including the fees and expenses you are or will be paying.

While you are invested in Advisory Solutions UMA Models, we provide ongoing monitoring, including an annual review. The Asset Allocation Category and Program Investment weightings established for your Account Portfolio Objective are monitored on an ongoing basis and rebalanced according to Edward Jones' guidelines. (For more information, please refer to "Client Services Agreement and Rebalancing.")

You will receive a written account statement at least quarterly (monthly in months in which activity occurs in your account) containing a description of all activity in your account during the period, including all transactions, contributions, withdrawals, fees and the value of your account at the beginning and end of the period. We will also periodically make available a performance report containing information about your account's performance and market commentary.

Our supervision and monitoring do not substitute for your own continued review and monitoring of your account and performance of your investments. You should review performance reports, trade confirmations (as applicable), account statements and other information we send to you. Current and timely information about your account will be available in Edward Jones' online client access system. If you have any questions, please discuss them with your financial advisor.

At least annually, you and your financial advisor should discuss any changes to your financial situation, investment objectives and/or risk tolerance, and whether you would like to impose any



reasonable investment restrictions on your account. The review will help determine if your Asset Allocation Category and/or Program Investment weightings and/or SMA Manager selections need to be modified.

### **Client Referrals and Other Compensation**

From time to time, Edward Jones and our financial advisors receive client referrals or potential client leads from third parties. Edward Jones and our financial advisors pay for these referrals and leads. Although Edward Jones and our financial advisors are not precluded from entering into other types of solicitor arrangements, currently, client referrals result from an individual providing information to a third-party solicitor and subsequently being matched with an Edward Jones financial advisor (and, in certain cases, financial advisors associated with financial institutions other than Edward Jones).

Pursuant to SEC Rule 206(4)-3, Edward Jones and our financial advisors enter into a written agreement with each solicitor and pay the solicitor a fee for the referrals. The purchase of client leads, by Edward Jones and our financial advisors, from third parties does not involve solicitation or referrals to Edward Jones.

Payments to solicitors for referrals and to other third parties for leads, along with any other costs associated with these arrangements, are paid entirely by Edward Jones and our financial advisors and are not dependent on whether a referral or lead becomes an Edward Jones client.

Edward Jones has contracted with Broadridge Investor Communications Solutions, Inc. ("Broadridge"), an unaffiliated third-party vendor, to distribute proxies, periodic reports and voting instruction information to our clients. Pursuant to the agreement between Edward Jones and Broadridge and in accordance with regulations, Broadridge charges the issuing company on behalf of Edward Jones for these services. Edward Jones receives from Broadridge a portion of the fees paid by the issuing company.

Certain unaffiliated mutual fund companies, ETF sponsors and/or SMA Managers on the Program List (or their investment advisers) pay certain expenses on behalf of financial advisors, including training and educational expenses, and in some instances make payments directly to Edward Jones to subsidize training and educational costs for financial advisors. These companies also participate in conferences or other marketing activities with Edward Jones and generally share in the cost of those activities. Edward Jones has not entered into any agreement with any SMA Manager, ETF, mutual fund, or its investment adviser or its distributors or affiliates providing for payment of such expenses as a condition of inclusion on the Program List or the selection of a sub-adviser for affiliated mutual funds. Our financial advisors are not allowed to consider an advisory product partner's sponsorship of a marketing activity when choosing which Program Investment to suggest to you.

### **Financial Information**

This section does not apply to Edward Jones.

### **Item 10: Requirements for State-Registered Advisers**

This section does not apply to Edward Jones.

## APPENDIX A

# Disclosures Regarding Affiliated Money Market Fund and Mutual Funds

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**Edward Jones Money Market Fund.** Your Advisory Solutions UMA Models account may from time to time be invested in shares of the Edward Jones Money Market Fund (the “Money Market Fund”), which is advised by Passport Research, Ltd. (“Passport Research”), an affiliate of Edward Jones. Passport Research receives a management fee of 0.20% of average net assets of the Money Market Fund, less any fees paid to its sub-adviser(s).

The Money Market Fund pays a Rule 12b-1 fee of 0.25% of average net assets to Edward Jones for the sale, distribution, administration and customer servicing of the Money Market Fund’s Investment Shares and Retirement Shares, and a Shareholder Servicing Fee up to 0.15% of average net assets to Edward Jones for providing services to shareholders and maintaining shareholder accounts. Edward Jones provides shareholder services, transfer agent services and marketing services to the Money Market Fund and the accounts that our clients maintain in the Money Market Fund. For any Advisory Solutions UMA Models account investing in the Money Market Fund, Edward Jones will apply a fee offset equal to the amount of the Money Market Revenue received by Edward Jones with respect to such account.

Please review the current summary prospectus for the Money Market Fund, which describes the investment characteristics of the Money Market Fund and the fees paid to Passport Research or its affiliates by the Money Market Fund. The prospectus also describes certain revenue received by Edward Jones in connection with the Money Market Fund.

**Bridge Builder Mutual Funds.** Your Advisory Solutions UMA Models account may from time to time be invested in shares of the Bridge Builder mutual funds (“Bridge Builder Funds”), which are advised by Olive Street Investment Advisers, LLC (“Olive Street”), an affiliate of Edward Jones, and are only available through Advisory Solutions. Bridge Builder Funds are sub-advised by multiple sub-advisers who are unaffiliated with us. If your account invests in a Bridge Builder Fund and the fund pays Edward Jones or Olive Street a management or other fee with respect to the investment, the amounts received by Edward Jones and Olive Street are first used to compensate the fund’s sub-advisers and certain other unaffiliated service providers. Remaining amounts, if any, that are not otherwise waived by Edward Jones or Olive Street are credited back to your account. Please note that Edward Jones or Olive Street has entered or intends to enter into an agreement with each Bridge Builder Fund, which can be terminated at any time, to waive any such remaining amounts in order to avoid the need to credit or offset fees.

Please review the current summary prospectus for each of the relevant Bridge Builder Funds, which describes the investment characteristics of the fund and the fees paid to Olive Street or its affiliates by the fund.