

## Understanding How We Are Compensated for Financial Services

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

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

We encourage you to:

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

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

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

#### Our revenue from clients includes:

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

#### Our revenue from third parties includes:

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

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

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

Your financial advisor provides information about investment strategies to help you achieve your goals. Depending on your account type, your financial advisor may provide investment recommendations. While some investments provide more compensation to your financial advisor than others, this should not influence the investment information or recommendations you may receive.

Your financial advisor generally receives between 36% and 40% of the revenue Edward Jones receives from asset-based fees, transactional revenue, ongoing 12b-1 fees, trail commissions, and revenue from premiums generated by activity in your accounts. Financial advisors with less tenure at the firm may have a payout level below the general range. Payout levels vary based on your financial advisor's years of experience, the location of the branch, the type and amount of the investment, and applicable discounts, if any.

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

Please ask your financial advisor to explain any asset-based fees, commissions, sales charges, markups/markdowns, 12b-1 fees, additional costs, and internal costs and expenses that may apply to any investments you consider.

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

When you participate in our Advisory Solutions or Guided Solutions programs, you pay asset-based fees - the Program Fee and Portfolio Strategy Fee (if applicable) to Edward Jones instead of commissions. The fee(s) are based on the market value of all assets held in your account and are assessed monthly, in arrears, based on the annual tiered fee rate schedules. If you invest in SMAs, you will pay a monthly fee to Edward Jones for the services provided by the SMA managers in your account. Edward Jones will then pay that fee directly to the SMA managers. A portion of your fees are also paid to your financial advisor. The payout level to your financial advisor will depend on the average daily total asset value of advisory assets, taking into account any discounts or fee reductions. For information about our advisory services, please see [edwardjones.com/advisorybrochures](http://edwardjones.com/advisorybrochures).

When you participate in Retirement Plan Services, you pay a Retirement Plan Services Fee to Edward Jones. The Retirement Plan Services Fee is based on the plan's included assets in the program. If the plan's included assets grow and reach certain thresholds, you are eligible for a reduction of the Retirement Plan Services Fee.

Edward Jones will not automatically increase the Retirement Plan Services Fee if included assets decrease. For this fee, Edward Jones will serve as an investment advice fiduciary at the plan level, and provide educational services at both the plan and participant levels, if applicable. Your financial advisor receives a portion of the Retirement Plan Services Fee. The payout level will vary based on years of experience and the state in which the branch is located.

**Account-based Fees** - If applicable, accounts are subject to certain additional fees and costs for services, including cash management fees, annual account fees (for Select Retirement Accounts), transfer and wire fees, estate service fees, account termination fees and margin interest. The applicable schedule of fees for your account will outline the service and frequency of any charges. To learn more about additional account service fees and costs, talk to your financial advisor or review your applicable account Schedule of Fees at [edwardjones.com/accountfees](http://edwardjones.com/accountfees).

#### **Transactional Costs for Investments (brokerage accounts) -**

If you have a brokerage account, you pay a commission each time you buy or sell certain investments. The commissions are detailed below in the "Our Brokerage Services" section. You also pay a commission or pay a markup or markdown when you buy or sell a bond or certificate of deposit ("CD"). You pay a sales charge (sometimes referred to as a sales load) when you purchase a mutual fund, a fund in a 529 plan, a fixed-income UIT or a variable annuity. Edward Jones pays your financial advisor a portion of these charges and payments.

For mutual funds, each mutual fund sets its own sales charge for the cost of purchasing shares in the fund, which could result in your financial advisor potentially receiving a different amount of compensation depending on the fund you purchase. In order to reduce these potential compensation differences for your financial advisor and reduce incentives to recommend one fund over another, we pay your financial advisor the same percentage amount of your purchase regardless of the actual sales charge to purchase the specific mutual fund. Your financial advisor receives one set percentage for equity and balanced funds and a different percentage for fixed-income funds. If you qualify for an applicable breakpoint, this will reduce the percentage of the purchase your financial advisor receives; however, this percentage will not differ across different mutual fund families within the same breakpoint level.

**Distribution and/or Service Fees (12b-1 Fees) -** Mutual fund companies pay Edward Jones ongoing service fees. The service fees are composed of 12b-1 fees or annualized distribution fees that you pay to the mutual fund company. Mutual fund companies pay 12b-1 fees to their managers or distributors for allocation to brokerage firms, in part for assistance in marketing and distributing their shares or products. These fees generally range between 0.25% and 1.00%. The specific amount of the 12b-1 fee Edward Jones receives varies depending upon the mutual fund company, type of mutual fund, and amount of mutual fund purchased. We pay a portion of these fees to your financial advisor. The 12b-1 fee reduces the amount you earn from your mutual fund. For more detailed information, ask your Edward Jones financial advisor for a prospectus. If we receive these fees for shares you hold in an investment advisory program account, we will credit the amount received to your account through Fee Offset. For information about Fee Offset, please see [edwardjones.com/advisorybrochures](http://edwardjones.com/advisorybrochures).

**Trail Commissions** - Insurance companies that issue variable annuities typically pay Edward Jones ongoing trail commissions. The trail commissions are composed of fees and charges imposed under the variable annuity contract, the separate accounts and other sources. We pay a portion of these fees to your financial advisor.

**Insurance Commissions and Renewal Commissions** - Your financial advisor receives a percentage of the commissions

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and any renewal commissions the insurance company pays to Edward Jones. More detailed information can be found in the insurance policy or by speaking with your financial advisor.

**New Asset Compensation** – Most new financial advisors to the firm are eligible for new asset accumulation bonuses for up to five years. Asset accumulation bonuses are based upon the amount of new assets brought to the firm during a specific period of time.

**Internal Incentive Programs** – We may offer internal incentive programs that may provide financial advisors and/or branch office administrators with an opportunity to earn additional compensation. These programs exist during a specified duration and are voluntary. These programs are never based on the sale of specific securities or specific types of securities within a limited period of time.

**Branch P&L and Profitability Bonus** – Revenues and expenses of Edward Jones are assigned to each branch's Profit and Loss Statement (branch "P&L"). Your financial advisor's branch P&L is positively impacted by compensation received from client activities, including commissions, sales charges, 12b-1 fees, account fees, fees from investment advisory accounts, margin loans, and other account service fees. Your financial advisor also benefits from credits to the branch P&L, without directly receiving any portion of such revenue the firm receives, for certain things including assets under care in the branch, other fees received by the firm, margin loans and variable third-party compensation that is not paid to your financial advisor. Increased branch P&L positively impacts your financial advisor's performance and qualifications to receive additional variable compensation. If Edward Jones has reached a certain level of profitability and the branch is profitable on their branch P&L, your financial advisor may receive a branch profitability bonus.

**Credit Cards** – Your financial advisor and branch office administrator receive a portion of the compensation Edward Jones receives from Elan Financial Services for the activation and initial use of the Edward Jones credit card.

**Margin Fees** – Your financial advisor does not receive direct compensation from the interest you pay on your margin loan balance, but it does positively impact the branch's P&L (described above). If you need cash, we may have an incentive to recommend a margin loan instead of selling investments. Additionally, your financial advisor has an incentive to recommend that you maintain a margin loan balance and to grow the balance, instead of using available cash or new investments to pay down the loan.

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

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

**Client Transition Programs** – Financial advisors have the opportunity to participate in one of our client transition

programs. Involvement in these programs affects or eliminates compensation to the participating financial advisor; however, any fees or charges to the client are not impacted.

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

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

**Non-cash Incentives** – Third-party providers may also give financial advisors gifts up to a total value of \$100 per provider per year, consistent with industry regulations.

Third parties may occasionally provide financial advisors with meals and entertainment of reasonable value.

Additionally, third parties may provide the firm and our financial advisors with access to certain research tools or software that is developed or subscribed to by third parties. We want you to understand that this creates a potential conflict of interest to the extent that this may cause the firm or our financial advisors to prefer those Product Partners that provide these non-cash incentives.

**Awards and Recognition** – We strive to recognize the success of our financial advisors and branch office administrators with awards and recognition, which are a type of non-cash incentive. The following are examples of some of these awards and recognitions:

- **Annual Drucker Council** – This conference recognizes the top teams of financial advisors and branch office administrators based on production and client satisfaction as measured by independent surveys.
- **Annual Managing Partner's Conference** – Each year, the top 400 financial advisors are recognized based on their previous year's production and contribution to the firm.
- **Annual Financial Advisor Leaders Conference** – Each year, a conference is held that recognizes and offers additional training to financial advisors with prior year's production within a specified range that places them among the leaders of the firm.

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- **BOA Managing Partner's Conference** - The BOA Managing Partner's Conference is the firm's annual recognition event for branch office administrators, celebrating those ranked highest by our clients on the Client Experience Index (CEI) survey.
  - **Annual Regional Meetings** - We hold annual meetings that include an awards banquet to recognize financial advisors' career successes. Plaques and mementos recognize the completion of special training, holding a volunteer position such as trainer or mentor, or reaching a special accomplishment or level of production.
  - **Annual Women's Conference** - The Women's Conference recognizes the firm's top female financial advisors and gives them an opportunity to interact with firm leadership, share and learn from one another. The top 250 female financial advisors by production are invited to attend.
- Partnership** - Certain financial advisors have been given the opportunity to buy limited and/or general partnership interests in The Jones Financial Companies, L.L.L.P., the parent company of Edward Jones.
- **Partnership Opportunity** - The Jones Financial Companies, L.L.L.P., which is the owner of Edward Jones, is not a publicly traded company. It is a limited partnership owned by its partners, who include financial advisors, branch office administrators and headquarters associates. Financial advisors may be given the opportunity to become limited and/or general partners in The Jones Financial Companies, L.L.L.P., and in that capacity to share in the earnings of Edward Jones and its affiliates. Partners' earnings vary based on the firm's profitability. The amount a partner earns depends on which category of capital the partner owns and how much he or she has invested. All revenue that contributes to Edward Jones' profitability has a positive impact on the amount of income each partner receives.

## Understanding Our Brokerage and Investment Advisory Services

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

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

### Our brokerage services

Brokerage services allow you to provide us with instructions to buy, sell and hold your investments. We provide you with investment education, research and planning tools. Brokerage services are provided through non-discretionary transactional brokerage accounts. Depending on your account type, we may make recommendations about your investments. You make each investment decision and do not delegate these decisions to us.

We offer both retirement and non-retirement brokerage accounts, which may have different product and service offerings. When you enter into a brokerage relationship with Edward Jones, you generally open a Select Account. In your brokerage account, Edward Jones and your financial advisor act in the capacity of a broker-dealer.

Additionally, Edward Jones offers brokerage accounts that are not Select Accounts, including, but not limited to, certain non-ERISA and ERISA retirement plans, Flex Fund accounts and pooled employer retirement plans. For more information regarding the fees, commissions and other payments earned by Edward Jones and our financial advisors within these types of accounts, see the applicable sections within this document or contact your financial advisor for additional information.

### Edward Jones Select Account

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

An Edward Jones Select Account is a non-discretionary transactional brokerage account. This means that while your financial advisor may offer education, advice and recommendations, you make all yes/no decisions on which investments to buy and sell. This also means that within your Select Account, you pay transactional fees and costs when you buy or sell securities.

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

**Our responsibilities when providing brokerage services in a Select Account.** Applicable federal and state securities laws, regulations and self-regulatory organizations set forth our responsibilities. These include that we:

- Enable you to provide important information to your financial advisor to help complete a Client Profile, which forms the basis of Edward Jones' and your financial advisor's recommendations, before you start investing in your Select Account. This includes your goal or purpose for investing, risk tolerance(s) and investment time horizon(s), as well as other important financial information. These details enable us to recommend an

appropriate Portfolio Objective for both your account and the goal to which your account is assigned. You are responsible for choosing to invest in either a recommended Portfolio Objective or an alternative Portfolio Objective for your account, if available. If any information that you provide in the Client Profile changes, you are responsible for notifying us or your financial advisor. You may be required to complete a new Client Profile in order for Edward Jones and your financial advisor to recommend a modification of the Portfolio Objective for your account after considering such change(s).

- Provide you with recommendations to buy, sell or exchange investments based on the Portfolio Objective for your account. You will make all decisions with respect to your account and may follow or reject any recommendations made by Edward Jones or your financial advisor.
- Effective December 20, 2021: Act in the capacity of a fiduciary when providing investment advice in certain types of retirement accounts. If your brokerage account is a certain type of retirement plan account or individual retirement account, we are fiduciaries when we provide investment advice to you within the meaning of the Employee Retirement Income Security Act of 1974 (ERISA) section 3(21)(A)(ii)(B) and/or Internal Revenue Code sections 4975(e)(3)(B), 4975(c)(1) and the regulations thereunder, as applicable. If we are a fiduciary in your account type, this information can be found in your account agreement. In these applicable accounts, the way we make money creates some conflicts with your interests, so we operate under a Department of Labor regulation and as a fiduciary we must act in your best interest and not put our interest ahead of yours.
- Act in your best interest. This means that we provide investment recommendations that are in your best interest, based on your investment profile and the potential risks, rewards and costs associated with the recommendation, and do not place our interest ahead of yours.
- Provide information about investments based on the nature of the security as well as its potential risks, rewards and costs.
- Obtain prices for trades that are fair and reasonable according to market conditions and make sure that the commissions and fees that you pay are not excessive.
- Disclose all material facts relating to conflicts of interest associated with a recommendation.

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

Your financial advisor helps you identify your Client Profile, goals and strategies to assess which types of investments may be appropriate for you. Then, your financial advisor

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discusses investments with you based on the information you have provided, including your Client Profile and your Portfolio Objective. Your financial advisor serves as your key relationship contact for all of your Edward Jones accounts.

### In Select Accounts, what Fees and Costs may apply to my Transactions, Holdings and Accounts?

Depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. The commissions on trades for stocks, ETFs, master limited partnerships, real estate investment trusts or preferred stocks may be up to 2.5% of the principal amount or a \$50 minimum commission. The commission charge could be reduced based upon the principal amount of the trade and may be as low as 0.1% plus \$2,705 for trades of a principal amount of \$1,000,000 or more. For bonds and CDs, the commission or markup may be up to 2% of the dollar amount you purchase, and the commission or markdown may be up to .75% of the dollar amount you sell. Depending on the principal amount of the trade and the maturity date, you may pay a lower commission or markup/markdown rate. In addition to these costs, you also pay a \$4.95 transaction fee per trade for most buy and sell trades in your account.

You pay a sales charge (sometimes referred to as sales load) when you purchase a mutual fund, a fund in a 529 plan, fixed income unit investment trust ("UIT") or a variable annuity. For equity mutual funds, you will generally pay a sales charge between 4.25% and 5.75%, and for fixed-income mutual funds a sales charge between 2.25% and 4.75%, before any applicable discounts or breakpoints. Breakpoint discounts are volume discounts to the sales charge you pay when purchasing a mutual fund. The extent of the discount depends on the amount invested in a particular family of funds. For example, a mutual fund might charge a front-end load of 5.75% for share purchases of less than \$50,000 but reduce the load to 4.50% for investments between \$50,000 and \$99,999, and further reduce or eliminate the load for larger investments. At certain investment levels (typically \$1 million), your investments with an individual product provider may carry no sales charges. However, in these instances, the mutual fund company may pay Edward Jones a commission on these investments. A contingent deferred sales charge may apply if you sell these investments within a certain time frame. The specific amount of the sales charge on a mutual fund or 529 plan varies depending upon the fund company, type of fund and applicable breakpoints or sales charge waivers. You do not pay a commission to Edward Jones or your financial advisor when you exchange or sell a fund.

For a new purchase of a variable annuity, you will pay a commission of 5.00% unless you qualify for a breakpoint discount. Your sales charge may be as low as 1.25% if you qualify for a \$1 million or higher breakpoint discount. For a purchase of a fixed income UIT, you will generally pay a sales charge between 1.95% and 3.5%. The amount of transactional costs and fees you pay depends on the number of and principal amount of transactions, types of investments, specific fund and any applicable discounts or breakpoints. Larger-size trades may result in lower sales charge rates.

Mutual fund companies and 529 plans pay Edward Jones ongoing distribution and/or service fees often known as 12b-1 fees. You pay 12b-1 fees to the mutual fund company

as one of the ongoing internal costs of holding the shares. These fees generally range between 0.25% and 1.00%, depending on the fund and share class. The amount of the 12b-1 fee you pay and that Edward Jones receives from the fund company, varies depending upon the mutual fund company, 529 plan, type of fund and amount of the fund you purchased. The 12b-1 fee reduces the return from your mutual fund.

Insurance companies that issue variable annuities make ongoing payments to Edward Jones known as "trail commissions." Trail commissions are composed of fees and charges imposed under the variable annuity contract, the separate accounts and other sources. Trail commissions are generally 0.25% but are higher for certain share classes. The trail commissions reduce the return from your variable annuity.

When you purchase a variable life insurance policy, you pay a premium determined by the life insurance provider. The amount of premium you pay depends on several factors including the type of policy, the options and level of coverage you select, your age and other factors. If you choose to pay for your variable life insurance policy over the lifetime of the policy, you will pay ongoing premium payments, in addition to your initial premium payment. These ongoing payments are generally paid annually, quarterly or monthly. Edward Jones receives revenue from your first year's premium payment, as well as a portion of the premium you pay after the first year, for a set number of years (generally the second through the 10th years of the policy). This additional revenue may be called renewal commissions.

Certain investments in your Select Account, including mutual funds, ETFs, UITs, 529 plans, annuities and life insurance policies, carry built-in operating expenses in addition to any initial commissions or sales charges, ongoing 12b-1 fees, trail commissions or premiums. These costs and expenses impact your returns. For mutual funds and 529 plans, examples of these additional internal costs and fees include investment management fees and fund transaction fees. Built-in operating expenses reduce the return from your investment.

If you take out a margin loan, you will pay ongoing interest to Edward Jones on your margin loan balance. For more information about our policy regarding Margin Accounts/ Personal Lines of Credit, please consult your financial advisor or see [edwardjones.com/margin-disclosure-credit-terms](http://edwardjones.com/margin-disclosure-credit-terms).

More detailed information about specific commission rates, sales charges, breakpoints and discounts, 12b-1 fees, trail commissions, and internal costs and fees, can be found in the applicable trade confirmation, product prospectus, statement of additional information, offering statement, annuity contract or plan information, or by speaking with your financial advisor.

### Additional Compensation for our services in a Select Account

**Revenue Sharing** – Edward Jones receives payments known as revenue sharing from certain mutual fund companies, 529 plan program managers and insurance companies. Virtually all of Edward Jones' transactions relating to mutual funds, 529 plans and variable annuity products involve product partners that pay revenue sharing to Edward Jones. For information about revenue sharing, please see [edwardjones.com/revenuesharing](http://edwardjones.com/revenuesharing).

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

**Shareholder Accounting Fees** – Edward Jones has entered into shareholder accounting agreements with many mutual fund companies and 529 plans, including all of our strategic mutual fund product partners and all mutual funds available for purchase in your account, to provide certain services for the mutual fund companies. The mutual funds available in your Select Account involve product partners that pay shareholder accounting to Edward Jones. For more information regarding shareholder accounting fees that Edward Jones receives, please see [edwardjones.com/revenuesharing](http://edwardjones.com/revenuesharing).

**Edward Jones Money Market Fund** – Edward Jones receives revenue in connection with services it performs for the Edward Jones Money Market Fund and in connection with its ownership of the Fund's investment adviser.

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

### How is your financial advisor compensated in your Select Account?

As described more fully above, in your account, your financial advisor is compensated by receiving a portion of the commissions you pay each time you buy or sell a security or pay any markup or markdown. Your financial advisor also receives a portion of any sales charges, 12b-1 fees, trail commissions and annual premiums (renewal commissions) you pay.

Financial advisors may also receive additional variable cash and non-cash compensation based in part upon activity in your Select Account through new asset accumulation bonuses, branch profitability bonuses, firm profit sharing, awards and recognition, and participation in our domestic and international travel awards program (or cash in lieu of travel).

For more information about how Edward Jones and your financial advisor are compensated within your Select Account, please see [edwardjones.com/regbdisclosures](http://edwardjones.com/regbdisclosures).

## Our investment advisory services

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

### Our responsibilities when providing investment advisory services

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

- Obtain important information to help complete a Client Profile, which forms the basis of Edward Jones' and your financial advisor's investment advice, before investing in your investment advisory account. This includes your goal or purpose for investing, risk tolerance(s), and investment time horizon(s), as well as other important financial information. These details enable us to recommend an appropriate Portfolio Objective for both your account and the goal to which your account is assigned. You are responsible for choosing to invest in either a recommended Portfolio Objective or, if available, an alternative Portfolio Objective for your account. If any information that you provide in the Client Profile changes, you are responsible for notifying us or your financial advisor. You may be required to complete a new Client Profile in order for Edward Jones and your financial advisor to recommend a modification of the Portfolio Objective for your account after considering such change(s).
- As your investment adviser, we will act in your best interest and not put our interest ahead of yours.
- We will disclose or avoid material conflicts between our interests and yours.
- Our investment advice and recommendations will have a reasonable, independent basis, and we will execute trades so that your total cost or proceeds in each transaction are the most favorable under the circumstances.

Advisory services are provided only pursuant to a written agreement with you.

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

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

## Our investment advisory programs

### Edward Jones Advisory Solutions® Fund Models

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

This is a wrap fee program in which your account is invested in various allocations of program investments, which include affiliated mutual funds, unaffiliated mutual funds, ETFs, affiliated money market funds and unaffiliated money market funds. For more information, please see our Advisory Solutions Fund Models brochure at [edwardjones.com/advisorybrochures](http://edwardjones.com/advisorybrochures).

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

When you invest in an Edward Jones Advisory Solutions® Fund Model, you pay asset-based fees - the Program Fee and Portfolio Strategy Fee (if applicable) - to Edward Jones (collectively, the "Advisory Solutions Fee"). The Program Fee is charged for certain investment advisory services, including initial and ongoing analysis of your investment needs and objectives, periodic consultations, evaluation and selection of investments for the program, Edward Jones investment policy guidance and services to keep your account aligned with such guidance, periodic performance reporting, custody and transaction execution services. The

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Portfolio Strategy Fee is charged for discretionary management of your portfolio model, including services related to model construction and active model management and other related discretionary services provided by Edward Jones. Benefit Plan accounts (as defined in the applicable Client Services Agreement and Brochure) participating in Advisory Solutions Fund Models prior to June 1, 2018, do not pay the Portfolio Strategy Fee. You also incur internal fees and expenses associated with the mutual funds and ETFs in your account.

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

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

### How is your financial advisor compensated?

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

Your financial advisor may also receive additional variable cash and non-cash compensation based in part upon activity in your Advisory Solutions account through new asset accumulation bonuses, branch profitability bonuses, firm profit sharing, awards and recognition, and participation in our domestic and international travel awards program (or cash in lieu of travel).

For more information about how Edward Jones and your financial advisor are compensated, please see the above applicable sections of this Understanding How We Are Compensated for Financial Services document.

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

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

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

### How are we paid for our services?

When you invest in an Advisory Solutions UMA Model, you pay asset-based fees – the Program Fee, Portfolio Strategy Fee, and SMA Manager Fees to Edward Jones (collectively,

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

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

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

### How is your financial advisor compensated?

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

Your financial advisor may also receive additional variable cash and non-cash compensation based in part upon activity in your Guided Solutions account through new asset accumulation bonuses, branch profitability bonuses, firm profit sharing, awards and recognition, and participation in our domestic and international travel awards program (or cash in lieu of travel).

For more information about how Edward Jones and your financial advisor are compensated, please see the above applicable sections of this Understanding How We Are Compensated for Financial Services document.

## Edward Jones Guided Solutions® Flex Account

### What is a Guided Solutions Flex Account?

An Edward Jones Guided Solutions® Flex Account is a client-directed wrap fee advisory program designed to provide you with ongoing investment advice, guidance and services for an asset-based fee. With a Flex Account, you select the investments for your account and allocate your money according to guidelines developed by Edward Jones. You can invest in eligible stocks, mutual funds,

## Understanding Our Brokerage and Investment Advisory Services

ETFs, and, for accounts at certain investment thresholds, individual bonds and CDs. Guided Solutions Flex provides clients with ongoing monitoring and notifications so that if your portfolio moves outside of Edward Jones' guidance, you can work with your financial advisor to bring your account back into alignment. For more information, please see our Guided Solutions Flex Account brochure at [edwardjones.com/advisorybrochures](http://edwardjones.com/advisorybrochures).

### How are we paid for our services?

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

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

### How is your financial advisor compensated?

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

Your financial advisor may also receive additional variable cash and non-cash compensation based in part upon activity in your Guided Solutions account through new asset accumulation bonuses, branch profitability bonuses, firm profit sharing, awards and recognition, and participation in our domestic and international travel awards program (or cash in lieu of travel).

For more information about how Edward Jones and your financial advisor are compensated, please see the above applicable sections of this Understanding How We Are Compensated for Financial Services document.

## Edward Jones Guided Solutions® Fund Account

### What is a Guided Solutions Fund Account?

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

### How are we paid for our services?

When you invest in a Guided Solutions Fund Account, you pay an asset-based fee – the Program Fee – to Edward Jones. The Program Fee is charged for certain investment advisory services, including initial and ongoing analysis of your investment needs and objectives, periodic consultations,

evaluation and selection of investments for the program, Edward Jones investment policy guidance and services to keep your account aligned with our guidance, periodic performance reporting, custody and transaction execution services. Mutual funds and ETFs have internal fees and expenses in addition to the Program Fee.

The Program Fee is based on the market value of all assets held in your account and is assessed monthly, in arrears, based on annual tiered fee rate schedule. As the value of the assets in your account increases or decreases, you are charged according to the tiered fee rate schedule. Guided Solutions Fund Accounts are subject to a \$10 minimum monthly fee (certain account types with an initial investment of less than \$5,000 are subject to a \$4 minimum monthly fee until the account value exceeds \$5,000).

### How is your financial advisor compensated?

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

Your financial advisor may also receive variable cash and non-cash compensation based in part upon activity in your Guided Solutions account through new asset accumulation bonuses, branch profitability bonuses, firm profit sharing, awards and recognition, and participation in our domestic and international travel awards program (or cash in lieu of travel).

For more information about how Edward Jones and your financial advisor are compensated, please see the above applicable sections of this Understanding How We Are Compensated for Financial Services document.

## Edward Jones Retirement Plan Services

### What is Edward Jones Retirement Plan Services?

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

### How are we paid for our services?

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

In addition to the Retirement Plans Services Fee paid to

## Understanding Our Brokerage and Investment Advisory Services

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Edward Jones, your plan will be subject to additional fees and charges imposed by your Plan Service Provider, Investment Fiduciary, and Third-party Administrator, if applicable. For more information, please contact your applicable service provider.

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

Your financial advisor receives a portion of the monthly Retirement Plan Services Fee. Your financial advisor may also receive additional variable cash and non-cash compensation based in part upon activity in Edward Jones Retirement Plan Services through new asset accumulation bonuses, branch profitability bonuses, firm profit sharing, awards and recognition, and participation in our domestic and international travel awards program (or cash in lieu of travel).

*We pride ourselves on maintaining up-to-date and accurate disclosures. However, in the unlikely event inconsistencies exist between this "Understanding How We Are Compensated for Financial Services" document and any of the following documents, those listed below will govern:*

- Important Information about our Brokerage Services
- The Client Relationship Summary
- Account Agreements and Client Service Agreements
- Advisory program brochures and brochure supplements

## Material Facts Regarding Conflicts of Interest Associated with the Firm and Your Financial Advisor's Recommendations in Your Select Account

This section provides important information and material facts regarding conflicts of interest associated with the firm and your financial advisor's recommendations in a Select Account. When we provide you with a recommendation regarding securities transactions or investment strategies involving securities in a Select Account, we must act in your best interest, within the meaning of Regulation Best Interest, and must not put our interests ahead of yours. Effective December 20, 2021: Additionally, when we provide investment advice to you regarding certain types of retirement plan accounts or individual retirement accounts, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We are therefore required to act in your best interest and to not put our interest ahead of yours. If we are a fiduciary in your account type, this information can be found in your account agreement.

The way the firm generates revenue in a Select Account, and the way your financial advisor is compensated, creates some conflicts with your interests. While we have taken numerous steps to mitigate, disclose and/or eliminate conflicts of interest associated with the firm and your financial advisor's recommendations, it is also important that we disclose the material facts regarding these conflicts.

Within this section, we have included links to more detailed information, and we encourage you to review the referenced links and information. Ask your financial advisor questions as needed to help you understand these disclosures or if you have any additional questions. You may also find additional information at:

- Client Relationship Summary ([edwardjones.com/FormCRS](http://edwardjones.com/FormCRS))
- Important Information About Our Brokerage Services ([edwardjones.com/regbidisclosures](http://edwardjones.com/regbidisclosures))

**Please Note:** This section does not discuss conflicts of interest within investment advisory accounts. For information about material conflicts of interest applicable to investment advisory accounts and associated products and services, please see the relevant brochure for your account type. You can ask your financial advisor for a copy of the applicable brochure or find a copy online at: [edwardjones.com/advisoryagreements](http://edwardjones.com/advisoryagreements).

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### Recommendations Regarding Securities

The compensation that we and your financial advisor receive when you buy, sell, hold or exchange investments within your Select Account creates conflicts of interest. Your financial advisor has an incentive to recommend you purchase investments that create the most compensation for the firm and your financial advisor. In general, commissions on stocks and ETFs are higher than commissions on bonds or certificates of deposit ("CDs"). Additionally, initial compensation from the sale of mutual funds, funds in a 529 plan, variable annuities and variable life insurance policies is generally higher than stocks, bonds, ETFs or CDs. Mutual funds, 529 plans, variable annuities and variable life insurance policies also pay ongoing compensation.

These sources of transactional revenue and compensation create a conflict between the firm and your financial advisor's interests and your own relating to recommendations regarding the investment type, number of transactions, the amount to invest per transaction, and the allocation of investment amounts between different securities and fund families, and different types of securities. For variable annuities, it also creates a potential conflict regarding recommendations on whether to annuitize, transfer or exchange your current variable annuity.

We may sell you certain bonds and CDs from our inventory or purchase a security from you for our inventory in a principal transaction. We may generate firm revenue on these trades due to market movement, resulting in gains on our inventory positions. In certain circumstances this incentivizes us to engage in principal transactions, as well as an incentive to recommend that you purchase a security from our inventory that is difficult to sell.

When you purchase shares in a mutual fund, a 529 plan or a variable annuity, you may be eligible for a breakpoint discount, which lowers your front-end sales charge, based on the amount of your investment and how much you have invested in a certain fund family or annuity. Your financial advisor has an incentive to provide advice that would avoid breakpoint discounts.

In certain instances, your financial advisor is permitted to negotiate with you for a lower commission, which could result in reduced compensation for your financial advisor. This is a conflict of interest because your financial advisor is incentivized to avoid negotiating commissions.

### Additional Investment Type Considerations

In most instances, your financial advisor has an incentive to recommend that you purchase investments in your Select Account such as a mutual fund, 529 plan, variable annuity,

## Understanding How We Are Compensated for Financial Services

or variable life insurance policy that generate revenues when purchased as well as provide ongoing compensation (e.g., 12b-1 fees, trail commissions) as opposed to investing in alternatives that may pay lower upfront commissions and do not provide ongoing compensation. Over a longer period of time, your financial advisor and Edward Jones will generally earn more revenue from a mutual fund, 529 plan or annuity than from an exchange-traded fund (“ETF”), stock or bond, but this will depend on several factors including the specific product, how much you invest, breakpoints and how frequently you trade. As a further example, mutual funds and ETFs may have similar investment characteristics, but differ in the ways you pay for them and how your financial advisor and Edward Jones are compensated over time. Mutual funds generally have higher upfront commissions and ongoing expenses but enable you to rebalance through exchanges and liquidate for no additional cost. ETFs generally have lower upfront commissions and ongoing fees but all future transactions to rebalance or liquidate an investment will be charged a commission. As a result, mutual funds are typically more expensive than ETFs for clients who trade infrequently, but they become less expensive as the amount of trading increases.

### Variable Life Insurance

When you purchase a variable life insurance policy in your Select Account, the insurance company sets a target premium that will be used to compensate the firm and your financial advisor for the specific policy (the “Target Premium”), and this Target Premium could be higher or lower than the premium that you would pay on your specific policy. Based upon the actual premium you pay for your policy, Edward Jones will receive up to 80% of the Target Premium amount and 2% of any excess you pay above the Target Premium amount. The percentage Edward Jones receives is the same for all insurance providers we work with, and your financial advisor receives a portion of these revenues. Edward Jones also receives a portion of the premium you pay after the first year as revenue for a set number of years (generally the second through the 10th years of the policy) and shares a portion of this revenue with your financial advisor. Your financial advisor has an incentive to make recommendations to increase the premium or to recommend the purchase of a policy with a higher target premium. This may also create a conflict regarding recommendations on whether to renew or exchange your current policy.

### Additional Third-Party Compensation to Edward Jones

Edward Jones also receives additional compensation described below from mutual fund companies, 529 plans, unit investment trusts (UITs) and insurance companies (collectively referred to as “product partners”) for the sale and ongoing servicing of mutual funds, 529 plans, UITs, variable annuities and variable life insurance policies. We want you to understand that Edward Jones’ receipt of third-party compensation including revenue sharing, shareholder accounting fees, and inforce contract service payments creates a potential conflict of interest in the form of an additional financial incentive and financial benefit to the firm and our financial advisors in connection with the sale of products from these product partners. To mitigate potential conflicts of interest, your financial advisor does not directly receive any portion of the revenue sharing, shareholder accounting fees, or inforce

contract service payments received by Edward Jones. This revenue received by Edward Jones affects the firm’s overall profitability. For more information about the information in this section, please talk with your financial advisor or see [edwardjones.com/revenuesharing](http://edwardjones.com/revenuesharing).

**Revenue Sharing:** Edward Jones receives payments known as revenue sharing from certain mutual fund companies, 529 plan program managers and insurance companies. For additional material facts about revenue sharing and associated conflicts at Edward Jones, please see the Revenue Sharing Disclosure near the end of this document or see [edwardjones.com/revenuesharing](http://edwardjones.com/revenuesharing).

**Shareholder Accounting Fees:** Edward Jones has entered into shareholder accounting fee agreements with many mutual fund companies and 529 plans, including all of our strategic mutual fund product partners and all mutual funds available for purchase in a Select Account, to perform certain services for the mutual fund companies. For additional material facts about shareholder accounting fees and associated conflicts at Edward Jones, please see the Edward Jones Shareholder Accounting Disclosure near the end of this document or see [edwardjones.com/revenuesharing](http://edwardjones.com/revenuesharing).

**Inforce Contract Service Agreements:** Edward Jones has entered into inforce contract service agreements with certain insurance companies, including all of the issuers of variable annuities available for purchase in a Select Account, to maintain technology and provide other administrative services in support of certain issued and outstanding annuities and life insurance policies. For additional material facts about inforce contract service agreements and associated conflict at Edward Jones, please see the Edward Jones Inforce Contract Service Disclosure near the end of this document or see [edwardjones.com/revenuesharing](http://edwardjones.com/revenuesharing).

### Rollovers and Transfers

Your financial advisor has an incentive to recommend that you roll over or transfer your assets from an employer-sponsored plan or another brokerage firm or investment adviser, because these actions may generate transaction-based compensation for Edward Jones and your financial advisor when the assets are invested in your Select Account. Additionally, when you roll over or transfer your assets to Edward Jones, this contributes to your financial advisor qualifying for additional variable compensation including new asset accumulation bonuses, branch profitability bonuses, domestic and international travel awards (or cash in lieu of travel), and other non-cash compensation as described herein.

### Brokerage Accounts vs. Advisory Accounts (investment advisory services)

In addition to brokerage accounts, you have the option to invest in fee-based advisory accounts. Instead of paying a commission per transaction, in our advisory programs you pay a fee(s) based on the market value of the assets held in your account for investment advisory services which, in most cases, includes transaction costs. Our advisory programs offer ongoing account monitoring, which is not available in brokerage accounts, and additional types of investment options and services. When determining what’s right for you, think about how much you expect to trade in your account and how much you may pay in commissions (brokerage account) or asset-based fees (advisory

## Understanding How We Are Compensated for Financial Services

account). You will typically pay more in upfront fees and commissions through brokerage services and more over time through investment advisory services. These differences in compensation potentially create a conflict between your financial advisor's interest and your own when recommending which type of program you should invest in. For additional information regarding investment advisory programs offered by Edward Jones, please see [edwardjones.com/advisoryagreements](http://edwardjones.com/advisoryagreements).

### Distributions

Compensation and performance incentives may cause a conflict between your financial advisor's interest and your own when your financial advisor provides advice relating to distributions from any of your accounts. When you make a distribution through a full or partial liquidation, certain commissions may be generated. Further, if you have both a brokerage account and an advisory account of the same type (e.g., a traditional IRA in a Select Account and a traditional IRA in an advisory account), your financial advisor may have an incentive to advise you to take a distribution from your Select Account and not your advisory account because the distribution could generate additional transactional revenue and would not affect the amount of your asset-based fee in your advisory account.

### Trust Fees

Your financial advisor receives a portion of the compensation Edward Jones receives from its affiliate, the Edward Jones Trust Company, for the referral and ongoing support of accounts managed by the Edward Jones Trust Company. The payout level may vary based on your financial advisor's years of experience and the location of the branch. This creates an incentive for your financial advisor to recommend your use of the services of the Edward Jones Trust Company.

### Uninvested Funds

You have the option to have uninvested funds either remain in the firm's Cash Interest Program or be automatically swept to a different investment vehicle, which may provide a higher return or offer other benefits to you. Edward Jones receives varying portions of the revenues associated with the investment option you choose for your uninvested funds, and while your financial advisor does not receive direct compensation, the amount of your holdings may contribute positively to your financial advisor's variable compensation. Depending on several factors, including the current interest rates and your financial advisor's non-cash incentives, the firm or your financial advisor may have an incentive for you to select one uninvested cash option over another. You should review the terms, interest rates, compensation the firm receives, incentives your financial advisor receives, and other features and tradeoffs of these options with your financial advisor. Interest rates are available on Edward Jones' website at [edwardjones.com/rates](http://edwardjones.com/rates). If the Edward Jones Money Market Fund ("Fund") is available as a cash sweep option in your Select Account, all uninvested cash balances in your account are automatically swept into the Fund. The investment adviser to the Fund, Passport Research Limited ("Passport"), is an affiliate of Edward Jones and provides distribution and shareholder accounting services for the Fund. The Fund pays Passport a management fee and pays Edward Jones for performing services for the Fund. While your financial advisor does

not receive any portion of these revenues, the revenue does have a positive financial impact on overall profitability of the firm.

### Branch P&L and Profitability Bonuses

Revenues and expenses of Edward Jones are assigned to each branch's Profit and Loss Statement (branch "P&L"). Your financial advisor's branch P&L is positively impacted by compensation received from client activities, including commissions, sales charges, 12b-1 fees, account fees, fees from investment advisory accounts, margin loans, and other account service fees. Your financial advisor also benefits from credits to the branch P&L, without directly receiving any portion of such revenue the firm receives, for certain things including assets under care in the branch, other fees received by the firm, margin loans and variable third-party compensation that is not paid to your financial advisor. Increased branch P&L positively impacts your financial advisor's performance and qualifications to receive additional variable compensation. If Edward Jones has reached a certain level of profitability and the branch is profitable on their branch P&L, the financial advisor receives a branch profitability bonus. Your financial advisor has an incentive to make recommendations that will increase the profitability of their branch P&L.

### Incentive Compensation for your Financial Advisor

Your financial advisor's performance and variable compensation are positively impacted by client activities such as commissions, sales charges, account fees, assets under care in the branch, margin loans and the value of assets you rollover or transfer to Edward Jones. These positive impacts can lead to increased compensation through internal incentive programs, new asset accumulation bonuses and branch profitability bonuses, as well as additional non-cash benefits such as domestic and international travel awards (or cash in lieu of travel), educational and training trips, awards and seminars, and regional leadership opportunities. These incentives create a conflict between your financial advisor's interest and your own when providing advice to you.

### Travel Awards Program

Our financial advisors are eligible to participate in the Edward Jones Travel Awards Program, which includes domestic and international trips, or a cash award in lieu of a trip. Eligibility for a Travel Awards Program is based upon the amount of new and existing assets under care for a financial advisor. Certain product providers, such as preferred mutual fund and annuity providers, may participate in these travel programs. These incentives create a conflict of interest between your financial advisor's interest and your own when providing advice to you.

### Margin Loans

Your financial advisor does not receive direct compensation from the interest you pay on your margin loan balance, but it does positively impact the branch's P&L. If you need cash, we may have an incentive to recommend a margin loan instead of selling investments. Additionally, your financial advisor has an incentive to recommend that you maintain a margin loan balance and to grow the balance, instead of using available cash or new investments to pay down the loan.

## Understanding How We Are Compensated for Financial Services

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### Training and Marketing Incentives

Third-party providers such as mutual fund wholesalers, annuity wholesalers, UIT wholesalers, investment managers, and insurance distributors may reimburse and/or pay certain expenses on behalf of financial advisors and the firm, including expenses related to training, marketing, and educational efforts. The training focuses on, among other things, the third-party provider's products, suitability, product literature and product support. These reimbursements or payments could lead our financial advisors to focus on these third-party providers' products versus other third-party products that are not represented at these meetings, seminars and/or conferences. This creates a potential conflict of interest for Edward Jones and our financial advisors to the extent that this may cause them to prefer those product partners that have greater access, marketing opportunities and educational opportunities.

### Non-Cash Third-Party Incentives

Third-party providers, such as mutual fund wholesalers, annuity wholesalers, UIT wholesalers, investment managers, and insurance distributors, may also give financial advisors gifts up to a total value of \$100 per provider per year, consistent with industry regulations. Third parties may occasionally provide financial advisors with meals and entertainment of reasonable value. Additionally, third parties may provide the firm and our financial advisors with access to certain research tools, or software that is developed or subscribed to by third parties. This creates a potential conflict of interest to the extent that this may cause the firm or our financial advisors to prefer those product partners that provide these non-cash incentives over other product partners.

### Profit Sharing

Financial advisors receive contributions to an employer-sponsored retirement plan based on their total compensation, which includes commissions, fees, salary and bonuses. Profit sharing causes a conflict between your financial advisor's interest and your own regarding advice that generates additional compensation to your financial advisor and revenue for the firm.

### Partnership Opportunities

Certain financial advisors have been given the opportunity to buy limited and/or general partnership interests in The Jones Financial Companies, L.L.P., the parent company of Edward Jones. All revenue that contributes to Edward Jones' profitability has a positive impact on the amount of income each partner receives.

### Mitigation of Conflicts of Interest

One of Edward Jones' core values is that our clients' interests come first. We have taken various steps to mitigate, disclose and/or eliminate these conflicts of interest associated with recommendations in your Select Account, including developing policies and procedures, supervisory systems, processes and controls, compensation and incentive policies, disclosures and agreements, and training. If you have any questions about conflicts of interest, please talk with your financial advisor or review the additional information referenced throughout this document.

## Understanding How We Are Compensated for Financial Services

### Mutual Funds

**What is a mutual fund?**

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

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

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

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

*Class A Shares* – For class A share mutual funds, you typically pay a front-end sales charge, called a load, which is deducted from the initial investment. For purchases of Class A shares for equity mutual funds, you will generally pay a sales charge between 4.25% and 5.75%, and for fixed income mutual funds a sales charge between 2.25% and 4.75%, before any applicable discounts or breakpoints.

Mutual funds with front-end loads generally reduce the sales charge as the amount of your investment increases above certain levels, according to a breakpoint schedule. Breakpoint discounts are volume discounts to the sales charge you pay when purchasing a mutual fund. The extent of the discount depends on the amount invested in a particular family of funds. For example, a Class A share of a mutual fund

might charge a front-end load of 5.75% for share purchases of less than \$50,000 but reduce the load to 4.50% for investments between \$50,000 and \$99,999, and further reduce or eliminate the load for larger investments. At a certain level, typically \$1 million, you may stop paying sales charges. Annual operating expenses for class A shares are generally lower than those of class C shares.

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

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

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

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

## Understanding How We Are Compensated for Financial Services

### Mutual Funds

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

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

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

## Understanding How We Are Compensated for Financial Services

### Money Market Mutual Funds

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

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

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

This is a money market fund into which your uninvested cash may be automatically transferred, subject to certain restrictions. The Edward Jones Money Market Fund is only available as a cash sweep option in certain accounts.

Edward Jones owns the investment adviser to the Edward Jones Money Market Fund and provides distribution and shareholder accounting services for the Fund. For further information regarding the Edward Jones Money Market Fund, please refer to [edwardjones.com/moneymarket](http://edwardjones.com/moneymarket). Interest rates are available on Edward Jones’ website at [edwardjones.com/rates](http://edwardjones.com/rates).

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

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

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

**How is your financial advisor compensated?**

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

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

## Understanding How We Are Compensated for Financial Services

### Municipal Bonds

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

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

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

##### *Newly issued municipal bonds*

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

##### *Secondary municipal bonds*

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

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

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

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

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

## Understanding How We Are Compensated for Financial Services

### Corporate Bonds

**What is a corporate bond?**

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

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

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

*Secondary corporate bonds*

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

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

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

**How is your financial advisor compensated?**

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

## Understanding How We Are Compensated for Financial Services

### Certificates of Deposit (“CDs”)

#### What is a CD?

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

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

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

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

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

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

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

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

#### Secondary CDs

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

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

#### How is your financial advisor compensated?

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

## Understanding how we are compensated for financial services

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

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

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

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

##### *Newly issued agency bonds*

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

##### *Secondary agency bonds*

Secondary agency bonds are transactions involving previously issued bonds. When you buy or sell secondary agency bonds, Edward Jones may act as either an agent or a principal. If we act as an agent, your trade confirmation will display the commission you pay, which may be up to 1.5% of the dollar amount you buy and up to .50% of

the dollar amount you sell. If you buy a secondary agency bond from our inventory or sell a bond that we purchase directly from you, we act as a principal. You will see the markup or markdown, which is included in the price, displayed as a line item in the trade confirmation. The markup may be up to 1.5% of the dollar amount you buy and the markdown may be up to .50% of the dollar amount you sell. The price is also adjusted to reflect changes in interest rates and market prices that have occurred since we bought the security. As a result of these changes, Edward Jones can earn revenue or incur losses from buying or selling securities as principal.

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

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

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

## Understanding how we are compensated for financial services

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

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

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

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

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

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

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

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

display the commission you pay, which may be up to 1.5% of the dollar amount you buy and up to .50% of the dollar amount you sell.

If you buy Treasuries from our inventory or sell Treasuries that we purchase directly from you, we act as a principal. You will see the markup or markdown, which is included in the price, displayed as a line item in the trade confirmation. The markup may be up to 1.5% of the dollar amount you buy and the markdown may be up to .50% of the dollar amount you sell. The price is also adjusted to reflect changes in interest rates and market prices that have occurred since we bought the security. As a result of these changes, Edward Jones can earn revenue or incur losses from buying or selling Treasuries as principal.

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

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

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

## Understanding How We Are Compensated for Financial Services

### Mortgage-backed Securities

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

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

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

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

If you buy securities from our inventory or sell securities that we purchase directly from you, we act as a principal. You will see the markup

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

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

**How is your financial advisor compensated?**

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

## Understanding How We Are Compensated for Financial Services

### Stock

**What is common stock?**

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

**What is preferred stock?**

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

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

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

*Commissions*

We act as an agent for most stock transactions. When we act as an agent, you pay a commission based on the amount of the transaction. In a Select Account, the commissions on trades for common or preferred stocks may be up to 2.5% of the principal amount or a \$50 minimum commission. The commission charge could be reduced based upon the principal amount of the trade and may be as low as 0.1% plus \$2,705 for trades of a principal amount of \$1,000,000 or more.

*Transaction Fees*

In addition to a commission, Edward Jones generally charges a \$4.95 transaction fee when you buy or sell stock in a Select Account.

*Trade Corrections*

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

**How is your financial advisor compensated?**

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

## Understanding How We Are Compensated for Financial Services

### Closed-end Funds

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

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

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

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

The commissions on trades for Closed-end funds may be up to 2.5% of the principal amount or a \$50 minimum commission. The commission charge could be reduced based upon the principal amount of the trade and may be as low as 0.1% plus \$2,705 for trades of a principal amount of \$1,000,000 or more.

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

*Transaction Fees*

In addition to a commission, Edward Jones generally charges a \$4.95 transaction fee when you buy or sell shares of a closed-end fund through our brokerage services.

**How is your financial advisor compensated?**

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

## Understanding How We Are Compensated for Financial Services

### Exchange-traded Funds (“ETFs”)

#### **What is an ETF?**

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

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

##### *Commissions*

We act as an agent for your ETF transactions, which means we send your order to an external venue to buy or sell shares of the ETF. You pay a commission based on the amount of the transaction. The commissions on trades for ETFs may be up to 2.5% of the principal amount or a \$50 minimum commission. The commission charge could be reduced based upon the principal amount of the trade and may be as low as 0.1% plus \$2,705 for trades of a principal amount of \$1,000,000 or more.

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

##### *Transaction Fees*

In addition to a commission, Edward Jones generally charges a \$4.95 transaction fee when you buy or sell shares of an ETF through our brokerage services.

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

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

## Understanding How We Are Compensated for Financial Services

### Unit Investment Trusts (“UITs”)

**What is a UIT?**

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

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

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

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

**How is your financial advisor compensated?**

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

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

## Understanding How We Are Compensated for Financial Services

### Variable Annuities

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

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

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

The insurance company pays Edward Jones a commission at the time you make your investment and typically ongoing trail commissions. The trail commissions are composed of fees and charges imposed under the variable annuity contract, the separate accounts and other sources. Trail commissions are generally 0.25% but are higher for certain share classes.

For a new purchase of a variable annuity, you will pay a commission of 5.00% unless you qualify for a breakpoint discount. Your sales charge may be as low as 1.25% if you qualify for a \$1 million or higher breakpoint discount. Depending on the pricing structure of the variable annuity, you may pay the insurance company a premium-based charge or sales charge over a period of time, a front-end sales charge when you make an investment, and/or a contingent deferred sales charge ("CDSC") if you liquidate, surrender or withdraw all or a portion of your annuity within a certain time period.

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

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

contract, such as a withdrawal benefit or an enhanced death benefit.

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

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

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

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

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

## Understanding How We Are Compensated for Financial Services

### Variable Annuities

*Front-end Sales Charges* - For certain variable annuities, when you make an additional contribution to your contract, you pay a front-end sales charge which is deducted from your investment amount. Generally, the amount of the sales charge, as a percentage of your investment, is reduced as the amount of your investment increases above certain levels. The reduced charges are known as breakpoint discounts. The annual operating costs of a variable annuity with this pricing structure are typically comparable or slightly lower than those of a variable annuity for which you pay a premium-based charge.

*Other Pricing Structures* - In certain circumstances, Edward Jones may hold a variable annuity you purchased before premium-based charges or front-end sales charges were available either from Edward Jones or at another firm. These annuities will have a different or unique pricing structure than those listed above. Generally, you pay a CDSC to

the insurance company when you liquidate, surrender, or withdraw all or a portion of these annuities within a certain time period, typically seven years. The annual operating expenses of variable annuities with these types of pricing structure are typically higher than those of a variable annuity for which you pay a premium-based charge or front-end sales charge.

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

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

## Understanding how we are compensated for financial services

### Fixed annuities

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

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

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

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

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

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

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

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

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

## Understanding How We Are Compensated for Financial Services

### Immediate Annuities

**What is an immediate annuity?**

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

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

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

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

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

**How is your financial advisor compensated?**

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

## Understanding How We Are Compensated for Financial Services

### Deferred Income Annuities

**What is a deferred income annuity?**

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

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

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

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

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

**How is your financial advisor compensated?**

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

## Understanding How We Are Compensated for Financial Services

### Disability Income Insurance

**What is disability income insurance?**

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

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

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

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

**How is your financial advisor compensated?**

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

## Understanding How We Are Compensated for Financial Services

### Life Insurance

#### **What is life insurance?**

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

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

When you purchase a life insurance policy, the insurance company sets a target premium that will be used to compensate the firm and your financial advisor for the specific policy (the “Target Premium”), and this Target Premium could be higher or lower than the premium that you would pay on your specific policy. Based upon the actual premium you pay for your policy, Edward Jones will receive up to 80% of the Target Premium amount and 2% of any excess you pay above the Target Premium amount. The percentage Edward Jones receives is the same for all insurance providers we work with, and your financial advisor receives a portion of these revenues. Edward Jones also receives a portion of the premium you pay after the first year as revenue for a set number of years (generally the 2nd through the 10th years of the policy) and shares a portion of this revenue with your financial advisor. Your financial advisor has an incentive to make recommendations to increase the premium or to recommend the purchase of a policy with a higher target premium. This may also create a conflict regarding recommendations on whether to renew or exchange your current policy.

If you choose to pay more than the required premium in order to use your insurance policy to accumulate cash value or to fund your policy in advance, we receive a lower commission on any such excess premium that you pay. If your premium is higher due to poor health or the election of certain optional contract riders, the commission we receive may be based on a target premium. There may also be an additional expense to add an optional benefit to the contract, such as a long-term care or chronic illness rider, that would be reflected in a higher premium amount.

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

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

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

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

## Understanding How We Are Compensated for Financial Services

### Long-term Care Insurance

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

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

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

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

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

**How is your financial advisor compensated?**

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

## Understanding how we are compensated for financial services

### Dollar Cost Averaging (“DCA”)

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

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

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

##### *Stocks and ETFs*

When you automatically buy stocks or ETFs, you pay 2% of the principal amount or a \$5 fee, whichever is greater. If you systematically sell out of a stock or ETF, you pay 2% of the amount you are selling or a \$5 fee, whichever is greater. Dollar Cost Averaging fees do not apply to Guided Flex Accounts. For example, if you invest \$1,000 per month into a stock, your DCA fee would be \$20 per month, leaving \$980 available for investment.

##### *Mutual Funds and Annuities*

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

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

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

## Understanding How We Are Compensated for Financial Services

### Dividend and Income Reinvestment

**What is dividend and income reinvestment?**

Dividend and income reinvestment is a service that allows you to automatically reinvest interest from bonds, certificates of deposit and unit investment trusts (“UITs”), and dividends from stocks and mutual funds, into either the same security or other investments. If you own bonds or other fixed-income investments, you can choose to automatically receive the income or reinvest into mutual funds. If you own UITs, you can choose to automatically receive the income, reinvest into the same strategy (if available), or cross-reinvest into mutual funds. With stocks, you can choose to automatically receive the income or reinvest into the same stock or a mutual fund. For more information, please see [edwardjones.com/systematic investing](https://edwardjones.com/systematic-investing).

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

If you invest in stocks, you pay a 2% reinvestment fee based on the amount of income or dividends you reinvest. This means that if you reinvest \$500 into stocks per month, your fee would be \$10, leaving \$490 available for reinvestment. For most account types, these fees are waived for households with assets under care of \$250,000 or more.

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

**How is your financial advisor compensated?**

Your financial advisor’s branch receives a branch P&L credit for the reinvestment fee when you reinvest into a stock. As a result, your financial advisor’s eligibility for a bonus will be positively impacted. When mutual funds are purchased through reinvestment, your financial advisor receives a percentage of the sales charge, if any. Your financial advisor also receives a portion of any ongoing payments, called distribution and/or service fees (12b-1 fees) paid to Edward Jones.

Revenue that Edward Jones receives from revenue sharing and shareholder accounting fees affects our overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding how we are compensated for financial services

### Individual Retirement Accounts (“IRAs”)

#### What is an IRA?

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

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

Depending on which Edward Jones solution you choose to invest in, you may either be charged asset-based fees, or you will pay transaction-based fees and charges when you buy or sell investments.

When you participate in our Advisory Solutions or Guided Solutions programs, you pay asset-based fees – the Program Fee and Portfolio Strategy Fee (if applicable) to Edward Jones instead of commissions. The fee(s) are based on the market value of all assets held in your account and are assessed monthly, in arrears, based on the annual tiered fee rate schedules. If you invest in separately managed allocations (SMAs), you will pay a monthly fee to Edward Jones for the services provided by the SMA managers in your account. Edward Jones will then pay that fee directly to the SMA managers. A portion of your fees are also paid to your financial advisor. The payout level to your financial advisor will depend on the average daily total asset value of advisory assets, taking into account any discounts or fee reductions. For information about our advisory services, please see [edwardjones.com/advisorybrochures](https://edwardjones.com/advisorybrochures).

If you choose a transaction-based solution, depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. The investments within your IRA may also have ongoing expenses such as distribution and/or service fees (12b-1 fees), and trail and renewal commissions that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. If your IRA holds mutual fund

investments or variable annuities, Edward Jones receives shareholder accounting fees and inforce contract service fees. For more information, see [edwardjones.com/revenuesharing](https://edwardjones.com/revenuesharing). At certain investment levels, typically \$1 million, your investments with an individual mutual fund or insurance product partner provider may carry no sales charges. However, in these instances, the mutual fund or insurance company will pay Edward Jones a commission on these investments. A contingent deferred sales charge will apply if you sell these investments within a certain time frame. Please see your prospectus or offering document for more information.

Your investments may also have ongoing operating expenses including investment management fees or other fees. Details on the operating expenses are in each underlying investment’s prospectus or offering document.

For more information regarding additional service and miscellaneous fees for your IRA account, see the applicable Schedule of Fees for your account, available at [edwardjones.com/agreements](https://edwardjones.com/agreements).

#### How is your financial advisor compensated?

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

## Understanding How We Are Compensated for Financial Services

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

### What are ERISA Plans?

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

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

### How are we paid for our services?

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

In addition, depending on which Edward Jones solution you choose to invest in, you will either be charged asset-based fees, or you will pay transaction-based charges when you buy or sell investments. If you choose a transaction-based solution, depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. The investments within your ERISA plan also may have ongoing expenses such as distribution and/or service fees (12b-1 fees), and trail commissions

that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. Your ongoing operating expenses also may include investment management or other fees. Details on the operating expenses are in each underlying investment's prospectus or offering document.

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

When you participate in our Advisory Solutions or Guided Solutions programs, you pay asset-based fees – the Program Fee and Portfolio Strategy Fee (if applicable) to Edward Jones instead of commissions. The fee(s) are based on the market value of all assets held in your account and are assessed monthly, in arrears, based on the annual tiered fee rate schedules. If you invest in SMAs, you will pay a monthly fee to Edward Jones for the services provided by the SMA managers in your account. Edward Jones will then pay that fee directly to the SMA managers. A portion of your fees are also paid to your financial advisor. The payout level to your financial advisor will depend on the average daily total asset value of advisory assets, taking into account any discounts or fee reductions. For information about our advisory services, please see [edwardjones.com/advisorybrochures](http://edwardjones.com/advisorybrochures).

When you participate in Retirement Plan Services, you pay a Retirement Plan Services Fee to Edward Jones. The Retirement Plan Services Fee is based on the plan's included assets in the program. If the plan's included assets grow and reach certain thresholds, you are eligible for a reduction of the Retirement Plan Services Fee.

## Understanding How We Are Compensated for Financial Services

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

Edward Jones will not automatically increase the Retirement Plan Services Fee if included assets decrease. For this fee, Edward Jones will serve as an investment advice fiduciary at the plan level, and provide educational services at both the plan and participant levels, if applicable. Your financial advisor receives a portion of the Retirement Plan Services Fee. The payout level will vary based on years of experience and the state in which the branch is located.

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

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

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

Your financial advisor’s branch receives P&L credits for certain revenues, expenses and assets under care in the branch. For more information, see Understanding How We Are Compensated for Financial Services at [edwardjones.com/compensationdisclosure](https://edwardjones.com/compensationdisclosure). Your financial advisor also receives a share of any transaction-based charges, asset-based fees, distribution and/or service fees, and trail commissions. As a result, your financial advisor’s eligibility for a bonus will be positively impacted. Your financial advisor does not share in the incidental fees, which include the adoption agreement amendments and participant loans.

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

Fee information is generally found in your account agreement and Schedule of Fees, available at [edwardjones.com/retirementaccounts](https://edwardjones.com/retirementaccounts).

The revenue that Edward Jones receives affects Edward Jones’ overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

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

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

Non-ERISA plans are employer-sponsored retirement plans that are not subject to the Employee Retirement Income Security Act (“ERISA”) of 1974.

Plans established or maintained for employees by federal or state government entities, municipalities, school districts and certain non-profit organizations are examples of employer-sponsored plans that may not be subject to ERISA. For more information regarding employer-sponsored retirement plans, please see [edwardjones.com/businessowners](http://edwardjones.com/businessowners).

### How are we paid for our services?

We charge fees for certain account services such as wire transfers, disbursements, and transferring or closing accounts, if applicable. In addition, you either pay transaction-based charges when you buy or sell investments within your plan account, or asset-based charges if your plan is on a group annuity platform.

If you choose a transaction-based solution, depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. The investments within your non-ERISA plan may also have ongoing expenses such as distribution and/or service fees (12b-1 fees), trail and renewal commissions that reduce your investment returns. Edward Jones receives a portion of these ongoing payments.

Your ongoing operating expenses may also include investment management or other fees. Details on the operating expenses are in each underlying investment’s prospectus or offering document.

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

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

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

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

### How is your financial advisor compensated?

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

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

## Understanding how we are compensated for financial services

### Owner-only 401(k) plans

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

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

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

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

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

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

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

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

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

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

## Understanding How We Are Compensated for Financial Services

### Individual 403(b) Plans

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

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

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

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

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

Transfer fees for transferring or closing accounts are also imposed by the vendor when applicable. All fee information is generally disclosed in your enrollment kit.

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

**How is your financial advisor compensated?**

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

## Understanding How We Are Compensated for Financial Services

### Individual 457 Plans

**What is an individual 457 plan?**

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

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

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

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

The investments within your 457 plan may also have ongoing expenses such as distribution and/or service fees (12b-1 fees), trail and renewal

commissions that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. Your ongoing operating expenses may also include investment management fees or other fees. Details on the operating expenses are in each underlying investment’s prospectus or offering document.

Transfer fees are imposed by the vendor for transferring or closing accounts or for holding assets that are not publicly traded, if applicable.

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

**How is your financial advisor compensated?**

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

## Understanding how we are compensated for financial services

### 529 Education Savings Plans

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

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

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

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

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

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

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

**How is your financial advisor compensated?**

Your financial advisor receives a percentage of the sales charge received by Edward Jones. Your financial advisor also receives a portion of any ongoing payments, called distribution and/or service fees (12b-1 fees) paid to Edward Jones.

Certain 529 plan providers and some fund companies pay Edward Jones revenue sharing payments on assets in 529 plans. Revenue that Edward Jones receives from revenue sharing and shareholder accounting fees affects our overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Edward Jones Insured Bank Deposit Program

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

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

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

Banks selected for this program pay us a fee equal to a percentage of the average daily deposit balance in the deposit accounts at the bank.

The fee paid to Edward Jones may be as much as 2.5% annually on some deposit accounts.

**How is your financial advisor compensated?**

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

## Understanding How We Are Compensated for Financial Services

### Edward Jones Income Manager® Account

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

An Edward Jones Income Manager® account (“Income Manager”) is an account for cash and/or cash equivalents which allows you to consolidate income from multiple sources.

Income Manager is a cash management account that holds funds in the Edward Jones Insured Bank Deposit Program and/or Edward Jones Money Market Fund. Income Manager allows for systematic transfers of cash and/or cash alternatives from your brokerage account. An Income Manager account may not hold securities positions. For more information, please see [edwardjones.com/us-en/investment-services/account-options/cash-credit/savings-accounts](https://edwardjones.com/us-en/investment-services/account-options/cash-credit/savings-accounts).

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

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

**How is your financial advisor compensated?**

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

## Understanding how we are compensated for financial services

### Edward Jones Flex Funds™ Accounts

**What is an Edward Jones Flex Funds™ Account?**

An Edward Jones Flex Funds™ Account (“Flex Funds”) is a cash account, with check-writing functionality, designed for your short-term savings goals.

A Flex Funds account is a cash management account that holds funds in the Edward Jones Insured Bank Deposit Program and/or Edward Jones Money Market Fund. A Flex Funds account may not hold securities positions. For more information, please see [edwardjones.com/us-en/investment-services/account-options/cash-credit/savings-accounts](https://edwardjones.com/us-en/investment-services/account-options/cash-credit/savings-accounts)

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

We do not charge you a fee to establish a Flex Funds account. However, we may receive

account administrative or service fees for services utilized within your Flex Funds account (e.g., check reordering, stop payment). We also receive fees from program banks for deposits in the Edward Jones Insured Bank Deposit Program. We own the investment adviser to the Edward Jones Money Market Fund. We receive compensation for the distribution and shareholder accounting services we provide for the Edward Jones Money Market Fund.

**How is your financial advisor compensated?**

Your financial advisor does not receive direct compensation related to your Flex Funds account. However, deposits in the Flex Funds account impact the branch P&L credit for client assets under care. As a result, your financial advisor’s eligibility for a bonus will be positively impacted.

## Understanding How We Are Compensated for Financial Services

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

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

Edward Jones MasterCard® is a credit card. The creditor and issuer of the Edward Jones MasterCard® credit card with Loyalty Rewards® is Elan Financial Services, pursuant to a license from MasterCard International Incorporated.

MasterCard is a registered trademark of MasterCard International Inc. © 2016 Elan Financial Services. All rights reserved. Loyalty Rewards is a registered trademark of Edward Jones. For more information, please see [edwardjones.com/disclosures/account-features-terms/saving-spending-borrowing/index.html](http://edwardjones.com/disclosures/account-features-terms/saving-spending-borrowing/index.html).

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

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

To the extent that the Edward Jones Mastercard Program produces a profit for Elan after all expenses (including Edward Jones compensation upon card activation), Edward Jones receives additional compensation which is up to 60% of the program profit. For more information about the rates, fees, features and benefits associated with the use of your credit card, contact your financial advisor.

**How is your financial advisor compensated?**

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

The total revenue that Edward Jones receives affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.

## Understanding How We Are Compensated for Financial Services

### Edward Jones Visa® Debit Card

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

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

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

We do not charge you a fee to establish the Edward Jones Visa Debit Card. However, we may receive administrative fees for deposits tied to your debit card.

**How is your financial advisor compensated?**

Your financial advisor does not receive direct compensation related to your debit card. However, deposits in the account tied to the debit card may impact the branch P&L credit for client assets under care. As a result, your financial advisor's eligibility for a bonus will be positively impacted.

## Understanding How We Are Compensated for Financial Services

### Free Credit Balance

**What is a free credit balance?**

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

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

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

**How is your financial advisor compensated?**

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

## Understanding How We Are Compensated for Financial Services

### Margin Accounts/Personal Lines of Credit

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

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

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

We charge interest when you borrow against securities held in a margin account. The interest rate is tied to the effective prime rate, as long as the prime rate is equal to or greater than 4.0%. (We have a 4.0% base interest rate.) The prime rate is the prime rate as published in The Wall Street Journal. Your interest rate is determined monthly based on the total value of your "Pricing Group," which may include multiple accounts you and other related parties hold with Edward Jones. For more information, please see [www.edwardjones.com/disclosures/marginloans](http://www.edwardjones.com/disclosures/marginloans).

**How is your financial advisor compensated?**

Your financial advisor does not receive direct compensation from the interest you pay on your margin loan balance, but it does positively impact the branch's P&L (described above). If you need cash, we may have an incentive to recommend a margin loan instead of selling investments. Additionally, your financial advisor has an incentive to recommend that you maintain a margin loan balance and to grow the balance, instead of using available cash or new investments to pay down the loan. For more information, please see [edwardjones.com/disclosures/marginloans](http://edwardjones.com/disclosures/marginloans).

## Revenue Sharing Disclosure

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Edward D. Jones & Co., L.P. (“Edward Jones”) is a registered broker-dealer and investment adviser in the United States and is wholly owned by the Jones Financial Companies, L.L.L.P. (“JFC”). Edward Jones receives payments known as revenue sharing from certain mutual fund companies, 529 plan program managers and insurance companies (collectively referred to as “product partners”). Virtually all of Edward Jones’ transactions relating to mutual funds, 529 plans and annuity products involve product partners who pay revenue sharing to Edward Jones. We do not receive revenue sharing payments on assets within investment advisory programs. We want you to understand that Edward Jones’ receipt of revenue sharing payments creates a potential conflict of interest in the form of an additional financial incentive and financial benefit to the firm, our financial advisors and equity owners in connection with the sale of products from these product partners. For the year that ended on December 31, 2021, Edward Jones received revenue sharing payments of approximately \$313.2 million from mutual fund and 529 product partners and \$6.6 million from annuity product partners. For that same period, the total revenue of JFC and its affiliates was \$12.4 billion.

Revenue sharing, as received by Edward Jones, involves a payment from a mutual fund company’s adviser or distributor, a 529 plan program manager, or an insurance company or the entity that markets an annuity contract. It is not an additional charge to you. These payments are in addition to standard sales loads, distribution and/or service fees (12b-1 fees), expense reimbursements, and sub-transfer agent fees for maintaining client account information and for providing other administrative services for mutual funds (shareholder accounting and networking fees). These payments are also in addition to fees for maintaining technology and providing other administrative services for insurance products (inforce contract service fees).

Mutual fund and 529 plan product partners make revenue sharing payments to Edward Jones based on the value of assets under management, known as an asset-based fee. For example, if a product partner pays Edward Jones a revenue sharing payment that is 0.1% of the value of assets under management on an annualized basis and you make a \$10,000 purchase of an investment, hold it for a year, and its value remains the same, the product partner would make a \$10 payment to Edward Jones. For every subsequent year you continue to hold that \$10,000 investment in your Edward Jones account, the product partner would make another \$10 payment to Edward Jones, assuming no change in the value of your investment. Revenue sharing payments increase or decrease from year to year with changes in the value of the related assets.

Variable annuity product partners pay Edward Jones a one-time fee based on the amount of the product sold. This approach is referred to as a sales-based fee and is based on the dollar value of your initial purchase and any subsequent contributions you make to the contract. For example, if a product partner pays Edward Jones 0.25% for each dollar you invest or use to purchase a variable annuity product, if you made a \$10,000 investment, the product partner would pay Edward Jones \$25.

Edward Jones has designated many, but not all, of the product partners that pay revenue sharing to Edward Jones as strategic product partners. This designation means that Edward Jones has determined these product partners have a broad or strategically aligned spectrum of investment and annuity solutions designed to meet a variety of our client needs. Edward Jones grants strategic product partners greater access to certain information about our business practices. In addition, these product partners have frequent interactions with our financial advisors to provide training, marketing support and educational presentations. Non-strategic product partners that pay revenue sharing may receive similar treatment.

Most of the mutual funds, 529 plans and annuity products sold by Edward Jones involve strategic product partners and, as noted above, most of these product partners pay revenue sharing to Edward Jones. The names of strategic product partners are shown in bold and italics on the following revenue sharing summary tables. While Edward Jones financial advisors may sell, and our clients are free to select, funds from many mutual fund companies, we predominantly promote mutual fund strategic product partners. With regard to variable annuities, Edward Jones’ financial advisors have limited access to the products and services of insurance carriers that do not pay revenue sharing.

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

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

<b>Mutual Fund Companies: Revenue Sharing Summary</b>		
<b>Paid by</b>	<b>Revenue Sharing Payment – Maximum Annual Asset Fee</b> (Based on \$10,000 of eligible Product Partner assets held by clients at Edward Jones)	<b>Total 2021 Revenue Sharing Payments Received<sup>1</sup></b>
<i>American Funds Distributors, Inc.</i>	\$3.50	\$121.8 million <sup>2</sup>
<i>BlackRock Investments, LLC</i>	\$13.00	\$11.3 million
Eaton Vance Distributors, Inc.	\$10.00	\$0.0 <sup>3</sup>
Federated Securities Corp.	\$10.00	\$0.4 million
Fidelity Distributors Company LLC	\$13.00	\$0.0 <sup>4</sup>
<i>Franklin Templeton Distributors, Inc.</i>	\$6.00	\$31.8 million
Goldman Sachs Asset Management, L.P.	\$13.00	\$2.1 million
<i>Hartford Investment Financial Services, LLC</i>	\$13.00	\$23.4 million
<i>Invesco Distributors, Inc.</i>	\$13.00	\$31.7 million
<i>John Hancock Funds, LLC</i>	\$13.00	\$11.7 million <sup>5</sup>
<i>J.P. Morgan Investment Management Inc.</i>	\$13.00	\$18.6 million
<i>Lord Abbett &amp; Co., LLC</i>	\$10.00	\$16.7 million
<i>MFS Fund Distributors, Inc.</i>	\$11.00	\$36.9 million <sup>6</sup>
Nuveen Securities, LLC	\$13.00	\$2.7 million
<i>PGIM Investments, LLC</i>	\$13.00	\$3.7 million
PIMCO Investments, LLC	\$5.00	\$0.4 million <sup>7</sup>
<b>529 Plan Program Managers: Revenue Sharing Summary</b>		
<b>Paid by</b>	<b>Revenue Sharing Payment – Maximum Annual Asset Fee</b> (Based on \$10,000 of eligible Product Partner assets held by clients at Edward Jones)	<b>Total 2021 Revenue Sharing Payments Received<sup>1</sup></b>
<i>American Funds Distributors, Inc.</i>	\$3.50	\$__ <sup>2</sup>
<i>MFS Fund Distributors, Inc.</i>	\$11.00	\$__ <sup>6</sup>
<b>Annuity Product Providers: Revenue Sharing Summary</b>		
<b>Paid by</b>	<b>Revenue Sharing Payment – Maximum Annual Sales Fee</b> (Based on \$10,000 of eligible Product Partner assets purchased by clients at Edward Jones)	<b>Total 2021 Revenue Sharing Payments Received<sup>1</sup></b>
<i>American General Life Insurance Company and The United States Life Insurance Company in the City of New York</i>	\$25.00	\$2.2 million
Brighthouse Securities, LLC (formerly MetLife Investors Insurance Company Inc. and First MetLife Investors Insurance Company)	\$25.00	\$0.0
<i>Lincoln National Life Insurance Company and Lincoln Life and Annuity Co. of NY</i>	\$25.00	\$1.7 million
Nationwide Life Insurance Company	\$25.00	\$0.0 <sup>8</sup>
<i>Pacific Life &amp; Annuity Company, Pacific Life Insurance Company and Pacific Select Distributors, Inc.</i>	\$25.00	\$0.9 million
<i>Protective Life Insurance Company and Investment Distributors, Inc.</i>	\$25.00	\$1.8 million
<i>Prudential Annuities Distributors, Inc., Pruco Life Insurance Company of New Jersey and Pruco Life Insurance Company</i>	\$25.00	\$0.0
<i>Transamerica Capital, Inc.</i>	\$25.00	\$0.0

- 1 The total 2021 revenue sharing payments received have been reported under the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP).
- 2 Included in the revenue denoted above, American Funds Distributors, Inc. ("American Funds") made an additional \$5 million non-asset-based revenue sharing payment to Edward Jones. For further information on these payments, see the American Funds' prospectuses. Any revenue received in connection with 529 plan assets for which American Funds is the program manager is included in the total reflected on the mutual fund companies table.
- 3 The agreement with Eaton Vance became effective April 1, 2022.
- 4 The agreement with Fidelity became effective June 1, 2022.
- 5 In addition to asset-based fees, the amounts received include fees paid by John Hancock for its participation at conferences, seminars, programs and/ or other events sponsored by Edward Jones.
- 6 Any revenue received in connection with 529 plan assets for which MFS Funds is the program manager is included in the total reflected on the mutual fund companies table. On February 23, 2022, MFS Funds agreed to cease payment of revenue sharing on 529 plan assets.
- 7 The agreement with PIMCO Investments, LLC became effective as of April 1, 2021.
- 8 The agreement with Nationwide Life Insurance Company became effective as of Feb. 7, 2022.

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## Edward Jones Shareholder Accounting Disclosure

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### Networking and Shareholder Accounting Fees

Edward D. Jones & Co., L.P. ("Edward Jones") is a registered broker-dealer and investment advisor in the United States and is wholly owned by the Jones Financial Companies, L.L.L.P. ("JFC"). Edward Jones has entered into Networking agreements and shareholder accounting agreements with many mutual fund companies, including all of our strategic mutual fund families, to perform certain services for the mutual fund companies. Virtually all of Edward Jones' transactions relating to mutual funds and 529 plans involve product partners that pay shareholder accounting and/or Networking fees to Edward Jones. We want you to understand the receipt of these fees creates a potential conflict of interest in the form of an additional financial incentive and benefit to us, our financial advisors, and equity owners in connection with the sale of products from these product partners. For the year ended December 31, 2021, Edward Jones earned \$436 million in shareholder accounting and Networking fees, which represented approximately 3.5% of the total revenue for JFC and its affiliates.

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

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

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

company; facilitating purchases, redemptions and exchanges; and responding to client inquiries regarding their mutual fund holdings. Mutual fund companies pay Edward Jones up to \$19 per mutual fund position or up to 25 basis points (.25%) of total invested assets in the mutual fund annually for these services.

Edward Jones was paid up to \$10 annually per mutual fund position for Networking services by each mutual fund company. Therefore, if you own multiple funds offered by mutual fund families for which we have a shareholder accounting agreement, we will receive payment for each individual mutual fund.

The industry utility National Securities Clearing Corporation (NSCC) facilitates electronic transactions between Edward Jones and mutual fund companies using a service called Networking. Under Networking agreements, Edward Jones agrees to perform certain duties, including (but not limited to): transmission of mutual fund trades; settlement of such trades; account maintenance and processing of distributions and dividends on behalf of a mutual fund company; facilitating purchases, redemptions and exchanges; and responding to client inquiries regarding their mutual fund holdings. Edward Jones was paid up to \$10 annually per mutual fund position for Networking services by each mutual fund company. Therefore, if you owned multiple funds offered by mutual fund families for which we had a Networking agreement, we received payment for each individual mutual fund. Edward Jones discontinued collecting Networking fees after 2021 as nearly all services transitioned to shareholder accounting agreements.

For the year ended December 31, 2021, Edward Jones received shareholder accounting and/or Networking payments from the product partners detailed in the following summary table:

1919 Family of Funds	Champlain	Jackson Square	Principal
Aberdeen	Charles Schwab	Janus	Putnam Funds
Acadian	Cohen and Steers	Jensen	RiverPark
AIG Funds	Columbia	John Hancock Funds	RMB Funds
Alger	Congress	JP Morgan	Royce
Alliance Bernstein	Credit Suisse	Lazard	Russell Funds
Allianz	Davis	Legg Mason	SBH Funds
Amana	Delaware	Lord Abbett Funds	SIT Funds
American Beacon	Diamond Hill	MainStay	Sterling
American Century	DWS Funds	Manning & Napier	T. Rowe Price
American Funds	Eaton Vance	Meridian	TCW
AMG	Edgewood Management	Metropolitan West	Third Avenue
Aquila	Federated	MFS	Thornburg
Ariel	Fidelity	Miller	TIAA-CREF Funds
Artisan	First Eagle	Morgan Stanley Funds	Timothy Plan
Ave Maria	FPA	Nationwide Funds	Touchstone
Baillie Gifford Funds	Franklin Templeton	Natixis	Transamerica
Baird	Gabelli	Neuberger Berman	USAA
Baron	Goldman Sachs	Nicholas	Value Line
BlackRock	Grandeur Peak	North Square	Van Eck Family of Funds
BNY Mellon Family of Funds	Guggenheim	Nuveen Funds	Victory
Brown Advisory	Guidestone	Pacific Life	Virtus
Brown Capital	Harbor	Parnassus	Voya
Buffalo	Hartford Mutual Funds	Pax World	Wasatch
Calamos	Hennessy	Pear Tree	Wells Fargo
Calvert	Hotchkis & Wiley	PGIM Funds	William Blair
Cambiar	Integrity Viking	PIMCO	
Carillon	Invesco	Pioneer	
Causeway	Ivy	PRIMECAP Odyssey	

## Edward Jones Inforce Contract Service Disclosure

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Edward D. Jones & Co., L.P. (“Edward Jones”) is a registered broker-dealer and investment advisor in the United States and is wholly owned by the Jones Financial Companies, L.L.L.P. (“JFC”). Edward Jones has entered into inforce contract service agreements with certain insurance companies, including all of the issuers of variable annuities available for purchase in your Select Account, to maintain technology and provide other administrative services in support of certain issued and outstanding insurance contracts. We receive payments for providing these services.

We want you to understand the receipt of these payments creates a conflict of interest in the form of an additional financial incentive and benefit to us, our financial advisors and equity owners in connection with these contracts. For the year ended Dec. 31, 2020, Edward Jones earned \$64.1 million in inforce contract service payments, which represented approximately 0.6% of the total revenue for JFC and its affiliates.

Inforce contracts are previously sold insurance contracts with Edward Jones identified as the agent/broker of record. Edward Jones agrees to maintain technology and provide other administrative services in support of this existing business. This

support may include facilitating communication between the insurance company and Edward Jones’ operation and service support personnel; receiving and storing contract descriptions and other contract information from the insurance company; maintaining and using the systems and processes necessary to facilitate certain client transactions; and retaining the necessary operational staff to provide support to Edward Jones’ financial advisors to support clients with insurance contracts.

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

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

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