

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.