

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.