

## Important information about our brokerage services

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### The purpose of this disclosure

At Edward Jones, our approach to financial services is different. By living and working in your community, our financial advisors meet with you personally to discuss investment strategies and help you achieve your goals. One of our core values is that our clients' interests come first, and we're providing this disclosure to you, a retail investor, because we want you to understand the material facts about a brokerage relationship with us, including:

- The capacity in which we will act;
- Details and resources about the material fees and costs you will incur in your account;
- The type and scope of the services we will provide in your brokerage account, including any material limitations related to products, our investment philosophy and general risks; and
- Material facts related to conflicts of interest associated with our recommendations.

Throughout this document, we have included links to more detailed information. We encourage you to review the referenced links and disclosures on [www.edwardjones.com](http://www.edwardjones.com), as well as any applicable statements, trade confirmations, prospectuses, statements of additional information, offering statements, annuity contracts, insurance policies or plan information. If you have any questions about this disclosure, please talk with your financial advisor.

### Material facts about your brokerage relationship with Edward Jones

We offer 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. We must act in your best interest at the time a recommendation is made, without placing our financial or other interest ahead of yours.

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. Under this regulation's provisions, we must: give you prudent and loyal advice; avoid misleading statements about conflicts of interest, fees, and investments; and charge no more than is reasonable for our services.

Acting in the capacity of a broker-dealer is different from acting as an investment adviser. Edward Jones is a registered broker-dealer and investment adviser. Edward Jones offers investment advisory services through our investment advisory programs. For more information about the differences between an investment adviser and a broker-dealer, please talk with your financial advisor or see a copy of the Edward Jones Client Relationship Summary (Form CRS) at [www.edwardjones.com/FormCRS](http://www.edwardjones.com/FormCRS).

Our Select Accounts are non-discretionary transactional brokerage accounts. 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. Fees and costs within your Select Account are more fully described below.

### Material fees and costs that may apply to your transactions, holdings and account(s)

Below is a summary of the material fees and costs that may apply to your transactions, holdings and account. Additionally, some of the costs described in the section titled "Internal Costs, Fees and Expenses of Certain Investments" are not direct fees or costs you pay to us, but they will reduce your return on your investment(s).

You will also find references to more detailed and specific information regarding referenced fees and costs. To learn more about fees and costs, and the compensation received by Edward Jones and your financial advisor, please talk with your financial advisor or visit [www.edwardjones.com/compensation](http://www.edwardjones.com/compensation).

**Transactional costs for investments** – Your financial advisor may offer education, advice and recommendations to you about investments, and you pay us certain costs described below for transactions within your account.

You pay a commission each time you buy or sell certain investments such as a stock, exchange-traded funds (ETFs), master limited partnership (MLP), real estate investment trust (REIT) or preferred stock. The commissions on these trades 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. You also pay a commission or pay a markup or markdown when you buy or sell a bond or certificate of deposit (CD). Edward Jones earns revenue from clients when we sell you a security from our inventory at a price that is higher than the prevailing market price (a markup) or when we buy a security from you at a price that is lower than the prevailing market price (a markdown). 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 0.75% 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. In certain instances, your financial advisor is permitted to discount the commission or markup on a trade.

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 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% 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. With a fixed-income UIT purchase, 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 amounts of transactions, types of investments, specific funds and any applicable discounts or breakpoints. Larger-size trades may result in lower sales charge rates. More detailed information about specific commission rates, sales charges, breakpoints/discounts and costs 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.

- **Example of a stock purchase:** If you authorize your financial advisor to purchase \$5,000 of a stock, you would pay a 2.5% commission (\$125) plus a \$4.95 transaction fee, for a total transactional cost paid to us of \$129.95,<sup>1</sup> plus the principal amount of the trade.
- **Example of a mutual fund purchase:** If you authorize your financial advisor to purchase \$5,000 of a Class A share of a mutual fund with a 5% front-load sales charge, with no breakpoints, you would pay \$250, reducing your amount invested to \$4,750.

**Distribution and/or service fees (12b-1 fees)** – 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 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. We pay a portion of these fees to your financial advisor. The 12b-1 fee reduces the return from your mutual fund. More detailed information can be found in the applicable product prospectus or plan information, or by speaking with your financial advisor.

**Trail commissions** – 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. We pay a portion of these fees to your financial advisor. The trail commissions reduce the return from your variable annuity. More detailed information can be found in the applicable annuity prospectus or annuity contract, or by speaking with your financial advisor.

**Variable life insurance** – 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 years 2-10 of the policy). This additional revenue may be called renewal commissions. More detailed information can be found in the insurance policy or by speaking with your financial advisor.

#### **Internal costs, fees and expenses of certain investments**

– 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. Additional information about a particular product's internal costs, fees and expenses can be found in the product's applicable prospectus, statement of additional information, offering statement, contract, policy or plan information.

**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 with your financial advisor or review your applicable account Schedule of Fees at [www.edwardjones.com/accountfees](http://www.edwardjones.com/accountfees).

**Margin fees** – 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 visit [www.edwardjones.com/us-en/disclosures/account-features-service-terms/saving-spending-borrowing](http://www.edwardjones.com/us-en/disclosures/account-features-service-terms/saving-spending-borrowing).

## Type and scope of services provided to you

**Classification of your account** – Select Accounts at Edward Jones are brokerage accounts and are classified as either non-retirement or retirement accounts. Accounts can be opened jointly or individually; by a representative fiduciary, trustee or other type of representative; or by certain types of entities. There is no minimum amount to open and maintain a Select Account. The terms and conditions, including the obligations of each party, are listed at [www.edwardjones.com/agreements](http://www.edwardjones.com/agreements).

Please visit [www.edwardjones.com/disclosures/account-features-service-terms](http://www.edwardjones.com/disclosures/account-features-service-terms) for additional information about the following:

- Certain investments, including equities and fixed income;
- Our policies on order execution and routing;
- Our systematic transactions disclosure and online services terms and conditions, including the terms and conditions applicable to e-delivery, texting and electronic signature; and
- Linking your outside accounts.

**Our investment philosophy and strategy** – We believe in a thoughtful, straightforward investment philosophy rooted in three investment principles working together:

1. Quality
2. Diversification
3. A long-term focus

All three of these elements work together. We believe a long-term strategy is the best way to build and preserve your financial security. We also believe clients are more likely to be successful owning quality investments. We develop our investment advice and guidance using time-tested strategies that avoid investment fads and overly complex instruments that are more likely to confuse and be misunderstood. While diversification does not ensure a profit or protect against loss in declining markets, we believe a well-diversified portfolio of quality investments, aligned with a client's goals and risk tolerance, will lead to more successful outcomes over time.

**Your Account Portfolio Objective** – Before you start investing in your account, you 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. 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 help us recommend an appropriate Portfolio Objective for both your account and the goal to which your account is assigned. You are responsible for choosing either a recommended Portfolio Objective or an alternative Portfolio Objective for your account, if available. If any information 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).

Recommendations to buy, sell or exchange investments will be provided to you 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.

**Review of your account with your financial advisor** – We do not provide investment or account monitoring with our brokerage accounts. However, we may voluntarily review your account to determine whether to recommend a securities transaction or an investment strategy involving a security to better align your account with our investment guidance.

**Summary of how we select investments available in your account** – We are selective about the investments we make available for purchase in your account. That's because we know you're working to achieve important milestones in your life, and we want to provide what we believe are appropriate investment choices for you.

We use a disciplined approach to select the investments available to you. We strive to find those that align with our focus on quality investments, work well together in a diversified portfolio, and are compatible with our long-term philosophy. This gives you and your financial advisor a starting point for choosing investments depending on your goals, situation and the amount of risk you're willing to take.

With hundreds of thousands of investment options out there today, we start by narrowing down investments such as publicly traded stocks, bonds and mutual funds using characteristics such as:

- Track record
- Debt and cash flow
- Credit risk and other types of risk
- Management
- Investment process
- Geography

This allows you and your financial advisor to focus on which of those investments will work for you and your personal goals and risk tolerance.

Investments always carry risks, and there are no guarantees when investing. Please read the "General Risks and Disclosures" section below for more information.

**Material limitations on investments in your account –**

- **Limitations on mutual funds:** All mutual funds available for purchase in your Select Account have entered into shareholder accounting agreements (described more fully below) with Edward Jones and provide ongoing compensation to Edward Jones. Edward Jones also limits the purchase of mutual funds available in your Select Account to funds that charge a front-end sales charge. Additionally, Edward Jones limits the mutual fund share classes available for purchase within Select Accounts to Class A shares or shares with similar sales charge and expense structures. Please note, these limitations are not applicable to the funds you may purchase through a 529 plan.
- **Limitations on variable annuities:** All variable annuities available for purchase of new contracts have entered into inforce contract service agreements with Edward Jones. They also provide ongoing compensation to Edward Jones. As described more fully below, Edward Jones has entered into these agreements to maintain technology and provide other administrative services in support of issued and outstanding variable annuities. Additionally, Edward Jones limits the share classes available for new variable annuity contract purchases to Class O shares.

**Resources for additional information about Edward Jones and your financial advisor –** You may find additional information about Edward Jones and its financial advisors using FINRA's BrokerCheck (<https://brokercheck.finra.org>), the Investment Adviser Public Disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) or other databases maintained by any state or federal agency that may contain similar information.

**General risks and disclosures –** While we will take reasonable care in developing and making recommendations to you, securities involve risk, and you may lose money. There is no guarantee that you will meet your investment goals or our recommended investment strategy will perform as anticipated. If you place unsolicited trades or trades that are otherwise against our recommendations, this may impact your diversification and/or the potential range of returns within your account. Please consult available offering documents for any security we recommend to see a discussion of specific risks associated with the product. We can provide those documents to you or help you find them.

- **Conditions beyond Edward Jones' control:** There is always a risk that conditions beyond Edward Jones' control – such as war, terrorism, civil unrest, natural disaster, government restrictions or rulings, interruptions of systems, health issues or labor unrest – may pose a risk to your investments or investment strategies.
- **Cybersecurity risk:** The computer systems, networks and devices used by Edward Jones and our service providers employ a variety of protections designed to protect against damage or interruption from computer viruses, network/computer failures and cyberattacks. Despite such protections, systems, networks and devices could be breached. Cyber incidents may cause disruptions and impact business operations, potentially resulting in financial losses, the inability

of Edward Jones or service providers to trade, violations of privacy and other laws, regulatory fines, reputational damage, reimbursement costs and additional compliance costs, as well as the inadvertent release of confidential information.

**How Edward Jones and your financial advisor are compensated****How Edward Jones is compensated for financial services –**

Edward Jones earns revenue from our clients, as well as from product providers and money managers (“third parties”) who assist us in providing the investments and services we offer you in your account. Our revenue from clients includes commissions, markups and markdowns, sales charges, transaction fees, interest on margin loans and miscellaneous account service fees. Our revenue from third parties includes ongoing 12b-1 fees, trail commissions, renewal commissions, revenue sharing, shareholder accounting fees, inforce contract service agreements and training and marketing expenses.

**How your financial advisor is compensated for financial services –**

In your account, your financial advisor receives 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. The amount of this compensation differs depending on the investment type and transaction amount.

Your financial advisor generally receives between 36% and 40% of the revenue Edward Jones receives from the transactional revenue and ongoing 12b-1 fees, trail commissions and revenue from premiums generated by activity in your Select Account. 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.

Each mutual fund sets its own sales charge for the cost of purchasing shares in the fund, which results in Edward Jones and your financial advisor potentially receiving a different amount of compensation depending on the fund you purchase. To reduce these potential compensation differences for your financial advisor, 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.

Please ask your financial advisor to explain any commissions, sales charges, markups/markdowns, fees/internal costs and expenses that may apply to any investments you consider.

Financial advisors may also receive additional variable cash and noncash compensation through internal incentive programs, new asset accumulation bonuses, branch profitability bonuses, firm

profit sharing, education and training, awards and recognition, third-party gifts and entertainment, and participation in our domestic and international travel awards program (or cash in lieu of travel). Eligibility for these types of compensation is based on several factors including:

- The amount of revenue generated from all your accounts;
- The amount of assets under care in the branch and at Edward Jones Trust Company; and
- The revenues and expenses of Edward Jones assigned to your financial advisor's branch.

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.

New financial advisors are eligible to receive a supplemental salary for up to four years. All financial advisors receive either a minimum guaranteed salary in an amount determined by federal and state law or a set base payment that does not vary based on the quality or quantity of the work.

Financial advisors who work as part of Edward Jones Connection or are based in Edward Jones' headquarters to serve employee accounts do not receive variable direct compensation based upon client activity, including commissions or fees. Instead, these financial advisors receive a salary.

## Material facts regarding conflicts of interest associated with recommendations

When we provide you with a recommendation regarding securities transactions or investment strategies involving securities in your account, we must act in your best interest, within the meaning of Regulation Best Interest, and must not put our interests ahead of yours.

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.

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

We encourage you to review the referenced links and information below. Ask your financial advisor questions as needed to help you understand these disclosures or if you have additional questions.

**Recommendations regarding securities** – The compensation Edward Jones and your financial advisor receive when you buy, sell, hold or exchange investments within your 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 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 that of 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 among 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 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 you purchase investments such as a mutual fund, 529 plan, variable annuity or variable life insurance policy that generate revenue 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, a 529 plan or an annuity than from an ETF, a stock or a 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, 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 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 from your first-year premium.

The percentage Edward Jones receives is the same for all insurance providers we work with, and your financial advisor receives a portion of this revenue. Edward Jones also receives a portion of the premium you pay after the first year as revenue for a set number of years (generally years 2-10 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 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 receives additional compensation from mutual fund companies, 529 plans, 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 visit [www.edwardjones.com/revenuesharing](http://www.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. 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. 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 charges, 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 fees). These payments are also in addition to fees for maintaining technology and providing other administrative services for insurance products (inforce contract service fees).

- **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 your account, to perform certain services for the mutual fund companies. Being a strategic mutual fund product partner means that Edward Jones has determined these mutual fund product partners have a broad or strategically aligned spectrum of investment solutions designed to meet a variety of our clients’ needs.

Edward Jones grants strategic mutual fund 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. Virtually all of Edward Jones’ transactions relating to mutual funds and 529 plans involve product partners that pay shareholder accounting fees to Edward Jones, including all mutual funds available for purchase in a Select Account.

Under a shareholder accounting agreement, Edward Jones agrees to perform certain transfer agent support services, which may include:

- Tracking the holdings of a fund for a client;
- Distributing dividends and shareholder information for the mutual fund 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 (0.25%) of total invested assets in the mutual fund annually for these services. 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.

- **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 your Select Account, to maintain technology and provide other administrative services in support of certain issued and outstanding annuities and life insurance policies. In exchange for this support, insurance companies generally pay Edward Jones up to 25 basis points (0.25%) 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. If you own multiple insurance contracts in which we have an inforce contract service agreement, we will receive payment for each individual contract.

**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 toward 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 noncash 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 that, 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 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 visit [www.edwardjones.com/advisoryagreements](http://www.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. If you have 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, Edward Jones Trust Company, for the referral and ongoing support of accounts managed by Edward Jones Trust Company. The payout level may vary based on your financial advisor's years of experience and office location. This creates an incentive for your financial advisor to recommend your use of the services of 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 revenue associated with the investment option you choose for your uninvested funds. 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 noncash 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 trade-offs of these options with your financial advisor. Interest rates are available at [www.edwardjones.com/rates](http://www.edwardjones.com/rates).

If the Edward Jones Money Market Fund ("Fund") is available as a cash sweep option in your account, all uninvested cash balances in your account are automatically swept into the Fund. The investment adviser to the Fund, Olive Street Investment Advisers, LLC ("Olive Street"), is an affiliate of Edward Jones. The Fund pays Olive Street a management fee and pays Edward Jones separate fees for performing services for the Fund or its shareholders, including distribution services, shareholder services, administrative services, and transfer agent services. While your financial advisor does not receive any portion of this revenue, it does have a positive financial impact on overall firm profitability.

**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 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 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 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 its 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 the 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 roll over 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 noncash 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 Award Program** – Our financial advisors may be eligible to participate in the Edward Jones Travel Award Program, which includes domestic and international trips, or a cash award in lieu of a trip. Eligibility for a Travel Award 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 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 that balance instead of using available cash or new investments to pay down the loan.

**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.

**Noncash 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 noncash 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 account, including developing policies and procedures, supervisory systems, processes and controls, compensation and incentive policies, disclosures, agreements and training. If you have any questions about conflicts of interest, please talk with your financial advisor or review the information referenced throughout this document.

## Additional information and resources

For additional information about the topics discussed in this document, please talk with your financial advisor or review the following resources:

- **Information about our brokerage services:** [www.edwardjones.com/RegBdisclosures](http://www.edwardjones.com/RegBdisclosures)
- **Account agreements:** [www.edwardjones.com/agreements](http://www.edwardjones.com/agreements)
- **Account schedules of fees:** [www.edwardjones.com/accountfees](http://www.edwardjones.com/accountfees)
- **Understanding how we are compensated for financial Services:** [www.edwardjones.com/compensation](http://www.edwardjones.com/compensation) (pdf)
- **Edward Jones client relationship summary:** [www.edwardjones.com/FormCRS](http://www.edwardjones.com/FormCRS) (pdf)
- **Revenue sharing, shareholder accounting, inforce contract and unit investment trust additional compensation disclosures:** [www.edwardjones.com/revenuesharing](http://www.edwardjones.com/revenuesharing)
- **Financial Reports:** [www.edwardjones.com/financialreports](http://www.edwardjones.com/financialreports)

<sup>1</sup> Your total costs and fees may vary. This example is for illustrative purposes only and does not account for discounts or trades executed over multiple days.