

# Mutual Fund Research: A Behind-the-Scenes Look

You work closely with your Edward Jones advisor and branch team - but they don't work alone. Investment professionals and strategists in our home office are dedicated to developing guidance to help you reach your financial goals. And among the many home office investment professionals at work is the Mutual Fund Research team, which partners with your advisor to find and monitor the funds we believe are best-suited for your investment portfolio.

## What we look for in a fund

In Mutual Fund Research, our strategic guidance is built on four key elements we believe should be considered when recommending a mutual fund. Importantly, these elements are forward-looking characteristics - which help to avoid the common pitfall of judging a fund favorably based on past performance alone.

To assess these key factors, the Mutual Fund Research team annually conducts over a thousand meetings and on-site visits with mutual fund investment teams - helping ensure we select quality funds, and providing you and your advisor with mutual fund choices designed to suit your individual needs.



## Experienced Teams Working for You

### Investment Policy Committee -

Senior leaders and strategists who continually evaluate the investment environment to assess our market outlook, identify risks and opportunities, and review strategies and guidelines.

**Product Review** - A team responsible for conducting unbiased analysis and review of new and existing investment types to ensure each meets our quality standards.

**Research Analysts** - A team that performs ongoing due diligence and research on specific investments and developing recommendations on stocks, bonds, mutual funds and exchange-traded funds (ETFs).



## Investing Advantage

A mutual fund needs to have an investing advantage relative to its peers. We need to understand why the investing advantage exists, how it is evolving and who on the investment team is most important to the continued execution of this advantage. Because teams change and evolve, we are continually reassessing the impact of team changes on a fund's investing advantage.



## Risk Management

A fund should have risk management embedded in the culture of the firm. Additionally, it should have effective oversight and monitoring at the organizational and investment-professional levels. When we meet with risk professionals, we also discuss how they monitor risks in the portfolio, to ensure there is appropriate oversight and that risks are being managed in line with our expectations.



## Continuity

Because our investing philosophy at Edward Jones focuses on the long term, it is important that a mutual fund can be held as a long-term investment. Accordingly, we prefer a fund be part of an organization that encourages long-term investing. Succession planning for key investment personnel is an important component of a fund's continuity. Change is inevitable, but if managed properly it shouldn't be disruptive.



## Cost

Cost is an important factor in any investment decision, including mutual funds. When assessing cost, value also must be considered. Analyzing the first three factors -- investing advantage, risk management and continuity -- help us determine if a mutual fund's fee is appropriate given the value it provides.

## Providing the Highest Quality Research Analysis Through Professional and Educational Experience

Every day, our team of 25 professionals is dedicated to working in partnership with your advisor to find and monitor funds we believe are best suited to help you achieve your financial goals.

One way we show our dedication is by requiring every analyst on our team to attain the Chartered Financial Analyst designation (CFA), which provides a strong foundation of advanced investment analysis and portfolio management. Typically it will take an analyst two to three years of study to complete, and requires relevant professional experience as well. It is a commitment we make to you and your advisor to expand our skillset, aiming to offer the highest-quality analysis.

Additionally, a portion of our compensation is based on how our recommendations perform, so we are appropriately aligned with your best interests.

## Partnership

Once you and your advisor have developed an investment strategy that is appropriate for your goals and risk tolerance, we ultimately want to ensure your portfolio includes funds with a clear investing advantage, strong risk management practices, good long-term continuity, and all at an appropriate cost.