

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 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, our financial advisors and the equity owners of our firm may benefit financially from fees, commissions and other payments from you and our investment providers. These financial incentives may create a conflict of interest. We believe that the best investor is a well-informed investor. This disclosure document will give 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 and costs for our services before you invest or borrow money
- Ask your financial advisor questions to help you understand the commissions and fees you may pay
- Review your account statements and trade confirmations for the fees, commissions and costs that impact your account(s) with us

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How is Edward Jones compensated for financial services?

We earn our revenue primarily from our clients. We also earn revenue 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 on your price when you buy or sell securities (This applies when we act as principal, buying and selling from our own inventory, primarily for bonds)
- Sales loads (sales charges), commissions or concessions derived from the offering and sale of various managed investments such as mutual funds, insurance, segregated funds and annuities
- Fees based on the value of your assets in our fee-based programs
- Interest on margin accounts
- Miscellaneous fees such as fees for registered retirement accounts, wire transfers, returned cheques and account transfer fees.

Our revenue from third parties includes:

- Payments from mutual fund and insurance companies in the form of service fees, trailing commissions or renewal commissions, which are fully described in the applicable prospectus or offering document
- Referral fees from mortgage providers
- Profits from our trading activities and foreign exchange transactions
- Interest earned on investment of free credit balances in client accounts
- Underwriting discounts or concessions connected to new offerings of equity, fixed-income or other investments
- 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

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. Please ask your financial advisor to explain any commissions, sales charges, markups and fees which may apply to any investments you may consider. Your financial advisor receives compensation and may receive opportunities which may be interpreted as a type of incentive, including:

Commissions – When you buy or sell certain investments, such as stocks, bonds and exchange-traded funds, you pay a commission or a sales charge. The amounts differ depending on the investment and the amount of the transaction. Edward Jones also receives payments from the mutual fund or insurance companies if you buy mutual funds, annuities or insurance policies. Edward Jones pays your financial advisor a portion of these charges and payments which may vary based on your financial advisor’s years of experience, the type and amount of the investment, and discounts, if any.

Asset-based Fees (Fee-based Programs) – When you participate in one of our fee-based programs, you pay a monthly fee as a percentage of assets to Edward Jones instead of commissions for each buy or sell transaction. The fee is based on the value of your account. An administrative fee is assessed for certain record-keeping and accounting services. If you participate in the Edward Jones Portfolio Program or Edward Jones Guided Portfolios Program, you pay one all-inclusive fee, a portion of which is used to compensate the money manager(s). In all Edward Jones Fee-Based Programs, a portion of your fees are paid to your financial advisor. The payout level to your financial advisor will depend on the account value taking into account any fee reductions if applicable to the program. In addition, the payout level will vary based on years of experience. For information about our fee-based programs, please see <https://www.edwardjones.ca/investments-services/wealth-management/index.html>

Account-based Fees – Your account fees depend on the

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type of accounts you have with us. For brokerage accounts and individual retirement accounts, please see <https://www.edwardjones.ca/investments-services/retirement-education-brokerage/index.html>

Trailing Commissions – In general, mutual fund companies pay a portion of its management fee to the dealer handling your portfolio as a trailing commission (or trailer fee). It is paid for as long as you own the Fund for the services and advice that your financial advisor and their firm provide to you. We pay a portion of these fees to your financial advisor which will vary based on years of experience. The trailing commission reduces the amount you earn from your mutual fund or variable annuity. For more detailed information, ask your Edward Jones financial advisor for a prospectus or offering document.

New Asset Bonuses – During a financial advisor's first three years after being registered, Edward Jones pays monthly bonuses based on the accumulation of specified new assets brought to the firm.

Internal Incentive Programs – We may offer internal incentive programs that may provide financial advisors and branch office administrators with an opportunity to earn additional compensation or prizes. These programs exist during a specified duration and are voluntary.

Branch Bonus – In periods in which Edward Jones has reached a certain level of profitability and the branch is also bonus eligible, the financial advisor is eligible to receive a branch bonus based on the financial performance of the branch.

Branch P&L – Revenues and expenses of Edward Jones are assigned to each branch's Profit and Loss Statement (branch "P&L"). The branch receives P&L credits for commissions, trailing commissions and other fees we receive. The branch also receives P&L credits for revenue generated from certain client activities which have no direct payout to your financial advisor, so your financial advisor may benefit financially from credits to the branch P&L without directly receiving any portion of such revenue. Additionally, the branch receives a P&L credit based on net new assets in the branch. Expenses directly related to the branch, such as rent, communications and employee compensation and benefits, are charged against the branch P&L.

Referral Fees – Your financial advisor receives a portion of the referral fee that Edward Jones receives from mortgage providers for the funding of a mortgage.

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

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. To qualify, financial advisors must achieve prescribed performance standards.

Noncash Incentives – Third-party providers such as mutual fund wholesalers, annuity wholesalers and investment managers may pay certain expenses on behalf of financial advisors, including expenses related to training and educational efforts. Third parties may occasionally provide financial advisors with non-monetary benefits of a promotional nature and of minimal value, or engage in business promotion activities that result in non-monetary benefits to the financial advisor. Additionally, third parties may provide us and our financial advisors with access to certain research tools or software which is developed or subscribed to by the third parties.

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Awards and Recognition – We strive to recognize the success of our financial advisors with awards and recognition, which may be interpreted as a type of incentive.

- **Annual Financial Advisor Exceeding Conference** – Each year, a conference is held to reward and recognize our financial advisors with exceeding results within a specified time range. Attendance at this event is a step towards qualifying for the Annual Financial Advisor Leader's Conference, the Annual Managing Partner's Conference and the Annual Drucker Conference. The conference offers additional training for our advisors to provide value through advanced solutions.
- **Annual Managing Partner's Conference** – Each year, a limited number of the firm's top 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 which places them among the leaders of the firm.
- **Annual Drucker Conference** – 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 Regional Meetings** – We hold annual meetings that include an awards banquet to recognize financial advisors' career success. 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.
- **Partnership** – In addition to compensation, Edward Jones financial advisors have been offered partnership interests in the past. Such opportunities may be interpreted as a type of incentive.
- **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.