

■ 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.

ETFs carry built-in operating expenses that affect the fund's return. We choose not to take part in any initial public offerings (“IPOs”) of ETFs, so we do not receive any compensation related to the IPOs of ETFs.

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.