

THE EDWARD JONES FINANCIAL OPPORTUNITY GUIDE

Applicable for Canada

Edward Jones is a limited partnership in Ontario, Canada, and is a wholly owned subsidiary of Edward D. Jones & Co., L.P., a Missouri limited partnership ("Jones US"). Jones US and its parent do not guarantee the obligations or liabilities of Edward Jones.

Welcome to Your Edward Jones Financial Opportunity Guide

Edward Jones Financial Advisors work hard to help clients achieve their investment goals. Consequently, they deserve to be fairly compensated and to participate in a compensation program that is understandable and clearly defined. This guide is intended to clarify the financial opportunity available at Edward Jones.

Inside this guide, you will learn about Edward Jones' compensation philosophy, along with details on "core" compensation – which consists of commissions, profit sharing and a branch profitability bonus. You'll also learn about travel awards, asset-sharing programs and other benefits, such as life insurance, medical coverage and participation in our retirement plan.

Our Compensation Philosophy

Partnership: It's the key term in understanding the Edward Jones Financial Advisor compensation philosophy. When Edward D. Jones Sr. established our firm, he created the precedent of treating the Financial Advisors as business partners, rather than simply employees. His son, Edward D. "Ted" Jones Jr., expanded on this concept to grow an organization based on a partnership spirit and on the philosophy that those who share in the work also share in the rewards.

Today, we apply this philosophy in how we reward our Financial Advisors. Essentially, our approach to compensation is aligned with our business model. Our emphasis on partnership, along with the way in which we serve our clients, makes us unique in the financial services industry. As a result, our compensation program is similarly unique – and quite successful.

*The financial information in this guide reflects actual 2019 results.
All monetary figures are CAD unless otherwise noted.*

Financial Advisor Total Return

As an Edward Jones Financial Advisor, your “core” compensation will come from three areas:

- Commissions
- Profit sharing
- Profitability bonus

Further, your total return may also include a travel award or other awards you have earned. Not included in the total return figures below is the return on limited partnership a Financial Advisor may have received in 2019.¹

To see what compensation might look like at various levels of production, consider the following total return scenarios, taken from 2019 total return figures:²

For \$400,000 in Gross Commissions			% of Gross	For \$600,000 in Gross Commissions			% of Gross
Core Compensation Total	\$171,000	43%		Core Compensation Total	\$289,000	48%	
Commissions	\$153,000	38%		Commissions	\$228,000	38%	
Profit Sharing	\$8,000	2%		Profit Sharing ³	\$13,000	2%	
Profitability Bonus ⁴	\$10,000	3%		Profitability Bonus ⁴	\$48,000	8%	
Travel Award Program ⁵	\$15,000	4%		Travel Award Program ⁵	\$21,000	4%	
TOTAL RETURN:	\$186,000	47%		TOTAL RETURN:	\$310,000	52%	

For \$800,000 in Gross Commissions			% of Gross	For \$1,000,000 in Gross Commissions			% of Gross
Core Compensation Total	\$423,000	53%		Core Compensation Total	\$545,000	55%	
Commissions	\$316,000	40%		Commissions	\$397,000	40%	
Profit Sharing ³	\$19,000	2%		Profit Sharing ³	\$25,000	3%	
Profitability Bonus ⁴	\$88,000	11%		Profitability Bonus ⁴	\$123,000	12%	
Travel Award Program ⁵	\$21,000	3%		Travel Award Program ⁵	\$25,000	2%	
TOTAL RETURN:	\$444,000	56%		TOTAL RETURN:	\$570,000	57%	

1 In the past, Edward Jones Financial Advisors who have met certain tenure and performance requirements had the opportunity to invest in limited partnership interests (LP) of Edward Jones' parent company. There can be no assurance that additional limited partnership interests will be issued in the future. See page 8, “Partnership Opportunities,” for more details on limited partnership.

2 These numbers are based on the median compensation at each level of production. Not all Financial Advisors at these levels will receive this compensation. Each Financial Advisor's compensation may vary.

3 A portion of this amount is paid in a separate taxable cash bonus.

4 Profitability Bonus reflects trimester bonuses paid in 2019 which includes T3 2018, T1 2019 and T2 2019 based on Bonus Levels 8, 9 and 9 respectively. See page 6 for details on how the branch profitability bonus is calculated. Bonus levels range from 0 to 10 based on firm performance and cannot be predicted in the future.

5 Includes taxable and non-taxable values.

“Core” Compensation

To fully understand how “core” compensation is generated, it is important to know how each component is derived. The following provides an overview of the three elements of “core” compensation: commissions, profit sharing and branch profitability bonus.

Commissions

Below is the net commission schedule for Financial Advisors for the various investments and investment services offered to our clients:

Commission Schedule	
Stocks	35%-40%
Insurance	40%
Segregated Funds	35%-40%
Mutual Funds	40%
Bonds	40%
Guaranteed Investment Certificates (GICs)	40%
Fee-based Programs	
Edward Jones Guided Portfolios®	30%-40%
Edward Jones Portfolio Program®	30%-40%

Profit Sharing

As discussed earlier, Edward Jones believes those who share in the work should also share in the rewards. One way the firm's success is shared is through profit sharing.

- Historically, Edward Jones has given approximately 24% of pretax earnings.
- The awarded amount has averaged 4.62% of a Financial Advisor's total eligible earnings (including the profit sharing bonus) during the past 10 years.

Annual profit sharing is awarded in the following manner:

- The awarded amount, based on Financial Advisor earnings, is placed in the retirement plan in a tax-deferred account up to an annual limit, and is immediately vested.
- For awarded amounts above the annual limit, this additional amount is paid directly to Financial Advisors as a separate taxable cash bonus, typically in the month of February.

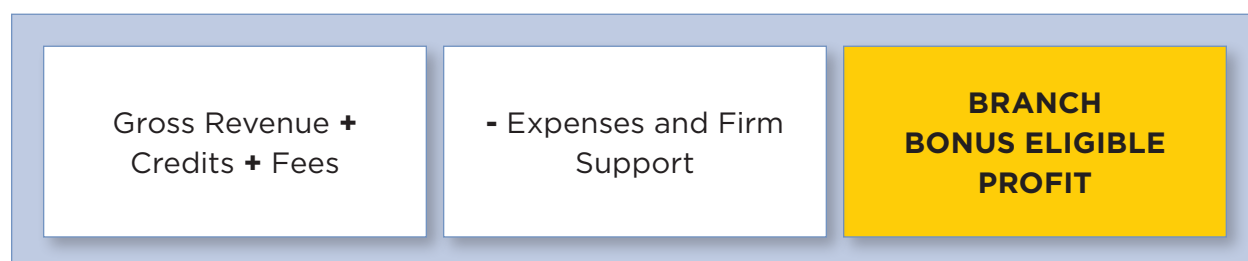
Branch Profitability Bonus

All Financial Advisors are eligible to participate in the Edward Jones trimester bonus plan. These earned trimester bonuses are based on the profitability of the firm and bonus eligible profit of their individual branch offices. Trimester bonuses are supplemental compensation designed to reward Financial Advisors above their regular wages if their efforts produce a positive financial impact for their branch.

Each Financial Advisor receives a branch Profit & Loss Statement, which includes all revenue and expenses attributable to the Financial Advisor's branch minus an allocation for firm support.

Each Financial Advisor's profitability bonus is based on a combination of the firm's profit and the branch's profit.

Each branch's bonus eligible profit is determined by a simple formula:



Branch Profit and Loss Statement – Sample

Below is a sample of a 2019 branch Profit and Loss statement for various levels of production (Profit and Loss statements will vary by the individual Financial Advisor):

Gross Commission	\$400,000	\$600,000	\$800,000	\$1,000,000
Revenues:				
Gross Commissions (Transaction revenue, fee-based revenue, service fees)	\$400,000	\$600,000	\$800,000	\$1,000,000
Credits & Fees (e.g., Net new asset credit or account fees)	\$38,000	\$40,000	\$49,000	\$50,000
Total Revenues	\$438,000	\$640,000	\$849,000	\$1,050,000
Expenses:				
Financial Advisor Earnings	\$153,000	\$228,000	\$316,000	\$397,000
Branch Staff Payroll (Firm provides one Branch Office Administrator (BOA) for each Financial Advisor, plus additional support based on level of production)	\$45,000	\$63,000	\$68,000	\$94,000
Benefits (Paid on behalf of the Financial Advisor and BOA)	\$24,000	\$33,000	\$42,000	\$43,000
Occupancy (Branch lease expense)	\$31,000	\$28,000	\$31,000	\$32,000
Equipment & Access Charges (Connectivity and access to information for the branch)	\$14,000	\$14,000	\$14,000	\$15,000
Other (Telephone, postage, licenses, etc.)	\$5,000	\$5,000	\$6,000	\$7,000
Total Branch Expenses¹	\$272,000	\$371,000	\$477,000	\$588,000
Location Margin	\$166,000	\$269,000	\$372,000	\$462,000
Firm Support (e.g., Indirect home office expenses, including service, operations, compliance, research)	\$69,000	\$69,000	\$69,000	\$69,000
Bonus Eligible Profit	\$97,000	\$200,000	\$303,000	\$393,000
Profitability Bonus ²	\$10,000	\$48,000	\$88,000	\$123,000
% of Bonus Eligible Profit	10%	24%	29%	31%
% of Gross Commission	3%	8%	11%	12%

1 These numbers are based on the median expenses at each level of production in 2019. Not all Financial Advisors at these levels will incur these exact expenses. Financial Advisors are responsible for all out-of-pocket business development expenses.

2 Profitability Bonus reflects trimester bonuses paid in 2019 which includes T3 2018, T1 2019 and T2 2019 based on Bonus Levels 8, 9 and 9 respectively. See page 6 for details on how the branch profitability bonus is calculated. Firm bonus levels range from 0 to 10 based on firm performance and cannot be predicted in the future. Amounts are net of 10% BOA allocation.

Profitability Bonus – Calculation & Disbursement

In determining the bonus disbursement to the Financial Advisor in the illustrative examples below, the Bonus Eligible Profit is divided into three to reflect the trimester disbursement amount. This Trimester Branch Bonus Eligible Profit is applied to the graduated payout schedule that is based on the overall profitability of the firm. The individual Financial Advisor bonus is subsequently determined by a combination of branch profitability and firm profitability.

Edward Jones Bonus Level	Edward Jones Profit Margin	Trimester Branch Bonus Eligible Profit				
		\$0–\$10,000	\$10,001–\$20,000	\$20,001–\$30,000	\$30,001–\$40,000	\$40,001+
1	5.00%	0.5%	1.0%	2.0%	3.0%	4.5%
2	5.75%	1.0%	2.0%	4.0%	6.0%	9.0%
3	6.50%	1.5%	3.0%	6.0%	9.0%	13.5%
4	7.25%	2.0%	4.0%	8.0%	12.0%	18.0%
5	8.00%	2.5%	5.0%	10.0%	15.0%	22.5%
6	8.75%	3.0%	6.0%	12.0%	18.0%	27.0%
7	9.50%	3.5%	7.0%	14.0%	21.0%	31.5%
8	10.25%	4.0%	8.0%	16.0%	24.0%	36.0%
9	11.00%	4.5%	9.0%	18.0%	27.0%	40.5%
10	11.75%	5.0%	10.0%	20.0%	30.0%	45.0%

If the Branch Bonus Eligible Profit of \$97,000 for the \$400,000 producer was earned evenly throughout the year and trimester bonus levels were consistent at level 10, the following would have been the trimester bonus calculation:

Bonus Eligible Profit	\$0–\$10,000	\$10,001–\$20,000	\$20,001–\$30,000	\$30,001–\$40,000	\$40,001+	Each Trimester
\$32,333	\$10,000	\$10,000	\$10,000	\$2,333	\$0	
	X 5.0%	X 10.0%	X 20.0%	X 30.0%	X 45.0%	
Branch Bonus	\$500	\$1,000	\$2,000	\$700	\$0	= \$4,200

If trimester bonus levels were consistent at level 7, the following would have been the trimester bonus calculation:

Bonus Eligible Profit	\$0–\$10,000	\$10,001–\$20,000	\$20,001–\$30,000	\$30,001–\$40,000	\$40,001+	Each Trimester
\$32,333	\$10,000	\$10,000	\$10,000	\$2,333	\$0	
	X 3.5%	X 7.0%	X 14.0%	X 21.0%	X 31.5%	
Branch Bonus	\$350	\$700	\$1,400	\$490	\$0	= \$2,940

Historical Bonus Levels

As the chart below indicates, our firm's long-term average bonus levels have been favourable and consistent.

Bonus-level Averages*	
1 Year	8.7
3 Year	8.7
5 Year	8.9
10 Year	8.7
15 Year	7.8
20 Year	7.0

*As of Dec. 31, 2019. Past performance is no guarantee of future results.

Bonus levels range from 0 to 10 based on firm performance.

The long-term average bonuses during the past 20 years have allowed our Financial Advisors to receive highly competitive total compensation over time – despite bonuses not being paid in the worst economic times. These results reflect Edward Jones' commitment to working in partnership and sharing the rewards. Ultimately, this approach has worked to the long-term benefit of our Financial Advisors.

Additional Opportunities for Return

The Partnership Opportunity¹

In addition to your compensation package, in the past, Financial Advisors have had the opportunity to make a limited partnership investment in Edward Jones' parent company, The Jones Financial Companies, L.L.L.P. (JFC), a Missouri limited liability limited partnership. Eligibility to participate in a limited partnership offering has historically required, among other things, financial advisors to meet certain tenure and performance requirements.

Limited partnership interests have:

- 7.5% per year fixed payment on the principal amount of capital contribution.
- An average total return in the last five years of 20.0% and in the last 10 years of 19.3%, each of which includes the 7.5% payment.²

The following table illustrates the average limited partnership offer from 2018, based on a Financial Advisor's production level.

Gross Production* at Time of 2018 Offering				
	\$400,000	\$600,000	\$1,000,000	\$2,000,000
Average 2018 LP Offer*	\$25,000	\$30,000	\$55,000	\$145,000
Average Tenure (years)	12	15	20	25

In the 2018 offering, 100% of our Financial Advisors with gross commissions over \$400,000 and who were in production with Edward Jones for at least 36 months were offered limited partnership.

* All monetary figures are in USD.

1 Limited partnership is a security and can only be acquired through a securities offering that complies with applicable securities laws. The offering of limited partnership can only be made through a registered offering document or pursuant to an exemption. There is no assurance that the firm will engage in future offerings of limited partnership or that the offering criteria will be the same as in the past. Invitation to participate in any offering is at the discretion of the firm.

2 Past performance is not a guarantee of future results.

Travel Award Program

Success at Edward Jones can bring you significant financial rewards – but you'll also have the opportunity to receive recognition in the form of our Travel Award Program.

The following are highlights of the program:

- Your choice of approximately 85 different adventures – with approximately 85% being international destinations
- All Financial Advisors who meet certain criteria qualify for a trip, no matter their tenure with the firm
- Opportunity to travel twice a year
- Approximately 50% of Financial Advisors have qualified in each of the last five years

Client Transition Programs

The concept of client transition is simple. Established Financial Advisors are successful because they are experienced and have built substantive relationships with clients. The opportunity to more deeply serve clients may lead these Financial Advisors to transition client relationships to other Financial Advisors within the firm.

By transitioning clients, the established Financial Advisor will be able to capitalize on his or her two most valuable resources: time and experience. There are some additional benefits for the established Financial Advisor who participates in a client transition program.

Depending on the type of plan, the established Financial Advisor could potentially receive:

- Monthly compensation
- P&L credits

Retiring at Edward Jones

Retirement Transition Plans

At Edward Jones, Financial Advisors can build a successful practice and deeply serve clients throughout the life cycle of their careers. The Retirement Transition Plan allows retiring Financial Advisors to finish their careers strong – through client transition and competitive compensation. To participate in a Retirement Transition Program, the Financial Advisor must have at least \$25 million in assets under care and meet the Rule of 70¹.

Base compensation for a Retirement Transition Plan is based on the following key factors:

- Tenure as an Edward Jones Financial Advisor
- Age
- Assets under care
- Active/inactive households
- Performance

Additional compensation is available for retiring Financial Advisors who transition client relationships to multiple Financial Advisors. Each Retirement Transition Plan is individually tailored.

Value of Limited Partnership in Retirement

(Hypothetical Example – May not illustrate actual results)

Rhonda, a 60-year-old Financial Advisor who has been with Edward Jones for 28 years, has met the Rule of 70² and has decided to retire. Based on her demographics, her life expectancy is 82 (22 years remaining).

Production Level	\$400,000	\$600,000	\$1,000,000	\$2,000,000
Life Expectancy	22 Years	22 Years	22 Years	22 Years
Average LP Ownership* at Retirement ³	\$130,000	\$185,000	\$285,000	\$625,000
Historic LP Annual Income* ⁴	\$25,000	\$35,000	\$55,000	\$120,000
Cumulative LP Annual Income* (22 years)	\$550,000	\$770,000	\$1,210,000	\$2,640,000

* All monetary figures are in USD.

1 For the Rule of 70, an associate must be at least 50 years old and have his or her age plus tenure as a Financial Advisor at Edward Jones be greater than 70. All eligibility requirements are subject to change.

2 Among other eligibility requirements, the rule of 70 must be satisfied to hold LP in retirement. No limited partner is guaranteed the opportunity to hold LP in retirement, and all eligibility requirements are subject to change.

3 Limited partnership is a security and can only be acquired through a securities offering that complies with applicable securities laws. The offering of limited partnership can only be made through a registered offering document or pursuant to an exemption. There is no assurance that the firm will engage in future offerings of limited partnership or that the offering criteria will be the same as in the past. Invitation to participate in any offering is at the discretion of the firm.

4 10-year average total return was 19.3%, which includes the 7.5% payment. Past performance is no guarantee of future results.

Benefits

Edward Jones provides Financial Advisors with a total return opportunity that is more than just a paycheck. It includes access to a comprehensive package of benefits.

The benefit programs offered at Edward Jones align with our benefit guiding principles of providing financial protection and offering coverage at competitive rates.

Life Insurance

The firm provides several options, including basic life insurance for you, additional firm-paid life insurance benefits (if eligible) and optional life insurance for you and your spouse. In addition, a survivor benefit is paid to the beneficiary of Financial Advisors with more than 10 years of service with Edward Jones. The benefit is equal to 50% of the Financial Advisor's previous calendar year's gross revenue, up to \$1.5 million. Edward Jones pays the premium for these benefits, in addition to the basic firm-paid life insurance.

Medical and Dental Coverage

You pay an annual deductible for medical coverage of \$50 per person, up to \$100 per family. The medical plan covers most prescription and medical expenses at 80%. For other medical expenses, you'll pay upfront and submit a health claim form directly to Sun Life for reimbursement.

You pay an annual deductible for dental coverage of \$50 per person or \$100 per family each year, and the dental plan begins paying a percentage of your expenses. You'll pay upfront and submit a dental claim form directly to Sun Life for reimbursement.

Retirement Savings

Our retirement saving plan includes two components – firm profit-sharing and your own Group RRSP savings.

The Deferred Profit Sharing Plan contribution varies based on firm profitability, but historically it has averaged 4.62% of the associate's compensation. The contribution is 100% vested (owned by you) immediately.

The firm's Group RRSP allows you to save for retirement with the convenience of payroll deduction that provides an immediate tax benefit because contributions are made before income tax is applied.

For more information about Life Insurance, Medical Coverage and Dental Coverage, or Retirement Savings visit edwardjonesbenefitscanada.com.

To learn more about the Edward Jones Financial Advisor opportunity, visit careers.edwardjones.ca.