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Edward**Jones**

Edward Jones Fixed Income Best Execution Policy

Introduction

A. Background

This document summarizes the Fixed Income Best Execution Policy for Edward Jones. Edward Jones has established policies and procedures reasonably designed for achieving best execution when executing client orders.

B. Purpose

The purpose of this Best Execution Policy is to help clients understand how Edward Jones executes debt market security orders, so that clients can make an informed investment decision based on their personal circumstances. It is Edward Jones' responsibility to act fairly, honestly and professionally while focusing on the best interest of clients.

C. Regulatory

Providing best execution is a regulatory requirement that all investment firms must follow when transacting trades on behalf of clients. The Investment Industry Regulatory Organization of Canada (IIROC) Dealer Member Rule 3300 – Best Execution of Client Orders requires firms to establish, maintain and ensure compliance with written policies and procedures that are reasonably designed to achieve best execution when serving clients.

D. Accountability

The Edward Jones Fixed Income Trading department uses reasonable diligence to ascertain the best market for a security in an effort to obtain a price that is favourable under prevailing market conditions, whether acting as agent or principal on all client trades.

This document is a summary of the Edward Jones Fixed Income Best Execution Policy designed to provide a general understanding of its best execution process, systems, firm policies and procedures related to its approach for executing orders.

1. Factors Used in Evaluating Bonds

Edward Jones' fixed income traders evaluate all bonds for client purchases and liquidations. In all cases, traders seek out the current price for a security by soliciting bids/offers, and by reviewing a variety of factors to assist in determining a fair and reasonable price for the security. Some of the factors used include the following:

- character of the market for the security (e.g., price, volatility, and relative liquidity);
- size and type of transaction;
- number of markets checked;
- information reviewed to determine the current market for the subject security or similar securities (as defined below);
- accessibility of quotations; and
- terms and conditions of the customer's inquiry or order

2. Determination of Execution Price

In order to ensure a uniform best execution process, each trader will review the following information (including but not limited to) for each trade, if and when available:

- security descriptive data
- recent trading history of the security
- bona fide markets, including trading platforms to which the firm is electronically connected
- interdealer messages containing price information

If price determination is unsuccessful using the above information, or as needed, traders will also review the following information on each trade when available:

- trades and quotes in similar securities (as defined below)
- prices and yields of recent new issues
- 3rd party vendor provided price as shown on client holdings

3. Special Handling of Trades

In certain situations a trader may determine that an order requires special handling. Traders will use their knowledge of the market to determine the best course for proceeding. As a result, client orders may be delayed in execution.

4. Comparison of Similar Securities

In the course of a best execution analysis a trader may review trades in similar securities. A similar security is defined as one which may share certain characteristics with the subject security. Some of these characteristics may include (but would not be limited to), the following:

- Issuer
- Coupon
- Maturity

- Sector
- Geographical Region
- Call features
- Yield
- Price
- Tax Status
- Ratings
- Spread similarity over a benchmark

5. Limited Quotation or Pricing Information

Securities with limited pricing information occur when limited bids or offers are not representative of current prevailing market conditions. Limited pricing information can hamper a trader from determining the value of a security. A trader in these circumstances may incorporate additional actions when deemed appropriate, while simultaneously meeting best execution obligations.

6. Oversight and Governance

Edward Jones has in place regularly scheduled meetings to review and discuss best execution, fair pricing as well as information on regulatory developments. In the course of these meetings, the firm's policies and procedures are discussed broadly. These meetings assist in the development of the firm's policies, procedures and guidelines to help the firm achieve reasonably designed standards for achieving best execution when executing client orders.

Additionally, a best execution committee consisting of senior leaders from various departments within the firm meets on a quarterly basis. The purpose of the committee is to provide oversight of the trade execution policies and practices for fixed income securities business conducted at the firm. The Committee meetings also provide a forum for the receipt of information and discussion of trends in regulatory and industry practices relating to the firm's responsibility to provide best execution for our clients.

7. Technology, Systems and Market Changes

Edward Jones diligently reviews all aspects and considers changes in market structure, new entrants to the market, the availability of additional pre-trade and post-trade data and the availability of new technologies on an ongoing basis. When there are opportunities for enhancements or new developments that can be implemented, Edward Jones takes these into consideration for the purposes of best execution.

8. Trading Hours

The standard trading hours for fixed income is 8:00am to 5:00pm Eastern Time Monday through Friday, not including statutory holidays. Orders received outside of these hours will be executed the next business day. In observance of statutory holidays the Canadian bond market and the fixed income trade desk will close early the previous business day.