

Investment Manager Research:

A behind-the-scenes look



You work closely with your Edward Jones financial advisor and client team, but they don't work alone. Investment professionals and strategists in our headquarters are dedicated to developing guidance to help you reach your financial goals. Among those is the Investment Manager Research team, which partners with your financial advisor to find and monitor the investment strategies we believe are best suited for your investment portfolio.

What we look for in a fund

In Investment Manager Research, our strategic guidance is built on four key pillars we believe should be considered when recommending investment strategies. Importantly, these pillars are forward-looking characteristics, which help avoid the common pitfall of judging investment strategies favorably based on past performance alone.

To assess these key pillars, the Investment Manager Research team annually conducts more than a thousand meetings and on-site visits with investment teams – helping ensure we select quality investments, and providing you and your financial advisor with choices designed to suit your individual needs.

Investing advantage

Behaviours
Resources
Structure



Risk management

Culture
Oversight
Risk of loss



Strategic guidance for you

Durability

Organization
Talent depth
Viability



Cost

Expense ratio
Trading costs
Tax efficiency



Investing advantage

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

Risk management

Investment strategies should have risk management embedded in the culture of the firm. Additionally, they 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.

Durability

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

Cost

Cost is an important consideration in any investment decision, including investment strategies. When assessing cost, value also must be considered. Analyzing the first three pillars - investing advantage, risk management and durability - helps us determine whether an investment's fee is appropriate given the value it provides.

Providing high-quality analysis through professional and educational experience

Every day, our team is dedicated to working in partnership with your financial advisor to find and monitor investment strategies 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 (CFA) designation, 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's a commitment we make to you and your financial advisor to expand our skill set, seeking to offer high-quality analysis.

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

Partnership

Once you and your financial advisor have developed an investment strategy that is appropriate for your goals and risk tolerance, we ultimately want to ensure your portfolio includes investments with a clear investing advantage, strong risk management practices and dependable durability — all at an appropriate cost.

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 develops recommendations on stocks, bonds, mutual funds and exchange-traded funds (ETFs).