## ■ Corporate Bonds

### What is a corporate bond?

A corporate bond is a loan to a corporation. When you buy a bond, the corporation pays interest, usually making a payment twice a year. At a stated date in the future, called the maturity date, the corporation returns your principal if you continue to hold the bond. The maturity dates on corporate bonds can range from one year to 40 years.

### How are we paid for our services?

**Newly-issued corporate bonds**
Edward Jones may sell newly-issued corporate bonds as an underwriter or selling group member. We receive a selling fee, which is incorporated into the initial offering price. You will see the selling fee displayed as part of the Edward Jones' Compensation in the trade confirmation. We may also receive an underwriting fee and a management fee.

**Secondary corporate bonds**
Secondary corporate bonds are transactions involving previously issued bonds. When you buy or sell, Edward Jones may act as either an agent or a principal. If we act as an agent, your trade confirmation will display the commission you pay, which may be up to 1.8% of the dollar amount you buy and up to .75% of the dollar amount you sell.

If you buy a bond from our inventory or sell a bond that we purchase directly from you, we act as a principal. You will see the markup or markdown, which is included in the price, displayed as a line item in the trade confirmation. The markup may be up to 1.8% of the dollar amount you buy and the markdown may be up to .75% of the dollar amount you sell. The price is also adjusted to reflect changes in interest rates and market prices that have occurred since we bought the security. As a result of these changes, Edward Jones may earn revenue or incur losses from buying or selling securities as principal.

### How is your financial advisor compensated?

Your financial advisor receives a percentage of any commissions or charges for corporate bonds. Our revenue affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.