

Understanding How We Are Compensated for Financial Services

Owner-only 401(k) Plans

What are Owner-only 401(k) Plans?

Owner-only 401(k) plans are plans certain business owners may use to save for retirement. Owner-only 401(k) plans are a type of “one-person” 401(k). Owner-only 401(k) plans may be appropriate for owner-only businesses with no eligible employees, other than business owner(s) and their spouse(s). An Owner-only 401(k) plan may be set up by business types, such as a sole proprietorship, partnership, limited liability company (LLC), corporation (S or C) or non-profit organization.

How are we paid for our services?

We charge a one-time setup fee of \$150 for plans for which Edward Jones provides plan installation services and ongoing custodial services, as well as an annual recurring fee of \$30. We charge separate transaction fees for additional activities, including adoption agreement amendments, participant loans, benefit payments, transferring or closing accounts and holding assets that are not publicly traded, if applicable. A complete list of fees can be found in the Schedule of Fees within your applicable account agreement.

In addition, depending on which Edward Jones solution you choose to invest in, you may be charged asset-based fees or transaction-based fees and charges when you buy or sell investments. Depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. In addition, you pay transaction-based fees on the purchase or sale of certain equity and fixed-income products. The investments within your owner-only 401(k) plan may also have ongoing expenses such as distribution and/or service fees (12b-1 fees), and trail and renewal commissions that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. Your ongoing operating expenses may also include investment management fees or other fees. Details on the operating expenses are in each underlying investment’s prospectus or offering document.

If your plan holds mutual fund investments or variable annuities, Edward Jones receives shareholder accounting or networking fees and inforce contract service fees. For more information, see www.edwardjones.com/revenuesharing.

At certain investment levels, typically \$1 million, your investments with an individual product partner provider may carry no sales charges. However, in these instances, the mutual fund or insurance company will pay Edward Jones a commission on these investments. A contingent deferred sales charge will apply if you sell these investments within a certain time frame. Please see your prospectus or offering document for more information.

How is your financial advisor compensated?

Your financial advisor’s branch receives P&L credits for certain revenues, expenses and assets under care in the branch. For more information, see Understanding How We Are Compensated for Financial Services at www.edwardjones.com/compensationdisclosure. Your financial advisor also receives a share of any transaction-based charges, asset-based fees, distribution and/or service fees (12b-1 fees), trail and renewal commissions. As a result, your financial advisor’s eligibility for a bonus will be positively impacted. Your financial advisor does not share in the incidental fees, which include the adoption agreement amendments and participant loans. In instances where the mutual fund or insurance company pays Edward Jones a commission for purchases at certain investment levels, typically \$1 million, your financial advisor will receive a portion of the commission.

For more information, please see your account agreement or contact your financial advisor. The revenue that Edward Jones receives affects Edward Jones’ overall profitability and thus may affect any branch bonus your financial advisor receives.