

Understanding How We Are Compensated for Financial Services

Individual 457 Plans

What is an individual 457 plan?

457 plans are deferred compensation plans that are available for certain state and local governments and non-governmental entities. They include eligible plans under 457(b) or ineligible plans under 457(f).

State and local government employers may offer an Internal Revenue Code (“IRC”) 457(b) plan to their employees. Tax-exempt organizations may offer another type of IRC 457(b) plan to upper management and highly paid employees only. Both governmental entities and tax-exempt organizations can offer the IRC 457(f), but only to top-level employees. For more information, please see www.edwardjones.com/retirementaccounts.

How are we paid for our services?

With individual 457 plans, you pay transaction-based 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. Edward Jones receives a portion of these transaction-based charges.

The investments within your 457 plan may also have ongoing expenses such as distribution and/or service fees (12b-1 fees), 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.

Transfer fees are imposed by the vendor for transferring or closing accounts or for holding assets that are not publicly traded, if applicable.

Fee information is generally found in your account agreement and schedule of fees, available at edwardjones.com/brokerageaccounts.

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 edwardjones.com/compensationdisclosure. Your financial advisor also receives a share of any transaction-based charges, 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.