

Edward Jones

Ways to Earn a Return

Capital Appreciation

Dividends*

*Dividends can be increased, decreased or totally eliminated at any point without notice.

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Ways to Earn a Return

Capital Appreciation

- Increase in the stock's value

Dividends*

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Ways to Earn a Return

Capital Appreciation

- Increase in the stock's value

Dividends*

- A portion of the company's earnings paid out to shareholders

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Types of Stock

Common Stock	Preferred Stock

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Types of Stock

Common Stock	Preferred Stock
<ul style="list-style-type: none"> ■ Traded most frequently 	
<ul style="list-style-type: none"> ■ Represents ownership in a company 	
<ul style="list-style-type: none"> ■ Variable rate for dividends* 	
<ul style="list-style-type: none"> ■ One vote per share 	

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<ul style="list-style-type: none"> ■ One vote per share 	<ul style="list-style-type: none"> ■ Little or no voting rights

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<ul style="list-style-type: none"> ■ One vote per share 	<ul style="list-style-type: none"> ■ Paid before common stock holders, but after creditors in the event of bankruptcy or liquidation
<ul style="list-style-type: none"> ■ Paid last in the event of bankruptcy or liquidation 	

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Ways to Own Stock

- Company-sponsored retirement plans
- Direct stock ownership from employer



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Ways to Own Stock

- Company-sponsored retirement plans
- Direct stock ownership from employer
- Purchase it yourself



The Stock Market Edward Jones

Primary Market

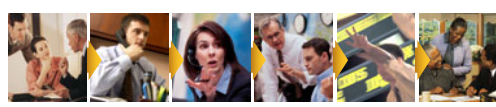
- Where the initial public offering (IPO) is made
- Mostly large companies and large investors

Secondary Market

- Where individual investors trade stock



The Physical Exchange Edward Jones



Investor discusses options with financial advisor

Financial advisor places order


Order is distributed to brokerage

Brokerage delegates order to floor broker

Floor broker meets with stock specialist and agrees on price

Price is sent back to financial advisor and investor

The Virtual Exchange Edward Jones



Indices Edward Jones

Index*

- Reference for investors and financial advisors, used to compare an individual stock against a pool of stocks
- Examples:
 - Standard & Poor's 500 (S&P 500)
 - Dow Jones (DJIA or the Dow)

*Past performance is not an indication of future results. An index is not managed and is unavailable for direct investment.

Three Key Principles of Stock Investing Edward Jones

- Choose quality companies
- Diversify your investments*
- Develop a long-term perspective



* Diversification does not guarantee a profit, nor does it protect against losses in a declining market.

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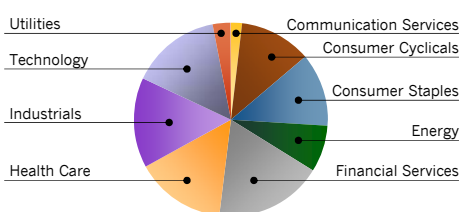
Investment Pyramid Edward Jones



Source: Edward Jones

Recommended Industry Weightings Edward Jones

We recommend the following for a diversified portfolio ...*



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Diversification Example One

- Technology stock tumbles
- Consumer staple stock soars

Diversification does not guarantee a profit, nor does it protect against losses in a declining market.

Diversification Example Two

- One consistently outweighs the rest

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Diversification Example Two

Solutions

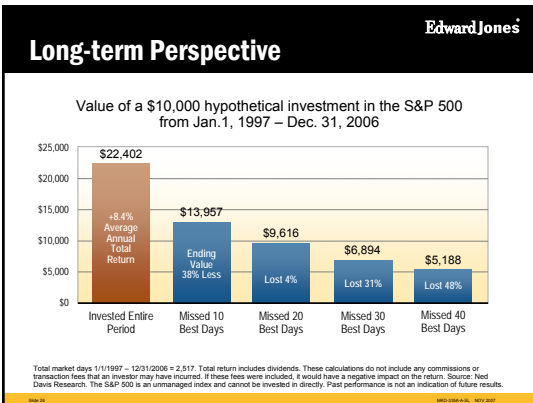
- Add funds
- Rebalance portfolio

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Long-term Perspective

Time in the market is better than **timing** the market.

