Broadening Your Knowledge of Investing

1. WHERE AM I TODAY?
2. WHERE WOULD I LIKE TO BE?
3. CAN I GET THERE?
4. HOW DO I GET THERE?
5. HOW CAN I STAY ON TRACK?
Broadening Your Knowledge of Investing

We focus on individual investors

Long-term investment philosophy

Relationships are key

Edward Jones Investment Principles

Develop a Strategy
Stick with Quality
Diversify
Invest for the long term
Focus on what you can control

Seminar Overview
Broadening Your Knowledge of Investing

**Rule 1**
Develop a Strategy

**Rule 2**
Stick with Quality
Broadening Your Knowledge of Investing

Rule 3
Diversify

DIVERSIFY

VARIETY

Bonds
Broadening Your Knowledge of Investing

Why Bull & Bear?

- **BOUGHT** SHARE OF STOCK FOR $20
- **COMPANY SHARES**
- **SOLD** SHARE OF STOCK FOR $30
- **$10 CAPITAL GAIN**

$20
$30
$10

Stocks
Broadening Your Knowledge of Investing

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Dividends Are Important

Average Annual Return

Stocks Not Paying Dividends

Stocks Paying Dividends

9.0%

2.5%

Dividend-paying stocks
Non-dividend-paying stocks

Average Annual Return

Bull Markets

Bear Markets

18.9%

17.1%

-12.7%

-25.0%

Dividend-paying stocks
Non-dividend-paying stocks

Quality Makes a Difference

Stick with Quality

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Broadening Your Knowledge of Investing

Packaged Investment Products

- Growth
- Income
- Growth & Income

INVESTORS
INVESTORS
INVESTORS

Benefits of Mutual Funds

- Multiple Companies
- Diversification
- Professional Management

Edward Jones
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**Rule 4**

Invest for the Long Term

![Image showing the relationship between bonds, interest, share price of mutual funds, stocks, dividends, capital gains distribution, and mutual funds earnings.]

**Bonds** ↔ **Interest**  
**Share Price of Mutual Funds**

**Stocks** ↔ **Dividends**

**Capital Gains Distribution**

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**Mutual Funds Earnings**
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Systematically Investing vs. Lump-sum Investment

Source: Edward Jones. These charts are for illustrative purposes only and are not intended to represent the performance of any security. These illustrations do not include commissions or fees. Past performance does not guarantee future results.

Plan Budget Review

Rule 5

Focus On What You Can Control

Source: Edward Jones. These charts are for illustrative purposes only and are not intended to represent the performance of any security. These illustrations do not include commissions or fees. Past performance does not guarantee future results.
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**Summary**

1. Develop a Strategy
2. Stick with Quality
3. Diversify
4. Invest for the Long Term
5. Focus On What You Can Control

**Rule 1**

You can control:
- Saving and spending habits
- Having an emergency fund
- Your level of debt

You can't control:
- Stock market
- Tax laws
- Every investment has some risk

You can't control:
- Saving and spending habits
- Having an emergency fund
- Your level of debt

Every investment has some risk