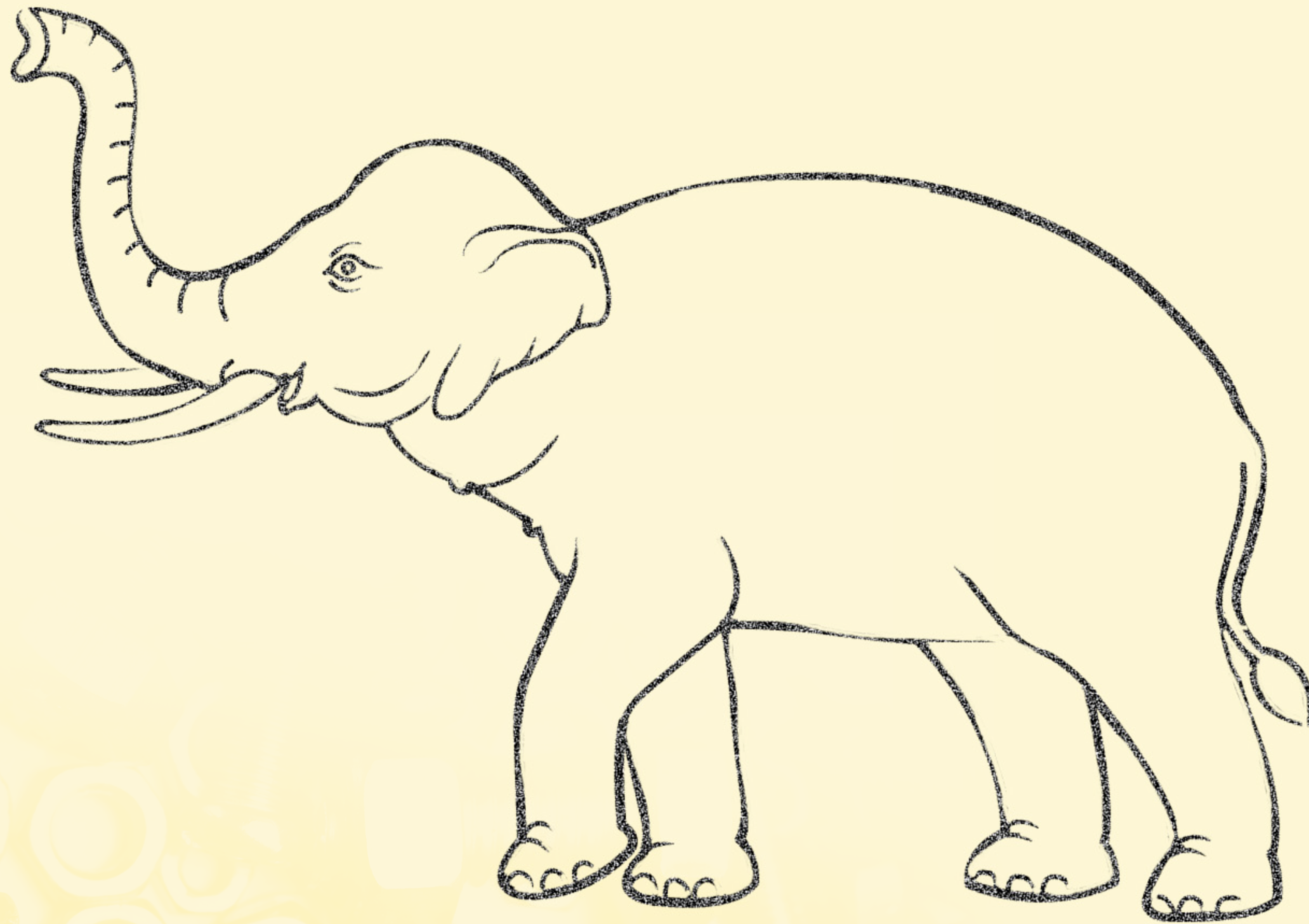




Stocks

THE NUTS AND BOLTS

Edward Jones[®]



5-STEP PROCESS





Stock Basics

COMMON STOCK VS. PREFERRED STOCK

	Common Stock	Preferred Stock
Ownership stake in the company	Yes	Yes
Dividend payments	Dividend amount may fluctuate. Dividends can be suspended or eliminated at any point without notice.	Dividend amount is fixed and is usually a percentage of the stock's par value. Dividends can be suspended or eliminated at any point without notice.
Priority if the company goes bankrupt	Paid last in the event of bankruptcy or liquidation	Paid before common stockholders, but after creditors in the event of bankruptcy or liquidation
Voting rights	One vote per share	Few or no voting rights



HOW STOCKS MAKE MONEY

- Capital gains
- Dividends
 - Dividend yield



INVESTMENT STRATEGY

- Quality
- Diversification
- Long-term perspective

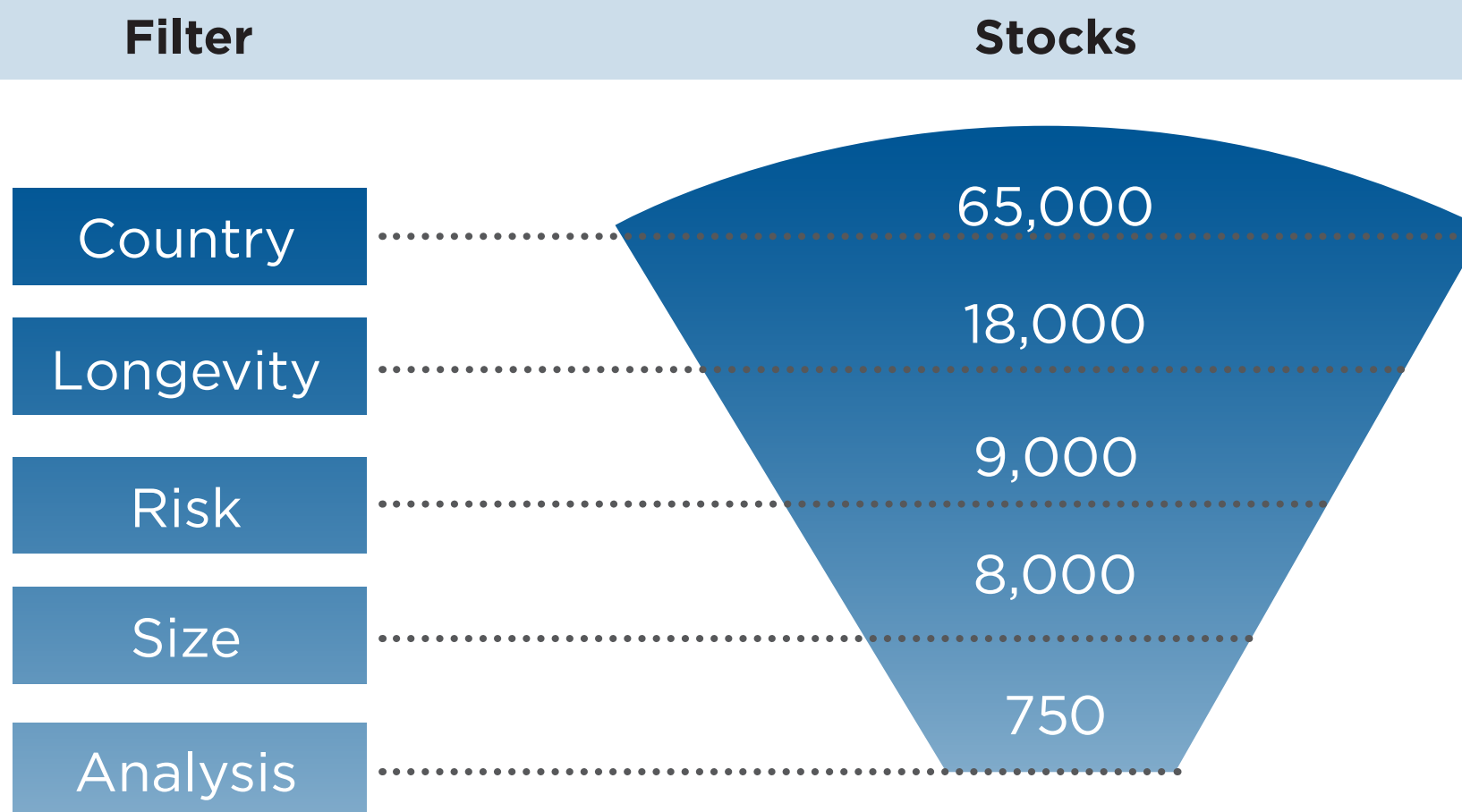


Quality



SELECTING STOCKS: THE PROCESS MATTERS

Stock Selection Process





Diversification

INVESTMENT PYRAMID

Aggressive

Growth

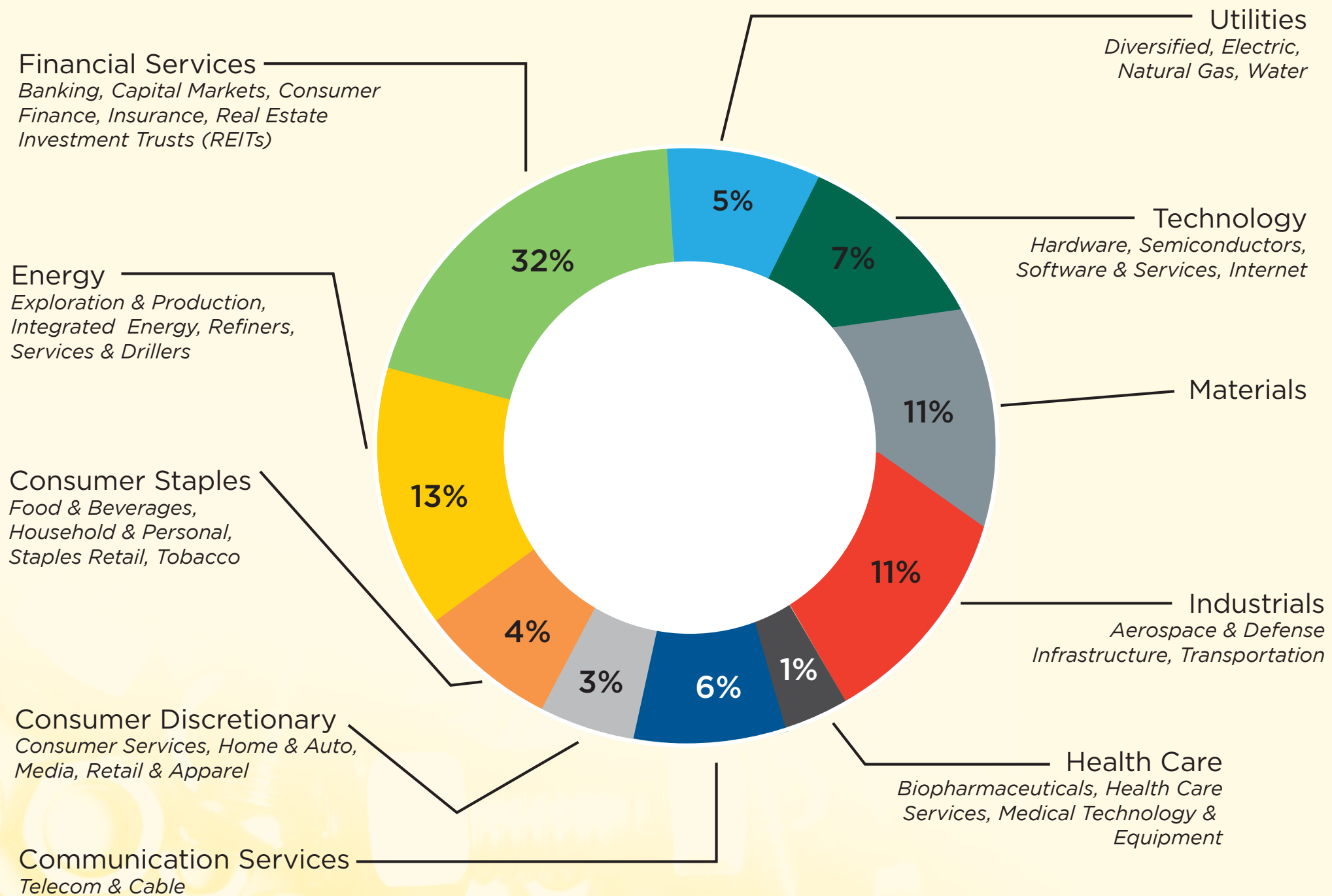
Growth & Income

Income

Cash

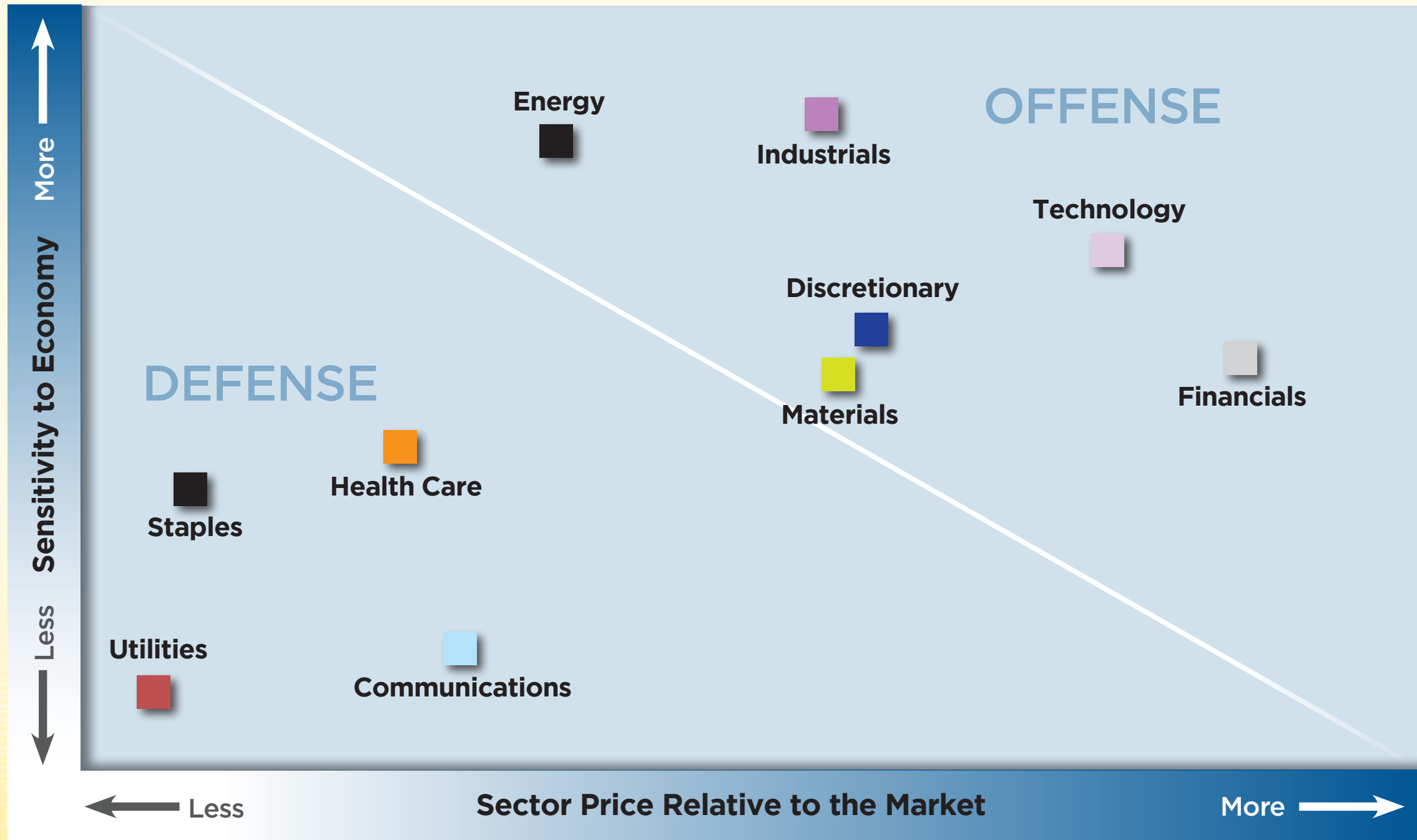


DIVERSIFICATION BY INDUSTRY



Diversification does not guarantee a profit or protect against loss.

DIVERSIFICATION BY SECTOR



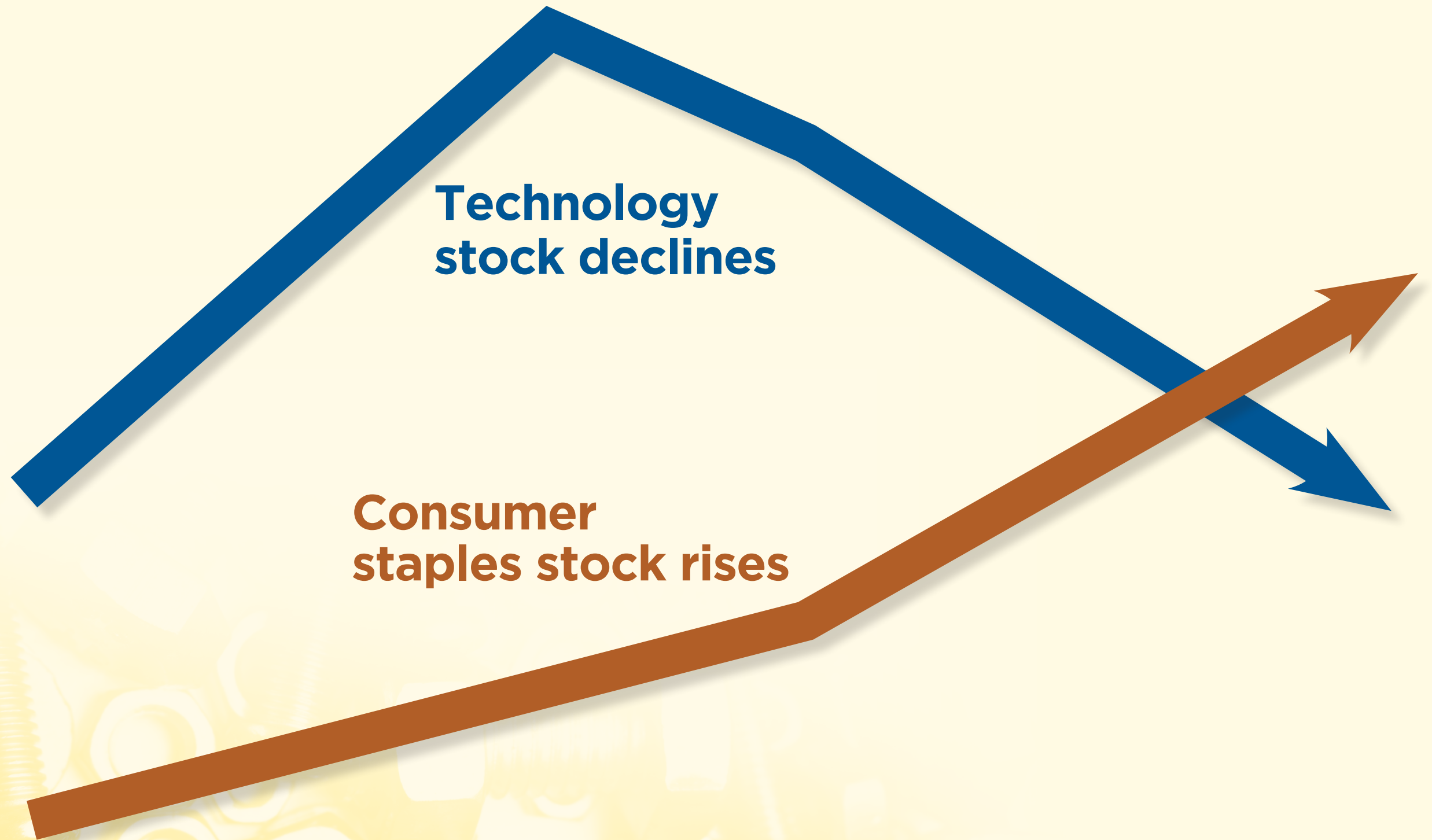
Diversification does not guarantee a profit or protect against loss.



DIVERSIFICATION BY COMPANY SIZE

- Large cap: \$7 billion and higher
- Mid-cap: \$1 billion to \$7 billion
- Small-cap: Less than \$1 billion

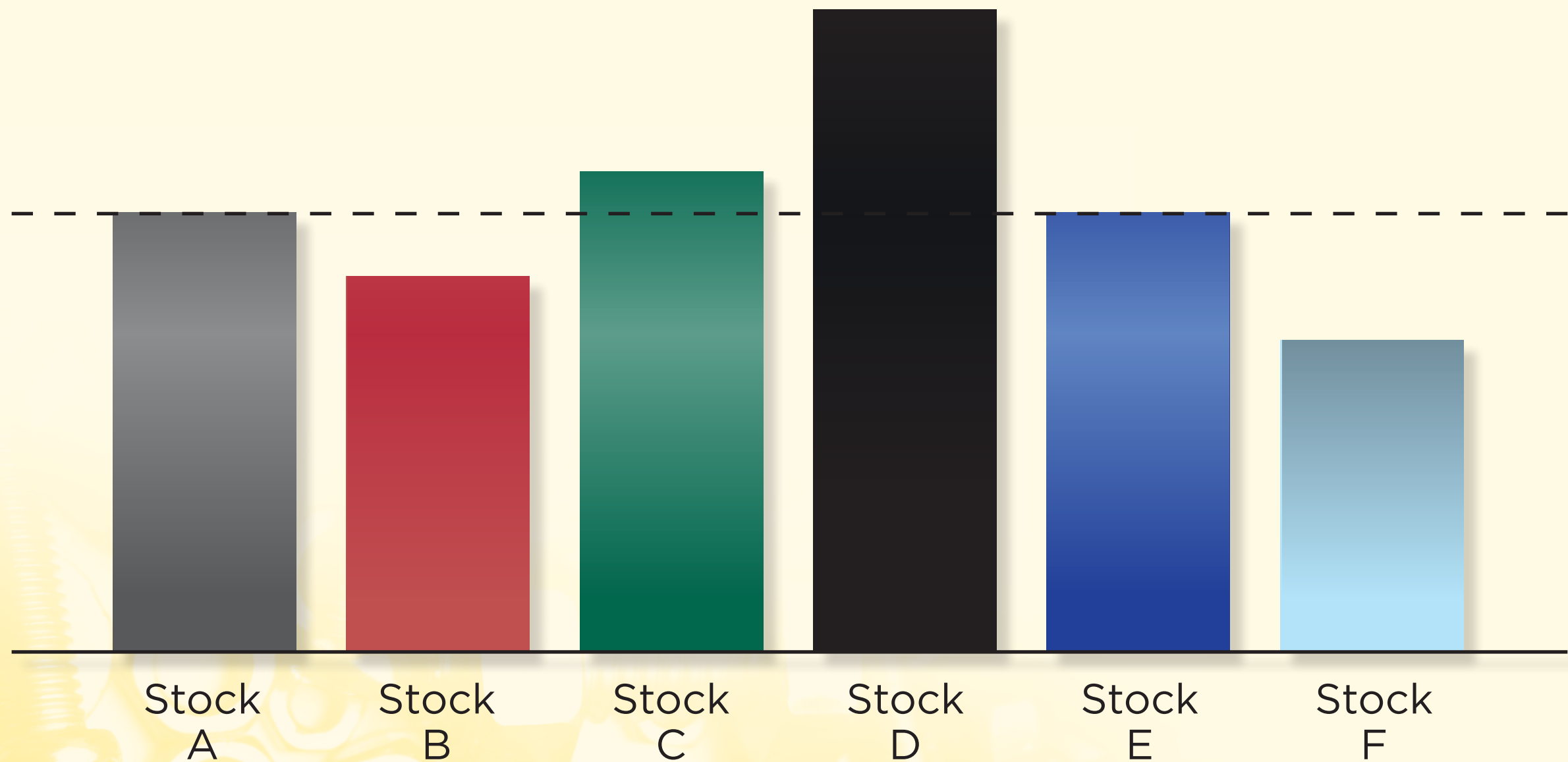
DIVERSIFICATION EXAMPLE



Diversification does not guarantee a profit or protect against loss.

DIVERSIFICATION EXAMPLE

Stock D outperforming the rest

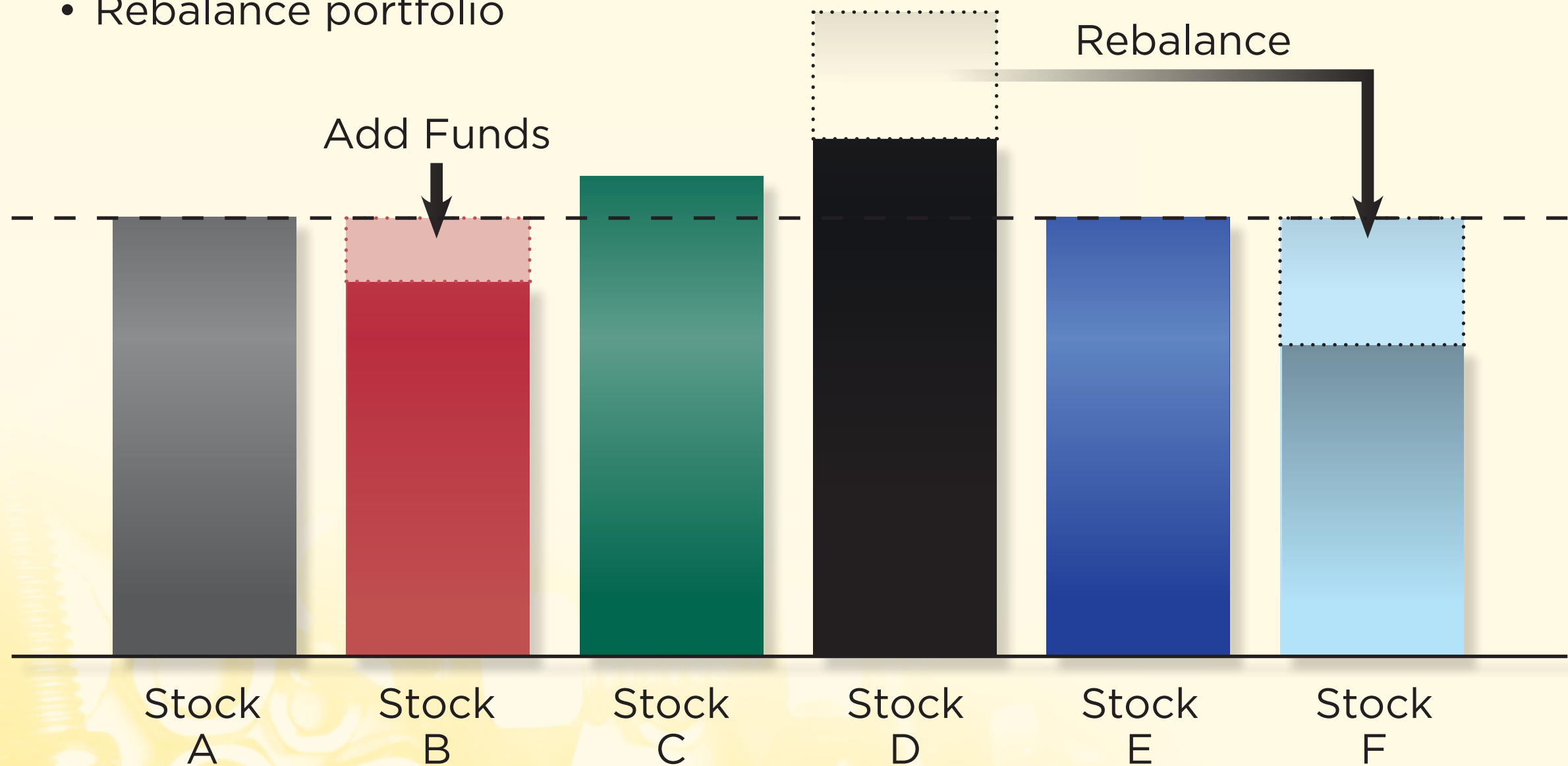


Diversification does not guarantee a profit or protect against loss.

DIVERSIFICATION EXAMPLE

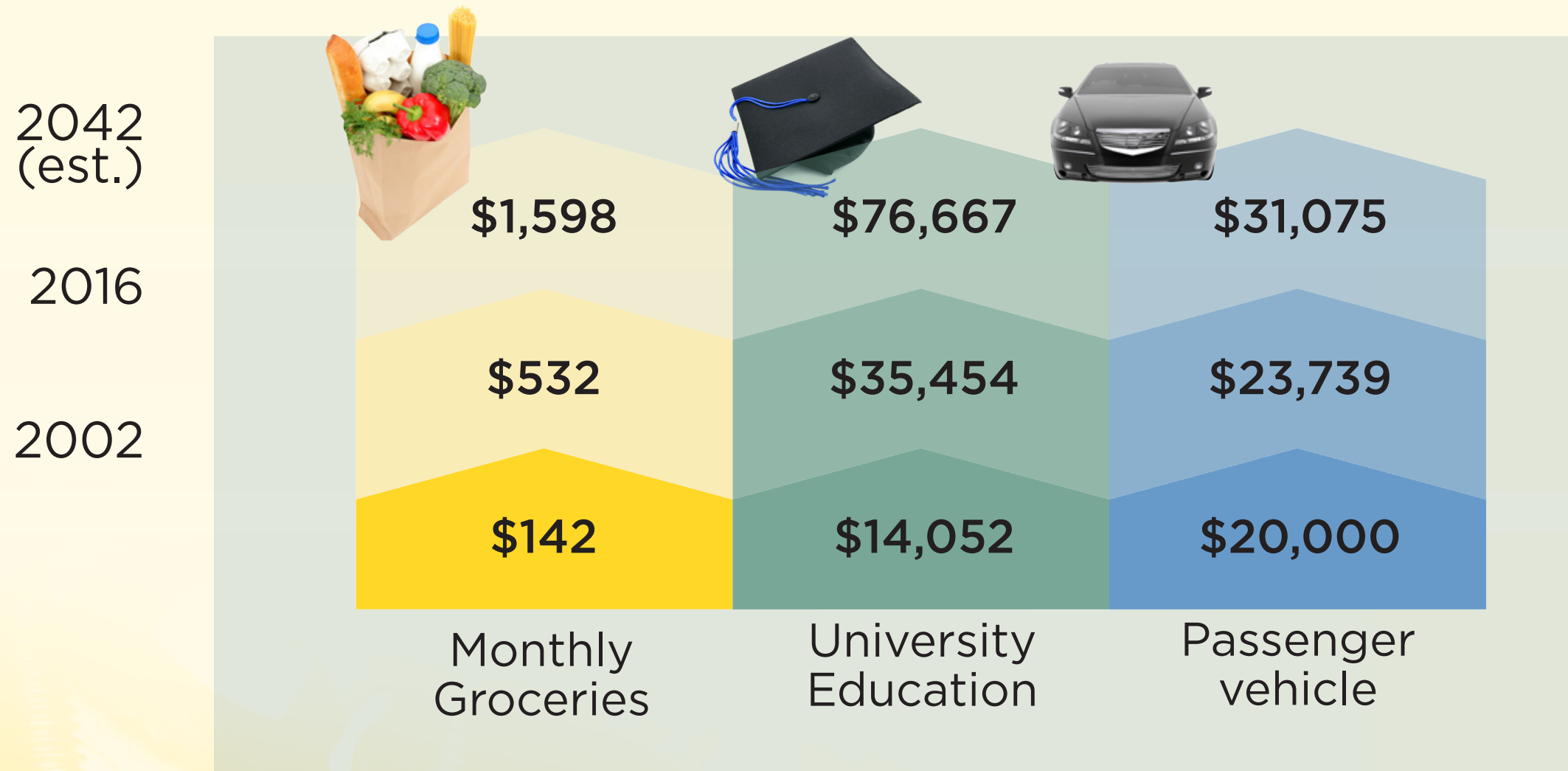
Solutions

- Add funds
- Rebalance portfolio



Diversification does not guarantee a profit or protect against loss.

RISING INCOME: COMBATING INFLATION



Through 2014, CPI inflation has averaged 4.19% (50 years), 4.20% (40 years), 2.51% (30 years), 1.83% (20 years), and 1.81% (10 years). The inflation rate used to calculate 2042 prices is based on historical price inflation rates from 2011 to 2016: Education = 3.13%; Education: As part of recreation, education, and reading; Groceries = 4.5%; Groceries: As part of the regular monthly CPI survey. Transportation = 1.23%; Transportation: As part of purchase, leasing and rental of passenger vehicles.

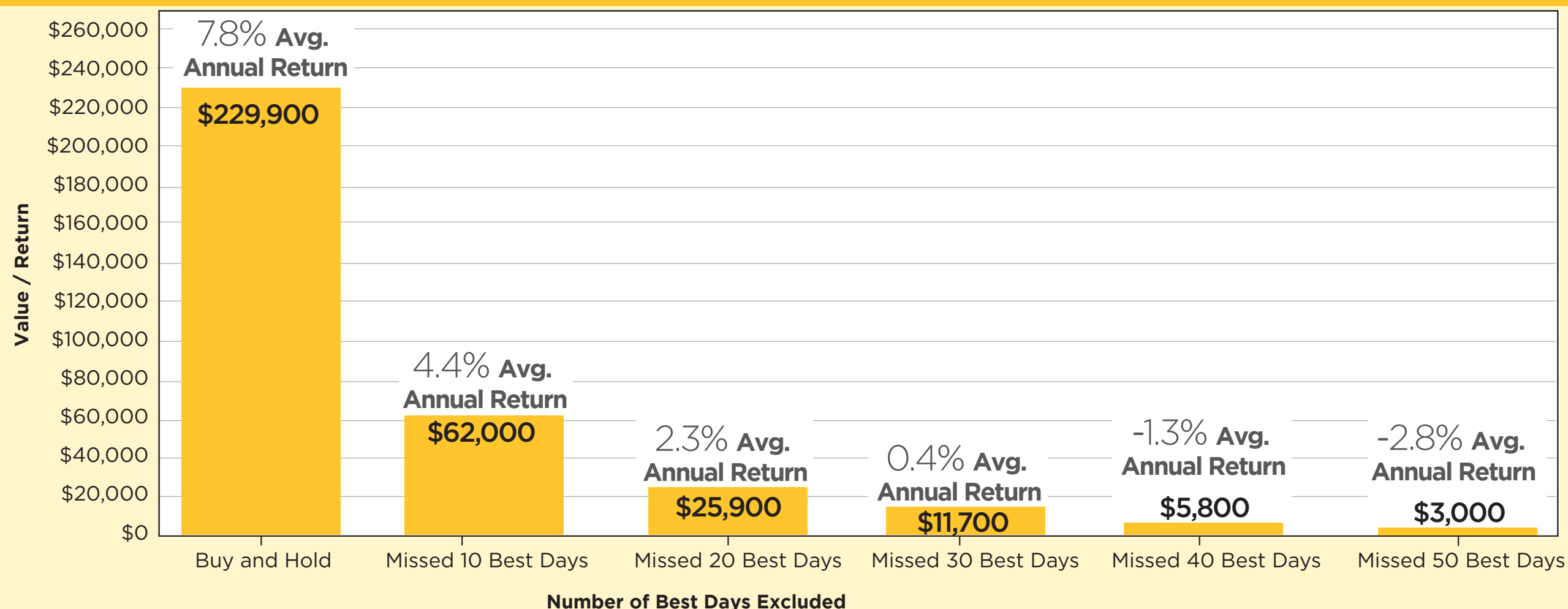
Source: Statistics Canada: Tables by subject: Consumer price indexes



Long-term Perspective

TIME IN THE MARKET IS BETTER THAN TIMING THE MARKET

Value of a \$10,000 Investment in the MSCI Canada Index, 1998-2019



Sources: Ned Davis Research and Edward Jones calculations. 1/1/1985-12/31/2019. These calculations assume the best days, as defined as the top percentage gains for the MSCI Canada Index for the time period designated, would not be included in the return. Total return includes reinvested dividends. These calculations do not include any commissions or transaction fees that an investor may have incurred. If these fees were included, it would have a negative impact on the return. The MSCI Canada Index is an unmanaged index and is not available for direct investment. Past performance does not guarantee future results. Dividends can be increased, decreased or eliminated at any point without notice. Copyright © 2019 Ned Davis Research, Inc. All rights reserved. Further distribution prohibited without prior permission.

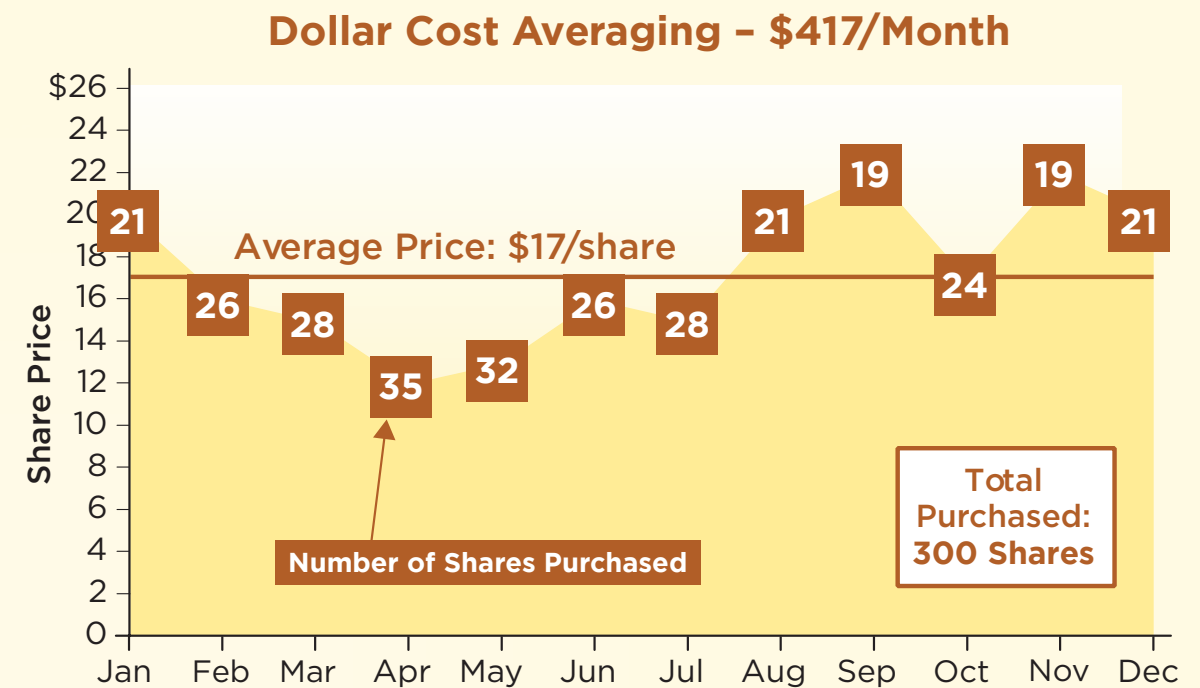
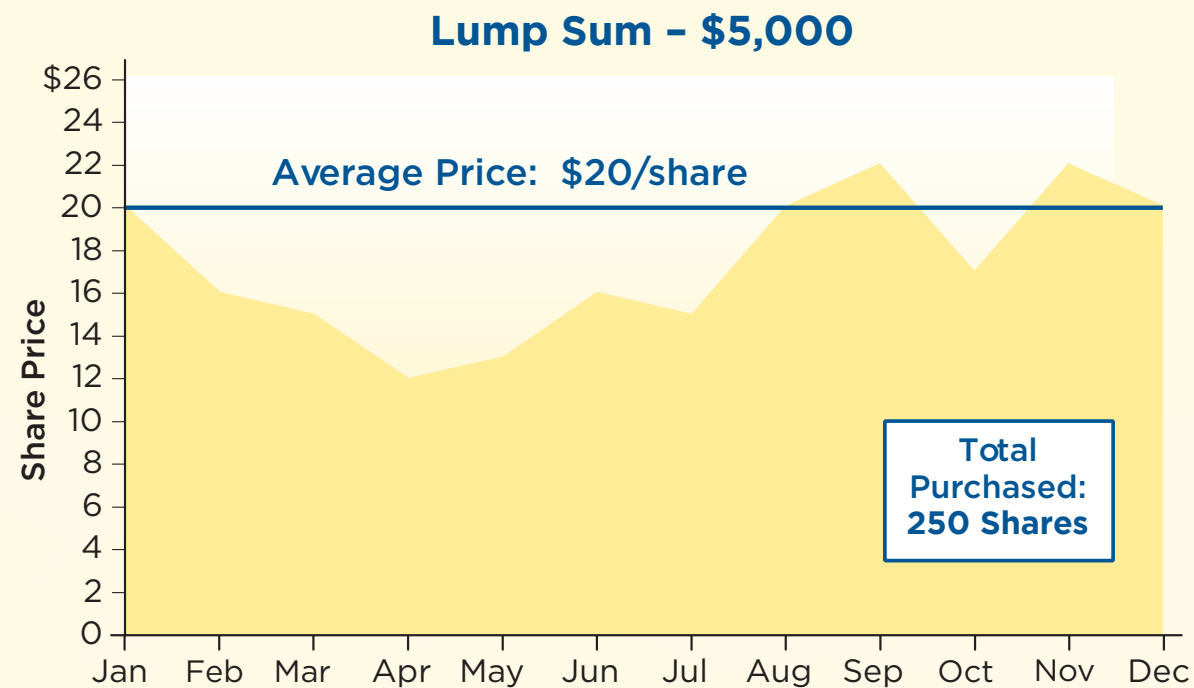


DISCIPLINED APPROACH

- 5-step Process
- Systematic Investing

SYSTEMATIC INVESTING/DOLLAR COST AVERAGING

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.

Equity investments will fluctuate in value and, when sold, may be worth more or less than the original investment.

Systematic investing does not guarantee a profit or protect against loss. Such a strategy involves continual investment in securities regardless of fluctuating price levels of such securities. You should consider your financial ability to continue the purchases through periods of low price levels.



OTHER WAYS TO OWN STOCK

- Mutual Funds
- ETFs

PASSIVE VS. ACTIVE: BENEFITS AND TRADE-OFFS

	Passive	Active
Benefits	<ul style="list-style-type: none">• Likely to perform close to index• Generally lower fees• Typically more tax-efficient	<ul style="list-style-type: none">• Opportunity to outperform index• Potential for limiting the downside• Buy/sell decisions based on research
Trade-offs	<ul style="list-style-type: none">• Unlikely to outperform index• Participate in all of index downside• Buy/sell decisions based on index, not research	<ul style="list-style-type: none">• Potential to underperform index• Generally higher fees• Typically less tax-efficient



RECAP

- Stock basics
- How to make money with stocks
 - Dividends
 - Capital gains
- Principles of Stock Investing
 - Quality
 - Diversification
 - Long-term perspective

Diversification does not guarantee a profit or protect against loss.

Questions & Answers

Thank You

PLEASE COMPLETE YOUR EVALUATION NOW

IMPORTANT CONSIDERATIONS

The contents of this presentation are for informational purposes only. While the information is believed to be accurate, it is not guaranteed and is subject to change without notice.