The Power of Compounding

Think of compounding as interest on interest, where the money you earn is continually reinvested.

Initial Investment

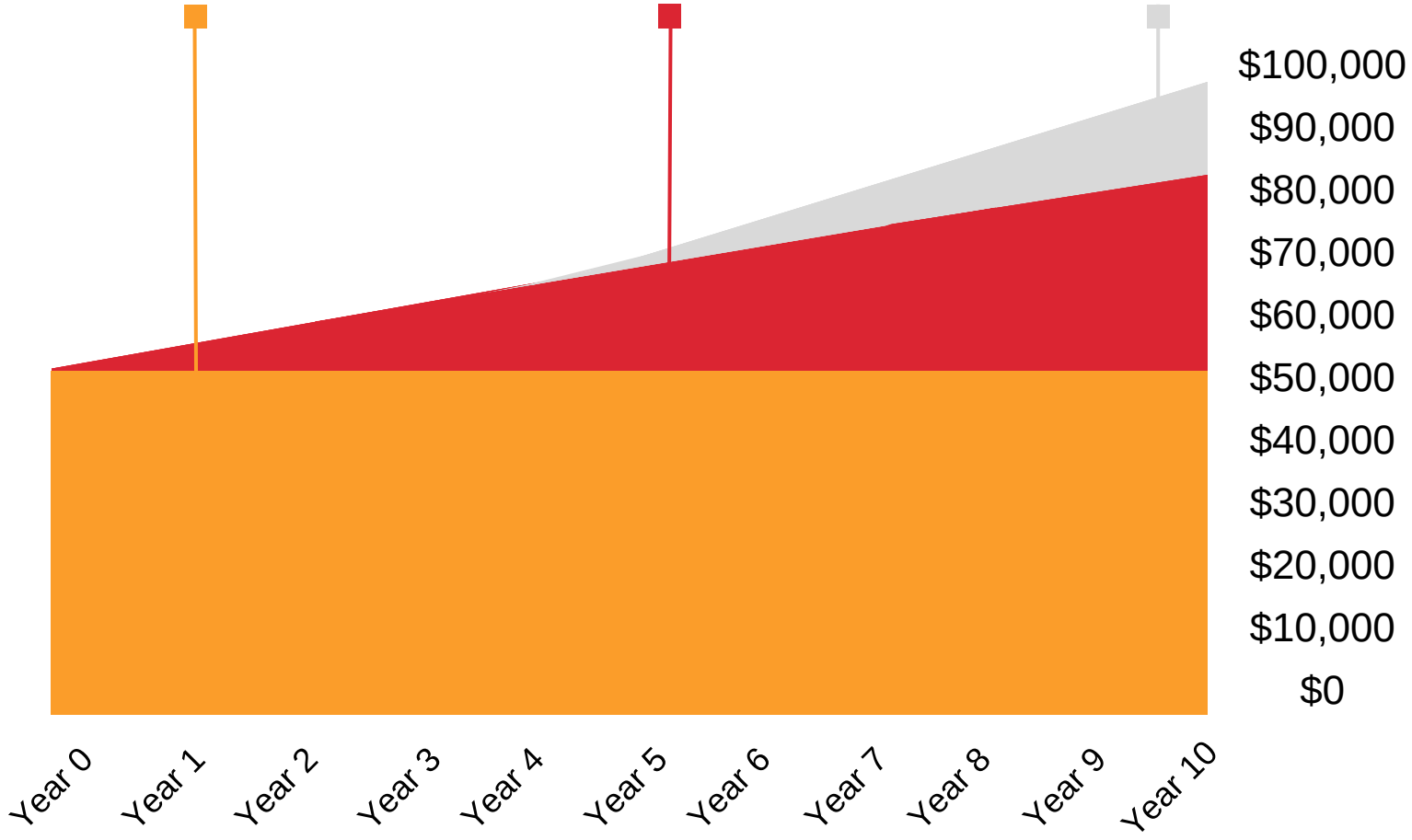
For example, say you invest **$50,000** today earning 7% interest annually.

Simple Interest

With simple interest, you would have **$85,000** at the end of 10 years.

Compounded Earnings

With compounding, you would have more than **$98,000** at the end of 10 years.



How a difference of 1% in rate of return affects your investment:

Initial Investment: $50,000
Length of Investment: 10 years

	4%	5%	6%	7%
Maturity Amount:	$74,012	$81,444	$89,542	$98,357

Note: Actual investment performance is based on certain assumptions, and as such does not guarantee any specific outcome.