

# The Power of Compounding

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

#### **Initial Investment**

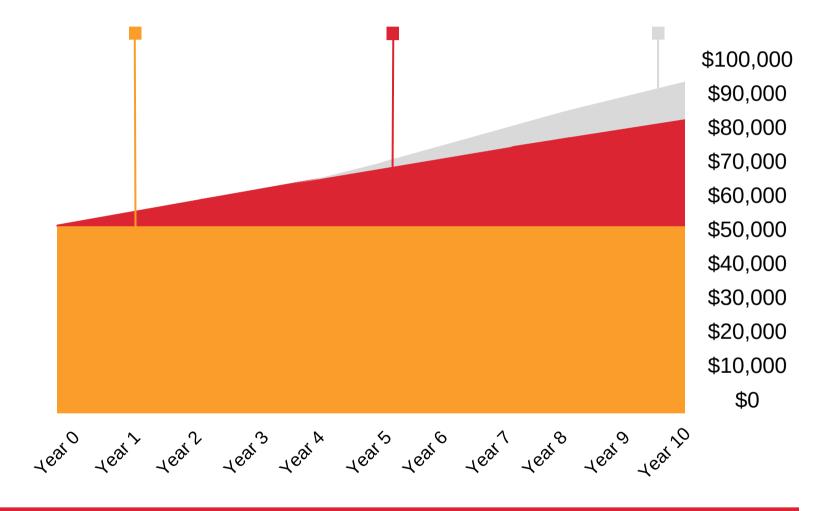
**\$50,000** today earning 6.75% interest annually.

### **Simple Interest**

With simple interest, you would have **\$83,750** at the end of 10 years.

#### **Compounded Earnings**

With compounding, you would have more than **\$96,000** 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

**Maturity Amount:** 

4.75%

\$79,526

5.75%

\$87,453

6.75%

\$96,084

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