

The power of compounding

Small differences in return can make a big difference over time

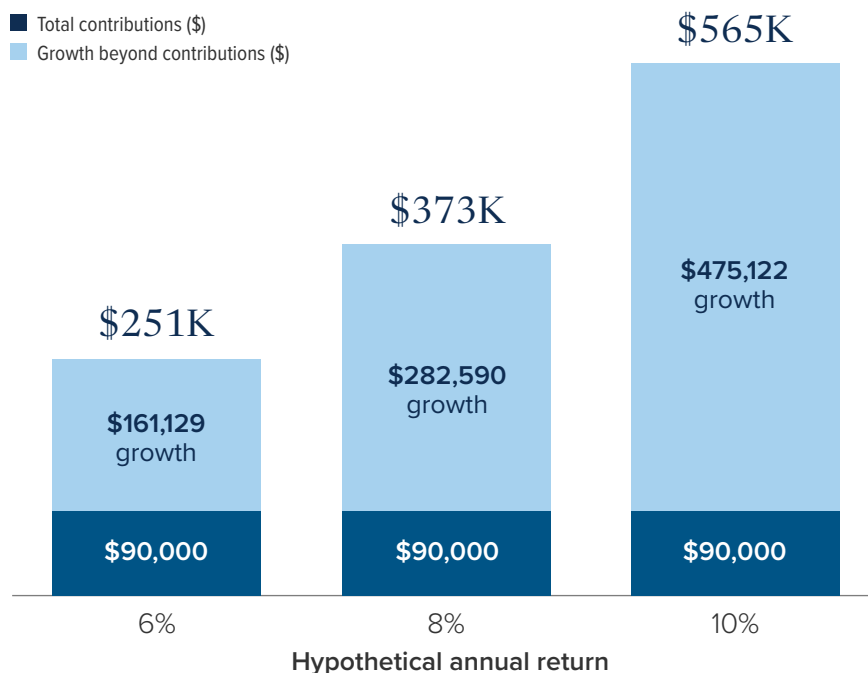
Consistent contributions and time can give compounding more opportunity to work, helping to turn your initial investment and its gains into something much bigger over the long term.

What is compounding?

Compounding is the process of earning investment growth not only on the initial money you contribute, but also on the growth that has already accumulated. When that growth remains invested, it becomes part of the base that can generate future returns.

The following example exhibits how different hypothetical rates of return can affect the value of consistent contributions over time.

FIGURE 1 – Same \$250 monthly contribution. Different potential returns.



Illustrative example only. It does not represent the performance or investment experience of any mutual fund or other investment. Assumes \$250 contributed at each month-end for 30 years and annual returns of 6%, 8% or 10%, compounded monthly. Taxes and withdrawals are not reflected. Returns are hypothetical, are not guaranteed and do not represent any funds. Actual results will vary.

Focus on what you can control



How much you can invest

Invest what comfortably fits your budget and consider increasing your contributions as your capacity grows. A pre-authorized contribution plan (PAC) can help automate regular investing and keep you on track.



How long you stay invested

Starting earlier gives your contributions and investment growth more time to compound.



Stay the course

Staying invested through market ups and downs gives your money more time to recover, grow and compound.



Make more of every dollar

Building toward financial independence does not have to start with a big investment. What matters is getting started, staying consistent and giving your money time to grow and compound.

Take on risk with purpose

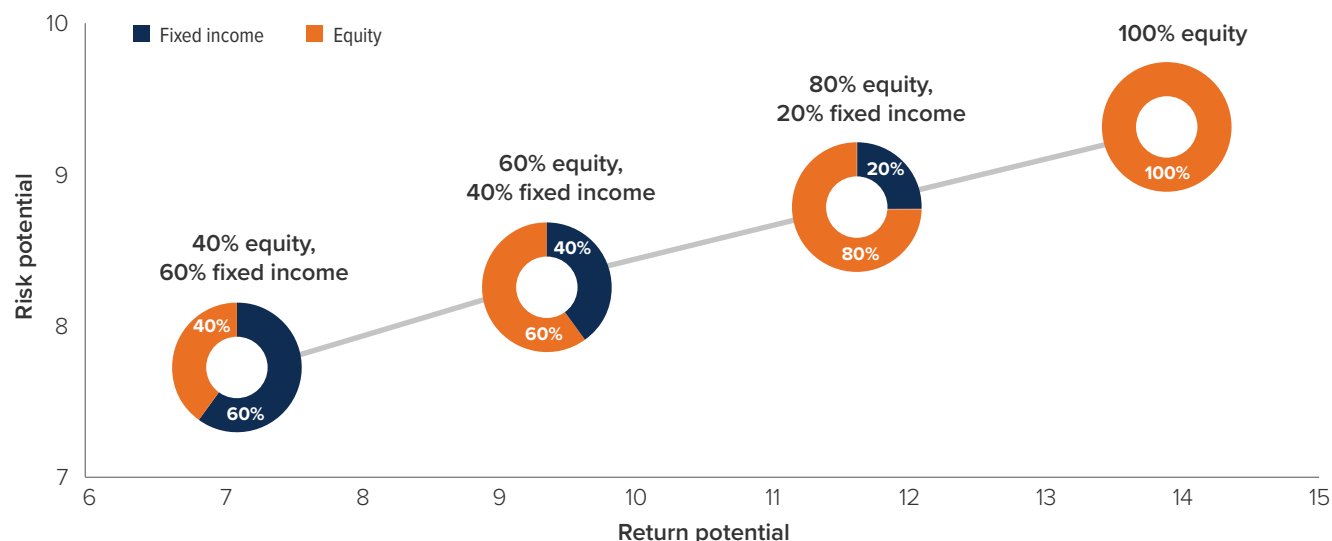
The right amount of risk is personal. It depends on your investment goals, time horizon and ability to withstand market fluctuations.

Higher-growth investments can offer greater long-term return potential, but they also tend to experience larger market swings along the way.

With time on your side, those market swings may be easier to ride out.

For investors who do not expect to need their money for many years, a longer investment horizon can provide a greater capacity to recover from short-term volatility in pursuit of long-term growth potential.

FIGURE 2 – Illustrative risk-return curve.
More return potential generally comes with more risk



Illustrative asset mixes only. The chart illustrates the general relationship between risk and return potential and does not represent actual or hypothetical performance of any FuturePath portfolio.