THE POWER OF COMPOUNDING
AN INVESTMENT SPIN ON “THE TORTOISE AND THE HARE”

WHAT IS COMPOUNDING?
The process of reinvesting earnings (i.e., interest, dividends and capital gains) back into your investment, so that over time the increasing value of your total investment can help your assets grow more quickly.

COMPOUNDING = “EARNINGS ON EARNINGS”

RACE TO RETIREMENT — A HYPOTHETICAL EXAMPLE

HARE
FIRST OUT OF THE GATE
Invests $1,000 per year For 40 years Starting at age 25 Total investment = $40,000

TORTOISE
SLOWER OUT OF THE GATE
Invests $1,000 per year For 30 years Starting at age 35 Total investment = $30,000

RETIREMENT ASSETS AT AGE 65

HARE, Total account value $279,781
TORTOISE, Total account value $122,346

Hare accumulated $157,435 more than Tortoise.

THE LESSON?
START EARLY & INVEST REGULARLY
With the power of compounding, you can grow even a small investment into a much larger one over time.

INVEST IN YOUR FUTURE TODAY.
Contact PNC Investments at 855-PNC-INVEST or stop by a local branch.

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