Dear <Client>,

**Leverage the power of compounding and reinvesting**

It’s easy to procrastinate when it comes to initiating a long-term investment plan. However, the sooner you begin, the more likely it is that the plan will succeed.

Here’s an interesting chart I wanted to share with you. The chart demonstrates the power of ‘compounding investment returns’, or earning returns on previous earnings (e.g. interest on interest). The chart shows the effect of compounding on a hypothetical investment of $10,000 over 20 years, paying a steady 7% pa.

The red portion represents the starting investment, while the orange portion represents the total amount of money earned on that starting amount. The green portion represents the amount of money earned on earnings (the orange section) over this time.

Note that while the initial investment (red portion) remained steady and the earnings on that initial investment (orange portion) increased steadily, the earnings on the reinvested earnings is increasing at an accelerating rate.

Keep in mind that results will vary as investing involves risk, fluctuating returns and the possibility of loss. A long-term investment horizon can help smooth out the bumps along the way.

I’ll leave with you this Einstein quote:

*“Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it.”*

As always, if you have any questions, feel free to get in touch.

Regards,

<Adviser>