

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

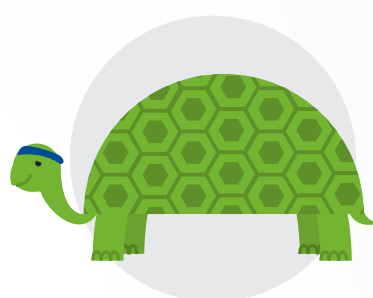


Invests **\$1,000 per year**
For **40 years**
Starting at age **25**

Total investment = **\$40,000**

TORTOISE

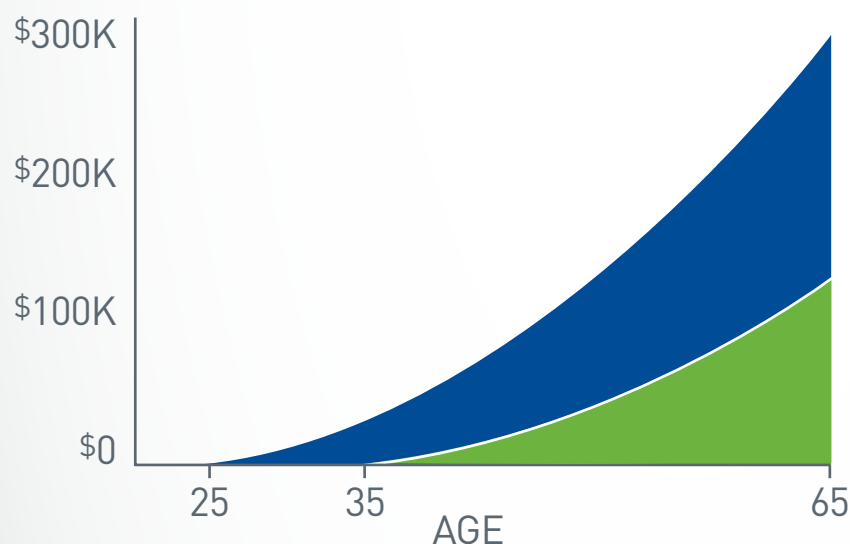
SLOWER OUT OF THE GATE



Invests **\$1,000 per year**
For **30 years**
Starting at age **35**

Total investment = **\$30,000**

RETIREMENT ASSETS AT AGE 65



HARE

\$279,781

Total account value

TORTOISE

\$122,346

Total account value

This hypothetical example is for illustrative purposes only and does not reflect an actual investment. It does not take into account any investment fees, charges or taxes. This example assumes a hypothetical 8% average annual return and an annual investment of \$1,000 at the beginning of the year with the total account value representing the total account value at the end of the investing period. Actual investment results will differ from this illustration.



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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