

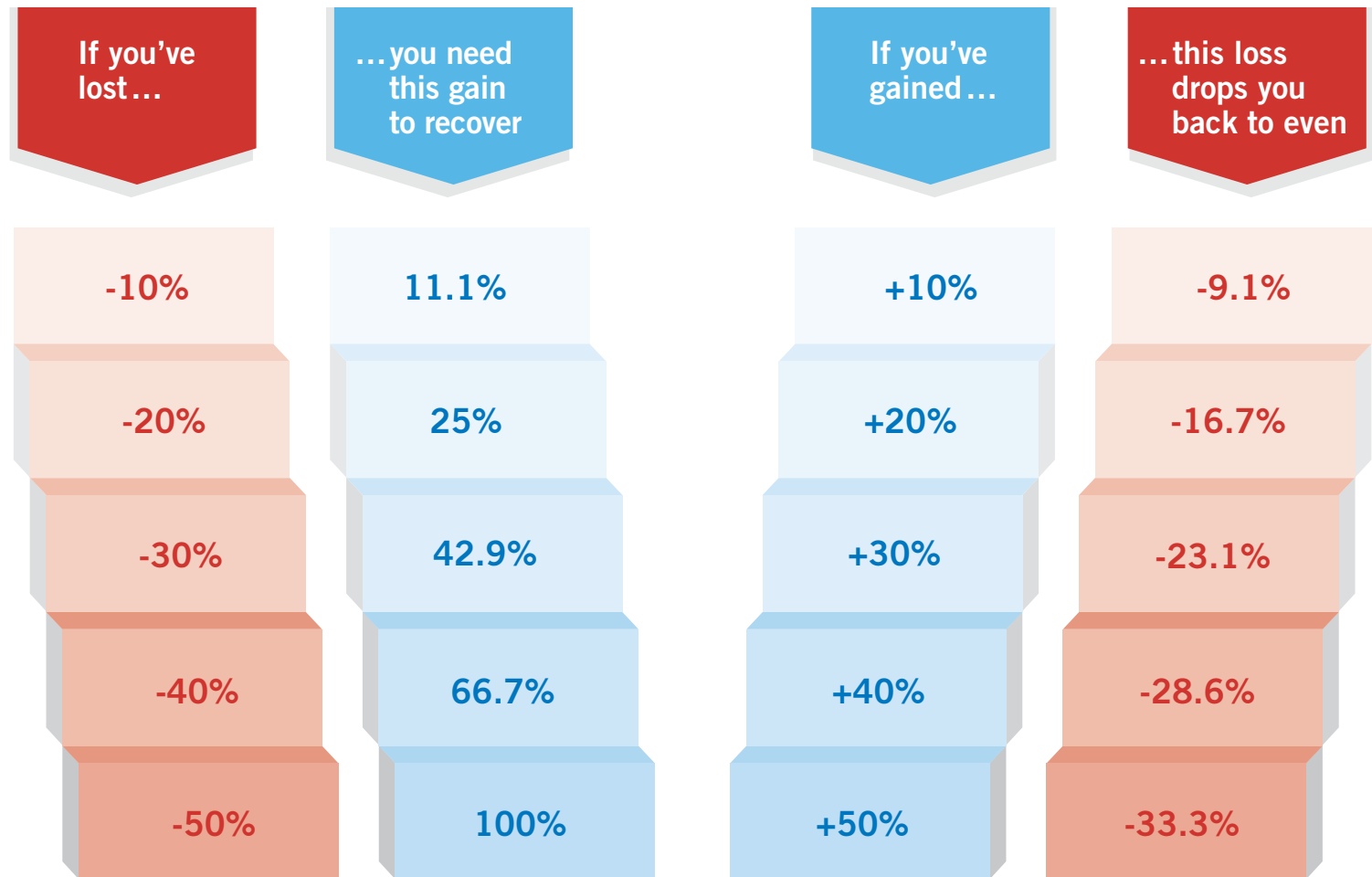
COMPOUNDING, ACTUALLY



The math behind positive and negative compounding can play tricks on the eyes.

Long-term compounding is a powerful source of wealth creation, but we sometimes neglect how significantly it can be interrupted by losses. When our investments decline, the return necessary to get back to scratch becomes increasingly difficult to achieve. Conversely, even gains can erode more quickly than suspected.

A sound risk management plan—both to avoid loss and protect gains—is critical for long-term financial success.



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