

Helping Build Wealth



Investment Principles



ADVISORY SERVICES LLC

PROTECTING THE AMERICAN DREAM

Doubling Your Money

The rule of 72 approximates the number of years it takes to double your money.

72 / 3% 24 years

72 / 6% 12 years

72 / 12% 6 years

Your money must grow faster than inflation or you are going backwards!

The rule of 72 is based on compounding a fixed rate of return over a long period of time. However, most investments generate fluctuating returns so the period of time in which an investment can double cannot be determined with certainty.

The Power of Compound Interest

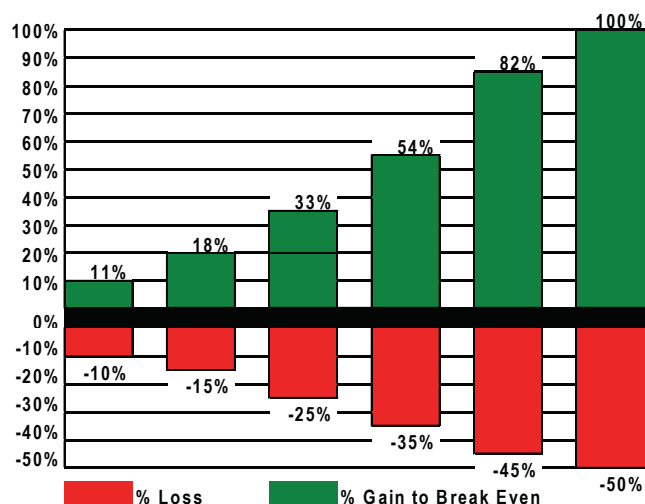
\$200 Monthly Savings for 35 Years (Age 30-65).

3% interest \$148,680

6% interest \$286,370

12% interest \$1.3 Million

Rates of return are example rates, compounded monthly. Contributions are assumed to be made at the beginning of the month. The chart above is not intended to represent any particular investment or savings vehicle, which will fluctuate. It does not take into consideration taxes or other applicable deductions.



**Required recovery
Percentage Gain for a
Given Percentage Loss**

How Money Works

Traditional Financial Institutions



Banks, Credit Unions, Insurance Companies
Historically Low Rates of Return

Your Money

Global Economy

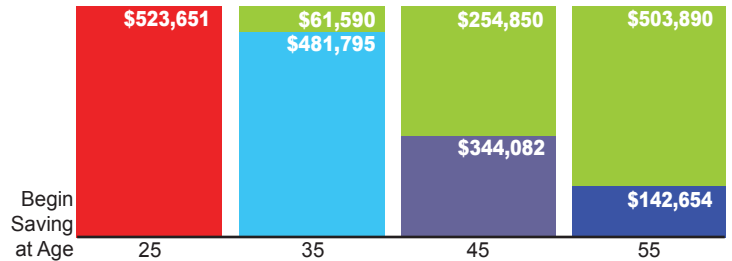
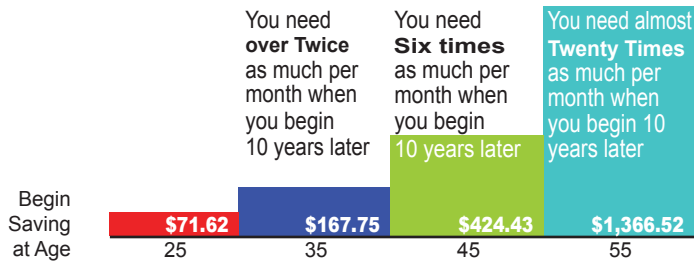
CDs and savings accounts are generally FDIC insured up to \$250,000 / Cash Value life insurance offers life insurance

components in addition to the investment component.

High COST of Waiting

Monthly Savings Required to have \$250,000 at age 65
(Average at 8% return)

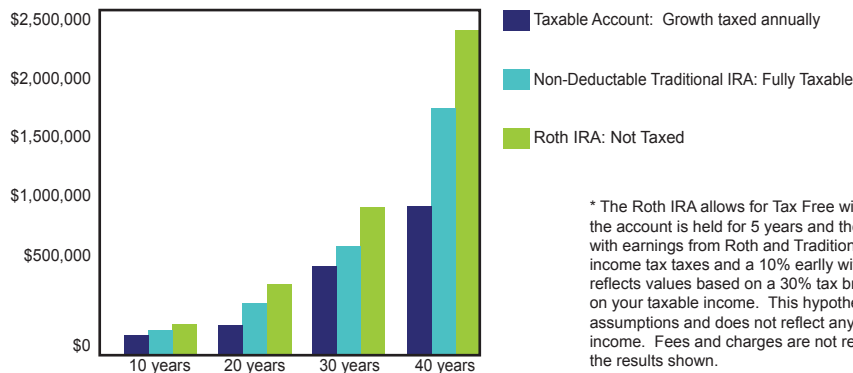
Green indicates the High Cost of Waiting
(Save \$150/month at 8% until age 65)



Rates of return are example rates, compounded monthly. Contributions are assumed to be made at the beginning of the month. The chart above is not intended to represent any particular investment or savings vehicle, which will fluctuate. It does not take into consideration taxes or other applicable deductions. At Zero percent interest, rate of return would be principle invested only.

\$5000 per year for 40 years at 10% return - Assumptions: 30% tax rate throughout the time period.

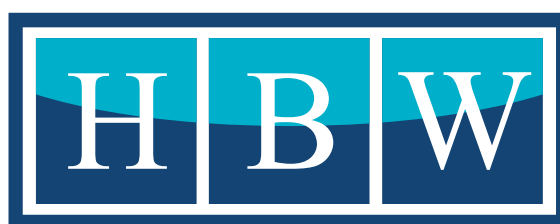
Traditional IRA is not deductible as invested; Roth IRA benefits do not decrease after 2010



Taxable, Tax Deferred, or Tax Free?

* The Roth IRA allows for Tax Free withdrawals of 100% growth and principle if the account is held for 5 years and the owner is 59 1/2 or older. Early withdrawals with earnings from Roth and Traditional IRA accounts will be subject to ordinary income tax taxes and a 10% early withdrawal penalty. This hypothetical example reflects values based on a 30% tax bracket. Your actual tax rate will vary, based on your taxable income. This hypothetical illustration only based on the referenced assumptions and does not reflect any specific product nor does it guarantee future income. Fees and charges are not reflected in the illustration and would reduce the results shown.

The Traditional Deductible IRA total does not include the \$900 in tax savings that could be potentially invested each year. This could amount to an additional \$170,888 over 40 years, given a 10% return. After 40 years, a zero percent return would total \$120,000.



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