# Principles of successful investing

1 Invest early | 2 Invest regularly | 3 Invest enough | 4 Have a plan | 5 Diversify your portfolio

## Getting an early start on investing is one of the best ways to build wealth

Investing for a longer period of time is widely recognized as a more effective strategy than waiting until you have a large amount of savings or cash flow to invest. This increased return potential is a result of the power of compounding.

Compounding of investment returns is the snowball effect that occurs when your earnings generate even more earnings. Essentially, your investments grow not only based on the original amount invested, but also on any accumulated interest, dividends and capital gains.

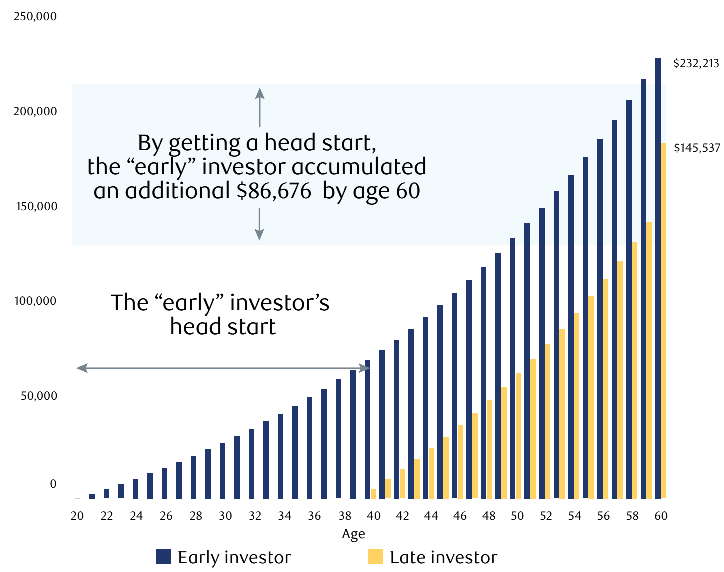
The longer your money is invested, the more time there is for your investment returns to compound. Time has historically enabled investors to take advantage of long-term market returns to effectively grow portfolios over the long run.

## Time is money

If you believe that putting off saving for your future for a few years won't make much of a difference, you should reconsider. Starting early means you'll have to put aside much less money each month to achieve the same result as someone who starts later (see chart at right). So the longer you wait, the more money you will need to save every month to catch up.

**The longer your money is invested, the more time there is for the compounding effect to grow your assets.**

## Investing early can pay off over the long term[†]

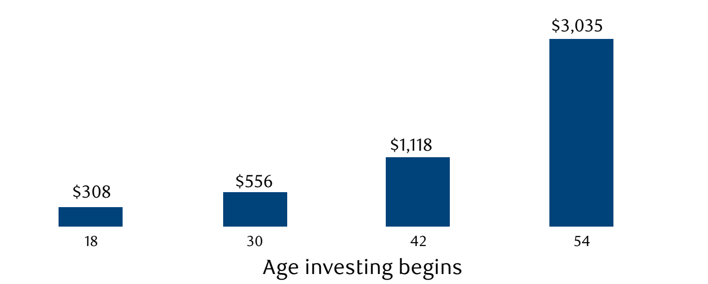



The chart represents an early investor who invests $200 per month for 40 years and a late investor who invests $400 per month for 20 years. Both have invested a total of $96,000 by age 60.

Source: RBC Global Asset Management Inc.

## The earlier you start, the less monthly savings you need[†]

Monthly savings required to accumulate $500,000 by age 65




Source: RBC Global Asset Management Inc.

[†] Assumes a 4% annualized rate of return. Used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of any particular investment.

**Investing early is one of the five principles of successful investing. Speak with your advisor today about how you can put these investment principles into practice to meet your long-term financial goals.**

| | | | | |
|---|---|---|---|---|
| 1 Invest early | 2 Invest regularly | 3 Invest enough | 4 Have a plan | 5 Diversify your portfolio |

This has been provided by RBC Global Asset Management Inc. (RBC GAM) and is for informational purposes only. It is not intended to provide legal, accounting, tax, investment, financial or other advice and such information should not be relied upon for providing such advice. RBC GAM takes reasonable steps to provide up-to-date, accurate and reliable information, and believes the information to be so when provided. You should consult with your advisor before taking any action based upon the information contained in this document. RBC GAM reserves the right at any time and without notice to change, amend or cease publication of the information.



109622 (07/2023)
015GAM270_209622 5PRINCIPLESFS-1 EARLY_EN_V1_ACC 07/20/2023