

# FINANCIAL OUTLOOK

## Impact of Saving, Procrastinating, & Rate of Return on Your Investment Plan

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The investment process of our firm is founded upon each client's unique financial plan. Each investor and family brings different goals to the financial process. To some, financial success is putting 5 children through college; to another, it is building sufficient assets to finance a new business venture; to another, it may be creating a lasting legacy for a favorite charity or cause.

We define our success in meeting your personal benchmark.

We rebuke the myth that all investors must accept more risk in attempt to "beat the market," participate in unproven market timing strategies, nor purchase a national brokerage's proprietary one-size-fits-all mutual fund, or catch the gravy train on the heavily hyped new stock of the day touted by 24/7 financial "news."

We maintain a simple, academic-based investment plan to reflect your personal values, and to meet your personal goals. When an investor understands the basic investment concepts illustrated below, he/she can tune out the market "noise" which oftentimes is generated merely to sell advertising, to increase viewers/readers, to preserve a Wall Street job, or to generate mutual funds fees to their promoters.

In understanding the impact to your investment plan from one's consistent and early savings, you must see the "flip side," which is the "cost of waiting."

*The chart below contrasts the amounts of weekly investments into retirement plans beginning at different ages in order to reach the same financial "pile." (assumes pre-tax contributions with 8% annual return)*

Savings Start at Age	Weekly Investment	Savings goal at age 65
25	\$ 33	\$500,000
35	\$ 77	\$500,000
45	\$ 195	\$500,000
55	\$ 628	\$500,000

*To illustrate future growth of investments with after-tax dollars, the chart below shows various annual savings amounts over various time horizons. (assumes after-tax contributions with 8% annual return)*

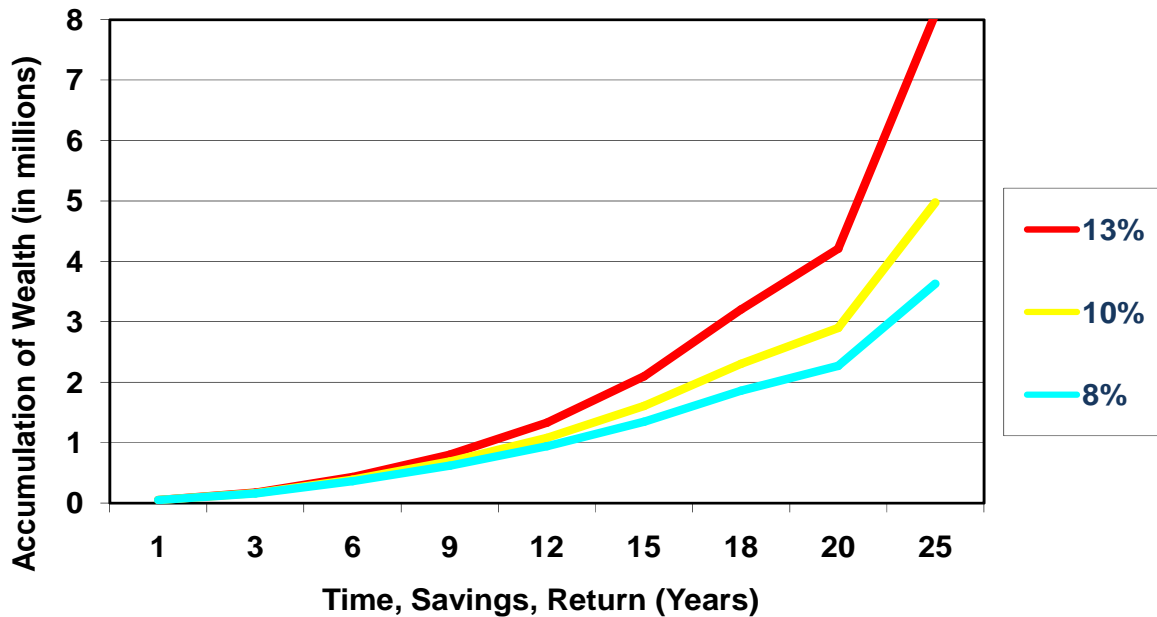
### Future Growth

Annual Savings	5 years	10 years	15 years	25 years
<b>\$5,000</b>	\$31,680	\$78,227	\$146,621	\$394,772
<b>\$15,000</b>	\$95,039	\$234,682	\$439,864	\$1,184,316
<b>\$20,000</b>	\$126,719	\$312,909	\$586,486	\$1,579,088
<b>\$45,000</b>	\$285,117	\$704,047	\$1,319,593	\$3,552,949

## What impact does your rate of return have on your investment goals?

The table and graph below illustrate your wealth accumulation from an annual \$46,000 investment (typical amount of annual 401K and spousal IRA retirement contribution):

Years	8%	10%	13%
1	49,680	50,600	51,980
3	161,281	167,486	177,091
6	364,449	390,410	432,614
9	620,382	687,122	801,308
12	942,784	1,082,045	1,333,296
15	1,348,917	1,607,688	2,100,900
18	1,860,528	2,307,318	3,208,473
20	2,273,454	2,898,115	4,207,616
25	3,631,903	4,976,361	8,089,105



Notice what little difference your rate of return matters in the first 6-8 years of investing! Consistent **saving** matters more than **rate of return** in the early years of your lifetime investing plan. Faith, discipline, and patience are the cornerstones of every long term investment plan.

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