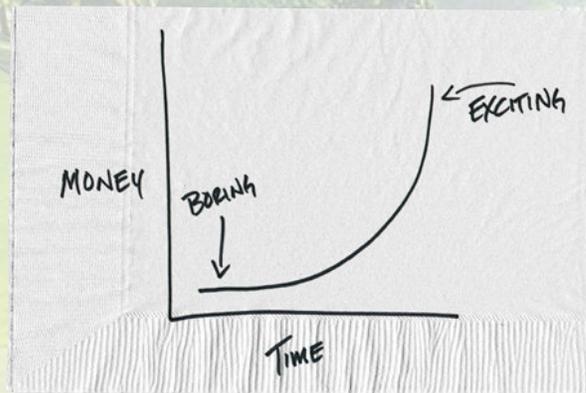


Let me give you an example to illustrate the power of compounding. Let's say we played a game of golf and we made a friendly bet of 10-cent on the first hole, with the bet doubling on each hole. Would you take on this bet? Now, if you were familiar with the game of golf, you would know that there are only 18 holes, so how much can the bet be on the 18th hole?

Well let's see how the bet increases on the first 9 holes:

Hole 1 10 cents  
Hole 2 20 cents  
Hole 3 40 cents  
Hole 4 80 cents  
Hole 5 \$1.60  
Hole 6 \$3.20  
Hole 7 \$6.40  
Hole 8 \$12.80  
Hole 9 \$25.60

Hole 10 \$51.20  
Hole 11 \$102.40  
Hole 12 \$204.80  
Hole 13 \$409.60  
Hole 14 \$819.20  
Hole 15 \$1,638  
Hole 16 \$3,276  
Hole 17 \$6,553  
Hole 18 \$13,107



At the 9th hole, the bet is \$25.60. We are already half way there, so how much could it be on the 18th hole? \$100? \$300? \$500? Let's go on.

As you can see on the 18th hole, the bet becomes a whopping \$13,107! When given enough time, the power of compounding can turn very small amounts of money into

huge sums.

A more important lesson I want to illustrate is that initially, the money grows very slowly. Even at the halfway mark, it is only \$25.60. However, the moment it reaches a critical point, the growth becomes exponential! In fact, between Hole 15 and Hole 18, within just 3 holes, it grows from \$1,638 to \$13,107, a \$11,469 difference!

What does this mean to you? You see when you start your investment program of say \$200 a month, initially the growth is extremely slow. However, once it hits a certain period of time, the growth explodes exponentially! The trouble with most people is that when they see the slow growth during the first few years, they lose patience and abandon their investment plan.

Have the patience to wait, for the power of compounding will work and reward you with millions.