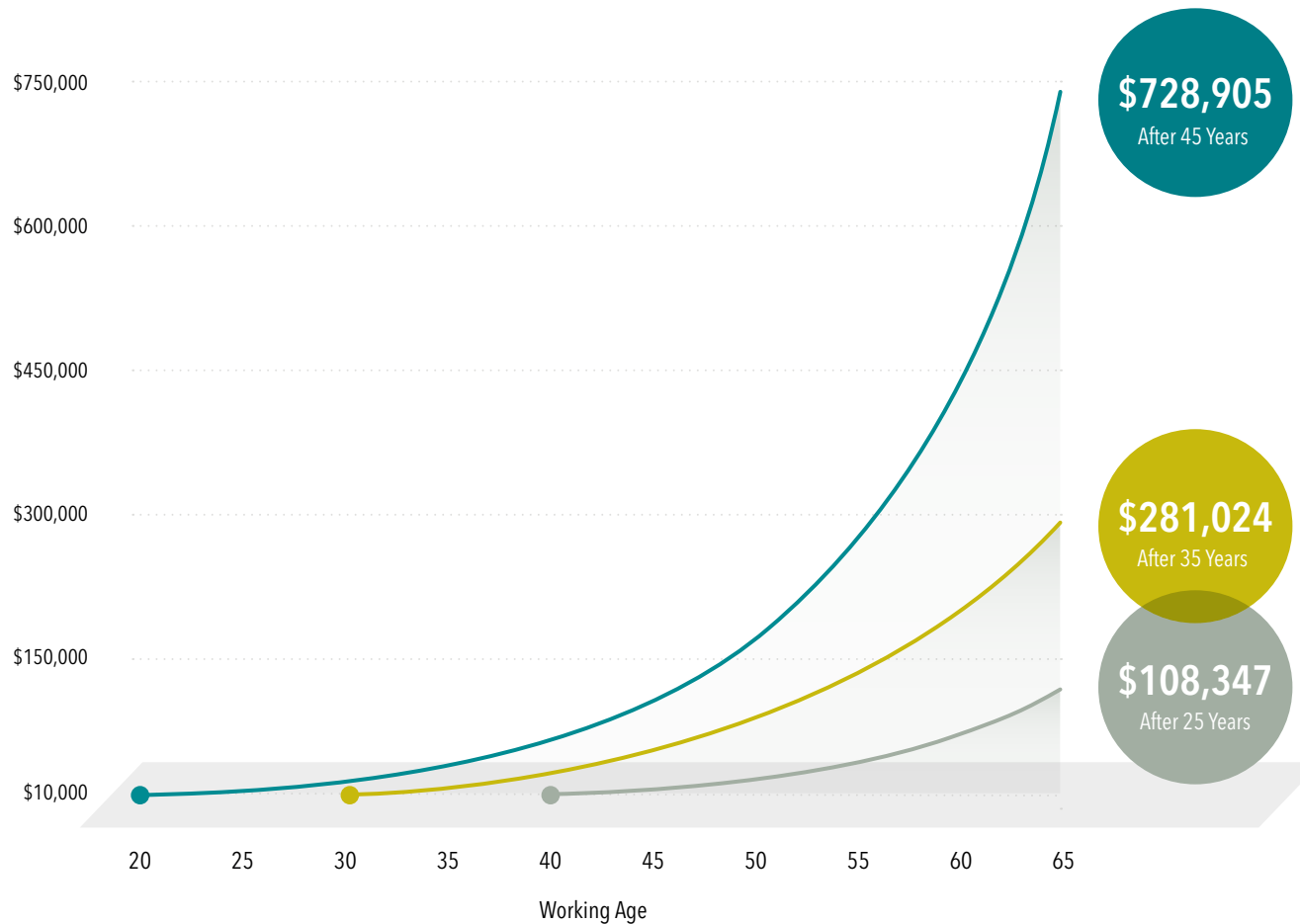


# The Power of Compounded Returns

HYPOTHETICAL GROWTH OF \$10,000 OVER 45, 35, AND 25 YEARS  
10% Annual Compounded Return



Compounding is a powerful force. When returns are reinvested, the investment's value can grow exponentially over time.

- Consider a hypothetical \$10,000 investment earning 10% a year—the S&P 500 Index's approximate annualised return since 1926. Over a 45-year working lifetime (age 20 to 65), \$10,000 would have grown to \$728,905.
- At a 10% annual return, an investment doubles in value about every seven years. So, the earlier you start investing, the larger the potential compounding effect.
- For example, investing \$10,000 at age 20 would result in a much higher end value at age 65 than investing the same amount at age 30 or 40.

*Compounding can help turn a small investment into substantial wealth. But to harness that power, the sooner you start, the better.*

---

**Past performance is no guarantee of future results. Investing risks include loss of principal and fluctuating value. There is no guarantee an investment strategy will be successful.**

In USD. For illustrative purposes only. S&P 500 Index annualised return January 1926–December 2024 is 10.42%. S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

**AUSTRALIA:** This material is issued by DFA Australia Limited (AFS License No. 238093, ABN 46 065 937 671). This material is provided for information only. No account has been taken of the objectives, financial situation or needs of any particular person. Accordingly, to the extent this material constitutes general financial product advice, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. Investors should also consider the Product Disclosure Statement (PDS) and the target market determination (TMD) that has been made for each financial product either issued or distributed by DFA Australia Limited prior to acquiring or continuing to hold any investment. Go to [dimensional.com/funds](https://dimensional.com/funds) to access a copy of the PDS or the relevant TMD. Any opinions expressed in this material reflect our judgement at the date of publication and are subject to change.

**NEW ZEALAND:** This material is issued by DFA Australia Limited (incorporated in Australia, AFS License No. 238093, ABN 46 065 937 671). This material is provided for information only. This material does not give any recommendation or opinion to acquire any financial product or any financial advice product, and is not financial advice to you or any other person. No account has been taken of the objectives, financial situation or needs of any particular person. Accordingly, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. Investors should also consider the Product Disclosure Statement (PDS) and for the Dimensional Wholesale Trusts the target market determination (TMD) that has been made for each financial product or financial advice product either issued or distributed by DFA Australia Limited prior to acquiring or continuing to hold any investment. Go to [dimensional.com/funds](https://dimensional.com/funds) to access a copy of the PDS or the relevant TMD. Any opinions expressed in this material reflect our judgement at the date of publication and are subject to change.

AMERICAS

Austin, Charlotte, Santa Monica, Toronto, Vancouver

EUROPE

Amsterdam, Berlin, Dublin, London, Munich

ASIA PACIFIC

Hong Kong, Melbourne, Singapore, Sydney, Tokyo

[dimensional.com](https://dimensional.com)

