

A: The "Rule of 72" is a simplified way to determine how long an investment will take to double, given a fixed annual rate of interest. By dividing 72 by the annual rate of return, investors can get a rough estimate of how many years it will take for the initial investment to duplicate itself.

For example, the rule of 72 states that \$1 invested at 10% would take 7.2 years ($(72/10) = 7.2$) to turn into \$2. In reality, a 10% investment will take 7.3 years to double ($(1.10^{7.3} = 2)$).

When dealing with low rates of return, the Rule of 72 is fairly accurate. This chart compares the numbers given by the rule of 72 and the actual number of years it takes an investment to double.

Rate of Return	Rule of 72	Actual # of Years	Difference (#) of Years
2%	36.0	35	1.0
3%	24.0	23.45	0.6
5%	14.4	14.21	0.2
7%	10.3	10.24	0.0
9%	8.0	8.04	0.0
12%	6.0	6.12	0.1
25%	2.9	3.11	0.2
50%	1.4	1.71	0.3
72%	1.0	1.28	0.3
100%	0.7	1	0.3



Aggressive
Growth

Growth

Growth & Income

Income

Cash & equivalents

What ICA Investors Own

A hypothetical \$10,000 investment in ICA on December 31, 2016, bought part-ownership in approximately 150 companies. Of those, here are the 75 largest, representing more than 70% of total assets.

The Fund's 75 Largest Equity Holdings and What a \$10,000 Investment Bought

AbbVie	\$411	Stryker	\$98	Exelon	\$ 56
Amgen	281	Western Union	97	McDonald's	56
Verizon Communications	248	Microsoft	97	BHP Billiton	56
Philip Morris International	235	Medtronic	89	Time Warner	56
Oracle	202	Exxon Mobil	88	Mondelez International	55
Amazon.com	193	Coca-Cola	86	United Technologies	53
Texas Instruments	190	Illinois Tool Works	83	U.S. Bancorp	52
Union Pacific	179	Suncor Energy	83	Gilead Sciences	52
Altria Group	173	Dow Chemical	82	General Motors	51
American International Group	165	Vale	82	Goldman Sachs Group	51
Accenture	141	EOG Resources	81	Samsung Electronics	48
General Dynamics	137	Noble Energy	79	Royal Dutch Shell	48
Intel	136	Boeing	79	Concho Resources	46
Alphabet	135	Twenty-First Century Fox	78	Conagra Brands	46
Broadcom	132	Wells Fargo	75	Comcast	45
Kroger	129	Dominion Resources	74	Praxair	44
Apple	128	Prudential Financial	73	Priceline Group	43
UnitedHealth Group	126	Citigroup	72	McKesson	42
Halliburton	126	ConocoPhillips	70	Lockheed Martin	39
Freeport-McMoRan	117	Kraft Heinz	67	International Flavors & Fragrances	39
General Electric	115	Chevron	66	Glencore	38
JPMorgan Chase	112	AT&T	66	Crown Castle International	38
Home Depot	111	TOTAL	60	ASML Holding	38
Canadian Natural Resources	105	Viacom	59	Other equities	1,818
Las Vegas Sands	102	CSX	58		
Berkshire Hathaway	98	PepsiCo	58		

$$\begin{array}{rclclcl}
 \$9,137 & + & \$18 & = & \$9,155 & + & \$845 & = & \$10,000 \\
 \text{Total stocks} & & \text{Bonds \& notes} & & \text{Total investment securities} & & \text{Net cash \& equivalents} & & \text{Total}
 \end{array}$$

The fund is actively managed, so holdings will change.

The Advantage of Early Investing

Tom and Jerry are twins. Tom opened an IRA at age 19 and deposited \$2000 a year until he was 25. Jerry started at age 26...look at what happened....

Hypothetical Yearly Return: 12.60% (Historical return of Small to Mid Caps last 71 years)

Tom, Invested Early			Jerry, Started Later		
Age	Deposit	Accumulated	Age	Deposit	Accumulated
19	2,000	\$2,000.00	19	0	\$0
20	2,000	\$4,252.00	20	0	\$0
21	2,000	\$6,787.75	21	0	\$0
22	2,000	\$9,643.01	22	0	\$0
23	2,000	\$12,858.03	23	0	\$0
24	2,000	\$16,478.14	24	0	\$0
25	2,000	\$20,554.38	25	0	\$0
26	0	\$23,554.38	26	2,000	\$2,000.00
27	0	\$26,060.41	27	2,000	\$4,252.00
28	0	\$29,344.02	28	2,000	\$6,787.75
29	0	\$33,041.37	29	2,000	\$9,643.01
30	0	\$37,204.58	30	2,000	\$12,858.03
31	0	\$41,892.36	31	2,000	\$16,478.14
32	0	\$47,170.80	32	2,000	\$20,554.38
33	0	\$53,114.32	33	2,000	\$25,144.24
34	0	\$59,806.72	34	2,000	\$30,312.41
35	0	\$67,342.37	35	2,000	\$36,131.78
36	0	\$75,827.51	36	2,000	\$42,684.38
37	0	\$85,381.77	37	2,000	\$50,062.61
38	0	\$96,139.88	38	2,000	\$58,370.50
39	0	\$108,253.50	39	2,000	\$67,725.18
40	0	\$121,893.44	40	2,000	\$78,258.56
41	0	\$137,252.02	41	2,000	\$90,119.13
42	0	\$154,545.77	42	2,000	\$103,474.14
43	0	\$174,018.54	43	2,000	\$118,511.89
44	0	\$195,944.87	44	2,000	\$135,444.38
45	0	\$220,633.93	45	2,000	\$154,510.38
46	0	\$248,433.80	46	2,000	\$175,978.68
47	0	\$279,736.46	47	2,000	\$200,152.00
48	0	\$314,983.26	48	2,000	\$227,371.15
49	0	\$354,671.15	49	2,000	\$258,019.91
50	0	\$399,359.71	50	2,000	\$292,530.42
51	0	\$449,679.03	51	2,000	\$331,389.26
52	0	\$506,338.59	52	2,000	\$375,144.30
53	0	\$570,137.25	53	2,000	\$424,412.49
54	0	\$641,974.55	54	2,000	\$479,888.46
55	0	\$722,863.34	55	2,000	\$542,354.41
56	0	\$813,944.12	56	2,000	\$612,691.06
57	0	\$916,501.08	57	2,000	\$691,890.13
58	0	\$1,031,980.22	58	2,000	\$781,068.29
59	0	\$1,162,009.73	59	2,000	\$881,482.90
60	0	\$1,308,422.95	60	2,000	\$994,549.74
61	0	\$1,473,284.24	61	2,000	\$1,121,863.01
62	0	\$1,658,918.06	62	2,000	\$1,265,217.75
63	0	\$1,867,941.73	63	2,000	\$1,426,635.18
64	0	\$2,103,302.39	64	2,000	\$1,608,391.22
65	0	\$2,368,318.49	65	2,000	\$1,813,048.51
14,000			80,000		