

# Defer the Tax, Compound to the Max

When it comes to building wealth, few forces are as powerful as compounding. The idea is simple: allow your money to grow, then let those gains generate more gains. But in practice, compounding often runs into a stubborn obstacle—**tax drag**.

Traditional fixed income investments distribute interest that investors must pay taxes on each year at their ordinary income rate. This creates a double hit: you lose money to taxes immediately, and you also lose the ability to reinvest that portion of income for future growth. Over time, this annual pruning can make a significant difference in after-tax returns.

## **The Compoundr Strategy changes the equation.**

Instead of forcing taxable income year after year, Compoundr converts accrued interest into **deferred capital gains**. That means investors can avoid the constant tax drain on interest income and keep more money compounding inside their portfolio. The longer you defer, the greater the compounding effect—and the greater the flexibility when it comes time to realize gains.

This approach delivers three core advantages:

1. **Immediate Tax Efficiency**
  - By reducing or deferring taxable income, investors keep more of what they earn working for them.
2. **Compounding Power**
  - Every dollar not lost to annual taxes has the chance to grow, magnifying wealth creation over time.
3. **Control & Flexibility**
  - Investors can decide when to realize capital gains—aligning taxable events with **their broader portfolio strategy, loss harvesting, or retirement planning**.

**In short, Compoundr is designed for tax-smart investors who want to maximize after-tax returns without changing their underlying asset allocation. It's not about taking more risk—it's about being smarter with the returns you already generate.**

**Because at the end of the day, it's not just what you earn, but what you keep that matters.**

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