

Investment Explainers

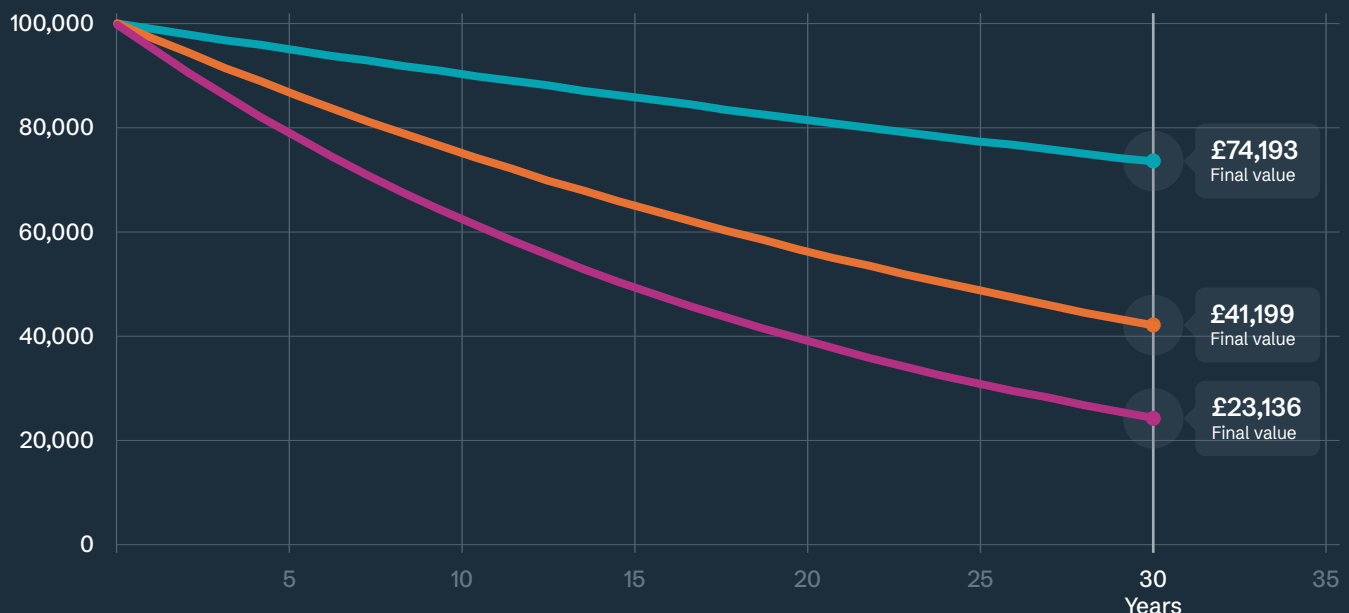
The impact of inflation

Inflation refers to the gradual increase in the cost of living over time, which means that the money you have today may buy less in the future. Understanding how inflation affects your savings and investments is key to making informed decisions and planning confidently for the long term.

The graph below illustrates the decline in value of £100,000 over 30 years at different inflation rates (1%, 3%, and 5%).

Value of money (£)

Inflation rates: 1.0% 3.0% 5.0%



Source: Aviva Investors

The information provided is for illustrative purposes only and should not be construed as an investment recommendation.

Loss



Over 30 years

Value of £100,00 over time vs inflation rates

	1.0%	3.0%	5.0%
5 yrs	95,149	86,266	78,360
10 yrs	90,530	74,413	61,395
20 yrs	81,956	55,369	37,689



Key takeaways

- The faster inflation rises, the quicker money loses value
- Even low inflation has a significant long-term impact
- Planning for inflation is essential in long-term financial strategies

Important information

THIS IS A MARKETING COMMUNICATION

- Past performance is not a reliable indicator of future performance.
- The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.
- The information provided is for illustrative purposes only and should not be construed as an investment recommendation.

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