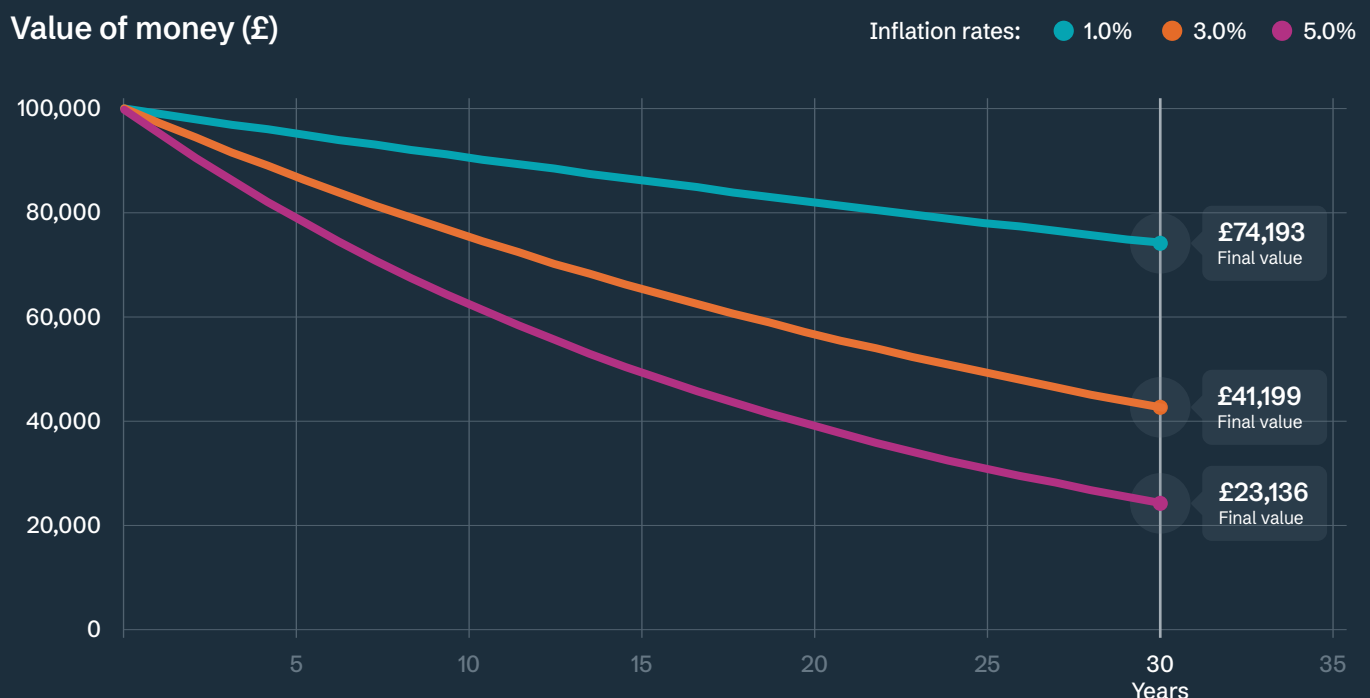


Investment Explainers

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%).



Source: Aviva Investors

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

Loss



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.

Except where stated as otherwise, the source of all information is Aviva Investors Global Services Limited (AIGSL). Unless stated otherwise any views and opinions are those of Aviva Investors. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature. Information contained herein has been obtained from sources believed to be reliable but, has not been independently verified by Aviva Investors and is not guaranteed to be accurate. Past performance is not a guide to the future. The value of an investment and any income from it may go down as well as up and the investor may not get back the original amount invested. Nothing in this material, including any references to specific securities, assets classes and financial markets is intended to or should be construed as advice or recommendations of any nature. This material is not a recommendation to sell or purchase any investment.

In the UK this is issued by Aviva Investors Global Services Limited. Registered in England & Wales No. 1151805. Registered Office: 80 Fenchurch Street, London, EC3M 4AE. Authorised and regulated by the Financial Conduct Authority. Firm Reference No. 119178.

735100 - 30/07/2027

Contact us

80 Fenchurch Street,
London EC3M 4AE

enquiries.uk@avivainvestors.com

[avivainvestors.com](https://www.avivainvestors.com)