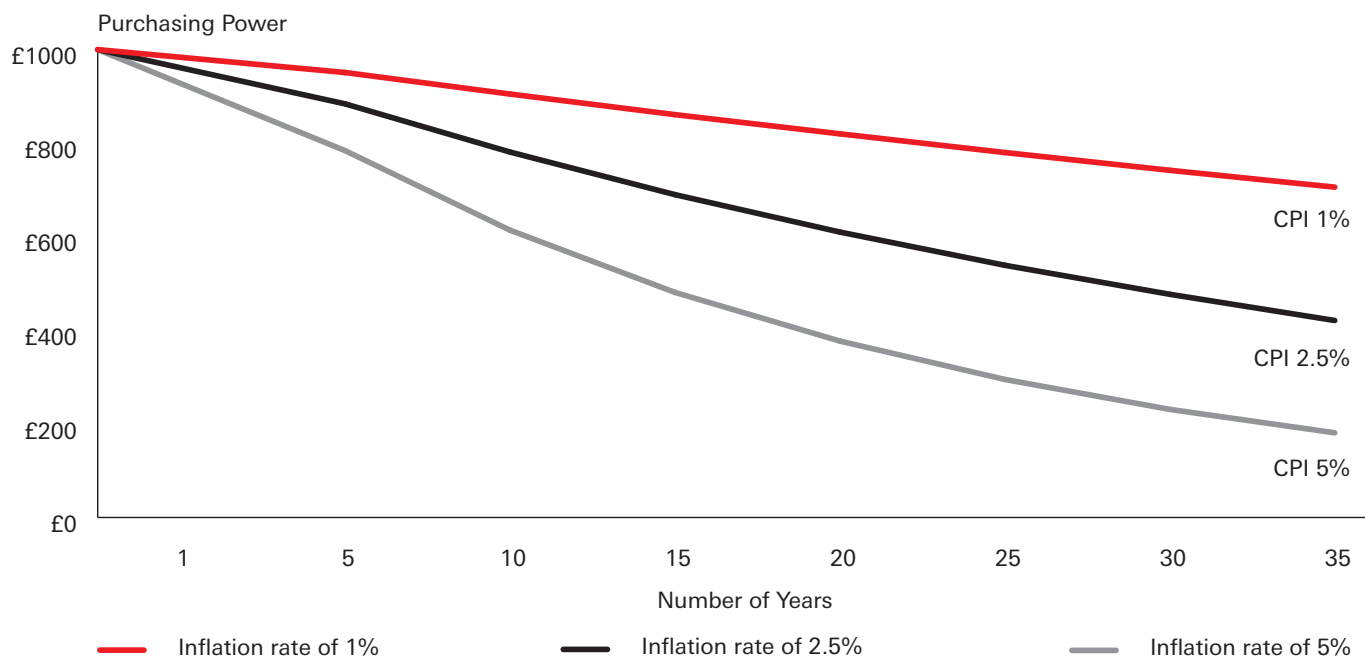


# The effect of inflation

## What money buys now, it might not buy in the future

The graph and table show how inflation can erode the purchasing power of £1,000 if it is left uninvested (i.e. cash with no interest), using three alternate average inflation rates.

### The impact of inflation on £1,000 over time



Year	Inflation rate of 1%	Inflation rate of 2.5%	Inflation rate of 5%
1	£990	£976	£952
5	£951	£884	£784
10	£905	£781	£614
15	£861	£690	£481
20	£820	£610	£377
25	£780	£539	£295
30	£742	£477	£231
35	£706	£421	£181

The Consumer Price Index (CPI) measures the changes in price paid by consumer for goods and services. Actual inflation rates may be more or less than the figures shown. The rates shown are for illustrative purposes only.

**The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.**

Source: HSBC Asset Management as at 30 May 2023.

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