

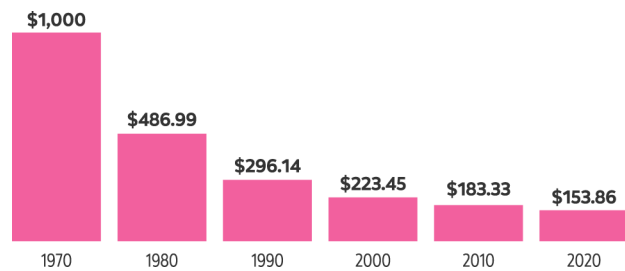
Inflation by the Numbers

The negative impact that inflation has on your savings over time is an ever-present, but often overlooked risk when investing. As the price of goods and services increases over time, a higher amount of savings is required to maintain the same level of purchasing power in the future.

A dollar isn't what it used to be¹

Investors who earn less than the rate of inflation are challenged by reduced purchasing power over the long term.

Purchasing power of \$1,000 after 50 years



Inflation is felt at the cash register²

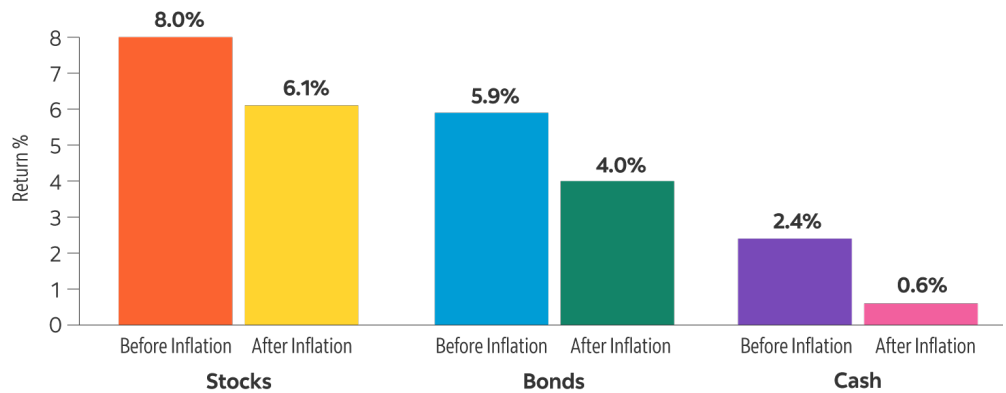
When planning for the long term, it's important to keep in mind the value of goods, not just in today's dollars, but in the future as well.



Inflation can be costly

It's not just day-to-day purchases that are impacted by inflation – investment returns are eroded as well. An overly conservative investment approach can hinder growth potential and increase the risk of falling short of your goals.

Over a 25-year period, the impact of inflation on investment returns is significant³



These numbers tell a story, but everyone's situation is unique.

Contact your **Scotiabank** advisor today to discuss your needs and help you stay focused on what's right for you.

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²Source: Statistics Canada. Core Canadian CPI from December 31, 1970 to November 30, 2020. ³Source: Morningstar - Stocks (S&P/TSX Composite TR Index), Bonds (FTSE Canada Universe Bond Index), Cash (FTSE Canada 91 Day T-Bill Index); World Bank - Canadian inflation rate (annual) as measured by the consumer price index. Data from January 1996 to December 2020. For illustrative purpose only. Past performance is not an indicator of future performance. Assumes reinvestment of all income and no transaction costs or taxes. All returns are annualized and compounded at the end of the year. All values are expressed in Canadian Dollars. It's not possible to invest directly in an index.