

The Mail on Sunday, April 3, 2011

Safe savings

O.E. writes:

I am about 15 years from retiring and can step up my savings, having cleared the mortgage. What proportion of my money should I be investing into emerging markets?

F.S replies:

That depends on your attitude to investment, currency and political risk, and on the other funds you hold. I would not normally recommend investment in a volatile sector if this is your first venture, or if you do not hold a cash fund for emergencies. The more cautious you are, the less exposure you should have to unpredictable stock markets.

Medium risk investors should have about four percent of their portfolio in emerging markets, while more speculative investors would perhaps have eight percent.

A professional adviser can help you build a structured portfolio.

Fiona Sharp