



Building your portfolio – add a BRIC

So, what is a BRIC?

A BRIC is one of the new buzz words in the financial services industry it stands for Brazil, Russia, India and China. Financial institutions are setting up BRIC funds to give clients exposure to these emerging economies and stock markets. These four countries represent a massive 43% of the world's population and now have the potential to become major players in the global economy. Obviously BRIC funds are to be considered as higher risk investments as the markets in which these invest can be much more volatile than more established markets in the UK and Europe.

At the moment, Brazil is benefiting from increased demand for its base materials such as iron ore, Russia has its huge oil and gas reserves, India has seen success in global outsourcing and China's growth is being driven by its industrial power. Therefore a combination of these markets provides an exciting opportunity and investment potential.

How and where can I purchase these Funds?

You don't have to purchase each individual Fund from different Fund Managers. Some financial institutions have grasped the opportunity and packaged these four potential growth areas into one product – a BRIC Fund. This is an expanding market and advice via your local independent financial adviser is imperative to select the Fund provider most appropriate to you. One of the most tax efficient ways to invest in this market is via an Individual Savings Account (ISA). This means that all the growth within the Fund is income tax and capital gains tax free.

A BRIC Fund therefore can provide for potential high returns, but obviously with a higher degree of risk. A BRIC Fund does however provide you with an opportunity to invest via four emerging markets and

could add a bit of sparkle to an overall balanced portfolio of investments.

It is important to review your overall investment portfolio in order to confirm whether or not a BRIC investment is suitable to you. It will depend on how your existing portfolio is split between the asset classes and your overall attitude to risk.

Please do not hesitate to contact a member of the Financial Services Department at Raeburn, Christie, Clark and Wallace for a free, no obligation consultation.



Jim Guyan
Head of Financial Services

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