

Emerging markets

Future prosperity as commodities continue to be in high demand

'Emerging markets' is a broad term that encompasses the giants of Brazil, Russia, India and China (BRIC), as well as some other nations. Emerging markets have continued to outperform developed markets, even during the difficult economic climate we have experienced throughout 2011. The lure for investors is greater growth and younger economies than typically found in the developed West, but the trade-off for this growth is higher volatility and greater risk.

The population and economic growth in these markets has created a potentially massive high-consuming middle class – estimated to be more than one billion people by 2030, according to the World Bank, April 2010.

Emerging markets have large reserves of natural resources and these reserves should also aid their future prosperity as commodities continue to be in high demand.

In addition, many emerging markets have lower government debt burdens than developed nations and may have large holdings of foreign exchange. This means that spending in most emerging markets has not been dramatically curbed by the recession, as was the case in many developed nations, which allowed further stimulation of their economies and infrastructures to continue while some domestic markets waned.

INVESTING IN THESE REGIONS HAS NEVER BEEN EASIER, AND APPROPRIATE INVESTORS CAN ACCESS THEM THROUGH A RANGE OF FUNDS THAT INCLUDE ESTABLISHED PERFORMERS AND ALSO NEW INVESTMENT OPPORTUNITIES. TO FIND OUT MORE, PLEASE CONTACT US.

Investments in emerging markets are by their nature generally considered to be higher risk. The value of these investments and the income from them can go down as well as up and you may not get back your original investment. Past performance is not an indication of future performance. Tax benefits may vary as a result of statutory change and their value will depend on individual circumstances. Thresholds, percentage rates and tax legislation may change in subsequent Finance Acts.

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