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Helping you maximise the effectiveness of your financial planning

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## An investment for the future

Western economies offer a range of opportunities for investment, from large and established companies to smaller, more innovative start-ups. For UK investors, these offer more than enough choice to make up a core portfolio.



## Backing opportunities in emerging markets

However, for those with greater ambition, the fact that many target consumers based in those same western economies could mean you are missing out on opportunities further afield. In developing markets, not only are populations ageing, but the make-up of those populations is also changing – and that offers some exciting prospects.

Take China, for example. As the country has relaxed its rules, companies have begun moving operations in, creating jobs for thousands of workers. The traditionally rural population of over 1.4 billion people<sup>1</sup> is moving into the cities to take those jobs. The result is a fast growing middle class with money in their pockets and a willingness to spend.

In India, such drivers may be even more significant. The IMF believes it will not only have the largest workforce in 15 years' time, but also the youngest – and their economy could, by then, have leapfrogged the UK, Germany and Japan<sup>2</sup>. For a smaller investor, however, how can you take advantage?

Emerging markets funds are professionally managed, collective investments which target developing economies and the companies that are marketing in them. For those who just want a small exposure to the area within a wider portfolio, therefore, these could offer a diverse, yet low cost route in.

Of course, an Emerging Market fund carries greater risk than a more internationally diversified portfolio and you have to be comfortable with that. They will also be subject to currency risk and, in some cases, political risk. The companies the funds hold shares in may also be smaller and less well established than the blue chip companies found in developed markets.

However, if you have a longer term investment horizon and are happy with those risks, there could be some real value to be had. For more information, therefore, have a chat with your financial adviser.

1: Organisation for Economic Cooperation & Development (OECD), population history & projections.

2: United States Department of Agriculture, Economies in 2030, April 2015.

If you would like us to help you solve financial problems, or to assist with financial planning, contact us on 0118 932 0600 or e-mail: [twyford@osceola.co.uk](mailto:twyford@osceola.co.uk) *\*If you wish to be removed from future mailings, please reply to this email with the word 'Unsubscribe' in the subject.*