Still carnival time for the BRICS?

So-called emerging economies are high risk but may provide some thrills – and potential spills – for those seeking exposure to new markets.

Over a decade ago, Jim O'Neill, the retiring chairman of investment bank Goldman Sachs coined the term 'BRICS,' referring initially to Brazil, Russia, India, China and, more recently, South Africa.

Mr O'Neill remains bullish and said recently: "The BRIC countries have the potential to avert a global recession and to grow faster than the rest of the world and to pull all of us along with them as a growth engine."

With the UK, much of Europe and the US stagnating, it is not surprising that more investors are looking further afield for their investment choices. However, these countries have already shown they can turn in a disappointing performance. For example, the MSCI BRIC Index was recently shown to be stuck 37% below its 2007 peak. In Brazil, specifically, trading by individual investors has dropped to its lowest level since 1999.

Russia has also proved a disappointment and seen net outflows. In China, meanwhile, the number of Chinese stock accounts has dropped by about 2.3 million over the past 12 months. And India has seen considerable stock market volatility recently, which has shown that it too carries no certainty. The ups and downs with emerging economies can be far more marked than those with longer investment track records.

And, when growth slows, prices come down and some investors will move in. For those who do want to dip a toe in the water, there is now a wide range of funds available, which provide exposure to the BRICS and, in some cases, newer emerging economies.

These include countries dubbed by Goldman Sachs as the 'Next 11' emerging economies of Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, South Korea, Turkey and Vietnam.

Investors must accept that standards of transparency and corporate governance tend to be lower in emerging economies, and economic growth does not always translate into rising stock markets. By all means consider the BRICS and other emerging markets, but certainly the key is to see everything in moderation.

Some funds will carry greater risks in return for potentially higher rewards. Investment in emerging market funds can involve greater risk than is customarily associated with funds that invest in developed, more established markets. Above average price movements can be expected and the value of these funds may change suddenly.

Don't be in the missing 50%

You could be eligible for an enhanced annuity rate.

Up to 70% of people buying an annuity could qualify for enhanced rates because of medical or lifestyle conditions, according to recent research by a life company specialising in the field.

The same research showed that for a 65 year-old, the average enhanced annuity was 16% higher than its non-enhanced counterpart. Over a retirement lifetime that can add up to thousands of pounds of extra income.

You might think that the high level of eligibility and the greater income on offer would mean that enhanced annuities dominated the market. However, another piece of research, this time from a leading firm of benefit consultants, tells a different story. They examined all pension annuity purchases in 2012 and concluded that "enhanced annuities are still only around 20% of the total annuity policies sold."

The two sets of research suggest that up to half of all annuity purchasers are missing out on enhanced rates. Often that will happen because people fail to shop around for an annuity and merely accept what their pension provider offers. To avoid losing out, make sure you talk to us before buying an annuity.