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# Investing

## 10 unusual Isa funds for risk takers (pt 2)

Philip Scott, This is Money
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With time running out before this year's **Isa** deadline on 6 April, This is Money asked 10 experts to come up with something different in the way of equity Isa recommendations for the more intrepid investor. Last week we published part 1.This week we bring you part 2 of our special report.

These recommendations are not for nervous or novice investors. They are at the higher end of the risk spectrum but in return for this, they offer the chance for significant financial rewards. But remember, having a balanced portfolio of **equities**, bonds and cash is the most sensible way to invest.

**CF Junior Oils Trust**

Mark Dampier at Hargreaves Lansdown, an **independent financial adviser**, suggests adventurous investors may want to look into the CF Junior Oils Trust.

It invests in small oil stocks, which the manager believes have the potential to grow rapidly. These investments may also be targets for a takeover by one of the multinational oil producers, who are discovering that buying up other companies is the easiest way to increase their own oil reserves.

Since its launch in January 2005, the fund has grown by a strong 121%, well ahead of the oil price.

Dampier says: 'The fund will only seek to purchase shares in cash generative groups with proven oil reserves. The manager focuses the portfolios on his best ideas, holding around 23 stocks and keeping a little cash aside to take advantage of any new share issues that come to the market.'

**First State Global Listed Infrastructure Fund**

Helen Blackburn of Oaklands Wealth Management is a fan of First State Global Listed Infrastructure Fund, which launched in late 2007. The fund's assets include toll roads, airports, utilities and pipelines. These assets typically operate in less competitive environments and can offer attractive characteristics for investors, including high barriers to entry, pricing power and predictable cash flows.

The fund's manager, Peter Meaney, can choose from a range of 900 firms in which to invest but invests only around 40. More than 40% of the fund is invested in the Europe (ex-UK) region. Blackburn says: 'This fund is for investors who have another way of looking at how wealth could be accumulated as the planet seeks to grow its infrastructure.'

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### Invesco Perpetual Latin America

This fund, managed by Dean Newman, invests primarily in companies in South and Central America, including Mexico, and the Caribbean. The region is volatile but the rewards can be vast, once you take a long-term perspective.

Over the past five years it has achieved a massive return to its investors of no less than 604%, outperforming against the MSCI Emerging Markets Latin America index, which posted growth of 587% for the period. The majority of the fund at 65%, in invested in the booming emerging economy of Brazil, while another 20% is invested in Mexico.

Golden days: Latin American countries such as Brazil are booming

Adviser Peter Chadborn of CBK Colchester says: 'I like this fund because it is specialist enough to appeal to those investors who want a more focused fund concentrating on a lesser known geographical region. However, it is not so obscure that investors will have no sense of understanding of the fund's holdings. Furthermore, the fund has delivered highly impressive top quartile performance over all timescales.'

### iShares FTSE UK Dividend Plus

This **exchange traded fund** (ETF), offers investors exposure to around 50 UK companies that have in the past paid out high **dividends** and is the recommendation of Martin Stirling of advisory firm Grant Thornton.

ETFs mirror the performance of a particular market or index but unlike a traditional tracker fund they can be bought and sold through brokers in the same way as any other listed share. Right now, this vehicle is yielding more than 5%.

Launched in November 2005, it has only grown by some 9% but it has been very heavily weighted in the banking sector which has been hit badly by the recent market turmoil. Stirling says: 'This is a high income fund with potential for growth - it is a cheap and effective proposition.

dividend, which would suggest that these firms have good cash flows with good business models. Even if there is no growth you are still getting 5% tax free and you don't pay **stamp duty** when buying ETFs.'

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**Allianz EcoTrends**

Ben Willis, Whitechurch Securities recommends the newly launched Allianz EcoTrends fund, managed by Bozena Jankowska. The fund is an onshore version of an existing **offshore fund**, which Jankowska also runs - that portfolio which was launched in May 2006, has returned just under 50%.

The fund is based on ecological and environmental themes however it is not an ethical, socially responsible or global climate change vehicle. The fund will have a broad focus on three trends – eco-energy, pollution control and water.

The environmental technology sector is projected to grow by 650% in eight years and according to Ernst & Young this sector is likely to become a $760bn market by 2016. The sector is being driven by a multilateral call to action by governments, business and people, who are driving demand for new environmental technologies.

For example, BT will invest £250m in development of wind farms to reduce carbon emissions while Marks & Spencer plans to invest £200m over the next five years to become carbon neutral, and Google is to invest hundreds of millions in renewable energy over the next few years, in a bid to make it cheaper than coal. The fund will buy into the types of business that these household names invest in.

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