
# The right 10-year plan will lead to tangible growth

We asked four financial advisers where to invest €10,000 over a decade, giving them free rein over low-, medium- and high-risk investment options

## ROSS CURRAN

Managing director at Curran Financial Services, Galway

For someone just looking to outperform deposits, I would recommend an instrument known as an exchange traded receivable (ETR). In Ireland, Credebt Exchange offers ETRs with fixed rates of approximately 2.5% per annum for investors, starting at one-year terms.

Client funds are used to purchase invoices from service companies who deal with large multinationals in order to assist with cashflow.

What I like is that this instrument diversifies the client money, chooses high-grade companies to deal with and insures the contracts so the client money is protected in the event of default.

Also, returns are subject to 33% capital gains tax instead of 41% deposit interest retention tax, and you can use your personal capital gains tax allowance of €1,270 as an offset.

## VINCENT DIGBY

Managing director at Impartial.ie, Dublin

For a disciplined and confident investor looking for a high-risk, high-reward investment, I would recommend a low-cost passive approach using Dimensional Fund Advisers. I would allocate 90% of the money to global equities and 10% to short-dated bonds. This allocation has delivered approximately 7.5% annualised returns over the past 10 years.

If this is too risky for you, then gradually step into risk. Use absolute return funds such as Standard Life's Global Absolute Return fund to build up a profit margin of, say, 10%. Then gradually allocate funds towards low-cost passive equity funds and smaller companies funds. Having a profit buffer will help you hold your nerve and not sell in a market correction.

## BOB QUINN

Principal at The Money Advisers, Naas, Co Kildare

For an investor looking for the greatest chance of success, I would recommend adopting a "buy and hold" strategy of a portfolio made up of approximately 75% global diversified equities and 25% bonds.

I would recommend using Vanguard or Dimensional Fund Advisers, who are experts at providing exposure to low-cost, globally diversified funds. It's the simplest way to track the market passively and cost-effectively.

For someone who doesn't have the bottle for investing, I would recommend Prize Bonds from An Post. The winnings are tax-free and, in a low interest rate environment, holding money in Prize Bonds rather than a deposit account may be more lucrative.

## BARRY MOONEY

Director of Bellwether Financial, Dublin

For a client who has a high risk and high-reward attitude to investing, I recommend investing in a diversified fund that is predominantly invested in equities.

The Irish Life Fidelity Managed Fund mainly invests in equities that are geographically diversified. Since 2006, it has had a gross cumulative return of 101.5%. However, as you might expect, this fund can be volatile.

Zurich's Threadneedle Global Select holds approximately 70 equity stocks and has had a cumulative gross return of 89.8% since 2006.

Another option would be Aviva's High Yield Fund. This fund is more concentrated, holding only 40 blue-chip global equities, which typically pay high dividends. The cumulative gross return on the fund since 2006 was 98.18%.