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MONEY BOX LIVE

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DUGGLEBY: The slide in share prices, which took a thousand points off the 100 index, came to an abrupt halt at the end of June, and so far this month we've seen renewed buying interest - most notably in BP - so it's a good time for Money Box Live to have a fresh look at the market where investors are still weighing up the odds of a double dip recession should the coalition government's financial medicine prove too much to swallow. As for BP, the big question is how much is the leak from their well in the Gulf of Mexico going to cost? Can they afford a clean up bill running into billions of dollars? How many assets will have to be sold off? Will the company be broken up or perhaps taken over? The latest news can swing the whole market sharply up or down and pension funds relying on income and unit trusts which attract the index have been disproportionately affected. Incidentally the index is down about 46 at the moment. Spreading risk is the golden rule for anyone who ventures into the stock market, and even if you regard gold itself as a bit too risky growth prospects in other parts of the world, such as China and the Far East, do seem considerably brighter. On the other hand, if you're looking for security, are bank and building society deposits, corporate bonds or national savings certificates the only sensible solution? Don't forget inflation still running at 5%, as measured by the latest Retail Prices Index. And the pound remains under pressure. So before you pack your bags to go on holiday, it's your last opportunity in this series of Money Box Live to talk to three investment experts: Morven Whyte, Portfolio Manager at stockbrokers Redmayne Bentley; Patrick Connolly, Head of Communications at AWD Chase de Vere; and Adrian Lowcock, Senior Investment Adviser at Best Invest. 03700 100 444

is the number. And first we'll hear from Margaret in Warminster. Margaret?

MARGARET: Hello Vincent, good afternoon.

DUGGLEBY: Good afternoon.

MARGARET: I study the financial pages fairly regularly and I've obviously been watching the ups and downs of BP. And I've been thinking about buying some shares as they're so low at the moment, but I wonder if this is a wise move? I would take the money from either premium bonds, which seem very dull, or my cash ISA which isn't a lot better. I'm thinking about £10,000.

DUGGLEBY: You sound to me as though you do know about shares. We don't have to give you a lecture about risk and all that sort of stuff, do we?

MARGARET: Yeah I do know, yes.

DUGGLEBY: Okay, right. Well I'll pick up the point about ISAs first to put to Morven because you can of course take money out of a cash ISA and transfer it straight into a shares ISA. So technically and practically that's an easy thing to do, Morven?

WHYTE: Yes, absolutely, and there wouldn't be any problem from, you know, moving it across. Certainly move you away from something which is dull to something which is very exciting. Expect huge volatility. And arguably BP just now are at the most critical stage of the operation, so just because they've recovered from £3 up towards £4 isn't an easy ticket to them moving upwards towards £5. They could quite equally fall back down again.

DUGGLEBY: I sense, Patrick, that it's really whether you've got a strong enough stomach to say they've gone down 20 pence today, up 20 pence tomorrow, down 40 pence ... You know it's a very rollercoaster ride.

CONNOLLY: I mean investing in individual shares essentially is a punt if you're picking a share, and whether it's something that's sensible for you to do is probably dependent on how much of your overall portfolio this will constitute.

DUGGLEBY: Any whisper from the sort of fund managers you're following, Adrian, because you follow the top fund managers? What's the feeling about BP? What sort of ... I get the feeling we're obviously buying at 300. How far do you chase it? I don't know.

LOWCOCK: I think that's the key. You know it's recovered from 300 to around the £4 mark at the moment; and when it fell down that low with the bad news coming out, fund managers were holding onto the stock and holding onto it even though the dividend had been cancelled. So they're taking the long-term view here. There will be short-term volatility and it is at a critical stage with their resolving the oil spill. And so if you can take a longer term view, you know that's the first thing ...

DUGGLEBY: (*over*) Do you think, panel, it is at risk of literally falling apart? I mean is that a possibility? I mean could it go bust?

CONNOLLY: I think there will be some value there, but I certainly think there's a risk that it could fall from where it is today.

DUGGLEBY: Morven?

WHYTE: Yes, I agree - certainly a risk because as yet we have no results.

DUGGLEBY: Yes. Well so not a very conclusive answer, Margaret.

MARGARET: No.

DUGGLEBY: I suppose ... I mean you can watch ... You can see it has some support at 3, but at the moment we're waiting for this news about whether this cap is

working. But I suspect the trouble with this, Adrian, is the fund managers are much faster than any individual investor and they'll be in the market at least three hours before any of our listeners will be?

LOWCOCK: They'll be on top of this. And also they'll be having maybe you know 1% of their fund. It can go as high as ...

DUGGLEBY: *(over)* Because it's pretty widely held anyway, isn't it?

LOWCOCK: It is. But if you've got a diversified portfolio of funds, you're only having maybe 1, 2% of exposure to BP. And the fund managers will have this as one of many holdings, so they're not taking huge amounts of risk in comparison by an individual buying into the shares.

DUGGLEBY: I suppose a final word would be if you can afford to lose the money, Margaret, then that's fine. But if you can't afford to lose, do not invest in shares. Okay, thanks for that call. Now Stan in Sutton and Belmont.

STAN: Good afternoon, panel. Well contrary to your previous person, I'm looking for absolute security being that I'm an old age pensioner. Now I do know, reading in the newspapers, that index linked are paying .85% for the first year, .95 for the second year, and so the percentage increases for the number of years that you invest in. But also that the RPI at the moment is (as you just mentioned) 5%. Now if one purchases a index linked certificate - let's say for £100 - at the end of the year you should get your for 1 year .85%. And do you get 5% added if the RPI averages 5% for the whole year?

DUGGLEBY: Yeah, I think you've ...

STAN: How does this work out?

DUGGLEBY: ... yeah, I think you've got this a bit round your neck, Stan. Let's see

if we can explain how ... I take it you're talking about the national savings index linked certificates?

STAN: Yes.

DUGGLEBY: Right, so Patrick, national savings index linked, it is 1% over RPI at the moment.

CONNOLLY: It is a over a period ...

DUGGLEBY: But historically, not in the future.

CONNOLLY: Sorry, what do you mean?

DUGGLEBY: Well the point is that the 5% is what the RPI is currently doing. That applies to anybody who bought or held a certificate a year ago.

CONNOLLY: Correct, correct.

DUGGLEBY: We don't know what you're going to get in the future.

CONNOLLY: And whether these prove to be a good buy or not depends on what exactly, as you say, what happens to inflation in the future. And if you think inflation's going to be high over the course of the next 3 to 5 years, depending on what issue you're looking to buy, then these investments will stand up well. There's every risk over the longer term that inflation will come down again.

DUGGLEBY: These certificates, Stan, you see are re-valued in line with inflation. So if you bought a 5 year one, you won't know until the end of 5 years how much you've made.

STAN: No.

DUGGLEBY: It's not a guarantee of 5% or anything else.

STAN: Yeah. But if I can make a comparison, let's say for a 1 year certificate. Now the 1 year certificate, today RPI is 5%.

DUGGLEBY: I don't think ... National Savings don't do a 1 year certificate, do they, linked to ...? It's the 3 year they do. They don't do a 1 year.

STAN: Oh don't they? Oh well alright then.

DUGGLEBY: They do have products for 1 year, but it's not an RPI linked one.

STAN: Okay. Well if you go through say a 3 year one, I think the percentage is 1.2 or somewhere round about that.

DUGGLEBY: Well no it isn't, it's 1%.

STAN: Oh 1%.

DUGGLEBY: It's RPI plus 1%. So you're putting out figures that I'm not familiar with at all.

STAN: Okay. So it's 1%?

DUGGLEBY: Yes, 1% over the RPI, over that period.

STAN: Yeah. Right, now if it kicks off say from this month, it says that the RPI is 5%. And if it averages over the 3 year period ... Obviously RPI goes up and down, but let's say that it averages at say ...

DUGGLEBY: Can I cut you short here? You're making life very, very difficult because the index is a thing that's expressed as you know 145.2, so you take the index

when the bond matures against the index it was when you bought it and that's the return you get.

STAN: Ah, I see.

DUGGLEBY: So to talk about what you're getting on a ... Yeah you can do it on a monthly basis if you like, but the product doesn't mature so you're wasting your time.

STAN: Yeah.

DUGGLEBY: You've got to get to the end of the period and then, and only then, will you know what your return is.

STAN: Oh I see, okay.

DUGGLEBY: So there is another issue because, you know, it's been raised by several listeners who spotted of course that the index is an RPI linked index and they're saying could National Savings change it to CPI. Patrick?

CONNOLLY: I think there's every likelihood they will do. But not for existing holdings - I think that's very unlikely. What we've seen in the last few days is increases in final salary pensions are being moved, so they go up in line with CPI rather than RPI. And RPI historically is higher and going forward is likely to be higher as well.

DUGGLEBY: That's because the trustee permit them to do it?

CONNOLLY: If the trustee permits them to do it. There'll no doubt be exceptions to that and that will wash itself out over the coming weeks and months.

DUGGLEBY: But National Savings of course, each product is a standalone with its own rules; and just because it's been RPI linked for as far back as I can remember, it

doesn't mean to say, Morven, that they have to stick to it. As far as I can see, their next product could be CPI linked.

WHYTE: Absolutely. I think the people that have already got the investment, they're okay because they bought it with the RPI plus 1% over a 3 or a 5 year period. So that's great and for now it's still RPI, so anyone buying today is okay. But just watch out for the details changing in the future.

DUGGLEBY: So what we're saying is that the current one that's on the market, which is issue 47 according to me for the 5 year and issue 20 for the 3 year - that is RPI linked, it cannot be changed. But you might think of buying that one because they might close it. They could close it within 24 hours, and the next one - RPI link's gone.

CONNOLLY: And importantly as well the returns are tax free, so particularly suitable for higher rate taxpayers.

DUGGLEBY: Okay, well thanks ...

WHYTE: And also ...

DUGGLEBY: Sorry, carry on Morven.

WHYTE: ... yes going back to the original question, I think the gentleman suggested he was completely risk averse. Your capital is safe, so what you put in is what you will get out irrespective of whether there's inflation or deflation.

DUGGLEBY: John in Aberavon says he's already decided to go for these RPI linked certificates. He says would you choose 3 or 5 years. Adrian?

LOWCOCK: I think I'd probably stick with 3 years at the moment.

DUGGLEBY: Keep it short?

LOWCOCK: Keep it short. The outlook for inflation, be it RPI or CPI, is very unclear at the moment.

DUGGLEBY: So you think inflation might well fall, so the returns won't be so good say ...

LOWCOCK: It could well do. I mean there's both sides of the fence on that - high inflation and deflationary scenarios. So keep it short, so that you can keep some flexibility.

DUGGLEBY: Okay. Now a couple of emails we've got in here. One from Jane and she says, 'My son's been left £20,000 in a will. He's 14 years old and it looks like a nice little nest egg which he will have when he leaves full-time education. Can the panel give me some advice on how we should invest it in his best interest?' So, Morven, you're first. £20,000 for a 14 year old?

WHYTE: I think certainly a proportion of it needs to be in some kind of index linked investment, and I think some of it needs to be equity based. I mean you've got to consider if he's 14, the chances are he's going to want to have it invested for the next 5 years minimum and hopefully longer, until probably saving up this nest egg for a house. So certainly a proportion of it ...

DUGGLEBY: Yeah, she's suggesting an 8 year view on this.

WHYTE: Yes, certainly a proportion of it needs to be in something index linked and something equity based. And in which case with £20,000, you want to split it maybe six, seven, eight ways and put it into a diversified range of collective schemes.

DUGGLEBY: Okay Adrian, you're a fund manager. How would you split it?

LOWCOCK: Well the key thing is I'd probably actually involve the child to actually sort of discuss when he might want the money.

DUGGLEBY: I'm sure he'll want it as soon as he reaches 16. I think his mother is going to tell him he isn't going to have it until he's 21. *(laughs)*

LOWCOCK: But then, I think having a little bit of sort of cash, safe assets there - perhaps put 20, 30% in that. Then look to diversify it into UK equities, overseas equities, perhaps a little bit Asia Pacific.

DUGGLEBY: So just international trusts?

LOWCOCK: International equity trusts, perhaps with a little bit of income generation on it for defensive elements, and then other asset classes including corporate bonds and commercial property funds.

DUGGLEBY: Patrick?

CONNOLLY: The only proviso I'd put on there is the actual terms of how the money's been left to him - whether he is at age 18 able to say actually I want to get my hands on this money now, or ...

DUGGLEBY: It doesn't say, but it could well be, could well be.

CONNOLLY: So that would affect any investment decisions. I mean the suggestion by Adrian makes sense if we're looking at an 8 year term. If we're looking at a 4 year term, then it's cash.

DUGGLEBY: Virginia then has emailed us from London and she has commuted £16,000 from her pension fund, which she originally intended to use to buy a new car but she's changed her mind and wants to invest it. Morven, what can you suggest that she can do with her £16,000? I imagine if she's taken it out of a pension, that's of course got to have a little bit of income attached to it or I would have thought so? She doesn't say so. She just says what shall I do with the money?

WHYTE: Well certainly if she was going to spend £16,000 on a car, then she's probably quite laid back in terms of income and maybe she just wants to grow the capital. It's guess work at this stage.

DUGGLEBY: I think she does, yeah.

WHYTE: I mean and if she wants to grow the capital and she's prepared to wait 5 years plus, then it's back to equities, I think. You know and when I say equities, with £16,000 it's got to be in some kind of a investment trust or a unit trust. Again dependent on her risk profile, then she will probably want to spread it between emerging markets in Asia, Europe and the US.

DUGGLEBY: We don't of course know her other financial circumstances. I mean my first question would be has she got her full ISA allowance because £16,000 would neatly fit into an ISA for a couple of year's allowance. Is it £10,100, Adrian?

LOWCOCK: Yeah, absolutely. I mean you could put £10,100 into this year's allowance and then top up the balance for next year. I think the key as to how you invest it is really down to attitude to risk, as Morven said, and your investment objectives and how long you're looking to save for. I mean if it's only a couple of years before you want to buy that car, then you probably want lower risk assets, I suppose, and not looking at equities so much.

DUGGLEBY: Assuming that, you know, we've got somebody who does know the risk of investing in shares, what's a feasible holding in a given trust or share? I mean £16,000? Would you say £4,000 ... four times £4,000 or what?

LOWCOCK: I think a realistic holding could be around £2,000.

DUGGLEBY: £2,000, as little as that?

LOWCOCK: Eight funds. I think that would be about right.

DUGGLEBY: Morven?

WHYTE: Yes, I was going to go exactly the same figure. I mean you could even go down to 1500 if you wanted to. Have a bit of fun and go for some slightly more riskier, alternative trusts - so like a new Indian investment trust, for example. You wouldn't want to put a lot of money into it, but you might want a little bit of exposure and some fun. So it just depends. The more fun to some extent you want, the wider the number of trusts that you want to buy. If you want to be very rock solid, then maybe, you know, six funds and just go for pure international funds.

DUGGLEBY: Okay. Gillian in Glassford, you've got a call now.

GILLIAN: Yes, good afternoon.

DUGGLEBY: Good afternoon.

GILLIAN: I was actually quite interested to hear about the ISAs because I didn't realise the top amount was £10,000. But anyway, that wasn't my actual question.

DUGGLEBY: The reason is of course that you've got half in cash and half in shares and it's going to be index ...

GILLIAN: I see.

DUGGLEBY: ... and the amount is going to be index linked from now onwards, which means it'll gradually creep up over the years.

GILLIAN: Right, thank you.

DUGGLEBY: So there'll be an automatic increase in the limit for ISAs starting next April.

GILLIAN: Thank you for that. Now my actual question was: are ISAs a good buy as a non-taxpayer?

DUGGLEBY: *(laughs)* Well let me see. Adrian, I think the question ... The answer you used to give to this was, no, you don't want to bother with it as a non-taxpayer because you don't pay capital gains. But is this still the stock answer?

LOWCOCK: I think if you're doing stocks and shares ISAs, then the reality is that whilst there might not be any tax benefit on the income side of things, you can't reclaim the tax paid on the dividends, so all you're doing is protecting against capital gains tax and that becomes an issue later on, but perhaps not in the short-term. If it's a cash ISA, then you probably want to look at the actual underlying rates to see what's competitive.

GILLIAN: Right, okay. Thank you very much for that.

DUGGLEBY: You want to come in, Patrick?

CONNOLLY: Yeah, I think the important question is are you paying any extra costs for having it in an ISA wrapper? If you're not, then you might just as well do that - especially if in the future you may not be a non-taxpayer. You'll have that money secure within a tax efficient environment.

DUGGLEBY: David in Warwick ...

GILLIAN: Thank you.

DUGGLEBY: Thanks for that call. David in Warwick has just emailed us in to say don't forget that you can always cash in national savings index linked certificates early if you want and you will get the full indexing but with a slightly reduced interest rate. Of course you don't get the bonus, but you can cash in after 12 months. Yes that's perfectly correct, and of course in those instances then you would be looking at

whatever the index was showing. And if you presumably thought that inflation was suddenly going to go negative, then yeah you could look for something else. Okay, now we've got a question about transferring ISAs here, and this one is again an email from somebody in Dundee. She gives us some dates and she says, 'What does the panel think of this? I asked for a transfer on 23rd March. The application was made on 7th May by the institution concerned and the account was opened on 9th June. 77 days.' That is absurd. What do you think, panel?

WHYTE: Yes, I agree. I think it's far too long. Very poor, shabby administration, and you want to see what it's cost you and write a letter of complaint.

DUGGLEBY: But things are changing, Adrian?

LOWCOCK: They are. I mean at the moment you get a 30 day guidance, which obviously isn't really helping anyone very much. But at the end of December, all transfers should be completed within 15 days. So that should hopefully tidy this sort of thing up.

DUGGLEBY: And is that going to stick, do you think Patrick? I mean are they really going to get it down to that?

CONNOLLY: It's become such high profile now that I think it's going to have to, and I think the companies that don't will be exposed and made to pay for that.

DUGGLEBY: Okay. Paul in Chippenham, your call now?

PAUL: Good afternoon.

DUGGLEBY: Good afternoon.

PAUL: I was made redundant at the end of June with a lump sum, which whilst I'm looking for a job I want to be able to hold somewhere but then transfer over monthly,

so effectively it acts like a salary, if you like, so all our standing orders etcetera, etcetera, are all covered, and our monthly household bills are covered. I'm talking about £80,000, and really what I'm looking for is is there somewhere I could put this which gives me reasonably instant access but also, best of both worlds, earns me some interest?

DUGGLEBY: Hmn. Patrick, I guess ... You know I hate to say it, but a bank account with a deposit account linked to a current where it'll automat... This business of transferring it across automatically.

PAUL: Well it's not necessarily automatic. We're only talking about once a month, so I mean I could manage that myself.

DUGGLEBY: I mean once upon a time, quite a long time ago, of course current accounts paid interest. (*Paul laughs*) Virtually none of them are going to be paying interest for very much longer.

PAUL: No.

DUGGLEBY: So you've got to get a smooth and efficient link to make sure whatever is coming across ... I mean you're talking about effectively monthly income, Patrick?

CONNOLLY: Yeah in your situation, as your job position sounds like it's unclear in terms of when you'll be back working again ...

PAUL: Indeed.

CONNOLLY: ... it makes perfect sense to keep the money in cash, and it's just a case of looking around and trying to find the best cash account that will give you the access that you require.

PAUL: But at the moment I've put it into ... We have an ING Direct sort of web based account, which is sort of paying 2, 2.5%, and I've put it all in there just because it was like my only option. So I'm wondering whether or not I should be moving it somewhere else.

DUGGLEBY: The issue here - if you're invested in an account which has got to feed into a bank account, then clearly you will get the monthly interest because that's what you can arrange to be transferred. On the other hand, if that's not sufficient - and I suspect it won't be, so you've got to draw some of the capital down - then taking the capital out of that account may not be quite so easy. Whereas of course a bank will transfer any amount you want from one account to another. It's just a matter of practicalities. Morven, have you got any ideas here?

WHYTE: My only idea was £80,000 in the ING. Just wondering whether you should just put it at the £50,000 limit ...

DUGGLEBY: With a £50,000 limit on the compensation.

WHYTE: ... and then look at somewhere else to put the 30,000. I know that premium bonds aren't paying any income at all, but you know there is always the chance and your capital is absolutely secure and you don't know quite when you're going to want to lay your hands on it. It's just trying to scratch around, and unfortunately the rates anywhere you go for what you need are just chronically poor.

PAUL: They're pretty rubbish, aren't they, yes? (*laughs*)

WHYTE: They are. But watch out for the £80,000 in one ...

DUGGLEBY: (*over*) Patrick, you were shaking your head in disdain at premium bonds. I think it's rather a good idea.

CONNOLLY: I think premium bonds are designed for people who are not relying on

an income. And it sounds in your position that every little bit's going to help in terms of the income, and so I would be inclined to go somewhere where you are certain of getting a return.

DUGGLEBY: I mean 2.5%, what are your tables telling you for sort of instant access on interest rates?

CONNOLLY: Yeah sort of 2.6, 2.65% are the top rates. At the top West Bromwich Building Society.

PAUL: West Bromwich.

DUGGLEBY: West Bromwich. There are plenty of organisations out there where you can check what interest rates are available - there are best buy tables and things - but don't expect to get much more than 2.5 on instant access.

PAUL: Okay.

LOWCOCK: The key thing you can do here as well is you can put a little bit in an instant access, so that you've got the monthly income available and the sort of rainy day short-term funds; and then look for a better rate, maybe fixed for a year, where there are certain restrictions on the withdrawals but you've got plenty of time to actually plan ahead and see when you'll need the money. So you actually get a better rate for the bulk of it, and the small amount and the sort of emergency, urgent stuff and the day to day stuff is at the lower rate.

DUGGLEBY: Mike in Manchester is looking for good rates. He's prepared to go maybe 3 or 4 years. What can we offer him in terms of reasonable rates? But bearing in mind this is tying the money up in a period when we've got a lot of economic uncertainty.

LOWCOCK: On 4 years you can get around 4.15 with Nationwide, but you are tying

it up and it really depends on your view of inflation.

DUGGLEBY: Yeah.

CONNOLLY: As Vincent alluded to earlier, there are internet sites where you can go on and look at best buy tables. So if you've got access to the internet, then you can have a look and see what's available and also read the small print attached to them as well.

DUGGLEBY: But 4% is about top of the market as it were? I think Birmingham Midshires have got a new one, haven't they, just come out? That's for 5 years.

CONNOLLY: That's 5 years, yeah.

LOWCOCK: 4.25 for 5 years.

DUGGLEBY: But again you see the forecast is for inflation to fall, so one doesn't think that anybody's going to be bidding up the price on fixed rates at the moment. Judy in Stogumber near Taunton, what have you got for us?

JUDY: Good afternoon.

DUGGLEBY: Good afternoon.

JUDY: I have a small bond maturing soon, and because the market is so volatile I wondered about buying gold. Do you think that would be a good idea? And, if so, how would I go about it?

DUGGLEBY: *(laughs)* You want to avoid volatility and you want to buy gold. Sorry to laugh.

WHYTE: No, no. I mean gold is traditionally a safe haven, or at least that's the

argument. In uncertain times gold has done very, very well over the last 18 months. But it's important to point out that one of the reasons it has is because of all the investment money and investment demand that's been going into gold. Jewellery sales for example - jewellery is the main use of gold, and in actual fact that has been in decline. So if all of a sudden the investment world decided that they didn't need to have the money in gold - and don't forget that gold provides no income whatsoever - and there was a rush to the door, you could well find that the value in the price of your gold would fall. It's also important to say that gold is priced in dollars, so you're taking a currency risk by buying gold as well. Fairly simple to buy - you can buy an exchange traded fund in gold, that's not a problem - but watch out for the volatility, the currency, the fact that it's done very well over the last couple of years.

DUGGLEBY: And if you go and buy the gold coins of course, remember you've got to put them somewhere and well you'd better buy yourself a safe at the same time. On the question of gold funds though, Adrian, gold funds actually have done extraordinarily well. I mean is it Blackrock at the top of the table?

LOWCOCK: Yeah, I mean Blackrock, gold in general does what it says on the tin - invests in gold and other precious metals - and they've done very well, but they come from a very low base. So late 1990s gold was out of favour - it was about \$300 an ounce - and it's rocketed through \$1000. And at this point in time, I mean some of the money going into gold is playing defensive because of the concerns over a double dip recession.

DUGGLEBY: And currencies of course.

LOWCOCK: I was about to say, the dollar denomination actually makes it quite attractive. People want the US dollar.

CONNOLLY: Yeah, I mean these funds invest in shares related to gold companies rather than actually buying gold itself. I would only look to invest in gold as a small part of a large portfolio unless you're ready to take a very good gamble.

DUGGLEBY: ETFs, the Exchange Traded Funds - bought through an adviser, broker?

LOWCOCK: Yeah, you can buy from an adviser, a stockbroker and they're a relatively cheap way of getting direct exposure to gold as opposed to the companies which Patrick mentioned.

DUGGLEBY: Okay. And a final call I think from David in Weybridge.

DAVID: Oh hello, thanks for taking my call. For about the last 12 years I've been saving £250 of my salary into a share save scheme, which was the maximum I could do. But my last one finished in February and I didn't take up any more offers, so I now have this £250 in my salary which I've kind of ignored, you know pretended I didn't actually have it. But now I *do* have it and it's now just going into my current account and I would like to put it somewhere again where I can just forget about it as if I didn't have it. So I wouldn't want to have access to it. Just very long-term savings.

DUGGLEBY: Okay. Right?

DAVID: Just quickly, we've got an offset mortgage, so I know one option to me would be just to overpay on the mortgage. I don't know ...

DUGGLEBY: Okay, so use the £250 a month to pay off the mortgage or invest it as you have been doing for the last 10 years. Lock it up and forget it. A quick answer panel. First of all, what would you do Patrick - save or pay off?

CONNOLLY: A quick answer. Even with low interest rates, I'd be inclined to look at paying off the mortgage.

DUGGLEBY: Okay, Adrian?

LOWCOCK: I think that's the trend everyone's doing at the moment, is reducing

that.

DUGGLEBY: Well let's assume that you might say no to that, Morven. What would you do?

WHYTE: And I *would* say no. And in actual fact I'm not in a dissimilar situation and I put £125 a month into two different investment trusts, two international funds, with the idea that I think that they will grow and do well and will do better actually than my tracker mortgage.

DUGGLEBY: Okay, well there we are. Play safe or take a risk, but if you do take the risk then remember to take a long-term view. We've run out of time for the calls on this Money Box Live. My thanks to Morven Whyte from the stockbrokers Redmayne Bentley; Patrick Connolly from AWD Chase de Vere; and Adrian Lowcock from Best Invest. And remember you can get more information and contacts from our website, bbc.co.uk/moneybox, where you can have your say, listen again and sign up for a podcast. Paul Lewis will be here with the latest financial news and comment on Money Box at noon on Saturday. And if you're interested in money spending rather than saving, Paul will have tips on how to save while you spend on Money Watch tonight. That's BBC2 at 8 o'clock. I'll be back same time next Wednesday afternoon for the last Money Box Live in this series, taking your calls on tax.