Q – I'm new to investment and am not sure whether to buy active funds or trackers. Which is best? – P.A.W., Portlethen.

A – Barry O'Neill, investment director at Carbon Financial Partners in Aberdeen, said: The odds are stacked against you if you try to choose active managers. Every year, Standard and Poor's publishes a report comparing the performance of active managers against an appropriate index. One of the main conclusions of the 2010 report was that "indices outperformed a majority of active managers across all domestic (US) and international equity categories". The mid-year report for 2011 is similarly damning for active managers. In the words of one of the world's most famous investors, Warren Buffet, "most investors, both institutional and individual, will find that the best way to own common stocks is through an index fund that charges minimal fees. Those following this path are sure to beat the net results (after fees and expenses) delivered by the great majority of investment professionals".

Q – Having invested a substantial amount in cash Isas over 10 years, I have recently found out that these are now earning less than 1%. Can I get a better rate than this? – G.M., Forfar.

A – Mr O'Neill said: cash Isas are like any other deposit account in that rates offered vary widely. If you simply want to increase your interest rate, you could transfer to another provider. The more competitive providers are offering interest rates of about 3% a year, or slightly more if you are prepared to tie up your money for at least a year. It is worth noting, however, that inflation is now about 5%, so even these rates will not keep pace with the cost of living. If you want returns above inflation, you might need to consider transferring your cash Isas to a stocks-and-shares Isa. While these investments can outperform interest rates, future returns are not guaranteed and you may also lose some or all of your investment. Always seek independent financial advice so you are sure of the risks and potential benefits involved.