Q Should I consider investing in an unregulated collective investment scheme (UCIS)? The returns I've been shown seem much better than my current portfolio – O.W., Aberdeen.

A Barry O'Neill, investment director at Carbon Financial Partners, said: I'd urge caution with regards to UCIS. By following some fundamental rules, you should avoid the most common pitfalls. Before investing in anything, you should be able to see clearly how the prospective returns are going to be generated, and more importantly, what risks you are exposed to.

It is the second point that often makes UCIS difficult to quantify as a result of the complex structure. Remember, what appears too good to be true, usually is.

Q Why should I invest in shares given the fragile state of the global economy? – W.L., Banchory.

A Barry O'Neill said: Not everyone needs to be invested in shares. It very much depends on your time horizon and the level of investment return you need to generate to achieve your objectives.

There will be bad years, but the simple answer is that shares have a higher expected return than cash and fixed-interest investments over the long term, which generally should be taken to mean 15 years or more.

Q I've heard I don't necessarily have to take an annuity from the same company I have my pension with. How does this work? – I.S., Perth.

A Barry O'Neill said: The option you refer to is the "open-market option'. This allows you to pull all your pensions together and place them with the company that will provide the highest income (not necessarily the one you've saved for retirement with). It is not uncommon for this to give an increase of 10-20% to your income in retirement. This can be especially useful if you're a smoker or have health concerns, because you might be eligible for an enhanced annuity rate.