

Reviewing your investment mix now and for the future



Coronavirus continues to have a far-reaching effect. For some of us our health, or that of a loved one, has been sadly impacted. For all of us, how we work, socialise, shop and live in the world has changed as we've adapted to measures to keep us safe. Society itself has entered a transformation that may set the template for how we work, rest and play in the future.

As lockdown measures ease, it's a gradual process to get back to regular life. Regrettably, some of us are suffering financially from the impact of lockdown. But the post-virus landscape may also offer opportunities for both businesses and individuals to adapt and adjust to a 'new normal'.

Changing the way we work

For some of us, the traditional nine-to-five office life may be a thing of the past. During lockdown, many employers saw the benefits of working-from-home policies as their workforce not only functioned well but thrived in the domestic 'office'.

Workers have found ways to incorporate family and work lives successfully. Flexible hours have benefitted both employees and employers and working parents have also been able to share childcare between them. While people have had different experiences, one thing is certain: very few people are missing their long, and often stressful, commutes.

What these changes might mean for businesses and investment

Of course, there will always be industries and professions that aren't able to conduct their business as usual by working from home, but a significant portion of the UK's employed population are office-based. While some businesses have opened their offices, many employers are reluctant to crowd offices with as many staff as before. Having an increasingly dispersed workforce may have knock-on effects for businesses and investment - some good, some bad.

Commercial property is one sector that could suffer in the longer term - fewer people in the office may lead to downsizing of office space. Public transport companies could feel the pinch too. With more people working at home, less people may need to spend time and money travelling into their workplace, leading to fewer passengers and lower revenues for transport providers.

There are also likely to be positive changes from this change to home working. While some companies may be reducing rental costs, they are likely to be increasing spending on areas that support home working, such as their technology infrastructure, telecom and other communications systems.

The environment has been enjoying a respite too. Could this crisis now be the catalyst for sustained climate change? In the near future, we may see increased demand for investment in alternative energy sources like wind and solar.

An opportunity to review your investment mix

Knowing where you are in economic and market cycles may help you improve your portfolio. You also need to know your investment goals and how much risk you can take. While some traditional investment favourites may suffer in tomorrow's world, companies that are able to thrive after lockdown may present new and exciting investment opportunities. Now could be a good time to review your investment mix and ensure it is right for your goals.

A strong investment plan includes a mix of stocks, bonds, and cash that aligns with your goals, time horizon, and your ability to manage risk. So, like those companies in a post-virus world, it may be time for you to review your investment strategy too.

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