

IWCAPITAL
INVESTED INTEREST

**The Post-Covid
Investment Index 2021**



A nationally representative study, conducted by IW Capital, unveiling where investors are looking to put their money post-pandemic and post-Brexit

Following one of the most turbulent economic periods in history, the UK private sector is now looking forward to turning a new page post the devastating impact of the pandemic, one that is led by a successful vaccination rollout and a new chapter in the UK's relationship with the EU.

With this coming shift in mind, private investors serve as a key indicator of the direction of wealth and subsequent economic prosperity; understanding the sentiments of this critically important demographic therefore becomes ever more pertinent.

Throughout the year we have seen a shift in investment like no other, from Zoom shares skyrocketing to the rebound of the stock market, there has clearly been a shift in sentiment amongst investors, and a subsequent change in the direction of capital they catalyse. With the pandemic bearing indiscriminate impact on all levels of society, now, more than ever, investments are charged by personal experience, leading to wider range of sector preferences.

The overall effect of this period has led investors to reconsider their portfolio weighting, with their investable assets shifting in direction at speed. To better understand this shift, IW Capital, a private equity firm who, over the past decade, have invested in a diverse collection of growing firms throughout the UK, has commissioned a unique study analysing the changing sentiment felt by investors as we approach a post-pandemic and post-Brexit world.

17,162,000 UK investors are looking to invest in these sectors:



45% of UK investors are looking to back green or sustainable companies in 2021



36% of UK investors are looking to invest in stocks and shares in 2021



34% of UK investors are looking to invest in the biotech, medtech & pharma industries in 2021



29% of UK investors are looking to back online retail businesses in 2021



27% of UK investors are looking to invest in property in 2021



26% of UK investors are looking to invest in fintech in 2021



18% of UK investors are looking to invest into the creative industries in 2021



16% of UK investors are looking to back businesses in the hospitality sector in 2021



16% of UK investors are looking to back start-ups and newly formed businesses in 2021

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What has changed?

2019-2021

Over the past two years, general awareness around the life sciences has increased exponentially, with daily updates on the progress of vaccines and companies within the sector gaining household name status. This marked increase in exposure has led to a significant boost in investor demand to back this sector; with research from IW Capital showing that desire to invest within Pharma, Medtech and Biotech has increased by more than 160% since 2019. This dramatic increase is likely to be further fuelled by the success of the UK's vaccine rollout as investors look to back those firms that not only succeeded during the pandemic, but were also able to contribute to safeguarding the safety of future generations.

A desire to invest in a way that does good in addition to doing well financially has been growing for some time now. IW Capital's previous research, published in 2019, showed that 46% of investors were more likely to invest in businesses that make a positive social or environmental impact for the future generations. While, as shown in IW Capital's 2021 report, nearly half of UK investors (45%) are looking to back green or sustainable companies, highlighting the continued drive towards this sector and in supporting a more environmentally friendly economy.

A further interesting insight to come from the two reports is that the interest in investing in future facing tech businesses, including Fintech, Regtech and other online solutions, has risen by 15%. Innovation and the ability to be future facing have become two key prerequisites of today's investment portfolio, and are now an important factor for any investor when looking to invest into a company. While this trend may have been accelerated by the pandemic, the popularity of sectors that make the most of tech solutions and provide innovative ways to deal with long standing societal issues seems here to stay.

Over the past two years one of the sectors that has seen a fall in support is the creative industries, a sector that has suffered as a direct result of the pandemic and restrictions that have been put in place throughout the year. This trend, however, looks likely to begin to change in the coming months as restrictions ease and the UK public return to a more normal way of life. Testament to this is the tremendous support seen recently by IW Capital for Rockwater Hove, a member of the IW Capital portfolio which was able to raise over £1 million of its overall funding from local residents.



Regional Data Breakdown

Green or Sustainable Companies

45% of investors across the UK are looking to back green or sustainable companies with Eastern England leading the way with 57% of investors keen to invest in this sector.

Region	Investors
Scotland	42%
North East	39%
North West	35%
Yorkshire & Humberside	33%
West Midlands	37%
East Midlands	51%
Wales	39%
Eastern	57%
London	42%
South East	52%
South West	40%
Northern Ireland	37%

Stocks & Shares

36% of UK investors see stocks and shares as an attractive investment option, especially in London with 49% (almost half) of investors looking to back stocks and shares specifically.

Region	Investors
Scotland	36%
North East	39%
North West	41%
Yorkshire & Humberside	43%
West Midlands	38%
East Midlands	26%
Wales	43%
Eastern	35%
London	49%
South East	35%
South West	40%
Northern Ireland	43%

Biotech/Medtech/Pharma (Life Sciences)

34% of investors in the UK are interested in backing the biotech, medtech & pharma industries. These include 42% of the investors in the South East of England, 41% of investors in Yorkshire and Humberside and 41% of the investors in the South West.

Region	Investors
Scotland	16%
North East	39%
North West	26%
Yorkshire & Humberside	41%
West Midlands	29%
East Midlands	33%
Wales	37%
Eastern	39%
London	31%
South East	42%
South West	41%
Northern Ireland	35%

Online Retail

29% of UK investors are looking to invest in online retail businesses. Notably, in the South East of England, 32% of investors are interested in this sector.

Region	Investors
Scotland	26%
North East	33%
North West	36%
Yorkshire & Humberside	28%
West Midlands	31%
East Midlands	20%
Wales	19%
Eastern	31%
London	25%
South East	32%
South West	27%
Northern Ireland	21%

Property

27% of UK investors are keen to invest in property. A strong 32% of the investors in the South East of England are interested in this and so are 31% of the investors in the South West.

Region	Investors
Scotland	29%
North East	30%
North West	27%
Yorkshire & Humberside	12%
West Midlands	25%
East Midlands	29%
Wales	14%
Eastern	28%
London	30%
South East	32%
South West	31%
Northern Ireland	10%

Financial Technology (Fintech)

There is strong appetite to invest in fintech companies with 26% of UK investors interested in this sector. In London, 32% of investors have revealed they are looking to back fintech companies.

Region	Investors
Scotland	22%
North East	17%
North West	15%
Yorkshire & Humberside	26%
West Midlands	31%
East Midlands	31%
Wales	24%
Eastern	30%
London	32%
South East	28%
South West	26%
Northern Ireland	12%

Creative Industries

18% of investors in the UK are interested in backing companies in the creative sector. A strong 26% of the investors in the South East and 25% of the investors in Wales have said they are looking to back creative firms.

Region	Investors
Scotland	14%
North East	16%
North West	10%
Yorkshire & Humberside	14%
West Midlands	11%
East Midlands	24%
Wales	25%
Eastern	17%
London	21%
South East	26%
South West	17%
Northern Ireland	11%

Hospitality

16% of investors in the UK see businesses in the hospitality industry as an attractive investment option. 24% of the investors in the North West and 20% of the Investors in Wales are keen to back this sector.

Region	Investors
Scotland	17%
North East	16%
North West	24%
Yorkshire & Humberside	15%
West Midlands	14%
East Midlands	18%
Wales	20%
Eastern	7%
London	17%
South East	14%
South West	14%
Northern Ireland	13%

Startups

16% of investors in the UK are looking to back startups and newly formed businesses this year with 34% of the investors in the South West revealing they are eager to support more startups.

Region	Investors
Scotland	18%
North East	8%
North West	8%
Yorkshire & Humberside	11%
West Midlands	17%
East Midlands	8%
Wales	13%
Eastern	11%
London	21%
South East	23%
South West	34%
Northern Ireland	12%



Luke Davis, CEO of IW Capital

“Investor sentiment has been transformed throughout the pandemic and we are now seeing just how much of an impact it has had on the appetite to invest. It is no surprise to see that green and sustainable companies are growing in popularity, with the government making it clear that this sector is to play a key role in the resurgence of our economy going forward. Technology is also proving to be an enticing investment option, after a year of digital transformation that has shaped the model of many businesses who have remained strong throughout this period of economic unrest.

“We at IW Capital have ourselves been investing heavily into the life sciences with Flarin and GDPQ, as well as into retail tech with Ubamarket and NOMM. These are companies that have diversified their model to be able to come through the pandemic, and this is now a prerequisite that individuals are looking for when thinking of investing.

“For those with investment power, there is now a more personal responsibility to back the future facing businesses that are sure to benefit both our society and our economy. Personal experience is now becoming a key factor in how we as investors are looking to use our money and a major influence on our portfolios.

“This index is a key reference that will be sure to inform our future investments and one that will provide a much-needed insight into where the most significant interest lies in regard to specific sectors as the UK bounces back from Covid and Brexit.”

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