Bloomberg Wealth

Where to Invest $100,000 Right Now

Six experts weigh in on how to invest in a shifting financial landscape.

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To help you figure out where opportunities may lie in this shifting landscape, Bloomberg asked six investment experts where they would put $100,000 now. Their ideas range from Chinese companies in the battery and solar power markets to private commercial real estate funds to healthcare stocks and newly reopened hedge funds.

We also asked the experts where they would personally place a $100,000 windfall. While some mentioned investments in objects such as gemstones and high-performance electric motorcycles, others noted the importance of experiences to them, particularly given their new perspectives in light of the Covid-19 pandemic. One, for instance, said he would spend the money on a trip to a very remote part of the world.

For investors who want to invest in the themes mentioned below using exchange-traded funds, Bloomberg Intelligence senior ETF analyst Eric Balchunas suggests candidates to consider.

Patrick Fruzzetti, The Rosenau Group

We like multifamily real estate, and work with a partner that focuses on acquisition and development of multifamily properties. We structure the deals as limited liability corporations and our investors get direct exposure to a pool of six to seven properties. You get the beauty of direct exposure but don't have to go through the underwriting of every deal every time.

There is still such undersupply in affordable housing for the so-called "missing middle." This is firefighters, nurses and so on that have fixed salaries and have about 30% of their income going toward their housing budget and rental. The supply for these workers just doesn't exist in many urban/suburban communities. Think primary, secondary and sometimes tertiary real estate markets where you won't have a boom-bust cycle, so places like Montgomery, Alabama and Denver, Colorado that are growing fast and need the support of housing.

In part, we're interested because of cash flow – we want cash flow coming from a majority of the properties, although when there is development involved there is obviously a lag. Unlike with traditional real estate funds, our investors get the benefit of depreciation. There's also the opportunity for a future 1031 exchange if clients wish. [Investors that sell an investment property can avoid capital gains taxes if they reinvest the money in a similarly valued property or properties within a short period of time.]

How to play it with ETFs: While there is no pure-play multifamily REIT ETF, the Hoya Capital Housing ETF (HOMZ) is composed of 100 companies that represent the performance of the U.S. residential housing industry, and includes some multi-family REITs, said Balchunas. It also holds homebuilders and retail stocks, however, so it isn't just a REIT ETF. HOMZ, with $59 million in assets, has an expense ratio of 0.45%.