MOONFARE

PRESS RELEASE

Moonfare Launches Growth Equity Portfolio, Making Investments in the Fastest-Growing Private Companies Globally Easier than Ever

- **Portfolio gives investors access to some of the best managers globally with strategies spanning growth equity, US venture capital and some of the fastest-growing areas of the private equity industry with minimum investments as low as $60,000**

- **Follows success of Moonfare Buyout Portfolio, which raised more than €55 million from hundreds of first-time Moonfare investors**

BERLIN, April 13, 2021 – Moonfare, a leading digital investment platform for top-tier private markets funds, is launching the Moonfare Growth Equity Portfolio, a groundbreaking portfolio of technology funds that gives individual investors unprecedented access to the most exciting strategies in private equity.

The Moonfare Growth Equity Portfolio will allocate capital to 8-10 underlying growth funds selected by the Moonfare investment team. The portfolio follows the success of the Moonfare Buyout Portfolio, which began fundraising in the summer of 2020 and has raised more than €55 million from 300 investors, about 250 of whom were first-time investors on the Moonfare platform.

"Growth equity funds and private equity funds that focus on fast-growing sectors are playing a critical role in economic growth and writing the future of virtually every industry you can think of," says Moonfare founder and CEO Dr. Steffen Pauls.

"Investors in these funds often enjoy venture-like returns with mitigated levels of risk. But perhaps just as importantly: Investors in these funds get the feeling of contributing to a greener, more prosperous future through these funds' portfolio companies," Steffen says.

The Moonfare Growth Equity Portfolio tackles two key problems that have disadvantaged individual investors: Companies are staying private for longer with the majority of value created accreting to growth investors; and individuals have been prevented from allocating to fund managers that invest in these fast-growing private companies.

Companies are staying private for longer, keeping individuals at arm's length from value creation

Since the early 2000s, the typical time to IPO has increased from 3 years to 10 years or more, according to a Carlyle Group analysis of research conducted by University of Texas at Austin professors of finance Keith Brown and Kenneth Wiles.[1] Investors in these private companies meanwhile claim 80% of the value created, according to Brown and Wiles.[2]

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1 The Carlyle Group. "Reflections on the Revolution in Finance." Carlyle Global Insights, 2021.

2 Brown, K. & Wiles, K. "The Growing Blessing of Unicorns: The Changing Nature of the Market for Privately Funded Companies." Journal of Applied Corporate Finance, 2020.

Unlike the days when individual investors could buy fast-growing companies on the day of their IPO and participate in the subsequent pop, the current private-for-longer dynamic means individuals investing in public markets are increasingly kept at arm's length from companies when they are creating value the fastest.

Individuals have been kept out of growth investing until now by high investment minimums, fund selection

High investment minimums, difficulty picking a fund and the access constraint enjoyed by the best fund managers have kept individual investors from allocating to funds that invest in fast-growing private companies. Larger institutional investors have been taking the lion's share of allocations to and, by extension, returns from these growth funds.

By fully digitizing the investment process and pooling capital from individual investors, Moonfare has been able to considerably improve the investor experience and greatly lower the minimum investment amount — to as low as $60,000, or the local currency equivalent, in some markets — giving many individual investors access to growth funds for the first time.

Growth investing has become the fastest-growing segment of private equity

Moonfare clients allocating to the Moonfare Growth Equity Portfolio will invest in strategies developed and executed by some of the top technology investors in the world, many of them with deep roots in Silicon Valley. Their target companies show both signs of maturity, like product-market fit and millions of recurring revenue, and the potential to disrupt entire industries and rapidly grow revenues, sometimes faster than 500% year-over-year.

Top fund managers globally, from Blackstone to EQT, have launched growth strategies in the last six months. The total size of growth equity funds as measured by dry powder has increased 341% between 2010 and 2020, according to Bain & Company's Global Private Equity Report 2021, making it the fastest-growing segment of private equity.[3]

Leveraging Moonfare's investment expertise to build a portfolio of funds

Investors in the Growth Equity Portfolio leverage the Moonfare investment team's experience and the benefits of diversification.

Senior members of the Moonfare investment team — including Steffen Pauls, Managing Director Magnus Grufman, Chief Investment Officer Winson Ng and Investment Director Sweta Chattopadhyay — have a combined 60 years of experience in the private equity industry, covering more than 180 commitments to private equity funds worth more than €10 billion total.

The Moonfare Growth Equity Portfolio will open to accredited Moonfare investors starting immediately and will continue fundraising through the summer or until it is fully subscribed.

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3 Bain & Company. "Global Private Equity Report 2021." March 2021.

About Moonfare

Moonfare offers individual investors access to top private markets investment opportunities for the first time. With a technology-powered onboarding process and asset management platform, Moonfare allows clients to register and invest directly in the funds on its platform in as little as 15 minutes and with minimums as low as €50,000.

The Moonfare investment team conducts ground-up due diligence on all funds. Fewer than 5% of available funds pass this process and make it onto the Moonfare platform. This focus on quality is one reason Moonfare has won the trust of more than 1,300 clients who have invested around €700 million on its platform to date.

Moonfare was named one of LinkedIn's top 10 German startups in 2020. The company also partners with banks and asset managers, including Berenberg, one of the oldest private banks in Europe, and Fidelity International, the global arm of Fidelity Investments, one of the largest asset managers in the world.

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