Private investors take refuge in private equity as they seek inflation hedge, net yield and lower volatility

- Moonfare has seen an unprecedented inflow of new investors and investments to its private markets offering over the past 12 months
- Assets under management grew by 87% year on year, investors by 63% and individual investments by 70%
- Increased demand reflects investors’ strong desire to hedge inflation, search for yield and mitigate highly volatile stock markets in times of economic uncertainty

Berlin, 27 October, 2022: Moonfare, the leading global digital private equity platform, increased its assets under management by almost 90% in the year to end September 2022 to €2.18 billion, as individual investors flock to the asset class amid turbulent public markets.¹

The number of Moonfare investors grew 63% to 3,272, while the community of registered users more than doubled (141%) to over 46,000. The number of individual investments increased by 70% to 8,462. To meet this exceptional growth in demand, Moonfare increased the funds offered on its platform from 40 to 69 (up 73%).

Founder and CEO Steffen Pauls said we are witnessing a turning point, as individual investors take refuge in private markets.

“Private investors are more and more catching up with professional institutional investors and have discovered that private equity can be a safe harbour from inflation and high stock market volatility. Our data shows they have widely understood that private equity has outperformed public markets in particular in times of recession.”

Research shows the value of adding private equity to a balanced portfolio. In particular, it demonstrates that recession-era vintages have historically been among the best performing: the 2001 vintage was one of the best performing of the last 20 years, and the 2008-9 vintages performed better than those that came before the financial crisis.² ³

Moonfare’s Head of Investment Magnus Grufman added that diversification and benefitting from secular trends in private markets is another reason for the acceleration of the “private equity goes retail”-phenomenon.

“Our data suggests that private investors are looking to diversify their portfolios showing appetite for inflation-protected, yield-generating asset classes such as real-estate and infrastructure. In addition they are keen to benefit from secular trends, such as tech disruption and healthcare or the reconstruction of global value chains for
example in energy. These are investment themes global private equity players are betting on."

Investment analytics company Preqin predicts global private capital AUM will almost double to $18.3tn by 2027. It expects retail interest in alternatives to fuel this next wave of growth as individual investors seek alternative sources of returns amid economic uncertainty.4

Preqin’s report also notes a lack of products tailored for retail participation as a key barrier to entry. Addressing this gap is Moonfare’s raison d’être and the reason for its phenomenal growth.

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1 https://www.ft.com/content/8875aed5-ebb7-466c-ad6e-287a22eecd0e
3 https://assets-global.website-files.com/5ff7d86352880856ddb363e/62bbfcc289b70077047e35e4_20220621_Now%20is%20the%20Time%20to%20Invest%20in%20PE_Phase1.pdf
4 https://www.preqin.com/future-of-alternatives-2027
Moonfare offers individual investors and their advisors access to private equity investment opportunities. With a digital onboarding process and asset management platform, Moonfare allows investors to register and invest through a digital onboarding process through the platform. To date, Moonfare has offered more than 75 private market funds from top general partners worldwide with an emphasis on private equity buyouts, venture, growth and real asset categories like infrastructure.

Moonfare’s 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 why Moonfare has won the trust of more than 3,200 clients who have invested more than €2 billion on its platform. Headquartered in Berlin, Moonfare operates in 24 countries across Europe, Asia, America and has offices in New York, Hong Kong, London, Zürich, Singapore, Paris and Luxembourg.

For more information, please visit [www.moonfare.com](http://www.moonfare.com) and [LinkedIn](https://www.linkedin.com).

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