

Press Release

Moonfare's PE Pulse reveals millennials' growing interest in private equity; buyout proves to be the strategy of choice for individual investors

- Millennials increasingly seek out private equity investments
- Moonfare investors prioritize buyout amid uncertain economic conditions
- Buyout managers continued to deploy capital in 2022 despite economic backdrop
- Tech increasingly becoming a buyout target segment, up over 20% in two years

Berlin, 19th April 2023: Moonfare, a global leading digital private equity investing platform, has published its first Private Equity (PE) Pulse, reviewing proprietary data such as deal activity and commitment trends over the last two years among Moonfare's investor community and the top-tier private equity fund managers on its platform.

The data show young people are increasingly attracted to the returns and diversification offered by private equity investments. Around 40% of Moonfare investors are aged between 25 and 44, while the number of young millennials (aged 25-34) investing through Moonfare in private equity funds has doubled over the last two years. Moonfare founder and CEO Steffen Pauls said this trend reflects a broader demographic shift as individuals and particularly younger investors seek better returns and diversification away from public markets.

Steffen Pauls said, "A 2022 Bank of America study found that 75% of investors between the ages of 21 and 42 do not believe it possible to secure above-average returns by investing only in stocks and bonds. 80% of these young investors are turning to alternative investments¹." He added, "Moonfare's mission is to meet the needs of these individual investors, who are looking to diversify their portfolio and seek lower investment minimums, digital access, top-tier fund curation and more liquidity. We are continuously developing new products and solutions to cater to an even wider community of like-minded individual investors."

As for investor strategies, Moonfare's research shows that amid 2022's worsening economic outlook, individual investors shifted their attention from the growth and venture capital investments popular in 2021 to value-oriented buyout funds. The data also reflect a growing appetite for defensive strategies such as secondaries, their appeal lying in lower fees and their potential for early liquidity. Globally, secondaries had their second-biggest year ever in 2022, just behind the record volumes of 2021. Around \$108 billion was raised last year, according to a report from the investment bank Jefferies².

There was, however, a split by wealth tier, with wealthier investors more attracted to riskier investments like venture capital than those with less capital to invest. Moonfare PE Pulse shows the latter tend to choose more traditional strategies like buyouts or portfolio solutions that Moonfare offers.

The Moonfare paper also analyses the deal-making activity of the funds on the Moonfare platform in the last two years and finds that private equity managers shifted their investment priorities alongside the sudden shift in the macro environment. In 2022 deal-making stalled: funds on the Moonfare platform conducted 128 initial investments in Q3 2022 for a total of \$19.2 billion, less than half the 358 initial investments for over \$43 billion in Q4 2021.

However, while growth and venture funds remained in flux, the platform's buyout funds showed different characteristics. While they also fell from 2021's historic highs in the first quarter, buyout funds incrementally increased their initial investments in each subsequent quarter.

Steffen Pauls said, "The resilience of buyout activity in the face of significant economic headwinds is a testament to its growing importance to the global economy, and also reflects an economic reorientation towards new technologies."

Private equity has become an industry focused on new technologies. Top-tier private buyout managers made a significant shift towards tech investments between 2020 and 2022 – from under a third of investment capital in 2020 to over half in the first three quarters of 2022.

More details can be found in the Moonfare Whitepaper: [Private Equity Pulse](#)

Moonfare pulse will be published periodically to reflect changing attitudes among the managers of the 80+ funds on the Moonfare platform, and the investment preferences of its 3,500+ individual investors.

¹ Bank of America, 2022, Private Bank Study of Wealthy Americans (ml.com)

² https://www.jefferies.com/CMSFiles/Jefferies.com/files/IBBlast/Jefferies-Global_Secondary_Market_Review-January_2023.pdf

³ Subject to eligibility

About Moonfare

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 process³. To date, Moonfare has offered more than 80 private market funds from top general partners worldwide such as KKR, Carlyle and EQT 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 3,500 clients who have invested more than \$2,5 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 and [LinkedIn](#).

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