Moonfare launches dedicated family office investment platform as managers increasingly allocate to private markets

- Moonfare study finds family offices have increased allocations to private markets, while reducing exposure to traditional public assets in volatile economic environment
- Seeking higher risk-adjusted returns is the main driver for more than 80% of family offices when investing in private markets
- Over 50% of survey respondents maintain a positive outlook for private market assets, while over 70% hold a negative view on public equity over the coming year
- Moonfare launches private market investing platform for eligible family offices to meet growing demand

Berlin, 09 November, 2022: Around 60% of family offices surveyed by Moonfare, the leading global digital private equity platform, and UK-based association Global Partnership of Family Offices (GPFO), said they have increased their allocations to private markets over the last two years. By contrast, the survey found, interest in traditional public equities has waned, with well over 50% of respondents saying they have reduced exposure to both public equity and fixed income.

Family offices have historically tended to allocate to private markets. However, this is becoming more pronounced in an environment of rising interest rates and inflation. Research has shown that assets such as private equity have outperformed public markets in recessionary periods¹. In the survey, respondents highlighted the potential for high risk-adjusted returns as ‘significant benefits’ of private markets, with over 80% of respondents giving this feedback.

Over 50% of participants hold a positive outlook for private market assets over the coming year, whilst showing much less enthusiasm for public market securities. More than 70% hold a negative outlook for both public equity and public fixed income².

There is also a sense of urgency as family offices diversify their holdings to align investment processes with a new generation of wealth. A study by Credit Suisse, for instance, found that nearly 30% of single family offices said their investment strategy would ‘change significantly to align with the values and risk appetite of the next generation’³. This aligns with Moonfare’s survey findings, which show almost a quarter of family offices setting new asset classes as the main priority for the coming year.

Moonfare founder and CEO Steffen Pauls said, “Like all wealth and money managers, family offices have experienced a sudden shift in the investment landscape. They need to adjust to meet the needs of the next generation. Inflation has reached levels many have not experienced before, and 60/40 stock-bond portfolios are down by almost 20%⁴.

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³ A study by Credit Suisse found that nearly 30% of single family offices said their investment strategy would ‘change significantly to align with the values and risk appetite of the next generation’.
⁴ Inflation has reached levels many have not experienced before, and 60/40 stock-bond portfolios are down by almost 20%.
Our results show that many family offices have been quick to adapt to current macroeconomic conditions, while keeping an eye trained on emerging opportunities. However, fund managers without a meaningful exposure to private markets may be doing their clients a disservice.”

He added, “We have launched the Moonfare Private Investment Office (MPIO) to further strengthen our growing base of more than 80 family offices. It’s dedicated, fully digital platform will support family office clients as they adapt to changing market circumstances and construct a well-diversified private market investment portfolio.”

MPIO offers a tailored service for eligible family offices, which facilitates their access to exclusive private market funds, including US tech funds by top-tier managers as well as co-investment opportunities. It grants family offices institutional insight and transparency by offering a forward-looking fund pipeline, proprietary due diligence reports on target funds ahead of their launch, and access to GP webinars and fund reporting.

Despite the benefits of private markets, family offices still face hurdles when it comes to private market investing. Chief among them are concerns over liquidity, cited by 74% of survey-respondents as a significant barrier. Moonfare has met this challenge by offering a unique path to early liquidity. Our exclusive partnership with Lexington Partners, the world's largest and longest-running operator of private equity secondary investments, brings institutional liquidity to the Moonfare platform in twice-yearly auctions.

The heightened focus on new investment opportunities suggests that family offices are actively responding to the changing needs of their client base. Read more about which asset classes and strategies Family Offices are prioritising in the Moonfare Whitepaper: Family Offices and Private Markets in 2022

2. https://assets-global.website-files.com/5ff7d86352880856dbd363e/636a85e3762f73ba0d95022_FOWhitepaperV13final.pdf
4. 60/40 Target Allocation Fund | Bighx | Institutional (blackrock.com)
5. https://assets-global.website-files.com/5ff7d86352880856dbd363e/636a85e3762f73ba0d95022_FOWhitepaperV13final.pdf
6. Liquidity via the secondary market is not guaranteed
7. 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 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 3,500 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 and LinkedIn.

About Global Partnership Family Offices (GPFO)

Founded in 2009, Global Partnership Family Offices (GPFO) is a membership based international association of families, wealthy individuals and entrepreneurs covering all areas and topics relating to Family Offices, providing members with opportunities to debate and learn with peers in the Family Office community.

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