

Press Release

Investors add private credit, infrastructure, secondaries as they adapt to changing fundamentals

- Investors add private credit, infrastructure and secondaries to more traditional buyout funds
- Significant shift as over 45% of respondents prioritise diversification
- Healthcare and technology spark long-term optimism ...and
- Only 7% of investors let robots do their investing for them

Berlin, 11 December 2023: Many Moonfare investors have begun to look to a more positive future while building a portfolio to withstand short-term shocks. Moonfare's third annual investor survey shows some investors have added defensive strategies like private credit, infrastructure and secondaries, while expressing optimism about healthcare and tech and making a marked shift towards diversification.

122 of Moonfare's investors replied to the survey, which aims to understand the motivations around portfolio building among Moonfare's individual investor community.¹

Moonfare founder and Co-CEO Steffen Pauls, said, "It's gratifying to see our investors positioning themselves for both current concerns and perceived longer-term opportunities. It shows they're taking advantage of educational opportunities, some of which Moonfare provides, and building a more resilient portfolio for themselves and their families."

Investor perception of the global economy has improved since last year, when 85% of respondents expressed a negative view. Nonetheless, almost half (47%) of respondents still have a "bad feeling" about the state of the economy, and just 15% a good one.

Investors are thus adding assets that might offer protection, such as secondaries, private credit and infrastructure to portfolios still largely oriented on buyouts. While 83% of respondents now own stakes in buyouts, up 16 percentage points from 2022, co-investments now appear in almost half (48%) of Moonfare investor portfolios, private credit in almost a quarter, with infrastructure lagging only slightly at just over 23%. Not surprisingly, therefore, secondaries, which can usually be bought at a substantial discount, and private credit, which offers

¹ Survey conducted in September 2023. 122 individual investors from Europe, US and Asia shared their views. Responses were anonymous and data was aggregated. Percentages may not total 100% due to rounding.

diversity of opportunity, both appear in the top three strategies about which investors are more optimistic in current economic conditions.

Moonfare's investor base has made a shift towards prioritising diversification – perhaps as a response to ongoing economic uncertainty, geopolitical instability and the muted performance of traditional asset allocation during the immediate post-Covid era. The 46% who said they had newly prioritised diversification was considerably higher than the 31% who had increased cash reserves.

While the traditional 60:40 portfolio has recovered this year from losses in 2022², investors seem to fear its returns may not keep pace with the anticipated longer period of higher interest rates. As a result, over 88% of respondents stated that they plan to allocate further to private equity in the coming year. Only 3% do not expect to allocate to private equity in that timeframe.

But investors are also positioning themselves for the future. They are particularly optimistic about the technology and healthcare sectors which, while not immune to higher rates, labour costs or broader macroeconomic uncertainty, appear well-positioned to capitalise on secular trends. 78% of Moonfare's respondents believe healthcare holds the most investment potential, closely followed by technology (76%).

That belief in technology does not yet, however, mean Moonfare's investors are ready to let AI do their investing for them. Only 7% of survey respondents have given robots (AI-driven advice) full autonomy to invest without their involvement. But most are at least open to doing so in the future.

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About Moonfare

Moonfare offers eligible individual investors and their advisors access to private equity investment opportunities. With its digital onboarding process and asset management platform, Moonfare allows eligible investors to register and invest directly online. To date, Moonfare has offered more than 110 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 Moonfare has won the trust of 4,000 clients who have invested more than €2.7 billion on its platform. Headquartered in Berlin,

² <https://www.cbsnews.com/news/stock-market-performance-retirement-funds-60-40/>

Moonfare operates in 23 countries across Europe, Asia and America, and has offices in New York, Hong Kong, London, Zürich, Singapore, Paris and Luxembourg.

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