

Interview with Karim BOUSSETTA, Regional Head, Moonfare

“Democratising Private Equity”

Karim Boussetta, please introduce yourself in a few words

I run the French and BeNeLux Sales organization for Moonfare I am based in Paris. Before joining Moonfare in February 2022, I worked at Goldman Sachs in London and at PIMCO where I focused on UK and Irish clients as well as the consultant relations group. I have an undergraduate degree in Political Science from SOAS, a master's degree in Security studies from the University College London (UCL), and an MBA from INSEAD.

Introduce us to Moonfare. How did the company start?

Moonfare is a digital platform founded in 2016 leading a new era of Private Equity investing. We enable our investor community to access expert knowledge and bite-sized, Private Equity investments. We exist to inspire better investments and open the door to higher returns for more people. Moonfare's digital platform is easy to use and secure, allowing investors to manage their investments wherever they are. Everything is done on the platform - from accessing fund information, KYC, client onboarding to digital reporting. Such work is normally done manually at banks. By streamlining the process using technology, it allows Moonfare to offer funds at a lower cost and ticket size and with a better investment experience.

Investors seek to diversify their portfolios and realise the potential for higher returns. However, individual investors continue to be significantly under-exposed to these private strategies, as access has been limited by high minimum investment requirements, regulatory restrictions, and administrative burdens. Moonfare makes it possible for qualified individual investors to invest directly in top-tier private equity and venture capital funds at low minimums via a fast and easy-to-use digital experience.

Our team of industry insiders and experts makes sure that we meet every investor with a commitment to knowledge sharing, transparency and ease of investing. With teams in Berlin, New York, London, Singapore, Luxembourg, Paris, Zurich and Tel Aviv we are trusted by over 4000 of investors worldwide and currently have over €2.9 billion in assets under management.

What are your main missions?

Our mission statement is simple: Democratising Private Equity and help people realise that Investing is legacy. Moonfare offers individual investors, family offices and institutional investors:

- Carefully curated, top-tier funds from some of the world's leading Private Equity managers,
- Local, personal service from your dedicated point of contact,
- World-class investment committee of industry insiders,
- Global community of like-minded investors.

How are you positioned in Luxembourg?

We are growing rapidly in Luxembourg. We have an office with 8 people based in Luxembourg as well. We are open to professional investors but also working closely with Family Offices and help them diversify their Private Equity investments. Lastly, we just announced our partnership with Quintet and are very excited to grow the relationship.

How does Moonfare select its funds?

The fund selection and diligence process is carried out by Moonfare's deeply experienced investments team with 90+ years of combined experience and must be approved unanimously by Moonfare's well-established Investment Committee. Moonfare's Investment Team maintains active conversations with 400+ GPs allowing the team to source 100+ opportunities per year.

All funds selected for distribution on the Moonfare platform must pass through Moonfare's rigorous multi-stage due-diligence process that includes:

- Initial Screening,
- Full Due Diligence,
- IC Decision and Commercial Focus,
- Raise and Subscribe.

The due diligence stage is the most analytical and rigorous step in the fund selection process. In this stage, data is typically provided by the manager via a fund data room. Relevant quantitative data will be incorporated within Moonfare's proprietary due diligence model, which allows the team to conduct a performance and risk analysis on the track record. The team

also supplements their analyses with the use of Cobalt, conducting reference calls with LPs and industry participants, third-party reports, and organizing due diligence meetings with the fund manager's team.

Due diligence and analysis take a forward-looking predictive approach to ensure consistency going forward in all key diligence areas including team, strategy, and performance. All these activities are aimed at providing additional context and clarity around fund performance, risk management, team development, and fund manager-wide processes.

How can one access your funds and how much does one have to invest to do so?

Accredited investors can easily sign up to our platform to access top-tier investment opportunities, expert knowledge, curation and higher returns at lower entry points. Our digital process should enable you to sign-up and invest within 15 minutes. As a tech-enabled company, we seek to make the process as smooth as possible for our clients, investors and the advisors who can invest on behalf of their underlying clients. Partnering with Moonfare enables thousands of investors, directly and through their advisors, to build portfolios and access premier private equity funds the way elite institutions have for decades.

Moonfare is transforming the private equity experience. The minimum investment ticket to access a Private Equity fund size is €50,000.

How do you intend to democratize Private Equity?

We have well and truly started the democratization process of Private Equity. With close to €3b under management and over 4000 clients! We intend to continue the process and focus on new initiatives such as the ELTIF to reduce the barrier to entry to enable the greatest amount to benefit from Private Equity's historical returns and portfolio diversification.

What are the challenges facing private equity today?

- Macro-economic headwinds and rising interest rates have put the brakes on private equity exit activity.
- Trade sales have emerged as the most reliable and active channel, as cash-rich corporates continue to make big ticket transactions, but other exit routes have been becalmed.
- After a challenging year, recovery signs are emerging as interest rates top out, equity and debt markets reopen and buyer and seller pricing expectations converge.

Tell us about private equity market trends

With M&A and the IPO markets still muted, GPs are looking for other ways to generate liquidity for their investors. We expect to see GP-led secondaries and NAV lending to continue and start to become a norm within the industry, even when markets open up again. We have just published our Investment Outlook for 2024.

Tell us about Moonfare's partnership with Quintet Private Bank. What is its purpose?

Quintet has partnered with Moonfare as the central solution provider/partner for its Private Markets offering to all 5 entities under the Quintet umbrella: Quintet Private Bank (Europe) - Luxembourg; Brown Shipley - UK; Puilaeco - Belgium; Insinger Giliseen - Netherlands; Merck Fink - Germany. We provide full white-label platform with Single Sign On functionality from the existing Quintet banker/client portal; we provide Moonfare funds plus facilitating a 3rd party ELTIF of their choosing.

Are you considering other partnerships?

We are always working on new partnerships; however, we think about those strategically and it needs to make sense for us and for our clients. Anyone interested in a partnership can directly reach out to me.

What is your view of the current economic situation?

Private equity and private markets in general have faced a myriad of challenges in 2023, with persistently sticky rates and inflation making debt less serviceable and clogging exit lanes, while an increase in geopolitical uncertainty has added to the muted dealmaking environment.

What are your main objectives for 2024?

Over 2024, we expect Moonfare's core company objectives to remain consistent and continue to further our mission of democratizing access to private investments. In alignment with our mission, Moonfare plans to:

- 1) deepen its in-house investment management capabilities to continue to offer our clients a unique, diverse, and growing range of investment products (such as the ELTIF 2),
- 2) offer new products and solutions that will enable even more types of investors to participate in private markets, and
- 3) continue to deepen our global footprint.