

Moonfare's \$125M raise underscores appeal of private markets to individual investors

Article

The news: The Germany-based private markets investing platform will use its Series C proceeds to drive global expansion, per PR Newswire.

What's its appeal? Moonfare has expanded access to curated private market funds—like private equity and venture capital funds—to individual investors by lowering minimums and providing convenient digital access.

The **\$7 trillion private market** has traditionally been inaccessible to investors who fall outside the highest wealth bracket due to high minimums, which are typically **around the \$5 million mark**. Consequently, some 90% of private market AUM is commanded by institutions and UHNWIs, per Oliver Wyman.

Moonfare can offer such a discounted minimum—**starting at \$50,000**—because it aggregates individual demand. The digital platform also permits rapid onboarding and is easy to use—two other roadblocks for retail investors.

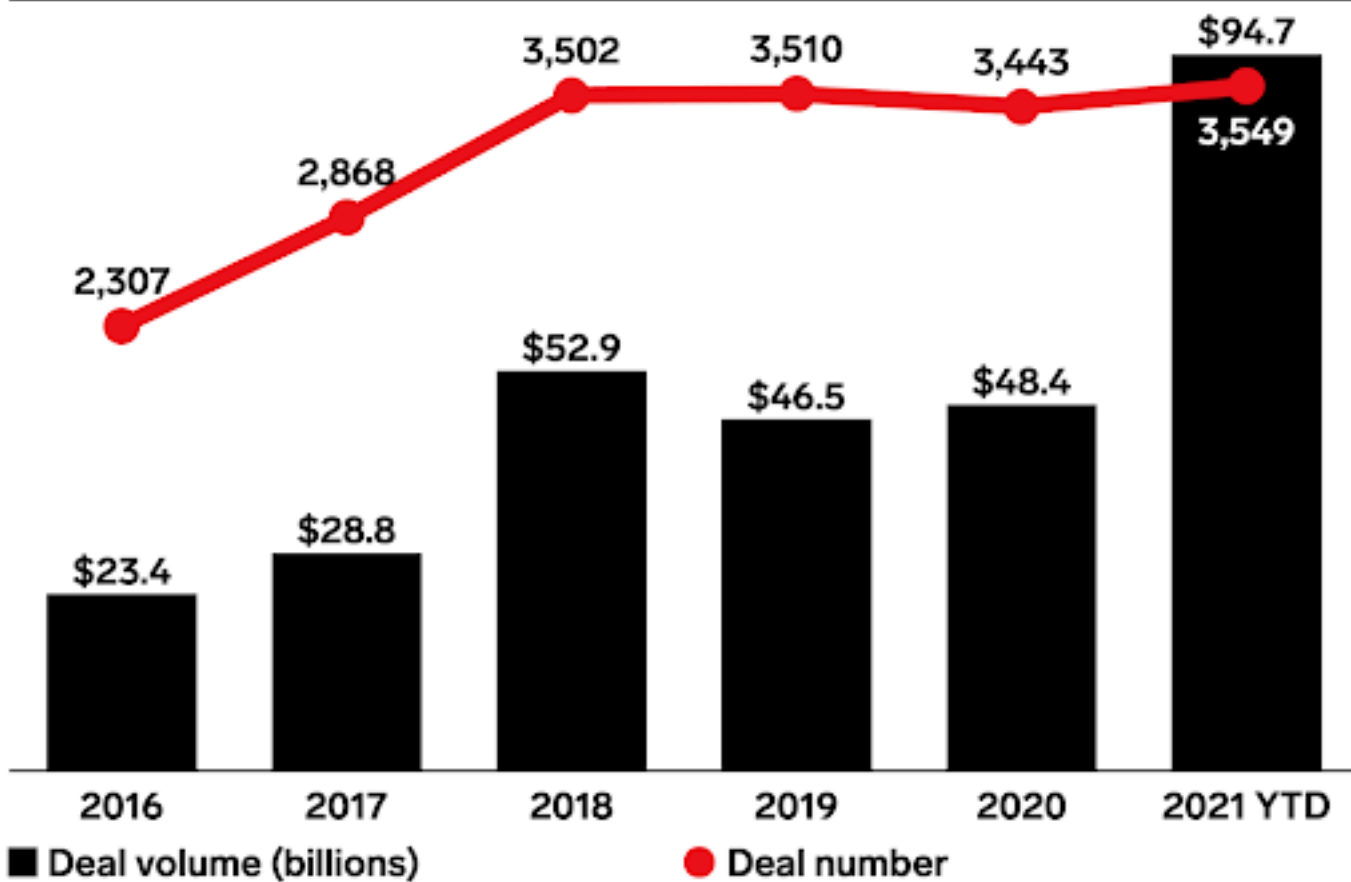
And the opportunity for portfolio diversification and high yields—Moonfare says its funds **outperform the S&P 500 by 13%** on an average annual basis—in the low-interest-rate environment has led investors to flock to its platform.

As a result, Moonfare clocked stellar growth in 2021: **It doubled its AUM to €1 billion (\$1.14 billion)** in just eight months after taking three years to hit the €500 million (\$570.1 million) milestone.

Looking ahead: Moonfare should continue on its growth path given its early mover status and global expansion plans, even as incumbents try to get in on the opportunity.

- Large investment managers are also targeting the lucrative opportunity to increase access for wealthy investors: **Schroders** launched four private market funds in the 2020–2021 period, for example.
- But Moonfare can use its established presence in the market to capture a slice of the **\$1.5 trillion that HNWI are expected to allocate** for private markets globally as it expands into new regions, per Oliver Wyman.

Annual Global Fintech Funding



Source: CB Insights, "State Of Fintech Q3'21 Report: Investment & Sector Trends To Watch," October 26, 2021

Methodology: Fundings were verified via various federal and state regulatory filings, direct confirmation with firm or investor, or press release.

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