



Press Release
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Numis Research Reveals Investors Plan to Significantly Increase Exposure to Private Markets

- 71% of institutional investors expect to increase allocations to private markets over the next five years
- Three quarters (73%) set to increase their focus on growth capital over the next three years, with one in five (20%) suggesting the increase will be 'dramatic'
- Nearly half (45%) of institutional investors expect to invest at least 10% of their assets in private capital markets by 2030
- 65% state that their increased allocation to growth capital will be driven by a greater comfort in investing in illiquid, longer-term assets
- Institutional investors are also increasing their allocation to growth capital because more desirable companies are choosing to remain private

New research from Numis, the independent investment bank (AIM:NUM), has revealed that 71% of institutional investors worldwide intend to increase their exposure to private capital markets – including private equity and venture capital – in the next five years.

However, over the initial next three years, it is the growth capital end of the market that is set to receive the biggest increase, with 73% stating they will increase their allocation and invest in high growth private companies.

Numis' research surveyed 200 institutional investors with a combined AUM of \$4.5 trillion revealed that more are increasing their total allocation to private markets across the board. Currently, 38% have 10% or more of their funds in private markets, but that figure is set to rise to nearly half (45%) by 2030. Currently, 67.5% of institutional investors have 5% or more of their assets allocated to private capital, but that figure is also set to rise to 75% by 2030 – demonstrating a rapidly expanding market.

When asked why they are increasing their focus on growth capital, 65% of institutional investors said it was because they have greater comfort in investing in illiquid, longer-term assets; while 61% said it was because attractive companies are remaining private for longer.

Reason for increasing focus on growth capital	Percentage of respondents
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Greater comfort investing in illiquid, longer- term assets	65%
Desirable companies remaining private for longer	61%
Increased risk tolerance	45%
More venture/growth capital funds available enabling institutional exposure	41%
Desire for enhanced returns	39%
Increased portfolio/risk diversification	10%

Many institutional investors also expect governments to make it easier for pension schemes to invest in unlisted companies and nearly 9 in 10 respondents (86%) expect regulatory changes to facilitate greater allocations to private markets over the next three years. In Europe today, pension funds contribute around 18% of venture capital and growth equity funds, and 71% of institutional investors expect this to grow over the next three years – with one in eight anticipating a dramatic increase.

Alex Ham, Co-CEO at Numis, said: *“Disruptive, high-growth private companies are reshaping consumer experiences and business processes and because of this they represent some of the most exciting investment opportunities around today. Private market investment has grown six-fold in the last decade, and the number of \$1bn+ ‘unicorns’ has increased ten-fold.*

Given this environment, it is perhaps not surprising to see institutional investors so positive about private capital markets, and that many plan to increase their allocation to this sector.”

Numis’ Growth Capital Solutions team supports a broad range of innovative, high-growth private companies. Through primary and secondary capital raisings, strategic and M&A advice, Numis has helped disruptors change the face of their industries. In the past 12 months, Numis has raised more than \$4billion for the likes of Klarna, Cazoo and Getir, with an average valuation uplift of 2.3 times.

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Notes to editors



1. Numis commissioned the market research company Pureprofile to survey 200 institutional investors across the UK, Europe, Asia, South America, The Middle East and Israel. Interviews were conducted online during September 2021.

About Numis

Numis is an independent investment banking group, offering a full range of research, execution, corporate broking and advisory services to ambitious corporate clients and institutional investors. Numis is listed on AIM, and has offices in London and New York.