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## **StepStone Real Estate Closes Record-Breaking \$3.77 Billion Real Estate Secondaries Fund, Surpassing \$4.5 Billion in Total Investment Capacity**

April 28, 2025

### **SREP V oversubscribed and significantly surpassed target**

NEW YORK, April 28, 2025 (GLOBE NEWSWIRE) -- StepStone Real Estate (SRE), the real estate arm of StepStone Group (Nasdaq: STEP), today announced the final closing of StepStone Real Estate Partners V (SREP V), its fifth flagship fund dedicated to GP-led secondaries and recapitalizations of real estate vehicles. With \$3.77 billion in primary commitments, SREP V represents the largest real estate secondaries fund raised to date. Including co-investments completed and discretionary vehicles raised to invest alongside the fund, the total investment program exceeds \$4.5 billion in capacity.

Despite challenging market conditions and a slowdown in fundraising across the real estate sector, SREP V was significantly oversubscribed, reflecting strong investor confidence in SRE's differentiated strategy and past performance. To date, SREP V and related separate accounts have committed \$1.7 billion across 8 investments, with a large pipeline of transactions currently closing, underscoring the significant demand for liquidity solutions from real estate GPs.

Founded in 2009, SRE was established by Jeff Giller, Partner and Head of StepStone Real Estate, Josh Cleveland, Partner and Head of EMEA, and Brendan MacDonald, Partner and Chief Operating Officer. Since inception, the firm has focused on providing liquidity to real estate funds and their investors during times of market dislocation.

"We believe the combination of value declines, historically low transaction volume, increased borrowing costs, and a slow fundraising environment has created unprecedented illiquidity across real estate markets," said Giller. "Our strategy—providing liquidity solutions to real estate vehicles and investors when traditional liquidity avenues are challenged—has proven resilient through all phases of the market cycle, and it's especially compelling today."

"SREP V attracted a diverse global investor base, including sovereign wealth funds, pension funds, insurance companies, and wealth management platforms," said Cleveland. "The fund saw notably higher participation from North American institutions compared to prior vintages, along with increased commitments from investors in Europe, Asia, the Middle East, and Latin America," he added.

The success of the fundraise was also driven by the strength of SRE's broader platform. "Our advisory practice, which oversees roughly \$170 billion in real estate assets under advisement, continues to play a pivotal role in sourcing and evaluating secondaries transactions," said MacDonald. "We conduct over 1,000 manager meetings annually and have allocated approximately \$17 billion per year across primary investments in funds, secondaries, and co-investments. This level of engagement gives us a distinct vantage point in the market—and a strong edge in deal sourcing and diligence."

SREP V continues a strategy pioneered by SRE's founders following the Global Financial Crisis, shifting from traditional secondaries focused on passive limited partner interests to control-oriented, GP-led secondaries and recapitalizations.

Latham & Watkins LLP advised on the formation of the fund and Threadmark Partners Limited provided placement agent services.

### **About StepStone and StepStone Real Estate**

StepStone Group Inc. (Nasdaq: STEP) is a global private markets investment firm focused on providing customized investment solutions and advisory and data services to its clients. As of December 31, 2024, StepStone was responsible for \$698 billion of total capital, including \$179 billion of assets under management. StepStone's clients include some of the world's largest public and private defined benefit and defined contribution pension funds, sovereign wealth funds and insurance companies, as well as prominent endowments, foundations, family offices and private wealth clients, which include high-net-worth and mass affluent individuals. StepStone partners with its clients to develop and build private markets portfolios designed to meet their specific objectives across the real estate, private equity, infrastructure, and private debt asset classes.

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