

StepStone Real Estate Closes Fund IV With \$1.4 Billion in Capital Commitments

September 29, 2020

NEW YORK, Sept. 29, 2020 /PRNewswire/ -- StepStone Real Estate ("SRE") announced today the final closing of StepStone Real Estate Partners IV ("SREP IV"), its fourth in a series of funds focused on special situations secondaries and recapitalizations of real estate vehicles. SREP IV's \$1.4 billion final closing exceeded the \$1 billion target for the fund and notably, approximately \$870 million of the commitments closed after the advent of the COVID-19 pandemic. Latham & Watkins LLP served as legal advisors for the formation of the fund.

SREP IV is double the size of its predecessor, SREP III, which had its final closing in February 2017 with \$700 million in primary commitments and invested capital of approximately \$1.2 billion, including capital from co-investors.

Jeffrey Giller, Partner and Head of StepStone Real Estate said, "SREP IV has a diverse, global investor base consisting of sovereign wealth funds, pension funds, financial institutions, university foundations and endowments, and family offices from North America, the Middle East, Europe, Asia, and Latin America."

SREP IV is a continuation of a strategy pioneered by SRE's partners during the global financial crisis of 2008 ("GFC") and subsequent recovery period. Prior to the GFC, SRE's principals were among the market's leading investors in the traditional secondaries sector, focused on acquiring passive limited partnership interests in funds. However, in 2009 they pivoted to partnering with managers to focus on special situations secondaries and recapitalizations. These investments have included working with managers to recapitalize their real estate vehicles and/or acquiring their limited partners' interests in long-dated funds and other types of real estate vehicles, as well as incorporating infusions of fresh capital to help managers expand their portfolios.

According to Mr. Giller, "the special situations secondaries and recapitalization strategy that we focused on during the GFC and recovery period was a win for our investors, a win for the limited partners that benefitted from liquidity at a time they really needed it, and a win for the managers that we partnered with to address both challenges in their existing portfolios and positive opportunities in the market. We are optimistic that the period of disruption caused by the COVID-19 pandemic may create a similar investment environment for SREP IV."

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 June 30, 2020, StepStone oversaw \$292 billion of private markets allocations, of which StepStone Real Estate constituted \$103 billion. 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 private equity, infrastructure, private debt and real estate asset classes.

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