

StepStone Closes Largest-Ever Venture Capital Secondaries Fund

June 5, 2024

StepStone VC Secondaries Fund VI Closes Above Target with \$3.3 Billion of Capital Commitments

NEW YORK, June 05, 2024 (GLOBE NEWSWIRE) -- StepStone Group Inc. (Nasdaq: STEP), a global private markets investment firm focused on providing customized investment solutions, advisory, and data services, today announced that it has raised \$3.3 billion for StepStone VC Secondaries Fund VI, L.P. ("VSF VI"), the firm's sixth secondaries fund focused on opportunities in the venture capital asset class. The oversubscribed fund had strong participation from existing investors, as well as select new limited partners. It represents the largest fund exclusively pursuing venture capital secondaries raised to date.

StepStone Group launched its inaugural venture capital secondaries fund in 2014 when the venture capital market was an order of magnitude smaller. Strong performance over the last decade, coupled with limited liquidity in recent years, has driven significant growth. Assets under management in venture capital have expanded from approximately \$600 billion in 2014 to around \$3.3 trillion at the end of 2023, with approximately half of that value concentrated in older funds (2010 – 2018 vintages).¹ The AUM held by venture funds, at times labeled a small market, now represents 64% of the assets held by traditional private equity funds and has grown by 123% since 2014.²

"The traditional view is that venture capital is a cradle to grave industry where the only exit opportunities come from a full acquisition or IPO," said John Avirett, Partner at StepStone. "With exit timelines extending by several years and trillions of dollars locked up in illiquid private companies, that mindset is starting to change. Shareholders of venture-backed companies, limited partners, and fund managers are increasingly turning to the secondary market as a tool for interim liquidity. We are in a privileged position to help each of these parties achieve their goals through the solutions we offer."

In keeping with the firm's longstanding strategy, VSF VI seeks to provide liquidity to founders and early investors in mature venture-backed companies, purchase interests in venture capital funds from limited partners, and assist fund managers with structured solutions such as portfolio strip sales, tenders, and continuation funds. StepStone's venture capital platform spans fund and direct investments on both a primary and secondary basis, helping the firm capitalize on the flywheel effects of an integrated approach.

"StepStone has grown to become one of the largest allocators to venture funds globally. With deep relationships, vast data on venture-backed companies, and a 75-person investment team dedicated to venture capital and growth equity, we believe we are well positioned to effectively diligence, price, and structure a broad range of secondary opportunities," said Hunter Somerville, Partner at StepStone. "We are humbled by the support of new and existing investors in the fund. We look forward to executing on our mission of seeking strong returns by financing innovation."

About StepStone Group

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 March 31, 2024, StepStone was responsible for approximately \$678 billion of total capital, including \$157 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 private equity, infrastructure, private debt and real estate asset classes.

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¹ PitchBook: "Global Private Market Fundraising Report", published December 4, 2023.

² PitchBook: "Global Private Market Fundraising Report", published December 4, 2023.