

3 AUG 2023 Naimish Keswani

## StepStone brings "buy with a click" to private equity

Private Wealth CEO Bob Long talks to With about SPRIM's daily NAV

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StepStone is making it more convenient for private wealth investors to access its products, as the industry at large moves towards courting the increasingly important allocator segment.

The firm's private wealth division, which manages close to \$2bn in assets, began offering a daily net asset value (NAV) figure for its \$1.3bn StepStone Private Markets (SPRIM) last month, becoming one of the first evergreen funds in the space to offer investors the ability to allocate daily.

The vehicle, which is structured as a '40 Act fund, invests in secondaries and co-investments across private equity, real assets, and private debt globally, with a preference for North America and Europe.

Speaking to With Intelligence, StepStone Private Wealth CEO Bob Long said that the key to improving access to private markets is to create products in an investor-centric way.

"The premise upon which we started this business is that you need to start with the investor's perspective and then build upwards from that rather than backwards from an asset management capability," Long explained.

"We settled on the three pillars of efficiency, convenience, and transparency. Convenience has been the mountain that has been hard to climb."

Evergreen private wealth funds typically release a NAV figure once every quarter or once every month, and require a seven-page subscription agreement to be filled out by the investor's financial advisor every time an allocation is made.

Investors and their advisors can now buy shares in SPRIM through its ticker, XPMIX, on Fidelity and Pershing, and will no longer require completing paper subscription documents.

Redemptions will continue to be quarterly, limited to 5% of the total NAV.



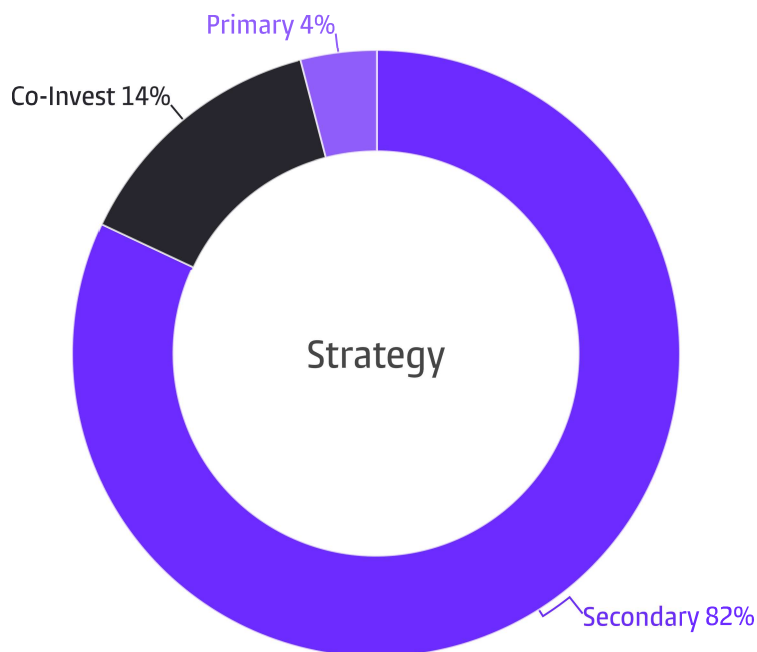
# StepStone Private Wealth

## StepStone Private Markets (SPRIM)

Strategy

Geography

Asset Class



Source: SPRIM Fact Card

Data as of June 30, 2023

“Moving to a ticker, to buy with a click for SPRIM is a really critical step in making this product more accessible to individual investors, and that is why we’re so excited,” Long says.

“Convenience is the most important; making it easy for individuals who do not have a staff of lawyers and paralegals to fill out complex paperwork that differs from investment to investment.

“We are very pleased with the early adoption and the feedback from the market.”

According to Long, a lot of the excitement comes from registered investment advisors, who are able to offer their clients access to private markets in a much easier way.

But to offer convenience, the firm had to build the technology behind offering a daily NAV.

Over the past five years, StepStone has been utilizing the substantial amount of data it collects on all its underlying investments (and on investments it hasn’t made), to build a proprietary predictive

analytics tool to forecast where its assets would be marked at quarter end.

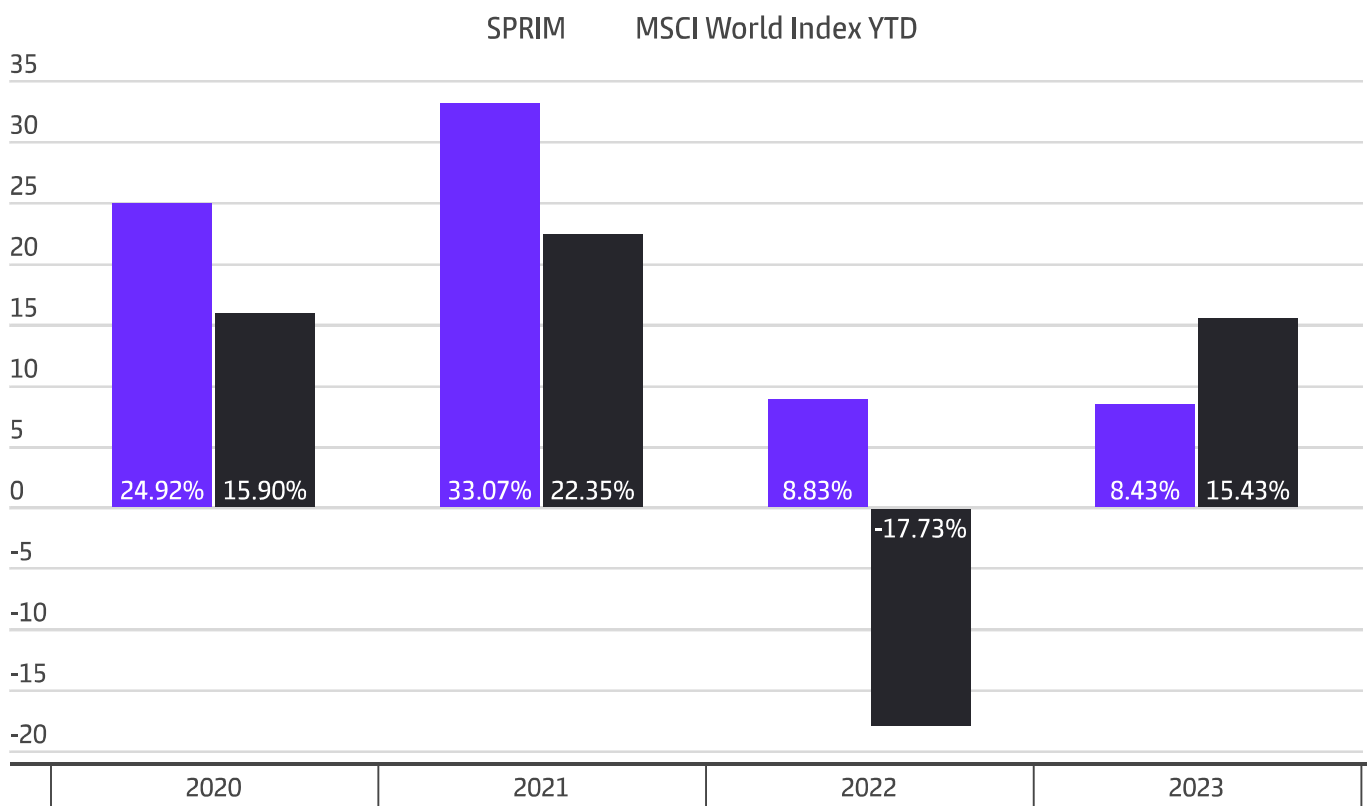
According to Long, the tool has a good sense of the market, historical results, and its correlations.

“We started testing on the SPRIM portfolio over a year ago, and took the predictive analytics tool and added it to our monthly processes starting in January,” Long says.

“In July, we simply took a process that we had perfected on a monthly basis and automated it to do it overnight. The basis of our valuation did not change in a material respect, but we compressed the timeframe,” he explains.

## StepStone Private Wealth StepStone Private Markets (SPRIM)

Performance History - Class I Shares (YTD)



Source: SPRIM Fact Card | SPRIM Inception: October 2020

The MSCI World, an index that includes a collection of stocks of all the developed markets in the world, is SPRIM's primary benchmark. | Data as of June 30, 2023

Long has been working on expanding access for high-net-worth investors since as early as 2007, when he led the IPO and spinout of Conversus Capital from Bank of America, the largest publicly traded fund

of private equity funds with \$3bn in AuM.

He co-founded Conversus with Tim Smith, who is the COO and CFO of StepStone Private Wealth, and has over twenty-five years of experience with private markets distribution.

The duo work alongside CNL Financial Group alumni, partners Tom Sittema and Neil Menard, who serve as executive chairman and president of distribution respectively.

In the near term, Long's focus is on StepStone Private Wealth's next product, the StepStone Private Infrastructure Fund, which will launch in September at its first close with a daily NAV already built in.

Longer term, the focus is on expanding its European platform, as well as its funds designed for other offshore investors in Canada, Australia, and the Middle East, but convenience will remain at the core of any new products.

"The key to growth for us is to continue to simplify the investor experience with our solutions. That's the goal," Long says.

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