

Item 1 – Cover Page

StepStone Group Real Assets LP

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This brochure (“Brochure”) provides information about the qualifications and business practices of StepStone Group Real Assets LP (“StepStone Real Assets”), along with certain information regarding StepStone Real Assets related entities, including StepStone Group LP (CRD Number 143635) (“StepStone Group LP”), StepStone Group Real Estate LP (CRD Number 281698) (StepStone Real Estate”), and Swiss Capital Invest Holding (Dublin) Limited (CRD Number 284947) (“StepStone Ireland”). If you have any questions about the contents of this Brochure, please contact us at (858) 558-9700. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

StepStone Real Assets is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you should determine to hire or retain an investment adviser.

Additional information about StepStone Real Assets also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

This Brochure contains certain changes from the Brochure we filed with the SEC on March 28, 2018. This Brochure does not contain any material changes.

We strongly encourage you to read this Brochure carefully. Pursuant to the SEC's requirements and rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our fiscal year. In the event of any material changes, we will further provide other ongoing disclosure information as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting John McGuinness, our Chief Compliance Officer, at (858) 558-9700.

Additional information about StepStone Real Assets is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with StepStone Real Assets who are registered, or are required to be registered, as investment adviser representatives of StepStone Real Assets.

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#### Item 4 – Advisory Business

StepStone Real Assets has been providing investment advisory services since 2014. All equity owners in excess of 5% are identified on Schedule A of Form ADV. As of March 31, 2019:

- StepStone Real Assets had regulatory assets under management of \$9,025,258,458, \$7,897,945,329 of which were managed on a discretionary basis and \$1,127,313,129 of which were managed on a non-discretionary basis;
- StepStone Group LP had regulatory assets under management of \$31,966,231,301, \$27,723,311,362 of which were managed on a discretionary basis and \$4,242,919,939 of which were managed on a non-discretionary basis;
- StepStone Group Real Estate had regulatory assets under management of \$5,132,140,183, \$4,627,766,438 of which were managed on a discretionary basis and \$504,373,745 of which were managed on a non-discretionary basis; and
- As of December 31, 2018, StepStone Ireland had regulatory assets under management of approximately \$7,341,054,878, \$5,581,741,368 of which were managed on a discretionary basis and \$1,759,313,510 of which were managed on a non-discretionary basis.

As of March 31, 2019, the regulatory assets under management of StepStone Real Assets, StepStone Group LP, StepStone Real Estate and StepStone Ireland totaled \$53,464,684,820.

StepStone Real Assets provides investment management and supervisory services primarily with respect to private markets to institutional investors worldwide and sponsors and advises private markets funds with a variety of investment focuses as described below. StepStone Real Assets' full range of private markets services also includes private markets monitoring and reporting services.

StepStone Real Assets specializes in managing private markets investments in the areas of primary fund investments, secondaries, and co-investments across all major geographies (North America, Western Europe, Eastern Europe, Asia, Australia, Latin America, Middle East and Africa).

StepStone Real Assets will sponsor and advise private markets funds that typically acquire non-publicly traded interests that may be held for extended periods of time. These securities often are acquired through co-investments in various types of transactions, including, equity investments, restructurings, or through investment in debt and preferred equity instruments ("direct investments"). These securities may take the form of common equity, preferred equity, debt or other similar instruments. The capital provided by the investments may be used in the early, intermediate or late stages of an investment. We refer to these private markets vehicles as "Direct Investment Funds."

StepStone Real Assets will also sponsor and advise private markets funds that typically focus on recapitalizing or acquiring interests in investment vehicles. These securities may take the form of common equity, preferred equity, debt or other similar instruments, and we refer to these private markets funds as "Secondary Funds."

Institutional clients who wish to retain StepStone Real Assets as investment manager to invest in private markets funds, Direct Investment Funds or Secondary Funds may acquire a membership or limited partnership interest in a dedicated limited liability company or limited partnership vehicle (a "Fund-of-One") whose investors are either (i) a single institutional investor as the sole non-managing member or limited partner or (ii) several institutional investors that have similar goals and expectations. An affiliate of StepStone Real Assets serves as the managing member or general partner of the vehicle. The investment funds (via secondary acquisitions or primary commitments) or direct investment opportunities, in which the Funds-of-One invest, will be selected by StepStone Real Assets in light of the clients' objectives and restrictions.

StepStone Real Assets will also sponsor and advise private markets funds in which substantially all of the assets of the fund are invested in a designated investment fund, and we refer to these private markets funds as "Feeder Funds." Following the initial investment decision to invest in the underlying investment fund, StepStone Real Assets' role with respect to such Feeder Funds will essentially be administrative and mechanical, rather than investment advisory in nature, as StepStone Real Assets will be responsible primarily for effecting the Feeder Fund's investment in the designated investment fund as directed by the Feeder Fund's governing documents.

StepStone Real Assets will also sponsor and advise private markets funds that will in turn invest in various underlying private markets funds that it selects across all major geographies and we refer to these private markets funds as "Fund of Private Markets Funds."

StepStone Real Assets will also provide discretionary or non-discretionary advisory services and discretionary or non-discretionary sub-advisory services, as well as non-discretionary private markets monitoring and reporting services, to institutional clients. Monitoring and reporting services include, but are not limited to, portfolio tracking and monitoring, database development and maintenance for document retention and performance data, portfolio analysis, review and reporting, review of amendments to governing documents, general research and education.

StepStone Real Assets (together with StepStone Group LP, StepStone Group Real Estate and Swiss Capital Alternative Investments AG ("StepStone Switzerland")) maintains a comprehensive and proprietary database called StepStone Private Markets Intelligence ("SPI™"). SPI™ filters opportunities coming to market and tracks ongoing performance. SPI™ has over 12,000 general partners across 308,000 funds and 43,000 portfolio companies. With its advanced search and query tools, SPI™ can sort by geography, sector, sub-sector, industry, fund size (local currency and USD), GICS, and countless permutations of various classification criteria. The database includes funds as far back as vintage year 1969 and monitors 4,800 active general partner investors. The data is accumulated from several sources, including information gathered during due diligence by StepStone Real Assets' research professionals for approximately 2,500 funds a year.

StepStone Real Assets tailors its advisory services to the specific investment objectives and restrictions of each of the above-mentioned types of clients pursuant to the investment guidelines and restrictions set forth in their respective confidential private placement memorandum, limited partnership or limited liability company agreement, investment advisory contract and other governing documents as well as information learned through ongoing discussions with each client. Investors and prospective investors of each fund should refer to all governing documents of the applicable fund or contractual relationship for complete information regarding investment objectives and restrictions. There is no assurance that these investment objectives will be achieved.

## **Item 5 – Fees and Compensation**

StepStone Real Assets' fees are based upon the scope of the engagement and services required by the client and disclosed in each investment advisory agreement, or, if applicable, each private placement memorandum, limited partnership agreement or limited liability company agreement.

### **Funds-of-One**

StepStone Real Assets has no basic fee schedule for Funds-of-One. All fees are negotiated on a client-by-client basis and are generally payable quarterly in advance or as otherwise negotiated.

StepStone Real Assets will generally charge Funds-of-One a management fee quarterly, at an annual rate based on the capital commitments of the client to the account during the investment period and thereafter on invested capital. In certain instances, the management fee will be based on funded capital rather than committed capital during the investment period and the management fee after the investment period will be charged on the fair market value of the investments, aggregate exposure, or based on committed capital, albeit at a lower percentage than that charged during the investment period when the management fee is based on committed capital after the investment period. Management fees are generally payable quarterly in advance and are debited by StepStone Real Assets. Any partial period will generally be prorated for the number of days of service provided. In addition, in certain instances, clients will pay a StepStone Real Assets affiliate performance-based compensation (i.e., a carried interest or performance fee) based on the performance of the vehicle or program after exceeding a specified rate of return. The amounts of the fees will be stated in each investment advisory agreement or, if applicable, each limited partnership agreement or limited liability company agreement. Funds-of-One are also generally responsible for paying organizational expenses, auditing expenses, third party administrator expenses, legal expenses and other expenses of the Fund-of-One. To the extent a Fund-of-One is invested in underlying private markets funds (whether as a primary fund commitment or through a secondary investment), such underlying funds will impose their own fees, and an investor in such Fund-of-One will pay two levels of management fees and expenses.

### *Termination Policy*

The procedures and conditions under which StepStone Real Assets or a Fund-of-One can terminate an investment management agreement are described in the agreement. Generally, a client will be able to terminate its investment management agreement with StepStone Real Assets for cause and, in certain limited instances, without cause upon written notice given within certain specified time periods. In such a case, the fees will be adjusted pro rata based on the number of days of service provided, unless otherwise agreed by the client in writing. In certain instances, a termination fee will be payable. Interests in Funds-of-One generally will not be transferable without obtaining the prior consent of the general partner or managing member of the vehicle. The investment time horizon for a Fund-of-One is generally 10 to 12 years, although certain vehicles can have a longer or shorter time horizon. In most cases, StepStone Real Assets does not control the ability to liquidate assets of the underlying investments.

### **Discretionary and Non-Discretionary Advisory Services**

StepStone Real Assets will generally charge advisory clients an all-inclusive flat fee. Some agreements provide for additional payments to StepStone to the extent that agreed-upon targets for certain work product are exceeded and for special projects. In certain instances, the advisory fee will be based on capital committed or funded by the client to investments, the fair market value of the investments or

aggregate exposure. All fees are negotiated on a client-by-client basis and are generally payable quarterly in advance. Any partial period fees will generally be prorated for the number of days of service provided. Clients are invoiced for fees.

#### *Termination Policy*

Advisory clients will generally be able to terminate the contractual relationship upon written notice given within certain specified time periods. In such a case, the fees will generally be adjusted pro rata for the number of days of service provided, unless otherwise agreed by the client in writing. In certain instances, a termination fee will be payable.

#### **Private Markets Monitoring and Reporting Services; SPI™ Services**

StepStone Real Assets will generally charge monitoring and reporting or SPI™ clients an all-inclusive flat fee. All fees are negotiated on a client-by-client basis and are generally payable quarterly in advance. Some agreements provide for additional payments to the extent that agreed-upon targets for certain work product are exceeded and for special projects. Any partial period will be prorated for the number of days of service provided. Clients are invoiced for fees.

#### *Termination Policy*

Monitoring and reporting clients will generally be able to terminate the contractual relationship upon written notice given within certain specified time periods. In such a case, the fees will generally be adjusted pro rata, unless otherwise agreed by the client in writing. In certain instances, a termination fee will be payable.

#### **Commingled or Pooled Investment Funds**

Each investment fund, Secondary Fund, Fund of Private Markets Funds and Feeder Fund will generally pay StepStone Real Assets a management fee quarterly, at an annual rate based on the aggregate capital commitments of the fund's investors during the investment period and thereafter on invested capital. In certain instances, the management fee will be based on funded capital rather than committed capital during the investment period and the management fee after the investment period will be charged on the fair market value of the investments, aggregate exposure, or based on committed capital, albeit at a lower percentage than that charged during the investment period when the management fee is based on committed capital after the investment period. Management fees are generally payable quarterly in advance, but in certain instances are payable quarterly in arrears, in each case debited by StepStone Real Assets. Any partial period will generally be prorated for the number of days of service provided. In addition to the management fee, in certain instances, an investment fund, Secondary Fund or Fund of Private Markets Fund will pay a StepStone Real Assets affiliate performance-based compensation (i.e., carried interest or performance fee) based on the return of the fund and its investments, often only after exceeding a specified rate of return to the investors. The amount of the fees for a particular fund will be set forth in its respective confidential private placement memorandum, limited partnership or limited liability company agreement, investment advisory contract and other governing documents for that fund. StepStone Real Assets has the power to direct the payment of fees by each investment fund, Secondary Fund, Fund of Private Markets Funds and Feeder Fund to StepStone Real Assets or its affiliates pursuant to the terms set forth in the relevant confidential private placement memorandum, limited partnership or limited liability company agreement, investment advisory contract and other governing documents. Each investment fund, Secondary Fund, Fund of Private Markets Funds and Feeder Fund is also responsible for paying organizational expenses, auditing expenses, third party administrator expenses, legal expenses

and other expenses of such vehicle. By investing in a Secondary Fund, Feeder Fund or Fund of Private Markets Funds, investors receive professional management of a portfolio consisting of one or more private markets funds (whether as a primary fund commitment or through a secondary investment). Such underlying private markets funds will impose their own fees and expenses and an investor in a Secondary Fund, Feeder Fund or Fund of Private Markets Funds will pay two levels of fees and expenses.

#### *Termination Policy*

The procedures and conditions under which StepStone Real Assets or an investment fund, Secondary Fund, Feeder Fund or Fund of Private Markets Funds can terminate an investment management agreement are described in the relevant agreement. Generally, an investment fund, Secondary Fund, Feeder Fund or Fund of Private Markets Funds will be able to terminate its investment management agreement with StepStone Real Assets for cause and, in certain instances, without cause upon the affirmative vote of a supermajority of the fund's investors. In such a case, the fees will be adjusted pro rata. Interests in an investment fund, Secondary Fund, Feeder Fund and a Fund of Private Markets Funds generally will not be transferable without obtaining the prior consent of the general partner or managing member of the fund. The investment time horizon for an investment fund, Secondary Fund, Feeder Fund or a Fund of Private Markets Funds is generally 10 to 12 years, although certain funds can have a longer or shorter time horizon.

#### **Other Expenses**

In certain instances, investors in an investment fund, Secondary Fund, Feeder Fund or Fund of Private Markets Funds will incur other expenses, depending on the nature of the investment vehicle. For example, expenses can be assessed either at the fund or portfolio company level that include, but are not limited to, structuring, topping, breakup, monitoring, directors', organizational, set-up, closing, commitment, advisory, consulting, underwriting, investment banking, broker, and syndication expenses in connection with the purchase, monitoring or disposition of underlying investments. In certain instances, expenses will also be incurred to compensate third party service providers such as attorneys, auditors, accountants and custodians. Payment for such expenses by the investment fund, Secondary Fund, Feeder Fund or Fund of Private Markets Funds is debited by StepStone Real Assets.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

#### **Performance-Based Compensation**

As mentioned in Item 5, the investment adviser or general partner of certain investment funds, Funds-of-One, Secondary Funds or Fund of Private Markets Funds is entitled to receive performance-based compensation (i.e., a carried interest or performance fee) from investors in the partnership or limited liability company. In certain instances, the investment adviser or general partner receiving such performance-based compensation will be an affiliate of StepStone Real Assets or will be unaffiliated with StepStone Real Assets. The allocation will be made in conformity with Section 205 of the Investment Advisers Act of 1940 and Rule 205-3 thereunder. Investors and prospective investors of each fund should refer to the applicable fund's confidential private placement memorandum, limited partnership or limited liability company agreement, investment advisory contract and other governing documents for more detail.

StepStone Real Assets is also entitled to performance-based compensation under contacts with advisory clients. StepStone Real Assets is a party to investment advisory and investment management agreements



providing for different fee structures, and as a result, conflicts of interest could arise with respect to the allocation of investment opportunities among client accounts, including certain investment funds, Funds-of-One, Secondary Funds or Fund of Private Markets Funds managed by StepStone Real Assets.

In certain instances, the performance-based compensation will create an incentive for StepStone Real Assets to cause the Funds-of-One, investment funds, Secondary Funds or Fund of Private Markets Funds to make, or recommend to advisory clients to make, investments which would be riskier or more speculative than those made under a different compensation arrangement. In addition, in certain instances, the performance-based compensation will create an incentive for StepStone Real Assets to allocate what are anticipated to be more profitable investments to such clients. However, StepStone Real Assets has implemented procedures to mitigate the risk that an account is not treated equitably over time.

#### **Side-by-Side Management**

StepStone Real Assets has clients that are charged a performance-based fee by a StepStone Real Assets affiliate, clients of which have overlapping investment objectives with other StepStone Real Assets clients in which an unaffiliated special limited partner will receive carried interest as well as other StepStone Real Assets clients which are charged a flat fee (such clients are limited to advisory clients). In certain instances, StepStone Real Assets employees will receive a portion of such carried interest payable to such unaffiliated special limited partner. In those cases in which an unaffiliated special limited partner receives carried interest, StepStone Real Assets generally only manages and develops existing investments of the client and does not make new investments. Therefore, potential conflicts of interest relative to favoring accounts in which a StepStone Real Assets affiliate charges a performance based fee should not arise. In the case of one investment fund in which an unaffiliated special limited partner receives carried interest, the fund is eligible to make new investments. As noted above, StepStone Real Assets has implemented procedures to mitigate the risk that an account is not treated equitably over time.

### **Item 7 – Types of Clients**

StepStone Real Assets provides advice to a global mix of institutional investors including sophisticated corporate entities, pension funds, family offices, endowments and foundations, sovereign wealth funds, as well as private investment funds that invest in other partnerships, secondary partnership interests, co-investments alongside other investment partnerships and credit instruments. The investors in these private funds include sophisticated high net worth individuals and a range of institutional investors.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

StepStone Real Assets' analysis methods include fundamental financial analysis, and extensive due diligence examination and evaluation of each investment opportunity in terms of risk-reward analysis and in the context of each fund's and/or client's objectives and constraints.

In selecting private markets funds, monitoring performance, and performing on-going due diligence for Funds-of-One, non-discretionary advisory clients, Feeder Funds and Funds of Private Markets Funds, StepStone Real Assets generally will consider (1) investment strategy and targeted sectors; (2) personnel and the fund's investment team; (3) track record and transactions done by the investment team; and (4) terms and fit with the client's objectives. StepStone Real Assets also provides services on a limited basis solely to evaluate a particular private markets fund opportunity without regard to fit with the client's

objectives in those instances in which the client has expressly assumed the responsibility to determine fit of the investment opportunity with its objectives. Within each of these broad areas, an extensive list of issues, questions and metrics that are designed to assist StepStone Real Assets in deciding whether to invest in a particular fund are used. In certain instances, interviews with other investors and lenders and verification from independent professionals will also be undertaken.

StepStone Real Assets' investment process utilizes extensive proprietary research to identify the segments of the private markets that we project will outperform over the next fund cycle (4 – 6 years). StepStone Real Assets' portfolios are developed off this foundation of research. For instance, the firm emphasizes geographies and investment strategies that it determines are positioned to outperform. Furthermore, StepStone Real Assets' analysis of private markets managers incorporates the firm's view of the type of strategic focus that will be best positioned to capitalize on the anticipated market and economic conditions we project will exist over the next fund cycle (e.g., operations-focused managers, investments driven by financial engineering, industry focused strategies, value or growth oriented investors, etc.).

StepStone Real Assets utilizes its research to over-allocate/under-allocate to specific strategies and geographies within an overall framework of a diversified portfolio. The goal is to construct a portfolio expected to generate returns in excess of index-based returns and avoid the return dilution of over-diversification. This allocation strategy driven by manager and investment selection provides the framework for our selection of specific fund investments, secondary purchases and co-investments.

In the evaluation of direct investment opportunities, StepStone Real Assets believes that its investment and decision processes are key to generating attractive returns. In selecting direct investment opportunities, StepStone Real Assets will review a number of factors before making an investment decision which often includes: historical financial information and projected results; industry information and the company's position; business strategy and potential for growth; the capitalization of the company and impact of leverage; analysis of third party business consulting, legal and accounting firms; comparable company valuations; the ability to exit the investment within a reasonable time frame; and previous transactions of similar companies. StepStone Real Assets will also evaluate the private markets manager leading the transaction to determine whether the firm believes the manager is capable of creating value for the investment through expertise in the industry or the appropriate personnel.

StepStone Real Assets' analysis of potential secondary investments incorporates the analysis of private markets funds referenced above as well as the review of the managers of those private markets funds. For secondary transactions, the private markets funds are often partially or largely invested in which case StepStone Real Assets conducts a review of the underlying investments made by the private markets fund to project an expected return from the investments. StepStone Real Assets also evaluates the ability of the manager to invest any remaining capital commitment at appropriate returns. StepStone Real Assets also believes that the ability to negotiate and execute a transaction at the appropriate pricing level is key to the ultimate return.

With respect to certain investment funds, Funds of Private Markets Funds and Feeder Funds to which StepStone Real Assets is the investment adviser and of which affiliates of Citigroup Inc. were the original sponsors, Lexington Alternative Investments LLC ("Lexington") is a non-discretionary sub-advisor with respect to such funds. Lexington-affiliated funds are invested in such funds as well. Lexington does not have the authority to bind (or act as agent of) StepStone Real Assets or any of the funds.

## Risks

Risks Associated with Investments. Identifying attractive investment opportunities and the right underlying fund managers is difficult and involves a high degree of uncertainty. There is no assurance that the investments will be profitable or that the fund/client will be able to fully invest its committed capital, and there is a substantial risk that the fund/client losses and expenses will exceed its income and gains. In certain situations, StepStone Real Assets' investment strategies will involve a high level of risk, including, among others, the risk of loss of part or all of the capital invested. Investing in securities involves risk of loss that clients should be prepared to bear.

No Assurance of Investment Returns. There can be no assurance that the fund/client will be able to invest its capital with attractive terms or generate returns. In certain instances, the fund's/client's returns, if any, will not be predictable.

Long Duration of Investment. The time horizon of private markets investments is often 10 to 12 years or more.

Restrictions on Transfer and Withdrawal; Illiquidity of Interests. Interests in private markets funds are highly illiquid and should only be acquired by an investor who is able to commit its funds for a significant period of time and to bear the risk inherent in such investment, with no certainty of return.

Risk Associated with Portfolio Companies. The environment in which the fund/client directly or indirectly invests will sometimes involve a high degree of business and financial risk.

Limited or No Control over Portfolio Companies. StepStone Real Assets generally will not seek control over the management of the portfolio companies in which the fund/client directly or indirectly invests, and the success of each investment generally will depend on the ability and success of the management of the portfolio company.

Competition for Access to Investment Funds and other Investments. StepStone Real Assets seeks to maintain excellent relationships with the general partners and managers of investment funds in which they have previously made investments and the sponsors of investments that might provide the opportunity for future investment fund investments, co-investments and recapitalization transactions. However, because of the number of investors seeking to gain access to underlying funds and related investment opportunities managed or sponsored by the top performing managers, there can be no assurance that StepStone Real Assets will be able to secure the opportunity to invest on behalf of its clients in all of the investments it selects, or that the size of the investments available to StepStone Real Assets and its clients will be as large as it would desire. Access to opportunities to make secondary investments is also highly competitive, and is often controlled by a limited number of general partners and intermediaries.

Allocation of Investment Opportunities. In certain instances, other funds/clients with investment objectives similar to those of the fund/client will be in competition with the fund/client for limited investment opportunities. StepStone Real Assets has differing fee arrangements with its funds/clients which, in some circumstances, will create a potential conflict of interest for StepStone Real Assets with regard to the allocation of these opportunities. Investment opportunities will be allocated by StepStone Real Assets among its funds/clients on a fair and equitable basis as determined in good faith by StepStone Real Assets, in consideration of those factors it deems relevant, as described in its Asset Allocation Policy.

Allocation of Co-Investment Opportunities. With respect to particular investments, StepStone Real Assets or its affiliates, in their discretion, will offer opportunities to co-invest alongside one or more funds or investments to co-investors. Such co-investments will be structured through special purpose vehicles organized to facilitate such investments or for legal, tax, regulatory or other purposes. StepStone Real Assets and its affiliates allocate co-investment opportunities among co-investors in any manner they deem appropriate, taking into account those factors that they deem relevant under the circumstances, including, but not limited to: (i) whether a prospective co-investor has expressed an interest in participating in co-investment opportunities (including, for example, by election in such investor's subscription agreement or side letter); (ii) the character or nature of the co-investment opportunity (e.g., its size, structure, geographic location, relevant industry, tax characteristics, timing and any contemplated minimum commitment threshold); (iii) the level of demand for participation in such co-investment opportunity; or (iv) the ability of a prospective co-investor to analyze or consummate a potential co-investment opportunity on an expedited basis. In any event, no other than a client should have any expectation of receiving an investment opportunity or will be owed any duty or obligation in connection therewith, and clients (and their respective limited partners, shareholders or other investors) should only have such expectations to the extent required by their governing documents (including, if applicable, their side letters). Additional allocation provisions with respect to co-investments alongside funds managed by StepStone Real Assets, if any, may be found in the governing documents of such funds.

Multiple Levels of Expenses, Fees and Carried Interest. In addition to the management fee and carried interest payable to StepStone Real Assets or its affiliates and the expenses of the fund/Fund-of-One, underlying portfolio partnerships will typically have similar, and most likely higher, levels of management fees, carried interest and expenses than the fund/Fund-of-One fund managed by StepStone Real Assets which will further reduce return on invested capital and, consequently, will lower any returns to investors.

Allocation of Fund Expenses. StepStone Real Assets may have a conflict of interest in determining whether certain costs and expenses incurred in the course of operating a fund should be paid by the fund or by StepStone Real Assets. While a fund's partnership agreement identifies the costs and expenses to be paid by the fund, questions of interpretation inevitably arise in connection with determining whether a certain cost or expense has, in fact, been so identified as well as whether newly-arising and/or unanticipated costs or expenses (including, but not limited to, costs and expenses arising from newly-imposed regulations and self-regulatory requirements) fit within the categories of costs and expenses described in the fund's governing documents.

Deal Related Fees. In the course of evaluating, negotiating and closing certain transactions, generally secondary, recapitalization and co-investment transactions, StepStone Real Assets occasionally will retain outside legal counsel or other third parties for various aspects of the potential opportunity. Upon completion of the transaction, the commingled funds and, to the extent permitted by the applicable investment management agreements and fund LPAs, other clients participating in the transaction will bear these expenses pro rata or reimburse StepStone Real Assets for expenses paid by StepStone Real Assets during the transaction. Expenses incurred about transactions that are not consummated generally will be paid by the commingled fund(s) that was/were expected to be the lead investor(s). In addition, expenses incurred in connection with transactions that are not consummated may be assessed to a commingled fund, even though such deal may have been syndicated to Funds-of-One or co-investors of StepStone Real Assets.

Leverage in Underlying Funds. The fund/client may invest in underlying funds which use borrowings to finance investments or to meet operating expenses. Borrowings within the capital structure of the

investment can, in the event of a decline in value of its investments, result in a greater decrease in the value of the fund's investments than if the fund were unleveraged. Also, loans may be subject to lending covenants enforceable by a third party. In certain cases, the third party may be able to exert control over the investments.

Side Letters. Subject to applicable law and each fund's governing documents, StepStone Real Assets may enter into arrangements with certain fund investors that have the effect of altering or supplementing the fund terms of such investors, including with respect to waivers or reductions of the management fee or the incentive allocation, access to portfolio information, rights to make withdrawals and circumstances under which withdrawals may be required.

Investments in Mezzanine or Debt Securities. Investments made in mezzanine or debt related securities are subject to credit risk and returns may be impacted by the ability to meet performance requirements or covenants. As a lender within the capital structure, in certain instances there will be cases in which StepStone Real Assets, on behalf of its investors, plays a meaningful role in the restructuring decisions of a portfolio company. Certain investments made in mezzanine and/or debt instruments may be subject to covenants enforced by a third party lender within the capital structure. In these situations, the third party may be able to exert control over the investments if certain performance requirements or covenants are not achieved.

Data Accuracy. SPI™ comprises data received from Freedom of Information Act requests and other third party sources that StepStone Real Assets believes to be reliable, but the accuracy of such information cannot be guaranteed. Clients may access the historical data within SPI™ to perform various functions such as portfolio analysis, due diligence and peer benchmarking.

Cybersecurity. The computer systems, networks and devices used by StepStone Real Assets and our third party service providers to provide services to StepStone Real Assets to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. Funds or clients could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include, among other items, unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a fund or client; interference with StepStone Real Assets' ability to calculate the value of an investment in our funds or client accounts; the inability of StepStone Real Assets and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a fund or client invests; counterparties with which a fund or client engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities, and StepStone Real Assets' funds and clients, in order to prevent any cybersecurity breaches in the future.

With respect to each investment fund, Secondary Fund, Feeder Fund or Fund of Private Markets Funds sponsored by StepStone Real Assets, a more comprehensive list of risks is included in such fund's private placement memorandum.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of StepStone Real Assets or the integrity of StepStone Real Assets' management. StepStone Real Assets has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Affiliated Companies**

StepStone Real Assets acts as the investment manager for a number of private funds, serves as managing member or sole equity holder of the general partner of such funds, and receives carried interest based upon the profits of such funds. StepStone Real Assets' affiliated entities include StepStone Group LP, StepStone Ireland and StepStone Group Real Estate LP; each of these entities may have affiliated general partner entities of which StepStone Group LP, StepStone Ireland or StepStone Group Real Estate LP is the manager or adviser. Further, StepStone Real Assets serves as the manager of certain transaction-specific entities.

The sole compensation received by StepStone Real Assets and its management persons is for investment advisory services. StepStone Real Assets is not a broker-dealer and, other than its capacity as a manager of private funds, is not a commodity pool operator, commodity trading adviser or futures commission merchant, and none of its management persons are associated representatives of a broker-dealer or such other regulated entities. As a result, there is no conflict regarding the receipt of related compensation that might otherwise be associated with the ability to receive such related compensation in connection with StepStone Real Assets' investment advisory services.

Neither StepStone Real Assets, nor any of its management persons are registered, or have an application pending to register, as broker-dealers or registered representatives of a broker-dealer. StepStone Switzerland is registered with the Swiss Financial Authority ("FINMA") as a securities dealer. Although StepStone Switzerland is authorized by FINMA to act as a securities dealer, it does not engage in securities dealing activities. Additionally, StepStone Switzerland is not a registered broker-dealer in the United States nor are any of its management personnel registered representatives. StepStone Real Assets does not act in any capacity as a broker-dealer.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

To avoid potential conflicts of interest involving trading, StepStone Real Assets has adopted a Code of Ethics, as amended from time to time (the "Code"), the fundamental principles of which are that (i) the interests of clients must always come first, (ii) StepStone Real Assets employees must not take inappropriate advantage of their positions and (iii) both actual and potential conflicts of interest must be identified and resolved in favor of the client or, if appropriate, disclosed to them. Among other things, the Code:

- Requires employees to comply with applicable provisions of the federal securities laws;
- Prohibits certain purchases and sales of securities;
- Prohibits the making of certain recommendations of purchases or sales to or for a client;
- Requires employees to preclear personal securities transactions and provide account statements and trade confirmations on at least a quarterly basis and securities holdings on commencement of employment and annually thereafter;
- Establishes rules relating to gifts given and received, political contributions and outside activities; and
- Provides for the imposition of certain sanctions against employees who violate the Code.

Notwithstanding the foregoing, StepStone Real Assets, and/or their officers, directors or employees may purchase for themselves similar or different securities as are purchased or recommended for clients of StepStone Real Assets and different securities or transactions may be affected or recommended for different investment advisory clients of StepStone Real Assets.

A copy of the Code shall be provided to any client or prospective client upon request.

As a matter of policy, StepStone Real Assets does not trade as a principal, so it would not engage in a principal trade with a client.

StepStone Real Assets' policy and practice is that the firm may engage in agency cross transactions. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as an agent or broker for both the advisory client and for another person on the other side of the transaction (SEC Rule 206(3)-2(b)). Any such transactions may only be effected, however, if appropriate written client consent is obtained, proper disclosures provided, and appropriate client reporting and necessary records maintained.

StepStone Real Assets recommends and executes appropriate investments to existing clients in certain of the funds in which StepStone Real Assets receives a management fee, makes an investment in such funds, and in some cases shares in the profits of such funds. Pursuant to the relevant partnership agreements, StepStone Real Assets typically makes an investment in such funds equal to a small percentage of aggregate capital of the limited partners and is therefore indirectly invested in each of the securities purchased by such funds.

## **Item 12 – Brokerage Practices**

The vast majority, if not all, of the investments made by StepStone Real Assets clients are in non-registered securities (e.g., direct participation securities) offered in private placements (typically without the services of a broker-dealer, though in some instances an issuer utilizes a placement agent registered as a broker-dealer). In certain cases where StepStone Real Assets is required to select brokers or dealers for transactions on behalf of a sponsored fund or other client (e.g., in connection with a sale of stock of a portfolio company of a private markets fund in which client is invested which has been distributed in-kind to the client by the private markets fund), StepStone Real Assets takes several factors into account in doing so, including the financial stability and reputation of the broker or dealer, the quality of the services provided by the broker or dealer, and any special execution capabilities of the broker or dealer. StepStone

Real Assets does not necessarily choose a broker or dealer based on the lowest available commission cost or spread.

StepStone Real Assets has a fiduciary and fundamental duty to seek best execution for client transactions. StepStone Real Assets as a matter of policy and practice, seeks to obtain best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. As mentioned above, StepStone Real Assets is primarily engaged in the purchase of private securities and therefore it is very unusual for broker-dealers to be utilized for the purchase and/or sale of securities made or recommended by the firm. StepStone Real Assets has adopted procedures to implement the firm's policy and reviews to monitor and insure the firm's policy is observed, implemented properly and amended or updated, as appropriate.

StepStone Real Assets may accept client instructions for directing the client's brokerage transactions to a particular broker-dealer. Any client instructions to StepStone Real Assets are to be in writing with appropriate disclosures that for any directed brokerage arrangements StepStone Real Assets will not negotiate commissions, may not obtain volume discounts or aggregate directed transactions, and that commission charges will vary among clients and best execution may not be obtained.

StepStone Real Assets does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

### **Item 13 – Review of Accounts**

#### **Reviews**

All accounts are reviewed at least annually and more frequently if necessary by the senior investment professionals of StepStone Real Assets, including members of the relevant Investment Committee, as necessary. Senior professionals are typically assigned not more than six client accounts for maintenance and review.

#### **Reports**

An analysis, review and status of the client's investment portfolio managed by StepStone Real Assets is typically provided to clients on a quarterly and annual basis, or as otherwise agreed with the client.

### **Item 14 – Client Referrals and Other Compensation**

In certain instances, StepStone Real Assets will compensate persons, i.e., individuals or entities, for the referral of advisory clients to the firm, provided appropriate disclosures and regulatory requirements are met. Interests in certain StepStone Real Assets-sponsored investment funds, Funds-of-One, Feeder Funds and Fund of Private Markets Funds were placed with clients of select private wealth advisers through such advisers' affiliated broker-dealers and such broker-dealers receive a portion of the management fees and, in some cases, carried interest payable by such investment funds, Funds-of-One, Feeder Funds and Fund of Private Markets Funds.

Neither StepStone Real Assets nor its affiliates will typically receive placement fees for placing interests in investment funds with its clients. In certain instances, StepStone Real Assets will receive from an investment fund, Secondary Fund, Feeder Fund, Fund of Private Markets Funds or a Fund-of-One fees (the



amount of which will be specified in the agreement) for the provision of administrative services, the responsibility for all or a portion of which may be subcontracted to other parties. Affiliates of StepStone Real Assets also may have relationships with, and provide certain services to, an investment fund for which the affiliate receives compensation.

In certain instances, StepStone Real Assets or its affiliates will charge portfolio investments origination fees, breakup fees, consulting fees, monitoring fees and other similar fees (together "Fee Income"). StepStone Real Assets professionals who serve on the boards of directors of portfolio companies may also receive cash compensation, stock options and/or restricted stock in their capacity as directors ("Director's Fees"). A percentage of certain components of such Fee Income and Director's Fees (in each case, net of unreimbursed expenses related thereto) that are received by StepStone Real Assets or any of its affiliates may be applied to reduce the management fee otherwise payable to StepStone Real Assets as set forth in the relevant investment management agreement, limited partnership agreement or limited liability company agreement.

### Item 15 – Custody

As an adviser with custody, StepStone Real Assets' general policy is to ensure that client funds and securities are maintained with "qualified custodians" which provide at least quarterly account statements (unless an exemption is available) directly to StepStone Real Assets clients (or underlying investors in StepStone Real Assets sponsored funds) or a selected "independent representative."

As a result of its affiliation with the general partner to the StepStone Real Assets-sponsored private funds, StepStone Real Assets is deemed to have custody of the private funds' assets. Pursuant to Rule 206(4)-2 of the Investment Advisers Act of 1940, StepStone Real Assets maintains compliance by ensuring that each sponsored private fund:

- is audited on an annual basis by an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules.
- distributes audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners (or members or other beneficial owners) within 120 days of the end of the fiscal year of the applicable investment fund or Funds-of-One invested in primarily in portfolio companies or 180 days for Secondary Funds, Feeder Funds, Fund of Private Markets Funds or Funds-of-One invested primarily in private markets funds.

StepStone Real Assets does not maintain custody of private markets monitoring and reporting clients' assets. Private markets monitoring and reporting clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains clients' investment assets. StepStone Real Assets urges you to carefully review such statements and compare such official custodial records to the account statements that StepStone Real Assets may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

When serving as the investment manager and managing member of the general partner of partnerships discussed above, StepStone Real Assets generally has the authority to determine what securities the partnerships should buy or sell and what brokers or dealers the partnerships should use. The vast majority, if not all, of the investments made by the partnerships are in non-registered securities (e.g. direct participation securities) offered in private placements without the services of a broker dealer. Consequently, while StepStone Real Assets has the authority to select brokers or dealers, such authority is seldom exercised.

As discussed in Item 4, StepStone Real Assets may also provide discretionary or non-discretionary advisory or sub-advisory services as well as non-discretionary private markets monitoring and reporting services. StepStone Real Assets believes this hybrid model confers significant benefits to all of its clients in the form of superior risk-adjusted returns, as its discretionary investment management business complements its advisory business; the combination enables StepStone Real Assets to attract and retain higher quality professionals, which we believe results in better analysis, and greater informational and sourcing advantages when compared to our competitors.

## **Item 17 – Voting Client Securities**

StepStone Real Assets has adopted written proxy voting policies and procedures (“Proxy Voting Procedures”). StepStone Real Assets, as a matter of policy and as a fiduciary to its discretionary clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. StepStone Real Assets generally does not have the legal authority to vote proxies on behalf of non-discretionary clients. The firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm’s proxy policies and practices. StepStone Real Assets’ policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. With respect to Funds-of-One, clients are permitted to place reasonable restrictions on StepStone Real Assets’ voting authority in the same manner that they may place such restrictions on the actual selection of account securities by delivery of written notice to StepStone Real Assets, and such instructions will be followed in all instances (including those instances in which StepStone Real Assets votes proxies for the same portfolio securities on behalf of another client).

StepStone Real Assets will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of StepStone Real Assets with the issuer of each security to determine if StepStone Real Assets or any of its employees has any financial, business or personal relationship with the issuer. If a material conflict of interest exists, StepStone Real Assets’ Chief Compliance Officer will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation. StepStone Real Assets will maintain a record of the voting resolution of any conflict of interest.

Proxy Voting Procedures are made available to any client or prospective client upon request.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about StepStone Real Assets' financial condition. StepStone Real Assets has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.