Fundraising

StepStone spin-out Sweetwater holds final close on debut vehicle

The niche firm has raised $350m for Sweetwater Secondaries Fund II, which targets 'buyer-led secondaries' deals.

By **Rod James** - 9 hours ago

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Sweetwater Private Equity, founded in 2016 by a former StepStone Group partner, has closed its debut commingled fund.

The San Diego-headquartered niche secondaries firm has raised $350 million for Sweetwater Secondaries Fund II, including a $20 million commitment from the manager and its affiliates, according to a statement. The fund was oversubscribed and closed on its hard-cap.

Fund II will focus on "buyer-led secondaries", defined as "off-market secondary transactions of private company securities or fund restructures that are targeted and driven by the buyer," the statement notes.

James Gamett, founder and managing partner, said: "[This] approach allows us to proactively build meaningful positions in targeted companies while driving below-market pricing and eliminating costs from the system."

Most of the capital commitments were raised after the economic shutdown, the statement noted, with many limited partners conducting due diligence virtually.

Harken Capital Securities served as placement agent.

Sweetwater was formed to make secondaries, direct and co-investments across venture capital, growth, buyout and infrastructure on a deal-by-deal basis, as *Secondaries Investor* has reported. The firm's aim is to help less well-resourced limited partners, such as smaller endowments and foundations, gain exposure to private equity.

It was founded by Gamett, a former partner at StepStone who also spent four years at Portfolio Advisors.

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