

PERE

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PERE Awards 2025



KEYNOTE INTERVIEW

Capital rotates to non-traditional assets

Steven Orbuch, founder and president of Sculptor Real Estate, says in a volatile market, investors are increasingly favoring diversified strategies with durable cashflow and lower correlation over traditional open-end funds

Q What were your firm's key events in 2025?

Sculptor Real Estate (SRE) achieved several important milestones in 2025, including closing Sculptor Real Estate Fund V at its \$4.6 billion hardcap, alongside \$825 million of co-investment capital, as well as committing more than \$1 billion on behalf of SRE Fund V across six different traditional and non-traditional asset classes.

SDREIT, our core-plus strategy, delivered strong growth and performance despite broadly flat results across open-end real estate funds, driven by diversification across asset types, capital structures and non-traditional sectors with durable fundamentals and strong cashflows. SRE also continued its deliberate expansion into new sectors, allowing it to construct more diversified, resilient and dynamic portfolios.

Q What challenges did your firm meet to achieve success?

SRE navigated a volatile market and a challenging fundraising environment, as many investors remained cautious on both re-ups and new allocations. Overcoming such obstacles required demonstrating disciplined execution, consistent performance and clear differentiation. In parallel, SRE focused on enabling investors to better understand the advantages of non-traditional



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real estate strategies, which are often more nuanced than traditional alternatives. Leveraging its long performance history and deep sector expertise, SRE successfully demonstrated its ability to invest in less correlated and less efficient real estate sectors.

Q Who at the firm should be credited, and why?

SRE's success reflects a collaborative, firm-wide effort rooted in execution and a shared commitment to delivering results for investors. SRE's senior investment team has worked together for an average of 19 years, continually evolving a platform defined by innovation and differentiated investment themes. The stability of SRE's team and the institutional knowledge that comes with such continuity has been a large contributor to SRE's ability to continually expand and refine its

investment mandate. SRE also credits its investors and partners, who have enabled the firm to execute its broad-based strategy and capitalize on attractive opportunities throughout the year.

Q How have the factors that contributed to your award win positioned your firm for the year ahead?

This award reflects decades of proven execution across a differentiated real estate platform. For more than 20 years, SRE has demonstrated that investing in non-traditional real estate across the capital stack can generate attractive income and total returns with lower volatility and reduced macro correlation. Since 2003, SRE has completed over 225 investments across 30 asset classes, representing more than \$27 billion of enterprise value, with over 80 percent invested in non-traditional asset classes including different sectors of leisure-related real estate like golf courses and marinas, healthcare (senior housing and veterinary clinics), residential real estate and digital infrastructure.

In the current and largely athematic investment environment, this flexible mandate, long-tenured team and disciplined approach uniquely position SRE to remain selective, opportunistic and focused on the most compelling risk-adjusted opportunities across sectors in the year ahead. ■