

# REALASSETS

Diversification strategies for private wealth advisers

ADVISER

A close-up portrait of Joan Solotar, a woman with long, wavy brown hair, wearing large hoop earrings and a dark top. She is looking slightly to the right with a gentle smile.

## Pushing the envelope

**Joan Solotar**, global head of private wealth solutions at Blackstone, aims to bring institutional-quality products to retail investment advisers

### Retail and stadiums

The significant retail opportunities presented by U.S. sports venues

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What happened to diamonds, NFTs and other underperforming alternatives?

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Populations are declining, and the impact on world economies is expected to be profound

A portrait of Joan Solotar, a woman with long, wavy brown hair, wearing a black top and large hoop earrings. She is looking slightly to the right with a thoughtful expression. The background is a colorful, abstract pattern with teal, yellow, and red elements.

# *Pushing* the envelope

**Joan Solotar**, global head of private wealth solutions at Blackstone, aims to bring institutional-quality products to retail investment advisers

By Mike Consol

**D**uring one of a series of interviews Joan Solotar attended in pursuit of a position at Blackstone, firm co-founder and CEO Steve Schwarzman set a closed envelope in front of the applicant, instructing her to knock on the door when finished. After opening and reviewing the document, Solotar realized it was a draft of instructions for Blackstone's upcoming "roadshow" — a series of meetings and presentations conducted by a company's management team and underwriters to promote and generate interest in the organization's initial public offering.

The situation presented a classic dilemma for Solotar. Would it behoove her to eviscerate the document and demonstrate her professional acumen, or would she be better served by going gently with the assignment for fear of potentially bruising some delicate egos? On closer inspection she recognized it was an early draft of the roadshow document. Given its early state, she opted to go hammer-and-tongs on Schwarzman's assignment.

"I did a ton of editing and markups and knocked on the door," she recalls. "Steve came in and, as you can imagine, at this point I had no idea who had put this together, whether it was Steve or someone else. But I was giving my unvarnished view."

Schwarzman asked, "What do you think?"

Solotar replied, "It reads like a regulatory document. I don't think it shines a light on what makes Blackstone Blackstone."

After a four-month interviewing process, Solotar joined the hottest name on Wall Street in June 2007 as head of public market securities and strategy, while the firm was going public. At the time, Blackstone was managing what today seems like a trifling \$88 billion in investor assets and was referred to as a private equity firm. One of the most frequently asked questions among prospective investors as that time was, "How will we possibly grow from here?"

Solotar and other members of the Blackstone brain trust obviously decoded

that question, as the firm in 2024 reports more than \$1 trillion in assets under management and is referred to as "the world's largest alternative assets manager."

No trivial feat for a firm launched in 1985 with only \$400,000 in seed capital.

"We're in many different businesses," says Solotar. "Real estate is actually even bigger than private equity today."

Along the way, Solotar's contributions have been rewarded with more advanced titles. Today she is global head of private wealth solutions at the storied firm, meaning she is charged with bringing institutional-quality products to market and helping financial advisers incorporate those products into client portfolios.

## **Blackstone by the numbers**

**Year founded**  
1985

**Assets under management**  
More than \$1 trillion

**AUM from private wealth channel**  
\$238 billion

**Investment strategies**  
60

**Real estate assets**  
12,500

**Portfolio companies**  
230

**Offices**  
28

**Personnel**  
4,200

"It's everything from product creation at the front end to marketing, education, sales and investor services at the back end," she specifies.

To assist her in achieving those goals, Solotar manages a global contingent of nearly 300 professionals representing about one-quarter of the firm's mammoth assets.

### **UNCOMMON BONDS**

One would usually be safe in assuming that any organization experiencing an elevenfold increase in only 16 years would undergo significant cultural changes. But that has not been the case at Blackstone, in Solotar's

experience. Indeed, not only has the company culture been kept intact despite its blistering growth, it has actually become more tightly knit.

"It's rare and it's deliberate," she observes.

Solotar credits CEO Schwarzman, and president and COO Jonathan Gray, with creating and reinforcing a culture of communication, where executives travel aggressively to stay connected with their team members, as well as bringing people to Manhattan to help avoid the firm's various lines of business becoming "siloed."

"We think a lot of the power of being in all these businesses is the ability to use the intellectual capital from one area to another," she says. "I've never seen a firm operate with so much connectivity and collegiality."

### **BEGINNINGS**

Joan Solotar grew up in a blue-collar household in the Bayside neighborhood of Queens, N.Y., where she cultivated a large group of friends, many of whom she still holds close. She hosted 10 of her childhood friends the night before the most recent Thanksgiving holiday.

Her father, a Holocaust survivor, migrated to the United States from Germany, leaving his native country the night before Kristallnacht, the notorious "night of broken glass," the Nazi dictatorship's declaration of war against German and Austrian Jews in November 1938. He arrived on U.S. shores with his parents, who enrolled their son in a vocational school. He was subsequently drafted by the army to join the fight against Hitler during World War II. Post-war, he returned to his adopted country and became an auto mechanic.

He was also an avid reader, favoring history and business, even reading his daughter's college textbooks when she enrolled in business school.

"For both of my parents, education was paramount," she says. "It's something they stressed."

Solotar's collegiate career began at the State University of New York at Albany, majoring in management information systems, a program that resided in the

business school that combined software coding and systems design.

Though studying MIS, she already had a career in financial services in mind.

“A lot of my peers in that major went into consulting, but that didn’t interest me,” she says. “I wanted something that was more market oriented.”

At SUNY Albany she was on the concert board, booking musical acts for campus performances by the likes of Julian Lennon, son of the famous Beatle, and The Ramones. To this day, Solotar is a fancier of classic rock and acts such as Brandi Carlile, Bruce Springsteen and Bob Dylan.

At graduation time, she flooded the financial services market with resumes, landing a position as savings and loan research assistant at First Boston. The person who hired Solotar wanted her

to assist in building financial models calculated on a mainframe computer and displayed on Lotus spreadsheets.

“I had no idea what I was doing,” she confesses. “It was so daunting. And that really was the catalyst for me to take more classes. I felt the need for additional formal training in accounting and finance.”

That sent her to New York University for an MBA, underwritten by First Boston.

“It was a fantastic first job,” she says of the First Boston experience.

Within six months, she met David Seifer, a top-ranked insurance analyst who recruited Solotar to join his team at First Boston.

“I really owe him a ton as it relates to my career. He taught me a lot. He

gave me big runway; he pushed me and encouraged me to really take on more than I thought I was capable of.”

## THE ROAD TO BLACKSTONE

After her two years at First Boston, Solotar moved as part of Seifer’s team to Donaldson, Lufkin & Jenrette, an investment bank owned by Equitable Cos. at the time. During her time at DLJ, she worked on a team headed by founding nameplate partner Dick Jenrette, who had been brought in to assist in the demutualization of Equitable. She joined the effort led by Jenrette and Seifer along with several others across investment banking.

She completed her MBA while at DLJ and was promoted to cover stocks and serve as a brokerage and asset management



Intelligence and industriousness are among the indispensable characteristics Solotar seeks, as well as the chemistry to successfully meld with the firm’s existing personnel and culture. “I have an excellent team,” she says.

analyst. Then Credit Suisse stepped into the frame, acquiring DLJ in 2000 for \$11.5 billion. Solotar stayed with the merged organization through the end of 2002, but not before participating in taking DLJ public for the second time in the firm's 36-year history, aiming to infuse the Wall Street investment bank with needed capital. The plan was to sell 10.58 million common shares, combined with a stock exchange program with DLJ employees, to raise up to \$385.7 million for the brokerage and its parent, Equitable Cos., which committed to selling 20 percent of its stake in DLJ.

"When DLJ went public, I was the lead research analyst on it. Imagine presenting your own firm to the most senior executives at the firm. I worked incredibly hard on that IPO and on the pitch, and I felt great when it was done. At that point I had



found my rhythm, my confidence, and that was a real pivotal moment for me."

One can imagine the people at Blackstone eventually catching wind of Solotar's performance in taking DLJ public.

But there was another career step sandwiched between DLJ and Blackstone. That occurred when a headhunter made her aware of an opportunity to run equity research at Bank of America Securities. She took the assignment.

"In my head, I was going to give myself up to a year to figure out what I wanted to do next," she recalls.

It was at BofA Securities that Solotar received a fateful phone call from Blackstone president and COO Tony James, who had worked with Solotar in taking DLJ public years earlier. James was inquiring about a position he was seeking to fill at Blackstone, which had just filed for its IPO.

"Tony asked if I knew anyone," she says. "I asked how senior or junior a person they were thinking about. He said it was a really specific person they were looking for — someone experienced with capital markets and financial institutions. I said, 'It sounds like you're describing my experience. Are you interested in talking to me?'"

So began a series of meetings with people at Blackstone, including maximum leader Schwarzman, running from March 2007 to her hiring in June of that year. The interviewing experience ran contrary to Solotar's preconceptions of the firm.

"I was struck by how nice they all were," she says. "My perspective was Blackstone would be a pretty tough place, but it was the opposite. People were warm and welcoming. I had terrific conversations, and it just made me even more enthusiastic about joining the firm."

Solotar had come aboard in time to witness the "massive attention" Blackstone's roadshow and IPO garnered. Roadshow attendance and interest was high in the United States, Europe and Asia, as the firm was already seen as a huge force in the alternatives space. Financial participation was also high, as investors ponied up \$4.1 billion in IPO proceeds.

## A DAY IN THE PROFESSIONAL LIFE

Joan Solotar is early to rise, starting her day at 5:30 a.m. with a cup of green, jasmine or matcha tea that she sips while reading newspapers and contemplating the day ahead.

Things run at a "fairly fast pace" at Blackstone headquarters in Manhattan. That tempo has turned Solotar into an inveterate list maker. She carries a notebook to all meetings, and at the top of the most active page is the list of tasks to be completed, and she crosses them out as they are accomplished. Any remaining tasks reappear atop the next day's page.

"I need to write things down," she says. "The notebook has served me well."

At one point the notebook had to-do notations connected to the rebranding of the firm's name, which was spearheaded by Solotar. The organization had just gone public and a refresh was on the agenda. The firm was named The Blackstone Group at the start because it consisted of only the co-founders, and they were trying to make the organization sound bigger. The co-founders admittedly named the firm The Blackstone Group to make it sound larger than the two guys who launched it. But after raising \$4.1 billion from the public market and closing fast on \$100 billion in AUM, there was no scale or image problem to be concerned about.

"We were basically just reevaluating our approach to many areas, including external relations and the brand and what the brand meant," Solotar recalls. "And it was the first time that the firm had embarked on a brand review."

In the end, Solotar and her teammates on the task decided to trim the firm's name to simply Blackstone. Simple enough and clean enough for the hottest private equity shop on Wall Street. What surprised Solotar was the backlash from many longtime employees.

"I did not expect that," she concedes. "For employees who had been here from the beginning, they liked that it was called The Blackstone Group. That was the identity to them, and I didn't bring them along on the journey, which I should have. It taught me to gain the consensus rather

# GETTING PERSONAL

## Joan Solotar

### What would you tell 25-year-old Joan Solotar?

Trust your instincts and surround yourself with interesting people.

### How do you spend your time outside of work

Running, walking, hiking, traveling, going to concerts, reading, eating, cooking. I love eating great food with friends or family.

### First choice for new career

I would really enjoy something that would get me traveling, such as culinary tourism. Eating wonderful food, traveling to interesting places, meeting new people. It all sounds fun to me.

### Most influential book you have ever read

*Albert Einstein: The Man, the Genius, and the Theory of Relativity* by Walter Isaacson. It shifted my views about success, how we define genius and the people we choose as our heroes — and the maniacal focus needed to really achieve something great.

### What are you afraid of?

Rodents of all kinds. I probably picked the wrong city to live in. I will never not gasp at the sight of one.

### Biggest lesson you learned?

Not to be intimidated by what I don't know. Just put the time in, ask questions and you can figure out almost anything.

### Best piece of career advice ever received?

Ask for what you want. No one should have to guess and there is no one else standing behind you talking to folks on your behalf.

### Favorite quotation

"Unity forged through the understanding of differences is stronger than the passive unity of homogeneity." My son Max Solotar said this around seven years ago. It is right on point — to resist sameness

and welcome divergent views and lifestyles.

### Tell me something people would be surprised to know about you?

I am running the NYC Marathon with my brother-in-law Dave this year and will raise funds for pancreatic cancer. "Running" might be an overstatement.

### What is your idea of perfect happiness?

Doing the things I love, with the people that I love, and making sure they know how much I love them.

### You are organizing a dinner party; which three people dead or alive would you choose to invite?

Bruce Springsteen (I've been a fan for more than 45 years), Ina Garten (cook and author and host of the Food Network program *Barefoot Contessa*) and novelist Ann Patchett (love her books and, based on her interviews, she seems super cool and authentic).

### Which historical figure do you most identify with?

I am going with two I admire greatly. Maya Angelou (her words are wise and she moves me), and Ruth Bader Ginsberg (former justice of U.S. Supreme Court who made the impossible possible).

### Greatest extravagance?

Travel. I booked a celebratory trip to Utah this summer with my family. Spectacular hikes and great meals and massages. I can hardly wait.

### Biggest regret

Not living outside of the United States for a lengthy period of time. I pop in and out of a lot of places and it would be wonderful to be a local.



### If you could change one thing about yourself what would it be?

Certainly, there is more than one thing, but I would love to need less sleep. I often don't get enough and I power through the day, but imagine doing so without feeling tired.

### What is your most pronounced characteristic?

Loyalty. I am a fierce protector.

### If your most recent year were set to music what would be the first cut of the soundtrack?

*Don't Stop Believing* by Journey. I am optimistic by nature, but I also know everything is cyclical and we will persevere through the lows so we can celebrate the highs.

### What are you streaming and watching?

Some of the series I really loved this past year were *Beef*, which I go in and out of watching; *The Crown*; I recently watched *A Walk in the Woods* (starring Robert Redford and based on Bill Bryson's book about hiking the Adirondack trail, which launched my interest in hiking). And then I love light comedies — *Seinfeld*, *Friends*, *Modern Family* for when I need to chill, and — maybe surprising to folks — my daughter and I love watching *The Bachelor* (shhh...)

than just do all the work and then present it as the de facto conclusion. That was a teaching moment.”

Count that as one of the few notable missteps in Solotar’s tenure, during which she has consistently moved up the chain of command.

Meanwhile, the firm’s performance appeared flawless, posting major returns on its investments, burnishing its reputation among institutional and high-net-worth investors, and getting rewarded for its efforts with a tidal wave of investor commitments, rocketing its AUM into the hundreds of billions on its fast ride to a trillion-dollar mark. While other name-brand Wall Street firms raised billions for their investment funds, Blackstone was raising tens of billions for some of its funds.

It appeared a chink in the armor arose when billions of dollars in redemption requests flooded Blackstone’s nonlisted real estate investment trust in late 2022. Solotar expressed surprise by how much news coverage the redemption requests generated and the “sharply negative tone” of the reporting for a fund that was performing well.

“I think you have to distinguish redemptions from the portfolio not performing,” she says. “The fund is actually performing very well. Every fund that has caps will at some point hit those caps. That’s why you put them in place. You can’t buy companies or buildings and provide daily liquidity, and you don’t want to be in a position where you’re a forced seller. That actually will create a portfolio that’s under pressure. So, we very deliberately put those caps in place, and I don’t think we would have been onboarded at the top distributors if we didn’t have those caps in place.”

The fund is currently concentrated in sectors of real estate seeing continued strong demand, including warehouses, student housing and data centers, primarily in Sun Belt markets. “The fund has continued to outperform peers rather significantly.”

Solotar is heavily invested in Blackstone funds herself and says she’s willing to accept illiquidity in return for the illiquidity premium institutional-quality investment products can generate. “Institutional

quality” is promiscuously bandied about by people in the business, while failing to define it. When asked about the phrase, Solotar said without hesitation, the firm has been “managing assets through many cycles for the biggest institutions in the world.”

At Blackstone, the same investment teams that made their bones boosting returns for institutional investors (pension funds, endowments, foundations, sovereign wealth funds) are now managing funds for private high-net-worth individuals and families.

“It’s very analytical and not just quantitatively analytical,” she says. “It involves everything from what’s happening geopolitically and economically, in particular sectors.”

Investing is a craft, in Solotar’s estimation, because it’s a bona fide skill — particularly, perhaps, at a firm such as Blackstone, which actively invests and manages its holdings.

*“I need to write things down. The notebook has served me well.”*

“We’re not just buying a company, we’re working to improve the company,” she explains. “In real estate, when we talk about investing in data centers, we’re building out a massive platform. And even in credit, we’re not just originating loans, we work with the companies to improve their cash flow, to improve the loan. So, I think there’s a real distinction.”

Prior to any of that taking place, however, rigorous analysis of target assets is conducted.

“This is not a simple business,” she observes, “and I think we demonstrated over a long period of time that we can deliver for our investors, which is why they continue to give us their capital.”

For private wealth investors, the firm’s largest offerings are in real estate and private credit, while it recently launched

a vehicle in private equity. Those asset classes have the potential to serve the two things investors are looking for most, in Solotar’s experience: yield (driven chiefly by Blackstone’s position in private credit), and the value of compounding and helping to create wealth (driven by the firm’s real estate and private equity investments).

## PAINTING IT BLACK

Swelling investor commitments naturally means more hands are needed on deck to successfully acquire, manage and eventually divest the panoply of asset classes Blackstone has pulled under its roof. Interviewing at Blackstone — or at least with Solotar — means recounting one’s career path and the considerations taken into account with each move.

“I like to hear about the decisions they made along their career path,” she says, “because I really want to understand what motivates someone and how they chose the career path that they did, why they determined it was time to make various changes along the way.”

One unsuccessful applicant failed to get the nod because his responses reflected someone not terribly connected to his team as a leader or manager.

Because most of what’s required to succeed at Blackstone is “learnable,” intelligence and industriousness are among the indispensable characteristics Solotar seeks, as well as the chemistry to successfully meld with the firm’s existing personnel and culture.

“I have an excellent team,” she says.

Bottom line: Come prepared. One never knows if Solotar might tear a page out of the Schwarzman interviewing playbook by dropping a closed envelope on the table and leaving you to your own devices.

Should that day ever come to pass, you’re encouraged to eviscerate the contents. Joan Solotar has been there. She won’t take offense. ■

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