UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 20, 2021

StepStone Group Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware	**001-39510**	**84-3868757**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

450 Lexington Avenue, 31st Floor
New York, NY 10017
(Address of Principal Executive Offices)

(212) 351-6100
(Registrant's telephone number, including area code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 210.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.001 per share	**STEP**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

EXPLANATORY NOTE

On September 20, 2021, StepStone Group Inc., a Delaware corporation (the "Company"), filed with the Securities and Exchange Commission ("SEC") a Current Report on Form 8-K (the "Initial 8-K") to disclose, among other things, the completion of the previously announced acquisition (the "Greenspring Acquisition") of Greenspring Associates, Inc., a Delaware corporation ("GA Inc.") and Greenspring Back Office Solutions, Inc., a Delaware corporation ("GBOS Inc." and together with GA Inc., "Greenspring") pursuant to the Transaction Agreement, dated July 7, 2021, by and among Greenspring, StepStone Group LP, a Delaware limited partnership, the Company, certain wholly-owned subsidiaries of the Company, sellers party thereto and Shareholder Representative Services, LLC, solely in its capacity as the initial Seller Representative.

This Amendment amends the Initial 8-K to provide the financial statements and pro forma financial information referred to in parts (a) and (b) of Item 9.01 below relating to the transactions described above. Except as otherwise noted, all other information in the Initial Form 8-K remains unchanged.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The audited combined consolidated financial statements of Greenspring as of December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019 are attached as Exhibit 99.1 to this Amendment and incorporated herein by reference.

The unaudited condensed combined consolidated financial statements of Greenspring for the three and six months ended June 30, 2021 and 2020 are attached as Exhibit 99.2 to this Amendment and incorporated herein by reference.

(b) Pro Forma Financial Information.

The following unaudited pro forma information related to the Greenspring Acquisition is attached as Exhibit 99.3 to this Amendment and incorporated herein by reference:

(i) Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2021.

(ii) Unaudited Pro Forma Condensed Combined Statement of Income for the Year Ended March 31, 2021.

(iii) Unaudited Pro Forma Condensed Combined Statement of Income for the Three Months Ended June 30, 2021.

(d) The following exhibits are filed as a part of this amended Report.

Exhibit No.	Description
23.1	Consent of SC&H Attest Services, P.C.
99.1	Audited Combined Consolidated Financial Statements of Greenspring Associates, Inc. and Affiliates.
99.2	Unaudited Condensed Combined Consolidated Financial Statements of Greenspring Associates, Inc. and Affiliates.
99.3	Unaudited Pro Forma Condensed Combined Financial Information.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 15, 2021	**StepStone Group Inc.**
	By: /s/ Jason P. Ment
	Jason P. Ment
	President and Co-Chief Operating Officer

SC&H

ATTEST SERVICES

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in Registration Statement No. 333-248893 on Form S-8 of StepStone Group Inc. of our report dated July 23, 2021, with respect to the combined consolidated balance sheets of Greenspring Associates and Affiliates as of December 31, 2020 and 2019 and the related combined consolidated statements of operations, changes in shareholders' equity, and cash flows for the years then ended, which report appears in this Amendment to Current Report on Form 8-K of StepStone Group Inc.

/s/ SC&H Attest Services, P.C.
Sparks, Maryland
November 12, 2021

Exhibit 99.1

Greenspring Associates, Inc. and Affiliates
(a Delaware Corporation)
Combined Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2019

Greenspring Associates, Inc. and Affiliates
Table of Contents
December 31, 2020 and 2019

SC&H ATTEST SERVICES

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Greenspring Associates, Inc. and Affiliates:

We have audited the accompanying combined consolidated financial statements of Greenspring Associates, Inc. and Affiliates (the Company) which comprise the combined consolidated balance sheets as of December 31, 2020 and 2019, the related combined consolidated statements of operations, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the combined consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the combined consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greenspring Associates, Inc. and Affiliates as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ SC&H Attest Services, P.C.

July 23, 2021

Greenspring Associates, Inc. and Affiliates
Combined Consolidated Balance Sheets
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 8,744,210	$ 3,125,390
Accounts Receivable	3,059,029	248,557
Due from Greenspring Funds	1,771,925	3,403,918
Due from Shareholders	379,144	158,766
Due from Employees	7,140	6,033
Prepaid Expenses & Other Current Assets	964,299	604,878
Total Current Assets	**14,925,747**	**7,547,542**
Long-Term Assets:		
Fixed Assets, Net	14,415,595	18,032,838
Intangible Assets, Net	6,594	9,890
Investments in Greenspring Funds, at Fair Value (Cost Basis: $13,922 and $13,462, respectively)	7,034,388	1,834,952
Investments in Unaffiliated Funds (Cost Basis: $0)	1,753,998	707,147
Other Assets	40,097	40,097
Total Assets	**$38,176,419**	**$28,172,466**
Liabilities & Shareholders' Equity		
Current Liabilities:		
Accounts Payable	25,485	388,997
Accrued Expenses & Other Current Liabilities	2,846,877	1,700,782
Loan Payable, Current	945,426	900,225
Total Current Liabilities	**3,817,788**	**2,990,004**
Long-Term Liabilities:		
Other Non-Current Liabilities	786,575	871,392
Loan Payable	18,785,326	19,683,740
Total Long-Term Liabilities	**19,571,901**	**20,555,132**
Total Liabilities	**23,389,689**	**23,545,136**
Shareholders' Equity:		
Shareholders' Equity	14,786,730	4,627,330
Total Shareholders' Equity	**14,786,730**	**4,627,330**
Total Liabilities & Shareholders' Equity	**$38,176,419**	**$28,172,466**

The accompanying notes are an integral part of the combined consolidated financial statements.

Greenspring Associates, Inc. and Affiliates
Combined Consolidated Statements of Operations
December 31, 2020 and 2019

	2020	2019
Revenues		
Net Revenues	$65,743,167	$49,339,972
Total Revenues	65,743,167	49,339,972
Expenses		
Salaries, Bonuses, & Other Payroll Related Expenses	30,580,892	25,030,293
General & Administrative Expenses	10,306,188	7,939,623
Travel Expenses	2,375,367	6,285,936
Depreciation & Amortization Expense	3,854,180	3,890,094
Interest Expense	897,102	950,809
Total Expenses	48,013,729	44,096,755
Net Income	$17,729,438	$ 5,243,217
Other Comprehensive Income		
Net Unrealized Gains from Greenspring Funds	$ 5,198,976	$ 951,167
Net Unrealized Gains from Unaffiliated Funds	1,046,851	90,496
Net Actuarial Loss	(145,023)	(255,648)
Total Other Comprehensive Income	6,100,804	786,015
Total Comprehensive Income	**$23,830,242**	**$ 6,029,232**

The accompanying notes are an integral part of the combined consolidated financial statements.

Greenspring Associates, Inc. and Affiliates
Combined Consolidated Statements of Shareholders' Equity
December 31, 2020 and 2019

	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at January 1, 2019	$ 1,326,065	$ 1,481,134	$ 2,807,199
Net Income	5,243,217	—	5,243,217
Dividends Paid	(4,209,101)	—	(4,209,101)
Net Unrealized Gains from Greenspring Funds	—	951,167	951,167
Net Unrealized Gains from Unaffiliated Funds	—	90,496	90,496
Net Actuarial Loss	—	(255,648)	(255,648)
Balance at December 31, 2019	2,360,181	2,267,149	4,627,330
Net Income	17,729,438	—	17,729,438
Dividends Paid	(13,670,842)	—	(13,670,842)
Net Unrealized Gains from Greenspring Funds	—	5,198,976	5,198,976
Net Unrealized Gains from Unaffiliated Funds	—	1,046,851	1,046,851
Net Actuarial Loss	—	(145,023)	(145,023)
Balance at December 31, 2020	**$ 6,418,777**	**$ 8,367,953**	**$ 14,786,730**

The accompanying notes are an integral part of the combined consolidated financial statements.

Greenspring Associates, Inc. and Affiliates
Consolidated Statement of Cash Flows
December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Net Income	$ 17,729,438	$ 5,243,217
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation & Amortization Expense	3,854,180	3,890,094
Noncash Interest Expense	47,012	77,165
Changes in Operating Assets and Liabilities:		
Increase in Accounts Receivable	(2,810,472)	(61,463)
(Increase) Decrease in Due from Greenspring Funds	1,631,993	(1,874,502)
Increase in Due from Shareholders	(220,378)	(120,821)
(Increase) Decrease in Due from Employees	(1,107)	4,799
(Increase) Decrease in Prepaid Expenses & Other Current Assets	(359,421)	8,861
Increase (Decrease) in Accounts Payable	(363,512)	88,251
Increase (Decrease) in Accrued Expenses & Other Current Liabilities	1,001,072	(375,567)
Increase (Decrease) in Other Non-Current Liabilities	(84,817)	871,392
Net Cash Provided by Operating Activities	20,423,988	7,751,426
Cash Flows from Investing Activities		
Purchases of Fixed Assets	(233,641)	(353,052)
Cash Paid for Investments in Greenspring Funds	(460)	(2,040)
Net Cash Used in Investing Activities	(234,101)	(355,092)
Cash Flows from Financing Activities		
Payments of Dividends	(13,670,842)	(4,209,101)
Proceeds from Line of Credit	8,011,689	6,220,000
Repayments of Line of Credit	(8,011,689)	(6,956,824)
Repayments of Loan Borrowings	(900,225)	(857,348)
Proceeds from Loan Repayments	—	456,350
Net Cash Used in Financing Activities	(14,571,067)	(5,346,923)
Net Increase in Cash and Cash Equivalents	5,618,820	2,049,411
Cash and Cash Equivalents		
Beginning of Period	3,125,390	1,075,979
End of Period	$ 8,744,210	$ 3,125,390

The accompanying notes are an integral part of the combined consolidated financial statements.

1. Description of Business and Summary of Significant Accounting Policies

A. Description of the Business

Greenspring Associates, Inc. is the parent company of Greenspring Associates, L.P. Greenspring Associates, L.P. is the sole member of Greenspring Associates, LLC. Greenspring Associates, LLC ("Greenspring") provides financial and investment advisory services as required for the benefit of various private investment funds as well as certain investment accounts (collectively, the "Greenspring Funds"). A related person of Greenspring generally acts as general partner of each Greenspring Fund. Greenspring controls investments made on behalf of many of the Greenspring Funds (such Greenspring Funds, the "Greenspring Discretionary Funds") and makes investment recommendations on behalf of other Greenspring Funds (such Greenspring Funds, the "Greenspring Advisory Funds").

Greenspring Associates, L.P. is also the sole member of Brightside Mechanical, LLC ("Brightside"). Greenspring had an agreement to lease an aircraft from Brightside during the years end December 31, 2020 and 2019.

Other than its interest in Greenspring and Brightside, Greenspring Associates, Inc. and Greenspring Associates, L.P. do not have further business activities.

Greenspring Associates (UK) Limited ("Greenspring UK"), Greenspring Associates (China), LLC and Greenspring Beijing Consulting Co, Ltd. ("Greenspring China") are subsidiaries of Greenspring.

Greenspring Back Office Solutions, Inc. has a controlling interest in Greenspring Back Office Solutions, LLC ("GBOS"). GBOS primarily provides administrative services to unaffiliated investment advisors and their private funds (the "Unaffiliated Funds").

Greenspring Associates, Inc and Greenspring Back Office Solutions, Inc. are under common control. Therefore, the financial statements of Greenspring Associates, Inc, Greenspring Associates, L.P., Greenspring, Greenspring UK, Greenspring China, Greenspring Back Office Solutions, Inc and GBOS (collectively, the "Company") are presented herein on a combined consolidated basis for the years ended December 31, 2020 and 2019.

B. Principles of Combination and Consolidation

The combined consolidated financial statements include the accounts of Greenspring Associates, Inc, Greenspring Associates, L.P., Greenspring, Greenspring UK, Greenspring China, Greenspring Back Office Solutions, Inc and GBOS. All significant intercompany balances and transactions have been eliminated in combination and consolidation.

C. Basis of Accounting

The consolidated financial statements have been presented on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles in the United States ("GAAP").

D. Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company maintains cash accounts with insured financial institutions. At times, balances may exceed insured limits. The Company relies on the soundness of financial institutions holding the Company's deposits and believes that the Company's risk related to cash is negligible.

F. Accounts Receivable

Accounts receivable primarily represent expenses incurred on behalf of various entities and individuals which will ultimately be reimbursed to Greenspring, and management fees earned but not yet received as of December 31, 2020 and 2019. The Company believes that the accounts receivable balances are fully collectible; therefore no allowance for doubtful accounts has been recorded as of December 31, 2020 and 2019.

G. Investments in Greenspring Funds and Unaffiliated Funds and Fair Value Measurement

The primary purpose of the Greenspring Funds and Unaffiliated Funds is to generate significant returns for their respective partners, principally through long-term capital appreciation, by making, holding, and disposing of privately negotiated equity and equity-related investments ("Portfolio Investments"), principally in (i) venture capital and private equity partnerships ("Portfolio Funds") and (ii) operating companies ("Portfolio Companies").

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in the markets that are not considered to be active;

Level 3: Inputs that are unobservable.

Inputs are used in applying various valuation techniques and broadly refer to the assumptions that market participants would use to make valuation decisions, including assumptions about risk. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "unobservable" requires significant judgment by the Company. The Company considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market.

In accordance with the FASB Accounting Standards Update 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share ("ASU 2015-07"), the Company does not categorize, within the fair value hierarchy, investments for which fair values are estimated using the net asset value practical expedient provided by ASC 820, Fair Value Measurement and Disclosures ("ASC 820").

The fair market value of the Greenspring Funds and Unaffiliated Funds is recorded as the net asset value of the investment as reported to the Company by the Greenspring Fund and Unaffiliated Funds and as such, investments in the Greenspring Funds and Unaffiliated Funds are deemed to be valued using the net asset value practical expedient.

The following table summarizes the Greenspring's interests in the Greenspring Funds as of December 31, 2020 and 2019:

	As of December 31, 2020		
Entity	Cost Basis	Fair Value	Unrealized Gain / (Loss)
Greenspring Global Partners II, L.P.	$ —	$ 2,086	$ 2,086
Greenspring Global Partners VIII, L.P.	1,000	369,923	368,923
Greenspring Global Partners IX, L.P.	500	273,319	272,819
Greenspring Secondaries Fund II, L.P.	667	1,108,608	1,107,941
Greenspring Secondaries Fund III, L.P.	1,000	2,465,432	2,464,432
Greenspring Opportunities IV, L.P.	666	1,561,094	1,560,428
Greenspring Opportunities V, L.P.	1,000	881,684	880,684
Greenspring Micro I, L.P.	667	30,189	29,522
Greenspring Micro II, L.P.	1,000	14,479	13,479
Greenspring Impact I, L.P.	1,000	—	(1,000)
Greenspring Early Stage I, L.P.	1,000	125,825	124,825
Greenspring Growth Equity IV, L.P.	2,000	146,221	144,221
Greenspring Growth Equity IV-MR, L.P.	1,000	11,153	10,153
Greenspring IL Special, L.P.	1,000	42,467	41,467
Greenspring SK Special, L.P.	1,422	1,908	486
Investments in Greenspring Funds	$ 13,922	$7,034,388	$7,020,466

	As of December 31, 2019		
Entity	Cost Basis	Fair Value	Unrealized Gain / (Loss)
Greenspring Global Partners I, L.P.	$ —	$ 1,824	$ 1,824
Greenspring Global Partners II, L.P.	—	7,742	7,742
Greenspring Global Partners VIII, L.P.	1,000	177,633	176,633
Greenspring Global Partners IX, L.P.	500	24,652	24,152
Greenspring Secondaries Fund II, L.P.	667	716,860	716,193
Greenspring Secondaries Fund III, L.P.	1,000	191,096	190,096
Greenspring Opportunities IV, L.P.	666	334,479	333,813
Greenspring Opportunities V, L.P.	1,000	336,825	335,825
Greenspring Micro I, L.P.	667	8,706	8,039
Greenspring Micro II, L.P.	1,000	864	(136)
Greenspring Impact I, L.P.	1,000	—	(1,000)
Greenspring Early Stage I, L.P.	1,000	640	(360)
Greenspring Growth Equity IV, L.P.	2,000	23,053	21,053
Greenspring Growth Equity IV-MR, L.P.	1,000	3,111	2,111
Greenspring IL Special, L.P.	1,000	6,433	5,433
Greenspring SK Special, L.P.	962	1,034	72
Investments in Greenspring Funds	$ 13,462	$1,834,952	$1,821,490

The following table summaries the Company's interests in the Unaffiliated Funds as of December 31, 2020 and 2019:

	As of December 31, 2020		
Entity	Cost Basis	Fair Value	Unrealized Gain / (Loss)
Sagamore China Partners III, L.P.	$ —	$1,097,723	$1,097,723
Sagamore China Partners IV, L.P.	—	585,585	585,585
Sagamore China Partners V, L.P.	—	70,690	70,690
Investments in Unaffiliated Funds	$ —	$1,753,998	$1,753,998

	As of December 31, 2019		
Entity	Cost Basis	Fair Value	Unrealized Gain / (Loss)
Sagamore China Partners III, L.P.	$ —	$ 551,813	$ 551,813
Sagamore China Partners IV, L.P.	—	155,334	155,334
Sagamore China Partners V, L.P.	—	—	—
Investments in Unaffiliated Funds	$ —	$ 707,147	$ 707,147

H. Fixed Assets

All capitalized fixed assets are carried at cost less accumulated depreciation and amortization. Depreciation and amortization expense is determined by the use of the straight-line method over the estimated useful lives of the related assets ranging from 5 to 39 years or the lease terms. Additions and betterments are capitalized, and costs of repairs and maintenance are expensed as incurred. The related costs and accumulated depreciation and amortization are eliminated from the accounts when an asset is sold or retired and the related gain or loss is credited or charged to earnings.

Fixed assets consist of the following as of December 31, 2020 and 2019:

	2020	2019
Computers and Equipment	$ 1,422,726	$ 1,213,512
Furniture and Fixtures	904,312	879,885
Leasehold Improvements	632,322	632,322
Business Aircraft	21,099,197	21,099,197
Fixed Assets, Gross	24,058,557	23,824,916
Accumulated Depreciation	(9,642,962)	(5,792,078)
Fixed Assets, Net	$14,415,595	$18,032,838

Depreciation expense totaled $3,850,884 and $3,886,797 for the years ended December 31, 2020 and 2019.

I. Intangible Assets

The Company's intangible assets subject to amortization consists of a trademark that was capitalized in 2008 and is being amortized over a 15 year period.

Following is a summary of intangible assets as of December 31, 2020 and 2019, respectively:

	2020	2019
Trademarks	$ 49,451	$ 49,451
Accumulated Amortization	(42,857)	(39,561)
Intangibles, Net	$ 6,594	$ 9,890

Amortization expense totaled $3,296 and $3,297 for the years ended December 31, 2020 and 2019. Estimated amortization expense is expected to be incurred as follows for the years ending December 31:

Years Ending December 31:	
2021	$ 3,297
2022	3,297
Total	$ 6,594

J. Valuation of Long-Lived Assets

The Company accounts for the valuation of long-lived assets in accordance with ASC 360, Property, Plant, and Equipment ("ASC 360"). ASC 360 requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed are reportable at the lower of the carrying amount or fair value, less costs to sell. As of December 31, 2020 and 2019, management does not believe any long-lived assets are impaired and has not identified any assets as being held for disposal.

K. Due from Greenspring Funds

Certain expenses of the Greenspring Funds may be paid initially by the Company and later reimbursed for administrative convenience. Such amounts are recorded on the Consolidated Balance Sheet accordingly.

As of December 31, 2020 and 2019, the Company has $1,771,925 and $3,403,918 due from Greenspring Funds, respectively.

L. Due from Shareholders and Due from Employees

Amounts due to the Company from shareholders and employees are recorded on the Consolidated Balance Sheet accordingly. Such amounts, if outstanding for a period greater than 30 days, bear interest at an annual rate equal to the Applicable Federal Rate as determined by the IRS under Section 1274(d) of the Internal Revenue Code. Principal and interest are due and payable upon the earliest to occur of (a) the dissolution of the Company, or (b) the date the undersigned ceases to be a partner of the Company. Any payment or prepayments are first applied against any accrued and unpaid interest and second against the advances of the principal sum outstanding. Amounts due from shareholders and employees as of December 31, 2020 and 2019 total $386,284 and $164,799, respectively.

M. Revenue Recognition

The Company's revenue is primarily derived from contracts with customers in the form of management fees and administrative fees, as well as performance fees in the form of a profits interest.

Management fees – For its advisory, administrative and management functions, Greenspring generally receives a management advisory fee, billed on a quarterly basis, from each of the Greenspring Funds equal to a percentage of the commitments to a Greenspring Fund, capital drawn by a Greenspring Fund, the total amount of capital committed to underlying portfolio funds and/or portfolio companies of a Greenspring Fund and/or the cost basis or the fair market value of a Greenspring Fund's investments. The percentage amount varies with the type of Greenspring Fund and over the life of the Greenspring Fund, and where paid, generally ranges from 0.0% to 2.5% annually, as negotiated and determined at the time a Greenspring Fund or advisory arrangement is established. Consideration from the Greenspring Funds may be fixed or variable. Consideration that is variable is due to the uncertainty of the basis used to calculate the fee during each distinct service period. At the time of payment, there is no uncertainty around management fees earned. At the end of each period, and the Company records revenue for the actual amount of management fees earned for that period because the uncertainty has been resolved.

Administrative fees – For its administrative services, GBOS generally receives an administrative fee, billed on a quarterly or semi-annual basis, from the private funds to which it provides services. The amount of the administrative fees are fixed as outlined in the administrative services agreements with each unaffiliated investment manager. At the end of each period, the Company records revenue for the actual amount of administrative fees earned for that period.

Performance fees – The Company is eligible to earn an incentive allocation in the form of a profits interest in some of the Greenspring Funds and Unaffiliated Funds. The profits interest, if earned, is recognized upon receipt of the cash proceeds in excess of its basis in the relevant Greenspring Funds and Unaffiliated Funds. The profits interest is subject to uncertainty of market volatility, and as a result, the entire amount of the variable consideration related to the profits interest is constrained until the end of each measurement period. At the end of the measurement period, revenue is recorded for the actual amount of profits interest earned and received during that period. As the profits interest received in any period is non-refundable, the uncertainty has been resolved upon receipt. The profits interests earned may be refundable to the Greenspring Funds and Unaffiliated Funds. The revenue recorded for the year ended December 31, 2020 and 2019 is non-refundable and therefore there is no uncertainty.

N. Income Taxes

Greenspring Associates, Inc. and Greenspring Back Office Solutions, Inc. are both corporations that have elected to be treated as an S Corporation for income tax purposes. Consequently, all tax effects of the Company's income or loss are passed through to, and reported by, the shareholders individually. Accordingly, no provision for income taxes has been included in the accompanying consolidated financial statements.

ASC 740, Income Taxes ("ASC 740"), prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return as well as guidance on de-recognition, classification, interest and penalties and financial statement reporting disclosures. For these benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. For the avoidance of doubt, the Company did not require any reserves for tax positions described in this paragraph as of December 31, 2020 and 2019.

The Company recognizes interest and penalties accrued on any unrecognized tax exposures as a component of income tax expense. The Company does not have any amounts accrued relating to interest and penalties as of December 31, 2020 and 2019. The Company is subject to routine audits by taxing jurisdictions; however there are currently no audits in progress.

O. Other Comprehensive Income

The Company has adopted ASC 220, Comprehensive Income, which requires the reporting of comprehensive income in addition to net income from operations. Comprehensive income is a more inclusive financial reporting methodology that includes disclosure of certain financial information that historically has not been recognized in the calculation of net income. Other comprehensive income as of December 31, 2020 and 2019 consists of changes in the minimum pension liability recognized under ASC 715, Compensation – Retirement Benefits (Note 6), and net unrealized gains from Greenspring Funds and Unaffiliated Funds (Note 1 Item G).

P. Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which will be effective for fiscal years beginning after December 15, 2021. The distinction between finance leases (previously capital leases) and operating leases is substantially similar to the distinction between capital leases and operating leases in the previous lease guidance. Lessor accounting is also largely unchanged. For lessees, leases under both categories will be reported on the balance sheet as a depreciable right-to-use asset and a liability to make lease payments. The asset and liability should be initially measured at the present value of the lease payments, including payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. The asset will be depreciated and the liability will be reduced by lease payments. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. Management is currently evaluating the timing of its adoption and the impact of adopting the new leases standard on its consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which amends the existing accounting standards for revenue recognition. ASU 2014-09 supersedes the revenue recognition requirements in ASC 605 and most industry-specific guidance throughout the Industry Topics in the ASC. Under the new standard, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

In June 2020, the FASB deferred the effective date of the revenue recognition guidance for non-public entities to reporting periods beginning after December 15, 2019. Early adoption is permitted. The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. The adoption of ASU 2014-09 did not have a material impact on the Company’s financial statements.

2. Related Party Arrangements

A. Internal Legal Counsel

Certain Greenspring Funds may incur legal expenses for services provided by legal counsel who is an employee of Greenspring, referred to herein as “Internal Legal Counsel”. In accordance with the governing documents of certain Greenspring Funds, such legal fees are charged to the Greenspring Funds at a rate of $350 per hour. The Company recognized income for such services provided by internal legal counsel totaling $275,947 and $354,672 for the years ended December 31, 2020 and 2019, respectively.

3. Lease Commitments

The Company is obligated under two operating leases for office space that expire in June 2022 and June 2024. Future minimum rental payments under these leases are as follows:

Years Ending December 31:		
2021	$	925,072
2022		849,918
2023		768,139
2024		390,484
Total	$	2,933,613

The associated rent expense totaled $985,804 and $837,964 for the years ended December 31, 2020 and 2019 and is included in general and administrative expenses in the accompanying Consolidated Statement of Operations.

4. Line of Credit

Greenspring maintains a revolving line of credit with Silicon Valley Bank in the amount of $7,500,000 with the ability to flex up to $15,000,000 at the sole discretion of Silicon Valley Bank. The line expired on May 23, 2021. Borrowings bear interest per annum at Wall Street Journal prime rate. The Wall Street Journal prime rate was 3.25% and 4.75% as of December 31, 2020 and 2019, respectively. Therefore, the effective interest rate was 3.25% and 4.75% as of December 31, 2020 and 2019, respectively. Interest on the outstanding balance is due and payable monthly. Interest expense paid related to the line of credit for the years ended December 31, 2020 and 2019 was $21,391 and $2,068, respectively. As of December 31, 2020 and 2019 Greenspring had outstanding borrowings of $0 under the line of credit.

The credit agreement includes a restrictive covenant requiring management fee revenue of $45,000,000 and $35,000,000 annually as of December 31 2020 and 2019, respectively. As of December 31, 2020 and 2019, Greenspring was in compliance with this covenant.

5. Current and Long Term Debt Obligations

On October 25, 2018, the Brightside entered a long term financing arrangement with Citi National Bank in the amount of $18,352,000. Principal and interest are due and payable monthly. This loan bears interest at an annual rate of 4.89%. This loan must be repaid in full on or before October 25, 2025. The outstanding principal balance as of December 31, 2020 and 2019 was $16,455,559 and $17,355,784, respectively. The current portion as of December 31, 2020 and 2019 was $845,246 and $900,225, respectively. Interest expense recognized and paid for the years ended December 31, 2020 and 2019 totaled $828,699 and $871,576, respectively.

On March 31, 2017, the Company entered into a long term financing arrangement with one of its shareholders for the purposes of funding the initial operations of the wholly owned subsidiary, Brightside. This loan bears interest at an annual rate equal to the Applicable Federal Rate as determined by the IRS under Section 1274(d) of the Internal Revenue Code. Principal and interest are due and payable to the shareholder upon the earliest to occur of (a) the dissolution of the Company, or (b) the date the undersigned ceases to be a shareholder of

Greenspring. Any payment or prepayments are first to be applied against any accrued and unpaid interest and second against the advances of the principal sum outstanding. As of December 31, 2020 and 2019, the Company's outstanding balance under this loan obligation was $3,275,193 and $3,228,180, respectively. Interest expense recognized for the years ended December 31, 2020 and 2019 totaled $44,464 and $79,714, respectively.

Future minimum payments on long term debt obligations are as follows:

Years Ending December 31:		
2021	$	945,246
2022		992,519
2023		1,042,156
2024		1,094,275
2025		12,381,363
Total	$	16,455,559

6. Employee Profit-Sharing Plan

The Company maintains a 401(k) profit-sharing plan covering substantially all employees. Employees are permitted, within limitations imposed by the tax law, to make pre-tax contributions to the plan pursuant to salary reduction agreements. The Company may make discretionary matching contributions to the plan equal to a uniform percentage of the employees salary deferrals. Discretionary percentages are determined on an annual basis. The plan expense for the year ended December 31, 2020 and 2019 totaled $1,351,946 and $732,668.

7. Defined Benefit Plan

The Company administers a defined benefit pension plan that covers eligible high-level employees. The benefits are based on years of service and compensation.

ASC 715, Compensation – Retirement Benefits, requires employers to fully recognize the obligations associated with single-employer defined benefit pension, retiree healthcare and other postretirement plans in their financial statements. Funded status is measured as the difference between plan assets at fair value and the projected benefit obligation as of the end of the employer's fiscal year.

In accordance with ASC 715 and ASC 220, the Company recognized other comprehensive loss relating to the defined benefit plan of $145,023 and $255,648 for the years ended December 31, 2020 and 2019.

The funded status and amounts recognized on the accompanying consolidated balance sheet relating to the defined benefit plan are as follows for the years ended December 31, 2020 and 2019:

	2020	2019
Change in benefit obligation:		
Projected benefit obligation at beginning of year	$2,581,758	$1,564,755
Service cost	672,691	560,834
Interest cost	84,697	66,832
Actuarial (gain) loss	433,985	389,337
Projected benefits obligation at end of year	$3,773,131	$2,581,758
Change in plan assets:		
Fair value of plan assets at beginning of year	$1,710,366	$ 759,481
Actual return on plan assets	428,190	215,885
Employer contribution	848,000	735,000
Fair value of plan assets at end of year	$2,986,556	$1,710,366
Funded status:	$ (786,575)	$ (871,392)
Unrecognized net actuarial gain	—	—
Unrecognized prior service cost	—	—
Accrued pension liability	$ (786,575)	$ (871,392)

The accumulated benefit obligation totaling $786,575 and $871,392 as of December 31, 2020 and 2019, respectively is recorded in other noncurrent liabilities in the accompanying Consolidated Balance Sheet.

The following assumptions were used to determine the net periodic pension costs and benefit obligations as follows as of December 31, 2020 and 2019:

	2020	2019
Weighted-average assumptions used to determine benefit obligation:		
Discount rate	2.50%	3.25%
Compensation increase rate	3.00%	3.00%
Weighted-average assumptions used to determine net periodic benefit cost:		
Discount rate	3.25%	4.25%
Expected long-term rate of return on assets	5.50%	5.50%
Compensation increase rate	3.00%	3.00%
The components of net periodic benefit cost are as follows:		
Service cost	$ 672,691	$560,834
Interest cost	84,697	66,832
Expected return on plan assets	(140,710)	(82,196)
Amortization of net actuarial loss	1,482	—
Net periodic benefit cost	$ 618,160	$545,470
Other changes in plan assets and benefit obligations recognized in other comprehensive loss are as follows:		
Net actuarial loss	$ 146,505	$255,648
Amortization of net actuarial gain	(1,482)	—
Total recognized in net periodic benefit cost and other comprehensive loss:	$ 763,183	$801,118

The Company determines the expected long-term rate of return on assets by taking into consideration the current asset mix of debt and equity securities. Additional consideration is given to the Plan's historical returns as well as future long range projections of investment returns.

The Plan assets are to be solely invested in mutual funds. The Plan's trustee shall at all times in making investments of the Plan assets consider, among other factors, the short and long term financial needs of the Plan.

The Plan assets are invested in a manner necessary to meet expected future benefits earned by participants. The objectives of the target allocations are to minimize risk and to achieve asset returns that meet or exceed the Plan's actuarial assumptions.

The investment allocation and performance is periodically reviewed by the Company and a designated third-party fiduciary to ensure that assets are invested in a manner consistent with the goals of the Plan.

The asset's or liability's fair value measurement level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2020 and 2019.

A description of the valuation methodologies used for assets measured at fair value is listed below.

Mutual Funds: Valued at the closing price of shares held by the Plan at year-end. Shares are traded on an active market.

The fair values of the Company's Plan assets by asset category are as follows as of December 31, 2020:

	Fair Value Measurements at December 31, 2020			
Asset Category	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 2,986,556	$ —	$ —	$ —
Total plan assets at fair value	$ 2,986,556	$ —	$ —	$ —

	Fair Value Measurements at December 31, 2020			
Asset Category	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 1,710,366	$ —	$ —	$ —
Total plan assets at fair value	$ 1,710,366	$ —	$ —	$ —

Assets of the Plan are invested in a manner consistent with fiduciary standards of the Employees Retirement Income Security Act of 1974 (ERISA); namely, (a) the safeguards and diversity to which a prudent investor would adhere must be present, and (b) all transactions undertaken on behalf of the Plan must be for the sole interest of Plan participants and beneficiaries, to provide benefits in a prudent manner. Investment objectives of the Plan include preserving the value of Plan assets, providing sufficient liquidity to Plan benefit payment outflows and meeting Plan requirements.

The Company expects to contribute $360,000 to the Plan over the year ending December 31, 2021. However, the Company reserves the right to contribute more or less than this amount depending on legal requirements, current economic conditions, cash flow considerations, or other internal issues. No benefit payments are expected to be paid through 2027.

8. Subsequent Events

As previously mentioned in Footnote 4, Greenspring's revolving line of credit facility with Silicon Valley Bank expired on May 23, 2021. The line was subsequently renewed through May 23, 2022 with no significant changes in terms.

Effective March 31, 2021 Greenspring transferred all of its Investments in Greenspring Funds, as described in Footnote 1.G, to related parties. Greenspring received no consideration in return for these interests.

Effective May 31, 2021, GBOS transferred all of its Investments in Unaffiliated Funds, as described in Footnote 1.G, to related parties. GBOS received no consideration in return for these interests.

On April 23, 2021, Greenspring Associates, Inc. distributed all the assets and liabilities of Brightside Mechanical, LLC ("Brightside") to a shareholder. Greenspring no longer has an agreement to lease an aircraft from Brightside or any other party and Brightside was dissolved on July 6, 2021.

On July 7, 2021, the Company announced it has agreed to be acquired by Stepstone Group, Inc. The transaction is expected to close before the end of 2021.

The Company evaluated for disclosure any subsequent events through July 23, 2021, the date on which the consolidated financial statements were available to be issued and determined that there were no further material items that warrant disclosure.

EXHIBIT 99.2

Greenspring Associates, Inc. and Affiliates
(a Delaware Corporation)
Condensed Combined Consolidated Financial Statements (Unaudited)
For the Three and Six Months Ended June 30, 2021 and 2020

The accompanying notes are an integral part of the condensed combined consolidated financial statements.

Greenspring Associates, Inc. and Affiliates
Condensed Combined Consolidated Balance Sheets (Unaudited)

	June 30, 2021	December 31, 2020
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 5,995,244	$ 8,744,210
Accounts Receivable	110,963	3,059,029
Due from Greenspring Funds	691,637	1,771,925
Due from Shareholders	24,882	379,144
Due from Employees	7,357	7,140
Prepaid Expenses & Other Current Assets	1,020,959	964,299
Total Current Assets	**7,851,042**	**14,925,747**
Long-Term Assets:		
Fixed Assets, Net	1,071,884	14,415,595
Intangible Assets, Net	4,946	6,594
Investments in Greenspring Funds, at Fair Value	—	7,034,388
Investments in Unaffiliated Funds, at Fair Value	—	1,753,998
Other Assets	40,097	40,097
Total Assets	**$ 8,967,969**	**$ 38,176,419**
Liabilities & Shareholders' Equity		
Current Liabilities:		
Accounts Payable	$ 4,250	$ 25,485
Accrued Expenses & Other Current Liabilities	6,150,967	2,846,877
Loan Payable, Current	—	945,426
Total Current Liabilities	**6,155,217**	**3,817,788**
Long-Term Liabilities:		
Other Non-Current Liabilities	383,308	19,571,901
Total Long-Term Liabilities	**383,308**	**19,571,901**
Total Liabilities	**6,538,525**	**23,389,689**
Shareholders' Equity:		
Shareholders' Equity	2,429,444	14,786,730
Total Shareholders' Equity	**2,429,444**	**14,786,730**
Total Liabilities & Shareholders' Equity	**$ 8,967,969**	**$ 38,176,419**

The accompanying notes are an integral part of the condensed combined consolidated financial statements.

Greenspring Associates, Inc. and Affiliates
Condensed Combined Consolidated Statements of Operations (Unaudited)

	For the Three Months Ended June 30: 2021	For the Three Months Ended June 30: 2020	For the Six Months Ended June 30: 2021	For the Six Months Ended June 30: 2020
Revenues				
Net Revenues	$19,938,628	$16,765,070	$39,485,819	$30,054,740
Total Revenues	19,938,628	16,765,070	39,485,819	30,054,740
Expenses				
Salaries, Bonuses, & Other Payroll Related Expenses	13,414,841	7,936,125	22,350,817	14,848,552
General & Administrative Expenses	2,862,338	3,430,350	5,516,047	6,037,804
Travel Expenses	114,908	508,379	775,292	1,338,129
Depreciation & Amortization Expense	381,563	962,288	1,348,780	1,925,285
Interest Expense	66,047	449,238	278,203	449,238
Total Expenses	16,839,697	13,286,380	30,269,139	24,599,008
Operating Income	3,098,931	3,478,690	9,216,680	5,455,732
Net Gain on Distribution of Fixed Assets	5,625,272	—	5,625,272	—
Total Gain/(Loss)	5,625,272	—	5,625,272	—
Net Income	**$ 8,724,203**	**$ 3,478,690**	**$14,841,952**	**$ 5,455,732**
Other Comprehensive Income				
Net Unrealized Gain/(Loss) from Greenspring Funds	$ —	$ 946,372	$ (7,020,466)	$ 843,378
Net Unrealized Gain/(Loss) from Unaffiliated Funds	(1,781,460)	351,114	(1,753,998)	358,590
Total Other Comprehensive Income/(Loss)	(1,781,460)	1,297,486	(8,774,464)	1,201,968
Total Comprehensive Income	**$ 6,942,743**	**$ 4,776,176**	**$ 6,067,488**	**$ 6,657,700**

The accompanying notes are an integral part of the condensed combined consolidated financial statements.

Greenspring Associates, Inc. and Affiliates
Condensed Combined Consolidated Statements of Shareholders’ Equity (Unaudited)

	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at January 1, 2021	$ 6,418,777	$ 8,367,953	$ 14,786,730
Net Income	6,117,749	—	6,117,749
Dividends Paid	(5,858,446)	—	(5,858,446)
Net Unrealized Loss from Greenspring Funds	—	(7,020,466)	(7,020,466)
Net Unrealized Gains from Unaffiliated Funds	—	27,462	27,462
Balance at March 31, 2021	**$ 6,678,080**	**$ 1,374,949**	**$ 8,053,029**
Net Income	8,724,203	—	8,724,203
Dividends Paid	(12,566,328)	—	(12,566,328)
Net Unrealized Loss from Unaffiliated Funds	—	(1,781,460)	(1,781,460)
Balance at June 30, 2021	**$ 2,835,955**	**$ (406,511)**	**$ 2,429,444**

The accompanying notes are an integral part of the condensed combined consolidated financial statements.

Greenspring Associates, Inc. and Affiliates
Condensed Combined Consolidated Statements of Shareholders' Equity (Unaudited)

	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at January 1, 2020	$ 2,360,181	$ 2,267,149	$ 4,627,330
Net Income	1,977,042	—	1,977,042
Dividends Paid	(4,846,387)	—	(4,846,387)
Net Unrealized Loss from Greenspring Funds	—	(102,994)	(102,994)
Net Unrealized Gains from Unaffiliated Funds	—	7,476	7,476
Balance at March 31, 2020	**$ (509,164)**	**$ 2,171,631**	**$ 1,662,467**
Net Income	3,478,690	—	3,478,690
Dividends Paid	(2,515,531)	—	(2,515,531)
Net Unrealized Gains from Greenspring Funds	—	946,372	946,372
Net Unrealized Gains from Unaffiliated Funds	—	351,114	351,114
Balance at June 30, 2020	**$ 453,995**	**$ 3,469,117**	**$ 3,923,112**

The accompanying notes are an integral part of the condensed combined consolidated financial statements.

Greenspring Associates, Inc. and Affiliates
Condensed Combined Consolidated Statement of Cash Flows (Unaudited)

	Six Months Ended June 30: 2021	2020
Cash Flows from Operating Activities		
Net Income	$ 14,841,952	$ 5,455,732
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation & Amortization Expense	1,348,780	1,925,285
Change in Operating Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	2,948,066	(227,732)
Decrease in Due from Greenspring Funds	1,080,288	1,121,765
(Increase)/Decrease in Due from Shareholders	368,184	(34,027)
(Increase)/Decrease in Due from Employees	(217)	13,318
(Increase)/ Decrease in Prepaid Expenses & Other Current Assets	(56,660)	55,990
Decrease in Accounts Payable	(21,235)	(388,997)
Increase in Accrued Expenses & Other Current Liabilities	3,304,090	459,789
Decrease in Other Non-Current Liabilities	(403,267)	(562,861)
Net Cash Provided by Operating Activities	23,409,981	7,818,262
Cash Flows from Investing Activities		
Purchases of Fixed Assets	(18,242)	(215,751)
Distribution of Fixed Assets	12,014,821	—
Cash Paid for Investments in Greenspring Funds	—	(160)
Net Cash Provided by (Used in) Investing Activities	11,996,579	(215,911)
Cash Flows from Financing Activities		
Payments of Dividends	(18,424,774)	(7,361,918)
Proceeds from Line of Credit	—	6,760,000
Repayments of Line of Credit	—	(6,271,689)
Repayments of Loan Borrowings	(19,730,752)	—
Net Cash Used in Financing Activities	(38,155,526)	(6,873,607)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,748,966)	728,744
Cash and Cash Equivalents		
Beginning of Period	8,744,210	3,125,390
End of Period	$ 5,995,244	$ 3,854,134

The accompanying notes are an integral part of the condensed combined consolidated financial statements.

1. Description of Business and Summary of Significant Accounting Policies

A. Description of the Business

Greenspring Associates, Inc. is the parent company of Greenspring Associates, L.P. Greenspring Associates, L.P. is the sole member of Greenspring Associates, LLC. Greenspring Associates, LLC ("Greenspring") provides financial and investment advisory services as required for the benefit of various private investment funds as well as certain investment accounts (collectively, the "Greenspring Funds"). A related person of Greenspring generally acts as general partner of each Greenspring Fund. Greenspring controls investments made on behalf of many of the Greenspring Funds (such Greenspring Funds, the "Greenspring Discretionary Funds") and makes investment recommendations on behalf of other Greenspring Funds (such Greenspring Funds, the "Greenspring Advisory Funds").

Greenspring Associates, L.P. is also the sole member of Brightside Mechanical, LLC ("Brightside"). Greenspring had an agreement to lease an aircraft from Brightside during the six months ended June 30, 2021 and 2020. On April 23, 2021, Greenspring Associates, Inc. distributed all the assets and liabilities of Brightside to a shareholder. Greenspring no longer has an agreement to lease an aircraft from Brightside or any other party.

Other than its interest in Greenspring and Brightside, Greenspring Associates, Inc. and Greenspring Associates, L.P. do not have further business activities.

Greenspring Associates (UK) Limited ("Greenspring UK"), Greenspring Associates (China), LLC and Greenspring Beijing Consulting Co, Ltd. (collectively, "Greenspring China") are subsidiaries of Greenspring.

Greenspring Back Office Solutions, Inc. has a controlling interest in Greenspring Back Office Solutions, LLC ("GBOS"). GBOS primarily provides administrative services to unaffiliated investment advisors and their private funds (the "Unaffiliated Funds").

Greenspring Associates, Inc and Greenspring Back Office Solutions, Inc. are under common control. Therefore, the financial statements of Greenspring Associates, Inc, Greenspring Associates, L.P., Greenspring, Greenspring UK, Greenspring China, Greenspring Back Office Solutions, Inc and GBOS (collectively, the "Company") are presented herein on a combined consolidated basis.

B. Principles of Combination and Consolidation

The combined consolidated financial statements include the accounts of Greenspring Associates, Inc, Greenspring Associates, L.P., Greenspring, Greenspring UK, Greenspring China, Greenspring Back Office Solutions, Inc and GBOS. All significant intercompany balances and transactions have been eliminated in combination and consolidation.

C. Basis of Accounting

The unaudited condensed combined consolidated financial statements have been presented on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles in the United States ("GAAP").

D. Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company maintains cash accounts with insured financial institutions. At times, balances may exceed insured limits. The Company relies on the soundness of financial institutions holding the Company’s deposits and believes that the Company’s risk related to cash is negligible.

F. Accounts Receivable

Accounts receivable primarily represent expenses incurred on behalf of various entities and individuals which will ultimately be reimbursed to Greenspring, and management fees earned but not yet received. The Company believes that the accounts receivable balances are fully collectible; therefore no allowance for doubtful accounts has been recorded as of June 30, 2021 and December 31, 2020.

G. Investments in Greenspring Funds and Unaffiliated Funds and Fair Value Measurement

The primary purpose of the Greenspring Funds and Unaffiliated Funds is to generate significant returns for their respective partners, principally through long-term capital appreciation, by making, holding, and disposing of privately negotiated equity and equity-related investments (“Portfolio Investments”), principally in (i) venture capital and private equity partnerships (“Portfolio Funds”) and (ii) operating companies (“Portfolio Companies”).

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in the markets that are not considered to be active;

Level 3: Inputs that are unobservable.

Inputs are used in applying various valuation techniques and broadly refer to the assumptions that market participants would use to make valuation decisions, including assumptions about risk. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "unobservable" requires significant judgment by the Company. The Company considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market.

In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Update 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share ("ASU 2015-07"), the Company does not categorize, within the fair value hierarchy, investments for which fair values are estimated using the net asset value practical expedient provided by ASC 820, Fair Value Measurement and Disclosures ("ASC 820").

The fair market value of the Greenspring Funds and Unaffiliated Funds is recorded as the net asset value of the investment as reported to the Company by the Greenspring Fund and Unaffiliated Funds and as such, investments in the Greenspring Funds and Unaffiliated Funds are deemed to be valued using the net asset value practical expedient.

Effective March 31, 2021 Greenspring transferred all of its Investments in Greenspring Funds to related parties. Greenspring received no consideration in return for these interests. The following tables summarize the Greenspring's interests in the Greenspring Funds as of December 31, 2020:

Entity	Cost Basis	Fair Value	Unrealized Gain / (Loss)
Greenspring Global Partners II, L.P.	$ —	$ 2,086	$ 2,086
Greenspring Global Partners VIII, L.P.	1,000	369,923	368,923
Greenspring Global Partners IX, L.P.	500	273,319	272,819
Greenspring Secondaries Fund II, L.P.	667	1,108,608	1,107,941
Greenspring Secondaries Fund III, L.P.	1,000	2,465,432	2,464,432
Greenspring Opportunities IV, L.P.	666	1,561,094	1,560,428
Greenspring Opportunities V, L.P.	1,000	881,684	880,684
Greenspring Micro I, L.P.	667	30,189	29,522
Greenspring Micro II, L.P.	1,000	14,479	13,479
Greenspring Impact I, L.P.	1,000	—	(1,000)
Greenspring Early Stage I, L.P.	1,000	125,825	124,825
Greenspring Growth Equity IV, L.P.	2,000	146,221	144,221
Greenspring Growth Equity IV-MR, L.P.	1,000	11,153	10,153
Greenspring IL Special, L.P.	1,000	42,467	41,467
Greenspring SK Special, L.P.	1,422	1,908	486
Investments in Greenspring Funds	$ 13,922	$7,034,388	$7,020,466

Effective May 31, 2021, GBOS transferred all of its Investments in Unaffiliated Funds to related parties. GBOS received no consideration in return for these interests. The following table summarizes the Company's interests in the Unaffiliated Funds as of December 31, 2020:

Entity	Cost Basis	Fair Value	Unrealized Gain / (Loss)
Sagamore China Partners III, L.P.	$ —	$1,097,723	$1,097,723
Sagamore China Partners IV, L.P.	—	585,585	585,585
Sagamore China Partners V, L.P.	—	70,690	70,690
Investments in Unaffiliated Funds	$ —	$1,753,998	$1,753,998

H. Fixed Assets

All capitalized fixed assets are carried at cost less accumulated depreciation and amortization. Depreciation and amortization expense is determined by the use of the straight-line method over the estimated useful lives of the related assets ranging from 5 to 39 years or the lease terms. Additions and betterments are capitalized, and costs of repairs and maintenance are expensed as incurred. The related costs and accumulated depreciation and amortization are eliminated from the accounts when an asset is sold or retired and the related gain or loss is credited or charged to earnings.

Fixed assets consist of the following as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
Computers and Equipment	1,440,968	$ 1,422,726
Furniture and Fixtures	904,312	904,312
Leasehold Improvements	$ 632,322	632,322
Business Aircraft	—	21,099,197
Fixed Assets, Gross	2,977,602	24,058,557
Accumulated Depreciation	(1,905,718)	(9,642,962)
Fixed Assets, Net	$ 1,071,884	$ 14,415,595

Depreciation expense totaled $380,739 and $961,464 for the three months ended June 30, 2021 and 2020, respectively and $1,347,132 and $1,923,637 for the six months ended June 30, 2021 and 2020, respectively.

I. Intangible Assets

The Company's intangible assets subject to amortization consists of a trademark that was capitalized in 2008 and is being amortized over a 15 year period.

Following is a summary of intangible assets as of June 30, 2021 and December 31, 2020, respectively.

	June 30, 2021	December 31, 2020
Trademarks	$ 49,451	$ 49,451
Accumulated Amortization	(44,505)	(42,857)
Intangibles, Net	$ 4,946	$ 6,594

Amortization expense totaled $824 and $824 for the three months ended June 30, 2021 and 2020, respectively, and $1,648 and $1,648 for the six months ended June 30, 2021 and 2020, respectively.

J. Valuation of Long-Lived Assets

The Company accounts for the valuation of long-lived assets in accordance with ASC 360, Property, Plant, and Equipment ("ASC 360"). ASC 360 requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed are reportable at the lower of the carrying amount or fair value, less costs to sell. As of June 30, 2021 and December 31, 2020, management does not believe any long-lived assets are impaired and has not identified any assets as being held for disposal.

K. Due from Greenspring Funds

Certain expenses of the Greenspring Funds may be paid initially by the Company and later reimbursed for administrative convenience. Such amounts are recorded on the Condensed Combined Consolidated Balance Sheet accordingly.

As of June 30, 2021 and December 31, 2020, the Company has $691,637 and $1,771,925 due from Greenspring Funds, respectively.

L. Due from Shareholders and Due from Employees

Amounts due to the Company from shareholders and employees are recorded on the Condensed Combined Consolidated Balance Sheet accordingly. Such amounts, if outstanding for a period greater than 30 days, bear interest at an annual rate equal to the Applicable Federal Rate as determined by the IRS under Section 1274(d) of the Internal Revenue Code. Principal and interest are due and payable upon the earliest to occur of (a) the dissolution of the Company, or (b) the date the undersigned ceases to be a partner of the Company. Any payment or prepayments are first applied against any accrued and unpaid interest and second against the advances of the principal sum outstanding.

M. Revenue Recognition

The Company's revenue is primarily derived from contracts with customers in the form of management fees and administrative fees, as well as performance fees in the form of a profits interest.

Management fees – For its advisory, administrative and management functions, Greenspring generally receives a management advisory fee, billed on a quarterly basis, from each of the Greenspring Funds equal to a percentage of the commitments to a Greenspring Fund, capital drawn by a Greenspring Fund, the total amount of capital committed to underlying portfolio funds and/or portfolio companies of a Greenspring Fund and/or the cost basis or the fair market value of a Greenspring Fund's investments. The percentage amount varies with the type of Greenspring Fund and over the life of the Greenspring Fund, and where paid, generally ranges from 0.0% to 2.5% annually, as negotiated and determined at the time a Greenspring Fund or advisory arrangement is established. Consideration from the Greenspring Funds may be fixed or variable. Consideration that is variable is due to the uncertainty of the basis used to calculate the fee during each distinct service period. At the time of payment, there is no uncertainty around management fees earned. At the end of each period, the Company records revenue for the actual amount of management fees earned for that period because the uncertainty has been resolved.

Administrative fees – For its administrative services, GBOS generally receives an administrative fee, billed on a quarterly or semi-annual basis, from the private funds to which it provides services. The amount of the administrative fees are fixed as outlined in the administrative services agreements with each unaffiliated investment manager. At the end of each period, the Company records revenue for the actual amount of administrative fees earned for that period.

Performance fees – The Company is eligible to earn an incentive allocation in the form of a profits interest in some of the Greenspring Funds and Unaffiliated Funds. The profits interest, if earned, is recognized upon receipt of the cash proceeds in excess of its basis in the relevant Greenspring Funds and Unaffiliated Funds. The profits interest is subject to uncertainty of market volatility, and as a result, the entire amount of the variable consideration related to the profits interest is constrained until the end of each measurement period. At the end of the measurement period, revenue is recorded for the actual amount of profits interest earned and received during that period. As the profits interest received in any period is non-refundable, the uncertainty has been resolved upon receipt. The profits interests earned may be refundable to the Greenspring Funds and Unaffiliated Funds. The revenue recorded for the reporting periods are non-refundable and therefore there is no uncertainty.

N. Income Taxes

Greenspring Associates, Inc. and Greenspring Back Office Solutions, Inc. are both corporations that have elected to be treated as an S Corporation for income tax purposes. Consequently, all tax effects of the Company's income or loss are passed through to, and reported by, the shareholders individually. Accordingly, no provision for income taxes has been included in the accompanying condensed combined consolidated financial statements.

ASC 740, Income Taxes ("ASC 740"), prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return as well as guidance on de-recognition, classification, interest and penalties and financial statement reporting disclosures. For these benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. For the avoidance of doubt, the Company did not require any reserves for tax positions described in this paragraph.

The Company recognizes interest and penalties accrued on any unrecognized tax exposures as a component of income tax expense. The Company does not have any amounts accrued relating to interest and penalties as of the reporting periods. The Company is subject to routine audits by taxing jurisdictions; however there are currently no audits in progress.

O. Other Comprehensive Income

The Company has adopted ASC 220, Comprehensive Income, which requires the reporting of comprehensive income in addition to net income from operations. Comprehensive income is a more inclusive financial reporting methodology that includes disclosure of certain financial information that historically has not been recognized in the calculation of net income. Other comprehensive income as consists of changes in the minimum pension liability recognized under ASC 715, Compensation – Retirement Benefits (Note 6), and net unrealized gains from Greenspring Funds and Unaffiliated Funds (Note 1 Item G).

P. Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which will be effective for fiscal years beginning after December 15, 2021. The distinction between finance leases (previously capital leases) and operating leases is substantially similar to the distinction between capital leases and operating leases in the previous lease guidance. Lessor accounting is also largely unchanged. For lessees, leases under both categories will be reported on the balance sheet as a depreciable right-of-use asset and a liability to make lease payments. The asset and liability should be initially measured at the present value of the lease payments, including payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. The asset will be depreciated and the liability will be reduced by lease payments. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. Management is currently evaluating the timing of its adoption and the impact of adopting the new leases standard on its condensed combined consolidated financial statements.

2. Lease Commitments

The Company is obligated under two operating leases for office space that expires in June 2022 and June 2024, respectively. Future minimum rental payments under these leases are as follows:

Remainder of 2021	$ 463,710
Year ended December 31, 2022	849,918
Year ended December 31, 2023	768,139
Year ended December 31, 2024	390,484
Total	$2,472,251

The associated rent expense totaled $244,560 and $206,948 for the three months ended June 30, 2021 and 2020, respectively, and $491,496 and $409,062 for the six months ended June 30, 2021 and 2020. Rent expense is included in general and administrative expenses in the accompanying Condensed Combined Consolidated Statements of Operations.

3. Line of Credit

Greenspring maintains a revolving line of credit with Silicon Valley Bank in the amount of $7,500,000 with the ability to flex up to $15,000,000 at the sole discretion of Silicon Valley Bank. Borrowings bear interest per annum at Wall Street Journal prime rate. The Wall Street Journal prime rate was 3.25% and 3.25% as of June 30, 2021 and December 31, 2020, respectively. Therefore, the effective interest rate was 3.25% and 3.25% as of June 30, 2021 and December 31, 2020, respectively. Interest on the outstanding balance is due and payable monthly. Interest expense paid related to the line of credit was $0 and $4,804 for the three months ended June 30, 2021 and 2020, respectively, and $0 and $4,804 for the six months ended June 30, 2021 and 2020, respectively.

As of June 30, 2021 and December 31, 2020, Greenspring had outstanding borrowings of $0 under the line of credit.

The credit agreement includes a restrictive covenant requiring management fee revenue of $45,000,000 annually as of June 30, 2021 and 2020. Greenspring was in compliance with this covenant during the reporting periods.

4. Current and Long Term Debt Obligations

On October 25, 2018, Brightside entered into a long term financing arrangement with Citi National Bank in the amount of $18,352,000. Principal and interest are due and payable monthly. This loan bears interest at an annual rate of 4.89%. This loan must be repaid in full on or before October 25, 2025. As described in Footnote 1.A, the loan was distributed to a shareholder as of April 23, 2021.

The outstanding principal balance as of June 30, 2021 and December 31, 2020 was $0 and $16,455,559, respectively.

Interest expense recognized and paid for the three months ended June 30, 2021 and 2020 totaled $66,047 and $435,284, respectively, and for the six months ended June 30, 2021 and 2020 totaled $266,273 and $419,842, respectively.

On March 31, 2017, the Company entered into a long term financing arrangement with one of its shareholders for the purposes of funding the initial operations of the wholly owned subsidiary, Brightside. This loan bears interest at an annual rate equal to the Applicable Federal Rate as determined by the IRS under Section 1274(d) of the Internal Revenue Code. Principal and interest are due and payable to the shareholder upon the earliest to occur of (a) the dissolution of the Company, or (b) the date the undersigned ceases to be a shareholder of Greenspring. Any payment or prepayments are first to be applied against any accrued and unpaid interest and second against the advances of the principal sum outstanding. As described in Footnote 1.A, the loan was distributed to a shareholder as of April 23, 2021.

As of June 30, 2021 and 2020, the Company’s outstanding balance under this loan obligation was $0 and $3,256,694 respectively.

Interest expense recognized for the three months ended June 30, 2021 and 2020 totaled $0 and $9,150, respectively, and for the six months ended June 30, 2021 and 2020 totaled $11,930 and $24,592, respectively.

5. Employee Profit-Sharing Plan

The Company maintains a 401(k) profit-sharing plan covering substantially all employees. Employees are permitted, within limitations imposed by the tax law, to make pre-tax contributions to the plan pursuant to salary reduction agreements. The Company may make discretionary matching contributions to the plan equal to a uniform percentage of the employees salary deferrals. Discretionary percentages are determined on an annual basis. The plan expense for the three months ended June 30, 2021 and 2020 totaled $309,368 and $203,007 respectively, and for the six months ended June 30, 2021 and 2020 totaled $655,739 and $602,257, respectively.

6. Defined Benefit Plan

The Company administers a defined benefit pension plan that covers eligible high-level employees. The benefits are based on years of service and compensation.

The net periodic benefit cost for the Company's pension plan was $154,628 and $167,951 for the three months ended June 30, 2021 and 2020, respectively, and $309,256 and $304,318 for the six months ended June 30, 2021 and 2020, respectively.

For the six months ended June 30, 2020, $848,000 was contributed to the plan. For the six months ended June 30, 2021, $662,000 was contributed to the plan. No future contributions to the plan are expected during the year ended December 31, 2021.

7. Subsequent Events

On July 7, 2021, the Company announced it has agreed to be acquired by Stepstone Group, Inc. The transaction is expected to close by the end of 2021.

Shortly after the closing of the transaction it is expected that Greenspring China and Greenspring UK will be dissolved.

Notice was given on August 24, 2021 to plan participants that the defined benefit plan, as described in Footnote 6, will be terminated as of October 23, 2021.

As described in Footnote 1.A, Brightside distributed all of its assets and liabilities to a shareholder in April 2021. Subsequently, Brightside was dissolved on July 6, 2021.

The Company evaluated for disclosure any subsequent events through August 31, 2021, the date on which the condensed combined consolidated financial statements were available to be issued and determined that there were no further material items that warrant disclosure.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information presents information about StepStone Group Inc.'s (the "Company") consolidated balance sheet and statements of income, after giving effect to the acquisition of Greenspring Associates, Inc. and certain of its affiliates (the "Greenspring Acquisition"), and the related credit agreement entered into with various lenders (the "Credit Agreement") as further described in note 1 (collectively, the "Transactions"). The unaudited pro forma condensed combined financial information is derived and should be read in conjunction with:

- the Company's historical unaudited condensed consolidated balance sheet as of June 30, 2021 and unaudited condensed consolidated statement of income for the three months ended June 30, 2021, filed with the SEC on August 12, 2021;
- the Company's historical audited consolidated statement of income for the fiscal year ended March 31, 2021, filed with the SEC on June 23, 2021;
- Greenspring's historical unaudited condensed combined balance sheet as of June 30, 2021 and unaudited condensed combined statement of operations for the three and six months ended June 30, 2021, included in this Form 8-K/A filing; and
- Greenspring's historical audited combined statement of operations for the fiscal year ended December 31, 2020, included in this Form 8-K/A filing.

In September 2020, the Company completed an initial public offering ("IPO") and certain transactions as part of a corporate reorganization (the "Reorganization") in which it issued 20,125,000 shares of Class A common stock in the IPO at a price of $18.00 per share. The net proceeds from the offering totaled $337.8 million, net of underwriting discounts of $24.5 million and before offering costs of $9.7 million that were incurred by the Partnership. The Company used approximately $209.8 million of the net proceeds from the offering to acquire 12,500,000 newly issued Class A units of the Partnership and approximately $128.0 million to purchase 7,625,000 Class B units from certain of the Partnership's existing unitholders, including certain members of senior management.

The unaudited pro forma condensed combined balance sheet reflects the estimated effects of the Transactions as if it had been completed on June 30, 2021, and the unaudited pro forma condensed combined statements of income reflect the estimated effects of the IPO, Reorganization and Transactions as if they had been completed on April 1, 2020.

The Greenspring Acquisition was accounted for as a business combination using the acquisition method of accounting under the provisions of Accounting Standards Codification 805, *Business Combinations* ("ASC 805"), with the Company representing the accounting acquirer. The following unaudited pro forma condensed combined financial information primarily gives effect to:

- application of the acquisition method of accounting in connection with the Greenspring Acquisition;
- adjustments to reflect the financing under the Credit Agreement; and
- transaction costs incurred in connection with the Greenspring Acquisition.

The unaudited pro forma financial statements have been presented for informational purposes only and are not necessarily indicative of what the Company's combined financial position or results of operations would have been had the transaction been completed as of the dates indicated. In addition, the unaudited pro forma financial statements do not purport to project the future financial position or operating results of the combined company.

The unaudited pro forma financial statements contain adjustments that are preliminary and may be revised. There can be no assurance that such revisions will not result in material changes to the information presented in the unaudited pro forma financial statements. The assumptions underlying the pro forma adjustments are described in greater detail in the accompanying notes to the unaudited pro forma financial statements.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of June 30, 2021
(in thousands)

	Historical Company	Historical Greenspring	Historical GP Entities	Debt Financing		Transaction Accounting Adjustments		StepStone Group Inc. Pro Forma Combined
Assets								
Cash and cash equivalents	$ 218,580	$ 10,407	$ —	$182,644	5(a)	$ (202,954)	5(c),5(g)	$ 208,677
Restricted cash	4,011	—	—	—		—		4,011
Fees and accounts receivable	42,004	3,542	—	—		—		45,546
Due from affiliates	6,819	625	—	—		—		7,444
Investments:								
Investments in funds	82,894	—	—	—		—		82,894
Accrued carried interest allocations	1,072,673	—	—	—		—		1,072,673
Legacy Greenspring investments in funds and accrued carried interest allocations	—	1,781	1,046,911	—		(1,781)	5(d)	1,046,911
Deferred income tax assets	94,447	—	—	—		(93,475)	5(e)	972
Lease right-of-use assets, net	64,707	—	—	—		2,585	5(f)	67,292
Other assets and receivables	24,970	14,420	—	—		(12,308)	5(g)	27,082
Intangibles, net	4,870	6	—	—		417,125	5(h)	422,001
Goodwill	6,792	—	—	—		568,681	5(i)	575,473
Total assets	$1,622,767	$ 30,781	$1,046,911	$182,644		$ 677,873		$ 3,560,976
Liabilities and stockholders' equity								
Accounts payable, accrued expenses and other liabilities	$ 45,992	$ 2,585	$ —	$ —		$ 17,769	5(j)	$ 66,346
Accrued compensation and benefits	51,003	631	—	—		—		51,634
Accrued carried interest-related compensation	562,531	—	—	—		—		562,531
Legacy Greenspring accrued carried interest-related compensation	—	—	856,100	—		—		856,100
Due to affiliates	126,594	—	—	—		—		126,594
Deferred income tax liabilities	—	—	—	—		10,063	5(k)	10,063
Debt obligations	—	19,511	—	182,644	5(b)	(19,511)	5(g)	182,644
Lease liabilities	75,512	—	—	—		2,585	5(f)	78,097
Total liabilities	861,632	22,727	856,100	182,644		10,906		1,934,009
Class A common stock	40	5	—	—		8	5(l)	53
Class B common stock	55	—	—	—		—		55
Additional paid-in capital	205,561	19	—	—		361,585	5(l)	567,165
Retained earnings	99,057	6,655	—	—		9,529	5(l)	115,241
Accumulated other comprehensive income	215	1,375	—	—		(1,375)	5(l)	215
Total StepStone Group Inc. stockholders' equity	304,928	8,054	—	—		369,747		682,729
Non-controlling interests in subsidiaries	26,585	—	—	—		—		26,585
Non-controlling interests in legacy Greenspring entities	—	—	190,811	—		—		190,811
Non-controlling interests in the Partnership	429,622	—	—	—		297,220	5(l)	726,842
Total stockholders' equity	761,135	8,054	190,811	—		666,967		1,626,967
Total liabilities and stockholders' equity	$1,622,767	$ 30,781	$1,046,911	$182,644		$ 677,873		$ 3,560,976

See accompanying notes to unaudited pro forma condensed combined financial information.

Unaudited Pro Forma Condensed Combined Statements of Income
For the Three Months Ended June 30, 2021
(in thousands, except share and per share amounts)

	Historical Company	Historical Greenspring	Historical GP Entities	Debt Financing	Transaction Accounting Adjustments	StepStone Group Inc. Pro Forma Combined
Revenues						
Management and advisory fees, net	$ 78,061	$ 19,547	$ —	$ —	$ —	$ 97,608
Performance fees:						
Incentive fees	4,182	—	—	—	—	4,182
Carried interest allocations	226,362	—	—	—	—	226,362
Legacy Greenspring carried interest allocations	—	—	198,997	—	—	198,997
Total revenues	308,605	19,547	198,997	—	—	527,149
Expenses						
Compensation and benefits:						
Cash-based compensation	42,671	8,936	—	—	—	51,607
Equity-based compensation	3,743	—	—	—	—	3,743
Performance fee-related compensation	110,880	—	—	—	—	110,880
Legacy Greenspring performance fee-related compensation	—	—	198,997	—	—	198,997
Total compensation and benefits	157,294	8,936	198,997	—	—	365,227
General, administrative and other	16,430	4,281	—	—	6,000 6(f),6(g),6(h)	26,711
Total expenses	173,724	13,217	198,997	—	6,000	391,938
Other income (expense)						
Investment income	6,424	—	—	—	—	6,424
Legacy Greenspring investment income	—	—	19,553	—	—	19,553
Interest income	80	—	—	—	—	80
Interest expense	(6)	(212)	—	(1,124) 6(e)	212 6(f)	(1,130)
Other income (loss)	(437)	—	—	—	—	(437)
Total other income	6,061	(212)	19,553	(1,124)	212	24,490
Income before income tax	140,942	6,118	19,553	(1,124)	(5,788)	159,701
Income tax expense	14,423	—	—	—	1,702 6(i)	16,125
Net income	126,519	6,118	19,553	(1,124)	(7,490)	143,576
Less: Net income attributable to non-controlling interests in subsidiaries	5,614	—	—	—	—	5,614
Less: Net income attributable to non-controlling interests in legacy Greenspring entities	—	—	19,553	—	—	19,553
Less: Net income attributable to non-controlling interests in the Partnership	79,255	—	—	—	(9,081) 6(j)	70,174
Net income attributable to StepStone Group Inc.	$ 41,650	$ 6,118	$ —	$ (1,124)	$ 1,591	$ 48,235
Pro forma net income per share data: 6(k)						
Net income per share of Class A common stock						
Basic	$ 1.07					$ 0.92
Diluted	$ 1.06					$ 0.92
Weighted-average shares of Class A common stock						
Basic	39,042,497					52,354,913
Diluted	42,885,231					55,747,011

See accompanying notes to unaudited pro forma condensed combined financial information.

Unaudited Pro Forma Condensed Combined Statements of Income
For the Year Ended March 31, 2021
(in thousands, except share and per share amounts)

	Historical Company	Historical Greenspring	Historical GP Entities	Reorganization and IPO Adjustments	Debt Financing	Transaction Accounting Adjustments	StepStone Group Inc. Pro Forma Combined
Revenues							
Management and advisory fees, net	$ 285,462	$ 65,743	$ —	$ —	$ —	$ —	$ 351,205
Performance fees:							
Incentive fees	5,474	—	—	—	—	—	5,474
Carried interest allocations	496,780	—	—	—	—	—	496,780
Legacy Greenspring carried interest allocations	—	—	508,608	—	—	—	508,608
Total revenues	787,716	65,743	508,608	—	—	—	1,362,067
Expenses							
Compensation and benefits:							
Cash-based compensation	157,123	30,581	—	—	—	(103) 6(f)	187,601
Equity-based compensation	7,899	—	—	5,162 6(a)	—	—	13,061
Performance fee-related compensation	246,040	—	—	—	—	—	246,040
Legacy Greenspring performance fee-related compensation	—	—	508,608	—	—	—	508,608
Total compensation and benefits	411,062	30,581	508,608	5,162	—	(103)	955,310
General, administrative and other	48,485	16,535	—	—	—	52,009 6(f),6(g),6(h)	117,029
Total expenses	459,547	47,116	508,608	5,162	—	51,906	1,072,339
Other income (expense)							
Investment income	16,407	—	—	—	—	—	16,407
Legacy Greenspring investment income	—	—	54,057	—	—	—	54,057
Interest income	413	—	—	—	—	—	413
Interest expense	(7,360)	(897)	—	7,319 6(b)	(4,495) 6(e)	876 6(f)	(4,557)
Other income (loss)	220	—	—	—	—	—	220
Total other income	9,680	(897)	54,057	7,319	(4,495)	876	66,540
Income before income tax	337,849	17,730	54,057	2,157	(4,495)	(51,030)	356,268
Income tax expense	23,256	—	—	3,411 6(c)	—	1,701 6(i)	28,368
Net income	314,593	17,730	54,057	(1,254)	(4,495)	(52,731)	327,900
Less: Net income attributable to non-controlling interests in subsidiaries	23,176	—	—	—	—	—	23,176
Less: Net income attributable to non-controlling interests in legacy Greenspring entities	—	—	54,057	—	—	—	54,057
Less: Net income attributable to non-controlling interests in the Partnership	228,783	—	—	(13,603) 6(d)	—	(45,256) 6(j)	169,924
Net income attributable to StepStone Group Inc.	$ 62,634	$ 17,730	$ —	$ 12,349	$ (4,495)	$ (7,475)	$ 80,743
Pro forma net income per share data: 6(k)							
Net income per share of Class A common stock							
Basic	$ 2.11						$ 1.92
Diluted	$ 2.06						$ 1.89
Weighted-average shares of Class A common stock							
Basic	29,657,805						42,151,105
Diluted	33,274,804						45,279,461

See accompanying notes to unaudited pro forma condensed combined financial information.

Note 1 – Description of the Transaction

On September 20, 2021, the Company and StepStone Group LP, a Delaware limited partnership (the "Partnership"), completed the Greenspring Acquisition pursuant to the Transaction Agreement, dated July 7, 2021, by and among Greenspring, the Partnership, the Company, certain wholly-owned subsidiaries of the Company, sellers party thereto (the "Sellers") and Shareholder Representative Services, LLC, solely in its capacity as the initial Seller Representative (the "Transaction Agreement").

The aggregate consideration paid by the Company and the Partnership in the Greenspring Acquisition to the Sellers was approximately (i) $185 million in cash, (ii) 12,686,756 shares of the Class A common stock of the Company and (iii) 3,071,519 Class C units of the Partnership, each of which is exchangeable into one share of Class A common stock, in each case subject to certain adjustments (including customary adjustments for cash, debt, debt-like items, transaction expenses and net working capital at closing) (collectively, the "Transaction Consideration").

The cash portion of the Transaction Consideration was financed under a $225 million revolving credit facility ("Revolver") entered into on September 20, 2021 by the Company and the Partnership, with JPMorgan Chase Bank, N.A., acting as an administrative agent and collateral agent, and certain other lenders party thereto.

The Transaction Agreement also provides for the payment of up to $75 million of additional cash consideration as an earn-out payment to the Sellers, which shall be payable in 2025 subject to achievement by Greenspring of certain management fee revenue targets for the calendar year 2024.

Note 2 – Basis of Pro Forma Presentation

The Company's fiscal year ends on March 31, and prior to the transaction, Greenspring's fiscal year ended on December 31. To comply with SEC rules and regulations for companies with different fiscal year ends, the pro forma condensed combined financial information has been prepared utilizing periods that differ by less than 93 days.

- The unaudited pro forma condensed combined balance sheet as of June 30, 2021 combines the Company's historical unaudited condensed consolidated balance sheet as of June 30, 2021 and Greenspring's historical unaudited condensed combined consolidated balance sheet as of March 31, 2021.
- The unaudited pro forma condensed combined statement of income for the three months ended June 30, 2021 combines the Company's historical unaudited condensed consolidated statement of income for the three months ended June 30, 2021 and Greenspring's historical unaudited condensed combined consolidated statement of operations for the three months ended March 31, 2021.
- The unaudited pro forma condensed combined statement of income for the year ended March 31, 2021 combines the Company's historical audited consolidated statement of income for the fiscal year ended March 31, 2021 and Greenspring's historical audited combined consolidated statement of operations for the fiscal year ended December 31, 2020.

The historical audited and unaudited financial statements of the Company and Greenspring were prepared in accordance with U.S. generally accepted accounting principles.

In connection with the Greenspring Acquisition, the Company, indirectly through its subsidiaries, became the sole and/or managing member of certain entities, each of which is the general partner of an investment fund ("legacy Greenspring GP entities"). The Company did not acquire any direct economic interests attributable to the legacy Greenspring GP entities, including legacy Greenspring investments in funds and carried interest allocations. However, certain arrangements negotiated as part of the acquisition represent variable interests that could be significant. The Company determined that the legacy Greenspring GP entities are VIEs and it is the primary beneficiary of each such entity because it has a controlling financial interest in each entity. As a result, the Company has included the historical financial position and results of operations of these entities in the unaudited pro forma condensed combined financial information. As the economic interests attributable to the legacy Greenspring GP entities are payable to the Sellers, who, subsequent to the Greenspring Acquisition, became employees of the Company, such economic interests in the legacy carried interest allocations and legacy Greenspring investments in funds, respectively, has been reflected as Greenspring performance fee-related compensation and non-controlling interests in legacy Greenspring entities in the unaudited pro forma condensed combined financial information.

In September 2020, the Company completed an IPO and the Reorganization in which it issued 20,125,000 shares of Class A common stock in the IPO at a price of $18.00 per share. The net proceeds from the offering totaled $337.8 million, net of underwriting discounts of $24.5 million and before offering costs of $9.7 million that were incurred by the Partnership. The Company used approximately $209.8 million of the net proceeds from the offering to acquire 12,500,000 newly issued Class A units of the Partnership and approximately $128.0 million to purchase 7,625,000 Class B units from certain of the Partnership's existing unitholders, including certain members of senior management.

The unaudited pro forma condensed combined balance sheet reflects the estimated effects of the Transactions as if it had been completed on June 30, 2021, and the unaudited pro forma condensed combined statements of income reflect the estimated effects of the IPO, Reorganization and Transactions as if they had been completed on April 1, 2020.

The Greenspring Acquisition will be accounted for as a business combination using the acquisition method of accounting under the provisions of ASC 805, with the Company representing the accounting acquirer. In the unaudited pro forma condensed combined balance sheet, the Company has reflected the estimated acquisition date value of the assets acquired and liabilities assumed, based upon management's preliminary estimate of their acquisition date fair values. The pro forma adjustments are preliminary and are based upon available information and certain assumptions, which management believes are reasonable under the circumstances and are described in the accompanying notes herein. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information. Under ASC 805, generally all assets acquired and liabilities assumed are recorded at their acquisition date fair value. For purposes of the pro forma information presented herein, the fair value of Greenspring's identifiable tangible and intangible assets acquired and liabilities assumed are based on preliminary estimates of fair values. The excess of the Transaction Consideration over the fair value of identified tangible and intangible assets acquired and liabilities assumed will be recognized as goodwill.

The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of SEC Regulation S-X. The unaudited pro forma condensed combined financial information includes unaudited pro forma adjustments that are (i) directly attributable to the transaction, (ii) factually supportable and (iii) in respect of the unaudited pro forma condensed combined statements of income, expected to have a continuing impact on the consolidated results.

The unaudited pro forma financial statements do not give effect to any cost savings, operating synergies or revenue synergies that may result from the transaction or the costs to achieve any synergies.

Note 3 – Conforming Accounting Policies

The Company had adopted ASC 842, *Leases*, prior to the acquisition as reflected in its quarterly report on Form 10-Q for the three months ended June 30, 2021 filed with the SEC. As of the acquisition date, Greenspring had not adopted ASC 842. As a result, the Company has reflected the adoption of ASC 842 by Greenspring in the unaudited pro forma condensed combined financial information. Currently, the Company is not aware of any other material differences between the accounting policies of the Company and Greenspring that would continue to exist subsequent to the application of acquisition accounting.

Note 4 – Estimated Purchase Price Consideration and Allocation

The estimated consideration for the Greenspring Acquisition is approximately $898.2 million, based on the closing share price of the Company's Class A common stock of $44.03 on the Nasdaq Global Select Market on September 20, 2021.

The following table summarizes the components of the preliminary purchase price consideration reflected in the unaudited pro forma condensed combined financial information (dollars in thousands, except per share price):

Cash(1)	$186,577
Class A common stock(2)	558,598
Class C units(3)	135,239
Contingent consideration(4)	17,769
Total consideration	$898,183

(1) The cash consideration was funded utilizing cash on hand and the net proceeds from the Revolver.
(2) The fair value is based on the issuance of approximately 12.7 million shares of the Company's Class A common stock, based on the closing price of $44.03 on September 20, 2021.
(3) The fair value is based on the issuance of approximately 3.1 million Class C units of the Partnership based on the closing price of the Company's Class A common stock of $44.03 on September 20, 2021.
(4) Represents the estimated fair value of payment of up to $75 million of additional cash consideration as an earn-out to the Sellers.

The following is a preliminary allocation of the assets acquired and the liabilities assumed by the Company (dollars in thousands):

Cash, A/R, prepaids and other assets	$ 14,125
Intangible assets:	
Management contracts	310,944
Service agreements	9,537
Client relationships	96,650
Total intangible assets	417,131
Legacy Greenspring investments in funds and accrued carried interest allocations	1,046,911
Goodwill	568,681
A/P, accrued expenses and other liabilities	(3,216)
Deferred tax liabilities	(98,538)
Legacy Greenspring accrued carried interest-related compensation	(856,100)
Non-controlling interests in legacy Greenspring entities	(190,811)
Net identifiable assets acquired	$ 898,183

The pro forma purchase price allocation presented above is preliminary based on an estimate of fair values of Greenspring's identifiable tangible and intangible assets acquired and liabilities assumed. The final allocation of the purchase price will be determined at a later date. As such, the purchase price allocation may change. There can be no assurance that such revisions will not result in material changes.

Note 5 – Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2021

The following describes the adjustments to the unaudited pro forma condensed combined balance sheet as of June 30, 2021:

Debt Financing

(a) A net increase in cash and cash equivalents of $182.6 million as of June 30, 2021, relating to the net proceeds borrowed under the Revolver.

(b) A net increase in debt obligations of $182.6 million, representing $185.0 million of borrowings under the Revolver used to fund a portion of the cash consideration, net of $2.4 million of debt issuance costs.

Transaction Accounting Adjustments

(c) A net decrease in cash and cash equivalents of $200.4 million, reflecting:

i. the payment of $186.6 million, representing the payment of the cash portion of the Transaction Consideration by the Company; and

ii. the payment of $13.8 million in acquisition-related transaction costs by the Company.

(d) A decrease in legacy Greenspring investments in funds and accrued carried interest allocations of $1.8 million relating to certain investments held by Greenspring that were not acquired by the Company, but are included in the historical Greenspring balances.

(e) A decrease in deferred income tax assets of $93.5 million, reflecting:

i. a release in valuation allowance of $30.0 million due to the recognition of deferred tax liabilities as a result of the pro forma fair value adjustments for assets acquired and liabilities assumed; and

ii. the reclassification of $123.5 million of deferred tax assets to deferred tax liabilities to net amounts according to tax jurisdictions.

(f) The impact of the adoption of ASC 842 to conform to the Company's accounting policies as described in note 3 above, reflecting an increase in lease right-of-use assets of $2.6 million and an increase in lease liabilities of $2.6 million.

(g) The removal of historical balances relating to certain Greenspring affiliates that were not acquired by the Company, but are included in the historical Greenspring balances, as follows:

i. cash and cash equivalents of $2.6 million;

ii. other assets and receivables of $12.3 million; and

iii. debt obligations of $19.5 million.

(h) A net increase in intangibles, net of $417.1 million, consisting of:

i. a decrease relating to the write-off of Greenspring's historical identifiable net intangible assets of $6,000; and

ii. an aggregate increase of $417.1 million to recognize the fair value of acquired identifiable intangible assets.

(i) An increase in goodwill of $568.7 million, representing the excess of the purchase price over the fair value of Greenspring's net assets acquired based on the estimated preliminary purchase price allocation.

(j) An increase in accounts payable, accrued expenses and other liabilities of $17.8 million relating to the estimated fair value of payment of up to $75 million of additional cash consideration as an earn-out to the Sellers based on the estimated preliminary purchase price allocation.

(k) The Greenspring Acquisition is expected to result in carryover basis for all tax attributes. Based on the preliminary acquisition accounting, an adjustment was recorded to reflect a net increase in deferred income tax liability of $10.1 million reflecting the recognition of $98.5 million of deferred income tax liabilities recorded as part of the purchase price allocation and $35.0 million of deferred tax liabilities related to the impact of the merger of certain entities in connection with the Greenspring Acquisition, against $123.5 million of deferred tax assets as a result of the pro forma fair value adjustments for the assets acquired and liabilities assumed.

The estimate of deferred taxes was determined based on the estimated book basis of the net assets acquired after the application of acquisition accounting as compared to the tax basis for the net assets acquired using a blended statutory tax rate. These estimates are preliminary and adjustments to established deferred tax assets and liabilities could change due to refined determination of statutory rates, as well as changes in the estimates of the fair values of assets acquired and liabilities assumed that may occur in conjunction with the finalization of the acquisition accounting and these changes in estimates could be material.

(l) A net increase in stockholders’ equity of $667.0 million, consisting of:

i. a net increase of $8,000 relating to (i) a $13,000 increase due to the issuance of 12.7 million shares of the Company’s Class A common stock as part of the equity consideration, offset by (ii) a $5,000 decrease to eliminate the historical equity accounts of Greenspring;

ii. a net increase of $523.6 million in additional paid-in capital relating to (i) a $558.6 million increase due to the issuance of 12.7 million shares of the Company’s Class A common stock as part of the equity consideration, offset by (ii) a $35.0 million decrease related to the impact of the merger of certain entities in connection with the Greenspring acquisition, and (iii) a $19,000 decrease to eliminate the historical equity accounts of Greenspring;

iii. a net increase of $9.5 million in retained earnings relating to (i) a $11.3 million decrease to eliminate the historical equity accounts of Greenspring, (ii) a $4.6 million increase to remove historical equity accounts relating to certain Greenspring affiliates that were not acquired by the Company, but are included in the historical Greenspring balances, (iii) the payment of $13.8 million in acquisition-related transaction costs by the Company, and (iv) a $30.0 million increase related to full reversal of the valuation allowance in connection with the deferred tax liability recorded for the Greenspring acquisition of which approximately $5.0 million will be recorded in stockholders’ equity and approximately $25.0 million will be recorded as a benefit in our consolidated statement of income for the three and six months ended September 30, 2021 and thus has been presented as a non-recurring item in stockholders’ equity for purposes of the pro forma financial statements;

iv. a decrease of $1.4 million in accumulated other comprehensive income to eliminate the historical equity accounts of Greenspring;

v. an increase of $135.2 million due to the issuance of 3.1 million Class C units of the Partnership as part of the equity consideration; and

vi. the reallocation of stockholders’ equity of $162.0 million from additional paid-in capital to non-controlling interests in the Partnership due to changes in the economic interests held by StepStone Group Inc. and non-controlling interests in the Partnership due to the issuances of Class A common stock in the Company and Class C units of the Partnership as part of the equity consideration, as follows:

	StepStone Group LP Partnership Interests	%
StepStone Group Inc.	53,022,694	48.0% (1)
Other partners of the Partnership	57,551,912	52.0%
Total	110,574,606	100.0%

(1) Excludes approximately 2.5 million shares of restricted stock units issued under the Company’s 2020 Long-Term Incentive Plan, which are convertible into Class A common stock upon vesting.

The computation of pro forma non-controlling interests in the Partnership is as follows:

(in thousands)	
Beginning StepStone Group Inc. stockholders' equity	$ 304,928
Less: Portion of equity not attributable to economic interests in the Partnership	13,140
Beginning StepStone Group Inc. interests in the Partnership	291,788
Beginning non-controlling interests in the Partnership	429,622
Estimated fair value of equity consideration	693,837
Recognition of deferred income tax liabilities related to Greenspring acquisition	(5,000)
Acquisition-related transaction costs	(13,816)
Total	$1,396,431
Other partners' economic interest in the Partnership (not including StepStone Group Inc.)	52.0%
Non-controlling interests in the Partnership	726,842
Less: Prior recorded non-controlling interests in the Partnership	564,861
Adjustment to non-controlling interests in the Partnership	$ 161,981

Note 6 – Adjustments to Unaudited Pro Forma Condensed Combined Statements of Income

The following describes the adjustments to the unaudited pro forma condensed combined statements of income for the three months ended June 30, 2021 and fiscal year ended March 31, 2021:

Reorganization and Initial Public Offering

(a) In connection with the IPO, the Company granted to employees 2.5 million restricted stock units that vest over a four-year period. This adjustment reflects compensation expense associated with this grant had it occurred at the beginning of the period presented.

(b) Reflects an adjustment on interest expense to reflect the repayment of $147.3 million of outstanding indebtedness, including accrued interest, using a portion of the proceeds from the IPO.

(c) The Partnership is treated as a partnership for U.S. federal and state income tax purposes. Following the IPO, the Company is subject to U.S. federal income taxes, in addition to state, local and foreign income taxes with respect to its allocable share of any taxable income generated by the Partnership that will flow through to its interest holders, including the Company. As a result, the unaudited pro forma condensed combined statements of income reflect adjustments to the Company's income tax expense to reflect a blended statutory tax rate of 22.8% at StepStone Group Inc.

The computation of the pro forma provision for income taxes is below:

	Reorganization and IPO Adjustments	Transaction Accounting Adjustments	
(in thousands)	Year Ended March 31, 2021	Three Months Ended June 30, 2021	Year Ended March 31, 2021
Income before provision for income taxes	$ 340,006	$ 159,701	$ 356,268
Less:			
Provision for foreign and local income taxes	4,522	1,879	4,522
Net income attributable to non-controlling interests in subsidiaries	23,176	5,614	23,176
Net income attributable to non-controlling interests in legacy Greenspring entities	—	19,553	54,057
Allocable income	312,308	132,655	274,513
StepStone Group Inc.'s economic interest in StepStone Group LP	31.1%	47.1%	38.1%
Income before provision for income taxes attributable to StepStone Group Inc.	97,128	62,481	104,589
StepStone Group Inc. effective tax rate	22.8%	22.8%	22.8%
Provision for income taxes	22,145	14,246	23,846
Less: Prior recorded provision attributable to StepStone Group Inc.	18,734	12,544	22,145
Adjustment to provision for income taxes	$ 3,411	$ 1,702	$ 1,701

The applicable statutory tax rates used for the unaudited pro forma condensed combined financial information will likely vary from the actual effective tax rates in periods as of and subsequent to the completion of the acquisition.

(d) The Company's only business is to act as the managing member of the General Partner, and its only material assets are the Class A units of the Partnership and 100% of the interest in the General Partner. Consequently, the Company indirectly operates and controls all of the Partnership's business and affairs in its capacity as the sole managing member of the General Partner. As a result, the Company consolidates the financial results of the Partnership and reports non-controlling interests related to the interests held by other limited partners of the Partnership in its consolidated statement of income.

The computation of the pro forma income attributable to non-controlling interests is below:

	Reorganization and IPO Adjustments	Transaction Accounting Adjustments	
(in thousands)	**Year Ended March 31, 2021**	**Three Months Ended June 30, 2021**	**Year Ended March 31, 2021**
Income before provision for income taxes	$ 340,006	$ 159,701	$ 356,268
Less:			
Provision for foreign and local income taxes	4,522	1,879	4,522
Income attributable to non-controlling interest in StepStone Group LP subsidiaries	23,176	5,614	23,176
Net income attributable to non-controlling interests in legacy Greenspring entities	—	19,553	54,057
Allocable income	312,308	132,655	274,513
Non-controlling interests held by Class B and Class C unitholders	68.9%	52.9%	61.9%
Income attributable to non-controlling interests in the Partnership	215,180	70,174	169,924
Less: Prior recorded non-controllling interest	228,783	79,255	215,180
Adjustment to income attributable to non-controlling interests in the Partnership	$ (13,603)	$ (9,081)	$ (45,256)

Debt Financing

(e) As described in pro forma note 5(a) and 5(b) above, the Company funded the cash portion of the Transaction Consideration with a combination of new debt and cash on hand.

Borrowings under the Revolver bear interest at a variable rate per annum. The Company may designate each borrowing as (i) in the case of any borrowing in U.S. dollars, a base rate loan or a LIBOR rate loan, (ii) in the case of any borrowing denominated in Euros, a EURIBOR rate loan, (iii) in the case of any borrowing denominated in British Pounds Sterling, a Sterling Overnight Index Average ("SONIA") loan, (iv) in the case of any borrowing denominated in Swiss Francs, a Swiss Average Rate Overnight ("SARON") loan, and (v) in the case of any borrowing denominated in Australian dollars, an AUD rate loan. Borrowings bear interest equal to (i) in the case of base rate loans, 1.00% plus the greatest of (a) the Prime Rate, (b) the New York Federal Reserve Bank Rate plus 0.50% and (c) the 1 month LIBOR, multiplied by the Statutory Reserve Rate (as defined in the Credit Agreement), plus 1.00%, (ii) in the case of a LIBOR rate loan, the LIBOR rate multiplied by the Statutory Reserve Rate plus 2.00%, (iii) in the case of a EURIBOR rate loan, the EURIBOR rate multiplied by the Statutory Reserve Rate plus 2.00%, (iv) in the case of a SONIA loan, the Sterling Overnight Index Average plus 2.03%, (v) in the case of a SARON loan, the Swiss Average Rate Overnight plus 2.00%, and (vi) in the case of an AUD rate loan, the AUD Screen Rate (as defined in the Credit Agreement) multiplied by the Statutory Reserve Rate plus 2.20%. The Revolver also bears a fee on undrawn commitments equal to 0.25% per annum if total utilization of revolving commitments is greater than 50% and 0.35% per annum if total utilization of revolving commitments is less than 50%.

For pro forma purposes, the weighted average interest rate used was 2.125%. A change of 0.125% in the interest rate would result in an increase or decrease in interest expense of $0.2 million on an annualized basis.

Adjustments to interest expense for the three months ended June 30, 2021 and the year ended March 31, 2021, respectively, include the following:

a. interest expense of $1.0 million and $3.9 million related to borrowings under the Revolver used to finance a portion of the cash consideration;

b. fees of $23,000 and $0.1 million relating to undrawn commitments under the Revolver; and

c. amortization of debt issuance costs of $0.1 million and $0.5 million to interest expense.

Transaction Accounting Adjustments

(f) The removal of historical balances relating to certain Greenspring affiliates that were not acquired by the Company, but are included in the historical Greenspring balances for the three months ended June 30, 2021 and the year ended March 31, 2021, respectively, as follows:

i. cash-based compensation of $0 and $0.1 million;

ii. general, administrative and other expenses of $0.9 million and $3.5 million; and

iii. interest expense of $0.2 million and $0.9 million.

(g) A net increase in intangible asset amortization expense of $10.4 million and $41.7 million for the three months ended June 30, 2021 and the year ended March 31, 2021, respectively, reflecting the elimination of historical amortization expense of $1,000 and $3,000 related to Greenspring's intangible assets and the addition of $10.4 million and $41.7 million in amortization expense from the acquired intangible assets based on the preliminary estimated fair values and weighted average useful life of 10 years.

(h) The impact of acquisition-related transaction costs, as follows:

a. the elimination of acquisition-related transaction costs of $3.5 million for the three months ended June 30, 2021 included in the Company's historical results; and

b. an increase in general, administrative and other expenses of $13.8 million for the year ended March 31, 2021 relating to the payment of acquisition-related transaction costs by the Company.

(i) See note 5(c) above for computation of the pro forma provision for income taxes resulting from the Transactions.

(j) See note 5(d) above for computation of the pro forma income attributable to non-controlling interests in the Partnership resulting from the Transactions.

(k) Reflects the weighted average shares outstanding used to compute basic and diluted net income per share attributable to StepStone Group Inc. for the three months ended June 30, 2021 and year ended March 31, 2021 that has been adjusted to give effect to the shares issued in the IPO and Greenspring Acquisition as if such issuances had occurred on April 1, 2020.

The computation of the pro forma basic and diluted earnings per share of Class A common stock is as follows:

(in thousands, except share and per share amounts)	Three Months Ended June 30, 2021	Year Ended March 31, 2021
Numerator:		
Net income attributable to SSG Inc. - Basic	$ 48,235	$ 80,743
Incremental income from assumed vesting of restricted stock units	805	1,207
Incremental income from assumed vesting and exchange of Class B2 units	2,192	3,653
Net income attributable to SSG Inc. - Diluted	$ 51,232	$ 85,603
Denominator:		
Weighted average shares of Class A common stock outstanding - Basic	52,354,913	42,151,105
Weighted average shares from assumed vesting of restricted stock units	903,119	769,818
Weighted average shares from assumed vesting and exchange of Class B2 units	2,488,979	2,358,538
Weighted average shares of Class A common stock outstanding - Diluted	55,747,011	45,279,461
Net income per share:		
Basic	$ 0.92	$ 1.92
Diluted	$ 0.92	$ 1.89

Diluted earnings per share of Class A common stock is computed by dividing net income attributable to SSG, giving consideration to the reallocation of net income between holders of Class A common stock and non-controlling interests, by the weighted-average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive securities, if any.

Shares of the Company’s Class B common stock do not share in the earnings or losses attributable to SSG and therefore are not participating securities. As a result, a separate presentation of basic and diluted earnings per share of Class B common stock under the two-class method has not been included.

The calculation of diluted earnings per share excludes 54,480,393 Class B units and 3,071,519 Class C units of the Partnership as of June 30, 2021, and 56,378,831 Class B units and 3,071,519 Class C units of the Partnership as of March 31, 2021, which are exchangeable into Class A common stock under the if-converted method, as the inclusion of such shares would be anti-dilutive.