

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K**

**CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

February 8, 2022
Date of Report (date of earliest event reported)

STEPSTONE GROUP INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
450 Lexington Avenue, 31st Floor
(Address of Principal Executive Offices)

001-39510
(Commission File Number)
New York, NY

84-3868757
(I.R.S. Employer Identification No.)
10017
(Zip Code)

(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 240.14d-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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On February 8, 2022, StepStone Group Inc. (the "Company") issued a press release and detailed presentation announcing its financial results for the third fiscal quarter ended December 31, 2021. A copy of the press release and presentation are furnished as Exhibit 99.1 to this Current Report on Form 8-K and are incorporated by reference into this Item 2.02 as if fully set forth herein.

The information included in, or furnished with, this report shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of StepStone Group Inc. dated February 8, 2022
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.

STEPSTONE GROUP INC.

Date: February 8, 2022

By: /s/ Johnny D. Randel

Johnny D. Randel

Chief Financial Officer

(Principal Financial Officer and Authorized Signatory)

STEPSTONE GROUP REPORTS THIRD QUARTER FISCAL YEAR 2022 RESULTS

NEW YORK, FEBRUARY 8, 2022 – StepStone Group Inc. (Nasdaq: STEP), a global private markets investment firm focused on providing customized investment solutions and advisory and data services, today reported results for the quarter ended December 31, 2021. This represents results for the third quarter for the fiscal year ending March 31, 2022. The Board of Directors of the Company has declared a quarterly cash dividend of \$0.15 per share of Class A common stock, payable on March 15, 2022, to the holders of record as of the close of business on February 28, 2022.

StepStone issued a full detailed presentation of its third quarter fiscal 2022 results, which can be accessed by clicking [here](#).

Webcast and Earnings Conference Call

Management will host a webcast and conference call on Tuesday, February 8, 2022 at 5:00 pm ET to discuss the Company's results for the third fiscal quarter ended December 31, 2021. The conference call will also be made available in the Shareholders section of the Company's website at <https://shareholders.stepstonegroup.com/>. To listen to a live broadcast, go to the site at least 15 minutes prior to the scheduled start time in order to register.

The conference call can be accessed by dialing 1-877-407-0784 (United States) or 1-201-689-8560 (international).

A replay of the call will also be available on the Company's website approximately two hours after the live call through February 22, 2022. To access the replay, dial 1-844-512-2921 (United States) or 1-412-317-6671 (international). The replay pin number is 13725993. The replay can also be accessed on the Shareholders section of the Company's website at <https://shareholders.stepstonegroup.com>.

About StepStone

StepStone Group Inc. (Nasdaq: STEP) is a global private markets investment firm focused on providing customized investment solutions and advisory and data services to its clients. As of December 31, 2021, StepStone oversaw approximately \$548 billion of private markets allocations, including \$127 billion of assets under management. StepStone's clients include some of the world's largest public and private defined benefit and defined contribution pension funds, sovereign wealth funds and insurance companies, as well as prominent endowments, foundations, family offices and private wealth clients, which include high-net-worth and mass affluent individuals. StepStone partners with its clients to develop and build private markets portfolios designed to meet their specific objectives across the private equity, infrastructure, private debt and real estate asset classes.

Forward-Looking Statements

Some of the statements in this release may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking. Words such as "anticipate," "believe," "continue," "estimate," "expect," "future," "intend," "may," "plan" and "will" and similar expressions identify forward-looking statements. Forward-looking statements reflect management's current plans, estimates and expectations and are inherently uncertain. The inclusion of any forward-looking information in this release should not be regarded as a representation that the future plans, estimates or expectations contemplated will be achieved. Forward-



looking statements are subject to various risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, global and domestic market and business conditions, successful execution of business and growth strategies and regulatory factors relevant to our business, as well as assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity and the risks and uncertainties described in greater detail under the "Risk Factors" section of our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on June 23, 2021, as such factors may be updated from time to time. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

Contacts

Shareholder Relations:

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1-212-351-6106

Media:

Brian Ruby / Chris Gillick, ICR
StepStonePR@icrinc.com
1-203-682-8268



Third Quarter Fiscal Year 2022 Earnings
Presentation

FEBRUARY 8, 2022





Scott Hart
CEO



Jason Ment
President & Co-COO



Mike McCabe
Head of Strategy



Johnny Randel
Chief Financial Officer

GAAP Consolidated Income Statements



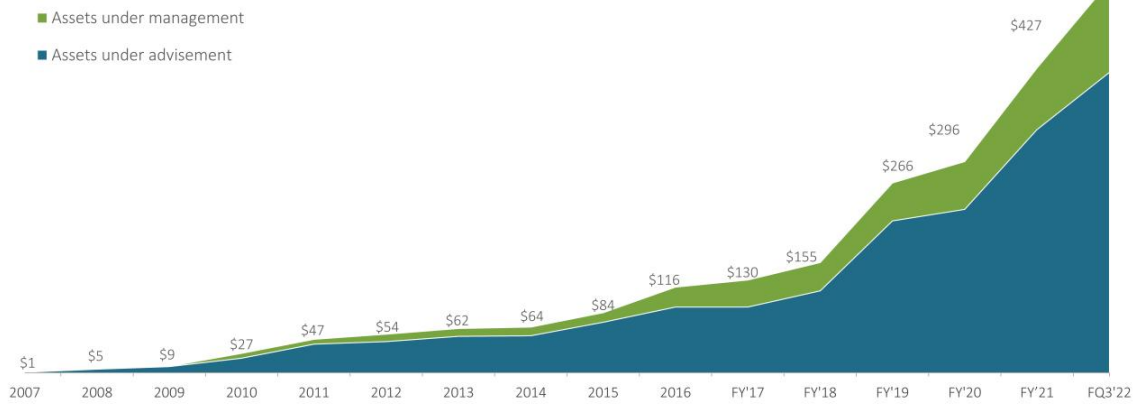
GAAP net income was \$126.3 million for the quarter and \$380.7 million year-to-date. GAAP net income attributable to StepStone Group Inc. was \$48.3 million (or \$0.83 per share) for the quarter and \$152.1 million (or \$3.22 per share) year-to-date.

(\$ in thousands, except per share amounts)

	Quarter			Year-to-date		
	Dec '20	Dec '21	% Fav / Unfav	Dec '20	Dec '21	% Fav / Unfav
Revenues						
Management and advisory fees, net	\$ 70,093	\$ 106,384	52%	\$ 209,245	\$ 268,028	28%
Performance fees:						
Incentive fees	313	27	-91%	5,098	6,005	18%
Carried interest allocations:						
Realized	26,063	66,559	155%	38,257	169,053	342%
Unrealized	150,683	117,535	-13%	176,060	457,789	157%
Total carried interest allocations	176,744	199,094	13%	214,307	621,842	190%
Legacy Greenspring carried interest allocations ⁽¹⁾	-	104,960	na	-	104,960	na
Total revenues	247,150	410,465	66%	428,650	1,000,835	133%
Expenses						
Compensation and benefits:						
Cash-based compensation	36,732	51,665	-41%	113,858	138,217	-21%
Equity-based compensation	3,206	3,407	-6%	4,641	10,363	-123%
Performance fee-related compensation:						
Realized	10,241	34,033	-232%	17,952	86,122	-380%
Unrealized	73,629	68,368	7%	83,487	228,146	-173%
Total performance fee-related compensation	83,870	102,401	-22%	101,439	314,268	-210%
Legacy Greenspring performance fee-related compensation ⁽¹⁾	-	104,960	na	-	104,960	na
Total compensation and benefits	123,808	292,433	-112%	219,938	567,808	-158%
General, administrative and other	12,624	30,299	-160%	34,487	72,049	-109%
Total expenses	136,432	292,732	-115%	254,425	639,857	-151%
Other income (expense)						
Investment income	5,361	7,230	35%	6,508	20,841	220%
Legacy Greenspring investment income ⁽²⁾	-	17,890	na	-	17,890	na
Interest income	83	43	-48%	342	329	-4%
Interest expense	(26)	(543)	-1988%	(7,353)	(637)	-91%
Other income (loss)	799	(731)	na	1,261	(2,662)	na
Total other income	6,217	24,347	291%	758	35,761	4618%
Income before income tax	116,935	142,080	22%	174,983	396,739	127%
Income tax expense	9,546	15,787	-65%	11,585	16,065	-39%
Net income	107,389	126,293	18%	163,398	380,674	133%
Less: Net income attributable to non-controlling interests in subsidiaries	5,496	7,091	-29%	18,634	18,737	-1%
Less: Net income attributable to non-controlling interests in legacy Greenspring entities ⁽¹⁾	-	17,890	na	-	17,890	na
Less: Net income attributable to non-controlling interests in the Partnership	76,315	52,966	31%	119,976	191,977	-60%
Net income attributable to StepStone Group Inc.	\$ 25,578	\$ 48,346	89%	\$ 24,788	\$ 152,070	511%
Earnings per share of Class A common stock – Basic	\$ 0.87	\$ 0.84	-3%	\$ 0.85	\$ 3.29	287%
Earnings per share of Class A common stock – Diluted	\$ 0.87	\$ 0.83	-5%	\$ 0.84	\$ 3.22	283%

¹ Reflects amounts attributable to consolidated VIEs for which we did not acquire any direct economic interests. Such amounts are attributable to employees and therefore have been reflected as legacy Greenspring performance fee-related compensation and net income attributable to non-controlling interests in legacy Greenspring entities, respectively.

TOTALS ASSETS UNDER MANAGEMENT AND ADVISEMENT (\$B)



Note: Fiscal 2017-2021 reflect AUM/AUA as of March 31 of each fiscal year then ended. Prior year amounts are reported on a calendar year basis. Strategic acquisitions contributed approximately \$5.6 billion, \$1.8 billion, \$0.9 billion, \$3.6 billion, \$2.4 billion and \$22.5 billion of AUM and \$1.0 billion, \$0.0 billion, \$0.0 billion, \$1.0 billion, \$92.5 billion and \$0.0 billion of AUA in calendar year 2010, 2012, 2013, 2016, and fiscal year 2019 and 2022, respectively. As of December 31, 2021, approximately \$0.9 billion, \$0.2 billion, \$0.1 billion, \$2.8 billion, \$2.2 billion and \$22.8 billion of AUM and \$0.0 billion, \$0.0 billion, \$0.0 billion, \$0.2 billion, \$104.1 billion and \$0.0 billion of AUA acquired in calendar year 2010, 2012, 2013, 2016, and fiscal year 2019 and 2022, respectively, remains. An expansion of client data tracked contributed \$70 billion of AUA for fiscal 2021. The incremental client data captured represents assets for which StepStone serves as investment advisor for the portfolio, but does not provide monitoring/reporting services and did not make the initial investment recommendation.



KEY BUSINESS DRIVERS

	FQ3'22	FQ3'21	vs. FQ3'21	FQ2'22	vs. FQ2'22
Assets under management ("AUM")	\$127.0 B	\$80.5 B	58%	\$121.3 B	5%
Fee-Earning AUM ("FEAUM")	\$71.2 B	\$46.6 B	53%	\$66.7 B	7%
Undeployed fee-earning capital	\$17.3 B	\$17.4 B	-1%	\$17.8 B	-3%
Gross accrued carry	\$1,347.7 M	\$636.9 M	112%	\$1,215.9 M	11%



FINANCIAL HIGHLIGHTS

(\$M, except per share data)	FQ3'22	FQ3'21	vs. FQ3'21	FQ3'22 YTD	FQ3'21 YTD	vs. FQ3'21 YTD
Adjusted revenues	\$173.0	\$96.5	79%	\$448.9	\$257.3	74%
Management and advisory fees, net	\$106.4	\$70.1	52%	\$268.0	\$209.2	28%
Fee-related earnings ("FRE")	\$36.8	\$22.3	65%	\$86.4	\$68.4	26%
Fee-related earnings margin	35%	32%		32%	33%	
Adjusted Net Income ("ANI")	\$48.6	\$27.0	80%	\$129.2	\$60.8	113%
ANI per share	\$0.42	\$0.28	50%	\$1.23	\$0.62	98%



BUSINESS UPDATE

- Declared a dividend of \$0.15 per share of Class A common stock. The dividend is payable on March 15, 2022 to record holders of Class A common stock at the close of business on February 28, 2022
- Raised a total of approximately \$12 billion of new SMA¹ capital in the last twelve months
- Final closing of StepStone Tactical Growth Fund III ("STGF III"), and additional closings of StepStone's private equity co-investment fund, StepStone's venture secondaries fund and StepStone's senior corporate lending fund; raised a total of approximately \$4 billion for commingled funds in the last twelve months
- Conversus StepStone Private Markets ("CPRIM") achieved a 65% total return since inception on October 1, 2020, and AUM of approximately \$390 million as of February 1, 2022

¹ Includes advisory accounts for which we have discretion.

OVERVIEW

AUM		AUA
SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS	ADVISORY
<p>\$75B 24% growth from prior year</p> <ul style="list-style-type: none"> A total of ~\$12B of new capital additions during the LTM Total undeployed fee-earning capital of \$17.3B 	<p>\$42B¹ 38% organic growth from prior year²</p> <ul style="list-style-type: none"> A total of ~\$4B raised in focused commingled funds during the LTM Additional closings on StepStone's private equity co-investment and venture secondaries funds Subsequent closes held on growth equity, private debt, and private wealth programs 	<p>\$421B</p> <ul style="list-style-type: none"> Net client activity increased AUA by \$168B over the last twelve months ~\$10B of AUA relates to advisory accounts for which we have discretion

FEAUM	
SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS
<p>\$46B +30% from prior year</p>	<p>\$25B¹ 23% organic growth from prior year²</p>

Note: As of December 31, 2021. Amounts may not sum to total due to rounding.

¹ The acquisition of Greenspring added \$22.5 billion of AUM and \$11.4 billion of FEAUM as of 9/30/21.

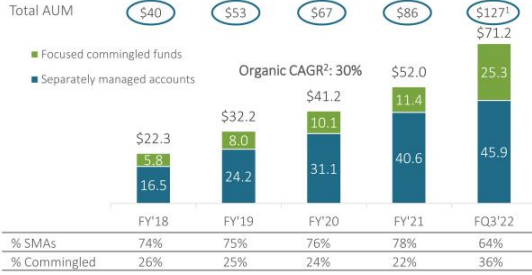
² Organic focused commingled fund AUM and FEAUM growth excludes \$22.5B of AUM and \$11.4B of FEAUM acquired as part of Greenspring as of 9/30/21.

Fee-earning AUM Evolution

FEAUM Growth
 SMAs +30% from prior year
 Commingled +23% organic
 growth from prior year

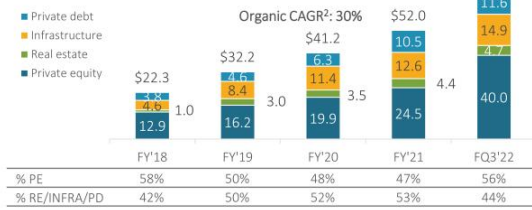
35%
 clients with exposure to more
 than one asset class

FEE-EARNING AUM BY COMMERCIAL STRUCTURE (\$B)



% SMAs	74%	75%	76%	78%	64%
% Commingled	26%	25%	24%	22%	36%

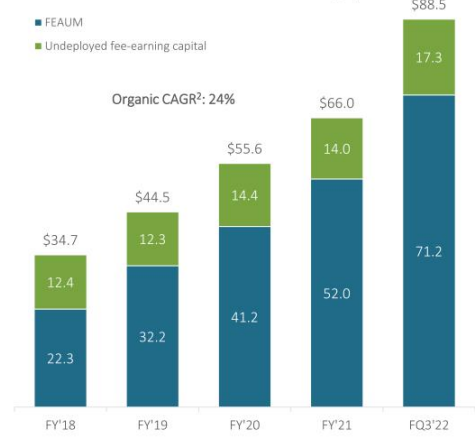
FEE-EARNING AUM BY ASSET CLASS (\$B)



% PE	58%	50%	48%	47%	56%
% RE/INFRA/PD	42%	50%	52%	53%	44%

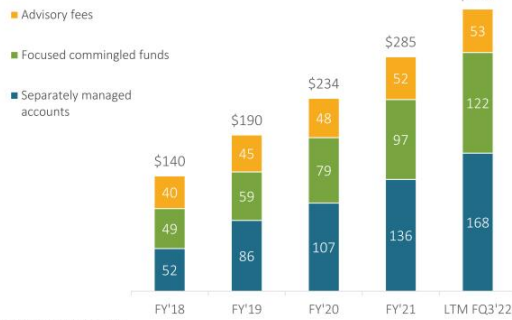
Note: Amounts may not sum to total due to rounding. PE – Private equity, RE – Real estate, INFRA – Infrastructure, PD – Private debt
¹ The acquisition of Greenspring added approximately \$22.5B of AUM, \$11.4B of FEAUM, and \$0.5B of undeployed fee-earning capital as of 9/30/21.
² Organic CAGR excludes \$11.4B of FEAUM and \$0.5B of undeployed fee-earning capital acquired as part of Greenspring as of 9/30/21.

FEAUM + UNDEPLOYED FEE-EARNING CAPITAL (\$B)¹



Trend in Management and Advisory Fees

MANAGEMENT & ADVISORY FEES (\$M)¹



Blended mgmt. fee rates: ³	FY'18	FY'19	FY'20	FY'21	LTM FQ3'22
Overall	0.56%	0.53%	0.51%	0.52%	0.52%
By Type:					
<i>SMA</i> s	0.42%	0.41%	0.39%	0.39%	0.41%
<i>Commingled</i>	0.83%	0.87%	0.89%	0.90%	0.84%
By Asset Class:					
<i>PE</i>	0.66%	0.63%	0.66%	0.62%	0.63%
<i>RE / INFRA / PD</i>	0.46%	0.41%	0.37%	0.42%	0.41%

Note: Amounts may not sum to total due to rounding. PE – Private equity, RE – Real estate, INFRA – Infrastructure, PD – Private debt.
¹ Excludes fund reimbursement revenues.
² The acquisition of Greenspring contributed \$11.4B of FEALUM and \$22.5B of ALUM as of 9/30/21, and \$22.2M of management and advisory fees for LTM FQ3'22.
³ Weighted-average fee rates reflect the applicable management fees for the last 12 months ending on each period presented, and is inclusive of any retroactive fees for such period.
⁴ The acquisition of Courtland Partners contributed \$90B of AUA for fiscal 2021.
⁵ An expansion of client data tracked contributed \$70B of AUA for fiscal 2021. The incremental client data captured represents assets for which StepStone serves as investment advisor for the portfolio, but does not provide monitoring/reporting services and did not make the initial investment recommendation.

MANAGEMENT & ADVISORY FEES PER SHARE (\$M)



Assets under management and advisement					
FEALUM (\$B)	\$22	\$32	\$41	\$52	\$71 ²
AUM (\$B)	\$40	\$53	\$67	\$86	\$127 ²
AUA (\$B)	\$115	\$213 ⁴	\$229	\$340 ⁵	\$421
% of fee revenue from management and advisory fees ¹					
Mgmt.	72%	76%	80%	82%	85%
Advisory	28%	24%	20%	18%	15%

FINANCIAL UPDATE

- FEAUM growth of 53% drove fee revenue increases of 52% for the quarter and 28% year-to-date
- ANI per share increased 50% for the quarter and 98% year-to-date, reflecting higher FRE and net realized performance fees in the first nine months of the fiscal year
- Results for the quarter include \$1.2M of revenue, and \$1.1M of FRE and pre-tax ANI from retroactive fees (STGF III final closing; additional closings on StepStone's private equity co-investment fund)

FINANCIAL HIGHLIGHTS¹

(\$M, unless otherwise mentioned)	Three Months Ended Dec 31			Nine Months Ended Dec 31		
	2021	2020	% Δ YTY	2021	2020	% Δ YTY
AUM (\$B)	\$ 127.0	\$ 80.5	58%			
FEAUM (\$B)	71.2	46.6	53%			
Undeployed Fee-Earning capital (\$B) ²	17.3	17.4	-1%			
Management & Advisory Fees, net	\$ 106.4	\$ 70.1	52%	\$ 268.0	\$ 209.2	28%
Fee-Related Earnings	36.8	22.3	65%	86.4	68.4	26%
Fee-Related Earnings Margin ³	35%	32%		32%	33%	
Gross Realized Performance Fees ⁴	66.6	26.4	152%	180.9	48.1	276%
Pre-tax Adjusted Net Income ("ANI")	62.7	36.0	74%	166.9	81.0	106%
Adjusted Net Income Per Share ⁵	\$ 0.42	\$ 0.28	50%	\$ 1.23	\$ 0.62	98%
Adjusted Revenues	173.0	96.5	79%	448.9	257.3	74%

¹ StepStone completed the acquisition of Greenspring on September 20, 2021, which added \$22.5 billion of AUM, \$11.4 billion of FEAUM, and \$0.5 billion of undeployed fee-earning capital.

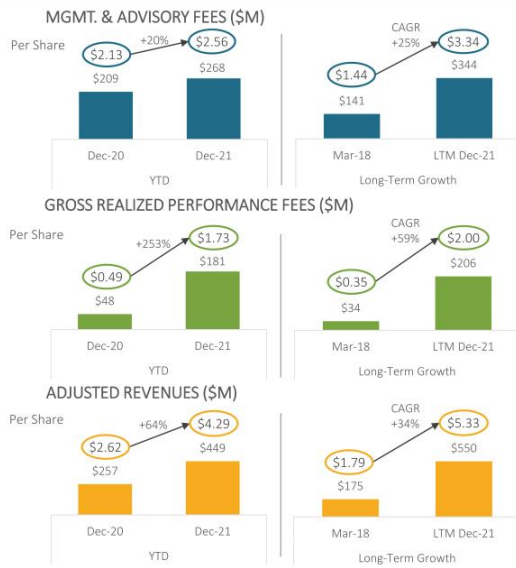
² Undeployed fee-earning capital is defined as capital not yet invested on which StepStone will earn fees once the capital is deployed or activated.

³ Fee-Related Earnings Margin is calculated by dividing Fee-Related Earnings by Management & Advisory Fees, net.

⁴ Gross Realized Performance Fees include deferred incentive fees that are not included in our GAAP results; FQ3'22 YTD: \$5.8m; FQ3'21 YTD: \$4.7m. Excludes legacy Greenspring entities.

⁵ Reflects a 22.6% blended statutory rate applied to Pre-tax Adjusted Net Income, and 114.8 million and 104.7 million adjusted shares outstanding for the FQ3'22 and FQ3'21 YTD periods, respectively. Reflects a 25.0% blended statutory rate and 98.3 and 98.2 million adjusted shares outstanding for FQ3'21 and FQ3'21 YTD periods, respectively. See Appendix for calculation of ANI per share and a reconciliation of adjusted shares.

Adjusted Revenues



- Management fees per share increased 26% YTD driven by strong FEAUM growth
 - SMA and Commingled Funds fees per share each increased by 25%
- Management fees per share increased by a compound annual growth rate of 31% over the long-term growth period; SMA and Commingled Funds fees per share increased by 35% and 26%, respectively
- Advisory fees per share decreased 5% YTD and increased by a compound annual growth rate of 6% over the long-term growth period

- Gross realized performance fees were up \$133 million YTD driven by increased realization activity from our PE funds

FEE-RELATED EARNINGS (\$M)



- Fee-related earnings growth driven primarily by growth in FEAUM in the fiscal year-to-date and by growth in FEAUM and margin expansion in the long-term growth period
- FRE margins were 32% YTD as compared with 33% in the prior year and 17% three fiscal years ago, and are impacted by retroactive fees in FQ3'22 YTD and FQ3'21 YTD of \$4.1 million and \$8.5 million, respectively

ADJUSTED NET INCOME (\$M)



- Adjusted net income per share increased 98% YTD and by a CAGR of 46% over the long-term growth period driven by higher FRE and higher net realized performance fees

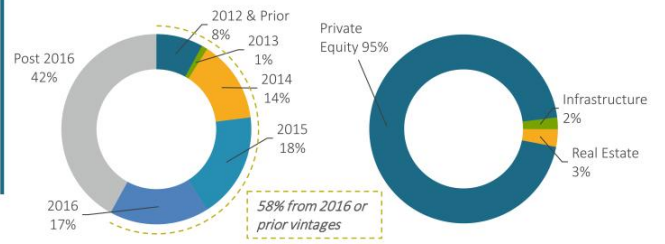
ACCRUED CARRY (\$M)²



INVESTMENTS (\$M)



NET UNREALIZED CARRY AS OF 12/31/2021 BY VINTAGE AND TYPE



- Gross accrued unrealized carried interest of \$1,347 million, net accrued unrealized carry of \$669 million as of December 31, 2021 (note: valuations reported on a one quarter lag)
- Over \$51 billion in performance fee-eligible capital as of December 31, 2021
- 61% or \$827 million of gross accrued unrealized carried interest allocation balance is in SMAs or commingled funds that have American style (or deal-by-deal) carry waterfalls
- Approximately 150 programs with carry or incentive fee structures
- The value of investments held by the firm increased to \$99 million, an increase of 56% from December 31, 2020
- Unfunded commitments were \$73 million as of December 31, 2021¹

¹ Excludes \$1.3 billion of investments in funds and accrued carried interest allocations and \$42.1 million of unfunded commitments held by the legacy Greenspring general partner entities in legacy Greenspring funds for which we do not hold any direct economic interest.
² Changes in our accrued carry balance reflect our share of the unrealized gains or losses of our client portfolios on a one quarter lag.

APPENDIX

Consolidated Balance Sheets



(\$ in thousands)	Dec '20	Mar '21	Dec '21
Assets			
Cash and cash equivalents	\$ 185,020	\$ 179,886	\$ 135,885
Restricted cash	3,971	3,977	1,031
Fees and accounts receivable	27,640	32,096	32,641
Due from affiliates	5,388	7,474	11,092
Investments:			
Investments in funds	63,449	74,379	98,780
Accrued carried interest allocations	636,887	896,523	1,347,448
Legacy Greenspring investments in funds and accrued carried interest allocations ⁽¹⁾	-	-	1,311,475
Deferred income tax assets	35,658	89,439	18,966
Lease right-of-use assets, net	-	-	63,322
Other assets and receivables	23,692	24,715	23,619
Intangibles, net	6,326	5,491	409,174
Goodwill	6,792	6,792	583,196
Total assets	\$ 994,823	\$ 1,320,772	\$ 4,036,629
Liabilities and stockholders' equity			
Accounts payable, accrued expenses and other liabilities	\$ 42,030	\$ 47,723	\$ 60,007
Accrued compensation and benefits	42,497	34,224	60,299
Accrued carried interest-related compensation	320,942	465,610	688,116
Legacy Greenspring accrued carried interest-related compensation ⁽¹⁾	-	-	1,069,983
Due to affiliates	55,217	113,522	203,971
Lease liabilities	-	-	73,437
Debt obligations	-	-	62,702
Total liabilities	460,686	661,079	2,218,575
Stockholders' equity	146,149	249,253	775,449
Accumulated other comprehensive income	53	155	250
Non-controlling interests in subsidiaries	25,133	25,885	28,571
Non-controlling interests in legacy Greenspring entities ⁽¹⁾	-	-	241,493
Non-controlling interests in the Partnership	362,802	384,400	772,291
Total stockholders' equity	534,137	659,693	1,818,054
Total liabilities and stockholders' equity	\$ 994,823	\$ 1,320,772	\$ 4,036,629

¹ Represents amounts attributable to consolidated VEs for which we did not acquire any direct economic interests. Such amounts are attributable to employees and therefore have been reflected as non-controlling interests in legacy Greenspring entities and legacy Greenspring accrued carried interest-related compensation, respectively.

Non-GAAP Financial Results



(\$ in thousands, unless otherwise mentioned)

	Quarter			Year-to-Date		
	Dec '20	Dec '21	% Fav / Unfav	Dec '20	Dec '21	% Fav / Unfav
Management and advisory fees, net	\$ 70,093	\$ 106,384	52%	\$ 209,245	\$ 268,028	28%
Less:						
Cash-based compensation	36,732	51,665	-41%	113,858	138,217	-21%
Equity-based compensation ⁽¹⁾	-	178	na	-	401	na
General, administrative and other	12,624	30,299	-140%	34,487	72,049	-109%
Plus:						
Amortization of intangibles	835	10,958	1212%	2,505	13,448	437%
Non-core items ⁽²⁾	768	1,628	112%	5,037	15,551	209%
Fee-related earnings	22,340	36,828	65%	68,442	86,360	26%
Plus:						
Realized carried interest allocations	26,063	66,559	155%	38,257	169,053	342%
Incentive fees	313	27	-91%	5,098	6,005	18%
Deferred incentive fees	-	-	na	4,700	5,811	24%
Realized investment income	2,344	1,834	-22%	4,012	6,668	66%
Interest income	83	43	-48%	342	329	-4%
Write-off of unamortized deferred financing costs	-	-	na	3,526	-	na
Other income (loss) ⁽³⁾	799	(273)	na	1,261	(1,271)	na
Less:						
Realized performance fee-related compensation	10,241	34,033	-232%	17,952	86,122	-380%
Interest expense	26	543	-1988%	7,353	637	91%
Income attributable to non-controlling interests in subsidiaries ⁽⁴⁾	5,628	7,716	-37%	19,297	19,341	0%
Pre-tax adjusted net income	36,047	62,726	74%	81,036	166,855	106%
Less: Income taxes ⁽⁵⁾	9,012	14,145	-57%	20,260	37,626	-86%
Adjusted net income	\$ 27,035	\$ 48,581	80%	\$ 60,776	\$ 129,229	113%
ANI per share	\$ 0.28	\$ 0.42	50%	\$ 0.62	\$ 1.23	98%

¹ Reflects equity-based compensation for awards granted subsequent to the IPO.

² Includes transaction costs (\$0.3 million for the three months ended December 31, 2020, and \$13.8 million and \$0.3 million for the nine months ended December 31, 2021 and 2020, respectively), severance costs (\$0.1 million and \$4.1 million for the nine months ended December 31, 2021 and 2020, respectively), loss on change in fair value for contingent consideration obligation (\$1.6 million for the three and nine months ended December 31, 2021, and \$0.4 million for the three and nine months ended December 31, 2020), and other non-core operating income and expenses.

³ Reflects other income (loss) net of amounts for Tax Receivable Agreements adjustments recognized as other income (loss) (\$1.4 million for the nine months ended December 31, 2021).

⁴ Reflects the portion of pre-tax adjusted net income of our subsidiaries attributable to non-controlling interests.

⁵ Represents corporate income taxes at a blended statutory rate of 22.6% applied to pre-tax adjusted net income for the three and nine months ended December 31, 2021, and a blended statutory rate of 25.0% applied to pre-tax adjusted net income for the three and nine months ended December 31, 2020. The 22.6% rate for the three and nine months ended December 31, 2021 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 1.6%, and the 25.0% rate for the three and nine months ended December 31, 2020 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 4.0%.

(\$B, unless noted)	Q3'22	Q3'21	Fav / Unfav Change	
			\$	%
SMAs				
Beginning balance	\$ 43.2	\$ 33.4	\$ 9.8	29%
Contributions	3.1	1.8	1.3	70%
Distributions	(0.8)	(0.2)	(0.7)	-365%
Market value, FX and other	0.4	0.3	0.1	51%
Ending balance	\$ 45.9	\$ 35.4	\$ 10.5	30%
Management fees (\$M)	\$ 44.0	\$ 33.1	\$ 10.9	33%
Average fee rate ¹	0.41%	0.38%	0.02%	6%
Commingled Funds				
Beginning balance	\$ 23.5	\$ 10.9	\$ 12.6	116%
Contributions	2.0	0.3	1.7	575%
Distributions	(0.2)	(0.0)	(0.2)	-2463%
Market value, FX and other	(0.0)	0.1	(0.1)	-126%
Ending balance	\$ 25.3	\$ 11.3	\$ 14.1	125%
Management fees (\$M)	\$ 46.5	\$ 23.6	\$ 23.0	97%
Average fee rate ¹	0.84%	0.93%	-0.09%	-10%
Total				
Beginning balance	\$ 66.7	\$ 44.3	\$ 22.4	50%
Contributions	5.2	2.2	3.0	141%
Distributions	(1.0)	(0.2)	(0.9)	-454%
Market value, FX and other	0.4	0.4	0.0	13%
Ending balance	\$ 71.2	\$ 46.6	\$ 24.6	53%
Management fees (\$M)	\$ 90.5	\$ 56.6	\$ 33.9	60%
Average fee rate ¹	0.52%	0.52%	0.00%	0%

Walk from AUM to FEAUM	\$B
Total AUM as of 12/31/21	\$ 127.0
Less: Non-Fee Earning AUM	(12.4)
Less: Market appreciation included in AUM	(26.0)
Less: Undeployed Fee-Earning Capital (capital not yet invested or considered active on which we will earn fees once capital is invested or activated)	(17.3)
Fee-Earning AUM as of 12/31/21	\$ 71.2

- For the quarter, our FEAUM increased by approximately 7% to \$71.2 billion
- Activated/Deployed approximately \$2.6 billion of capital from our existing undeployed fee-earning capital during the quarter

Note: Amounts may not sum to total due to rounding. Amounts related to reductions in fee-earning AUM from funds that moved from a committed capital to net invested capital fee basis or from funds and accounts that no longer pay fees are included within Distributions. Prior periods have been recast for this change.

¹ Weighted-average fee rates reflect the applicable management fees for the last 12 months ending on each period presented, and is inclusive of any retroactive fees for such period.



¹ Data reflecting twelve months ended December 31, 2021.

StepStone is a Global Private Markets Solutions and Services Provider

StepStone is a global private markets investment firm focused on providing customized investment solutions and advisory data services to clients

\$548B
combined
AUM/AUA¹

\$127B
assets under
management¹

\$71B
fee-earning
assets under
management

\$75B+
annual private
market
allocations²

758
professionals



Focus on customization

Expertise in building customized portfolios designed to meet clients' specific objectives



Global-and-local approach

Global operating platform with strong local teams in 21 cities in 12 countries across 5 continents



Proprietary data and technology

Valuable information advantage generates enhanced private markets insight and improves operational efficiency



Multi-asset class expertise

Scaled presence across the private equity, infrastructure, private debt and real estate asset classes drives ability to execute tailored and complex investment solutions



Large and experienced team

Approximately 265 investment professionals and over 490 other employees dedicated to sourcing, executing, analyzing and monitoring private markets opportunities

As of December 31, 2021. All dollars are USD.

¹ \$548 billion includes \$127 billion in assets under management and \$421 billion in assets under advisement. Reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2021, as reported by underlying managers up to 100 days following September 30, 2021. When NAV data is not available by 100 days following September 30, 2021, such NAVs are adjusted for cash activity following the last available reported NAV.

² For the twelve months ended December 31, 2021. Excludes legacy funds, feeder funds and research-only, non-advisory services.

StepStone’s flexible business model helps clients access opportunities across all asset classes:

ASSET MANAGEMENT		ADVISORY	RESEARCH
SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS	ADVISORY & DATA SERVICES	PORTFOLIO ANALYTICS & REPORTING
<ul style="list-style-type: none"> Owned by one client and managed according to their specific preferences Address client’s specific portfolio risk/return, diversification, and liquidity objectives Integrates a combination of investment strategies across one or more asset classes 	<ul style="list-style-type: none"> Owned by multiple clients Deploy capital in specific asset classes with defined investment strategies Leverages StepStone’s multi-asset class expertise 	<ul style="list-style-type: none"> Recurring support of portfolio construction and design Discrete or project-based due diligence Detailed review of existing private markets investments Consulting services Licensed access to SPI¹ 	<ul style="list-style-type: none"> Provide clients with tailored reporting packages Mandates typically include access to Omni
\$75B AUM and \$46B FEAUM (64% of total)	\$42B AUM and \$25B FEAUM (36% of total)	\$421B AUA and \$10B AUM	Provided portfolio analytics and reporting on over \$540B of client commitments

Note: As of December 31, 2021. Amounts may not sum to total due to rounding.
¹ StepStone Private Markets Intelligence.

Comprehensive, Full Service Model

230
bespoke SMA accounts and
focused commingled funds

37%
of advisory clients also have
an AUM relationship

- Offers a comprehensive, full-service model to clients seeking a customized solution to private markets investing
- Each solution is offered across each of the private equity, infrastructure, private debt and real estate asset classes
- Empowered by industry-transforming technology capabilities that create a virtuous cycle of client engagement providing a significant data advantage

CUSTOMIZED SOLUTIONS ACROSS ALL MARKETS SPECIFICALLY TAILORED FOR EACH ASSET CLASS INDUSTRY-TRANSFORMING TECHNOLOGY CAPABILITIES

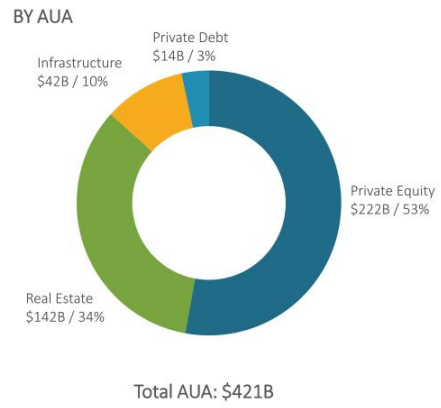
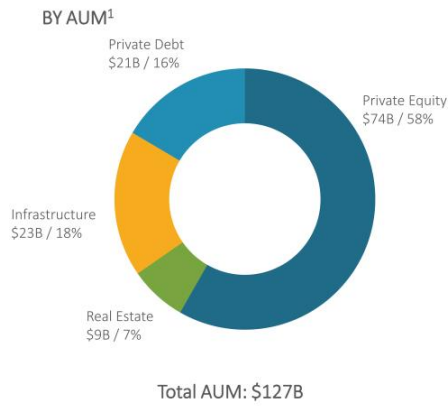


Note: Amounts may not sum to total due to rounding. Data presented as of December 31, 2021. AUM/AUA reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2021, as reported by underlying managers up to 100 days following September 30, 2021. When NAV data is not available by 100 days following September 30, 2021, such NAVs are adjusted for cash activity following the last available reported NAV.
¹ Allocation of AUM by asset class is presented by underlying investment asset classification.
² StepStone Portfolio Analytics & Reporting.

Investment Expertise Across All Private Markets Asset Classes

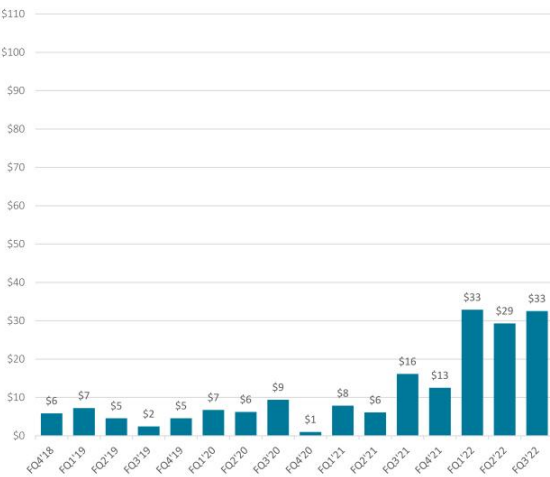
46% (\$251B)
combined AUM / AUA in
RE / INFRA / PD asset classes

As of December 31, 2021

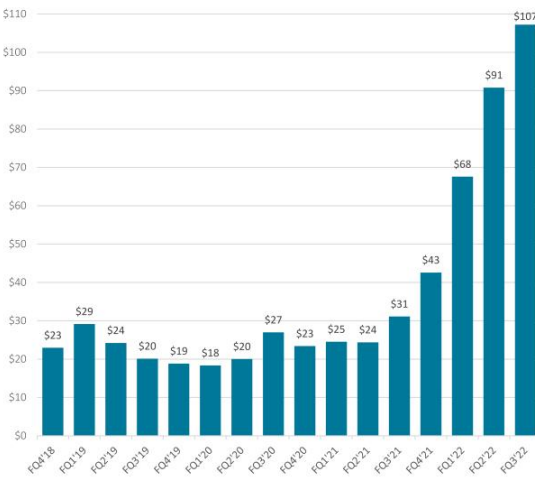


Note: Amounts and percentages may not sum to total due to rounding. Reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2021, as reported by underlying managers up to 100 days following September 30, 2021. When NAV data is not available by 100 days following September 30, 2021, such NAVs are adjusted for cash activity following the last available reported NAV.
RE – Real estate, INFRA – Infrastructure, PD – Private debt
¹Allocation of AUM by asset class is presented by underlying investment asset classification.

QUARTERLY NET REALIZED PERFORMANCE FEES
(\$m, unless otherwise mentioned)



LTM NET REALIZED PERFORMANCE FEES
(\$m, unless otherwise mentioned)



Note: Net Realized Performance Fees represent gross realized performance fees, less realized performance fee-related compensation. Gross realized performance fees include deferred incentive fees that are not included in GAAP revenues. See reconciliation of net realized performance fees on page 32. Excludes legacy Greenspring entities.

Revenues - Management and Advisory Fees, Net

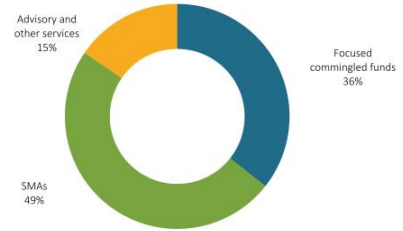
(\$ in thousands)

	Quarter			Year-to-Date			Last Twelve Months		
	Dec '20	Dec '21	% Fav / Unfav	Dec '20	Dec '21	% Fav / Unfav	Dec '20	Dec '21	% Fav / Unfav
Focused commingled funds	\$ 23,567	\$ 46,523	97%	\$ 74,241	\$ 98,173	34%	\$ 96,736	\$ 122,155	26%
SMAs	33,079	44,022	33%	95,030	127,137	34%	123,995	167,891	35%
Advisory and other services	13,442	15,028	12%	39,907	40,663	2%	52,519	52,973	1%
Fund reimbursement revenues	5	811	16120%	67	1,055	1475%	184	1,226	566%
Total management and advisory fees, net	\$ 70,093	\$ 106,384	52%	\$ 209,245	\$ 268,028	28%	\$ 273,424	\$ 344,245	26%

LTM DEC '20



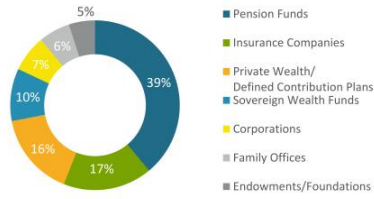
LTM DEC '21



As of December 31, 2021

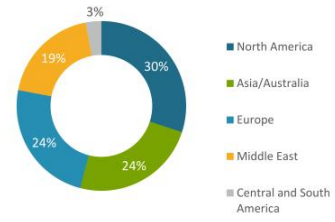
BY TYPE

LTM management and advisory fees (%)



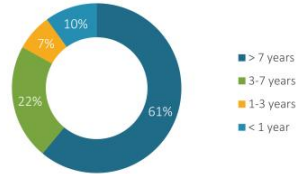
BY GEOGRAPHY

LTM management and advisory fees (%)



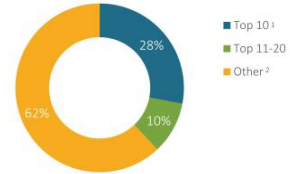
BY ACCOUNT TENOR

LTM management fees (%)



BY CLIENT

LTM management and advisory fees (%)



¹ Represents more than 5x the number of separate mandates and commitments to commingled funds.
² Includes ~96% of management and advisory fee contribution from focused commingled funds.

PRIVATE EQUITY

- Total AUM: \$74B
- SMA AUM: \$38B
- FCF AUM: \$36B
- Advisory AUA: \$222B
- \$44B Approved in 2021

REAL ESTATE

- Total AUM: \$9B
- SMA AUM: \$4B
- FCF AUM: \$3B
- Advisory AUM: \$3B
- Advisory AUA: \$142B
- \$12B Approved in 2021

INFRASTRUCTURE

- Total AUM: \$23B
- SMA AUM: \$22B
- FCF AUM: --
- Advisory AUM: \$1B
- Advisory AUA: \$42B
- \$12B Approved in 2021

PRIVATE DEBT

- Total AUM: \$21B
- SMA AUM: \$12B
- FCF AUM: \$3B
- Advisory AUM: \$6B
- Advisory AUA: \$14B
- \$8B Approved in 2021

INVESTMENT STRATEGY ^{1,2,4}	NET IRR ³	NET TVM ²
PRIMARIES	19.7%	1.7x
SECONDARIES	21.6%	1.6x
CO-INVESTMENTS	25.1%	1.9x

INVESTMENT STRATEGY ^{1,4,5}	NET IRR ³	NET TVM ²
CORE/CORE+ FUND INVESTMENTS	8.5%	1.5x
VALUE-ADD/OPPORTUNISTIC FUND INVESTMENTS	10.1%	1.4x
REAL ESTATE DEBT FUND INVESTMENTS	6.2%	1.2x
VALUE-ADD/OPPORTUNISTIC SECONDARIES & CO-INVESTMENTS	14.8%	1.3x

INVESTMENT STRATEGY ^{1,4,6}	NET IRR ³
PRIMARIES	9.9%
SECONDARIES	11.5%
CO-INVESTMENTS ⁷	8.6%

INVESTMENT STRATEGY ^{1,4,8}	IRR ⁸
DIRECT LENDING (GROSS) ⁹	7.4%
DISTRESSED DEBT (GROSS) ⁹	10.8%
OTHER (GROSS) ^{9,10}	9.6%
PRIVATE DEBT GROSS TRACK RECORD ⁹	8.7%
PRIVATE DEBT NET TRACK RECORD	7.9%

Note: Approvals are LTM as of December 31, 2021. Amounts may not sum to total due to rounding. SMA – Separately Managed Accounts. FCF – Focused Commingled Funds. AUM/AUA as of December 31, 2021. Reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2021, as reported by underlying managers up to 100 days following September 30, 2021. When NAV data is not available by 100 days following September 30, 2021, such NAVs are adjusted for cash activity following the last available reported NAV. Please see next slide for performance footnote references. Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

Note: Descriptions for certain terms can be found on the definitions page starting on slide 33 of this presentation.

¹ Investment returns reflect NAV data for underlying investments as of September 30, 2021, as reported by underlying managers up to 100 days following September 30, 2021. For investment returns where NAV data is not available by 100 days following September 30, 2021, such NAVs are adjusted for cash activity following the last available reported NAV.

² Private Equity includes 1,242 investments totaling \$120.3 billion of capital commitments and excludes (i) 2 advisory co-investments and 137 client-directed investments, totaling \$100.0 million and \$16.4 billion, respectively, of capital commitments, (ii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Investment returns are calculated on a constant currency adjusted reporting basis converting non-USD investment cash flows and NAVs to USD using the foreign currency exchange rate corresponding to each client's first cash flow date.

³ Net IRR and Net TVM are presented solely for illustrative purposes and do not represent actual returns received by any investor in any of the StepStone Funds represented above. StepStone fees and expenses are based on the following assumptions (management fees represent an annual rate): (i) Primaries: 25 basis points of net invested capital for management fee, 5 basis points of capital commitments for fund expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs. (ii) Secondaries: 225 basis points (60 basis points for Infrastructure) on capital commitments in years 1 through 4 for management fee. In year 5, management fees step down to 90% of the previous year's fee. Secondaries also include 5 basis points of capital commitments for fund expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs. Secondaries also include 12.5% of paid and unrealized carry (15.0% of paid and unrealized carry for Real Estate), with an 8% preferred return hurdle. (iii) Co-investments: 100 basis points on net committed capital for management fee, 5 basis points of capital commitments for fund expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs. Co-investments also include 10.0% of paid and unrealized carry (15.0% of paid and unrealized carry for Real Estate), with an 8% preferred return hurdle. Net IRR and Net TVM for certain investments may have been impacted by StepStone's or the underlying fund manager's use of subscription backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.

⁴ Investments of former clients are included in performance summary past the client termination date until such time as StepStone stops receiving current investment data (quarterly valuations and cash flows) for the investment. At that point, StepStone will then "liquidate" the fund by entering a distribution amount equal to the last reported NAV, thus ending its contribution to the track record as of that date. Historical performance contribution will be maintained up until the "liquidation" date.

⁵ Real Estate includes 428 investments totaling \$61.5 billion of capital commitments and excludes (i) 49 client-directed investments, totaling \$6.1 billion of capital commitments, (ii) 6 secondary core/core investments, totaling \$572.1 million, (iii) 4 advisory fund investments totaling \$463.6 million, and (iv) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Investment returns are calculated on a constant currency adjusted reporting basis converting non-USD investment cash flows and NAVs to USD using the foreign currency exchange rate corresponding to each client's first cash flow date. Includes the discretionary track record of Courtland Partners, Ltd., which StepStone acquired on April 1, 2018 (the "Courtland acquisition").

⁶ Infrastructure includes 161 investments totaling \$31.7 billion of capital commitments and excludes (i) approximately 11 Infrastructure investments made by the Partnership prior to the formation of the Infrastructure subsidiary in 2013 or made prior to the Courtland acquisition, and 16 client-directed investments, totaling \$501.9 million and \$1.2 billion, respectively, of capital commitments, and (ii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Investment returns are calculated on a constant currency adjusted reporting basis converting non-USD investment cash flows and NAVs to USD using the foreign currency exchange rate corresponding to each client's first cash flow date.

⁷ Includes asset management investments.

⁸ Private Debt includes 630 investments totaling \$29.0 billion of capital commitments and excludes (i) 27 client-directed investments, totaling \$2.0 billion of capital commitments, and (ii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Investment returns are calculated on a constant currency adjusted reporting basis converting non-USD investment cash flows and NAVs to USD using the foreign currency exchange rate corresponding to each client's first cash flow date. IRR is presented solely for illustrative purposes and does not represent actual returns received by any investor in any of the StepStone Funds represented above. StepStone fees and expenses are based on the following assumptions (management fees represent an annual rate): Private Debt fund investments include 65 basis points on the quarterly net asset value for management fee. Net IRR for certain investments may have been impacted by StepStone's or the underlying fund manager's use of subscription backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.

⁹ Subset performance is presented net of fees and expenses charged by the underlying fund manager only (performance results do not reflect StepStone fees and expenses).

¹⁰ Other includes mezzanine debt, infrastructure debt, collateralized loan obligations, private performing debt, senior debt, fund of funds, leasing, regulatory capital, trade finance and intellectual property/royalty.

Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

Notable StepStone Focused Commingled Funds¹

Fund Name ²	Description	Vintage Year	Fund Size (\$M)
PRIVATE EQUITY			
StepStone Capital Partners IV	Private Equity Co-Investments	2018	\$ 1,302
StepStone Secondary Opportunities Fund IV	Private Equity Secondaries	2019	2,097
StepStone VC Global Partners X	Multi-Strategy Global Venture Capital	2020	1,480
StepStone VC Secondaries Fund IV	Venture Capital Secondaries	2020	800
StepStone Tactical Growth Fund III	Multi-Strategy Growth Equity	2020	696
StepStone VC Opportunities VI	Expansion Stage Venture Capital Directs	2020	653
StepStone VC Asia Fund I	Multi-Strategy Asia Venture Capital	2020	251
StepStone VC Micro III	Micro Venture Capital Primaries	2020	198
StepStone VC Early Stage II	Early Stage Venture Capital Directs	2021	352
REAL ESTATE			
StepStone Real Estate Partners IV	Special Situation Real Estate Secondaries	2019	\$ 1,404
PRIVATE DEBT			
Senior Corporate Lending Fund ³	Corporate Direct Lending	2017-2018 ³	\$ 801
MULTI-ASSET CLASS			
Conversus (CPRIM)	Evergreen	2020	\$ 390 ⁴

- Current funds in market include: private equity co-investment fund, private equity secondaries fund, venture capital opportunities fund, venture capital secondaries fund, venture capital micro fund, corporate direct lending fund, and corporate opportunistic lending fund

¹ Includes funds with fund size greater than \$150 million.

² Reflects most recently closed fund for each category of investment strategy.

³ Includes related funds with separate strategies based on region or use of leverage.

⁴ Reflects fair value of the fund's portfolio as of February 1, 2022.

Reconciliation of GAAP to ANI and FRE



(\$ in thousands)

	Quarter		Year-to-Date		Full Year	Last Twelve Months
	Dec '20	Dec '21	Dec '20	Dec '21	Mar '18	Dec '21
Income before income tax	\$ 116,935	\$ 142,080	\$ 174,983	\$ 396,739	\$ 85,805	\$ 559,605
Net income attributable to non-controlling interests in subsidiaries ⁽¹⁾	(5,628)	(7,716)	(19,297)	(19,341)	(2,350)	(23,596)
Net income attributable to non-controlling interests in legacy Greenspring entities	-	(17,890)	-	(17,890)	-	(17,890)
Unrealized carried interest allocations	(150,681)	(132,535)	(176,050)	(452,789)	(91,753)	(710,566)
Unrealized performance fee-related compensation	73,629	68,368	83,487	228,146	48,278	360,167
Unrealized investment income	(3,017)	(5,396)	(2,496)	(14,173)	(1,870)	(22,743)
Deferred incentive fees	-	-	4,700	5,811	2,801	5,811
Equity-based compensation ⁽²⁾	3,206	3,229	4,641	9,962	189	13,169
Amortization of intangibles	835	10,958	2,505	13,448	3,382	14,282
Write-off of unamortized deferred financing costs	-	-	3,526	-	-	-
Tax Receivable Agreements adjustments through earnings	-	-	-	1,391	-	1,391
Non-core items ⁽³⁾	768	1,628	5,037	15,551	2,211	16,856
Pre-tax adjusted net income	36,047	62,726	81,036	166,855	46,693	196,086
Income taxes ⁽⁴⁾	(9,012)	(14,145)	(20,260)	(37,676)	(11,673)	(42,231)
Adjusted net income	27,035	48,581	60,776	129,229	35,020	153,855
Income taxes ⁽⁵⁾	9,012	14,145	20,260	37,676	11,673	42,231
Realized carried interest allocations	(26,063)	(66,559)	(88,257)	(169,053)	(80,081)	(193,749)
Realized performance fee-related compensation	10,241	34,033	17,952	86,122	11,406	98,702
Realized investment income	(2,344)	(1,834)	(4,012)	(6,668)	(3,137)	(7,997)
Incentive fees	(513)	(27)	(5,098)	(6,005)	(1,489)	(6,381)
Deferred incentive fees	-	-	(4,700)	(5,811)	(2,801)	(5,811)
Interest income	(83)	(43)	(342)	(329)	(143)	(400)
Interest expense	26	543	7,353	637	913	644
Other (income) loss ⁽⁶⁾	(799)	273	(1,261)	1,271	125	2,312
Write-off of unamortized deferred financing costs	-	-	(3,526)	-	-	-
Net income attributable to non-controlling interests in subsidiaries ⁽¹⁾	5,628	7,716	19,297	19,341	2,350	23,596
Fee-related earnings⁽¹⁾	\$ 22,340	\$ 36,828	\$ 68,442	\$ 86,360	\$ 23,836	\$ 107,402
Total revenues	\$ 247,150	\$ 410,465	\$ 428,650	\$ 1,000,835	\$ 264,275	\$ 1,359,901
Unrealized carried interest allocations	(150,681)	(132,535)	(176,050)	(452,789)	(91,753)	(710,566)
Deferred incentive fees	-	-	4,700	5,811	2,801	5,811
Legacy Greenspring carried interest allocations	-	(104,960)	-	(104,960)	-	(104,960)
Adjusted revenues	\$ 96,469	\$ 172,970	\$ 257,300	\$ 448,897	\$ 175,323	\$ 550,186

¹ Reflects the portion of pre-tax adjusted net income of our subsidiaries attributable to non-controlling interests.

² Reflects equity-based compensation for awards granted prior to and in connection with the IPO.

³ Includes transaction costs (\$0.3 million for the three months ended December 31, 2020, and \$11.8 million and \$0.3 million for the nine months ended December 31, 2021 and 2020, respectively), severance costs (\$0.1 million and \$4.1 million for the nine months ended December 31, 2021 and 2020, respectively), loss on change in fair value for contingent consideration obligation (\$1.6 million for the three and nine months ended December 31, 2021, and \$0.4 million for the three and nine months ended December 31, 2020), and other non-core operating income and expenses.

⁴ Represents corporate income taxes at a blended statutory rate of 22.6% applied to pre-tax adjusted net income for the three and nine months ended December 31, 2021, and a blended statutory rate of 25.0% applied to pre-tax adjusted net income for the three and nine months ended December 31, 2020. The 22.6% rate for the three and nine months ended December 31, 2021 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 1.6%, and the 25.0% rate for the three and nine months ended December 31, 2020 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 4.0%.

⁵ Foreign currency translation gains and losses have been reclassified from general, administrative and other expenses to other income (loss) in our consolidated income statements for all prior periods presented to conform to the current period presentation.

⁶ Reflects other income (loss) net of amounts for Tax Receivable Agreements adjustments recognized as other income (loss) (\$1.4 million for the nine months ended December 31, 2021).

Reconciliation of Adjusted Net Income Per Share



(\$ in thousands, except share and per share amounts)

	Quarter		Year-to-Date		Full Year	Last Twelve Months
	Dec '20	Dec '21	Dec '20	Dec '21	Mar '18	Dec '21
Adjusted net income	\$ 27,035	\$ 48,581	\$ 60,776	\$ 129,229	\$ 35,020	\$ 153,855
Weighted-average shares of Class A common stock outstanding – Basic ⁽¹⁾	29,237,500	57,875,758	29,237,500	46,247,353	29,237,500	42,205,312
Assumed vesting of RSUs ⁽²⁾	1,012,657	1,125,798	977,400	1,390,538	745,347	1,383,127
Assumed vesting and exchange of Class B2 units ⁽¹⁾	2,454,818	2,481,677	2,449,298	2,480,591	2,411,318	2,481,785
Exchange of Class B units in the Partnership ⁽¹⁾⁽³⁾	65,578,831	50,327,243	65,578,831	53,511,397	65,578,831	56,304,403
Exchange of Class C units in the Partnership ⁽³⁾	-	3,003,274	-	1,116,423	-	834,284
Adjusted shares ⁽¹⁾	98,283,806	114,813,750	98,243,029	104,746,302	97,972,996	103,208,911
Adjusted net income per share	\$ 0.28	\$ 0.42	\$ 0.62	\$ 1.23	\$ 0.36	\$ 1.49

¹ Our Class A common stock did not exist prior to the Reorganization and IPO in September 2020. As a result, the computation of ANI per share for all periods presented prior to the Reorganization and IPO date assumes the same number of adjusted shares outstanding as reported for the three months ended September 30, 2020 for comparability purposes.

² Assumes the full exchange of Class B units in StepStone Group LP for Class A common stock of SSG pursuant to the Class B Exchange Agreement.

³ Assumes the full exchange of Class C units in StepStone Group LP for Class A common stock of SSG pursuant to the Class C Exchange Agreement.

Reconciliation of Gross and Net Realized Performance Fees



(\$ in millions)

	Quarter															
	FQ4'18	FQ1'19	FQ2'19	FQ3'19	FQ4'19	FQ1'20	FQ2'20	FQ3'20	FQ4'20	FQ1'21	FQ2'21	FQ3'21	FQ4'21	FQ1'22	FQ2'22	FQ3'22
Realized carried interest allocations ⁽¹⁾	\$ 9.9	\$ 11.3	\$ 10.1	\$ 5.4	\$ 9.9	\$ 12.9	\$ 11.1	\$ 19.6	\$ 2.6	\$ 3.6	\$ 8.6	\$ 26.1	\$ 24.7	\$ 50.0	\$ 52.5	\$ 66.6
Incentive fees	0.1	1.2	0.1	0.1	0.1	1.6	0.8	0.2	0.8	3.6	1.2	0.3	0.4	4.2	1.8	0.0
Deferred incentive fees	0.6	1.0	-	-	-	-	0.8	-	-	3.5	1.2	-	-	4.0	1.8	-
Gross realized performance fees	10.7	13.5	10.2	5.5	10.0	14.5	12.6	19.8	3.4	10.8	10.9	26.4	25.1	58.2	56.1	66.6
Realized performance fee-related compensation ⁽¹⁾	(4.8)	(6.3)	(5.6)	(3.0)	(5.4)	(7.8)	(6.4)	(10.4)	(2.4)	(2.9)	(4.8)	(10.2)	(12.6)	(25.3)	(26.8)	(34.0)
Net realized performance fees	\$ 5.9	\$ 7.2	\$ 4.6	\$ 2.5	\$ 4.6	\$ 6.7	\$ 6.2	\$ 9.4	\$ 1.0	\$ 7.9	\$ 6.1	\$ 16.1	\$ 12.5	\$ 32.9	\$ 29.3	\$ 32.6

	Last Twelve Months															
	FQ4'18	FQ1'19	FQ2'19	FQ3'19	FQ4'19	FQ1'20	FQ2'20	FQ3'20	FQ4'20	FQ1'21	FQ2'21	FQ3'21	FQ4'21	FQ1'22	FQ2'22	FQ3'22
Realized carried interest allocations ⁽¹⁾	\$ 30.1	\$ 39.7	\$ 36.8	\$ 36.6	\$ 36.6	\$ 38.3	\$ 39.2	\$ 53.4	\$ 46.2	\$ 36.9	\$ 34.4	\$ 40.9	\$ 63.0	\$ 109.3	\$ 153.3	\$ 193.7
Incentive fees	1.5	2.7	3.2	1.6	1.5	1.9	2.6	2.7	3.4	5.4	5.8	5.9	5.5	6.1	6.7	6.4
Deferred incentive fees	2.8	3.6	3.0	1.6	1.0	-	0.8	0.8	0.8	4.3	4.7	4.7	4.7	5.2	5.8	5.8
Gross realized performance fees	34.4	46.0	42.9	39.9	39.2	40.2	42.6	57.0	50.4	46.6	44.9	51.5	73.1	120.5	165.7	205.9
Realized performance fee-related compensation ⁽¹⁾	(11.4)	(16.8)	(18.7)	(19.7)	(20.3)	(21.8)	(22.6)	(30.0)	(27.0)	(22.1)	(20.5)	(20.4)	(30.5)	(52.9)	(74.9)	(98.7)
Net realized performance fees	\$ 23.0	\$ 29.2	\$ 24.2	\$ 20.1	\$ 18.9	\$ 18.4	\$ 20.0	\$ 27.0	\$ 23.4	\$ 24.5	\$ 24.4	\$ 31.1	\$ 42.6	\$ 67.6	\$ 90.8	\$ 107.2

Note: Amounts may not sum to total due to rounding.
¹ Excludes legacy Greenspring entities.

- **StepStone Group Inc.** or “SSG” refers solely to StepStone Group Inc., a Delaware corporation, and not to any of its subsidiaries.
- **Partnership** refers solely to StepStone Group LP, a Delaware limited partnership, and not to any of its subsidiaries.
- **Reorganization** refers to the series of transactions immediately before the Company’s initial public offering (“IPO”), which was completed on September 18, 2020.
- **Assets Under Management**, or “AUM”, primarily reflects the assets associated with our SMAs and focused commingled funds. We classify assets as AUM if we have full discretion over the investment decisions in an account or have responsibility or custody of assets. Although management fees are based on a variety of factors and are not linearly correlated with AUM, we believe AUM is a useful metric for assessing the relative size and scope of our asset management business.

Our AUM is calculated as the sum of (i) the net asset value (“NAV”) of client portfolio assets, including the StepStone Funds and (ii) the unfunded commitments of clients to the underlying investments and the StepStone Funds. Our AUM reflects the investment valuations in respect of the underlying investments of our funds and accounts on a three-month lag, adjusted for new client account activity through the period end. Our AUM does not include post-period investment valuation or cash activity. AUM as of December 31, 2021 reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. NAV data for underlying investments is as of September 30, 2021, as reported by underlying managers up to 100 days following September 30, 2021. When NAV data is not available by 100 days following September 30, 2021, such NAVs are adjusted for cash activity following the last available reported NAV.

- **Assets Under Advisement**, or “AUA”, consists of client assets for which we do not have full discretion to make investment decisions but play a role in advising the client or monitoring their investments. We generally earn revenue for advisory-related services on a contractual fixed fee basis. Advisory-related services include asset allocation, strategic planning, development of investment policies and guidelines, screening and recommending investments, legal negotiations, monitoring and reporting on investments, and investment manager review and due diligence. Advisory fees vary by client based on the scope of services, investment activity and other factors. Most of our advisory fees are fixed, and therefore, increases or decreases in AUA do not necessarily lead to proportionate changes in revenue.

Our AUA is calculated as the sum of (i) the NAV of client portfolio assets for which we do not have full discretion and (ii) the unfunded commitments of clients to the underlying investments. Our AUA reflects the investment valuations in respect of the underlying investments of our client accounts on a three-month lag, adjusted for new client account activity through the period end. Our AUA does not include post-period investment valuation or cash activity. AUA as of December 31, 2021 reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. NAV data for underlying investments is as of September 30, 2021, as reported by underlying managers up to 100 days following September 30, 2021. When NAV data is not available by 100 days following September 30, 2021, such NAVs are adjusted for cash activity following the last available reported NAV. Beginning in the quarter ended March 31, 2021, the computation of AUA was modified to include the portion of client portfolio assets for which we do not directly provide recommendations, monitoring and/or reporting services. Prior period amounts have not been recast for this change as such historical data does not exist. The impact of the change was approximately \$70 billion in the quarter ended March 31, 2021.

- **Fee-Earning AUM**, or “**FEAUM**”, reflects the assets from which we earn management fee revenue (i.e., fee basis) and includes assets in our SMAs, focused commingled funds and assets held directly by our clients for which we have fiduciary oversight and are paid fees as the manager of the assets. Our SMAs and focused commingled funds typically pay management fees based on capital commitments, net invested capital and, in certain cases, NAV, depending on the fee terms. Management fees are only marginally affected by market appreciation or depreciation because substantially all of the StepStone Funds pay management fees based on capital commitments or net invested capital. As a result, management fees and FEAUM are not materially affected by changes in market value.
- **Undeployed Fee-Earning Capital** represents the amount of capital commitments to StepStone Funds that has not yet been invested or considered active but will generate management fee revenue once this capital is invested or activated.
- **Adjusted net income**, or “**ANI**”, is a non-GAAP performance measure that we present on a pre-tax and after-tax basis used to evaluate profitability. ANI represents the after-tax net realized income attributable to us. The components of revenues used in the determination of ANI (“**Adjusted Revenues**”) comprise net management and advisory fees, incentive fees (including the deferred portion) and realized carried interest allocations. In addition, ANI excludes: (a) unrealized carried interest allocation revenues and related compensation, (b) unrealized investment income, (c) equity-based compensation for awards granted prior to and in connection with our IPO, (d) amortization of intangibles and (e) certain other items that we believe are not indicative of our core operating performance, including charges associated with acquisitions and corporate transactions, contract terminations and employee severance. ANI does not reflect legacy Greenspring carried interest allocation revenues, legacy Greenspring carried interest-related compensation and legacy Greenspring investment income as none of the economics are attributable to us. ANI is income before taxes fully taxed at our blended statutory rate. We believe ANI and adjusted revenues are useful to investors because they enable investors to evaluate the performance of our business across reporting periods.
- **ANI Per Share** measures our per-share earnings assuming all Class B units and Class C units in the Partnership were exchanged for Class A common stock in SSG, including the dilutive impact of outstanding equity-based awards. ANI per share is calculated as ANI divided by adjusted shares outstanding. We believe ANI per share is useful to investors because it enables them to better evaluate per-share operating performance across reporting periods.
- **Fee-Related Earnings**, or “**FRE**”, is a non-GAAP performance measure used to monitor our baseline earnings from recurring management and advisory fees. FRE is a component of ANI and comprises net management and advisory fees, less operating expenses other than performance fee-related compensation, equity-based compensation for awards granted prior to and in connection with our IPO, amortization of intangibles and other non-core operating items. FRE is presented before income taxes. We believe FRE is useful to investors because it provides additional insight into the operating profitability of our business and our ability to cover direct base compensation and operating expenses from total fee revenues.
- **Fee-Related Earnings Margin** is a non-GAAP performance measure which is calculated by dividing Fee-Related Earnings by Management & Advisory Fees, net. We believe Fee-Related Earnings Margin is an important measure of profitability on revenues that are largely recurring by nature.
- **Gross Realized Performance Fees** represents realized carried interest allocations and incentive fees, including the deferred portion. Excludes legacy Greenspring entities.

- **Net Realized Performance Fees** represents gross realized performance fees, less realized performance fee-related compensation. Excludes legacy Greenspring entities.
- **Invested Capital** refers to the total amount of all investments made by a fund, including commitment-reducing and non-commitment-reducing capital calls.
- **“IRR”**, refers to the annualized internal rate of return for all investments within the relevant investment strategy on an inception-to-date basis as of September 30, 2021 (except as noted otherwise on pages 27 and 28), based on contributions, distributions and unrealized value.
- **“Net IRR”** refers to IRR, net of fees and expenses charged by both the underlying fund managers and StepStone.
- **Net Asset Value, or “NAV”**, refers to the estimated fair value of unrealized investments plus any net assets or liabilities associated with the investment as of September 30, 2021.
- **“Net TVM”** refers to the total value to paid-in capital or invested capital expressed as a multiple. Net TVM is calculated as distributions plus unrealized valuations divided by invested capital (including all capitalized costs).
- **Last Twelve Months, or “LTM,”** refers to the preceding twelve months as of the period end.
- **Compound annual growth rate, or “CAGR,”** represents a measure of the annual growth rate over multiple periods, considering the effect of compounding.
- **Legacy Greenspring entities** refers to certain entities for which the Company, indirectly through its subsidiaries, became the sole and/or managing member in connection with the Greenspring acquisition.
- **Fund Size** refers to total capital commitments to a StepStone fund including commitments from the Company as the general partner.

Some of the statements in this presentation may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking. Words such as “anticipate,” “believe,” “continue,” “estimate,” “expect,” “future,” “intend,” “may,” “plan” and “will” and similar expressions identify forward-looking statements. Forward-looking statements reflect management’s current plans, estimates and expectations and are inherently uncertain. The inclusion of any forward-looking information in this presentation should not be regarded as a representation that the future plans, estimates or expectations contemplated will be achieved. Forward-looking statements are subject to various risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, global and domestic market and business conditions, successful execution of business and growth strategies and regulatory factors relevant to our business, as well as assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity and the risks and uncertainties described in greater detail under “Risk Factors” included in our annual report on Form 10-K for the fiscal year ended March 31, 2021, and in our subsequent reports filed with the Securities and Exchange Commission, as such factors may be updated from time to time. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

The non-GAAP financial measures contained in this presentation (including, without limitation, Adjusted Revenues, Adjusted Net Income (on both a pre-tax and after-tax basis), Adjusted Net Income per share, Fee-Related Earnings and Fee-Related Earnings Margin) are not GAAP measures of the Company’s financial performance or liquidity and should not be considered as alternatives to net income (loss) as a measure of financial performance or cash flows from operations as measures of liquidity, or any other performance measure derived in accordance with GAAP. A reconciliation of such non-GAAP measures to their most directly comparable GAAP measure is included on pages 30-32 of this presentation. You are encouraged to evaluate each adjustment to non-GAAP financial measures and the reasons management considers it appropriate for supplemental analysis. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In addition, these measures may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

