

**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 9, 2023
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 9, 2023, StepStone Group Inc. (the "Company") issued a press release and presentation announcing its financial results for the third fiscal quarter ended December 31, 2022. 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 9, 2023 |
| 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 9, 2023

By: /s/ Johnny D. Randel

Johnny D. Randel

Chief Financial Officer

(Principal Financial Officer and Authorized Signatory)

STEPSTONE GROUP REPORTS THIRD QUARTER FISCAL YEAR 2023 RESULTS

NEW YORK, February 9, 2023 – 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, 2022. This represents results for the third quarter for the fiscal year ending March 31, 2023. The Board of Directors of the Company has declared a quarterly cash dividend of \$0.20 per share of Class A common stock, payable on March 15, 2023, to the holders of record as of the close of business on February 28, 2023.

StepStone issued a full detailed presentation of its third quarter fiscal 2023 results, which can be accessed by clicking [here](#).

Webcast and Earnings Conference Call

Management will host a webcast and conference call on Thursday, February 9, 2023 at 5:00 pm ET to discuss the Company's results for the third fiscal quarter ended December 31, 2022. 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 23, 2023. To access the replay, dial 1-844-512-2921 (United States) or 1-412-317-6671 (international). The replay PIN is 13735268. 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, data and administrative services to its clients. As of December 31, 2022, StepStone was responsible for approximately \$602 billion of total capital, including \$134 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 May 31, 2022, 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 2023 Earnings
Presentation

FEBRUARY 9, 2023





Scott Hart
CEO



Jason Ment
President & Co-COO



Mike McCabe
Head of Strategy



Johnny Randel
Chief Financial Officer

GAAP Consolidated Income Statements



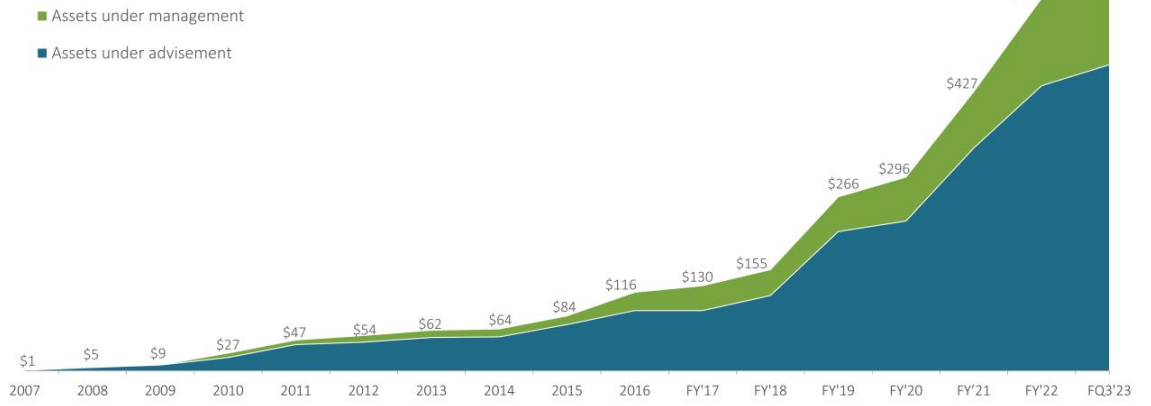
GAAP net loss was \$13.6 million for the quarter and \$102.1 million year-to-date. GAAP net loss attributable to StepStone Group Inc. was \$6.9 million (or \$0.11 per share) for the quarter and \$47.2 million (or \$0.77 per share) year-to-date.

(\$ in thousands, except per share amounts)




| | Quarter | | | Year-to-Date | | |
|---|------------------|-------------------|---------------|-------------------|--------------------|---------------|
| | Dec '21 | Dec '22 | % Fav / Unfav | Dec '21 | Dec '22 | % Fav / Unfav |
| Revenues | | | | | | |
| Management and advisory fees, net | \$ 106,384 | \$ 128,753 | 21% | \$ 268,028 | \$ 364,606 | 36% |
| Performance fees: | | | | | | |
| Incentive fees | 27 | 2,980 | 10937% | 6,005 | 6,345 | 39% |
| Carried interest allocations: | | | | | | |
| Realized | 66,559 | 16,320 | -75% | 369,053 | 112,396 | -34% |
| Unrealized | 132,635 | (63,367) | na | 452,789 | (354,095) | na |
| Total carried interest allocations | 199,294 | (47,047) | na | 821,842 | (241,699) | na |
| Legacy Greenspring carried interest allocations ⁽¹⁾ | 104,960 | (88,921) | na | 104,960 | (371,200) | na |
| Total revenues | 410,465 | (4,235) | na | 1,000,835 | (239,948) | na |
| Expenses | | | | | | |
| Compensation and benefits: | | | | | | |
| Cash-based compensation | 51,665 | 62,628 | -21% | 138,217 | 182,190 | -32% |
| Equity-based compensation | 3,407 | 8,108 | -138% | 10,363 | 15,605 | -51% |
| Performance fee-related compensation: | | | | | | |
| Realized | 34,033 | 11,726 | 66% | 86,122 | 67,091 | 22% |
| Unrealized | 68,368 | (31,875) | na | 228,146 | (172,554) | na |
| Total performance fee-related compensation | 102,401 | (20,149) | na | 314,268 | (105,463) | na |
| Legacy Greenspring performance fee-related compensation ⁽¹⁾ | 104,960 | (88,921) | na | 104,960 | (371,200) | na |
| Total compensation and benefits | 262,433 | (38,334) | na | 567,808 | (278,868) | na |
| General, administrative and other | 30,289 | 43,582 | -44% | 72,049 | 113,547 | -55% |
| Total expenses | 292,732 | 5,248 | 98% | 639,857 | (167,321) | na |
| Other income (expense) | | | | | | |
| Investment income (loss) | 7,230 | (681) | na | 20,841 | (5,473) | na |
| Legacy Greenspring investment income (loss) ⁽¹⁾ | 17,890 | (8,964) | na | 17,890 | (32,927) | na |
| Investment income of Consolidated Funds | - | 4,895 | na | - | 4,895 | na |
| Interest income | 43 | 701 | 1530% | 329 | 1,068 | 225% |
| Interest expense | (543) | (1,111) | -105% | (637) | (2,515) | -295% |
| Other income (loss) | (273) | 358 | na | (2,662) | (1,800) | 48% |
| Total other income (expense) | 24,347 | (4,804) | na | 35,761 | (36,332) | na |
| Income (loss) before income tax | 142,080 | (14,287) | na | 396,739 | (108,959) | na |
| Income tax expense (benefit) | 15,782 | (732) | na | 16,055 | (6,868) | na |
| Net income (loss) | 126,293 | (13,555) | na | 380,674 | (102,091) | na |
| Less: Net income attributable to non-controlling interests in subsidiaries | 7,091 | 9,575 | -35% | 18,737 | 25,836 | -38% |
| Less: Net income (loss) attributable to non-controlling interests in legacy Greenspring entities ⁽¹⁾ | 17,890 | (8,966) | na | 17,890 | (32,927) | na |
| Less: Net income (loss) attributable to non-controlling interests in the Partnership | 52,366 | (7,617) | na | 331,977 | (68,192) | na |
| Less: Net income attributable to redeemable non-controlling interests in Consolidated Funds | - | 391 | na | - | 391 | na |
| Net income (loss) attributable to StepStone Group Inc. | \$ 48,346 | \$ (6,918) | na | \$ 152,070 | \$ (47,159) | na |
| Net income (loss) per share of Class A common stock - Basic | \$ 0.84 | \$ (0.11) | na | \$ 3.29 | \$ (0.77) | na |
| Net income (loss) per share of Class A common stock - Diluted | \$ 0.83 | \$ (0.11) | na | \$ 3.22 | \$ (0.77) | na |

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 (loss) attributable to non-controlling interests in legacy Greenspring entities, respectively.

TOTAL CAPITAL RESPONSIBILITY (\$B)



Note: Fiscal 2017-2022 reflect Total Capital Responsibility 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, 2022, approximately \$0.7 billion, \$0.2 billion, \$0.0 billion, \$2.8 billion, \$2.3 billion and \$19.7 billion of AUM and \$0.0 billion, \$0.0 billion, \$0.0 billion, \$0.2 billion, \$121.6 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.

| | | FQ3'23 | FQ3'22 | vs. FQ3'22 | FQ2'23 | vs. FQ2'23 | |
|--|---|-------------|-------------|------------|-------------|------------|----------------|
|  KEY BUSINESS DRIVERS | Assets under management ("AUM") | \$134.0 B | \$127.0 B | 6% | \$135.0 B | -1% | |
| | Fee-Earning AUM ("FEAUM") | \$83.0 B | \$71.2 B | 16% | \$80.1 B | 4% | |
| | Undeployed fee-earning capital | \$14.0 B | \$17.3 B | -19% | \$16.5 B | -15% | |
| | Gross accrued carry | \$1,126.4 M | \$1,347.4 M | -16% | \$1,189.3 M | -5% | |
| | | | | | | | |
|  FINANCIAL HIGHLIGHTS¹ | (SM, except per share amounts) | FQ3'23 | FQ3'22 | vs. FQ3'22 | FQ3'23 YTD | FQ3'22 YTD | vs. FQ3'22 YTD |
| | Adjusted revenues | \$148.1 | \$173.0 | -14% | \$489.0 | \$448.9 | 9% |
| | Management and advisory fees, net | \$128.8 | \$106.4 | 21% | \$364.6 | \$268.0 | 36% |
| | Fee-related earnings ("FRE") | \$42.7 | \$36.8 | 16% | \$118.4 | \$86.4 | 37% |
| | Fee-related earnings margin | 33% | 35% | | 32% | 32% | |
| | Adjusted Net Income ("ANI") | \$31.2 | \$48.6 | -36% | \$115.5 | \$129.2 | -11% |
| | ANI per share | \$0.27 | \$0.42 | -36% | \$1.01 | \$1.23 | -18% |
|  BUSINESS UPDATE | <ul style="list-style-type: none"> Declared a dividend of \$0.20 per share of Class A common stock, payable on March 15, 2023 to record holders of Class A common stock at the close of business on February 28, 2023 Raised a total of \$12.4 billion of new SMA² capital over the LTM Additional closings in the LTM of StepStone's private equity secondaries fund, multi-strategy global venture capital fund, expansion stage venture capital directs fund, and infrastructure co-investment fund. Raised a total of \$6.0 billion for commingled funds over the LTM Total retail platform assets surpassed \$1.3 billion in AUM, driven by continued strong subscriptions in SPRIM and SPRING, and the expansion into Europe and Australia | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

¹ See definition and reconciliation of non-GAAP measures at the end of this presentation.
² Includes advisory accounts for which we have discretion.

OVERVIEW

| AUM | | AUA |
|---|--|--|
| SEPARATELY MANAGED ACCOUNTS | FOCUSED COMMINGLED FUNDS | ADVISORY |
| <p>\$78B 4% growth from prior year</p> <ul style="list-style-type: none"> A total of \$12.4B of new capital additions during the LTM | <p>\$43B 2% growth from prior year</p> <ul style="list-style-type: none"> A total of \$6.0B raised in focused commingled funds during the LTM Additional closings in the LTM on StepStone's funds including private equity secondaries, multi-strategy global venture capital, expansion stage venture capital directs, infrastructure co-investment, SPRIM and SPRING | <p>\$468B</p> <ul style="list-style-type: none"> Net client activity increased AUA by \$47B over the last twelve months ~\$13B of AUA relates to advisory accounts for which we have discretion |

UFEC
Total undeployed fee-earning capital of **\$14.0B**

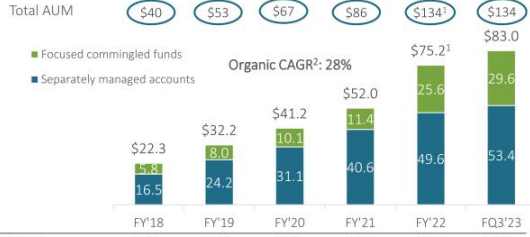
| FEAUM | |
|--|--|
| SEPARATELY MANAGED ACCOUNTS | FOCUSED COMMINGLED FUNDS |
| <p>\$53B +16% from prior year</p> | <p>\$30B +17% from prior year</p> |

Note: As of December 31, 2022. Amounts may not sum to total due to rounding.

Fee-earning AUM Evolution

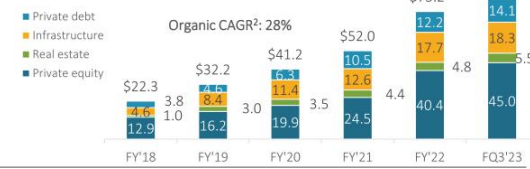
35%
clients with exposure to more than one asset class

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



| | | | | | | |
|--------------|-----|-----|-----|-----|-----|-----|
| % SMAs | 74% | 75% | 76% | 78% | 66% | 64% |
| % Commingled | 26% | 25% | 24% | 22% | 34% | 36% |

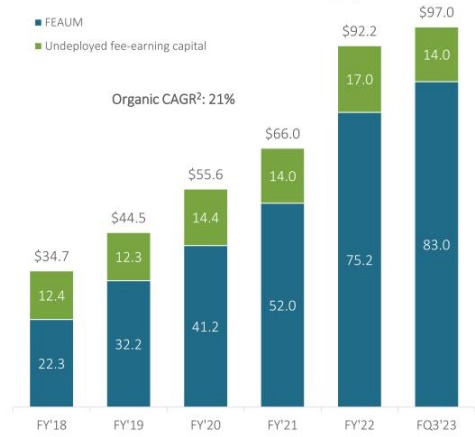
FEE-EARNING AUM BY ASSET CLASS (\$B)



| | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|
| % PE | 58% | 50% | 48% | 47% | 54% | 54% |
| % RE/INFRA/PD | 42% | 50% | 52% | 53% | 46% | 46% |

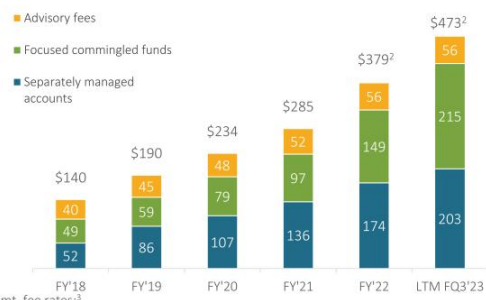
Note: Amounts may not sum to total due to rounding. PE – Private equity, RE – Real estate, INFRA – Infrastructure, PD – Private debt
¹ The acquisition of Greenspring added approximately \$22.5B of AUM, \$11.4B of FEAUM, and \$0.5B of undeployed fee-earning capital as of 9/20/21.
² Organic CAGR excludes \$11.4B of FEAUM and \$0.5B of undeployed fee-earning capital acquired as part of Greenspring as of 9/20/21.

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



Trend in Management and Advisory Fees

MANAGEMENT & ADVISORY FEES (\$M)¹



| Blended mgmt. fee rates: ³ | | | | | | |
|---------------------------------------|-------|-------|-------|-------|-------|-------|
| Overall | 0.56% | 0.53% | 0.51% | 0.52% | 0.52% | 0.54% |
| By Type: | | | | | | |
| SMA | 0.42% | 0.41% | 0.39% | 0.39% | 0.40% | 0.40% |
| Commingled | 0.83% | 0.87% | 0.89% | 0.90% | 0.85% | 0.80% |
| By Asset Class: | | | | | | |
| PE | 0.66% | 0.63% | 0.66% | 0.62% | 0.64% | 0.65% |
| RE / INFRA / PD | 0.46% | 0.41% | 0.37% | 0.42% | 0.40% | 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 AUM as of 9/30/21, and \$43.4M and \$91.9M of management and advisory fees for fiscal 2022 and LTM FQ3'23, respectively.

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 \$50B of AUA for fiscal 2019.

⁵ An expansion of client data tracked contributed \$70B of AUA for fiscal 2021.

⁶ Per share amounts calculated using adjusted shares for each respective period. See slide 32 for calculation of adjusted shares.

MANAGEMENT & ADVISORY FEES PER SHARE⁶



| Assets under management and advisement | | | | | | |
|---|-------|--------------------|-------|--------------------|--------------------|-------|
| FEALUM (\$B) | \$22 | \$32 | \$41 | \$52 | \$75 ⁵ | \$83 |
| AUM (\$B) | \$40 | \$53 | \$67 | \$86 | \$134 ² | \$134 |
| AUA (\$B) | \$115 | \$213 ⁴ | \$229 | \$340 ⁵ | \$436 | \$468 |
| % of fee revenue from management and advisory fees ¹ | | | | | | |
| Mgmt | 72% | 76% | 80% | 82% | 85% | 88% |
| Advisory | 28% | 24% | 20% | 18% | 15% | 12% |

FINANCIAL UPDATE

- Fee revenues increased 21% for the quarter and 36% year-to-date, driven by FEAUM growth and, for the year-to-date period, the impact of Greenspring
- Fee-Related Earnings increased 16% for the quarter and 37% year-to-date, primarily driven by growth in fee revenues and, for the year-to-date period, the impact of Greenspring
- ANI per share decreased 36% for the quarter and 18% year-to-date, reflecting lower net realized performance fees partially offset by higher FRE

FINANCIAL HIGHLIGHTS¹

| (\$M, except per share amounts and where noted) | Three Months Ended Dec 31 | | | Nine Months Ended Dec 31 | | |
|---|---------------------------|----------|---------|--------------------------|----------|---------|
| | 2022 | 2021 | % Δ YTY | 2022 | 2021 | % Δ YTY |
| AUM (\$B) | \$ 134.0 | \$ 127.0 | 6% | | | |
| FEAUM (\$B) | 83.0 | 71.2 | 16% | | | |
| Undeployed Fee-Earning capital (\$B) ² | 14.0 | 17.3 | -19% | | | |
| Management & Advisory Fees, net | \$ 128.8 | \$ 106.4 | 21% | \$ 364.6 | \$ 268.0 | 36% |
| Fee-Related Earnings | 42.7 | 36.8 | 16% | 118.4 | 86.4 | 37% |
| Fee-Related Earnings Margin ³ | 33% | 35% | | 32% | 32% | |
| Gross Realized Performance Fees ⁴ | 19.3 | 66.6 | -71% | 124.4 | 180.9 | -31% |
| Pre-tax Adjusted Net Income ("ANI") | 40.1 | 62.7 | -36% | 148.7 | 166.9 | -11% |
| Adjusted Net Income Per Share ⁵ | \$ 0.27 | \$ 0.42 | -36% | \$ 1.01 | \$ 1.23 | -18% |
| Adjusted Revenues | 148.1 | 173.0 | -14% | 489.0 | 448.9 | 9% |

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 or considered active on which StepStone will earn fees once the capital is deployed or activated.

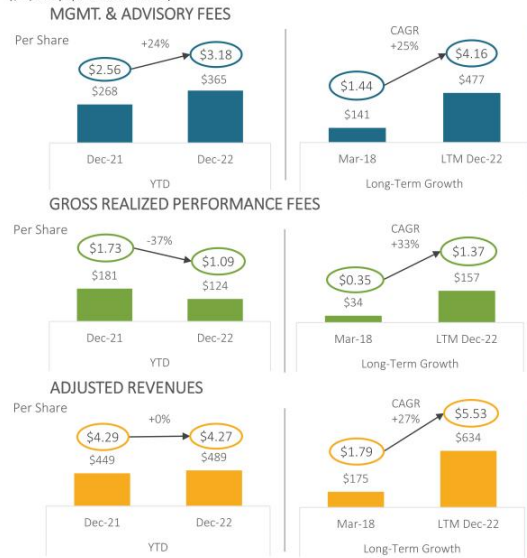
³ Fee-Related Earnings Margin is calculated by dividing Fee-Related Earnings by Management & Advisory Fees, net.

⁴ Gross Realized Performance Fees include deferred incentive fees that are not included in our GAAP results; FQ3'23 YTD: \$3.7m, FQ3'22 YTD: \$5.8m. See reconciliation of GAAP realized performance fees to gross realized performance fees on slide 33. Excludes legacy Greenspring entities.

⁵ Reflects a 22.3% blended statutory rate applied to Pre-tax Adjusted Net Income and 114.7 million and 114.6 million adjusted shares outstanding for FQ3'23 and FQ3'22 YTD. 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 FQ3'22 and FQ3'22 YTD. See slide 32 for calculation of ANI per share and a reconciliation of adjusted shares.

Adjusted Revenues

(\$M, except per share amounts)



- Management fees per share increased 30% YTD and by a compound annual growth rate of 31% over the long-term growth period driven by strong FEAUM growth
- Advisory fees per share decreased 8% YTD and increased by a compound annual growth rate of 3% over the long-term growth period

- Gross realized performance fees were down \$57 million YTD primarily driven by decreased realization activity from our PE funds

(\$M, except per share amounts)

FEE-RELATED EARNINGS

Per Share



- Fee-related earnings per share growth driven primarily by growth in FEAUM and, for the long-term growth period, margin expansion
- FRE margins were 32% YTD as compared with 32% in the prior year and 17% four fiscal years ago
 - FRE margins in FQ3'23 YTD were impacted by \$2.4 million of retroactive fees, which corresponds to \$2.2 million of fee-related earnings. FRE margins in FQ3'22 YTD were impacted by \$4.3 million of retroactive fees, which corresponds to \$4.1 million of fee-related earnings

ADJUSTED NET INCOME

Per Share



- Adjusted net income per share decreased 18% YTD driven by the moderation in realized performance fees
- Adjusted net income per share increased by a CAGR of 33% over the long-term growth period driven by higher FRE and higher net realized performance fees

Accrued Carry and Fund Investments¹

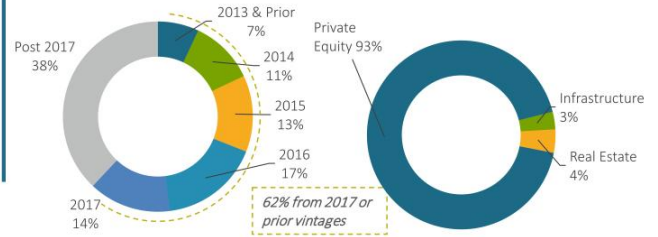
ACCRUED CARRY (\$M)²



INVESTMENTS (\$M)



NET UNREALIZED CARRY AS OF 12/31/2022 BY VINTAGE AND TYPE



- Gross accrued unrealized carried interest of \$1,126 million, net accrued unrealized carry of \$535 million as of December 31, 2022 (note: valuations reported on a one quarter lag)
- Over \$60 billion in performance fee-eligible capital as of December 31, 2022
- \$634 million, or 56%, 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 175 programs with carry or incentive fee structures
- The investments in our funds held by the firm increased to \$139 million, up 40% from December 31, 2021
- Unfunded commitments were \$87.0 million as of December 31, 2022¹

¹ Excludes \$0.9 billion of investments in funds and accrued carried interest allocations and \$51.7 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 interests.
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.
³ Reflects the Company's investments in funds prior to the consolidation of the Consolidated Funds, which results in the elimination of the Company's investments in such funds under GAAP. Investments in funds under GAAP were \$109 million as of December 31, 2022.

APPENDIX

Consolidated Balance Sheets

| (\$ in thousands) | Dec '21 | Mar '22 | Dec '22 |
|---|---------------------|---------------------|---------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 135,885 | \$ 116,386 | \$ 120,093 |
| Restricted cash | 1,031 | 1,063 | 971 |
| Fees and accounts receivable | 32,641 | 34,141 | 42,769 |
| Due from affiliates | 11,092 | 19,369 | 35,749 |
| Investments: | | | |
| Investments in funds ⁽¹⁾ | 98,780 | 107,045 | 109,102 |
| Accrued carried interest allocations | 1,347,448 | 1,480,515 | 1,126,386 |
| Legacy Greenspring investments in funds and accrued carried interest allocations ⁽²⁾ | 1,311,475 | 1,334,581 | 888,872 |
| Deferred income tax assets | 18,966 | 27,866 | 49,245 |
| Lease right-of-use assets, net | 63,322 | 61,065 | 104,767 |
| Other assets and receivables | 23,619 | 27,426 | 44,013 |
| Intangibles, net | 409,174 | 398,126 | 365,515 |
| Goodwill | 583,196 | 580,542 | 580,542 |
| Assets of Consolidated Funds:⁽³⁾ | | | |
| Cash and cash equivalents | - | - | 19,967 |
| Investments, at fair value | - | - | 14,312 |
| Other assets | - | - | 839 |
| Total assets | \$ 4,036,629 | \$ 4,188,125 | \$ 3,503,142 |
| Liabilities and stockholders' equity | | | |
| Accounts payable, accrued expenses and other liabilities | \$ 60,007 | \$ 80,541 | \$ 83,659 |
| Accrued compensation and benefits | 60,299 | 39,966 | 78,925 |
| Accrued carried interest-related compensation | 688,116 | 769,988 | 597,298 |
| Legacy Greenspring accrued carried interest-related compensation ⁽³⁾ | 1,069,983 | 1,140,101 | 723,527 |
| Due to affiliates | 203,971 | 199,355 | 201,352 |
| Lease liabilities | 73,437 | 70,965 | 124,318 |
| Debt obligations | 62,762 | 62,879 | 83,233 |
| Liabilities of Consolidated Funds:⁽³⁾ | | | |
| Other liabilities | - | - | 647 |
| Total liabilities | 2,218,575 | 2,363,795 | 1,892,959 |
| Redeemable non-controlling interests in Consolidated Funds | - | - | 4,966 |
| Total stockholders' equity | 1,818,054 | 1,824,330 | 1,605,217 |
| Total liabilities and stockholders' equity | \$ 4,036,629 | \$ 4,188,125 | \$ 3,503,142 |

¹ The Company's investments in Funds was \$138.6 million as of December 31, 2022. The consolidation of the Consolidated Funds results in the elimination of the Company's investments in such funds under GAAP.

² Represents 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 non-controlling interests in legacy Greenspring entities and legacy Greenspring accrued carried interest-related compensation, respectively.

³ Represents amounts for the StepStone Funds that we are required to consolidate at each reporting period. We consolidate funds and other entities in which we hold a controlling financial interest.

Non-GAAP Financial Results¹



(\$ in thousands, unless otherwise mentioned)

| | Quarter | | | Year-to-date | | |
|--|------------------|------------------|---------------|-------------------|-------------------|---------------|
| | Dec '21 | Dec '22 | % Fav / Unfav | Dec '21 | Dec '22 | % Fav / Unfav |
| Management and advisory fees, net | \$ 106,384 | \$ 128,753 | 21% | \$ 268,028 | \$ 364,606 | 36% |
| Less: | | | | | | |
| Adjusted cash-based compensation | 51,665 | 62,108 | -20% | 138,110 | 180,239 | -31% |
| Adjusted equity-based compensation | 178 | 664 | -273% | 401 | 1,965 | -390% |
| Adjusted general, administrative and other | 17,713 | 23,280 | -31% | 43,157 | 64,040 | -48% |
| Fee-related earnings | 36,828 | 42,701 | 16% | 86,360 | 118,362 | 37% |
| Plus: | | | | | | |
| Realized carried interest allocations | 66,559 | 16,320 | -75% | 169,053 | 112,396 | -34% |
| Incentive fees | 27 | 2,980 | 10937% | 6,005 | 8,345 | 39% |
| Deferred incentive fees | - | - | na | 5,811 | 3,683 | -37% |
| Realized investment income | 1,834 | 673 | -63% | 6,668 | 4,746 | -29% |
| Interest income | 43 | 701 | 1530% | 329 | 1,068 | 225% |
| Other income (loss) ⁽²⁾ | (273) | 358 | na | (1,271) | (1,380) | -9% |
| Less: | | | | | | |
| Realized performance fee-related compensation ⁽³⁾ | 34,033 | 11,726 | 66% | 86,122 | 67,091 | 22% |
| Interest expense | 543 | 1,111 | -105% | 637 | 2,515 | -295% |
| Income attributable to non-controlling interests in subsidiaries/other: | | | | | | |
| Fee-related earnings attributable to non-controlling interests in subsidiaries ⁽⁴⁾ | 7,749 | 10,167 | -31% | 19,125 | 28,830 | -51% |
| Non fee-related earnings (losses) attributable to non-controlling interests in subsidiaries ⁽⁵⁾ | (33) | 635 | na | 216 | 73 | 66% |
| Pre-tax adjusted net income | 62,726 | 40,094 | -36% | 166,855 | 148,711 | -11% |
| Less: income taxes ⁽⁶⁾ | 14,145 | 8,941 | 37% | 37,626 | 33,163 | 12% |
| Adjusted net income | \$ 48,581 | \$ 31,153 | -36% | \$ 129,229 | \$ 115,548 | -11% |
| ANI per share | \$ 0.42 | \$ 0.27 | -36% | \$ 1.23 | \$ 1.01 | -18% |

¹ See slides 30 and 31 for reconciliation of GAAP income (loss) before income tax to ANI and FFE, GAAP revenues to adjusted revenues, and GAAP expenses to adjusted expenses.

² Excludes amounts for Tax Receivable Agreements adjustments recognized as other income (loss) \$(1.4) million for the nine months ended December 31, 2021.

³ Includes carried interest-related compensation expense related to the portion of net carried interest allocation revenue attributable to equity holders of the Company's consolidated subsidiaries that are not 100% owned (\$2.2 million and \$0.3 million for the three months ended December 31, 2022 and 2021, respectively, and \$9.0 million and \$0.5 million for the nine months ended December 31, 2022 and 2021, respectively).

⁴ Reflects the portion of fee-related earnings of our subsidiaries attributable to non-controlling interests.

⁵ Reflects components of pre-tax adjusted net income of our subsidiaries attributable to non-controlling interests other than fee-related earnings, including incentive fees and related compensation, realized investment income, net interest expense and other income (loss).

⁶ Represents corporate income taxes at a blended statutory rate of 22.3% applied to pre-tax adjusted net income for the three and nine months ended December 31, 2022, and a blended statutory rate of 22.6% applied to pre-tax adjusted net income for the three and nine months ended December 31, 2021. The 22.3% rate for the three and nine months ended December 31, 2022 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 1.3%, and 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%.

| (\$B, unless noted) | FQ3'23 | FQ3'22 | Fav / Unfav Change | |
|-------------------------------|----------|---------|--------------------|-------|
| | | | \$ | % |
| SMAs | | | | |
| Beginning balance | \$ 52.9 | \$ 43.2 | \$ 9.7 | 23% |
| Contributions | 2.1 | 3.1 | (1.0) | -32% |
| Distributions | (2.2) | (0.8) | (1.3) | -160% |
| Market value, FX and other | 0.6 | 0.4 | 0.1 | 34% |
| Ending balance | \$ 53.4 | \$ 45.9 | \$ 7.5 | 16% |
| Management fees (\$M) | \$ 53.5 | \$ 44.0 | \$ 9.5 | 22% |
| Average fee rate ¹ | 0.40% | 0.41% | | -2% |
| Commingled Funds | | | | |
| Beginning balance | \$ 27.2 | \$ 23.5 | \$ 3.7 | 16% |
| Contributions | 2.5 | 2.0 | 0.5 | 22% |
| Distributions | (0.2) | (0.2) | 0.0 | 18% |
| Market value, FX and other | - | (0.0) | 0.0 | na |
| Ending balance | \$ 29.6 | \$ 25.3 | \$ 4.2 | 17% |
| Management fees (\$M) | \$ 60.7 | \$ 46.5 | \$ 14.2 | 30% |
| Average fee rate ¹ | 0.80% | 0.84% | | -5% |
| Total | | | | |
| Beginning balance | \$ 80.1 | \$ 66.7 | \$ 13.4 | 20% |
| Contributions | 4.6 | 5.2 | (0.5) | -10% |
| Distributions | (2.3) | (1.0) | (1.3) | -125% |
| Market value, FX and other | 0.6 | 0.4 | 0.2 | 41% |
| Ending balance | \$ 83.0 | \$ 71.2 | \$ 11.8 | 16% |
| Management fees (\$M) | \$ 114.2 | \$ 90.5 | \$ 23.7 | 26% |
| Average fee rate ¹ | 0.54% | 0.52% | | 4% |

| Walk from AUM to FEAUM | \$B |
|---|----------------|
| Total AUM as of 12/31/22 | \$ 134.0 |
| Less: Non-Fee Earning AUM | 14.7 |
| Less: Market appreciation included in AUM | 22.3 |
| Less: Undeployed Fee-Earning Capital (capital not yet invested or considered active on which we will earn fees once capital is invested or activated) | 14.0 |
| Fee-Earning AUM as of 12/31/22 | \$ 83.0 |

- FEAUM increased by approximately 16% for the quarter to \$83 billion
- Activated/Deployed approximately \$3.2 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, 2022. Excludes legacy funds, feeder funds and research-only, non-advisory services.
² Data reflecting twelve months ended December 31, 2022.

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

\$602B
total capital responsibility²

\$134B
assets under management¹

\$83B
fee-earning assets under management

\$80B
annual private market allocations²

920
professionals



Focus on customization

Extensive experience in building customized portfolios designed to meet clients' specific objectives



Global-and-local approach

Global operating platform with strong local teams in 25 cities in 15 countries across 5 continents



Proprietary data and technology

We believe our valuable information has the potential to generate enhanced private markets insight and improve operational efficiency



Multi-asset class expertise

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



Large and experienced team

Approximately 310 investment professionals and approximately 610 other employees dedicated to sourcing, executing, analyzing and monitoring private markets opportunities

As of December 31, 2022. All dollars are USD.

¹ Total capital responsibility equals Assets Under Management (AUM) plus Assets Under Advisement (AUA). \$602B in total capital responsibility includes \$134B in AUM and \$468 billion in AUA. Reflects final data for the prior period (September 30, 2022), adjusted for net new client account activity through December 31, 2022. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2022, as reported by underlying managers up to 100 days following September 30, 2022. When NAV data is not available 100 days following September 30, 2022, such NAVs are adjusted for cash activity following the last available reported NAV.

² For the twelve months ended December 31, 2022. Excludes legacy funds, feeder funds and research-only, non-advisory services.

We believe 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 Seeks to leverage 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 |
| \$78B AUM and \$53B FEAUM (64% of total) | \$43B AUM and \$30B FEAUM (36% of total) | \$468B AUA and \$13B AUM | Provided portfolio analytics and reporting on over \$615B of client commitments |

Note: As of December 31, 2022. Amounts may not sum to total due to rounding.
¹ StepStone Private Markets Intelligence.

Comprehensive, Full Service Model

264
bespoke SMA accounts and
focused commingled funds

36%
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

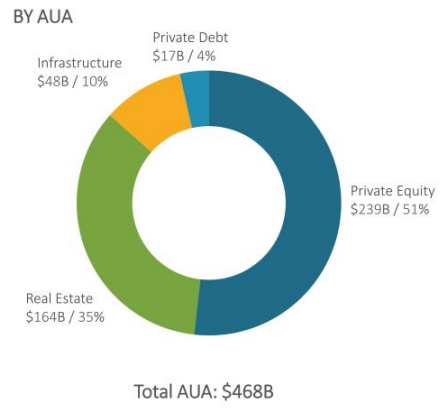
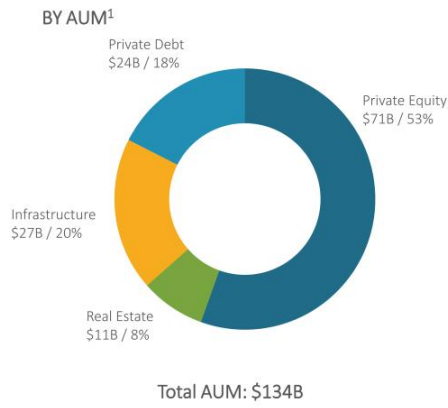


Note: Amounts may not sum to total due to rounding. Data presented as of December 31, 2022. AUM and AUA figures reflect final data for the prior period (September 30, 2022), adjusted for net new client account activity through December 31, 2022. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2022, as reported by underlying managers up to 100 days following September 30, 2022. When NAV data is not available 100 days following September 30, 2022, 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

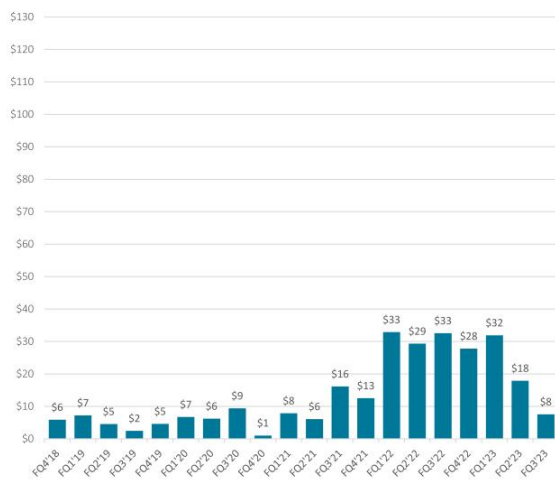
49% (\$292B)
combined AUM / AUA in
RE / INFRA / PD asset classes

As of December 31, 2022

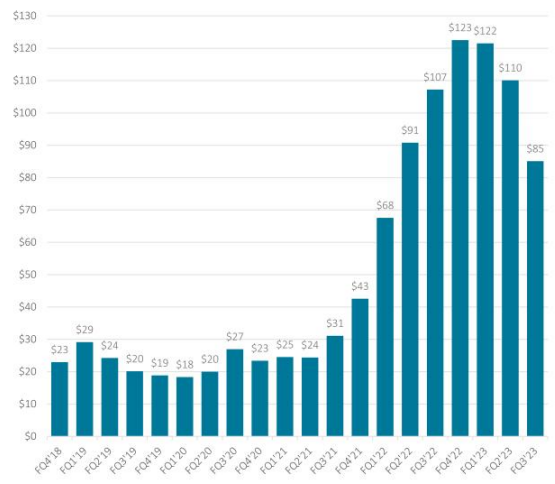


Note: Amounts and percentages may not sum to total due to rounding. Reflects final data for the prior period (September 30, 2022), adjusted for net new client account activity through December 31, 2022. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2022, as reported by underlying managers up to 100 days following September 30, 2022. When NAV data is not available 100 days following September 30, 2022, 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)

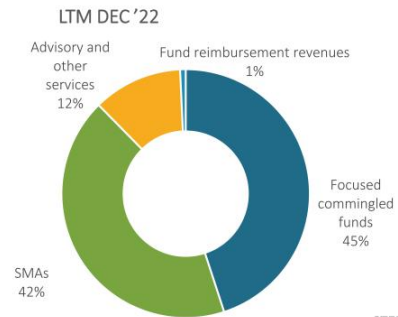
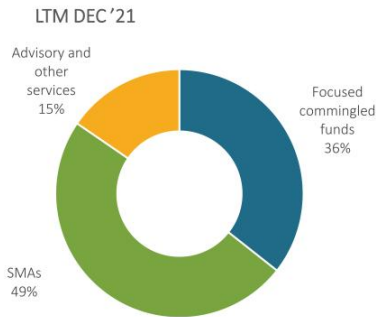


Note: Net Realized Performance Fees represent gross realized performance fees, less realized performance fee-related compensation. Gross realized performance fees include deferred incentive fees that are not included in GAAP revenues. See reconciliation of GAAP realized performance fees to net realized performance fees on slide 33. Excludes legacy Greenspring entities.

Revenues - Management and Advisory Fees, Net

(\$ in thousands)

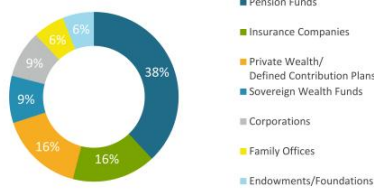
| | Quarter | | | Year-To-Date | | | Last Twelve Months | | |
|--|-------------------|-------------------|---------------|-------------------|-------------------|---------------|--------------------|-------------------|---------------|
| | Dec '21 | Dec '22 | % Fav / Unfav | Dec '21 | Dec '22 | % Fav / Unfav | Dec '21 | Dec '22 | % Fav / Unfav |
| Focused commingled funds | \$ 46,523 | \$ 60,680 | 30% | \$ 99,173 | \$ 164,975 | 66% | \$ 122,155 | \$ 214,527 | 76% |
| SMA's | 44,022 | 53,515 | 22% | 127,137 | 156,154 | 23% | 167,891 | 203,335 | 21% |
| Advisory and other services | 15,028 | 13,926 | -7% | 40,663 | 40,698 | 0% | 52,973 | 55,558 | 5% |
| Fund reimbursement revenues | 811 | 632 | -22% | 1,053 | 2,779 | 163% | 1,226 | 3,415 | 179% |
| Total management and advisory fees, net | \$ 106,384 | \$ 128,753 | 21% | \$ 268,028 | \$ 364,606 | 36% | \$ 344,245 | \$ 476,835 | 39% |



As of December 31, 2022

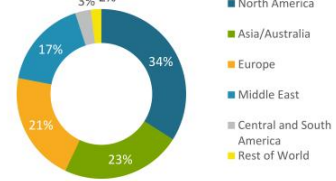
BY TYPE

LTM management and advisory fees (%)



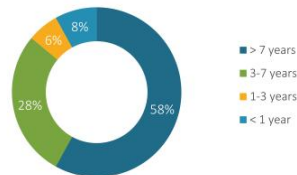
BY GEOGRAPHY

LTM management and advisory fees (%)



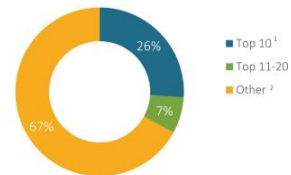
BY REMAINING ACCOUNT TENOR

LTM management fees (%)



BY CLIENT

LTM management and advisory fees (%)



¹ Our top 10 clients comprise 50 separate mandates and commitments to commingled funds.
² Includes ~45% of management and advisory fee contribution from focused commingled funds.

PRIVATE EQUITY

- Total AUM: \$71B
- SMA AUM: \$35B
- FCF AUM: \$36B
- Advisory AUA: \$239B
- \$42B Approved in 2022

REAL ESTATE

- Total AUM: \$11B
- SMA AUM: \$4B
- FCF AUM: \$3B
- Advisory AUM: \$4B
- Advisory AUA: \$164B
- \$18B Approved in 2022

INFRASTRUCTURE

- Total AUM: \$27B
- SMA AUM: \$25B
- FCF AUM: \$-B
- Advisory AUM: \$2B
- Advisory AUA: \$48B
- \$14B Approved in 2022

PRIVATE DEBT

- Total AUM: \$24B
- SMA AUM: \$14B
- FCF AUM: \$4B
- Advisory AUM: \$7B
- Advisory AUA: \$17B
- \$6B Approved in 2022

| INVESTMENT STRATEGY ^{1,2,4} | NET IRR ³ | NET TVM ³ |
|--------------------------------------|----------------------|----------------------|
| PRIMARIES | 17.3% | 1.6x |
| SECONDARIES | 18.2% | 1.5x |
| CO-INVESTMENTS | 19.8% | 1.7x |

| INVESTMENT STRATEGY ^{1,4,5} | NET IRR ³ | NET TVM ³ |
|--|----------------------|----------------------|
| CORE/CORE+ FUND INVESTMENTS | 9.3% | 1.6x |
| VALUE-ADD/OPPORTUNISTIC FUND INVESTMENTS | 10.3% | 1.4x |
| REAL ESTATE DEBT FUND INVESTMENTS | 6.0% | 1.2x |
| VALUE-ADD/OPPORTUNISTIC SECONDARIES & CO-INVESTMENTS | 15.3% | 1.3x |

| INVESTMENT STRATEGY ^{1,4,6} | NET IRR ³ |
|--------------------------------------|----------------------|
| PRIMARIES | 11.1% |
| SECONDARIES | 10.3% |
| CO-INVESTMENTS ⁷ | 9.4% |

| INVESTMENT STRATEGY ^{1,4,8} | NET IRR ³ |
|--------------------------------------|----------------------|
| DIRECT LENDING | 6.2% |
| DISTRESSED DEBT | 8.8% |
| OTHER ⁹ | 6.3% |

Note: Approvals are LTM as of December 31, 2022. Excludes legacy funds, feeder funds and research-only, non-advisory services. Amounts may not sum to total due to rounding. SMA – Separately Managed Accounts. FCF – Focused Commingled Funds. AUM and AUA figures are as of December 31, 2022. Reflects final data for the prior period (September 30, 2022), adjusted for net new client account activity through December 31, 2022. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2022, as reported by underlying managers up to 100 days following September 30, 2022. When NAV data is not available 100 days following September 30, 2022, 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 34 of this presentation.

¹ Investment returns reflect NAV data for underlying investments as of September 30, 2022, as reported by underlying managers up to 100 days following September 30, 2022. For investment returns where NAV data is not available 100 days following September 30, 2022, such NAVs are adjusted for cash activity following the last available reported NAV. 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.

² Private Equity includes 1,458 investments totaling \$149.4 billion of capital commitments and excludes (i) two advisory co-investments, totaling \$100.0 million of capital commitments, (ii) all client-directed private equity investments (191 investments totaling \$26.6 billion of capital commitments), and (iii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment, and (iv) Greenspring investments until the data integration is completed.

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 and are net of fees and expenses charged by both the underlying investment and hypothetical StepStone fees. The aggregate returns are not indicative of the returns an individual investor would receive from these investments. No individual investor received the aggregate returns described herein as the investments were made across multiple mandates over multiple years. 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 fees, charged quarterly.
- (ii) Secondaries: 125 basis points (60 basis points for Infrastructure) of capital commitments in years 1 through 4 for management fees, charged quarterly. In year 5, management fees step down to 90% of the previous year's fee.
- (iii) Co-investments: 100 basis points and 50 basis points for co-investments and direct asset management investments, respectively, of net committed capital for management fees, charged quarterly.
- (iv) All investment types assess 5 basis points of capital commitments for fund expenses, charged quarterly, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs.
- (v) Private Equity and Infrastructure secondaries and co-investments include 12.5% and 10.0% of paid and unrealized carry, respectively, with an 8.0% preferred return hurdle. Real Estate secondaries and co-investments include 15.0% of paid and unrealized carry, with an 8.0% 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 454 investments totaling \$70.8 billion of capital commitments and excludes (i) all client-directed real estate investments (74 investments totaling \$11.3 billion of capital commitments), (ii) nine secondary/co-investment core/core+ or credit investments, totaling \$709.1 million, (iii) four advisory fund investments totaling \$463.6 million of capital commitments, and (iv) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Includes the discretionary track record of Courtland Partners, Ltd., which StepStone acquired on April 1, 2018 (the "Courtland acquisition").

⁶ Infrastructure includes 212 investments totaling \$43.8 billion of capital commitments and excludes (i) 11 infrastructure investments made by the Partnership prior to the formation of the Infrastructure subsidiary in 2013 or made prior to the Courtland acquisition totaling \$501.9 million of capital commitments, (ii) all client-directed infrastructure investments (24 investments totaling \$3.8 billion of capital commitments), and (iii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment.

⁷ Includes asset management investments.

⁸ Private Debt includes 797 investments totaling \$42.1 billion of capital commitments and excludes (i) all client-directed debt investments (32 investments, totaling \$2.5 billion of capital commitments), (ii) real estate credit investments that were recommended by Courtland Partners, Ltd. prior to the Courtland acquisition (54 investments totaling \$5.2 billion of capital commitments), and (iii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. 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. No individual investor received the aggregate returns described herein as the investments were made across multiple mandates over multiple years. 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 NAV for management fees, charged quarterly. 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 Other includes mezzanine debt, collateralized loan obligations, leasing, regulatory capital, trade finance, intellectual property/royalty, real estate debt and infrastructure debt.

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 Secondary Opportunities Fund IV | Private Equity Secondaries | 2019 | \$ 2,097 |
| StepStone VC Global Partners X | Multi-Strategy Global Venture Capital | 2020 | 1,480 |
| 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 IV | Micro Venture Capital Primaries | 2022 | 234 |
| StepStone VC Early Stage II | Early Stage Venture Capital Directs | 2021 | 352 |
| StepStone VC Secondaries Fund V | Venture Capital Secondaries | 2021 | 2,600 |
| StepStone Capital Partners V | Private Equity Co-Investments | 2021 | 2,364 |
| REAL ESTATE | | | |
| StepStone Real Estate Partners IV | Special Situation Real Estate Secondaries | 2019 | \$ 1,404 |
| PRIVATE DEBT | | | |
| StepStone Credit Opportunities Fund I | Corporate / Opportunistic Lending | 2021 | \$ 632 |
| Senior Corporate Lending Fund II | Corporate Direct Lending | 2021 | 1,275 |
| PRIVATE WEALTH | | | |
| SPRIM | Evergreen | 2020 | \$ 1,110 ³ |
| SPRING | Evergreen | 2022 | 194 ³ |

- Current funds in market include: private equity secondaries fund, multi-strategy global venture capital fund, multi-strategy growth equity fund, expansion stage venture capital directs fund, special situation real estate secondaries fund, infrastructure co-investment fund, and corporate direct 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 Reflects fair value of the fund's portfolio as of January 1, 2023.

Reconciliation of GAAP Income (Loss) before Income Tax to ANI and FRE



| (\$ in thousands) | Quarter | | Year-To-Date | | Full Year | Last Twelve Months |
|--|------------------|------------------|------------------|-------------------|------------------|--------------------|
| | Dec '21 | Dec '22 | Dec '21 | Dec '22 | Mar '18 | Dec '22 |
| Income (loss) before income tax | \$ 142,080 | \$ (14,287) | \$ 396,739 | \$ (108,959) | \$ 85,805 | \$ 6,883 |
| Net income attributable to non-controlling interests in subsidiaries ⁽¹⁾ | (7,716) | (10,802) | (19,341) | (28,903) | (2,350) | (37,662) |
| Net (income) loss attributable to non-controlling interests in legacy Greenspring entities | (17,890) | 8,966 | (17,890) | 32,927 | - | 18,231 |
| Unrealized carried interest allocations | (132,535) | 63,367 | (452,789) | 354,095 | (91,753) | 221,033 |
| Unrealized performance fee-related compensation | 68,368 | (31,875) | 228,146 | (172,554) | 48,276 | (87,797) |
| Unrealized investment (income) loss | (5,396) | 1,354 | (14,173) | 10,219 | (1,870) | 6,731 |
| Unrealized investment income of Consolidated Funds | - | (4,895) | - | (4,895) | - | (4,895) |
| Deferred incentive fees | - | - | 5,811 | 3,683 | 2,801 | (690) |
| Equity-based compensation ⁽²⁾ | 3,229 | 7,444 | 9,962 | 13,640 | 189 | 16,852 |
| Amortization of intangibles | 10,958 | 10,870 | 13,448 | 32,611 | 3,382 | 43,660 |
| Tax Receivable Agreements adjustments through earnings | - | - | 1,391 | - | - | (4,951) |
| Non-core items ⁽³⁾ | 1,628 | 9,952 | 15,551 | 16,847 | 2,711 | 27,556 |
| Pre-tax adjusted net income | 62,726 | 40,094 | 166,855 | 148,711 | 46,693 | 204,951 |
| Income taxes ⁽⁴⁾ | (14,145) | (8,941) | (37,626) | (33,163) | (11,673) | (45,689) |
| Adjusted net income | 48,581 | 31,153 | 129,229 | 115,548 | 35,020 | 159,262 |
| Income taxes ⁽⁴⁾ | 14,145 | 8,941 | 37,626 | 33,163 | 11,673 | 45,689 |
| Realized carried interest allocations | (66,559) | (16,320) | (169,053) | (112,396) | (30,081) | (144,061) |
| Realized performance fee-related compensation ⁽⁵⁾ | 34,033 | 11,726 | 86,122 | 67,091 | 11,406 | 72,177 |
| Realized investment income | (1,834) | (673) | (6,658) | (4,746) | (3,137) | (6,577) |
| Incentive fees | (27) | (2,980) | (6,005) | (8,345) | (1,489) | (13,933) |
| Deferred incentive fees | - | - | (5,811) | (3,683) | (2,801) | 690 |
| Interest income | (43) | (701) | (329) | (1,068) | (143) | (1,076) |
| Interest expense | 543 | 1,111 | 637 | 2,515 | 913 | 2,991 |
| Other (income) loss ⁽⁶⁾ | 273 | (358) | 1,271 | 1,380 | 125 | 1,420 |
| Net income attributable to non-controlling interests in subsidiaries ⁽¹⁾ | 7,716 | 10,802 | 19,341 | 28,903 | 2,350 | 37,662 |
| Fee-related earnings | \$ 36,828 | \$ 42,701 | \$ 86,360 | \$ 118,362 | \$ 23,836 | \$ 154,244 |

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, profits interests issued by our non-wholly owned subsidiaries, and unrealized mark-to-market changes in the fair value of the profits interests issued in connection with the Private Wealth transaction.

³ Includes (income) expense related to compensation paid to certain equity holders as part of an acquisition earn-out (\$0.8 million for fiscal 2018), transaction costs (\$6.8 million for the three months ended December 31, 2022, and \$6.8 million and \$13.8 million for the nine months ended December 31, 2022 and 2021, respectively), \$0.1 million for fiscal 2018 and \$7.2 million for the last twelve months ended December 31, 2022), lease reamusement adjustments (\$2.7 million for the nine and last twelve months ended December 31, 2022), accelerated depreciation of leasehold improvements for changes in lease terms (\$0.6 million and \$0.8 million for the three and nine months ended December 31, 2022, respectively, and \$0.8 million for the last twelve months ended December 31, 2022), severance costs (\$42 thousand for the three months ended December 31, 2022, \$0.1 million and \$0.1 million for the nine months ended December 31, 2022 and 2021, respectively, and \$1.7 million for the last twelve months ended December 31, 2022), compensation paid to certain employees as part of an acquisition earn-out (\$0.5 million and \$1.7 million for the three and nine months ended December 31, 2022, respectively, and \$2.5 million for the last twelve months ended December 31, 2022) and other non-core operating income and expenses.

⁴ Represents corporate income taxes at a blended statutory rate of 22.3% applied to pre-tax adjusted net income for the three and nine months ended December 31, 2022, and a blended statutory rate of 22.6% applied to pre-tax adjusted net income for the three and nine months ended December 31, 2021. The 22.3% rate for the three and nine months ended December 31, 2022 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 1.3%, and 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%. As we were not subject to U.S. federal and state income taxes prior to the reorganization and IPO, a blended statutory rate of 25.0% has been applied to fiscal 2018 for comparability purposes.

⁵ Includes carried interest-related compensation expense related to the portion of net carried interest allocation revenue attributable to equity holders of the Company's consolidated subsidiaries that are not 100% owned (\$2.2 million and \$0.3 million for the three months ended December 31, 2022 and 2021, respectively, and \$9.0 million and \$0.5 million for the nine months ended December 31, 2022 and 2021, respectively, and \$10.3 million for the last twelve months ended December 31, 2022).

⁶ Excludes amounts for Tax Receivable Agreements adjustments recognized as other income (loss) (\$1.4 million for the nine months ended December 31, 2021, and \$5.0 million for the last twelve months ended December 31, 2022).

Reconciliation of GAAP Revenues to Adjusted Revenues and GAAP Expenses to Adjusted Expenses



| (\$ in thousands) | Quarter | | Year-To-Date | | Full Year | Last Twelve Months |
|---|------------|------------|--------------|--------------|------------|--------------------|
| | Dec '21 | Dec '22 | Dec '21 | Dec '22 | Mar '18 | Dec '22 |
| Total revenues | \$ 410,465 | \$ (4,235) | \$ 1,000,835 | \$ (239,948) | \$ 264,275 | \$ 124,742 |
| Unrealized carried interest allocations | (132,535) | 63,367 | (452,789) | 354,095 | (91,753) | 221,033 |
| Deferred incentive fees | - | - | 5,811 | 3,683 | 2,801 | (690) |
| Legacy Greenspring carried interest allocations | (104,960) | 88,921 | (104,960) | 371,200 | - | 289,054 |
| Adjusted revenues | \$ 172,970 | \$ 148,053 | \$ 448,897 | \$ 489,030 | \$ 175,323 | \$ 634,139 |
| Cash-based compensation | \$ 51,665 | \$ 62,628 | \$ 138,217 | \$ 182,190 | | |
| Adjustments ⁽¹⁾ | - | (520) | (107) | (1,951) | | |
| Adjusted cash-based compensation | \$ 51,665 | \$ 62,108 | \$ 138,110 | \$ 180,239 | | |
| Equity-based compensation | \$ 3,407 | \$ 8,108 | \$ 10,363 | \$ 15,605 | | |
| Adjustments ⁽²⁾ | (3,229) | (7,444) | (9,962) | (13,540) | | |
| Adjusted equity-based compensation | \$ 178 | \$ 664 | \$ 401 | \$ 1,965 | | |
| General, administrative and other | \$ 30,299 | \$ 43,582 | \$ 72,049 | \$ 111,547 | | |
| Adjustments ⁽³⁾ | (12,586) | (20,302) | (28,892) | (47,507) | | |
| Adjusted general, administrative and other | \$ 17,713 | \$ 23,280 | \$ 43,157 | \$ 64,040 | | |

¹ Reflects the removal of severance and compensation paid to certain employees as part of an acquisition earn-out.

² Reflects the removal of equity-based compensation for awards granted prior to and in connection with the IPO, profits interests issued by our non-wholly owned subsidiaries, and unrealized mark-to-market changes in the fair value of the profits interests issued in connection with the Private Wealth transaction.

³ Reflects the removal of lease remeasurement adjustments, accelerated depreciation of leasehold improvements for changes in lease terms, amortization of intangibles, transaction-related costs and other non-core operating income and expenses.

Calculation and Reconciliation of Adjusted Net Income Per Share



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

| | Quarter | | Year-to-Date | | Full Year | Last Twelve |
|--|-------------|-------------|--------------|-------------|------------|-------------|
| | Dec '21 | Dec '22 | Dec '21 | Dec '22 | Mar '18 | Dec '22 |
| Adjusted net income | \$ 48,581 | \$ 31,153 | \$ 129,229 | \$ 115,548 | \$ 35,020 | \$ 159,262 |
| Weighted-average shares of Class A common stock outstanding – Basic ⁽¹⁾ | 57,875,758 | 62,192,899 | 46,247,353 | 61,583,215 | 29,237,500 | 61,384,275 |
| Assumed vesting of RSUs ⁽¹⁾ | 1,125,798 | 457,818 | 1,390,538 | 722,935 | 745,347 | 787,913 |
| Assumed vesting and exchange of Class B2 units ⁽¹⁾ | 2,481,677 | 2,486,197 | 2,480,591 | 2,467,141 | 2,411,318 | 2,466,490 |
| Exchange of Class B units in the Partnership ⁽¹⁾⁽²⁾ | 50,327,243 | 46,662,062 | 53,511,397 | 46,898,733 | 65,578,831 | 47,048,670 |
| Exchange of Class C units in the Partnership ⁽¹⁾ | 3,003,274 | 2,852,187 | 1,116,423 | 2,903,186 | - | 2,909,665 |
| Adjusted shares ⁽¹⁾ | 114,813,750 | 114,651,163 | 104,746,302 | 114,575,210 | 97,972,996 | 114,597,013 |
| Adjusted net income per share | \$ 0.42 | \$ 0.27 | \$ 1.23 | \$ 1.01 | \$ 0.36 | \$ 1.39 |

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 fiscal 2018 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 GAAP Realized Performance Fees to Gross and Net Realized Performance Fees¹



(\$ 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 | FQ4'22 | FQ1'23 | FQ2'23 | FQ3'23 |
| Realized carried interest allocations | \$ 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 | \$ 31.7 | \$ 73.6 | \$ 22.5 | \$ 16.3 |
| 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 | 5.6 | - | 5.4 | 3.0 |
| Deferred incentive fees | 0.6 | 1.0 | - | - | - | - | 0.8 | - | - | 3.5 | 1.2 | - | - | 4.0 | 1.8 | - | (4.4) | - | 3.7 | - |
| 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 | 32.9 | 73.6 | 31.5 | 19.3 |
| Realized performance fee-related compensation | (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) | (28.8) | (34.0) | (5.1) | (41.7) | (13.6) | (11.7) |
| 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 | \$ 27.8 | \$ 31.9 | \$ 17.9 | \$ 7.6 |

| | 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 | FQ4'22 | FQ1'23 | FQ2'23 | FQ3'23 |
| Realized carried interest allocations | \$ 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 | \$ 200.7 | \$ 224.4 | \$ 194.3 | \$ 144.1 |
| 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 | 11.6 | 7.4 | 11.0 | 13.9 |
| 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 | 1.4 | (2.6) | (0.7) | (0.7) |
| 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 | 213.8 | 229.2 | 204.6 | 157.3 |
| Realized performance fee-related compensation | (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) | (91.2) | (107.6) | (94.5) | (72.2) |
| 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 | \$ 122.5 | \$ 121.5 | \$ 110.1 | \$ 85.1 |

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

- **Company** refers to SSG and its consolidated subsidiaries, including the Partnership, following the Reorganization and IPO and to the Partnership and its consolidated subsidiaries prior to the Reorganization and IPO.
- **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 September 30, 2022 reflects final data for the prior period (September 30, 2022), adjusted for net new client account activity through December 31, 2022. NAV data for underlying investments is as of September 30, 2022, as reported by underlying managers up to 100 days following September 30, 2022. When NAV data is not available 100 days following September 30, 2022, 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 September 30, 2022 reflects final data for the prior period (September 30, 2022), adjusted for net new client account activity through December 31, 2022. NAV data for underlying investments is as of September 30, 2022, as reported by underlying managers up to 100 days following September 30, 2022. When NAV data is not available 100 days following September 30, 2022, 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, profits interests issued by our non-wholly owned subsidiaries, and unrealized mark-to-market changes in the fair value of the profits interests issued in connection with the Private Wealth transaction, (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 (a) performance fee-related compensation, (b) equity-based compensation for awards granted prior to and in connection with our IPO, profits interests issued by our non-wholly owned subsidiaries, and unrealized mark-to-market changes in the fair value of the profits interests issued in connection with the Private Wealth transaction, (c) amortization of intangibles, and (d) 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, 2022 (except as noted otherwise on slides 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 the Partnership.
- **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, 2022.
- **"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.
- **"StepStone Funds"** refer to focused commingled funds and separately managed accounts of the Company, including acquired Greenspring funds, for which the Partnership or one of its subsidiaries acts as both investment adviser and general partner or managing member.

- **Total Capital Responsibility** equals Assets Under Management (AUM) plus Assets Under Advisement (AUA). AUM includes any accounts for which StepStone Group has full discretion over the investment decisions, has responsibility to arrange or effectuate transactions, or has custody of assets. AUA refers to accounts for which StepStone Group provides advice or consultation but for which the firm does not have discretionary authority, responsibility to arrange or effectuate transactions, or custody of assets.
- **Consolidated Funds** refer to the StepStone Funds that we are required to consolidate as of the applicable reporting period. We consolidate funds and other entities in which we hold a controlling financial interest.

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, 2022, 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 slides 30-33 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.

