



# Fiscal Year 2023 Fourth Quarter and Full Year Earnings Presentation

MAY 24, 2023



# Today's Presenters



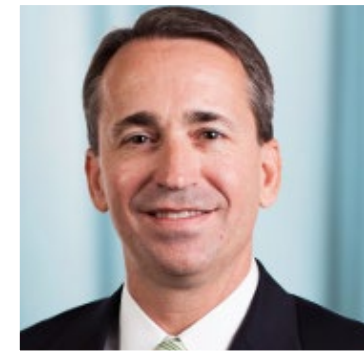
**Scott Hart**  
CEO



**Jason Ment**  
President & Co-COO



**Mike McCabe**  
Head of Strategy



**Johnny Randel**  
Chief Financial Officer

# GAAP Consolidated Income Statements



GAAP net income (loss) was \$56.8 million for the quarter and \$(45.3) million for the full year. GAAP net income (loss) attributable to StepStone Group Inc. was \$28.8 million (or \$0.46 per share) for the quarter and \$(18.4) million (or \$(0.30) per share) for the full year.

(\$ in thousands, except per share amounts)

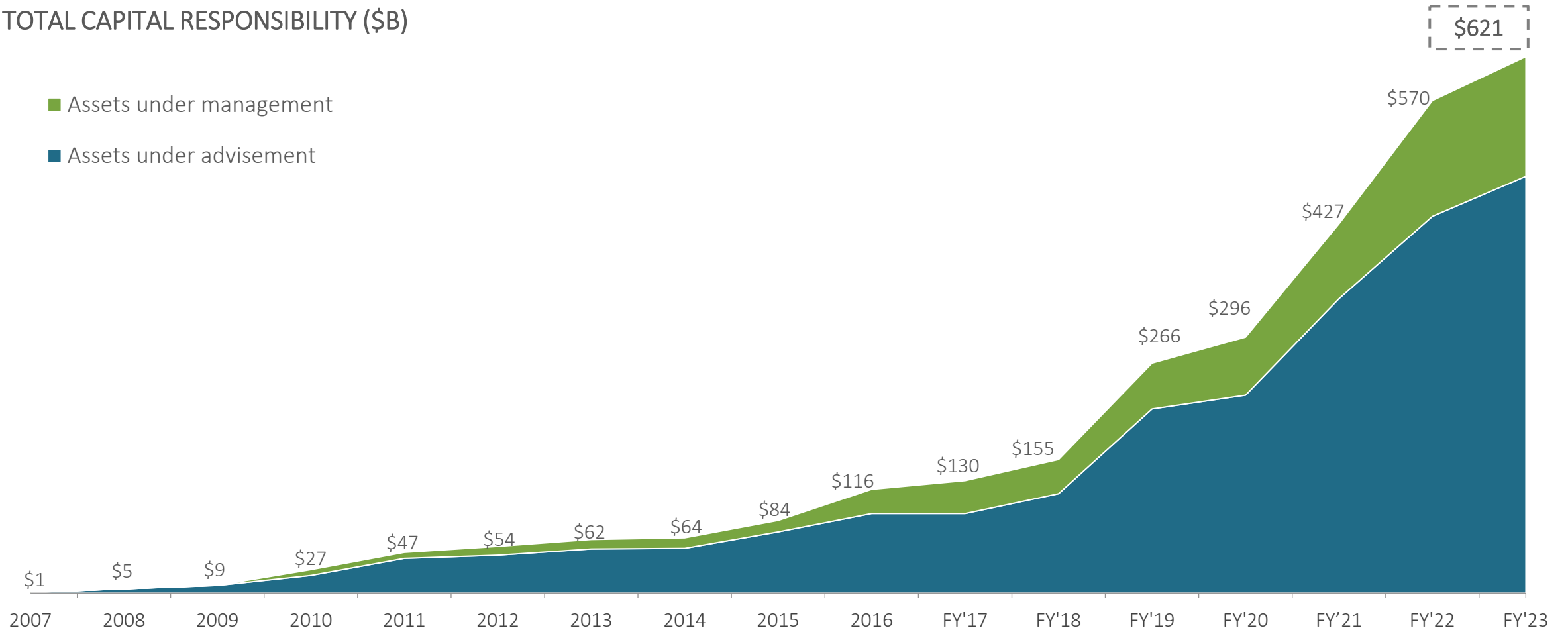
	Quarter			Full Year		
	Mar '22	Mar '23	% Fav / Unfav	Mar '22	Mar '23	% Fav / Unfav
<b>Revenues</b>						
Management and advisory fees, net	\$ 112,229	\$ 132,573	18%	\$ 380,257	\$ 497,179	31%
Performance fees:						
Incentive fees	5,588	1,318	-76%	11,593	9,663	-17%
Carried interest allocations:						
Realized	31,665	18,693	-41%	200,718	131,089	-35%
Unrealized	133,062	100,753	-24%	585,851	(253,342)	na
Total carried interest allocations	164,727	119,446	-27%	786,569	(122,253)	na
Legacy Greenspring carried interest allocations <sup>(1)</sup>	82,146	(80,963)	na	187,106	(452,163)	na
<b>Total revenues</b>	<b>364,690</b>	<b>172,374</b>	<b>-53%</b>	<b>1,365,525</b>	<b>(67,574)</b>	<b>na</b>
<b>Expenses</b>						
Compensation and benefits:						
Cash-based compensation	59,265	69,990	-18%	197,482	252,180	-28%
Equity-based compensation	3,633	9,335	-157%	13,996	24,940	-78%
Performance fee-related compensation:						
Realized	5,086	12,755	-151%	91,208	79,846	12%
Unrealized	84,757	53,515	37%	312,903	(119,039)	na
Total performance fee-related compensation	89,843	66,270	26%	404,111	(39,193)	na
Legacy Greenspring performance fee-related compensation <sup>(1)</sup>	82,146	(80,963)	na	187,106	(452,163)	na
Total compensation and benefits	234,887	64,632	72%	802,695	(214,236)	na
General, administrative and other	38,419	35,612	7%	110,468	147,159	-33%
<b>Total expenses</b>	<b>273,306</b>	<b>100,244</b>	<b>63%</b>	<b>913,163</b>	<b>(67,077)</b>	<b>na</b>
<b>Other income (expense)</b>						
Investment income (loss)	5,319	2,964	-44%	26,160	(2,509)	na
Legacy Greenspring investment income (loss) <sup>(1)</sup>	14,696	(11,148)	na	32,586	(44,075)	na
Investment income of Consolidated Funds	-	4,420	na	-	9,315	na
Interest income	8	853	10563%	337	1,921	470%
Interest expense	(476)	(1,674)	-252%	(1,113)	(4,189)	-276%
Other income (loss)	4,911	(40)	na	2,249	(1,420)	na
Total other income (expense)	24,458	(4,625)	na	60,219	(40,957)	na
<b>Income (loss) before income tax</b>	<b>115,842</b>	<b>67,505</b>	<b>-42%</b>	<b>512,581</b>	<b>(41,454)</b>	<b>na</b>
Income tax expense	12,235	10,689	13%	28,300	3,821	86%
<b>Net income (loss)</b>	<b>103,607</b>	<b>56,816</b>	<b>-45%</b>	<b>484,281</b>	<b>(45,275)</b>	<b>na</b>
Less: Net income attributable to non-controlling interests in subsidiaries	7,871	9,358	-19%	26,608	35,194	-32%
Less: Net income (loss) attributable to non-controlling interests in legacy Greenspring entities <sup>(1)</sup>	14,696	(11,148)	na	32,586	(44,075)	na
Less: Net income (loss) attributable to non-controlling interests in the Partnership	39,225	28,420	28%	231,202	(19,772)	na
Less: Net income attributable to redeemable non-controlling interests in Consolidated Funds	-	1,385	na	-	1,776	na
<b>Net income (loss) attributable to StepStone Group Inc.</b>	<b>\$ 41,815</b>	<b>\$ 28,801</b>	<b>-31%</b>	<b>\$ 193,885</b>	<b>\$ (18,398)</b>	<b>na</b>
<b>Net income (loss) per share of Class A common stock – Basic</b>	<b>\$ 0.69</b>	<b>\$ 0.46</b>	<b>-33%</b>	<b>\$ 3.89</b>	<b>\$ (0.30)</b>	<b>na</b>
<b>Net income (loss) per share of Class A common stock – Diluted</b>	<b>\$ 0.69</b>	<b>\$ 0.46</b>	<b>-33%</b>	<b>\$ 3.84</b>	<b>\$ (0.30)</b>	<b>na</b>

<sup>1</sup> 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.

# Robust Growth Profile Since Inception

## TOTAL CAPITAL RESPONSIBILITY (\$B)

- Assets under management
- Assets under advisement



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 March 31, 2023, approximately \$0.7 billion, \$0.2 billion, \$0.0 billion, \$2.7 billion, \$2.3 billion and \$18.6 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.

# Fiscal Q4 and Full Year 2023 Overview



## KEY BUSINESS DRIVERS

	FQ4'23	FQ3'23	FQ4'22	vs. FQ3'23	vs. FQ4'22
Assets under management ("AUM")	\$138.4 B	\$134.0 B	\$134.5 B	3%	3%
Fee-earning AUM ("FEAUM")	\$85.4 B	\$83.0 B	\$75.2 B	3%	14%
Undeployed fee-earning capital	\$15.7 B	\$14.0 B	\$17.0 B	12%	-8%
Gross accrued carry	\$1,227.2 M	\$1,126.4 M	\$1,480.5 M	9%	-17%



## FINANCIAL HIGHLIGHTS<sup>1</sup>

(\$M, except per share amounts)	FQ4'23	FQ4'22	vs. FQ4'22	FY'2023	FY'2022	vs. FY'2022
Adjusted revenues	\$152.9	\$145.1	5%	\$642.0	\$594.0	8%
Management and advisory fees, net	\$132.7	\$112.2	18%	\$497.3	\$380.3	31%
Fee-related earnings ("FRE")	\$37.8	\$35.9	5%	\$156.2	\$122.2	28%
Fee-related earnings margin <sup>2</sup>	28%	32%		31%	32%	
Adjusted net income ("ANI")	\$27.1	\$43.7	-38%	\$142.7	\$172.9	-18%
ANI per share	\$0.24	\$0.38	-37%	\$1.24	\$1.61	-23%



## BUSINESS UPDATE

- Declared a quarterly cash dividend of \$0.20 per share of Class A common stock and a supplemental cash dividend of \$0.25 per share of Class A common stock, both payable on June 30, 2023 to record holders of Class A common stock at the close of business on June 15, 2023
- Raised a total of \$10 billion of new SMA<sup>3</sup> capital over the LTM
- Raised a total of \$6 billion for commingled funds 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, special situation real estate secondaries fund, and infrastructure co-investment fund
- Total retail platform assets surpassed \$1.6 billion in AUM, driven by continued strong subscriptions in SPRIM and SPRING, and the expansion into Europe and Australia

<sup>1</sup> See definition and reconciliation of non-GAAP measures at the end of this presentation.

<sup>2</sup> Fee-related earnings margin is calculated by dividing fee-related earnings by management & advisory fees, net.

<sup>3</sup> Includes advisory accounts for which we have discretion.

# OVERVIEW

# StepStone's Growth Drivers

AUM		AUA
SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS	ADVISORY
<p><b>\$82B</b> 5% growth from prior year</p> <ul style="list-style-type: none"> <li>A total of <b>\$10B</b> of new capital additions during the LTM</li> </ul>	<p><b>\$43B</b> 2% decline from prior year</p> <ul style="list-style-type: none"> <li>A total of <b>\$6B</b> raised in focused commingled funds during the LTM</li> <li>Additional closings in the LTM on StepStone's funds including private equity secondaries, multi-strategy global venture capital, expansion stage venture capital directs, special situation real estate secondaries, infrastructure co-investment, SPRIM and SPRING</li> </ul>	<p><b>\$482B</b></p> <ul style="list-style-type: none"> <li>Net client activity increased AUA by <b>\$46B</b> over the last twelve months</li> <li><b>~\$13B</b> of AUA relates to advisory accounts for which we have discretion</li> </ul>

**UFEC**  
Total undeployed fee-earning capital of **\$15.7B**

FEAUM	
SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS
<p><b>\$55B</b> +12% from prior year</p>	<p><b>\$30B</b> +18% from prior year</p>

Note: As of March 31, 2023. Amounts may not sum to total due to rounding.

# Fee-earning AUM Evolution

**34%**  
clients with exposure to more than one asset class

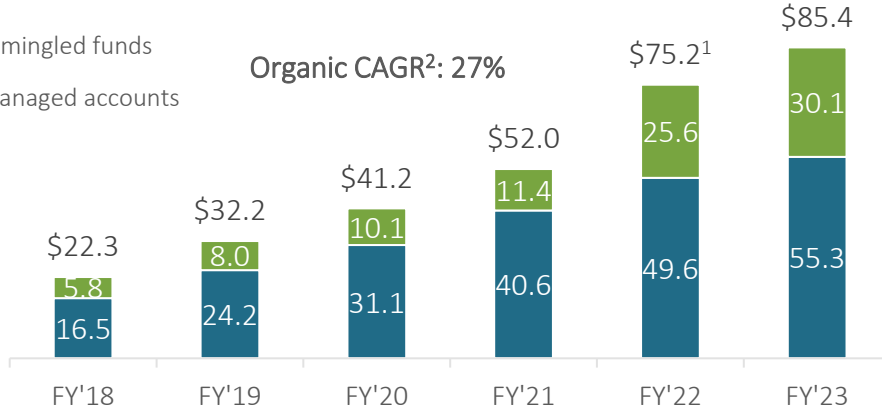
## FEE-EARNING AUM BY COMMERCIAL STRUCTURE (\$B)

Total AUM

\$40    \$53    \$67    \$86    \$134<sup>1</sup>    \$138

- Focused commingled funds
- Separately managed accounts

Organic CAGR<sup>2</sup>: 27%

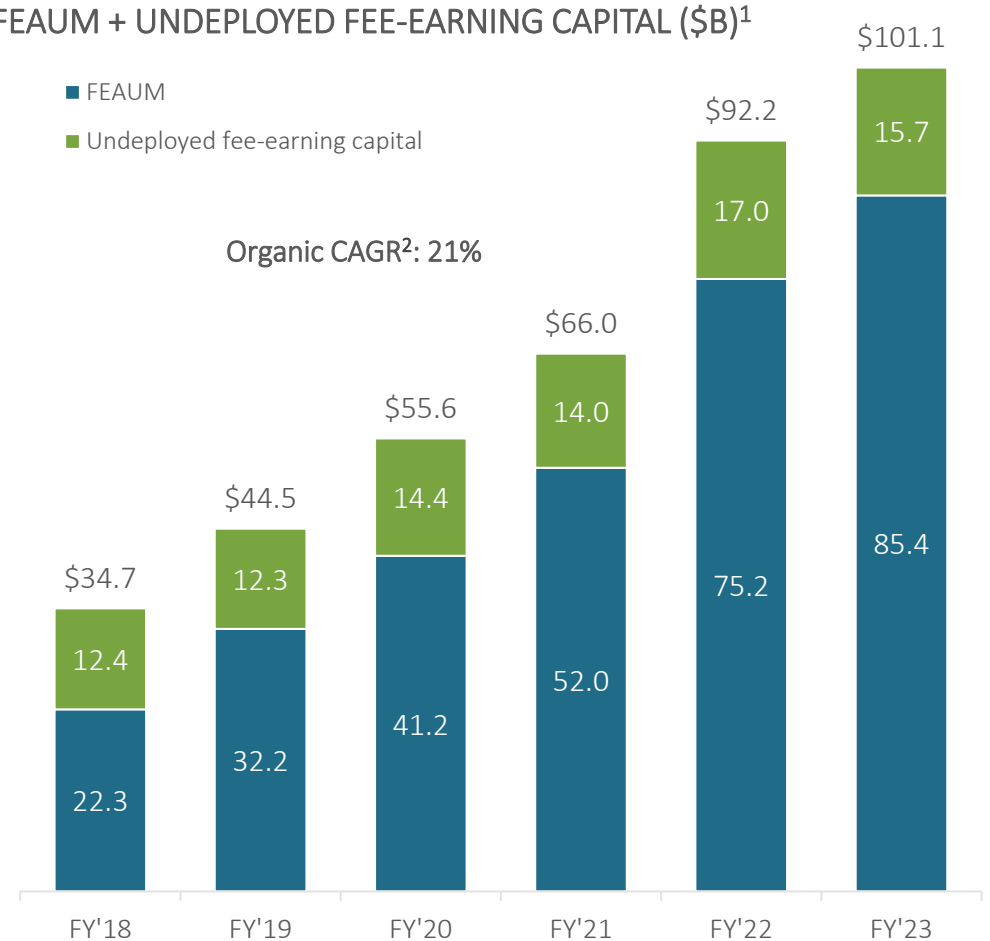


	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23
% SMAs	74%	75%	76%	78%	66%	65%
% Commingled	26%	25%	24%	22%	34%	35%

## FEAUM + UNDEPLOYED FEE-EARNING CAPITAL (\$B)<sup>1</sup>

- FEAUM
- Undeployed fee-earning capital

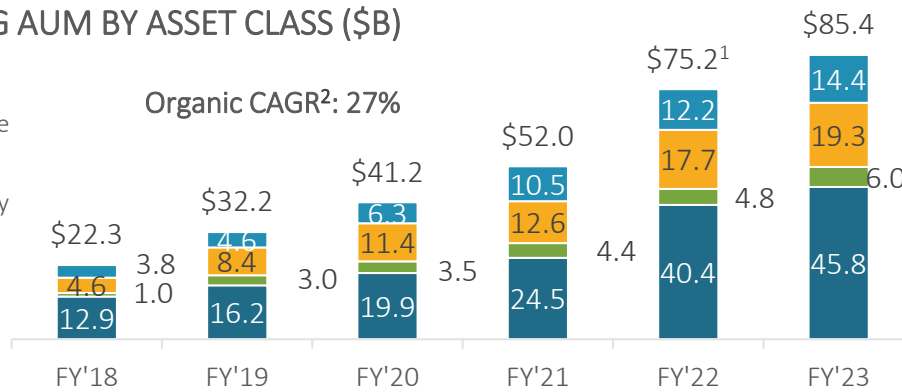
Organic CAGR<sup>2</sup>: 21%



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

- Private debt
- Infrastructure
- Real estate
- Private equity

Organic CAGR<sup>2</sup>: 27%



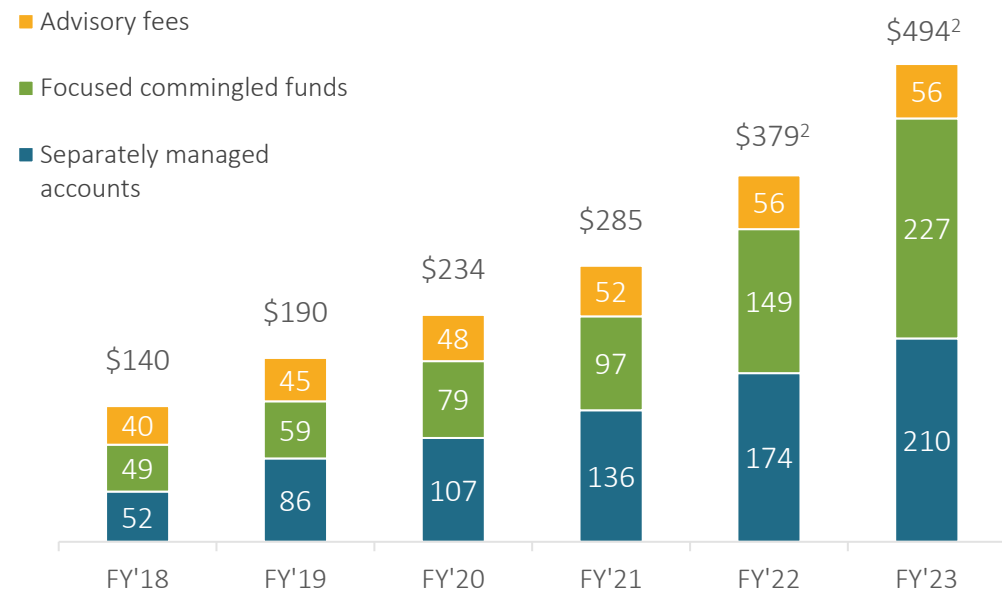
	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23
% PE	58%	50%	48%	47%	54%	54%
% RE/INFRA/PD	42%	50%	52%	53%	46%	46%

Note: Amounts may not sum to total due to rounding. PE – Private equity, RE – Real estate, INFRA – Infrastructure, PD – Private debt  
<sup>1</sup> 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.  
<sup>2</sup> 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.



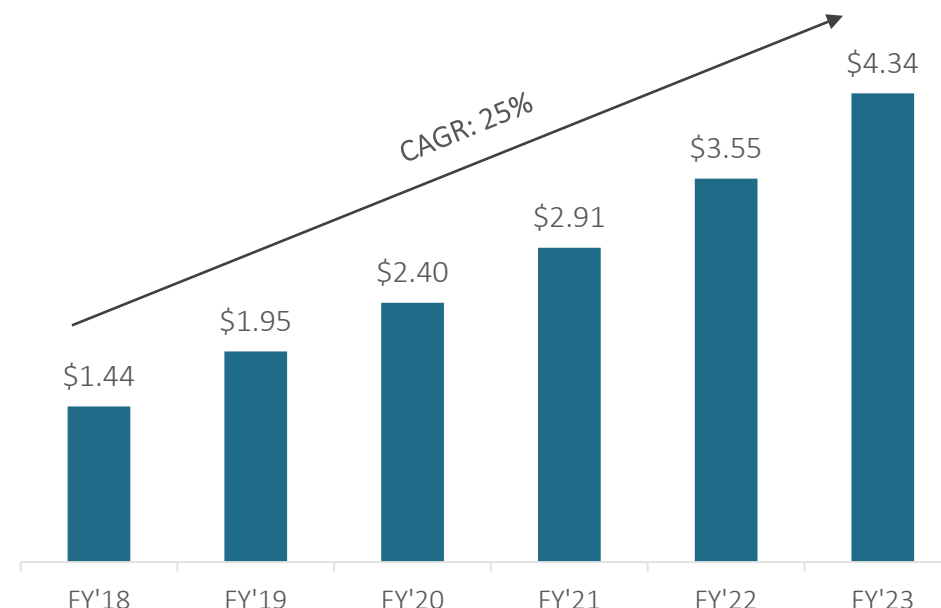
# Trend in Management and Advisory Fees

## MANAGEMENT & ADVISORY FEES (\$M)<sup>1</sup>



Blended mgmt. fee rates: <sup>3</sup>	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23
Overall	0.56%	0.53%	0.51%	0.52%	0.52%	0.54%
By Type:						
<i>SMA</i> s	0.42%	0.41%	0.39%	0.39%	0.40%	0.40%
<i>Commingled</i>	0.83%	0.87%	0.89%	0.90%	0.85%	0.82%
By Asset Class:						
<i>PE</i>	0.66%	0.63%	0.66%	0.62%	0.64%	0.66%
<i>RE / INFRA / PD</i>	0.46%	0.41%	0.37%	0.42%	0.40%	0.41%

## MANAGEMENT & ADVISORY FEES PER SHARE<sup>6</sup>



Assets under management and advisement	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23
FEAUM (\$B)	\$22	\$32	\$41	\$52	\$75 <sup>2</sup>	\$85
AUM (\$B)	\$40	\$53	\$67	\$86	\$134 <sup>2</sup>	\$138
AUA (\$B)	\$115	\$213 <sup>4</sup>	\$229	\$340 <sup>5</sup>	\$436	\$482
% of fee revenue from management and advisory fees <sup>1</sup>						
Mgmt	72%	76%	80%	82%	85%	89%
Advisory	28%	24%	20%	18%	15%	11%

Note: Amounts may not sum to total due to rounding. PE – Private equity, RE – Real estate, INFRA – Infrastructure, PD – Private debt

<sup>1</sup> Excludes fund reimbursement revenues.

<sup>2</sup> The acquisition of Greenspring contributed \$11.4B of FEAUM and \$22.5B of AUM as of 9/20/21, and \$43.4M and \$97.7M of management and advisory fees for fiscal 2022 and fiscal 2023, respectively.

<sup>3</sup> 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.

<sup>4</sup> The acquisition of Courtland Partners contributed \$90B of AUA for fiscal 2019.

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

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

# FINANCIAL UPDATE

# Financial Highlights

- Fee revenues increased 18% for the quarter and 31% for the full year, driven by FEAUM growth and, for the full year period, the impact of Greenspring
- Fee-related earnings increased 5% for the quarter and 28% for the full year, primarily driven by growth in fee revenues and, for the full year period, the impact of Greenspring
- ANI per share decreased 37% for the quarter and 23% for the full year, reflecting lower net realized performance fees partially offset by higher FRE
- Results for the quarter include \$0.5 million of revenues, FRE and pre-tax ANI from retroactive fees for StepStone's multi-strategy global venture capital fund

## FINANCIAL HIGHLIGHTS<sup>1</sup>

(\$M, except per share amounts and where noted)	Three Months Ended March 31			Year Ended March 31		
	2023	2022	% Δ YTY	2023	2022	% Δ YTY
AUM (\$B)	\$ 138.4	\$ 134.5	3%			
FEAUM (\$B)	85.4	75.2	14%			
Undeployed fee-earning capital (\$B) <sup>2</sup>	15.7	17.0	-8%			
Management & advisory fees, net	\$ 132.7	\$ 112.2	18%	\$ 497.3	\$ 380.3	31%
Fee-related earnings	37.8	35.9	5%	156.2	122.2	28%
Fee-related earnings margin <sup>3</sup>	28%	32%		31%	32%	
Gross realized performance fees <sup>4</sup>	20.2	32.9	-40%	144.6	213.7	-33%
Pre-tax adjusted net income ("ANI")	34.9	56.2	-38%	183.6	223.1	-18%
Adjusted net income per share <sup>5</sup>	\$ 0.24	\$ 0.38	-37%	\$ 1.24	\$ 1.61	-23%
Adjusted revenues	152.9	145.1	5%	641.7	594.0	8%

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Fee-related earnings margin is calculated by dividing fee-related earnings by management & advisory fees, net.

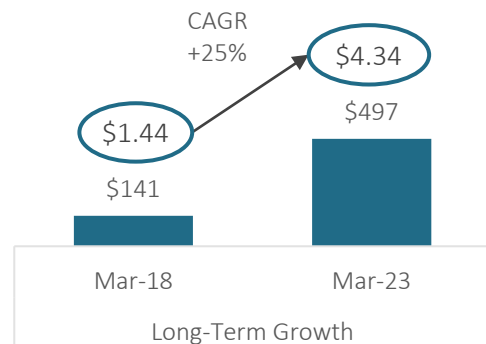
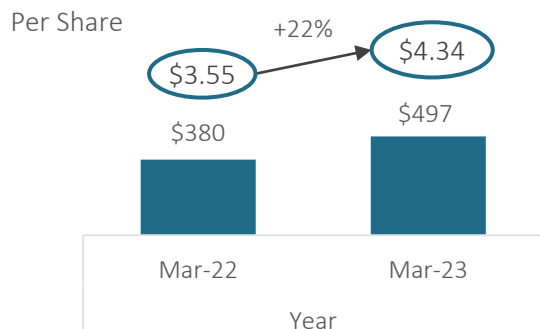
<sup>4</sup> Gross realized performance fees include deferred incentive fees that are not included in our GAAP results; FQ4'23: \$0.2m; fiscal 2023: \$3.9m; FQ4'22: \$(4.4)m; fiscal 2022: \$1.4m. See reconciliation of GAAP realized performance fees to gross realized performance fees on slide 33. Excludes legacy Greenspring entities.

<sup>5</sup> Reflects a 22.3% blended statutory rate applied to pre-tax adjusted net income for fiscal 2023 and 114.8 million and 114.6 million adjusted shares outstanding for FQ4'23 and fiscal 2023, respectively. Reflects a 22.5% blended statutory rate applied to pre-tax adjusted net income for fiscal 2022 and 114.7 million and 107.2 million adjusted shares outstanding for FQ4'22 and fiscal 2022, respectively. See slide 32 for calculation of ANI per share and a reconciliation of adjusted shares.

# Adjusted Revenues

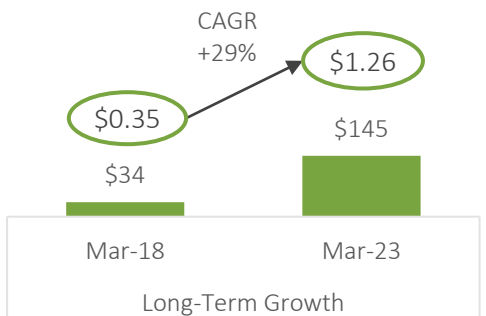
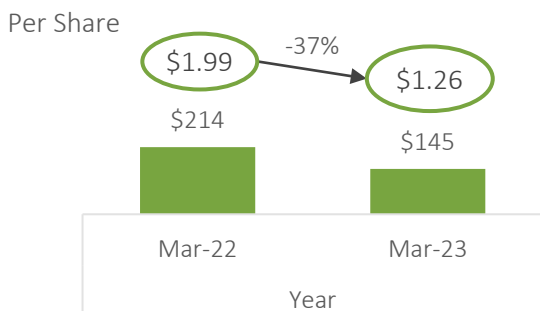
(\$M, except per share amounts)

## MGMT. & ADVISORY FEES



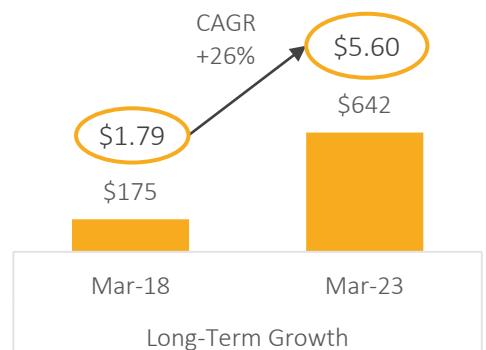
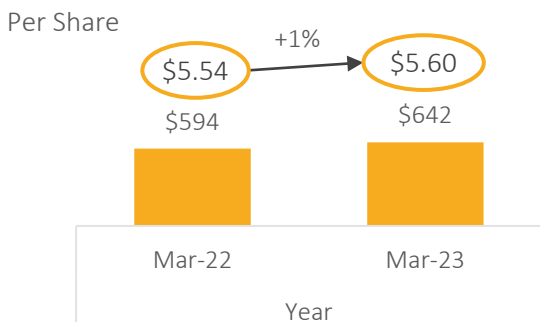
- Management fees per share increased 27% for the full year and by a compound annual growth rate of 30% over the long-term growth period driven by strong FEAUM growth
- Advisory fees per share decreased 6% for the full year and increased by a compound annual growth rate of 4% over the long-term growth period

## GROSS REALIZED PERFORMANCE FEES



- Gross realized performance fees were down \$70 million for the full year primarily driven by decreased realization activity from our PE funds

## ADJUSTED REVENUES

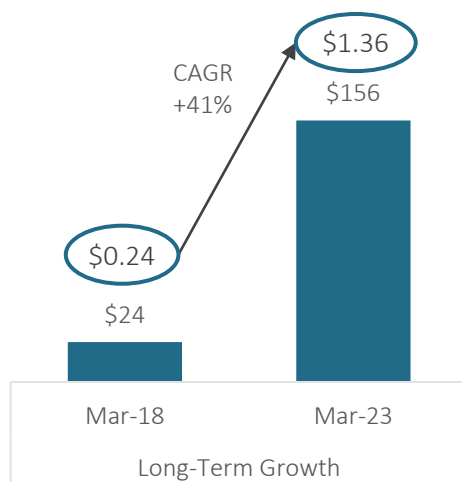
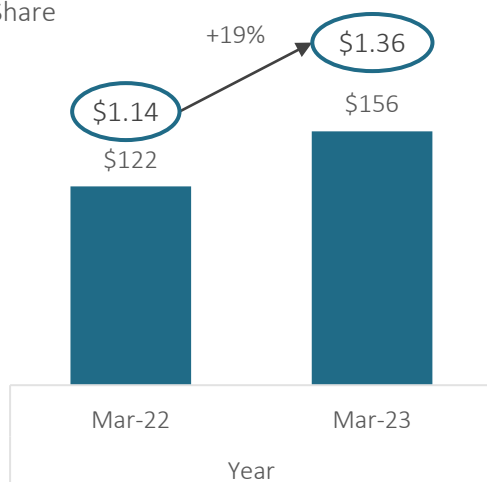


# Profitability

(\$M, except per share amounts)

## FEE-RELATED EARNINGS

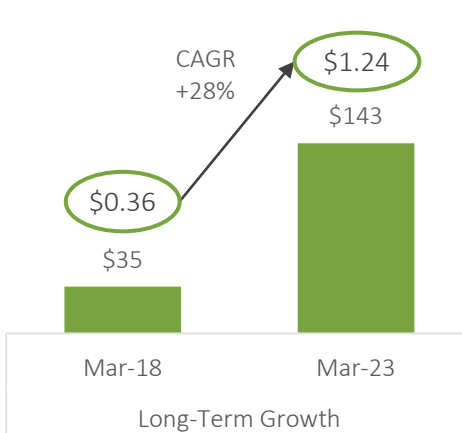
Per Share



- Fee-related earnings per share growth driven primarily by growth in FEAUM and, for the long-term growth period, margin expansion
- FRE margins were 31% for the full year as compared with 32% in the prior year and 17% four fiscal years ago
  - FRE margins in fiscal 2023 were impacted by \$2.8 million of retroactive fees, which corresponds to \$2.7 million of fee-related earnings. FRE margins in fiscal 2022 were impacted by \$7.7 million of retroactive fees, which corresponds to \$7.1 million of fee-related earnings

## ADJUSTED NET INCOME

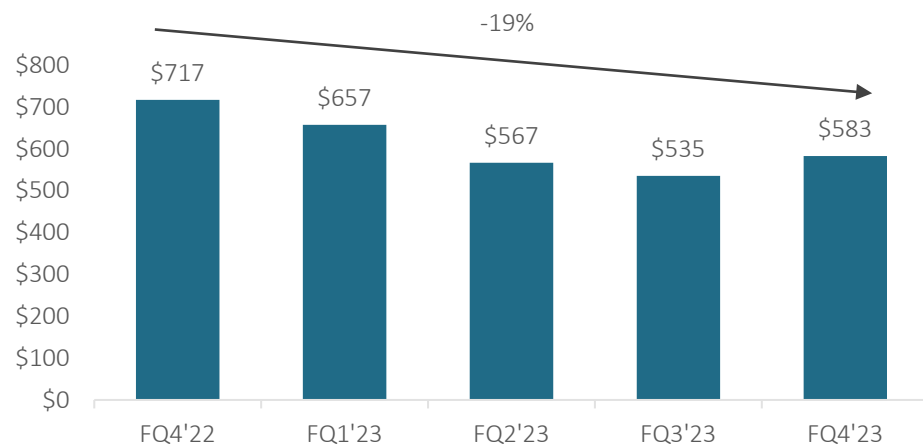
Per Share



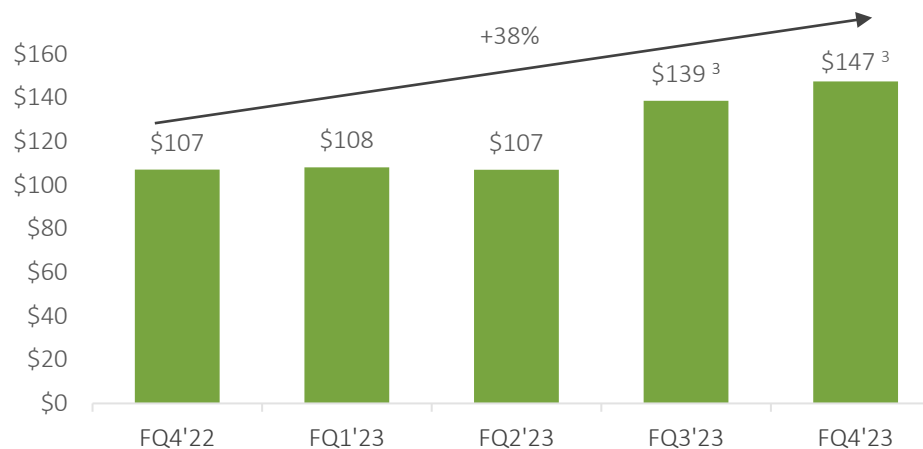
- Adjusted net income per share decreased 23% for the full year driven by moderation in net realized performance fees
- Adjusted net income per share increased by a CAGR of 28% over the long-term growth period driven by higher FRE and higher net realized performance fees

# Accrued Carry and Fund Investments<sup>1</sup>

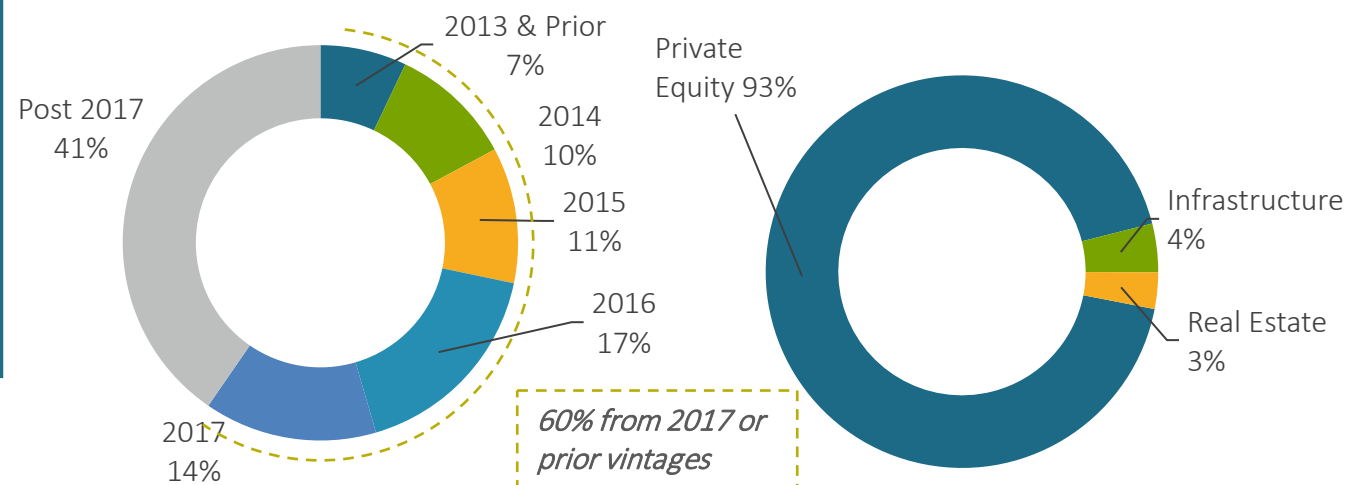
## NET ACCRUED CARRY (\$M)<sup>2</sup>



## INVESTMENTS (\$M)



## NET UNREALIZED CARRY AS OF 3/31/2023 BY VINTAGE AND TYPE



- Gross accrued unrealized carried interest of \$1,227 million, net accrued unrealized carry of \$583 million as of March 31, 2023 (note: valuations reported on a one quarter lag)
- Over \$63 billion in performance fee-eligible capital as of March 31, 2023
- \$726 million, or 59%, 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 180 programs with carry or incentive fee structures
- The investments in our funds held by the firm increased to \$147 million, up 38% from March 31, 2022
- Unfunded commitments were \$88.7 million as of March 31, 2023<sup>1</sup>

<sup>1</sup> Excludes \$0.8 billion of investments in funds and accrued carried interest allocations and \$50.6 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.

<sup>2</sup> Changes in our accrued carry balance reflect our share of the unrealized gains or losses of our client portfolios on a one quarter lag.

<sup>3</sup> 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 \$115 million as of March 31, 2023.

# APPENDIX

# Consolidated Balance Sheets

(\$ in thousands)	Mar '22	Dec '22	Mar '23
<b>Assets</b>			
Cash and cash equivalents	\$ 116,386	\$ 120,093	\$ 102,565
Restricted cash	1,063	971	955
Fees and accounts receivable	34,141	42,769	44,450
Due from affiliates	19,369	35,749	54,322
Investments:			
Investments in funds <sup>(1)</sup>	107,045	109,102	115,187
Accrued carried interest allocations	1,480,515	1,126,386	1,227,173
Legacy Greenspring investments in funds and accrued carried interest allocations <sup>(2)</sup>	1,334,581	888,872	770,652
Deferred income tax assets	27,866	49,245	44,358
Lease right-of-use assets, net	61,065	104,767	101,130
Other assets and receivables	27,426	44,013	44,060
Intangibles, net	398,126	365,515	354,645
Goodwill	580,542	580,542	580,542
<i>Assets of Consolidated Funds:</i> <sup>(3)</sup>			
Cash and cash equivalents	-	19,967	25,997
Investments, at fair value	-	14,312	30,595
Other assets	-	839	772
<b>Total assets</b>	<b>\$ 4,188,125</b>	<b>\$ 3,503,142</b>	<b>\$ 3,497,403</b>
<b>Liabilities and stockholders' equity</b>			
Accounts payable, accrued expenses and other liabilities	\$ 80,541	\$ 83,659	\$ 89,396
Accrued compensation and benefits	46,397	85,256	66,614
Accrued carried interest-related compensation	763,557	590,967	644,517
Legacy Greenspring accrued carried interest-related compensation <sup>(2)</sup>	1,140,101	723,527	617,994
Due to affiliates	199,355	201,352	205,424
Lease liabilities	70,965	124,318	121,224
Debt obligations	62,879	83,233	98,351
<i>Liabilities of Consolidated Funds:</i> <sup>(3)</sup>			
Other liabilities	-	647	566
<b>Total liabilities</b>	<b>2,363,795</b>	<b>1,892,959</b>	<b>1,844,086</b>
Redeemable non-controlling interests in Consolidated Funds	-	4,966	24,530
<b>Total stockholders' equity</b>	<b>1,824,330</b>	<b>1,605,217</b>	<b>1,628,787</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 4,188,125</b>	<b>\$ 3,503,142</b>	<b>\$ 3,497,403</b>

<sup>1</sup> The Company's investments in funds was \$147 million as of March 31, 2023. The consolidation of the Consolidated Funds results in the elimination of the Company's investments in such funds under GAAP.

<sup>2</sup> 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.

<sup>3</sup> 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 Results<sup>1</sup>



(\$ in thousands, unless otherwise mentioned)

	Quarter			Full Year		
	Mar '22	Mar '23	% Fav / Unfav	Mar '22	Mar '23	% Fav / Unfav
Management and advisory fees, net	\$ 112,229	\$ 132,720	18%	\$ 380,257	\$ 497,326	31%
Less:						
Adjusted cash-based compensation	56,959	69,337	-22%	195,069	249,576	-28%
Adjusted equity-based compensation	421	1,061	-152%	822	3,026	-268%
Adjusted general, administrative and other	18,967	24,526	-29%	62,124	88,566	-43%
<b>Fee-related earnings</b>	<b>35,882</b>	<b>37,796</b>	<b>5%</b>	<b>122,242</b>	<b>156,158</b>	<b>28%</b>
Plus:						
Realized carried interest allocations	31,665	18,693	-41%	200,718	131,089	-35%
Incentive fees	5,588	1,318	-76%	11,593	9,663	-17%
Deferred incentive fees	(4,373)	209	na	1,438	3,892	171%
Realized investment income	1,831	757	-59%	8,499	5,503	-35%
Non-GAAP interest income	8	658	8125%	337	1,726	412%
Adjusted other income (loss) <sup>(2)</sup>	(40)	46	na	(1,311)	(1,334)	-2%
Less:						
Realized performance fee-related compensation <sup>(3)</sup>	5,086	12,755	-151%	91,208	79,846	12%
Interest expense	476	1,674	-252%	1,113	4,189	-276%
Income attributable to non-controlling interests in subsidiaries/other:						
Fee-related earnings attributable to non-controlling interests in subsidiaries <sup>(4)</sup>	8,458	9,843	-16%	27,583	38,673	-40%
Non fee-related earnings (losses) attributable to non-controlling interests in subsidiaries <sup>(5)</sup>	301	308	-2%	517	381	26%
<b>Pre-tax adjusted net income</b>	<b>56,240</b>	<b>34,897</b>	<b>-38%</b>	<b>223,095</b>	<b>183,608</b>	<b>-18%</b>
Less: Income taxes <sup>(6)</sup>	12,526	7,782	38%	50,152	40,945	18%
<b>Adjusted net income</b>	<b>\$ 43,714</b>	<b>\$ 27,115</b>	<b>-38%</b>	<b>\$ 172,943</b>	<b>\$ 142,663</b>	<b>-18%</b>
<b>ANI per share</b>	<b>\$ 0.38</b>	<b>\$ 0.24</b>	<b>-37%</b>	<b>\$ 1.61</b>	<b>\$ 1.24</b>	<b>-23%</b>

<sup>1</sup> Excludes the impact of consolidating the Consolidated Funds. See slides 30 and 31 for reconciliation of GAAP income (loss) before income tax to ANI and FRE, and GAAP measures to adjusted measures.

<sup>2</sup> Excludes amounts for Tax Receivable Agreements adjustments recognized as other income (\$0.2 million and \$5.0 million for the three months ended March 31, 2023 and 2022, respectively, and \$0.2 million and \$3.6 million in fiscal 2023 and fiscal 2022, respectively).

<sup>3</sup> 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 (\$2.3 million and \$1.3 million for the three months ended March 31, 2023 and 2022, respectively, and \$11.3 million and \$1.8 million in fiscal 2023 and fiscal 2022, respectively).

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

<sup>5</sup> 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).

<sup>6</sup> Represents corporate income taxes at a blended statutory rate of 22.3% and 22.5% applied to pre-tax adjusted net income for fiscal 2023 and fiscal 2022, respectively. The 22.3% rate for fiscal 2023 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%. The 22.5% rate for fiscal 2022 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 1.5%. The decrease in the blended statutory rate for fiscal 2023 compared to fiscal 2022 was due to updates in our state apportionment and is our best estimate of our blended statutory tax rate moving forward. The three months ended March 31, 2022, reflect a true-up to adjust fiscal 2022 to a blended statutory rate of 22.5%.

# FEAUM Overview

(\$B, unless noted)			Fav / Unfav Change	
	FQ4'23	FQ4'22	\$	%
<b>SMAs</b>				
Beginning balance	\$ 53.4	\$ 45.9	\$ 7.5	16%
Contributions	2.4	5.2	(2.8)	-54%
Distributions	(1.0)	(1.4)	0.4	29%
Market value, FX and other	0.5	(0.1)	0.6	na
Ending balance	\$ 55.3	\$ 49.6	\$ 5.8	12%
Management fees (\$M)	\$ 54.0	\$ 47.2	\$ 6.9	15%
Average fee rate <sup>1</sup>	0.40%	0.40%		0%
<b>Commingled Funds</b>				
Beginning balance	\$ 29.6	\$ 25.3	\$ 4.2	17%
Contributions	0.7	1.1	(0.4)	-34%
Distributions	(0.3)	(0.8)	0.5	62%
Market value, FX and other	0.1	(0.0)	0.1	na
Ending balance	\$ 30.1	\$ 25.6	\$ 4.5	18%
Management fees (\$M)	\$ 62.1	\$ 49.6	\$ 12.5	25%
Average fee rate <sup>1</sup>	0.82%	0.85%		-4%
<b>Total</b>				
Beginning balance	\$ 83.0	\$ 71.2	\$ 11.8	16%
Contributions	3.1	6.2	(3.1)	-50%
Distributions	(1.3)	(2.2)	0.9	41%
Market value, FX and other	0.7	(0.1)	0.7	na
Ending balance	\$ 85.4	\$ 75.2	\$ 10.3	14%
Management fees (\$M)	\$ 116.1	\$ 96.7	\$ 19.4	20%
Average fee rate <sup>1</sup>	0.54%	0.52%		4%

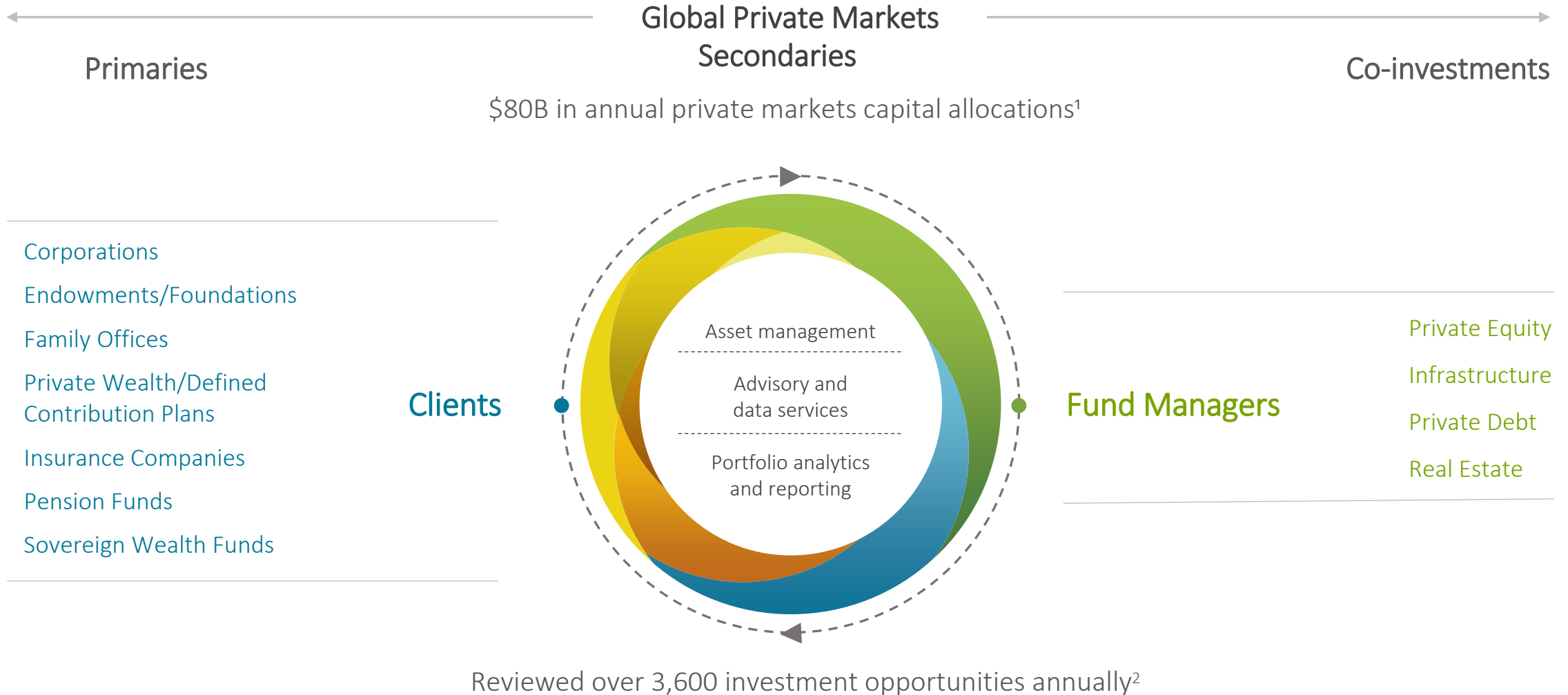
Walk from AUM to FEAUM	\$B
Total AUM as of 3/31/23	\$ 138.4
Less: Non-fee earning AUM	14.9
Less: Market appreciation included in AUM	22.4
Less: Undeployed fee-earning capital (capital not yet invested or considered active on which we will earn fees once capital is invested or activated)	15.7
<b>Fee-earning AUM as of 3/31/23</b>	<b>\$ 85.4</b>

- FEAUM increased by approximately 3% and 14% for the quarter and full year, respectively, to \$85.4 billion
- Activated/deployed approximately \$1.2 billion and \$9.2 billion of capital from our existing undeployed fee-earning capital during the quarter and full year, respectively

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.

<sup>1</sup> 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.

# We Believe StepStone Occupies an Important Position within the GP & LP Ecosystem



<sup>1</sup> Data reflecting twelve months ended December 31, 2022. Excludes legacy funds, feeder funds and research-only, non-advisory services.

<sup>2</sup> Data reflecting the year ended March 31, 2023.

# 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

**\$621B**  
total capital responsibility<sup>1</sup>

**\$138B**  
assets under management<sup>1</sup>

**\$85B**  
fee-earning assets under management

**\$80B**  
annual private market allocations<sup>2</sup>

**956**  
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 320 investment professionals and approximately 630 other employees dedicated to sourcing, executing, analyzing and monitoring private markets opportunities

As of March 31, 2023. All dollars are USD.

<sup>1</sup> Total capital responsibility equals AUM plus AUA. \$621 billion in total capital responsibility includes \$138 billion in AUM and \$482 billion in AUA. Reflects final data for the prior period (December 31, 2022), adjusted for net new client account activity through March 31, 2023. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of December 31, 2022, as reported by underlying managers up to 114 days following December 31, 2022. When NAV data is not available 114 days following December 31, 2022, such NAVs are adjusted for cash activity following the last available reported NAV.

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

# Comprehensive Private Markets Solutions

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



SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS	ADVISORY & DATA SERVICES	PORTFOLIO ANALYTICS & REPORTING
<ul style="list-style-type: none"> <li>Owned by one client and managed according to their specific preferences</li> <li>Address client’s specific portfolio risk/return, diversification, and liquidity objectives</li> <li>Integrates a combination of investment strategies across one or more asset classes</li> </ul>	<ul style="list-style-type: none"> <li>Owned by multiple clients</li> <li>Deploy capital in specific asset classes with defined investment strategies</li> <li>Seeks to leverage StepStone’s multi-asset class expertise</li> </ul>	<ul style="list-style-type: none"> <li>Recurring support of portfolio construction and design</li> <li>Discrete or project-based due diligence</li> <li>Detailed review of existing private markets investments</li> <li>Consulting services</li> <li>Licensed access to SPI<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Provide clients with tailored reporting packages</li> <li>Mandates typically include access to Omni</li> </ul>
<p><b>\$82B AUM and \$55B FEAUM (65% of total)</b></p>	<p><b>\$43B AUM and \$30B FEAUM (35% of total)</b></p>	<p><b>\$482B AUA and \$13B AUM</b></p>	<p>Provided portfolio analytics and reporting on over <b>\$630B</b> of client commitments</p>

Note: As of March 31, 2023. Amounts may not sum to total due to rounding.  
<sup>1</sup> StepStone Private Markets Intelligence.

# Comprehensive, Full Service Model

**279**  
bespoke SMA accounts and  
focused commingled funds

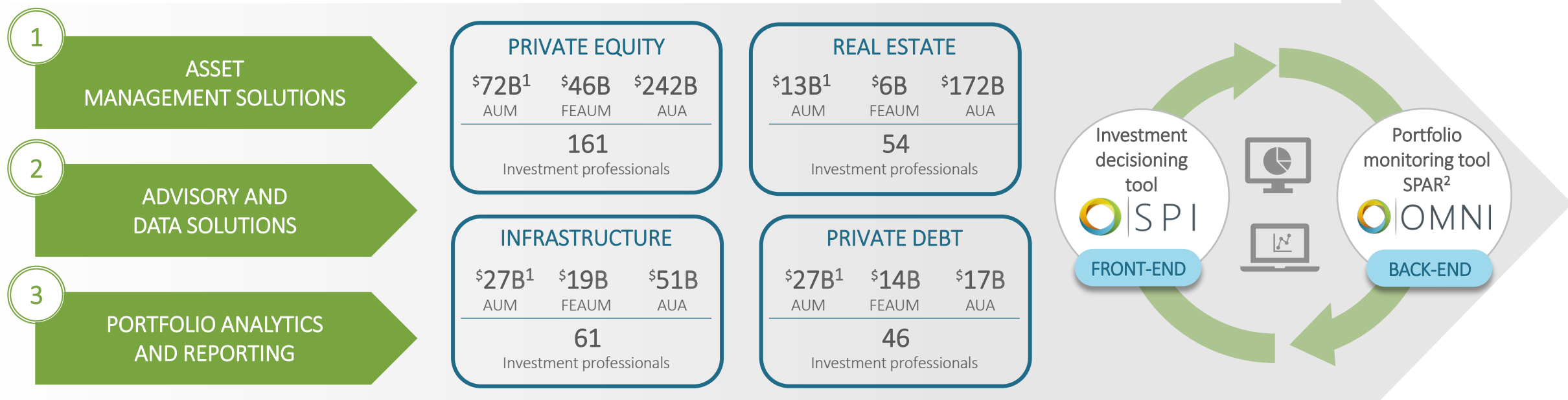
**36%**  
of advisory clients also have  
an AUM relationship

- 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 March 31, 2023. AUM and AUA figures reflect final data for the prior period (December 31, 2022), adjusted for net new client account activity through March 31, 2023. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of December 31, 2022, as reported by underlying managers up to 114 days following December 31, 2022. When NAV data is not available 114 days following December 31, 2022, such NAVs are adjusted for cash activity following the last available reported NAV.

<sup>1</sup> Allocation of AUM by asset class is presented by underlying investment asset classification.

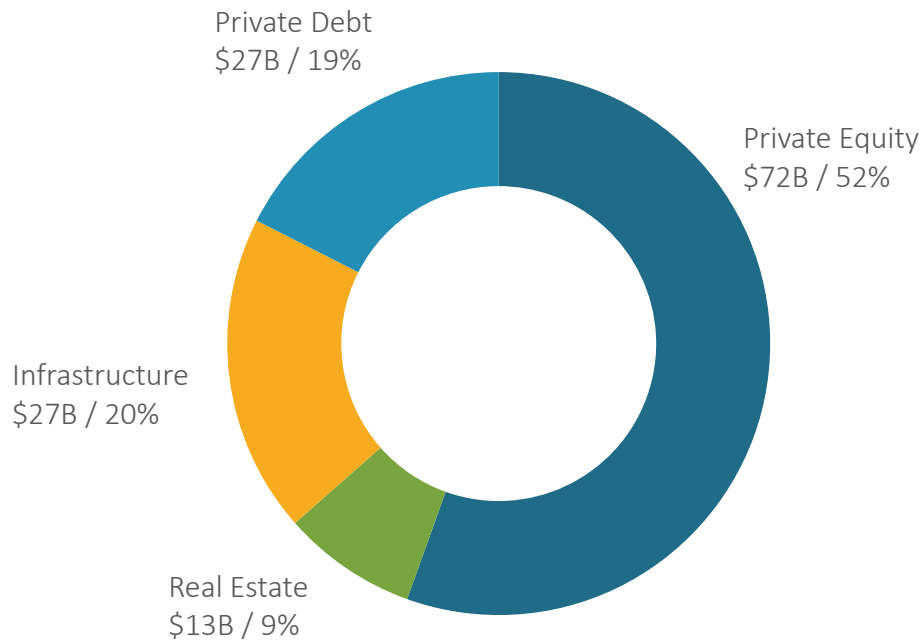
<sup>2</sup> StepStone Portfolio Analytics & Reporting.

# Investment Expertise Across All Private Markets Asset Classes

**49% (\$307B)**  
combined AUM / AUA in  
RE / INFRA / PD asset classes

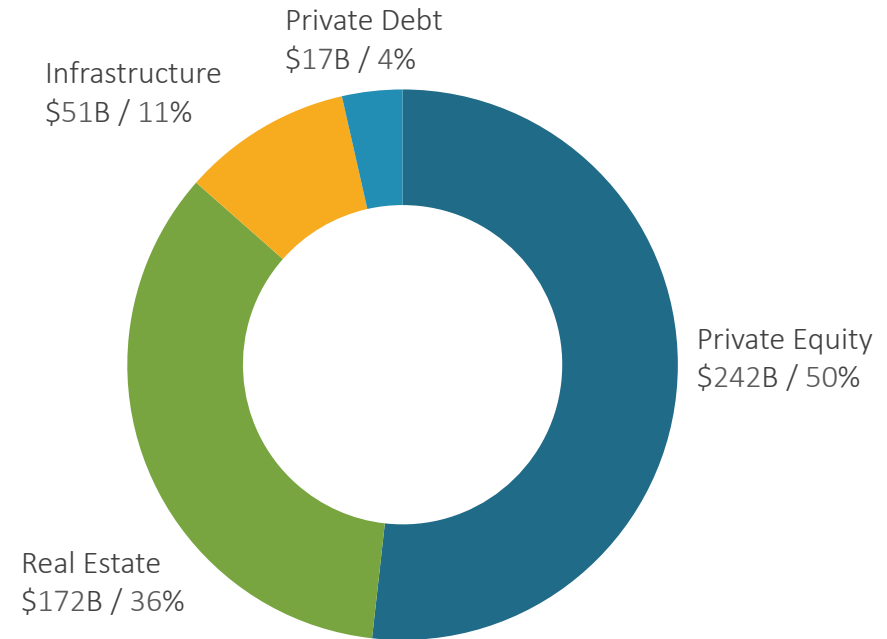
As of March 31, 2023

**BY AUM<sup>1</sup>**



**Total AUM: \$138B**

**BY AUA**



**Total AUA: \$482B**

Note: Amounts and percentages may not sum to total due to rounding. Reflects final data for the prior period (December 31, 2022), adjusted for net new client account activity through March 31, 2023. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of December 31, 2022, as reported by underlying managers up to 114 days following December 31, 2022. When NAV data is not available 114 days following December 31, 2022, such NAVs are adjusted for cash activity following the last available reported NAV.

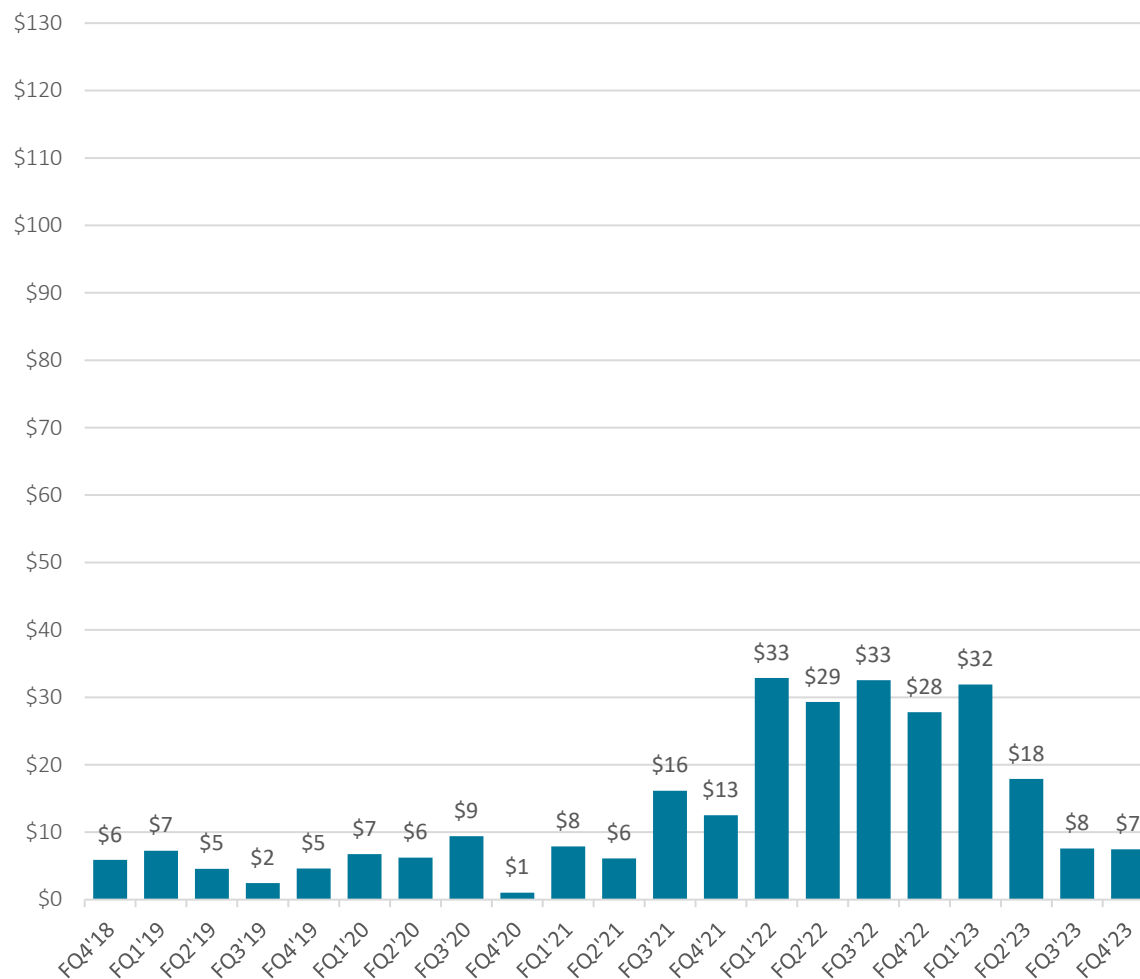
RE – Real estate, INFRA – Infrastructure, PD – Private debt

<sup>1</sup>Allocation of AUM by asset class is presented by underlying investment asset classification.

# Net Realized Performance Fees

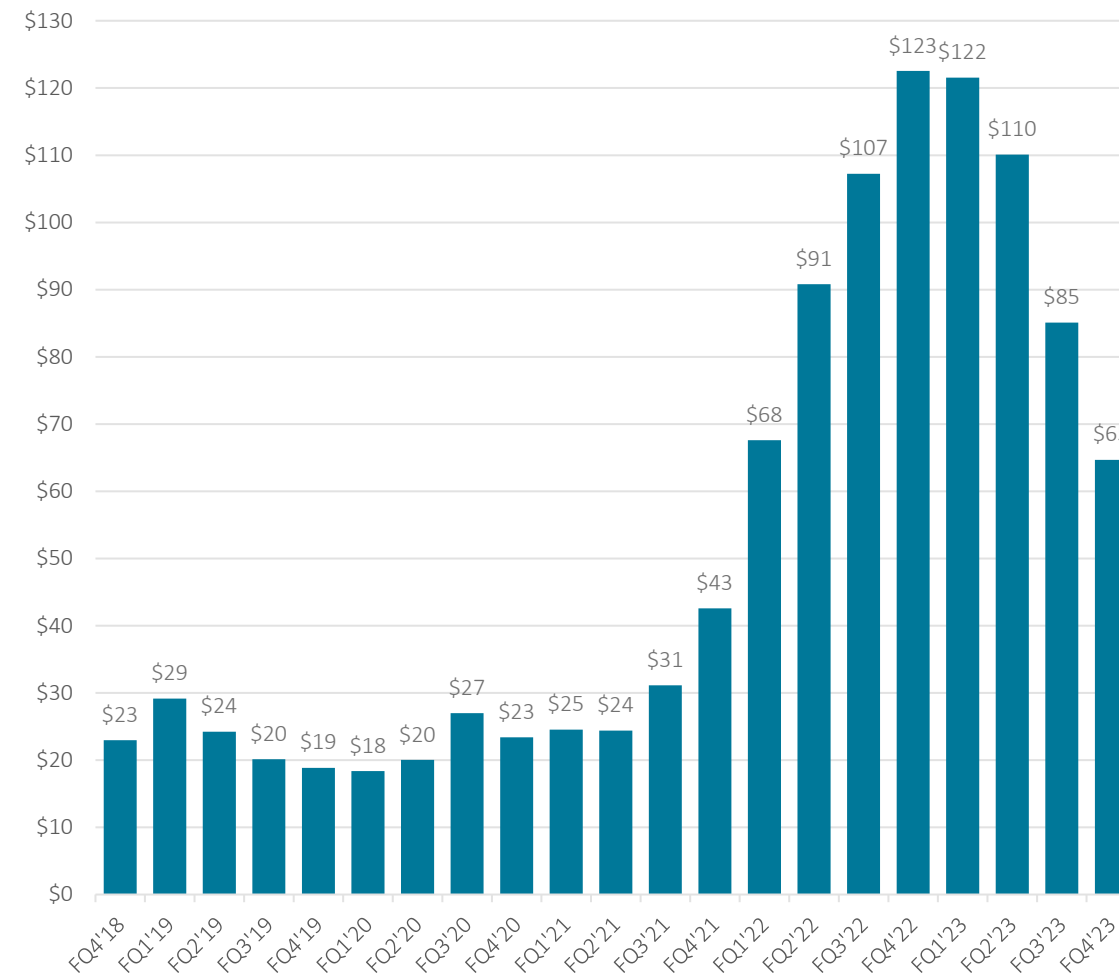
## QUARTERLY NET REALIZED PERFORMANCE FEES

(\$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.

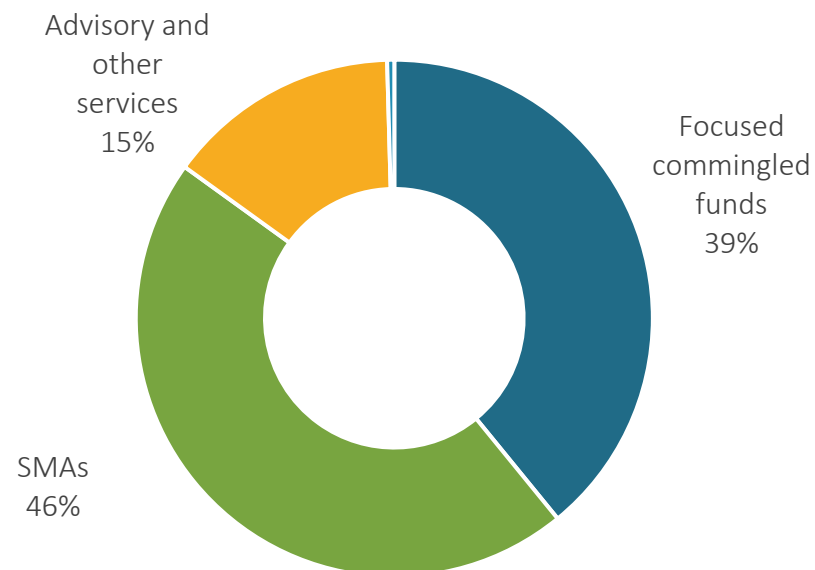


# Revenues - Management and Advisory Fees, Net

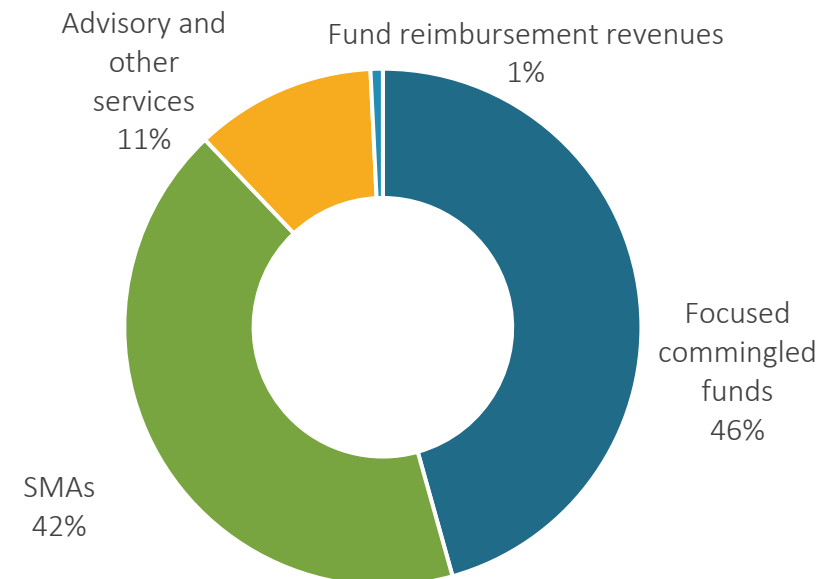
(\$ in thousands)

	Quarter			Full Year		
	Mar '22	Mar '23	% Fav / Unfav	Mar '22	Mar '23	% Fav / Unfav
Focused commingled funds <sup>(1)</sup>	\$ 49,552	\$ 62,093	25%	\$ 148,725	\$ 227,068	53%
SMAs	47,181	54,033	15%	174,318	210,187	21%
Advisory and other services	14,860	15,546	5%	55,523	56,244	1%
Fund reimbursement revenues <sup>(1)</sup>	636	1,048	65%	1,691	3,827	126%
<b>Total management and advisory fees, net</b>	<b>\$ 112,229</b>	<b>\$ 132,720</b>	<b>18%</b>	<b>\$ 380,257</b>	<b>\$ 497,326</b>	<b>31%</b>

FULL YEAR MAR '22



FULL YEAR MAR '23



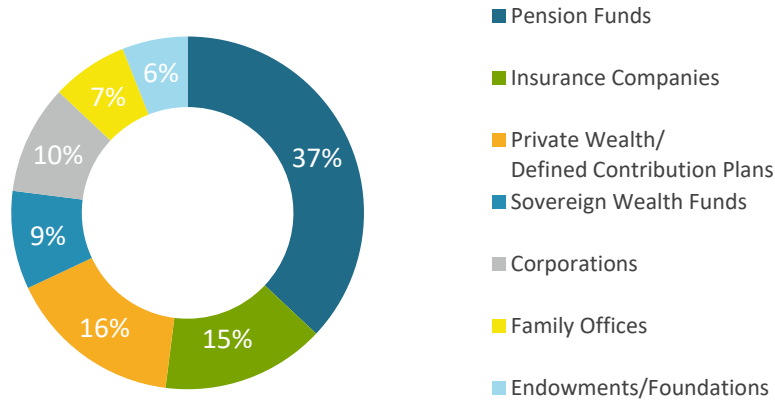
<sup>1</sup> Reflects the add-back of revenues for the Consolidated Funds, which have been eliminated in consolidation.

# Blue-chip, Sophisticated, Global Clientele

As of March 31, 2023

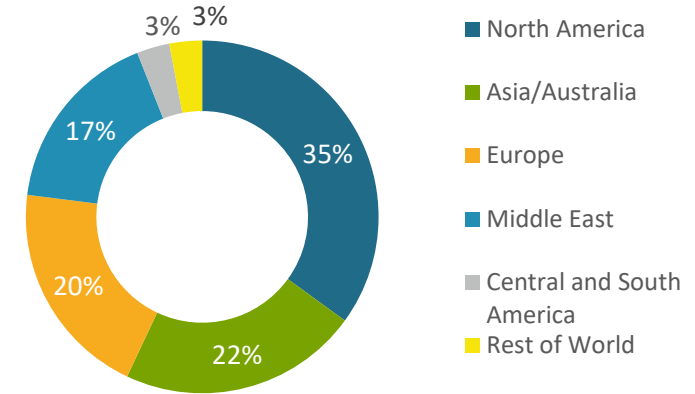
## BY TYPE

LTM management and advisory fees (%)



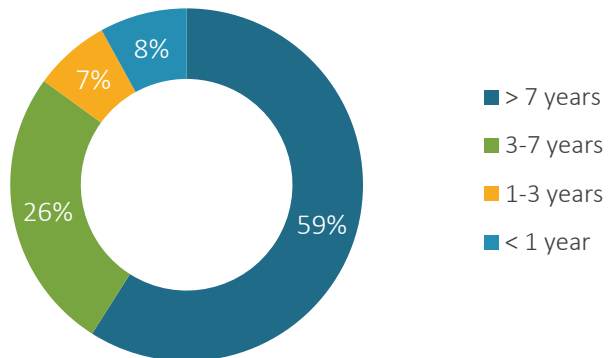
## BY GEOGRAPHY

LTM management and advisory fees (%)



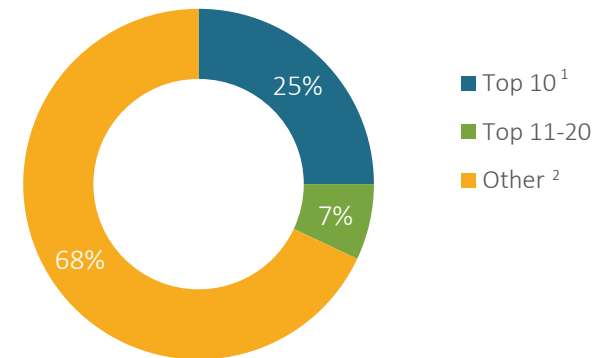
## BY REMAINING ACCOUNT TENOR

LTM management fees (%)



## BY CLIENT

LTM management and advisory fees (%)



<sup>1</sup> Our top 10 clients comprise over 50 separate mandates and commitments to commingled funds.

<sup>2</sup> Includes ~46% of management and advisory fee contribution from focused commingled funds.

# StepStone's Diversified Platform Spans Private Markets Solutions

## PRIVATE EQUITY

- Total AUM: \$72B
  - SMA AUM: \$36B
  - FCF AUM: \$36B
- Advisory AUA: \$242B
- \$42B Approved in 2022

## REAL ESTATE

- Total AUM: \$13B
  - SMA AUM: \$5B
  - FCF AUM: \$4B
  - Advisory AUM: \$4B
- Advisory AUA: \$172B
- \$18B Approved in 2022

## INFRASTRUCTURE

- Total AUM: \$27B
  - SMA AUM: \$25B
  - FCF AUM: \$1B
  - Advisory AUM: \$2B
- Advisory AUA: \$51B
- \$14B Approved in 2022

## PRIVATE DEBT

- Total AUM: \$27B
  - SMA AUM: \$16B
  - FCF AUM: \$3B
  - Advisory AUM: \$7B
- Advisory AUA: \$17B
- \$6B Approved in 2022

INVESTMENT STRATEGY <sup>1,2,4</sup>	NET IRR <sup>3</sup>	NET TVM <sup>3</sup>
PRIMARIES	17.4%	1.6x
SECONDARIES	18.0%	1.5x
CO-INVESTMENTS <sup>7</sup>	20.7%	1.7x

INVESTMENT STRATEGY <sup>1,4,5</sup>	NET IRR <sup>3</sup>	NET TVM <sup>3</sup>
CORE/CORE+ FUND INVESTMENTS	8.8%	1.6x
VALUE-ADD/OPPORTUNISTIC FUND INVESTMENTS	10.1%	1.4x
REAL ESTATE DEBT FUND INVESTMENTS	5.9%	1.2x
VALUE-ADD/OPPORTUNISTIC SECONDARIES & CO-INVESTMENTS	13.8%	1.3x

INVESTMENT STRATEGY <sup>1,4,6</sup>	NET IRR <sup>3</sup>
PRIMARIES	10.7%
SECONDARIES	10.5%
CO-INVESTMENTS <sup>7</sup>	9.3%

INVESTMENT STRATEGY <sup>1,4,8</sup>	NET IRR <sup>3</sup>
DIRECT LENDING	6.5%
DISTRESSED DEBT	9.3%
OTHER <sup>9</sup>	6.0%

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 March 31, 2023. Reflects final data for the prior period (December 31, 2022), adjusted for net new client account activity through March 31, 2023. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of December 31, 2022, as reported by underlying managers up to 114 days following December 31, 2022. When NAV data is not available 114 days following December 31, 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.

# Track Record Disclosures

Note: Descriptions for certain terms can be found on the definitions page starting on slide 34 of this presentation.

<sup>1</sup> Investment returns reflect NAV data for underlying investments as of December 31, 2022, as reported by underlying managers up to 114 days following December 31, 2022. For investment returns where NAV data is not available 114 days following December 31, 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.

<sup>2</sup> Private equity includes 2,384 investments totaling \$168.8 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 (245 investments totaling \$27.5 billion of capital commitments), and (iii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment.

<sup>3</sup> 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 and expenses represent an annual rate):

- (i) Primaries: 25 basis points of net invested capital for management fees (and on NAV for private debt), 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; 65 basis points for private debt, assessed quarterly on the net asset value.
- (iii) Co-investments: 100 basis points (85 and 50 basis points for infrastructure co-investments and direct asset management investments, respectively) on net committed capital for management fees, charged quarterly; 65 basis points for private debt, assessed quarterly on the net asset value.
- (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. Private debt secondaries and co-investments include 10.0% of paid and unrealized carry, with an 5.0% 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.

<sup>4</sup> 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.

<sup>5</sup> Real estate includes 466 investments totaling \$73.4 billion of capital commitments and excludes (i) all client-directed real estate investments (78 investments totaling \$11.7 billion of capital commitments), (ii) nine secondary/co-investment core/core+ or credit investments, totaling \$537.0 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").

<sup>6</sup> Infrastructure includes 224 investments totaling \$46.3 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 (27 investments totaling \$4.1 billion of capital commitments), and (iii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment.

<sup>7</sup> Co-investments includes venture capital and growth equity direct investments for private equity, and asset management investments for infrastructure.

<sup>8</sup> Private debt includes 766 investments totaling \$43.5 billion of capital commitments and excludes (i) all client-directed debt investments (40 investments, totaling \$2.9 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.

<sup>9</sup> 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 Funds<sup>1</sup>

Fund Name <sup>2</sup>	Description	Vintage Year	Fund Size (\$M)
<b>PRIVATE EQUITY</b>			
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
<b>REAL ESTATE</b>			
StepStone Real Estate Partners IV	Special Situation Real Estate Secondaries	2019	\$ 1,404
<b>PRIVATE DEBT</b>			
StepStone Credit Opportunities Fund I	Corporate / Opportunistic Lending	2021	\$ 632
Senior Corporate Lending Fund II	Corporate Direct Lending	2021	1,275
<b>PRIVATE WEALTH</b>			
SPRIM	Evergreen	2020	\$ 1,341
SPRING	Evergreen	2022	276 <sup>3</sup>

- 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.

<sup>1</sup> Includes funds with fund size greater than \$150 million.

<sup>2</sup> Reflects most recently closed fund for each category of investment strategy.

<sup>3</sup> Reflects fair value of the fund's portfolio as of May 1, 2023.

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

(\$ in thousands)	Quarter		Full Year		Full Year
	Mar '22	Mar '23	Mar '22	Mar '23	Mar '18
<b>Income (loss) before income tax</b>	\$ 115,842	\$ 67,505	\$ 512,581	\$ (41,454)	\$ 85,805
Net income attributable to non-controlling interests in subsidiaries <sup>(1)</sup>	(8,759)	(10,151)	(28,100)	(39,054)	(2,350)
Net (income) loss attributable to non-controlling interests in legacy Greenspring entities	(14,696)	11,148	(32,586)	44,075	-
Unrealized carried interest allocations	(133,062)	(100,753)	(585,851)	253,342	(91,753)
Unrealized performance fee-related compensation	84,757	53,515	312,903	(119,039)	48,278
Unrealized investment (income) loss	(3,488)	(2,207)	(17,661)	8,012	(1,870)
Impact of Consolidated Funds	-	(4,002)	-	(8,897)	-
Deferred incentive fees	(4,373)	209	1,438	3,892	2,801
Equity-based compensation <sup>(2)</sup>	3,212	8,274	13,174	21,914	189
Amortization of intangibles	11,049	10,870	24,497	43,481	3,382
Tax Receivable Agreements adjustments through earnings	(4,951)	(244)	(3,560)	(244)	-
Non-core items <sup>(3)</sup>	10,709	733	26,260	17,580	2,211
<b>Pre-tax adjusted net income</b>	<b>56,240</b>	<b>34,897</b>	<b>223,095</b>	<b>183,608</b>	<b>46,693</b>
Income taxes <sup>(4)</sup>	(12,526)	(7,782)	(50,152)	(40,945)	(11,673)
<b>Adjusted net income</b>	<b>43,714</b>	<b>27,115</b>	<b>172,943</b>	<b>142,663</b>	<b>35,020</b>
Income taxes <sup>(4)</sup>	12,526	7,782	50,152	40,945	11,673
Realized carried interest allocations	(31,665)	(18,693)	(200,718)	(131,089)	(30,081)
Realized performance fee-related compensation <sup>(5)</sup>	5,086	12,755	91,208	79,846	11,406
Realized investment income	(1,831)	(757)	(8,499)	(5,503)	(3,137)
Incentive fees	(5,588)	(1,318)	(11,593)	(9,663)	(1,489)
Deferred incentive fees	4,373	(209)	(1,438)	(3,892)	(2,801)
Non-GAAP interest income <sup>(6)</sup>	(8)	(658)	(337)	(1,726)	(143)
Interest expense	476	1,674	1,113	4,189	913
Adjusted other (income) loss <sup>(6)(7)</sup>	40	(46)	1,311	1,334	125
Net income attributable to non-controlling interests in subsidiaries <sup>(1)</sup>	8,759	10,151	28,100	39,054	2,350
<b>Fee-related earnings</b>	<b>\$ 35,882</b>	<b>\$ 37,796</b>	<b>\$ 122,242</b>	<b>\$ 156,158</b>	<b>\$ 23,836</b>

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

<sup>2</sup> 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.

<sup>3</sup> Includes (income) expense related to compensation paid to certain equity holders as part of an acquisition earn-out (\$0.8 million in fiscal 2018), transaction costs (\$0.4 million for the three months ended March 31, 2022, and \$6.9 million, \$14.2 million and \$0.1 million in fiscal 2023, fiscal 2022 and fiscal 2018, respectively), lease remeasurement adjustments (\$2.7 million in fiscal 2023), accelerated depreciation of leasehold improvements for changes in lease terms (\$0.6 million for the three months ended March 31, 2023 and \$1.5 million in fiscal 2023), severance costs (\$0.1 million and \$1.5 million for the three months ended March 31, 2023 and 2022, respectively, and \$0.3 million, \$1.6 million and \$0.7 million in fiscal 2023, fiscal 2022 and fiscal 2018, respectively), (gain) loss on change in fair value for contingent consideration obligation (\$0.6 million and \$8.0 million for the three months ended March 31, 2023 and 2022, respectively, and \$9.4 million and \$9.6 million in fiscal 2023 and fiscal 2022, respectively), compensation paid to certain employees as part of an acquisition earn-out (\$0.6 million and \$0.8 million for the three months ended March 31, 2023 and 2022, respectively, and \$2.3 million and \$0.8 million in fiscal 2023 and 2022, respectively) and other non-core operating income and expenses.

<sup>4</sup> Represents corporate income taxes at a blended statutory rate of 22.3% and 22.5% applied to pre-tax adjusted net income for fiscal 2023 and fiscal 2022, respectively. The 22.3% rate for fiscal 2023 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%. The 22.5% rate for fiscal 2022 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 1.5%. The decrease in the blended statutory rate for fiscal 2023 compared to fiscal 2022 was due to updates in our state apportionment. The three months ended March 31, 2022, reflect a true-up to adjust fiscal 2022 to a blended statutory rate of 22.5%. 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.

<sup>5</sup> 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 (\$2.3 million and \$1.3 million for the three months ended March 31, 2023 and 2022, respectively, and \$11.3 million and \$1.8 million in fiscal 2023 and fiscal 2022, respectively).

<sup>6</sup> Excludes the impact of consolidating the Consolidated Funds.

<sup>7</sup> Excludes amounts for Tax Receivable Agreements adjustments recognized as other income (loss) (\$0.2 million and \$5.0 million for the three months ended March 31, 2023 and 2022, respectively, and \$0.2 million and \$3.6 million in fiscal 2023 and fiscal 2022, respectively).

# Reconciliation of GAAP Measures to Adjusted Measures

(\$ in thousands)

	Quarter		Full Year		Full Year
	Mar '22	Mar '23	Mar '22	Mar '23	Mar '18
<b>Total revenues</b>	\$ 364,690	\$ 172,374	\$ 1,365,525	\$ (67,574)	\$ 264,275
Unrealized carried interest allocations	(133,062)	(100,753)	(585,851)	253,342	(91,753)
Deferred incentive fees	(4,373)	209	1,438	3,892	2,801
Legacy Greenspring carried interest allocations	(82,146)	80,963	(187,106)	452,163	-
Management and advisory fee revenues for the Consolidated Funds <sup>(1)</sup>	-	147	-	147	-
<b>Adjusted revenues</b>	<b>\$ 145,109</b>	<b>\$ 152,940</b>	<b>\$ 594,006</b>	<b>\$ 641,970</b>	<b>\$ 175,323</b>
<b>GAAP management and advisory fees, net</b>	\$ 112,229	\$ 132,573	\$ 380,257	\$ 497,179	
Adjustments <sup>(1)</sup>	-	147	-	147	
<b>Management and advisory fees, net</b>	<b>\$ 112,229</b>	<b>\$ 132,720</b>	<b>\$ 380,257</b>	<b>\$ 497,326</b>	
<b>GAAP cash-based compensation</b>	\$ 59,265	\$ 69,990	\$ 197,482	\$ 252,180	
Adjustments <sup>(2)</sup>	(2,306)	(653)	(2,413)	(2,604)	
<b>Adjusted cash-based compensation</b>	<b>\$ 56,959</b>	<b>\$ 69,337</b>	<b>\$ 195,069</b>	<b>\$ 249,576</b>	
<b>GAAP equity-based compensation</b>	\$ 3,633	\$ 9,335	\$ 13,996	\$ 24,940	
Adjustments <sup>(3)</sup>	(3,212)	(8,274)	(13,174)	(21,914)	
<b>Adjusted equity-based compensation</b>	<b>\$ 421</b>	<b>\$ 1,061</b>	<b>\$ 822</b>	<b>\$ 3,026</b>	
<b>GAAP general, administrative and other</b>	\$ 38,419	\$ 35,612	\$ 110,468	\$ 147,159	
Adjustments <sup>(4)</sup>	(19,452)	(11,086)	(48,344)	(58,593)	
<b>Adjusted general, administrative and other</b>	<b>\$ 18,967</b>	<b>\$ 24,526</b>	<b>\$ 62,124</b>	<b>\$ 88,566</b>	
<b>GAAP interest income</b>	\$ 8	\$ 853	\$ 337	\$ 1,921	
Adjustments <sup>(5)</sup>	-	(195)	-	(195)	
<b>Non-GAAP interest income</b>	<b>\$ 8</b>	<b>\$ 658</b>	<b>\$ 337</b>	<b>\$ 1,726</b>	
<b>GAAP other income (loss)</b>	\$ 4,911	\$ (40)	\$ 2,249	\$ (1,420)	
Adjustments <sup>(6)</sup>	(4,951)	86	(3,560)	86	
<b>Adjusted other income (loss)</b>	<b>\$ (40)</b>	<b>\$ 46</b>	<b>\$ (1,311)</b>	<b>\$ (1,334)</b>	

<sup>1</sup> Reflects the add-back of management and advisory fee revenues for the Consolidated Funds, which have been eliminated in consolidation.

<sup>2</sup> Reflects the removal of severance and compensation paid to certain employees as part of an acquisition earn-out.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> Reflects the removal of interest income earned by the Consolidated Funds.

<sup>6</sup> Reflects the removal of amounts for Tax Receivable Agreements adjustments recognized as other income (loss) and the removal of the impact of consolidation of the Consolidated Funds.

# Calculation and Reconciliation of Adjusted Net Income Per Share

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

	Quarter		Full Year		Full Year
	Mar '22	Mar '23	Mar '22	Mar '23	Mar '18
Adjusted net income	\$ 43,714	\$ 27,115	\$ 172,943	\$ 142,663	\$ 35,020
Weighted-average shares of Class A common stock outstanding – Basic <sup>(1)</sup>	60,792,227	62,804,891	49,833,760	61,884,450	29,237,500
Assumed vesting of RSUs <sup>(1)</sup>	982,028	524,576	1,289,809	669,966	745,347
Assumed vesting and exchange of Class B2 units <sup>(1)</sup>	2,464,736	2,501,045	2,476,681	2,475,501	2,411,318
Exchange of Class B units in the Partnership <sup>(1)(2)</sup>	47,495,784	46,420,141	52,028,095	46,780,724	65,578,831
Exchange of Class C units in the Partnership <sup>(3)</sup>	2,928,824	2,514,085	1,563,316	2,807,243	-
Adjusted shares <sup>(1)</sup>	114,663,599	114,764,738	107,191,661	114,617,884	97,972,996
Adjusted net income per share	\$ 0.38	\$ 0.24	\$ 1.61	\$ 1.24	\$ 0.36

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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 Fees<sup>1</sup>



(\$ 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	FQ4'23
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	\$ 18.7
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	1.3
Deferred incentive fees	0.6	1.0	-	-	-	-	0.8	-	-	3.5	1.2	-	-	4.0	1.8	-	(4.4)	-	3.7	-	0.2
<b>Gross realized performance fees</b>	<b>10.7</b>	<b>13.5</b>	<b>10.2</b>	<b>5.5</b>	<b>10.0</b>	<b>14.5</b>	<b>12.6</b>	<b>19.8</b>	<b>3.4</b>	<b>10.8</b>	<b>10.9</b>	<b>26.4</b>	<b>25.1</b>	<b>58.2</b>	<b>56.1</b>	<b>66.6</b>	<b>32.9</b>	<b>73.6</b>	<b>31.5</b>	<b>19.3</b>	<b>20.2</b>
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)	(26.8)	(34.0)	(5.1)	(41.7)	(13.6)	(11.7)	(12.8)
<b>Net realized performance fees</b>	<b>\$ 5.9</b>	<b>\$ 7.2</b>	<b>\$ 4.6</b>	<b>\$ 2.5</b>	<b>\$ 4.6</b>	<b>\$ 6.7</b>	<b>\$ 6.2</b>	<b>\$ 9.4</b>	<b>\$ 1.0</b>	<b>\$ 7.9</b>	<b>\$ 6.1</b>	<b>\$ 16.1</b>	<b>\$ 12.5</b>	<b>\$ 32.9</b>	<b>\$ 29.3</b>	<b>\$ 32.6</b>	<b>\$ 27.8</b>	<b>\$ 31.9</b>	<b>\$ 17.9</b>	<b>\$ 7.6</b>	<b>\$ 7.5</b>

	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	FQ4'23
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	\$ 131.1
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	9.7
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)	3.9
<b>Gross realized performance fees</b>	<b>34.4</b>	<b>46.0</b>	<b>42.9</b>	<b>39.9</b>	<b>39.2</b>	<b>40.2</b>	<b>42.6</b>	<b>57.0</b>	<b>50.4</b>	<b>46.6</b>	<b>44.9</b>	<b>51.5</b>	<b>73.1</b>	<b>120.5</b>	<b>165.7</b>	<b>205.9</b>	<b>213.8</b>	<b>229.2</b>	<b>204.6</b>	<b>157.3</b>	<b>144.6</b>
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)	(79.8)
<b>Net realized performance fees</b>	<b>\$ 23.0</b>	<b>\$ 29.2</b>	<b>\$ 24.2</b>	<b>\$ 20.1</b>	<b>\$ 18.9</b>	<b>\$ 18.4</b>	<b>\$ 20.0</b>	<b>\$ 27.0</b>	<b>\$ 23.4</b>	<b>\$ 24.5</b>	<b>\$ 24.4</b>	<b>\$ 31.1</b>	<b>\$ 42.6</b>	<b>\$ 67.6</b>	<b>\$ 90.8</b>	<b>\$ 107.2</b>	<b>\$ 122.5</b>	<b>\$ 121.5</b>	<b>\$ 110.1</b>	<b>\$ 85.1</b>	<b>\$ 64.8</b>

Note: Amounts may not sum to total due to rounding.

<sup>1</sup> 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 March 31, 2023 reflects final data for the prior period (December 31, 2022), adjusted for net new client account activity through March 31, 2023. NAV data for underlying investments is as of December 31, 2022, as reported by underlying managers up to 114 days following December 31, 2022. When NAV data is not available 114 days following December 31, 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 March 31, 2023 reflects final data for the prior period (December 31, 2022), adjusted for net new client account activity through March 31, 2023. NAV data for underlying investments is as of December 31, 2022, as reported by underlying managers up to 114 days following December 31, 2022. When NAV data is not available 114 days following December 31, 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.

## Definitions (continued)

- **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 adjusted expenses which are 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) 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. 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.

## Definitions (continued)

- **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 and excluding legacy Greenspring entities. We believe gross realized performance fees is useful to investors because it presents the total performance fees realized by us.
- **Net realized performance fees** represents gross realized performance fees, less realized performance fee-related compensation and excluding legacy Greenspring entities. We believe net realized performance fees is useful to investors because it presents the performance fees attributable to us, net of amounts paid to employees as performance fee-related compensation.
- **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 December 31, 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 December 31, 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.

## Definitions (continued)

- **Total capital responsibility** equals AUM plus 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.
- **“Private Wealth Transaction”** refers to new arrangements entered into by which certain members of the StepStone Group Private Wealth LLC (“SPW”) team received a profits interest in SPW and concurrently entered into an option agreement which provides that, (i) we have the right to acquire the profits interest at the end of any fiscal quarter after June 30, 2027, in exchange for payment of a call price and (ii) the SPW management team, through an entity named CH Equity Partners, LLC (formerly known as Conversus Holdings LLC), has the right to put the profits interest to us on June 30, 2026 or at the end of any fiscal quarter thereafter, in exchange for payment of a put price.

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, 2023, 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.