

**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**

November 4, 2021
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 November 9, 2021, StepStone Group Inc. (the “Company”) issued a press release and detailed presentation announcing its financial results for the second fiscal quarter ended September 30, 2021. A copy of the press release and presentation are furnished as Exhibit 99.1 to this Current Report on Form 8-K and are incorporated by reference into this Item 2.02 as if fully set forth herein.

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

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 4, 2021, the Board of Directors (the “Board”) of the Company unanimously elected Scott Hart as the Company’s sole Chief Executive Officer, and Monte Brem as the Company’s Executive Chairman, each effective January 1, 2022. At such time, Mr. Brem, who founded the Company in 2007, will no longer serve as the Company’s Co-Chief Executive Officer, but will continue to serve as Chairman of the Board in addition to Executive Chairman of the Company. Mr. Hart will also continue to serve as a member of the Board. At this time, the Company has not entered into, amended, or modified any plan, contract, arrangement, grant, or award in connection with the Board’s election of Mr. Hart as the Company’s sole Chief Executive Officer and Mr. Brem as the Company’s Executive Chairman.

Mr. Hart has served as the Company’s Co-Chief Executive Officer since November 2019 and as a director since September 2020. Mr. Hart has also served as Co-Chief Executive Officer of StepStone Group LP (the “Partnership”) since August 2019. He is a member of the Partnership’s Executive Committee, Private Equity Investment Committee and Private Equity Portfolio and Risk Management Committee. He has held a number of responsibilities over time, managing a number of important client relationships, serving as Co-Head of Private Equity Co-Investments between January 2013 to October 2019 and helping with opening the firm’s London office. Prior to joining the Partnership in 2007, Mr. Hart was an Associate at TPG Capital, LP from 2005 to 2007. While at TPG Capital, LP, Mr. Hart focused on evaluating, executing and monitoring investments for a private equity fund, as well as helping to develop views on investment thesis, valuation, financing and exit strategy. From 2003 to 2005, Mr. Hart worked as an Analyst at Morgan Stanley in the Consumer & Retail group, where he performed financial and strategic analysis on acquisitions, leveraged buy-outs, divestitures, and debt and equity capital markets transactions. Mr. Hart received his B.B.A. from the University of Notre Dame.

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 November 9, 2021
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: November 9, 2021

By: /s/ Johnny D. Randel

Johnny D. Randel

Chief Financial Officer

(Principal Financial Officer and Authorized Signatory)

STEPSTONE GROUP REPORTS SECOND QUARTER FISCAL YEAR 2022 RESULTS

NEW YORK, November 9, 2021 – 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 September 30, 2021. This represents results for the second quarter for the fiscal year ending March 31, 2022. The Board of Directors of the Company has declared a quarterly cash dividend of \$0.15 per share of Class A common stock, payable on December 15, 2021, to the holders of record as of the close of business on November 30, 2021.

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

Webcast and Earnings Conference Call

Management will host a webcast and conference call on Tuesday, November 9, 2021 at 5:00 pm ET to discuss the Company's results for the second fiscal quarter ended September 30, 2021. The conference call will also be made available in the Shareholders section of the Company's website at <https://shareholders.stepstonegroup.com/>. To listen to a live broadcast, go to the site at least 15 minutes prior to the scheduled start time in order to register.

The conference call can be accessed by dialing 1-800-757-8473 (United States) or 1-212-231-2907 (international).

A replay of the call will also be available on the Company's website approximately two hours after the live call through November 23, 2021. To access the replay, dial 1-844-512-2921 (United States) or 1-412-317-6671 (international). The replay pin number is 21998685. The replay can also be accessed on the shareholders section of the Company's website at <https://shareholders.stepstonegroup.com/>.

About StepStone

StepStone Group Inc. (Nasdaq: STEP) is a global private markets investment firm focused on providing customized investment solutions and advisory and data services to its clients. As of September 30, 2021, StepStone oversaw approximately \$519 billion of private markets allocations, including \$121 billion of assets under management. StepStone's clients include some of the world's largest public and private defined benefit and defined contribution pension funds, sovereign wealth funds and insurance companies, as well as prominent endowments, foundations, family offices and private wealth clients, which include high-net-worth and mass affluent individuals. StepStone partners with its clients to develop and build private markets portfolios designed to meet their specific objectives across the private equity, infrastructure, private debt and real estate asset classes.

Forward-Looking Statements

Some of the statements in this release may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking. Words such as “anticipate,” “believe,” “continue,” “estimate,” “expect,” “future,” “intend,” “may,” “plan” and “will” and similar expressions identify forward-looking statements. Forward-looking statements reflect management’s current plans, estimates and expectations and are inherently uncertain. The inclusion of any forward-looking information in this release should not be regarded as a representation that the future plans, estimates or expectations contemplated will be achieved. Forward-looking statements are subject to various risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, global and domestic market and business conditions, successful execution of business and growth strategies and regulatory factors relevant to our business, as well as assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity and the risks and uncertainties described in greater detail under the “Risk Factors” section of our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on June 23, 2021, as such factors may be updated from time to time. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

Contacts**Shareholder Relations:**

shareholders@stepstonegroup.com
1-212-351-6106

Media:

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



Second Quarter Fiscal Year 2022
Earnings Presentation
NOVEMBER 9, 2021





Scott Hart
Co-CEO



Jason Ment
President & Co-COO



Mike McCabe
Head of Strategy



Johnny Randel
Chief Financial Officer

GAAP Consolidated Income Statements



GAAP net income was \$127.9 million for the quarter and \$254.4 million year-to-date. GAAP net income attributable to StepStone Group Inc. was \$62.1 million (or \$1.45 per share) for the quarter and \$103.7 million (or \$2.50 per share) year-to-date.

(\$ in thousands, except per share amounts)




	Quarter			Year-to-Date		
	Sep '20	Sep '21	% Fav / Unfav	Sep '20	Sep '21	% Fav / Unfav
Revenues						
Management and advisory fees, net	\$ 75,652	\$ 83,583	10%	\$ 139,152	\$ 161,644	16%
Performance fees:						
Incentive fees	1,196	1,796	50%	4,785	5,978	25%
Carried interest allocations:						
Realized	8,556	52,531	514%	12,194	102,494	741%
Unrealized	157,559	143,855	-9%	25,369	320,254	1162%
Total carried interest allocations	166,065	196,386	18%	37,563	422,748	1025%
Legacy Greenspring carried interest allocations ⁽¹⁾	-	-	na	-	-	na
Total revenues	242,913	281,765	16%	181,500	590,370	225%
Expenses						
Compensation and benefits:						
Cash-based compensation	37,473	43,881	-17%	77,126	86,552	-12%
Equity-based compensation	952	3,213	-238%	1,435	6,956	-385%
Performance fee-related compensation:						
Realized	4,811	26,781	-457%	7,711	52,089	-576%
Unrealized	78,533	74,206	6%	9,858	159,778	-1521%
Total performance fee-related compensation	83,344	100,987	21%	17,569	211,867	-1106%
Legacy Greenspring performance fee-related compensation ⁽²⁾	-	-	na	-	-	na
Total compensation and benefits	121,769	148,081	22%	96,130	305,375	-218%
General, administrative and other	11,356	25,320	-123%	21,863	41,750	-91%
Total expenses	133,125	173,401	30%	117,993	347,125	-194%
Other income (expense)						
Investment income	4,325	7,187	66%	1,147	13,611	1087%
Legacy Greenspring investment income ⁽³⁾	-	-	na	-	-	na
Interest income	165	206	25%	259	286	10%
Interest expense	(5,270)	(188)	98%	(7,337)	(94)	99%
Other income (loss)	242	(1,952)	na	462	(2,389)	na
Total other income (expense)	(538)	5,353	na	(5,450)	11,414	na
Income before income tax	109,250	113,717	4%	58,048	254,659	339%
Income tax expense (benefit)	881	(14,145)	na	2,038	778	96%
Net income	108,369	127,862	18%	56,009	254,381	354%
Less: Net income attributable to non-controlling interests in subsidiaries	9,045	6,032	33%	13,138	11,646	11%
Less: Net income attributable to non-controlling interests in legacy Greenspring entities ⁽¹⁾	-	-	na	-	-	na
Less: Net income attributable to non-controlling interests in the Partnership	100,114	59,756	40%	43,661	139,011	-218%
Net income (loss) attributable to StepStone Group Inc.	\$ (790)	\$ 62,074	na	\$ (790)	\$ 103,724	na
Net income (loss) per share of Class A common stock - Basic	\$ (0.03)	\$ 1.49	na	\$ (0.03)	\$ 2.57	na
Net income (loss) per share of Class A common stock - Diluted	\$ (0.03)	\$ 1.45	na	\$ (0.03)	\$ 2.50	na

Note: Foreign currency translation gains and losses have been reclassified from general, administrative and other expenses to other income (loss) in our consolidated income statements for all prior periods presented to conform to the current period presentation.
¹ Represents carried interest allocations and investment income attributable to consolidated VIEs for which we did not acquire any economic interests. Such amounts are attributable to employees and therefore have been reflected as legacy Greenspring performance fee-related compensation and net income attributable to non-controlling interests in legacy Greenspring entities, respectively. Reflects the net effect of gross realized gains fully offset by the reversal of such amounts in unrealized gains for the 10-day period ended September 30, 2021.

TOTALS ASSETS UNDER MANAGEMENT AND ADVISEMENT (\$B)



Note: Fiscal 2017-2021 reflect AUM/AUA as of March 31 of each fiscal year then ended. Prior year amounts are reported on a calendar year basis. Strategic acquisitions contributed approximately \$5.6 billion, \$1.8 billion, \$0.9 billion, \$3.6 billion, \$2.4 billion and \$22.5 billion of AUM and \$1.0 billion, \$0.0 billion, \$0.0 billion, \$1.0 billion, \$92.5 billion and \$0.0 billion of AUA in calendar year 2010, 2012, 2013, 2016, 2018 and 2021, respectively. As of September 30, 2021, approximately \$0.9 billion, \$0.2 billion, \$0.1 billion, \$2.7 billion, \$2.1 billion and \$22.5 billion of AUM and \$0.0 billion, \$0.0 billion, \$0.0 billion, \$0.2 billion, \$100.1 billion and \$0.0 billion of AUA acquired in calendar year 2010, 2012, 2013, 2016, 2018 and 2021, 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.

		FQ2'22	FQ2'21	vs. FQ2'21	FQ1'22	vs. FQ1'22	
 KEY BUSINESS DRIVERS	Assets under management ("AUM")	\$121.3 B	\$72.0 B	68%	\$89.8 B	35%	
	Fee-Earning AUM ("FEAUM")	\$66.7 B	44.3 B	50%	52.9 B	26%	
	Undeployed fee-earning capital	17.8 B	16.4 B	9%	13.6 B	31%	
	Gross accrued carry	1,215.9 M	486.2 M	150%	1,072.7 M	13%	
		(\$M, except per share data)					
		FQ2'22	FQ2'21	vs. FQ2'21	FQ2'22 YTD	FQ2'21 YTD	vs. FQ2'21 YTD
 FINANCIAL HIGHLIGHTS	Adjusted revenues	\$139.7	\$86.6	61%	\$275.9	\$160.8	72%
	Management and advisory fees, net	\$83.6	\$75.7	10%	\$161.6	\$139.2	16%
	Fee-related earnings ("FRE")	\$26.4	\$27.9	-5%	\$49.5	\$46.1	7%
	Fee-related earnings margin	32%	37%		31%	33%	
	Adjusted Net Income ("ANI")	\$40.1	\$18.3	120%	\$80.6	\$33.7	139%
	ANI per share	\$0.40	\$0.19	111%	\$0.81	\$0.34	138%
 BUSINESS UPDATE	<ul style="list-style-type: none"> Declared a dividend of \$0.15 per share of Class A common stock, representing a quarterly increase of 114%. The dividend is payable on December 15, 2021 to record holders of Class A common stock at the close of business on November 30, 2021. Raised a total of approximately \$16 billion of new SMA¹ capital in the last twelve months Interim closings of StepStone Tactical Growth Fund III ("STGF III"), first closing of StepStone's flagship co-investment fund, and additional closings of StepStone's senior corporate lending fund; raised a total of approximately \$2 billion for commingled funds in the last twelve months Conversus StepStone Private Markets ("CPRIM") achieved a 59% net return since inception on October 1, 2020, and AUM of approximately \$270 million as of November 1, 2021 In September 2021, closed the acquisition of Greenspring Associates ("Greenspring"), a leading venture capital and growth equity platform. The acquisition adds \$22.5 billion of assets under management and \$11.4 billion of fee-earning AUM as of September 30, 2021 						
	<p>¹ Includes advisory accounts for which we have discretion.</p>						

OVERVIEW

AUM		AUA
SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS	ADVISORY
<p>\$74B 33% growth from prior year</p> <ul style="list-style-type: none"> A total of ~\$16B of new capital additions during the LTM Total undeployed fee-earning capital of \$17.8B 	<p>\$39B¹ 21% organic growth from prior year²</p> <ul style="list-style-type: none"> A total of ~\$2B raised in focused commingled funds during the LTM First closing on StepStone's flagship co-investment fund Subsequent closes held on growth equity, private debt, and private wealth programs 	<p>\$397B</p> <ul style="list-style-type: none"> Net client activity increased AUA by \$156B over the last twelve months ~\$9B of AUA relates to advisory accounts for which we have discretion

FEAUM	
SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS
<p>\$43B +29% from prior year</p>	<p>\$24B¹ 11% organic growth from prior year²</p>

Note: As of September 30, 2021. Amounts may not sum to total due to rounding.

¹ The acquisition of Greenspring added \$22.5 billion of AUM and \$11.4 billion of FEAUM.

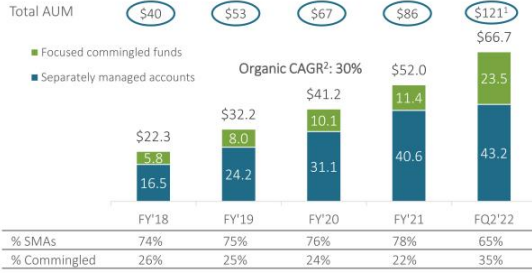
² Organic focused commingled fund AUM and FEAUM growth excludes \$22.5B of AUM and \$11.4B of FEAUM acquired as part of Greenspring as of 9/30/21.

Fee-earning AUM Evolution

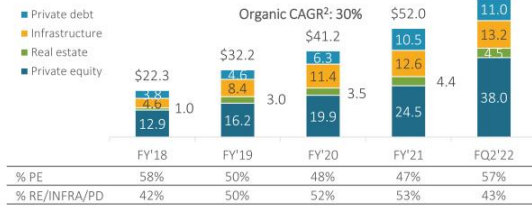
FEAUM Growth
 SMAs +29% from prior year
 Commingled +11% organic
 growth from prior year

36%
 clients with exposure to more
 than one asset class

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

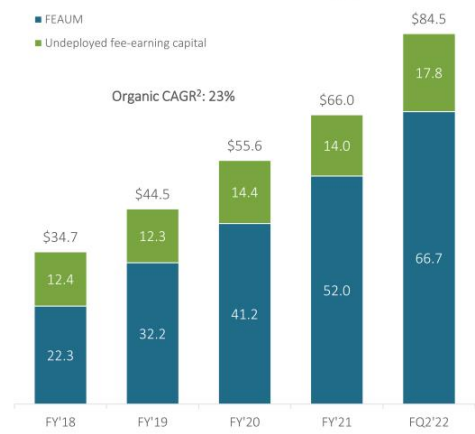


FEE-EARNING AUM BY ASSET CLASS (\$B)



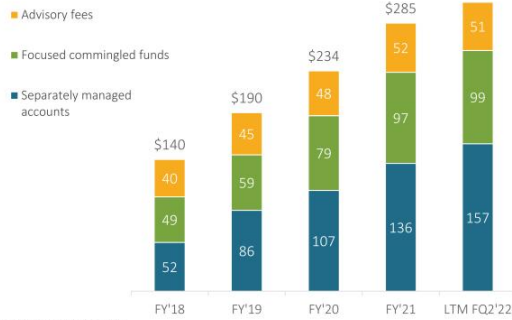
Note: Amounts may not sum to total due to rounding. PE – Private equity, RE – Real estate, INFRA – Infrastructure, PD – Private debt
¹ The acquisition of Greenspring added approximately \$22.5B of AUM, \$11.4B of FEAUM, and \$0.5B of undeployed fee-earning capital as of 9/30/21.
² Organic CAGR excludes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

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



Trend in Management and Advisory Fees

MANAGEMENT & ADVISORY FEES (\$M)¹

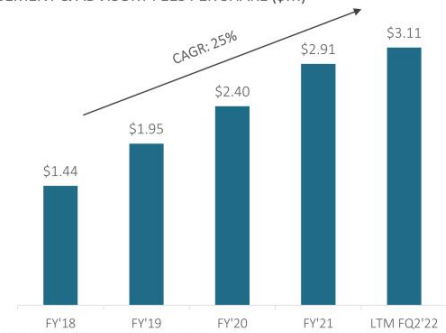


Blended mgmt. fee rates: ³					
Overall	0.56%	0.53%	0.51%	0.52%	0.51%
By Type:					
<i>SMA</i> s	0.42%	0.41%	0.39%	0.39%	0.40%
<i>Commingled</i>	0.83%	0.87%	0.89%	0.90%	0.85%
By Asset Class:					
<i>PE</i>	0.66%	0.63%	0.66%	0.62%	0.62%
<i>RE / INFRA / PD</i>	0.46%	0.41%	0.37%	0.42%	0.41%

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

¹ Excludes fund reimbursement revenues.
² The acquisition of Greenspring contributed \$11.4B of FEALUM, \$2.5B of AUM, and \$2.3M of management and advisory fees for LTM FQ2'22.
³ Weighted-average fee rates reflect the applicable management fees for the last 12 months ending on each period presented, and is inclusive of any retroactive fees for such period.
⁴ The acquisition of Courtland Partners contributed \$50B of AUA for fiscal 2019.
⁵ An expansion of client data tracked contributed \$70B of AUA for fiscal 2021. The incremental client data captured represents assets for which StepStone serves as investment advisor for the portfolio, but does not provide monitoring/reporting services and did not make the initial investment recommendation.

MANAGEMENT & ADVISORY FEES PER SHARE (\$M)



Assets under management and advisement					
FEALUM (\$B)	\$22	\$32	\$41	\$52	\$67 ²
AUM (\$B)	\$40	\$53	\$67	\$86	\$121 ²
AUA (\$B)	\$115	\$213 ⁴	\$229	\$340 ⁵	\$397

% of fee revenue from management and advisory fees ¹					
Mgmt.	72%	76%	80%	82%	83%
Advisory	28%	24%	20%	18%	17%

FINANCIAL UPDATE

Financial Highlights



- Organic FEAUM growth (excluding Greenspring) of 25% drove fee revenue increases of 10% for the quarter and 16% year-to-date
- ANI per share increased 111% for the quarter and 138% year-to-date, reflecting higher FRE and net realized performance fees in the first six months of the fiscal year
- Results for the quarter include \$2.3 million of revenue, \$2.1 million of FRE, and \$2.1 million of pre-tax ANI from retroactive fees related to the interim closings of STGF III
- Results for the prior year quarter include \$9.0 million of revenue, \$8.5 million of FRE, and \$4.4 million of pre-tax ANI from retroactive fees related to the final close of StepStone Real Estate Partners IV
- Results for the quarter include results of Greenspring beginning on September 20, 2021¹

FINANCIAL HIGHLIGHTS

	Three Months Ended Sep 30			Six Months Ended Sep 30		
	2021	2020	% Δ YTY	2021	2020	% Δ YTY
(\$M, unless otherwise mentioned)						
AUM (\$B) ¹	\$ 121.3	\$ 72.0	68%			
FEAUM (\$B) ¹	66.7	44.3	50%			
Undeployed Fee-Earning capital (\$B) ^{1,2}	17.8	16.4	9%			
Management & Advisory Fees, net ¹	\$ 83.6	\$ 75.7	10%	\$ 161.6	\$ 139.2	16%
Fee-Related Earnings ^{1,3}	26.4	27.9	-5%	49.5	46.1	7%
Fee-Related Earnings Margin ⁴	32%	37%		31%	33%	
Gross Realized Performance Fees ^{1,5}	56.1	10.9	414%	114.3	21.7	427%
Pre-tax Adjusted Net Income ("ANI") ¹	51.8	24.4	113%	104.1	45.0	131%
Adjusted Net Income Per Share ^{1,6}	\$ 0.40	\$ 0.19	111%	\$ 0.81	\$ 0.34	138%
Adjusted Revenues ¹	139.7	86.6	61%	275.9	160.8	72%

¹ The acquisition of Greenspring added \$22.5 billion of AUM, \$11.4 billion of FEAUM, \$0.5 billion of undeployed fee-earning capital, \$2.3 million of management and advisory fees, \$1.0 million of fee-related earnings, \$1.0 million of pre-tax adjusted net income, \$2.3 million of adjusted revenues, and 1.7 million and 0.9 million adjusted shares for the FQ2'22 and FQ2'21 YTD periods, respectively.

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

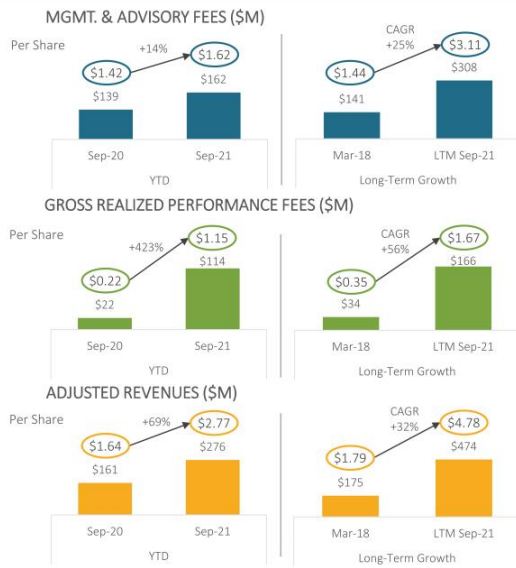
³ Foreign currency translation gains and losses have been reclassified from general, administrative and other expenses to other income (loss) in our consolidated income statements for all prior periods presented to conform to the current period presentation.

⁴ Fee-Related Earnings Margin is calculated by dividing Fee-Related Earnings by Management & Advisory Fees, net.

⁵ Gross Realized Performance Fees include deferred incentive fees that are not included in our GAAP results; FQ2'22 YTD: \$5.8m; FQ2'21: \$1.2m, FQ2'21 YTD: \$4.7m.

⁶ Reflects a 22.6% blended statutory rate applied to Pre-tax Adjusted Net Income, and 100.7 million and 99.7 million adjusted shares outstanding for FQ2'22 and FQ2'21 YTD periods, respectively. Reflects a 25.0% blended statutory rate and 98.0 million adjusted shares outstanding for both FQ2'21 and FQ2'21 YTD periods. See Appendix for calculation of ANI per share and a reconciliation of adjusted shares.

Adjusted Revenues



- Management fees per share increased 18% YTD driven by strong FEAUM growth
 - SMA and Commingled Funds fees per share increased by 32% and 2%, respectively
- Management fees per share increased by a compound annual growth rate of 30% over the long-term growth period; SMA and Commingled Funds fees per share increased by 37% and 22%, respectively
- Advisory fees per share decreased 4% YTD and increased by a compound annual growth rate of 7% over the long-term growth period

- Gross realized performance fees were up \$93 million YTD driven by increased realization activity from our PE funds

FEE-RELATED EARNINGS (\$M)



- Fee-related earnings growth driven primarily by growth in FEAUM in the fiscal year-to-date and by growth in FEAUM and margin expansion in the long-term growth period
- FRE margins were 31% YTD as compared with 33% in the prior year and 17% three fiscal years ago, and are impacted by retroactive fees in FQ2'22 and FQ2'21 of \$2.1 million and \$8.5 million, respectively

ADJUSTED NET INCOME (\$M)

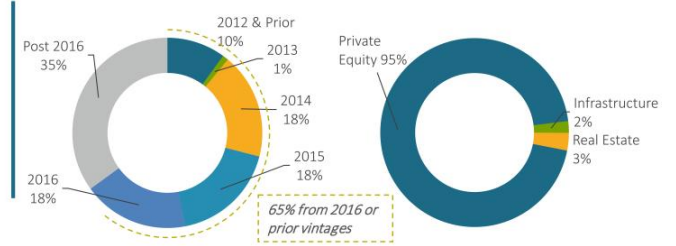


- Adjusted net income per share increased 138% YTD and by a CAGR of 46% over the long-term growth period driven by higher FRE and higher net realized performance fees

ACCRUED CARRY (\$M)



NET UNREALIZED CARRY AS OF 9/30/2021 BY VINTAGE AND TYPE



INVESTMENTS (\$M)



- Gross accrued unrealized carried interest of \$1,216 million, net accrued unrealized carry of \$605 million as of September 30, 2021 (note: valuations reported on a one quarter lag)
- Over \$48 billion in performance fee-eligible capital as of September 30, 2021
- 62% or \$756 million of gross accrued unrealized carried interest allocation balance is in SMAs or commingled funds that have American style (or deal-by-deal) carry waterfalls
- Approximately 140 programs with carry or incentive fee structures
- The value of investments held by the firm increased to \$90 million, an increase of 56% from September 30, 2020
- Unfunded commitments were \$72 million as of September 30, 2021¹

¹ Excludes \$1.2 billion of investments in funds and accrued carried interest allocations and \$39.2 million of unfunded commitments held by the legacy Greenspring general partner entities in legacy Greenspring funds for which the Company does not hold an economic interest.

APPENDIX

Consolidated Balance Sheets

(\$ in thousands)	Sep '20	Mar '21	Sep '21
Assets			
Cash and cash equivalents	\$ 156,908	\$ 179,886	\$ 175,015
Restricted cash	2,919	3,977	1,016
Fees and accounts receivable	27,486	32,096	34,264
Due from affiliates	5,252	7,474	10,236
Investments:			
Investments in funds	57,870	74,379	90,325
Accrued carried interest allocations	486,206	896,523	1,215,919
Legacy Greenspring investments in funds and accrued carried interest allocations ⁽¹⁾	-	-	1,208,693
Deferred income tax assets	44,283	89,439	678
Lease right-of-use assets, net	-	-	65,476
Other assets and receivables	22,848	24,715	26,760
Intangibles, net	7,160	5,491	420,132
Goodwill	6,792	6,792	582,973
Total assets	\$ 817,724	\$ 1,320,772	\$ 3,831,487
Liabilities and stockholders' equity			
Accounts payable, accrued expenses and other liabilities	\$ 42,880	\$ 47,723	\$ 69,197
Accrued compensation and benefits	47,818	34,224	65,492
Accrued carried interest-related compensation	245,754	465,610	638,754
Legacy Greenspring accrued carried interest-related compensation ⁽¹⁾	-	-	989,607
Due to affiliates	56,877	113,522	148,234
Lease liabilities	-	-	75,806
Debt obligations	-	-	112,644
Total liabilities	393,329	661,079	2,099,734
Stockholders' equity	119,583	249,253	683,358
Accumulated other comprehensive income (loss)	(22)	155	268
Non-controlling interests in subsidiaries	20,729	25,885	24,558
Non-controlling interests in legacy Greenspring entities ⁽¹⁾	-	-	219,086
Non-controlling interests in the Partnership	284,105	384,400	804,483
Total stockholders' equity	424,395	659,693	1,731,753
Total liabilities and stockholders' equity	\$ 817,724	\$ 1,320,772	\$ 3,831,487

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

Non-GAAP Financial Results



(\$ in thousands, unless otherwise mentioned)	Quarter			Year-to-Date		
	Sep '20	Sep '21	% Fav / Unfav	Sep '20	Sep '21	% Fav / Unfav
	Management and advisory fees, net	\$ 75,652	\$ 83,583	10%	\$ 139,152	\$ 161,644
Less:						
Cash-based compensation	37,473	43,881	-17%	77,126	86,552	-12%
Equity-based compensation ⁽¹⁾	-	115	na	-	223	na
General, administrative and other ⁽²⁾	11,356	25,320	-123%	21,863	41,750	-91%
Plus:						
Amortization of intangibles	835	1,870	124%	1,670	2,490	49%
Non-core items ⁽³⁾	264	10,268	3789%	4,269	13,923	226%
Fee-related earnings⁽²⁾	27,922	26,405	-5%	46,102	49,532	7%
Plus:						
Realized carried interest allocations	8,556	52,531	514%	12,194	102,494	741%
Incentive fees	1,196	1,796	50%	4,785	5,978	25%
Deferred incentive fees	1,154	1,769	53%	4,700	5,811	24%
Realized investment income	653	2,423	271%	1,668	4,834	190%
Interest income	165	206	25%	259	286	10%
Write-off of unamortized deferred financing costs	3,526	-	-100%	3,526	-	-100%
Other income (loss) ⁽²⁾⁽⁴⁾	242	(561)	na	462	(998)	na
Less:						
Realized performance fee-related compensation	4,811	26,781	-457%	7,711	52,089	-576%
Interest expense	5,270	88	98%	7,327	94	99%
Income attributable to non-controlling interests in subsidiaries ⁽⁵⁾	8,983	5,905	34%	13,669	11,625	15%
Pre-tax adjusted net income	24,350	51,795	113%	44,989	104,129	131%
Less: Income taxes ⁽⁶⁾	6,088	11,680	-92%	11,248	23,481	-109%
Adjusted net income	\$ 18,262	\$ 40,115	120%	\$ 33,741	\$ 80,648	139%
ANI per share	\$ 0.19	\$ 0.40	111%	\$ 0.34	\$ 0.81	138%

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

² Foreign currency translation gains and losses have been reclassified from general, administrative and other expenses to other income (loss) in our consolidated income statements for all prior periods presented to conform to the current period presentation.

³ Includes transaction costs (\$10.3 million and \$13.8 million for the three and six months ended September 30, 2021, respectively) and severance costs (\$0.1 million for the three months ended September 30, 2020, and \$0.1 million and \$4.1 million for the six months ended September 30, 2021 and 2020, respectively).

⁴ Reflects other income (loss) net of amounts for Tax Receivable Agreements adjustments recognized as other income (loss) (\$1.4 million for the three and six months ended September 30, 2021).

⁵ Includes income attributable to non-controlling interests in subsidiaries net of non-controlling interest portion of unrealized investment income (loss) (\$0.1 million for the three months ended September 30, 2021 and 2020, and \$21 thousand and \$(0.5) million for the six months ended September 30, 2021 and 2020, respectively).

⁶ Represents corporate income taxes at a blended statutory rate of 22.6% applied to pre-tax adjusted net income for the three and six months ended September 30, 2021, and a blended statutory rate of 25.0% applied to pre-tax adjusted net income for the three and six months ended September 30, 2020. The 22.6% rate for the three and six months ended September 30, 2021 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 1.6%, and the 25.0% rate for the three and six months ended September 30, 2020 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 4.0%.

(\$B, unless noted)	FQ2'22	FQ2'21	Fav / Unfav Change	
			\$	%
SMAs				
Beginning balance	\$ 41.4	\$ 31.6	\$ 9.8	31%
Contributions	2.2	1.5	0.8	52%
Distributions	(0.7)	(0.0)	(0.6)	-3400%
Acquisitions	-	-	-	na
Market value, FX and other	0.2	0.4	(0.2)	-46%
Ending balance	\$ 43.2	\$ 33.4	\$ 9.8	29%
Management fees (\$M)	\$ 42.5	\$ 31.2	\$ 11.3	36%
Average fee rate ¹	0.40%	0.39%	0.02%	4%
Commingled Funds				
Beginning balance	\$ 11.5	\$ 10.1	\$ 1.4	14%
Contributions	1.0	1.0	0.0	2%
Distributions	(0.4)	(0.2)	(0.2)	-80%
Acquisitions ²	11.4	-	11.4	na
Market value, FX and other	0.1	0.0	0.0	50%
Ending balance	\$ 23.5	\$ 10.9	\$ 12.6	116%
Management fees (\$M)	\$ 28.5	\$ 30.8	\$ (2.3)	-8%
Average fee rate ¹	0.85%	0.98%	-0.13%	-14%
Total				
Beginning balance	\$ 52.9	\$ 41.7	\$ 11.2	27%
Contributions	3.2	2.4	0.8	32%
Distributions	(1.1)	(0.3)	(0.8)	-316%
Acquisitions ²	11.4	-	11.4	na
Market value, FX and other	0.3	0.4	(0.1)	-35%
Ending balance	\$ 66.7	\$ 44.3	\$ 22.4	50%
Management fees (\$M)	\$ 71.0	\$ 62.1	\$ 9.0	14%
Average fee rate ¹	0.51%	0.53%	-0.03%	-5%

Walk from AUM to FEAUM

	\$B
Total AUM as of 9/30/21	\$ 121.3
Less: Non-Fee Earning AUM	(11.8)
Less: Market appreciation included in AUM	(25.0)
Less: Undeployed Fee-Earning Capital (capital not yet invested or considered active on which we will earn fees once capital is invested or activated)	(17.8)
Fee-Earning AUM as of 9/30/21	\$ 66.7

- For the quarter, our FEAUM increased by approximately 26% to \$66.7 billion
- Activated/Deployed approximately \$1.4 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.

² Includes approximately \$11.4 billion of focused commingled funds added as a result of the Greenspring acquisition.



¹ Data reflecting twelve months ended December 31, 2020.
² Data reflecting twelve months ended September 30, 2021.

StepStone is a Global Private Markets Solutions and Services Provider

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

\$519B
combined
AUM/AUA¹

\$121B
assets under
management¹

\$67B
fee-earning
assets under
management

\$50B+
annual private
market
allocations²

731
professionals



Focus on customization

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



Global-and-local approach

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



Proprietary data and technology

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



Multi-asset class expertise

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



Large and experienced team

Approximately 260 investment professionals and 470 other employees dedicated to sourcing, executing, analyzing and monitoring private markets opportunities

As of September 30, 2021. All dollars are USD.

¹ \$519 billion includes \$121 billion in assets under management and \$397 billion in assets under advisement. Reflects final data for the prior period (June 30, 2021), adjusted for net new client account activity through September 30, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of June 30, 2021, as reported by underlying managers up to 100 days following June 30, 2021. When NAV data is not available by 100 days following June 30, 2021, such NAVs are adjusted for cash activity following the last available reported NAV.

² For the twelve months ended December 31, 2020. Excludes legacy funds, feeder funds and research-only, non-advisory services.

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

ASSET MANAGEMENT		ADVISORY	RESEARCH
SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS	ADVISORY & DATA SERVICES	PORTFOLIO ANALYTICS & REPORTING
<ul style="list-style-type: none"> Owned by one client and managed according to their specific preferences Address client’s specific portfolio risk/return, diversification, and liquidity objectives Integrates a combination of investment strategies across one or more asset classes 	<ul style="list-style-type: none"> Owned by multiple clients Deploy capital in specific asset classes with defined investment strategies Leverages StepStone’s multi-asset class expertise 	<ul style="list-style-type: none"> Recurring support of portfolio construction and design Discrete or project-based due diligence Detailed review of existing private markets investments Consulting services Licensed access to SPI 	<ul style="list-style-type: none"> Provide clients with tailored reporting packages Mandates typically include access to Omni
\$74B AUM and \$43B FEAUM (65% of total)	\$39B AUM and \$24B FEAUM (35% of total)	\$397B AUA and \$9B AUM	Provided portfolio analytics and reporting on over \$505B of client commitments

Note: As of September 30, 2021. Amounts may not sum to total due to rounding.
¹ StepStone Private Markets Intelligence.

Comprehensive, Full Service Model

225
bespoke SMA accounts and
focused commingled funds

37%
of advisory clients also have
an AUM relationship

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

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

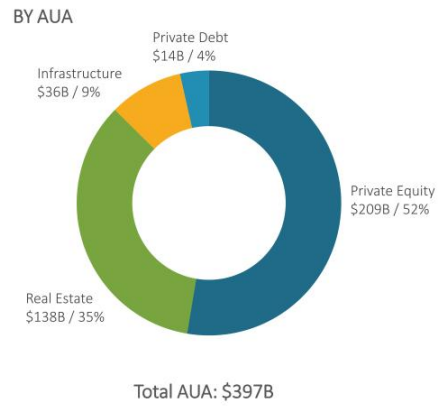
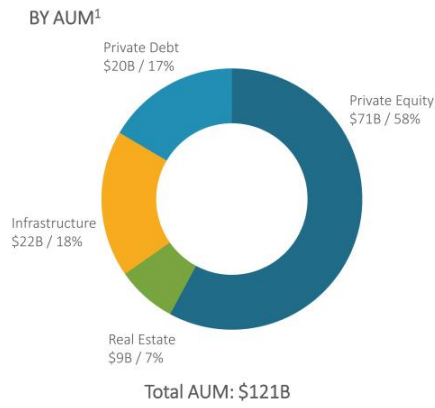


Note: Amounts may not sum to total due to rounding. Data presented as of September 30, 2021. AUM/AUA reflects final data for the prior period (June 30, 2021), adjusted for net new client account activity through September 30, 2021. Does not include post-period investment valuation or cash activity. NAV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

Investment Expertise Across All Private Markets Asset Classes

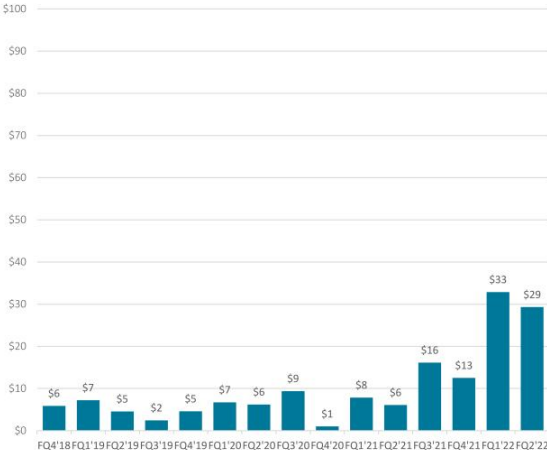
46% (\$239B)
combined AUM / AUA in
RE / INFRA / PD asset classes

As of September 30, 2021

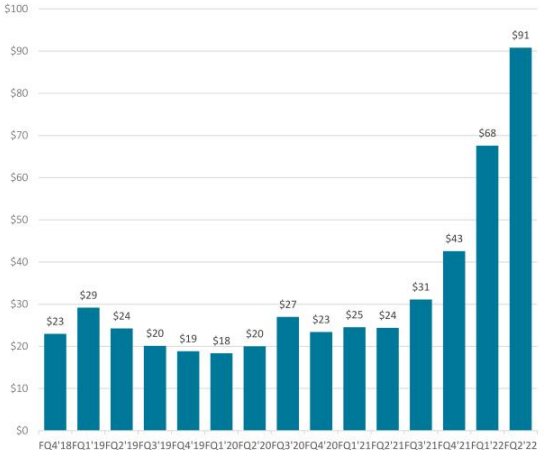


Note: Amounts and percentages may not sum to total due to rounding. Reflects final data for the prior period (June 30, 2021), adjusted for net new client account activity through September 30, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments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

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



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



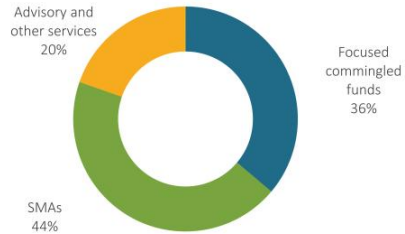
Note: Net Realized Performance Fees represent gross realized performance fees, less realized performance fee-related compensation. Gross realized performance fees include deferred incentive fees that are not included in GAAP revenues. See reconciliation of net realized performance fees on page 31. Excludes legacy Greenspring entities. STEPSTONE GROUP 24

Revenues - Management and Advisory Fees, Net

(\$ in thousands)

	Quarter			Year-to-Date			Last Twelve Months		
	Sep '20	Sep '21	% Fav / Unfav	Sep '20	Sep '21	% Fav / Unfav	Sep '20	Sep '21	% Fav / Unfav
Focused commingled funds ⁽¹⁾	\$ 30,821	\$ 28,500	-8%	\$ 50,674	\$ 52,650	4%	\$ 97,470	\$ 99,198	2%
SMAs	31,229	42,510	36%	61,951	83,115	34%	119,097	156,947	32%
Advisory and other services	13,602	12,380	-9%	26,465	25,635	-3%	52,749	51,388	-3%
Fund reimbursement revenues	-	193	na	62	244	294%	280	420	50%
Total management and advisory fees, net	\$ 75,652	\$ 83,583	10%	\$ 139,152	\$ 161,644	16%	\$ 269,596	\$ 307,953	14%

LTM SEP '20



LTM SEP '21

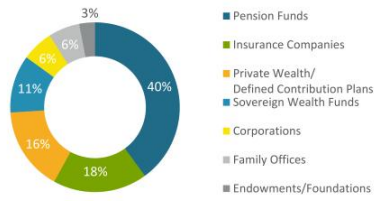


¹ The acquisition of Greenspring added \$2.3 million of revenue for focused commingled funds for FQ2'22, FQ2'22 YTD, and LTM ended September 30, 2021.

As of September 30, 2021

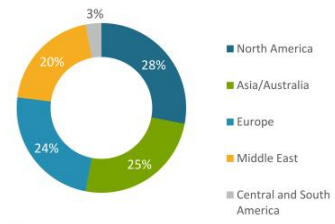
BY TYPE

LTM management and advisory fees (%)



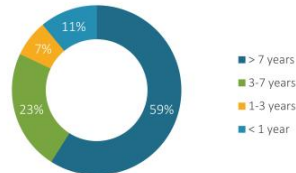
BY GEOGRAPHY

LTM management and advisory fees (%)



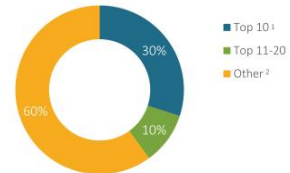
BY ACCOUNT TENOR

LTM management fees (%)



BY CLIENT

LTM management and advisory fees (%)



¹ Represents more than 4x the number of separate mandates and commitments to commingled funds.
² Includes ~32% of management and advisory fee contribution from focused commingled funds.

PRIVATE EQUITY

- Total AUM: \$71B
- SMA AUM: \$37B
- FCF AUM: \$33B
- Advisory AUA: \$209B
- \$23B Approved in 2020

REAL ESTATE

- Total AUM: \$9B
- SMA AUM: \$4B
- FCF AUM: \$3B
- Advisory AUM: \$2B
- Advisory AUA: \$138B
- \$11B Approved in 2020

INFRASTRUCTURE

- Total AUM: \$22B
- SMA AUM: \$21B
- FCF AUM: --
- Advisory AUM: \$1B
- Advisory AUA: \$36B
- \$11B Approved in 2020

PRIVATE DEBT

- Total AUM: \$20B
- SMA AUM: \$12B
- FCF AUM: \$3B
- Advisory AUM: \$6B
- Advisory AUA: \$14B
- \$10B Approved in 2020

INVESTMENT STRATEGY ^{1,2,4}	NET IRR ³	NET TVMP ²
PRIMARIES	19.3%	1.7x
SECONDARIES	20.6%	1.6x
CO-INVESTMENTS	24.6%	1.8x

INVESTMENT STRATEGY ^{1,4,5}	NET IRR ³	NET TVMP ²
CORE/CORE+ FUND INVESTMENTS	8.2%	1.4x
VALUE-ADD/OPPORTUNISTIC FUND INVESTMENTS	9.6%	1.3x
REAL ESTATE DEBT FUND INVESTMENTS	6.0%	1.1x
VALUE-ADD/OPPORTUNISTIC SECONDARIES & CO-INVESTMENTS	15.2%	1.3x

INVESTMENT STRATEGY ^{1,4,6}	NET IRR ³
PRIMARIES	9.4%
SECONDARIES	12.3%
CO-INVESTMENTS ⁷	7.5%

INVESTMENT STRATEGY ^{1,4,8}	IRR ⁸
DIRECT LENDING (GROSS) ⁹	7.3%
DISTRESSED DEBT (GROSS) ⁹	10.2%
OTHER (GROSS) ^{9,10}	8.8%
PRIVATE DEBT GROSS TRACK RECORD ⁹	8.3%
PRIVATE DEBT NET TRACK RECORD	7.6%

Note: Approvals are LTM as of December 31, 2020. Amounts may not sum to total due to rounding. SMA – Separately Managed Accounts. FCF – Focused Commingled Funds. AUM/AUA as of September 30, 2021. Reflects final data for the prior period (June 30, 2021), adjusted for net new client account activity through September 30, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of June 30, 2021, as reported by underlying managers up to 100 days following June 30, 2021. When NAV data is not available by 100 days following June 30, 2021, such NAVs are adjusted for cash activity following the last available reported NAV. Please see next slide for performance footnote references. Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

Note: Descriptions for certain terms can be found on the definitions page starting on slide 32 of this presentation.

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

² Private Equity includes 1,215 investments totaling \$115.1 billion of capital commitments and excludes (i) 2 advisory co-investments and 130 client-directed investments, totaling \$100.0 million and \$15.3 billion, respectively, of capital commitments, (ii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Investment returns are calculated on a constant currency adjusted reporting basis converting non-USD investment cash flows and NAVs to USD using the foreign currency exchange rate corresponding to each client's first cash flow date.

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

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

⁵ Real Estate includes 402 investments totaling \$61.5 billion of capital commitments and excludes (i) 44 client-directed investments, totaling \$5.5 billion of capital commitments, (ii) 7 secondary core/core investments, totaling \$484.6 million, (iii) 4 advisory fund investments totaling \$463.6 million, and (iv) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Investment returns are calculated on a constant currency adjusted reporting basis converting non-USD investment cash flows and NAVs to USD using the foreign currency exchange rate corresponding to each client's first cash flow date. Includes the discretionary track record of Courtland Partners, Ltd., which StepStone acquired on April 1, 2018 (the "Courtland acquisition").

⁶ Infrastructure includes 147 investments totaling \$28.2 billion of capital commitments and excludes (i) approximately 11 Infrastructure investments made by the Partnership prior to the formation of the Infrastructure subsidiary in 2013 or made prior to the Courtland acquisition, and 15 client-directed investments, totaling \$501.9 million and \$1.1 billion, respectively, of capital commitments, and (ii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Investment returns are calculated on a constant currency adjusted reporting basis converting non-USD investment cash flows and NAVs to USD using the foreign currency exchange rate corresponding to each client's first cash flow date.

⁷ Includes asset management investments.

⁸ Private Debt includes 573 investments totaling \$28.7 billion of capital commitments and excludes (i) 26 client-directed investments, totaling \$1.9 billion of capital commitments, and (ii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Investment returns are calculated on a constant currency adjusted reporting basis converting non-USD investment cash flows and NAVs to USD using the foreign currency exchange rate corresponding to each client's first cash flow date. IRR is presented solely for illustrative purposes and does not represent actual returns received by any investor in any of the StepStone Funds represented above. StepStone fees and expenses are based on the following assumptions (management fees represent an annual rate): Private Debt fund investments include 65 basis points on the quarterly net asset value for management fee. Net IRR for certain investments may have been impacted by StepStone's or the underlying fund manager's use of subscription backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.

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

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

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

Reconciliation of GAAP to ANI and FRE



(\$ in thousands)	Quarter		Year-to-Date		Full Year	Last Twelve Months
	Sep '20	Sep '21	Sep '20	Sep '21	Mar'18	Sep '21
Income before income tax	\$ 109,250	\$ 113,717	\$ 58,048	\$ 254,659	\$ 85,805	\$ 534,460
Net income attributable to non-controlling interests in subsidiaries ¹	(8,383)	(5,905)	(13,669)	(11,625)	(2,350)	(21,908)
Net income attributable to non-controlling interests in legacy entities	-	-	-	-	-	-
Unrealized carried interest allocation revenue	(157,509)	(143,855)	(25,369)	(320,254)	(91,753)	(728,712)
Unrealized performance fee-related compensation	78,533	74,206	9,858	159,778	48,278	365,428
Unrealized investment (income) loss	(3,672)	(4,764)	521	(8,777)	(1,870)	(20,364)
Deferred incentive fees	1,154	1,769	4,700	5,811	2,801	5,811
Equity-based compensation ²	952	3,098	1,435	6,733	189	13,146
Amortization of intangibles	835	1,870	1,670	2,490	3,382	4,159
Write-off of unamortized deferred financing costs	3,526	-	3,526	-	-	-
Tax Receivable Agreements adjustments through earnings	-	1,391	-	1,391	-	1,391
Non-core items ³	764	10,268	4,269	13,923	2,211	15,996
Pre-tax adjusted net income	24,350	51,795	44,989	104,129	46,693	169,407
Income taxes ⁴	(6,088)	(11,680)	(11,248)	(23,481)	(11,673)	(37,098)
Adjusted net income	18,262	40,115	33,741	80,648	35,020	132,309
Income taxes ⁴	6,088	11,680	11,248	23,481	11,673	37,098
Realized carried interest allocation revenue	(8,556)	(52,531)	(12,194)	(102,494)	(30,081)	(153,253)
Realized performance fee-related compensation	4,811	26,781	7,711	52,089	11,406	74,910
Realized investment income	(653)	(2,423)	(1,668)	(4,834)	(3,137)	(8,507)
Incentive fees	(1,196)	(1,796)	(4,785)	(5,978)	(1,489)	(6,667)
Deferred incentive fees	(1,154)	(1,769)	(4,700)	(5,811)	(2,801)	(5,811)
Interest income	(165)	(206)	(259)	(286)	(143)	(440)
Interest expense	5,270	88	7,327	94	913	127
Other (income) loss ⁵	(242)	561	(462)	998	125	1,240
Write-off of unamortized deferred financing costs	(3,526)	-	(3,526)	-	-	-
Net income attributable to non-controlling interests in subsidiaries ¹	8,983	5,905	13,669	11,625	2,350	21,908
Fee-related earnings	\$ 27,922	\$ 26,405	\$ 46,102	\$ 49,532	\$ 23,836	\$ 92,914
Total revenues	\$ 242,913	\$ 281,765	\$ 181,500	\$ 590,370	\$ 264,275	\$ 1,196,586
Unrealized carried interest allocations	(157,509)	(143,855)	(25,369)	(320,254)	(91,753)	(728,712)
Deferred incentive fees	1,154	1,769	4,700	5,811	2,801	5,811
Legacy carried interest allocations	-	-	-	-	-	-
Adjusted revenues	\$ 86,558	\$ 139,679	\$ 160,831	\$ 275,927	\$ 175,323	\$ 473,685

¹ Includes income attributable to non-controlling interests in subsidiaries net of non-controlling interest portion of unrealized investment income (loss) (\$0.1 million for the three months ended September 30, 2021 and 2020, \$21 thousand and \$(0.5) million for the six months ended September 30, 2021 and 2020, respectively, \$31 thousand for fiscal 2018 and \$0.5 million for the last twelve months ended September 30, 2021) and non-controlling interest portion of loss on change in fair value for contingent consideration obligation (\$0.7 million for the last twelve months ended September 30, 2021).

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

³ Includes compensation paid to certain equity holders as part of an acquisition earn-out (\$0.8 million for fiscal 2018), transaction costs (\$30.3 million and \$13.8 million for the three and six months ended September 30, 2021, respectively, \$0.1 million for fiscal 2018 and \$14.2 million for the last twelve months ended September 30, 2021), severance costs (\$0.1 million for the three months ended September 30, 2020, \$0.1 million and \$4.1 million for the six months ended September 30, 2021 and 2020, respectively, \$0.7 million for fiscal 2018 and \$0.2 million for the last twelve months ended September 30, 2021), loss on change in fair value for contingent consideration obligation (\$1.6 million for the last twelve months ended September 30, 2021) and other non-core operating income and expenses.

⁴ Represents corporate income taxes at a blended statutory rate of 22.6% applied to pre-tax adjusted net income for the three and six months ended September 30, 2021, and a blended statutory rate of 25.0% applied to pre-tax adjusted net income for the three and six months ended September 30, 2020. The 22.6% rate for the three and six months ended September 30, 2021 is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 4.0%.

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

⁶ Reflects other income (loss) net of amounts for Tax Receivable Agreements adjustments recognized as other income (loss) (\$1.4 million for the three and six months ended September 30, 2021).

Reconciliation of Adjusted Net Income Per Share



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

	Quarter		Year-to-Date		Full Year	Last Twelve Months
	Sep '20	Sep '21	Sep '20	Sep '21	Mar '18	Sep '21
Adjusted net income	\$ 18,262	\$ 40,115	\$ 33,741	\$ 80,648	\$ 35,020	\$ 132,309
Weighted-average shares of Class A common stock outstanding – Basic ⁽¹⁾	29,237,500	41,745,492	29,237,500	40,401,379	29,237,500	35,045,747
Assumed vesting of RSUs ⁽¹⁾	745,347	1,691,661	745,347	1,523,631	745,347	1,354,842
Assumed vesting and exchange of Class B2 units ⁽¹⁾	2,411,318	2,471,208	2,411,318	2,480,045	2,411,318	2,475,070
Exchange of Class B units in the Partnership ⁽¹⁾⁽²⁾	65,578,831	54,457,705	65,578,831	55,112,174	65,578,831	60,117,300
Exchange of Class C units in the Partnership ⁽³⁾	-	333,861	-	167,843	-	83,465
Adjusted shares ⁽¹⁾	97,972,996	100,699,927	97,972,996	99,685,072	97,972,996	99,076,424
Adjusted net income per share	\$ 0.19	\$ 0.40	\$ 0.34	\$ 0.81	\$ 0.36	\$ 1.34

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

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

Reconciliation of Gross and Net Realized Performance Fees



(\$ in millions)

	Quarter														
	FQ4'18	FQ1'19	FQ2'19	FQ3'19	FQ4'19	FQ1'20	FQ2'20	FQ3'20	FQ4'20	FQ1'21	FQ2'21	FQ3'21	FQ4'21	FQ1'22	FQ2'22
Realized carried interest revenue ¹	\$ 9.9	\$ 11.3	\$ 10.1	\$ 5.4	\$ 9.9	\$ 12.9	\$ 11.1	\$ 19.6	\$ 2.6	\$ 3.6	\$ 8.6	\$ 26.1	\$ 24.7	\$ 50.0	\$ 52.5
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
Deferred incentive fees	0.6	1.0	-	-	-	-	0.8	-	-	3.5	1.2	-	-	4.0	1.8
Gross realized performance fees	10.7	13.5	10.2	5.5	10.0	14.5	12.6	19.8	3.4	10.8	10.9	26.4	25.1	58.2	56.1
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)
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

	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
Realized carried interest revenue ¹	\$ 30.1	\$ 39.7	\$ 36.8	\$ 36.6	\$ 36.6	\$ 38.3	\$ 39.2	\$ 53.4	\$ 46.2	\$ 36.9	\$ 34.4	\$ 40.9	\$ 63.0	\$ 109.3	\$ 153.3
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
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
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
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)
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

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

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

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

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

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

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

- **Net Realized Performance Fees** represents gross realized performance fees, less realized 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 June 30, 2021 (except as noted otherwise on pages 27 and 28), based on contributions, distributions and unrealized value.
- **"Net IRR"** refers to IRR, net of fees and expenses charged by both the underlying fund managers and StepStone.
- **Net Asset Value, or "NAV"**, refers to the estimated fair value of unrealized investments plus any net assets or liabilities associated with the investment as of June 30, 2021.
- **"Net TVM"** refers to the total value to paid-in capital or invested capital expressed as a multiple. Net TVM is calculated as distributions plus unrealized valuations divided by invested capital (including all capitalized costs).
- **Last Twelve Months, or "LTM,"** refers to the preceding twelve months as of September 30, 2021.
- **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.

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

The non-GAAP financial measures contained in this presentation (including, without limitation, Adjusted Revenues, Adjusted Net Income (on both a pre-tax and after-tax basis), Adjusted Net Income per share, Fee-Related Earnings and Fee-Related Earnings Margin) are not GAAP measures of the Company’s financial performance or liquidity and should not be considered as alternatives to net income (loss) as a measure of financial performance or cash flows from operations as measures of liquidity, or any other performance measure derived in accordance with GAAP. A reconciliation of such non-GAAP measures to their most directly comparable GAAP measure is included on pages 29-31 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.

