



# First Quarter Fiscal Year 2022 Earnings Presentation

AUGUST 10, 2021



# Today's Presenters



**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 \$126.5 million for the quarter. GAAP net income attributable to StepStone Group Inc. was \$41.7 million (or \$1.06 per share) for the quarter.

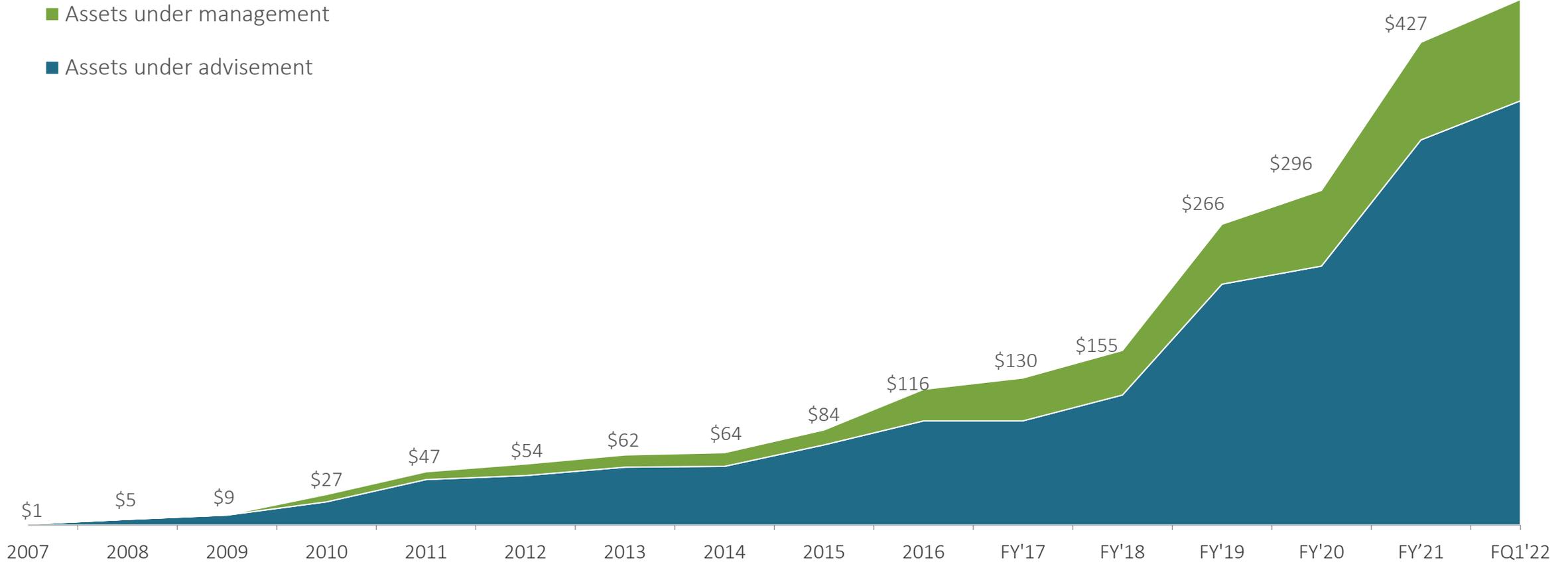
(\$ in thousands, except per share amounts)

	Quarter		
	June '20	June '21	% Fav / Unfav
<b>Revenues</b>			
Management and advisory fees, net	\$ 63,500	\$ 78,061	23%
Performance fees:			
Incentive fees	3,589	4,182	17%
Carried interest allocation:			
Realized allocation	3,638	49,963	1273%
Unrealized allocation	(132,140)	176,399	na
Total carried interest allocation	(128,502)	226,362	na
<b>Total revenues</b>	<b>(61,413)</b>	<b>308,605</b>	<b>na</b>
<b>Expenses</b>			
Compensation and benefits:			
Cash-based compensation	39,653	42,671	-8%
Equity-based compensation	483	3,743	-675%
Performance fee-related compensation:			
Realized	2,900	25,308	-773%
Unrealized	(68,675)	85,572	na
Total performance fee-related compensation	(65,775)	110,880	na
Total compensation and benefits	(25,639)	157,294	na
General, administrative and other	10,507	16,430	-56%
<b>Total expenses</b>	<b>(15,132)</b>	<b>173,724</b>	<b>na</b>
<b>Other income (expense)</b>			
Investment income	(3,178)	6,424	na
Interest income	94	80	-15%
Interest expense	(2,057)	(6)	100%
Other income (loss)	220	(437)	na
Total other income (expense)	(4,921)	6,061	na
<b>Income before income tax</b>	<b>(51,202)</b>	<b>140,942</b>	<b>na</b>
Income tax expense	1,158	14,423	-1146%
<b>Net income</b>	<b>(52,360)</b>	<b>126,519</b>	<b>na</b>
Less: Net income attributable to non-controlling interests in subsidiaries	4,093	5,614	-37%
Less: Net income (loss) attributable to non-controlling interests in the Partnership	(56,453)	79,255	na
<b>Net income attributable to StepStone Group Inc.</b>	<b>\$ -</b>	<b>\$ 41,650</b>	<b>na</b>
<b>Earnings per share of Class A common stock – Basic</b>		<b>\$ 1.07</b>	
<b>Earnings per share of Class A common stock – Diluted</b>		<b>\$ 1.06</b>	

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.

# Robust Growth Profile Since Inception

## 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 and \$2.4 billion of AUM and \$1.0 billion, \$0.0 billion, \$0.0 billion, \$1.0 billion and \$92.5 billion of AUA in calendar year 2010, 2012, 2013, 2016 and 2018, respectively. As of June 30, 2021, approximately \$0.9 billion, \$0.4 billion, \$0.1 billion, \$2.7 billion and \$2.1 billion of AUM and \$0.0 billion, \$0.0 billion, \$0.2 billion and \$97.0 billion of AUA acquired in calendar year 2010, 2012, 2013, 2016 and 2018, 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 1Q 2022 Overview



## KEY BUSINESS DRIVERS

	FQ1'22	FQ1'21	vs. FQ1'21	FQ4'21	vs. FQ4'21
Assets under management ("AUM")	\$89.8 B	\$66.2 B	36%	\$86.4 B	4%
Fee-Earning AUM ("FEAUM")	52.9 B	41.7 B	27%	52.0 B	2%
Undeployed fee-earning capital	13.6 B	15.2 B	-11%	14.0 B	-3%
Gross accrued carry	1,072.7 M	328.7 M	226%	896.5 M	20%



## FINANCIAL HIGHLIGHTS

(\$M, except per share data)	FQ1'22	FQ1'21	vs. FQ1'21	FQ4'21	vs. FQ4'21
Adjusted revenues	\$136.2	\$74.3	83%	\$101.3	35%
Management and advisory fees, net	\$78.1	\$63.5	23%	\$76.2	2%
Fee-related earnings ("FRE")	\$23.1	\$18.2	27%	\$21.0	10%
Fee-related earnings margin	30%	29%		28%	
Adjusted Net Income ("ANI")	\$40.5	\$15.5	162%	\$24.6	65%
ANI per share	\$0.41	\$0.16	156%	\$0.25	64%



## BUSINESS UPDATE

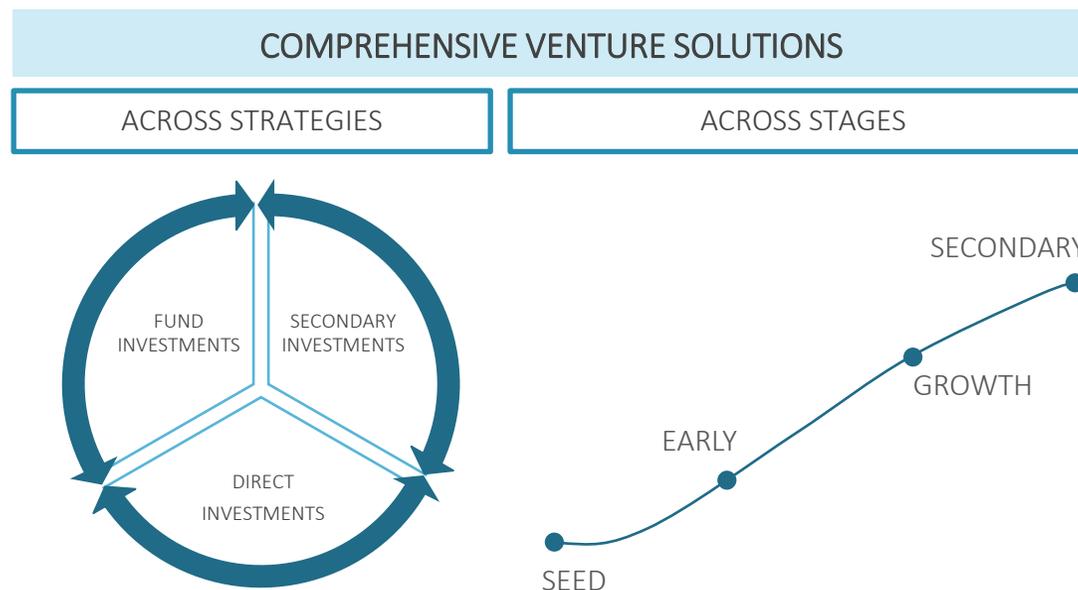
- Declared a dividend of \$0.07 per share of Class A common stock, payable on September 15, 2021 to record holders of Class A common stock at the close of business on August 31, 2021
- Raised a total of approximately \$11 billion of new SMA<sup>1</sup> capital in the last twelve months
- Additional closings of StepStone's growth equity fund and senior corporate lending fund, both currently in the market; Raised a total of approximately \$2 billion for commingled funds in the last twelve months
- Conversus StepStone Private Markets ("CPRIM") achieved a NAV of approximately \$150 million and posted a 45% net return since inception as of June 30, 2021
- In July 2021, entered into a transaction agreement to acquire 100% of Greenspring Associates, Inc. and certain of its affiliates (collectively, "Greenspring") for initial cash and equity consideration of approximately \$725 million

<sup>1</sup> Includes advisory accounts for which we have discretion.

# OVERVIEW

# Overview of Greenspring Associates

- Greenspring is a dedicated venture and growth equity platform that manages assets across strategies covering all stages of the venture capital life cycle
- As of March 31, 2021, Greenspring managed \$17 billion of total AUM, and \$9 billion of fee-earning AUM
- Greenspring has a strong growth and performance track record
  - 34% 3-year compounded annual growth rate of management and advisory fees
  - Platform-wide net IRR of 21% since the firm’s inception in 2000, versus a public market equivalent of 12%<sup>1</sup>
- We anticipate the transaction will be accretive to adjusted net income per share by the high-single digits during the twelve-months following the close of the acquisition, and more so in the future



GREENSPRING FINANCIALS <sup>2</sup>	
ASSETS UNDER MANAGEMENT	\$17.4B <sup>3</sup>
FEE-EARNING AUM	\$9.1B
LTM MGT & ADVISORY FEES <sup>4</sup>	\$70.4M
LTM FRE / PRE-TAX ADJUSTED INCOME	\$28.0M
LTM FRE MARGIN <sup>5</sup>	40%

<sup>1</sup> Based on Greenspring company data

<sup>2</sup> Greenspring figures are preliminary and based on unaudited, estimated results for the twelve months ended March 31, 2021, and are based on currently available information. Amounts have been presented to conform to StepStone’s reporting policies.

<sup>3</sup> The difference between Greenspring’s \$9.1 billion of FEAUM and \$17.4 billion of AUM is due in part to \$2.8 billion of non-fee paying AUM, with the remaining difference driven by the appreciation of the underlying investments in the current funds.

<sup>4</sup> Greenspring’s Management & Advisory Fees include \$3 million of fund administration fees. StepStone is not acquiring performance fees on pre-acquisition Greenspring funds.

<sup>5</sup> FRE Margin is calculated by dividing Fee-Related Earnings by Management & Advisory Fees.

# StepStone's Growth Drivers

AUM		AUA
SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS	ADVISORY
<p><b>\$67B</b> 31% growth from prior year</p> <ul style="list-style-type: none"> <li>A total of <b>~\$11B</b> of new capital additions during the LTM</li> <li>Total undeployed fee-earning capital of <b>\$13.6B</b></li> </ul>	<p><b>\$15B</b> 25% growth from prior year</p> <ul style="list-style-type: none"> <li>A total of <b>~\$2B</b> raised in focused commingled funds during the LTM</li> <li>Final closings on StepStone Real Estate Partners IV ("SREP IV") (<b>\$1.4B total fund size</b>)</li> <li>SCL (private debt) program (<b>\$1.1B total program size</b>) raised capital in first and second vintages</li> <li>Subsequent closes held on growth equity, private debt, and private wealth programs</li> </ul>	<p><b>\$375B</b></p> <ul style="list-style-type: none"> <li>Net client activity increased AUA by <b>\$149B</b> over the last twelve months</li> <li><b>~\$7B</b> from advisory accounts for which we have discretion</li> </ul>
FEAUM		
SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS	
<p><b>\$41B</b> +31% from prior year</p>	<p><b>\$11B</b> +14% from prior year</p>	

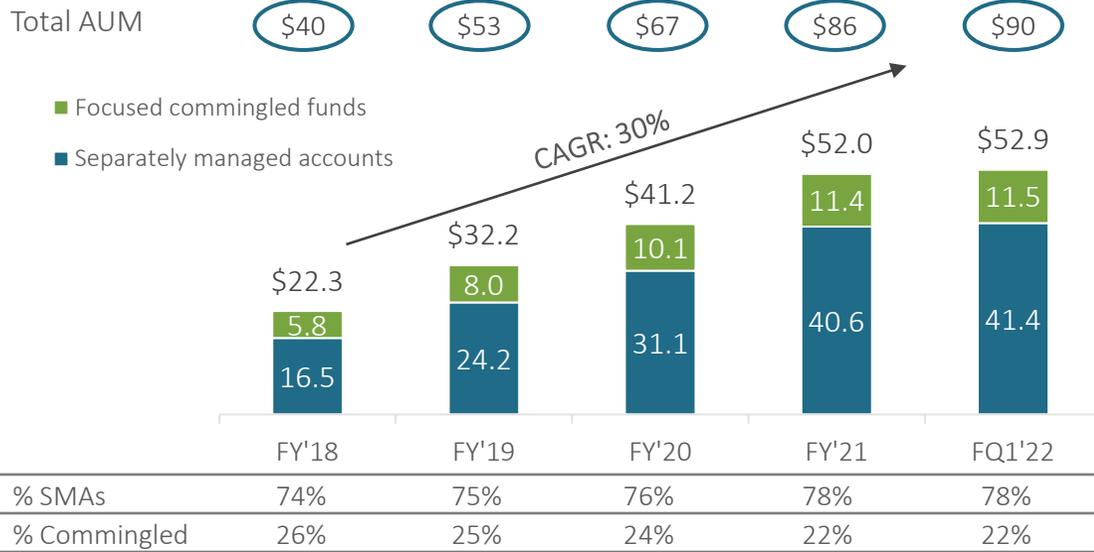
Note: As of June 30, 2021. Amounts may not sum to total due to rounding.

# Fee-earning AUM Evolution

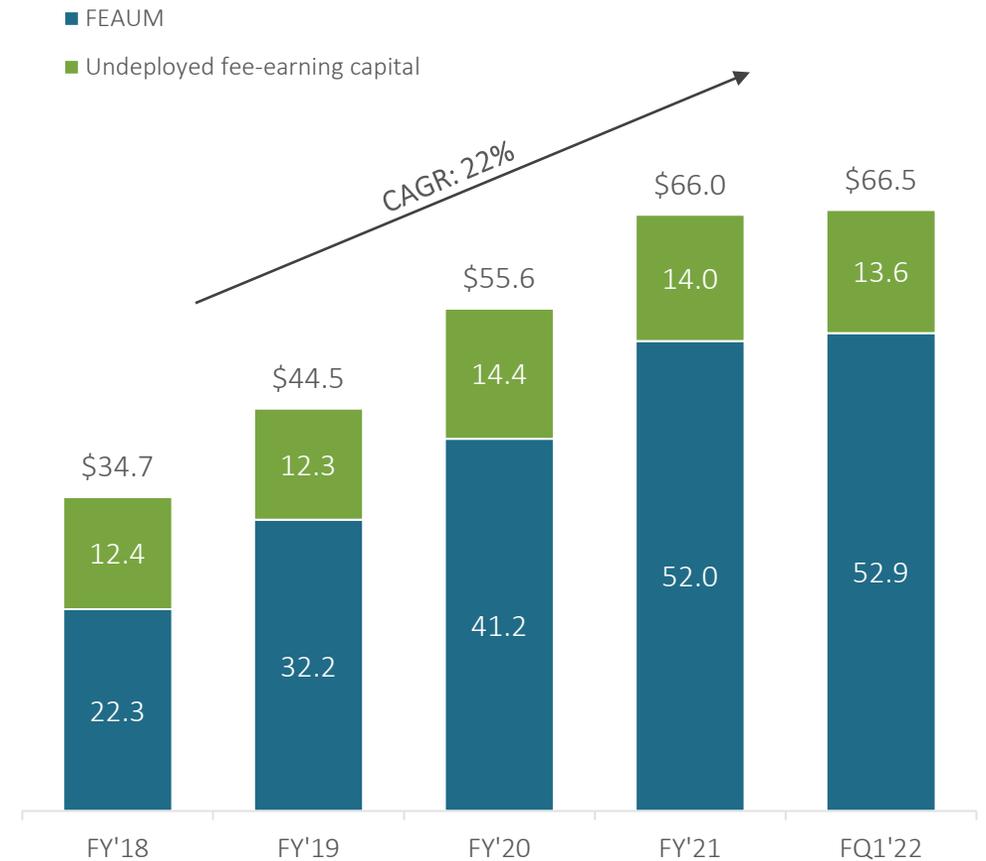
**FEAUM Growth**  
 SMAs +31% from prior year  
 Commingled +14% from prior year

**35%**  
 clients with exposure to more than one asset class

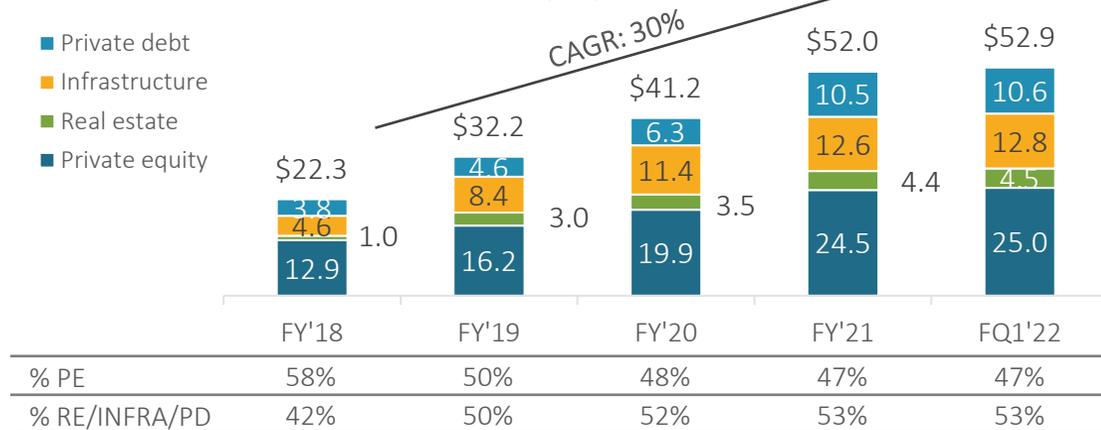
## FEE-EARNING AUM BY COMMERCIAL STRUCTURE (\$B)



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



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

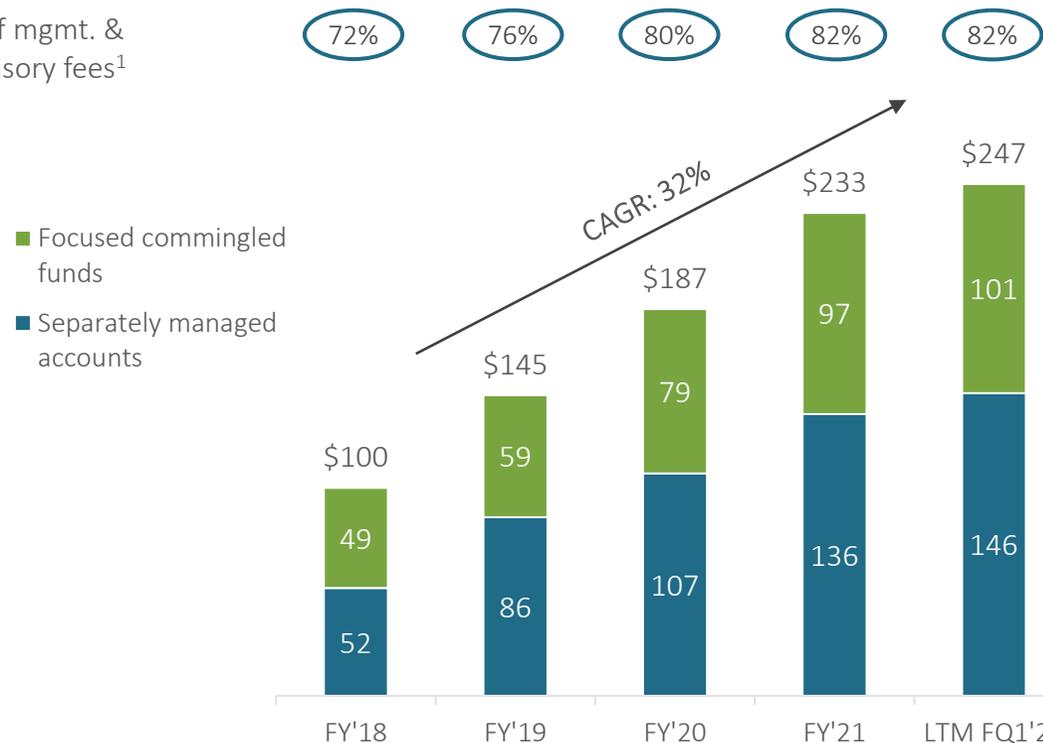


Note: Amounts may not sum to total due to rounding. PE – Private equity, RE – Real estate, INFRA – Infrastructure, PD – Private debt

# Trend in Management and Advisory Fees

## MANAGEMENT FEES (\$M)

% of mgmt. & advisory fees<sup>1</sup>



Blended mgmt. fee rates:

	FY'18	FY'19	FY'20	FY'21	LTM FQ1'22
Overall	0.56%	0.53%	0.51%	0.52%	0.52%
By Type:					
<i>SMA</i> s	0.42%	0.41%	0.39%	0.39%	0.40%
<i>Commingled</i>	0.83%	0.87%	0.89%	0.90%	0.92%
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%	0.44%

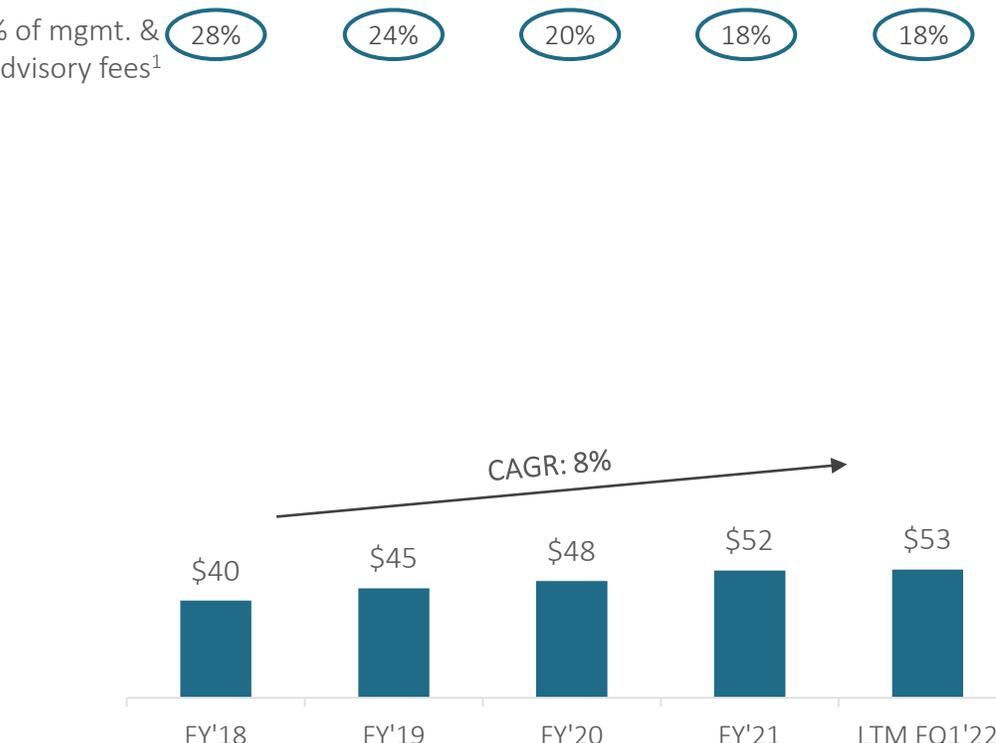
Note: Amounts may not sum to total due to rounding. PE – Private equity, RE – Real estate, INFRA – Infrastructure, PD – Private debt

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

<sup>2</sup> 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.

## ADVISORY FEES (\$M)

% of mgmt. & advisory fees<sup>1</sup>



AUA (\$B)	FY'18	FY'19	FY'20	FY'21	LTM FQ1'22
	\$115	\$213	\$229	\$340 <sup>2</sup>	\$375

Acquisition of Courtland Partners added ~\$90B of AUA

# FINANCIAL UPDATE

# Financial Highlights

- FEAUM growth of 27% drove fee revenue increases of 23% for the quarter
- Fee-Related Earnings increased 27% for the quarter, primarily driven by fee revenue growth and FRE margin expansion
- Adjusted Net Income per share increased 156% for the quarter, reflecting higher FRE and higher net realized performance fees
- Results include \$0.9 million of revenue, \$0.8 million of FRE, and \$0.8 million of pre-tax ANI from retroactive fees related to additional closes of StepStone’s growth equity fund

## FINANCIAL HIGHLIGHTS

(\$M, unless otherwise mentioned)	Three Months Ended June 30		
	2021	2020	% Δ YTY
AUM (\$B)	\$ 89.8	\$ 66.2	36%
FEAUM (\$B)	52.9	41.7	27%
Undeployed Fee-Earning capital (\$B) <sup>1</sup>	13.6	15.2	-11%
Management & Advisory Fees, net	\$ 78.1	\$ 63.5	23%
Fee-Related Earnings <sup>2</sup>	23.1	18.2	27%
Fee-Related Earnings Margin <sup>3</sup>	30%	29%	
Gross Realized Performance Fees <sup>4</sup>	58.2	10.8	440%
Pre-tax Adjusted Net Income (“ANI”)	52.3	20.6	154%
Adjusted Net Income Per Share <sup>5</sup>	\$ 0.41	\$ 0.16	156%
Adjusted Revenues	136.2	74.3	83%

<sup>1</sup> Undeployed fee-earning capital is defined as capital not yet invested on which StepStone will earn fees once the capital is deployed or activated.

<sup>2</sup> 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.

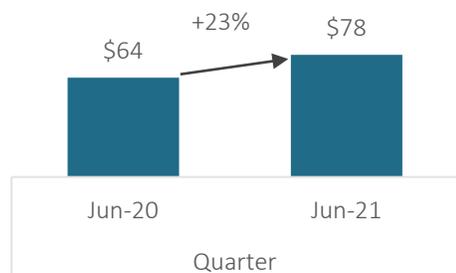
<sup>3</sup> Fee-Related Earnings Margin is calculated by dividing Fee-Related Earnings by Management & Advisory Fees, net.

<sup>4</sup> Gross Realized Performance Fees include deferred incentive fees that are not included in our GAAP results; FQ1’22: \$4.0m, FQ1’21: \$3.5m.

<sup>5</sup> Reflects a 22.6% blended statutory rate applied to Pre-tax Adjusted Net Income for FQ1’22, and 98.7 adjusted shares outstanding. Reflects a 25.0% blended statutory rate, and 98.0 million adjusted shares outstanding for FQ1’21. See Appendix for calculation of ANI per share and a reconciliation of adjusted shares.

# Adjusted Revenues

## MGMT. & ADVISORY FEES (\$M)



## GROSS REALIZED PERFORMANCE FEES (\$M)



## ADJUSTED REVENUES (\$M)



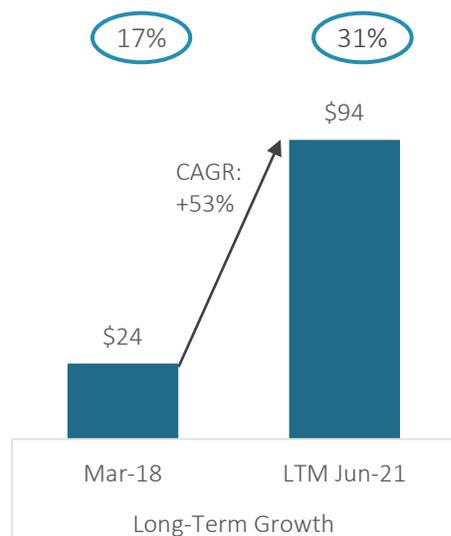
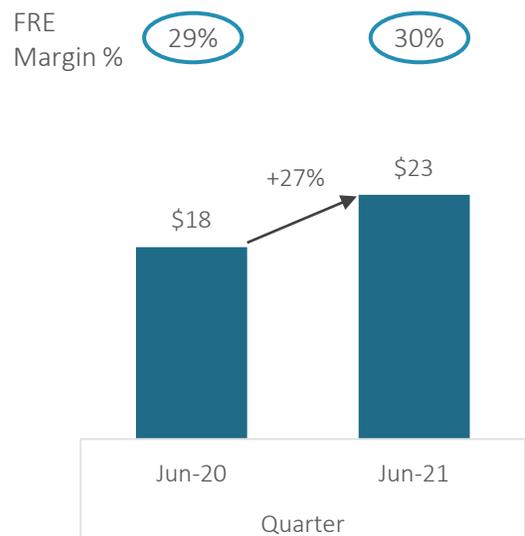
- FEAUM growth and client advisory activity drove revenue growth of 23% for the quarter and drove a compound annual growth rate (“CAGR”) of 26% over the long-term growth period
- Advisory fees increased 3% for the quarter and increased by a compound annual growth rate of 9% over the long-term growth period
- Management fees increased 28% for the quarter driven by strong FEAUM growth
  - SMA and Commingled Funds fees increased by 32% and 22%, respectively
- Management fees increased by a compound annual growth rate of 32% over the long-term growth period; SMA and Commingled Funds fees increased by 37% and 26%, respectively

- Gross realized performance fees were up \$47 million for the quarter due to higher realization activity
- Gross realized performance fees were up \$87 million over the long-term growth period

- Adjusted revenues increased 83% for the quarter driven by higher management and advisory fees and higher realized performance fees
- Adjusted revenues grew by a compound annual growth rate of 31% over the long-term growth period

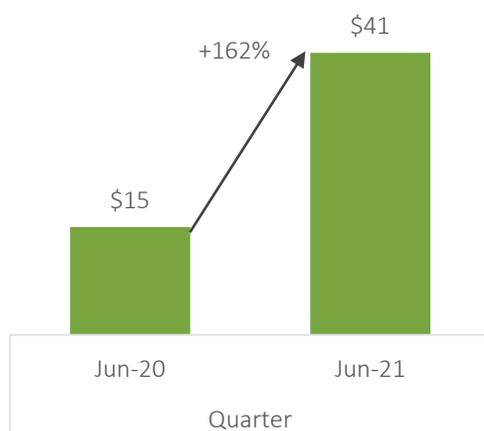
# Profitability

## FEE-RELATED EARNINGS (\$M)



- FEAUM growth, client advisory activity and favorable expense environment drove FRE growth and margin improvement
- FRE increased 27% for the quarter and increased by a compound annual growth rate of 53% over the long-term growth period
- FRE margins increased to 30% for the quarter as compared with 29% in the prior year and 17% three fiscal years ago

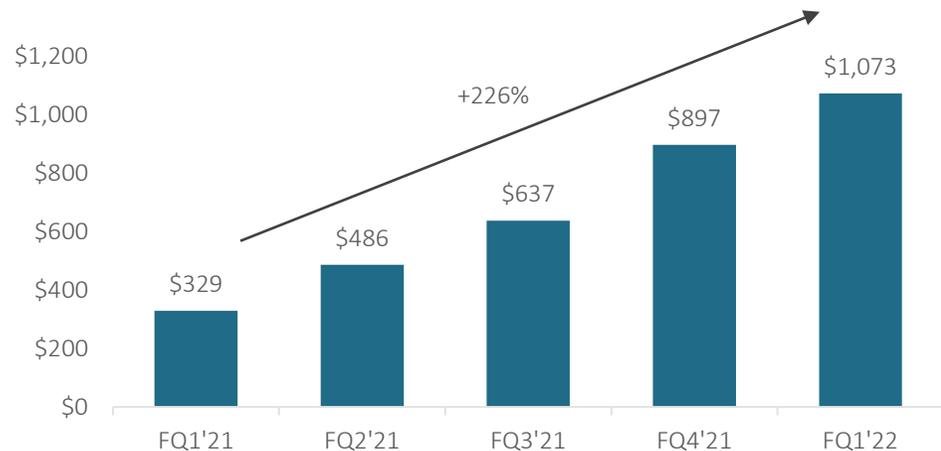
## ADJUSTED NET INCOME(\$M)



- Adjusted net income increased 162% for the quarter driven by higher FRE and higher net realized performance fees
- Adjusted net income grew by a compound annual growth rate of 42% over the long-term growth period

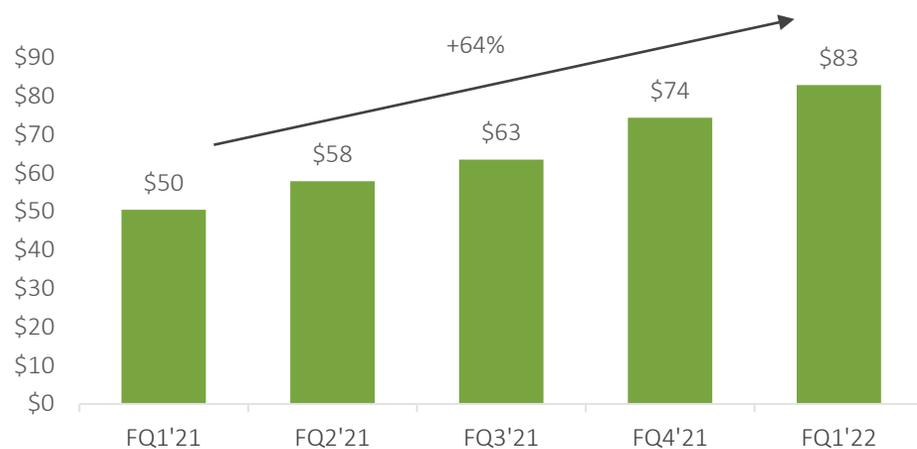
# Accrued Carry and Fund Investments

## ACCRUED CARRY (\$M)



- Gross accrued carried interest of \$1,073 million, an increase of 226% from June 30, 2020 driven by increases in the unrealized gains of the underlying portfolios (note: valuations reported on a one quarter lag)
- Approximately 130 carry programs are currently active:
  - Co-investment and Direct portfolio: over \$16 billion invested, 320+ investments, 170+ unique GPs
  - Secondary portfolio: over \$8 billion committed, 160+ transactions with nearly 320 underlying funds and structures

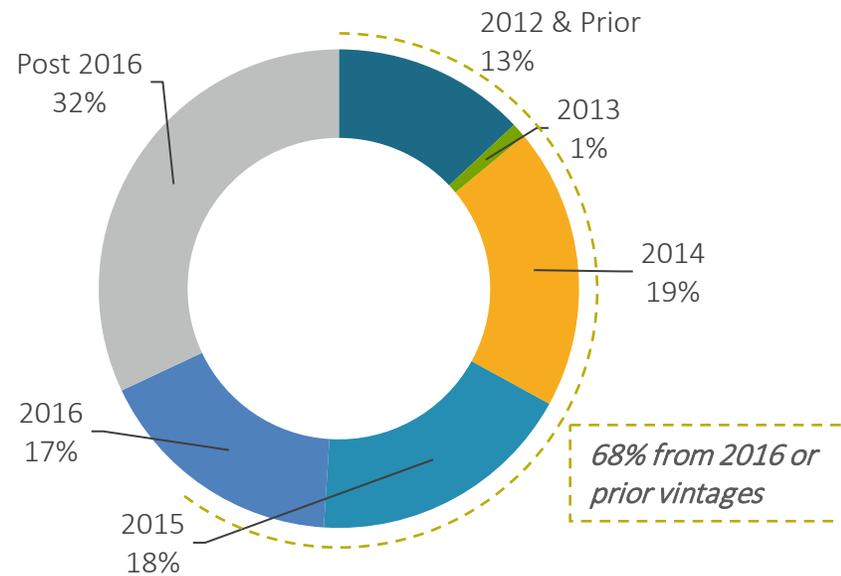
## INVESTMENTS (\$M)



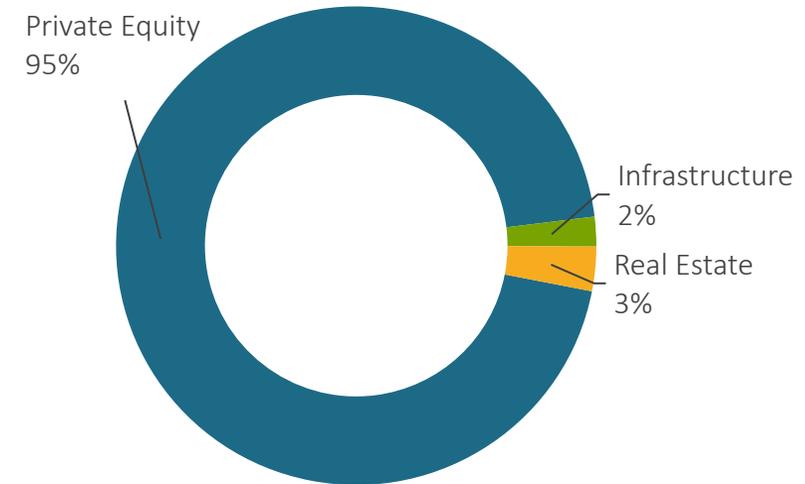
- The value of investments held by the firm increased to \$83 million, an increase of 64% from June 30, 2020
- Unfunded commitments were approximately \$54 million as of June 30, 2021

# Unrealized Carry

## NET UNREALIZED CARRY AS OF 6/30/2021 BY VINTAGE



## NET UNREALIZED CARRY AS OF 6/30/2021 BY TYPE



- Gross accrued unrealized carried interest of \$1,073 million, net accrued unrealized carry of \$536 million as of June 30, 2021
- Over \$43 billion in performance fee-eligible capital as of June 30, 2021
- 65% or \$699 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 130 programs with carry or incentive fee structures, with approximately 90 programs in accrued carried interest positions as of June 30, 2021

# APPENDIX

# Consolidated Balance Sheets

(\$ in thousands)	June '20	Mar '21	June '21
<b>Assets</b>			
Cash and cash equivalents	\$ 90,711	\$ 179,886	\$ 218,580
Restricted cash	-	3,977	4,011
Fees and accounts receivable	34,445	32,096	42,004
Due from affiliates	6,116	7,474	6,819
Investments:			
Investments in funds	50,448	74,379	82,894
Accrued carried interest allocations	328,697	896,523	1,072,673
Deferred income tax assets	742	89,439	94,447
Lease right-of-use assets, net	-	-	64,707
Other assets and receivables	23,439	24,715	24,970
Intangibles, net	7,995	5,491	4,870
Goodwill	6,792	6,792	6,792
<b>Total assets</b>	<b>\$ 549,385</b>	<b>\$ 1,320,772</b>	<b>\$ 1,622,767</b>
<b>Liabilities and stockholders' equity / partners' capital</b>			
Accounts payable, accrued expenses and other liabilities	\$ 37,322	\$ 47,723	\$ 45,992
Accrued compensation and benefits	37,547	34,224	51,003
Accrued carried interest-related compensation	168,615	465,610	562,531
Due to affiliates	6,873	113,522	126,594
Debt obligations	142,967	-	-
Lease Liabilities	-	-	75,512
<b>Total liabilities</b>	<b>393,324</b>	<b>661,079</b>	<b>861,632</b>
Stockholders' equity / partners' capital	134,907	249,253	304,713
Accumulated other comprehensive income	306	155	215
Non-controlling interests in subsidiaries	20,848	25,885	26,585
Non-controlling interests in the Partnership	-	384,400	429,622
<b>Total stockholders' equity / partners' capital</b>	<b>156,061</b>	<b>659,693</b>	<b>761,135</b>
<b>Total liabilities and stockholders' equity / partners' capital</b>	<b>\$ 549,385</b>	<b>\$ 1,320,772</b>	<b>\$ 1,622,767</b>

# Non-GAAP Financial Results

(\$ in thousands, unless otherwise mentioned)

	Quarter		
	June '20	June '21	% Fav / Unfav
Management and advisory fees, net	\$ 63,500	\$ 78,061	23%
Less:			
Cash-based compensation	39,653	42,671	-8%
Equity-based compensation <sup>(1)</sup>	-	108	na
General, administrative and other <sup>(2)</sup>	10,507	16,430	-56%
Plus:			
Amortization of intangibles	835	620	-26%
Non-core items <sup>(3)</sup>	4,005	3,655	-9%
<b>Fee-related earnings<sup>(2)</sup></b>	<b>18,180</b>	<b>23,127</b>	<b>27%</b>
Plus:			
Realized carried interest allocations	3,638	49,963	1273%
Incentive fees	3,589	4,182	17%
Deferred incentive fees	3,546	4,042	14%
Realized investment income	1,015	2,411	138%
Interest income	94	80	-15%
Write-off of unamortized deferred financing costs	-	-	na
Other income (loss) <sup>(2)</sup>	220	(437)	na
Less:			
Realized performance fee-related compensation	2,900	25,308	-773%
Interest expense	2,057	6	100%
Income attributable to non-controlling interests in subsidiaries <sup>(4)</sup>	4,686	5,720	-22%
<b>Pre-tax adjusted net income</b>	<b>20,639</b>	<b>52,334</b>	<b>154%</b>
Less: Income taxes <sup>(5)</sup>	5,160	11,801	-129%
<b>Adjusted net income</b>	<b>\$ 15,479</b>	<b>\$ 40,533</b>	<b>162%</b>
<b>ANI per share</b>	<b>\$ 0.16</b>	<b>\$ 0.41</b>	<b>156%</b>

<sup>1</sup> Reflects equity-based compensation for awards granted subsequent to the IPO.

<sup>2</sup> 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.

<sup>3</sup> Includes transaction costs (\$3.5 million for the three months ended June 30, 2021), and severance costs (\$0.1 million and \$4.0 million for the three months ended June 30, 2021 and 2020, respectively).

<sup>4</sup> Includes income attributable to non-controlling interests in subsidiaries net of non-controlling interest portion of unrealized investment income (loss) (\$0.1 million and \$(0.6) million for the three months ended June 30, 2021 and 2020, respectively).

<sup>5</sup> Represents corporate income taxes at a blended statutory rate of 22.6% applied to pre-tax adjusted net income for the three months ended June 30, 2021. The 22.6% rate for the three months ended June 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%. 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 all prior periods presented for comparability purposes.

# FEAUM Overview

(\$B, unless noted)			Fav / Unfav Change	
	FAQ1'22	FAQ1'21	\$	%
<b>SMA</b>				
Beginning balance	\$ 40.6	\$ 31.1	\$ 9.5	30%
Contributions	1.3	1.2	0.1	10%
Distributions	(0.3)	(0.1)	(0.2)	-186%
Market value, FX and other	(0.1)	(0.6)	0.4	77%
Ending balance	\$ 41.4	\$ 31.6	\$ 9.8	31%
Management fees (\$M)	\$ 40.6	\$ 30.7	\$ 9.9	32%
Average fee rate <sup>1</sup>	0.40%	0.39%	0.01%	2%
<b>Commingled Funds</b>				
Beginning balance	\$ 11.4	\$ 10.1	\$ 1.3	13%
Contributions	0.2	0.2	0.0	17%
Distributions	(0.1)	(0.1)	0.0	12%
Market value, FX and other	(0.1)	(0.1)	(0.0)	-17%
Ending balance	\$ 11.5	\$ 10.1	\$ 1.4	14%
Management fees (\$M)	\$ 24.2	\$ 19.9	\$ 4.3	22%
Average fee rate <sup>1</sup>	0.92%	0.90%	0.02%	3%
<b>Total</b>				
Beginning balance	\$ 52.0	\$ 41.2	\$ 10.8	26%
Contributions	1.5	1.4	0.2	11%
Distributions	(0.4)	(0.2)	(0.2)	-94%
Market value, FX and other	(0.2)	(0.6)	0.4	64%
Ending balance	\$ 52.9	\$ 41.7	\$ 11.2	27%
Management fees (\$M)	\$ 64.8	\$ 50.6	\$ 14.2	28%
Average fee rate <sup>1</sup>	0.52%	0.52%	0.00%	1%

Walk from AUM to FEAUM	\$B
Total AUM as of 6/30/21	\$ 89.8
Less: Non-Fee Earning AUM	(9.9)
Less: Market appreciation included in AUM	(13.4)
Less: Undeployed Fee-Earning Capital (capital not yet invested or considered active on which we will earn fees once capital is invested or activated)	(13.6)
<b>Fee-Earning AUM as of 6/30/21</b>	<b>\$ 52.9</b>

- For the quarter, our FEAUM increased by approximately 27% to \$52.9 billion
- Activated/Deployed approximately \$0.7 billion of capital from our existing undeployed fee-earning capital during the quarter

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

<sup>1</sup> Weighted-average fee rates reflect the applicable management fees for the last 12 months ending on each period presented.



# 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

**\$465B**  
combined  
AUM/AUA<sup>1</sup>

**\$90B**  
assets under  
management<sup>1</sup>

**\$53B**  
fee-earning  
assets under  
management

**\$50B+**  
annual private  
market  
allocations<sup>2</sup>

**586**  
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 19 offices in 13 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 210 investment professionals and 375 other employees dedicated to sourcing, executing, analyzing and monitoring private markets opportunities

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

<sup>1</sup> \$465 billion includes \$90 billion in assets under management and \$375 billion in assets under advisement. Reflects final data for the prior period (March 31, 2021), adjusted for net new client account activity through June 30, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of March 31, 2021, as reported by underlying managers up to 115 days following March 31, 2021. When NAV data is not available by 115 days following March 31, 2021, such NAVs are adjusted for cash activity following the last available reported NAV.

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

# Comprehensive Private Markets Solutions

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>Leverages 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</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>\$67B AUM and \$41B FEAUM (78% of total)</b></p>	<p><b>\$15B AUM and \$11B FEAUM (22% of total)</b></p>	<p><b>\$375B AUA and \$7B AUM</b></p>	<p>Provided portfolio analytics and reporting on over <b>\$485B</b> of client commitments</p>

Note: As of June 30, 2021. Amounts may not sum to total due to rounding.  
<sup>1</sup> StepStone Private Markets Intelligence.

# Comprehensive, Full Service Model

**210+**  
bespoke SMA accounts and  
focused commingled funds

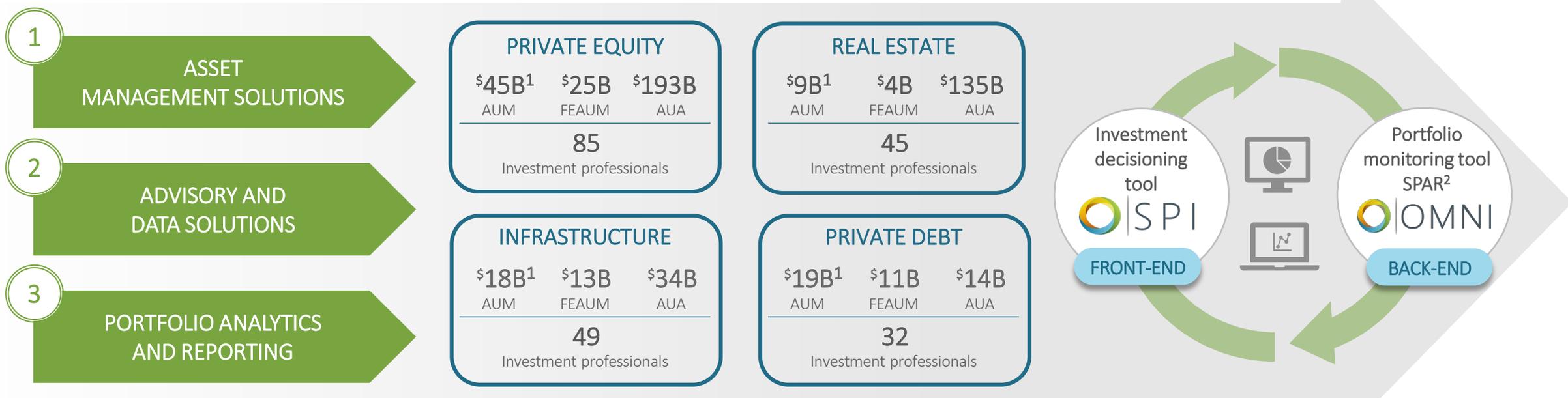
**38%**  
of advisory clients also have  
an AUM relationship

- 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 June 30, 2021. AUM/AUA reflects final data for the prior period (March 31, 2021), adjusted for net new client account activity through June 30, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of March 31, 2021, as reported by underlying managers up to 115 days following March 31, 2021. When NAV data is not available by 115 days following March 31, 2021, 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.

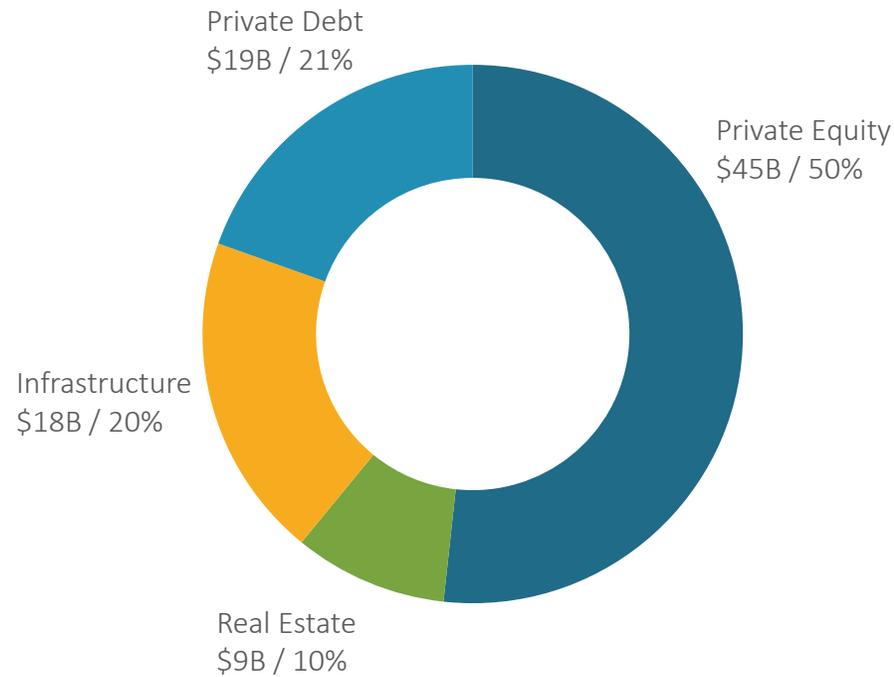
<sup>2</sup> StepStone Portfolio Analytics & Reporting.

# Investment Expertise Across All Private Markets Asset Classes

**49% (\$229B)**  
combined AUM / AUA in  
RE / INFRA / PD asset classes

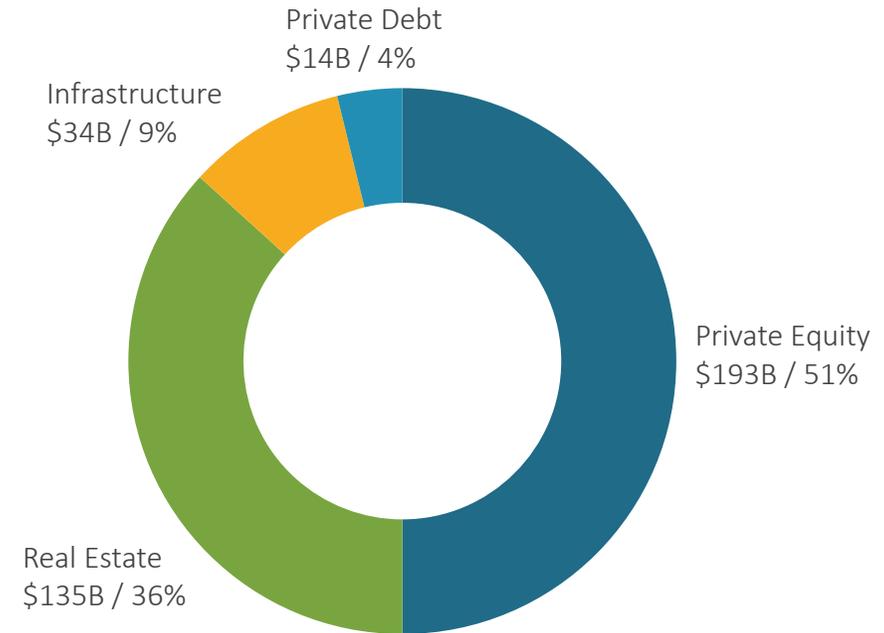
As of June 30, 2021

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



**Total AUM: \$90B**

**BY AUA**



**Total AUA: \$375B**

Note: Amounts and percentages may not sum to total due to rounding. Reflects final data for the prior period (March 31, 2021), adjusted for net new client account activity through June 30, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of March 31, 2021, as reported by underlying managers up to 115 days following March 31, 2021. When NAV data is not available by 115 days following March 31, 2021, such NAVs are adjusted for cash activity following the last available reported NAV.

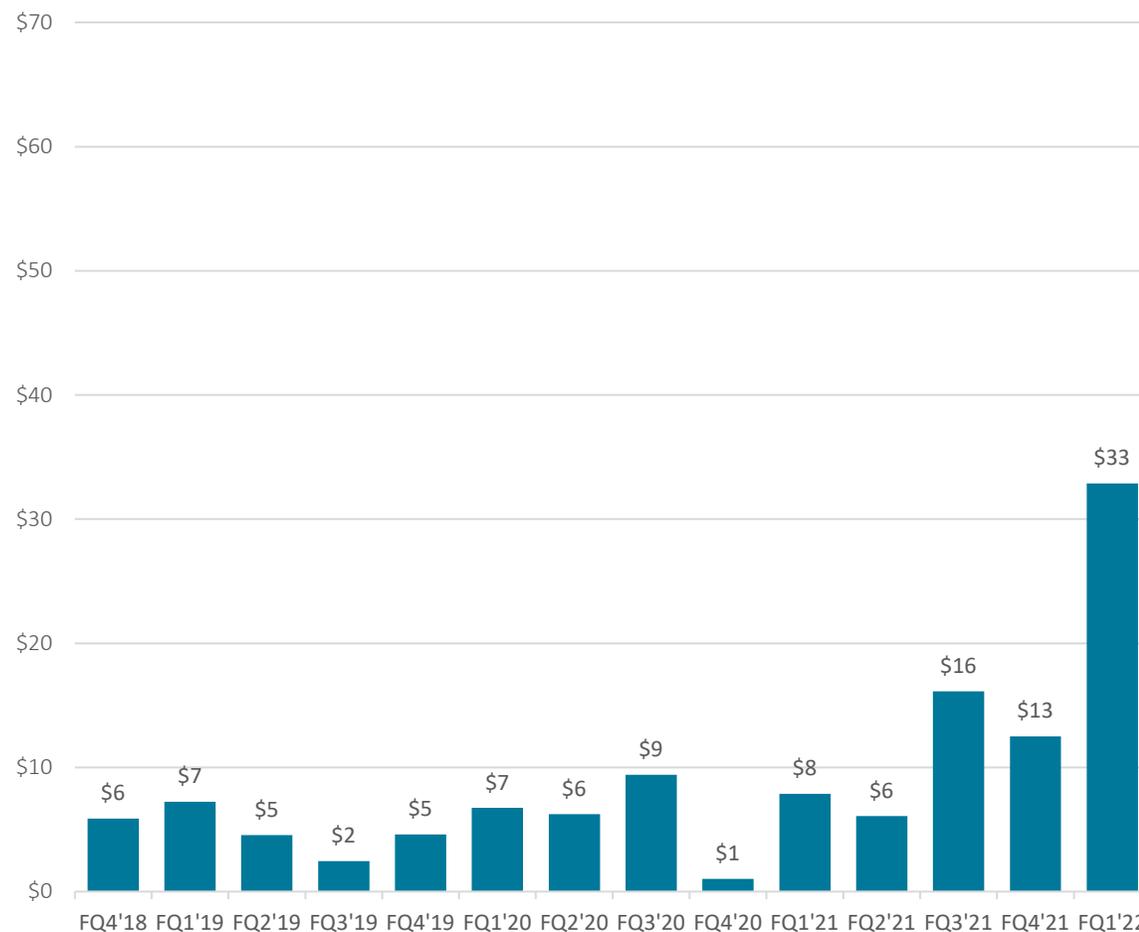
RE – Real estate, INFRA – Infrastructure, PD – Private debt

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

# Net Realized Performance Fees

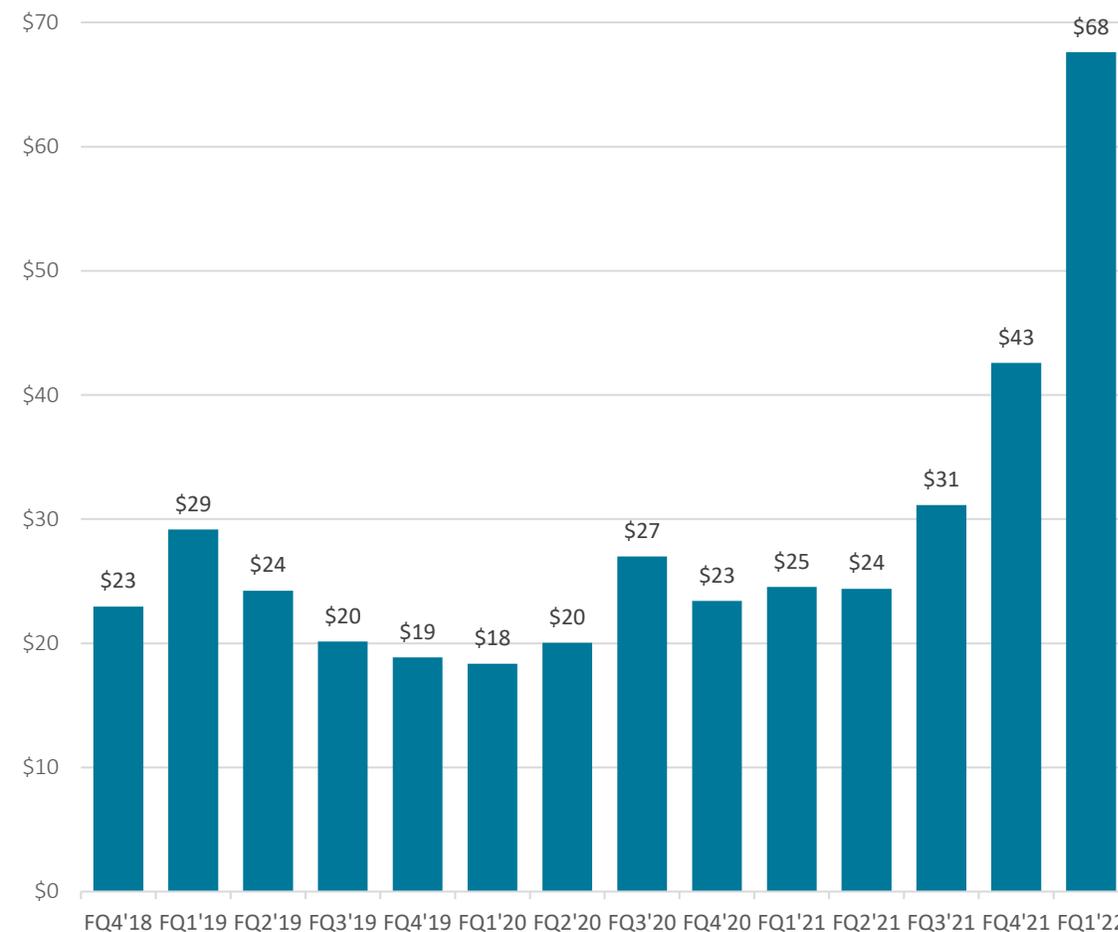
## QUARTERLY NET REALIZED PERFORMANCE FEES

(\$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 net realized performance fees on page 33.

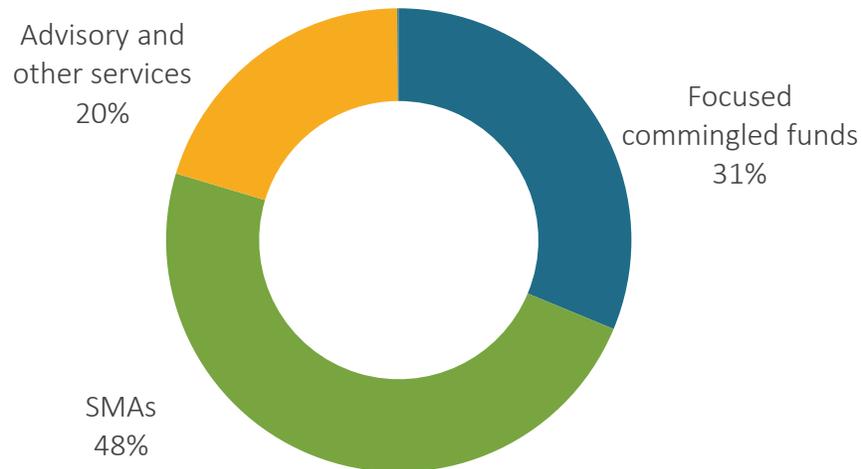
# Revenues - Management and Advisory Fees, Net

(\$ in thousands)

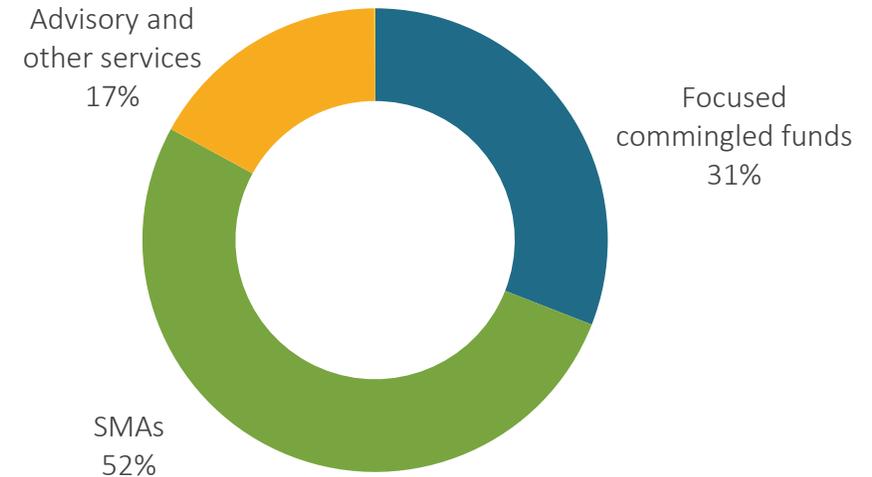
Focused commingled funds  
 SMAs  
 Advisory and other services  
 Fund reimbursement revenues  
**Total management and advisory fees, net**

	Quarter		
	June '20	June '21	% Fav / Unfav
\$	19,853	\$ 24,150	22%
	30,722	40,605	32%
	12,863	13,255	3%
	62	51	-18%
<b>\$</b>	<b>63,500</b>	<b>\$ 78,061</b>	<b>23%</b>

QUARTER JUNE '20



QUARTER JUNE '21

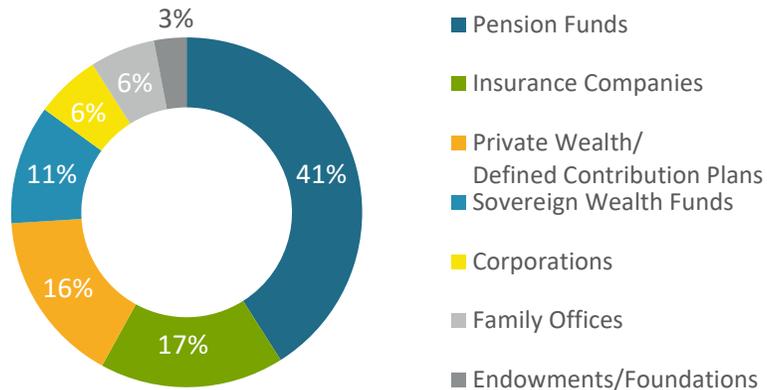


# Blue-chip, Sophisticated, Global Clientele

As of June 30, 2021

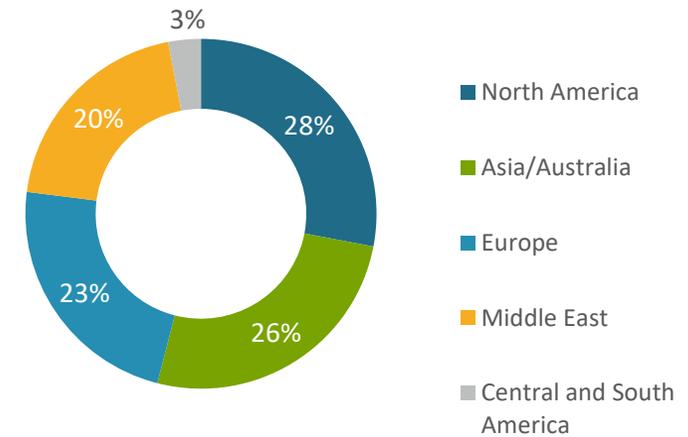
## BY TYPE

LTM management and advisory fees (%)



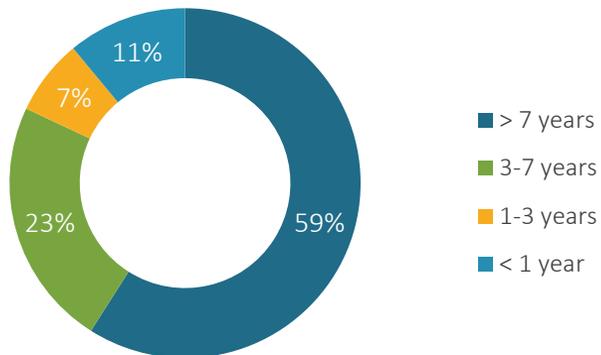
## BY GEOGRAPHY

LTM management and advisory fees (%)



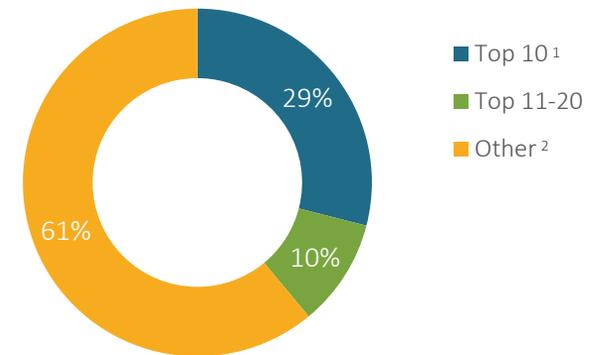
## BY ACCOUNT TENOR

LTM management fees (%)



## BY CLIENT

LTM management and advisory fees (%)



<sup>1</sup> Represents more than 4x the number of separate mandates and commitments to commingled funds.

<sup>2</sup> Includes ~34% of management and advisory fee contribution from focused commingled funds.

# StepStone's Diversified Platform Spans Private Markets Solutions

## PRIVATE EQUITY

- Total AUM: \$45B
  - SMA AUM: \$35B
  - FCF AUM: \$10B
- Advisory AUA: \$193B
- \$23B Approved in 2020

## REAL ESTATE

- Total AUM: \$9B
  - SMA AUM: \$3B
  - FCF AUM: \$3B
  - Advisory AUM: \$2B
- Advisory AUA: \$135B
- \$11B Approved in 2020

## INFRASTRUCTURE

- Total AUM: \$18B
  - SMA AUM: \$18B
  - FCF AUM: --
- Advisory AUA: \$34B
- \$11B Approved in 2020

## PRIVATE DEBT

- Total AUM: \$19B
  - SMA AUM: \$11B
  - FCF AUM: \$2B
  - Advisory AUM: \$5B
- Advisory AUA: \$14B
- \$10B Approved in 2020

INVESTMENT STRATEGY <sup>1,2,4</sup>	NET IRR <sup>3</sup>	NET TVM <sup>3</sup>
PRIMARIES	17.8%	1.6x
SECONDARIES	19.7%	1.5x
CO-INVESTMENTS	24.2%	1.8x

INVESTMENT STRATEGY <sup>1,4,5</sup>	NET IRR <sup>3</sup>	NET TVM <sup>3</sup>
CORE/CORE+ FUND INVESTMENTS	8.0%	1.4x
VALUE-ADD/OPPORTUNISTIC FUND INVESTMENTS	9.2%	1.3x
REAL ESTATE DEBT FUND INVESTMENTS	6.2%	1.1x
VALUE-ADD/OPPORTUNISTIC SECONDARIES & CO-INVESTMENTS	15.0%	1.3x

INVESTMENT STRATEGY <sup>1,4,6</sup>	NET IRR <sup>3</sup>
PRIMARIES	9.2%
SECONDARIES	12.8%
CO-INVESTMENTS <sup>7</sup>	7.8%

INVESTMENT STRATEGY <sup>1,4,8</sup>	IRR <sup>8</sup>
DIRECT LENDING (GROSS) <sup>9</sup>	7.3%
DISTRESSED DEBT (GROSS) <sup>9</sup>	9.4%
OTHER (GROSS) <sup>9,10</sup>	9.1%
<b>PRIVATE DEBT GROSS TRACK RECORD <sup>9</sup></b>	<b>8.2%</b>
<b>PRIVATE DEBT NET TRACK RECORD</b>	<b>7.4%</b>

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 June 30, 2021. Reflects final data for the prior period (March 31, 2021), adjusted for net new client account activity through June 30, 2021. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of March 31, 2021, as reported by underlying managers up to 115 days following March 31, 2021. When NAV data is not available by 115 days following March 31, 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.

# 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 March 31, 2021, as reported by underlying managers up to 115 days following March 31, 2021. For investment returns where NAV data is not available by 115 days following March 31, 2021, such NAVs are adjusted for cash activity following the last available reported NAV.

<sup>2</sup> Private Equity includes 1,147 investments totaling \$107.8 billion of capital commitments and excludes (i) 2 advisory co-investments and 125 client-directed investments, totaling \$100.0 million and \$11.0 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.

<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. 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: 125 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.

<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 395 investments totaling \$60.6 billion of capital commitments and excludes (i) 35 client-directed investments, totaling \$4.4 billion of capital commitments, (ii) 3 secondary core/core+ investments, totaling \$181.4 million, (iii) 4 advisory fund investments totaling \$462.7 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").

<sup>6</sup> Infrastructure includes 136 investments totaling \$25.5 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 11 client-directed investments, totaling \$501.9 million and \$836.9 million, 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.

<sup>7</sup> Includes asset management investments.

<sup>8</sup> Private Debt includes 554 investments totaling \$26.8 billion of capital commitments and excludes (i) 23 client-directed investments, totaling \$1.5 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.

<sup>9</sup> 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).

<sup>10</sup> 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			Full Year	Last Twelve Months
	June '20	Mar '21	June '21	Mar '18	June '21
Income (loss) before income tax	\$ (51,202)	\$ 162,866	\$ 140,942	\$ 85,805	\$ 529,993
Net income attributable to non-controlling interests in subsidiaries <sup>(1)</sup>	(4,686)	(4,655)	(5,720)	(2,350)	(24,986)
Unrealized carried interest allocation revenue	132,140	(257,777)	(176,399)	(91,753)	(742,366)
Unrealized performance fee-related compensation	(68,675)	132,021	85,572	48,278	369,755
Unrealized investment (income) loss	4,193	(8,570)	(4,013)	(1,870)	(19,272)
Deferred incentive fees	3,546	-	4,042	2,801	5,196
Equity-based compensation <sup>(2)</sup>	483	3,207	3,635	189	11,000
Amortization of intangibles	835	834	620	3,382	3,124
Write-off of unamortized deferred financing costs	-	-	-	-	3,526
Non-core items <sup>(3)</sup>	4,005	1,305	3,655	2,211	5,992
<b>Pre-tax adjusted net income</b>	<b>20,639</b>	<b>29,231</b>	<b>52,334</b>	<b>46,693</b>	<b>141,962</b>
Income taxes <sup>(4)</sup>	(5,160)	(4,605)	(11,801)	(11,673)	(31,506)
<b>Adjusted net income</b>	<b>15,479</b>	<b>24,626</b>	<b>40,533</b>	<b>35,020</b>	<b>110,456</b>
Income taxes <sup>(4)</sup>	5,160	4,605	11,801	11,673	31,506
Realized carried interest allocation revenue	(3,638)	(24,696)	(49,963)	(30,081)	(109,278)
Realized performance fee-related compensation	2,900	12,580	25,308	11,406	52,940
Realized investment income	(1,015)	(1,329)	(2,411)	(3,137)	(6,737)
Incentive fees	(3,589)	(376)	(4,182)	(1,489)	(6,067)
Deferred incentive fees	(3,546)	-	(4,042)	(2,801)	(5,196)
Interest income	(94)	(71)	(80)	(143)	(399)
Interest expense	2,057	7	6	913	5,309
Other (income) loss <sup>(5)</sup>	(220)	1,041	437	125	437
Write-off of unamortized deferred financing costs	-	-	-	-	(3,526)
Net income attributable to non-controlling interests in subsidiaries <sup>(1)</sup>	4,686	4,655	5,720	2,350	24,986
<b>Fee-related earnings</b>	<b>\$ 18,180</b>	<b>\$ 21,042</b>	<b>\$ 23,127</b>	<b>\$ 23,836</b>	<b>\$ 94,431</b>
<b>Total revenues</b>	<b>\$ (61,413)</b>	<b>\$ 359,066</b>	<b>\$ 308,605</b>	<b>\$ 264,275</b>	<b>\$ 1,157,734</b>
Unrealized carried interest allocations	132,140	(257,777)	(176,399)	(91,753)	(742,366)
Deferred incentive fees	3,546	-	4,042	2,801	5,196
<b>Adjusted revenues</b>	<b>\$ 74,273</b>	<b>\$ 101,289</b>	<b>\$ 136,248</b>	<b>\$ 175,323</b>	<b>\$ 420,564</b>

<sup>1</sup> Includes income attributable to non-controlling interests in subsidiaries net of non-controlling interest portion of unrealized investment income (loss) \$(0.1) million and \$(0.6) million for the three months ended June 30, 2021 and 2020, respectively, \$0.4 million for the three months ended March 31, 2021, \$31 thousand for fiscal 2018 and \$0.4 million for the last twelve months ended June 30, 2021, and non-controlling interest portion of loss on change in fair value for contingent consideration obligation (\$0.5 million for the three months ended March 31, 2021, and \$0.7 million for the last twelve months ended June 30, 2021).

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

<sup>3</sup> Includes compensation paid to certain equity holders as part of an acquisition earn-out (\$0.8 million for fiscal 2018), transaction costs (\$3.5 million for the three months ended June 30, 2021, \$0.1 million for fiscal 2018, and \$3.9 million for the last twelve months ended June 30, 2021), severance costs (\$0.1 million and \$4.0 million for the three months ended June 30, 2021 and 2020, respectively, \$0.1 million for the three months ended March 31, 2021, \$0.7 million for fiscal 2018, and \$0.3 million for the last twelve months ended June 30, 2021), loss on change in fair value for contingent consideration obligation (\$1.2 million for the three months ended March 31, 2021 and \$1.6 million for the last twelve months ended June 30, 2021) and other non-core operating income and expenses.

<sup>4</sup> Represents corporate income taxes at a blended statutory rate of 22.6% applied to pre-tax adjusted net income for the three months ended June 30, 2021. The 22.6% rate for the three months ended June 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%. The three months ended March 31, 2021, reflects a true-up to adjust fiscal 2021 to a blended statutory rate of 22.6%. As we were not subject to U.S. federal and state income taxes prior to the Reorganization and IPO, a blended statutory rate of 25.0% has been applied to all prior periods presented for comparability purposes.

<sup>5</sup> 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.

# Reconciliation of Adjusted Net Income Per Share

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

	Quarter		
	June '20	Mar '21	June '21
Adjusted net income	\$ 15,479	\$ 24,626	\$ 40,533
Weighted-average shares of Class A common stock outstanding – Basic <sup>(1)</sup>	29,237,500	30,157,500	39,042,497
Assumed vesting of RSUs <sup>(1)</sup>	745,347	1,361,294	1,353,755
Assumed vesting and exchange of Class B2 units <sup>(1)</sup>	2,411,318	2,485,275	2,488,979
Exchange of Class B units in the Partnership <sup>(1)(2)</sup>	65,578,831	64,658,831	55,773,834
Adjusted shares <sup>(1)</sup>	97,972,996	98,662,900	98,659,065
Adjusted net income per share	\$ 0.16	\$ 0.25	\$ 0.41

<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 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.

<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 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
Realized carried interest revenue	\$ 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
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
Deferred incentive fees	0.6	1.0	-	-	-	-	0.8	-	-	3.5	1.2	-	-	4.0
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
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)
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

	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
Realized carried interest revenue	\$ 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
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
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
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
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)
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

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

- **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 June 30, 2021 reflects final data for the prior period (March 31, 2021), adjusted for net new client account activity through June 30, 2021. NAV data for underlying investments is as of March 31, 2021, as reported by underlying managers up to 115 days following March 31, 2021. When NAV data is not available by 115 days following March 31, 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 June 30, 2021 reflects final data for the prior period (March 31, 2021), adjusted for net new client account activity through June 30, 2021. NAV data for underlying investments is as of March 31, 2021, as reported by underlying managers up to 115 days following March 31, 2021. When NAV data is not available by 115 days following March 31, 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.

## 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 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 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.

## Definitions (continued)

- **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 March 31, 2021 (except as noted otherwise on pages 29 and 30), 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 March 31, 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 June 30, 2021.
- **Compound annual growth rate**, or **“CAGR,”** represents a measure of the annual growth rate over multiple periods, considering the effect of compounding.

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 31-33 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.