



# Third Quarter Fiscal Year 2024 Earnings Presentation

FEBRUARY 8, 2024

# Today's presenters



Scott Hart  
*CEO*



Jason Ment  
*President & Co-COO*



Mike McCabe  
*Head of Strategy*



David Park  
*CFO*

# GAAP Consolidated Statements of Income (Loss)

(\$ in thousands, except per share amounts)

GAAP net income (loss) was \$(23.4) million for the quarter and \$85.3 million year-to-date.

GAAP net income (loss) attributable to StepStone Group Inc. was \$(20.2) million (or \$(0.32) per share) for the quarter and \$27.3 million (or \$0.43 per share) year-to-date.

	Quarter			Year-to-Date		
	Dec '22	Dec '23	% Fav / Unfav	Dec '22	Dec '23	% Fav / Unfav
<b>Revenues</b>						
Management and advisory fees, net	\$ 128,753	\$ 151,492	18%	\$ 364,606	\$ 431,730	18%
Performance fees:						
Incentive fees	2,980	17,891	500%	8,345	22,843	174%
Carried interest allocations:						
Realized	16,320	15,289	-6%	112,396	31,347	-72%
Unrealized	(63,367)	(129,584)	-104%	(354,095)	(24,849)	93%
Total carried interest allocations	(47,047)	(114,295)	-143%	(241,699)	6,498	na
Legacy Greenspring carried interest allocations <sup>(1)</sup>	(88,921)	(69,700)	22%	(371,200)	(106,250)	71%
Total performance fees	(132,988)	(166,104)	-25%	(604,554)	(76,909)	87%
<b>Total revenues</b>	<b>(4,235)</b>	<b>(14,612)</b>	<b>-245%</b>	<b>(239,948)</b>	<b>354,821</b>	<b>na</b>
<b>Expenses</b>						
Compensation and benefits:						
Cash-based compensation	62,628	73,619	-18%	182,190	218,551	-20%
Equity-based compensation	8,108	14,032	-73%	15,605	28,420	-82%
Performance fee-related compensation:						
Realized	11,726	15,444	-32%	67,091	26,266	61%
Unrealized	(31,875)	(62,243)	95%	(172,554)	(9,320)	-95%
Total performance fee-related compensation	(20,149)	(46,799)	132%	(105,463)	16,946	na
Legacy Greenspring performance fee-related compensation <sup>(1)</sup>	(88,921)	(69,700)	-22%	(371,200)	(106,250)	-71%
Total compensation and benefits	(38,334)	(28,848)	-25%	(278,868)	157,667	na
General, administrative and other	43,582	48,001	-10%	111,547	113,007	-1%
<b>Total expenses</b>	<b>5,248</b>	<b>19,153</b>	<b>-265%</b>	<b>(167,321)</b>	<b>270,674</b>	<b>na</b>
<b>Other income (expense)</b>						
Investment income (loss)	(681)	(2,051)	-201%	(5,473)	4,115	na
Legacy Greenspring investment loss <sup>(1)</sup>	(8,966)	(2,222)	75%	(32,927)	(9,054)	73%
Investment income of Consolidated Funds	4,895	11,223	129%	4,895	22,357	357%
Interest income	701	827	18%	1,068	2,235	109%
Interest expense	(1,111)	(2,562)	-131%	(2,515)	(6,682)	-166%
Other income (loss)	358	4,408	1131%	(1,380)	3,763	na
Total other income (expense)	(4,804)	9,623	na	(36,332)	16,734	na
<b>Income (loss) before income tax</b>	<b>(14,287)</b>	<b>(24,142)</b>	<b>-69%</b>	<b>(108,959)</b>	<b>100,881</b>	<b>na</b>
Income tax expense (benefit)	(732)	(723)	-1%	(6,868)	15,603	na
<b>Net income (loss)</b>	<b>(13,555)</b>	<b>(23,419)</b>	<b>-73%</b>	<b>(102,091)</b>	<b>85,278</b>	<b>na</b>
Less: Net income attributable to non-controlling interests in subsidiaries	9,575	13,552	-42%	25,836	32,797	-27%
Less: Net loss attributable to non-controlling interests in legacy Greenspring entities <sup>(1)</sup>	(8,966)	(2,222)	-75%	(32,927)	(9,054)	-73%
Less: Net income (loss) attributable to non-controlling interests in the Partnership	(7,617)	(20,111)	164%	(48,192)	22,677	na
Less: Net income attributable to redeemable non-controlling interests in Consolidated Funds	391	5,588	-1329%	391	11,590	-2864%
<b>Net income (loss) attributable to StepStone Group Inc.</b>	<b>\$ (6,938)</b>	<b>\$ (20,226)</b>	<b>-192%</b>	<b>\$ (47,199)</b>	<b>\$ 27,268</b>	<b>na</b>
<b>Net income (loss) per share of Class A common stock – Basic</b>	<b>\$ (0.11)</b>	<b>\$ (0.32)</b>	<b>-183%</b>	<b>\$ (0.77)</b>	<b>\$ 0.43</b>	<b>na</b>
<b>Net income (loss) per share of Class A common stock – Diluted</b>	<b>\$ (0.11)</b>	<b>\$ (0.32)</b>	<b>-183%</b>	<b>\$ (0.77)</b>	<b>\$ 0.43</b>	<b>na</b>



# Fiscal Q3 2024 overview



## Key Business Drivers

	FQ3'24	FQ3'23	vs. FQ3'23	FQ2'24	vs. FQ2'24
Assets under management ("AUM")	\$149.0 B	\$134.0 B	11%	\$145.8 B	2%
Fee-earning AUM ("FEAUM")	\$89.4 B	\$83.0 B	8%	\$87.3 B	2%
Undeployed fee-earning capital	\$21.4 B	\$14.0 B	53%	\$18.1 B	18%
Gross accrued carry	\$1,203.8 M	\$1,126.4 M	7%	\$1,331.8 M	-10%



## Financial Highlights<sup>1</sup>

(\$M, except per share amounts)	FQ3'24	FQ3'23	vs. FQ3'23	FQ3'24 YTD	FQ3'23 YTD	vs. FQ3'23 YTD
Adjusted revenues	\$185.1	\$148.1	25%	\$487.7	\$489.0	-%
Adjusted management and advisory fees, net	\$151.9	\$128.8	18%	\$432.6	\$364.6	19%
Fee-related earnings ("FRE")	\$50.7	\$42.7	19%	\$138.9	\$118.4	17%
Fee-related earnings margin <sup>2</sup>	33%	33%		32%	32%	
Adjusted net income ("ANI")	\$42.1	\$31.2	35%	\$101.7	\$115.5	-12%
ANI per share	\$0.37	\$0.27	37%	\$0.88	\$1.01	-13%



## Business Update

- Declared a quarterly cash dividend of \$0.21 per share of Class A common stock payable on March 15, 2024 to record holders of Class A common stock at the close of business on February 29, 2024
- Raised a total of \$11 billion of new capital for separately managed accounts ("SMA")<sup>3</sup> over the LTM
- Raised a total of \$6 billion for commingled funds over the LTM, which includes closings of StepStone's private equity secondaries fund, venture capital secondaries fund, multi-strategy global venture capital fund, special situation real estate secondaries fund, multi-strategy growth equity fund and infrastructure co-investment fund
- Total private wealth platform assets surpassed \$2.5 billion in AUM



# Overview



# Scale that delivers



All dollars are USD. Headcount as of December 31, 2023. Total capital responsibility equals Assets Under Management (AUM) plus Assets Under Advisement (AUA). AUM includes any accounts for which StepStone Group has full discretion over the investment decisions, has responsibility to arrange or effectuate transactions, or has custody of assets. AUA refers to accounts for which StepStone Group provides advice or consultation but for which the firm does not have discretionary authority, responsibility to arrange or effectuate transactions, or custody of assets. \$659B in total capital responsibility includes \$149B in AUM and \$510B in AUA. Reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity. NAV data for underlying investments as of September 30, 2023, as reported by underlying managers up to the business day occurring on or after 100 days following September 30, 2023. When NAV data is not available by the business day occurring on or after 100 days following September 30, 2023, such NAVs are adjusted for cash activity following the last available reported NAV. ~\$70 billion average annual private market allocations are for the average of the last three years ended December 31, 2023. Excludes legacy funds, feeder funds and research-only, non-advisory services.

# Growth drivers

## AUM & AUA

Separately Managed Accounts	Focused Commingled Funds	Advisory
<b>\$89 billion</b>	<b>\$45 billion</b>	<b>\$510 billion</b>
14% growth from the prior year	5% growth from the prior year	
\$11 billion of new capital additions during the LTM	\$6 billion raised in focused commingled funds during the LTM Includes closings of StepStone's funds: private equity secondaries   venture capital secondaries   multi-strategy global venture capital   special situation real estate secondaries   infrastructure co-investment   multi-strategy growth equity   private wealth (SPRIM/SPRING/STRUCTURE)	<ul style="list-style-type: none"> <li>\$43 billion of net client activity increased AUA over the LTM</li> <li>~\$15 billion of AUA relates to advisory accounts for which we have discretion</li> </ul>

## UFEC

**\$21.4 billion** - total undeployed fee-earning capital

## FEAUM

Separately Managed Accounts	Focused Commingled Funds
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**\$57 billion**

+6% from prior year

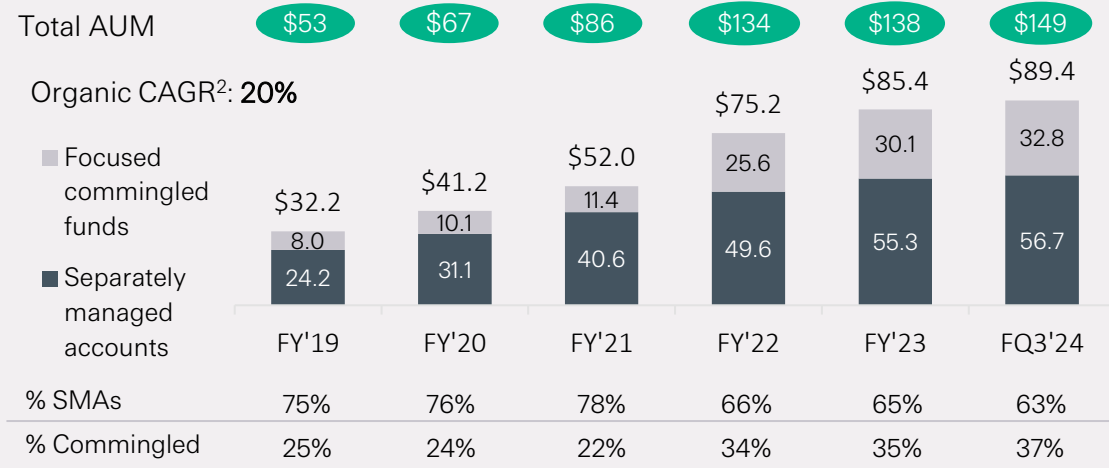
**\$33 billion**

+11% from prior year

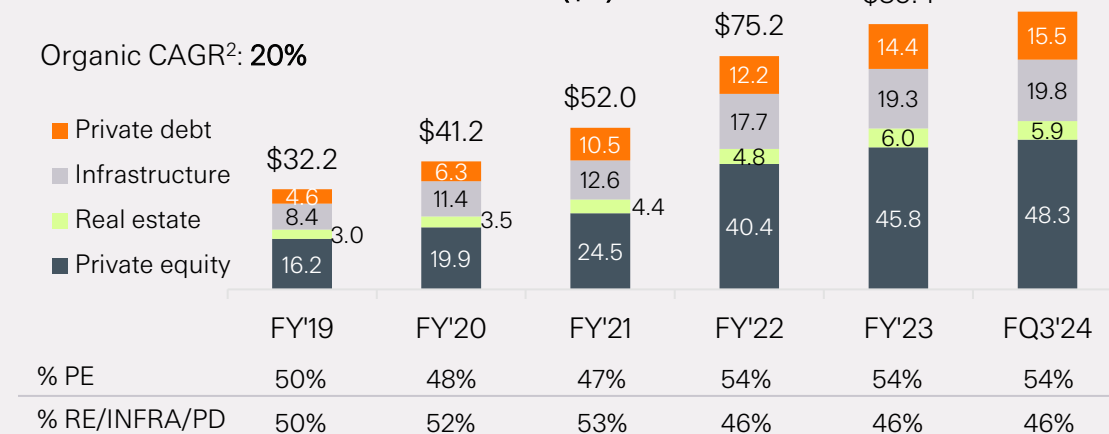
# Evolution of fee-earning AUM<sup>1</sup>

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

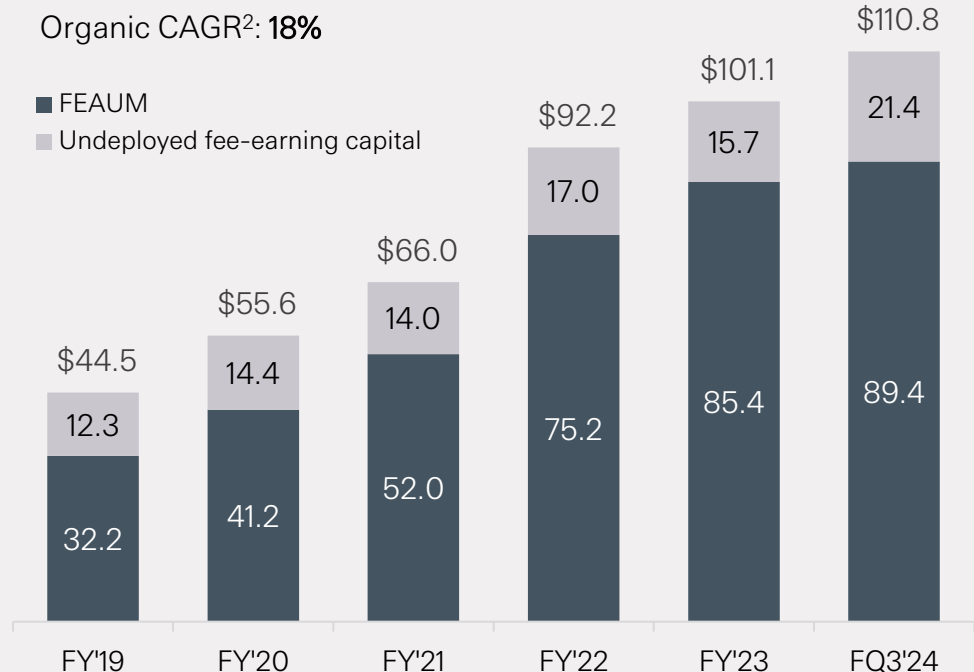
## FEE-EARNING AUM BY COMMERCIAL STRUCTURE (\$B)



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



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



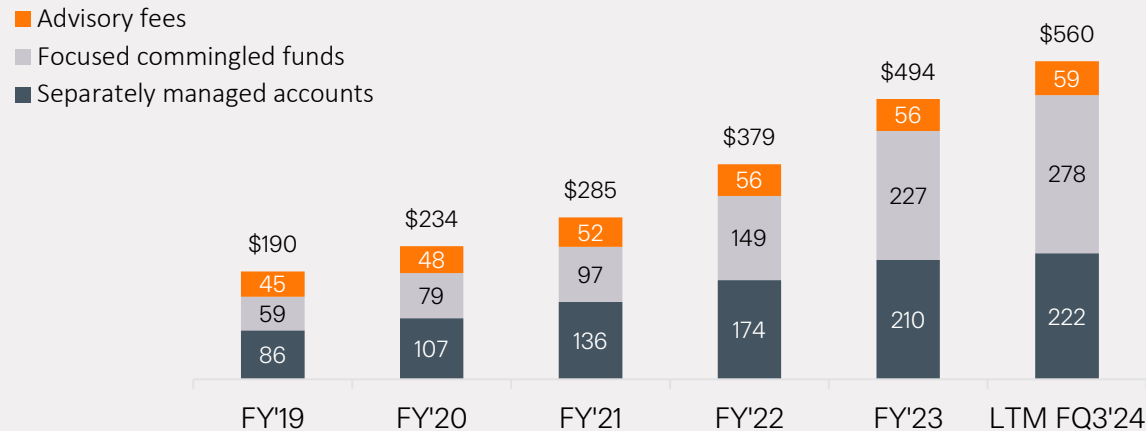
Amounts may not sum to total due to rounding. PE – Private equity, RE – Real estate, INFRA – Infrastructure, PD – Private debt  
<sup>1</sup> The acquisition of Greenspring added approximately \$22.5B of AUM, \$11.4B of FEAUM, and \$0.5B of undeployed fee-earning capital as of 9/20/21.

<sup>2</sup> Organic CAGR excludes \$11.4B of FEAUM and \$0.5B of undeployed fee-earning capital acquired as part of Greenspring as of 9/20/21.

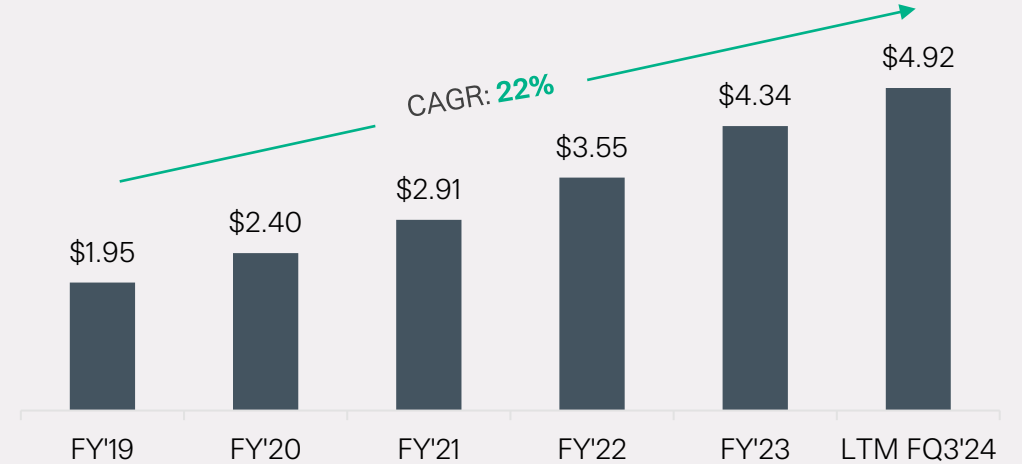


# Trend in adjusted management and advisory fees

## ADJUSTED MANAGEMENT & ADVISORY FEES (\$M)<sup>1,2,6</sup>



## ADJUSTED MANAGEMENT & ADVISORY FEES PER SHARE (\$)<sup>6</sup>



### Blended management fee rates:<sup>3</sup>

	FY'19	FY'20	FY'21	FY'22	FY'23	LTM FQ3'24
Overall	0.53%	0.51%	0.52%	0.52%	0.54%	0.58%
By Type:						
SMA	0.41%	0.39%	0.39%	0.40%	0.40%	0.40%
Commingled	0.87%	0.89%	0.90%	0.85%	0.82%	0.90%
By Asset Class:						
PE	0.63%	0.66%	0.62%	0.64%	0.66%	0.72%
RE / INFRA / PD	0.41%	0.37%	0.42%	0.40%	0.41%	0.42%

### Assets under management and advisement

	FY'19	FY'20	FY'21	FY'22	FY'23	LTM FQ3'24
FEAUM (\$B)	\$32	\$41	\$52	\$75 <sup>2</sup>	\$85	\$89
AUM (\$B)	\$53	\$67	\$86	\$134 <sup>2</sup>	\$138	\$149
AUA (\$B)	\$213 <sup>4</sup>	\$229	\$340 <sup>5</sup>	\$436	\$482	\$510

### % of fee revenue from adjusted management and advisory fees<sup>1</sup>

	FY'19	FY'20	FY'21	FY'22	FY'23	LTM FQ3'24
Mgmt	76%	80%	82%	85%	89%	89%
Advisory	24%	20%	18%	15%	11%	11%

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

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

<sup>2</sup> The acquisition of Greenspring contributed \$11.4B of FEAUM and \$22.5B of AUM as of 9/20/21, \$43.4M, \$97.7M and \$113.6M of adjusted management and advisory fees for fiscal 2022, fiscal 2023 and LTM FQ3'24, respectively.

<sup>3</sup> Weighted-average fee rates reflect the applicable management fees for the last 12 months ending on each period presented and are inclusive of any retroactive fees for such period.

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

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

<sup>6</sup> Adjusted management and advisory fees and adjusted management and advisory fees per share are non-GAAP measures. Adjusted management and advisory fees per share is calculated using adjusted weighted-average shares for each respective period. See definition and reconciliation of non-GAAP measures at the end of this presentation. See slide 33 for calculation of adjusted weighted-average shares.



# Financial update



# Financial highlights

- Adjusted management and advisory fees, net increased 18% for the quarter and 19% year-to-date, driven by FEAUM growth
- Fee-related earnings increased 19% for the quarter and 17% year-to-date, primarily driven by growth in fee revenues
- ANI per share increased 37% for the quarter, reflecting higher FRE and net realized performance fees, and decreased 13% year-to-date, reflecting lower net realized performance fees partially offset by higher FRE
- Results for the quarter include \$8.6 million of revenues from retroactive fees for StepStone's private equity secondaries, multi-strategy global VC and infrastructure co-investment funds

(\$M, except per share amounts and where noted)	Three Months Ended Dec 31			Nine Months Ended Dec 31		
	2023	2022	% Δ YTY	2023	2022	% Δ YTY
AUM (\$B)	\$149.0	\$134.0	11%			
FEAUM (\$B)	89.4	83.0	8%			
Undeployed fee-earning capital (\$B) <sup>1</sup>	21.4	14.0	53%			
Adjusted management & advisory fees, net	\$151.9	128.8	18%	\$432.6	\$364.6	19%
Fee-related earnings	50.7	42.7	19%	138.9	118.4	17%
Fee-related earnings margin <sup>2</sup>	33%	33%		32%	32%	
Gross realized performance fees <sup>3</sup>	33.2	19.3	72%	55.1	124.4	-56%
Pre-tax adjusted net income ("ANI")	54.2	40.1	35%	130.9	148.7	-12%
Adjusted net income per share <sup>4</sup>	\$0.37	\$0.27	37%	\$0.88	\$1.01	-13%
Adjusted revenues	185.1	148.1	25%	487.7	489.0	-%

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

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

<sup>3</sup> Gross realized performance fees is a non-GAAP measure and includes deferred incentive fees that are not included in our GAAP results. See reconciliation of total performance fees to gross and net realized performance fees on slide 34.

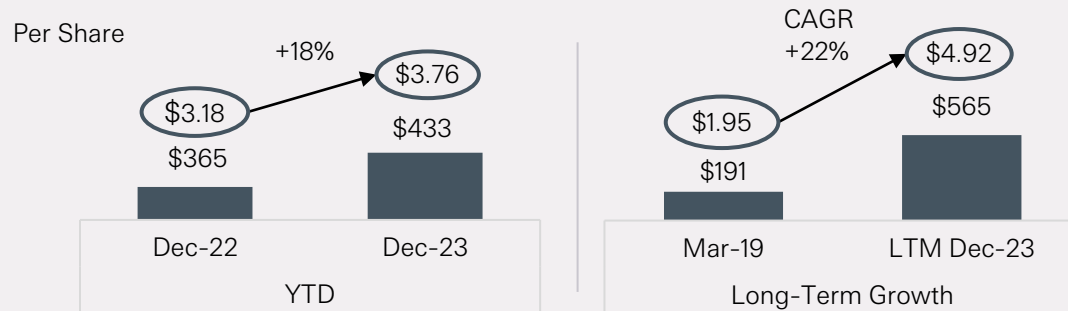
<sup>4</sup> Reflects a 22.3% blended statutory rate applied to pre-tax adjusted net income and 115.2 million and 115.0 million adjusted weighted-average shares outstanding for FQ3'24 and FQ3'24 YTD. Reflects a 22.3% blended statutory rate applied to pre-tax adjusted net income and 114.7 million and 114.6 million adjusted weighted-average shares outstanding for FQ3'23 and FQ3'23 YTD. See slide 33 for calculation of ANI per share and a reconciliation of adjusted weighted-average shares.



# Adjusted revenues

(\$M, except per share amounts)

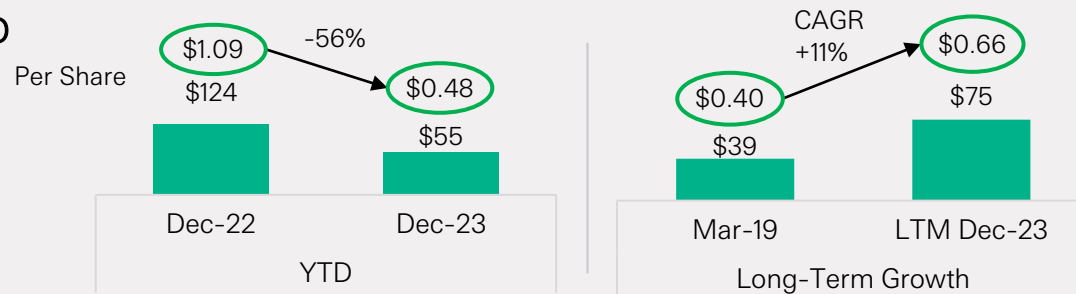
## ADJUSTED MANAGEMENT & ADVISORY FEES



Management fees per share increased 19% YTD and by a compound annual growth rate of 25% over the long-term growth period driven by strong FEAUM growth

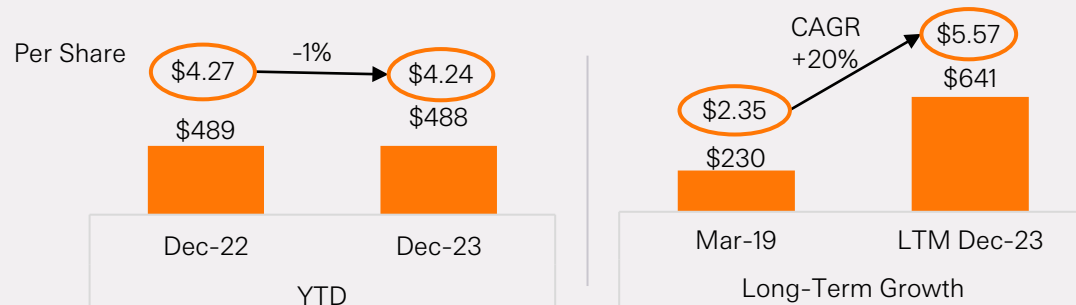
Advisory fees per share increased 6% YTD and increased by a compound annual growth rate of 3% over the long-term growth period

## GROSS REALIZED PERFORMANCE FEES



Gross realized performance fees were down \$69 million YTD primarily driven by decreased realization activity from our PE funds

## ADJUSTED REVENUES

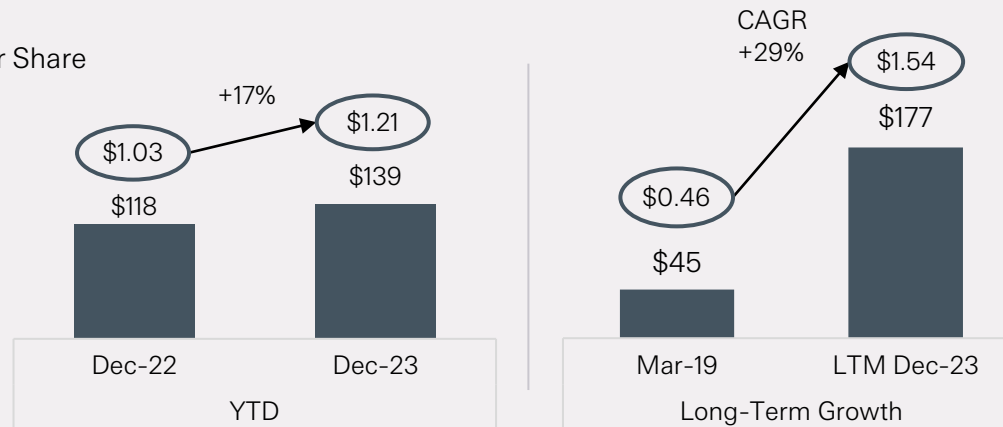


# Profitability

(\$M, except per share amounts)

## FEE-RELATED EARNINGS

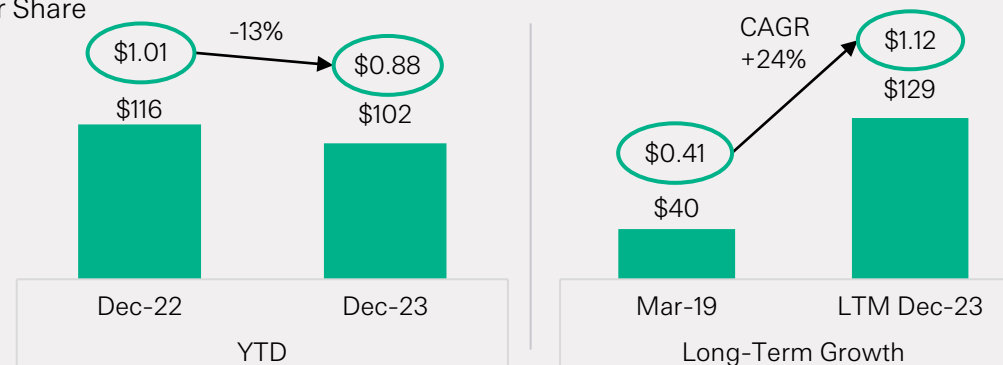
Per Share



- Fee-related earnings per share increased YTD driven primarily by growth in FEAUM
- FRE margins were 32% for both the YTD and prior year periods, and 24% four fiscal years ago

## ADJUSTED NET INCOME

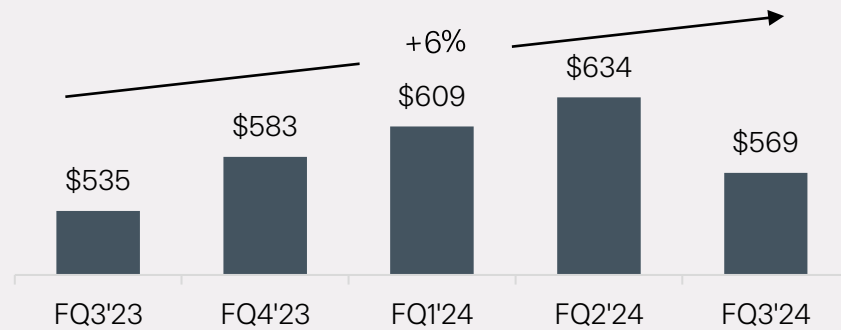
Per Share



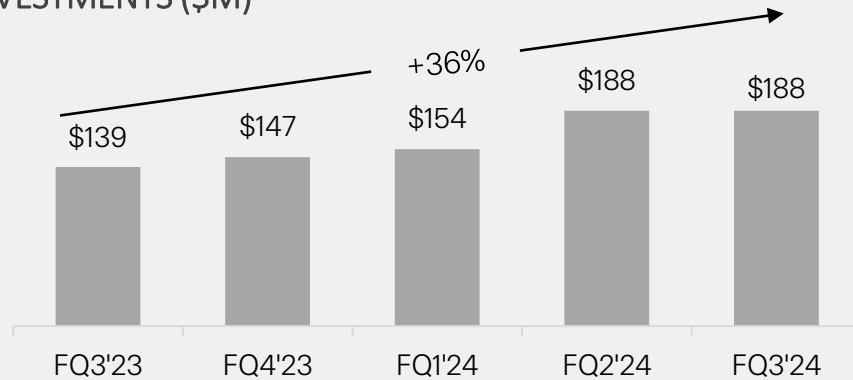
- Adjusted net income per share decreased 13% YTD driven by moderation in net realized performance fees
- Adjusted net income per share increased by a CAGR of 24% over the long-term growth period driven by higher FRE and higher net realized performance fees

# Accrued carry and fund investments<sup>1</sup>

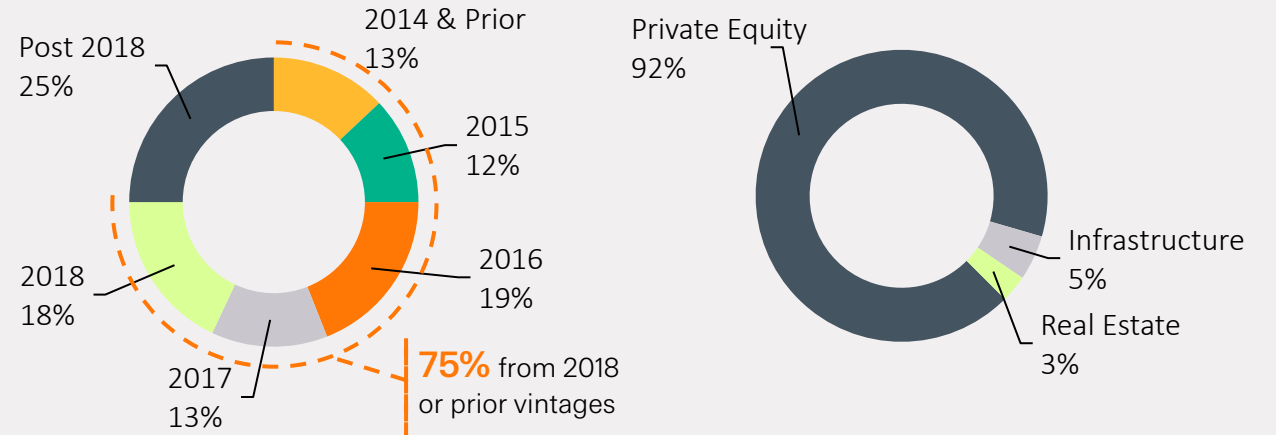
NET ACCRUED CARRY (\$M)<sup>2</sup>



INVESTMENTS (\$M)<sup>3</sup>



NET UNREALIZED CARRY AS OF 12/31/2023 BY VINTAGE AND TYPE



- Gross accrued unrealized carried interest of \$1,204 million, net accrued unrealized carry of \$569 million as of December 31, 2023 (*note: valuations reported on a one quarter lag*)
- Over \$70 billion in performance fee-eligible capital as of December 31, 2023
- \$637 million, or 53%, of gross accrued unrealized carried interest allocation balance is in SMAs or commingled funds that have American style (or deal-by-deal) carry waterfalls
- Over 200 programs with carry or incentive fee structures
- Investments in our funds held by the firm increased to \$188 million, up 36% from December 31, 2022
- Unfunded commitments were \$96 million as of December 31, 2023<sup>1</sup>

<sup>1</sup> Excludes \$0.6 billion of investments in funds and accrued carried interest allocations and \$46 million of unfunded commitments held by the legacy Greenspring entities in legacy Greenspring funds for which we do not hold any direct economic interests.

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

<sup>3</sup> Reflects the Company's investments in funds prior to the consolidation of the Consolidated Funds, which results in the elimination of the Company's investments in such funds under GAAP. Investments in funds under GAAP were \$127 million as of December 31, 2023.





# Appendix

# Consolidated balance sheets

(\$ in thousands)	Dec '22	Mar '23	Dec '23
<b>Assets</b>			
Cash and cash equivalents	\$ 120,093	\$ 102,565	\$ 139,970
Restricted cash	971	955	751
Fees and accounts receivable	42,769	44,450	58,126
Due from affiliates	35,749	54,322	64,021
Investments:			
Investments in funds <sup>(1)</sup>	109,102	115,187	126,813
Accrued carried interest allocations	1,126,386	1,227,173	1,203,847
Legacy Greenspring investments in funds and accrued carried interest allocations <sup>(2)</sup>	888,872	770,652	632,414
Deferred income tax assets	49,245	44,358	45,330
Lease right-of-use assets, net	104,767	101,130	97,404
Other assets and receivables	44,013	44,060	58,758
Intangibles, net	365,515	354,645	315,296
Goodwill	580,542	580,542	580,542
<i>Assets of Consolidated Funds:</i> <sup>(3)</sup>			
Cash and cash equivalents	19,967	25,997	33,589
Investments, at fair value	14,312	30,595	109,822
Other assets	839	772	1,498
<b>Total assets</b>	<b>\$ 3,503,142</b>	<b>\$ 3,497,403</b>	<b>\$ 3,468,181</b>
<b>Liabilities and stockholders' equity</b>			
Accounts payable, accrued expenses and other liabilities	\$ 83,659	\$ 89,396	\$ 102,786
Accrued compensation and benefits	85,256	66,614	131,735
Accrued carried interest-related compensation	590,967	644,517	635,200
Legacy Greenspring accrued carried interest-related compensation <sup>(2)</sup>	723,527	617,994	486,677
Due to affiliates	201,352	205,424	202,225
Lease liabilities	124,318	121,224	118,443
Debt obligations	83,233	98,351	123,704
<i>Liabilities of Consolidated Funds:</i> <sup>(3)</sup>			
Other liabilities	647	566	1,563
<b>Total liabilities</b>	<b>1,892,959</b>	<b>1,844,086</b>	<b>1,802,333</b>
Redeemable non-controlling interests in Consolidated Funds	4,966	24,530	76,076
<b>Total stockholders' equity</b>	<b>1,605,217</b>	<b>1,628,787</b>	<b>1,589,772</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,503,142</b>	<b>\$ 3,497,403</b>	<b>\$ 3,468,181</b>

<sup>1</sup> The Company's investments in funds were \$188 million and \$147 million as of December 31, 2023 and March 31, 2023, respectively. The consolidation of the Consolidated Funds results in the elimination of the Company's investments in such funds under GAAP.

<sup>2</sup> Represents amounts attributable to consolidated VIEs for which we did not acquire any direct economic interests. Such amounts are attributable to employees and therefore have been reflected as non-controlling interests in legacy Greenspring entities and legacy Greenspring accrued carried interest-related compensation, respectively.

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



# Non-GAAP financial results<sup>1</sup>

(\$ in thousands, unless otherwise mentioned)

	Quarter			Year-to-Date		
	Dec '22	Dec '23	% Fav / Unfav	Dec '22	Dec '23	% Fav / Unfav
Adjusted management and advisory fees, net <sup>(2)</sup>	\$ 128,753	\$ 151,943	18%	\$ 364,606	\$ 432,571	19%
Less:						
Adjusted cash-based compensation	62,108	73,045	-18%	180,239	216,872	-20%
Adjusted equity-based compensation	664	1,422	-114%	1,965	3,995	-103%
Adjusted general, administrative and other	23,280	26,812	-15%	64,040	72,811	-14%
<b>Fee-related earnings</b>	<b>42,701</b>	<b>50,664</b>	<b>19%</b>	<b>118,362</b>	<b>138,893</b>	<b>17%</b>
Plus:						
Realized carried interest allocations	16,320	15,289	-6%	112,396	31,347	-72%
Incentive fees	2,980	17,891	500%	8,345	22,843	174%
Deferred incentive fees	-	-	na	3,683	942	-74%
Realized investment income	673	3,508	421%	4,746	5,488	16%
Adjusted interest income	701	287	-59%	1,068	1,202	13%
Adjusted other income (loss)	358	107	-70%	(1,380)	(511)	63%
Less:						
Realized performance fee-related compensation <sup>(3)</sup>	11,726	15,444	-32%	67,091	26,266	61%
Interest expense	1,111	2,562	-131%	2,515	6,682	-166%
Income attributable to non-controlling interests in subsidiaries/other:						
Fee-related earnings attributable to non-controlling interests in subsidiaries <sup>(4)</sup>	10,167	10,518	-3%	28,830	30,515	-6%
Non fee-related earnings attributable to non-controlling interests in subsidiaries and profits interests <sup>(5)</sup>	635	5,019	-690%	73	5,883	-7959%
<b>Pre-tax adjusted net income</b>	<b>40,094</b>	<b>54,203</b>	<b>35%</b>	<b>148,711</b>	<b>130,858</b>	<b>-12%</b>
Less: Income taxes <sup>(6)</sup>	8,941	12,087	-35%	33,163	29,181	12%
<b>Adjusted net income</b>	<b>\$ 31,153</b>	<b>\$ 42,116</b>	<b>35%</b>	<b>\$ 115,548</b>	<b>\$ 101,677</b>	<b>-12%</b>
<b>ANI per share</b>	<b>\$ 0.27</b>	<b>\$ 0.37</b>	<b>37%</b>	<b>\$ 1.01</b>	<b>\$ 0.88</b>	<b>-13%</b>

Note: Adjusted management and advisory fees, net, adjusted cash-based compensation, adjusted equity-based compensation, adjusted general, administrative and other, fee-related earnings, adjusted interest income, adjusted other income (loss), pre-tax adjusted net income, adjusted net income and ANI per share are non-GAAP measures. See definition and reconciliation of non-GAAP measures at the end of this presentation.

1 Excludes the impact of consolidating the Consolidated Funds. See slides 31 and 32 for reconciliation of GAAP income (loss) before income tax to ANI and FRE, and GAAP measures to adjusted measures.

2 Includes income-based incentive fees of \$0.6 million for both the three and nine months ended December 31, 2023 from certain funds that are regulated as a business development company. There were no income-based incentive fees in the prior year periods.

3 Includes carried interest-related compensation expense related to the portion of net carried interest allocation revenue attributable to equity holders of the Company's consolidated subsidiaries that are not 100% owned (\$0.7 million and \$2.2 million for the three months ended December 31, 2023 and 2022, respectively, and \$2.8 million and \$9.0 million for the nine months ended December 31, 2023 and 2022, respectively).

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

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

6 Represents corporate income taxes at a blended statutory rate of 22.3% applied to pre-tax ANI for the three and nine months ended December 31, 2023 and 2022, respectively. The 22.3% rate for the three and nine months ended December 31, 2023 and 2022, respectively, is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 1.3%.



# FEAUM overview

(\$B, unless noted)	FQ3'24	FQ3'23	Fav / Unfav Change	
			\$	%
<b>SMA</b> s				
Beginning balance	\$ 56.4	\$ 52.9	\$ 3.5	7%
Contributions <sup>1</sup>	1.1	2.1	(1.0)	-48%
Distributions <sup>2</sup>	(1.4)	(2.2)	0.8	36%
Market value, FX and other <sup>3</sup>	0.6	0.6	-	0%
Ending balance	\$ 56.7	\$ 53.4	\$ 3.2	6%
Management fees (\$M)	\$ 55.8	\$ 53.5	\$ 2.3	4%
Average fee rate <sup>4</sup>	0.40%	0.40%		0%
<b>Commingled Funds</b>				
Beginning balance	\$ 30.9	\$ 27.2	\$ 3.7	13%
Contributions <sup>1</sup>	1.9	2.5	(0.6)	-24%
Distributions <sup>2</sup>	(0.3)	(0.2)	(0.1)	-63%
Market value, FX and other <sup>3</sup>	0.2	-	0.2	na
Ending balance	\$ 32.8	\$ 29.6	\$ 3.2	11%
Management fees (\$M)	\$ 78.6	\$ 60.7	\$ 18.0	30%
Average fee rate <sup>4</sup>	0.90%	0.80%		13%
<b>Total</b>				
Beginning balance	\$ 87.3	\$ 80.1	\$ 7.2	9%
Contributions <sup>1</sup>	3.0	4.6	(1.6)	-35%
Distributions <sup>2</sup>	(1.7)	(2.3)	0.7	29%
Market value, FX and other <sup>3</sup>	0.8	0.6	0.2	43%
Ending balance	\$ 89.4	\$ 83.0	\$ 6.4	8%
Management fees (\$M)	\$ 134.5	\$ 114.2	\$ 20.3	18%
Average fee rate <sup>4</sup>	0.58%	0.54%		7%

Walk from AUM to FEAUM	\$B
Total AUM as of 12/31/23	\$ 149.0
Less: Non-fee earning AUM	16.9
Less: Market appreciation included in AUM	21.2
Less: Undeployed fee-earning capital (capital not yet invested or considered active on which we will earn fees once capital is invested or activated)	21.4
<b>Fee-earning AUM as of 12/31/23</b>	<b>\$ 89.4</b>

- FEAUM increased by 8% for the quarter to \$89.4 billion
- Activated/deployed approximately \$1.4 billion of capital from our existing undeployed fee-earning capital during the quarter

<sup>1</sup> Contributions consist of new capital commitments that earn fees on committed capital and capital contributions to funds and accounts that earn fees on net invested capital or NAV.

<sup>2</sup> Distributions consist of returns of capital from funds and accounts that pay fees on net invested capital or NAV and 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.

<sup>3</sup> Market value, FX and other primarily consist of changes in market value appreciation (depreciation) for funds that pay on NAV and the effect of foreign exchange rate changes on non-U.S. dollar denominated commitments.

<sup>4</sup> Weighted-average fee rates reflect the applicable management fees for the last 12 months ending on each period presented, and is inclusive of any retroactive fees for such period.

# StepStone occupies an important position within the GP & LP ecosystem

A strategic partner to our clients and managers, we listen deeply, share generously, and search diligently for new ways to address each challenge.

## CLIENTS

- Corporations
- Endowments and foundations
- Family offices
- Private wealth/defined contribution plans
- Insurance companies
- Pension funds
- Sovereign wealth funds

## STEPSTONE

- Asset management
- Advisory and data services
- Research

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- Primaries
- Secondaries
- Co-investments

A self-reinforcing growth cycle of clients, capital, relationships, data and insight

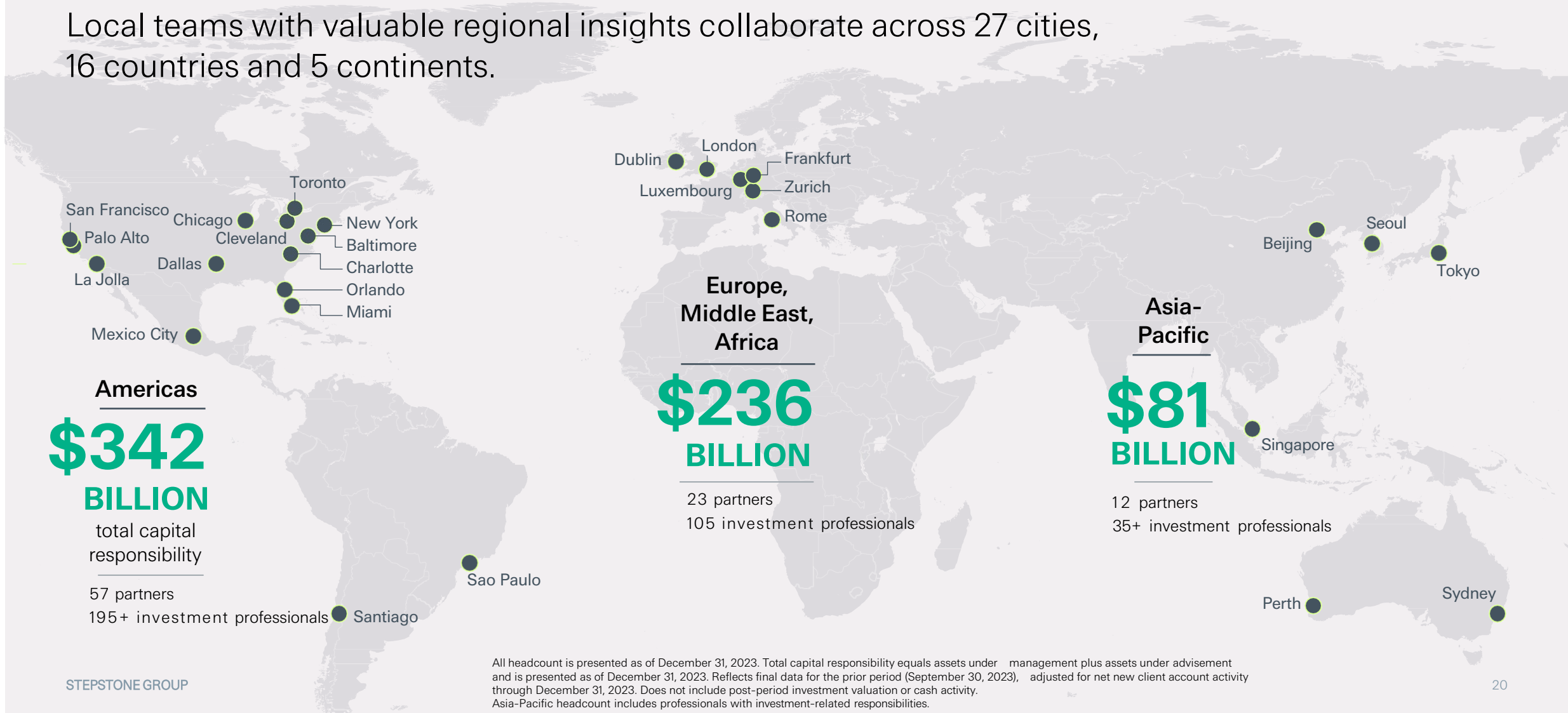
We review more than **3,900** investment opportunities annually

- Private equity
- Real estate
- Infrastructure
- Private debt

## MANAGERS

# Our global reach powers possibility

Local teams with valuable regional insights collaborate across 27 cities, 16 countries and 5 continents.



**Americas**  
**\$342**  
**BILLION**  
total capital responsibility

57 partners  
195+ investment professionals

**Europe,  
Middle East,  
Africa**  
**\$236**  
**BILLION**

23 partners  
105 investment professionals

**Asia-  
Pacific**  
**\$81**  
**BILLION**

12 partners  
35+ investment professionals



# Comprehensive private markets solutions

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

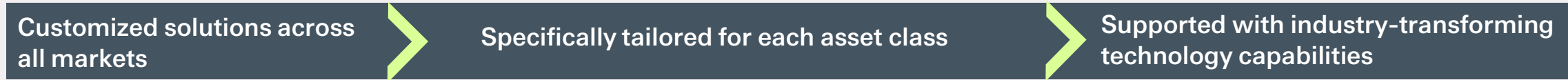
ASSET MANAGEMENT		ADVISORY		RESEARCH
Separately managed accounts	Focused commingled funds	Advisory & data services	Portfolio analytics & reporting	
<ul style="list-style-type: none"> <li>Owned by one client and managed according to their specific preferences</li> <li>Address the client's specific portfolio risk/return, diversification, and liquidity objectives</li> <li>Integrates a combination of investment strategies across one or more asset classes</li> </ul>	<ul style="list-style-type: none"> <li>Owned by multiple clients</li> <li>Deploy capital in specific asset classes with defined investment strategies</li> <li>Seeks to leverage StepStone's multi-asset class expertise</li> </ul>	<ul style="list-style-type: none"> <li>Recurring support of portfolio construction and design</li> <li>Discrete or project-based due diligence</li> <li>Detailed review of existing private markets investments</li> <li>Consulting services</li> <li>Licensed access to SPI<sup>1</sup> Research</li> </ul>	<ul style="list-style-type: none"> <li>Provide clients with tailored reporting packages</li> <li>Mandates typically include access to SPI Reporting<sup>1</sup></li> </ul>	
\$89 billion AUM and \$57 billion FEAUM (63% of total)	\$45 billion AUM and \$33 billion FEAUM (37% of total)	\$510 billion AUA and \$15 billion AUM	Provided portfolio analytics and reporting on over \$685 billion of client commitments	

# Offering a full-service model to clients seeking a customized solution to private markets investing

**299**  
bespoke SMAs +  
focused  
commingled funds

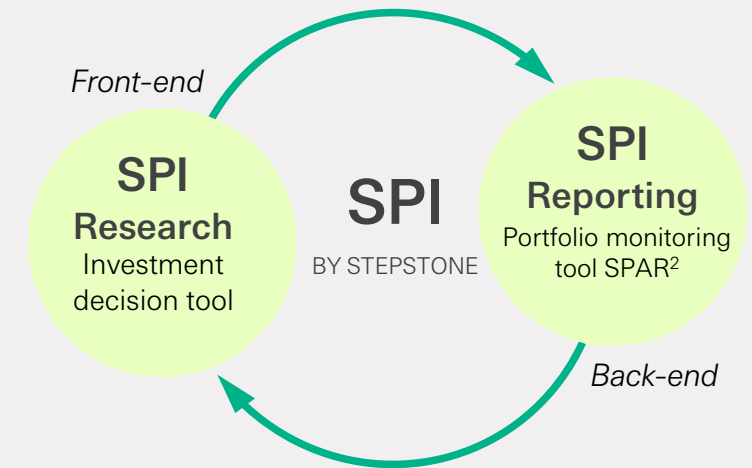
**35%**  
of advisory clients  
with an AUM  
relationship

Industry-transforming technology capabilities create a virtuous cycle of client engagement and provide a significant data advantage



- 1 Asset management solutions
- 2 Advisory and data solutions
- 3 Portfolio analytics and reporting

PRIVATE EQUITY			REAL ESTATE		
\$78B <sup>1</sup>	\$48B	\$266B	\$15B <sup>1</sup>	\$6B	\$169B
AUM	FEAUM	AUA	AUM	FEAUM	AUA
165 Investment professionals			60 Investment professionals		
INFRASTRUCTURE			PRIVATE DEBT		
\$28B <sup>1</sup>	\$20B	\$58B	\$28B <sup>1</sup>	\$15B	\$18B
AUM	FEAUM	AUA	AUM	FEAUM	AUA
65+ Investment professionals			45+ Investment professionals		



Note: Amounts may not sum to total due to rounding. Data presented as of December 31, 2023. AUM and AUA figures reflect final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2023, as reported by underlying managers up to the business day occurring on or after 100 days following September 30, 2023. When NAV data is not available by the business day occurring on or after 100 days following September 30, 2023, 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.

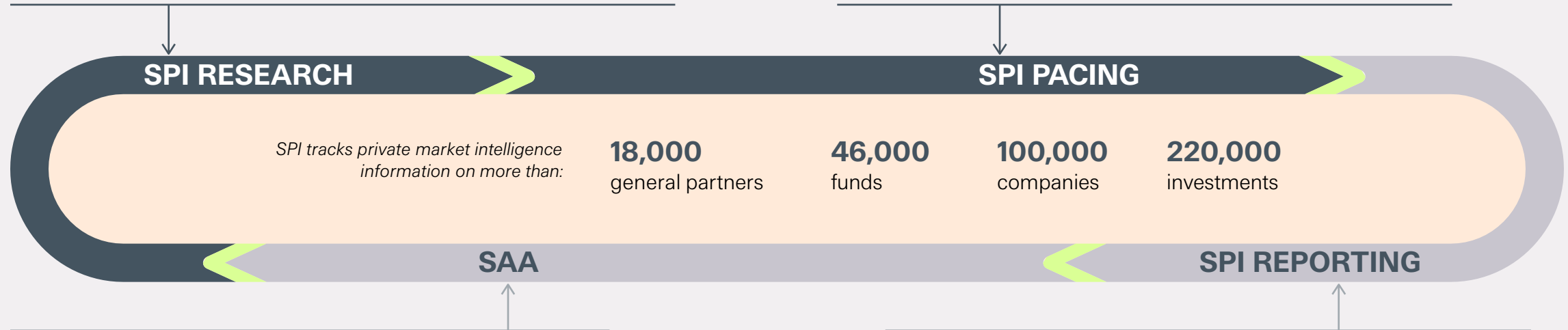
<sup>2</sup> StepStone Portfolio Analytics & Reporting.

# Uncommon insights

Our view is both panoramic and precise, framed by a powerful combination of proprietary data and technology that empowers clients to act with uncommon clarity and conviction.

## Investment selection

StepStone's consolidated due diligence library contains qualitative and quantitative insights from 340 investment professionals.



## Strategic asset allocation

Determines target allocations to optimize portfolio construction along the efficient frontier.

## Portfolio planning

Creates customized commitment plans by forecasting cash flows and exposures to reach allocation targets.

## Portfolio reporting

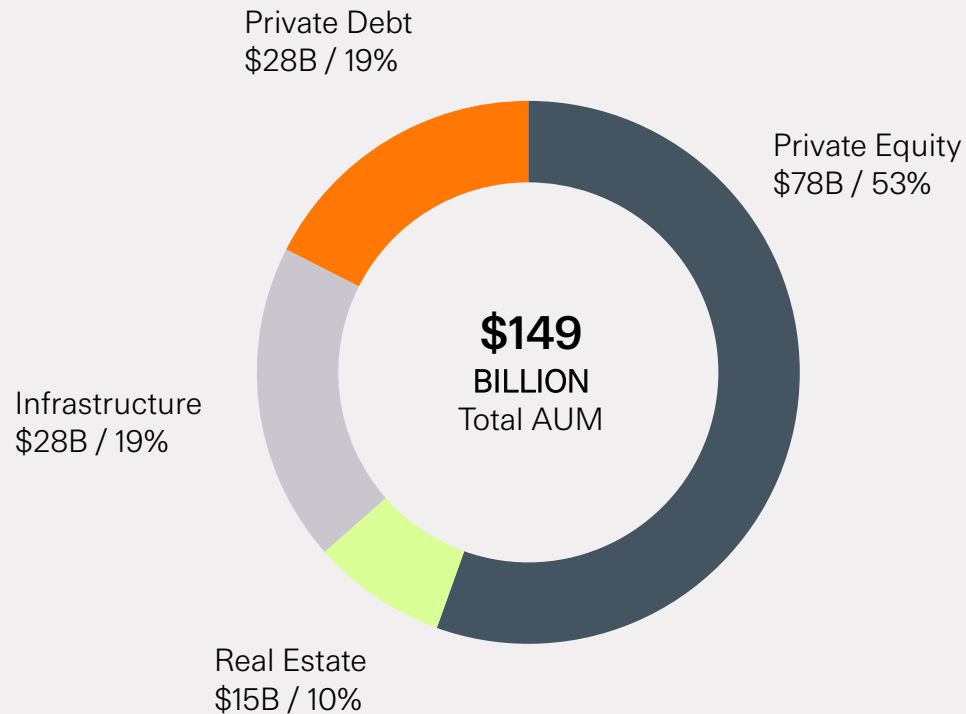
Monitors and analyzes portfolios, funds, and underlying investments with real-time access to a fast and intuitive platform.



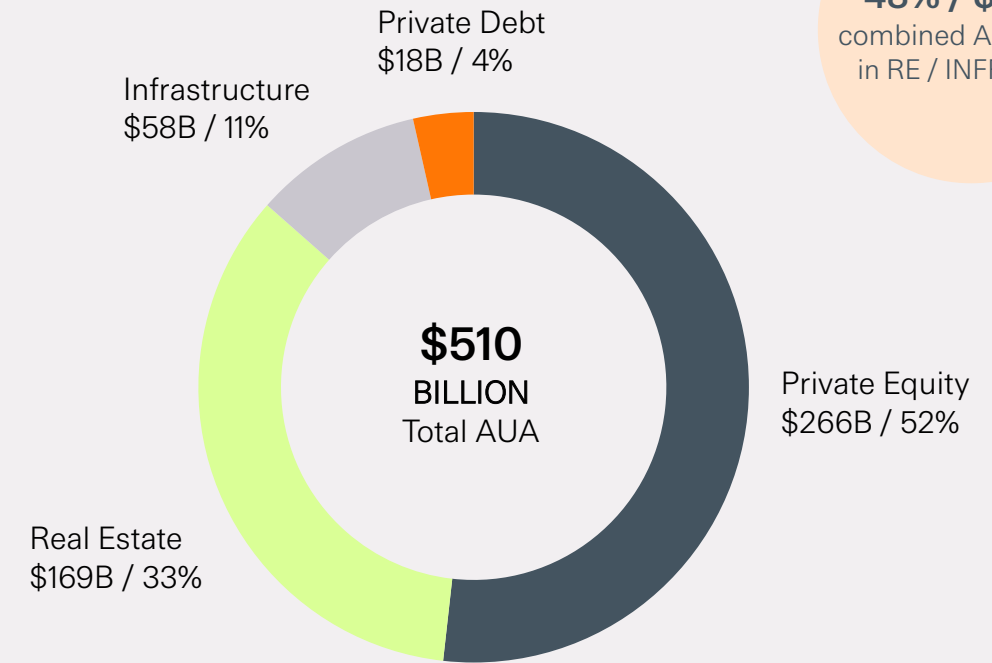
# Investment expertise across all private markets asset classes

As of December 31, 2023

## BY AUM<sup>1</sup>



## BY AUA

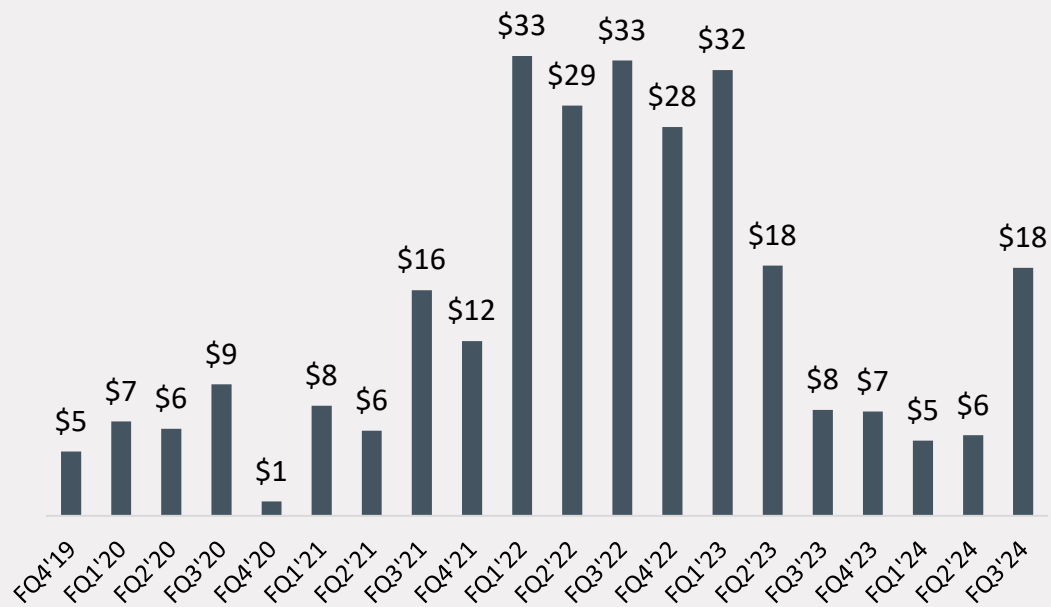


**48% / \$315B**  
combined AUM/AUA  
in RE / INFRA / PD

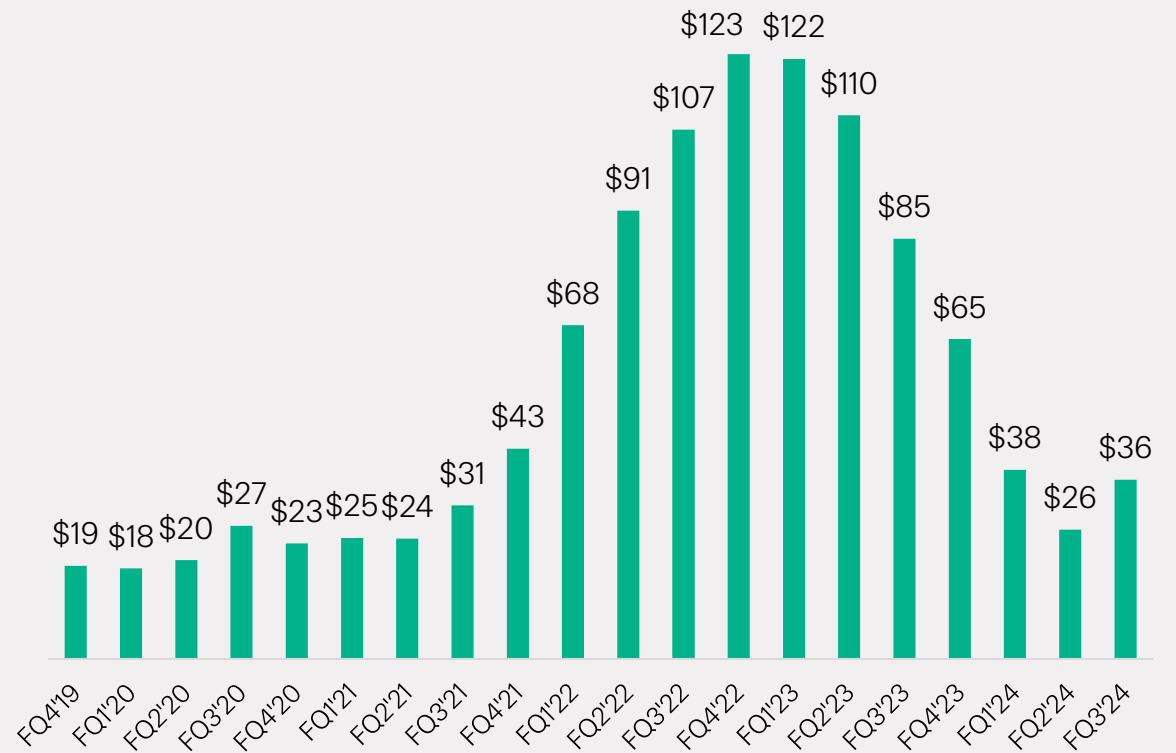
Note: Amounts and percentages may not sum to total due to rounding. Reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2023, as reported by underlying managers up to the business day occurring on or after 100 days following September 30, 2023. When NAV data is not available by the business day occurring on or after 100 days following September 30, 2023, 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)

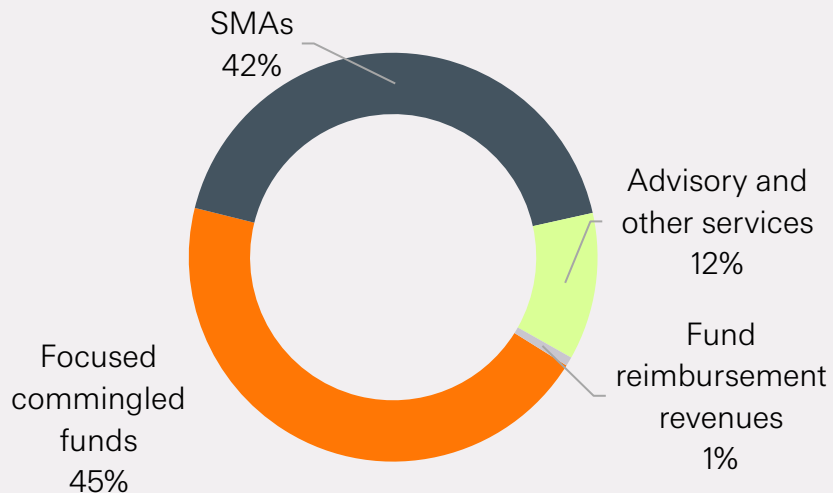


LTM NET REALIZED PERFORMANCE FEES (\$M)

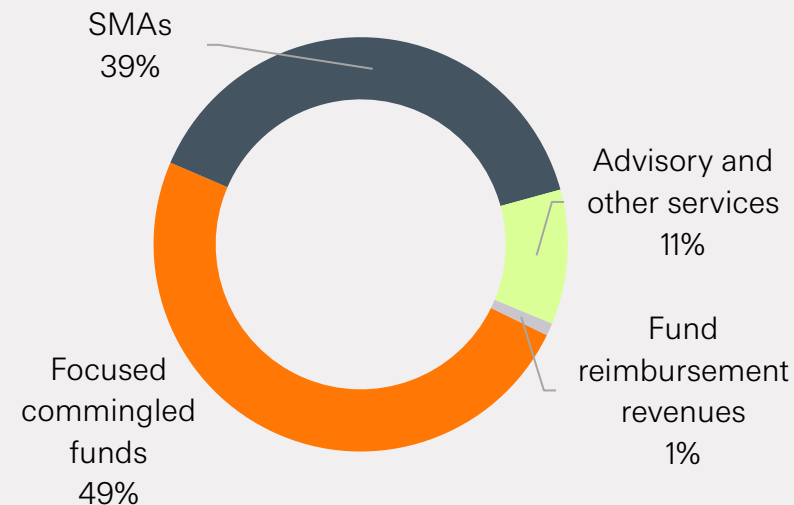


# Revenues – Adjusted management and advisory fees, net

LTM DEC'22



LTM DEC'23



(\$ in thousands)

	Quarter			Year-to-date			Last Twelve Months		
	Dec '22	Dec '23	% Fav / Unfav	Dec '22	Dec '23	% Fav / Unfav	Dec '22	Dec '23	% Fav / Unfav
Focused commingled funds <sup>(1)(2)</sup>	\$ 60,680	\$ 78,633	30%	\$ 164,975	\$ 216,233	31%	\$ 214,527	\$ 278,326	30%
SMAs	53,515	55,838	4%	156,154	168,013	8%	203,335	222,046	9%
Advisory and other services	13,926	16,069	15%	40,698	43,910	8%	55,558	59,456	7%
Fund reimbursement revenues <sup>(1)</sup>	632	1,403	122%	2,779	4,415	59%	3,415	5,463	60%
<b>Total adjusted management and advisory fees, net</b>	<b>\$ 128,753</b>	<b>\$ 151,943</b>	<b>18%</b>	<b>\$ 364,606</b>	<b>\$ 432,571</b>	<b>19%</b>	<b>\$ 476,835</b>	<b>\$ 565,291</b>	<b>19%</b>

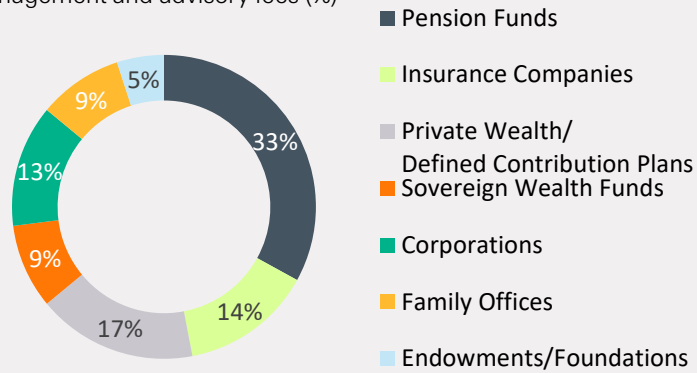


# Blue-chip, sophisticated, global clientele

As of December 31, 2023

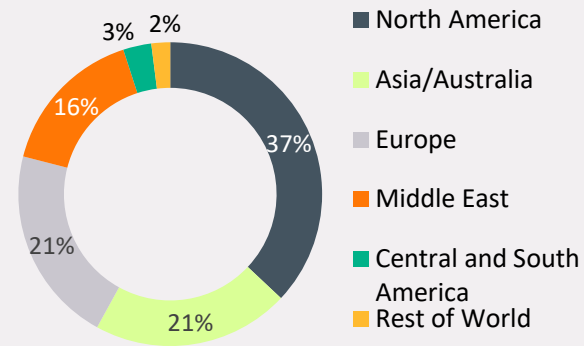
## BY TYPE

LTM management and advisory fees (%)



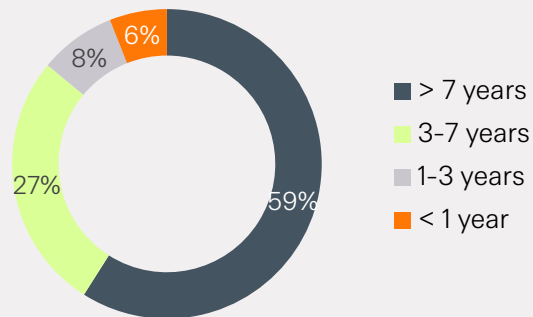
## BY GEOGRAPHY

LTM management and advisory fees (%)



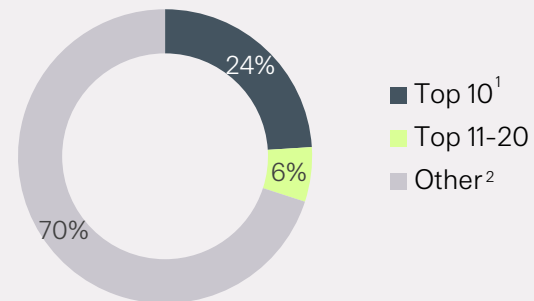
## BY REMAINING ACCOUNT TENOR

LTM management fees (%)



## BY CLIENT

LTM management and advisory fees (%)



<sup>1</sup> Our top 10 clients comprise approximately 55 separate mandates and commitments to commingled funds.

<sup>2</sup> Includes ~49% of management and advisory fee contribution from focused commingled funds.

# Our diversified platform spans private markets solutions

Private Equity			Real Estate			Infrastructure		Private Debt	
<ul style="list-style-type: none"> <li>Total AUM: \$78B                             <ul style="list-style-type: none"> <li>SMA AUM: \$41B</li> <li>FCF AUM: \$37B</li> </ul> </li> <li>Advisory AUA: \$266B</li> <li>\$35B average annual approved</li> </ul>			<ul style="list-style-type: none"> <li>Total AUM: \$15B                             <ul style="list-style-type: none"> <li>SMA AUM: \$6B</li> <li>FCF AUM: \$4B</li> <li>Advisory AUM: \$5B</li> </ul> </li> <li>Advisory AUA: \$169B</li> <li>\$14B average annual approved</li> </ul>			<ul style="list-style-type: none"> <li>Total AUM: \$28B                             <ul style="list-style-type: none"> <li>SMA AUM: \$25B</li> <li>FCF AUM: \$1B</li> <li>Advisory AUM: \$2B</li> </ul> </li> <li>Advisory AUA: \$58B</li> <li>\$12B average annual approved</li> </ul>		<ul style="list-style-type: none"> <li>Total AUM: \$28B                             <ul style="list-style-type: none"> <li>SMA AUM: \$16B</li> <li>FCF AUM: \$4B</li> <li>Advisory AUM: \$8B</li> </ul> </li> <li>Advisory AUA: \$18B</li> <li>\$11B average annual approved</li> </ul>	
INVESTMENT STRATEGY <sup>1,2,4</sup>	NET IRR <sup>3</sup>	NET TVM <sup>3</sup>	INVESTMENT STRATEGY <sup>1,4,5</sup>	NET IRR <sup>3</sup>	NET TVM <sup>3</sup>	INVESTMENT STRATEGY <sup>1,4,6</sup>	NET IRR <sup>3</sup>	INVESTMENT STRATEGY <sup>1,4,8</sup>	NET IRR <sup>3</sup>
Primaries	15.8%	1.6x	Core/core+ fund investments	6.0%	1.3x	Debt	1.3%	Direct lending	7.2%
Secondaries	17.1%	1.5x	Value-add/opportunistic fund investments	9.3%	1.3x	Core	7.5%	Distressed debt	8.7%
Co-investments <sup>7</sup>	16.7%	1.6x	Real estate debt fund investments	5.5%	1.2x	Core+	11.7%	Other <sup>9</sup>	6.9%
			Value-add/opportunistic secondaries & Co-investments	12.4%	1.3x	Value-add	11.6%		

Note: Averages based on annual approvals from 2021-2023. Excludes legacy funds, feeder funds and research-only, non-advisory services. Amounts may not sum to total due to rounding. SMA – Separately managed accounts. FCF – Focused commingled funds. AUM and AUA figures are as of December 31, 2023. Reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity. NAV data for underlying investments is as of September 30, 2023, as reported by underlying managers up to the business day occurring on or after 100 days following September 30, 2023. When NAV data is not available by the business day occurring on or after 100 days following September 30, 2023, 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 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 35 of this presentation.

<sup>1</sup> Investment returns reflect NAV data for underlying investments as of September 30, 2023, as reported by underlying managers up to the business day occurring on or after 100 days following September 30, 2023. For investment returns where NAV data is not available by the business day occurring on or after 100 days following September 30, 2023, such NAVs are adjusted for cash activity following the last available reported NAV. Investment returns are calculated on a constant currency adjusted reporting basis converting non-USD investment cash flows and NAVs to USD using the foreign currency exchange rate corresponding to each client's first cash flow date.

<sup>2</sup> Private equity includes 2,534 investments totaling \$181.4 billion of capital commitments and excludes (i) two advisory co-investments, totaling \$100.0 million of capital commitments, (ii) 263 client-directed private equity investments, totaling \$30.0 billion of capital commitments, and (iii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Private equity includes buyout, venture capital, growth equity, fund-of-funds, and energy focused strategies. StepStone's venture capital and growth equity strategy is composed of a) venture capital and growth equity focused commingled funds and separately managed accounts (the "StepStone VC Platform") and b) underlying venture capital and growth equity investments within StepStone's broader private equity funds.

<sup>3</sup> Net IRR and Net TVM are presented solely for illustrative purposes and do not represent actual returns received by any investor in any of the StepStone Funds represented above and are net of fees and expenses charged by both the underlying investment and hypothetical StepStone fees. The aggregate returns are not indicative of the returns an individual investor would receive from these investments. No individual investor received the aggregate returns described herein as the investments were made across multiple mandates over multiple years. StepStone fees and expenses are based on the following assumptions (management fees and expenses represent an annual rate, charged quarterly):

- (i) Primaries management fee: 25 basis points of net invested capital for private equity, real estate and infrastructure; 25 basis points of net asset value for private debt; 75 basis points of committed capital for the StepStone VC Platform.
- (ii) Secondaries management fee: 125 basis points, 125 basis points and 60 basis points for private equity, real estate and infrastructure, respectively, of capital commitments in years 1 through 4 for management fees. In year 5, management fees step down to 90% of the previous year's fee; 65 basis points of net asset value for private debt; 75 basis points of committed capital for the StepStone VC Platform.
- (iii) Co-investments management fee: 100 basis points of net committed capital for private equity and real estate; 85 and 50 basis points for infrastructure co-investments and direct asset management investments, respectively, of net committed capital; 65 basis points of net asset value for private debt; 200 basis points of net invested capital for the StepStone VC Platform.
- (iv) All investments assess 5 basis points of capital commitments for fund expenses, charged quarterly, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs.

- (v) Private equity and infrastructure secondaries and co-investments include 12.5% and 10.0% of paid and unrealized carry, respectively, with an 8.0% preferred return hurdle; real estate secondaries and co-investments include 15.0% of paid and unrealized carry, with an 8.0% preferred return hurdle; private debt secondaries and co-investments include 10.0% of paid and unrealized carry, with a 5.0% preferred return hurdle; and the StepStone VC Platform primaries, secondaries and co-investments/directs include 5.0%, 5.0% and 20.0%, respectively, of paid and unrealized carry with no 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 480 investments totaling \$77.4 billion of capital commitments and excludes (i) 88 client-directed real estate investments, totaling \$13.7 billion of capital commitments, (ii) 12 secondary/co-investment core/core+ or credit investments, totaling \$714.0 million of capital commitments, (iii) four advisory fund investments totaling \$463.6 million of capital commitments, and (iv) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment.

<sup>6</sup> Infrastructure includes 255 investments totaling \$53.4 billion of capital commitments and excludes (i) 11 infrastructure investments made by the Partnership prior to the formation of the infrastructure subsidiary in 2013 or made prior to StepStone's acquisition of Courtland Partners, Ltd. on April 1, 2018 (the "Courtland acquisition"), totaling \$501.9 million of capital commitments, (ii) 29 client-directed infrastructure investments, totaling \$4.5 billion of capital commitments, and (iii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment.

<sup>7</sup> Co-investments include venture capital and growth equity direct investments for private equity.

<sup>8</sup> Private debt includes 886 investments totaling \$46.3 billion of capital commitments and excludes (i) 42 client-directed debt investments, totaling \$2.9 billion of capital commitments, (ii) 53 real estate credit investments that were recommended by Courtland Partners, Ltd. prior to the Courtland acquisition, totaling \$5.1 billion of capital commitments), and (iii) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment.

<sup>9</sup> Other includes mezzanine debt, collateralized loan obligations, leasing, regulatory capital, trade finance, intellectual property/royalty, real estate debt and infrastructure debt.

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



# Notable StepStone focused commingled funds<sup>1</sup>

Current funds in market include:

- Private equity secondaries fund
- Multi-strategy global venture capital fund
- Multi-strategy growth equity fund
- Expansion stage venture capital directs fund
- Venture capital secondaries
- Special situation real estate secondaries fund
- Infrastructure co-investment fund
- Corporate direct lending fund

Fund Name <sup>2</sup>	Description	Vintage Year	Fund Size (\$M)
<b>PRIVATE EQUITY</b>			
StepStone Secondary Opportunities Fund IV	Private equity secondaries	2019	\$ 2,097
StepStone VC Global Partners X	Multi-strategy global venture capital	2020	1,480
StepStone Tactical Growth Fund III	Multi-strategy growth equity	2020	696
StepStone VC Opportunities VI	Expansion stage venture capital directs	2020	653
StepStone VC Asia Fund I	Multi-strategy Asia venture capital	2020	251
StepStone VC Micro IV	Micro venture capital primaries	2022	234
StepStone VC Early Stage II	Early stage venture capital directs	2021	352
StepStone VC Secondaries Fund V	Venture capital secondaries	2021	2,600
StepStone Capital Partners V	Private equity co-investments	2021	2,364
<b>REAL ESTATE</b>			
StepStone Real Estate Partners IV	Special situation real estate secondaries	2019	\$ 1,404
<b>PRIVATE DEBT</b>			
StepStone Credit Opportunities Fund I	Corporate / opportunistic lending	2021	\$ 632
Senior Corporate Lending Fund II	Corporate direct lending	2021	1,275
Stepstone Private Credit Fund (SCRED)	Corporate direct lending	Evergreen	340 <sup>3</sup>
<b>PRIVATE WEALTH</b>			
StepStone Private Markets Fund (SPRIM)	Multi-strategy	Evergreen	\$ 2,048 <sup>3</sup>
StepStone Private Venture and Growth Fund (SPRING)	Venture capital and growth equity	Evergreen	465 <sup>3</sup>
StepStone Private Infrastructure Fund (STRUCTURE)	Infrastructure	Evergreen	83 <sup>3</sup>

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

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

<sup>3</sup> Reflects fair value of the fund's portfolio as of December 31, 2023.

# Reconciliation of GAAP income (loss) before income tax to ANI and FRE

(\$ in thousands)

	Quarter		Year-to-Date		Full Year	Last Twelve Months
	Dec '22	Dec '23	Dec '22	Dec '23	Mar '19	Dec '23
<b>Income (loss) before income tax</b>	\$ (14,287)	\$ (24,142)	\$ (108,959)	\$ 100,881	\$ 61,599	\$ 168,386
Net income attributable to non-controlling interests in subsidiaries <sup>(1)</sup>	(10,802)	(15,537)	(28,903)	(36,398)	(5,678)	(46,549)
Net loss attributable to non-controlling interests in legacy Greenspring entities	8,966	2,222	32,927	9,054	-	20,202
Unrealized carried interest allocations	63,367	129,584	354,095	24,849	(27,254)	(75,904)
Unrealized performance fee-related compensation	(31,875)	(62,243)	(172,554)	(9,320)	11,219	44,195
Unrealized investment (income) loss	1,354	5,559	10,219	1,373	(678)	(834)
Impact of Consolidated Funds	(4,895)	(11,068)	(4,895)	(21,938)	-	(25,940)
Deferred incentive fees	-	-	3,683	942	964	1,151
Equity-based compensation <sup>(2)</sup>	7,444	12,610	13,640	24,425	1,725	32,699
Amortization of intangibles	10,870	10,661	32,611	31,983	6,487	42,853
Tax Receivable Agreements adjustments through earnings	-	222	-	222	-	(22)
Non-core items <sup>(3)</sup>	9,952	6,335	16,847	4,785	4,673	5,518
<b>Pre-tax adjusted net income</b>	<b>40,094</b>	<b>54,203</b>	<b>148,711</b>	<b>130,858</b>	<b>53,057</b>	<b>165,755</b>
Income taxes <sup>(4)</sup>	(8,941)	(12,087)	(33,163)	(29,181)	(13,265)	(36,963)
<b>Adjusted net income</b>	<b>31,153</b>	<b>42,116</b>	<b>115,548</b>	<b>101,677</b>	<b>39,792</b>	<b>128,792</b>
Income taxes <sup>(4)</sup>	8,941	12,087	33,163	29,181	13,265	36,963
Realized carried interest allocations	(16,320)	(15,289)	(112,396)	(31,347)	(36,648)	(50,040)
Realized performance fee-related compensation <sup>(5)</sup>	11,726	15,444	67,091	26,266	20,259	39,021
Realized investment income	(673)	(3,508)	(4,746)	(5,488)	(3,448)	(6,245)
Incentive fees	(2,980)	(17,891)	(8,345)	(22,843)	(1,540)	(24,161)
Deferred incentive fees	-	-	(3,683)	(942)	(964)	(1,151)
Adjusted interest income <sup>(6)</sup>	(701)	(287)	(1,068)	(1,202)	(1,507)	(1,860)
Interest expense	1,111	2,562	2,515	6,682	10,261	8,356
Adjusted other (income) loss <sup>(6)(7)</sup>	(358)	(107)	1,380	511	194	465
Net income attributable to non-controlling interests in subsidiaries <sup>(1)</sup>	10,802	15,537	28,903	36,398	5,678	46,549
<b>Fee-related earnings</b>	<b>\$ 42,701</b>	<b>\$ 50,664</b>	<b>\$ 118,362</b>	<b>\$ 138,893</b>	<b>\$ 45,342</b>	<b>\$ 176,689</b>

1 Reflects the portion of pre-tax ANI of our subsidiaries attributable to non-controlling interests and the profits interests issued in the private wealth subsidiary.

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

3 Includes (income) expense related to compensation paid to certain equity holders as part of an acquisition earn-out (\$2.9 million in fiscal 2019), transaction costs (\$0.7 million and \$6.8 million for the three months ended December 31, 2023 and 2022, respectively, \$0.9 million and \$6.8 million for the nine months ended December 31, 2023 and 2022, respectively, \$1.8 million in fiscal 2019 and \$0.9 million for the last twelve months ended December 31, 2023), lease remeasurement adjustments (\$(0.1) million for the three months ended December 31, 2023, \$(0.1) million and \$(2.7) million for the nine months ended December 31, 2023 and 2022, respectively, and \$(0.1) million for the last twelve months ended December 31, 2023), accelerated depreciation of leasehold improvements for changes in lease terms (\$0.6 million for the three months ended December 31, 2023 and 2022, respectively, \$1.9 million and \$0.8 million for the nine months ended December 31, 2023 and 2022, respectively, and \$2.5 million for the last twelve months ended December 31, 2023), loss on change in fair value for contingent consideration obligation (\$9.1 million and \$2.0 million for the three months ended December 31, 2023 and 2022, respectively, \$4.9 million and \$9.9 million for the nine months ended December 31, 2023 and 2022, respectively, and \$4.3 million for the last twelve months ended December 31, 2023), compensation paid to certain employees as part of an acquisition earn-out (\$0.6 million and \$0.5 million for the three months ended December 31, 2023 and 2022, respectively, \$1.7 million for the nine months ended December 31, 2023 and 2022, and \$2.3 million for the last twelve months ended December 31, 2023), gain associated with amounts received as part of negotiations with a third party related to certain corporate matters (\$5.3 million for the three, nine and last twelve months ended December 31, 2023), loss on sale of subsidiary (\$0.8 million for the three, nine, and last twelve months ended December 31, 2023) and other non-core operating income and expenses.

4 Represents corporate income taxes at a blended statutory rate of 22.3% applied to pre-tax ANI for the three and nine months ended December 31, 2023 and 2022, and the last twelve months ended December 31, 2023. The 22.3% rate is based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 1.3%. A blended statutory rate of 25.0% has been applied to fiscal 2019 for comparability purposes.

5 Includes carried interest-related compensation expense related to the portion of net carried interest allocation revenue attributable to equity holders of the Company's consolidated subsidiaries that are not 100% owned (\$0.7 million and \$2.2 million for the three months ended December 31, 2023 and 2022, respectively, \$2.8 million and \$9.0 million for the nine months ended December 31, 2023 and 2022, respectively, \$0.1 million in fiscal 2019 and \$5.2 million for the last twelve months ended December 31, 2023).

6 Excludes the impact of consolidating the Consolidated Funds.  
7 Excludes amounts for Tax Receivable Agreements adjustments recognized as other income (loss) (\$(0.2) million for the three and nine months ended December 31, 2023, and \$21 thousand for the last twelve months ended December 31, 2023), gain associated with amounts received as part of negotiations with a third party related to certain corporate matters (\$5.3 million for the three, nine and last twelve months ended December 31, 2023), and loss on sale of subsidiary (\$0.8 million for the three, nine, and last twelve months ended December 31, 2023).

# Reconciliation of GAAP measures to adjusted measures

(\$ in thousands)

	Quarter		Year-to-Date		Full Year	Last Twelve Months
	Dec '22	Dec '23	Dec '22	Dec '23	Mar '19	Dec '23
<b>Total revenues</b>	\$ (4,235)	\$ (14,612)	\$ (239,948)	\$ 354,821	\$ 256,268	\$ 527,195
Unrealized carried interest allocations	63,367	129,584	354,095	24,849	(27,254)	(75,904)
Deferred incentive fees	-	-	3,683	942	964	1,151
Legacy Greenspring carried interest allocations	88,921	69,700	371,200	106,250	-	187,213
Management and advisory fee revenues for the Consolidated Funds <sup>(1)</sup>	-	451	-	841	-	988
<b>Adjusted revenues</b>	<b>\$ 148,053</b>	<b>\$ 185,123</b>	<b>\$ 489,030</b>	<b>\$ 487,703</b>	<b>\$ 229,978</b>	<b>\$ 640,643</b>
<b>GAAP management and advisory fees, net</b>	\$ 128,753	\$ 151,492	\$ 364,606	\$ 431,730	\$ 190,826	\$ 564,303
Adjustments <sup>(1)</sup>	-	451	-	841	-	988
<b>Adjusted management and advisory fees, net</b>	<b>\$ 128,753</b>	<b>\$ 151,943</b>	<b>\$ 364,606</b>	<b>\$ 432,571</b>	<b>\$ 190,826</b>	<b>\$ 565,291</b>
<b>GAAP cash-based compensation</b>	\$ 62,628	\$ 73,619	\$ 182,190	\$ 218,551	\$ 108,340	\$ 288,541
Adjustments <sup>(2)</sup>	(520)	(574)	(1,951)	(1,679)	(2,920)	(2,332)
<b>Adjusted cash-based compensation</b>	<b>\$ 62,108</b>	<b>\$ 73,045</b>	<b>\$ 180,239</b>	<b>\$ 216,872</b>	<b>\$ 105,420</b>	<b>\$ 286,209</b>
<b>GAAP equity-based compensation</b>	\$ 8,108	\$ 14,032	\$ 15,605	\$ 28,420	\$ -	\$ 37,755
Adjustments <sup>(3)</sup>	(7,444)	(12,610)	(13,640)	(24,425)	-	(32,699)
<b>Adjusted equity-based compensation</b>	<b>\$ 664</b>	<b>\$ 1,422</b>	<b>\$ 1,965</b>	<b>\$ 3,995</b>	<b>\$ -</b>	<b>\$ 5,056</b>
<b>GAAP general, administrative and other</b>	\$ 43,582	\$ 48,001	\$ 111,547	\$ 113,007	\$ 48,304	\$ 148,619
Adjustments <sup>(4)</sup>	(20,302)	(21,189)	(47,507)	(40,196)	(8,240)	(51,282)
<b>Adjusted general, administrative and other</b>	<b>\$ 23,280</b>	<b>\$ 26,812</b>	<b>\$ 64,040</b>	<b>\$ 72,811</b>	<b>\$ 40,064</b>	<b>\$ 97,337</b>
<b>GAAP interest income</b>	\$ 701	\$ 827	\$ 1,068	\$ 2,235	\$ 1,507	\$ 3,088
Adjustments <sup>(5)</sup>	-	(540)	-	(1,033)	-	(1,228)
<b>Adjusted interest income</b>	<b>\$ 701</b>	<b>\$ 287</b>	<b>\$ 1,068</b>	<b>\$ 1,202</b>	<b>\$ 1,507</b>	<b>\$ 1,860</b>
<b>GAAP other income (loss)</b>	\$ 358	\$ 4,408	\$ (1,380)	\$ 3,763	\$ (194)	\$ 3,723
Adjustments <sup>(6)</sup>	-	(4,301)	-	(4,274)	-	(4,188)
<b>Adjusted other income (loss)</b>	<b>\$ 358</b>	<b>\$ 107</b>	<b>\$ (1,380)</b>	<b>\$ (511)</b>	<b>\$ (194)</b>	<b>\$ (465)</b>

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

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

<sup>3</sup> Reflects the removal of equity-based compensation for awards granted prior to and in connection with the IPO, profits interests issued by our non-wholly owned subsidiaries, and unrealized mark-to-market changes in the fair value of the profits interests issued in the private wealth subsidiary.

<sup>4</sup> Reflects the removal of lease remeasurement adjustments, accelerated depreciation of leasehold improvements for changes in lease terms, amortization of intangibles, transaction-related costs and other non-core operating income and expenses.

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

<sup>6</sup> Reflects the removal of amounts for Tax Receivable Agreements adjustments recognized as other income (loss), gain associated with amounts received as part of negotiations with a third party related to certain corporate matters, loss on sale of subsidiary and the impact of consolidation of the Consolidated Funds.

# Calculation and reconciliation of adjusted net income per share

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

	Quarter		Year-to-date		Full Year	Last Twelve Months
	Dec '22	Dec '23	Dec '22	Dec '23	Mar '19	Dec '23
ANI	\$ 31,153	\$ 42,116	\$ 115,548	\$ 101,677	\$ 39,792	\$ 128,792
Weighted-average shares of Class A common stock outstanding – Basic <sup>(1)</sup>	62,192,899	64,068,952	61,583,215	63,255,604	29,237,500	63,142,007
Assumed vesting of RSUs <sup>(1)</sup>	457,818	333,402	722,935	511,889	745,347	514,757
Assumed vesting and exchange of Class B2 units <sup>(1)</sup>	2,486,197	2,553,899	2,467,141	2,532,489	2,411,318	2,524,552
Exchange of Class B units in the Partnership <sup>(1)(2)</sup>	46,662,062	46,314,543	46,898,733	46,384,046	65,578,831	46,393,168
Exchange of Class C units in the Partnership <sup>(3)</sup>	2,852,187	1,962,131	2,903,186	2,325,417	-	2,373,097
Adjusted shares <sup>(1)</sup>	114,651,163	115,232,927	114,575,210	115,009,445	97,972,996	114,947,581
ANI per share	\$ 0.27	\$ 0.37	\$ 1.01	\$ 0.88	\$ 0.41	\$ 1.12

<sup>1</sup> Our Class A common stock did not exist prior to the Reorganization and IPO in September 2020. As a result, the computation of ANI per share for fiscal 2019 assumes the same number of adjusted weighted-average 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 the Partnership for Class A common stock of SSG pursuant to the Class B Exchange Agreement.

<sup>3</sup> Assumes the full exchange of Class C units in the Partnership for Class A common stock of SSG pursuant to the Class C Exchange Agreement.



# Reconciliation of total performance fees to gross and net realized performance fees

(\$ in millions)

	Quarter																			
	FQ4'19	FQ1'20	FQ2'20	FQ3'20	FQ4'20	FQ1'21	FQ2'21	FQ3'21	FQ4'21	FQ1'22	FQ2'22	FQ3'22	FQ4'22	FQ1'23	FQ2'23	FQ3'23	FQ4'23	FQ1'24	FQ2'24	FQ3'24
Incentive fees	\$ 0.1	\$ 1.6	\$ 0.8	\$ 0.2	\$ 0.8	\$ 3.6	\$ 1.2	\$ 0.3	\$ 0.4	\$ 4.2	\$ 1.8	\$ 0.0	\$ 5.6	\$ -	\$ 5.4	\$ 3.0	\$ 1.3	\$ 0.0	\$ 4.9	\$ 17.9
Realized carried interest allocations	9.9	12.9	11.1	19.6	2.6	3.6	8.6	26.1	24.7	50.0	52.5	66.6	31.7	73.6	22.5	16.3	18.7	14.5	1.6	15.3
Unrealized carried interest allocations	(16.7)	34.1	66.2	(14.9)	76.3	(132.1)	157.5	150.7	257.8	176.4	143.9	132.5	133.1	(113.9)	(176.8)	(63.4)	100.8	49.4	55.4	(129.6)
Legacy Greenspring carried interest allocations	-	-	-	-	-	-	-	-	-	-	-	105.0	82.1	(153.6)	(128.7)	(88.9)	(81.0)	(23.9)	(12.6)	(69.7)
<b>Total performance fees</b>	<b>(6.7)</b>	<b>48.6</b>	<b>78.0</b>	<b>4.9</b>	<b>79.7</b>	<b>(124.9)</b>	<b>167.3</b>	<b>177.1</b>	<b>282.9</b>	<b>230.5</b>	<b>198.2</b>	<b>304.1</b>	<b>252.5</b>	<b>(193.9)</b>	<b>(277.7)</b>	<b>(133.0)</b>	<b>39.8</b>	<b>40.0</b>	<b>49.3</b>	<b>(166.1)</b>
Unrealized carried interest allocations	16.7	(34.1)	(66.2)	14.9	(76.3)	132.1	(157.5)	(150.7)	(257.8)	(176.4)	(143.9)	(132.5)	(133.1)	113.9	176.8	63.4	(100.8)	(49.4)	(55.4)	129.6
Legacy Greenspring carried interest allocations	-	-	-	-	-	-	-	-	-	-	-	(105.0)	(82.1)	153.6	128.7	88.9	81.0	23.9	12.6	69.7
Deferred incentive fees	-	-	0.8	-	-	3.5	1.2	-	-	4.0	1.8	-	(4.4)	-	3.7	-	0.2	-	0.9	-
<b>Gross realized performance fees</b>	<b>10.0</b>	<b>14.5</b>	<b>12.6</b>	<b>19.8</b>	<b>3.4</b>	<b>10.8</b>	<b>10.9</b>	<b>26.4</b>	<b>25.1</b>	<b>58.2</b>	<b>56.1</b>	<b>66.6</b>	<b>32.9</b>	<b>73.6</b>	<b>31.5</b>	<b>19.3</b>	<b>20.2</b>	<b>14.5</b>	<b>7.5</b>	<b>33.2</b>
Realized performance fee-related compensation	(5.4)	(7.8)	(6.4)	(10.4)	(2.4)	(2.9)	(4.8)	(10.2)	(12.6)	(25.3)	(26.8)	(34.0)	(5.1)	(41.7)	(13.6)	(11.7)	(12.8)	(9.1)	(1.7)	(15.4)
<b>Net realized performance fees</b>	<b>\$ 4.6</b>	<b>\$ 6.7</b>	<b>\$ 6.2</b>	<b>\$ 9.4</b>	<b>\$ 1.0</b>	<b>\$ 7.9</b>	<b>\$ 6.1</b>	<b>\$ 16.1</b>	<b>\$ 12.5</b>	<b>\$ 32.9</b>	<b>\$ 29.3</b>	<b>\$ 32.6</b>	<b>\$ 27.8</b>	<b>\$ 31.9</b>	<b>\$ 17.9</b>	<b>\$ 7.6</b>	<b>\$ 7.5</b>	<b>\$ 5.4</b>	<b>\$ 5.8</b>	<b>\$ 17.7</b>

	Last Twelve Months																			
	FQ4'19	FQ1'20	FQ2'20	FQ3'20	FQ4'20	FQ1'21	FQ2'21	FQ3'21	FQ4'21	FQ1'22	FQ2'22	FQ3'22	FQ4'22	FQ1'23	FQ2'23	FQ3'23	FQ4'23	FQ1'24	FQ2'24	FQ3'24
Incentive fees	\$ 1.5	\$ 1.9	\$ 2.6	\$ 2.7	\$ 3.4	\$ 5.4	\$ 5.8	\$ 5.9	\$ 5.5	\$ 6.1	\$ 6.7	\$ 6.4	\$ 11.6	\$ 7.4	\$ 11.0	\$ 13.9	\$ 9.7	\$ 9.7	\$ 9.3	\$ 24.2
Realized carried interest allocations	36.6	38.3	39.2	53.4	46.2	36.9	34.4	40.9	63.0	109.3	153.3	193.7	200.7	224.4	194.3	144.1	131.1	72.0	51.1	50.0
Unrealized carried interest allocations	27.3	54.1	97.2	68.7	161.7	(4.5)	86.8	252.4	433.9	742.4	728.8	710.6	585.9	295.6	(25.1)	(221.0)	(253.3)	(90.0)	142.2	76.0
Legacy Greenspring carried interest allocations	-	-	-	-	-	-	-	-	-	-	-	105.0	187.1	33.5	(95.2)	(289.1)	(452.2)	(322.5)	(206.4)	(187.2)
<b>Total performance fees</b>	<b>65.5</b>	<b>94.3</b>	<b>139.0</b>	<b>124.9</b>	<b>211.3</b>	<b>37.8</b>	<b>127.0</b>	<b>299.2</b>	<b>502.3</b>	<b>857.7</b>	<b>888.7</b>	<b>1,015.7</b>	<b>985.4</b>	<b>560.9</b>	<b>85.0</b>	<b>(352.1)</b>	<b>(564.7)</b>	<b>(330.9)</b>	<b>(3.9)</b>	<b>\$ (37.0)</b>
Unrealized carried interest allocations	(27.3)	(54.1)	(97.2)	(68.7)	(161.7)	4.5	(86.8)	(252.4)	(433.9)	(742.4)	(728.8)	(710.6)	(585.9)	(295.6)	25.1	221.0	253.3	90.0	(142.2)	(76.0)
Legacy Greenspring carried interest allocations	-	-	-	-	-	-	-	-	-	-	-	(105.0)	(187.1)	(33.5)	95.2	289.1	452.2	322.5	206.4	187.2
Deferred incentive fees	1.0	-	0.8	0.8	0.8	4.3	4.7	4.7	4.7	5.2	5.8	5.8	1.4	(2.6)	(0.7)	(0.7)	3.9	3.9	1.2	1.2
<b>Gross realized performance fees</b>	<b>39.2</b>	<b>40.2</b>	<b>42.6</b>	<b>57.0</b>	<b>50.4</b>	<b>46.6</b>	<b>44.9</b>	<b>51.5</b>	<b>73.1</b>	<b>120.5</b>	<b>165.7</b>	<b>205.9</b>	<b>213.8</b>	<b>229.2</b>	<b>204.6</b>	<b>157.3</b>	<b>144.6</b>	<b>85.5</b>	<b>61.5</b>	<b>75.4</b>
Realized performance fee-related compensation	(20.3)	(21.8)	(22.6)	(30.0)	(27.0)	(22.1)	(20.5)	(20.4)	(30.5)	(52.9)	(74.9)	(98.7)	(91.2)	(107.6)	(94.5)	(72.2)	(79.8)	(47.2)	(35.3)	(39.0)
<b>Net realized performance fees</b>	<b>\$ 18.9</b>	<b>\$ 18.4</b>	<b>\$ 20.0</b>	<b>\$ 27.0</b>	<b>\$ 23.4</b>	<b>\$ 24.5</b>	<b>\$ 24.4</b>	<b>\$ 31.1</b>	<b>\$ 42.6</b>	<b>\$ 67.6</b>	<b>\$ 90.8</b>	<b>\$ 107.2</b>	<b>\$ 122.5</b>	<b>\$ 121.5</b>	<b>\$ 110.1</b>	<b>\$ 85.1</b>	<b>\$ 64.8</b>	<b>\$ 38.3</b>	<b>\$ 26.2</b>	<b>\$ 36.3</b>

# Definitions

**Adjusted net income**, or “**ANI**,” is a non-GAAP performance measure that we present before the consolidation of StepStone Funds on a pre-tax and after-tax basis used to evaluate profitability. ANI represents the after-tax net realized income attributable to us. ANI does not reflect legacy Greenspring carried interest allocation revenues, legacy Greenspring carried interest-related compensation and legacy Greenspring investment income (loss) as none of the economics are attributable to us. The components of revenues used in the determination of ANI (“**adjusted revenues**”) comprise adjusted management and advisory fees, net, 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 (loss), (c) equity-based compensation for awards granted prior to and in connection with our initial public offering (“**IPO**”), profits interests issued by our non-wholly owned subsidiaries, and unrealized mark-to-market changes in the fair value of the profits interests issued in the private wealth subsidiary, (d) amortization of intangibles and (e) net income (loss) attributable to non-controlling interests, (f) charges associated with acquisitions and corporate transactions, and (g) certain other items that we believe are not indicative of our core operating performance. ANI is fully taxed at our blended statutory rate. We believe ANI and adjusted revenues are useful to investors because they enable investors to evaluate the performance of our business across reporting periods.

**ANI per share** measures our per-share earnings assuming all Class B units and Class C units in the Partnership were exchanged for Class A common stock in SSG, including the dilutive impact of outstanding equity-based awards. ANI per share is calculated as ANI divided by adjusted weighted-average 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.

**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. We believe AUA is a useful metric for assessing the relative size of our advisory business.

Our AUA is calculated as the sum of (i) the net asset value (“**NAV**”) of client portfolio assets for which we do not have full discretion and (ii) the unfunded commitments of clients to the underlying investments. Our AUA reflects the investment valuations in respect of the underlying investments of our client accounts on a three-month lag, adjusted for new client account activity through the period end. Our AUA does not include post-period investment valuation or cash activity. AUA as of December 31, 2023 reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. NAV data for underlying investments is as of September 30, 2023, as reported by underlying managers up to the business day occurring on or after 100 days following September 30, 2023. When NAV data is not available by the business day occurring on or after 100 days following September 30, 2023, 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)

**Assets under management**, or “**AUM**,” primarily reflects the assets associated with our separately managed accounts (“**SMA**s”) 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 NAV of client portfolio assets, including the StepStone Funds and (ii) the unfunded commitments of clients to the underlying investments and the StepStone Funds. Our AUM reflects the investment valuations in respect of the underlying investments of our funds and accounts on a three-month lag, adjusted for new client account activity through the period end. Our AUM does not include post-period investment valuation or cash activity. AUM as of December 31, 2023 reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. NAV data for underlying investments is as of September 30, 2023, as reported by underlying managers up to the business day occurring on or after 100 days following September 30, 2023. When NAV data is not available by the business day occurring on or after 100 days following September 30, 2023, such NAVs are adjusted for cash activity following the last available reported NAV.

**Company** refers to SSG and its consolidated subsidiaries, including the Partnership, following the Reorganization and IPO and to the Partnership and its consolidated subsidiaries prior to the Reorganization and IPO.

**Compound annual growth rate**, or “**CAGR**,” represents a measure of the annual growth rate over multiple periods, considering the effect of compounding.

**Consolidated Funds** refer to the StepStone Funds that we are required to consolidate as of the applicable reporting period. We consolidate funds and other entities in which we hold a controlling financial interest.

**Fee-earning AUM**, or “**FEAUM**,” reflects the assets from which we earn management fee revenue (i.e., fee basis) and includes assets in our SMA, 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 SMA 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. We believe FEAUM is a useful metric in order to assess assets forming the basis of our management fee revenue.

**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 adjusted management and advisory fees, net, less adjusted expenses which are operating expenses other than (a) performance fee-related compensation, (b) equity-based compensation for awards granted prior to and in connection with our IPO, profits interests issued by our non-wholly owned subsidiaries, and unrealized mark-to-market changes in the fair value of the profits interests issued in the private wealth subsidiary, (c) amortization of intangibles, (d) charges associated with acquisitions and corporate transactions, and (e) certain other items that we believe are not indicative of our core operating performance. 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.

**Fund size** refers to total capital commitments to a StepStone Fund, including commitments from the Company as the general partner.

# Definitions (continued)

**Gross realized performance fees** represent realized carried interest allocations and incentive fees, including the deferred portion. We believe gross realized performance fees is useful to investors because it presents the total performance fees realized by us.

**Invested capital** refers to the total amount of all investments made by a fund, including commitment-reducing and non-commitment-reducing capital calls.

**IRR** refers to the annualized internal rate of return for all investments within the relevant investment strategy on an inception-to-date basis as of September 30, 2023 (except as noted otherwise on slides 28 and 29), based on contributions, distributions and unrealized value.

**Last twelve months, or "LTM,"** refer to the preceding twelve months as of the period end.

**Legacy Greenspring entities** refer to certain entities for which the Company, indirectly through its subsidiaries, became the sole and/or managing member in connection with the Greenspring acquisition.

**Net asset value, or "NAV,"** refers to the estimated fair value of unrealized investments plus any net assets or liabilities associated with the investment as of September 30, 2023.

**Net IRR** refers to IRR, net of fees and expenses charged by both the underlying fund managers and the Partnership.

**Net realized performance fees** represent gross realized performance fees, less realized performance fee-related compensation. We believe net realized performance fees is useful to investors because it presents the performance fees attributable to us, net of amounts paid to employees as performance fee-related compensation.

**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).

**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 IPO, which was completed on September 18, 2020.

**StepStone Funds** refer to focused commingled funds and separately managed accounts of the Company, including acquired Greenspring funds, for which the Partnership or one of its subsidiaries acts as both investment adviser and general partner or managing member.

**StepStone Group Inc., or "SSG,"** refers solely to StepStone Group Inc., a Delaware corporation, and not to any of its subsidiaries.

**Total capital responsibility** equals AUM plus AUA. AUM includes any accounts for which StepStone Group has full discretion over the investment decisions, has responsibility to arrange or effectuate transactions, or has custody of assets. AUA refers to accounts for which StepStone Group provides advice or consultation but for which the firm does not have discretionary authority, responsibility to arrange or effectuate transactions, or custody of assets.

**Undeployed fee-earning capital** represents the amount of capital commitments to StepStone Funds that has not yet been invested or considered active but will generate management fee revenue once this capital is invested or activated. We believe undeployed fee-earning capital is a useful metric for measuring the amount of capital that we can put to work in the future and thus earn management fee revenue thereon.



# Disclosure

Some of the statements in this presentation may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking. Words such as “anticipate,” “believe,” “continue,” “estimate,” “expect,” “future,” “intend,” “may,” “plan” and “will” and similar expressions identify forward-looking statements. Forward-looking statements reflect management’s current plans, estimates and expectations and are inherently uncertain. The inclusion of any forward-looking information in this presentation should not be regarded as a representation that the future plans, estimates or expectations contemplated will be achieved. Forward-looking statements are subject to various risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, global and domestic market and business conditions, successful execution of business and growth strategies and regulatory factors relevant to our business, as well as assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity and the risks and uncertainties described in greater detail under “Risk Factors” included in our annual report on Form 10-K for the fiscal year ended March 31, 2023, and in our subsequent reports filed with the Securities and Exchange Commission, as such factors may be updated from time to time. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

The non-GAAP financial measures contained in this presentation (including, without limitation, adjusted revenues, adjusted net income (on both a pre-tax and after-tax basis), adjusted net income per share, fee-related earnings and fee-related earnings margin) are not GAAP measures of the Company’s financial performance or liquidity and should not be considered as alternatives to revenues or net income (loss) as measures of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP. A reconciliation of such non-GAAP measures to their most directly comparable GAAP measure is included on slides 31-34 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.



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