

12. Presentation by StepStone Group – 2019 Fourth Quarter Private Equity Performance Report



Water and Power Employees' Retirement Plan
Private Equity Monitoring Report
For the period ended December 31, 2019

July 22, 2020

Board Presentation



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All data is as of December 31, 2019 unless otherwise noted.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ACTUAL PERFORMANCE MAY VARY.

Overview



- I. Performance Summary
- II. Portfolio Exposure
- III. Cash Flow Analysis
- IV. Private Equity Market Overview
- V. Schedule of Investments

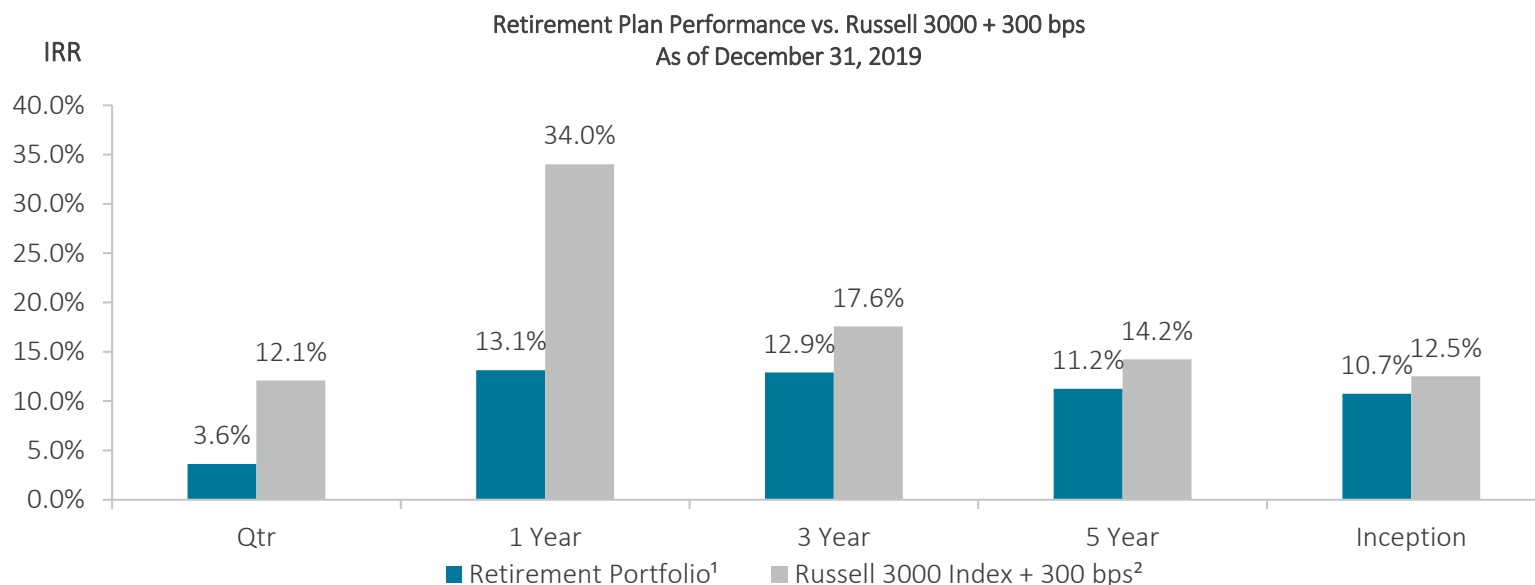
I. PERFORMANCE SUMMARY

Performance vs. Benchmarks – Retirement Plan



The Retirement Plan’s since inception return of 10.7% has outperformed the S&P 500’s since inception return of 9.6% and the MSCI’s since inception return of 4.4% as of December 31, 2019, however, it trails the policy benchmark of Russell 3000 Index + 300 basis points of 12.5% partly due to the large amount of capital that has been deployed over the past few years that is still early in its value creation phase.

Benchmark as of December 31, 2019	Qtr	1 Year	3 Year	5 Year	Inception
Retirement Portfolio ¹	3.6%	13.1%	12.9%	11.2%	10.7%
S&P 500 ²	9.1%	31.5%	15.3%	11.7%	9.6%
Russell 3000 + 300 bps ²	12.1%	34.0%	17.6%	14.2%	12.5%
MSCI ACWI ²	8.6%	24.1%	10.2%	6.3%	4.4%
Burgiss Private iQ Benchmark (Pooled Average) ³	5.3%	16.3%	15.9%	13.7%	11.7%



¹IRR performance is net of underlying partnership fees, but not net of StepStone fees.

²S&P 500, Russell 3000 + 300 bps and MSCI returns reflect the index total return which includes the impact of reinvested dividends. Returns under one year are unannualized.

³Burgiss Private iQ Benchmark as of December 31, 2019 and represents returns for All Global Private Equity, excluding vintage years where The Retirement Plan did not make any investments.

Note: The referenced indices are shown for general market comparisons and are not meant to represent any particular fund. An investor cannot directly invest in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented.

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.

Performance Summary – Retirement Plan



Net Cash Flow Activity – Since inception Net Cash Outflow: US\$443.4 million, as portfolio remains young.

- Quarterly Cash Flow – Net cash outflow of US\$13.7 million during the quarter.

Valuation – Annual gain of US\$82.7 million, or 8.8% of invested capital.

- Quarterly valuation Change – Net gain of US\$26.0 million.

Performance – Since inception IRR: 10.7%; DPI: 0.5x; TVM 1.3x

- Q4 2019 Quarterly IRR: 3.6%
- 1-year IRR: 13.1%

As of December 31, 2019. In USD millions.

	INCEPTION TO DECEMBER 31, 2019	INCEPTION TO SEPTEMBER 30, 2019	INCEPTION TO DECEMBER 31, 2018	QUARTERLY CHANGE	ANNUAL CHANGE
Number of Investments	41	40	35	1	6
Committed Capital	\$1,927.7	\$1,802.7	\$1,475.7	\$125.0	\$452.0
Unfunded Commitment	1,096.1	1,029.5	824.1	66.6	272.0
Contributed Capital ¹	944.2	877.7	743.6	66.5	200.7
Distributed Capital	500.9	448.1	403.3	52.8	97.6
Market Value	756.8	717.0	571.0	39.7	185.8
TOTAL VALUE	\$1,257.6	\$1,165.1	\$974.3	\$92.5	\$283.3
Total Gain/(Loss)	313.4	287.4	230.7	26.0	82.7
Gross DPI ²	0.53x	0.51x	0.54x	0.02x	(0.03x)
Gross TVM ³	1.33x	1.33x	1.31x	0.00x	0.02x
Gross IRR ³	10.7%	10.6%	10.3%	+18 bps	+43 bps

Notes:

¹Includes management fees and expenses to underlying partnerships, both inside and outside of the Retirement Plan's commitment.

²Includes stock sales.

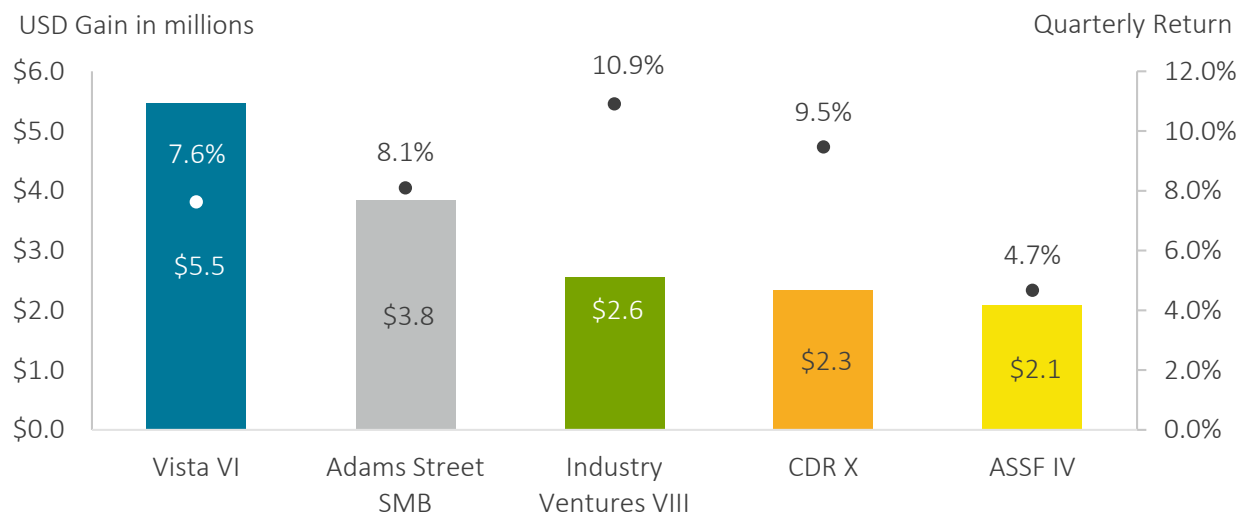
³Gross IRR and TVM is net of underlying GP Fees but is not net of StepStone Fees. WRERP's contract with StepStone is effective March 1, 2018.

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

Top Valuation Changes – Retirement Plan

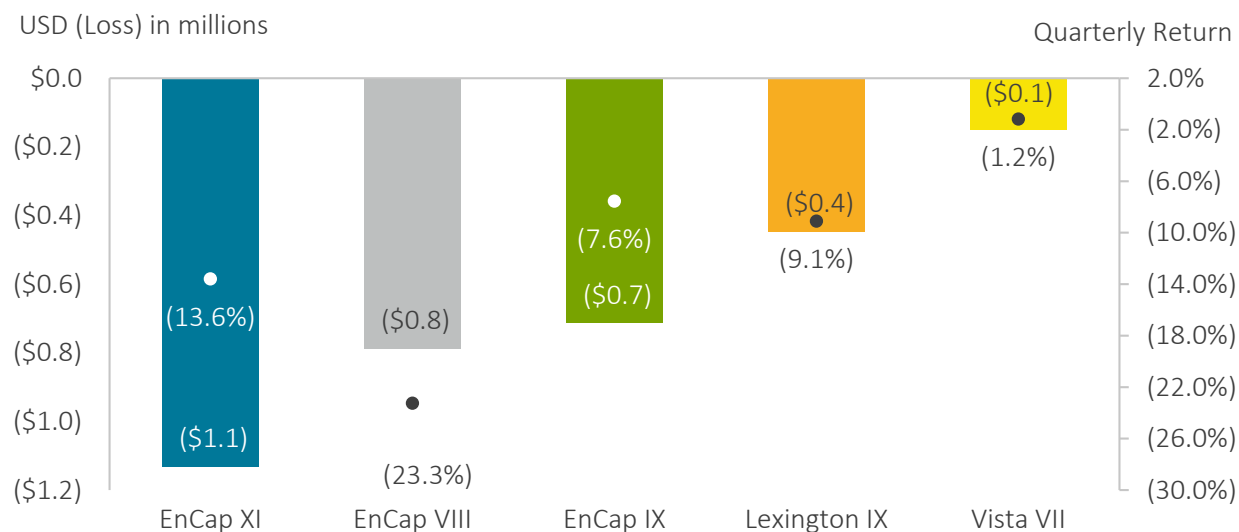
Top Increases in Valuation

- During the quarter, 28 funds increased in value, by an aggregate US\$30.3 million
- Top 5 fund valuation increases accounted for 53.8% of gain driven by Vista VI, Adams Street SMB, Industry Ventures VIII, CDR X and ASSF IV.



Top Decreases in Valuation

- During the quarter, 12 funds decreased in value, by an aggregate (US\$4.3) million
- Top 5 fund valuation decreases accounted for 75.5% of loss, driven by EnCap XI, EnCap VIII, EnCap IX, Lexington IX and Vista VII.



Note:

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.
 Top valuation changes also include fund of funds and secondary funds.

Performance by Vintage Year – Retirement Plan



The following table illustrates the Portfolio's investments since inception performance by vintage year as compared to Private iQ benchmark returns as of December 31, 2019. Note that the performance of funds held less than two years old is not considered meaningful.

As of December 31, 2019. In USD millions.

Vintage	Committed	Contributed	Distributed	Market Value	Total Value	Gain/(Loss)	Unfunded	DPI	TVM	IRR	Retirement Plan Quartile	Private iQ Benchmarks		
												Upper IRR	Median IRR	Lower IRR
2006	\$60.0	\$60.7	\$73.3	\$9.3	\$82.6	\$21.9	\$1.7	1.2x	1.4x	6.2%	Second	11.8%	5.6%	0.1%
2008	70.0	64.7	74.5	20.8	95.3	30.6	8.0	1.2x	1.5x	7.9%	Third	15.5%	8.3%	1.4%
2009	46.0	41.8	50.8	7.9	58.7	16.9	6.5	1.2x	1.4x	8.9%	Third	22.7%	13.4%	7.0%
2011	54.5	55.2	59.3	22.1	81.4	26.2	5.4	1.1x	1.5x	11.0%	Third	21.6%	13.7%	7.2%
2012	25.0	27.7	17.8	23.9	41.7	14.0	3.7	0.6x	1.5x	12.6%	Third	19.2%	12.7%	7.6%
2013	35.0	39.3	28.5	32.5	60.9	21.6	2.0	0.7x	1.5x	17.3%	Second	19.9%	13.0%	7.6%
2014	149.0	147.2	114.2	122.3	236.5	89.2	36.5	0.8x	1.6x	18.2%	Second	21.7%	14.4%	8.2%
2015	187.0	157.8	51.8	135.0	186.8	28.9	63.1	0.3x	1.2x	7.2%	Fourth	21.1%	13.9%	8.2%
2016	127.5	116.1	19.8	138.7	158.5	42.4	26.8	0.2x	1.4x	18.9%	Second	23.1%	14.1%	7.7%
2017	289.0	145.9	10.1	149.6	159.7	13.8	152.6	0.1x	1.1x	8.4%	Third	22.0%	11.4%	4.4%
2018	262.2	60.6	0.6	67.0	67.6	7.0	194.6	NM	NM	NM	NM	NM	NM	NM
2019	622.5	27.2	0.4	27.7	28.1	0.9	595.3	NM	NM	NM	NM	NM	NM	NM
TOTAL	\$1,927.7	\$944.2	\$500.9	\$756.8	\$1,257.6	\$313.4	\$1,096.1	0.5x	1.3x	10.7%				

Note: Private iQ benchmark is provided by The Burgiss Group as of December 31, 2019 and reflects All Global Private Equity Funds, excluding Real Estate and vintage years where The Retirement Plan did not make any investments.

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.

Performance by Vintage Year – Retirement Plan (cont'd)



The following table illustrates the Portfolio's since inception investment performance and periodic performance by vintage year as of December 31, 2019. Note that the performance of funds held less than two years old is not considered meaningful.

As of December 31, 2019. In USD millions.

IRR Performance by Vintage Year							
Vintage Year	No. of Inv.	Commitments	Qtr ¹	1-Year	3-Year	5-Year	Inception
2006	2	\$60.0	4.6%	8.8%	8.8%	3.4%	6.2%
2008	3	70.0	1.1%	1.7%	1.1%	0.5%	7.9%
2009	2	46.0	2.5%	(3.3%)	1.6%	1.5%	8.9%
2011	3	54.5	(1.8%)	(3.2%)	4.6%	10.2%	11.0%
2012	1	25.0	5.2%	15.8%	11.2%	13.3%	12.6%
2013	2	35.0	(0.2%)	8.8%	12.2%	17.0%	17.3%
2014	4	149.0	3.6%	18.0%	21.6%	18.5%	18.2%
2015	4	187.0	2.9%	8.1%	9.4%	NM	7.2%
2016	3	127.5	7.0%	20.5%	20.2%	NM	18.9%
2017	4	289.0	4.5%	15.1%	NM	NM	8.4%
2018	4	262.2	NM	NM	NM	NM	NM
2019	9	622.5	NM	NM	NM	NM	NM
Total	41	\$1,927.7	3.6%	13.1%	12.9%	11.2%	10.7%

¹ Quarterly IRR is not annualized.

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.

Performance by Strategy – Retirement Plan



The following table illustrates the Portfolio's since inception investment performance and periodic performance by strategy as of December 31, 2019.

As of December 31, 2019. In USD millions.

Sector / Sub-Sector	No. of Inv.	Commitments	IRR Performance by Strategy				
			Qtr ¹	1-Year	3-Year	5-Year	Inception
Buyout	19	\$1,085.2	4.6%	15.4%	17.5%	16.9%	16.7%
Venture Capital	3	80.0	6.2%	26.7%	18.7%	12.2%	13.0%
Mezzanine	2	67.0	4.2%	12.4%	11.8%	11.8%	11.1%
Secondaries	6	235.0	1.8%	15.4%	11.5%	6.4%	8.8%
Distressed	6	259.0	3.5%	12.5%	6.1%	4.0%	5.8%
Growth Equity	5	201.5	(4.5%)	(9.8%)	(2.6%)	2.1%	2.5%
Total	41	\$1,927.7	3.6%	13.1%	12.9%	11.2%	10.7%

¹ Quarterly IRR is not annualized.

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II. PORTFOLIO EXPOSURE

Summary of Portfolio Exposure – Retirement Plan



The Portfolio is primarily concentrated in funds employing Buyout strategies, which comprise 61.5% of total exposure as of quarter-end. The following table illustrates the diversification of the Portfolio as of December 31, 2019 by fund strategy and geographic focus.

As of December 31, 2019. In USD millions.

Sector	Market Value	% of Total Portfolio	Unfunded Commitment	% of Total Portfolio	Exposure ¹	% of Total Portfolio
Buyout	\$444.9	58.8%	\$695.2	63.4%	\$1,140.1	61.5%
Distressed	127.0	16.8%	113.7	10.4%	240.7	13.0%
Growth Equity	55.9	7.4%	128.0	11.7%	183.9	9.9%
Secondaries	48.2	6.4%	90.4	8.2%	138.6	7.5%
Venture Capital	46.9	6.2%	36.2	3.3%	83.1	4.5%
Mezzanine	33.8	4.5%	32.7	3.0%	66.6	3.6%
TOTAL	\$756.8	100.0%	\$1,096.1	100.0%	\$1,852.9	100.0%
Geography	Market Value	% of Total Portfolio	Unfunded Commitment	% of Total Portfolio	Exposure ¹	% of Total Portfolio
Global	\$532.2	70.3%	\$514.1	46.9%	\$1,046.3	56.5%
North America	224.5	29.7%	582.0	53.1%	806.5	43.5%
TOTAL	\$756.8	100.0%	\$1,096.1	100.0%	\$1,852.9	100.0%

¹ Exposure represents the sum of the unfunded commitment and the report market value as provided by the general partner.

Exposure by Investment Manager – Retirement Plan



The Portfolio has the largest amount of exposure to Adams Street Partners at 13.8% across two funds. The second largest exposure is with Vista Equity Partners at 13.3% across four funds. Average exposure by GP is US\$88.2 million.

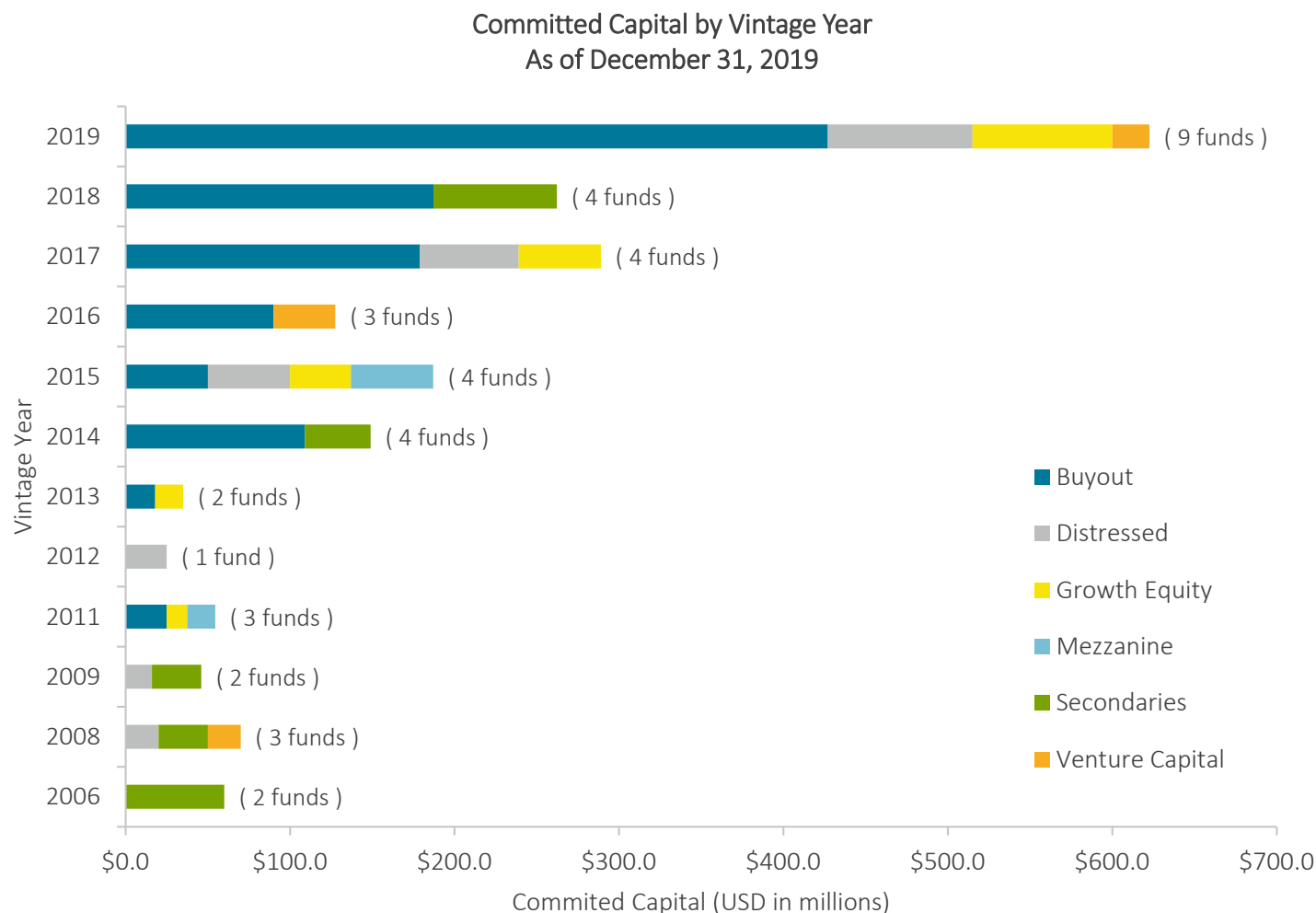
As of December 31, 2019. In USD millions.

Manager	# of Funds	Exposure	Exposure % of Total	TVM	Net IRR	DPI
Adams Street Partners	2	\$254.9	13.8%	1.1x	7.8%	0.0x
Vista Equity Partners	4	\$246.1	13.3%	1.6x	18.7%	0.6x
Ares Management	3	\$141.6	7.6%	1.1x	6.3%	0.2x
Harvest Partners	2	\$117.8	6.4%	1.1x	6.4%	0.0x
Crestview Partners	2	\$110.4	6.0%	1.3x	11.3%	0.6x
EnCap Investments	4	\$98.9	5.3%	1.1x	2.5%	0.4x
Lexington Partners	3	\$94.4	5.1%	1.5x	10.0%	1.2x
Clayton, Dubilier & Rice	2	\$89.8	4.8%	1.4x	20.1%	0.4x
Platinum Equity	1	\$87.9	4.7%	NM	NM	NM
Searchlight Capital Partners	1	\$87.5	4.7%	NM	NM	NM
Apollo Management	2	\$87.4	4.7%	1.2x	10.4%	0.4x
Providence Strategic Growth	1	\$85.0	4.6%	NM	NM	NM
Silver Lake Partners	2	\$79.7	4.3%	1.5x	22.6%	0.3x
Industry Ventures	2	\$68.8	3.7%	1.5x	54.7%	0.2x
Genstar Capital Partners	2	\$66.5	3.6%	NM	NM	NM
Blackstone Tactical Opportunities	1	\$62.8	3.4%	1.4x	11.9%	0.5x
Landmark Partners	3	\$44.3	2.4%	1.3x	7.6%	1.0x
Fisher Lynch Capital	1	\$14.3	0.8%	1.7x	8.8%	1.0x
Capital Dynamics Inc	1	\$8.8	0.5%	1.5x	6.8%	1.3x
Audax Group	1	\$3.7	0.2%	1.3x	9.9%	1.1x
Oaktree Capital	1	\$2.4	0.1%	1.1x	1.7%	1.0x
TOTAL	41	\$1,852.9	100.0%	1.3x	10.7%	0.5x

Committed Capital by Vintage Year – Retirement Plan



The following chart provides a breakdown of committed capital by vintage year, including a breakdown of the underlying strategies. In earlier years the Portfolio was concentrated in Secondaries, however from 2012 to 2019 the main strategy has changed to Buyouts.



III. CASH FLOW ANALYSIS

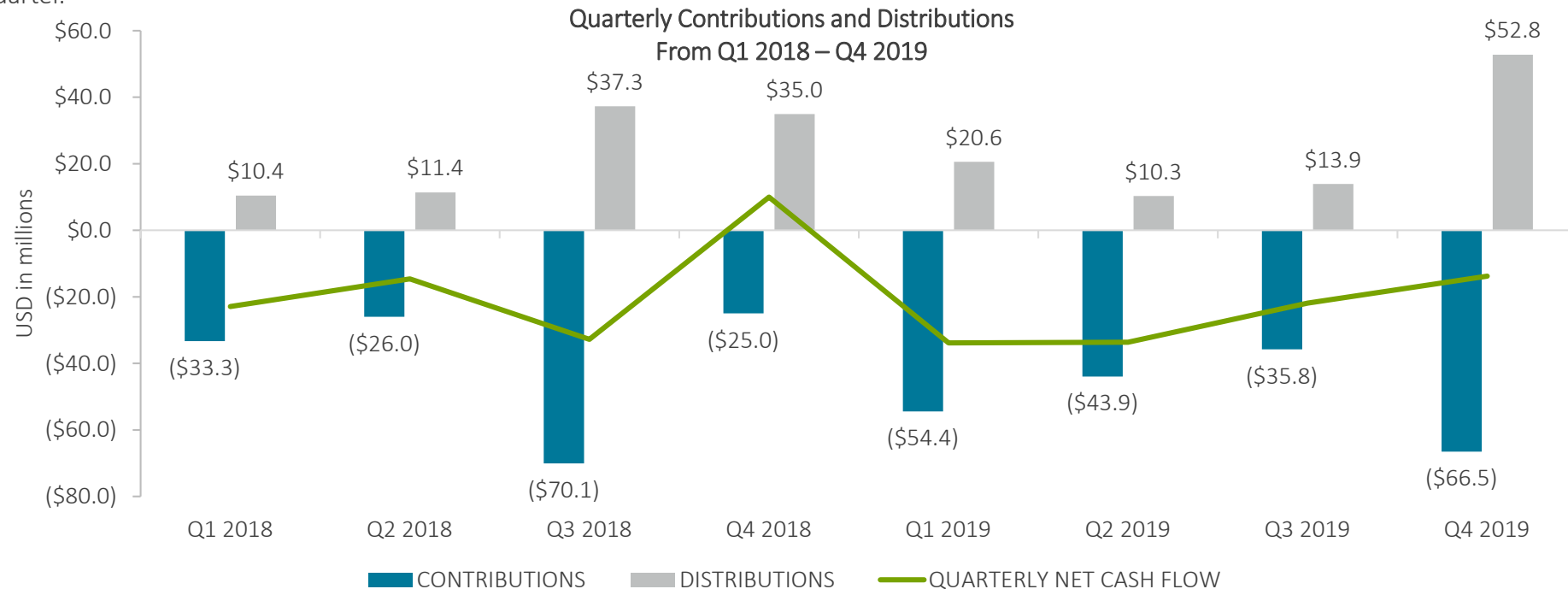
Quarterly Cash Flow Activity – Retirement Plan

During the fourth quarter of 2019, the Portfolio contributed US\$66.5 million and received US\$52.8 million in distributions, for a net cash outflow of US\$13.7 million.

The primary source of the fourth quarter distributions was Buyout funds which distributed US\$37.2 million or 70.5% of the total Retirement Plan distributions. Within the Buyout funds, the largest total distributions came from Vista Equity Partners Fund V, L.P. (US\$14.9 million) and Crestview Partners III, L.P. (US\$13.9 million), representing 77.4% of all Buyout distributions.

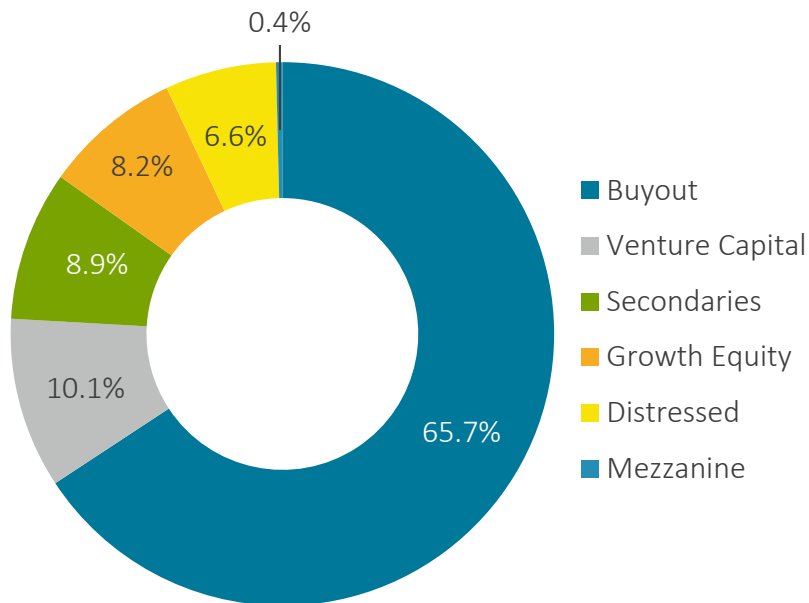
Of the US\$66.5 million the Retirement Plan contributed to its underlying funds during the fourth quarter, Buyout funds called the most capital totaling US\$43.7 million, or 65.7% of the total capital drawn, followed by Venture Capital funds (US\$6.8 million). The largest total contributions within Buyout came from Adams Street Global SMB WPERP Fund LP (US\$9.4 million) and Harvest Partners VIII, L.P. (US\$8.3 million), representing 40.4% of all Buyout contributions.

The following graphs illustrate the Portfolio’s cash flow activity over the previous eight quarters, as well as a breakdown by sector for the fourth quarter.

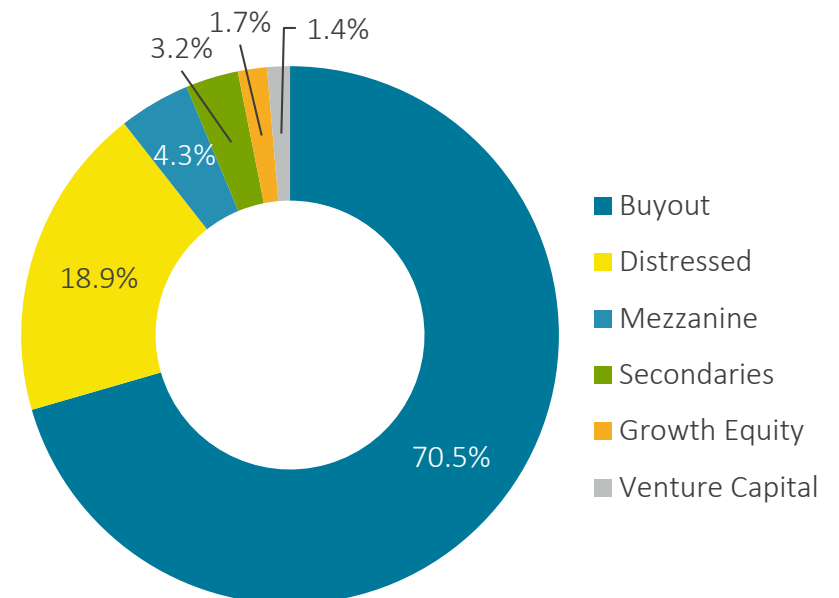


Quarterly Cash Flow Activity – Retirement Plan

Q4 2019 Contributed by Strategy
As of December 31, 2019

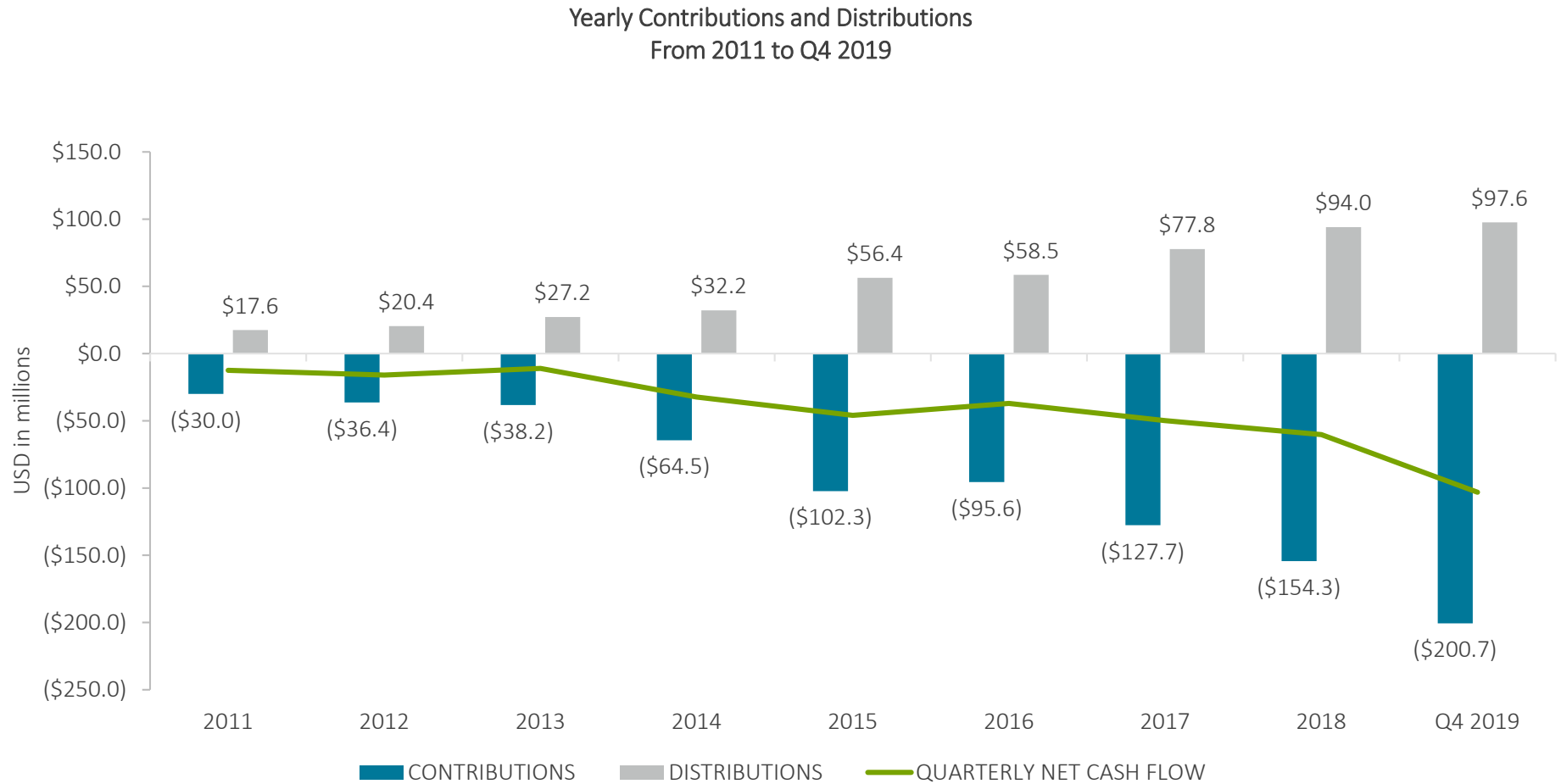


Q4 2019 Distributed by Strategy
As of December 31, 2019



Annual Cash Flow Activity – Retirement Plan

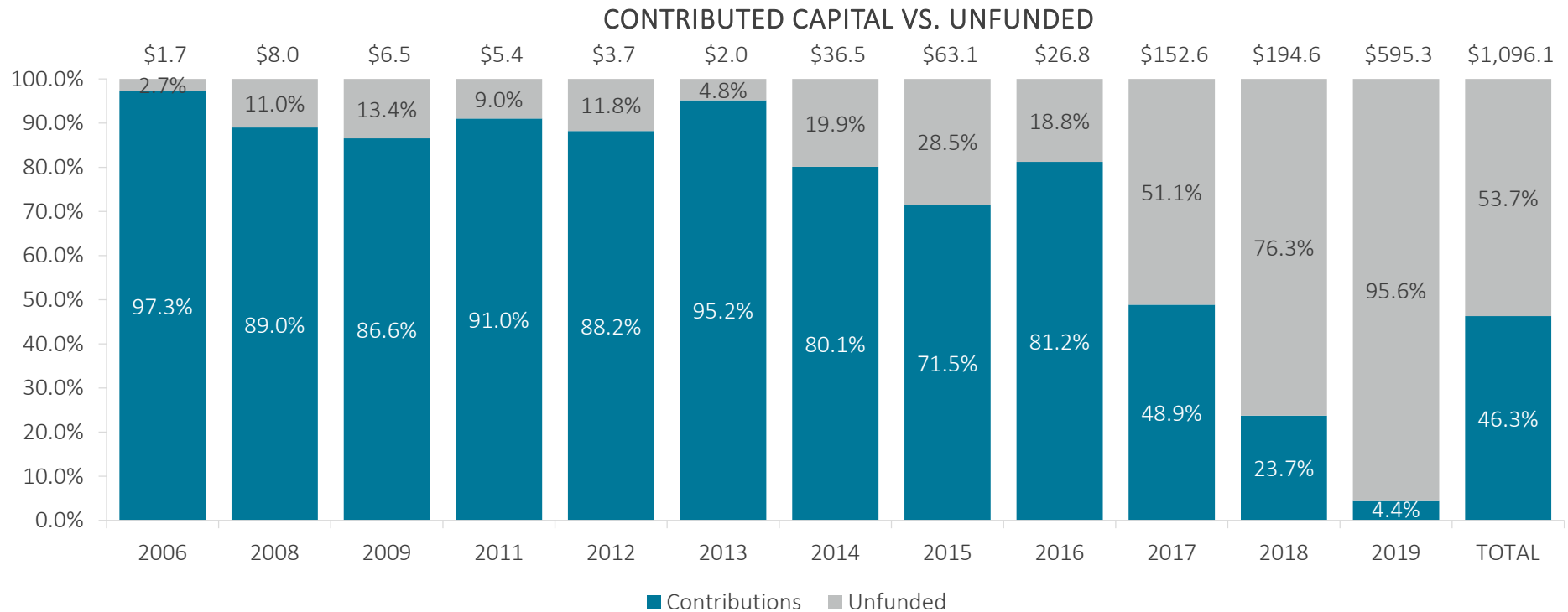
The graph below illustrates cash flow activity since 2011 by calendar year.



Annual Cash Flow Activity – Retirement Plan



The following chart provides funded capital (including management fees and expenses) versus unfunded commitments by vintage year presented as percentages.

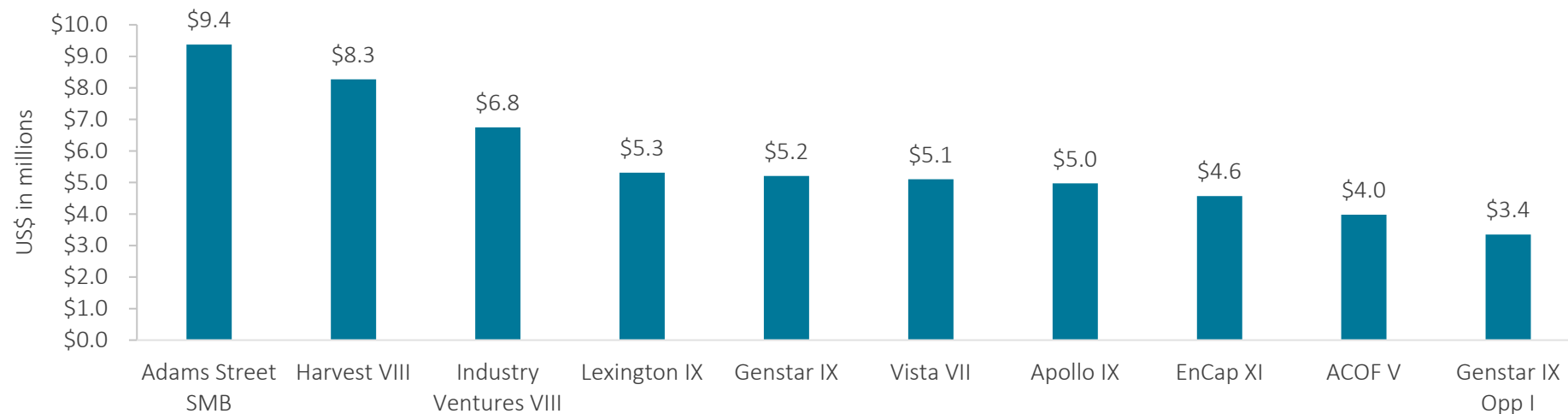


Quarterly Contributions and Distributions – Retirement Plan

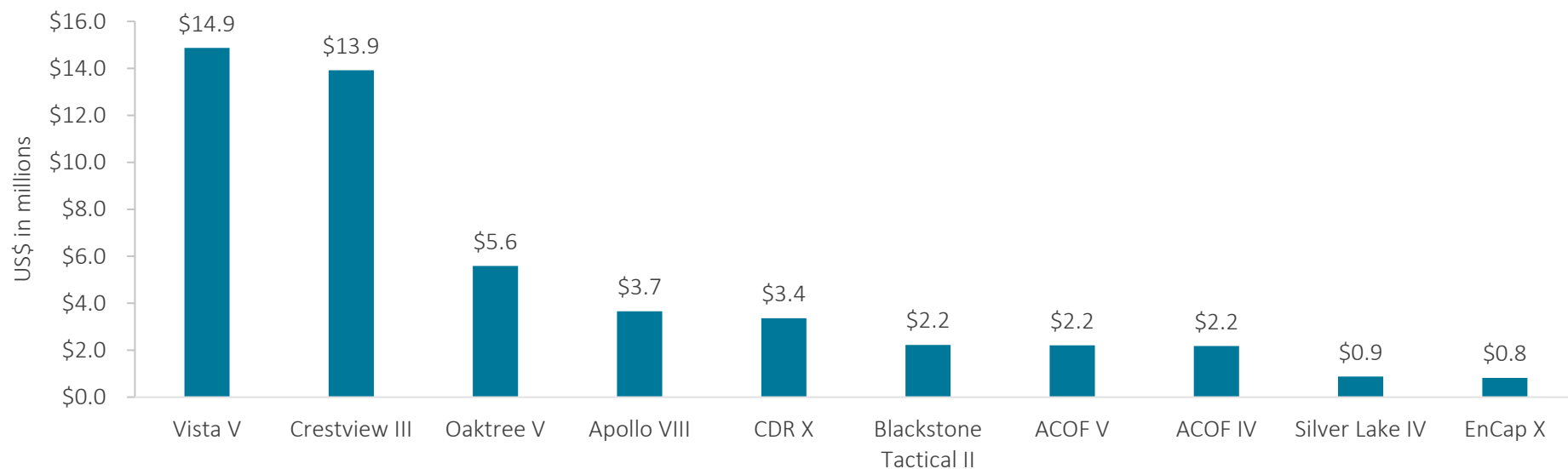


The graphs below highlights the top ten funds calling and distributing the most capital during the fourth quarter.

Significant Quarterly Contributions – Q4 2019



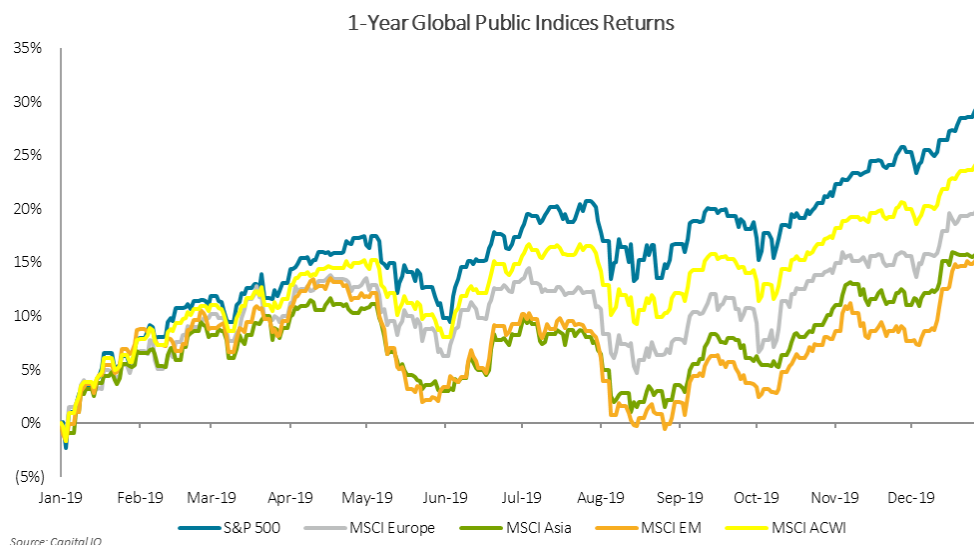
Significant Quarterly Distributions – Q4 2019



IV. PRIVATE EQUITY MARKET OVERVIEW

Market Overview – Public Markets

- Global equity markets moved higher in the fourth quarter of 2019, as the geopolitical risks and trade uncertainty that dominated markets for much of 2019 faded.
 - Emerging Markets increased 11.4%, followed by MSCI Asia at 9.8%, S&P 500 at 9.1%, and MSCI ACWI at 8.6%.



Regional Indices

	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
MSCI Asia	9.8%	16.1%	8.6%	4.9%	4.0%
MSCI Europe	8.5%	20.0%	6.6%	2.1%	2.2%
MSCI EM	11.4%	15.4%	8.9%	3.1%	1.2%
MSCI ACWI	8.6%	24.1%	10.2%	6.3%	6.6%
S&P 500	8.5%	28.9%	13.0%	9.4%	11.2%
S&P 500 Total Return*	9.1%	31.5%	15.3%	11.7%	13.6%

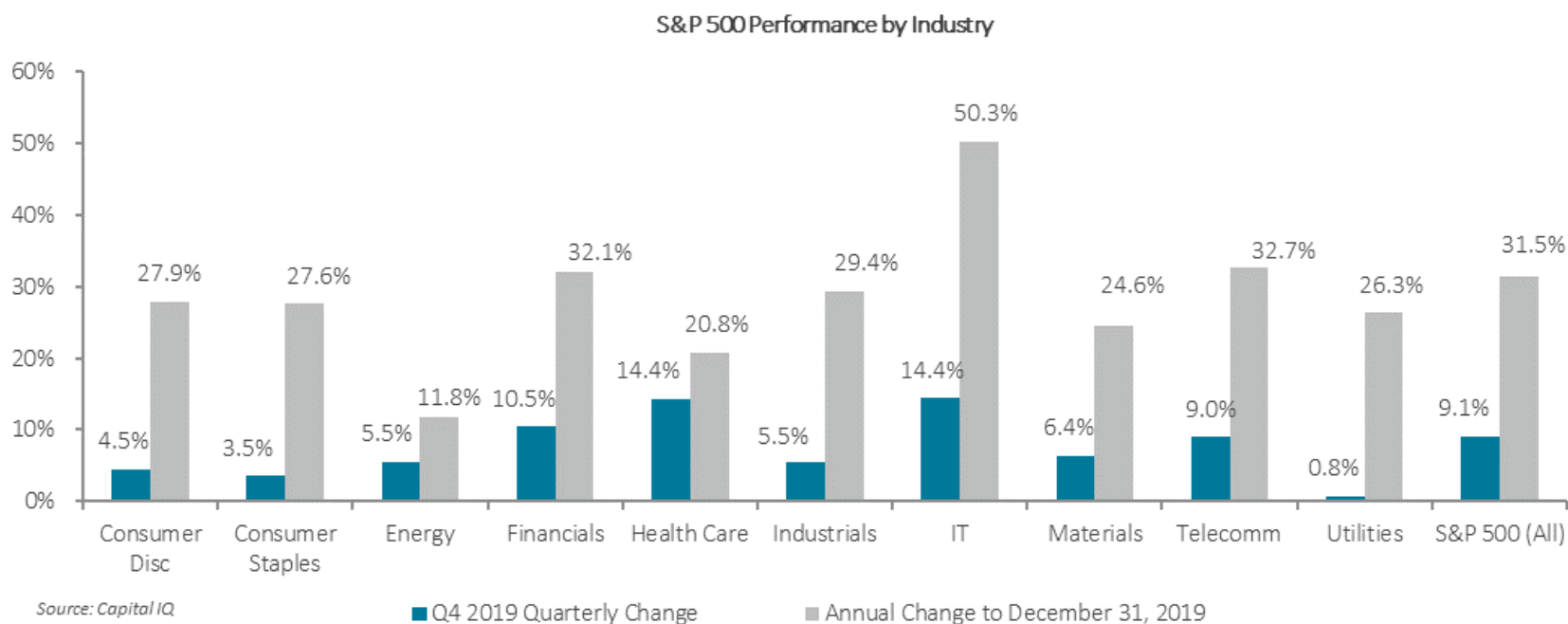
For the period ended December 31, 2019

*Includes reinvestment of dividends.

Source: Capital IQ

Market Overview – Sector Overview

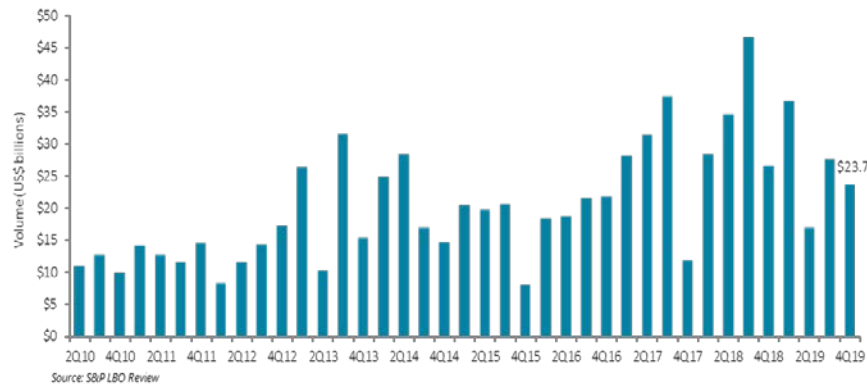
- All ten industry sectors increased during the quarter
 - Information Technology and Health Care were the best performing sectors, both up 14.4%, for the quarter
 - Utilities was the worst performing sector, up 0.8% for the quarter



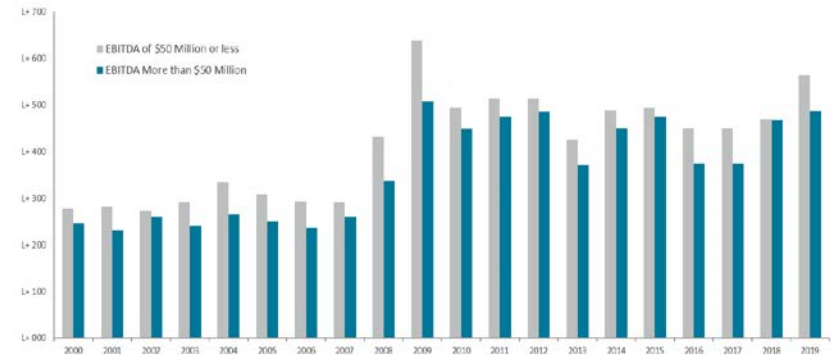
Market Overview – LBO Activity

- U.S. LBO loan new issuance totaled US\$23.7 billion during the quarter, representing a quarter-over-quarter decrease of 14.3% and a decrease of 10.8% from the fourth quarter of 2018
 - LBO activity slightly increased compared to 2018
 - Dividend/Stock repurchase volume decreased 11.6%, compared to 2018
 - Public-to-Private LBO transaction volume increased 51.7%, compared to 2018

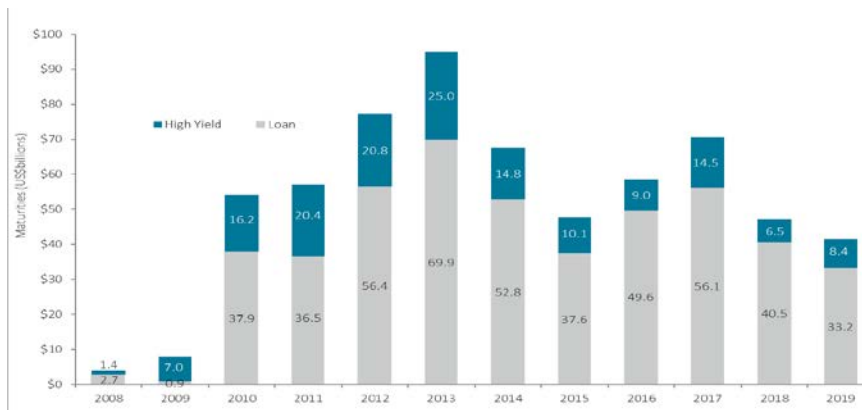
Quarterly U.S. LBO Loan New Issuance



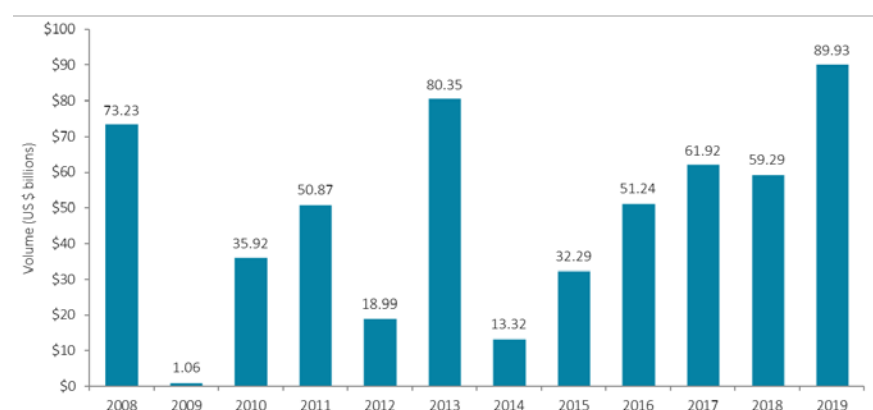
Pro Rata Spread of LBOs



Dividend/Stock Repurchase Volume

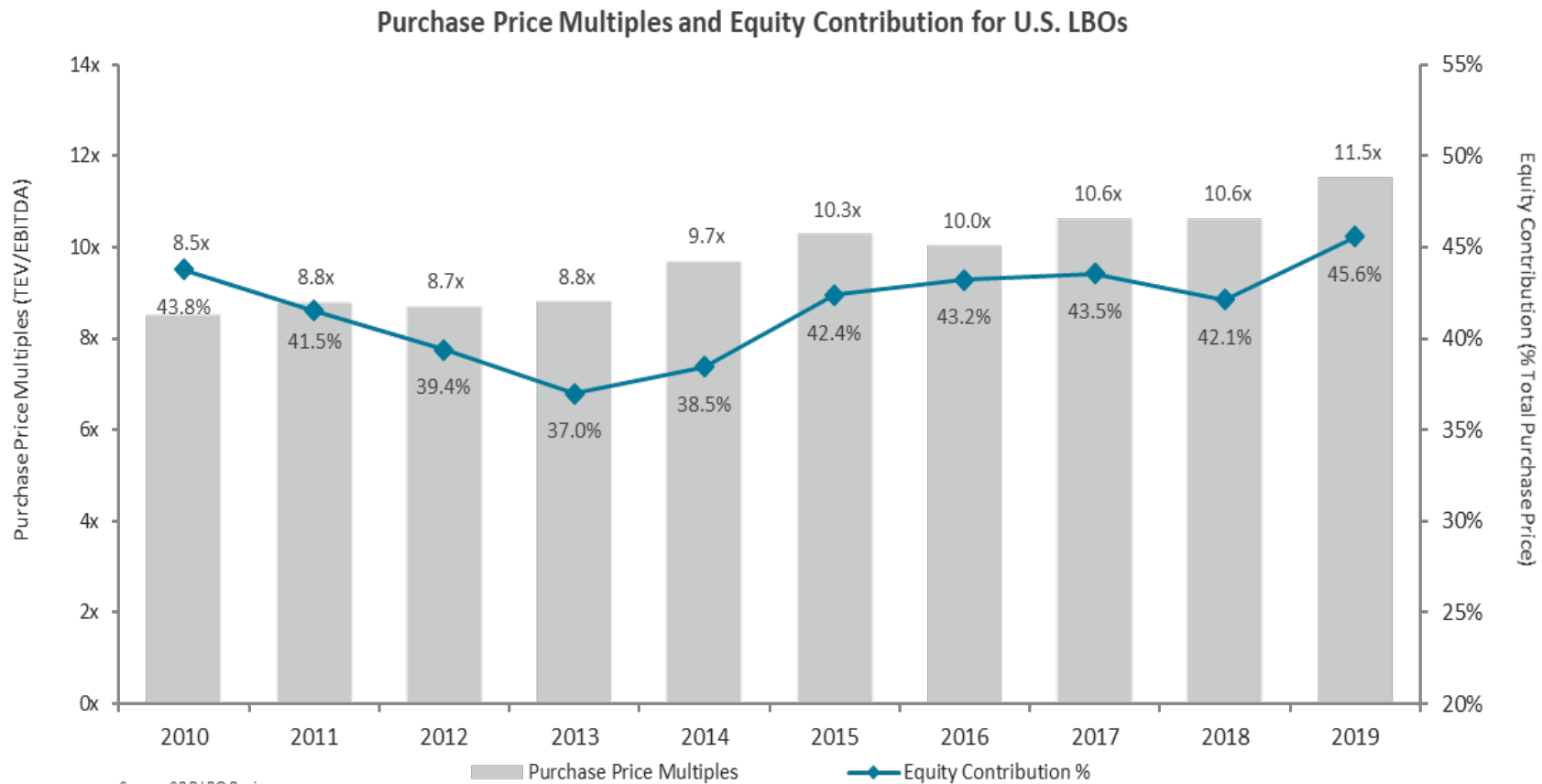


Public-to-Private LBO Transaction Volume



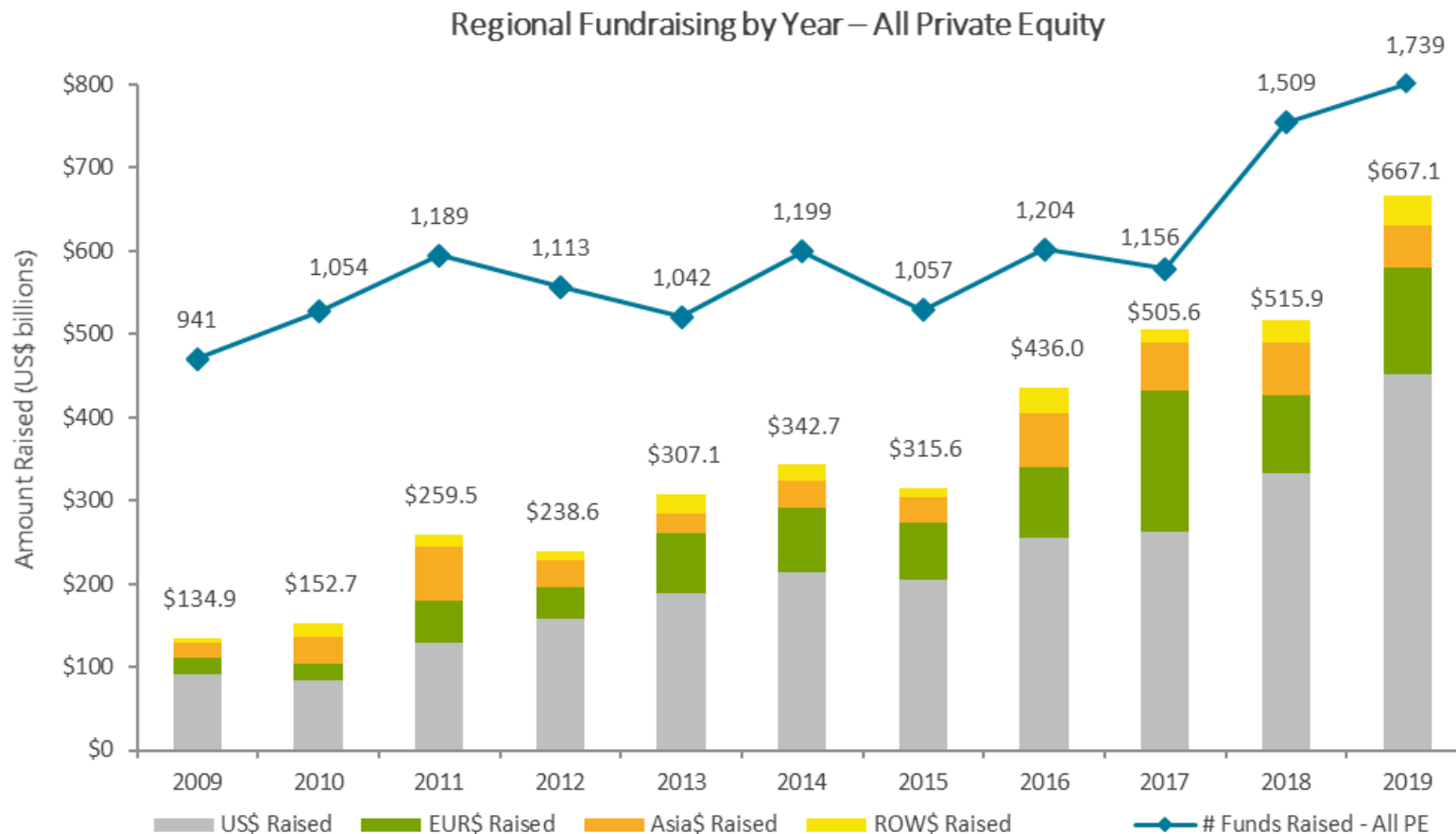
Market Overview – LBO Activity

- Purchase price multiples for U.S. LBOs was 11.5x EBITDA, an increase from 10.6x in 2018 and above the 10-year average of 9.7x
 - Equity contributions for US LBOs increased from 42.1% to 45.6% year-over-year



Market Overview – Private Equity Fundraising

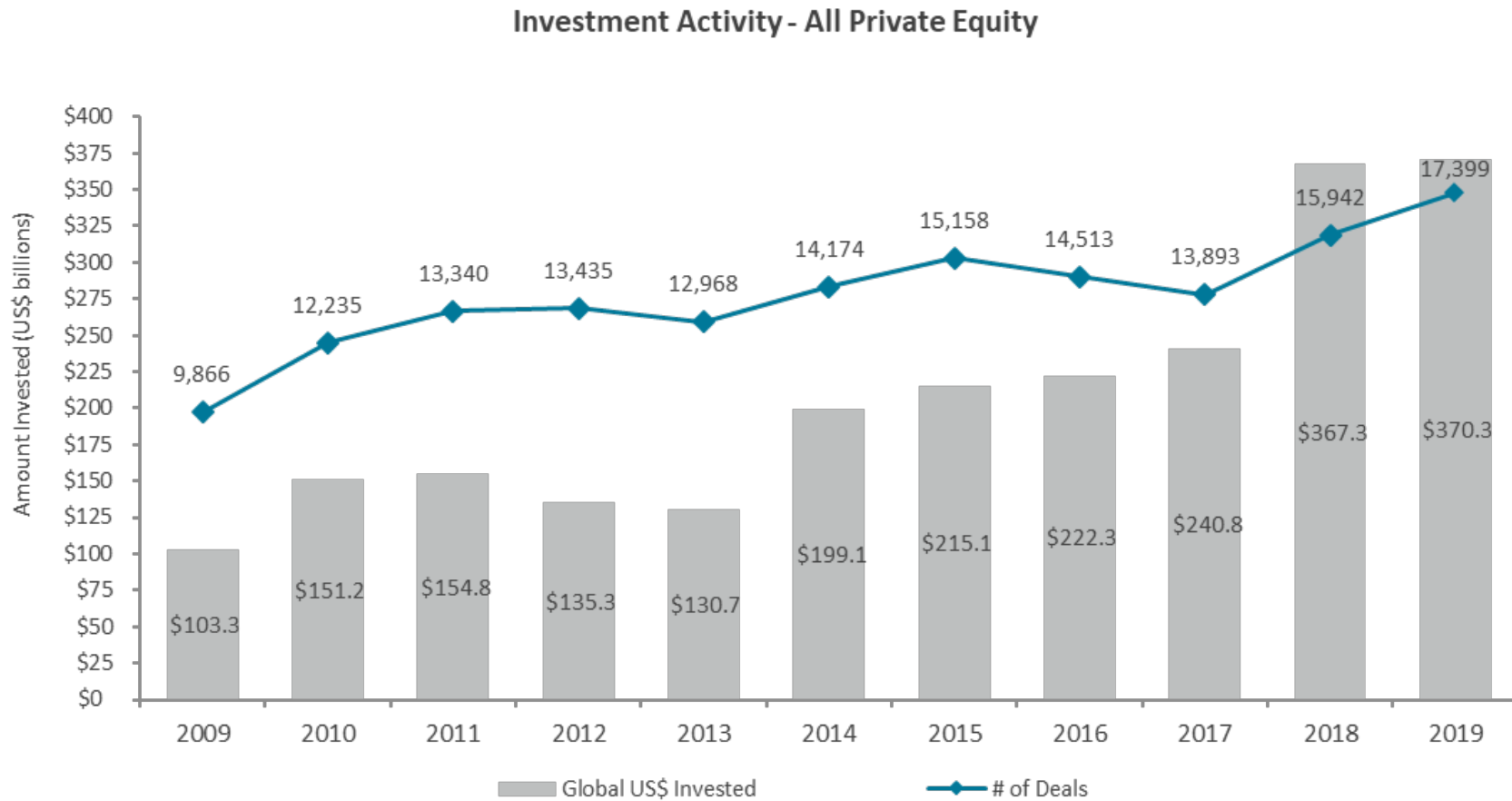
- Private equity fundraising totaled US\$667.1 billion in 2019, representing an increase of 19.5% year-over-year
 - Buyout fundraising totaled US\$496.4 billion and Venture Capital raised US\$95.9 billion in 2019
 - The US represented 67.7% of total funds raised in the year, higher than the 10-year average of 60.3%



Source: Thomson ONE

Market Overview – Private Equity Investment Activity

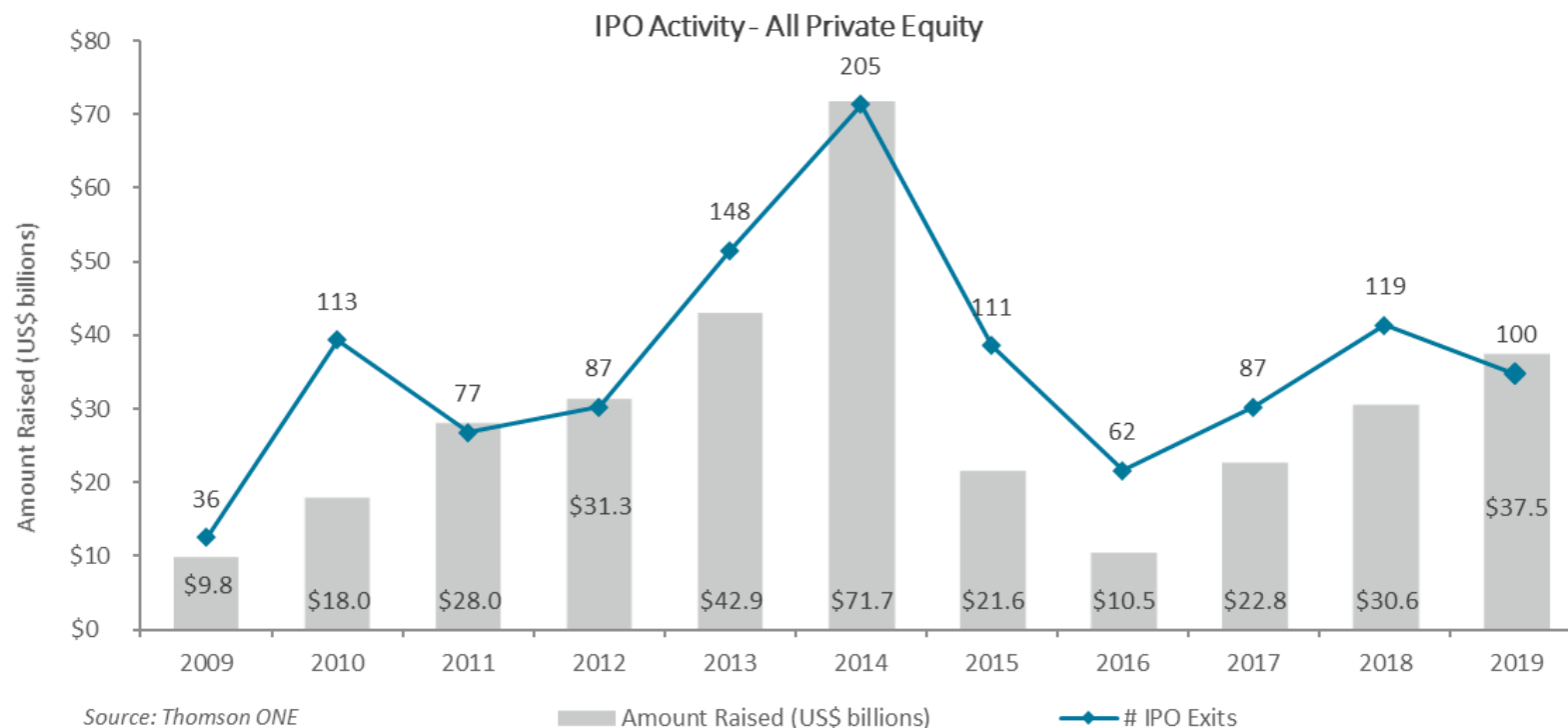
- Private equity funds invested US\$370.3 billion globally during 2019, representing an increase of 0.8% compared to the prior year
 - The average investment size during the year was US\$21.3 million, down 7.6% compared to last year



Source: Thomson ONE

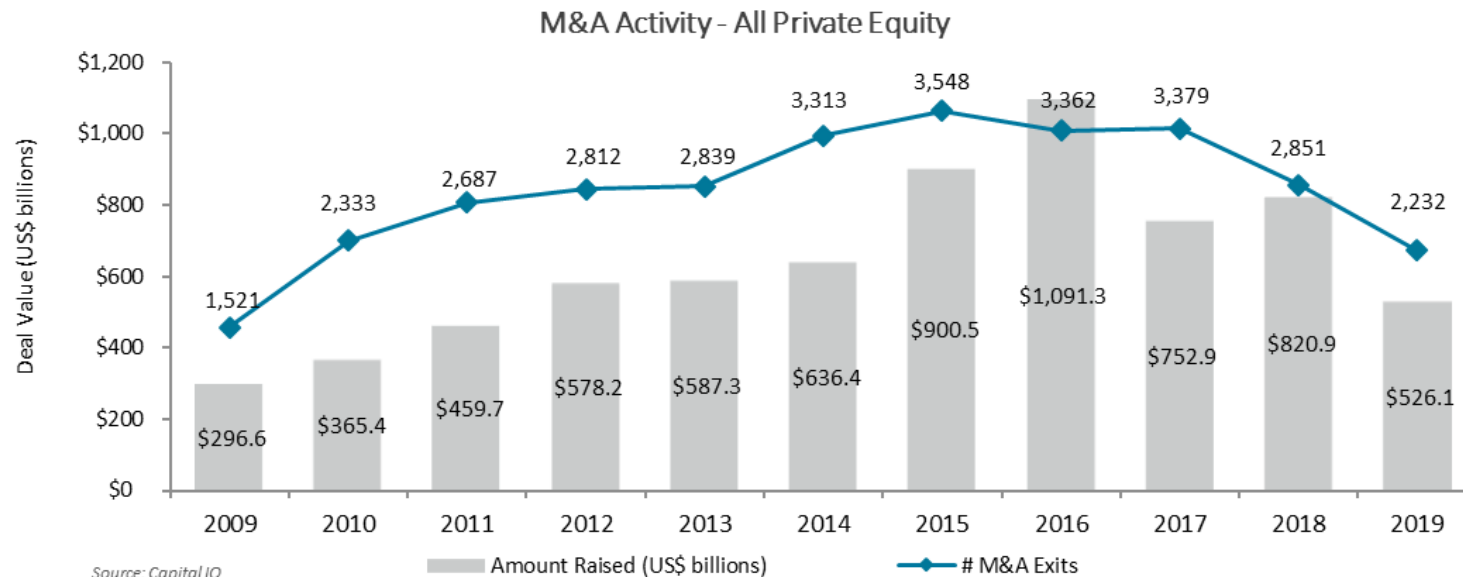
Market Overview – IPO Activity

- During 2019, Thomson ONE tracked 100 private equity-backed IPOs raising US\$37.5 billion in proceeds, on the New York Stock Exchange and the NASDAQ
 - The number of private equity-backed IPOs decreased 16.0%, compared to 2018
 - The total amount raised increased 22.6%, compared to 2018
 - XP Investimentos CCTVM SA (NASDAQ: XP), an operator of technology-driven financial services platform that provides financial products and services in Brazil, which raised US\$2.3 billion, was the biggest IPO for the quarter



Market Overview – M&A Activity

- Private equity-backed M&A volume totaled US\$526.1 billion in deals closed during 2019, a decrease of 35.9% compared to the prior year
 - The number of M&A deals decreased 21.7%, compared to 2018
 - The largest deals of the quarter were the US\$7.0 billion purchase of Versum Materials, Inc. by Merck Kommanditgesellschaft auf Aktien (XTRA: MRK) and the US\$5.7 billion purchase of CIR III-1 REIT and ColFin Cobalt REIT, Inc. by The Blackstone Group Inc. (NYSE: BX)



V. SCHEDULE OF INVESTMENTS

Schedule of Investments – Retirement Plan



As of December 31, 2019. In USD millions.

Investment	Investment Date	Strategy	Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Unfunded Commitment	Exposure	DPI ¹	TVM ¹	IRR ¹
Adams Street Global SMB WPERP Fund II, L.P.	10/16/2019	Buyout	2019	\$125.0	-	-	(\$0.0)	\$125.0	\$125.0	NM	NM	NM
Adams Street Global SMB WPERP Fund LP	2/15/2017	Buyout	2017	125.0	55.6	-	60.6	69.4	130.0	0.0x	1.1x	7.8%
Apollo Investment Fund IX, L.P.	10/1/2017	Buyout	2018	54.2	10.2	0.1	8.8	44.1	52.8	NM	NM	NM
Apollo Investment Fund VIII, L.P.	2/5/2014	Buyout	2014	34.0	33.7	16.8	29.1	5.5	34.6	0.5x	1.4x	11.9%
Ares Corporate Opportunities Fund IV, L.P.	11/5/2012	Distressed	2012	25.0	27.7	17.8	23.9	3.7	27.6	0.6x	1.5x	12.6%
Ares Corporate Opportunities Fund V, L.P.	6/22/2017	Distressed	2017	60.0	51.8	5.6	51.4	13.5	65.0	0.1x	1.1x	8.7%
Ares Special Situations Fund IV, L.P.	2/4/2015	Distressed	2015	50.0	52.4	4.8	46.7	2.3	49.0	0.1x	1.0x	(0.7%)
Audax Mezzanine III, L.P.	2/14/2011	Mezzanine	2011	17.0	16.3	18.6	3.0	0.7	3.7	1.1x	1.3x	9.9%
Blackstone Tactical Opportunities Fund II	5/1/2015	Mezzanine	2015	50.0	36.6	18.7	30.8	32.0	62.8	0.5x	1.4x	11.9%
Clayton, Dubilier & Rice Fund IX, L.P.	3/28/2014	Buyout	2014	25.0	25.8	15.0	26.4	3.1	29.5	0.6x	1.6x	19.1%
Clayton, Dubilier & Rice Fund X, L.P.	10/1/2017	Buyout	2017	54.0	23.6	4.4	25.8	34.4	60.2	NM	NM	NM
Crestview Partners III, L.P.	1/31/2015	Buyout	2015	50.0	35.5	21.4	24.6	22.6	47.2	0.6x	1.3x	11.2%
Crestview Partners IV, L.P.	6/1/2018	Buyout	2019	63.0	0.0	0.0	0.1	63.0	63.1	NM	NM	NM
EnCap Energy Capital Fund IX, L.P.	1/8/2013	Growth Equity	2013	17.0	19.2	14.5	8.7	1.0	9.8	0.8x	1.2x	8.1%
EnCap Energy Capital Fund VIII, L.P.	2/16/2011	Growth Equity	2011	12.5	13.7	8.2	2.6	0.5	3.1	0.6x	0.8x	(8.1%)
EnCap Energy Capital Fund X, L.P.	3/12/2015	Growth Equity	2015	37.0	33.3	6.9	32.8	6.1	39.0	0.2x	1.2x	8.4%
EnCap Energy Capital Fund XI, L.P.	7/16/2017	Growth Equity	2017	50.0	14.8	0.0	11.8	35.2	47.0	0.0x	0.8x	(24.6%)
Fisher Lynch Venture Partnership II, LP	5/5/2008	Venture Capital	2008	20.0	17.6	18.3	11.9	2.4	14.3	1.0x	1.7x	8.8%
Genstar Capital Partners IX, L.P.	2/21/2019	Buyout	2019	44.0	10.2	-	10.5	33.8	44.3	NM	NM	NM
Genstar IX Opportunities Fund I, L.P.	6/21/2019	Buyout	2019	22.0	6.6	-	6.8	15.4	22.2	NM	NM	NM
Harvest Partners VII, L.P.	7/1/2016	Buyout	2016	30.0	26.2	0.6	28.6	4.4	33.0	0.0x	1.1x	7.0%
Harvest Partners VIII, L.P.	12/19/2018	Buyout	2019	85.0	8.3	0.0	8.0	76.7	84.8	NM	NM	NM
HRJ Special Opportunities II, L.P.	3/5/2008	Distressed	2008	20.0	18.0	23.8	4.0	4.8	8.8	1.3x	1.5x	6.8%
Industry Ventures Secondary VIII, L.P.	7/26/2016	Venture Capital	2016	37.5	24.4	4.4	32.5	13.1	45.6	0.2x	1.5x	52.3%
Industry Ventures Special Opportunities Fund III-A	7/1/2018	Venture Capital	2019	22.5	1.8	0.4	2.5	20.7	23.2	NM	NM	NM
Landmark Equity Partners XIII, L.P.	11/29/2006	Secondaries	2006	30.0	28.8	31.3	6.8	1.2	7.9	1.1x	1.3x	5.4%
Landmark Equity Partners XIV, L.P.	9/19/2008	Secondaries	2008	30.0	29.1	32.5	4.9	0.9	5.8	1.1x	1.3x	8.4%
Landmark Equity Partners XV, L.P.	3/18/2014	Secondaries	2014	40.0	29.7	22.4	17.1	13.5	30.5	0.8x	1.3x	14.3%
Lexington Capital Partners IX, L.P.	12/28/2018	Secondaries	2018	75.0	5.3	-	9.8	69.7	79.5	NM	NM	NM
Lexington Capital Partners VI, L.P.	6/22/2006	Secondaries	2006	30.0	31.8	42.0	2.5	0.5	3.0	1.3x	1.4x	7.0%
Lexington Capital Partners VII, L.P.	12/3/2009	Secondaries	2009	30.0	26.7	35.1	7.2	4.7	11.9	1.3x	1.6x	14.0%
Oaktree Principal Fund V, L.P.	2/26/2009	Distressed	2009	16.0	15.1	15.7	0.7	1.8	2.4	1.0x	1.1x	1.7%
Platinum Equity Capital Partners V, L.P.	7/1/2019	Distressed	2019	88.0	0.4	-	0.3	87.6	87.9	NM	NM	NM
Providence Strategic Growth IV L.P.	4/26/2019	Growth Equity	2019	85.0	-	-	(0.0)	85.0	85.0	NM	NM	NM
Searchlight Capital III, L.P.	5/8/2019	Buyout	2019	88.0	-	-	(0.5)	88.0	87.5	NM	NM	NM
Silver Lake Partners IV, L.P.	10/22/2013	Buyout	2013	18.0	20.1	14.0	23.7	0.9	24.7	0.7x	1.9x	24.7%
Silver Lake Partners V, L.P.	10/1/2017	Buyout	2018	58.0	26.7	0.4	30.8	24.2	55.0	NM	NM	NM
Vista Equity Partners Fund IV, L.P.	11/30/2011	Buyout	2011	25.0	25.2	32.6	16.5	4.2	20.7	1.3x	1.9x	16.6%
Vista Equity Partners Fund V, L.P.	5/7/2014	Buyout	2014	50.0	58.1	60.0	49.7	14.5	64.1	1.0x	1.9x	21.7%
Vista Equity Partners Fund VI, L.P.	4/1/2016	Buyout	2016	60.0	65.6	14.8	77.6	9.3	86.9	0.2x	1.4x	17.5%
Vista Equity Partners Fund VII, L.P.	8/31/2018	Buyout	2018	75.0	18.4	0.0	17.7	56.6	74.3	NM	NM	NM
TOTAL				\$1,927.7	\$944.2	\$500.9	\$756.8	\$1,096.1	\$1,852.9	0.5x	1.3x	10.7%

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.

¹DPI, TVM and IRR for investment held less than two years are not considered meaningful. IRR and TVM for certain vehicles may have been impacted by Stepstone's or the underlying GPs' use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.

Schedule of Investments – Health Plan



As of December 31, 2019. In USD millions.

Investment	Investment Date	Strategy	Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Unfunded Commitment	Exposure	DPI ¹	TVM ¹	IRR ¹
Adams Street Global SMB WPERP Fund II, L.P.	10/16/2019	Buyout	2019	\$25.0	-	-	(\$0.0)	\$25.0	\$25.0	NM	NM	NM
Adams Street Global SMB WPERP Fund LP	2/15/2017	Buyout	2017	25.0	11.1	-	12.1	13.9	26.0	0.0x	1.1x	7.8%
Apollo Investment Fund IX, L.P.	10/1/2017	Buyout	2018	10.9	2.0	0.0	1.8	8.9	10.6	NM	NM	NM
Apollo Investment Fund VIII, L.P.	2/5/2014	Buyout	2014	6.0	6.0	3.0	5.1	1.0	6.1	0.5x	1.4x	11.9%
Ares Corporate Opportunities Fund IV, L.P.	11/5/2012	Distressed	2012	5.0	5.5	3.6	4.8	0.7	5.5	0.6x	1.5x	12.6%
Ares Corporate Opportunities Fund V, L.P.	6/22/2017	Distressed	2017	12.0	10.4	1.1	10.3	2.7	13.0	0.1x	1.1x	8.7%
Ares Special Situations Fund IV, L.P.	2/4/2015	Distressed	2015	10.0	10.5	1.0	9.3	0.5	9.8	0.1x	1.0x	(0.7%)
Audax Mezzanine III, L.P.	2/14/2011	Mezzanine	2011	3.0	2.9	3.3	0.5	0.1	0.7	1.1x	1.3x	9.9%
Blackstone Tactical Opportunities Fund II	5/1/2015	Mezzanine	2015	10.0	7.3	3.7	6.2	6.4	12.6	0.5x	1.4x	11.9%
Clayton, Dubilier & Rice Fund IX, L.P.	3/28/2014	Buyout	2014	5.0	5.2	3.0	5.3	0.6	5.9	0.6x	1.6x	19.1%
Clayton, Dubilier & Rice Fund X, L.P.	10/1/2017	Buyout	2017	11.0	4.8	0.9	5.3	7.0	12.3	NM	NM	NM
Crestview Partners III, L.P.	1/31/2015	Buyout	2015	10.0	7.1	4.3	4.9	4.5	9.4	0.6x	1.3x	11.2%
Crestview Partners IV, L.P.	6/1/2018	Buyout	2019	12.0	-	-	0.0	12.0	12.0	NM	NM	NM
EnCap Energy Capital Fund IX, L.P.	1/8/2013	Growth Equity	2013	3.0	3.4	2.6	1.5	0.2	1.7	0.8x	1.2x	8.1%
EnCap Energy Capital Fund VIII, L.P.	2/16/2011	Growth Equity	2011	2.5	2.7	1.6	0.5	0.1	0.6	0.6x	0.8x	(8.1%)
EnCap Energy Capital Fund X, L.P.	3/12/2015	Growth Equity	2015	7.0	6.3	1.3	6.2	1.2	7.4	0.2x	1.2x	8.4%
EnCap Energy Capital Fund XI, L.P.	7/16/2017	Growth Equity	2017	10.0	3.0	-	2.4	7.0	9.4	0.0x	0.8x	(24.6%)
Genstar Capital Partners IX, L.P.	2/21/2019	Buyout	2019	6.0	1.4	-	1.4	4.6	6.0	NM	NM	NM
Genstar IX Opportunities Fund I, L.P.	6/21/2019	Buyout	2019	3.0	0.9	-	0.9	2.1	3.0	NM	NM	NM
Harvest Partners VII, L.P.	7/1/2016	Buyout	2016	6.0	5.2	0.1	5.7	0.9	6.6	0.0x	1.1x	7.0%
Harvest Partners VIII, L.P.	12/19/2018	Buyout	2019	15.0	1.5	0.0	1.4	13.5	15.0	NM	NM	NM
Industry Ventures Secondary VIII, L.P.	7/26/2016	Venture Capital	2016	7.5	4.9	0.9	6.5	2.6	9.1	0.2x	1.5x	52.3%
Industry Ventures Special Opportunities Fund III-A	7/1/2018	Venture Capital	2019	4.5	0.4	0.1	0.5	4.1	4.6	NM	NM	NM
Landmark Equity Partners XIV, L.P.	9/19/2008	Secondaries	2008	5.0	4.9	5.4	0.8	0.1	1.0	1.1x	1.3x	8.4%
Landmark Equity Partners XV, L.P.	3/18/2014	Secondaries	2014	7.0	5.2	3.9	3.0	2.4	5.3	0.8x	1.3x	14.2%
Lexington Capital Partners IX, L.P.	12/28/2018	Secondaries	2018	15.0	1.1	-	2.0	13.9	15.9	NM	NM	NM
Lexington Capital Partners VII, L.P.	12/3/2009	Secondaries	2009	5.0	4.5	5.8	1.2	0.8	2.0	1.3x	1.6x	13.7%
Oaktree Principal Fund V, L.P.	2/26/2009	Distressed	2009	2.5	2.4	2.5	0.1	0.3	0.4	1.0x	1.1x	1.7%
Platinum Equity Capital Partners V, L.P.	7/1/2019	Distressed	2019	12.0	0.1	-	0.0	11.9	12.0	NM	NM	NM
Providence Strategic Growth IV L.P.	4/26/2019	Growth Equity	2019	15.0	-	-	(0.0)	15.0	15.0	NM	NM	NM
Searchlight Capital III, L.P.	5/8/2019	Buyout	2019	12.0	-	-	(0.1)	12.0	11.9	NM	NM	NM
Silver Lake Partners IV, L.P.	10/22/2013	Buyout	2013	3.0	3.4	2.3	4.0	0.2	4.1	0.7x	1.9x	24.7%
Silver Lake Partners V, L.P.	10/1/2017	Buyout	2018	12.0	5.5	0.1	6.4	5.0	11.4	NM	NM	NM
Vista Equity Partners Fund IV, L.P.	11/30/2011	Buyout	2011	5.0	4.8	6.5	3.3	0.8	4.1	1.3x	2.0x	17.2%
Vista Equity Partners Fund V, L.P.	5/4/2014	Buyout	2014	10.0	11.6	12.0	9.9	2.9	12.8	1.0x	1.9x	21.7%
Vista Equity Partners Fund VI, L.P.	4/1/2016	Buyout	2016	12.0	13.1	3.0	15.5	1.9	17.4	0.2x	1.4x	17.5%
Vista Equity Partners Fund VII, L.P.	8/31/2018	Buyout	2018	15.0	3.7	0.0	3.5	11.3	14.9	NM	NM	NM
TOTAL				\$339.9	\$162.5	\$71.9	\$142.4	\$198.2	\$340.6	0.4x	1.3x	12.8%

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.

¹DPI, TVM and IRR for investment held less than two years are not considered meaningful. IRR and TVM for certain vehicles may have been impacted by Stepstone's or the underlying GPs' use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.

Risks and Other Considerations



Risks Associated with Investments. Identifying attractive investment opportunities and the right underlying fund managers is difficult and involves a high degree of uncertainty. There is no assurance that the investments will be profitable and there is a substantial risk that losses and expenses will exceed income and gains.

Restrictions on Transfer and Withdrawal; Illiquidity of Interests; Interests Not Registered. The investment is highly illiquid and subject to transfer restrictions and should only be acquired by an investor able to commit its funds for a significant period of time and to bear the risk inherent in such investment, with no certainty of return. Interests in the investment have not been and will not be registered under the laws of any jurisdiction. Investment has not been recommended by any securities commission or regulatory authority. Furthermore, the aforementioned authorities have not confirmed the accuracy or determined the adequacy of this document.

Limited Diversification of Investments. The investment opportunity does not have fixed guidelines for diversification and may make a limited number of investments.

Reliance on Third Parties. StepStone will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants and other agents and failure by any of these third parties to perform their duties could have a material adverse effect on the investment.

Reliance on Managers. The investment will be highly dependent on the capabilities of the managers.

Risk Associated with Portfolio Companies. The environment in which the investors directly or indirectly invests will sometimes involve a high degree of business and financial risk. StepStone generally will not seek control over the management of the portfolio companies in which investments are made, and the success of each investment generally will depend on the ability and success of the management of the portfolio company.

Uncertainty Due to Public Health Crisis. A public health crisis, such as the recent outbreak of the COVID-19 global pandemic, can have unpredictable and adverse impacts on global, national and local economies, which can, in turn, negatively impact StepStone and its investment performance. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, have the ability to adversely impact the businesses of StepStone's investments. In addition, such disruptions can negatively impact the ability of StepStone's personnel to effectively identify, monitor, operate and dispose of investments. Finally, the outbreak of COVID-19 has contributed to, and could continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect StepStone's ability to raise funds, find financing or identify potential purchasers of its investments, all of which could have material and adverse impact on StepStone's performance. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to StepStone's performance.

Taxation. An investment involves numerous tax risks. Please consult with your independent tax advisor.

Conflicts of Interest. Conflicts of interest may arise between StepStone and investors. Certain potential conflicts of interest are described below; however, they are by no means exhaustive. There can be no assurance that any particular conflict of interest will be resolved in favor of an investor.

Allocation of Investment Opportunities. StepStone currently makes investments, and in the future will make investments, for separate accounts having overlapping investment objectives. In making investments for separate accounts, these accounts may be in competition for investment opportunities.

Existing Relationships. StepStone and its principals have long-term relationships with many private equity managers. StepStone clients may seek to invest in the pooled investment vehicles and/or the portfolio companies managed by those managers.

Carried Interest. In those instances where StepStone and/or the underlying portfolio fund managers receive carried interest over and above their basic management fees, receipt of carried interest could create an incentive for StepStone and the portfolio fund managers to make investments that are riskier or more speculative than would otherwise be the case. StepStone does not receive any carried interest with respect to advice provided to, or investments made on behalf, of its advisory clients.

Other Activities. Employees of StepStone are not required to devote all of their time to the investment and may spend a substantial portion of their time on matters other than the investment.

Material, Non-Public Information. From time to time, StepStone may come into possession of material, non-public information that would limit their ability to buy and sell investments.