STEPSTONE
inside private markets

San Diego City Employees' Retirement System
Private Markets Program
Annual Investment Plan Presentation

November 2022

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All data is as of June 2022 unless otherwise noted.

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

Executive Summary

StepStone Atlantic Fund was formed by StepStone Group ("StepStone") with San Diego City Employees' Retirement System ("SDCERS" or the "System") to construct a private equity and infrastructure Investment Program ("Program"), that includes primary fund commitments, co-investments and secondary transactions with the goal of maximizing long-term, risk-adjusted returns.

Highlights of the FY2023 Investment Plan:

- **Reduced Investment Pace:** StepStone is proposing a lower overall commitment pace in FY 2023.
- **Achieving Target Allocation:** The combination of recent exit activity and slower pace of commitments is projected to bring the Program's allocation to Private Equity below 5.0% of SDCERS' total portfolio by FY 2024 and maintain the Infrastructure allocation to its target of 1.5%.
- **Compelling Private Market Opportunities:** The dislocation in public markets has reduced private market entry valuations creating attractive primary and secondary deal flow.
- **Emphasis on Infrastructure:** Inflation-linked real assets with predictable cash yield are especially attractive during volatile market conditions.

SDCERS created the Private Markets Program Policy Document (the "Policy") in order to establish parameters by which the System may invest through its Private Markets Program. The Program consists of allocations to private equity and infrastructure.

Program Objectives

- ✓ Increase the risk-adjusted returns of the overall portfolios
- ✓ Increase the diversification of the total System assets
- ✓ Take advantage of the illiquidity premium of these asset classes, given the System's long-term nature of its Liabilities.

The SDCERS Board approved allocation to Private Markets which includes allocations for both Private Equity and Infrastructure. GCM Grosvenor manages half of this allocation.

Asset Allocation Targets

ASSET CLASS	SDCERS	STEPSTONE
PRIVATE EQUITY	10.0% of SDCERS Total Portfolio Market Value	5.0% of SDCERS Total Portfolio Market Value
INFRASTRUCTURE	3.0% of SDCERS Total Portfolio Market Value	1.5% of SDCERS Total Portfolio Market Value

Performance Benchmarks

Private Equity

Peer Benchmark – Performance of actual private equity investments with similar style, geography, vintages

Public Market Index plus Premium – A public market theoretical benchmark to measure the estimated opportunity cost of the decision to invest in private equity

Infrastructure

Inflation hedge – To assess the performance of the infrastructure portfolio and its role in the total portfolio as an inflation hedge; PME secondary benchmark currently under consideration

BENCHMARK	PRIVATE EQUITY	INFRASTRUCTURE
Primary / Peer Benchmark	Median Percentile of Burgiss PrivateiQ Database	Core CPI + 500 bps* *Update to language under consideration for consistency with IPS - CPI + 500 bps
Secondary Benchmark	67% DJ US TSMI / 33% MSCI ACWI ex-US + 3%	Under Consideration

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

PME represents public market equivalent.

General Program Policies

Private Market Investments	• Invest in private equity and infrastructure assets and strategies globally • Diversifies SDCERS portfolio from other public equities or other alternative investments
Discretionary Authority	• The Program will use discretionary advisors that shall acquire and manage private equity and infrastructure investment on behalf of SDCERS. • The Board controls the delegation of discretion; however, the advisors can perform due diligence and selection to minimize risk
Risk Minimization	• Minimize Asset Class Risk by diversification and having a high threshold of minimum requirements for investment managers. • Minimize Program Risk by planning, implementing, and monitoring through the combined efforts of the SDCERS Board, Staff and StepStone.
Ethical Standards	• SDCERS Board, Staff and StepStone will strive for transparency in all activities while preserving confidentiality of trade secrets • Avoid all conflicts of interests that may arise.

The Investment Plan is a document for SDCERS Board approval that provides guidance as to the management, operations and investments of the Program. The key components are as follows:

Investment Strategy

- Manager selection is the primary driver of outperformance in private markets.
- Target funds that operate in areas of the private market that are poised to outperform.
- Invest globally, focusing on a broad range of sectors and strategies.

Portfolio Pacing

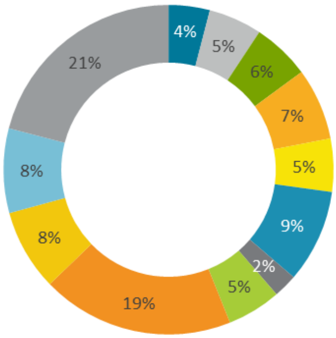
- Target annual commitments ranging from $60.0 to $180.0 million
- Provide updated portfolio pacing analysis annually
- Concentrate commitments in highest conviction opportunities, while maintaining flexibility to pursue smaller investments opportunistically.

Risk Management

- Manage risk through in-depth due diligence, portfolio construction techniques and active portfolio monitoring
- Emphasize investments that offer superior transparency and limited conflicts of interest
- Diversify by sector, strategy and geography
- Actively monitor concentration by portfolio company, industry sector, fund manager and vintage year

Portfolio Diversification Summary[1,2,3] (As of June 30, 2022)

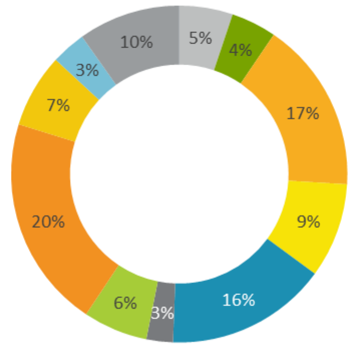
Vintage Year
by Commitment



(USD millions)

Vintage Year	Investments	Commitment	% of Total
2022	3	45.0	4%
2021	11	58.5	5%
2020	4	62.9	6%
2019	9	78.6	7%
2018	5	58.2	5%
2017	9	102.0	9%
2016	3	26.1	2%
2015	10	58.9	5%
2014	18	210.5	19%
2013	9	89.0	8%
2012	9	92.6	9%
2011 and Prior	36	233.8	21%
Total	**126**	**$1,116.2**	**100%**

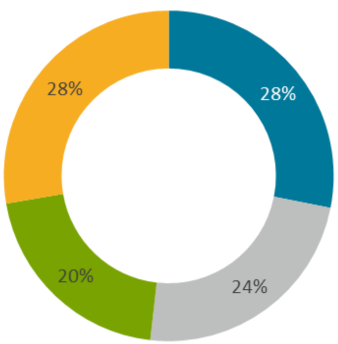
Vintage Year
by Market Value



(USD millions)

Vintage Year	Investments	Market Value	% of Total
2022	3	0.1	0%
2021	11	49.2	5%
2020	4	41.7	4%
2019	9	157.6	17%
2018	5	87.2	9%
2017	9	148.7	16%
2016	3	24.4	3%
2015	10	59.4	6%
2014	18	195.6	20%
2013	9	67.9	7%
2012	9	31.8	3%
2011 and Prior	36	94.0	10%
Total	**126**	**$957.7**	**100%**

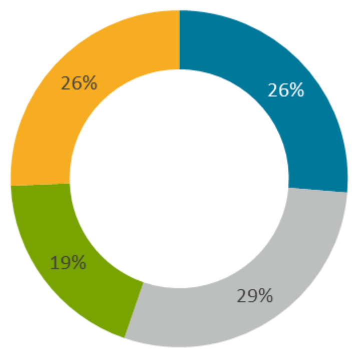
Investment Type
by Commitment



(USD millions)

Investment Type	Investments	Commitment	% of Total
Co-Investment	31	313.6	28%
Primary	20	264.5	24%
Seasoned Primary	22	229.0	20%
Secondary	53	309.1	28%
Total	**126**	**$1,116.2**	**100%**

Investment Type
by Market Value



(USD millions)

Investment Type	Investments	Market Value	% of Total
Co-Investment	31	252.0	26%
Primary	20	277.4	29%
Seasoned Primary	22	182.4	19%
Secondary	53	245.8	26%
Total	**126**	**$957.7**	**100%**

(1) Commitment exposure as of June 30, 2022.
(2) Market Value exposure as of June 30, 2022, at the fund-level.
(3) Totals may not sum due to rounding.

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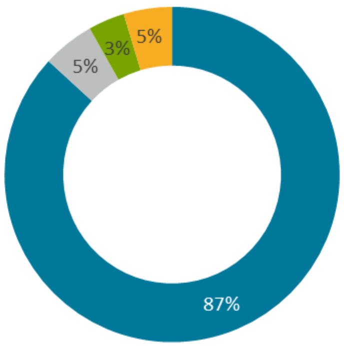
Portfolio Diversification Summary[1,2,3] (cont'd)(As of June 30, 2022)

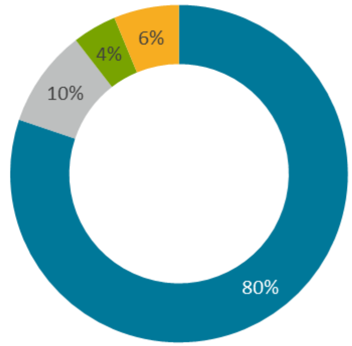
Geography
by Commitment



(USD millions)

	Investment Region	Investments	Commitment	% of Total
	North America	102	969.0	87%
	Asia	8	56.0	5%
	Europe	8	39.2	4%
	Global/RoW	8	52.1	5%
	Total	**126**	**$1,116.2**	**100%**

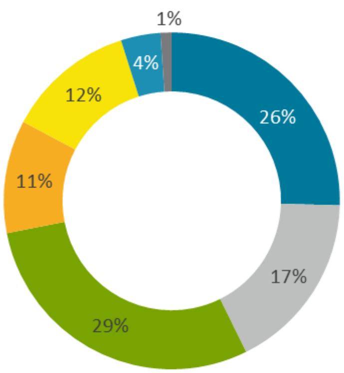
Geography
by Market Value



(USD millions)

	Investment Region	Investments	Market Value	% of Total
	North America	102	767.9	80%
	Asia	8	89.5	10%
	Europe	8	40.4	4%
	Global/RoW	8	59.9	6%
	Total	**126**	**$957.7**	**100%**

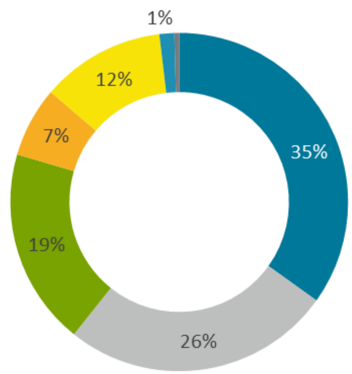
Investment Strategy
by Commitment



(USD millions)

	Investment Strategy	Investments	Commitment	% of Total
	Growth Equity	24	283.8	26%
	Venture Capital	30	192.9	17%
	Small/Middle	32	326.1	29%
	Core Plus/Value-Add	14	121.1	11%
	Opportunistic	18	137.9	12%
	Distressed	4	42.5	4%
	Large/Global	4	11.9	1%
	Total	**126**	**$1,116.2**	**100%**

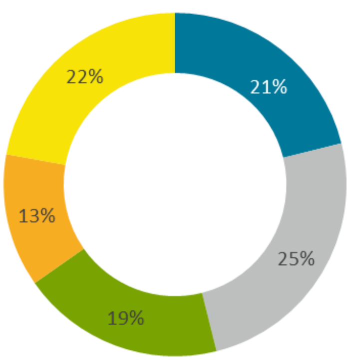
Investment Strategy
by Market Value



(USD millions)

	Investment Strategy	Investments	Market Value	% of Total
	Growth Equity	24	334.1	35%
	Venture Capital	30	247.3	26%
	Small/Middle	32	180.4	19%
	Core Plus/Value-Add	14	64.3	7%
	Opportunistic	18	113.6	12%
	Distressed	4	13.6	1%
	Large/Global	4	4.4	0%
	Total	**126**	**$957.7**	**100%**

Performance
by Commitment

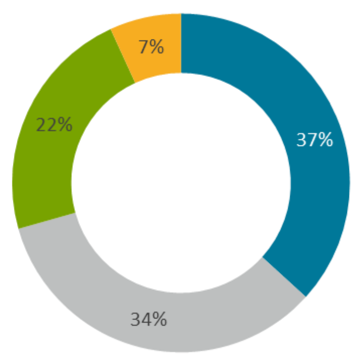


(USD millions)

	Investment Rank	Investments	Commitment	% of Total
	Outperform	29	236.0	21%
	Perform	25	278.7	25%
	Underperform	21	213.8	19%
	Too Early To Tell	12	140.2	13%
	Realized	39	247.5	22%
	Total	**126**	**$1,116.2**	**100%**

NOTE: Please see previous slide for footnotes.

Performance
by Market Value



(USD millions)

	Investment Rank	Investments	Market Value	% of Total
	Outperform	29	352.0	36%
	Perform	25	324.4	34%
	Underperform	21	215.7	22%
	Too Early To Tell	12	65.5	7%
	Realized	39	0.0	0%
	Total	**126**	**$957.7**	**100%**

BUYOUTS[1,2]

- During the quarter, Buyout fundraising totaled $170.6 billion, decreasing 12% quarter-over-quarter ("q-o-q").
- U.S. leveraged Buyout debt volume totaled $22 billion in Q2, decreasing 53% q-o-q.
- The average Buyout deal size during the quarter was $476 million, remaining decreasing 20% q-o-q.

VENTURE CAPITAL[1,2]

- During the quarter, Venture Capital fundraising totaled $56 billion, decreasing 8% q-o-q.
- The average Venture Capital deal size during the quarter was $217 million, increasing 9% q-o-q.

INFRASTRUCTURE[2]

- In Q2 2022, 596 infrastructure deals were completed, decreasing 8% q-o-q.
- The average infrastructure deal size during the quarter was $540 million, increasing 21% q-o-q.
- Average infrastructure fundraising during the quarter was $56 billion over 27 funds, decreasing 21% q-o-q.

SECONDARIES[3]

- During 1H 2022 pricing declined from 97% to 91% for buyouts and from 88% to 71% for venture capital.
- Global secondary volume totaled $57 billion for 1H 2022, increasing 19% year-over-year.
- GP-led transactions represented 42% of the market in 1H 2022.

(1) S&P US LBO Review, Q2 2022
(2) Thomson One and preqin
(3) Jeffries Global Secondary Market Review.

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.

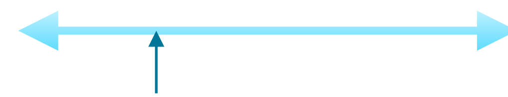
Annual Program Update (July 2021 through June 2022)

StepStone and SDCERS continue to build out the portfolio at a measured pace according to the Investment Plan objectives. Below is a summary of the progress since the last annual review (Jul '21 – Jun '22).

Investment Pace

- Commitments of $83.7m was within targeted commitment range of $80m to $110m.
- 8 commitments – 6 new investments and 2 follow-on investments.

Actual Commitments vs. Targeted Commitment Range
(in Millions)



Concentrated Commitments

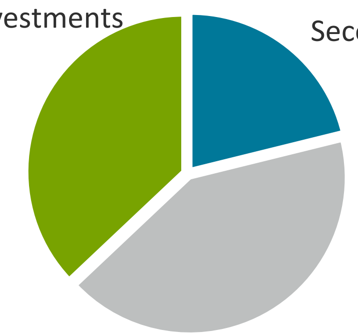
- The average commitment size increased from FY21 for both private equity and infrastructure investments.

(in Millions)	FY22	FY21
Private Equity	$11.1	$7.8
Infrastructure	$7.0	$5.5

Opportunistic Approach with J-Curve Mitigating Strategies

- Majority of new investments were in secondaries and co-investments.
- Since inception, the Program has not experienced a J-Curve effect.
- The focus on cash flowing secondaries and co-investments has helped to mitigate volatility

New Commitments



Small Market Funds Targeting Attractive Industry Sectors

- Continue to invest in attractive key industries:

Infrastructure
Healthcare
Software
Consumer

Overview of Pacing Options

StepStone has revised SDCERS' pacing model to reflect activity over the last 12 months in the Program and the overall SDCERS portfolio. Three scenarios have been modeled below

$100 Million

- Assumes **$50 million** in private equity commitments and **$50 million** in infrastructure commitments in FYs 2023- 2027
- Exposure falls to **6.5%** of SDCERS' plan size in FY 2024 and declines below target thereafter
- **Increase** allocation to infrastructure while keeping private equity **in line** with prior years.
- **Higher pace** of deployment could be in response to **market conditions** creating compelling opportunities.

$75 Million

- Assumes **$35 million** in private equity commitments and **$40 million** in infrastructure commitments in FYs 2023- 2024. Increases to **$50 million** (private equity) and **$50 million** (infrastructure) in FYs 2025-2027.
- Exposure falls to **6.4%** of SDCERS' plan size in FY 2024 and declines below target thereafter
- **Increase** allocation to infrastructure with a **modest decrease** in private equity
- Slightly **lower pace** than FY 2022

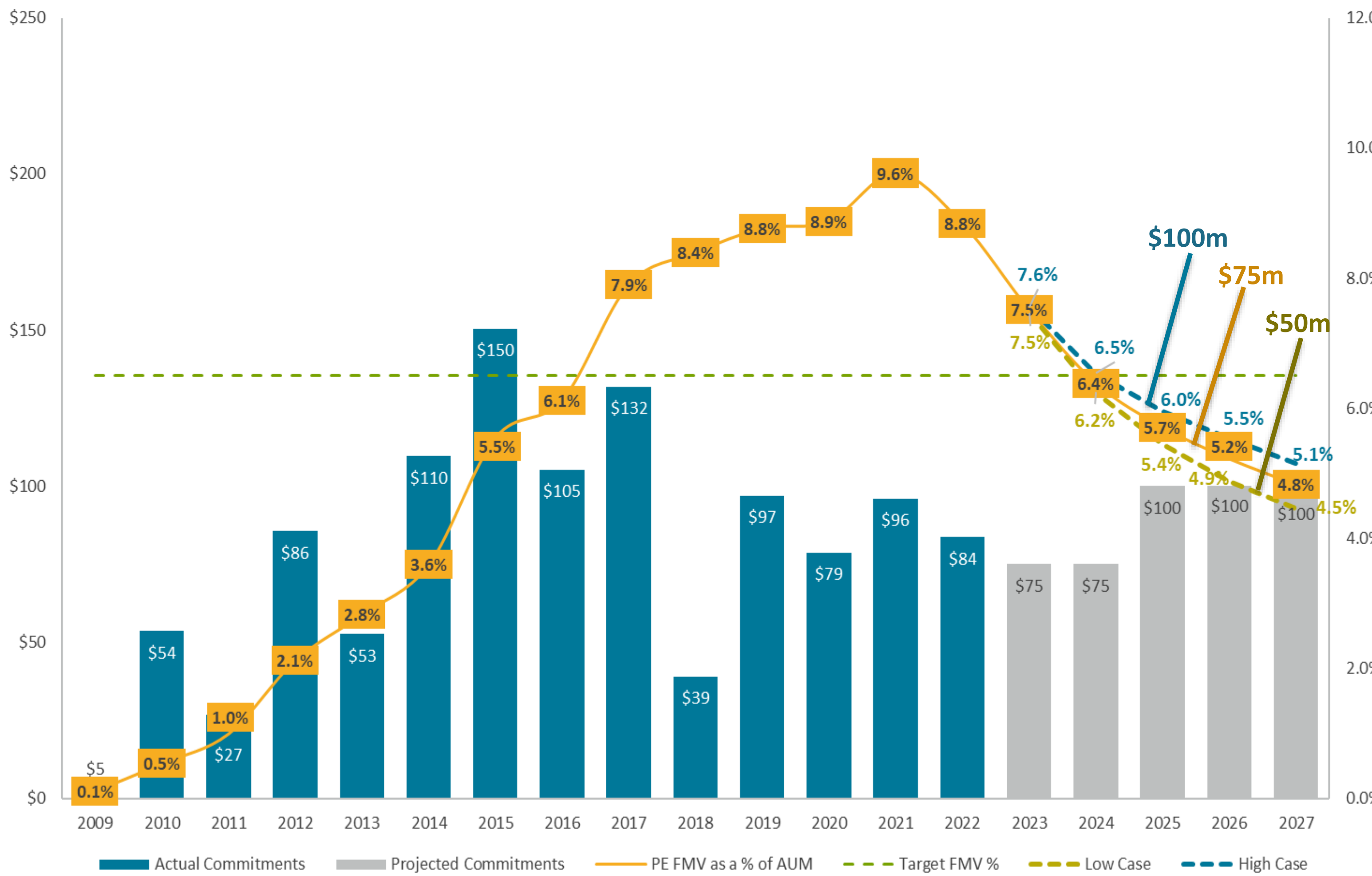
$50 Million

- Assumes **$25 million** in private equity commitments and **$25 million** in infrastructure commitments in FYs 2023-2024. Increases to **$50 million** (private equity) and **$50 million** (infrastructure) in FYs 2025-2027.
- Exposure falls to **6.2%** of SDCERS' plan size in FY 2024 and declines below target thereafter
- **Increase** allocation to infrastructure with a **substantial decrease** in private equity
- **Significantly lower pace** than FY 2022

For illustrative purposes only

Investment Pacing Analysis

StepStone is projecting a decline in NAV in fiscal year 2023 due to ongoing exit activity and reduced capital deployment. The Program is projected to fall below its 6.5% target exposure in fiscal year 2024.



- The Program's commitment pace in FY 2022 was below the plan proposed to SDCERS last year (actual of $84 million vs projected of $100 million). StepStone is **proposing $75 million of commitments in FY 2023**, down from the $100 million that was estimated last year.
- As of June 30, 2022, SDCERS' NAV is $882 million, which is approximately 8.8% of the June 2022 AUM of SDCERS.
- Based on this analysis, the Private Markets program is above the target allocation of 6.5%. In order to reduce this exposure, StepStone is planning continued discretionary liquidity events, including secondary sales. StepStone also anticipates strong liquidity for the Program as the underlying investments are in their distribution phase.

Pacing model information set forth herein are based on assumptions that StepStone believes to be reasonable as of the date hereof. Actual results are inherently uncertain and subject to many factors, including market conditions and general economic conditions, and may vary materially from the model information set forth herein. There can be no assurance that the Fund will achieve its objectives or avoid substantial losses. FMV data is as of June 30, 2022. The x-axis represents fiscal years ending in June. The Actual Commitment blue bars represent the Fund's actual commitment amounts in each fiscal year. PE FMV % amounts are based on SDCERS' NAV as a percentage of SDCERS' AUM as of each given fiscal year-end. Forward estimates of amount based on June 2022 SDCERS AUM with an assumed growth rate of 6.5% and an annualized return for the Fund of 12%.

Investment Themes for Next Year

The following are key priorities for the Private Markets program next year:

Investment Pace	• StepStone will target total commitments of $75.0 million for private equity and infrastructure for the year period within a range of $60.0 to $90.0 million.
Concentrated Commitments	• StepStone will target a limited pool of fund managers in which we have the highest conviction. • This strategy will not be applicable to secondaries as StepStone will continue to take advantage of secondaries representing all sizes of commitment.
Opportunistic Approach	• Continue to favor secondaries, co-investments, and seasoned primaries as a preferred means of building desired exposures by project stage, industry sector and fund strategy. • StepStone still expects many attractive secondary opportunities to come from smaller bite-sized deals. • StepStone will evaluate secondary offers on various positions in the portfolio to take advantage of compelling pricing in the market.
J-Curve Mitigating Strategies	• Continue to target strategies which can lower the risk profile of the Program and offer earlier distributions. This includes secondaries, seasoned primaries and other special situation strategies.
Specialized Funds Targeting Attractive Industry Sectors	• Data centers, wireless communications, smart cities, logistics and automation will be an area of focus for potential infrastructure investments, as well as other diversifying areas, such as core+ infrastructure. • Healthcare, tech-enabled business services and software will be a continued area of focus for the Program’s private equity investments.

Appendix A: Portfolio Highlights

STEPSTONE inside private markets

The Program seeks to achieve attractive returns to SDCERS through a portfolio of private equity and infrastructure investments across an assortment of investment asset classes and investment types as follows:

Investment Asset Class

- **Buyouts** – acquisition of a relatively mature product or business, from either a public or private company, utilizing debt and equity.
- **Venture Capital and Growth** – investment in development-stage, privately held companies that are early in their life cycle with perceived high growth potential.
- **Distressed/Special Situations** – the purchase of debt securities trading at a significant discount to par value.
- **Mezzanine –** investment strategy involving subordinated debt (the level of financing senior to equity and below senior debt).
- **Infrastructure** – investment in high cost, low risk Monopolistic assets that provide predictable demand and stable cash flows over long economic life.

Investment Types

- **Primary** – investment into a private equity fund in which the manager has discretion to obtain diversified exposure to the private equity asset class of the fund.
- **Seasoned Primary** – a primary investment completed after the fund has already committed approximately 5% to 50% of their committed capital.
- **Secondary Investments** – the purchase of LP interests in private equity funds or direct private investments in companies.
- **Co-Investments** – the practice of making non-control direct equity investments in individual transactions alongside general partners who source, or sponsor, the deal.

Risk management is considered in every stage of StepStone's investment process:

RISK FACTORS	DEFINITION	EXAMPLES
Market risk factors	• Widely accepted non-idiosyncratic risk factors, that are associated with offering a long-term premium (and this is supported by evidence) • They may be replicable in the market	• Equity risk • Credit risk • Duration risk • Commodity risk • Insurance risk
Thematic risk factors	• Non-idiosyncratic risks associated with long term thematic change, for which we expect a risk premium. It is not clear at this stage as to whether the expected premium is paid in realized returns	• Climate change • Demographics • Technology
Manager/Asset Specific Risks – Other risks	• Other non-idiosyncratic risk factors that represent key exposures for which we expect a margin of performance. It is not clear at this stage as to whether the expected premium is paid in realized returns	• Liquidity • Regulatory • Political, geopolitical
Manager/Asset Specific Risks – Idiosyncratic risks	• Also called unsystematic risk. Risks associated with the unique circumstances of a specific security, as opposed to the overall market. This risk can be virtually eliminated from a portfolio through diversification.	• Management risk • Valuation risk • Implementation risk

Program Performance Summary (As of June 30, 2022)

STEPSTONE inside private markets

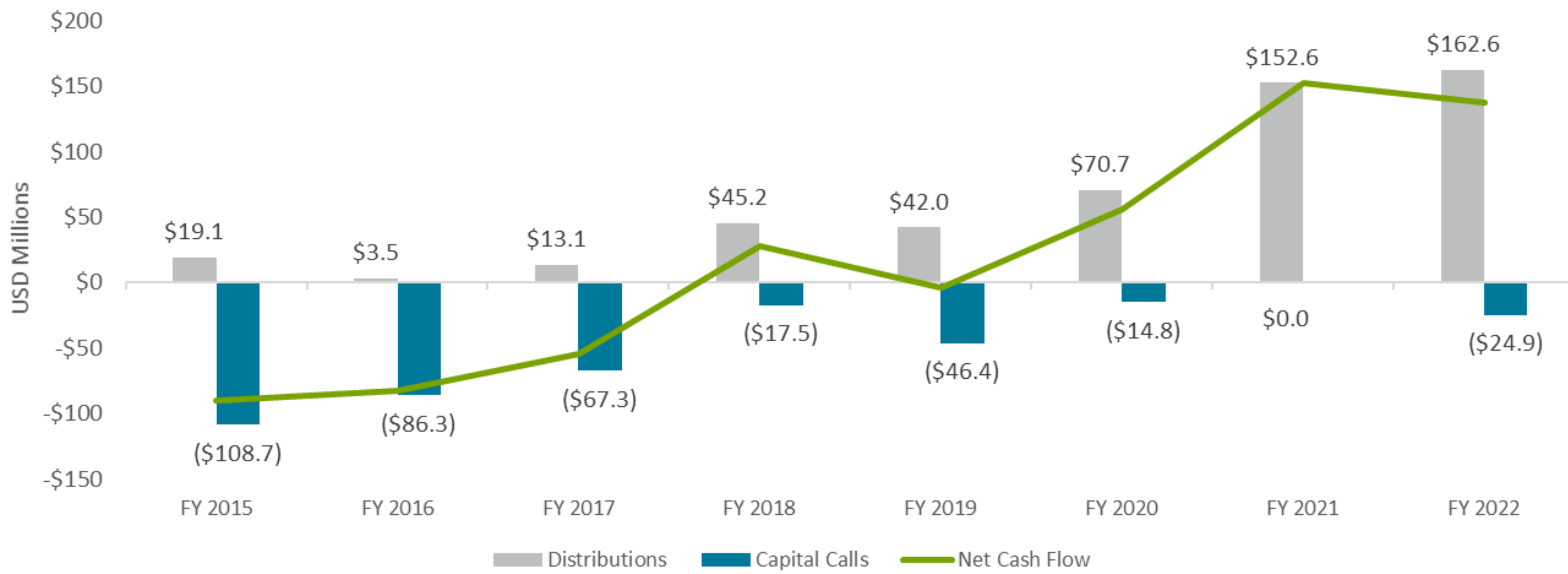
(in US$ Millions) *As of June 30, 2022*

Investment Type	# of Investments	Committed[1]	Funded[2][3]	Distributed[3]	Market Value	Total Value	TVM[4][5]	IRR[4][5]
Private Equity Secondaries	**39**	**$200.4**	**$183.1**	**$166.3**	**$159.2**	**$325.5**	**1.78x**	**19.5%**
Active PE Secondaries	24	137.1	121.9	65.4	159.2	224.6	1.84x	20.5%
Realized PE Secondaries	15	63.3	61.2	100.9	0.0	100.9	1.65x	18.5%
Private Equity Seasoned Primaries	**18**	**186.5**	**178.9**	**251.1**	**132.2**	**383.2**	**2.14x**	**18.9%**
Active PE Seasoned Primaries	13	121.5	117.1	156.1	132.2	288.3	2.46x	20.6%
Realized PE Seasoned Primaries	5	65.0	61.8	95.0	0.0	95.0	1.54x	14.2%
Private Equity Primaries	**18**	**247.0**	**223.8**	**236.8**	**276.6**	**513.3**	**2.29x**	**21.9%**
Active PE Primaries	16	229.5	202.3	189.2	276.6	465.8	2.30x	21.9%
Realized PE Primaries	2	17.5	21.5	47.5	0.0	47.5	2.21x	22.0%
Private Equity Co-Investments	**19**	**223.3**	**187.7**	**215.3**	**211.8**	**427.1**	**2.28x**	**19.7%**
Active PE Co-Investments	10	164.6	128.4	97.4	211.8	309.2	2.41x	22.0%
Realized PE Co-Investments	9	58.7	59.2	117.9	0.0	117.9	1.99x	15.9%
Private Equity Subtotal	**94**	**$857.2**	**$773.4**	**$869.4**	**$779.7**	**$1,649.2**	**2.13x**	**20.1%**
Infrastructure Secondaries	**14**	**108.7**	**102.7**	**71.5**	**86.7**	**158.1**	**1.54x**	**13.1%**
Active Infra Secondaries	11	98.1	92.5	60.0	86.7	146.7	1.59x	15.8%
Realized Infra Secondaries	3	10.6	10.2	11.4	0.0	11.4	1.12x	2.4%
Infrastructure Seasoned Primaries	**4**	**42.5**	**43.8**	**17.2**	**50.3**	**67.5**	**1.54x**	**15.8%**
Active Infra Seasoned Primaries	4	42.5	43.8	17.2	50.3	67.5	1.54x	15.8%
Realized Infra Seasoned Primaries	0	0.0	0.0	0.0	0.0	0.0	NA	0.0%
Infrastructure Primaries	**2**	**17.5**	**17.5**	**11.4**	**0.8**	**12.2**	**0.70x**	**-9.8%**
Active Infra Primaries	2	17.5	17.5	11.4	0.8	12.2	0.70x	-9.8%
Realized Infra Primaries	0	0.0	0.0	0.0	0.0	0.0	NA	0.0%
Infrastructure Co-Investments	**12**	**90.4**	**87.5**	**75.6**	**40.2**	**115.7**	**1.32x**	**8.2%**
Active Infra Co-Investments	7	56.4	56.8	43.8	40.2	84.0	1.48x	11.4%
Realized Infra Co-Investments	5	34.0	30.7	31.7	0.0	31.7	1.03x	1.1%
Infrastructure Subtotal	**32**	**$259.0**	**$251.4**	**$175.6**	**$177.9**	**$353.6**	**1.41x**	**10.0%**
StepStone Atlantic Fund Gross Returns	**126**	**$1,116.2**	**$1,024.8**	**$1,045.1**	**$957.7**	**$2,002.8**	**1.95x**	**18.2%**
SDCERS Net Returns (4)(5)			**$971.5**	**$965.9**	**$882.1**	**$1,848.0**	**1.90x**	**16.4%**

(1) For secondary investments, Commitment represents total exposure, calculated as the total purchase price of the interest, plus the remaining commitment assumed as of the pricing date.
(2) Funded includes additional fees and expenses associated with the investment in the underlying partnerships
(3) Funded and Distributed amounts are shown net of distributions received from underlying investments that have been characterized as recallable by the respective General Partners.
(4) Net IRR and TVM are net of management fees and expenses related to the underlying partnership investments (but before taxes or withholdings incurred by the limited partners directly or indirectly through payments or withholdings by any StepStone-managed vehicle). IRR performance for investments held less than two years is not 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
(5) Net IRR and TVM to SDCERS includes all fees, expenses, and carried interest paid to the General Partner.

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.

StepStone Atlantic Fund Recent Cash Flow History



- Despite record liquidity in the past year, valuation write-ups offset larger annual distributions. The more challenging public markets environment is expected to limit NAV growth in FY 2023.
- Private equity portfolio is now very mature and generating record distribution activity
- Two capital calls occurred to date for FY 2023
  - Capital call in September 2022 ($5.4 million)
  - Capital call in October 2022 ($1.6 million)

New Commitments

Fiscal Year 2022 – July 2021 to June 2022

As of June 30, 2022

New Investments	Vintage Year	Fund Strategy	Deal Structure	Committed	Funded[1]	Distributed	Market Value	Total Value
Project Wellness 2.0	2021	Buyout	PE Secondaries	$ 5.0	$ 4.5	$ 0.1	$ 5.7	$ 5.7
StepStone Tactical Growth Fund III, L.P.	2020	Growth Equity	PE Primary	20.0	10.8	0.0	13.4	13.4
TDR Co-Investment	2016	Buyout	PE Co-Investment	1.0	1.0	-	1.0	1.0
Project Moby	2021	Growth Equity	PE Secondaries	5.7	4.9	0.0	5.3	5.3
Project Green	2021	Industrials	Infra Secondaries	7.0	5.5	-	7.9	7.9
StepStone Capital Partners V, L.P.	2022	Buyout	PE Co-Investment	35.0	-	-	0.1	0.1
Craft Ventures Growth II, L.P.	2022	Venture Capital	PE Primary	5.0	-	-	-	-
Craft Ventures IV, L.P.	2022	Venture Capital	PE Primary	5.0	-	-	-	-
Total New Investments				**$ 83.7**	**$ 26.6**	**$ 0.1**	**$ 33.4**	**$ 33.5**

Since the last annual review (July 1, 2021 to June 30, 2022):

- The Program has committed $83.7 million to six new investments and two follow-on investments.
  - $76.7 committed to PE and $7.0 committed to Infrastructure
- Two of the new investments have generated distributions for the Program, approximately $0.1 million.

(1) Funded includes additional fees and expenses associated with the investment in the underlying partnerships.
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.

StepStone Atlantic Fund Liquidity Events 2022[1]

- Approximately **$138 million** in net distributions generated to SDCERS in FY 2022
  - Total LP gross distributions **$268 million**

- FY 2022 Top Distributions
  - Sunstone Co-Investment: **$50 million**
  - StepStone Tactical Growth Fund I and II: **$36 million**
  - StepStone Capital Partners III and IV: **$20 million**
  - Trustbridge IV: **$15 million**
  - Ridgemont Equity Partners I: **$10 million**

- Targeting meaningful net distributions to SDCERS in FY 2022

- Liquidation Strategies
  - Traditional, passive investment distributions
  - Sale of post-IPO stock (e.g., Roblox, Meituan)
  - GP-led recapitalization events
  - LP secondary sales

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.