

WHAT IS PRIVATE CREDIT AND WHY SHOULD YOU INVEST?

Private credit refers to loans provided to companies by investment firms and not traditional banks. Companies may prefer private credit lenders because they are often faster and more efficient. The most common type of private credit loan involves lending to companies being acquired by private equity firms where the private equity firms is seeking debt financing to help them complete the transaction. This debt financing or “private credit” is senior to the private equity firm’s equity in the particular company and will be paid back first, providing a level of protection to the investor in a private credit investment.

The private credit market has expanded significantly, with its total assets under management (AUM) reaching \$1.6 trillion by the end of 2023 and projections suggesting continued growth to \$3.5 trillion by 2028². This increase reflects the broader trend of non-bank lenders filling the financing void left by traditional banks. As banks have been prohibited by regulators from providing endless amounts of this type of capital, alternative lenders, including private credit funds like CRDEX, have emerged to meet this demand, providing tailored financing solutions to healthy middle-market companies.

COMMON CHARACTERISTICS OF PRIVATE CREDIT

Senior Secured Structure: Most private credit investments prioritize senior secured loans, offering repayment priority in the capital structure.

Floating Interest Rates: Many private credit assets feature floating rates, or interest rates that fluctuate over time, reducing interest rate risk and aligning returns with changing economic conditions.

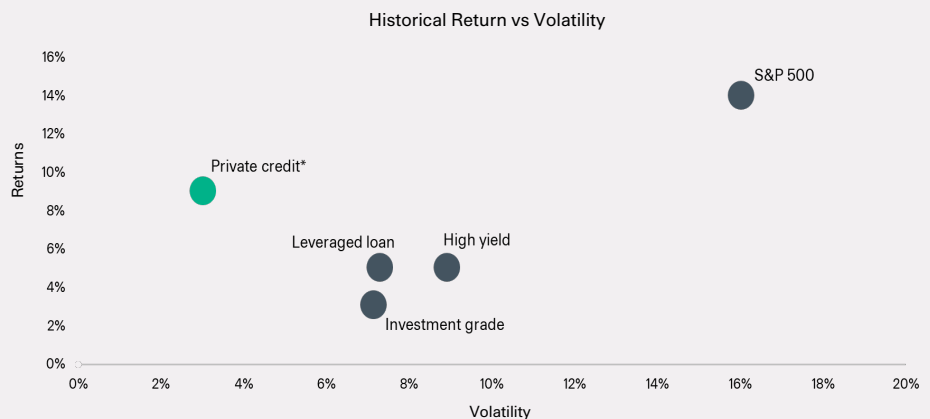
Custom Solutions: Lenders can offer bespoke financing terms to meet the specific needs of borrowers.

Diversification Benefits: Investments can span various sectors and borrowers, contributing to broader diversification.

Asset-Backed Security: Often backed by tangible or valuable collateral, adding a layer of downside protection.

High Income Potential: Compared to traditional fixed-income investments, private credit may often provide higher yields.

Reduced Volatility: Private credit assets are generally less correlated with publicly traded securities, resulting in potential portfolio stability.



1. Time period September 30, 2015 – March 31, 2024. * “Private Credit” is represented by the Cliffwater Direct Lending Index. “Leveraged Loans” is represented by the Morningstar LSTA US Leveraged Loan Index. “High Yield” is represented by the Bloomberg US Corporate High Yield Index. “Investment Grade” is represented by the Bloomberg US Corporate Bond Index. The S&P 500 index comparison provided herein is solely for informational purposes only and should not be relied upon for any purpose. Stepstone’s funds differ from the S&P 500 in that Stepstone’s funds are actively managed entities that bear fees and use leverage, among other factors.
2. Source: Deloitte, BlackRock, Preqin. Historical (actual) data from Preqin, as of each calendar year-end. 2024E to 2028E are BlackRock estimates. There is no guarantee any forecasts may come to pass.

PRIVATE CREDIT HAS HISTORICALLY BEEN DIFFICULT TO ACCESS

Historically, investors faced significant challenges in accessing private credit opportunities. Debt investment options for most individuals were largely confined to public corporate bonds, municipal bonds, or savings bonds, which offered limited diversification and risk exposure. Meanwhile, private credit opportunities were typically exclusive to wealthy individuals and institutional investors due to high capital requirements, limited transparency, and restricted market access. This exclusivity created barriers for many investors seeking higher-yield alternatives within the debt market.

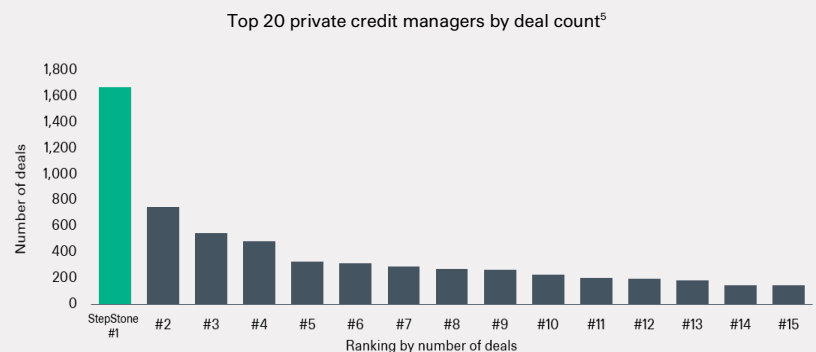
WHAT IS STEPSTONE PRIVATE CREDIT INCOME FUND ("CRDEX")?

CRDEX is a solution designed to provide investors with current income and long-term capital appreciation by offering investors access to a global investment portfolio of private credit exposure.

CRDEX seeks to achieve this investment objective mainly by investing in various credit-related strategies via direct loans into US companies' loans to performing middle-market companies with approximately \$10 million to \$100 million in EBITDA.³

UNIQUE INVESTMENT STRATEGY⁴

StepStone's private debt team invests with a multi-manager approach which ensures significant diversification across investment managers and portfolio companies. Our global 75+ investment professional credit team currently has responsibility for \$65 billion globally and deploys \$12 billion into the market on average annually.⁶ Experience and global scale put StepStone at the forefront of this investment asset class.



CRDEX targets privately-held, performing businesses. The Fund will generally try to use an investment strategy that looks for businesses with the following characteristics:

- ✓ Successful private companies with long-term franchise value
- ✓ Strong, competitive market positioning
- ✓ Stable businesses with good free cash flow generation
- ✓ Private equity sponsorship
- ✓ Conservative capital structures and large underlying equity value
- ✓ Liquidity to endure market cycles
- ✓ High caliber management teams are all desirable characteristics

3. EBITDA stands for Earnings Before Interest, Taxes, Depreciation and Amortization, a metric used to evaluate a company's operating performance by removing the effects of financing decisions, tax environments, and non-cash accounting items like depreciation and amortization.
4. Target strategy is presented for informational purposes only to illustrate the types of investments and strategies that may be pursued by the Fund.
5. Source: StepStone, Preqin as of Q2 2023 / latest available. StepStone deal counts include 535 realized and 1,236 unrealized deals, respectively; deal volume is based on committed amount to borrower. StepStone deal volume includes \$25.4B unrealized and \$8.8B realized deals, respectively. Values are converted to USD at the FX rate at the loan launch date. Other GP data is based on Preqin: deal activity table league of Private Debt GPs (matching criteria: Private Debt). LHS chart selects top 20 GPs by total number of matching deal count since inception, RHS chart selects top 20 GPs by direct lending deal value.

CRDEX invests across industry sectors via the following strategies:

- ✓ **Direct Lending:** Corporate senior secured loans for leveraged buyouts, recapitalizations and refinancings
- ✓ **Specialty Credit:** Asset-backed (e.g. real estate and infrastructure credit) and niche corporate lending strategies (e.g. venture debt and healthcare lending)

UNLOCKING ATTRACTIVE FEATURES

CRDEX makes private credit investing more accessible to individuals with investor friendly features.

- ✓ Low investment minimums.⁷
 - ✓ A daily NAV with full transparency into the value of the fund's shares.
 - ✓ More efficient tax reporting with a 1099 rather than a K-1.
 - ✓ Favorable liquidity feature of 5% quarterly, or 20% annually.⁸
 - ✓ Potential for meaningful distributable income.
6. Headcount as of December 31, 2024. Data include metrics of entities acquired by StepStone. Total capital responsibility equals assets under management (AUM) plus assets under advisement (AUA) and is presented as of December 31, 2024. Reflects final data for the prior period (September 30, 2024), adjusted for net new client account activity through December 31, 2024. Does not include post-period investment valuation or cash activity. Average annual approvals are for the average of the last three years ended December 31, 2024. Amounts may not sum to total due to rounding. Approved figures represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive researchonly, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes. The Private Debt investment team consists of 59 team members, and leverages the debt expertise of the Firm's dedicated Real Estate, Distressed and Infrastructure professionals & partners, which are included in the headcounts presented above. Private Debt AUM/AUA and approved amounts include both Infrastructure and Real Assets debt and Real Estate debt. Approved amount includes incremental fundings of recycled/reinvested capital above the initial approved amount stemming from the revolving nature of certain Private Debt programs. 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.
 7. Generally, the minimum initial investment for Class S Shares, and Class D Shares in the Fund from each investor is at least \$25,000, and the minimum initial investment for Class I Shares in the Fund from each investor is at least \$1,000,000. The minimum initial investment may be reduced at the Adviser's discretion.
 8. The Fund will offer to repurchase no less than 5% of the Fund's outstanding shares at NAV on a quarterly basis. In the event that a repurchase offer is oversubscribed; Shareholders may only be able to have a portion of their shares redeemed.

IMPORTANT RISKS/DISCLOSURES

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained from StepStone Private Wealth at 704.215.4300 or by visiting stepstonepw.com. An investor should read the prospectus carefully before investing.

An investment in the Fund involves risks. The Fund should be considered a speculative investment that entails substantial risks, and a prospective investor should invest in the Fund only if it can sustain a complete loss of its investment. Fund fees and expenses may offset trading profits. Fund shares are illiquid and appropriate only as a long-term investment. There is no market exchange available for shares of the Fund thereby making them difficult to liquidate. Use of leverage may increase the Fund's volatility. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Investments may consist of loans to small and/or less well-established privately held companies that have reduced access to the capital markets, resulting in diminished capital resources and the ability to withstand financial distress.

Debt securities are subject to the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. Several factors may impair the ability of an issuer to make such payments and result in defaults on, and declines in, the value of its debt, including interest rate risk, prepayment risk, and adverse changes in the financial condition of an issuer. A significant portion of the Fund's investments may be originated, which will depend on several factors, including the availability of opportunities for the origination or acquisition of target investments, the level and volatility of interest rates, the availability of adequate short and long-term financing, conditions in the financial markets and economic conditions.

The current lending market in which the Fund participates is competitive and rapidly changing, and the Fund may face increasing competition for access to loans (especially direct loans) as the lending industry continues to evolve. The fact that a loan is secured does not guarantee that the Fund will receive principal and interest payments according to the loan's terms, or at all, or that the Fund will be able to collect on the loan should the remedies be enforced. Private Market Assets may include investments in fixed income securities rated investment grade or non-investment grade (commonly referred to as high yield securities or "junk" securities) and may include investments in unrated fixed income securities, all of which may involve a substantial risk of default. Please see the prospectus for details of these and other risks.

While the Fund provides transparent disclosure of structure, strategy, holdings, and financial condition, the valuation of the Fund's investments in Private Markets Investment Funds is ordinarily determined based upon valuations provided by the Investment Managers on a quarterly basis. A large percentage of these securities do not have a readily ascertainable market price and are fair valued by the Investment Manager subject to future adjustment or revision. No assurances can be given regarding accuracy of the valuation methodology or the sufficiency of systems utilized by any Investment Manager, and an Investment Manager's valuation of the securities may fail to match the amount ultimately realized with respect to the disposition of such securities.

Diversification does not ensure a profit nor protect against loss in a declining market. Holdings in private credit assets do not guarantee downside protection of an investment in the Fund and a complete loss of investor's principal is possible.

The Fund is distributed by Distribution Services, LLC which is not affiliated with StepStone Group. CRDEX is a newly formed investment company with no operating or performance history that Shareholders can use to evaluate the Fund.

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