

Fiscal Year 2023 First Quarter Results

Earnings Presentation - August 2, 2022



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Vice Chairman

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Business Performance

- Assets under management and fee-earning assets under management were \$108 billion and \$51 billion, respectively, as of June 30, 2022, increases of 18% and 20%, respectively, compared to June 30, 2021
- Management and advisory fees increased 16% compared to the three months ended June 30, 2021

Financial Results

USD in millions except per share amounts

	Q1 FY23	vs. Q1 FY22	vs. Q4 FY22
Management and advisory fees	\$85.9	16 %	2 %
GAAP net income	\$33.5	19 %	142 %
GAAP EPS	\$0.91	17 %	133 %
Adjusted net income ¹	\$49.6	9 %	4 %
Non-GAAP EPS ¹	\$0.92	10 %	3 %
Fee Related Earnings ¹	\$36.8	10 %	(3)%
Adjusted EBITDA ¹	\$66.6	66 %	33 %

Dividend

- Declared a quarterly dividend of \$0.40 per share of Class A common stock to record holders at the close of business on September 15, 2022

¹Adjusted net income, non-GAAP earnings per share, Fee Related Earnings and Adjusted EBITDA are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures and for the reasons we believe the non-GAAP measures provide useful information, see pages 20 and 21 of this presentation.

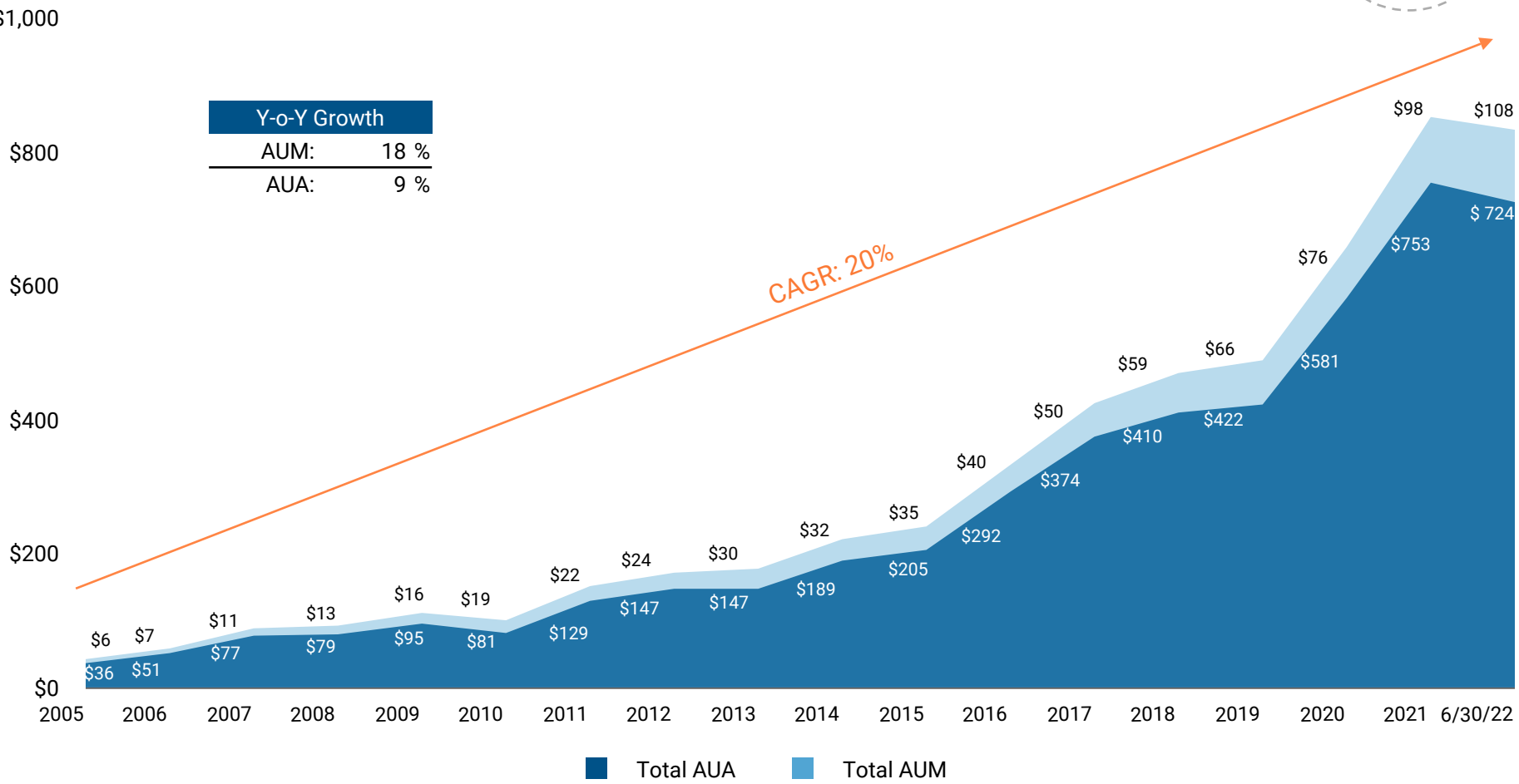
Growing Asset Footprint & Influence

Total Assets Under Management/Advisement (\$B)¹

\$832B
AUM & AUA

Y-o-Y Growth	
AUM:	18 %
AUA:	9 %

CAGR: 20%

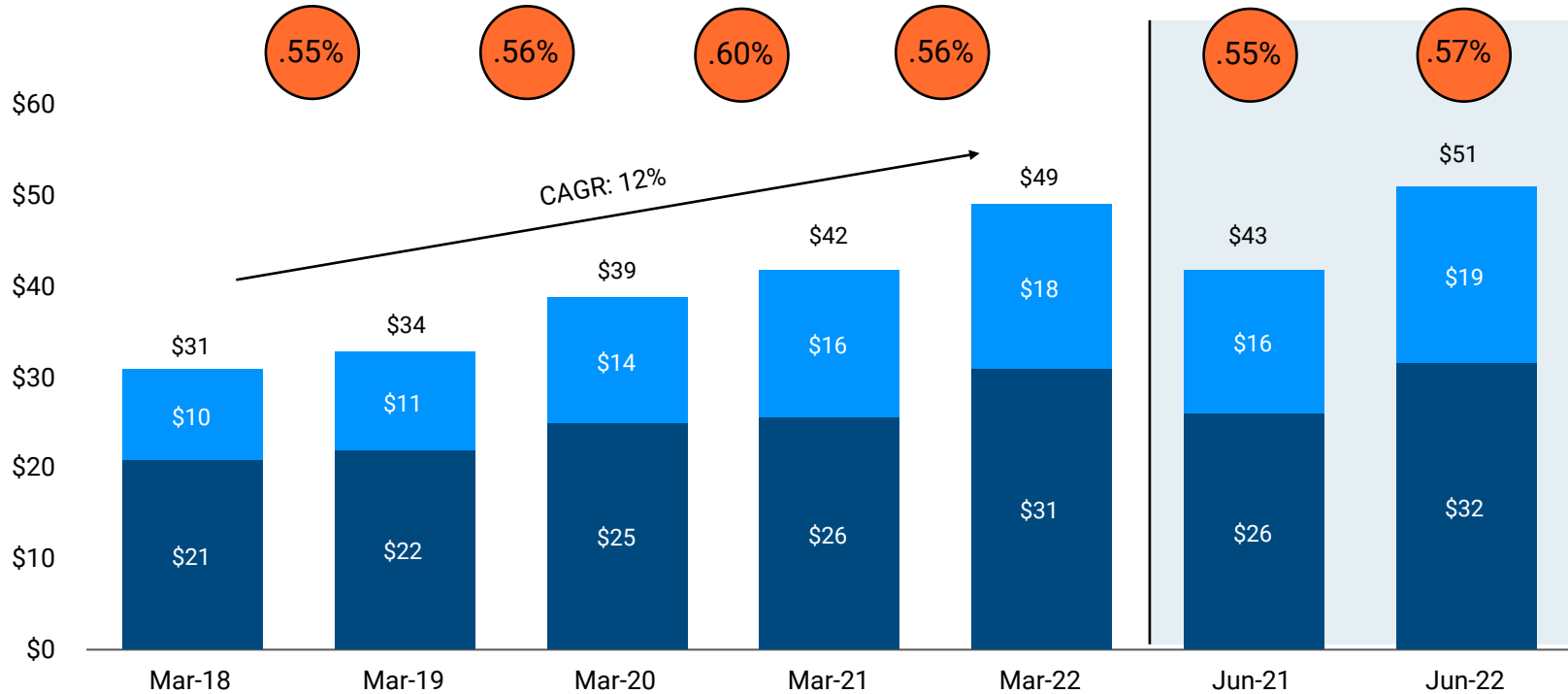


¹Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

Fee-Earning AUM Driving Revenues

Fee-Earning AUM growth continues and annual fee rates are stable

Total Fee-Earning Assets Under Management (\$B)



*Numbers may not tie due to rounding

- Customized Separate Accounts
- Specialized Funds
- Total Management Fee Revenues as a % of Average FEAUM

Y-o-Y Drivers of Growth

Customized Separate Accounts:

- New client wins
- Client re-ups

Specialized Funds:

- Closed 1st infrastructure fund
- Fundraising 5th direct equity fund, 6th secondary fund, 7th credit-oriented fund, 2nd impact fund, and evergreen funds

AUM

Customized Separate Accounts



Diverse mix of existing and prospective clients seeking to further or establish relationships with Hamilton Lane

- \$5.4B year-over-year increase in FEAUM
- +80% of our gross contributions during the last 12 months came from existing clients

Specialized Funds



Select funds in market:

- Direct equity fund
 - Secondary fund
 - Credit-oriented fund
 - Evergreen fund
 - Impact fund
- \$3.0B year-over-year increase in FEAUM
 - Closings during Q1 FY23:
 - Direct equity fund: \$190M
 - Secondary fund: \$612M

AUA

Advisory Services



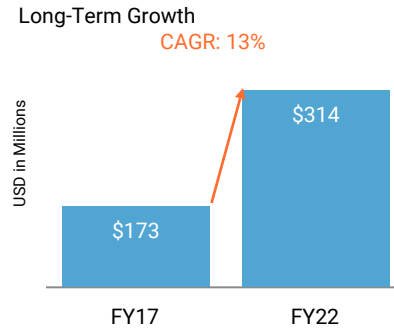
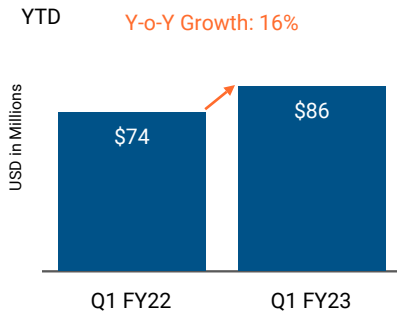
Typically larger clients with wide-ranging mandates which include technology-driven reporting, monitoring and analytics services and consulting services; opportunity set continues to be robust

- \$59B year-over-year increase in AUA

Financial Highlights

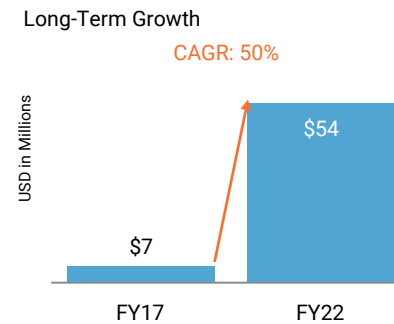
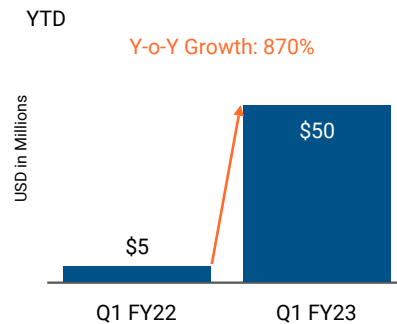
Strong revenue growth across management and advisory fees

Management and Advisory Fees



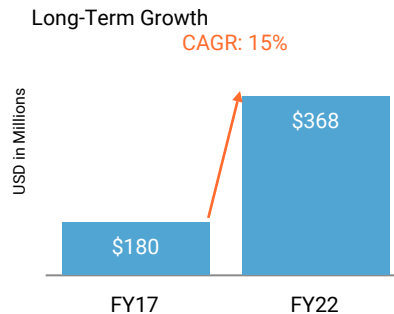
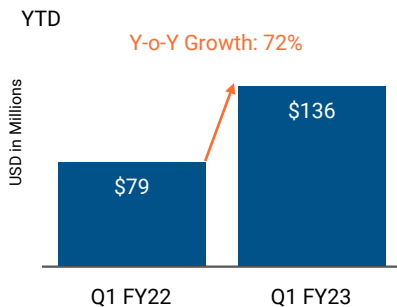
- Recurring management and advisory fees represented an average of 85% of total revenues over the past five fiscal years
- Y-o-Y increase of 16%
- \$0.6 million in retroactive fees from our latest direct equity fund in the quarter

Incentive Fees



- Incentive fees derived from a highly diversified pool of assets and funds
- Unrealized carried interest of \$1,102M as of 6/30/22 diversified across 3,000+ assets and 90 funds
- Timing of realizations unpredictable

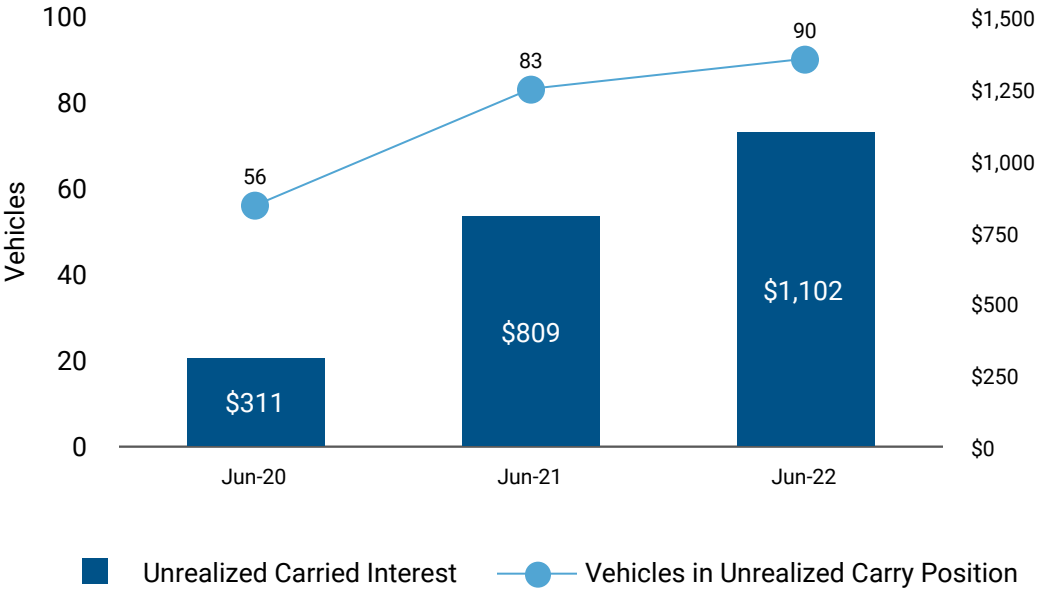
Total Revenues



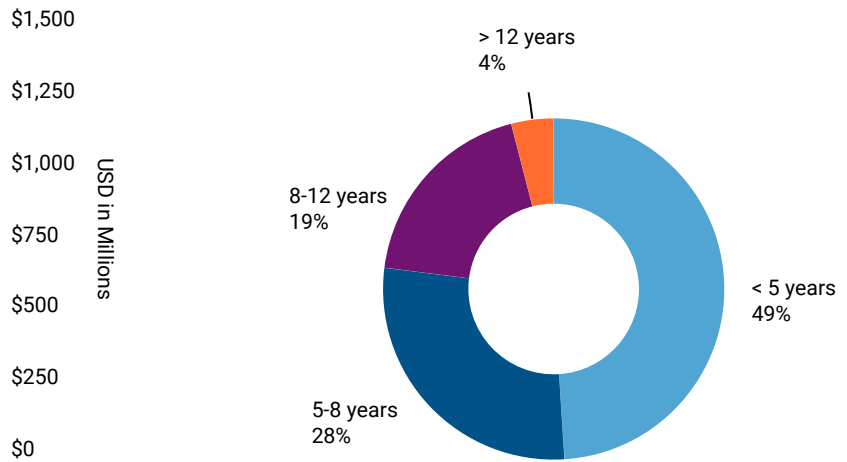
- Total revenues increased by 72%, driven by incentive fees

Unrealized Carried Interest

Unrealized Carried Interest

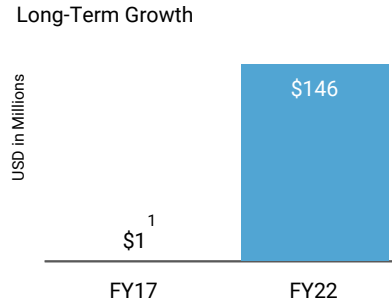
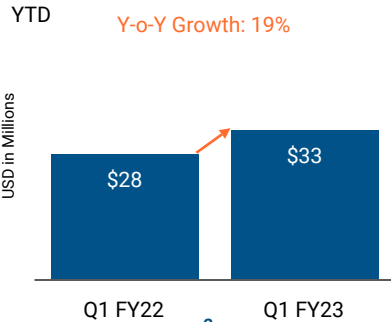


Unrealized Carry by Age



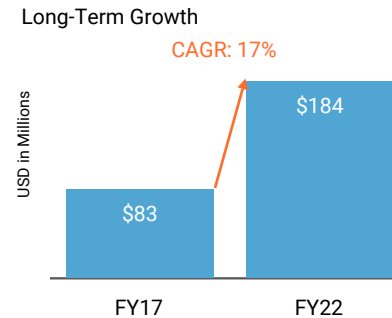
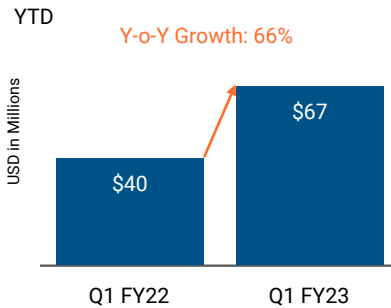
Profitability stable and growing

Net Income Attributable to HLI



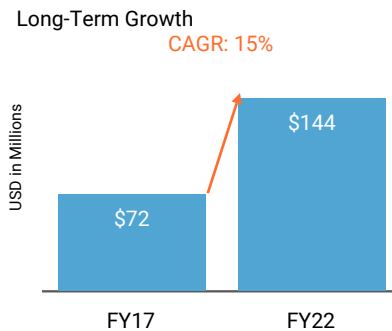
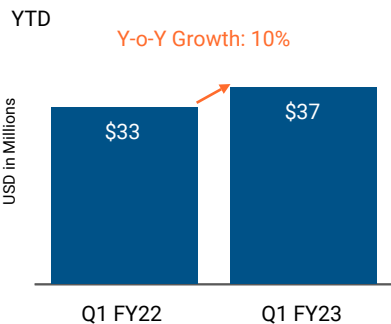
- \$33M in net income attributable to HLI for the quarter

Adjusted EBITDA²



- Y-o-Y increase of 66% driven by growth in both management and advisory fees and incentive fees

Fee Related Earnings²



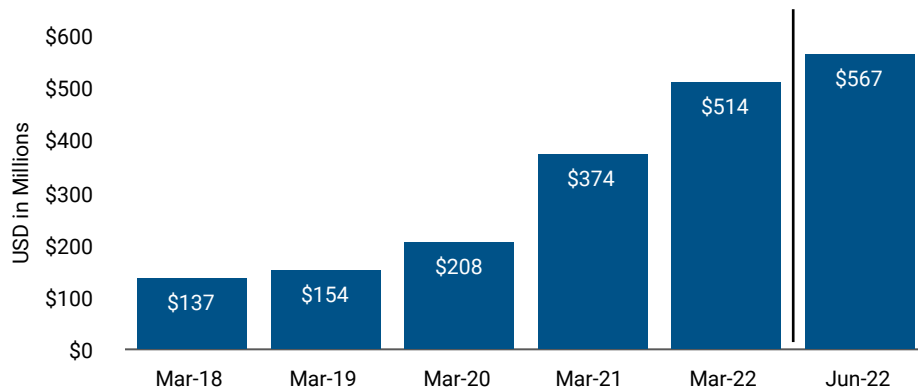
- Y-o-Y growth of 10%
- Long-term double digit growth in Fee Related Earnings

¹Prior to our IPO, HLI was a wholly-owned subsidiary of HLA with no operations or assets.

²Adjusted EBITDA and Fee Related Earnings are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures and for the reasons we believe the non-GAAP measures provide useful information, see pages 20 and 21 of this presentation.

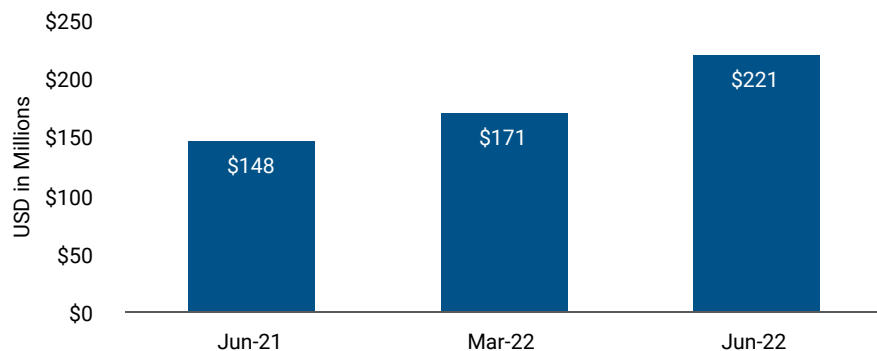
Strong balance sheet with investments in our own products and a modest amount of leverage...

Investments



- For 6/30/22, the total investment balance consisted of:
 - ~\$366M in equity method investments in our funds
 - ~\$201M in technology related and other investments

Leverage



- Modest leverage
- \$221M of debt as of 6/30/22

Appendix

Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended				
	June 30, 2021	March 31, 2022	June 30, 2022	YoY Change %	QoQ Change %
<i>(Dollars in thousands except share and per share amounts)</i>					
Management and advisory fees	\$73,884	\$84,575	\$85,946	16 %	2 %
Incentive fees	2,364	13,916	49,524	1,995 %	256 %
Consolidated variable interest entities related:					
Incentive fees	2,747	2,409	39	(99)%	(98)%
Total revenues	78,995	100,900	135,509	72 %	34 %
Compensation and benefits	26,732	35,137	52,194	95 %	49 %
General, administrative and other	16,154	19,298	20,513	27 %	6 %
Consolidated variable interest entities related:					
General, administrative and other	359	198	277	(23)%	40 %
Total expenses	43,245	54,633	72,984	69 %	34 %
Equity in income (loss) of investees	20,049	18,632	(625)	(103)%	(103)%
Interest expense	(1,165)	(1,146)	(1,495)	28 %	30 %
Interest income	423	12	168	(60)%	1,301 %
Non-operating income (loss)	3,603	(1,031)	4,343	21 %	N/A
Consolidated variable interest entities related:					
Equity in income of investees	229	313	732	220 %	134 %
Unrealized (loss) income	(2,244)	3,418	1,966	N/A	(42)%
Total other income (expense)	20,895	20,198	5,089	(76)%	(75)%
Income before income taxes	56,645	66,465	67,614	19 %	2 %
Income tax expense	11,964	28,908	11,488	(4)%	(60)%
Net income	44,681	37,557	56,126	26 %	49 %
Less: Income attributable to non-controlling interests in general partnerships	213	209	308	44 %	47 %
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	19,296	19,699	20,168	5 %	2 %
Less: (Loss) income attributable to redeemable non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	(2,996)	3,824	2,166	N/A	(43)%
Net income attributable to Hamilton Lane Incorporated	\$28,168	\$13,825	\$33,484	19 %	142 %
Basic earnings per share of Class A common stock	\$0.78	\$0.39	\$0.92	18 %	136 %
Diluted earnings per share of Class A Common stock	\$0.78	\$0.39	\$0.91	17 %	133 %
Weighted-average shares of Class A common stock outstanding - basic	36,003,089	36,926,014	36,999,561		
Weighted-average shares of Class A common stock outstanding - diluted	36,128,994	37,035,108	53,706,941		

Non-GAAP Financial Measures

	Three Months Ended			YoY Change %	QoQ Change %
	June 30, 2021	March 31, 2022	June 30, 2022		
<i>(Dollars in thousands except share and per share amounts)</i>					
Adjusted EBITDA¹					
Management and advisory fees	\$73,884	\$84,575	\$85,946	16 %	2 %
Total expenses	43,245	54,633	72,984	69 %	34 %
Less:					
Incentive fee related compensation ²	(2,383)	(7,710)	(23,541)	888 %	205 %
SPAC related general, administrative and other expenses	(359)	(308)	(276)	(23)%	(10)%
Non-operating income related compensation	—	(20)	—	N/A	N/A
Management fee related expenses	40,503	46,595	49,167	21 %	6 %
Fee Related Earnings	\$33,381	\$37,980	\$36,779	10 %	(3)%
Fee Related Earnings Margin	45 %	45 %	43 %		
Incentive fees	5,111	16,325	49,563	870 %	204 %
Incentive fees attributable to non-controlling interests	(95)	(94)	(3)	(97)%	(97)%
Incentive fee related compensation ²	(2,383)	(7,710)	(23,541)	888 %	205 %
Non-operating income related compensation	—	(20)	—	N/A	N/A
Interest income	423	12	168	(60)%	1,301 %
Equity-based compensation	2,341	1,698	1,897	(19)%	12 %
Depreciation and amortization	1,378	1,751	1,764	28 %	1 %
Adjusted EBITDA	\$40,156	\$49,942	\$66,627	66 %	33 %
Adjusted EBITDA Margin	51 %	49 %	49 %		
Non-GAAP earnings per share¹					
Net income attributable to Hamilton Lane Incorporated	\$28,168	\$13,825	\$33,484	19 %	142 %
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	19,296	19,699	20,168	5 %	2 %
Income tax expense	11,964	28,908	11,488	(4)%	(60)%
Adjusted pre-tax net income	59,428	62,432	65,140	10 %	4 %
Adjusted income taxes ³	(14,144)	(14,859)	(15,568)	10 %	5 %
Adjusted net income	\$45,284	\$47,573	\$49,572	9 %	4 %
Adjusted shares outstanding⁴	53,682,228	53,710,942	53,706,941		
Non-GAAP earnings per share	\$0.84	\$0.89	\$0.92	10 %	3 %

¹ Adjusted EBITDA and Non-GAAP earnings per share are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures, see page 20.

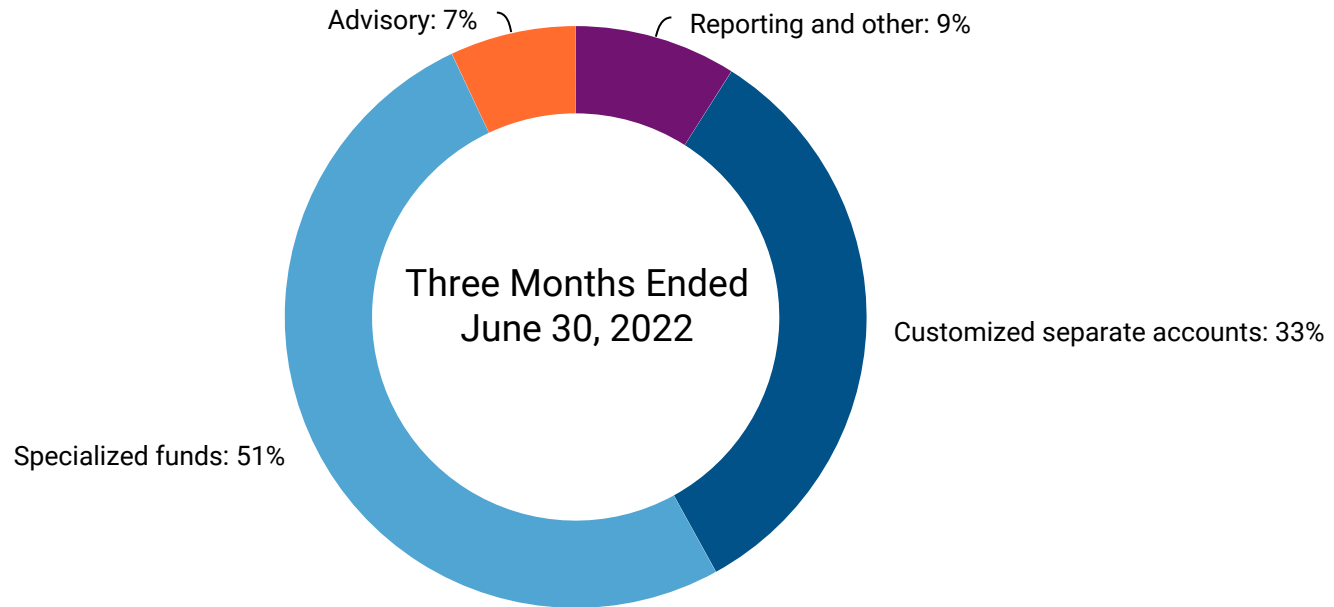
² Incentive fee related compensation includes incentive fee compensation expense and bonus related to carried interest that is classified as base compensation.

³ Represents corporate income taxes at our estimated statutory tax rate of 23.9% and 23.8% for the three month periods ended June 30, 2022 and 2021, respectively, applied to adjusted pre-tax net income. The 23.9% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.9%. The 23.8% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.8%.

⁴ Assumes the full exchange of Class B and Class C units in HLA for Class A common stock of HLI pursuant to the exchange agreement.

Management and Advisory Fees

(Dollars in thousands)	Three Months Ended,			YoY Change %	QoQ Change %
	June 30, 2021	March 31, 2022	June 30, 2022		
Management and advisory fees					
Specialized funds	\$33,388	\$42,144	\$43,649	31 %	4 %
Customized separate accounts	24,500	27,813	28,375	16 %	2 %
Advisory	6,366	6,191	6,248	(2)%	1 %
Reporting and other	5,282	6,344	6,318	20 %	0 %
Distribution management	4,121	1,153	496	(88)%	(57)%
Fund reimbursement revenue	227	930	860	280 %	(8)%
Total management and advisory fees	\$73,884	\$84,575	\$85,946	16 %	2 %



Incentive Fees

(Dollars in thousands)	Three Months Ended			YoY Change %	QoQ Change %
	June 30, 2021	March 31, 2022	June 30, 2022		
Incentive fees					
Direct equity funds	\$2,747	\$2,410	\$24,851	805 %	931 %
Secondary funds	30	—	11,959	40,122 %	N/A
Direct credit funds	4	18	2,125	49,666 %	11,706 %
Evergreen funds	155	827	955	515 %	16 %
Other specialized funds	1,470	5,583	2,358	60 %	(58)%
Customized separate accounts	705	7,487	7,315	937 %	(2)%
Incentive fees	\$5,111	\$16,325	\$49,563	870 %	204 %

	As of			YoY Change %	QoQ Change %
	June 30, 2021	March 31, 2022	June 30, 2022		
Allocated carried interest					
Secondary Fund II	\$917	\$470	\$367	(60)%	(22)%
Secondary Fund III	33,344	33,514	33,568	1 %	0 %
Secondary Fund IV	112,965	156,123	144,479	28 %	(7)%
Secondary Fund V	45,692	151,362	154,187	237 %	2 %
Co-investment Fund II	20,377	16,754	19,865	(3)%	19 %
Co-investment Fund III	107,876	114,057	85,416	(21)%	(25)%
Co-investment Fund IV	73,402	149,615	134,730	84 %	(10)%
Equity Opportunities Fund V	—	4,658	7,040	N/A	51 %
Evergreen funds	16,884	52,277	52,256	209 %	0 %
Other specialized funds	131,517	146,437	133,302	1 %	(9)%
Customized separate accounts	265,782	365,798	337,004	27 %	(8)%
Total allocated carried interest	\$808,756	\$1,191,065	\$1,102,214	36 %	(7)%

Assets Under Management

(Dollars in millions)

	June 30, 2021	March 31, 2022	June 30, 2022	YoY Change %	QoQ Change %
Assets under management / advisement					
Assets under management	\$91,668	\$106,382	\$108,034	18 %	2 %
Assets under advisement	665,024	794,732	724,160	9 %	(9)%
Total assets under management /advisement	\$756,692	\$901,114	\$832,194	10 %	(8)%
Fee-earning assets under management					
Customized separate accounts					
Balance, beginning of period	\$25,664	\$28,364	\$30,938	21 %	9 %
Contributions	1,573	3,995	1,902	21 %	(52)%
Distributions	(1,007)	(1,441)	(1,142)	13 %	(21)%
Foreign exchange, market value and other	147	20	51	(65)%	155 %
Balance, end of period	\$26,377	\$30,938	\$31,749	20 %	3 %
Specialized funds					
Balance, beginning of period	\$16,341	\$17,705	\$18,193	11 %	3 %
Contributions	936	1,452	1,435	53 %	(1)%
Distributions	(941)	(989)	(179)	(81)%	(82)%
Foreign exchange, market value and other	48	25	(77)	(260)%	(408)%
Balance, end of period	\$16,384	\$18,193	\$19,372	18 %	6 %
Total					
Balance, beginning of period	\$42,005	\$46,069	\$49,131	17 %	7 %
Contributions	2,509	5,447	3,337	33 %	(39)%
Distributions	(1,948)	(2,430)	(1,321)	(32)%	(46)%
Foreign exchange, market value and other	195	45	(26)	(113)%	(158)%
Balance, end of period	\$42,761	\$49,131	\$51,121	20 %	4 %

Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands except share and per share amounts)

	March 31, 2022	June 30, 2022
Assets		
Cash and cash equivalents	\$72,138	\$83,052
Restricted cash	4,023	3,996
Fees receivable	51,869	44,982
Prepaid expenses	6,858	6,575
Due from related parties	1,872	3,780
Furniture, fixtures and equipment, net	28,842	29,410
Lease right-of-use assets, net	65,636	64,270
Investments	503,789	533,263
Deferred income taxes	245,046	246,089
Other assets	28,162	26,409
Assets of consolidated variable interest entities:		
Cash and cash equivalents	36	144
Investments held in trust	276,016	276,083
Investments	10,036	33,776
Other assets	623	475
Total assets	\$1,294,946	\$1,352,304
Liabilities, redeemable non-controlling interests and equity		
Accounts payable	\$2,827	\$3,570
Accrued compensation and benefits	20,117	36,924
Accrued members' distributions	27,119	10,754
Accrued dividend	12,947	14,800
Debt	171,326	220,885
Payable to related parties pursuant to tax receivable agreement	180,536	180,536
Lease liabilities	82,244	80,433
Other liabilities (includes \$13,818 and \$12,931 at fair value)	47,669	26,786
Liabilities of consolidated variable interest entities:		
Other liabilities	12,675	10,642
Total liabilities	557,460	585,330
Redeemable non-controlling interests	276,000	276,000
Total equity	461,486	490,974
Total liabilities, redeemable non-controlling interests and equity	\$1,294,946	\$1,352,304

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended June 30,	
	2021	2022
<i>(Dollars in thousands)</i>		
Operating activities		
Net income	\$44,681	\$56,126
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,378	1,764
Change in deferred income taxes	7,960	(1,043)
Change in payable to related parties pursuant to tax receivable agreement	(539)	—
Equity-based compensation	2,341	1,897
Equity in (income) loss of investees	(20,049)	625
Fair value adjustment of other investments	(3,455)	(4,344)
Proceeds received from investments	3,381	3,343
Non-cash lease expense	3,522	1,374
Other	(849)	14
Changes in operating assets and liabilities	(8,126)	3,880
Consolidated variable interest entities related	2,144	(2,684)
Net cash provided by operating activities	\$32,389	\$60,952
Investing activities		
Purchase of furniture, fixtures and equipment	(4,535)	(1,707)
Purchase of other investments	(298)	(20,236)
Cash paid for acquisition of business	(10,096)	(1,500)
Distribution from investment valued under the measurement alternative	12,739	—
Distributions received from investments	13,281	2,227
Contributions to investments	(15,522)	(35,237)
Net cash used in investing activities	\$(4,431)	\$(56,453)
Financing activities		
Borrowings of debt	—	25,000
Repayments of debt	(469)	(457)
Draw-down on revolver	—	25,000
Repayment of revolver	(15,000)	—
Repurchase of Class A shares for employee tax withholding	(68)	—
Proceeds received from issuance of shares under Employee Share Purchase Plan	397	485
Dividends paid	(11,201)	(12,947)
Members' distributions paid	(15,809)	(30,485)
Other	(74)	—
Consolidated variable interest entities related	137	(100)
Net cash (used in) provided by financing activities	\$(42,087)	\$6,496
(Decrease) increase in cash, cash equivalents, and restricted cash	(14,129)	10,995
Cash, cash equivalents, and restricted cash at beginning of the period	90,377	76,197
Cash, cash equivalents, and restricted cash at end of the period	\$76,248	\$87,192

Non-GAAP Reconciliation

Reconciliation from Net Income

(Dollars in thousands except share and per share amounts)

	Year Ended March 31,		Three Months Ended		
	2017	2022	June 30, 2021	March 31, 2022	June 30, 2022
Net income attributable to Hamilton Lane Incorporated	\$612	\$145,986	\$28,168	\$13,825	\$33,484
Income attributable to non-controlling interests in general partnerships	1,192	376	213	209	308
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	72,634	96,548	19,296	19,699	20,168
Income (loss) attributable to non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	–	4,343	(2,996)	3,824	2,166
Incentive fees	(7,146)	(53,691)	(5,111)	(16,325)	(49,563)
Incentive fee related compensation ¹	3,283	25,395	2,383	7,710	23,541
SPAC related general, administrative and other expenses	–	1,176	359	308	276
Non-operating income related compensation	–	1,810	–	20	–
Interest income	(320)	(500)	(423)	(12)	(168)
Interest expense	14,565	4,638	1,165	1,146	1,495
Income tax expense	316	66,423	11,964	28,908	11,488
Equity in income of investees	(12,801)	(79,296)	(20,278)	(18,945)	(107)
Non-operating income	(83)	(68,954)	(1,359)	(2,387)	(6,309)
Fee Related Earnings	\$72,252	\$144,254	\$33,381	\$37,980	\$36,779
Depreciation and amortization	1,915	5,495	1,378	1,751	1,764
Equity-based compensation	4,681	7,404	2,341	1,698	1,897
Incentive fees	7,146	53,691	5,111	16,325	49,563
Incentive fees attributable to non-controlling interests	–	(228)	(95)	(94)	(3)
Incentive fee related compensation ¹	(3,283)	(25,395)	(2,383)	(7,710)	(23,541)
Non-operating income related compensation	–	(1,810)	–	(20)	–
Interest income	320	500	423	12	168
Adjusted EBITDA	\$83,031	\$183,911	\$40,156	\$49,942	\$66,627
Non-GAAP earnings per share reconciliation					
Net income attributable to Hamilton Lane Incorporated			\$28,168	\$13,825	\$33,484
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			19,296	19,699	20,168
Income tax expense			11,964	28,908	11,488
Adjusted pre-tax net income			59,428	62,432	65,140
Adjusted income taxes ²			(14,144)	(14,859)	(15,568)
Adjusted net income			\$45,284	\$47,573	\$49,572
Weighted-average shares of Class A common stock outstanding - diluted			36,128,994	37,035,108	53,706,941
Exchange of Class B and Class C units in HLA ³			17,553,234	16,675,834	–
Adjusted shares outstanding			53,682,228	53,710,942	53,706,941
Non-GAAP earnings per share			\$0.84	\$0.89	\$0.92

¹ Incentive fee related compensation includes incentive fee compensation expense and bonus related to carried interest that is classified as base compensation.

² Represents corporate income taxes at our estimated statutory tax rate of 23.9% and 23.8% for the three month periods ended June 30, 2022 and 2021, respectively, applied to adjusted pre-tax net income. The 23.9% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.9%. The 23.8% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.8%.

³ Assumes the full exchange of Class B and Class C units in HLA for Class A common stock of HLI pursuant to the exchange agreement. For the three months ended June 30, 2022, the full exchange of Class B and Class C units is already included within the GAAP Weighted-average shares of Class A common stock outstanding - diluted.

Adjusted EBITDA is an internal measure of profitability. We believe Adjusted EBITDA is useful to investors because it enables them to better evaluate the performance of our core business across reporting periods. Adjusted EBITDA represents net income excluding (a) interest expense on our outstanding debt, (b) income tax expense, (c) depreciation and amortization expense, (d) equity-based compensation expense, (e) other non-operating income and (f) certain other significant items that we believe are not indicative of our core performance.

Fee Related Earnings ("FRE") is used to highlight earnings from recurring management fees. FRE represents net income excluding (a) incentive fees and related compensation, (b) interest income and expense, (c) income tax expense, (d) equity in income of investees, (e) other non-operating income and (f) certain other significant items that we believe are not indicative of our core performance. We believe FRE is useful to investors because it provides additional insight into the operating profitability of our business. FRE is presented before income taxes.

Non-GAAP earnings per share measures our per-share earnings excluding certain significant items that we believe are not indicative of our core performance and assuming all Class B and Class C units in HLA were exchanged for Class A common stock in HLI. Non-GAAP earnings per share is calculated as adjusted net income divided by adjusted shares outstanding. **Adjusted net income** is income before taxes fully taxed at our estimated statutory tax rate and excludes any impact of changes in carrying amount of our redeemable non-controlling interest. We believe adjusted net income and non-GAAP earnings per share are useful to investors because they enable them to better evaluate total and per-share operating performance across reporting periods.

Our **assets under management ("AUM")**, as presented in these materials, comprise the assets associated with our customized separate accounts and specialized funds. AUM does not include the assets associated with our distribution management services. We classify assets as AUM if we have full discretion over the investment decisions in an account. We calculate our AUM as the sum of:

- (1) the net asset value of our clients' and funds' underlying investments;
- (2) the unfunded commitments to our clients' and funds' underlying investments; and
- (3) the amounts authorized for us to invest on behalf of our clients and fund investors but not committed to an underlying investment.

Management fee revenue is based on a variety of factors and is not linearly correlated with AUM. However, we believe AUM is a useful metric for assessing the relative size and scope of our asset management business.

Our **assets under advisement ("AUA")** comprise assets from clients for which we do not have full discretion to make investments in their account. We generally earn revenue on a fixed fee basis on our AUA client accounts for services including 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 amount of annual commitments, services provided and other factors. Since we earn annual fixed fees from the majority of our AUA clients, the growth in AUA from existing accounts does not have a material impact on our revenues. However, we view AUA growth as a meaningful benefit in terms of the amount of data we are able to collect and the degree of influence we have with fund managers.

Fee-earning assets under management ("Fee-earning AUM" or "FEAUM") is a metric we use to measure the assets from which we earn management fees. Our fee-earning AUM comprise assets in our customized separate accounts and specialized funds from which we derive management fees that are generally derived from applying a certain percentage to the appropriate fee base. We classify customized separate account revenue as management fees if the client is charged an asset-based fee, which includes the majority of our discretionary AUM accounts but also includes certain non-discretionary AUA accounts. Our fee-earning AUM is equal to the amount of capital commitments, net invested capital and net asset value of our customized separate accounts and specialized funds depending on the fee terms. Substantially all of our customized separate accounts and specialized funds earn fees based on commitments or net invested capital, which are not affected by market appreciation or depreciation. Therefore, revenues and fee-earning AUM are not significantly affected by changes in market value. Our calculations of fee-earning AUM may differ from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers. Our definition of fee-earning AUM is not based on any definition that is set forth in the agreements governing the customized separate accounts or specialized funds that we manage.

Hamilton Lane Incorporated (or "HLI"), a Delaware corporation, was formed for the purpose of completing an initial public offering ("IPO") and related transactions in order to carry on the business of Hamilton Lane Advisors, L.L.C. ("HLA") as a publicly-traded entity. As of the closing of our IPO on March 6, 2017, HLI became the sole managing member of HLA.

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. Words such as "will", "expect", "believe", "estimate", "continue", "anticipate", "intend", "plan", and similar expressions are intended to identify these forward-looking statements. Forward-looking statements discuss management's current expectations and projections relating to our financial position, results of operations, plans, objectives, future performance and business. All forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause actual results to be materially different, including risks relating to: our ability to manage growth, fund performance, competition in our industry, changes in our regulatory environment and tax status; market conditions generally; our ability to access suitable investment opportunities for our clients; our ability to maintain our fee structure; our ability to attract and retain key employees; our ability to manage our obligations under our debt agreements; defaults by clients and third-party investors on their obligations to fund commitments; our ability to comply with investment guidelines set by our clients; our ability to successfully integrate acquired businesses with ours; our ability to manage risks associated with pursuing new lines of business or entering into strategic partnerships; our ability to anticipate, identify and manage risks we face; our ability to manage the effects of events outside of our control; and our ability to receive distributions from HLA to fund our payment of dividends, taxes and other expenses.

The foregoing list of factors is not exhaustive. For more information regarding these risks and uncertainties as well as additional risks we face, you should refer to the "Risk Factors" detailed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2022 and in our subsequent reports filed from time to time with the Securities and Exchange Commission. The forward-looking statements included in this presentation are made only as of the date presented. We undertake no obligation to update or revise any forward-looking statement as a result of new information or future events, except as otherwise required by law.

Values appearing in this presentation that are whole numbers are rounded approximations.

As of August 2, 2022