



Hamilton Lane®

Fiscal Year 2024 Second Quarter Results

Earnings Presentation - November 7, 2023

Today's Speakers



Mario Giannini
Chief Executive Officer



Erik Hirsch
Vice Chairman



Jeff Armbrister
Chief Financial Officer



John Oh
Principal - Shareholder Relations

Business Performance

- Assets under management and fee-earning assets under management were \$119 billion and \$61 billion, respectively, as of September 30, 2023, increases of 11% and 17%, respectively, compared to September 30, 2022
- Management and advisory fees increased 20% compared to the six months ended September 30, 2022

Financial Results

USD in millions except per share amounts

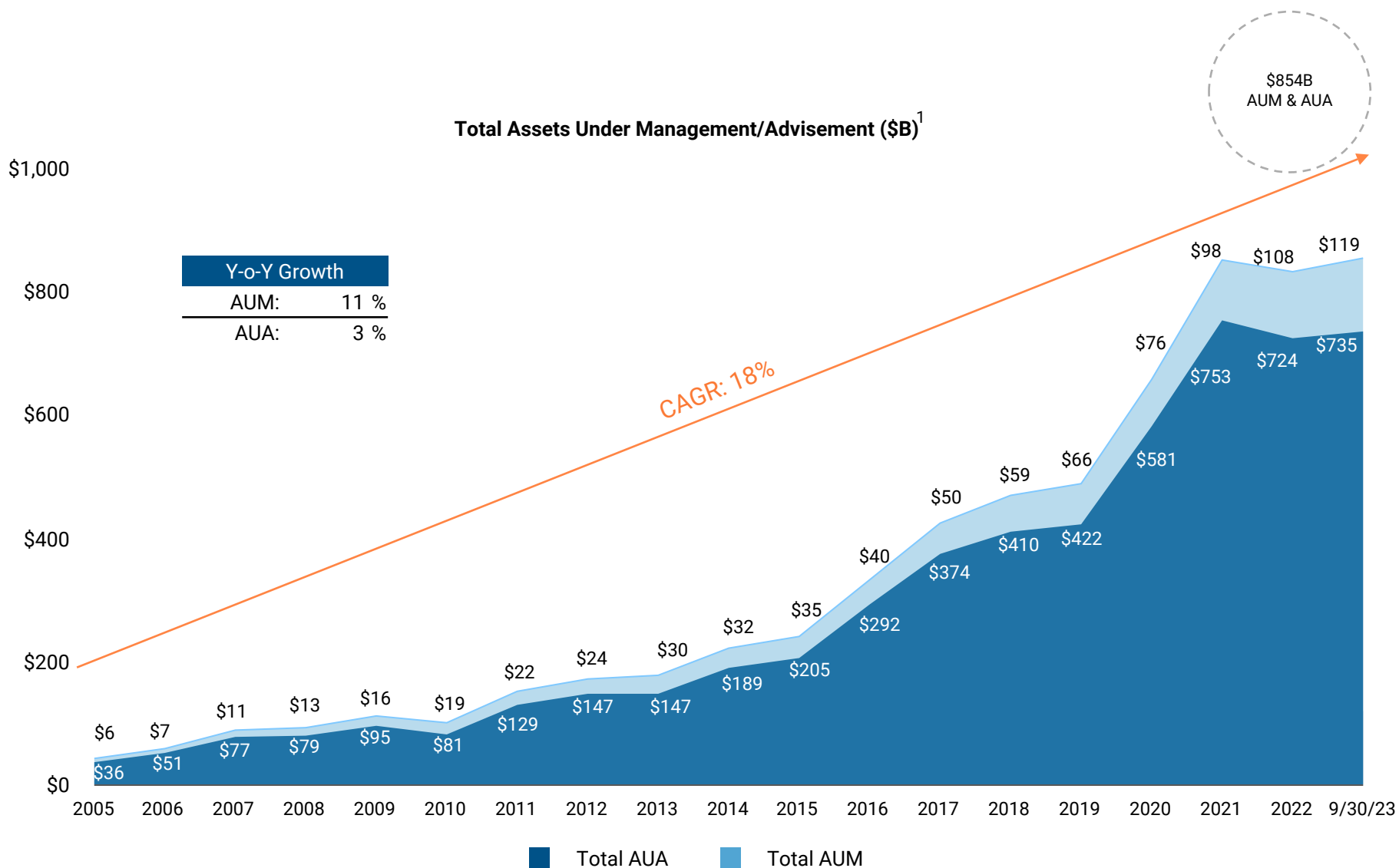
	Q2 FY24 QTD	Q2 FY24 YTD	vs. Q2 FY23 YTD
Management and advisory fees	\$109.2	\$214.6	20 %
GAAP net income	\$42.0	\$73.0	7 %
GAAP EPS	\$1.11	\$1.92	2 %
Adjusted net income ¹	\$47.8	\$98.6	(6)%
Non-GAAP EPS ¹	\$0.89	\$1.83	(6)%
Fee Related Earnings ¹	\$46.9	\$92.0	20 %
Adjusted EBITDA ¹	\$62.3	\$123.2	(13)%

Dividend

- Declared a quarterly dividend of \$0.445 per share of Class A common stock to record holders at the close of business on December 15, 2023

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

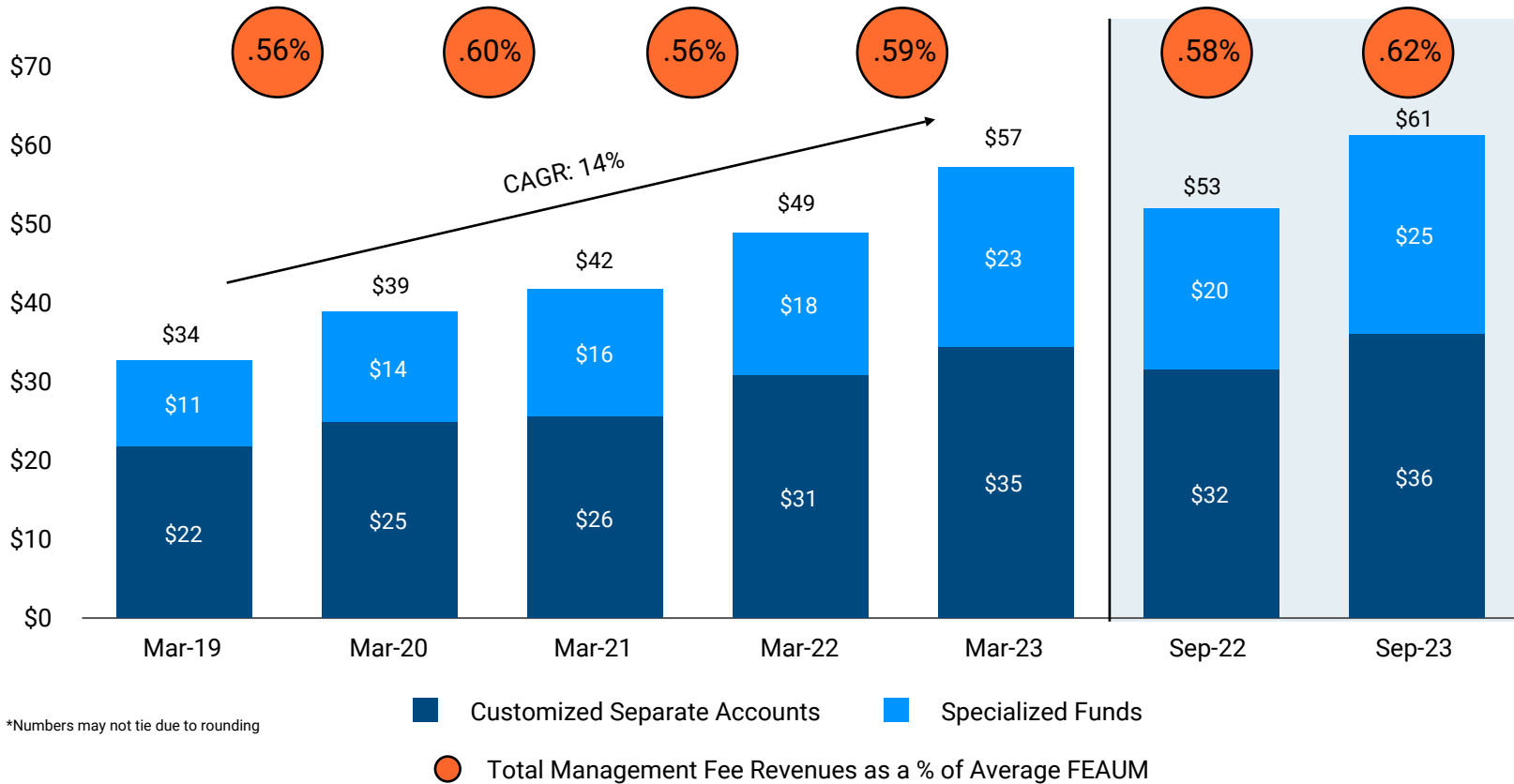


¹Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

Fee-Earning AUM Driving Revenues

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

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



Y-o-Y Drivers of Growth

Customized Separate Accounts:

- New client wins
- Client re-ups

Specialized Funds:

- Closed 2nd impact fund and 5th direct equity fund
- Fundraising 6th secondary fund, 8th credit-oriented fund, 2nd infrastructure fund, and evergreen funds

AUM

Customized Separate Accounts

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

- \$3.9B 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:

- Secondary fund
 - Credit-oriented fund
 - Infrastructure fund
 - Evergreen funds
-
- \$4.8B year-over-year increase in FEAUM
 - Closings during Q2 FY24:
 - Secondary fund: \$622M

AUA

Advisory Services

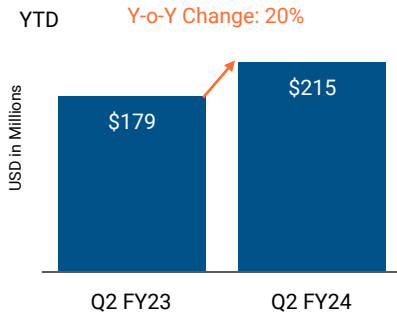
Typically larger clients with wide-ranging mandates which include technology-driven reporting, monitoring and analytics services and consulting services; opportunity set continues to be robust

- \$18B year-over-year increase in AUA

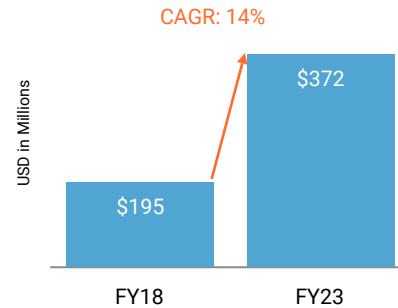
Financial Highlights

Strong growth across management and advisory fees

Management and Advisory Fees

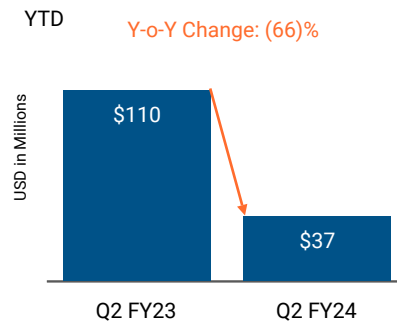


Long-Term Growth

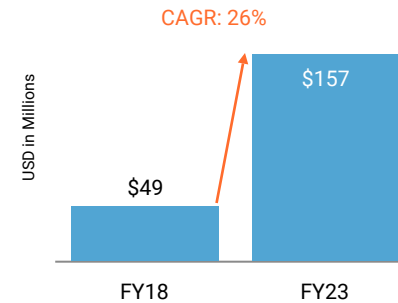


- Recurring management and advisory fees represented an average of 85% of total revenues over the past five fiscal years
- Y-o-Y increase of 20%
- \$6.1 million in retroactive fees from our latest secondary fund in the quarter

Incentive Fees

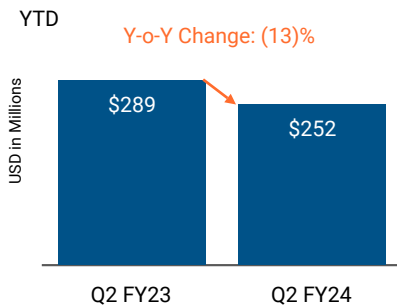


Long-Term Growth

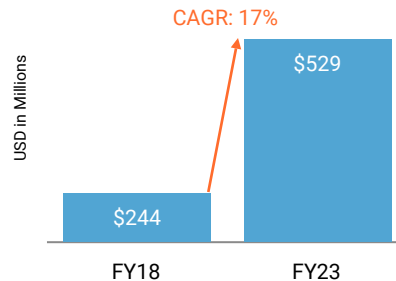


- Incentive fees derived from a highly diversified pool of assets and funds
- Unrealized carried interest of \$1,151 million as of 9/30/23 diversified across 3,000+ assets and over 90 funds
- Timing of realizations unpredictable

Total Revenues



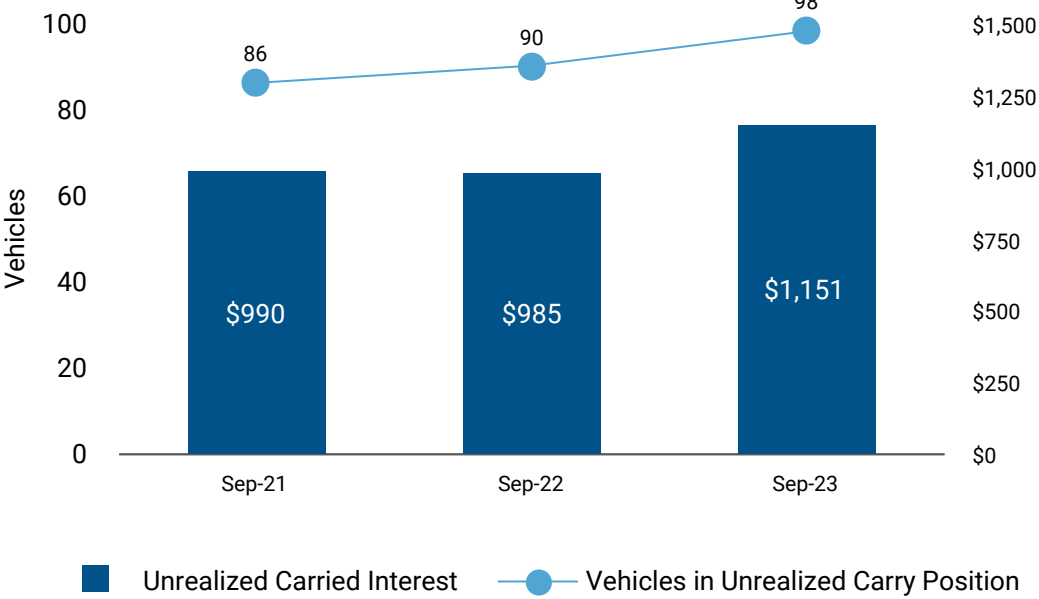
Long-Term Growth



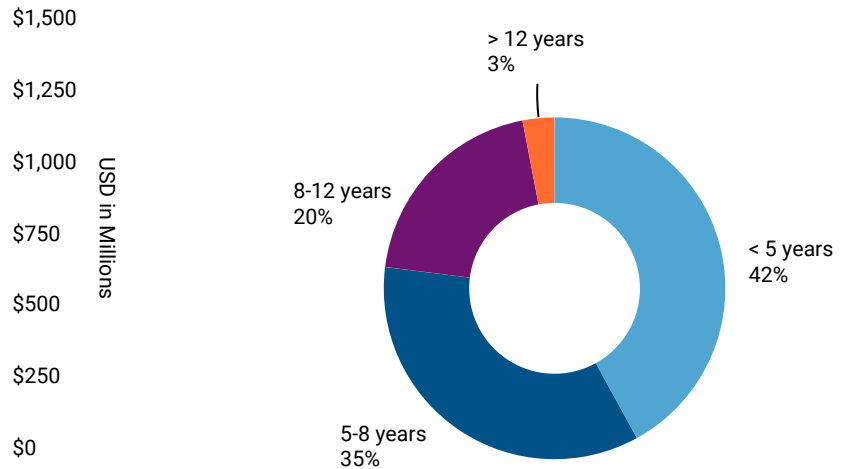
- Total revenues decreased by 13%, driven by incentive fees, while management and advisory fees increased 20%

Unrealized Carried Interest

Unrealized Carried Interest

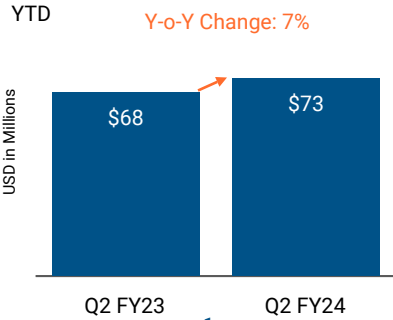


Unrealized Carry by Age

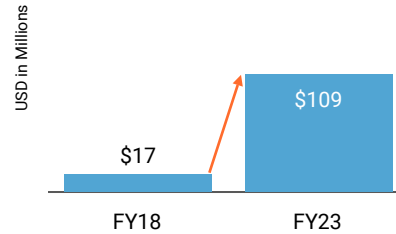


Stable long-term growth

Net Income Attributable to HLI

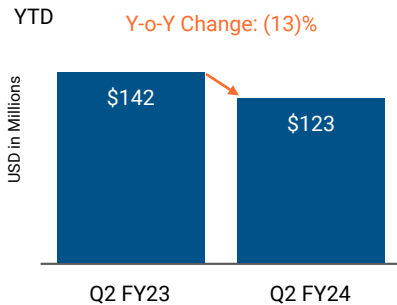


Long-Term Growth

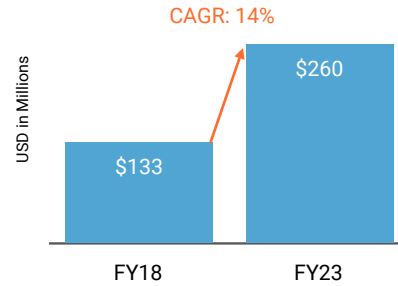


- \$42M in net income attributable to HLI for the quarter

Adjusted EBITDA¹

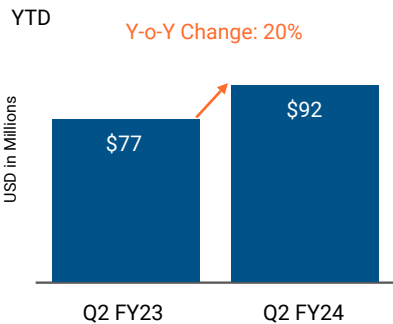


Long-Term Growth

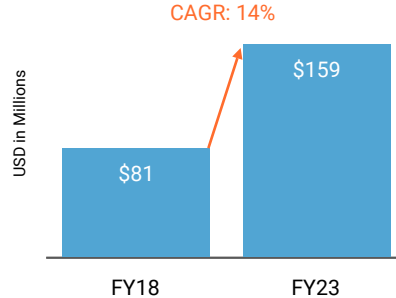


- Y-o-Y decrease of 13% driven by lower incentive fees

Fee Related Earnings¹



Long-Term Growth

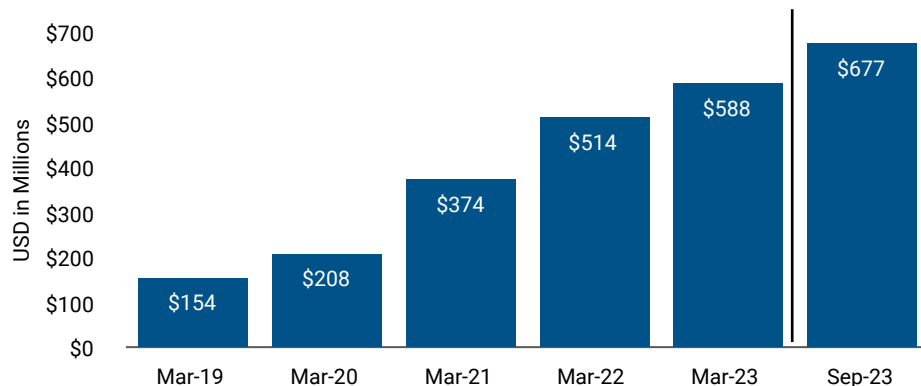


- Y-o-Y growth of 20%
- Long-term double digit growth in Fee Related Earnings

¹Adjusted 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.

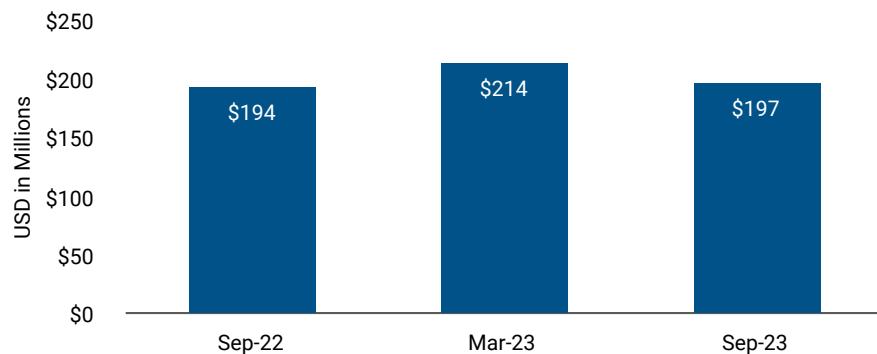
Strong balance sheet with investments in our own products and a modest amount of leverage...

Investments



- For 9/30/23, the total investment balance consisted primarily of:
 - ~\$396M in investments in our funds
 - ~\$209M in technology related and other investments

Leverage



- Modest leverage
- \$197M of debt as of 9/30/23

Appendix

Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended September 30,			Six Months Ended September 30,		
	2022	2023	% Change	2022	2023	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Management and advisory fees	\$92,880	\$109,184	18 %	\$178,826	\$214,592	20 %
Incentive fees	59,237	17,692	(70)%	108,760	37,322	(66)%
Consolidated variable interest entities related:						
Incentive fees	1,265	—	(100)%	1,305	—	(100)%
Total revenues	153,382	126,876	(17)%	288,891	251,914	(13)%
Compensation and benefits	60,364	45,930	(24)%	112,558	90,032	(20)%
General, administrative and other	22,836	24,994	9 %	43,350	50,755	17 %
Consolidated variable interest entities related:						
General, administrative and other	356	355	0 %	632	588	(7)%
Total expenses	83,556	71,279	(15)%	156,540	141,375	(10)%
Equity in (loss) income of investees	(7,518)	8,251	N/A	(8,143)	20,117	N/A
Interest expense	(2,114)	(2,743)	30 %	(3,609)	(5,632)	56 %
Interest income	1,107	1,099	(1)%	1,276	2,036	60 %
Non-operating income (loss)	11,738	(1,215)	(110)%	16,081	(982)	(106)%
Consolidated variable interest entities related:						
Equity in (loss) income of investees	(91)	288	N/A	641	419	(35)%
Unrealized gain	280	2,241	700 %	2,246	3,034	35 %
Interest expense	—	—	N/A	—	(6)	N/A
Interest income	—	2,841	N/A	—	4,581	N/A
Total other income (expense)	3,402	10,762	216 %	8,492	23,567	178 %
Income before income taxes	73,228	66,359	(9)%	140,843	134,106	(5)%
Income tax expense	15,489	1,856	(88)%	26,977	18,256	(32)%
Net income	57,739	64,503	12 %	113,866	115,850	2 %
Less: Income attributable to non-controlling interests in general partnerships	43	87	102 %	351	88	(75)%
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	22,012	18,654	(15)%	42,180	37,790	(10)%
Less: Income attributable to redeemable non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	803	—	(100)%	2,970	—	(100)%
Less: Income attributable to non-controlling interests in consolidated funds	—	3,768	N/A	—	4,980	N/A
Net income attributable to Hamilton Lane Incorporated	\$34,881	\$41,994	20 %	\$68,365	\$72,992	7 %
Basic earnings per share of Class A common stock	\$0.98	\$1.11	13 %	\$1.89	\$1.94	3 %
Diluted earnings per share of Class A Common stock	\$0.97	\$1.11	14 %	\$1.88	\$1.92	2 %
Weighted-average shares of Class A common stock outstanding - basic	37,009,309	37,718,210		37,000,150	37,713,038	
Weighted-average shares of Class A common stock outstanding - diluted	53,745,933	53,941,082		53,724,800	53,896,757	

Non-GAAP Financial Measures

	Three Months Ended September 30,			Six Months Ended September 30,		
	2022	2023	% Change	2022	2023	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Adjusted EBITDA¹						
Management and advisory fees	\$92,880	\$109,184	18 %	\$178,826	\$214,592	20 %
Revenue related to consolidated funds	–	247	N/A	–	394	N/A
Total expenses	83,556	71,279	(15)%	156,540	141,375	(10)%
Less:						
Incentive fee related compensation ²	(28,712)	(8,404)	(71)%	(52,253)	(17,728)	(66)%
Consolidated VIE related general, administrative and other expenses	(292)	(333)	14 %	(568)	(566)	0 %
Non-operating income related compensation	(1,467)	–	N/A	(1,467)	(59)	(96)%
Management fee related expenses	53,085	62,542	18 %	102,252	123,022	20 %
Fee Related Earnings	\$39,795	\$46,889	18 %	\$76,574	\$91,964	20 %
Fee Related Earnings Margin	43 %	43 %		43 %	43 %	
Incentive fees	60,502	17,692	(71)%	110,065	37,322	(66)%
Incentive fees attributable to non-controlling interests	(55)	–	N/A	(58)	–	N/A
Incentive fee related compensation ²	(28,712)	(8,404)	(71)%	(52,253)	(17,728)	(66)%
Non-operating income related compensation	(1,467)	–	N/A	(1,467)	(59)	(96)%
Interest income	1,107	1,099	(1)%	1,276	2,036	60 %
Equity-based compensation	2,085	3,118	50 %	3,982	5,963	50 %
Depreciation and amortization	1,813	1,863	3 %	3,577	3,736	4 %
Adjusted EBITDA	\$75,068	\$62,257	(17)%	\$141,696	\$123,234	(13)%
Adjusted EBITDA Margin	49 %	49 %		49 %	49 %	
Non-GAAP earnings per share¹						
Net income attributable to Hamilton Lane Incorporated	\$34,881	\$41,994	20 %	\$68,365	\$72,992	7 %
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	22,012	18,654	(15)%	42,180	37,790	(10)%
Income tax expense	15,489	1,856	(88)%	26,977	18,256	(32)%
Adjusted pre-tax net income	72,382	62,504	(14)%	137,522	129,038	(6)%
Adjusted income taxes ³	(17,299)	(14,752)	(15)%	(32,868)	(30,453)	(7)%
Adjusted net income	\$55,083	\$47,752	(13)%	\$104,654	\$98,585	(6)%
Adjusted shares outstanding	53,745,933	53,941,082		53,724,800	53,896,757	
Non-GAAP earnings per share	\$1.02	\$0.89	(13)%	\$1.95	\$1.83	(6)%

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.

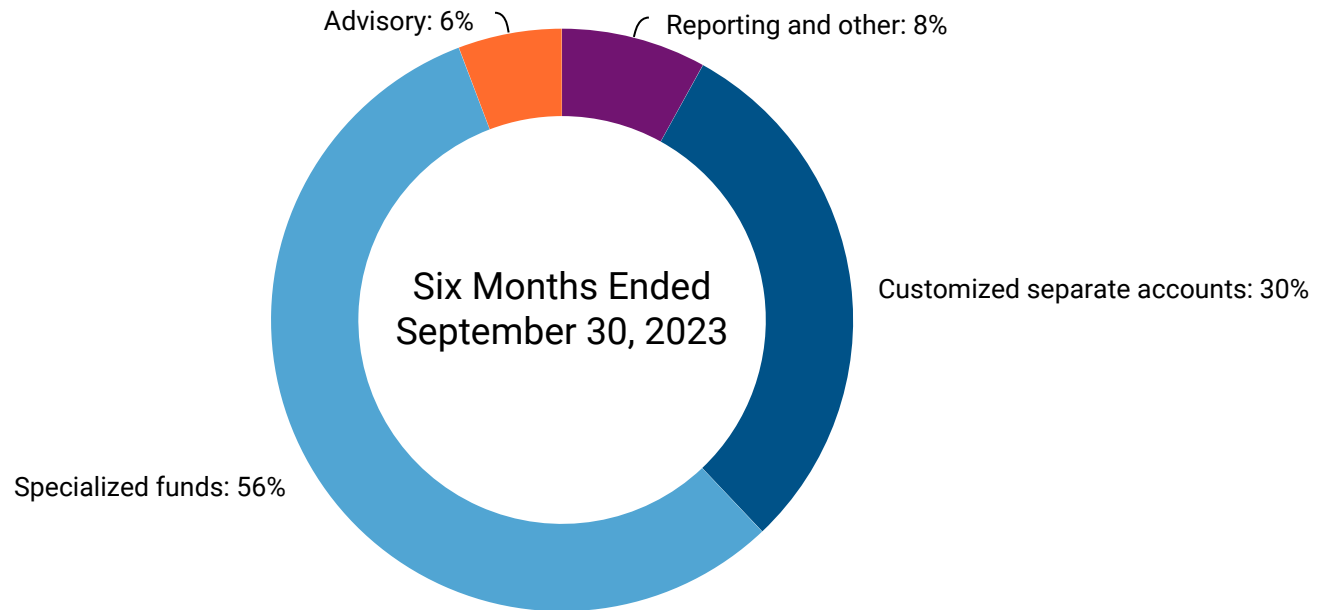
² Incentive fee related compensation includes incentive fee compensation expense and bonus related to carried interest that is classified as base compensation.

³ Represents corporate income taxes at our estimated statutory tax rate of 23.6% and 23.9% for the three and six month periods ended September 30, 2023 and 2022, respectively, applied to adjusted pre-tax net income. The 23.6% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.6%. 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%.

Management and Advisory Fees

(Dollars in thousands)

	Three Months Ended September 30,			Six Months Ended September 30,		
	2022	2023	% Change	2022	2023	% Change
Management and advisory fees						
Specialized funds	\$47,150	\$62,386	32 %	\$90,799	\$120,102	32 %
Customized separate accounts	29,383	32,040	9 %	57,758	63,759	10 %
Advisory	6,211	6,014	(3)%	12,460	12,307	(1)%
Reporting and other	6,133	6,261	2 %	12,450	11,819	(5)%
Distribution management	771	1,254	63 %	1,267	2,467	95 %
Fund reimbursement revenue	3,232	1,229	(62)%	4,092	4,138	1 %
Total management and advisory fees	\$92,880	\$109,184	18 %	\$178,826	\$214,592	20 %



Incentive Fees

(Dollars in thousands)	Three Months Ended September 30,			Six Months Ended September 30,		
	2022	2023	% Change	2022	2023	% Change
Incentive fees						
Direct equity funds	\$27,609	\$1,113	(96)%	\$52,460	\$3,444	(93)%
Secondary funds	14,988	3,969	(74)%	26,947	12,046	(55)%
Direct credit funds	5,507	(42)	(101)%	7,633	4,725	(38)%
Evergreen funds	42	1,790	4,162 %	997	3,005	201 %
Other specialized funds	5,048	7,446	48 %	7,405	9,442	28 %
Customized separate accounts	7,308	3,416	(53)%	14,623	4,660	(68)%
Incentive fees	\$60,502	\$17,692	(71)%	\$110,065	\$37,322	(66)%

	As of				
	September 30, 2022	June 30, 2023	September 30, 2023	YoY % Change	QoQ % Change
Allocated carried interest					
Secondary Fund II	\$369	\$320	\$199	(46)%	(38)%
Secondary Fund III	32,591	29,212	28,369	(13)%	(3)%
Secondary Fund IV	126,602	122,416	121,113	(4)%	(1)%
Secondary Fund V	144,199	145,126	153,399	6 %	6 %
Secondary Fund VI	—	13,439	14,855	N/A	11 %
Co-investment Fund II	18,871	16,363	16,679	(12)%	2 %
Co-investment Fund III	59,703	50,810	49,930	(16)%	(2)%
Co-investment Fund IV	104,421	127,496	131,502	26 %	3 %
Equity Opportunities Fund V	6,358	20,624	28,270	345 %	37 %
Evergreen funds	56,671	115,135	128,946	128 %	12 %
Other specialized funds	111,772	116,776	117,390	5 %	1 %
Customized separate accounts	322,973	342,874	360,099	11 %	5 %
Total allocated carried interest	\$984,530	\$1,100,591	\$1,150,751	17 %	5 %

Assets Under Management

(Dollars in millions)

	September 30, 2022	June 30, 2023	September 30, 2023	YoY % Change	QoQ % Change
Assets under management / advisement					
Assets under management	\$107,107	\$117,064	\$119,182	11 %	2 %
Assets under advisement	716,515	700,651	734,804	3 %	5 %
Total assets under management / advisement	\$823,622	\$817,715	\$853,986	4 %	4 %
Fee-earning assets under management					
Customized separate accounts					
Balance, beginning of period	\$31,749	\$34,684	\$35,850	13 %	3 %
Contributions	1,264	1,792	1,258	0 %	(30) %
Distributions	(587)	(636)	(921)	57 %	45 %
Foreign exchange, market value and other	(93)	10	47	N/A	370 %
Balance, end of period	\$32,333	\$35,850	\$36,234	12 %	1 %
Specialized funds					
Balance, beginning of period	\$19,372	\$22,662	\$23,815	23 %	5 %
Contributions	1,230	1,258	1,614	31 %	28 %
Distributions	(324)	(172)	(297)	(8) %	73 %
Foreign exchange, market value and other	76	67	55	(28) %	(18) %
Balance, end of period	\$20,354	\$23,815	\$25,187	24 %	6 %
Total					
Balance, beginning of period	\$51,121	\$57,346	\$59,665	17 %	4 %
Contributions	2,494	3,050	2,872	15 %	(6) %
Distributions	(911)	(808)	(1,218)	34 %	51 %
Foreign exchange, market value and other	(17)	77	102	N/A	32 %
Balance, end of period	\$52,687	\$59,665	\$61,421	17 %	3 %

Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands)

	March 31, 2023	September 30, 2023
Assets		
Cash and cash equivalents	\$99,686	\$128,098
Restricted cash	4,804	4,965
Fees receivable	47,140	61,800
Prepaid expenses	9,817	6,534
Due from related parties	7,186	7,822
Furniture, fixtures and equipment, net	28,425	31,814
Lease right-of-use assets, net	62,327	64,543
Investments	530,921	558,268
Deferred income taxes	233,912	229,791
Other assets	46,784	40,460
Assets of consolidated variable interest entities:		
Cash and cash equivalents	12,062	101,712
Investments	57,044	118,530
Other assets	435	4,319
Total assets	\$1,140,543	\$1,358,656
Liabilities and equity		
Accounts payable	\$4,559	\$3,542
Accrued compensation and benefits	24,190	47,151
Accrued members' distributions	15,723	12,338
Accrued dividend	15,049	16,784
Debt	213,533	197,346
Payable to related parties pursuant to tax receivable agreement	174,702	173,818
Lease liabilities	78,817	80,935
Other liabilities (includes \$14,228 and \$12,373 at fair value)	32,856	34,798
Liabilities of consolidated variable interest entities:		
Other liabilities	6,922	10,376
Total liabilities	566,351	577,088
Total equity	574,192	781,568
Total liabilities and equity	\$1,140,543	\$1,358,656

Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>(Dollars in thousands)</i>	Six Months Ended September 30, 2022	2023
Operating activities		
Net income	\$113,866	\$115,850
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,577	3,736
Change in deferred income taxes	7,839	4,121
Change in payable to related parties pursuant to tax receivable agreement	(934)	(884)
Equity-based compensation	3,982	5,963
Equity in loss (income) of investees	8,143	(20,117)
Net realized (gain) loss on sale of investments	(9,783)	288
Fair value adjustment of other investments	(5,352)	445
Proceeds received from partnerships	8,503	12,998
Non-cash lease expense	2,903	3,999
Other	40	231
Changes in operating assets and liabilities	26,364	11,196
Consolidated variable interest entities related	(3,294)	(2,257)
Net cash provided by operating activities	\$155,854	\$135,569
Investing activities		
Purchase of furniture, fixtures and equipment	\$(2,490)	\$(6,276)
Cash paid for acquisition of business	(1,500)	—
Loans to investees	(535)	—
Purchase of investments	(27,236)	(6,352)
Proceeds from sale of investments	10,000	1,343
Distributions from investments	1,406	—
Proceeds from sale of intangible assets	—	1,739
Distributions received from Partnerships	9,240	6,001
Contributions to Partnerships	(49,553)	(23,632)
Purchase of investments	—	(57,832)
Net cash used in investing activities	\$(60,668)	\$(85,009)
Financing activities		
Borrowings of debt	\$25,000	\$—
Repayments of debt	(2,164)	(1,250)
Draw-down on revolver	25,000	10,000
Repayment of revolver	(25,000)	(25,000)
Repurchase of Class A shares for employee tax withholding	(93)	(108)
Proceeds received from issuance of shares under Employee Share Purchase Plan	1,001	1,082
Dividends paid	(27,747)	(31,829)
Members' distributions paid	(42,072)	(28,599)
Consolidated variable interest entities related	46	143,367
Net cash (used in) provided by financing activities	\$(46,029)	\$67,663
Increase in cash and cash equivalents, restricted cash, and cash and cash equivalents held at consolidated variable interest entities	49,157	118,223
Cash and cash equivalents, restricted cash, and cash and cash equivalents held at consolidated variable interest entities at beginning of the period	76,197	116,552
Cash and cash equivalents, restricted cash, and cash and cash equivalents held at consolidated variable interest entities at end of the period	\$125,354	\$234,775

Non-GAAP Reconciliation

Reconciliation from Net Income

(Dollars in thousands except share and per share amounts)

	Year Ended March 31,		Three Months Ended September 30,		Six Months Ended September 30,	
	2018	2023	2022	2023	2022	2023
Net income attributable to Hamilton Lane Incorporated	\$17,341	\$109,120	\$34,881	\$41,994	\$68,365	\$72,992
Income attributable to non-controlling interests in general partnerships	2,448	986	43	87	351	88
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	86,508	71,027	22,012	18,654	42,180	37,790
Income attributable to non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	—	5,617	803	—	2,970	—
Income attributable to non-controlling interests in consolidated funds	—	435	—	3,768	—	4,980
Incentive fees	(49,003)	(156,879)	(60,502)	(17,692)	(110,065)	(37,322)
Incentive fee related compensation ¹	3,874	74,374	28,712	8,404	52,253	17,728
Consolidated VIE related general, administrative and other expenses	—	846	292	333	568	566
Revenue related to consolidated funds	—	61	—	247	—	394
Non-operating income related compensation	—	367	1,467	—	1,467	59
Interest income	(528)	(5,114)	(1,107)	(3,940)	(1,276)	(6,617)
Interest expense	5,989	8,617	2,114	2,743	3,609	5,638
Income tax expense	33,333	55,425	15,489	1,856	26,977	18,256
Equity in (income) loss of investees	(17,102)	(6,543)	7,609	(8,539)	7,502	(20,536)
Contingent compensation related to acquisition	3,399	—	—	—	—	—
Non-operating (income) expense	(5,036)	470	(12,018)	(1,026)	(18,327)	(2,052)
Fee Related Earnings	\$81,223	\$158,809	\$39,795	\$46,889	\$76,574	\$91,964
Depreciation and amortization	1,891	7,442	1,813	1,863	3,577	3,736
Equity-based compensation	5,544	9,950	2,085	3,118	3,982	5,963
Incentive fees	49,003	156,879	60,502	17,692	110,065	37,322
Incentive fees attributable to non-controlling interests	(1,729)	(302)	(55)	—	(58)	—
Incentive fee related compensation ¹	(3,874)	(74,374)	(28,712)	(8,404)	(52,253)	(17,728)
Non-operating income related compensation	—	(367)	(1,467)	—	(1,467)	(59)
Interest income	528	1,789	1,107	1,099	1,276	2,036
Adjusted EBITDA	\$132,586	\$259,826	\$75,068	\$62,257	\$141,696	\$123,234
Non-GAAP earnings per share reconciliation						
Net income attributable to Hamilton Lane Incorporated			\$34,881	\$41,994	\$68,365	\$72,992
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			22,012	18,654	42,180	37,790
Income tax expense			15,489	1,856	26,977	18,256
Adjusted pre-tax net income			72,382	62,504	137,522	129,038
Adjusted income taxes ²			(17,299)	(14,752)	(32,868)	(30,453)
Adjusted net income			\$55,083	\$47,752	\$104,654	\$98,585
Adjusted shares outstanding			53,745,933	53,941,082	53,724,800	53,896,757
Non-GAAP earnings per share			\$1.02	\$0.89	\$1.95	\$1.83

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 23.6% and 23.9% for the three and six month periods ended September 30, 2023 and 2022, respectively, applied to adjusted pre-tax net income. The 23.6% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.6%. 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%.

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. Adjusted shares outstanding for the three and six months ended September 30, 2022 and 2023 and March 31, 2023 are equal to weighted-average shares of Class A common stock outstanding - diluted. 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, 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. The vast majority 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 exposure and that of our clients and investors to the credit risks of financial institutions at which we and they hold accounts; 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 introducing new types of investment structures, products or services or entering into strategic partnerships; our ability to manage redemption or repurchase rights in certain of our funds; our ability to manage, identify and anticipate risks we face; our ability to manage the effects of events outside of our control; and our ability to receive distributions from Hamilton Lane Advisors, L.L.C. 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, 2023 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 November 7, 2023