

Fiscal Year 2021 Second Quarter Results

Earnings Presentation - November 4, 2020

Today's Speakers



Business Performance

- Assets under management and fee-earning assets under management were approximately \$73 billion and \$39 billion, respectively, as of September 30, 2020, increases of 11% and 9%, respectively, compared to September 30, 2019
- Management and advisory fees increased 12% compared to the six months ended September 30, 2019

Financial Results

USD in millions except per share amounts

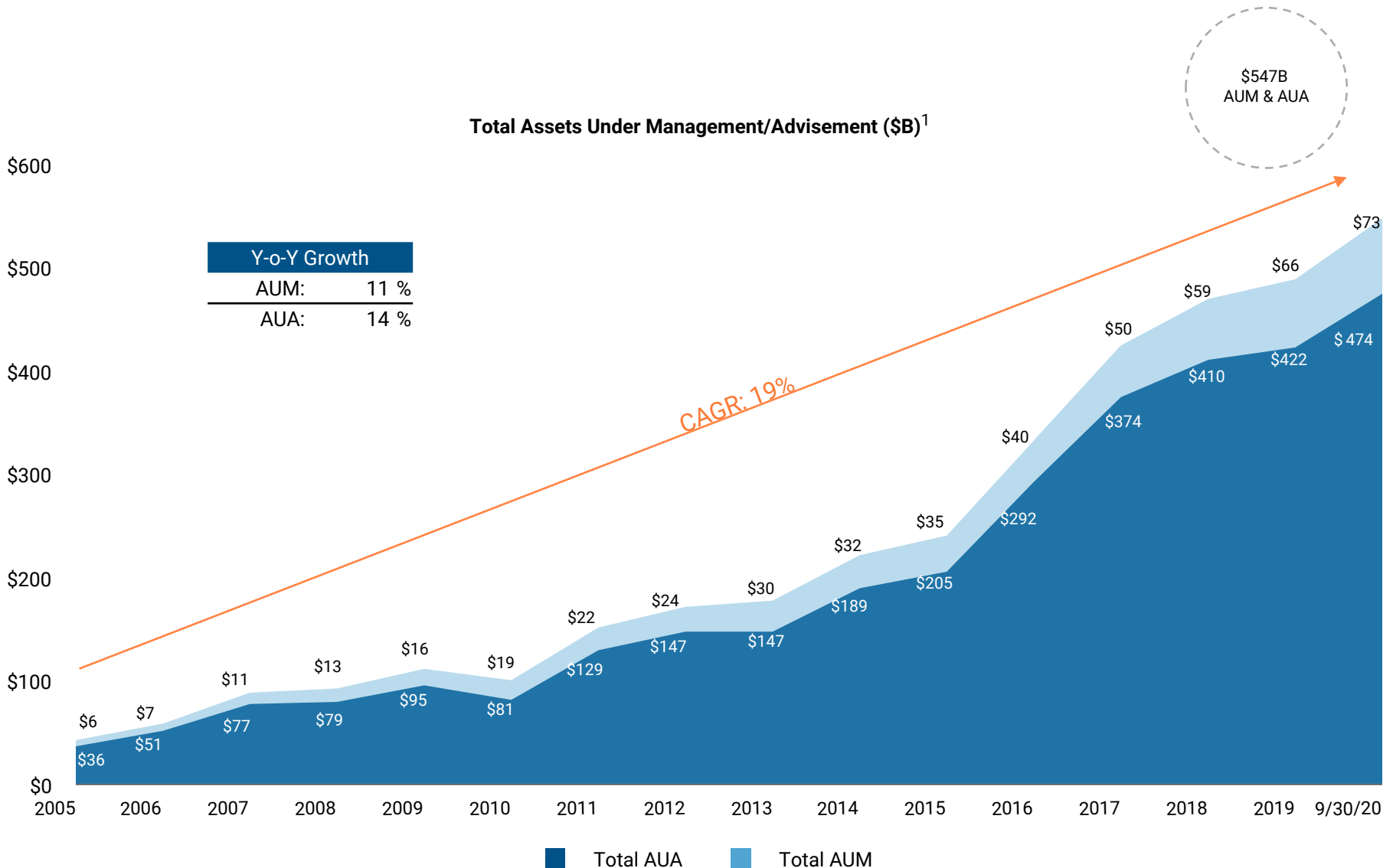
	Q2 FY21 QTD	Q2 FY21 YTD	vs. Q2 FY20 YTD
Management and advisory fees	\$66.4	\$133.6	12 %
GAAP net income	\$21.8	\$25.1	(6)%
GAAP EPS	\$0.66	\$0.79	(19)%
Non-GAAP EPS ¹	\$0.78	\$0.91	(3)%
Fee Related Earnings ¹	\$28.5	\$56.0	14 %
Adjusted EBITDA ¹	\$40.5	\$72.1	22 %

Dividend

- Declared a quarterly dividend of \$0.3125 per share of Class A common stock to record holders at the close of business on December 15, 2020

¹Non-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 21 and 22 of this presentation.

Growing Asset Footprint & Influence

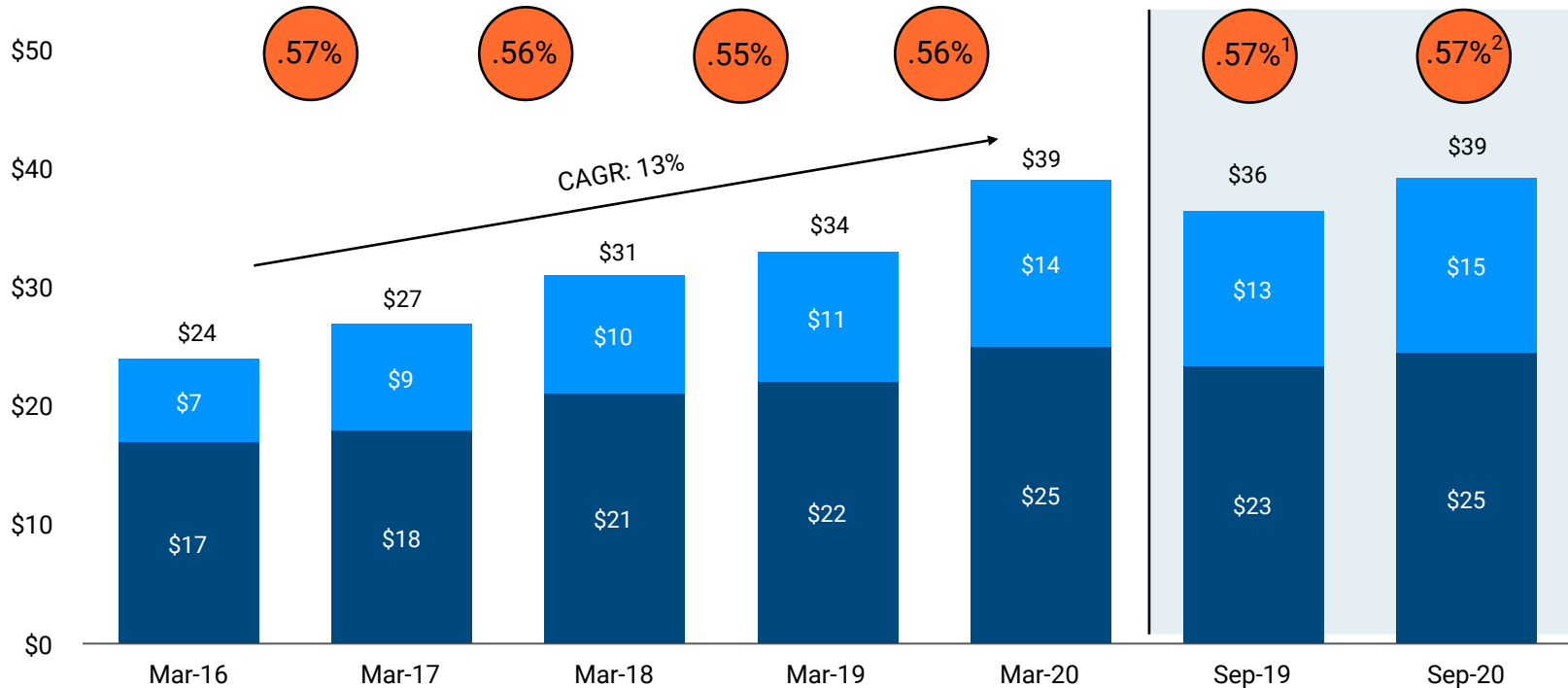


¹Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

Fee-Earning AUM Driving Revenues

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

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



*Numbers may not tie due to rounding
¹Reflects retroactive fees of \$2.8M from latest co-investment fund
²Reflects retroactive fees of \$6.1M from latest secondary fund

■ 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 impact fund
- Fundraising 5th secondary fund, credit-oriented (2020 series) fund and evergreen fund

AUM

Customized Separate Accounts



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

- \$1.7B 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
 - Evergreen fund
 - Direct equity fund
- \$1.5B year-over-year increase in FEAUM
 - FEAUM closed during Q2 FY21:
 - Secondary fund: \$250M
 - Closings post Q2 FY21:
 - Direct equity fund: \$318M

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

- \$58B year-over-year increase in AUA

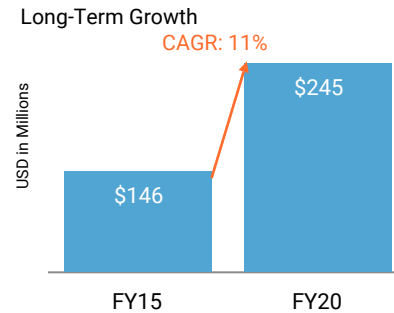
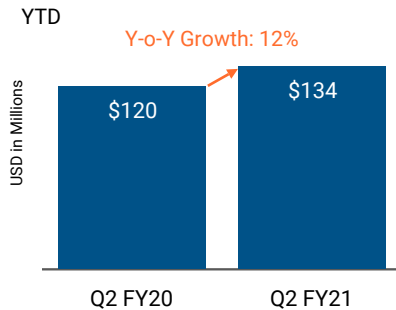


Hamilton Lane®

Financial Highlights

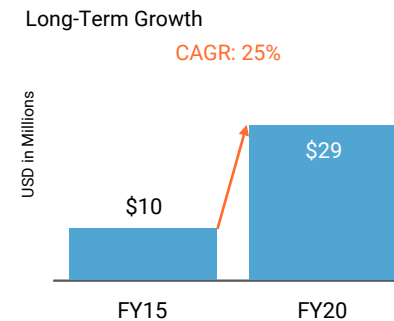
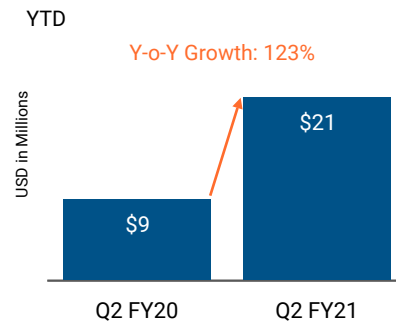
Strong revenue growth across management and advisory fees

Management and Advisory Fees



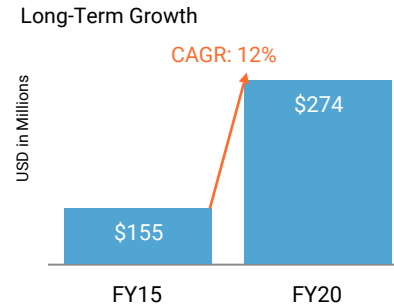
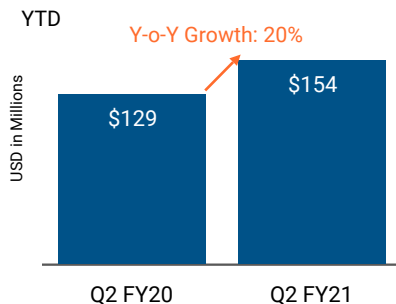
- Recurring management and advisory fees represented an average of just under 90% of total revenues over the past five fiscal years
- Y-o-Y increase of 12%
- \$2.9M in retroactive fees from our latest secondary fund in the quarter

Incentive Fees



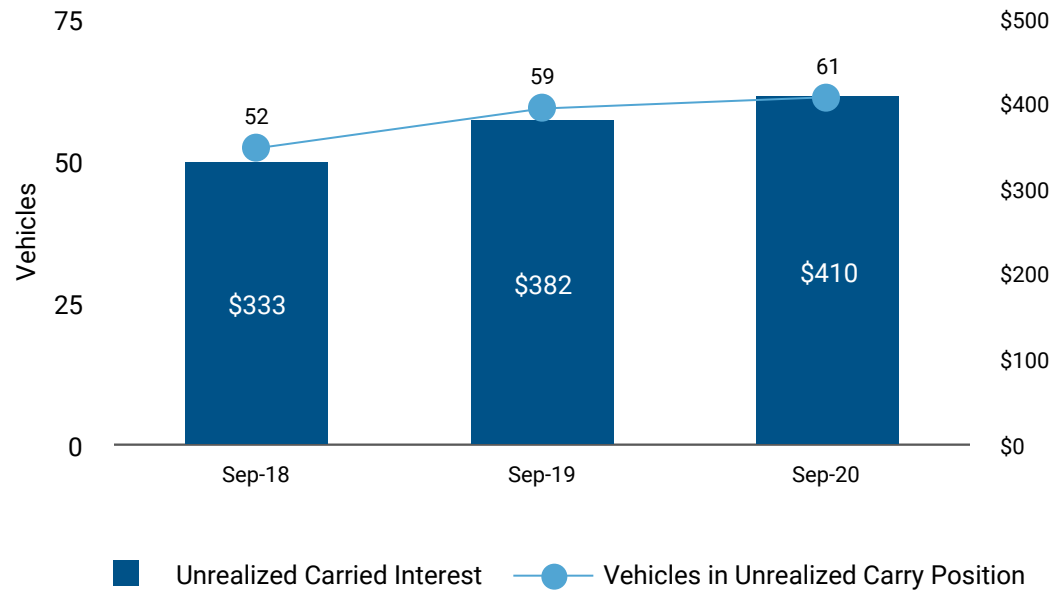
- Incentive fees derived from a highly diversified pool of assets and funds
- Unrealized carried interest of \$410M as of 9/30/20 diversified across 3,000+ assets and over 60 funds
- Timing of realizations unpredictable

Total Revenues

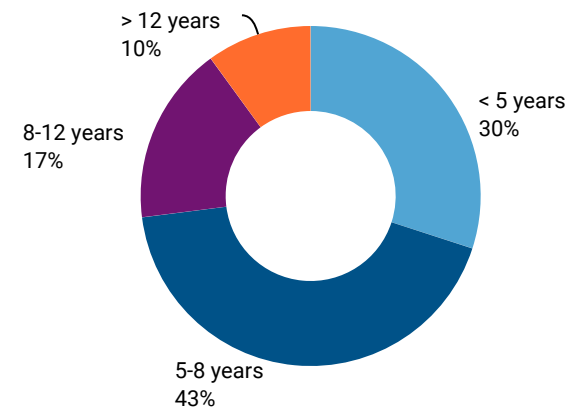


- Total revenues increased by 20%, driven by recurring management and advisory fee growth across core offerings

Unrealized Carried Interest



Unrealized Carry by Age

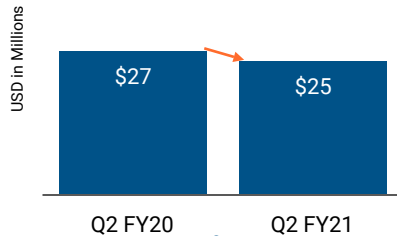


Profitability stable and growing

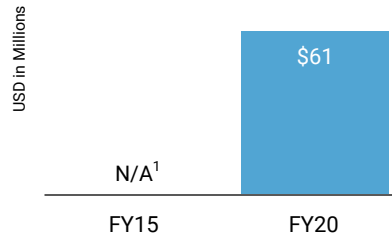
Net Income Attributable to HLI

YTD

Y-o-Y Growth: (6)%



Long-Term Growth

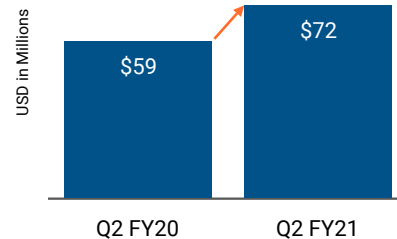


- \$22M in net income attributable to HLI for the quarter

Adjusted EBITDA²

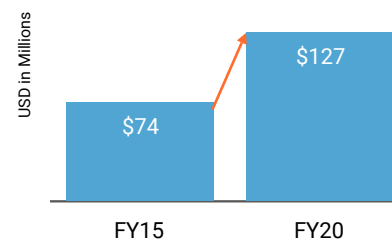
YTD

Y-o-Y Growth: 22%



Long-Term Growth

CAGR: 12%

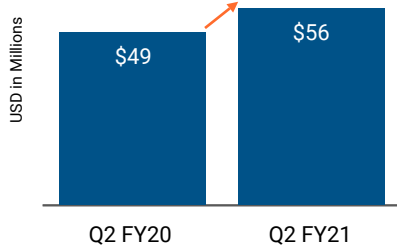


- Y-o-Y increase of 22% driven by growth in both management and advisory fees and incentive fees

Fee Related Earnings²

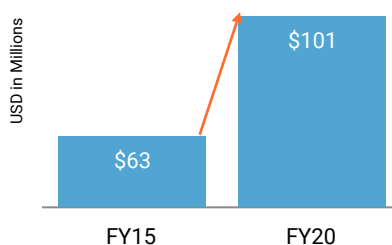
YTD

Y-o-Y Growth: 14%



Long-Term Growth

CAGR: 10%



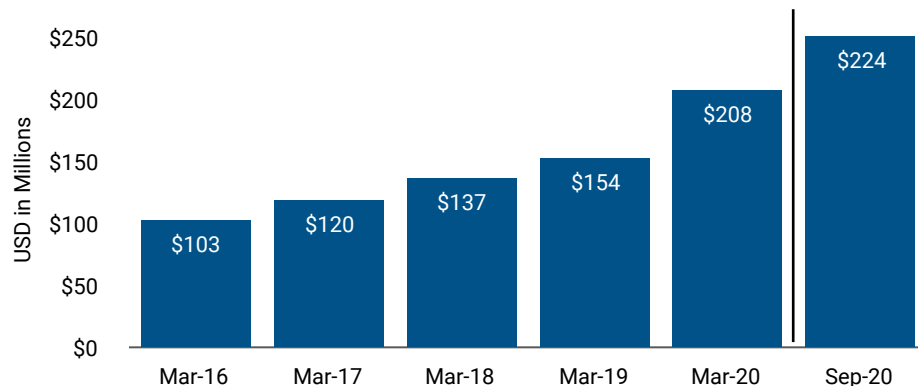
- Y-o-Y growth of 14%
- Long-term double digit growth in Fee Related Earnings

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 21 and 22 of this presentation.

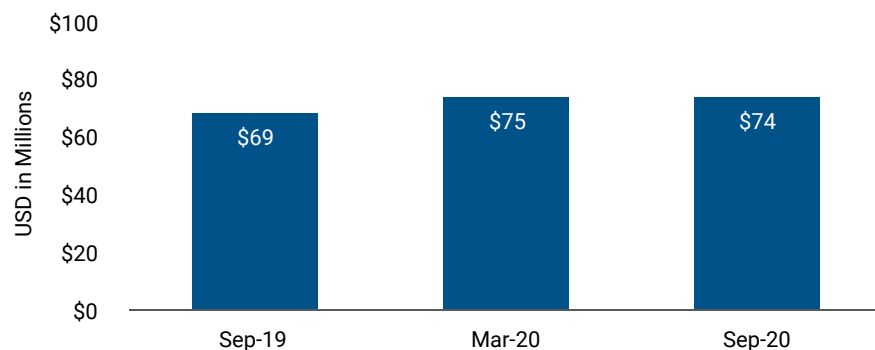
Strong balance sheet with investments in our own products and a modest amount of leverage...

Investments



- For 9/30/20, the total investment balance consisted of:
 - ~\$188M in equity method investments in our funds
 - ~\$36M in technology related and other investments

Leverage



- Modest leverage
- \$74M of debt as of 9/30/20

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Appendix

Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended September 30,			Six Months Ended September 30,		
	2019	2020	% Change	2019	2020	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Management and advisory fees	\$59,196	\$66,367	12 %	\$119,747	\$133,634	12 %
Incentive fees	5,096	18,064	254 %	9,231	20,541	123 %
Total revenues	64,292	84,431	31 %	128,978	154,175	20 %
Compensation and benefits	23,693	35,027	48 %	47,797	65,378	37 %
General, administrative and other	13,674	11,090	(19)%	27,263	21,650	(21)%
Total expenses	37,367	46,117	23 %	75,060	87,028	16 %
Equity in income (loss) of investees	3,664	17,979	391 %	9,877	(3,224)	(133)%
Interest expense	(745)	(493)	(34)%	(1,562)	(980)	(37)%
Interest income	148	93	(37)%	428	117	(73)%
Non-operating income	4,957	875	(82)%	4,078	600	(85)%
Total other income (expense)	8,024	18,454	130 %	12,821	(3,487)	(127)%
Income before income taxes	34,949	56,768	62 %	66,739	63,660	(5)%
Income tax expense	2,676	12,169	355 %	7,013	14,093	101 %
Net income	32,273	44,599	38 %	59,726	49,567	(17)%
Less: Income (loss) attributable to non-controlling interests in general partnerships	45	1,732	3,749 %	549	(278)	(151)%
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	16,929	21,054	24 %	32,497	24,786	(24)%
Net income attributable to Hamilton Lane Incorporated	\$15,299	\$21,813	43 %	\$26,680	\$25,059	(6)%
Basic earnings per share of Class A common stock	\$0.56	\$0.66	18 %	\$0.99	\$0.79	(20)%
Diluted earnings per share of Class A Common stock	\$0.56	\$0.66	18 %	\$0.98	\$0.79	(19)%
Weighted-average shares of Class A common stock outstanding - basic	27,229,152	32,962,046		26,969,363	31,607,192	
Weighted-average shares of Class A common stock outstanding - diluted	27,632,890	33,204,126		27,341,594	31,830,772	

Non-GAAP Financial Measures

(Dollars in thousands except share and per share amounts)

	Three Months Ended September 30,			Six Months Ended September 30,		
	2019	2020	% Change	2019	2020	% Change
Adjusted EBITDA¹						
Management and advisory fees	\$59,196	\$66,367	12 %	\$119,747	\$133,634	12 %
Total expenses	37,367	46,117	23 %	75,060	87,028	16 %
Less:						
Incentive fee related compensation ²	(2,392)	(8,247)	245 %	(4,309)	(9,420)	119 %
Management fee related expenses	34,975	37,870	8 %	70,751	77,608	10 %
Fee Related Earnings	\$24,221	\$28,497	18 %	\$48,996	\$56,026	14 %
Fee Related Earnings Margin	41 %	43 %		41 %	42 %	
Incentive fees	5,096	18,064	254 %	9,231	20,541	123 %
Incentive fees attributable to non-controlling interests	(61)	(702)	1,051 %	(160)	(710)	344 %
Incentive fee related compensation ²	(2,392)	(8,247)	245 %	(4,309)	(9,420)	119 %
Interest income	148	93	(37)%	428	117	(73)%
Equity-based compensation	1,756	1,803	3 %	3,483	3,551	2 %
Depreciation and amortization	806	973	21 %	1,608	1,977	23 %
Adjusted EBITDA	\$29,574	\$40,481	37 %	\$59,277	\$72,082	22 %
Adjusted EBITDA Margin	46 %	48 %		46 %	47 %	
Non-GAAP earnings per share¹						
Net income attributable to Hamilton Lane Incorporated	\$15,299	\$21,813	43 %	\$26,680	\$25,059	(6)%
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	16,929	21,054	24 %	32,497	24,786	(24)%
Income tax expense	2,676	12,169	355 %	7,013	14,093	101 %
Adjusted pre-tax net income	34,904	55,036	58 %	66,190	63,938	(3)%
Adjusted income taxes ³	(8,308)	(13,043)	57 %	(15,753)	(15,153)	(4)%
Adjusted net income	\$26,596	\$41,993	58 %	\$50,437	\$48,785	(3)%
Adjusted shares outstanding⁴	53,547,201	53,622,798		53,507,680	53,599,400	
Non-GAAP earnings per share	\$0.50	\$0.78	56 %	\$0.94	\$0.91	(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 21.

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

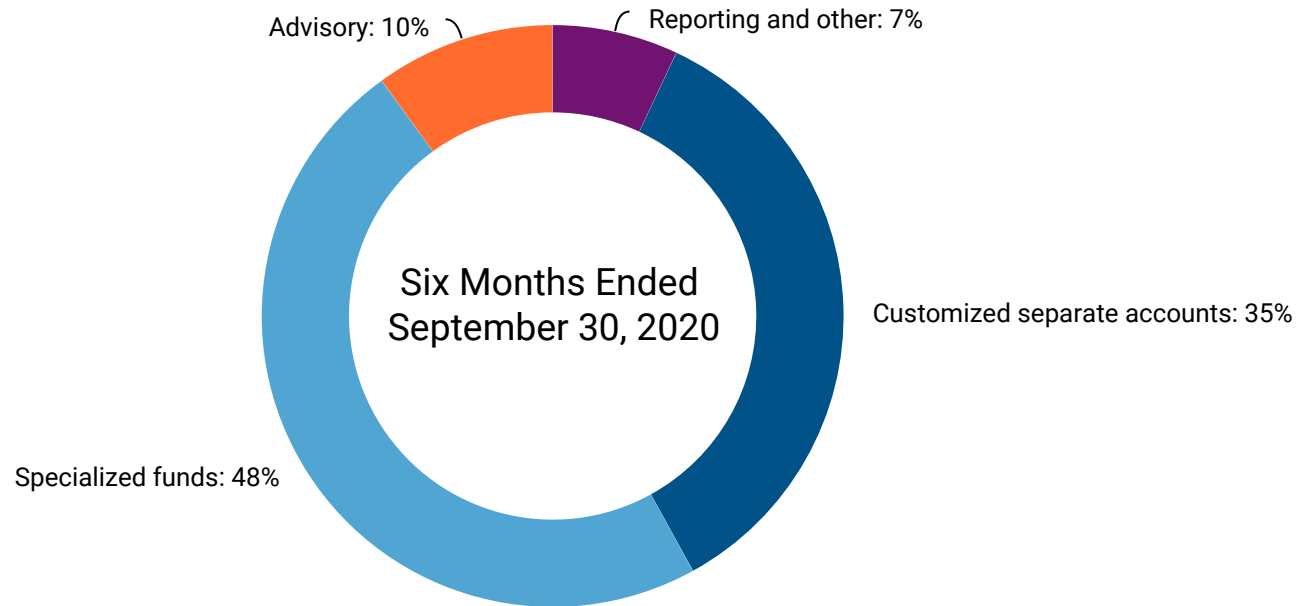
³ Represents corporate income taxes at our estimated statutory tax rate of 23.7% and 23.8% for the three and six month periods ended September 30, 2020 and 2019, respectively, applied to adjusted pre-tax net income. The 23.7% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.7%. 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 September 30,			Six Months Ended September 30,		
	2019	2020	% Change	2019	2020	% Change
Management and advisory fees						
Specialized funds	\$26,985	\$31,717	18 %	\$53,944	\$63,948	19 %
Customized separate accounts	22,466	23,800	6 %	44,429	47,315	6 %
Advisory	5,961	6,545	10 %	12,213	13,310	9 %
Reporting and other	2,092	2,584	24 %	4,255	5,420	27 %
Distribution management	702	737	5 %	2,061	2,464	20 %
Fund reimbursement revenue	990	984	(1)%	2,845	1,177	(59)%
Total management and advisory fees	\$59,196	\$66,367	12 %	\$119,747	\$133,634	12 %



Incentive Fees

(Dollars in thousands)	Three Months Ended September 30,			Six Months Ended September 30,		
	2019	2020	% Change	2019	2020	% Change
Incentive fees						
Secondary Fund II	\$387	\$122	(68)%	\$553	\$281	(49)%
Co-investment Fund II	1,429	16,476	1,053 %	3,753	16,709	345 %
Other specialized funds	3,164	1,122	(65)%	3,313	2,948	(11)%
Customized separate accounts	116	344	197 %	1,612	603	(63)%
Incentive fees	\$5,096	\$18,064	254 %	\$9,231	\$20,541	123 %

	As of				
	September 30, 2019	June 30, 2020	September 30, 2020	YoY Change %	QoQ Change %
Allocated carried interest					
Secondary Fund II	\$4,318	\$2,832	\$2,742	(36)%	(3)%
Secondary Fund III	35,950	27,468	28,035	(22)%	2 %
Secondary Fund IV	38,316	40,304	55,739	45 %	38 %
Secondary Fund V	—	—	2,866	N/A	N/A
Co-investment Fund II	56,327	27,338	22,526	(60)%	(18)%
Co-investment Fund III	49,570	37,806	58,869	19 %	56 %
Co-investment Fund IV	4,064	—	14,425	255 %	N/A
Other specialized funds	56,668	60,236	85,347	51 %	42 %
Customized separate accounts	136,803	114,931	139,133	2 %	21 %
Total allocated carried interest	\$382,016	\$310,915	\$409,682	7 %	32 %

Assets Under Management

<i>(Dollars in millions)</i>	September 30, 2019	June 30, 2020	September 30, 2020	YoY Change %	QoQ Change %
Assets under management / advisement					
Assets under management	\$65,680	\$68,269	\$72,855	11 %	7 %
Assets under advisement	415,675	447,312	474,131	14 %	6 %
Total assets under management /advisement	\$481,355	\$515,581	\$546,986	14 %	6 %
Fee-earning assets under management					
Customized separate accounts					
Balance, beginning of period	\$22,511	\$24,545	\$24,286	8 %	(1)%
Contributions	695	1,009	1,368	97 %	36 %
Distributions	(343)	(1,110)	(1,099)	220 %	(1)%
Foreign exchange, market value and other	14	(158)	33	136 %	N/A
Balance, end of period	\$22,877	\$24,286	\$24,588	7 %	1 %
Specialized funds					
Balance, beginning of period	\$12,285	\$14,118	\$14,720	20 %	4 %
Contributions	1,100	791	368	(67)%	(53)%
Distributions	(251)	(195)	(462)	84 %	137 %
Foreign exchange, market value and other	—	6	13	N/A	117 %
Balance, end of period	\$13,134	\$14,720	\$14,639	11 %	(1)%
Total					
Balance, beginning of period	\$34,796	\$38,663	\$39,006	12 %	1 %
Contributions	1,795	1,800	1,736	(3)%	(4)%
Distributions	(594)	(1,305)	(1,561)	163 %	20 %
Foreign exchange, market value and other	14	(152)	46	229 %	N/A
Balance, end of period	\$36,011	\$39,006	\$39,227	9 %	1 %

Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands except share and per share amounts)

	March 31, 2020	September 30, 2020
Assets		
Cash and cash equivalents	\$50,124	\$81,987
Restricted cash	3,086	3,042
Fees receivable	30,384	33,072
Prepaid expenses	6,988	5,656
Due from related parties	2,605	3,514
Furniture, fixtures and equipment, net	7,402	8,223
Lease right-of-use assets, net	9,577	9,997
Investments	207,747	224,032
Deferred income taxes	137,941	220,815
Other assets	17,675	17,751
Total assets	\$473,529	\$608,089
Liabilities and Equity		
Accounts payable	\$1,968	\$2,303
Accrued compensation and benefits	10,804	36,503
Deferred incentive fee revenue	3,704	3,704
Debt	74,524	74,084
Accrued members' distributions	5,829	4,897
Payable to related parties pursuant to tax receivable agreement	98,956	176,046
Dividends payable	8,027	10,772
Lease liabilities	10,184	10,592
Other liabilities (includes \$13,394 and \$17,703 at fair value)	22,132	25,993
Total liabilities	236,128	344,894
Class A common stock, \$0.001 par value, 300,000,000 authorized; 29,842,784 and 34,910,642 issued and outstanding as of March 31, 2020 and September 30, 2020 respectively	30	35
Class B common stock, \$0.001 par value, 50,000,000 authorized; 22,049,727 and 17,841,211 issued and outstanding as of March 31, 2020 and September 30, 2020, respectively	22	18
Additional paid-in-capital	107,727	141,010
Accumulated other comprehensive loss	(78)	—
Retained earnings	47,090	51,275
Total Hamilton Lane Incorporated stockholders' equity	154,791	192,338
Non-controlling interests in general partnerships	4,853	3,506
Non-controlling interests in Hamilton Lane Advisors, L.L.C.	77,757	67,351
Total equity	237,401	263,195
Total liabilities and equity	\$473,529	\$608,089

Condensed Consolidated Statements of Cash Flows (Unaudited)

(Dollars in thousands)

	Six Months Ended	
	September 30, 2019	September 30, 2020
Operating activities		
Net income	\$59,726	\$49,567
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,608	1,977
Change in deferred income taxes	4,728	8,706
Change in payable to related parties pursuant to tax receivable agreement	150	(73)
Equity-based compensation	3,483	3,551
Equity in (income) loss of investees	(9,877)	3,224
Gain on sale of investments valued under the measurement alternative	(4,973)	—
Proceeds received from investments	4,178	23
Other	674	76
Changes in operating assets and liabilities	6,506	22,583
Net cash provided by operating activities	66,203	89,634
Investing activities		
Purchase of furniture, fixtures and equipment	(1,296)	(2,148)
Purchase of other investments	(3,967)	(500)
Proceeds from sales of investments valued under the measurement alternative	6,419	—
Distributions received from investments	4,838	8,728
Contributions to investments	(16,774)	(23,431)
Net cash used in investing activities	(10,780)	(17,351)
Financing activities		
Proceeds from offerings	147,122	354,629
Purchase of membership interests	(147,122)	(354,629)
Repayments of debt	(1,874)	(469)
Draw-down on revolver	15,000	—
Repayment of revolver	(15,000)	—
Secured financing	15,750	—
Contributions from non-controlling interest in general partnerships	29	56
Distributions to non-controlling interest in general partnerships	(702)	(1,125)
Repurchase of Class B common stock	(2)	(4)
Repurchase of Class A shares for employee tax withholding	(45)	(36)
Proceeds received from issuance of shares under Employee Share Purchase Plan	592	707
Payments to related parties, pursuant to tax receivable agreement	—	(36)
Dividends paid	(13,018)	(18,129)
Members' distributions paid	(32,675)	(21,558)
Net cash used in financing activities	(31,945)	(40,594)
Effect of exchange rate changes on cash and cash equivalents	15	130
Increase in cash, cash equivalents, and restricted cash	23,493	31,819
Cash, cash equivalents, and restricted cash at beginning of the period	51,590	53,210
Cash, cash equivalents, and restricted cash at end of the period	\$75,083	\$85,029

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,	
	2015	2020	2019	2020	2019	2020
Net income attributable to Hamilton Lane Incorporated	\$0	\$60,825	\$15,299	\$21,813	\$26,680	\$25,059
Income (loss) attributable to non-controlling interests in general partnerships	2,242	85	45	1,732	549	(278)
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	69,260	65,866	16,929	21,054	32,497	24,786
Incentive fees	(9,509)	(29,128)	(5,096)	(18,064)	(9,231)	(20,541)
Incentive fee related compensation ¹	4,542	13,677	2,392	8,247	4,309	9,420
Interest income	(87)	(709)	(148)	(93)	(428)	(117)
Interest expense	5,883	2,816	745	493	1,562	980
Income tax expense	483	13,968	2,676	12,169	7,013	14,093
Equity in (income) loss of investees	(10,474)	(20,250)	(3,664)	(17,979)	(9,877)	3,224
Non-operating loss (income)	1,056	(6,172)	(4,957)	(875)	(4,078)	(600)
Fee Related Earnings	\$63,396	\$100,978	\$24,221	\$28,497	\$48,996	\$56,026
Depreciation and amortization	1,867	3,291	806	973	1,608	1,977
Equity-based compensation	3,390	7,183	1,756	1,803	3,483	3,551
Incentive fees	9,509	29,128	5,096	18,064	9,231	20,541
Incentive fees attributable to non-controlling interests	—	(320)	(61)	(702)	(160)	(710)
Incentive fee related compensation ¹	(4,542)	(13,677)	(2,392)	(8,247)	(4,309)	(9,420)
Interest income	87	709	148	93	428	117
Adjusted EBITDA	\$73,707	\$127,292	\$29,574	\$40,481	\$59,277	\$72,082
Non-GAAP earnings per share reconciliation						
Net income attributable to Hamilton Lane Incorporated			\$15,299	\$21,813	\$26,680	\$25,059
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			16,929	21,054	32,497	24,786
Income tax expense			2,676	12,169	7,013	14,093
Adjusted pre-tax net income			34,904	55,036	66,190	63,938
Adjusted income taxes ²			(8,308)	(13,043)	(15,753)	(15,153)
Adjusted net income			\$26,596	\$41,993	\$50,437	\$48,785
Weighted-average shares of Class A common stock outstanding - diluted						
Exchange of Class B and Class C units in HLA ³			27,632,890	33,204,126	27,341,594	31,830,772
Adjusted shares outstanding			53,547,201	53,622,798	53,507,680	53,599,400
Non-GAAP earnings per share			\$0.50	\$0.78	\$0.94	\$0.91

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 23.7% and 23.8% for the three and six month periods ended September 30, 2020 and 2019, respectively, applied to adjusted pre-tax net income. The 23.7% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.7%. 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.

Adjusted EBITDA is our primary 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. We believe Non-GAAP earnings per share is useful to investors because it enables them to better evaluate 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. 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, 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 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, 2020, 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 4, 2020