

Fiscal Year 2022 Second Quarter Results

Earnings Presentation - November 2, 2021

Today's Speakers



Business Performance

- Assets under management and fee-earning assets under management were \$96 billion and \$45 billion, respectively, as of September 30, 2021, increases of 32% and 14%, respectively, compared to September 30, 2020
- Management and advisory fees increased 12% compared to the six months ended September 30, 2020

Financial Results

USD in millions except per share amounts

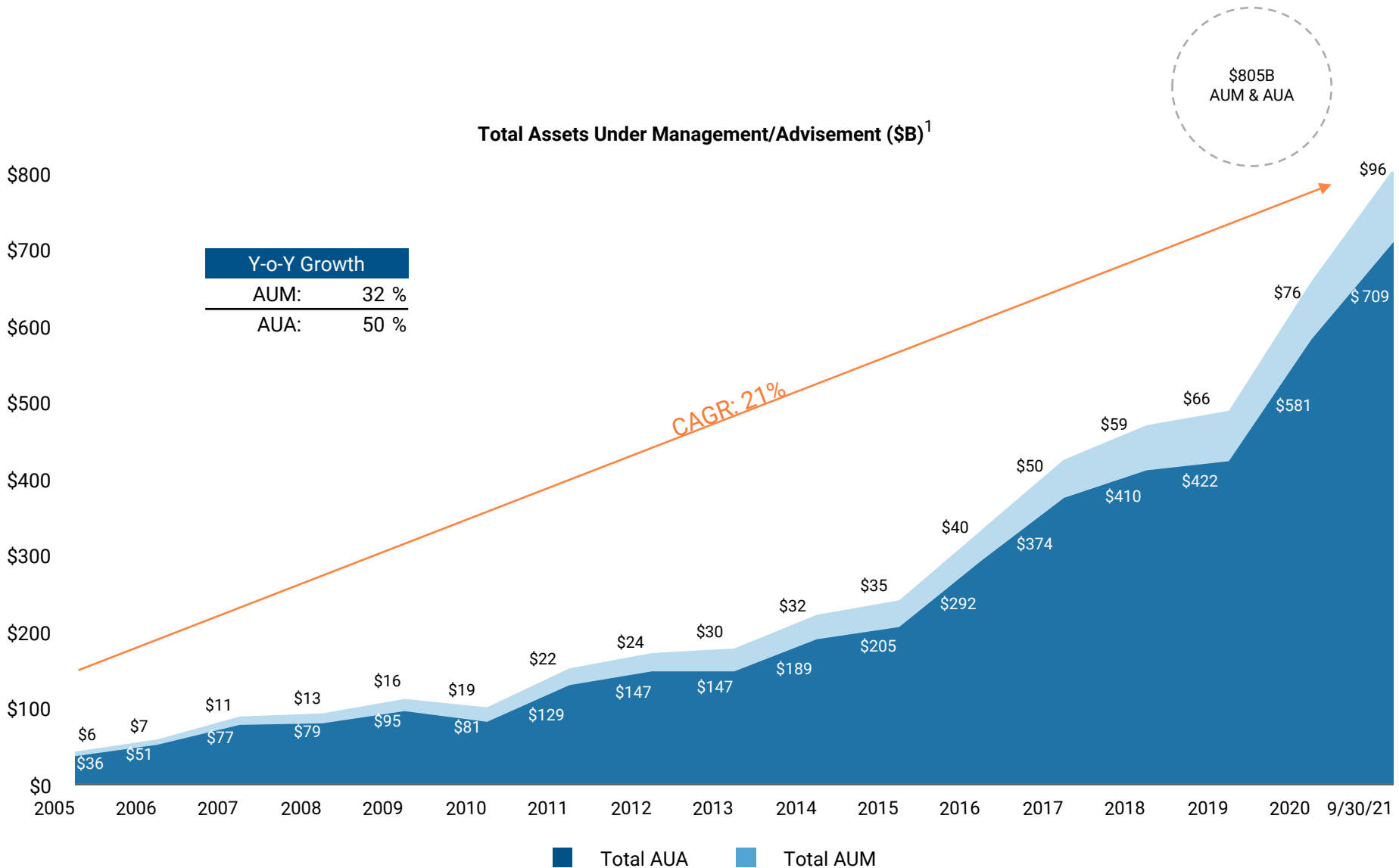
	Q2 FY22 QTD	Q2 FY22 YTD	vs. Q2 FY21 YTD
Management and advisory fees	\$75.9	\$149.8	12 %
GAAP net income	\$52.1	\$80.3	220 %
GAAP EPS	\$1.41	\$2.19	177 %
Adjusted net income ¹	\$74.3	\$119.6	145 %
Non-GAAP EPS ¹	\$1.38	\$2.23	145 %
Fee Related Earnings ¹	\$36.0	\$69.4	24 %
Adjusted EBITDA ¹	\$49.5	\$89.6	24 %

Dividend

- Declared a quarterly dividend of \$0.35 per share of Class A common stock to record holders at the close of business on December 15, 2021

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 21 and 22 of this presentation.

Growing Asset Footprint & Influence

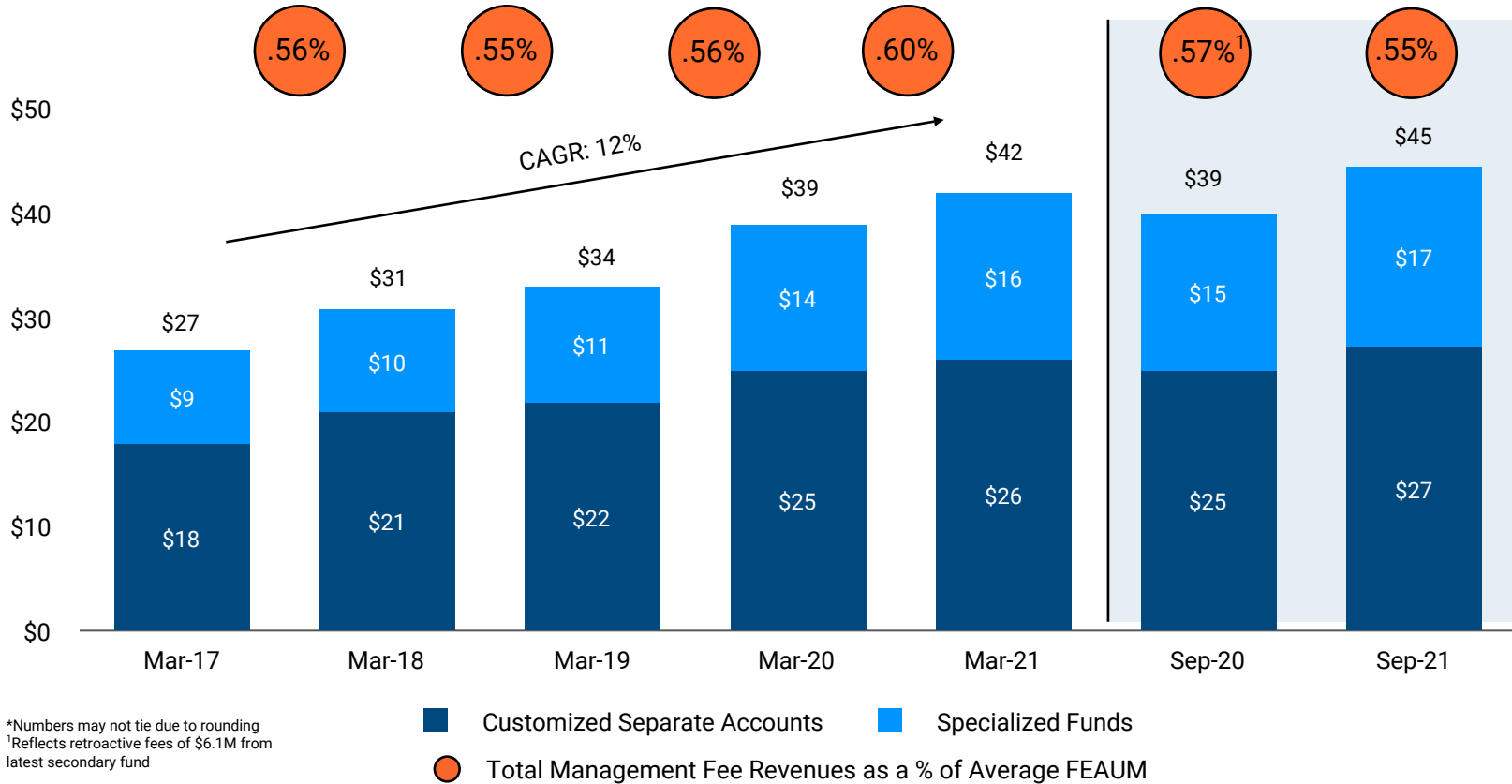


¹Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

Fee-Earning AUM Driving Revenues

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

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



Y-o-Y Drivers of Growth

Customized Separate Accounts:

- New client wins
- Client re-ups

Specialized Funds:

- Closed 5th secondary fund and 6th credit-oriented fund
- Fundraising 5th direct equity fund, 7th credit-oriented fund, 2nd impact fund, 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

- \$2.8B 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
- Credit-oriented fund
- Evergreen fund
- Infrastructure fund
- Impact fund

- \$2.6B year-over-year increase in FEAUM
- Closings during Q2 FY22:
 - Direct equity fund: \$101M

AUA

Advisory Services



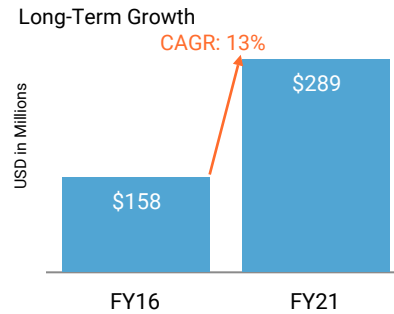
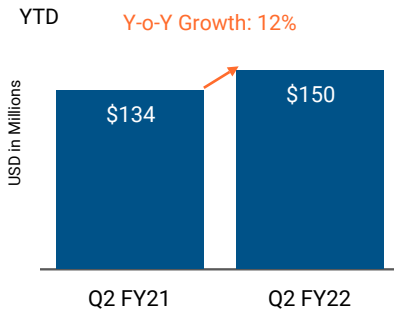
Typically larger clients with wide-ranging mandates which include technology-driven reporting, monitoring and analytics services and consulting services; opportunity set continues to be robust

- \$235B year-over-year increase in AUA

Financial Highlights

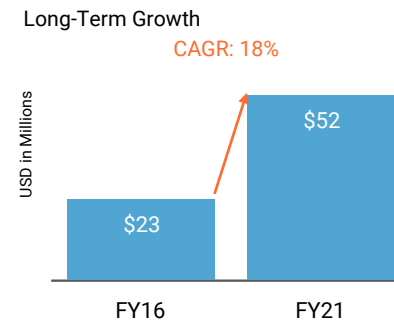
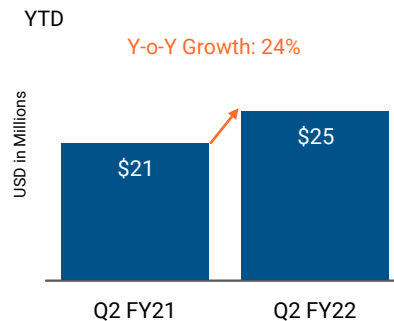
Strong revenue growth across management and advisory fees

Management and Advisory Fees



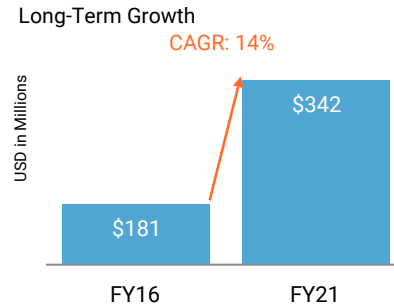
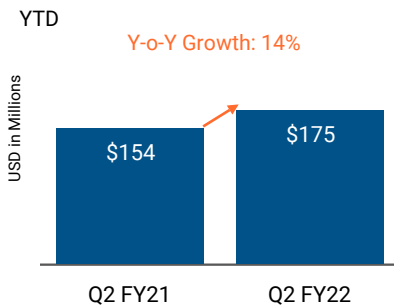
- Recurring management and advisory fees represented an average of just under 90% of total revenues over the past five fiscal years
- Y-o-Y increase of 12%
- \$0.1 million in retroactive fees from our latest direct equity fund in the quarter

Incentive Fees



- Incentive fees derived from a highly diversified pool of assets and funds
- Unrealized carried interest of \$990M as of 9/30/21 diversified across 3,000+ assets and over 80 funds
- Timing of realizations unpredictable

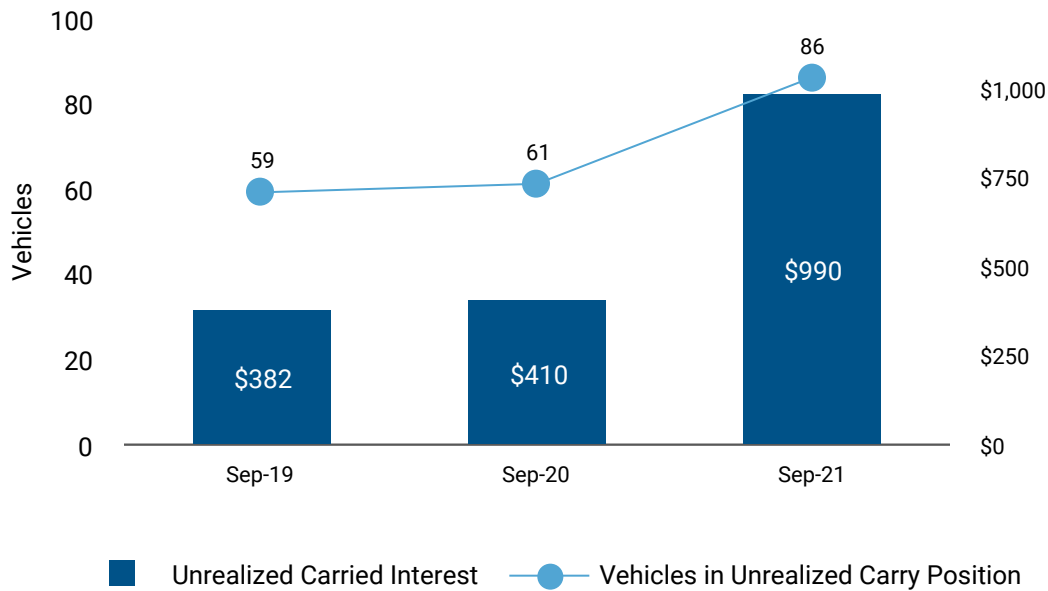
Total Revenues



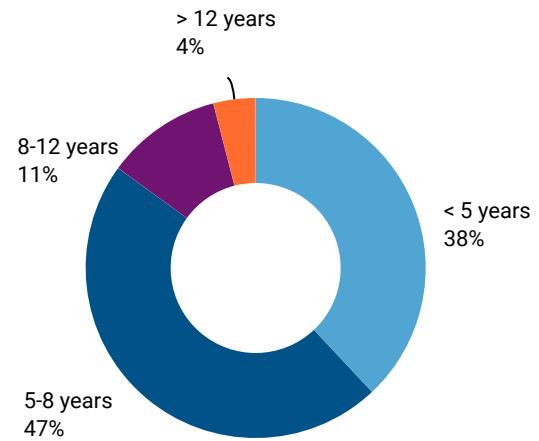
- Total revenues increased by 14%, driven by recurring management and advisory fee growth across core offerings

Unrealized Carried Interest

Unrealized Carried Interest

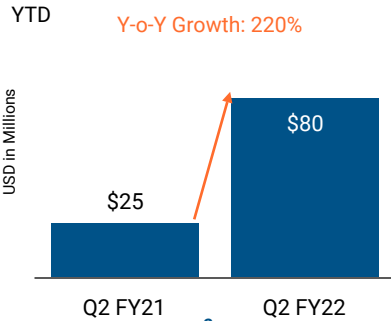


Unrealized Carry by Age

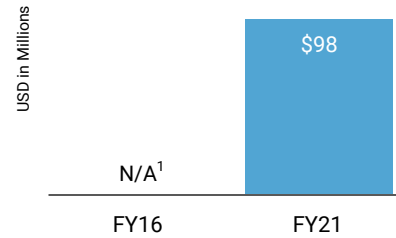


Profitability stable and growing

Net Income Attributable to HLI

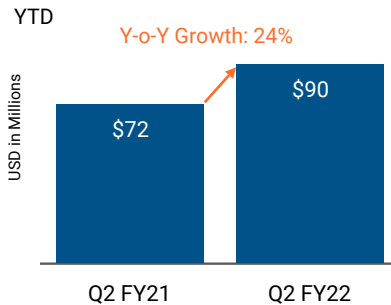


Long-Term Growth

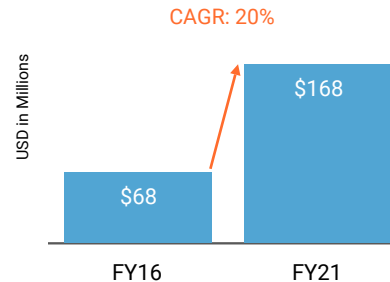


- \$52M in net income attributable to HLI for the quarter

Adjusted EBITDA²

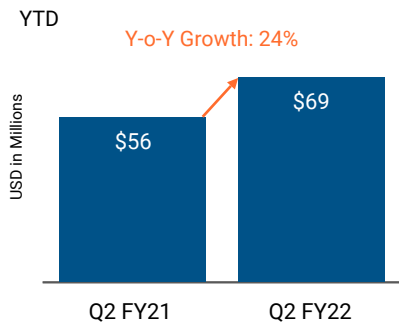


Long-Term Growth

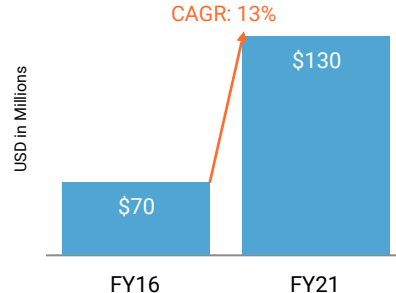


- Y-o-Y increase of 24% driven by growth in both management and advisory fees and incentive fees

Fee Related Earnings²



Long-Term Growth



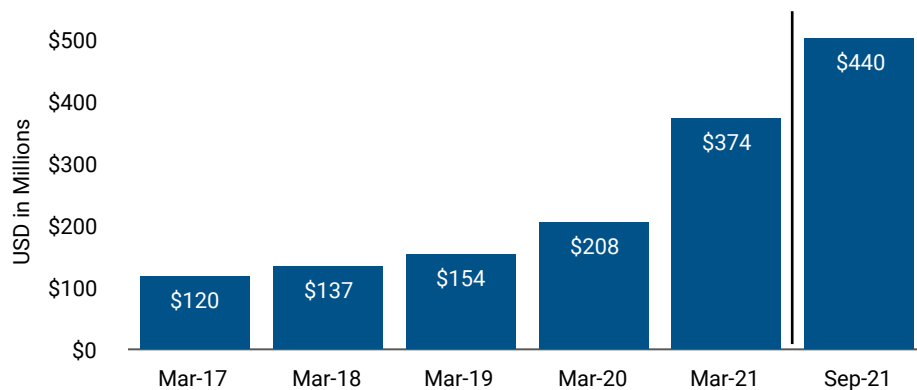
- Y-o-Y growth of 24%
- Long-term double digit growth in Fee Related Earnings

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.

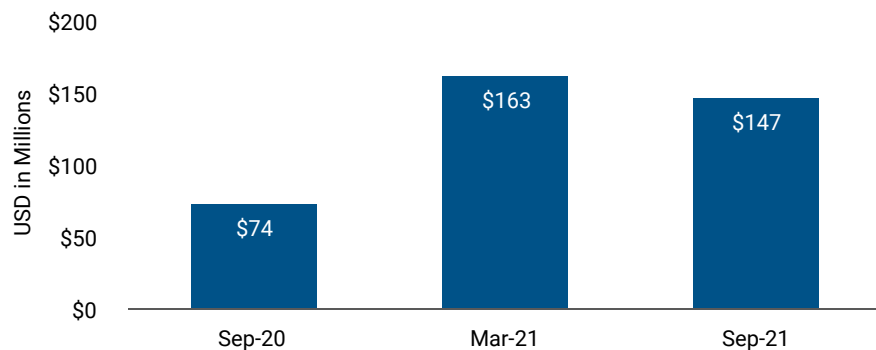
Strong balance sheet with investments in our own products and a modest amount of leverage...

Investments



- For 9/30/21, the total investment balance consisted of:
 - ~\$297M in equity method investments in our funds
 - ~\$143M in technology related and other investments

Leverage



- Modest leverage
- \$147M of debt as of 9/30/21



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Appendix

Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended September 30,			Six Months Ended September 30,		
	2020	2021	% Change	2020	2021	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Management and advisory fees	\$66,367	\$75,934	14 %	\$133,634	\$149,818	12 %
Incentive fees	1,588	21,362	1,245 %	3,832	23,726	519 %
Consolidated variable interest entities related:						
Incentive fees	16,476	(976)	(106)%	16,709	1,771	(89)%
Total revenues	84,431	96,320	14 %	154,175	175,315	14 %
Compensation and benefits	35,027	33,292	(5)%	65,378	60,024	(8)%
General, administrative and other	11,090	16,256	47 %	21,650	32,410	50 %
Consolidated variable interest entities related:						
General, administrative and other	—	271	N/A	—	630	N/A
Total expenses	46,117	49,819	8 %	87,028	93,064	7 %
Equity in income (loss) of investees	15,846	27,208	72 %	(1,199)	47,257	N/A
Interest expense	(493)	(1,166)	137 %	(980)	(2,331)	138 %
Interest income	93	39	(58)%	117	462	295 %
Non-operating income (expense)	875	24,854	2,740 %	600	28,457	4,643 %
Consolidated variable interest entities related:						
Equity in income (loss) of investees	2,133	240	(89)%	(2,025)	469	N/A
Unrealized income (loss)	—	1,176	N/A	—	(1,068)	N/A
Total other income (expense)	18,454	52,351	184 %	(3,487)	73,246	N/A
Income before income taxes	56,768	98,852	74 %	63,660	155,497	144 %
Income tax expense	12,169	14,032	15 %	14,093	25,996	84 %
Net income	44,599	84,820	90 %	49,567	129,501	161 %
Less: Income (loss) attributable to non-controlling interests in general partnerships	1,732	73	(96)%	(278)	286	N/A
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	21,054	31,372	49 %	24,786	50,668	104 %
Less: Income (loss) attributable to redeemable non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	—	1,230	N/A	—	(1,766)	N/A
Net income attributable to Hamilton Lane Incorporated	\$21,813	\$52,145	139 %	\$25,059	\$80,313	220 %
Basic earnings per share of Class A common stock	\$0.66	\$1.41	114 %	\$0.79	\$2.20	178 %
Diluted earnings per share of Class A Common stock	\$0.66	\$1.41	114 %	\$0.79	\$2.19	177 %
Weighted-average shares of Class A common stock outstanding - basic	32,962,046	36,217,511		31,607,192	36,110,885	
Weighted-average shares of Class A common stock outstanding - diluted	33,204,126	36,342,615		31,830,772	36,229,757	

Non-GAAP Financial Measures

	Three Months Ended September 30,			Six Months Ended September 30,		
	2020	2021	% Change	2020	2021	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Adjusted EBITDA¹						
Management and advisory fees	\$66,367	\$75,934	14 %	\$133,634	\$149,818	12 %
Total expenses	46,117	49,819	8 %	87,028	93,064	7 %
Less:						
Incentive fee related compensation ²	(8,247)	(9,693)	18 %	(9,420)	(12,076)	28 %
SPAC related general, administrative and other expenses	—	(200)	N/A	—	(559)	N/A
Management fee related expenses	37,870	39,926	5 %	77,608	80,429	4 %
Fee Related Earnings	\$28,497	\$36,008	26 %	\$56,026	\$69,389	24 %
Fee Related Earnings Margin	43 %	47 %		42 %	46 %	
Incentive fees	18,064	20,386	13 %	20,541	25,497	24 %
Incentive fees attributable to non-controlling interests	(702)	20	N/A	(710)	(75)	(89)%
Incentive fee related compensation ²	(8,247)	(9,693)	18 %	(9,420)	(12,076)	28 %
Interest income	93	39	(58)%	117	462	295 %
Equity-based compensation	1,803	1,654	(8)%	3,551	3,995	13 %
Depreciation and amortization	973	1,074	10 %	1,977	2,452	24 %
Adjusted EBITDA	\$40,481	\$49,488	22 %	\$72,082	\$89,644	24 %
Adjusted EBITDA Margin	48 %	51 %		47 %	51 %	
Non-GAAP earnings per share¹						
Net income attributable to Hamilton Lane Incorporated	\$21,813	\$52,145	139 %	\$25,059	\$80,313	220 %
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	21,054	31,372	49 %	24,786	50,668	104 %
Income tax expense	12,169	14,032	15 %	14,093	25,996	84 %
Adjusted pre-tax net income	55,036	97,549	77 %	63,938	156,977	146 %
Adjusted income taxes ³	(13,043)	(23,217)	78 %	(15,153)	(37,361)	147 %
Adjusted net income	\$41,993	\$74,332	77 %	\$48,785	\$119,616	145 %
Adjusted shares outstanding⁴	53,622,798	53,695,573		53,599,400	53,682,306	
Non-GAAP earnings per share	\$0.78	\$1.38	77 %	\$0.91	\$2.23	145 %

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.

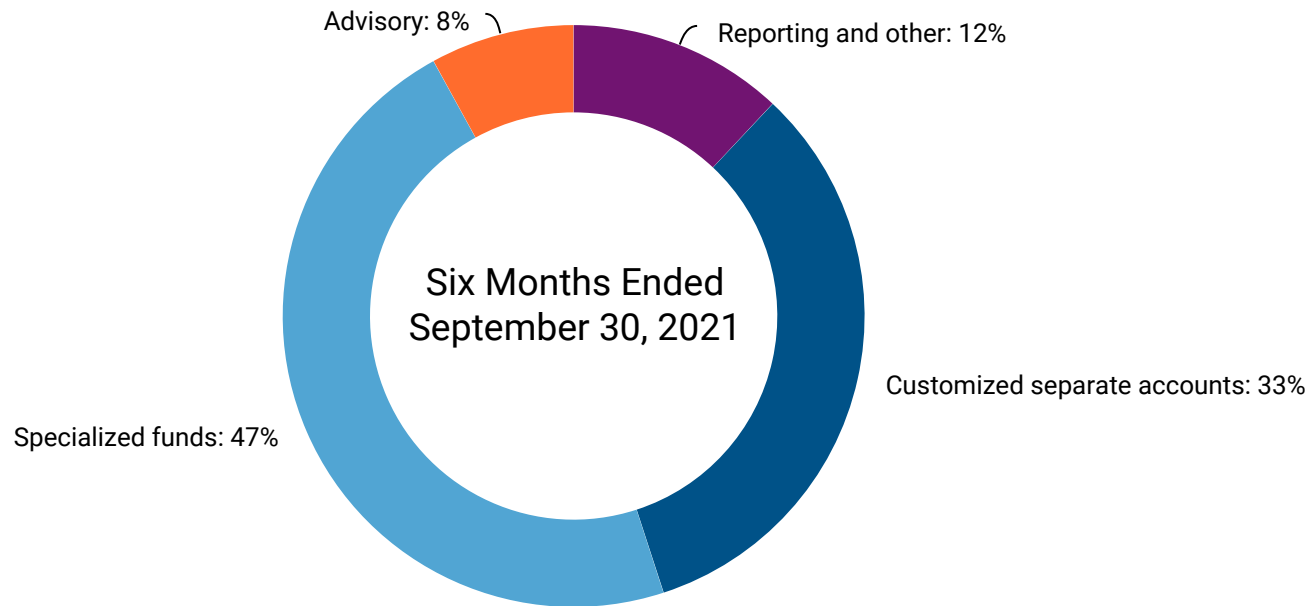
³ Represents corporate income taxes at our estimated statutory tax rate of 23.8% and 23.7% for the three and six month periods ended September 30, 2021 and 2020, respectively, applied to adjusted pre-tax net income. The 23.8% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.8%. 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%.

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,		
	2020	2021	% Change	2020	2021	% Change
Management and advisory fees						
Specialized funds	\$31,717	\$36,314	14 %	\$63,948	\$69,702	9 %
Customized separate accounts	23,800	24,934	5 %	47,315	49,434	4 %
Advisory	6,545	6,297	(4)%	13,310	12,663	(5)%
Reporting and other	2,584	5,709	121 %	5,420	10,991	103 %
Distribution management	737	2,022	174 %	2,464	6,143	149 %
Fund reimbursement revenue	984	658	(33)%	1,177	885	(25)%
Total management and advisory fees	\$66,367	\$75,934	14 %	\$133,634	\$149,818	12 %



Incentive Fees

(Dollars in thousands)	Three Months Ended September 30,			Six Months Ended September 30,		
	2020	2021	% Change	2020	2021	% Change
Incentive fees						
Secondary Fund II	\$122	\$—	(100)%	\$281	\$30	(89)%
Co-investment Fund II	16,476	(976)	(106)%	16,709	1,771	(89)%
Other specialized funds	1,122	15,478	1,280 %	2,948	17,107	480 %
Customized separate accounts	344	5,884	1,610 %	603	6,589	993 %
Incentive fees	\$18,064	\$20,386	13 %	\$20,541	\$25,497	24 %

	As of				
	September 30, 2020	June 30, 2021	September 30, 2021	YoY Change %	QoQ Change %
Allocated carried interest					
Secondary Fund II	\$2,742	\$917	\$821	(70)%	(10)%
Secondary Fund III	28,035	33,344	31,779	13 %	(5)%
Secondary Fund IV	55,739	112,965	138,583	149 %	23 %
Secondary Fund V	2,866	45,692	80,654	2,714 %	77 %
Co-investment Fund II	22,526	20,377	22,033	(2)%	8 %
Co-investment Fund III	58,869	107,876	120,189	104 %	11 %
Co-investment Fund IV	14,425	73,402	108,213	650 %	47 %
Other specialized funds	85,347	148,401	170,556	100 %	15 %
Customized separate accounts	139,133	265,782	316,814	128 %	19 %
Total allocated carried interest	\$409,682	\$808,756	\$989,642	142 %	22 %

Assets Under Management

(Dollars in millions)

	September 30, 2020	June 30, 2021	September 30, 2021	YoY Change %	QoQ Change %
Assets under management / advisement					
Assets under management	\$72,855	\$91,668	\$96,042	32 %	5 %
Assets under advisement	474,131	665,024	709,129	50 %	7 %
Total assets under management / advisement	\$546,986	\$756,692	\$805,171	47 %	6 %
Fee-earning assets under management					
Customized separate accounts					
Balance, beginning of period	\$24,286	\$25,664	\$26,377	9 %	3 %
Contributions	1,368	1,573	1,886	38 %	20 %
Distributions	(1,099)	(1,007)	(1,027)	(7)%	2 %
Foreign exchange, market value and other	33	147	154	367 %	5 %
Balance, end of period	\$24,588	\$26,377	\$27,390	11 %	4 %
Specialized funds					
Balance, beginning of period	\$14,720	\$16,341	\$16,384	11 %	0 %
Contributions	368	936	1,070	191 %	14 %
Distributions	(462)	(941)	(270)	(42)%	(71)%
Foreign exchange, market value and other	13	48	59	354 %	23 %
Balance, end of period	\$14,639	\$16,384	\$17,243	18 %	5 %
Total					
Balance, beginning of period	\$39,006	\$42,005	\$42,761	10 %	2 %
Contributions	1,736	2,509	2,956	70 %	18 %
Distributions	(1,561)	(1,948)	(1,297)	(17)%	(33)%
Foreign exchange, market value and other	46	195	213	363 %	9 %
Balance, end of period	\$39,227	\$42,761	\$44,633	14 %	4 %

Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands except share and per share amounts)

	March 31, 2021	September 30, 2021
Assets		
Cash and cash equivalents	\$87,025	\$85,962
Restricted cash	3,041	3,315
Fees receivable	29,202	41,711
Prepaid expenses	6,143	4,205
Due from related parties	2,495	1,720
Furniture, fixtures and equipment, net	23,308	28,702
Lease right-of-use assets, net	64,384	68,408
Investments	368,836	432,587
Deferred income taxes	251,949	252,615
Other assets	17,821	30,069
Assets of consolidated variable interest entities:		
Cash and cash equivalents	311	294
Investments held in trust	276,003	276,002
Investments	4,787	7,538
Other assets	1,214	845
Total Assets	\$1,136,519	\$1,233,973
Liabilities, redeemable non-controlling interests and equity		
Accounts payable	\$2,173	\$1,124
Accrued compensation and benefits	29,415	40,833
Accrued members' distributions	16,877	12,211
Accrued dividend	11,201	12,913
Debt	163,175	147,207
Payable to related parties pursuant to tax receivable agreement	194,764	208,010
Lease liabilities	75,281	84,318
Other liabilities (includes \$17,381 and \$16,894 at fair value)	36,122	28,873
Liabilities of consolidated variable interest entities:		
Other liabilities	17,310	18,232
Total liabilities	546,318	553,721
Redeemable non-controlling interests	276,000	276,000
Total equity	314,201	404,252
Total liabilities, redeemable non-controlling interests and equity	\$1,136,519	\$1,233,973

Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>(Dollars in thousands)</i>	Six Months Ended September 30,	
	2020	2021
Operating activities		
Net income	\$49,567	\$129,501
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,977	2,452
Change in deferred income taxes	8,706	16,330
Change in payable to related parties pursuant to tax receivable agreement	(73)	(1,030)
Equity-based compensation	3,551	3,995
Equity in loss (income) of investees	1,199	(47,257)
Fair value adjustment of other investments	—	(27,838)
Proceeds received from investments	23	11,402
Non-cash lease expense	2,391	6,340
Other	88	34
Changes in operating assets and liabilities	20,180	(10,828)
Consolidated variable interest entities related	2,025	822
Net cash provided by operating activities	\$89,634	\$83,923
Investing activities		
Purchase of furniture, fixtures and equipment	(2,148)	(6,684)
Purchase of other investments	(500)	(798)
Cash paid for acquisition of business	—	(10,096)
Distribution from investment valued under the measurement alternative	—	12,739
Distributions received from investments	8,728	20,956
Contributions to investments	(23,431)	(35,726)
Net cash used in investing activities	\$(17,351)	\$(19,609)
Financing activities		
Proceeds from offerings	354,629	73,833
Purchase of membership interests	(354,629)	(73,833)
Repayments of debt	(469)	(926)
Repayment of revolver	—	(15,000)
Repurchase of Class B common stock	(4)	(1)
Repurchase of Class A shares for employee tax withholding	(36)	(605)
Proceeds received from issuance of shares under Employee Share Purchase Plan	707	884
Payments to related parties, pursuant to tax receivable agreement	(36)	—
Dividends paid	(18,129)	(23,801)
Other	—	(75)
Members' distributions paid	(21,558)	(26,003)
Consolidated variable interest entities related	(1,069)	407
Net cash used in financing activities	\$(40,594)	\$(65,120)
Effect of exchange rate changes on cash and cash equivalents	130	—
Increase (decrease) in cash, cash equivalents, and restricted cash	31,819	(806)
Cash, cash equivalents, and restricted cash at beginning of the period	53,210	90,377
Cash, cash equivalents, and restricted cash at end of the period	\$85,029	\$89,571

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,	
	2016	2021	2020	2021	2020	2021
Net income attributable to Hamilton Lane Incorporated	\$0	\$98,022	\$21,813	\$52,145	\$25,059	\$80,313
(Loss) income attributable to non-controlling interests in general partnerships	(1,255)	(250)	1,732	73	(278)	286
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	57,107	69,720	21,054	31,372	24,786	50,668
Income (loss) attributable to non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	—	1,293	—	1,230	—	(1,766)
Incentive fees	(23,167)	(52,191)	(18,064)	(20,386)	(20,541)	(25,497)
Incentive fee related compensation ¹	31,714	24,438	8,247	9,693	9,420	12,076
SPAC related compensation	—	1,686	—	—	—	—
SPAC related general, administrative and other expenses	—	378	—	200	—	559
Interest income	(194)	(1,676)	(93)	(39)	(117)	(462)
Interest expense	12,641	2,503	493	1,166	980	2,331
Income tax expense	869	24,417	12,169	14,032	14,093	25,996
Equity in (income) loss of investees	(1,518)	(30,266)	(17,979)	(27,448)	3,224	(47,726)
Non-operating income	(5,816)	(8,035)	(875)	(26,030)	(600)	(27,389)
Fee Related Earnings	\$70,381	\$130,039	\$28,497	\$36,008	\$56,026	\$69,389
Depreciation and amortization	2,027	4,134	973	1,074	1,977	2,452
Equity-based compensation	3,730	7,079	1,803	1,654	3,551	3,995
Incentive fees	23,167	52,191	18,064	20,386	20,541	25,497
Incentive fees attributable to non-controlling interests	—	(756)	(702)	20	(710)	(75)
Incentive fee related compensation ¹	(31,714)	(24,438)	(8,247)	(9,693)	(9,420)	(12,076)
SPAC related compensation	—	(1,686)	—	—	—	—
Interest income	194	1,676	93	39	117	462
Adjusted EBITDA	\$67,785	\$168,239	\$40,481	\$49,488	\$72,082	\$89,644
Non-GAAP earnings per share reconciliation						
Net income attributable to Hamilton Lane Incorporated			\$21,813	\$52,145	\$25,059	\$80,313
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			21,054	31,372	24,786	50,668
Income tax expense			12,169	14,032	14,093	25,996
Adjusted pre-tax net income			55,036	97,549	63,938	156,977
Adjusted income taxes ²			(13,043)	(23,217)	(15,153)	(37,361)
Adjusted net income			\$41,993	\$74,332	\$48,785	\$119,616
Weighted-average shares of Class A common stock outstanding - diluted			33,204,126	36,342,615	31,830,772	36,229,757
Exchange of Class B and Class C units in HLA ³			20,418,672	17,352,958	21,768,628	17,452,549
Adjusted shares outstanding			53,622,798	53,695,573	53,599,400	53,682,306
Non-GAAP earnings per share			\$0.78	\$1.38	\$0.91	\$2.23

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 23.8% and 23.7% for the three and six month periods ended September 30, 2021 and 2020, respectively, applied to adjusted pre-tax net income. 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%. 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%.

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 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. 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 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 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, 2021, as amended, 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 2, 2021