

Fiscal Year 2023 Second Quarter Results

Earnings Presentation - November 1, 2022

Today's Speakers



Business Performance

- Assets under management and fee-earning assets under management were \$107 billion and \$53 billion, respectively, as of September 30, 2022, increases of 12% and 18%, respectively, compared to September 30, 2021
- Management and advisory fees increased 19% compared to the six months ended September 30, 2021

Financial Results

<i>USD in millions except per share amounts</i>	Q2 FY23 QTD	Q2 FY23 YTD	vs. Q2 FY22 YTD
Management and advisory fees	\$92.9	\$178.8	19 %
GAAP net income	\$34.9	\$68.4	(15)%
GAAP EPS	\$0.97	\$1.88	(14)%
Adjusted net income ¹	\$55.1	\$104.7	(13)%
Non-GAAP EPS ¹	\$1.02	\$1.95	(13)%
Fee Related Earnings ¹	\$39.8	\$76.6	10 %
Adjusted EBITDA ¹	\$75.1	\$141.7	58 %

Dividend

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

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

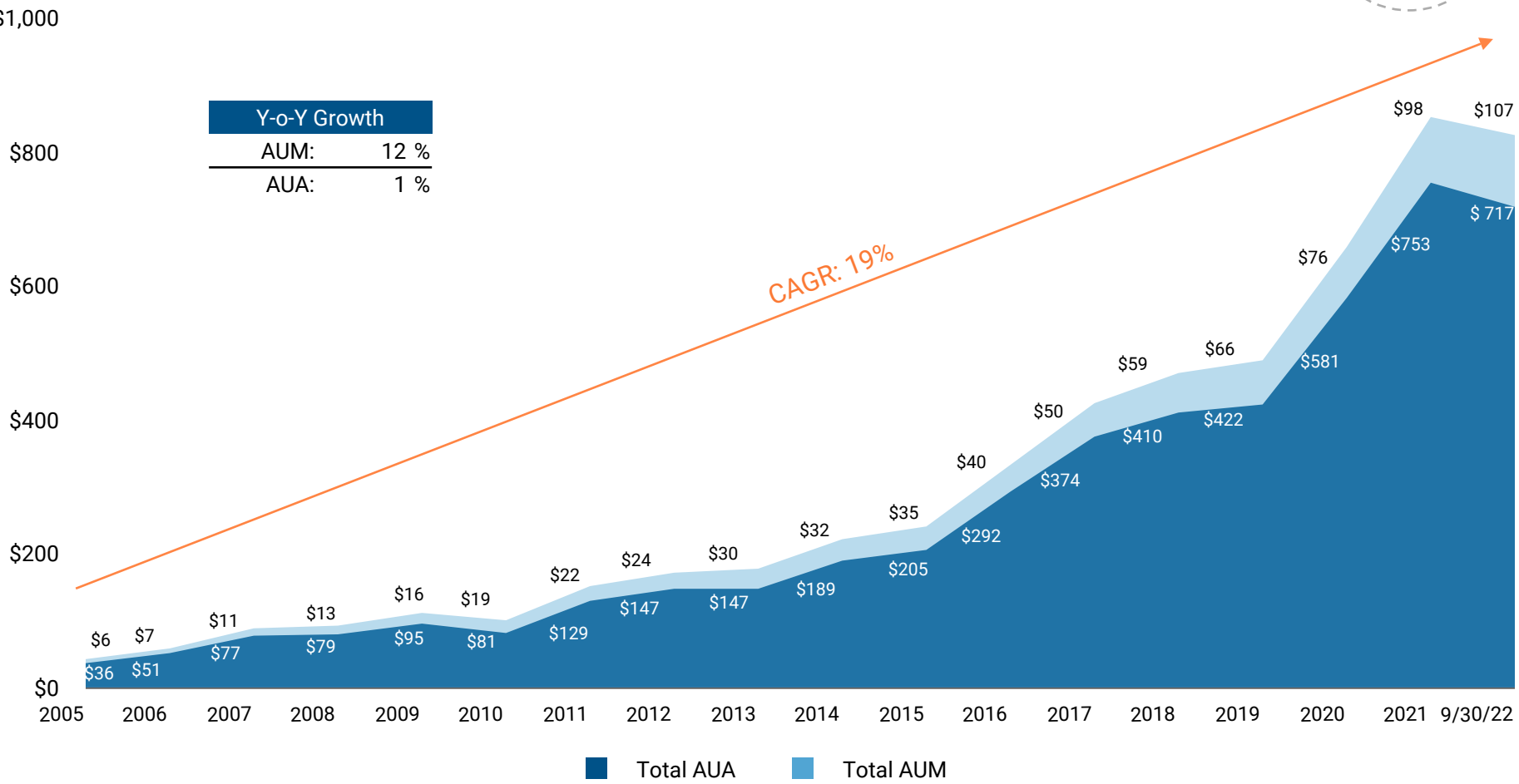
Growing Asset Footprint & Influence

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

\$824B
AUM & AUA

Y-o-Y Growth	
AUM:	12 %
AUA:	1 %

CAGR: 19%

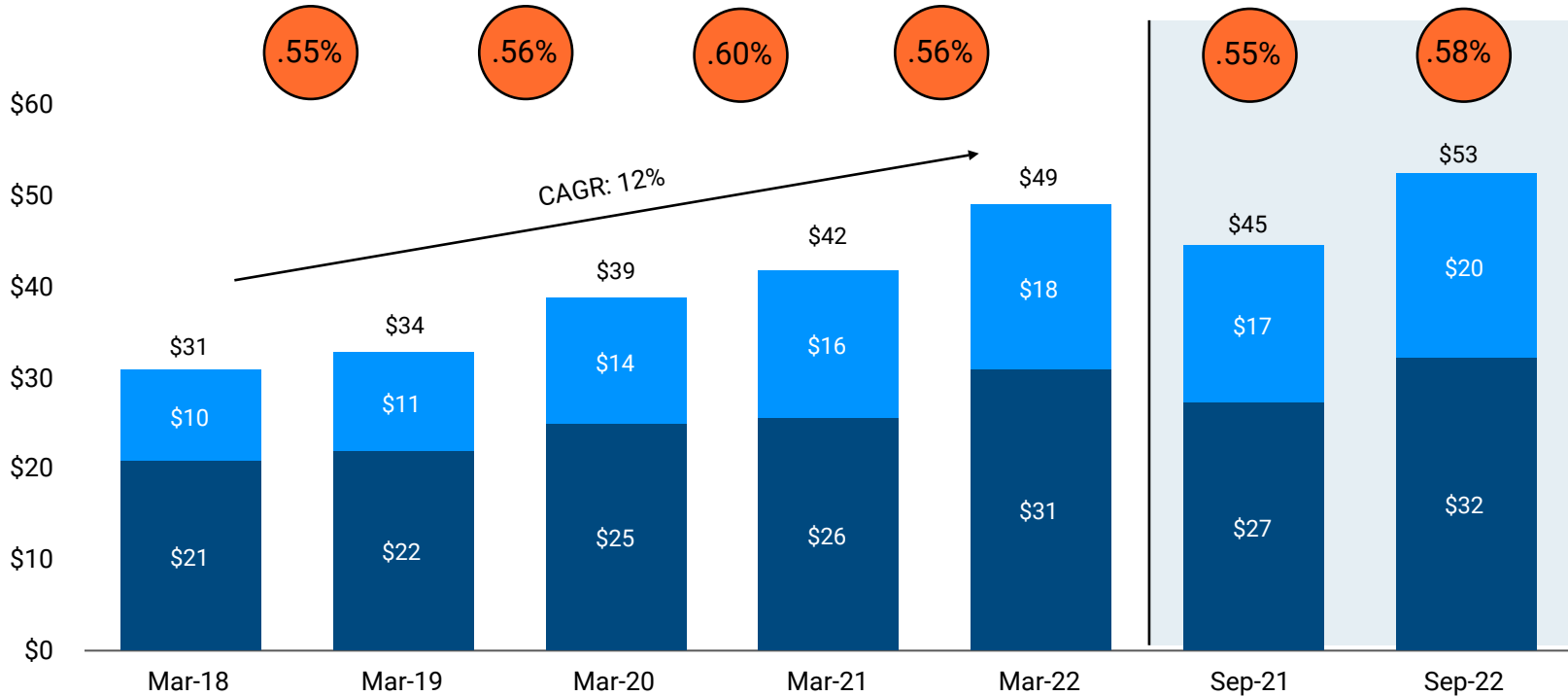


¹Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

Fee-Earning AUM Driving Revenues

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

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



*Numbers may not tie due to rounding

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

Y-o-Y Drivers of Growth

Customized Separate Accounts:

- New client wins
- Client re-ups

Specialized Funds:

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

AUM

Customized Separate Accounts



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

- \$4.9B 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:

- Direct equity fund
- Secondary fund
- Credit-oriented fund
- Evergreen fund
- Impact fund

- \$3.1B year-over-year increase in FEAUM
- Closings during Q2 FY23:
 - Direct equity fund: \$72M
 - Secondary fund: \$450M

AUA

Advisory Services



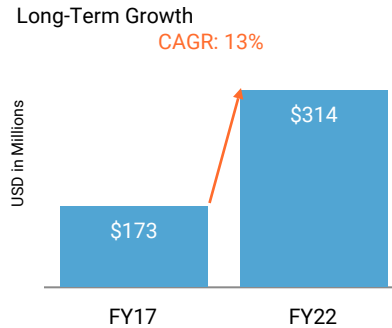
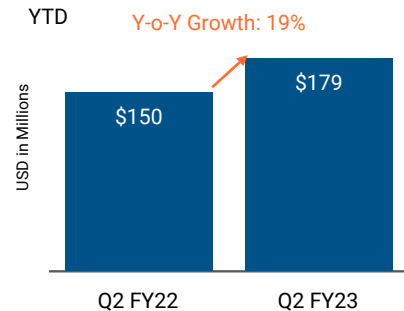
Typically larger clients with wide-ranging mandates which include technology-driven reporting, monitoring and analytics services and consulting services; opportunity set continues to be robust

- \$7B year-over-year increase in AUA

Financial Highlights

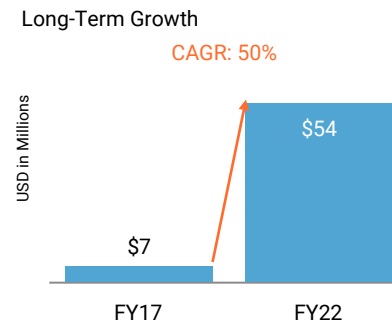
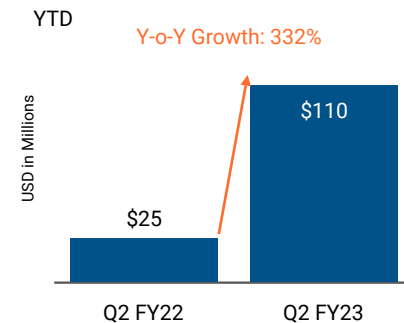
Strong revenue growth across management and advisory fees

Management and Advisory Fees



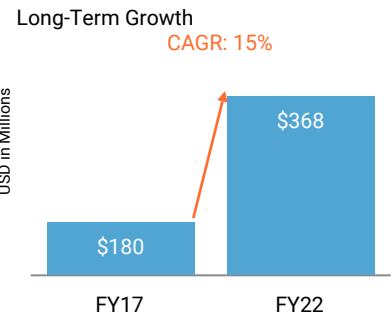
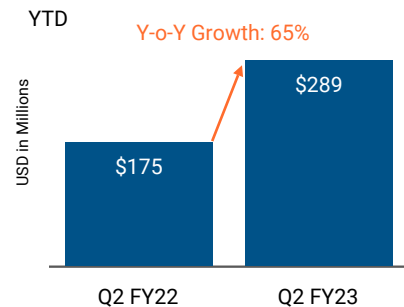
- Recurring management and advisory fees represented an average of 85% of total revenues over the past five fiscal years
- Y-o-Y increase of 19%
- \$1.5 million in retroactive fees from our latest direct equity and secondary funds in the quarter

Incentive Fees



- Incentive fees derived from a highly diversified pool of assets and funds
- Unrealized carried interest of \$985M as of 9/30/22 diversified across 3,000+ assets and 90 funds
- Timing of realizations unpredictable

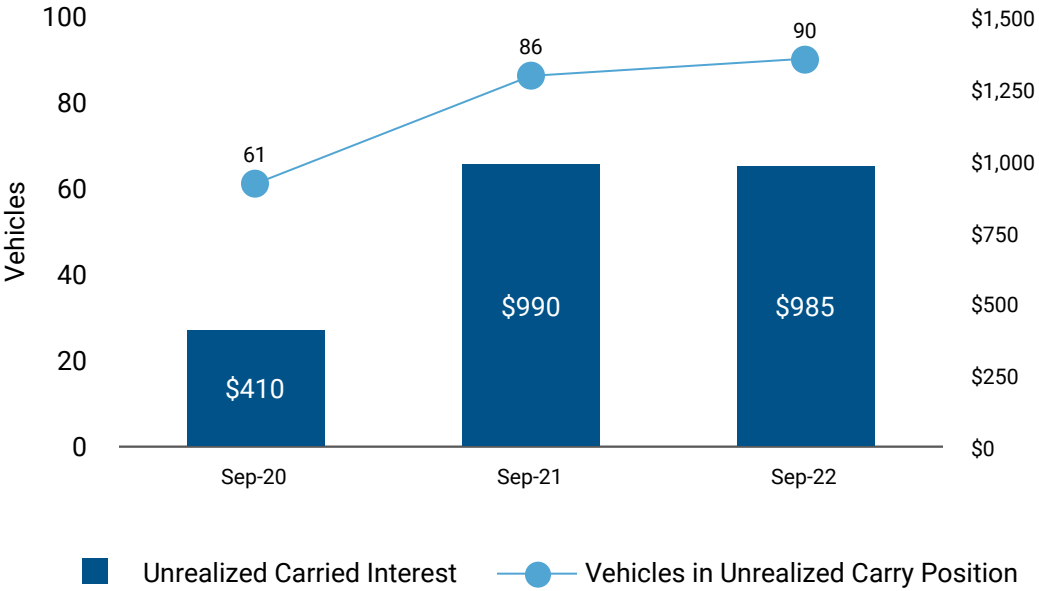
Total Revenues



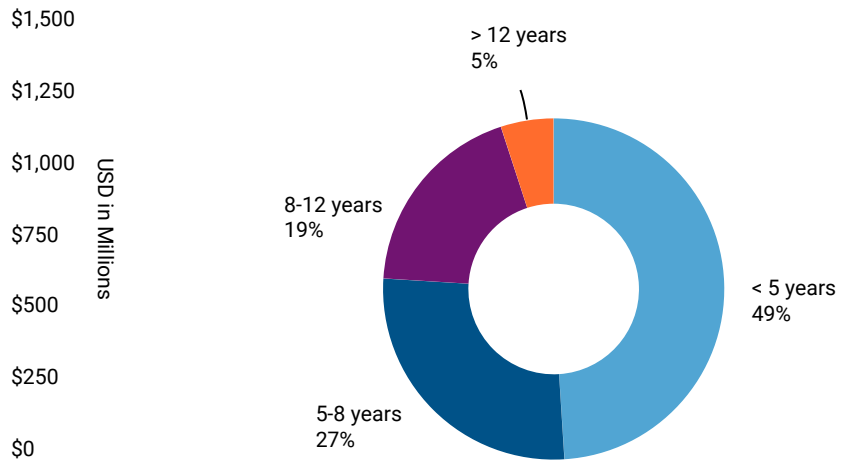
- Total revenues increased by 65%, driven by incentive fees

Unrealized Carried Interest

Unrealized Carried Interest

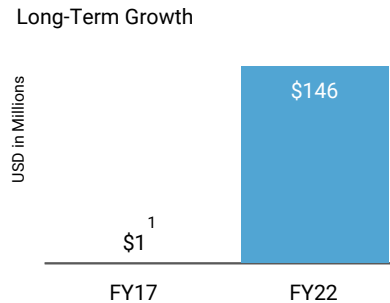
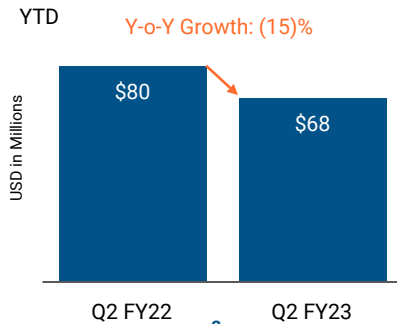


Unrealized Carry by Age



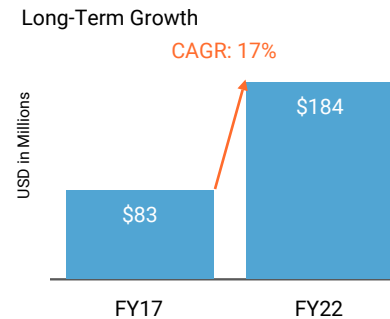
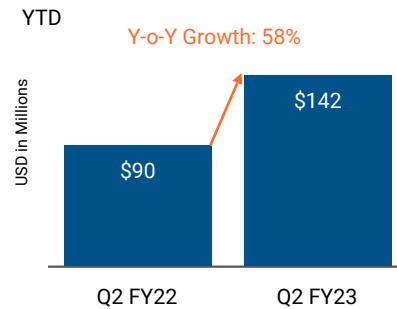
Profitability stable and growing

Net Income Attributable to HLI



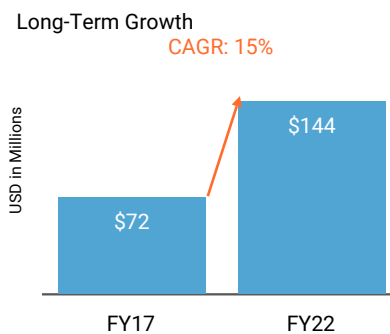
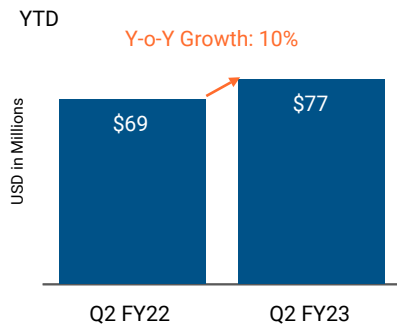
- \$35M in net income attributable to HLI for the quarter

Adjusted EBITDA²



- Y-o-Y increase of 58% driven by growth in both management and advisory fees and incentive fees

Fee Related Earnings²



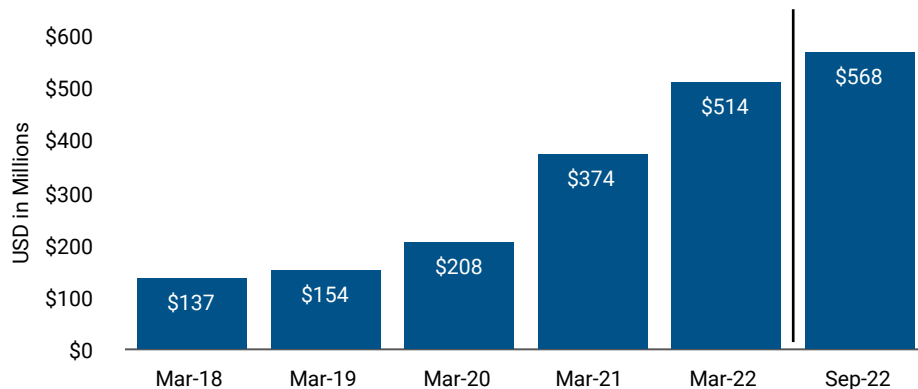
- Y-o-Y growth of 10%
- Long-term double digit growth in Fee Related Earnings

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

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

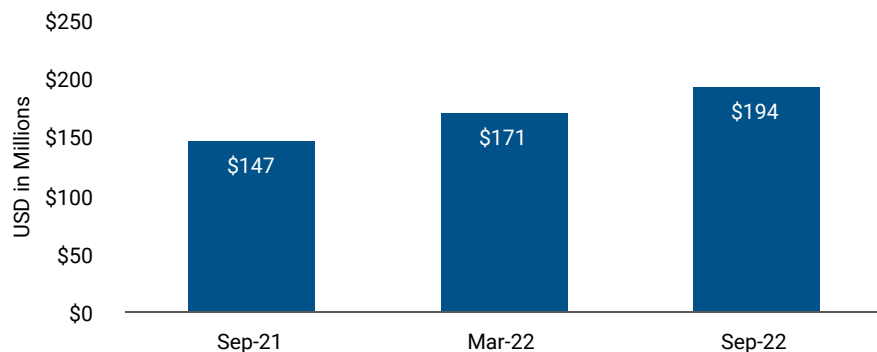
Strong balance sheet with investments in our own products and a modest amount of leverage...

Investments



- For 9/30/22, the total investment balance consisted of:
 - ~\$360M in equity method investments in our funds
 - ~\$208M in technology related and other investments

Leverage



- Modest leverage
- \$194M of debt as of 9/30/22

Appendix

Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended September 30,			Six Months Ended September 30,		
	2021	2022	% Change	2021	2022	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Management and advisory fees	\$75,934	\$92,880	22 %	\$149,818	\$178,826	19 %
Incentive fees	21,362	59,237	177 %	23,726	108,760	358 %
Consolidated variable interest entities related:						
Incentive fees	(976)	1,265	N/A	1,771	1,305	(26)%
Total revenues	96,320	153,382	59 %	175,315	288,891	65 %
Compensation and benefits	33,292	60,364	81 %	60,024	112,558	88 %
General, administrative and other	16,256	22,836	40 %	32,410	43,350	34 %
Consolidated variable interest entities related:						
General, administrative and other	271	356	31 %	630	632	0 %
Total expenses	49,819	83,556	68 %	93,064	156,540	68 %
Equity in income (loss) of investees	27,208	(7,518)	(128)%	47,257	(8,143)	(117)%
Interest expense	(1,166)	(2,114)	81 %	(2,331)	(3,609)	55 %
Interest income	39	1,107	2,740 %	462	1,276	176 %
Non-operating income	24,854	11,738	(53)%	28,457	16,081	(43)%
Consolidated variable interest entities related:						
Equity in income (loss) of investees	240	(91)	(138)%	469	641	37 %
Unrealized income (loss)	1,176	280	(76)%	(1,068)	2,246	N/A
Total other income (expense)	52,351	3,402	(94)%	73,246	8,492	(88)%
Income before income taxes	98,852	73,228	(26)%	155,497	140,843	(9)%
Income tax expense	14,032	15,489	10 %	25,996	26,977	4 %
Net income	84,820	57,739	(32)%	129,501	113,866	(12)%
Less: Income attributable to non-controlling interests in general partnerships	73	43	(41)%	286	351	23 %
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	31,372	22,012	(30)%	50,668	42,180	(17)%
Less: Income (loss) attributable to redeemable non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	1,230	803	(35)%	(1,766)	2,970	N/A
Net income attributable to Hamilton Lane Incorporated	\$52,145	\$34,881	(33)%	\$80,313	\$68,365	(15)%
Basic earnings per share of Class A common stock	\$1.41	\$0.98	(30)%	\$2.20	\$1.89	(14)%
Diluted earnings per share of Class A Common stock	\$1.41	\$0.97	(31)%	\$2.19	\$1.88	(14)%
Weighted-average shares of Class A common stock outstanding - basic	36,217,511	37,009,309		36,110,885	37,000,150	
Weighted-average shares of Class A common stock outstanding - diluted	36,342,615	53,745,933		36,229,757	53,724,800	

Non-GAAP Financial Measures

	Three Months Ended September 30,			Six Months Ended September 30,		
	2021	2022	% Change	2021	2022	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Adjusted EBITDA¹						
Management and advisory fees	\$75,934	\$92,880	22 %	\$149,818	\$178,826	19 %
Total expenses	49,819	83,556	68 %	93,064	156,540	68 %
Less:						
Incentive fee related compensation ²	(9,693)	(28,712)	196 %	(12,076)	(52,253)	333 %
SPAC related general, administrative and other expenses	(200)	(292)	46 %	(559)	(568)	2 %
Non-operating income related compensation	—	(1,467)	N/A	—	(1,467)	N/A
Management fee related expenses	39,926	53,085	33 %	80,429	102,252	27 %
Fee Related Earnings	\$36,008	\$39,795	11 %	\$69,389	\$76,574	10 %
Fee Related Earnings Margin	47 %	43 %		46 %	43 %	
Incentive fees	20,386	60,502	197 %	25,497	110,065	332 %
Incentive fees attributable to non-controlling interests	20	(55)	(375)%	(75)	(58)	(22)%
Incentive fee related compensation ²	(9,693)	(28,712)	196 %	(12,076)	(52,253)	333 %
Non-operating income related compensation	—	(1,467)	N/A	—	(1,467)	N/A
Interest income	39	1,107	2,740 %	462	1,276	176 %
Equity-based compensation	1,654	2,085	26 %	3,995	3,982	0 %
Depreciation and amortization	1,074	1,813	69 %	2,452	3,577	46 %
Adjusted EBITDA	\$49,488	\$75,068	52 %	\$89,644	\$141,696	58 %
Adjusted EBITDA Margin	51 %	49 %		51 %	49 %	
Non-GAAP earnings per share¹						
Net income attributable to Hamilton Lane Incorporated	\$52,145	\$34,881	(33)%	\$80,313	\$68,365	(15)%
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	31,372	22,012	(30)%	50,668	42,180	(17)%
Income tax expense	14,032	15,489	10 %	25,996	26,977	4 %
Adjusted pre-tax net income	97,549	72,382	(26)%	156,977	137,522	(12)%
Adjusted income taxes ³	(23,217)	(17,299)	(25)%	(37,361)	(32,868)	(12)%
Adjusted net income	\$74,332	\$55,083	(26)%	\$119,616	\$104,654	(13)%
Adjusted shares outstanding⁴	53,695,573	53,745,933		53,682,306	53,724,800	
Non-GAAP earnings per share	\$1.38	\$1.02	(26)%	\$2.23	\$1.95	(13)%

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

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

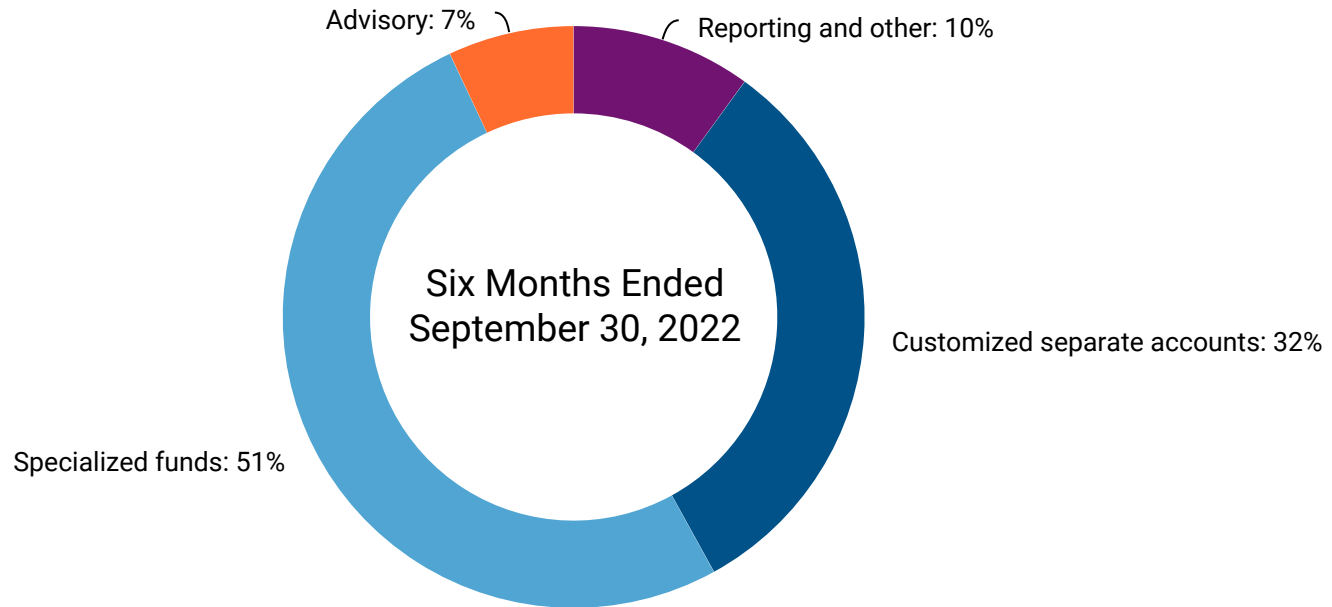
³ Represents corporate income taxes at our estimated statutory tax rate of 23.9% and 23.8% for the three and six month periods ended September 30, 2022 and 2021, respectively, applied to adjusted pre-tax net income. The 23.9% is based on a federal tax statutory rate of 21.0% and a combined state income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

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

Management and Advisory Fees

(Dollars in thousands)

	Three Months Ended September 30,			Six Months Ended September 30,		
	2021	2022	% Change	2021	2022	% Change
Management and advisory fees						
Specialized funds	\$36,314	\$47,150	30 %	\$69,702	\$90,799	30 %
Customized separate accounts	24,934	29,383	18 %	49,434	57,758	17 %
Advisory	6,297	6,211	(1)%	12,663	12,460	(2)%
Reporting and other	5,709	6,133	7 %	10,991	12,450	13 %
Distribution management	2,022	771	(62)%	6,143	1,267	(79)%
Fund reimbursement revenue	658	3,232	391 %	885	4,092	362 %
Total management and advisory fees	\$75,934	\$92,880	22 %	\$149,818	\$178,826	19 %



Incentive Fees

(Dollars in thousands)	Three Months Ended September 30,			Six Months Ended September 30,		
	2021	2022	% Change	2021	2022	% Change
Incentive fees						
Direct equity funds	\$(976)	\$27,609	N/A	\$1,771	\$52,460	2,862 %
Secondary funds	5,335	14,988	181 %	5,365	26,947	402 %
Direct credit funds	5,114	5,507	8 %	5,118	7,633	49 %
Evergreen funds	—	42	N/A	155	997	542 %
Other specialized funds	5,029	5,048	0 %	6,499	7,405	14 %
Customized separate accounts	5,884	7,308	24 %	6,589	14,623	122 %
Incentive fees	\$20,386	\$60,502	197 %	\$25,497	\$110,065	332 %

	As of				
	September 30, 2021	June 30, 2022	September 30, 2022	YoY Change %	QoQ Change %
Allocated carried interest					
Secondary Fund II	\$821	\$367	\$369	(55)%	1 %
Secondary Fund III	31,779	33,568	32,591	3 %	(3)%
Secondary Fund IV	138,583	144,479	126,602	(9)%	(12)%
Secondary Fund V	80,654	154,187	144,199	79 %	(6)%
Co-investment Fund II	22,033	19,865	18,871	(14)%	(5)%
Co-investment Fund III	120,189	85,416	59,703	(50)%	(30)%
Co-investment Fund IV	108,213	134,730	104,421	(4)%	(22)%
Equity Opportunities Fund V	—	7,040	6,358	N/A	(10)%
Evergreen funds	27,226	52,256	56,671	108 %	8 %
Other specialized funds	143,330	133,302	111,772	(22)%	(16)%
Customized separate accounts	316,814	337,004	322,973	2 %	(4)%
Total allocated carried interest	\$989,642	\$1,102,214	\$984,530	(1)%	(11)%

Assets Under Management

(Dollars in millions)

	September 30, 2021	June 30, 2022	September 30, 2022	YoY Change %	QoQ Change %
Assets under management / advisement					
Assets under management	\$96,042	\$108,034	\$107,107	12 %	(1)%
Assets under advisement	709,129	724,160	716,515	1 %	(1)%
Total assets under management / advisement	\$805,171	\$832,194	\$823,622	2 %	(1)%
Fee-earning assets under management					
Customized separate accounts					
Balance, beginning of period	\$26,377	\$30,938	\$31,749	20 %	3 %
Contributions	1,886	1,902	1,264	(33)%	(34)%
Distributions	(1,027)	(1,142)	(587)	(43)%	(49)%
Foreign exchange, market value and other	154	51	(93)	(160)%	(282)%
Balance, end of period	\$27,390	\$31,749	\$32,333	18 %	2 %
Specialized funds					
Balance, beginning of period	\$16,384	\$18,193	\$19,372	18 %	6 %
Contributions	1,070	1,435	1,230	15 %	(14)%
Distributions	(270)	(179)	(324)	20 %	81 %
Foreign exchange, market value and other	59	(77)	76	29 %	N/A
Balance, end of period	\$17,243	\$19,372	\$20,354	18 %	5 %
Total					
Balance, beginning of period	\$42,761	\$49,131	\$51,121	20 %	4 %
Contributions	2,956	3,337	2,494	(16)%	(25)%
Distributions	(1,297)	(1,321)	(911)	(30)%	(31)%
Foreign exchange, market value and other	213	(26)	(17)	(108)%	(35)%
Balance, end of period	\$44,633	\$51,121	\$52,687	18 %	3 %

Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands except share and per share amounts)

	March 31, 2022	September 30, 2022
Assets		
Cash and cash equivalents	\$72,138	\$121,764
Restricted cash	4,023	3,078
Fees receivable	51,869	47,496
Prepaid expenses	6,858	5,520
Due from related parties	1,872	7,481
Furniture, fixtures and equipment, net	28,842	28,920
Lease right-of-use assets, net	65,636	64,150
Investments	503,789	533,889
Deferred income taxes	245,046	237,207
Other assets	28,162	26,503
Assets of consolidated variable interest entities:		
Cash and cash equivalents	36	512
Investments held in trust	276,016	276,592
Investments	10,036	34,217
Other assets	623	413
Total assets	\$1,294,946	\$1,387,742
Liabilities, redeemable non-controlling interests and equity		
Accounts payable	\$2,827	\$1,942
Accrued compensation and benefits	20,117	64,210
Accrued members' distributions	27,119	10,754
Accrued dividend	12,947	14,803
Debt	171,326	194,115
Payable to related parties pursuant to tax receivable agreement	180,536	179,602
Lease liabilities	82,244	79,979
Other liabilities (includes \$13,818 and \$13,080 at fair value)	47,669	30,968
Liabilities of consolidated variable interest entities:		
Other liabilities	12,675	10,391
Total liabilities	557,460	586,764
Redeemable non-controlling interests	276,000	276,000
Total equity	461,486	524,978
Total liabilities, redeemable non-controlling interests and equity	\$1,294,946	\$1,387,742

Condensed Consolidated Statements of Cash Flows (Unaudited)

(Dollars in thousands)	Six Months Ended September 30,	
	2021	2022
Operating activities		
Net income	\$129,501	\$113,866
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,452	3,577
Change in deferred income taxes	16,330	7,839
Change in payable to related parties pursuant to tax receivable agreement	(1,030)	(934)
Equity-based compensation	3,995	3,982
Equity in (income) loss of investees	(47,257)	8,143
Gain on sale of investment	—	(9,783)
Fair value adjustment of other investments	(27,838)	(5,352)
Proceeds received from partnerships	11,402	8,503
Non-cash lease expense	6,340	2,903
Other	34	40
Changes in operating assets and liabilities	(10,828)	26,364
Consolidated variable interest entities related	822	(3,294)
Net cash provided by operating activities	\$83,923	\$155,854
Investing activities		
Purchase of furniture, fixtures and equipment	(6,684)	(2,490)
Cash paid for acquisition of business	(10,096)	(1,500)
Loan to investee	—	(535)
Purchase of other investments	(798)	(27,236)
Proceeds from sale of investments	—	10,000
Distribution from investments	12,739	1,406
Distributions received from partnerships	20,956	9,240
Contributions to partnerships	(35,726)	(49,553)
Net cash used in investing activities	\$(19,609)	\$(60,668)
Financing activities		
Proceeds from offerings	73,833	—
Purchase of membership interests	(73,833)	—
Borrowings of debt	—	25,000
Repayments of debt	(926)	(2,164)
Draw-down on revolver	—	25,000
Repayment of revolver	(15,000)	(25,000)
Repurchase of Class A shares for employee tax withholding	(605)	(93)
Proceeds received from issuance of shares under Employee Share Purchase Plan	884	1,001
Dividends paid	(23,801)	(27,747)
Members' distributions paid	(26,003)	(42,072)
Other	(76)	—
Consolidated variable interest entities related	407	46
Net cash used in financing activities	\$(65,120)	\$(46,029)
(Decrease) increase in cash, cash equivalents, and restricted cash	(806)	49,157
Cash, cash equivalents, and restricted cash at beginning of the period	90,377	76,197
Cash, cash equivalents, and restricted cash at end of the period	\$89,571	\$125,354

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,	
	2017	2022	2021	2022	2021	2022
Net income attributable to Hamilton Lane Incorporated	\$612	\$145,986	\$52,145	\$34,881	\$80,313	\$68,365
Income attributable to non-controlling interests in general partnerships	1,192	376	73	43	286	351
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	72,634	96,548	31,372	22,012	50,668	42,180
Income (loss) attributable to non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	—	4,343	1,230	803	(1,766)	2,970
Incentive fees	(7,146)	(53,691)	(20,386)	(60,502)	(25,497)	(110,065)
Incentive fee related compensation ¹	3,283	25,395	9,693	28,712	12,076	52,253
SPAC related general, administrative and other expenses	—	1,176	200	292	559	568
Non-operating income related compensation	—	1,810	—	1,467	—	1,467
Interest income	(320)	(500)	(39)	(1,107)	(462)	(1,276)
Interest expense	14,565	4,638	1,166	2,114	2,331	3,609
Income tax expense	316	66,423	14,032	15,489	25,996	26,977
Equity in (income) loss of investees	(12,801)	(79,296)	(27,448)	7,609	(47,726)	7,502
Non-operating income	(83)	(68,954)	(26,030)	(12,018)	(27,389)	(18,327)
Fee Related Earnings	\$72,252	\$144,254	\$36,008	\$39,795	\$69,389	\$76,574
Depreciation and amortization	1,915	5,495	1,074	1,813	2,452	3,577
Equity-based compensation	4,681	7,404	1,654	2,085	3,995	3,982
Incentive fees	7,146	53,691	20,386	60,502	25,497	110,065
Incentive fees attributable to non-controlling interests	—	(228)	20	(55)	(75)	(58)
Incentive fee related compensation ¹	(3,283)	(25,395)	(9,693)	(28,712)	(12,076)	(52,253)
Non-operating income related compensation	—	(1,810)	—	(1,467)	—	(1,467)
Interest income	320	500	39	1,107	462	1,276
Adjusted EBITDA	\$83,031	\$183,911	\$49,488	\$75,068	\$89,644	\$141,696
Non-GAAP earnings per share reconciliation						
Net income attributable to Hamilton Lane Incorporated			\$52,145	\$34,881	\$80,313	\$68,365
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			31,372	22,012	50,668	42,180
Income tax expense			14,032	15,489	25,996	26,977
Adjusted pre-tax net income			97,549	72,382	156,977	137,522
Adjusted income taxes ²			(23,217)	(17,299)	(37,361)	(32,868)
Adjusted net income			\$74,332	\$55,083	\$119,616	\$104,654
Weighted-average shares of Class A common stock outstanding - diluted			36,342,615	53,745,933	36,229,757	53,724,800
Exchange of Class B and Class C units in HLA ³			17,352,958	—	17,452,549	—
Adjusted shares outstanding			53,695,573	53,745,933	53,682,306	53,724,800
Non-GAAP earnings per share			\$1.38	\$1.02	\$2.23	\$1.95

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

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

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

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

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

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

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

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

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

Our **assets under advisement ("AUA")** comprise assets from clients for which we do not have full discretion to make investments in their account. We generally earn revenue on a fixed fee basis on our AUA client accounts for services including asset allocation, strategic planning, development of investment policies and guidelines, screening and recommending investments, legal negotiations, monitoring and reporting on investments and investment manager review and due diligence. Advisory fees vary by client based on the amount of annual commitments, services provided and other factors. Since we earn annual fixed fees from the majority of our AUA clients, the growth in AUA from existing accounts does not have a material impact on our revenues. However, we view AUA growth as a meaningful benefit in terms of the amount of data we are able to collect and the degree of influence we have with fund managers.

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

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

Some of the statements in this presentation may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Words such as "will", "expect", "believe", "estimate", "continue", "anticipate", "intend", "plan", and similar expressions are intended to identify these forward-looking statements. Forward-looking statements discuss management's current expectations and projections relating to our financial position, results of operations, plans, objectives, future performance and business. All forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause actual results to be materially different, including risks relating to: our ability to manage growth, fund performance, competition in our industry, changes in our regulatory environment and tax status; market conditions generally; our ability to access suitable investment opportunities for our clients; our ability to maintain our fee structure; our ability to attract and retain key employees; our ability to manage our obligations under our debt agreements; defaults by clients and third-party investors on their obligations to fund commitments; our ability to comply with investment guidelines set by our clients; our ability to successfully integrate acquired businesses with ours; our ability to manage risks associated with pursuing new lines of business or entering into strategic partnerships; our ability to anticipate, identify and manage risks we face; our ability to manage the effects of events outside of our control; and our ability to receive distributions from HLA to fund our payment of dividends, taxes and other expenses.

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

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

As of November 1, 2022