



Fiscal Year 2018 Second Quarter Results

Earnings Presentation - November 7, 2017



Mario Giannini
Chief Executive Officer



Erik Hirsch
Vice Chairman



Randy Stilman
Chief Financial Officer



Demetrius Sidberry
Head of Investor Relations

Business Performance

- Total asset footprint (assets under management/advisement) reached a record amount of approximately \$405 billion, growing 29% compared to September 30, 2016
- Assets under management and fee-earning assets under management were approximately \$48 billion and \$29 billion, respectively, as of September 30, 2017, increases of 18% and 13%, respectively, compared to September 30, 2016

Financial Results

USD in millions except per share amounts

	Q2 FY18 QTD	Q2 FY18 YTD	vs. Q2 FY17 YTD
Management and advisory fees	\$46.3	\$98.0	16%
GAAP net income	\$4.7	\$10.2	N/A ¹
GAAP EPS	\$0.26	\$0.56	N/A ¹
Non-GAAP EPS ²	\$0.27	\$0.59	N/A ¹
Fee Related Earnings ²	\$19.2	\$43.0	16%
Adjusted EBITDA ²	\$22.6	\$49.0	12%

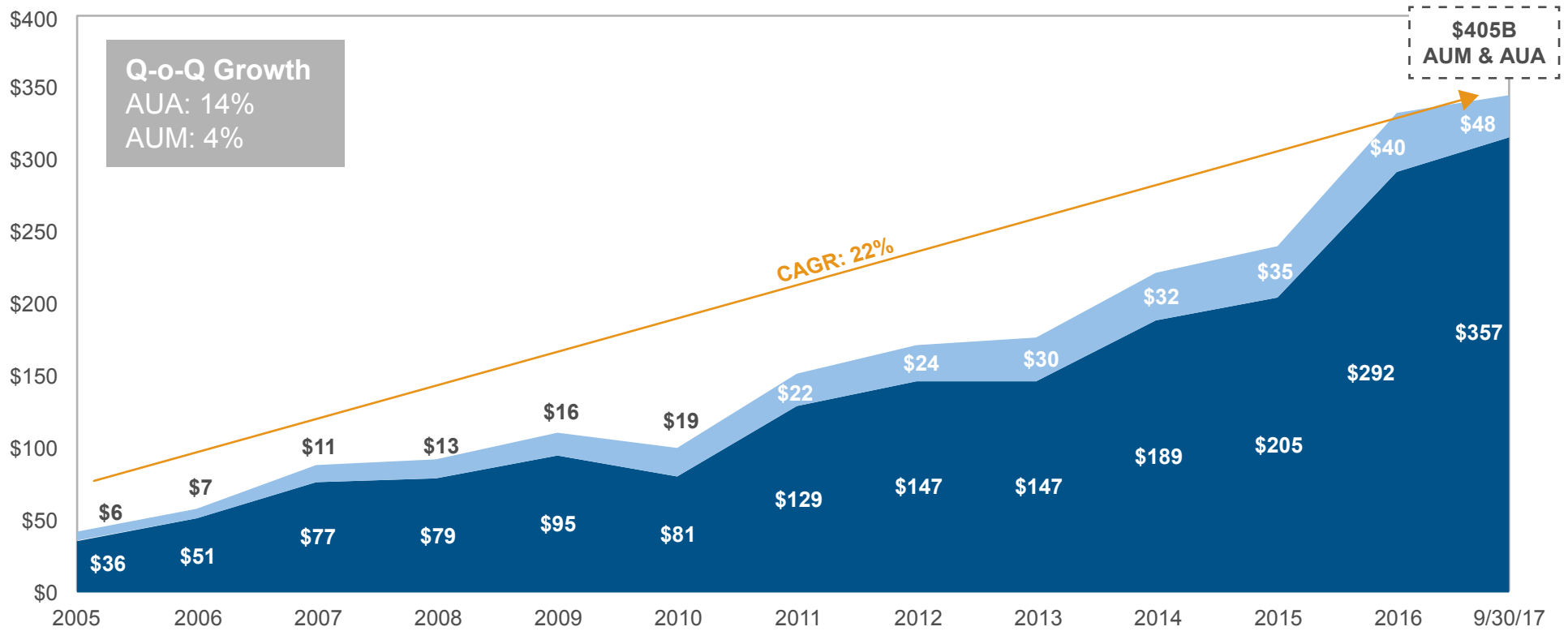
Dividend

- Declared a quarterly dividend of \$0.175 per share of Class A common stock to record holders at the close of business on December 15, 2017

¹ Figures not available as a result of the company going public after the stated period.

² 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, see pages 22 and 28 of this presentation.

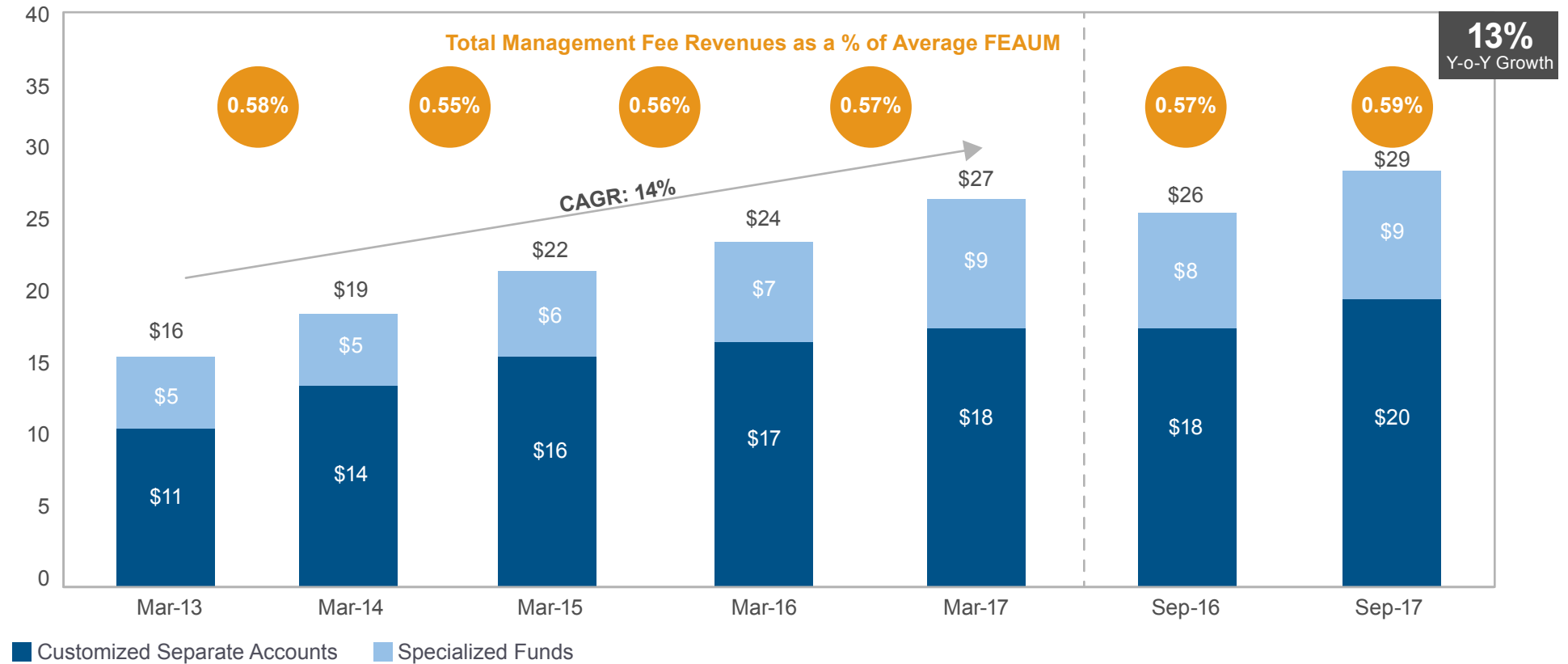
Total Assets Under Management/Advisement (\$B)¹



■ Total AUA ■ Total AUM

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

Total Fee-Earning Assets Under Management (\$B)¹



¹ Data as of fiscal year end 3/31 unless otherwise noted. Numbers may not tie due to rounding.

...and annual fee rates are stable

Drivers of Growth:

* Customized Separate Accounts:

- New client wins
- Client re-ups

* Real Asset Portfolio Management:

- Closed Q2 FY18
- Added ~\$400M of FEAUM (~\$700M pro-forma for a full quarter)

Insights Powered by HL Data

3,400+ Funds

1,200+ General Partners

40 Vintage Years

\$3.7T Total Fund Commitments

2016 Attendee Stats



700+
Industry-leading
GPs, LPs and
private markets
participants in
attendance



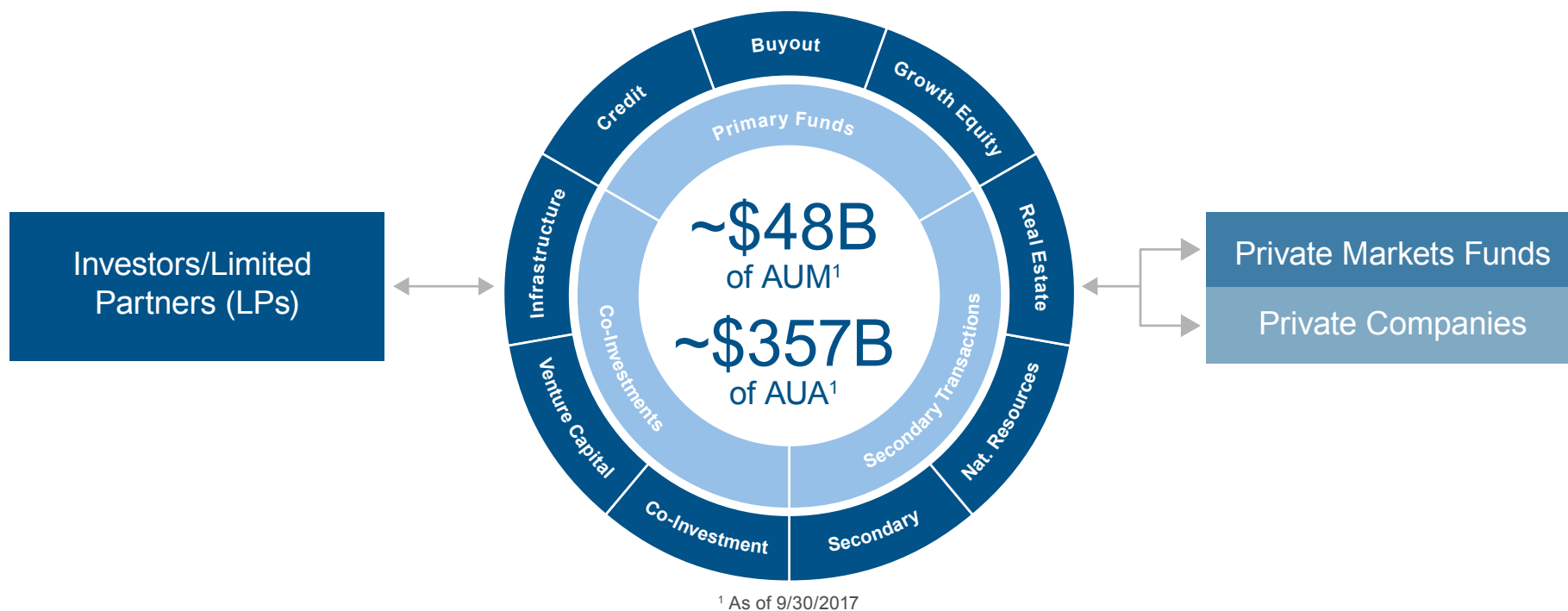
17
Senior HL
executives
presented



443
Global institutions
represented



9
Cities around
the world



- Founded in 1991, we are one of the largest allocators of capital to private markets worldwide with over \$400B of AUM / AUA
 - Over 330 professionals dedicated to the private markets (substantially all are stockholders)
 - 15 offices in key markets globally
 - ~350 sophisticated clients globally (in 35 countries)
 - Significant proprietary databases and suite of analytical tools
 - \$49B of discretionary commitments since 2000

We operate at the epicenter of a large, fast-growing and highly desirable asset class, helping a wide array of investors around the world navigate, access and succeed in the private markets

Who We Serve

Public/Corporate Pensions

Sovereign Wealth Funds

Endowment Funds

Taft Hartley

Financial Institutions

HNW/Family Office

What We Do for Our Clients

Customized Separate Accounts

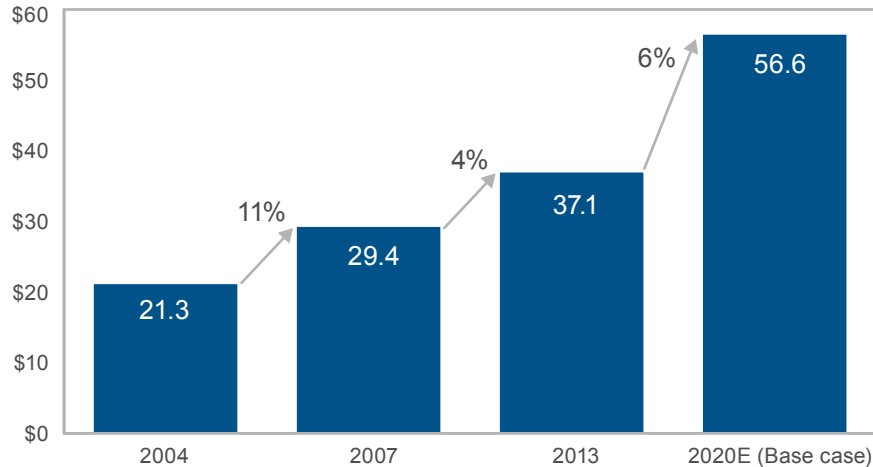
Specialized Funds

Advisory Services

Reporting, Monitoring, Data and Analytics

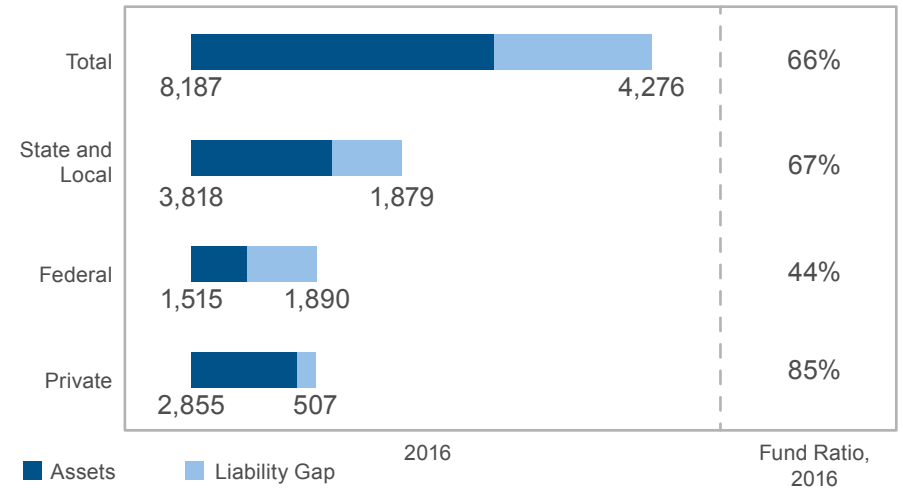
Distribution Management

Global Pension Fund Assets in USD Trillions



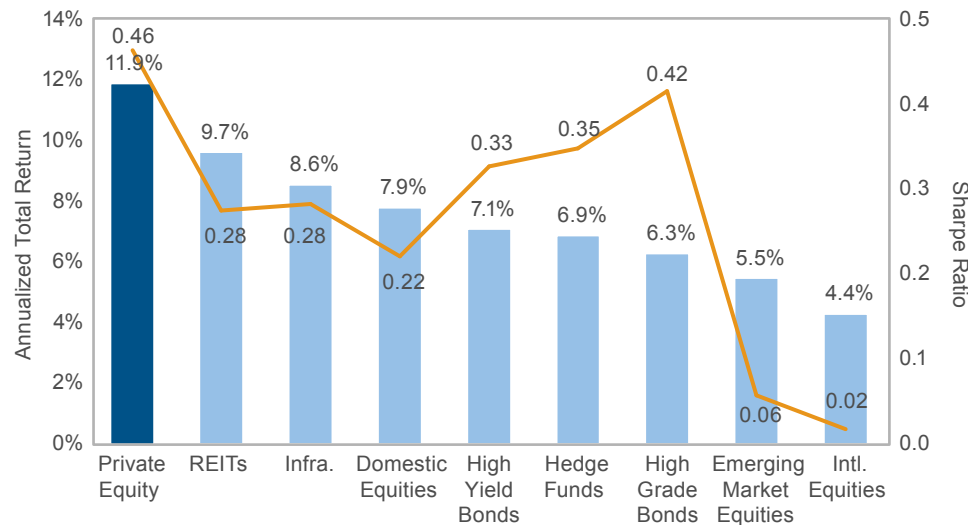
Source: PWC "Alternative Asset Management 2020"

Total Assets and Liability Gaps in U.S. Pensions in USD Trillions



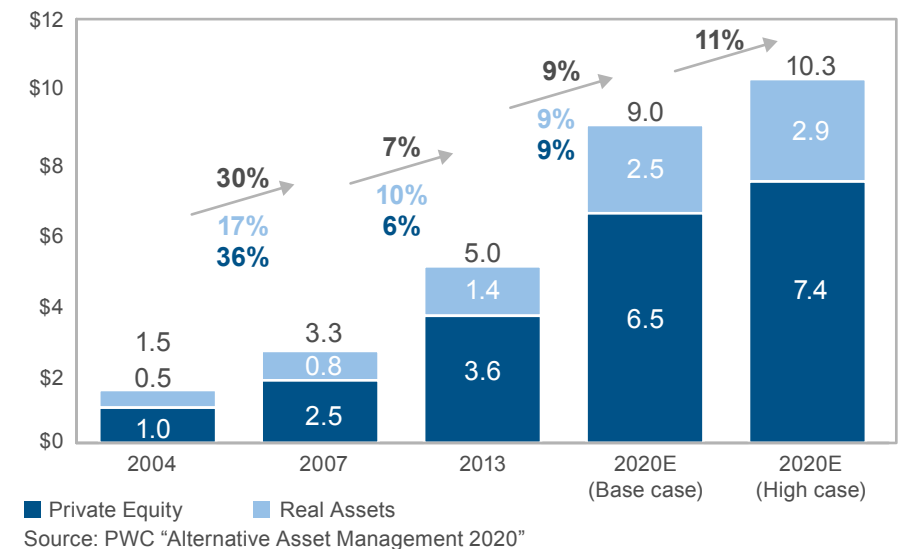
Source: Federal Reserve Statistical Release, December 2016

20-Year Asset Class Risk-Adjusted Performance Annualized Total Return



Source: Hamilton Lane

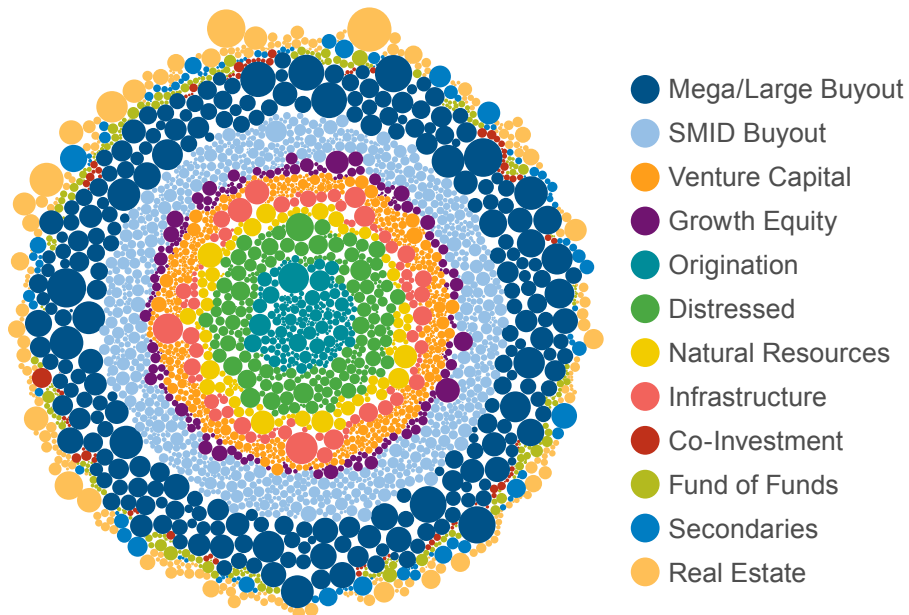
Private Equity and Real Assets in USD Trillions



Source: PWC "Alternative Asset Management 2020"

Hamilton Lane Fund Data Sample

By Strategy

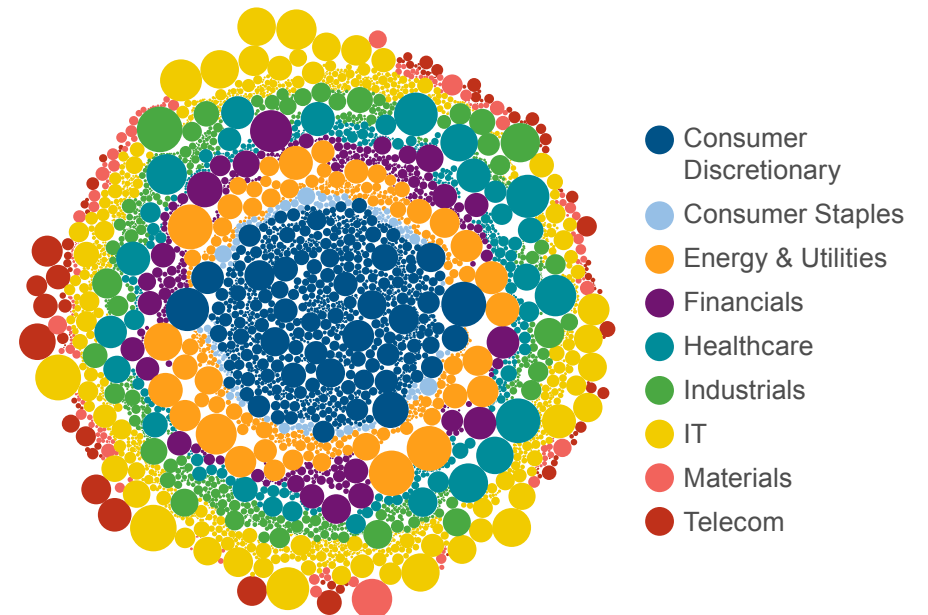


Source: Hamilton Lane Data (October 2017)

- \$3.7T total fund commitments
- 3,400+ unique partnerships from 1,200+ GPs
- 40 vintage years
- Detailed financials
- Institutional quality

Hamilton Lane Portfolio Company Data Sample

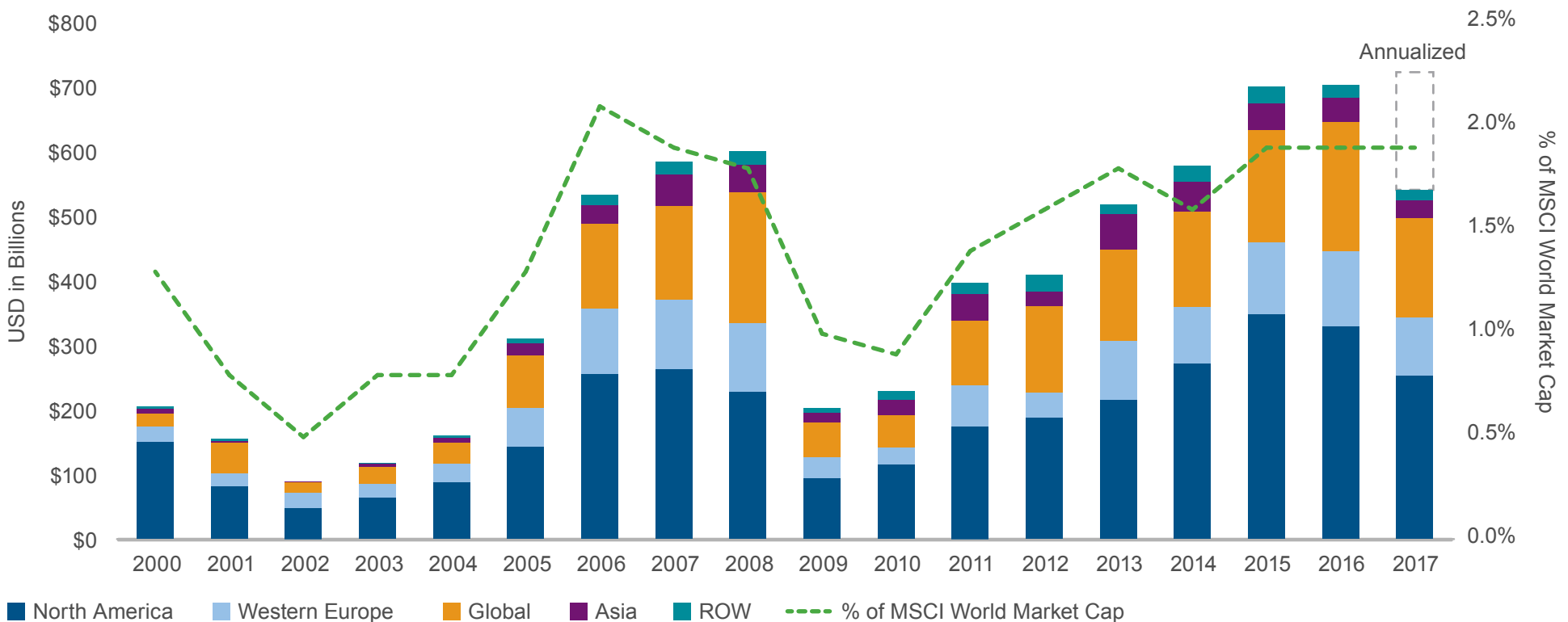
By Sector



Source: Hamilton Lane Data (September 2017)

- 11,000+ deals
- 750+ funds
- 190+ GPs
- 38 years of data
- Financials and performance

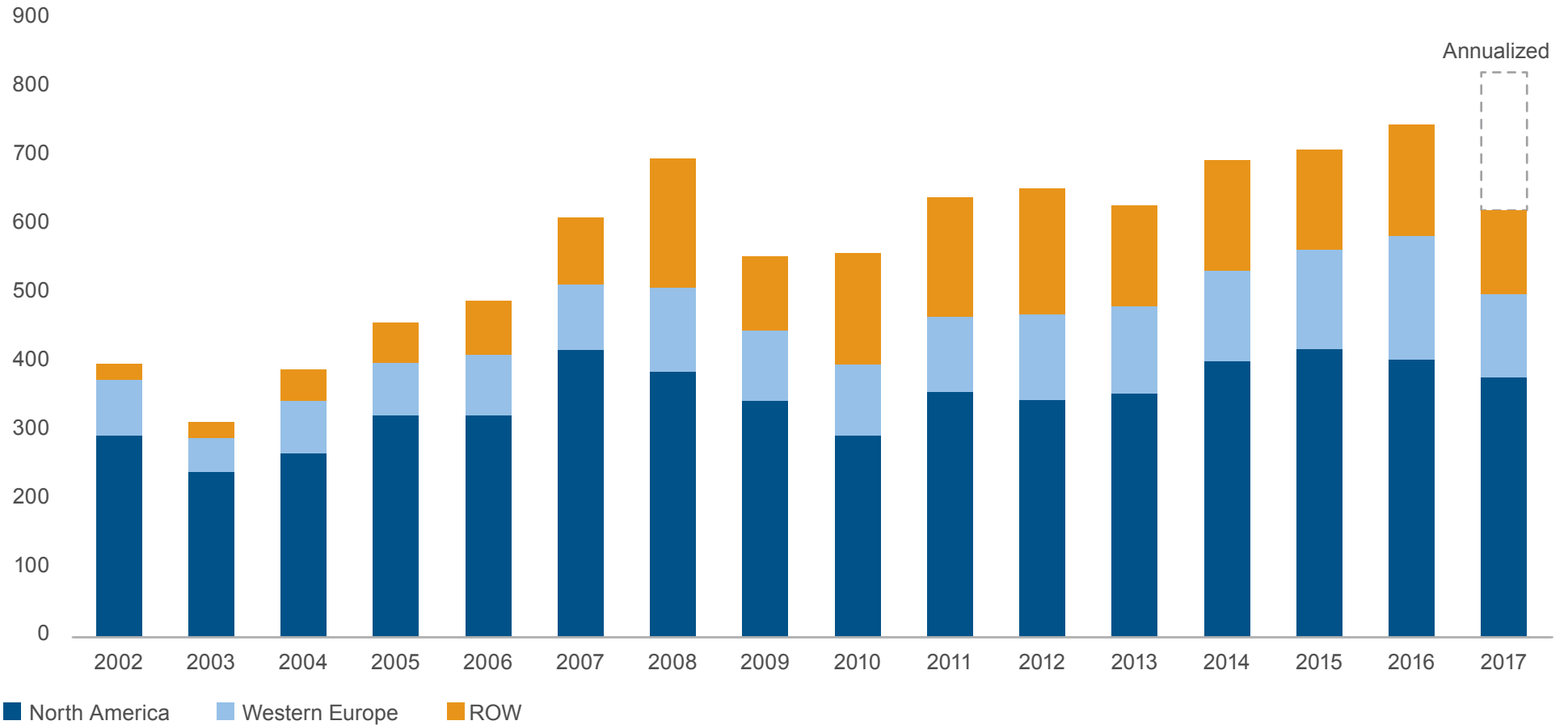
Global Private Markets Fundraising by Geography



Source: Bison data via Cobalt. Fundraising data includes real estate, secondary funds, and fund-of-funds (October 2017)

- Fundraising is expected to remain near peak levels in 2017 for the third consecutive year
- Despite record fundraising, private markets fundraising has averaged only 1.6% of MSCI World market cap since 2006

PPMs Received by Hamilton Lane



Source: Hamilton Lane Data (October 2017)

- 2017 on track to be a record year for PPMs received, increasing the complexity of fund selection, but providing more choice for LPs

10-Year Asset Class Risk Adjusted Performance - As of 6/30/2017				
Asset Class		Annualized Total Return	Annualized Volatility	Sharpe Ratio
Equity	Private Equity ex Credit and Real Assets	8.9%	14.6%	0.43
	U.S. Equities	7.3%	16.9%	0.27
	Hedge Funds	3.0%	7.5%	0.04
	Global Equities	3.7%	18.1%	0.06
	International Equities	1.0%	19.8%	< 0
	Emerging Market Equities	2.2%	24.0%	< 0
Credit	Private Credit	7.4%	10.6%	0.45
	High-Yield Bonds	7.2%	11.7%	0.39
	High-Grade Bonds	6.6%	6.7%	0.59
	Municipal Bonds	4.6%	4.4%	0.45
	Government Bonds	3.4%	8.1%	0.10
Real Assets	Private Real Estate (Non-Core)	2.6%	25.6%	< 0
	Private Real Assets	4.3%	16.7%	0.10
	REITs	6.2%	25.2%	0.14
	Public Infrastructure	4.0%	17.5%	0.08
	Public Energy	-1.0%	23.1%	< 0

- Over long-term horizons, private equity continues to outperform other equity asset classes on an absolute and risk-adjusted basis (even after de-smoothing volatility)
- In general, private, illiquid markets outperform their public counterparts

Indices used: Hamilton Lane All Private Equity ex Credit and Real Assets with volatility de-smoothed; Russell 3000 Index; HFRI Composite Index; MSCI ACWI Index; MSCI World ex US Index; MSCI Emerging Markets Index; Hamilton Lane Private Credit; Credit Suisse High Yield Index; Barclays Aggregate Bond Index; Barclays Municipal Bond Index; Barclays Global Treasuries Index; Hamilton Lane Private Real Estate; Hamilton Lane Private Real Assets; FTSE/NAREIT Equity REIT Index; S&P Global Infrastructure Index; MSCI World Energy Sector Index. Geometric mean returns in USD. Assumes risk free rate of 2.6%, representing the average yield of the ten year U.S. Treasury Note over the last ten years. (October 2017)

Customized Separate Accounts



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

Specialized Funds



Select funds in market:

- Co-Investment Fund
- Credit-Oriented Fund
- Private Equity Fund of Funds

Advisory Services



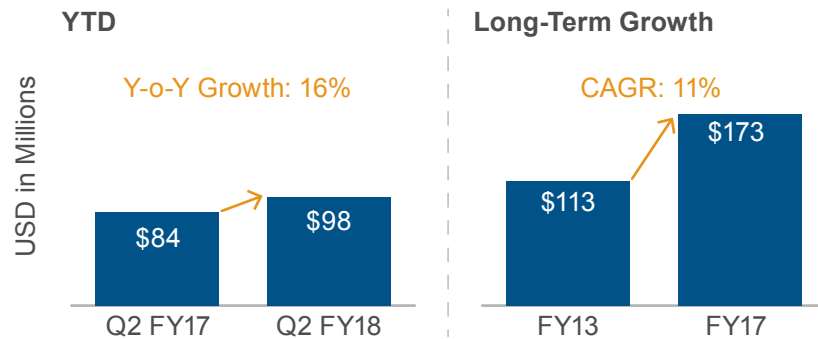
Typically larger clients with wide-ranging mandates; opportunity set continues to be robust



Financial Highlights

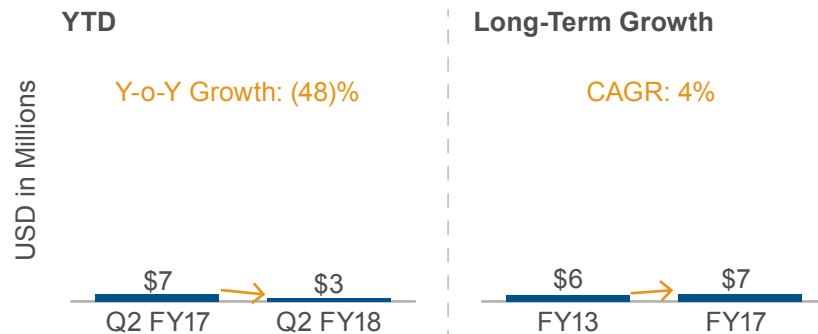
Revenues continue to be driven primarily by management and advisory fees

Management and Advisory Fees



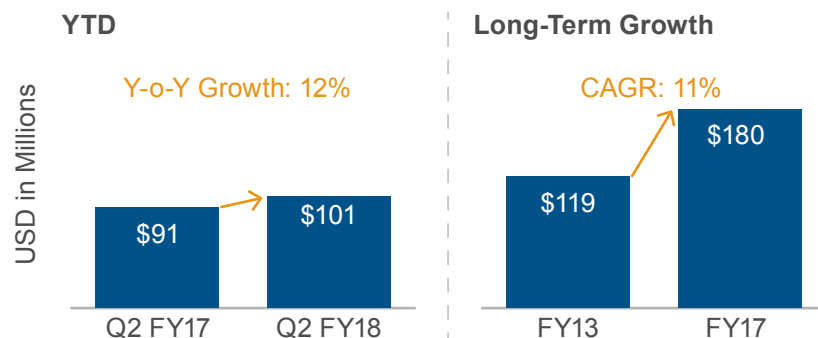
- Represented an average of 93% of total revenues over the past five fiscal years
- Y-o-Y growth of 16%
- Growth across all management and advisory fee offerings
- 23% Y-o-Y growth in specialized funds management fees driven by \$0.5B raised in Secondary Fund IV during the six months ended September 30, 2017

Incentive Fees



- Incentive fees derived from a highly diversified pool of assets and funds
- Allocated carried interest of \$300M as of 9/30/17 diversified across +3,000 assets and ~40 funds

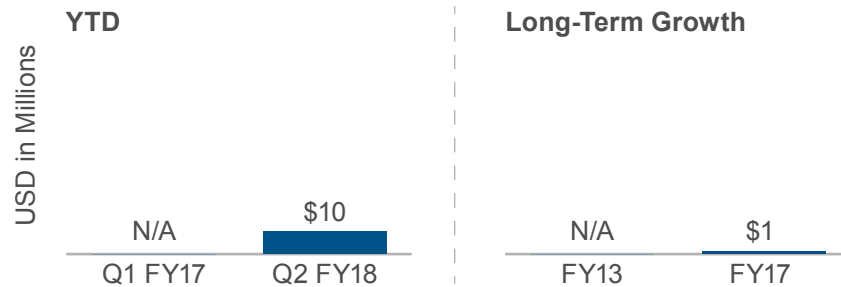
Total Revenues



- Total revenues increased by 12%, driven by growth across core offerings

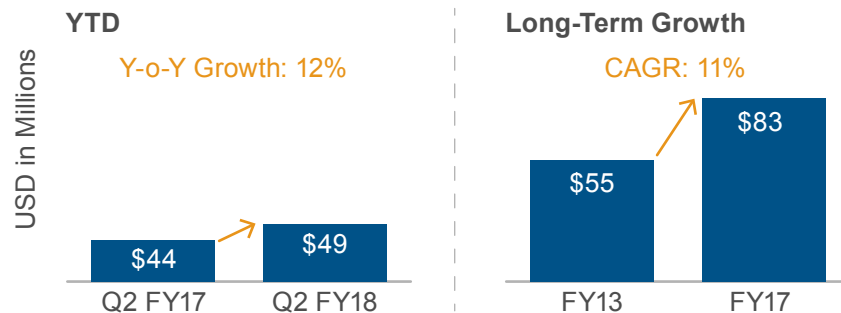
Profitability stable and growing

Net Income Attributable to HLI



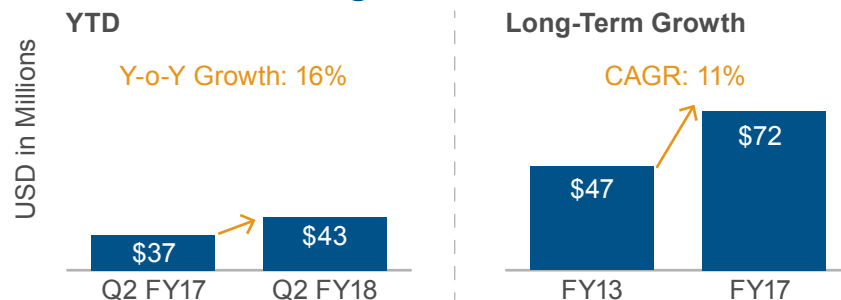
- \$4.7M in net income attributable to HLI for the quarter
- No comparable measure in prior period as that was before the Company's IPO

Adjusted EBITDA¹



- Y-o-Y growth of 12%
- Margins maintained Y-o-Y

Fee Related Earnings¹

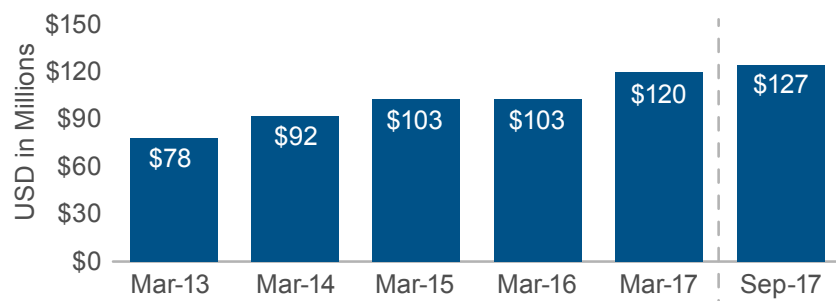


- Y-o-Y growth of 16%
- Long-term double digit growth in Fee Related Earnings

¹ Adjusted EBITDA and Fee Related Earnings are non-GAAP financial measures. For a reconciliation from GAAP financial measures to non-GAAP financial measures, see page 28 of this presentation.

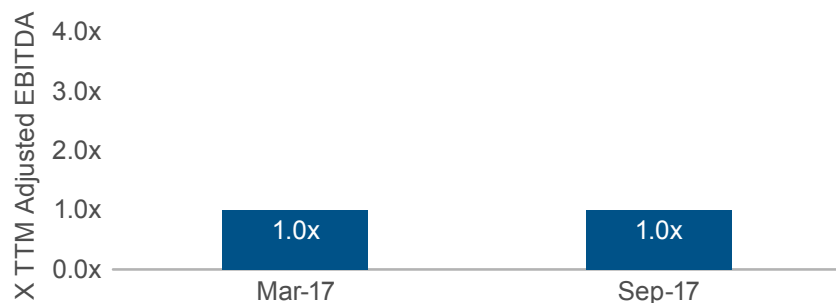
Strong balance sheet with investments in our own products and a modest amount of leverage...

Investments



- Vast majority of our investments are those made alongside our clients
- For 9/30/17, the total investment balance consisted of ~\$110M in equity method investments in our funds and ~\$17M in technology related investments

Gross Leverage Profile¹



- Principal amount of debt outstanding of \$85.5M as of 9/30/17

¹ Ratio of principal amount of debt outstanding to trailing twelve months Adjusted EBITDA. See page 29 for additional detail on calculation of gross leverage ratio.



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Appendix

	Three Months Ended September 30,			Six Months Ended September 30,		
	2016	2017	% Change	2016	2017	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Revenues						
Management and advisory fees	\$46,681	\$46,298	(1)%	\$84,264	\$97,982	16%
Incentive fees	4,563	2,411	(47)%	6,546	3,428	(48)%
Total revenues	51,244	48,709	(5)%	90,810	101,410	12%
Expenses						
Compensation and benefits	20,486	20,279	(1)%	36,422	40,241	10%
General, administrative and other	7,315	8,424	15%	14,085	16,882	20%
Total expenses	27,801	28,703	3%	50,507	57,123	13%
Other income (expense)						
Equity in income of investees	3,831	4,252	11%	5,797	10,171	75%
Interest expense	(2,954)	(3,512)	19%	(5,856)	(4,618)	(21)%
Interest income	54	89	65%	120	405	238%
Other non-operating income (loss)	10	87	770%	10	(19)	(290)%
Total other income (expense)	941	916	(3)%	71	5,939	8,265%
Income before income taxes	24,384	20,922	(14)%	40,374	50,226	24%
Income tax expense (benefit)	26	2,688	10,238%	(375)	6,380	N/A
Net income	24,358	18,234	(25)%	40,749	43,846	8%
Less: Income attributable to non-controlling interests in general partnerships	415	84	(80)%	960	982	2%
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	23,943	13,462	(44)%	39,789	32,712	(18)%
Net income attributable to Hamilton Lane Incorporated	\$-	\$4,688	N/A	\$-	\$10,152	N/A
Basic earnings per share of Class A common stock ¹		\$0.26			\$0.56	
Diluted earnings per share of Class A common stock ¹		\$0.26			\$0.56	
Weighted-average shares of Class A common stock outstanding - basic		18,113,781			18,049,146	
Weighted-average shares of Class A common stock outstanding - diluted		18,646,866			18,559,583	

¹ There were no shares of Class A common stock outstanding prior to March 6, 2017; therefore, no per-share information has been presented for any period prior to that date.

<i>(Dollars in thousands except share and per share amounts)</i>	Three Months Ended September 30,			Six Months Ended September 30,		
	2016	2017	% Change	2016	2017	% Change
Adjusted EBITDA						
Management and advisory fees	\$46,681	\$46,298	(1)%	\$84,264	\$97,982	16%
Total expenses	27,801	28,703	3%	50,507	57,123	13%
Less:						
Incentive fee related compensation ¹	(2,238)	(1,183)	(47)%	(3,212)	(1,682)	(48)%
Contingent compensation related to acquisition	-	(427)	N/A	-	(427)	N/A
Management fee related expenses	25,563	27,093	6%	47,295	55,014	16%
Fee Related Earnings	\$21,118	\$19,205	(9)%	\$36,969	\$42,968	16%
Incentive fees	4,563	2,411	(47)%	6,546	3,428	(48)%
Incentive fee related compensation ¹	(2,238)	(1,183)	(47)%	(3,212)	(1,682)	(48)%
Interest income	54	89	65%	120	405	238%
Equity-based compensation	1,243	1,572	26%	2,337	2,988	28%
Depreciation and amortization	486	473	(3)%	973	910	(6)%
Adjusted EBITDA	\$25,226	\$22,567	(11)%	\$43,733	\$49,017	12%
Adjusted EBITDA margin	49%	46%		48%	48%	
Non-GAAP earnings per share reconciliation						
Net income attributable to Hamilton Lane Incorporated		\$4,688			\$10,152	
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.		13,462			32,712	
Income tax expense		2,688			6,380	
Write-off of deferred financing costs ²		2,544			2,544	
Contingent compensation related to acquisition		427			427	
Adjusted pre-tax net income		23,809			52,215	
Adjusted income taxes ³		(9,304)			(20,735)	
Adjusted net income		\$14,505			\$31,480	
Adjusted shares⁴		53,085,535			52,998,252	
Non-GAAP earnings per share		\$0.27			\$0.59	

¹ Incentive fee related compensation includes incentive fee compensation expense as well as bonus and other revenue sharing allocated to carried interest classified as base compensation.

² Represents write-off of debt issuance costs and realized loss on interest rate caps related to the payoff of our predecessor credit facility during the period.

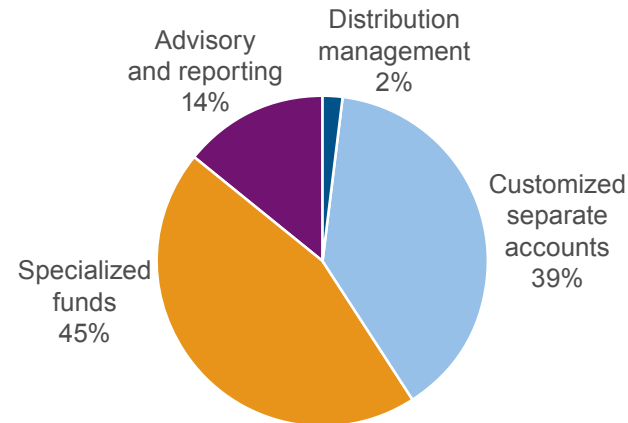
³ Represents corporate income taxes at assumed effective tax rate of 39.71% for the six months ended September 30, 2017 applied to adjusted pre-tax net income. The 39.71% is based on a federal tax statutory rate of 35.00% and a combined state income tax rate net of federal benefits of 4.71%.

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

See page 28 for additional reconciliation to GAAP financial measures

<i>(Dollars in thousands)</i>	Three Months Ended September 30,			Six Months Ended September 30,		
	2016	2017	% Change	2016	2017	% Change
Management and advisory fees						
Customized separate accounts	\$17,464	\$19,609	12%	\$34,968	\$38,393	10%
Specialized funds	22,531	19,244	(15)%	36,283	44,450	23%
Advisory and reporting	5,892	6,829	16%	11,659	13,479	16%
Distribution management	794	616	(22)%	1,354	1,660	23%
Total management and advisory fees	\$46,681	\$46,298	(1)%	\$84,264	\$97,982	16%

Six Months Ended September 30, 2017



<i>(Dollars in thousands)</i>	Three Months Ended September 30,			Six Months Ended September 30,		
	2016	2017	% Change	2016	2017	% Change
Incentive fees						
Secondary Fund II	\$741	\$477	(36)%	\$1,641	\$1,115	(32)%
Other specialized funds	3,518	34	(99)%	4,087	(6)	(100)%
Customized separate accounts	304	1,900	525%	818	2,319	183%
Incentive fees	\$4,563	\$2,411	(47)%	\$6,546	\$3,428	(48)%

	As of			YoY % Change	QoQ % Change
	September 30, 2016	June 30, 2017	September 30, 2017		
Allocated carried interest					
Secondary Fund II	\$8,155	\$7,513	\$7,145	(12)%	(5)%
Secondary Fund III	22,638	30,306	32,074	42%	6%
Secondary Fund IV	2,122	4,730	10,884	413%	130%
Co-investment Fund I	-	1,050	-	N/A	(100)%
Co-investment Fund II	90,437	106,208	108,907	20%	3%
Co-investment Fund III	5,933	20,031	28,775	385%	44%
Other specialized funds	7,754	18,614	24,576	217%	32%
Customized separate accounts	55,082	77,922	87,998	60%	13%
Total allocated carried interest	\$192,121	\$266,374	\$300,359	56%	13%

<i>(Dollars in millions)</i>	As of			YoY % Change	QoQ % Change
	September 30, 2016	June 30, 2017	September 30, 2017		
Assets under management / advisement					
Assets under management	\$40,373	\$45,788	\$47,819	18%	4%
Assets under advisement	273,518	313,652	356,774	30%	14%
Total assets under management / advisement	\$313,891	\$359,440	\$404,593	29%	13%
Fee-earning assets under management					
Customized separate accounts					
Balance, beginning of period	\$17,366	\$18,028	\$18,186	5%	1%
Contributions	395	997	1,295	228%	30%
Distributions	(173)	(754)	(229)	32%	(70)%
Foreign exchange, market value and other	(46)	(85)	469	N/A	N/A
Balance, end of period	\$17,542	\$18,186	\$19,721	12%	8%
Specialized funds					
Balance, beginning of period	\$7,398	\$8,793	\$9,437	28%	7%
Contributions	917	759	97	(89)%	(87)%
Distributions	(6)	(113)	(98)	1533%	(13)%
Foreign exchange, market value and other	2	(2)	3	50%	N/A
Balance, end of period	\$8,311	\$9,437	\$9,439	14%	0%
Total					
Balance, beginning of period	\$24,764	\$26,821	\$27,623	12%	3%
Contributions	1,312	1,756	1,392	6%	(21)%
Distributions	(179)	(867)	(327)	83%	(62)%
Foreign exchange, market value and other	(44)	(87)	472	N/A	N/A
Balance, end of period	\$25,853	\$27,623	\$29,160	13%	6%

(Dollars in thousands except share and per share amounts)

	As of,	
	March 31, 2017	September 30, 2017
Assets		
Cash and cash equivalents	\$32,286	\$48,940
Restricted cash	1,849	1,783
Fees receivable	12,113	16,429
Prepaid expenses	2,593	2,135
Due from related parties	3,313	2,725
Furniture, fixtures and equipment, net	4,063	3,999
Investments	120,147	127,090
Deferred income taxes	61,223	58,596
Other assets	3,030	9,481
Total assets	\$240,617	\$271,178
Liabilities and Equity		
Accounts payable	\$1,366	\$783
Accrued compensation and benefits	3,417	20,539
Deferred incentive fee revenue	45,166	45,166
Debt	84,310	85,072
Accrued members' distributions	2,385	-
Payable to related parties pursuant to tax receivable agreement	10,734	10,622
Other liabilities	6,612	5,661
Total liabilities	153,990	167,843
Preferred stock, \$0.001 par value, 10,000,000 authorized, none issued	-	-
Class A common stock, \$0.001 par value, 300,000,000 authorized; 19,285,620 and 19,151,033 issued and 19,285,620 and 19,036,504 outstanding as of September 30, 2017 and March 31, 2017, respectively	19	19
Class B common stock, \$0.001 par value, 50,000,000 authorized; 27,935,255 issued and outstanding as of September 30, 2017 and March 31, 2017	28	28
Additional paid-in-capital	61,845	61,174
Accumulated other comprehensive loss	(311)	-
Retained earnings	612	4,425
Less: Treasury stock, at cost, 114,529 shares of class A common stock as of March 31, 2017	(2,151)	-
Total Hamilton Lane Incorporated stockholders' equity	60,042	65,646
Non-controlling interests in general partnerships	9,901	8,861
Non-controlling interests in Hamilton Lane Advisors, L.L.C.	16,684	28,828
Total equity	86,627	103,335
Total liabilities and equity	\$240,617	\$271,178

	Six Months Ended September,	
	2016	2017
<i>(Dollars in thousands)</i>		
Operating activities		
Net income	\$40,749	\$43,846
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	973	910
Change in deferred income taxes	-	2,913
Change in payable to related parties pursuant to tax receivable agreement	-	(112)
Amortization of deferred financing costs	429	139
Write-off of deferred financing costs	-	1,657
Equity-based compensation	2,337	2,988
Equity in income of investees	(5,797)	(10,171)
Proceeds received from investments	3,120	8,025
Changes in operating assets and liabilities	2,926	11,568
Other	-	1,028
Net cash provided by operating activities	\$44,737	\$62,791
Investing activities		
Purchase of furniture, fixtures and equipment	\$(583)	\$(719)
Cash paid for acquisition of business	-	(5,414)
Distributions received from investments	5,615	7,151
Contributions to investments	(14,814)	(11,910)
Net cash (used in) investing activities	\$(9,782)	\$(10,892)
Financing activities		
Repayments of debt	\$(1,300)	\$(86,100)
Borrowings of debt, net of deferred financing costs	-	85,066
Contributions from non-controlling interest in general partnerships	453	213
Distributions to non-controlling interest in general partnerships	(1,708)	(2,235)
Sale of membership interests	4,668	-
Repurchase of Class A shares for employee tax withholding	-	(680)
Purchase of membership interests	(6,059)	-
Proceeds received from option exercises	879	313
Dividends paid	-	(6,339)
Members' distributions	(42,261)	(25,549)
Net cash (used in) financing activities	\$(45,328)	\$(35,311)
Increase (decrease) in cash, cash equivalents, and restricted cash	(10,373)	16,588
Cash, cash equivalents, and restricted cash at beginning of the period	70,382	34,135
Cash, cash equivalents, and restricted cash at end of the period	\$60,009	\$50,723

Reconciliation from Net Income

	Three Months Ended,		Six Months Ended,	
	2016	2017	2016	2017
<i>(Dollars in thousands)</i>				
Net income attributable to Hamilton Lane Incorporated¹	\$-	\$4,688	\$-	\$10,152
Income attributable to non-controlling interests in general partnerships	415	84	960	982
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	23,943	13,462	39,789	32,712
Incentive fees	(4,563)	(2,411)	(6,546)	(3,428)
Incentive fee related compensation ²	2,238	1,183	3,212	1,682
Interest income	(54)	(89)	(120)	(405)
Interest expense	2,954	3,512	5,856	4,618
Income tax expense (benefit)	26	2,688	(375)	6,380
Equity in income of investees	(3,831)	(4,252)	(5,797)	(10,171)
Contingent compensation related to acquisition	-	427	-	427
Other non-operating (income) loss	(10)	(87)	(10)	19
Fee Related Earnings	\$21,118	\$19,205	\$36,969	\$42,968
Depreciation and amortization	486	473	973	910
Equity-based compensation	1,243	1,572	2,337	2,988
Incentive fees	4,563	2,411	6,546	3,428
Incentive fee related compensation ²	(2,238)	(1,183)	(3,212)	(1,682)
Interest income	54	89	120	405
Adjusted EBITDA	\$25,226	\$22,567	\$43,733	\$49,017
Non-GAAP earnings per share reconciliation				
Net income attributable to Hamilton Lane Incorporated¹		\$4,688		\$10,152
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.		13,462		32,712
Income tax expense		2,688		6,380
Write-off of deferred financing costs ³		2,544		2,544
Contingent compensation related to acquisition		427		427
Adjusted pre-tax net income		23,809		52,215
Adjusted income taxes ⁴		(9,304)		(20,735)
Adjusted net income		\$14,505		\$31,480
Weighted-average shares of Class A common stock outstanding		18,646,866		18,559,583
Exchange of Class B and Class C units in HLA ⁵		34,438,669		34,438,669
Adjusted shares		53,085,535		52,998,252
Non-GAAP earnings per share		\$0.27		\$0.59

¹ Prior to March 6, 2017, HLI was a wholly-owned subsidiary of HLA with no operations or assets.

² Incentive fee related compensation includes incentive fee compensation expense and bonus and other revenue sharing allocated to carried interest classified as base compensation.

³ Represents write-off of debt issuance costs and realized loss on interest rate caps related to the payoff of our predecessor credit facility during the period.

⁴ Represents corporate income taxes at our estimated statutory tax rate of 39.71% for the six months ended September 30, 2017 applied to adjusted pre-tax net income. The 39.71% is based on a federal tax statutory rate of 35.00% and a combined state income tax rate net of federal benefits of 4.71%.

⁵ Assumes the full exchange of Class B and Class C units in HLA for HLI Class A common stock.

<i>(Dollars in thousands)</i>	Twelve Months Ended,	
	March 31, 2017	September 30, 2017
Principal amount of debt outstanding	\$86,100	\$85,450
Adjusted EBITDA	83,031	88,314
Gross leverage ratio	1.0x	1.0x

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 loan agreements and predecessor credit facility, (b) income tax expense, (c) depreciation and amortization expense, (d) equity-based compensation expense, (e) non-operating income (loss) 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 of the Company 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 and (e) other non-operating income. 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 of the Company 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”)** comprise primarily the assets associated with our customized separate accounts and specialized funds. 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, or fee-earning AUM, 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”) was incorporated in the State of Delaware on December 31, 2007. The Company was formed for the purpose of completing an initial public offering (“IPO”) and related transactions (“Reorganization”) in order to carry on the business of Hamilton Lane Advisors, L.L.C. (“HLA”) as a publicly-traded entity. As of 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” and similar expressions are used 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, risk, 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 consummate planned acquisitions and successfully integrate the acquired business with ours; our ability to manage our obligations under our debt agreements; defaults by clients and third-party investors on their obligations to us; our ability to comply with investment guidelines set by our clients; the time, expense and effort associated with being a newly public company; 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 that we face, you should refer to the “Risk Factors” detailed in Part I, Item 1A of our Annual Report on Form 10K for the fiscal year ended March 31, 2017, 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.