

Fiscal Year 2020 First Quarter Results

Earnings Presentation - August 6, 2019



Mario Giannini
Chief Executive Officer

Erik Hirsch
Vice Chairman

Randy Stilman
Chief Financial Officer

Business Performance

- Assets under management and fee-earning assets under management were approximately \$64 billion and \$35 billion, respectively, as of June 30, 2019, increases of 13% and 14% respectively, compared to June 30, 2018
- Management and advisory fees have increased 19% compared to June 30, 2018

Financial Results

USD in millions except per share amounts

	Q1 FY20	vs. Q1 FY19	vs. Q4 FY19
Management and advisory fees	\$60.6	19 %	5 %
GAAP net income	\$11.4	29 %	41 %
GAAP EPS	\$0.42	8 %	35 %
Non-GAAP EPS ¹	\$0.45	18 %	25 %
Fee Related Earnings ¹	\$24.8	19 %	3 %
Adjusted EBITDA ¹	\$29.7	(2)%	(5)%

Dividend

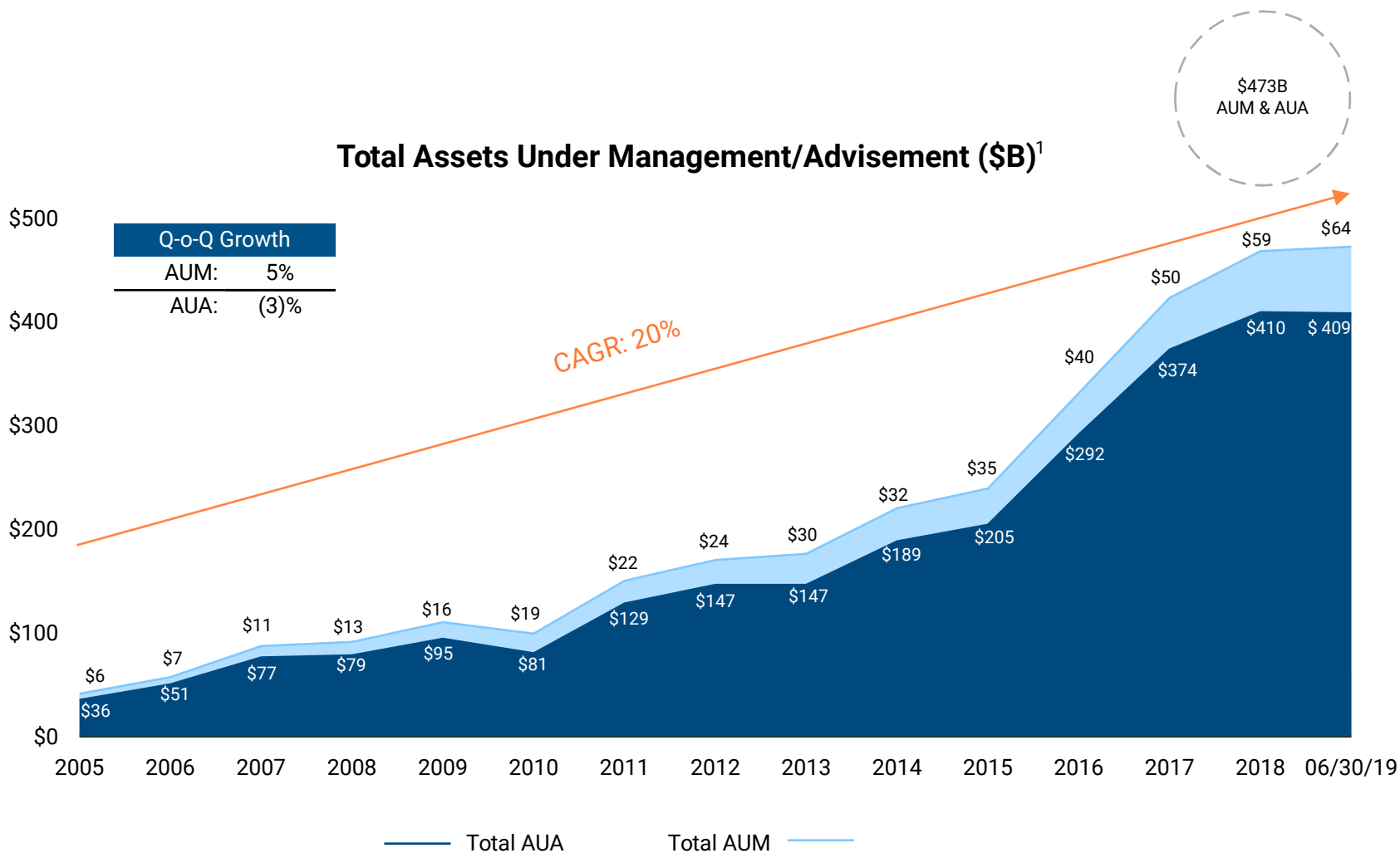
- Declared a quarterly dividend of \$0.275 per share of Class A common stock to record holders at the close of business on September 16, 2019

New Office Opening

- Announced the expansion of presence in North America and opened an office in Toronto, Canada. Toronto represents our 16th location worldwide

¹Non-GAAP earnings per share, Fee Related Earnings and Adjusted EBITDA are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures and for the reasons we believe the non-GAAP measures provide useful information, see pages 21 and 22 of this presentation.

Growing Asset Footprint & Influence

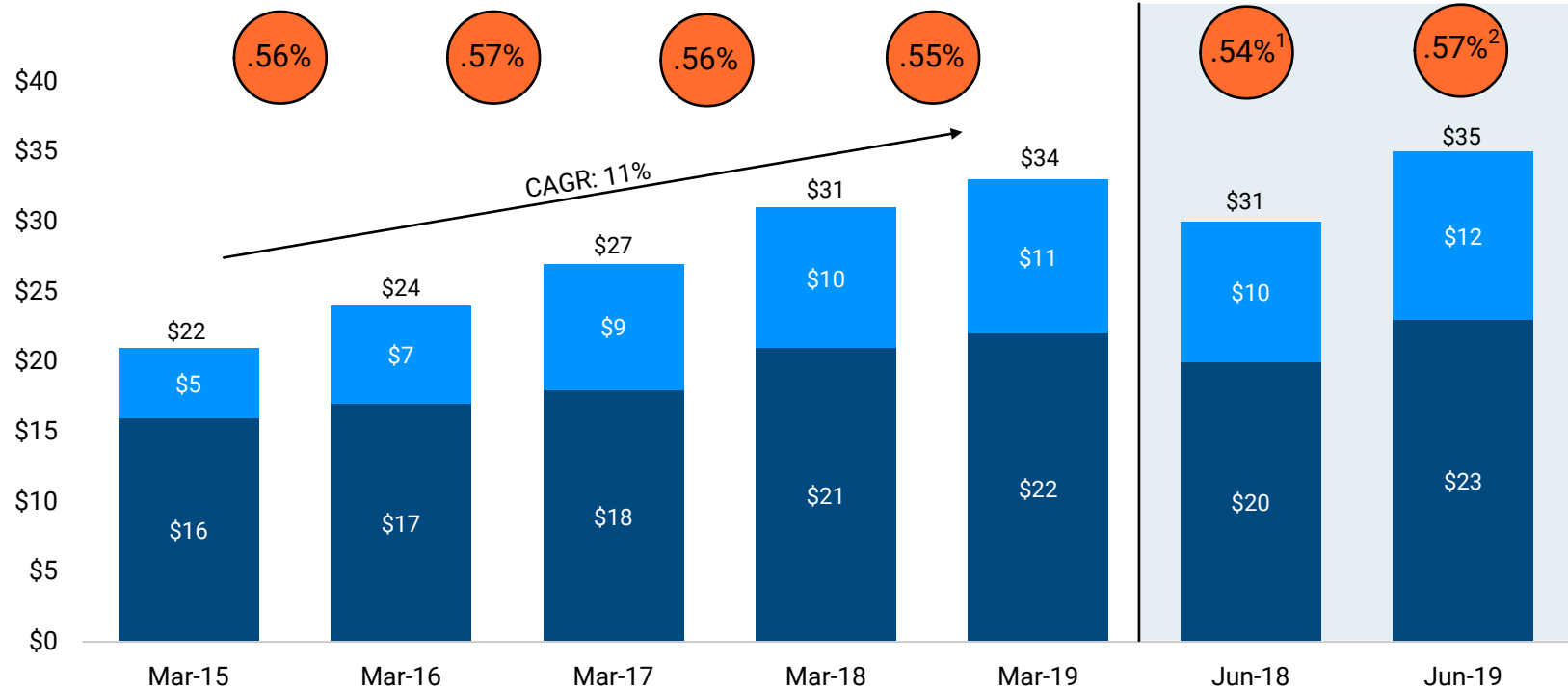


¹Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

Fee-Earning AUM Driving Revenues

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

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



*Numbers may not tie due to rounding
¹Reflects retroactive fees of \$0.5M from latest co-investment fund
²Reflects retroactive fees of \$2.8M from latest co-investment fund

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

Y-o-Y Drivers of Growth

Customized Separate Accounts:

- New client wins
- Client re-ups

Specialized Funds:

- Closed 4th co-investment fund and credit-oriented (2019 series) fund
- Fundraising 5th secondary fund, credit-oriented (2020 series) fund, evergreen fund and fund-of-funds

AUM

Customized Separate Accounts



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

- \$2.3B in FEAUM added in the last 12 months
- +70% of our gross contributions during the last 12 months came from existing clients

Specialized Funds



Select funds in market:

- Secondary fund
 - Credit-oriented fund
 - Evergreen fund
- FEAUM added during Q1 FY20:
 - Co-investment fund: \$226M
 - Secondary fund: \$699M

AUA

Advisory Services



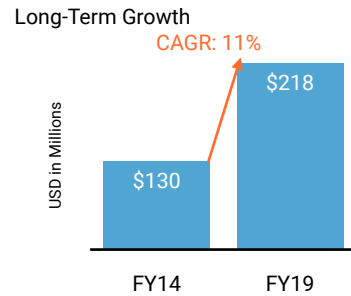
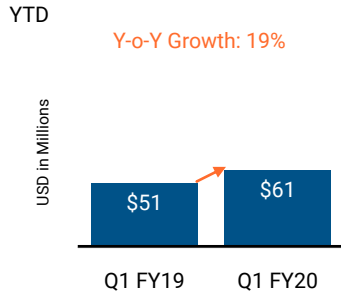
Typically larger clients with wide-ranging mandates which include technology-driven reporting, monitoring and analytics services, consulting services; opportunity set continues to be robust

- 3% advisory and reporting fee growth year-over-year

Financial Highlights

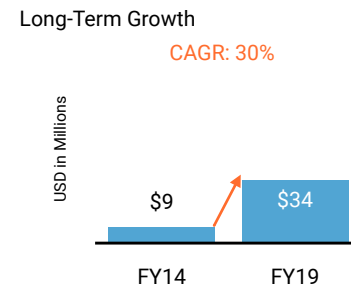
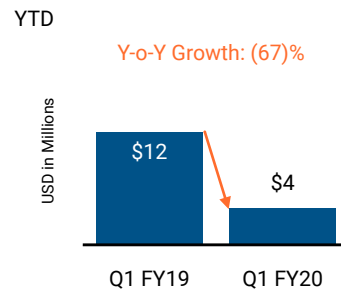
Strong revenue growth across management and advisory fees

Management and Advisory Fees



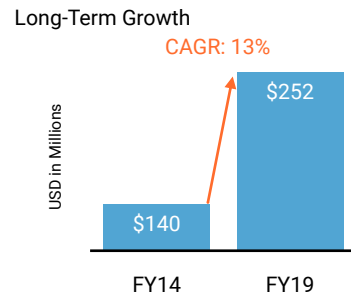
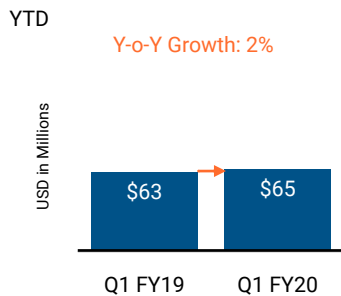
- Represented an average of just under 90% of total revenues over the past five fiscal years
- Y-o-Y increase of 19%
- \$2.8M in retroactive fees from our latest co-investment fund in the quarter compared to \$0.5M in the prior year period

Incentive Fees



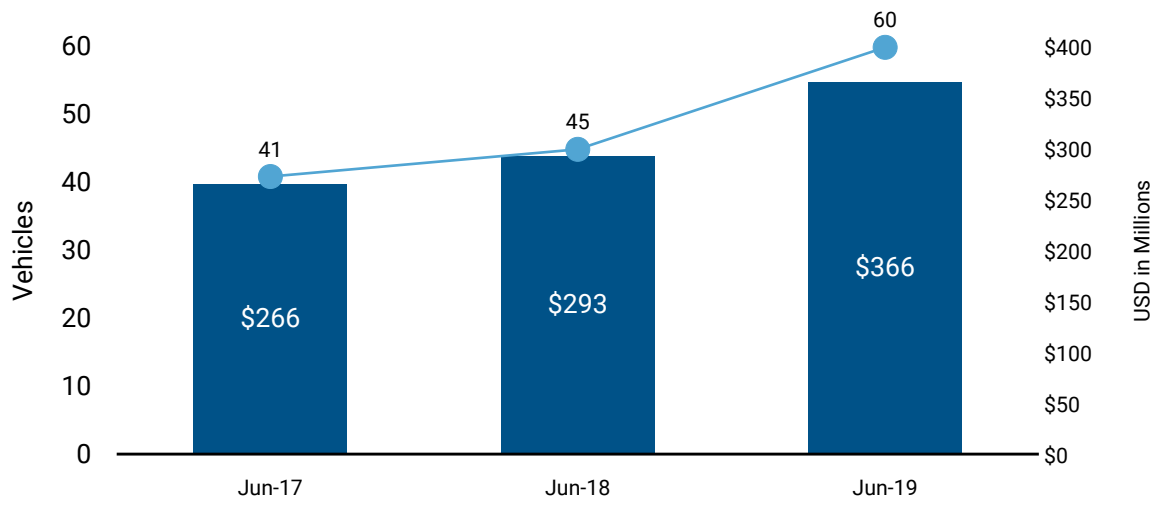
- Incentive fees derived from a highly diversified pool of assets and funds
- Allocated carried interest of \$366M as of 6/30/19 diversified across 3,000+ assets and 60 funds

Total Revenues

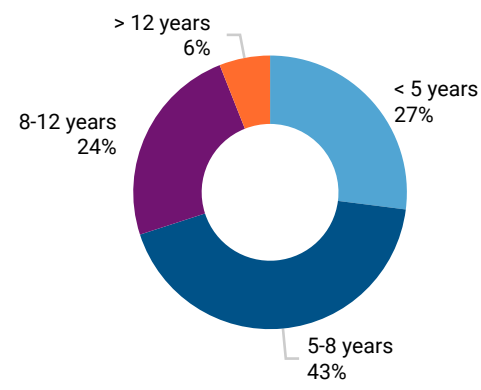


- Total revenues increased by 2%, driven by recurring management and advisory fee growth across core offerings

Unrealized Carried Interest



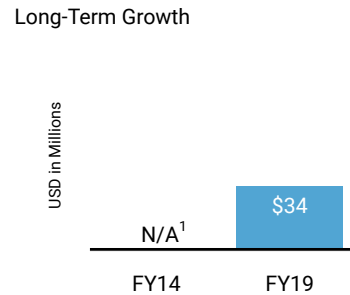
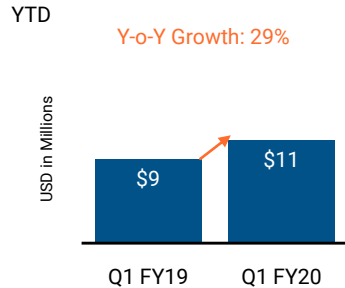
Unrealized Carry by Age



● Vehicles in Unrealized Carry Position ■ Unrealized Carried Interest

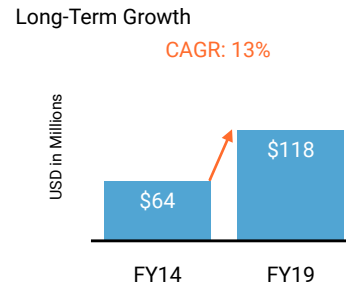
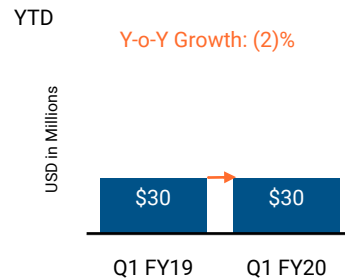
Profitability stable and growing

Net Income Attributable to HLI



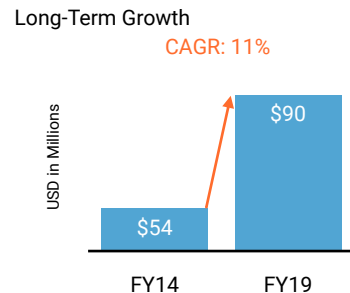
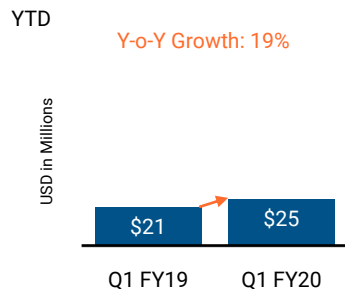
- \$11M in net income attributable to HLI for the quarter

Adjusted EBITDA²



- Y-o-Y decline of 2% due to the Y-o-Y decrease in realized incentive fees

Fee Related Earnings²

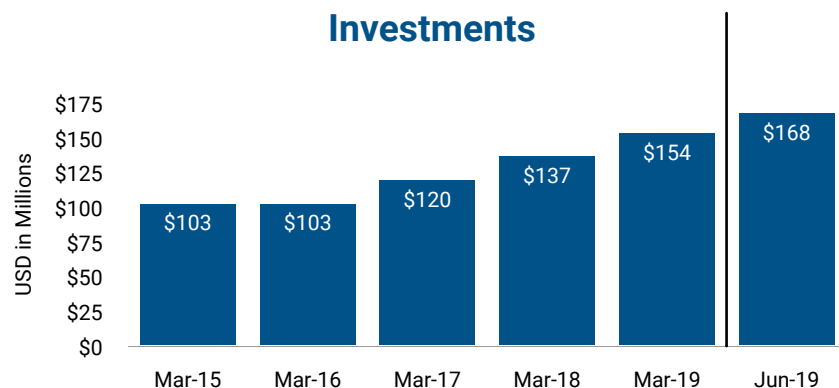


- Y-o-Y growth of 19%
- Long-term double digit growth in Fee Related Earnings

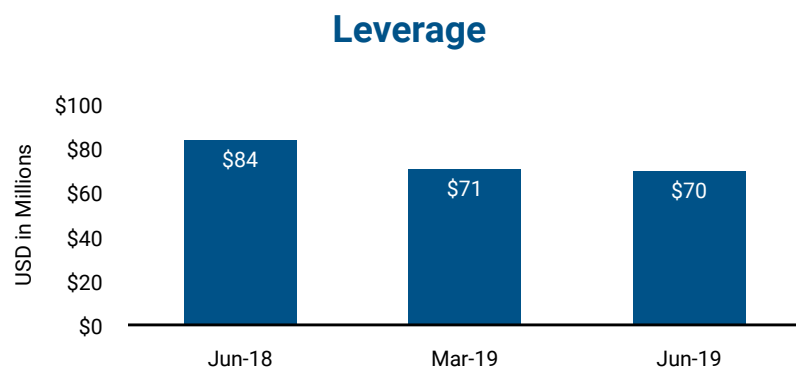
¹Prior to our IPO, HLI was a wholly-owned subsidiary of HLA with no operations or assets.

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...



- For 6/30/19, the total investment balance consisted of:
 - ~\$144M in equity method investments in our funds
 - ~\$24M in technology related and other investments



- \$70.0M of debt as of 6/30/19



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Appendix

Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended				
	June 30, 2018	March 31, 2019	June 30, 2019	YoY Change %	QoQ Change %
<i>(Dollars in thousands except share and per share amounts)</i>					
Revenues					
Management and advisory fees	\$50,979	\$57,929	\$60,551	19 %	5 %
Incentive fees	12,383	9,059	4,135	(67)%	(54)%
Total Revenues	63,362	66,988	64,686	2 %	(3)%
Expenses					
Compensation and benefits	26,622	24,483	23,646	(11)%	(3)%
General, administrative and other	11,048	13,577	14,047	27 %	3 %
Total expenses	37,670	38,060	37,693	0 %	(1)%
Other income (expense)					
Equity in (loss) income of investees	(114)	(2,894)	6,213	N/A	N/A
Interest expense	(765)	(779)	(817)	7 %	5 %
Interest income	42	88	280	567 %	218 %
Non-operating loss	(135)	(36)	(879)	551 %	2,342 %
Total other (expense) income	(972)	(3,621)	4,797	N/A	N/A
Income before income taxes	24,720	25,307	31,790	29 %	26 %
Income tax expense	1,617	4,900	4,337	168 %	(11)%
Net income	23,103	20,407	27,453	19 %	35 %
Less: (Loss) income attributable to non-controlling interests in general partnerships	(120)	(511)	504	N/A	N/A
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	14,378	12,870	15,568	8 %	21 %
Net income attributable to Hamilton Lane Incorporated	\$8,845	\$8,048	\$11,381	29 %	41 %
Basic earnings per share of Class A common stock	\$0.40	\$0.32	\$0.43	8 %	34 %
Diluted earnings per share of Class A Common stock	\$0.39	\$0.31	\$0.42	8 %	35 %
Weighted-average shares of Class A common stock outstanding - basic	22,248,547	25,386,382	26,706,719		
Weighted-average shares of Class A common stock outstanding - diluted	22,773,487	25,852,163	27,041,981		

Non-GAAP Financial Measures

	Three Months Ended			YoY Change %	QoQ Change %
	June 30, 2018	March 31, 2019	June 30, 2019		
<i>(Dollars in thousands except share and per share amounts)</i>					
Adjusted EBITDA¹					
Management and advisory fees	\$50,979	\$57,929	\$60,551	19 %	5 %
Total expenses	37,670	38,060	37,693	0 %	(1)%
Less:					
Incentive fee related compensation ²	(4,727)	(4,267)	(1,917)	(59)%	(55)%
Contingent compensation related to acquisition	(2,773)	—	—	(100)%	N/A
Management fee related expenses	30,170	33,793	35,776	19 %	6 %
Fee Related Earnings	\$20,809	\$24,136	\$24,775	19 %	3 %
Incentive fees ³	12,383	9,059	4,135	(67)%	(54)%
Incentive fees attributable to non-controlling interests ³	(211)	(74)	(99)	(53)%	34 %
Incentive fee related compensation ²	(4,727)	(4,267)	(1,917)	(59)%	(55)%
Interest income	42	88	280	567 %	218 %
Equity-based compensation	1,587	1,604	1,727	9 %	8 %
Depreciation and amortization	510	741	802	57 %	8 %
Adjusted EBITDA	\$30,393	\$31,287	\$29,703	(2)%	(5)%
Adjusted EBITDA margin	48%	47%	46%		
Non-GAAP earnings per share¹					
Net income attributable to Hamilton Lane Incorporated	\$ 8,845	\$ 8,048	\$ 11,381	29 %	41 %
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	14,378	12,870	15,568	8 %	21 %
Income tax expense	1,617	4,900	4,337	168 %	(11)%
Contingent compensation related to acquisition	2,773	—	—	(100)%	N/A
Adjusted pre-tax net income	27,613	25,818	31,286	13 %	21 %
Adjusted income taxes ⁴	(7,458)	(6,387)	(7,446)	0 %	17 %
Adjusted net income	\$20,155	\$19,431	\$23,840	18 %	23 %
Adjusted shares outstanding⁵	53,377,470	53,392,233	53,462,608		
Non-GAAP earnings per share	\$0.38	\$0.36	\$0.45		

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, bonus and other revenue sharing related to carried interest that is classified as base compensation. Incentive fee related compensation for the three months ended June 30, 2018 excludes compensation expense related to the recognition of incentive fees included in net income from one of our co-investment funds of \$2.5 million as the related incentive fee compensation was recognized in fiscal 2016.

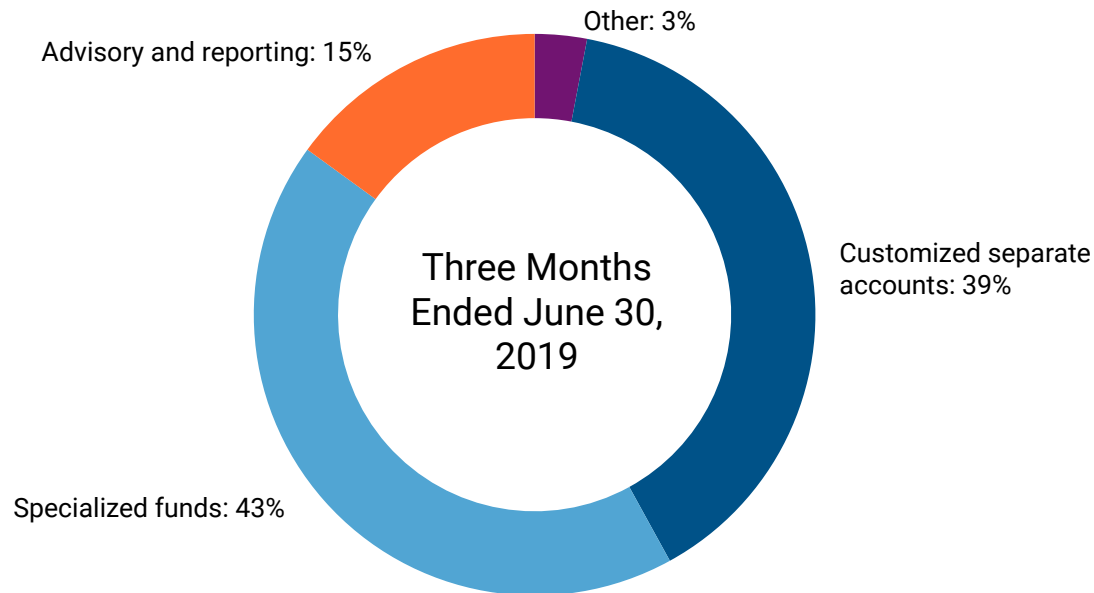
³ Incentive fees for the three months ended June 30, 2018 included \$2.7 million of non-cash carried interest. Of the \$2.7 million, \$2.5 million is included in net income and \$0.2 million is attributable to non-controlling interests.

⁴ Represents corporate income taxes at our estimated statutory tax rate of 23.8% for the three month period ended June 30, 2019 and 27.0% for the three month period ended June 30, 2018 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 27.0% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 6.0%.

⁵ 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			YoY % Change	QoQ % Change
	June 30, 2018	March 31, 2019	June 30, 2019		
Management and advisory fees					
Customized separate accounts	\$20,387	\$22,158	\$21,963	8%	(1)%
Specialized funds	21,015	25,892	26,959	28%	4 %
Advisory, reporting and other	8,159	8,275	8,415	3%	2 %
Distribution management	1,088	752	1,359	25%	81 %
Fund reimbursement revenue	330	852	1,855	462%	118 %
Total management and advisory fees	\$50,979	\$57,929	\$60,551	19%	5 %



Incentive Fees

<i>(Dollars in thousands)</i>	Three Months Ended			YoY % Change	QoQ % Change
	June 30, 2018	March 31, 2019	June 30, 2019		
Incentive fees					
Secondary Fund II	\$441	\$204	\$166	(62)%	(19)%
Co-investment Fund II	5,158	1,790	2,324	(55)%	30 %
Other specialized funds	126	5,657	149	18 %	(97)%
Customized separate accounts	6,658	1,408	1,496	(78)%	6 %
Incentive fees	\$12,383	\$9,059	\$4,135	(67)%	(54)%

	June 30, 2018	March 31, 2019	June 30, 2019	YoY % Change	QoQ % Change
Allocated carried interest					
Secondary Fund II	\$5,798	\$3,874	\$4,314	(26)%	11%
Secondary Fund III	36,592	36,697	38,430	5 %	5%
Secondary Fund IV	20,778	30,587	34,770	67 %	14%
Co-investment Fund II	61,327	54,374	57,505	(6)%	6%
Co-investment Fund III	32,924	39,435	50,314	53 %	28%
Co-investment Fund IV	—	746	1,573	N/A	111%
Other specialized funds	33,391	40,204	50,762	52 %	26%
Customized separate accounts	102,083	120,549	128,231	26 %	6%
Total allocated carried interest	\$292,893	\$326,466	\$365,899	25 %	12%

Assets Under Management

<i>(Dollars in thousands)</i>	June 30, 2018	March 31, 2019	June 30, 2019	YoY % Change	QoQ % Change
Assets under management / advisement					
Assets under management	\$56,684	\$61,130	\$64,304	13 %	5 %
Assets under advisement	414,796	422,475	408,957	(1)%	(3)%
Total assets under management / advisement	\$471,480	\$483,605	\$473,261	0 %	(2)%
Fee-earning assets under management					
Customized separate accounts					
Balance, beginning of period	\$20,931	\$21,211	\$22,160	6 %	4 %
Contributions	1,073	1,987	829	(23)%	(58)%
Distributions	(1,863)	(977)	(499)	(73)%	(49)%
Foreign exchange, market value and other	68	(61)	21	(69)%	N/A
Balance, end of period	\$20,209	\$22,160	\$22,511	11 %	2 %
Specialized funds					
Balance, beginning of period	\$9,758	\$11,023	\$11,434	17 %	4 %
Contributions	746	587	968	30 %	65 %
Distributions	(166)	(177)	(117)	(30)%	(34)%
Foreign exchange, market value and other	(5)	1	—	N/A	(100)%
Balance, end of period	\$10,333	\$11,434	\$12,285	19 %	7 %
Total					
Balance, beginning of period	\$30,689	\$32,234	\$33,594	9 %	4 %
Contributions	1,819	2,574	1,797	(1)%	(30)%
Distributions	(2,029)	(1,154)	(616)	(70)%	(47)%
Foreign exchange, market value and other	63	(60)	21	(67)%	N/A
Balance, end of period	\$30,542	\$33,594	\$34,796	14 %	4 %

Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands except share and per share amounts)

	March 31, 2019	June 30, 2019
Assets		
Cash and cash equivalents	\$49,357	\$58,871
Restricted cash	2,233	2,502
Fees receivable	20,320	19,647
Prepaid expenses	4,714	4,802
Due from related parties	2,628	4,459
Furniture, fixtures and equipment, net	8,108	8,158
Lease right-of-use assets, net	—	10,770
Investments	154,491	168,436
Deferred income taxes	107,726	104,822
Other assets	11,014	10,377
Total assets	\$360,591	\$392,844
Liabilities and Equity		
Accounts payable	\$2,619	\$2,749
Accrued compensation and benefits	12,216	15,690
Deferred incentive fee revenue	3,704	3,704
Debt	70,954	70,030
Accrued members' distributions	17,081	8,985
Payable to related parties pursuant to tax receivable agreement	69,636	69,772
Dividends payable	5,673	7,345
Lease liabilities	—	11,661
Other liabilities (includes \$16,613 and \$0 at fair value)	8,986	25,073
Total liabilities	190,869	215,009
Class A common stock, \$0.001 par value, 300,000,000 authorized; 27,372,901 and 27,367,477 issued and outstanding as of June 30, 2019 and March 31, 2019, respectively	27	27
Class B common stock, \$0.001 par value, 50,000,000 authorized; 23,516,439 issued and outstanding as of June 30, 2019 and March 31, 2019, respectively	24	24
Accumulated other comprehensive income	7	14
Additional paid-in capital	92,482	93,543
Retained earnings	17,686	21,722
Total Hamilton Lane Incorporated stockholders' equity	110,226	115,330
Non-controlling interests in general partnerships	5,716	5,932
Non-controlling interests in Hamilton Lane Advisors, L.L.C.	53,780	56,573
Total equity	169,722	177,835
Total liabilities and equity	\$360,591	\$392,844

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended	
	June 30, 2018	June 30, 2019
<i>(Dollars in thousands)</i>		
Operating activities		
Net income	\$23,103	\$27,453
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	510	802
Change in deferred income taxes	583	2,904
Change in payable to related parties pursuant to tax receivable agreement	202	136
Equity-based compensation	1,587	1,727
Equity in income (loss) of investees	114	(6,213)
Proceeds received from investments	2,679	2,194
Other	80	667
Changes in operating assets and liabilities	9,006	3,732
Net cash provided by operating activities	37,864	33,402
Investing activities		
Purchase of furniture, fixtures and equipment	(1,413)	(737)
Purchase of other investments	–	(3,967)
Distributions received from investments	1,960	1,861
Contributions to investments	(8,641)	(7,645)
Net cash (used in) provided by investing activities	(8,094)	(10,488)
Financing activities		
Repayments of debt	(469)	(938)
Draw-down on revolver	–	15,000
Repayment of revolver	–	(15,000)
Secured financing	–	15,750
Contributions from non-controlling interests holders	17	9
Distributions to non-controlling interest holders	(454)	(297)
Repurchase of Class A shares for employee tax withholding	(150)	(17)
Proceeds received from issuance of shares under Employee Share Purchase Plan	–	276
Dividends paid	(3,893)	(5,673)
Members' distributions paid	(18,762)	(22,245)
Net cash used in financing activities	(23,711)	(13,135)
Effect of exchange rate changes on cash and cash equivalents	–	4
Increase in cash, cash equivalents, and restricted cash	6,059	9,783
Cash, cash equivalents, and restricted cash at beginning of the year	49,383	51,590
Cash, cash equivalents, and restricted cash at end of the year	\$55,442	\$61,373

Non-GAAP Reconciliation

Reconciliation from Net Income

(Dollars in thousands)

	Year Ended March 31,		Three Months Ended		
	2014	2019	June 30, 2018	March 31, 2019	June 30, 2019
Net income attributable to Hamilton Lane Incorporated	\$0	\$33,573	\$8,845	\$8,048	\$11,381
Income (loss) attributable to non-controlling interests in general partnerships	4,565	564	(120)	(511)	504
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	62,462	64,860	14,378	12,870	15,568
Incentive fees ¹	(9,309)	(34,406)	(12,383)	(9,059)	(4,135)
Incentive fee related compensation ²	4,511	14,983	4,727	4,267	1,917
Interest income	(142)	(255)	(42)	(88)	(280)
Interest expense	8,503	3,039	765	779	817
Income tax (benefit) expense	(128)	30,560	1,617	4,900	4,337
Equity in (income) loss of investees	(16,905)	(7,202)	114	2,894	(6,213)
Contingent compensation related to acquisition	—	5,100	2,773	—	—
Non-operating loss (income)	699	(20,915)	135	36	879
Fee Related Earnings	\$54,256	\$89,901	\$20,809	\$24,136	\$24,775
Depreciation and amortization	1,853	2,500	510	741	802
Equity-based compensation	3,070	6,382	1,587	1,604	1,727
Incentive fees	9,309	34,406	12,383	9,059	4,135
Incentive fees attributable to non-controlling interests ¹	—	(725)	(211)	(74)	(99)
Incentive fee related compensation ²	(4,511)	(14,983)	(4,727)	(4,267)	(1,917)
Interest income	142	255	42	88	280
Adjusted EBITDA	\$64,119	\$117,736	\$30,393	\$31,287	\$29,703
Non-GAAP earnings per share reconciliation					
Net income attributable to Hamilton Lane Incorporated			\$8,845	\$8,048	\$11,381
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			14,378	12,870	15,568
Income tax expense			1,617	4,900	4,337
Contingent compensation related to acquisition			2,773	—	—
Adjusted pre-tax net income			27,613	25,818	31,286
Adjusted income taxes ³			(7,458)	(6,387)	(7,446)
Adjusted net income			\$20,155	\$19,431	\$23,840
Weighted-average shares of Class A common stock outstanding - diluted			22,773,487	25,852,163	27,041,981
Exchange of Class B and Class C units in HLA ⁴			30,603,983	27,540,070	26,420,627
Adjusted shares outstanding			53,377,470	53,392,233	53,462,608
Non-GAAP earnings per share			\$0.38	\$0.36	\$0.45

¹ Incentive fees for the three months ended June 30, 2018 included \$2.7 million of non-cash carried interest. Of the \$2.7 million, \$2.5 million is included in net income and \$0.2 million is attributable to non-controlling interests.

² Incentive fee related compensation includes incentive fee compensation expense, bonus and other revenue sharing related to carried interest that is classified as base compensation. Incentive fee related compensation for the three months ended June 30, 2018 excludes compensation expense related to the recognition of incentive fees included in net income from one of our co-investment funds of \$2.5 million as the related incentive fee compensation was recognized in fiscal 2016.

³ Represents corporate income taxes at our estimated statutory tax rate of 23.8% for the three month period ended June 30, 2019 and 27.0% for the three month period ended June 30, 2018 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 27.0% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 6.0%.

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.

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 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 shared 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 (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 ("**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", "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 us; our ability to comply with investment guidelines set by our clients; and our ability to receive distributions from Hamilton Lane Advisors, L.L.C. to fund our payment of dividends, taxes and other expenses.

The forgoing 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, 2019, 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.

As of August 6, 2019