UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______________________ to __________________________

Commission file number 001-38021

HAMILTON LANE INC ORPORATED

(Exact name of Registrant as specified in its charter)

Delaware	**26-2482738**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
110 Washington Street, Suite 1300	
Conshohocken, PA	**19428**
(Address of principal executive offices)	(Zip Code)

(610) 934-2222

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.001 par value per share	**HLNE**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes☐ No x

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of November 4, 2024, there were 41,769,531 shares of the registrant's Class A common stock, par value $0.001, and 13,664,635 shares of the registrant's Class B common stock, par value $0.001, outstanding.

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This Quarterly Report on Form 10-Q ("Form 10-Q") includes certain information regarding the historical performance of our specialized funds and customized separate accounts. An investment in shares of our Class A common stock is not an investment in our specialized funds or customized separate accounts. In considering the performance information relating to our specialized funds and customized separate accounts contained herein, current and prospective Class A common stockholders should bear in mind that the performance of our specialized funds and customized separate accounts is not indicative of the possible performance of shares of our Class A common stock and is also not necessarily indicative of the future results of our specialized funds or customized separate accounts, even if fund investments were in fact liquidated on the dates indicated, and there can be no assurance that our specialized funds or customized separate accounts will continue to achieve, or that future specialized funds and customized separate accounts will achieve, comparable results. Please note that nothing in this Form 10-Q represents an offer to sell, or a solicitation of an offer to purchase, interests in any of Hamilton Lane's products.

We own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business. In addition, our names, logos and website names and addresses are owned by us or licensed by us. We also own or have the rights to copyrights that protect the content of our solutions. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this Form 10-Q are listed without the ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks, trade names and copyrights.

This Form 10-Q may include trademarks, service marks or trade names of other companies. Our use or display of other parties' trademarks, service marks, trade names or products is not intended to, and does not imply a relationship with, or endorsement or sponsorship of us by, the trademark, service mark or trade name owners.

Unless otherwise indicated, information contained in this Form 10-Q concerning our industry and the markets in which we operate is based on information from independent industry and research organizations, other third-party sources (including industry publications, surveys and forecasts), and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of such industry and markets that we believe to be reasonable. Although we believe the data from these third-party sources is reliable, we have not independently verified any third-party information.

Unless otherwise indicated or the context otherwise requires, all references in this Form 10-Q to "we," "us," "our," the "Company," "Hamilton Lane" and similar terms refer to Hamilton Lane Incorporated and its consolidated subsidiaries. As used in this Form 10-Q, (i) the term "HLA" refers to Hamilton Lane Advisors, L.L.C. and (ii) the terms "Hamilton Lane Incorporated" and "HLI" refer solely to Hamilton Lane Incorporated, a Delaware corporation, and not to any of its subsidiaries.

Cautionary Note Regarding Forward-Looking Information

Some of the statements in this Form 10-Q may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 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 exposure and that of our clients and investors to the credit risks of financial institutions at which we and they hold accounts; 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 introducing new types of investment structures, products or services or entering into strategic partnerships; our ability to manage redemption or repurchase rights in certain of our funds; our ability to manage, identify and anticipate 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, 2024 (our "2024 Form 10-K") and in our subsequent reports filed from time to time with the Securities and Exchange Commission (the "SEC"). The forward-looking statements included in this Form 10-Q are made only as of the date we filed this report. 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.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Hamilton Lane Incorporated
Condensed Consolidated Balance Sheets
(Unaudited)

(In thousands, except share and per share amounts)

	September 30, 2024	March 31, 2024
Assets		
Cash and cash equivalents	$ 193,771	$ 114,634
Restricted cash	5,858	4,985
Fees receivable	95,509	108,291
Prepaid expenses	16,750	11,073
Due from related parties	16,467	8,150
Furniture, fixtures and equipment, net	32,264	33,013
Lease right-of-use assets, net	62,991	62,425
Investments	627,172	603,697
Deferred income taxes	257,187	261,887
Other assets	33,989	34,435
Assets of consolidated variable interest entities:		
Cash and cash equivalents	33,198	—
Investments	41,888	28,575
Other assets	7,286	35
Total assets	$ 1,424,330	$ 1,271,200
Liabilities and equity		
Accounts payable	$ 6,430	$ 4,505
Accrued compensation and benefits	71,431	35,979
Accrued members’ distributions	9,279	23,815
Accrued dividend	19,454	17,628
Debt	194,971	196,159
Payable to related parties pursuant to tax receivable agreement	200,346	201,422
Lease liabilities	79,884	79,033
Other liabilities (includes $ 13,080 and $ 13,071 at fair value)	39,904	36,700
Liabilities of consolidated variable interest entities:		
Other liabilities	709	1
Total liabilities	$ 622,408	$ 595,242
Commitments and contingencies (Note 15)		
Class A common stock, $ 0.001 par value, 300,000,000 authorized; 41,770,189 and 40,547,806 issued and outstanding as of September 30, 2024 and March 31, 2024, respectively	41	41
Class B common stock, $ 0.001 par value, 50,000,000 authorized; 13,664,635 and 13,664,635 issued and outstanding as of September 30, 2024 and March 31, 2024, respectively	14	14
Additional paid-in-capital	214,788	208,402
Retained earnings	391,737	316,696
Total Hamilton Lane Incorporated stockholders’ equity	$ 606,580	$ 525,153
Non-controlling interests in general partnerships	5,875	5,043
Non-controlling interests in Hamilton Lane Advisors, L.L.C.	178,633	145,762
Non-controlling interests in consolidated funds	10,834	—
Total equity	$ 801,922	$ 675,958
Total liabilities and equity	$ 1,424,330	$ 1,271,200

See accompanying notes to the condensed consolidated financial statements.

Hamilton Lane Incorporated
Condensed Consolidated Statements of Income
(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	2023	2024	2023
Revenues				
Management and advisory fees	$ 119,783	$ 109,184	$ 259,745	$ 214,592
Incentive fees	30,216	17,692	86,985	37,322
Total revenues	149,999	126,876	346,730	251,914
Expenses				
Compensation and benefits	55,070	45,930	133,504	90,032
General, administrative and other	27,737	24,994	56,274	50,755
Consolidated variable interest entities related:				
General, administrative and other	—	355	149	588
Total expenses	82,807	71,279	189,927	141,375
Other income (expense)				
Equity in income of investees	6,372	8,251	13,762	20,117
Interest expense	(2,704)	(2,743)	(5,651)	(5,632)
Interest income	1,406	1,099	2,171	2,036
Non-operating gain (loss)	1,437	(1,215)	11,251	(982)
Consolidated variable interest entities related:				
Equity in income of investees	957	288	1,884	419
Unrealized gain	2,342	2,241	3,539	3,034
Interest expense	—	—	—	(6)
Interest income	92	2,841	108	4,581
Total other income (expense)	9,902	10,762	27,064	23,567
Income before income taxes	77,094	66,359	183,867	134,106
Income tax expense	1,172	1,856	20,859	18,256
Net income	75,922	64,503	163,008	115,850
Less: Income attributable to non-controlling interests in general partnerships	388	87	733	88
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	19,850	18,654	47,495	37,790
Less: Income attributable to non-controlling interests in consolidated funds	702	3,768	834	4,980
Net income attributable to Hamilton Lane Incorporated	$ 54,982	$ 41,994	$ 113,946	$ 72,992
Basic earnings per share of Class A common stock	$ 1.38	$ 1.11	$ 2.87	$ 1.94
Diluted earnings per share of Class A common stock	$ 1.37	$ 1.11	$ 2.85	$ 1.92
Dividends declared per share of Class A common stock	$ 0.49	$ 0.45	$ 0.98	$ 0.89

See accompanying notes to the condensed consolidated financial statements.

Hamilton Lane Incorporated
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

(In thousands)

	Class A Common Stock	Class B Common Stock	Additional Paid in Capital	Retained Earnings	Non-Controlling Interests in General Partnerships	Non-Controlling Interests in Hamilton Lane Advisors, L.L.C.	Non-Controlling Interests in Consolidated Funds	Total Equity
Balance at March 31, 2024	$ 41	$ 14	$ 208,402	$ 316,696	$ 5,043	$ 145,762	$ —	$ 675,958
Net income	—	—	—	113,946	733	47,495	834	163,008
Equity-based compensation	—	—	5,812	—	—	2,084	—	7,896
Purchase and retirement of Class A stock for tax withholding	—	—	(676)	—	—	(242)	—	(918)
Dividends declared	—	—	—	(38,905)	—	—	—	(38,905)
Capital contributions from non-controlling interests, net	—	—	—	—	99	—	10,000	10,099
Member distributions	—	—	—	—	—	(16,485)	—	(16,485)
Employee Share Purchase Plan share issuance	—	—	934	—	—	335	—	1,269
Equity reallocation between controlling and non-controlling interests	—	—	316	—	—	(316)	—	—
Balance at September 30, 2024	$ 41	$ 14	$ 214,788	$ 391,737	$ 5,875	$ 178,633	$ 10,834	$ 801,922

	Class A Common Stock	Class B Common Stock	Additional Paid in Capital	Retained Earnings	Non-Controlling Interests in General Partnerships	Non-Controlling Interests in Hamilton Lane Advisors, L.L.C.	Non-Controlling Interests in Consolidated Funds	Total Equity
Balance at March 31, 2023	$ 39	$ 15	$ 171,567	$ 243,823	$ 3,877	$ 135,702	$ 19,169	$ 574,192
Net income	—	—	—	72,992	88	37,790	4,980	115,850
Equity-based compensation	—	—	4,180	—	—	1,783	—	5,963
Purchase and retirement of Class A stock for tax withholding	—	—	(76)	—	—	(32)	—	(108)
Dividends declared	—	—	—	(33,564)	—	—	—	(33,564)
Capital contributions from non-controlling interests, net	—	—	—	—	443	—	142,924	143,367
Member distributions	—	—	—	—	—	(25,214)	—	(25,214)
Employee Share Purchase Plan share issuance	—	—	758	—	—	324	—	1,082
Equity reallocation between controlling and non-controlling interests	—	—	2,786	—	—	(2,786)	—	—
Balance at September 30, 2023	$ 39	$ 15	$ 179,215	$ 283,251	$ 4,408	$ 147,567	$ 167,073	$ 781,568

See accompanying notes to the condensed consolidated financial statements.

Hamilton Lane Incorporated
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(In thousands)

	Class A Common Stock	Class B Common Stock	Additional Paid in Capital	Retained Earnings	Non-Controlling Interests in General Partnerships	Non-Controlling Interests in Hamilton Lane Advisors, L.L.C.	Non-Controlling Interests in Consolidated Funds	Total Equity
Balance at June 30, 2024	$ 41	$ 14	$ 210,099	$ 356,209	$ 5,388	$ 160,445	$ 4,632	$ 736,828
Net income	—	—	—	54,982	388	19,850	702	75,922
Equity-based compensation	—	—	3,439	—	—	1,234	—	4,673
Purchase and retirement of Class A stock for tax withholding	—	—	(287)	—	—	(103)	—	(390)
Dividends declared	—	—	—	(19,454)	—	—	—	(19,454)
Capital contributions from non-controlling interests, net	—	—	—	—	99	—	5,500	5,599
Member distributions	—	—	—	—	—	(1,876)	—	(1,876)
Employee Share Purchase Plan share issuance	—	—	456	—	—	164	—	620
Equity reallocation between controlling and non-controlling interests	—	—	1,081	—	—	(1,081)	—	—
Balance at September 30, 2024	$ 41	$ 14	$ 214,788	$ 391,737	$ 5,875	$ 178,633	$ 10,834	$ 801,922

	Class A Common Stock	Class B Common Stock	Additional Paid in Capital	Retained Earnings	Non-Controlling Interests in General Partnerships	Non-Controlling Interests in Hamilton Lane Advisors, L.L.C.	Non-Controlling Interests in Consolidated Funds	Total Equity
Balance at June 30, 2023	$ 39	$ 15	$ 176,673	$ 258,041	$ 4,004	$ 138,853	$ 64,075	$ 641,700
Net income	—	—	—	41,994	87	18,654	3,768	64,503
Equity-based compensation	—	—	2,185	—	—	933	—	3,118
Dividends declared	—	—	—	(16,784)	—	—	—	(16,784)
Capital distribution from non-controlling interests, net	—	—	—	—	317	—	99,230	99,547
Member distributions	—	—	—	—	—	(11,048)	—	(11,048)
Employee Share Purchase Plan share issuance	—	—	373	—	—	159	—	532
Equity reallocation between controlling and non-controlling interests	—	—	(16)	—	—	16	—	—
Balance at September 30, 2023	$ 39	$ 15	$ 179,215	$ 283,251	$ 4,408	$ 147,567	$ 167,073	$ 781,568

See accompanying notes to the condensed consolidated financial statements.

Hamilton Lane Incorporated
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)

	Six Months Ended September 30,	
	2024	2023
Operating activities:		
Net income	$ 163,008	$ 115,850
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,680	3,736
Change in deferred income taxes	4,700	4,121
Change in payable to related parties pursuant to tax receivable agreement	(1,076)	(884)
Equity-based compensation	7,896	5,963
Equity in income of investees	(13,762)	(20,117)
Net realized (gain) loss on sale of investments	(618)	288
Fair value adjustment of other investments	(9,780)	445
Proceeds received from Partnerships	14,038	12,998
Non-cash lease expense	4,778	3,999
Other	397	231
Changes in operating assets and liabilities:		
Fees receivable	12,782	(14,660)
Prepaid expenses	(5,677)	3,283
Due from related parties	(8,317)	(636)
Other assets	(367)	3,732
Accounts payable	1,925	(1,017)
Accrued compensation and benefits	35,452	22,961
Lease liability	(4,493)	(4,096)
Other liabilities	2,862	1,629
Consolidated variable interest entities related:		
Net unrealized gain on investment	(2,856)	(1,406)
Equity in income of investees	(1,884)	(419)
Other assets and liabilities	(6,543)	(432)
Net cash provided by operating activities	$ 197,145	$ 135,569
Investing activities:		
Purchase of furniture, fixtures and equipment	(3,080)	(6,276)
Purchase of investments	(5,000)	(6,352)
Proceeds from sale of investments	1,193	1,343
Proceeds from sale of intangible assets	1,275	1,739
Distributions received from Partnerships	12,678	6,001
Contributions to Partnerships	(23,928)	(23,632)
Consolidated variable interest entities related:		
Purchase of Investments	(20,275)	(57,832)
Cash from consolidating funds	12,100	—
Net cash used in investing activities	$ (25,037)	$ (85,009)

Hamilton Lane Incorporated
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)

	Six Months Ended September 30,	
	2024	2023
Financing activities:		
Repayments of debt	$ (1,250)	$ (1,250)
Draw-down on revolver	—	10,000
Repayment of revolver	—	(25,000)
Repurchase of Class A shares for employee tax withholding	(918)	(108)
Proceeds received from issuance of shares under Employee Share Purchase Plan	1,269	1,082
Dividends paid	(37,079)	(31,829)
Members' distributions paid	(31,021)	(28,599)
Consolidated variable interest entities related:		
Contributions from non-controlling interests in general partnerships	148	472
Distributions to non-controlling interests in general partnerships	(49)	(29)
Contributions from non-controlling interests in consolidated funds	10,000	142,924
Net cash (used in) provided by financing activities	$ (58,900)	$ 67,663
Increase in cash and cash equivalents, restricted cash, and cash and cash equivalents held at consolidated variable interest entities	113,208	118,223
Cash and cash equivalents, restricted cash, and cash and cash equivalents held at consolidated variable interest entities at beginning of the period	119,619	116,552
Cash and cash equivalents, restricted cash, and cash and cash equivalents held at consolidated variable interest entities at end of the period	$ 232,827	$ 234,775

Reconciliation of Cash and Cash Equivalents, Restricted Cash and Cash and Cash Equivalents Held at Consolidated Variable Interest Entities to the Condensed Consolidated Balance Sheets:

	As of September 30,	
	2024	2023
Cash and cash equivalents	$ 193,771	$ 128,098
Restricted cash	5,858	4,965
Cash and cash equivalents held at consolidated variable interest entities	33,198	101,712
Total cash and cash equivalents, restricted cash, and cash and cash equivalents held at consolidated variable interest entities	$ 232,827	$ 234,775

See accompanying notes to the condensed consolidated financial statements.

1. Organization

Hamilton Lane Incorporated (“HLI”) was incorporated in the State of Delaware on December 31, 2007 and, following its 2017 initial public offering, is a holding company whose principal asset is a controlling equity interest in Hamilton Lane Advisors, L.L.C. (“HLA”). As the sole managing member of HLA, HLI operates and controls all of the business and affairs of HLA, and through HLA, conducts its business. As a result, HLI consolidates HLA’s financial results and reports a non-controlling interest ("NCI") related to the portion of HLA units not owned by HLI. The assets and liabilities of HLA represent substantially all of HLI’s consolidated assets and liabilities with the exception of certain cash, certain deferred tax assets and liabilities, payables to related parties pursuant to a tax receivable agreement, and dividends payable. Unless otherwise specified, “the Company” refers to the consolidated entity of HLI, HLA and subsidiaries throughout the remainder of these notes. As of September 30, 2024 and March 31, 2024, HLI held approximately 73.6 % of the economic interest in HLA. As future exchanges of HLA units occur pursuant to the exchange agreement, the economic interest in HLA held by HLI will increase.

HLA is a registered investment advisor with the United States Securities and Exchange Commission (“SEC”), providing asset management and advisory services, primarily to institutional investors, to design, build and manage private markets portfolios. HLA generates revenues primarily from management and advisory fees, comprised of specialized fund and customized separate account management fees, advisory and reporting fees and distribution management fees and, to a lesser extent, incentive fees, comprised of carried interest earned from our specialized funds and certain customized separate accounts structured as single-client funds in which we have a general partner commitment, and performance fees earned on certain other specialized funds and customized separate accounts. HLA sponsors the formation, and serves as the general partner or managing member, of various limited liability partnerships consisting of specialized funds and certain single client separate account entities (“Partnerships”) that acquire interests in third-party managed investment funds that make private equity and equity-related investments. The Partnerships may also make direct investments, including investments in debt, equity, and other equity-based instruments. The Company, which includes certain subsidiaries that serve as the general partner or managing member of the Partnerships, may invest its own capital in the Partnerships and generally makes all investment and operating decisions for the Partnerships. HLA operates several wholly owned entities through which it conducts its foreign operations.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Management believes it has made all necessary adjustments (which consisted of only normal recurring items) so that the condensed consolidated financial statements are presented fairly and that estimates made in preparing the condensed consolidated financial statements are reasonable and prudent. Results of operations for the three and six months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the year ending March 31, 2025. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in HLI’s Annual Report on Form 10-K for the fiscal year ended March 31, 2024.

Accounting for Differing Fiscal Periods

The Partnerships primarily have a fiscal year end as of December 31, and the Company accounts for its investments in the Partnerships using a three-month lag due to the timing of financial information received from the investments held by the Partnerships. The Partnerships primarily invest in private equity funds, which generally require at least 90 days following the calendar year end to present audited financial statements. The Company records its share of capital contributions to and distributions from the Partnerships in investments in the Condensed Consolidated Balance Sheets during the three-month lag period.

The results of the consolidated Variable Interest Entities ("VIEs") are reported on a three-month lag, due to the timing of the receipt of related financial statements.

The Company's revenue earned from Partnerships, including both management and advisory fee revenue and incentive fee revenue, is not accounted for on a lag.

Fair Value of Financial Instruments

The Company utilizes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach, and cost approach). The levels of the hierarchy are described below:

- Level 1: Values are determined using quoted market prices for identical financial instruments in an active market.
- Level 2: Values are determined using quoted prices for similar financial instruments and valuation models whose inputs are observable.
- Level 3: Values are determined using pricing models that use significant inputs that are primarily unobservable, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The Company uses these levels of hierarchy to measure the fair value of certain financial instruments on a recurring basis, such as for investments; on a non-recurring basis, such as for acquisitions and impairment testing; for disclosure purposes, such as for long-term debt; and for other applications, as discussed in their respective notes.

The carrying amount of cash and cash equivalents, fees receivable, and accounts payable approximate fair value due to the immediate or short-term maturity of these financial instruments.

Recent Accounting Pronouncements

In October 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-06 - Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. The amendments in this ASU incorporate 14 of the 27 disclosure requirements published in SEC Release No. 33-10532 - Disclosure Update and Simplification into various topics within the Accounting Standards Codification ("ASC"). The amendments represent clarifications to, or technical corrections of, current requirements. For SEC registrants, the effective date for each amendment will be the date on which the SEC removes that related disclosure from its rules. Early adoption is prohibited. The amendments will be applied retrospectively to all prior periods presented in the condensed consolidated financial statements. The Company is currently assessing the impact of the new requirements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures. This ASU enhances segment disclosures primarily around significant segment expenses for both interim and annual periods. The amendments in this ASU are to be applied retrospectively and are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years after December 15, 2024. Early adoption is permitted. The Company is currently assessing the impact of the new requirements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, to enhance transparency and decision usefulness of income tax disclosures. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, on a prospective basis, with early adoption permitted. The Company is currently assessing the impact of the new requirements.

In March 2024, the SEC adopted final rules to require disclosures about certain climate-related information in registration statements and annual reports. In April 2024, the SEC issued an order to stay the rules pending the completion of judicial review of multiple petitions challenging the rules. The rules, if implemented, would require information about a registrant's climate-related risks that are reasonably likely to have a material impact on its business, results of operations, or financial condition. The required information about climate-related risks will also include disclosure of a registrant's greenhouse gas emissions, if material. In addition, the rules will require registrants to present certain climate-related financial metrics in their audited financial statements. The Company is currently assessing the impact of the new requirements should the rules be implemented.

The Organization for Economic Co-operation and Development ("OECD") has issued Pillar Two model rules introducing a new global minimum tax of 15%. While the U.S. has not yet adopted the Pillar Two rules, various other governments around the world are enacting similar legislation. The Company is not within the scope of the OECD Pillar Two model rules.

(In thousands, except share and per share amounts)

3. Revenue

The following table presents revenues disaggregated by product offering, which aligns with the identified performance obligations and the basis for calculating each amount:

	Three Months Ended September 30,		Six Months Ended September 30,	
Management and advisory fees	**2024**	**2023**	**2024**	**2023**
Specialized funds	$ 70,312	$ 62,386	$ 160,103	$ 120,102
Customized separate accounts	34,757	32,040	68,210	63,759
Advisory	5,728	6,014	11,639	12,307
Reporting, monitoring, data and analytics	7,128	6,261	14,122	11,819
Distribution management	416	1,254	915	2,467
Fund reimbursement revenue	1,442	1,229	4,756	4,138
Total management and advisory fees	$ 119,783	$ 109,184	$ 259,745	$ 214,592

	Three Months Ended September 30,		Six Months Ended September 30,	
Incentive fees	**2024**	**2023**	**2024**	**2023**
Specialized funds	$ 26,021	$ 14,276	$ 78,076	$ 32,662
Customized separate accounts	4,195	3,416	8,909	4,660
Total incentive fees	$ 30,216	$ 17,692	$ 86,985	$ 37,322

4. Investments

Investments consist of the following:

	September 30, 2024	March 31, 2024
Equity method investments in Partnerships	$ 419,625	$ 408,615
Other equity method investments	1,085	1,576
Fair value investments	17,540	17,984
Investments valued under the measurement alternative	188,922	175,522
Total Investments	$ 627,172	$ 603,697

Investments of consolidated VIEs consist of the following:

	September 30, 2024	March 31, 2024
Equity method investments in Partnerships	$ 18,756	$ 28,575
Fair value investments	23,132	—
Total Investments of Consolidated VIEs	$ 41,888	$ 28,575

Equity method investments

The Company's equity method investments in Partnerships represent its ownership in certain specialized funds and customized separate accounts. The strategies and geographic location of investments within the Partnerships vary by fund. The Company has a 1 % interest in substantially all of the Partnerships, representing a general partner interest. The Company's other equity method investments represent its ownership in a technology company to develop an AI-powered investment assistant for private markets.

Fair value investments

The Company's fair value investments represent a publicly traded security, investments held by the consolidated funds and investments in private equity funds and direct credit and equity investments that are held as collateral on the Company's secured financing. The private equity fund investments can only be redeemed through distributions received from the liquidation of underlying investments of the fund, and the timing of distributions is currently indeterminable. The cost of the assets held as collateral was $ 5,431 and $ 5,952 as of September 30, 2024 and March 31, 2024, respectively. The direct credit investments were debt securities classified as trading securities. Fair value investments are measured at fair value with unrealized gains and losses recorded in non-operating gain (loss) in the Condensed Consolidated Statements of Income.

The Company accounts for its secured financing at fair value under the fair value option. The primary reason for electing the fair value option is to mitigate volatility in earnings from using different measurement attributes. The significant input to the fair value of the secured financing is the fair value of the fair value investments delivered as collateral which are estimated using Level 3 inputs with the significant inputs as shown in Note 5 below.

The Company recognized a loss of $ 611 and a gain of $ 337 on fair value investments held as collateral during the three and six months ended September 30, 2024, respectively, and losses of $ 840 and $ 869 during the three and six months ended September 30, 2023, respectively, that are recorded in non-operating gain (loss). The Company recognized a gain of $ 611 and a loss of $ 337 on the secured financing liability during the three and six months ended September 30, 2024, respectively, and gains of $ 840 and $ 869 during the three and six months ended September 30, 2023, respectively, that are recorded in non-operating gain (loss) in the Condensed Consolidated Statements of Income.

(In thousands, except share and per share amounts)

Investments valued under the measurement alternative

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	2023	2024	2023
Carrying amount beginning of the period	$ 188,922	$ 170,386	$ 175,522	$ 168,732
Adjustments related to equity investments:				
Purchases	—	5,136	5,000	6,312
Sales / return of capital	—	—	—	(177)
Net change in unrealized gain [1]	—	—	8,400	1,177
Net realized loss	—	—	—	(522)
Carrying amount, end of period	$ 188,922	$ 175,522	$ 188,922	$ 175,522

(1) Net change in unrealized gain consists of fair value adjustments for observable price changes of identical or similar investments.

The following table summarizes the cumulative gross unrealized gains and cumulative gross unrealized losses related to the Company's investments under the measurement alternative:

	September 30, 2024	March 31, 2024
Cumulative gross unrealized gains	$ 78,634	$ 70,235
Cumulative gross unrealized losses	$ (43,289)	$ (43,289)

5. Fair Value Measurements

The following tables summarize the Company's financial assets and financial liabilities recorded at fair value by fair value hierarchy level:

	As of September 30, 2024				
	Level 1	Level 2	Level 3	NAV[(2)]	Total
Financial assets:					
Fair value investments	$ 4,460	$ —	$ 13,080	$ —	$ 17,540
Consolidated VIEs					
Fair value investments	—	—	—	23,132	23,132
Total financial assets	$ 4,460	$ —	$ 13,080	$ 23,132	$ 40,672
Financial liabilities:					
Secured financing[(1)]	$ —	$ —	$ 13,080	$ —	$ 13,080
Total financial liabilities	$ —	$ —	$ 13,080	$ —	$ 13,080

(In thousands, except share and per share amounts)

	As of March 31, 2024				
	Level 1	**Level 2**	**Level 3**	**NAV[2]**	**Total**
Financial assets:					
Fair value investments	$ 4,913	$ —	$ 13,071	$ —	$ 17,984
Consolidated VIEs					
Fair value investments	—	—	—	—	—
Total financial assets	$ 4,913	$ —	$ 13,071	$ —	$ 17,984
Financial liabilities:					
Secured financing[1]	$ —	$ —	$ 13,071	$ —	$ 13,071
Total financial liabilities	$ —	$ —	$ 13,071	$ —	$ 13,071

[1] Secured financing is recorded within other liabilities in the Condensed Consolidated Balance Sheets.
[2] Investments are recorded at estimated fair value based upon the net asset value ("NAV") of the fund utilizing the practical expedient under ASC 820, "Fair Value Measurement." The fair value amounts presented in this column are intended to permit reconciliation of the fair value hierarchy to the amounts presented in Note 4.

The following is a reconciliation of fair value investments for which significant unobservable inputs (Level 3) were used in determining value:

	Private equity funds	**Direct equity investments**	**Total investments**
Balance as of June 30, 2024	$ 5,029	$ 8,842	$ 13,871
Distributions	(180)	—	(180)
Net loss	(242)	(369)	(611)
Balance as of September 30, 2024	$ 4,607	$ 8,473	$ 13,080
Balance as of March 31, 2024	$ 5,519	$ 7,552	$ 13,071
Distributions	(328)	—	(328)
Net (loss) gain	(584)	921	337
Balance as of September 30, 2024	$ 4,607	$ 8,473	$ 13,080

	Private equity funds	**Direct credit investments**	**Direct equity investments**	**Total investments**
Balance as of June 30, 2023	$ 6,430	$ 785	$ 6,934	$ 14,149
Distributions	(138)	(798)	—	(936)
Net (loss) gain	(553)	13	(300)	(840)
Balance as of September 30, 2023	$ 5,739	$ —	$ 6,634	$ 12,373
Balance as of March 31, 2023	$ 6,664	$ 790	$ 6,774	$ 14,228
Distributions	(188)	(798)	—	(986)
Net (loss) gain	(737)	8	(140)	(869)
Balance as of September 30, 2023	$ 5,739	$ —	$ 6,634	$ 12,373

(In thousands, except share and per share amounts)

The following is a reconciliation of investments held by our consolidated VIEs for which significant unobservable inputs (Level 3) were used in determining value:

	Direct credit investments
Balance as of June 30, 2024	$ 379
Transfer out	(379)
Balance as of September 30, 2024	$ —
Balance as of March 31, 2024	$ 386
Net gain/(loss)	(7)
Transfer out	(379)
Balance as of September 30, 2024	$ —

	Direct credit investments
Balance as of June 30, 2023	$ 54,625
Contributions	10,731
Distributions	(140)
Net gain/(loss)	412
Transfer in	3,753
Balance as of September 30, 2023	$ 69,381
Balance as of March 31, 2023	$ 21,163
Contributions	24,787
Distributions	(180)
Net gain/(loss)	494
Transfer in	23,117
Balance as of September 30, 2023	$ 69,381

(In thousands, except share and per share amounts)

The valuation methodologies, significant unobservable inputs, range of inputs and the weighted average input determined based upon relative fair value of the investments used in recurring Level 3 fair value measurements of assets were as follows, as of September 30, 2024:

	Fair Value	Valuation Methodology	Significant Unobservable Inputs	Range	Weighted Average
Private equity funds	$ 4,607	Adjusted NAV	Selected market return	2.6 % - 4.4 %	2.9 %
Direct equity investments	$ 8,473	Adjusted NAV	Selected market return	4.3 % - 4.5 %	4.3 %

For the significant unobservable inputs listed in the tables above a significant increase or decrease in the selected market return would result in a significantly higher or lower fair value measurement, respectively.

6. Variable Interest Entities

The Company holds variable interests in entities that are considered VIEs because limited partners lack the ability to remove the general partner or dissolve the entity without cause by simple majority vote (i.e., do not have substantive “kick out” or “liquidation” rights). The Company’s variable interest in such entities is in the form of direct equity interests in, and/or fee arrangements with, the Partnerships in which it also serves as the general partner or managing member. In the Company’s role as general partner or managing member, it generally considers itself the sponsor of the applicable Partnership and makes all investment and operating decisions. The Company consolidates VIEs in which it is determined that the Company is the primary beneficiary.

Consolidated Variable Interest Entities

The Company consolidates general partner entities of certain Partnerships and funds in which it is currently the primary beneficiary, which are not wholly-owned by the Company. The assets of the consolidated general partner VIEs represent investments in funds and the assets of the consolidated funds represent cash and investments. The assets may only be used to settle obligations of the respective consolidated VIEs, if any. In addition, there is no recourse to the Company for the consolidated VIEs’ liabilities, except for certain entities in which there could be a clawback of previously distributed carried interest. At the point when the Company no longer qualifies as the primary beneficiary of a consolidated VIE, it will deconsolidate all the assets and liabilities of the NCI in the respective Partnership from the Condensed Consolidated Balance Sheets.

Non-consolidated Variable Interest Entities

Certain Partnerships that are VIEs are not consolidated because the Company has determined it is not the primary beneficiary based upon the Company’s equity interest percentage in each of the applicable VIEs. As of September 30, 2024, the total remaining unfunded commitments from the Company’s general partner entities to the non-consolidated VIEs was $ 187,283 . Investor commitments are the primary source of financing for the non-consolidated VIEs.

The maximum exposure to loss represents the potential loss of assets recognized by the Company relating to these non-consolidated VIEs. The Company believes that its maximum exposure to loss is limited because it establishes separate limited liability or limited partnership entities to serve as the general partner or managing member of the Partnerships.

(In thousands, except share and per share amounts)

The carrying value of assets and liabilities recognized in the Condensed Consolidated Balance Sheets related to the Company's interests in these non-consolidated VIEs and the Company's maximum exposure to loss relating to non-consolidated VIEs were as follows:

	September 30, 2024	March 31, 2024
Investments	$ 239,065	$ 232,743
Fees receivable	27,986	61,694
Due from related parties	5,721	1,699
Total VIE Assets	272,772	296,136
Less: Non-controlling interests	(2,469)	(1,918)
Maximum exposure to loss	$ 270,303	$ 294,218

7. Debt

The Company's debt consisted of the following:

	As of September 30, 2024			As of March 31, 2024		
	Principal Outstanding	Carrying Value	Interest Rate	Principal Outstanding	Carrying Value	Interest Rate
Term Loan	$ 95,625	$ 95,312	6.75 %	$ 96,875	$ 96,531	7.25 %
2020 Multi-Draw Facility	100,000	99,659	3.50 %	100,000	99,628	3.50 %
Total Debt	$ 195,625	$ 194,971		$ 196,875	$ 196,159	

The carrying value of the Company's outstanding debt as of September 30, 2024 and March 31, 2024 approximated fair value except for the 2020 multi-draw facility, which had an estimated fair value of $ 90,533 and $ 87,611 as of September 30, 2024 and March 31, 2024, respectively. The estimated fair value of debt is based on then-current market rates for similar debt instruments and is classified as Level 2 within the fair value hierarchy.

(In thousands, except share and per share amounts)

8. Equity

The following table shows a rollforward of the Company's common stock outstanding since March 31, 2024:

	Class A Common Stock	Class B Common Stock
March 31, 2024	40,547,806	13,664,635
Awards granted	1,243,383	—
Shares issued pursuant to Employee Share Purchase Plan	10,510	—
Forfeitures	(28,534)	—
Shares repurchased for employee tax withholdings	(2,976)	—
September 30, 2024	41,770,189	13,664,635

9. Equity Based Compensation

Restricted Stock Awards

A summary of restricted stock activity for the six months ended September 30, 2024 is presented below:

	Total Unvested	Weighted-Average Grant-Date Fair Value of Award
March 31, 2024	363,128	$ 80.34
Granted	103,207	$ 147.79
Vested	(19,652)	$ 78.06
Forfeited	(15,490)	$ 81.21
September 30, 2024	431,193	$ 96.55

As of September 30, 2024, total unrecognized compensation expense related to restricted stock was $ 36,655 .

Performance Awards

The Company granted performance stock awards to certain employees that are subject to both a market-based vesting and a service-based vesting condition ("Performance Awards"). The Performance Awards will vest based upon (i) the market price of HLI Class A common stock achieving certain price thresholds from $ 150 per share to $ 230 per share and (ii) continued employment through the date the price target is met (with a minimum of five years of service required after the grant date for vesting). If the price target is met prior to the fifth anniversary of the grant date, the vesting date will be the fifth anniversary of the grant date. Holders of the Performance Awards do not participate in dividends until such awards have met both their market-based and service-based vesting requirements.

Due to the existence of the service requirement, the vesting period for these awards will vary with each respective tranche as the employees must be employed with the Company at the point in which the market requirement is met with a minimum of five years of service required after the grant date for vesting. As such, compensation expense will be recognized ratably for each vesting tranche from the grant date to the end for the employee's service period. The fair value of the awards granted are based on a Monte-Carlo simulation valuation model.

(In thousands, except share and per share amounts)

A summary of Performance Award activity for the six months ended September 30, 2024 is presented below:

	Total Unvested	Weighted-Average Grant-Date Fair Value of Award
March 31, 2024	489,150	$ 29.79
Granted	1,140,176	$ 130.75
Forfeited	(13,044)	$ 29.79
September 30, 2024	1,616,282	$ 101.01

Below is a summary of the grant date fair value based on the Monte Carlo simulation valuation model and the significant assumptions used to estimate the grant date fair value of the Performance Awards granted September 16, 2024:

Grant Date Fair Value	$ 130.75
Closing share price as of valuation date	$ 153.23
Risk Free Rate	3.5 %
Volatility	37.5 %
Dividend Yield	1.3 %

As of September 30, 2024, total estimated unrecognized expense related to the unvested Performance Awards was $ 156,236 .

10. Compensation and Benefits

The Company has recorded the following amounts related to compensation and benefits:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	2023	2024	2023
Base compensation and benefits	$ 42,843	$ 38,389	$ 103,862	$ 74,739
Incentive fee compensation	7,554	4,423	21,746	9,330
Equity-based compensation	4,673	3,118	7,896	5,963
Total compensation and benefits	$ 55,070	$ 45,930	$ 133,504	$ 90,032

11. Income Tax

The Company's effective tax rate used for interim periods is based on an estimated annual effective tax rate including the tax effect of items required to be recorded discretely in the interim period in which those items occur. The effective tax rate is dependent on many factors, including the estimated amount of income subject to income tax; therefore, the effective tax rate can vary from period to period. The

(In thousands, except share and per share amounts)

Company evaluates the realizability of its deferred tax asset on a quarterly basis and adjusts the valuation allowance when it is more likely than not that all or a portion of the deferred tax asset may not be realized.

The Company's effective tax rates were 1.5 % and 2.8 % for the three months ended September 30, 2024 and 2023, respectively, and 11.3 % and 13.6 % for the six months ended September 30, 2024 and 2023, respectively. The effective tax rates were different from the statutory tax rates due to the portion of income allocated to NCI, valuation allowance recorded against deferred tax assets and discrete tax adjustments to true-up prior fiscal year estimated investment taxable income to actual investment taxable income reported to the Company after the prior fiscal year end.

As of September 30, 2024, the Company had no unrecognized tax positions and believes there will be no changes to uncertain tax positions within the next 12 months.

12. Earnings per Share

The following table presents the basic earnings per share ("EPS") for a share of Class A common stock:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	2023	2024	2023
Net income attributable to HLI	$ 54,982	$ 41,994	$ 113,946	$ 72,992
Weighted Average Shares	39,704,607	37,718,210	39,700,166	37,713,038
Basic EPS of Class A common stock	$ 1.38	$ 1.11	$ 2.87	$ 1.94

Shares of the Company's Class B common stock do not share in the earnings or losses attributable to HLI, and, therefore, are not participating shares. As a result, a separate presentation of basic and diluted earnings per share of Class B common stock under the two-class method has not been included. Shares of the Company's Class B common stock are, however, considered potentially dilutive to the Class A common stock because the Class B units to which the Class B common stock corresponds are exchangeable for shares of Class A common stock on a one -for-one basis, at which time the share of Class B common stock is surrendered in exchange for a payment of its par value.

The adjustments to net income for dilutive shares are based upon the additional income that would be allocated to HLI for the change in its ownership percentage due to the dilutive shares and adjusted for the incremental income tax expense related to the additional allocated income. Net income (loss) recorded by HLI on a standalone basis will determine if the Class B and Class C units are dilutive or antidilutive in each respective period.

(In thousands, except share and per share amounts)

The following table presents the diluted EPS for a share of Class A common stock:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	2023	2024	2023
Numerator				
Net income attributable to Class A common stockholders - basic	$ 54,982	$ 41,994	$ 113,946	$ 72,992
Adjustments to net income:				
Assumed vesting of employee awards [1]	91	44	152	53
Assumed conversion of Class B and Class C units	19,346	17,824	39,994	30,177
Net income attributable to Class A common stockholders	$ 74,419	$ 59,862	$ 154,092	$ 103,222
Denominator				
Weighted-average shares of Class A common stock outstanding - basic	39,704,607	37,718,210	39,700,166	37,713,038
Weighted-average effect of dilutive securities:				
Assumed vesting of employee awards [1]	254,578	133,775	205,379	94,622
Assumed conversion of Class B and Class C units	14,221,775	16,089,097	14,221,775	16,089,097
Weighted-average shares of Class A common stock outstanding	54,180,960	53,941,082	54,127,320	53,896,757
Diluted EPS of Class A common stock	$ 1.37	$ 1.11	$ 2.85	$ 1.92

(1) Includes Performance Awards that have met their market condition but have not satisfied the service condition.

The following table presents the weighted-average shares excluded from the calculation of diluted EPS of Class A common stock:

	Three Months Ended September 30,		Six Months Ended September 30,	
Shares	2024	2023	2024	2023
Performance Awards [1]	503,302	508,716	411,954	513,313

(1) Performances Awards for which the market condition has not been achieved as of the period reported.

13. Related Party Transactions

The Company considers its employees, directors, and equity method investments to be related parties.

Revenue and Receivables

The Company has investment management agreements with various specialized funds and customized separate accounts that it manages. The Company earned management and advisory fees from Partnerships of $ 94,170 and $ 83,717 for the three months ended September 30, 2024 and 2023, respectively, and $ 209,218 and $ 164,020 for the six months ended September 30, 2024 and 2023, respectively. The Company earned incentive fees from Partnerships of $ 29,056 and $ 16,602 for the three months ended September 30, 2024 and 2023, respectively, and $ 84,376 and $ 35,227 for the six months ended September 30, 2024 and 2023, respectively.

(In thousands, except share and per share amounts)

Fees receivable from the Partnerships were $ 75,577 and $ 91,317 as of September 30, 2024 and March 31, 2024, respectively, and are included in fees receivable in the Condensed Consolidated Balance Sheets.

14. Supplemental Cash Flow

	Six Months Ended September 30,	
	2024	**2023**
Non-cash operating activities:		
Establishment of lease liability in exchange for right of use asset	$ 3,578	$ 4,666
Non-cash investing activities:		
Non-cash purchase of other equity method investment	$ —	$ 2,000
Non-cash financing activities:		
Dividends declared but not paid	$ 19,454	$ 16,784
Member distributions declared but not paid	$ 9,279	$ 12,338

15. Commitments and Contingencies

Litigation

In the ordinary course of business, the Company may be subject to various legal, regulatory, and/or administrative proceedings from time to time. Although there can be no assurance of the outcome of such proceedings, in the opinion of management, the Company does not believe it is probable that any pending or, to its knowledge, threatened legal proceeding or claim would individually or in the aggregate materially affect its condensed consolidated financial statements.

Incentive Fees

The Partnerships have allocated carried interest still subject to contingencies that did not meet the Company's criteria for revenue recognition in the amounts of $ 1,252,836 and $ 1,221,488 , net of amounts attributable to NCI, at September 30, 2024 and March 31, 2024, respectively.

If the Company ultimately receives the unrecognized carried interest, a total of $ 313,209 and $ 305,372 as of September 30, 2024 and March 31, 2024, respectively, would potentially be payable to certain employees and third parties pursuant to compensation arrangements related to carried interest profit-sharing plans. Such amounts have not been recorded in the Condensed Consolidated Balance Sheets or Condensed Consolidated Statements of Income as the payment is not yet probable.

(In thousands, except share and per share amounts)

Commitments

The Company serves as the investment manager of the Partnerships. The general partner or managing member of each Partnership is generally a separate subsidiary of the Company and has agreed to invest funds on the same basis as the limited partners in most instances. The Company's aggregate unfunded commitment to the Partnerships was $ 276,153 and $ 267,734 as of September 30, 2024 and March 31, 2024, respectively.

In connection with certain of the Company's strategic technology investments a percentage of realized gains will be paid to one of our Co-CEOs for overseeing the initial investments and up to 15 % may be paid as a discretionary bonus to other employees as those gains are realized. The Company has an unrealized net gain on strategic investments of $ 37,732 as of September 30, 2024.

The Company offers an Employee Investment Program ("EIP") through which certain employees are able to invest directly into certain Company managed funds as individual limited partners ("LPs"). The employees also have an option to enter into a loan agreement with the Company or a third-party lender to fund committed capital. The loan is collateralized by the underlying LP's interest in the fund and return of capital distributions are utilized to pay the outstanding loan balance. The Company entered into a separate agreement with the third-party lender to backstop the employee's performance under the loan with a commitment to purchase the LP interest from the lender at the greater of fair value or the outstanding balance of the loan in the event of a default by the employee. As of September 30, 2024, the total amount of outstanding loans at the third-party lender under the EIP was $ 1,187 , and the Company believes the risk of default by an employee to be remote.

Leases

The Company's leases consist primarily of operating leases for office space and office equipment in various locations around the world. Some leases have the option to extend for an additional term or terminate early. Short-term lease costs are not material.

The following table shows lease costs and other supplemental information related to the Company's operating leases:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	2023	2024	2023
Operating lease costs	$ 2,372	$ 2,270	$ 4,578	$ 4,469
Variable lease costs	$ 381	$ 259	$ 788	$ 658
Cash paid for amounts included in the measurement of operating lease liabilities	$ 2,260	$ 2,244	$ 4,493	$ 4,332

	September 30, 2024	March 31, 2024
Weighted average remaining lease term (in years)	11.9	12.6
Weighted average discount rate	3.5 %	3.5 %

(In thousands, except share and per share amounts)

As of September 30, 2024, the maturities of operating lease liabilities were as follows:

Remainder of FY2025	$	4,444
FY2026		8,965
FY2027		8,863
FY2028		8,172
FY2029		7,340
Thereafter		60,414
Total lease payments	$	98,198
Less: imputed interest		(18,314)
Total operating lease liabilities	$	79,884

16. Subsequent Events

Credit Facility Amendments

On October 7, 2024, the Company amended its existing Term Loan Agreement, Revolving Loan and Security Agreement, 2020 Multi-Draw Term Loan Agreement and 2022 Multi-Draw Term Loan Agreement (collectively, the “Loan Agreements”). The amendments included naming JP Morgan Chase Bank, N.A. as the successor-in-interest to First Republic Bank, updating the maturity dates for the Loan Agreements and allowing for incurring additional indebtedness.

Private Placement of Senior Notes

On October 8, 2024, the Company issued $ 100,000 aggregate principal amount of 5.28 % senior notes due October 15, 2029.

Dividend Declared

On November 6, 2024, the Company announced a quarterly dividend of $ 0.49 per share of Class A common stock to record holders at the close of business on December 16, 2024. The payment date will be January 7, 2025.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following information should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included in this Form 10-Q, and our audited financial statements, notes thereto and Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our 2024 Form 10-K for a more complete understanding of our financial position and results of operations.

The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Investors should review the “Cautionary Note Regarding Forward-Looking Information” above and the “Risk Factors” detailed in Part I, Item 1A of our 2024 Form 10-K for a discussion of those risks and uncertainties that have the potential to cause actual results to be materially different. Our results of operations for interim periods are not necessarily indicative of results to be expected for the full year or for any other period. Unless otherwise indicated, references in this Form 10-Q to fiscal 2024 and fiscal 2023 are to our fiscal years ended March 31, 2024, and 2023, respectively.

Business Overview

We are a global private markets investment solutions provider and operate our business in a single segment. We offer a variety of investment solutions to address our clients’ needs across a range of private markets, including private equity, private credit, real estate, infrastructure, natural resources, growth equity, venture capital and impact. These solutions are constructed from a range of investment types, including primary investments in funds managed by third-party managers, direct investments alongside such funds and acquisitions of secondary stakes in such funds, with a number of our clients utilizing multiple investment types. These solutions are offered in a variety of formats covering some or all phases of private markets investment programs:

- *Customized Separate Accounts*: We design and build customized portfolios of private markets funds and direct investments to meet our clients’ specific portfolio objectives with regard to return, risk tolerance, diversification and liquidity. We generally have discretionary investment authority over our customized separate accounts, which comprised $95.1 billion of our assets under management (“AUM”) as of September 30, 2024.

- *Specialized Funds*: We organize, invest and manage specialized primary, secondary and direct investment funds. Our specialized funds invest across a variety of private markets and include equity, equity-linked and credit funds offered on standard terms, as well as shorter duration, opportunistically oriented funds. We launched our first specialized fund in 1997. Since then, our product offerings have grown steadily and now include evergreen offerings that primarily invest in secondaries and direct investments in equity and credit and are available to certain high-net-worth individuals. Specialized funds comprised $36.2 billion of our AUM as of September 30, 2024.

- *Advisory Services*: We offer non-discretionary investment advisory services to assist clients in developing and implementing their private markets investment programs. Our investment advisory services include asset allocation, strategic plan creation, development of investment policies and guidelines, the screening and recommending of investments, the monitoring of and reporting on investments and investment manager review and due diligence. Our advisory clients include some of the largest and most sophisticated private markets investors in the world. We had $816.1 billion of assets under advisement (“AUA”) as of September 30, 2024.

- *Distribution Management*: We offer distribution management services to our clients through active portfolio management to enhance the realized value of publicly traded stock they receive as distributions in-kind from private equity funds.

- *Reporting, Monitoring, Data and Analytics:* We provide our clients with comprehensive reporting and investment monitoring services, usually bundled into our broader investment solutions offerings, but also on a stand-alone, fee-for-service basis. We also provide comprehensive research and analytical services as part of our investment solutions, leveraging our large, global, proprietary and high-quality database for transparency and powerful analytics. Our data, as well as our benchmarking and forecasting models, are accessible through our proprietary technology solution, Cobalt LP, on a stand-alone, subscription basis.

Our client and investor base is broadly diversified by type, size and geography. Our client base primarily comprises institutional investors that range from those seeking to make an initial investment in alternative assets to some of the world's largest and most sophisticated private markets investors. As we offer a highly customized, flexible service, we are equipped to provide investment services to institutional clients of all sizes and with different needs, internal resources and investment objectives. Our clients include prominent institutional investors in the United States, Canada, Europe, the Middle East, Asia, Australia and Latin America. We provide private markets solutions and services to some of the largest global pension, sovereign wealth and U.S. state pension funds. In addition, we believe we are a leading provider of private markets solutions for U.S. labor union pension plans, and we serve numerous smaller public and corporate pension plans, sovereign wealth funds, financial institutions and insurance companies, endowments and foundations, as well as family offices and high-net-worth individuals.

Recent Transactions

Credit Facility Amendments

On October 7, 2024, we amended our existing Term Loan Agreement, Revolving Loan and Security Agreement, 2020 Multi-Draw Term Loan Agreement and 2022 Multi-Draw Term Loan Agreement (collectively, the "Loan Agreements"). The amendments included naming JP Morgan Chase Bank, N.A. as the successor-in-interest to First Republic Bank, updating the maturity dates for the Loan Agreements and allowing for incurring additional indebtedness.

Private Placement of Senior Notes

On October 8, 2024, we issued $100 million aggregate principal amount of 5.28% senior notes due October 15, 2029 (the "Notes").

Performance Awards

On September 16, 2024, we granted a total of 1,140,176 shares of performance stock awards ("Performance Awards") with a grant-date fair value of $149.1 million to certain employees, which included grants to each of our Co-Chief Executive Officers. The Performance Awards are subject to both a market-based and a service-based vesting condition and will vest based upon (i) the market price of our Class A common stock achieving certain price thresholds from $150 per share to $230 per share and (ii) continued employment through the date the price target is met (with a minimum of five years of service required after the grant date for vesting). Compensation expense will be recognized ratably from the grant date to the end of the applicable employee's minimum service period.

Key Financial and Operating Measures

Our key financial measures are discussed below.

Revenues

We generate revenues primarily from management and advisory fees, and to a lesser extent, incentive fees.

Management and advisory fees comprise specialized fund and customized separate account management fees, advisory and reporting fees and distribution management fees.

Revenues from customized separate accounts are generally based on a contractual rate applied to committed capital or net invested capital under management. These fees often decrease over the life of the contract due to built-in declines in contractual rates and/or as a result of lower net invested capital balances as capital is returned to clients. In certain cases, we also provide advisory and/or reporting services, and, therefore, we also receive fees for services such as monitoring and reporting on a client’s existing private markets investments. In addition, we may provide for investments in our specialized funds as part of our customized separate accounts. In these cases, we generally reduce the asset-based and/or incentive fees or carried interest on customized separate accounts to the extent that assets in the accounts are invested in our specialized funds so that our clients do not pay duplicate fees.

Revenues from specialized funds are based on a percentage of limited partners’ capital commitments to, net invested capital or net asset value (“NAV”) in, our specialized funds. The management fee during the investment period is often charged on capital commitments and after the investment period (or a defined anniversary of the fund’s initial closing) is typically reduced by a percentage of the management fee for the preceding year or charged on net invested capital or NAV. In the case of certain funds, we charge management fees on capital commitments, with the management fee increasing during the early years of the fund’s term and declining in the later years. Management fees for certain funds are discounted based on the amount of the limited partners’ commitments, whether the limited partners commit early in the offering period or if the limited partners are investors in our other funds.

Revenues from advisory and reporting, monitoring, data and analytics services are generally annual fixed fees, which vary depending on the services we provide, and are recognized over the service term. In limited cases, advisory service clients are charged basis point fees annually based on the amounts they have committed to invest pursuant to their agreements with us. In other cases where our services are limited to monitoring and reporting on investment portfolios, clients are charged a fee based on the number of investments in their portfolio.

Distribution management fees are generally earned by applying a percentage to AUM or proceeds received. Certain active management clients may elect a fee structure under which they are charged an asset-based fee plus a fee based on net realized and unrealized gains and income net of realized and unrealized losses.

Incentive fees comprise carried interest earned from our specialized funds and certain customized separate accounts structured as single-client funds in which we have a general partner commitment, and performance fees earned on certain other specialized funds and customized separate accounts.

For each of our secondary funds, direct investment funds, strategic opportunity funds and evergreen funds, we generally earn carried interest equal to a fixed percentage of net profits, usually 10.0% to 12.5%, subject to a compounded annual preferred return that is generally 6.0% to 8.0%. To the extent that our primary funds also directly make secondary investments and direct investments, they generally earn carried interest on a similar basis. Furthermore, certain of our primary funds earn carried interest on their investments in other private markets funds on a primary basis that is generally 5.0% of net profits, subject to the fund's compounded annual preferred return.

We recognize carried interest when it is probable that a significant reversal will not occur. The primary contingency regarding incentive fees is the "clawback," or the obligation to return distributions in excess of the amount prescribed by the applicable fund or separate account documents. Incentive fees are typically only required to be returned on a net of tax basis due to a clawback. As such, the tax-related portion of incentive fees is typically not subject to clawback and is therefore recognized as revenue immediately upon receipt. In the event that a payment is made before it can be recognized as revenue, this amount would be included as deferred incentive fee revenue on our Condensed Consolidated Balance Sheets and recognized as income in accordance with our revenue recognition policy.

Performance fees, which are a component of incentive fees, are based on the aggregate amount of realized gains earned by the applicable specialized fund or customized separate account, subject to the achievement of defined minimum returns to the clients. Performance fees range from 5.0% to 12.5% of net profits, subject to a compounded annual preferred return that varies by account but is generally 6.0% to 8.0%. Performance fees are recognized when the risk of clawback or reversal is not probable.

Expenses

Compensation and benefits is our largest expense and consists of (a) base compensation comprising salary, bonuses and benefits paid and payable to employees, (b) equity-based compensation associated with the grants of restricted stock and performance awards and (c) incentive fee compensation, which consists of carried interest and performance fee allocations. We expect to continue to experience a general rise in compensation and benefits expense commensurate with expected growth in headcount and with the need to maintain competitive compensation levels as we expand geographically and create new products and services.

Our compensation arrangements with our employees contain a significant bonus component driven by the results of our operations. Therefore, as our revenues, profitability and the amount of incentive fees earned by our customized separate accounts and specialized funds increase, our compensation costs rise.

Certain current and former employees participate in a carried interest program whereby approximately 25% of incentive fees from certain of our specialized funds and customized separate accounts are awarded to plan participants. We record compensation expense payable to plan participants as the incentive fees become estimable and collection is probable.

General, administrative and other includes travel, accounting, legal and other professional fees, commissions, placement fees, office expenses, depreciation and other costs associated with our operations. Our occupancy-related costs and professional services expenses, in particular, generally increase or decrease in relative proportion to the number of our employees and the overall size and scale of our business operations.

Other Income (Expense)

Equity in income of investees primarily represents our share of earnings from our investments in our specialized funds and certain customized separate accounts in which we have a general partner commitment. Equity income primarily comprises our share of the net realized and unrealized gains (losses) and investment income partially offset by the expenses from these investments.

We have general partner commitments in our specialized funds and certain customized separate accounts that invest solely in primary funds, secondary funds and direct investments, as well as those that invest across investment types. Equity in income (loss) of investees will increase or decrease as the change in underlying fund investment valuations increases or decreases. Since our direct investment funds invest in underlying portfolio companies, their quarterly and annual valuation changes are more affected by individual company movements than our primary and secondary funds that have exposures across multiple portfolio companies in underlying private markets funds. Our specialized funds and customized separate accounts invest across industries, strategies and geographies, and therefore our general partner investments do not include any significant concentrations in a specific sector or area outside the United States.

Interest expense includes interest paid and accrued on our outstanding debt, along with the amortization of deferred financing costs, amortization of original issue discount and the write-off of deferred financing costs due to the repayment of previously outstanding debt.

Interest income is income earned on cash and cash equivalents.

Non-operating gain (loss) consists primarily of gains and losses on certain investments, changes in liability under the tax receivable agreement and other non-recurring or non-cash items.

Other income (expense) of consolidated variable interest entities (“VIEs”) consists primarily of the share of earnings of investments of consolidated general partner entities, which are not wholly-owned by us, in our specialized funds and certain customized separate accounts in which they have a general partner commitment, interest income on our previously consolidated fund and unrealized gains and interest income on consolidated funds.

Income Tax Expense

We are a corporation for U.S. federal income tax purposes and therefore are subject to U.S. federal and state income taxes on our share of taxable income generated by HLA. HLA is treated as a pass-through entity for U.S. federal and state income tax purposes. As such, income generated by HLA flows through to its limited partners, including us, and is generally not subject to U.S. federal or state income tax at the partnership level. Our non-U.S. subsidiaries generally operate as corporate entities in non-U.S. jurisdictions, with certain of these entities subject to non-U.S. income taxes. Additionally, certain of our subsidiaries are subject to local jurisdiction income taxes at the entity level. Accordingly, the tax liability with respect to income attributable to non-controlling interests (“NCI”) in HLA is borne by the holders of such NCI.

Non-controlling interests

NCI reflect the portion of income or loss and the corresponding equity attributable to third-party equity holders and employees in certain consolidated subsidiaries that are not 100% owned by us. NCI are presented as separate components in our Condensed Consolidated Statements of Income to clearly distinguish between our interests and the economic interests of third parties and employees in those entities.

Fee-Earning AUM

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 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 NAV of our customized separate accounts and specialized funds depending on the fee terms. The vast majority 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.

Consolidated Results of Operations

The following is a discussion of our consolidated results of operations for the three and six months ended September 30, 2024 and 2023. This information is derived from our accompanying condensed consolidated financial statements prepared in accordance with GAAP.

	Three Months Ended September 30,		Six Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Revenues				
Management and advisory fees	$ 119,783	$ 109,184	$ 259,745	$ 214,592
Incentive fees	30,216	17,692	86,985	37,322
Total revenues	149,999	126,876	346,730	251,914
Expenses				
Compensation and benefits	55,070	45,930	133,504	90,032
General, administrative and other	27,737	24,994	56,274	50,755
Consolidated variable interest entities related:				
General, administrative and other	—	355	149	588
Total expenses	82,807	71,279	189,927	141,375
Other income (expense)				
Equity in income of investees	6,372	8,251	13,762	20,117
Interest expense	(2,704)	(2,743)	(5,651)	(5,632)
Interest income	1,406	1,099	2,171	2,036
Non-operating gain (loss)	1,437	(1,215)	11,251	(982)
Consolidated variable interest entities related:				
Equity in income of investees	957	288	1,884	419
Unrealized gain	2,342	2,241	3,539	3,034
Interest expense	—	—	—	(6)
Interest income	92	2,841	108	4,581
Total other income (expense)	9,902	10,762	27,064	23,567
Income before income taxes	77,094	66,359	183,867	134,106
Income tax expense	1,172	1,856	20,859	18,256
Net income	75,922	64,503	163,008	115,850
Less: Income attributable to non-controlling interests in general partnerships	388	87	733	88
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	19,850	18,654	47,495	37,790
Less: Income attributable to non-controlling interests in consolidated funds	702	3,768	834	4,980
Net income attributable to Hamilton Lane Incorporated	$ 54,982	$ 41,994	$ 113,946	$ 72,992

Revenues

The following table shows revenues of the Company:

(in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Total Change	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023	Total Change
Revenues						
Management and advisory fees						
Specialized funds	$ 70,312	$ 62,386	$ 7,926	$ 160,103	$ 120,102	$ 40,001
Customized separate accounts	34,757	32,040	2,717	68,210	63,759	4,451
Advisory	5,728	6,014	(286)	11,639	12,307	(668)
Reporting, monitoring, data and analytics	7,128	6,261	867	14,122	11,819	2,303
Distribution management	416	1,254	(838)	915	2,467	(1,552)
Fund reimbursement revenue	1,442	1,229	213	4,756	4,138	618
Total management and advisory fees	119,783	109,184	10,599	259,745	214,592	45,153
Incentive fees						
Specialized funds	26,021	14,276	11,745	78,076	32,662	45,414
Customized separate accounts	4,195	3,416	779	8,909	4,660	4,249
Total incentive fees	30,216	17,692	12,524	86,985	37,322	49,663
Total revenues	$ 149,999	$ 126,876	$ 23,123	$ 346,730	$ 251,914	$ 94,816

Three months ended September 30, 2024 compared to three months ended September 30, 2023

Total revenues increased $23.1 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, due to increases in both management and advisory fees and incentive fees.

Management and advisory fees increased $10.6 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

Specialized funds revenue increased $7.9 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, due primarily to an increase of $12.1 million in revenue from our evergreen funds, which added $3.6 billion in fee-earning AUM between periods. The increase was partially offset by a net decrease of $1.3 million in revenue from our latest secondary fund compared to the three months ended September 30, 2023 due to $6.1 million of retroactive fees in the prior year period. Retroactive fees are management fees earned in the current period from investors that commit to a specialized fund towards the end of the fundraising period and are required to pay a catch-up management fee as if they had committed to the fund at the first closing in a prior period.

Customized separate accounts revenue increased $2.7 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 due to the addition of several new accounts, additional allocations from existing accounts, and continued investment activity.

Incentive fees increased $12.5 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, due primarily to an increase in incentive fees from the increased tax-related portion of carried interest distributions in the current period.

Six months ended September 30, 2024 compared to six months ended September 30, 2023

Total revenues increased $94.8 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023, due to increases in both management and advisory fees and incentive fees.

Management and advisory fees increased $45.2 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023.

Specialized funds revenue increased $40.0 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023, due primarily to an increase of $23.4 million in revenue from our evergreen funds and an increase of $22.1 million in revenue from our latest secondary fund, which added $3.6 billion and $2.5 billion, respectively, in fee-earning AUM between periods. Revenue from our latest secondary fund included $20.7 million in retroactive fees for the six months ended September 30, 2024 compared to $8.8 million in retroactive fees for the six months ended September 30, 2023.

Customized separate accounts revenue increased $4.5 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023 due to the addition of several new accounts, additional allocations from existing accounts, and continued investment activity.

Incentive fees increased $49.7 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023, due primarily to an increase in incentive fees from the increased tax-related portion of carried interest distributions in the current period and the proceeds realized on the sale of an underlying investment in one of our specialized funds that has an American waterfall.

Expenses

The following tables show expenses of the Company (excluding consolidated VIEs):

	Three Months Ended September 30,			Six Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Total Change**	**2024**	**2023**	**Total Change**
Expenses						
Compensation and benefits						
Base compensation and benefits	$ 42,843	$ 38,389	$ 4,454	$ 103,862	$ 74,739	$ 29,123
Incentive fee compensation	7,554	4,423	3,131	21,746	9,330	12,416
Equity-based compensation	4,673	3,118	1,555	7,896	5,963	1,933
Total compensation and benefits	55,070	45,930	9,140	133,504	90,032	43,472
General, administrative and other	27,737	24,994	2,743	56,274	50,755	5,519
Total expenses	$ 82,807	$ 70,924	$ 11,883	$ 189,778	$ 140,787	$ 48,991

Three months ended September 30, 2024 compared to three months ended September 30, 2023

Total expenses increased $11.9 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, due to increases in both compensation and benefits expenses and general, administrative and other expenses.

Compensation and benefits expenses increased $9.1 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023. Base compensation and benefits increased $4.5 million for the three months ended September 30, 2024, due primarily to an increase in salary expense from additional headcount compared to the prior year period. Incentive fee compensation increased $3.1 million for the three months ended September 30, 2024 due to an increase in incentive fee revenue earned compared to the prior year period. Equity-based compensation increased $1.6 million driven primarily by the awards granted between September 30, 2023 and September 30, 2024.

General, administrative and other expenses increased $2.7 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023. This change consisted primarily of an increase of $1.5 million in fund reimbursement expense attributed to the timing of newly created funds and an increase of $0.8 million in consulting and professional fees.

Six months ended September 30, 2024 compared to six months ended September 30, 2023

Total expenses increased $49.0 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023, due to increases in both compensation and benefits expenses and general, administrative and other expenses.

Compensation and benefits expenses increased $43.5 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023. Base compensation and benefits increased $29.1 million, due primarily to increases in headcount, an increase in our annual bonus plan accrual related to stronger operating performance and increased incentive fees compared to the prior year period. Incentive fee compensation increased $12.4 million for the six months ended September 30, 2024, due to an increase in incentive fee revenue compared to the prior year period. Equity-based compensation increased $1.9 million for the six months ended September 30, 2024, driven primarily by the awards granted between September 30, 2023 and September 30, 2024.

General, administrative and other expenses increased $5.5 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023. This change consisted primarily of an increase of $1.4 million in consulting and professional fees, an increase of $1.3 million in fund reimbursement expense attributed to the timing of newly created funds and an increase of $1.2 million in third-party commissions primarily attributed to the increase in gross subscriptions to our evergreen funds.

Other Income (Expense)

The following table shows total other income (expense) of the Company (excluding consolidated VIEs):

	Three Months Ended September 30,			Six Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Total Change**	**2024**	**2023**	**Total Change**
Other income (expense)						
Equity in income of investees						
Primary funds	$ (148)	$ 871	$ (1,019)	$ 89	$ 1,425	$ (1,336)
Direct investment funds	1,128	2,665	(1,537)	3,486	6,750	(3,264)
Secondary funds	770	1,214	(444)	943	2,616	(1,673)
Customized separate accounts	2,281	2,323	(42)	4,755	5,433	(678)
Evergreen funds	2,695	1,178	1,517	4,980	3,893	1,087
Other equity method investments	(354)	—	(354)	(491)	—	(491)
Total equity in income of investees	6,372	8,251	(1,879)	13,762	20,117	(6,355)
Interest expense	(2,704)	(2,743)	39	(5,651)	(5,632)	(19)
Interest income	1,406	1,099	307	2,171	2,036	135
Non-operating gain (loss)	1,437	(1,215)	2,652	11,251	(982)	12,233
Total other income (expense)	$ 6,511	$ 5,392	$ 1,119	$ 21,533	$ 15,539	$ 5,994

Three months ended September 30, 2024 compared to three months ended September 30, 2023

Other income (expense) increased $1.1 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, due primarily to an increase in non-operating gain (loss), partially offset by a decrease in equity in income of investees.

Non-operating gain (loss) increased $2.7 million for the three months ended September 30, 2024, due primarily to the recognition of $2.0 million in gains on a publicly traded technology investment during the three months ended September 30, 2024, compared to the recognition of $1.2 million of unrealized losses on a technology investment in the three months ended September 30, 2023.

Equity in income of investees decreased $1.9 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023. This was due primarily to smaller increases in investment valuations during the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

Six months ended September 30, 2024 compared to six months ended September 30, 2023

Other income (expense) increased $6.0 million, for the six months ended September 30, 2024 compared to the six months ended September 30, 2023, due primarily to an increase in non-operating gain (loss), partially offset by a decrease in equity in income of investees.

Non-operating gain (loss) increased $12.2 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023, due primarily to the recognition of $10.4 million in gains compared to $0.9 million in losses on our technology investments in the prior year period.

Equity in income of investees decreased $6.4 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023, due primarily to smaller increases in investment valuations during the six months ended September 30, 2024 compared to the six months ended September 30, 2023.

Consolidated Variable Interest Entities

The following table shows the results of operations of consolidated VIEs:

(in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Total Change	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023	Total Change
Expenses						
General, administrative and other	$ —	$ 355	$ (355)	$ 149	$ 588	$ (439)
Other income (expense)						
Equity in income of investees	$ 957	$ 288	$ 669	$ 1,884	$ 419	$ 1,465
Unrealized gain	2,342	2,241	101	3,539	3,034	505
Interest expense	—	—	—	—	(6)	6
Interest income	92	2,841	(2,749)	108	4,581	(4,473)
Total other income (expense)	$ 3,391	$ 5,370	$ (1,979)	$ 5,531	$ 8,028	$ (2,497)

Three months ended September 30, 2024 compared to three months ended September 30, 2023

Other income (expense) of consolidated VIEs decreased $2.0 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, due primarily to $2.8 million of interest income earned during the three months ended September 30, 2023 by a previously consolidated credit fund.

Six months ended September 30, 2024 compared to six months ended September 30, 2023

Other income (expense) of consolidated VIEs decreased $2.5 million for the six months ended September 30, 2024 compared to the six months ended September 30, 2023, due primarily to $4.5 million of interest income earned during the six months ended September 30, 2023 by a previously consolidated credit fund, partially offset by an increase of $1.5 million of equity in income of investees due primarily to the increases in public market valuations during the six months ended September 30, 2024.

Income Tax Expense

Our effective tax rate was 1.5 % and 2.8 % for the three months ended September 30, 2024 and 2023, respectively, and 11.3 % and 13.6 % for the six months ended September 30, 2024 and 2023, respectively. These rates were different from the statutory tax rates due to the portion of income allocated to NCI, change in valuation allowance recorded against deferred tax assets and discrete tax adjustments recorded in the periods. The effective tax rate for the three and six months ended September 30, 2024 was lower than the effective tax rate for the three and six months ended September 30, 2023 due primarily to a reduction in valuation allowance against deferred tax assets at September 30, 2024.

Non-Controlling Interests

The following table shows income attributable to NCI:

(in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Total Change	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023	Total Change
Income attributable to non-controlling interests in general partnerships	$ 388	$ 87	$ 301	$ 733	$ 88	$ 645
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	19,850	18,654	1,196	47,495	37,790	9,705
Income attributable to non-controlling interests in consolidated funds	702	3,768	(3,066)	834	4,980	(4,146)
	$ 20,940	$ 22,509	$ (1,569)	$ 49,062	$ 42,858	$ 6,204

Three months ended September 30, 2024 compared to three months ended September 30, 2023

Net income attributable to NCI decreased by $1.6 million for the three months ended September 30, 2024, compared to the three months ended September 30, 2023. The decrease was driven primarily by NCI in consolidated funds decreasing by $3.1 million, due to a previously consolidated credit fund for which NCI holders held a larger economic ownership in the period ended September 30, 2023, compared to the funds consolidated during the period ended September 30, 2024. NCI in Hamilton Lane Advisors, L.L.C. increased by $1.2 million due to an overall increase in net income, partially offset by a decrease in NCI holders' economic ownership percentage of Hamilton Lane Advisors, L.L.C. between periods.

Six months ended September 30, 2024 compared to six months ended September 30, 2023

Net income attributable to NCI increased by $6.2 million for the six months ended September 30, 2024, compared to the six months ended September 30, 2023. The increase was driven primarily by NCI in Hamilton Lane Advisors, L.L.C. increasing by $9.7 million due to an overall increase in net income, partially offset by a decrease in NCI holders' economic ownership percentage of Hamilton Lane Advisors, L.L.C. between periods. NCI in consolidated funds decreased by $4.1 million, driven primarily by the deconsolidation of a fund for which NCI holders held a larger economic ownership during the period ended September 30, 2023, compared to the funds consolidated during the period ended September 30, 2024.

Fee-Earning AUM

The following table provides the period to period rollforward of our fee-earning AUM.

(in millions)	Three Months Ended September 30, 2024			Six Months Ended September 30, 2024		
	Customized Separate Accounts	Specialized Funds	Total	Customized Separate Accounts	Specialized Funds	Total
Balance, beginning of period	$ 38,223	$ 29,487	$ 67,710	$ 37,574	$ 28,175	$ 65,749
Contributions [1]	1,673	1,380	3,053	3,320	3,989	7,309
Distributions [2]	(548)	(788)	(1,336)	(1,517)	(2,111)	(3,628)
Foreign exchange, market value and other [3]	30	283	313	1	309	310
Balance, end of period	$ 39,378	$ 30,362	$ 69,740	$ 39,378	$ 30,362	$ 69,740

(1) Contributions represent (i) new commitments from customized separate accounts and specialized funds that earn fees on a committed capital fee base and (ii) capital contributions to underlying investments from customized separate accounts and specialized funds that earn fees on a net invested capital or NAV fee base.
(2) Distributions represent (i) returns of capital in customized separate accounts and specialized funds that earn fees on a net invested capital or NAV fee base, (ii) reductions in fee-earning AUM from separate accounts and specialized funds that moved from a committed capital to net invested capital fee base and (iii) reductions in fee-earning AUM from customized separate accounts and specialized funds that are no longer earning fees.
(3) Foreign exchange, market value and other consists primarily of (i) the impact of foreign exchange rate fluctuations for customized separate accounts and specialized funds that earn fees on non-U.S. dollar denominated commitments and (ii) market value appreciation (depreciation) from customized separate accounts and specialized funds that earn fees on a NAV fee base.

Three months ended September 30, 2024

Fee-earning AUM increased $2.0 billion during the three months ended September 30, 2024, due primarily to contributions from customized separate accounts and specialized funds.

Customized separate accounts fee-earning AUM increased $1.2 billion for the three months ended September 30, 2024. Customized separate accounts contributions were $1.7 billion for the three months ended September 30, 2024, due primarily to new allocations from existing clients and the addition of new clients. Distributions were $0.5 billion for the three months ended September 30, 2024, due primarily to $0.4 billion from returns of capital in accounts earning fees on a net invested capital or NAV fee base and $0.1 billion from accounts moving from a committed to net invested capital fee base.

Specialized funds fee-earning AUM increased $0.9 billion for the three months ended September 30, 2024. Specialized fund contributions were $1.4 billion for the three months ended September 30, 2024, due primarily to $0.9 billion from our evergreen funds. Distributions were $0.8 billion for the three months ended September 30, 2024, due primarily to returns of capital in funds earning fees on a net invested capital or NAV fee base.

Six months ended September 30, 2024

Fee-earning AUM increased $4.0 billion during the six months ended September 30, 2024, due primarily to contributions from customized separate accounts and specialized funds.

Customized separate accounts fee-earning AUM increased $1.8 billion for the six months ended September 30, 2024. Customized separate accounts contributions were $3.3 billion for the six months ended September 30, 2024, due primarily to new allocations from existing clients and the addition of new clients. Distributions were $1.5 billion for the six months ended September 30, 2024, due primarily to $0.7 billion from returns of capital in accounts earning fees on a net invested capital or NAV fee base, $0.6 billion from accounts moving from a committed to net invested capital fee base, and $0.2 billion from accounts reaching the end of their fund term.

Specialized funds fee-earning AUM increased $2.2 billion for the six months ended September 30, 2024. Specialized fund contributions were $4.0 billion for the six months ended September 30, 2024, due primarily to $2.0 billion from our evergreen funds and $1.2 billion from our latest secondary fund. Distributions were $2.1 billion for the six months ended September 30, 2024 due primarily to $1.1 billion from returns of capital in funds earning fees on a net invested capital or NAV fee base and $0.9 billion from accounts reaching the end of their fund term.

Non-GAAP Financial Measures

Below is a description of our unaudited non-GAAP financial measures. These are not measures of financial performance under GAAP and should not be considered a substitute for the most directly comparable GAAP measures, which are reconciled below. These measures have limitations as analytical tools, and when assessing our operating performance, you should not consider these measures in isolation or as a substitute for GAAP measures. Other companies may calculate these measures differently than we do, limiting their usefulness as a comparative measure.

Fee Related Earnings

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) non-operating gain (loss) 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.

Adjusted EBITDA

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) non-operating gain (loss) and (f) certain other significant items that we believe are not indicative of our core performance.

The following table shows a reconciliation of net income attributable to Hamilton Lane Incorporated to FRE and Adjusted EBITDA for the three and six months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		Six Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Net income attributable to Hamilton Lane Incorporated	$ 54,982	$ 41,994	$ 113,946	$ 72,992
Income attributable to non-controlling interests in general partnerships	388	87	733	88
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	19,850	18,654	47,495	37,790
Income attributable to non-controlling interests in consolidated funds	702	3,768	834	4,980
Incentive fees	(30,216)	(17,692)	(86,985)	(37,322)
Incentive fee related compensation (1)	14,353	8,404	41,318	17,728
Consolidated VIE related general, administrative and other expenses	—	333	149	566
Revenue related to consolidated funds	—	247	—	394
Non-operating income related compensation	278	—	278	59
Interest income	(1,498)	(3,940)	(2,279)	(6,617)
Interest expense	2,704	2,743	5,651	5,638
Income tax expense	1,172	1,856	20,859	18,256
Equity in income of investees	(7,329)	(8,539)	(15,646)	(20,536)
Non-operating gain	(3,779)	(1,026)	(14,790)	(2,052)
Fee Related Earnings	$ 51,607	$ 46,889	$ 111,563	$ 91,964
Depreciation and amortization	2,367	1,863	4,680	3,736
Equity-based compensation	4,673	3,118	7,896	5,963
Incentive fees	30,216	17,692	86,985	37,322
Incentive fee related compensation (1)	(14,353)	(8,404)	(41,318)	(17,728)
Non-operating income related compensation	(278)	—	(278)	(59)
Interest income	1,406	1,099	2,171	2,036
Adjusted EBITDA	$ 75,638	$ 62,257	$ 171,699	$ 123,234

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

Non-GAAP Earnings Per Share

Non-GAAP earnings per share ("EPS") 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 EPS 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 NCI. Adjusted shares outstanding for the three and six months ended September 30, 2024 and 2023 are equal to weighted-average shares of Class A common stock outstanding - diluted. 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.

The following table shows a reconciliation of adjusted net income to net income attributable to Hamilton Lane Incorporated for the three and six months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		Six Months Ended September 30,	
(in thousands, except share and per-share amounts)	**2024**	**2023**	**2024**	**2023**
Net income attributable to Hamilton Lane Incorporated	$ 54,982	$ 41,994	$ 113,946	$ 72,992
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	19,850	18,654	47,495	37,790
Income tax expense	1,172	1,856	20,859	18,256
Adjusted pre-tax net income	76,004	62,504	182,300	129,038
Adjusted income taxes (1)	(17,785)	(14,752)	(42,658)	(30,453)
Adjusted net income	$ 58,219	$ 47,752	$ 139,642	$ 98,585
Adjusted shares outstanding	54,180,960	53,941,082	54,127,320	53,896,757
Non-GAAP EPS	$ 1.07	$ 0.89	$ 2.58	$ 1.83

(1) Represents corporate income taxes at our estimated statutory tax rate of 23.4% and 23.6% for the three and six months ended September 30, 2024 and 2023, respectively, applied to adjusted pre-tax net income. The 23.4% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.4%. The 23.6% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.6%.

Investment Performance

The following tables present information relating to the historical performance of our specialized funds with fund families having at least two distinct vintages and most recent fund sizes of greater than $500 million per fund. The data are presented from the date indicated through June 30, 2024 and have not been adjusted to reflect acquisitions or disposals of investments subsequent to that date.

When considering the data presented below, note that the historical results of our specialized funds are not indicative of the future results you should expect from such investments, from any future investment funds we may raise or from an investment in our Class A common stock, in part because:

- market conditions and investment opportunities during previous periods may have been significantly more favorable for generating positive performance than those we may experience in the future;
- the performance of our funds is generally calculated on the basis of the NAV of the funds' investments, including unrealized gains, which may never be realized;
- our historical returns derive largely from the performance of our earlier funds, whereas future fund returns will depend increasingly on the performance of our newer funds or funds not yet formed;
- our newly-established funds may generate lower returns during the period that they initially deploy their capital;
- in recent years, there has been increased competition for investment opportunities resulting from the increased amount of capital invested in private markets alternatives and high liquidity in debt markets, and the increased competition for investments may reduce our returns in the future;
- the performance of particular funds also will be affected by risks of the industries and businesses in which they invest; and
- we may create new funds that reflect a different asset mix and new investment strategies, as well as a varied geographic and industry exposure, compared to our historical funds, and any such new funds could have different returns than our previous funds.

The historical and potential future returns of the investment funds we manage are not directly linked to returns on our Class A common stock. Therefore, you should not conclude that continued positive performance of the investment funds we manage will necessarily result in positive returns on an investment in our Class A common stock. As used in this discussion, internal rate of return ("IRR") is calculated on a pooled basis using daily cash flows. See "Performance Methodology" below for more information on how our returns are calculated.

Specialized Fund Performance

We organize, invest and manage specialized primary, secondary and direct investment funds. Our specialized funds invest across a variety of private markets and include equity, equity-linked and credit funds offered on standard terms, as well as shorter duration, opportunistically oriented funds. Below is performance information across our various specialized funds. Substantially all of these funds are globally focused, and they are grouped by the investment strategy utilized.

Fund	Vintage year	Fund size ($M)	Capital invested ($M)	Gross multiple	Net Multiple	Gross IRR (%)	Net IRR (%)	Gross Spread vs. S&P 500 PME	Net Spread vs. S&P 500 PME	Gross Spread vs. MSCI World PME	Net Spread vs. MSCI World PME
Primaries (Diversified)											
PEF I	1998	122	117	1.3	1.2	5.4%	2.5%	378 bps	76 bps	322 bps	16 bps
PEF IV	2000	250	238	1.7	1.5	16.2%	11.2%	1,302 bps	828 bps	1,170 bps	708 bps
PEF V	2003	135	133	1.7	1.6	14.2%	9.6%	841 bps	363 bps	950 bps	466 bps
PEF VI	2007	494	513	1.6	1.6	11.5%	8.7%	55 bps	(188 bps)	391 bps	142 bps
PEF VII	2010	262	290	1.6	1.6	12.2%	8.2%	(190 bps)	(561 bps)	205 bps	(171 bps)
PEF VIII	2012	427	431	1.5	1.5	8.9%	6.5%	(453 bps)	(690 bps)	(119 bps)	(358 bps)
PEF IX	2015	517	522	1.9	1.9	18.1%	15.8%	342 bps	119 bps	668 bps	442 bps
PEF X	2018	278	256	1.6	1.5	16.4%	13.4%	172 bps	(175 bps)	486 bps	131 bps
Secondaries											
Pre-Fund	—	—	362	1.5	N/A	17.1%	N/A	1,332 bps	N/A	1,173 bps	N/A
Secondary Fund I	2005	360	353	1.2	1.2	5.2%	3.8%	113 bps	(63 bps)	341 bps	157 bps
Secondary Fund II	2008	591	603	1.5	1.4	19.9%	13.5%	451 bps	(196 bps)	869 bps	210 bps
Secondary Fund III	2012	909	841	1.4	1.3	12.7%	10.1%	(84 bps)	(373 bps)	303 bps	19 bps
Secondary Fund IV	2016	1,916	2,091	1.6	1.6	15.7%	16.2%	94 bps	110 bps	425 bps	450 bps
Secondary Fund V	2019	3,929	3,811	1.5	1.5	18.9%	16.9%	645 bps	447 bps	947 bps	755 bps
Secondary Fund VI	2022	5,603	1,575	1.3	1.4	55.2%	73.0%	2,577 bps	4,081 bps	3,093 bps	4,664 bps
Direct/Co-investments											
Pre-Fund	—	—	244	1.9	N/A	21.3%	N/A	1,655 bps	N/A	1,600 bps	N/A
Co-Investment Fund	2005	604	578	1.0	0.9	0.2%	(1.3)%	(569 bps)	(747 bps)	(319 bps)	(502 bps)
Co-Investment Fund II	2008	1,195	1,157	2.2	1.9	18.1%	14.4%	572 bps	195 bps	950 bps	567 bps
Co-Investment Fund III	2014	1,243	1,323	1.7	1.5	14.6%	11.6%	9 bps	(290 bps)	347 bps	42 bps
Co-Investment Fund IV	2018	1,698	1,498	2.3	2.1	24.7%	23.0%	952 bps	758 bps	1,262 bps	1,063 bps
Equity Opportunities Fund V	2021	2,069	1,679	1.3	1.2	12.9%	11.0%	(22 bps)	(231 bps)	259 bps	66 bps

Fund	Vintage year	Fund size ($M)	Capital invested ($M)	Gross multiple	Net Multiple	Gross IRR (%)	Net IRR (%)	Gross Spread vs. CS HY II PME	Net Spread vs. CS HY II PME	Gross Spread vs. CS LL PME	Net Spread vs. CS LL PME
Strategic Opportunities (Tail-end secondaries and credit)											
Strat Opps 2015	2015	71	68	1.3	1.2	14.1%	10.6%	561 bps	215 bps	862 bps	513 bps
Strat Opps 2016	2016	214	216	1.3	1.2	11.2%	8.9%	532 bps	299 bps	632 bps	401 bps
Strat Opps 2017	2017	435	448	1.3	1.2	10.5%	8.1%	621 bps	374 bps	614 bps	383 bps
Strat Opps IV (Series 2018)	2018	889	870	1.3	1.2	10.0%	7.9%	598 bps	372 bps	604 bps	367 bps
Strat Opps V (Series 2019)	2019	762	713	1.3	1.2	12.6%	9.9%	882 bps	549 bps	676 bps	338 bps
Strat Opps VI (Series 2020)	2021	898	853	1.2	1.1	8.3%	6.5%	619 bps	345 bps	229 bps	0 bps
Strat Opps VII	2022	953	830	1.2	1.1	14.7%	12.4%	539 bps	271 bps	413 bps	164 bps
Strat Opps VIII	2023	700	224	1.0	1.0	N/M	N/M	N/M	N/M	N/M	N/M

Performance Methodology

The indices presented for comparison are the S&P 500, MSCI World, Credit Suisse High Yield II (“CS HY II”) and Credit Suisse Leverage Loan (“CS LL”), calculated on a public market equivalent (“PME”) basis. We believe these indices are commonly used by private markets and credit investors to evaluate performance. The PME calculation methodology allows private markets investment performance to be evaluated against a public index and assumes that capital is being invested in, or withdrawn from, the index on the days the capital was called and distributed from the underlying fund managers. The S&P 500 Index is a total return capitalization-weighted index that measures the performance of 500 U.S. large cap stocks. The MSCI World Index is a free float-adjusted market capitalization-weighted index of over 1,600 world stocks that is designed to measure the equity market performance of developed markets. The

CS HY II Index, formerly known as the DLJ High Yield Index, is designed to mirror the investable universe of the U.S. dollar denominated high yield debt market. Prices for the CS HY II Index are available on a weekly basis. The CS LL Index is an index designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market. Loans must be rated 5B or lower and the index frequency is monthly.

Our IRR represents the pooled IRR for all discretionary investments for the period from inception to June 30, 2024. Gross IRR is presented net of management fees, carried interest and expenses charged by the general partners of the underlying investments, but does not include our management fees, carried interest or expenses. Our gross IRR would decrease with the inclusion of our management fees, carried interest and expenses. Net IRR is net of all management fees, carried interest and expenses charged by the general partners of the underlying investments, as well as by us. Net IRR figures for our funds do not include cash flows attributable to the general partner. Note that secondary portfolio IRRs can be initially impacted by purchase discounts (or premiums) paid at the closing of a transaction, the impact of which will diminish over time.

“Capital Invested” refers to the total amount of all investments made by a fund, including commitment-reducing and non-commitment-reducing capital calls. “Multiple” represents total distributions from underlying investments to the fund plus the fund’s market value divided by total contributed capital. “Gross Multiple” is presented net of management fees, carried interest and expenses charged by the fund managers of the underlying investments.

Specialized fund and pre-fund performance does not include ten funds-of-funds that have investor-specific investment guidelines.

Many of our specialized funds utilize revolving credit facilities, which provide capital that is available to fund investments or pay partnership expenses and management fees. Borrowings may be paid down from time to time with investor capital contributions or distributions from investments. The use of a credit facility affects the fund’s return and magnifies the performance on the upside or on the downside.

Liquidity and Capital Resources

Historical Liquidity and Capital Resources

We have managed our historical liquidity and capital requirements primarily through the receipt of management and advisory fee revenues. Our primary cash flow activities involve: (1) generating cash flow from operations, which largely includes management and advisory fees; (2) realizations generated from our investment activities; (3) funding capital commitments that we have made to certain of our specialized funds and customized separate accounts; (4) making dividend payments to our stockholders and distributions to holders of HLA units; and (5) borrowings, interest payments and repayments under our outstanding debt. As of September 30, 2024 and March 31, 2024, our cash and cash equivalents were $193.8 million and $114.6 million, respectively.

Our material sources of cash from our operations include: (1) management and advisory fees, which are collected monthly or quarterly; (2) incentive fees, which are volatile and largely unpredictable as to amount and timing; and (3) fund distributions related to investments in our specialized funds and certain customized separate accounts that we manage. We use cash flow from operations primarily to pay compensation and related expenses, general, administrative and other expenses, debt service, capital expenditures and distributions to our owners and to fund commitments to certain of our specialized funds and customized separate accounts. If cash flows from operations were insufficient to fund distributions to our owners, we expect that we would suspend paying such distributions.

We have also accessed the capital markets and used proceeds from sales of our Class A common stock to settle in cash exchanges of HLA membership interests by direct and indirect owners of HLA pursuant to our exchange agreement.

Finally, we have used available cash and borrowings from our Loan Agreements (defined below) to make strategic investments in companies that seek to offer technology-driven private markets data and wealth management solutions.

Senior Notes and Loan Agreements

On October 8, 2024, HLA issued the Notes pursuant to a note purchase agreement (the “Note Purchase Agreement”) dated as of October 8, 2024, among HLA and the institutional purchasers party thereto in a private placement transaction. Interest on the Notes is payable semi-annually in arrears, commencing on April 15, 2025. Interest on the Notes accrues from and including October 8, 2024. The Notes will mature on October 15, 2029.

We maintain a Term Loan and Security Agreement (as amended, the “Term Loan Agreement”), Revolving Loan and Security Agreement (as amended, the “Revolving Loan Agreement”), a 2020 Multi-Draw Term Loan and Security Agreement (as amended, the “2020 Multi-Draw Term Loan Agreement”) and a 2022 Multi-Draw Term Loan and Security Agreement (the “2022 Multi-Draw Term Loan Agreement” and, together with the Term Loan Agreement, Revolving Loan Agreement and 2020 Multi-Draw Term Loan Agreement, the “Loan Agreements”) with JPMorgan Chase Bank, N.A. (“JPMorgan”). On October 7, 2024, HLA and JPMorgan amended each of the Loan Agreements in connection with HLA’s entry into the Note Purchase Agreement. The amendments included naming JP Morgan Chase Bank, N.A. as the successor-in-interest to First Republic Bank, updating the maturity dates for the Loan Agreements and allowing for incurring additional indebtedness. The Loan Agreements are cross-collateralized and cross-defaulted and the aggregate principal amount of loans that may be outstanding under all of the Loan Agreements is subject to an aggregate cap of $325 million (the “Cap”).

The 2022 Multi-Draw Term Loan Agreement has a maturity date of the earlier of (i) five business days prior to the earlier of the date the Notes or any subsequent notes are repaid or (ii) October 1, 2029 and the interest rate is a floating per annum rate equal to the prime rate minus 1.50% subject to a floor of 3.00%. As of September 30, 2024, we did not have an outstanding balance under the 2022 Multi-Draw Term Loan Agreement. We are entitled to request term loans not to exceed $75 million in the aggregate, subject to the Cap, through September 30, 2025.

The Term Loan Agreement has a maturity date of the earlier of (i) five business days prior to the earlier of the date the Notes or any subsequent notes are repaid or (ii) July 1, 2029, and the interest rate is a floating per annum rate equal to the prime rate minus 1.25% subject to a floor of 3.00%. As of September 30, 2024, we had an outstanding balance of $96 million under the Term Loan Agreement.

The Revolving Loan Agreement provides that the aggregate outstanding balance will not exceed $50 million, subject to the Cap, and has a maturity date of the earlier of (i) five business days prior to the earlier of the date the Notes or any subsequent notes are repaid or (ii) October 7, 2027. The interest rate is a floating per annum rate equal to the prime rate minus 1.50% subject to a floor of 2.25%. As of September 30, 2024, we did not have an outstanding balance under the Revolving Loan Agreement.

The 2020 Multi-Draw Term Loan Agreement provides for a term loan in the aggregate principal amount of $100 million with a maturity date of the earlier of (i) five business days prior to the earlier of the date the Notes or any subsequent notes are repaid, or (ii) April 1, 2030. The interest rate is a fixed per annum rate of 3.50%. As of September 30, 2024, we had an outstanding balance of $100 million under the 2020 Multi-Draw Term Loan Agreement.

The Loan Agreements and Note Purchase Agreement contain covenants that, among other things, limit HLA's ability to incur indebtedness, transfer or dispose of assets, merge with other companies, create, incur or allow liens, make investments, pay dividends or make distributions, engage in transactions with affiliates and take certain actions with respect to management fees. The Loan Agreements also require HLA to maintain, among other requirements, (i) a specified amount of management fees, (ii) a specified amount of adjusted EBITDA, as defined in the Loan Agreements, and (iii) a specified minimum tangible net worth, during the term of each of the Loan Agreements. The Note Purchase Agreement requires HLA to maintain (i) a consolidated leverage ratio within a specified range and (ii) specified amounts of management fees, (as described in the Note Purchase Agreement). The obligations under the Loan Agreements are secured by substantially all the assets of HLA. As of September 30, 2024 and March 31, 2024, the principal amount of debt outstanding equaled $195.6 million and $196.9 million, respectively. We had $125.0 million in availability under the Loan Agreements as of September 30, 2024.

Future Sources and Uses of Liquidity

We generate significant cash flows from operating activities. We believe that we will be able to continue to meet our short-term and long-term liquidity and capital requirements through our cash flows from operating activities, existing cash and cash equivalents and our ability to obtain future external financing. However, the availability of capital from the Loan Agreements and our cash balances are exposed to the credit risks of the financial institutions at which they are held. If events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumors about any such events, occur, our ability to access existing cash, cash equivalents and investments, or to access existing or enter into new banking arrangements or facilities to pay operational and other costs, may be threatened or lost.

We will also continue to evaluate opportunities, based on market conditions, to access the capital markets for working capital or to use proceeds from sales of our Class A common stock to settle in cash exchanges of HLA membership interests by direct and indirect owners of HLA pursuant to our exchange agreement. The timing or size of any potential transactions will depend on a number of factors, including market opportunities and our views regarding our capital and liquidity positions and potential future needs. There can be no assurance that any such transactions will be completed on favorable terms, or at all.

We will also continue to evaluate opportunities to make strategic investments in companies that seek to offer technology-driven private markets data and wealth management solutions.

In November 2018, we authorized a program to repurchase up to 6% of the outstanding shares of our Class A common stock, not to exceed $50 million (the “Stock Repurchase Program”). The Stock Repurchase Program does not include specific price targets or timetables and may be suspended or terminated by us at any time. We intend to finance the purchases using available working capital and/or external financing. The Stock Repurchase Program expires 12 months after the date of the first acquisition under the authorization. We have not repurchased any shares of our Class A common stock under the Stock Repurchase Program, and therefore the full purchase authority remains available. Our board of directors periodically reviews the Stock Repurchase Program and most recently re-approved it in December 2023.

We expect that our primary short-term and long-term liquidity needs will comprise cash to: (1) provide capital to facilitate the growth of our business; (2) fund commitments to our investments; (3) pay operating expenses, including cash compensation to our employees; (4) make payments and/or exercise early termination buyout rights under the tax receivable agreement; (5) fund capital expenditures and make strategic investments; (6) pay interest and principal due on our outstanding debt; (7) pay income taxes; (8) make dividend payments to our stockholders and distributions to holders of HLA units in accordance with our distribution policy; (9) settle exchanges of HLA membership interests by direct and indirect owners of HLA pursuant to our exchange agreement from time to time; and (10) fund purchases of our Class A common stock pursuant to the Stock Repurchase Program.

We are required to maintain minimum net capital balances for regulatory purposes for certain of our foreign subsidiaries and our broker-dealer subsidiary. These net capital requirements are met by retaining cash. As a result, we may be restricted in our ability to transfer cash between different operating entities and jurisdictions. As of September 30, 2024 and March 31, 2024, we were required to maintain approximately $5.9 million and approximately $5.0 million, respectively, in liquid net assets within these subsidiaries to meet regulatory net capital and capital adequacy requirements. We are in compliance with these regulatory requirements.

Dividend Policy

The declaration and payment by us of any future dividends to holders of our Class A common stock is at the sole discretion of our board of directors. We intend to continue to pay a cash dividend on a quarterly basis. Subject to funds being legally available, we will cause HLA to make pro rata distributions to its members, including us, in an amount at least sufficient to allow us to pay all applicable taxes, to make payments under the tax receivable agreement, and to pay our corporate and other overhead expenses.

Tax Receivable Agreement

We expect that periodic exchanges of membership units of HLA by members of HLA will result in increases in the tax basis in our share of the assets of HLA that otherwise would not have been available. These increases in tax basis are expected to increase our depreciation and amortization deductions and create other tax benefits and therefore may reduce the amount of tax that we would otherwise be required to pay in the future. The tax receivable agreement will require us to pay 85% of the amount of these and certain other tax benefits, if any, that we realize (or are deemed to realize in the case of an early termination payment, a change in control or a material breach by us of our obligations under the tax receivable agreement) to the pre-IPO members of HLA.

Cash Flows

Six Months Ended September 30, 2024 and 2023

(in thousands)	Six Months Ended September 30, 2024		Six Months Ended September 30, 2023	
Net cash provided by operating activities	$	197,145	$	135,569
Net cash used in investing activities	$	(25,037)	$	(85,009)
Net cash (used in) provided by financing activities	$	(58,900)	$	67,663

Operating Activities

Operating activities generally reflect our earnings in the respective periods after adjusting for significant non-cash activity, including equity in income of investees, equity-based compensation, lease expense and depreciation and amortization, all of which are included in earnings. For the six months ended September 30, 2024 and 2023, our net cash provided by operating activities was driven primarily by receipts of management fees and incentive fees, partially offset by payment of operating expenses, which includes compensation and benefits and general, administrative and other expenses.

Investing Activities

Investing activities generally reflect cash used for acquisitions, fixed asset purchases and contributions to and distributions from our funds. For the six months ended September 30, 2024 and 2023, our net cash used in investing activities was driven primarily by purchases of furniture, fixtures and equipment, net contributions to our funds and purchase of investments by consolidated funds, partially offset by cash from consolidating funds.

Financing Activities

Financing activities generally reflect cash received from debt and equity financings, payments to owners in the form of dividends, distributions and repurchases of shares and scheduled repayments of our outstanding debt. For the six months ended September 30, 2024 and 2023, our net cash (used in) provided by financing activities was driven primarily by dividends paid to stockholders, distributions to HLA members and contributions from NCI in consolidated funds. Net cash (used in) provided by financing activities for the six months ended September 30, 2023 was also impacted by repayment of our outstanding debt.

Off-Balance Sheet Arrangements

There have been no material changes in our off-balance sheet arrangements discussed in our 2024 Form 10-K.

Contractual Obligations, Commitments and Contingencies

There have been no material changes outside of the ordinary course of business in our contractual obligations, commitments and contingencies from those specified in our 2024 Form 10-K.

Critical Accounting Policies

The preparation of our condensed consolidated financial statements requires us to make estimates that affect the reported amounts of assets, liabilities, revenue and expenses, and the related disclosure of contingent liabilities. We base our judgments on our historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making estimates about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

For a more complete discussion of the accounting judgments and estimates that we have identified as critical in the preparation of our condensed consolidated financial statements, please refer to our Management’s Discussion and Analysis of Financial Condition and Results of Operations in our 2024 Form 10-K.

Recent Accounting Pronouncements

Information regarding recent accounting developments and their impact on our results can be found in Note 2, “Summary of Significant Accounting Policies” in the notes to the condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

In the normal course of business, we are exposed to a broad range of risks inherent in the financial markets in which we participate, including price risk, interest-rate risk, access to and cost of financing risk, liquidity risk, counterparty risk and foreign exchange-rate risk. Potentially negative effects of these risks may be mitigated to a certain extent by those aspects of our investment approach, investment strategies, fundraising practices or other business activities that are designed to benefit, either in relative or absolute terms, from periods of economic weakness, tighter credit or financial market dislocations.

Our predominant exposure to market risk is related to our role as general partner or investment manager for our specialized funds and customized separate accounts and the sensitivities to movements in the fair value of their investments, which may adversely affect our equity in income of investees. Since our management fees are generally based on commitments or net invested capital, our management fee and advisory fee revenue is not significantly impacted by changes in investment values.

Fair value of the financial assets and liabilities of our specialized funds and customized separate accounts may fluctuate in response to changes in the value of securities, foreign currency exchange rates, commodity prices and interest rates. The impact of investment risk is as follows:

- Equity in income of investees changes along with the realized and unrealized gains of the underlying investments in our specialized funds and certain customized separate accounts in which we have a general partner commitment. Our general partner investments include thousands of unique underlying portfolio investments with no significant concentration in any industry or country outside of the United States.

- Management fees from our specialized funds and customized separate accounts are not significantly affected by changes in fair value as the management fees are not generally based on the value of the specialized funds or customized separate accounts, but rather on the amount of capital committed or invested in the specialized funds or customized separate accounts, as applicable.

- Incentive fees from our specialized funds and customized separate accounts are not materially affected by changes in the fair value of unrealized investments because they are based on realized gains and subject to achievement of performance criteria rather than on the fair value of the specialized fund’s or customized separate account’s assets prior to realization. Minor decreases in underlying fair value would not affect the amount of deferred incentive fee revenue subject to clawback.

Exchange Rate Risk

Several of our specialized funds and customized separate accounts hold investments denominated in non-U.S. dollar currencies that may be affected by movements in the rate of exchange between the U.S. dollar and foreign currency, which could impact investment performance. The currency exposure related to investments in foreign currency assets is limited to our general partner interest, which is typically one percent of total capital commitments. We do not possess significant assets in foreign countries in which we operate or engage in material transactions in currencies other than the U.S. dollar. Therefore, changes in exchange rates are not expected to materially impact our financial statements.

Interest Rate Risk

As of September 30, 2024, we had $195.6 million in borrowings outstanding under our Loan Agreements. The annual interest rate on the Term Loan Agreement, which is at the prime rate minus 1.25%, subject to a floor of 3.00%, was 6.75% as of September 30, 2024. The annual interest rate on the Revolving Loan Agreement, which is at the prime rate minus 1.50%, subject to a floor of 2.25%, was 6.50% as of September 30, 2024.

Based on the floating rate component of our Loan Agreements payable as of September 30, 2024, we estimate that a 100 basis point increase in interest rates would result in increased interest expense of approximately $1.0 million over the next 12 months.

Credit Risk

We are party to agreements providing for various financial services and transactions that contain an element of risk in the event that the counterparties are unable to meet the terms of such agreements. In such agreements, we depend on the respective counterparty to make payment or otherwise perform. We generally endeavor to minimize our risk of exposure by limiting the counterparties with which we enter into financial transactions to reputable financial institutions. In other circumstances, availability of financing from financial institutions may be uncertain due to market events, and we may not be able to access these financing markets.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Our management, including our Co-Chief Executive Officers and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2024. Our disclosure controls and procedures are intended to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to management, including the Co-Chief Executive Officers and Chief Financial Officer, to allow timely decisions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management’s evaluation, our Co-Chief Executive Officers and Chief Financial Officer concluded that our disclosure controls and procedures were effective at September 30, 2024.

Changes in Internal Control over Financial Reporting

There have been no changes to our internal control over financial reporting during the quarter ended September 30, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, we may be subject to various legal, regulatory and/or administrative proceedings from time to time. Although there can be no assurance of the outcome of such proceedings, in the opinion of management, we do not believe it is probable that any pending or, to our knowledge, threatened legal proceeding or claim would individually or in the aggregate materially affect our condensed consolidated financial statements.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A of our 2024 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table provides information about our repurchase activity with respect to shares of our Class A common stock for the quarter ended September 30, 2024:

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[2]
July 1 - 31, 2024	—	$ —	—	$ 50,000,000
August 1 - 31, 2024	—	$ —	—	$ 50,000,000
September 1 - 30, 2024	2,960	$ 153.75	—	$ 50,000,000
Total	2,960	$ 153.75	—	$ 50,000,000

(1) Represents shares of Class A common stock tendered by employees as payment of taxes withheld on the vesting of restricted stock granted under HLI's Amended and Restated 2017 Equity Incentive Plan.

(2) On November 6, 2018, we announced that our board of directors authorized the Stock Repurchase Program to repurchase, in the aggregate, up to 6% of the outstanding shares of our Class A common stock as of the date of the authorization, not to exceed $50 million. The authorization provides us the flexibility to repurchase shares in the open market or in privately negotiated transactions from time to time, based on market conditions and other factors. We have not repurchased any of our Class A common stock under the Stock Repurchase Program, so the full purchase authority remains available under this program, which expires 12 months after the date of the first acquisition under the authorization. Our board of directors most recently re-approved the Stock Repurchase Program in December 2023.

Item 5. Other Information

Trading Arrangements

During the three months ended September 30, 2024, none of the Company's directors or officers adopted , terminated or modified any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit No.	Description of Exhibit	Incorporated By Reference				Filed Herewith
		Form	Exhibit	Filing Date	File No.	
3.1	Amended and Restated Certificate of Incorporation of Hamilton Lane Incorporated	8-K	3.1	9/12/23	001-38021	
3.2	Amended and Restated Bylaws of Hamilton Lane Incorporated	8-K	3.2	9/12/23	001-38021	
4.1	Form of 5.28% senior notes due October 15, 2029 (included in Exhibit 10.5)	8-K	4.1	10/11/24	001-38021	
10.1†	Amended and Restated Hamilton Lane Incorporated 2017 Equity Incentive Plan	DEF 14A	Appendix B	7/25/24	001-38021	
10.2†	Form of Restricted Stock Award Agreement under the Amended and Restated Hamilton Lane Incorporated 2017 Equity Incentive Plan	8-K	10.2	9/5/24	001-38021	
10.3†	Form of Director Restricted Stock Award Agreement under the Amended and Restated Hamilton Lane Incorporated 2017 Equity Incentive Plan	8-K	10.3	9/5/24	001-38021	
10.4†	Form of Performance Stock Award Agreement under the Amended and Restated Hamilton Lane Incorporated 2017 Equity Incentive Plan	8-K	10.4	9/5/24	001-38021	
10.5○	Note Purchase Agreement, dated October 8, 2024, among Hamilton Lane Advisors, L.L.C. and the purchasers party thereto.	8-K	10.1	10/11/24	001-38021	
10.6○	First Amendment to Multi-Draw Term Loan and Security Agreement, dated October 7, 2024, between JPMorgan Chase Bank, N.A. and Hamilton Lane Advisors, L.L.C.	8-K	10.2	10/11/24	001-38021	
10.7○	Fourth Amendment to Multi-Draw Term Loan and Security Agreement, dated October 7, 2024, between JPMorgan Chase Bank, N.A. and Hamilton Lane Advisors, L.L.C.	8-K	10.3	10/11/24	001-38021	
10.8○	Fourth Amendment to Revolving Loan and Security Agreement, dated October 7, 2024, between JPMorgan Chase Bank, N.A. and Hamilton Lane Advisors, L.L.C.	8-K	10.4	10/11/24	001-38021	
10.9○	Fifth Amendment to Term Loan and Security Agreement, dated October 7, 2024, between JPMorgan Chase Bank, N.A. and Hamilton Lane Advisors, L.L.C.	8-K	10.5	10/11/24	001-38021	
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.3	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32‡	Certifications of Principal Executive Officers and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					

Exhibit No.	Description of Exhibit	Incorporated By Reference				Filed Herewith
		Form	Exhibit	Filing Date	File No.	
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					X

○ Certain information has been omitted from the exhibit because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential.
† Indicates a management contract or compensatory plan or arrangement.
‡ Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 6th day of November 2024.

HAMILTON LANE INCORPORATED

By: /s/ Jeffrey Armbrister

Name: Jeffrey Armbrister

Title: Chief Financial Officer and Treasurer (Principal Financial Officer and Authorized Signatory)

EXHIBIT 31.1

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Erik R. Hirsch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hamilton Lane Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2024

/s/ Erik R. Hirsch

Erik R. Hirsch
Co-Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Juan Delgado-Moreira, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hamilton Lane Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 6, 2024

/s/ Juan Delgado-Moreira

Juan Delgado-Moreira
Co-Chief Executive Officer

EXHIBIT 31.3

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey Armbrister, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hamilton Lane Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2024

/s/ Jeffrey Armbrister

Jeffrey Armbrister
Chief Financial Officer

EXHIBIT 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Erik R. Hirsch, Co-Chief Executive Officer, I, Juan Delgado-Moreira, Co-Chief Executive Officer, and I, Jeffrey Armbrister, Chief Financial Officer, of Hamilton Lane Incorporated, hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (the “Periodic Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of Hamilton Lane Incorporated.

Date: November 6, 2024

/s/ Erik R. Hirsch
Erik R. Hirsch
Co-Chief Executive Officer

/s/ Juan Delgado-Moreira
Juan Delgado-Moreira
Co-Chief Executive Officer

/s/ Jeffrey Armbrister
Jeffrey Armbrister
Chief Financial Officer