



Private Wealth Perspectives: Analyzing Trends in Private Markets

This document is not an offer to sell, or a solicitation of any offer to buy, any security or to enter into any agreement with Hamilton Lane or any of its affiliates. Securities distributed in the United States by Hamilton Lane Securities LLC, member FINRA®, SIPC. Hamilton Lane Private Assets Fund is distributed by UMB Distribution Services, LLC. Investment management services provided by Hamilton Lane Advisors L.L.C.

Please note that the information contained herein is intended for discussion purposes only. All information contained herein, including but not limited to proposed terms, fees, structure, diversification targets, or strategy is subject to change upon issuance of final offering and subscription documents.

Private Equity – Did You Know?...

1

Private equity has generally **outperformed public equity** - on both an absolute and risk-adjusted basis

2

Private markets' **downside risk is often over-emphasized**, particularly when compared to public markets

3

The size of the private equity market is in part due to **stronger operating performance** at the company and investment level

4

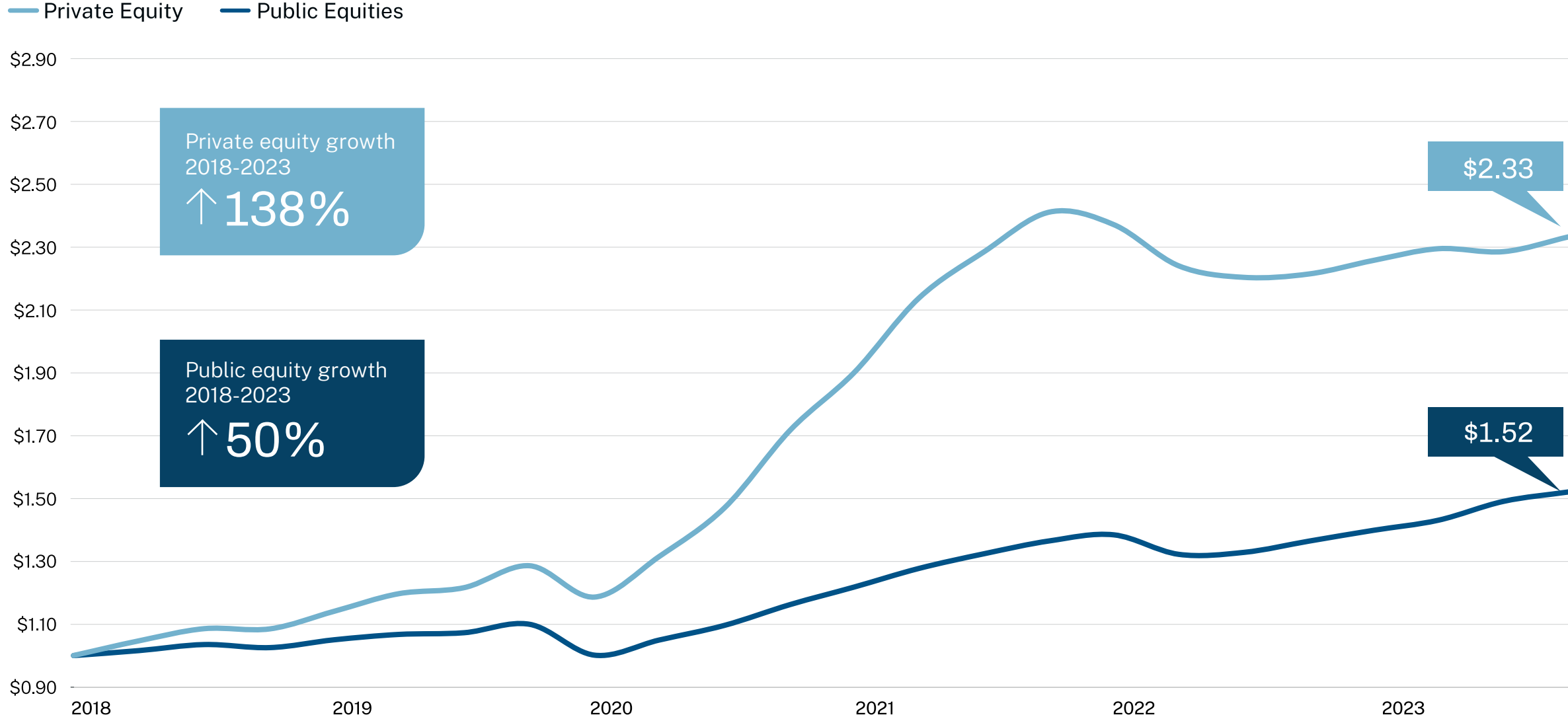
The size of the **private equity market** is **~2% of the total public markets**

5

Private markets **NAV growth is due to both fundraising and strong performance**

Private Equity Has Outperformed Public Markets Over Past Five Years

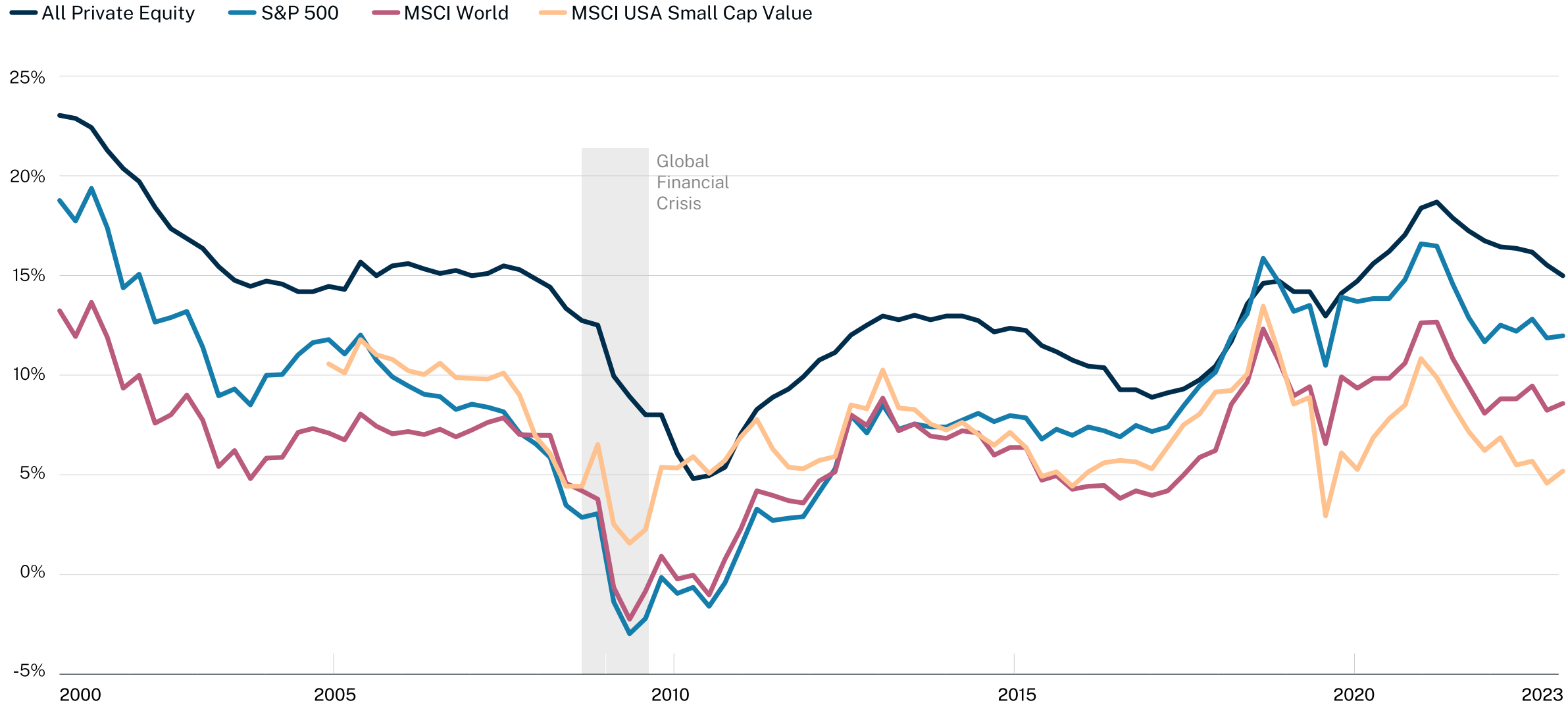
Growth of \$1



Source: Hamilton Lane Data via Cobalt, Bloomberg (May 2024)

Private Equity Returns Have Consistently Outperformed Over Several Decades Compared to Public Equity

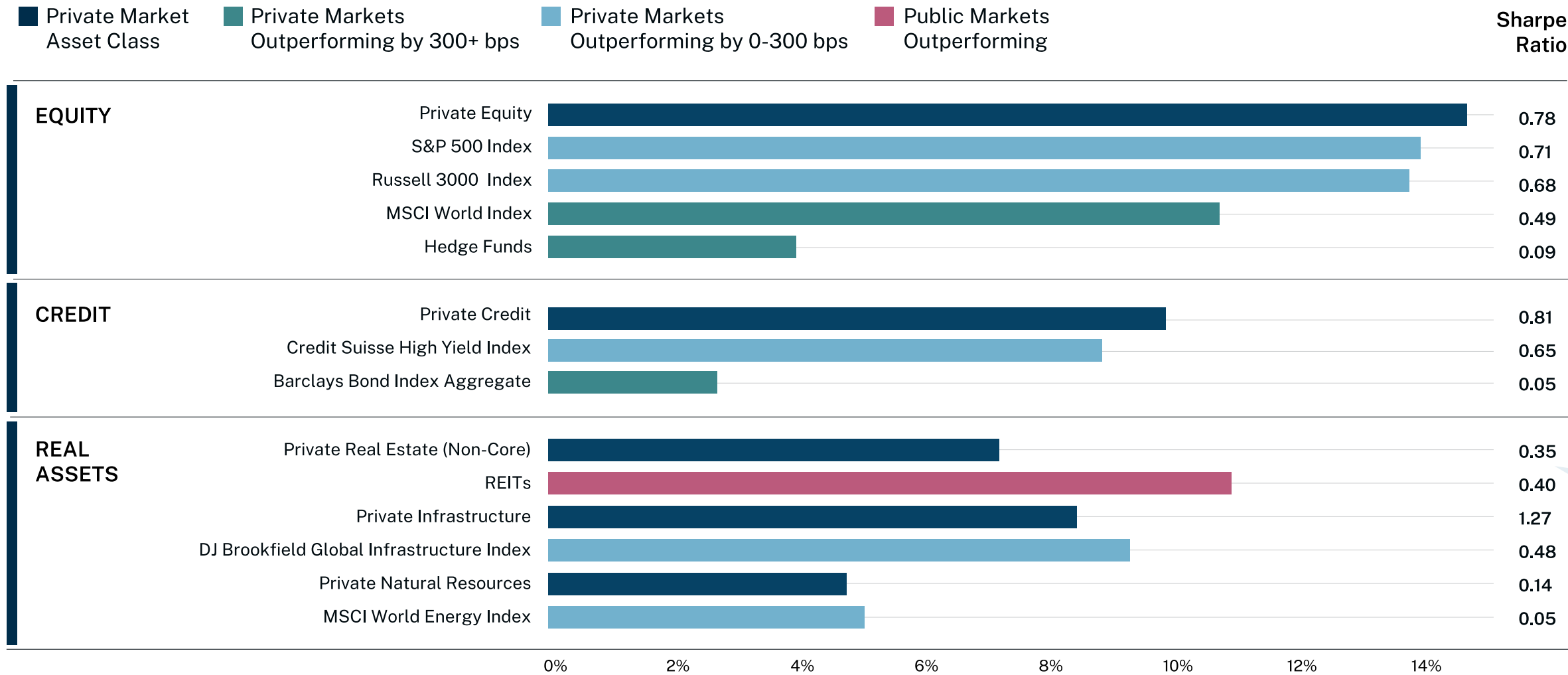
All private equity 10-year rolling time-weighted returns



Source: Hamilton Lane Data via Cobalt (May 2024)

Private Equity and Private Credit Outperform Over the Intermediate and Long-term, Both Absolute and Risk-adjusted

15-year asset class performance, annualized time-weighted returns as of 12/31/2023



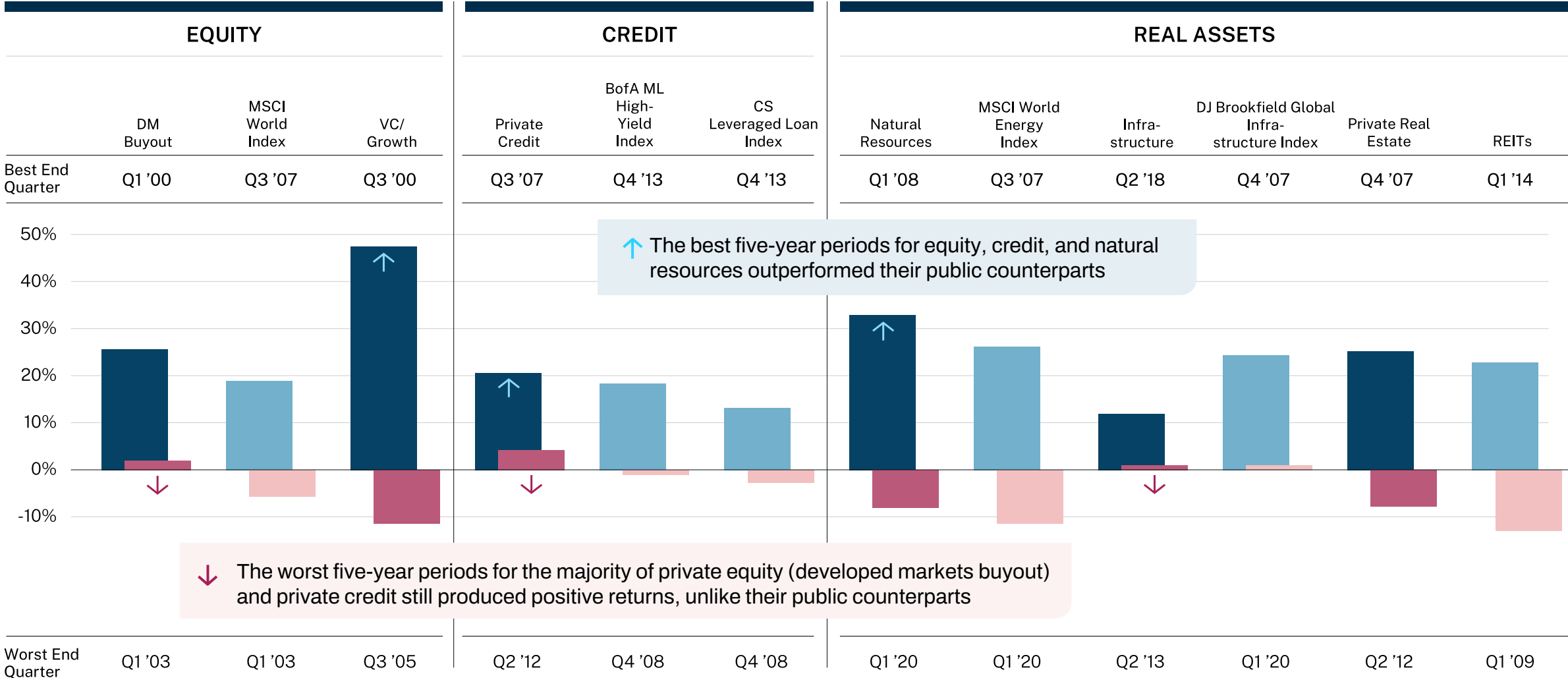
Real estate performance in longer time horizons is heavily influenced by GFC-era funds

Source: Hamilton Lane Data via Cobalt, Bloomberg. Indices used: Hamilton Lane All Private Equity with volatility de-smoothed; S&P 500 Index; Russell 3000 Index; MSCI World Index; HFRI Composite Index; Hamilton Lane Private Credit with volatility de-smoothed; Credit Suisse High Yield Index; Barclays Aggregate Bond Index; Hamilton Lane Private Real Estate with volatility de-smoothed; Hamilton Lane Private Infrastructure with volatility de-smoothed; Hamilton Lane Private Natural Resources with volatility de-smoothed; FTSE/NAREIT Equity REIT Index; DJ Brookfield Global Infrastructure Index; MSCI World Energy Sector Index. Geometric mean returns in USD. Assumes risk free rate of 2.43%, representing the average yield of the ten-year treasury over the last fifteen years. (May 2024)

We Believe Private Markets Downside Risk is Over-emphasized, Particularly When Compared to Public Market

Highest and lowest 5-year annualized performance

Private markets: ■ Highest ■ Lowest | Public markets: ■ Highest ■ Lowest



↑ The best five-year periods for equity, credit, and natural resources outperformed their public counterparts

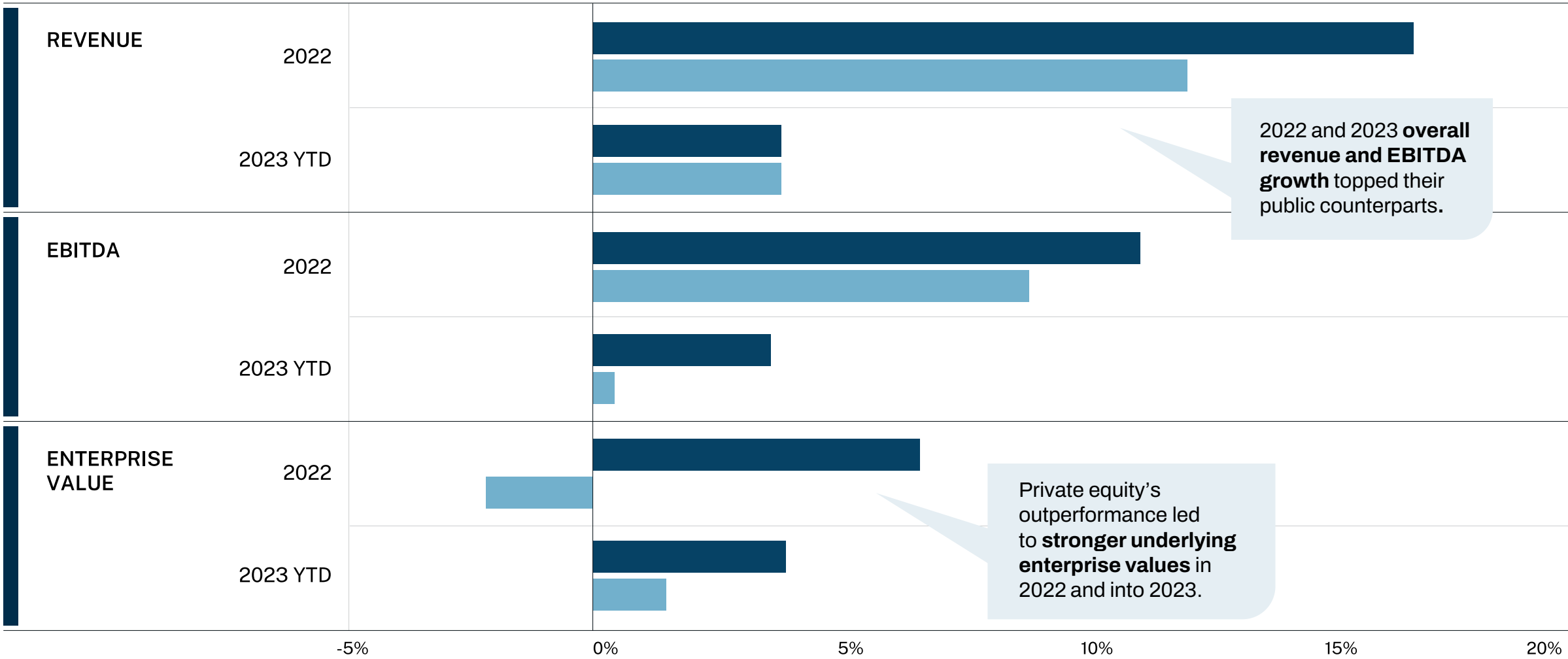
↓ The worst five-year periods for the majority of private equity (developed markets buyout) and private credit still produced positive returns, unlike their public counterparts

Infrastructure from 2006-2023, Natural Resources from 1998-2023; Source: Hamilton Lane Data via Cobalt, Bloomberg (May 2024)

Private Equity Outperformance is in Part Due to Stronger Operating Performance at the Company and Investment Level

Median operational performance

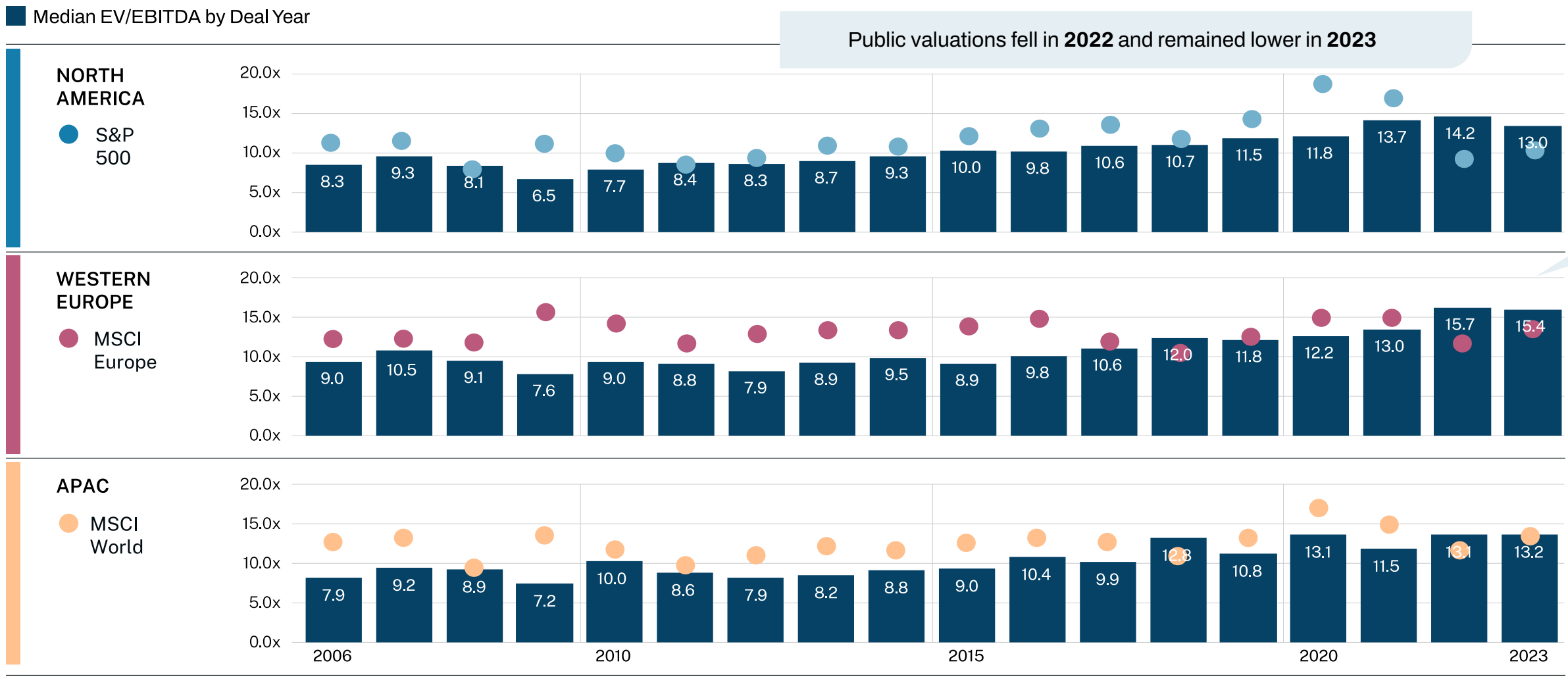
■ North America Buyout ■ S&P 500



Source: Hamilton Lane Data, Bloomberg (December 2023)

Purchase Prices Remained Elevated, Declining Modestly in 2023

Purchase price multiples at acquisition



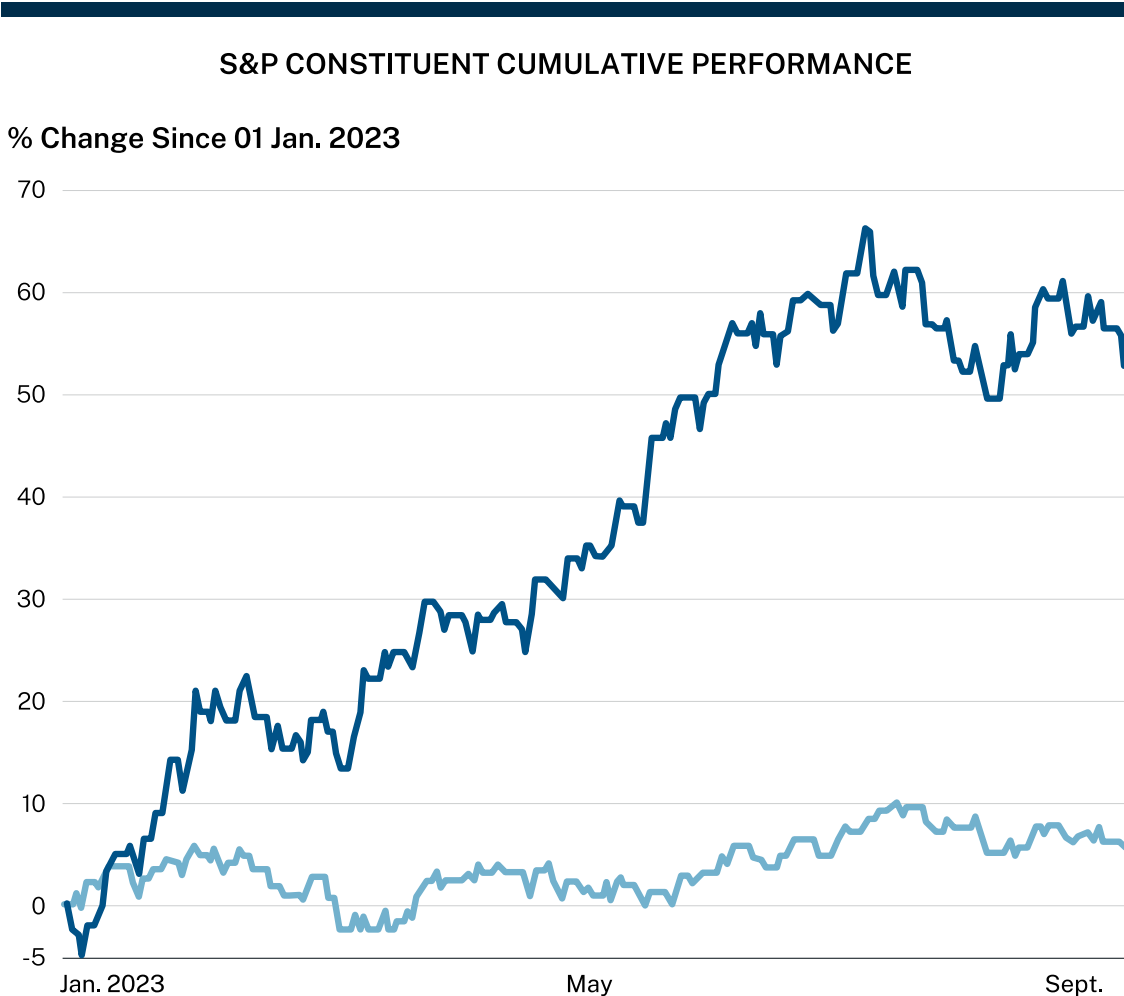
The **resulting correction** saw public market valuations fall in 2022 and remain lower in 2023. At the same time, **private markets transactions were limited to quality assets and thus higher purchase prices**

Source: Hamilton Lane Data, Bloomberg (January 2024)

S&P is Highly Concentrated. Majority of Performance is Driven by the S&P 7, Whose P/E Ratio is Close to 45

P/E ratio and cumulative performance S&P 7 vs. S&P 493

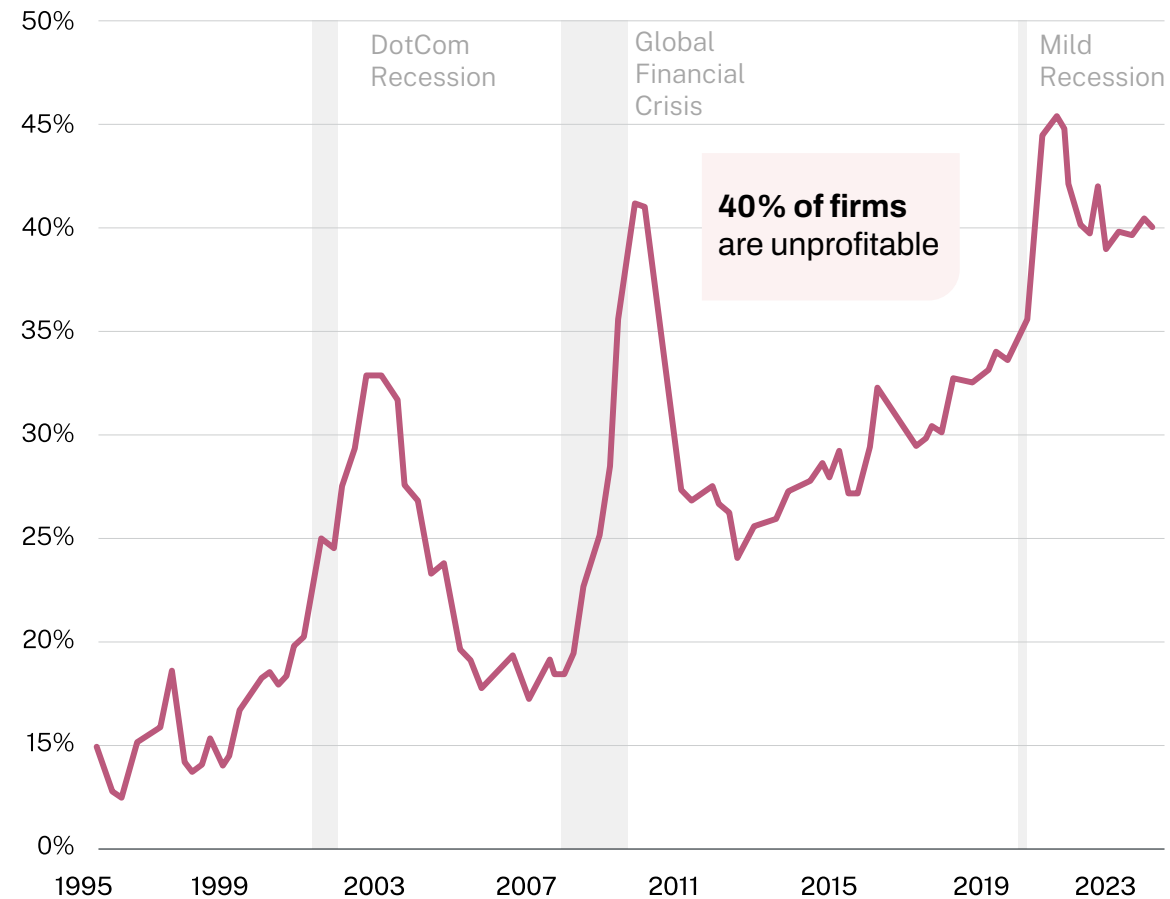
— S&P7 — S&P493



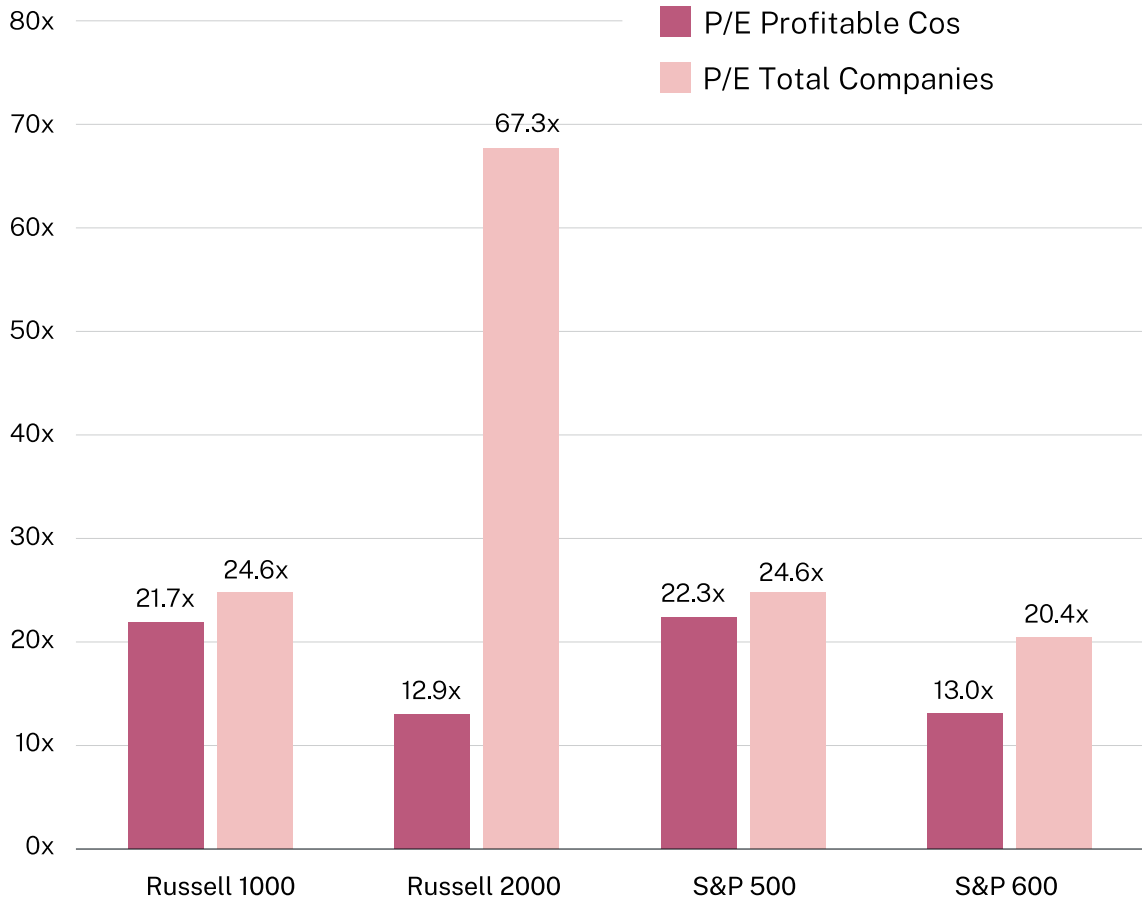
Source: Bloomberg, Apollo Chief Economist (October 2023); Note: 12-month trailing P/E ratio used; S&P 7 includes: Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, Tesla

Listed Equities Also Remain Expensive, and Many Firms are Unprofitable

PERCENTAGE OF RUSSELL 2000 COMPANIES WITH NEGATIVE EARNINGS



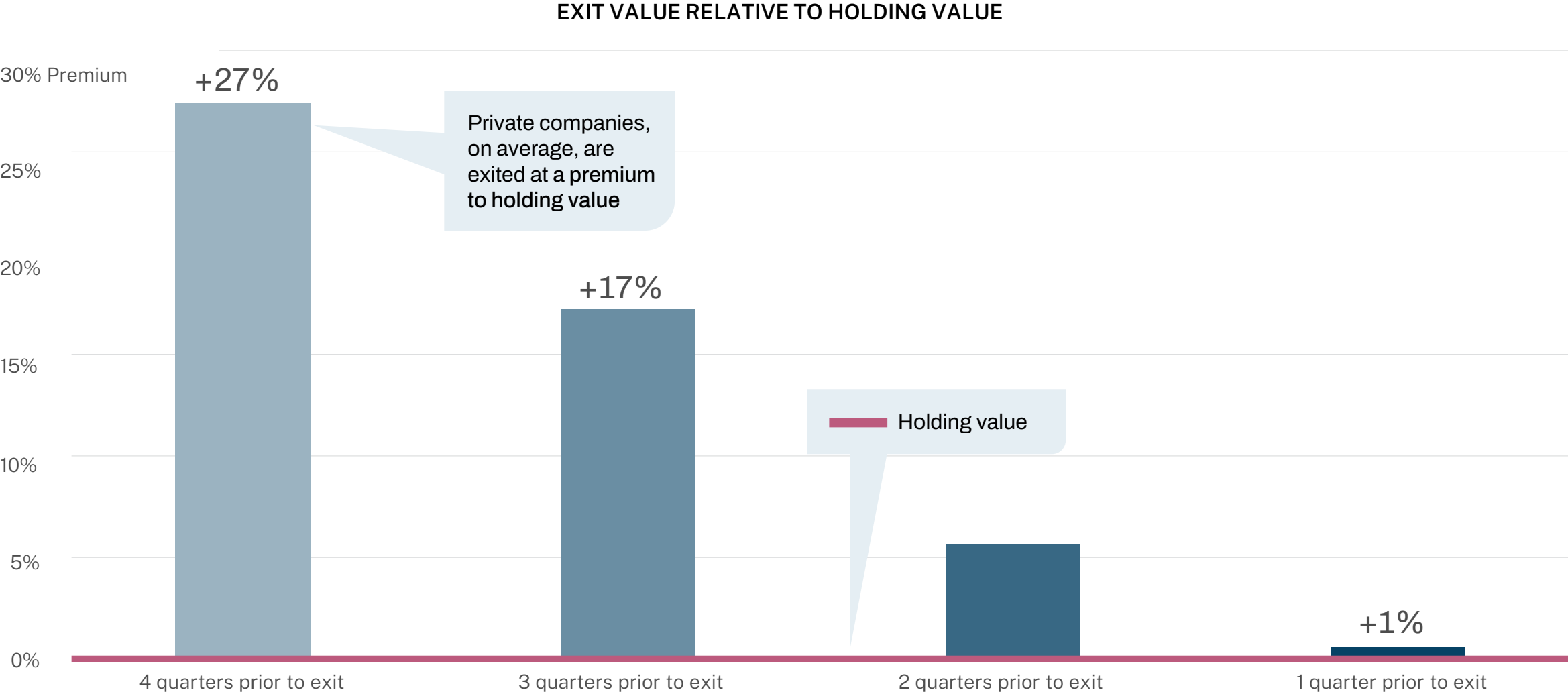
P/E OF PROFITABLE COMPANIES VS. P/E OF ALL COMPANIES



Sources: Apollo Chief Economist (December 2023); Hamilton Lane Data, Bloomberg (January 2024)

On Average, Private Companies Show Higher Exit than Holding Values, Disproving the Belief that Private Firms are Overvalued

Median exit markups during the year prior to exit, deals exited Q2 2021 – Q2 2023

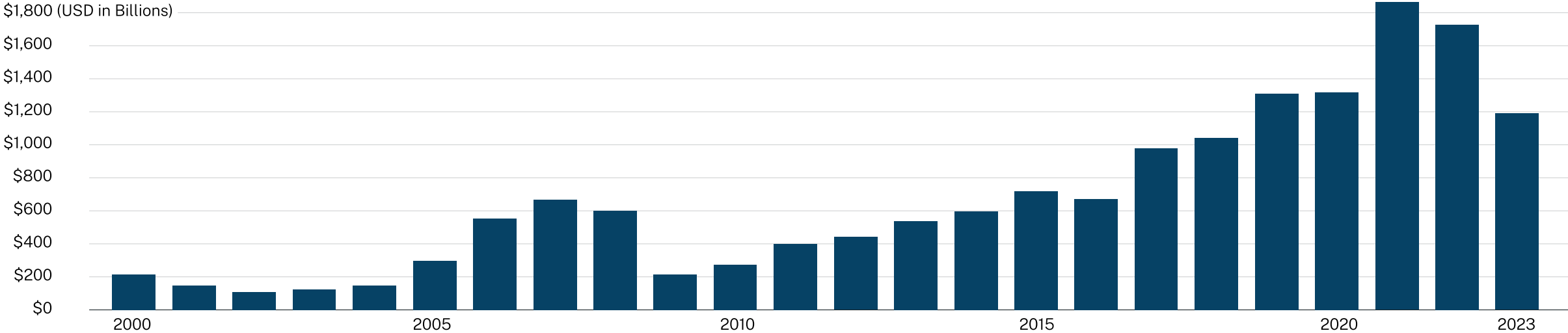


Source: Hamilton Lane Data (January 2024)

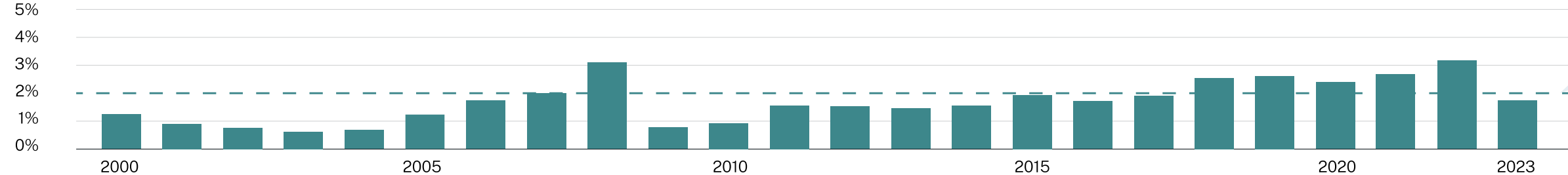
Slowdown in Fundraising Likely Driven by Slower Distributions, Overallocation Among Some LPs

Global private markets fundraising

ALL PRIVATE MARKETS FUNDRAISING



GLOBAL FUNDRAISING AS PERCENTAGE OF MSCI WORLD MARKET CAP



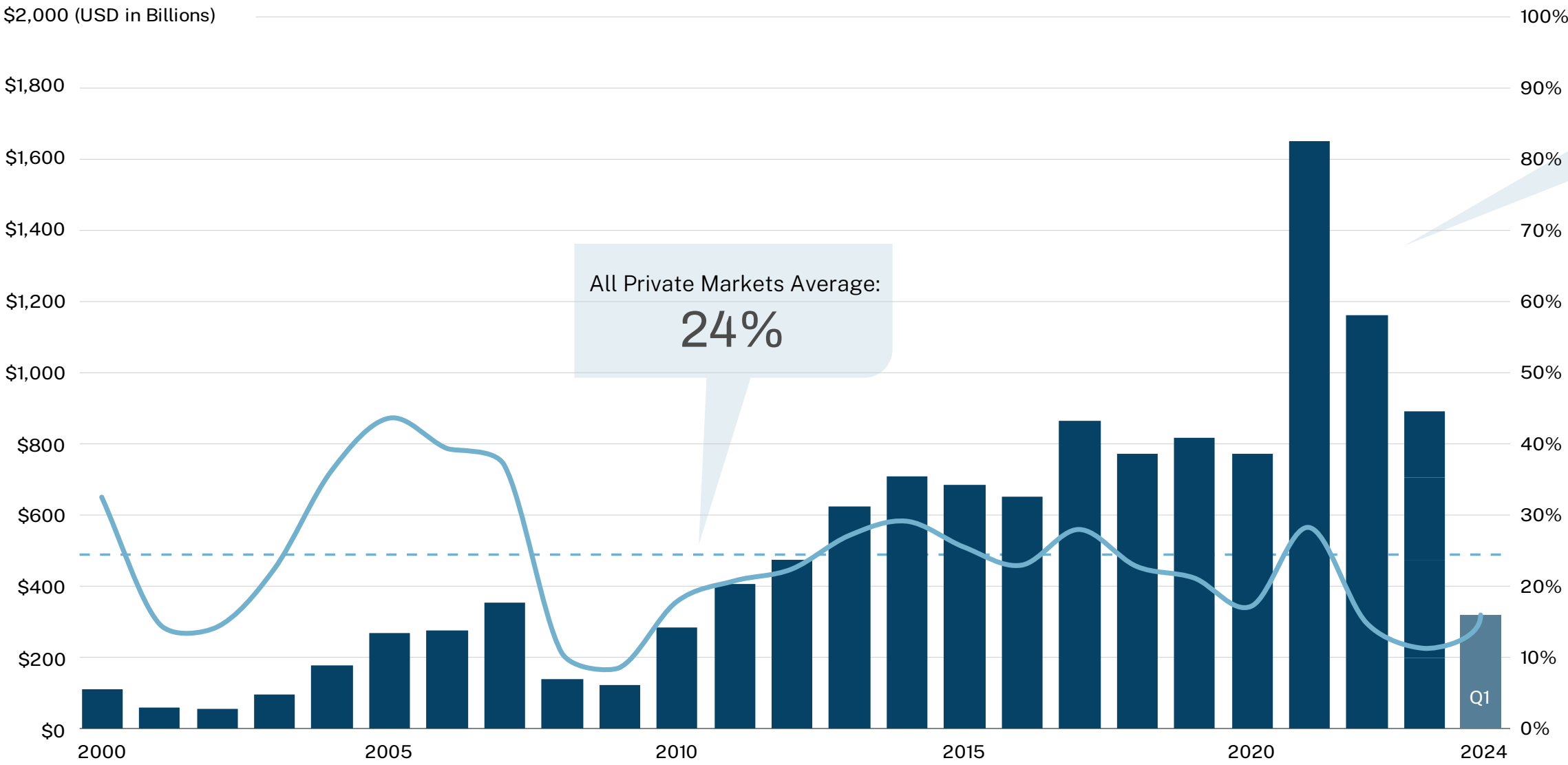
Private markets remain ~2% of the public markets

Source: Hamilton Lane Data, Cobalt, Pitchbook, Bloomberg (May 2024)

Distributions Slowed in 2022 – 2023 to Just Over 10% of NAV, though GPs Predict a Rebound in 2024

Annual private markets distributions (deal/sell activity)

■ All Private Markets Distributions — All Private Markets Rate of Distribution



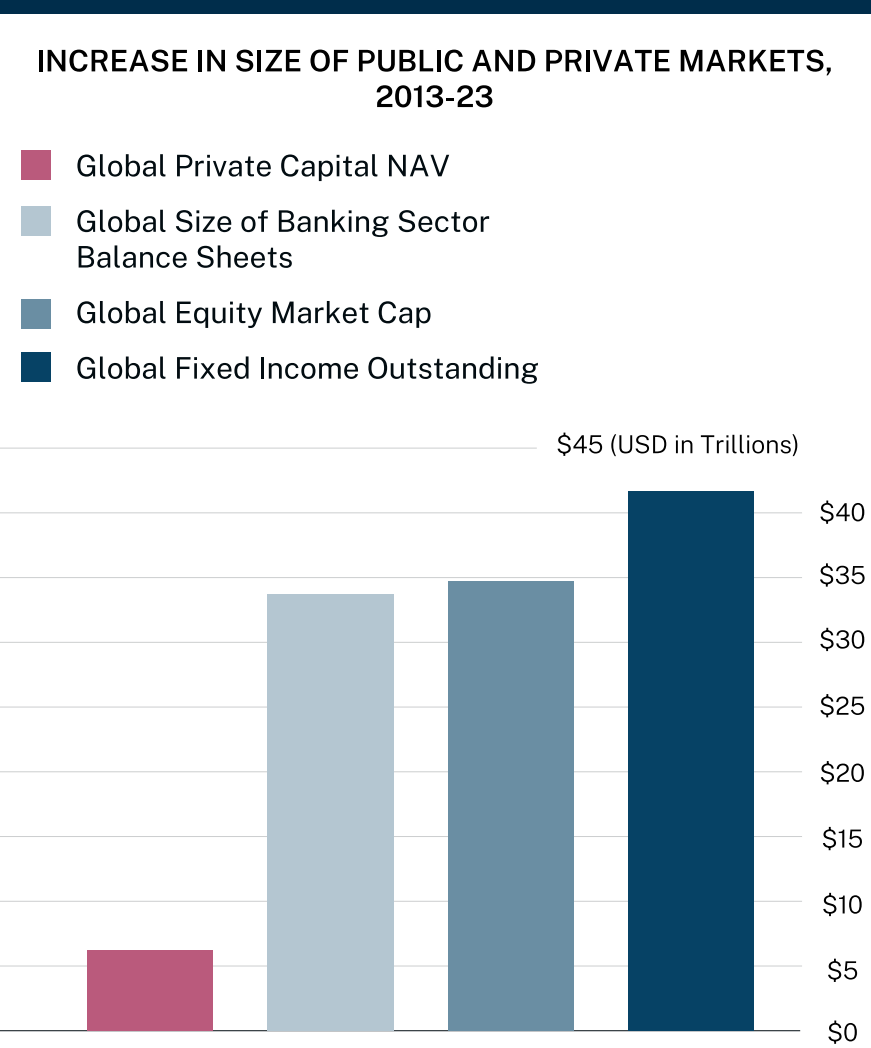
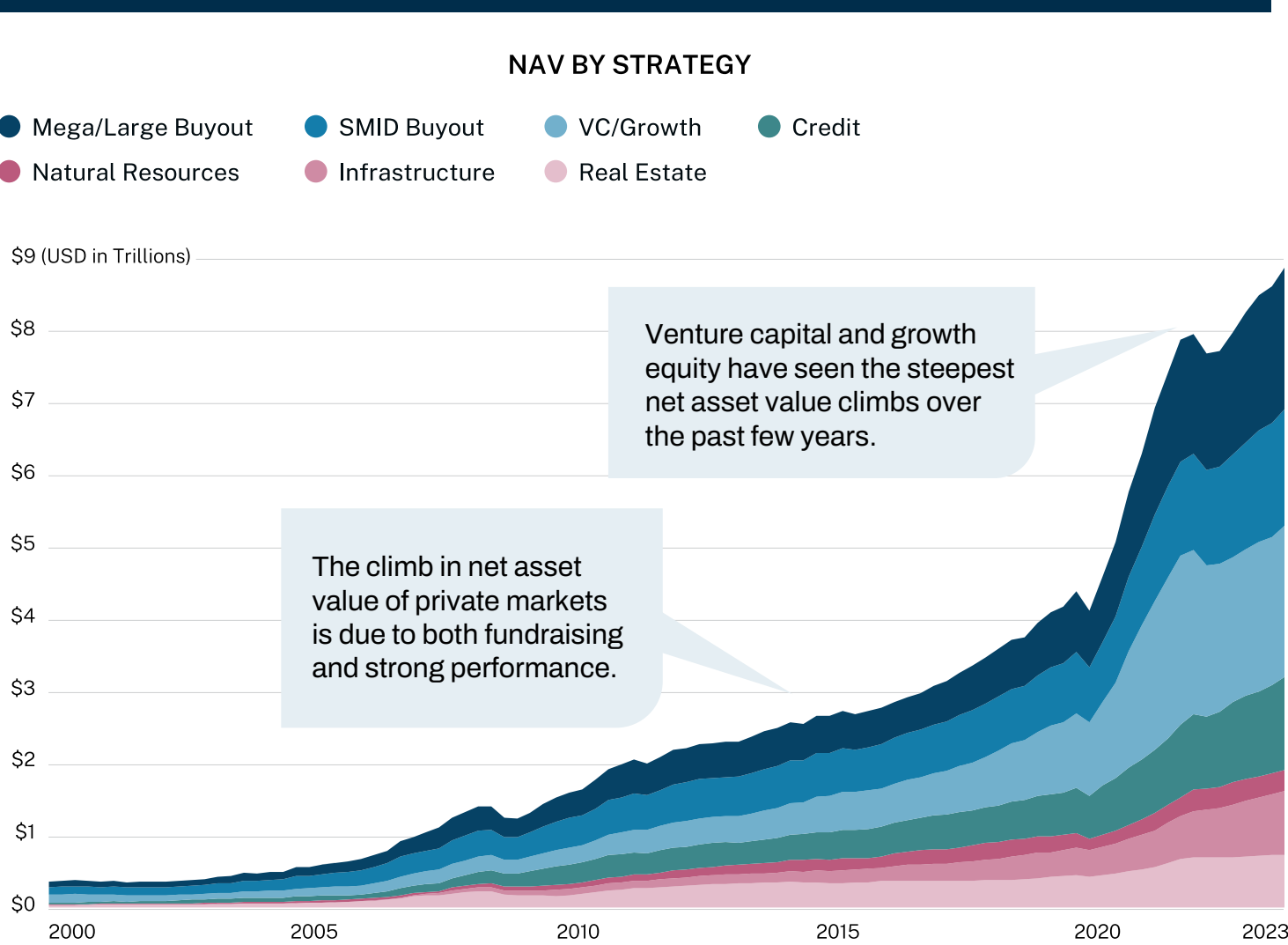
All Private Markets Average:
24%

Private market deal activity slowed in 2023 from record levels in 2021 and 2022. This has resulted in **fewer overall distributions coming from private equity funds.**

Source: Hamilton Lane Data via Cobalt (May 2024)

Private Markets NAV Increase is Due to Strong Performance and Fundraising. But Private Investment Growth Remains a Fraction of The Growth In Public Equities and Fixed Income

Global private markets fundraising



Source: Hamilton Lane Data as of 12/31/2023 (May 2024)



Thank You

Visit our [website](#)

Reach us at privatewealthsolutions@hamiltonlane.com

Contact Information

Philadelphia (Headquarters)

Seven Tower Bridge
110 Washington Street
Suite 1300
Conshohocken, PA 19428
USA
+1 610 934 2222

Denver

10333 East Dry Creek Road
Suite 310
Englewood, CO 80112
USA
+1 866 361 1720

Frankfurt

Schillerstr. 12
60313 Frankfurt am Main
Germany
+49 69 153 259 93

Hong Kong

Room 1001-3, 10th Floor
St. George's Building
2 Ice House Street
Central Hong Kong, China
+852 3987 7191

London

4th Floor
10 Bressenden Place
London SW1E 5DH
United Kingdom
+44 20 8152 4163

Mexico City

Av. Paseo de la Reforma 333
Espacio de oficina 417
Cuauhtémoc, 06500
Ciudad de México, CDMX
Mexico
+52 55 6828 7930

Miami

999 Brickell Avenue
Suite 720
Miami, FL 33131
USA
+1 954 745 2780

Milan

Via Filippo Turati 30
20121 Milano
Italy
+39 02 3056 7133

New York

610 Fifth Avenue, Suite 401
New York, NY 10020
USA
+1 212 752 7667

Portland

Kruse Woods II
5335 Meadows Rd Suite 280
Lake Oswego, OR 97035
USA
+1 503 624 9910

San Francisco

201 California Street, Suite 550
San Francisco, CA 94111
USA
+1 415 365 1056

Scranton

54 Glenmaura National Blvd
3rd Floor Suite 302
Moosic, PA 18507
USA
+1 570 247 3739

Seoul

12F, Gangnam Finance Center
152 Teheran-ro, Gangnam-gu
Seoul 06236
Republic of Korea
+82 2 6191 3200

Shanghai

One ICC
Shanghai International Commerce
Centre
No. 288 South Shaanxi Road
Xuhui, Shanghai Municipality
200031
+021 8012 3630

Singapore

12 Marina View
Asia Square Tower 2
Suite 26-04
Singapore, 018961
+65 6856 0920

Stockholm

Östermalmstorg 1, Floor 4
114 42 Stockholm
Sweden
+44 20 8152 4163

Sydney

Level 33, Aurora Place
88 Phillip Street
Sydney NSW 2000
Australia
+61 2 9293 7950

Tel Aviv

6 Hahoshlim Street
Building C 7th Floor
Hertzelia Pituach, 4672201
P.O. Box 12279
Israel
+972 73 2716610

Tokyo

13F, Marunouchi Bldg.
2-4-1, Marunouchi
Chiyoda-ku
Tokyo 100-6313, Japan
+81 (0) 3 5860 3940

Toronto

40 King Street W
Suite 3603
Toronto, M5H 3Y2
Canada
+1 437 600 3006

Zürich

Hamilton Lane (Switzerland) AG
Genferstrasse 6
8002 Zürich
Switzerland
+41 (0) 43 883 0352

Definitions

Strategy Definitions

All Private Markets – Hamilton Lane’s definition of “All Private Markets” includes all private commingled funds excluding fund-of-funds, and secondary fund-of-funds.

Corporate Finance/Buyout – Any PM fund that generally takes control position by buying a company.

Credit – This strategy focuses on providing debt capital.

DM Buyout – Includes any buyout fund that is primarily investing in developed markets of North America, Western Europe and Global

Fund-of-Funds (FoF) – A fund that manages a portfolio of investments in other private equity funds.

Growth Equity – Any PM fund that focuses on providing growth capital through an equity investment.

Infrastructure – An investment strategy that invests in physical systems involved in the distribution of people, goods, and resources.

Late Stage VC – A venture capital strategy that provides funding to developed startups.

Mega/Large Buyout – Any buyout fund larger than a certain fund size that depends on the vintage year.

Natural Resources – An investment strategy that invests in companies involved in the extraction, refinement, or distribution of natural resources.

Private Equity – A broad term used to describe any fund that offers equity capital to private companies.

Real Assets – Real Assets includes any PM fund with a strategy of Infrastructure, Natural Resources, or Real Estate.

Real Estate – Any closed-end fund that primarily invests in non-core real estate, excluding separate accounts and joint ventures.

ROW – Any fund with a geographic focus outside of North America and Western Europe.

SMID Buyout – Any buyout fund smaller than a certain fund size, dependent on vintage year.

U.S. Mega/Large – Any buyout fund larger than a certain fund size that depends on the vintage year and is primarily investing in the United States.

U.S. SMID – Any buyout fund smaller than a certain fund size that depends on the vintage year and is primarily investing in the United States.

U.S. & EU Growth – Includes all growth equity funds investing in North America and Western Europe.

U.S. & EU VC – Includes all venture capital funds investing in North America and Western Europe.

VC/Growth – Includes all funds with a strategy of venture capital or growth equity.

Venture Capital – Venture Capital includes any PM fund focused on financing startups, early-stage, late stage, and emerging companies or a combination of multiple investment stages of startups.

Index Definitions

Barclays U.S. Corporate Aggregate Index – Tracks the performance of U.S. fixed rate corporate debt rated as investment grade.

BofAML High Yield Index – The BofAML High Yield index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Credit Suisse High Yield Index – The Credit Suisse High Yield index tracks the performance of U.S. sub-investment grade bonds.

DJ Brookfield Global Infrastructure Index – The DJ Brookfield Global Infrastructure Index is designed to measure the performance of companies globally that are operators of pure-play infrastructure assets.

FTSE/NAREIR All Equity REIT Index – The FTSE/NAREIT All Equity REIT Index tracks the performance of U.S. equity REITs.

HFRI Composite Index – The HFRI Composite Index reflects hedge fund industry performance.

MSCI Europe Index – The MSCI Europe Index measures performance of large and mid-cap companies across 15 developed markets in Europe.

MSCI USA Small Cap Value Index – The MSCI USA Small Cap Index is designed to measure the performance of the small cap segment of the U.S. equity market.

MSCI World Energy Sector Index – The MSCI World Energy Sector Index measures the performance of securities classified in the GICS Energy sector.

MSCI World Index – The MSCI World Index tracks large and mid-cap equity performance in developed market countries.

Russell 1000 Index – The Russell 1000 Index tracks the highest-ranking 1000 stocks in the Russell 3000 index by market capitalization

Russell 2000 Index – The Russell 2000 Index is composed of 20000 small-cap U.S. companies.

Russell 3000 Index – The Russell 3000 Index is composed of 3000 large U.S. companies, as determined by market capitalization.

S&P 500 Index – The S&P 500 Index tracks 500 largest companies based on market capitalization of companies listed on NYSE or NASDAQ.

Other

Sharpe Ratio – The Sharpe Ratio is the average return earned in excess of the risk-free rate per unity of volatility or total risk.

Time-weighted Return – Time-weighted return is a measure of compound rate of growth in a portfolio.

Volatility – Volatility is a statistical measure of dispersion of return, specifically standard deviation.

Disclosures

This presentation has been prepared solely for informational purposes and contains confidential and proprietary information, the disclosure of which could be harmful to Hamilton Lane. Accordingly, the recipients of this presentation are requested to maintain the confidentiality of the information contained herein. This presentation may not be copied or distributed, in whole or in part, without the prior written consent of Hamilton Lane.

The information contained in this presentation may include forward-looking statements regarding returns, performance, opinions, the fund presented or its portfolio companies, or other events contained herein. Forward-looking statements include a number of risks, uncertainties and other factors beyond our control, or the control of the fund or the portfolio companies, which may result in material differences in actual results, performance or other expectations. The opinions, estimates and analyses reflect our current judgment, which may change in the future.

All opinions, estimates and forecasts of future performance or other events contained herein are based on information available to Hamilton Lane as of the date of this presentation and are subject to change. Past performance of the investments described herein is not indicative of future results. In addition, nothing contained herein shall be deemed to be a prediction of future performance. The information included in this presentation has not been reviewed or audited by independent public accountants. Certain information included herein has been obtained from sources that Hamilton Lane believes to be reliable, but the accuracy of such information cannot be guaranteed.

This presentation is not an offer to sell, or a solicitation of any offer to buy, any security or to enter into any agreement with Hamilton Lane or any of its affiliates. Any such offering will be made only at your request. We do not intend that any public offering will be made by us at any time with respect to any potential transaction discussed in this presentation. Any offering or potential transaction will be made pursuant to separate documentation negotiated between us, which will supersede entirely the information contained herein.

Certain of the performance results included herein do not reflect the deduction of any applicable advisory or management fees, since it is not possible to allocate such fees accurately in a vintage year presentation or in a composite measured at different points in time. A client's rate of return will be reduced by any applicable advisory or management fees, carried interest and any expenses incurred. Hamilton Lane's fees are described in Part 2 of our Form ADV, a copy of which is available upon request.

The following hypothetical example illustrates the effect of fees on earned returns for both separate accounts and fund-of-funds investment vehicles. The example is solely for illustration purposes and is not intended as a guarantee or prediction of the actual returns that would be earned by similar investment vehicles having comparable features. The example is as follows: The hypothetical separate account or fund-of-funds consisted of \$100 million in commitments with a fee structure of 1.0% on committed capital during the first four years of the term of the investment and then declining by 10% per year thereafter for the 12-year life of the account. The commitments were made during the first three years in relatively equal increments and the assumption of returns was based on cash flow assumptions derived from a historical database of actual private equity cash flows. Hamilton Lane modeled the impact of fees on four different return streams over a 12-year time period. In these examples, the effect of the fees reduced returns by approximately 2%. This does not include performance fees, since the performance of the account would determine the effect such fees would have on returns. Expenses also vary based on the particular investment vehicle and, therefore, were not included in this hypothetical example. Both performance fees and expenses would further decrease the return.

Hamilton Lane (Germany) GmbH is a wholly-owned subsidiary of Hamilton Lane Advisors, L.L.C. Hamilton Lane (Germany) GmbH is authorised and regulated by the Federal Financial Supervisory Authority (BaFin). In the European Economic Area this communication is directed solely at persons who would be classified as professional investors within the meaning of Directive 2011/61/EU (AIFMD). Its contents are not directed at, may not be suitable for and should not be relied upon by retail clients.

Hamilton Lane (UK) Limited is a wholly-owned subsidiary of Hamilton Lane Advisors, L.L.C. Hamilton Lane (UK) Limited is authorised and regulated by the Financial Conduct Authority (FCA). In the United Kingdom this communication is directed solely at persons who would be classified as a professional client or eligible counterparty under the FCA Handbook of Rules and Guidance. Its contents are not directed at, may not be suitable for and should not be relied upon by retail clients.

Hamilton Lane Advisors, L.L.C. is exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 in respect of the financial services by operation of ASIC Class Order 03/1100: U.S. SEC regulated financial service providers. Hamilton Lane Advisors, L.L.C. is regulated by the SEC under U.S. laws, which differ from Australian laws.

Any tables, graphs or charts relating to past performance included in this presentation are intended only to illustrate the performance of the indices, composites, specific accounts or funds referred to for the historical periods shown. Such tables, graphs and charts are not intended to predict future performance and should not be used as the basis for an investment decision.

The information herein is not intended to provide, and should not be relied upon for, accounting, legal or tax advice, or investment recommendations. You should consult your accounting, legal, tax or other advisors about the matters discussed herein.

The calculations contained in this document are made by Hamilton Lane based on information provided by the general partner (e.g. cash flows and valuations), and have not been prepared, reviewed or approved by the general partners.