



Hamilton Lane®

Form ADV Part 2A

Hamilton Lane Advisors, L.L.C.
One Presidential Boulevard, 4th Floor
Bala Cynwyd, PA 19004
(610) 934-2222
www.hamiltonlane.com

January 3, 2017

This brochure provides information about the qualifications and business practices of Hamilton Lane Advisors, L.L.C. (the “Advisor”), an investment advisor registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact Frederick Shaw, Director of Compliance, at 610-617-5724.

This information has not been approved or verified by the SEC or by any state securities authority. Additional information about the Advisor is also available on the SEC’s website at www.Advisorinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

**Item 2. Material Changes**

This Form ADV Part 2A brochure replaces the previous brochure issued on June 24, 2016.

The following sections of this brochure have received material updates in 2016:

- Information about our Advisory Business
- Fees and Compensation
- Types of Clients
- Methods of Analysis, Investment Strategies and Risks of Loss

Item 3: TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
Item 4. Advisory Business	4
Item 5. Fees and Compensation	6
Item 6. Performance-Based Fees and Side-by-Side Management	9
Item 7. Types of Clients	10
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9. Disciplinary Information	18
Item 10. Other Financial Industry Activities and Affiliations	19
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	20
Item 12. Brokerage Practices	21
Item 13. Review of Accounts	23
Item 14. Client Referrals and Other Compensation	24
Item 15. Custody	25
Item 16. Investment Discretion	26
Item 17. Voting Client Securities	27
Item 18. Financial Information	28



Item 4. Advisory Business

General Description of the Advisor

The Advisor is an investment advisor with its principal place of business in Bala Cynwyd, PA. The Advisor also maintains offices in London, Hong Kong, San Francisco, San Diego, New York, Ft. Lauderdale, Rio de Janeiro, Tel Aviv, Tokyo, Las Vegas and Seoul. The Advisor commenced operations as an investment advisor under the name Hamilton Lane Advisors, Inc. in May 1991 and has been registered with the SEC since August 1998. HLA Investments, LLC, a company owned by the Chairman, the Chief Executive Officer and several private investors, owns approximately 47.8% of the outstanding equity interests of the Advisor. HL Management Investors, LLC, a company owned by current and former employees of the Advisor, owns approximately 34% of the outstanding equity interests of the Advisor.

Description of Advisory Services

The Advisor provides discretionary and non-discretionary private equity investment advisory and asset management services to institutional investors (and indirectly to high net worth individuals) through fund products, separate accounts and portfolio advisory services. Investment strategies for funds managed by the Advisor vary and can focus on primary, secondary, co-investment and real estate opportunities. Institutional separate accounts are discretionary engagements and may invest in any of primary investments, co-investments and secondary investments and typically are customized based upon the needs of the client. The Advisor's portfolio advisory services are non-discretionary and vary depending on the nature of the account, but may include identification, screening and analysis of potential investment opportunities, negotiation and execution of investments, and monitoring and administration of investments. The Advisor also acts as the investment manager to certain private equity limited partnerships, and affiliated limited liability companies serve as the general partners for these limited partnerships.

The Advisor offers private equity fund administration and reporting services, which include monitoring and reporting on client portfolios. The Advisor is retained on occasion to issue special reports about certain securities separately from the services described above, which clients may use in the evaluation of investment opportunities.

The Advisor, through a strategic partnership with Boston Illiquid Securities Offering Network Inc. ("BISON"), offers the analytical solution Cobalt LP to private market limited partners. The Cobalt LP product offers enhanced portfolio analytics, fund due diligence, peer analysis, cash flow forecasting and portfolio modeling.

The Advisor also offers discretionary distribution management services ("DM Services") to assist clients with the liquidation of in-kind distributions of listed public equities from private equity funds. The Advisor has two primary DM Services, "Managed Liquidation" and "Active Management". The Advisor's goal for Managed Liquidation clients is to mitigate the negative effects an in-kind distribution may have on the price of the stock. The Advisor's goal for Active Management clients is to enhance overall returns by holding a core portfolio of equities that the Advisor believes has the potential for strong long-term growth.

Availability of Tailored Services for Individual Clients

The Advisor provides advice to clients based on specific investment objectives and strategies established by the Advisor and the clients. Clients that invest in a fund managed by the Advisor are bound by the investment strategy of that particular fund. Each fund's investment strategy is set forth in its governing documents and offering documents.

**Wrap Fee Programs**

The Advisor does not participate in or advise any wrap fee programs.

Regulatory Assets Under Management

As of September 30, 2016, the Advisor had approximately \$314,141,308,759 in Regulatory Assets Under Management. As of that date, the Advisor managed \$40,623,667,652 on a discretionary basis and \$273,517,641,107 on a non-discretionary basis.



Item 5. Fees and Compensation

Advisory Fees and Compensation

Asset-Based Compensation

Private Equity Services

Fees for private equity services are calculated on a fixed fee basis or as a percentage of assets under management, and may incorporate reductions at various points in a fund's or portfolio's life. The Advisor does not enter into investment advisory contracts having non-negotiable fixed terms. Rather, the contract terms are negotiated separately with each client in an investment management agreement. Fees for funds managed by the Advisor are outlined in the offering document for each fund. The client's obligation to pay fees ceases upon the termination of the agreement or, in the case of a fund, the final distribution of the fund. Fees paid but not earned by the Advisor or any affiliate are returnable to the client.

DM Services

The asset-based fee for DM services is based on the aggregate value of (i) proceeds from asset sales conducted by the Advisor, (ii) dividends and (iii) acquisition or tender proceeds during each calendar quarter. Fees are calculated quarterly and reset on a calendar year or contract anniversary basis as selected by the client. Fees are charged based on the following schedule:

- Managed Liquidation: First \$100 million in aggregate value – .40%, thereafter .25%
- Active Management: First \$100 million in aggregate value - .75%, thereafter .60%

Clients who have significant distributions or who request specific additional services may have fees that differ from those identified above.

For clients who elect to have a performance-based compensation scheme, an asset-based fee of approximately .30% will be applied, in addition to an incentive fee as detailed below.

Performance-Based Compensation

Private Equity Services

The Advisor may charge performance fees to specific client accounts or funds if specified investment portfolio performance conditions, as detailed in the client contracts or fund documents, are met. Performance fee percentages vary based on the underlying investment type, i.e., primary investments, co-investments or secondary investments. Performance fees generally are subject to achieving a specified rate of return.

DM Services

The incentive fee base is calculated at the close of a specified 12-month period and is generally 10-12% of the difference between the sum of: (1) net realized gains, (2) unrealized gains and (3) other income on the account minus any (1) realized and (2) unrealized losses. The incentive fee base is then credited to a notional account. The Advisor is entitled to be paid 70% of any positive balance in the notional account on an annual basis. The remaining 30% of any positive balance in the notional account is carried forward to the following year. If the calculation results in a negative amount in a given year, that amount is applied to reduce the balance in the notional account. The Advisor is not required to repay any negative balance in the notional account.



Private Equity Fund Administration

The Advisor also provides monitoring and reporting services for clients on a stand-alone basis. Fees for this service vary depending on the level of reporting requested by the client and are generally fixed fees.

Cobalt LP

Initial fees for services provided by the Cobalt LP solution are generally based on the client's Assets Under Management although fees for certain clients may differ from the schedule set forth below.

- Private Market Assets Under Management under \$100 million: \$75,000 per year
- Private Market Assets Under Management over \$100 million/under \$1 billion: \$100,000 per year
- Private Market Assets Under Management over \$1 billion: \$125,000 per year

Special Project Fees

Fees may be incurred for certain additional services such as due diligence reports. In addition, the Advisor may provide services for special projects, in which case fees are negotiated individually based on the nature of the project.

Payment of Fees

Fees for services are payable in arrears or advance, typically quarterly or monthly. Fees for separate accounts, advisory accounts, DM Services, special reports or portfolio monitoring and reporting are billed directly to the clients. Fees for the Advisor's funds are generally deducted directly from the fund's custodian and paid by capital calls from the fund's investors.

Other Fees and Expenses

Client accounts may also be subject to third party investment expenses such as administrator and custodian charges, brokerage fees, commissions and related costs; prime brokerage costs; interest expenses; taxes, duties and other governmental charges; legal and accounting expenses; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts.

Client assets may be invested in pooled investment vehicles. In these cases, clients will bear their pro rata share of the underlying fund's operating and other expenses including, in addition to those listed above: sales expenses; legal expenses; internal and external accounting, audit and tax preparation expenses; and organizational expenses. In certain cases, the underlying funds may structure investments through alternative investment vehicles or parallel vehicles. Clients that invest through any of these vehicles will bear their pro rata share of the expenses of the applicable vehicles.

Client assets invested in funds managed by the Advisor may be invested on a short-term basis in money market mutual funds. In these cases, the client will bear its pro rata share of the investment management fee and other fees of the mutual fund, which are in addition to the investment management fee paid to the Advisor. Please refer to Item 12 of this brochure for a discussion of the Advisor's brokerage practices.

**Prepayment of Fees**

Clients may pay the Advisor's fees in advance. The client's obligation to pay fees ceases upon the termination of the client's agreement or, in the case of a fund, the final distribution of the fund. Fees paid but not earned by the Advisor or any affiliate are returnable to the client in accordance with the terms of the client's agreement.

Additional Compensation and Conflicts of Interest

The Advisor owns a minority equity position in BISON and an executive officer of the Advisor serves as the Chairman of the Board of Directors of BISON.



Item 6. Performance-Based Fees and Side-by-Side Management

Private Equity Services

The Advisor is a party to investment advisory and investment management agreements providing for different fee structures, and as a result conflicts of interest could arise with respect to the allocation of investment opportunities among client accounts, including funds managed by the Advisor. To address these potential conflicts of interest, all investment opportunities are presented to the Advisor's Allocation Committee for review. The Allocation Committee currently consists of the Chief Investment Officer and Chief Executive Officer. The Allocation Committee consults with representatives from the Advisor's relationship management department and fund investment team to assess the needs of each client and the suitability of each potential investment for that client. The Allocation Committee also considers the requirements of the sponsors of each potential investment to determine whether the clients that the Advisor believes are suitable investors are acceptable to the sponsor and what restrictions, if any, the sponsor will impose on the type of investors admitted to the fund or the amount of the investment.

The Advisor's policy is to treat all clients in a fair and reasonable manner and in accordance with contractual obligations and fiduciary duties. No client is favored over any other client for any reason, including but not limited to the fee structure or amount of fees payable to the Advisor by the client, subject to the requirements of specific in-state programs and the terms of investment funds managed by the Advisor. Factors considered by the Allocation Committee include, among others, the size of each account and fund, the aggregate amount available to the Advisor for a given investment, the applicable clients' investment strategies, and the portfolio construction of the applicable accounts and funds at the time of investment. The Chief Compliance Officer (or his/her designee) participates in the deliberations of the Allocation Committee with respect to investment decisions to ensure that these policies are followed. The Chief Compliance Officer (or his/her designee) also reviews each prospective investment to confirm that it meets the investment guidelines of each client included by the Allocation Committee.

DM Services

Allocation decisions for clients of the Advisor's DM Services are made by the Co-Heads of the DM Services business and are based on factors including portfolio composition and investment objectives of client accounts. Allocation decisions are not based on a consideration of fee arrangements, differences in account performance, relationships with any of the Advisor's employees, officers, or directors or tenure of the client's relationship with the Advisor. Allocation decisions are made with a view to fair and equitable treatment of the Advisor's clients.

Occasions may arise when the Advisor determines that the purchase or sale of a particular security is a proper investment decision for more than one of our clients. When this occurs, share prices are averaged and shares are allocated equitably according to each client's pro-rata participation in the transaction. On occasions when the Advisor decides that the purchase or sale of a security is in the best interests of a number of clients, including those with different strategies, it may aggregate the purchase or sale among multiple accounts with the goal of obtaining more efficient executions and lower brokerage commissions. When this occurs, each account will receive the average execution price as well as its pro-rata share of the total sales proceeds.



Item 7. Types of Clients

The Advisor provides investment advice to private investment funds, discretionary separate accounts and non-discretionary advisory accounts. Private investment funds are investment partnerships or other investment entities formed under domestic or foreign laws and operated as investment pools exempt from registration under the Investment Company Act of 1940, as amended. The investors participating in the Advisor's private investment funds, separate accounts and advisory accounts include pension plans, banks, sovereign wealth funds, endowments, other investment advisers, corporations and insurance companies. Investors in the Advisor's funds-of-funds are institutional investors, except for a small number of commingled funds that include high net worth individuals. The Advisor offers the Cobalt LP solution to private equity investors who may or may not utilize the Advisor's other private equity services.

The Advisor does not require that a client commit to invest a minimum amount to open a separate account. With respect to any client that is a private investment fund, any initial and additional subscription minimums are disclosed in its offering documents.



Item 8. Methods of Analysis, Investment Strategies, and Risks of Loss

Methods of Analysis and Investment Strategies

Each account and fund managed by the Advisor has specific investment guidelines and strategies, which are set forth in either the respective account and fund agreements or in the client's strategic plan. The accounts and funds may include some or all of the elements of the investment strategies described below.

Primary investments

Primary investments refer to investments in private equity funds that invest directly in operating companies. The Advisor's due diligence process for primary investments focuses on a wide variety of criteria and emphasizes the elements of risk and financial analysis that distinguish private equity from the more conventional asset classes. The due diligence process consists of (i) multiple screenings of the fund managers, (ii) questionnaires and various methods of financial analysis, (iii) meetings with the fund managers, (iv) visits to the fund managers' offices, and (v) preparation of a final investment report. Areas examined during the due diligence process include the fund's investment strategy, compensation structure, track record and conflicts and reference checks. Investment opportunities are either declined or approved by the Advisor's Investment Committee at multiple times throughout the process.

The Advisor seeks to prudently diversify primary investments for accounts and funds by investment sub-strategy, which may include buyout, venture capital and special situation (specialty, multi-stage, mezzanine or distressed debt) funds, geography (U.S., Europe and Asia) and vintage year, subject to applicable investment guidelines.

Secondary investments

Secondary investments refer to investments in private equity funds that are purchased from existing investors in the funds. Secondary investments may also include investments in companies directly. Secondary investments are examined utilizing a proprietary financial model designed specifically for evaluating private equity funds and portfolio companies in secondary transactions. The Advisor performs a "bottom-up" analysis of each potential secondary investment. The bottom-up analysis evaluates current values and projects future values for portfolio companies within a fund. These values are generated using several methodologies, including comparable public company values, discounted cash flow analysis and historical merger and acquisition statistics. This review includes historical returns, average holding periods, investment style and risk profile. These two separate analyses are considered collectively when determining an offering price for a secondary investment portfolio. All secondary transactions are approved by the Advisor's Secondary Investment Committee.

The Advisor seeks to maximize return on capital multiples and internal rate of return by pursuing diversified secondary investments. These investments include transactions involving a single fund/company or a portfolio of funds/companies. Target investments may be fully funded or have a significant amount of capital remaining to be drawn. The Advisor generally will engage in transactions directly with counterparties but also may participate in transactions with other secondary funds.



Co-investments

Co-investments refer to investments in operating companies together with one or more other private equity funds managed by other sponsors. The Advisor seeks to achieve substantial capital appreciation through co-investments in operating and financial companies in leveraged buyouts, recapitalizations and growth equity financings. The Advisor also seeks to diversify co-investments by investing over a multi-year period and in different geographical regions.

Due diligence on co-investment opportunities begins with a review of the information regarding the investment opportunity provided by the lead sponsor and may include some or all of the following: (i) meeting and interviewing management or company personnel, (ii) meetings and discussions with the lead sponsor and review of materials the lead sponsor has developed to evaluate the investment and (iii) engagement of legal, tax and accounting advisors when appropriate. The Advisor also conducts industry and competitive analysis and a risk analysis on the investment opportunities. Opportunities that pass the initial diligence process undergo a financial and valuation review using both the lead sponsor's and the Advisor's financial models. A detailed view of the company's financial structure and investment return projections are normally assembled at this stage as well. Throughout the due diligence process, the Advisor's co-investment team provides regular updates to the Investment Committee on the progress of the analysis. Once the analysis is completed, the investment team compiles a final report summarizing the results of the due diligence and financial analysis and presents the opportunity to the Investment Committee for a final decision.

After the Investment Committee approves a co-investment and the transaction closes, the co-investment team monitors the ongoing performance of the investee company. The monitoring function is conducted by a Hamilton Lane investment professional holding a seat on the company's board of directors, exercising board observation rights or regularly conferring with the lead private equity sponsor of the company. Additionally, the Advisor receives financial results for the investee company on a regular basis.

Cobalt LP

Cobalt LP offers users the ability to assess portfolio performance, perform fund due diligence and benchmark analysis, and run cash flow projections using a cash flow forecasting tool (the "Horizon Model"). The Horizon Model analyzes a client's portfolio and utilizes an algorithmic approach to assist in forecasting future cash flows and estimating changes in portfolio value over time. The Horizon Model helps users create an annual commitment pacing plan that is designed to help achieve and maintain their desired private equity exposure in their overall portfolios. The Horizon Model also enables clients to help manage liquidity risk and determine expected growth and cash flow rates using flexible sensitivity analysis.

DM Services

Distribution management refers to the process of evaluating and eventually liquidating public equities received by limited partners when a private equity fund chooses to distribute publicly traded stock to the limited partners instead of cash. The Advisor provides distribution management services to clients for an additional fee. The Advisor offers two strategies, Managed Liquidation and Active Management.

For both strategies, the Co-Heads of the DM Services team and their staff ("DM Staff") use their close ties to the private equity community to research companies that they believe have a high probability of being distributed to limited partners. The DM Staff use both a bottom-up and top-down approach when conducting their research on publicly traded companies. They review management teams, strategy and operating models, cash positions, company-specific



milestones, lock-up expiration dates, market opportunities and public earnings releases. Based upon their research, the DM Staff form near and long-term opinions with price targets for these companies.

After conducting this research and forming their company-specific opinions, the DM Staff seek to find liquidity opportunities as they deem appropriate without adversely affecting the equity price in a highly competitive selling environment.

Investment Risks

Private Equity Services

Reliance on Underlying Fund Sponsors.

The Advisor invests on behalf of clients primarily in private equity funds and companies sponsored and managed by third parties. The Advisor does not have an active role in the management of the assets of the underlying funds or companies, including the valuation by the underlying funds of their investments. The Advisor's ability to withdraw from or transfer interests in such funds and companies is limited. Further, the performance of each investment made by the Advisor depends significantly on decisions made by third parties, which could adversely affect the returns achieved by the Advisor.

Identification and Availability of Investment Opportunities.

The success of the funds and separate accounts managed by the Advisor depends on the identification and availability of suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside the control of the Advisor. Past returns of funds and separate accounts managed by the Advisor have benefited from investment opportunities and general market conditions that may not recur, including favorable borrowing conditions in the debt markets, and there can be no assurance that underlying funds will be able to avail themselves of comparable opportunities and conditions. There can be no assurance that the underlying funds will be able to identify sufficient attractive investment opportunities to meet their investment objectives. An investment in private equity should only be considered by persons who can afford a loss of their entire investment. Past performance of investments associated with the Advisor is not necessarily indicative of future results and there can be no assurance that each fund or separate account managed by the Advisor will attain performance that is comparable to investment performance achieved by the Advisor for its other clients included in the performance record.

Illiquid Investments.

The underlying funds and co-investments selected by the Advisor are highly illiquid, long-term investments. Clients should not expect to be able to transfer their interests in, or to withdraw from, the underlying funds or funds managed by the Advisor. In addition, the investments of the underlying funds generally will be investments for which no liquid market exists or will be subject to legal or other restrictions on transfer. Underlying funds may face reduced opportunities to exit and realize value from their investments in the event of a general market downturn or a specific market dislocation. As a consequence, an underlying fund may not be able to sell its investments when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. Furthermore, under certain circumstances, distributions may be made by the underlying funds to limited partners in kind and could consist of securities for which there is no readily available market.



Leverage.

Underlying funds may employ significant leverage in connection with certain investments. Leverage generally magnifies a fund's opportunities for gain and its risk of loss from its investment activities. In addition, the portfolio companies of the underlying funds are typically leveraged, which will cause them to be adversely affected by increases in interest rates and may make them less able to cope with changes in business and economic conditions. Certain funds managed by the Adviser may also employ leverage on a temporary basis in order to fund capital calls from its underlying investments. The use of leverage will result in interest expense and other costs that may not be covered by distributions made to the funds utilizing leverage and may result in unrelated business taxable income.

Risks Associated with Portfolio Companies of Underlying Funds.

The portfolio companies in which the underlying funds have invested or may invest may involve a high degree of business and financial risk. These companies may be in an early stage of development, may not have a proven operating history, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, may have a high level of leverage, or may otherwise have a weak financial condition. In addition, these portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. Portfolio companies in non-U.S. jurisdictions may be subject to additional risks, including changes in currency exchange rates, exchange control regulations, risks associated with different types (and lower quality) of available information, expropriation or confiscatory taxation and adverse political developments. In addition, during periods of difficult market conditions or slowdowns in a particular investment category, industry or region, portfolio companies may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased costs. During these periods, these companies may also have difficulty in expanding their businesses and operations and may be unable to pay their expenses as they become due. A general market downturn or a specific market dislocation may result in lower investment returns for the underlying funds in which a client invests, which would adversely affect investment returns.

Non-U.S Investments.

Depending upon the investment strategy of a particular fund or separate account, the Adviser may make investments outside of the United States, including in emerging markets. Generally, investments in non-U.S. markets may have risks associated with political and regulatory changes, changing economic conditions, legal and tax regulations, foreign currency and exchange markets, changes in or differing accounting standards, lack of liquidity or volume in emerging markets, reliance on local intermediaries and restrictions on the repatriation of capital and profits.

Limited Availability of Information.

Due to confidentiality concerns, certain underlying funds may not permit the Adviser to fully disclose information regarding the underlying fund's investment strategies, investments, risks or prior performance. In addition, certain underlying funds may provide limited information regarding their investment strategies or investments. Accordingly, in certain circumstances, limited partners may not have sufficient information to evaluate to their full satisfaction the risks of investing in a fund offered by the Adviser, and the manner in which the capital they have contributed to the fund has been invested.



Valuation.

In light of the illiquid nature of the portfolio companies, and of the interests in the underlying funds and co-investments, any valuation made by the Advisor of any of the underlying funds or co-investments will be based on the Advisor's good faith determination as to the fair value of those interests. In general, the Advisor intends to rely on valuations of portfolio companies of the underlying funds sponsors as determined and reported by the managers of the underlying funds or sponsors, as the case may be, unless the Advisor believes such valuations are not accurate. There can be no assurance that the values assigned in good faith by the Advisor will equal or approximate the price at which they may be sold or otherwise liquidated or disposed of from time to time.

Competition for Access to Investment Funds and Other Investments.

The Advisor seeks to maintain excellent relationships with the general partners and managers of investment funds in which they have previously made investments and the sponsors of investments that might provide the opportunity for co-investments. However, because of the number of investors seeking to gain access to underlying funds and co-investment opportunities managed or sponsored by the top performing managers, there can be no assurance that the Advisor will be able to secure the opportunity to invest on behalf of its clients in all of the investments it selects, or that the size of the investments available to the Advisor and its clients will be as large as it would desire. Access to opportunities to make secondary investments is also highly competitive, and is often controlled by a limited number of general partners and intermediaries.

Cobalt LP

Data Accuracy.

Cobalt LP is comprised of data received from the Advisor, Freedom of Information Act ("FOIA") requests and other third party sources that the Advisor believes to be reliable, but the accuracy of such information cannot be guaranteed. Clients may access the historical data within Cobalt LP to perform various functions such as portfolio analysis, fund due diligence and peer benchmarking. The historical data within the system is not intended to favor one investment strategy over another and should be used for analysis purposes only.

Horizon Model.

Clients may also run cash flow projections using Cobalt LP's Horizon Model. The Horizon Model generates forward-looking portfolio returns and cash flow data. The Horizon Model's output may differ materially from the actual results achieved. The assumptions used in the Horizon Model are derived from historical private equity investment returns and are designed to demonstrate potential behaviors of private equity investments over time. The expected behavior of an investment will vary based on its style, focus, maturity, current asset value and funded status. The Horizon Model also has the ability to simulate various market conditions by applying a scenario within the algorithm when generating forward-looking portfolio returns and cash flow data. The scenarios are intended to show the potential influence that economic cycles may have on the cash flow characteristics of investments. The Horizon Model is not intended to predict future performance and should not be used as the basis for an investment decision. The Horizon Model does not provide security-specific (i.e., individual private equity fund) information.

DM Services

Equity Securities.

Accounts managed by the Advisor's DM Services business may hold positions in common stocks of U.S. and foreign issuers. Equity securities fluctuate in value, often based on factors unrelated



to the value of the issuer of the securities, and such fluctuations can be pronounced. The prices of the securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies because these securities typically are traded in lower volume and the issuers typically are more subject to changes in earnings and prospects.

New or Recently Issued Public Equities.

Some companies whose equity interests are in accounts managed by the DM Staff will sometimes involve a high degree of business and financial risk. These companies may be in an early stage of development, may not have a proven operating history, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, may have a high level of leverage, or may otherwise have a weak financial condition. In addition, these companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. Companies in non-U.S. jurisdictions may be subject to additional risks, including changes in currency exchange rates, exchange control regulations, risks associated with different types (and lower quality) of available information, expropriation or confiscatory taxation and adverse political developments. In addition, during periods of difficult market conditions or slowdowns in a particular investment category, industry or region, companies may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased costs. During these periods, these companies may also have difficulty in expanding their businesses and operations and may be unable to pay their expenses as they become due.

Potential Loss of Investment.

No guarantee or representation is made that the DM Staff's investment approach will be successful. In particular, the past results of the DM Staff are not necessarily indicative of future performance. As is true of any investment, there is a risk that an investment managed by the DM Staff will be lost in part or in its entirety. The DM Services business is not intended as a complete investment program and is intended solely to provide assistance to clients who are either not familiar with or lack internal staff to manage the process of liquidating new or illiquid public equity securities.

Certain Potential Conflicts of Interest

Allocation of Investment Opportunities.

Private Equity Services

Investment opportunities may be appropriate for multiple clients of the Advisor. The Advisor's Allocation Committee allocates investment opportunities among its clients in accordance with the Advisor's investment allocation policy and procedures. The Advisor's overall policy with respect to investment opportunities is to treat all clients in a fair and reasonable manner and in accordance with contractual obligations and fiduciary duties. Subject to the terms of the offering and governing documents of the Advisor's funds and accounts, no client, whether advisory, separate account, single client fund-of-funds or commingled fund, is favored over any other client for any reason, including but not limited to the fee structure or amount of fees payable to the Advisor by the client. The investment allocation policy and procedures with respect to fund investments require the Allocation Committee to consider a variety of factors in making allocation determinations, including (i) the amount of total allocation requested by the Advisor for all of its



clients and the commitment available from each client, (ii) restrictions imposed by the manager of the underlying fund, (iii) the investment guidelines applicable to each client, as well as the strategic plans and current portfolios of the clients, (iv) investment opportunities expected to be available to the Advisor in the market during the next six to twelve months, (v) the current market environment, (vi) the clients' risk/return profile, and (vii) such other factors as the Allocation Committee believes are relevant. In considering these factors, the Allocation Committee will make subjective judgments and may not necessarily allocate investment opportunities among all of the Advisor's clients on a pro rata basis. If the aggregate investment opportunity allocated to the Advisor is less than that amount requested by the Advisor for its clients, reductions in allocations are applied pro rata as nearly as practicable. The Advisor is engaged from time to time by state public pension plans and state government related organizations to organize and manage investment programs focused on economic development within a particular state. Accordingly, investment opportunities that meet the requirements of an in-state program will be allocated first to the in-state program and then, to the extent the Allocation Committee deems appropriate, to other clients. Similarly, investment funds that have a particular country or regional focus will have first priority for investment opportunities in the applicable country or region. With respect to secondary investments and co-investments, the offering and governing documents for the Advisor's funds provide in certain cases that investment opportunities sourced by the Advisor that fit the fund's investment strategy must be offered first to the fund before other clients of the Advisor and in other cases permit investment opportunities to be shared with other funds and clients of the Advisor.

In the course of evaluating, negotiating and closing certain transactions, generally secondary and co-investment transactions, the Advisor occasionally will retain outside legal counsel or other third parties for various aspects of the potential opportunity. Upon completion of the transaction, the commingled funds and, to the extent permitted by the applicable investment management agreements and fund LPAs, other clients participating in the transaction will bear these expenses pro rata or reimburse the Advisor for expenses paid by the Advisor during the transaction. Expenses incurred in connection with transactions that are not consummated generally will be paid by the commingled fund(s) that was/were expected to be the lead investor(s).

DM Services

Occasions may arise when the Advisor determines that the sale of a particular security is a proper investment decision for more than one client. When this occurs, share prices are averaged and shares are allocated equitably according to each client's pro-rata participation in the transaction. Shares are never allocated on the basis of the fees charged to each individual client. On occasions when the Advisor decides that the sale of a security is in the best interests of a number of clients, including those with different strategies or fees, the Advisor may aggregate the sale among multiple accounts with the goal of obtaining more efficient executions and lower brokerage commissions. When this occurs, each account will receive the average execution price as well as its pro-rata share of the total sales proceeds.

Investments by the Advisor's Clients

The Advisor may have multiple clients invested in any given underlying fund or portfolio company. In addition, the Advisor's clients may have investments, either directly or indirectly, in an underlying portfolio company in which a different client has an investment through a different class of security. As a result, conflicts may arise between the interests of the Advisor's clients. For example, if such portfolio company goes into bankruptcy, becomes insolvent or is otherwise unable to meet its payment obligations or comply with its debt covenants, conflicts of interest could arise between holders of different types of securities as to what actions the portfolio company should take.

Item 9. Disciplinary Information

Not applicable.



Item 10. Other Financial Industry Activities and Affiliations

The Advisor or a wholly-owned subsidiary is the general partner or manager of multiple funds-of-funds, secondary funds and co-investment funds, which are disclosed in Part 1 of the Advisor's Form ADV.

A wholly-owned subsidiary of the Advisor, HL EMD LLC, is authorized as an Exempt Market Dealer and is regulated by various Canadian securities regulators. HL EMD LLC distributes interests in the Advisor's investment funds in Canada.

A wholly-owned subsidiary of the Advisor, Hamilton Lane (UK) Ltd., is authorized and regulated by the UK Financial Conduct Authority and provides advisory services to its parent company and an external client.

An indirect wholly-owned subsidiary of the Advisor, Hamilton Lane Brasil Investimentos Ltda., has been registered with the Securities Commission of Brazil (CVM) as an asset manager and provides advisory services to the Advisor and several Hamilton Lane private investment funds focused on Brazilian investments.

A wholly-owned subsidiary of the Advisor, Hamilton Lane (Hong Kong) Limited, is authorized and regulated by the Securities and Futures Commission of Hong Kong and provides advisory services solely to its parent company.

A wholly-owned subsidiary of the Advisor, Hamilton Lane (Japan) G.K., is authorized and regulated by the Kanto Local Finance Bureau and the Securities and Exchange Surveillance Commission of Japan and provides advisory services solely to its parent company.

A wholly-owned subsidiary of the Advisor, Hamilton Lane AIFM Ltd., is authorized and regulated by the UK Financial Conduct Authority to function as an alternative investment fund manager under the UK Alternative Investment Fund Managers Directive.

A wholly-owned subsidiary of the Advisor, Hamilton Lane Securities LLC, is authorized and regulated as a broker-dealer by the Financial Industry Regulatory Authority and generally provides private placement offerings for private investment funds managed by the Advisor.

The Advisor does not receive compensation from other investment advisors for referring clients to their products. The only compensation received by the Advisor is from its clients.



Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Advisor's Code of Ethics (the "Code") sets forth fundamental principles that govern how the Advisor conducts business. The Code requires all directors and employees ("covered persons") to conduct themselves in a lawful, honest and ethical manner in all of the Advisor's business practices. The Code requires all covered persons to comply with the following principles:

- Comply with all applicable laws, rules and regulations of the U.S. and each other country and jurisdiction in which the Advisor conducts business, including federal securities laws, which prohibit fraudulent, deceitful, misleading and manipulative practices with respect to clients, as well as laws regulating political and charitable contributions.
- Avoid conflicts of interest such as using company assets only for company business and not for personal gain, allocating investment opportunities in a manner that is fair and does not favor or disfavor any client, avoiding outside financial interests, employment and other activities that could interfere with the Advisor's business, and not using their position with the Advisor to take advantage of business opportunities that properly belong to the Advisor.
- Refrain from accepting gifts or entertainment conditioned upon the Advisor doing business with any person or entity or that exceed prescribed limits, and refrain from soliciting gifts or benefits of any value.
- Refrain from making contributions to candidates for, or holders of, state or local elected offices in the U.S. or related political committees, or to candidates for, or holders of, any elected position in a foreign country or related political committees, without prior approval from the Compliance Department.
- Maintain the confidentiality of all non-public client information.
- Maintain accurate financial books and records.
- Ensure that reports provided to regulatory authorities and clients are complete, fair, accurate, timely and understandable.
- Report promptly to the Compliance Department any violations of the Code.

In addition, the Advisor requires its personnel to pre-clear certain transactions in reportable securities in their personal accounts with the Compliance Department, who may deny permission to execute the transaction at their discretion. Personnel are also required to disclose their securities holdings and business activities annually and to provide a quarterly certification of such transactions. Trading in employee accounts is reviewed quarterly by the Compliance Department to determine whether there has been any unusual trading activity in the accounts.

Clients or prospective clients may obtain a copy of the Code by contacting Frederick Shaw, Director of Compliance, by email at fshaw@hamiltonlane.com, or by telephone at 610-617-5724.

The Advisor manages funds-of-funds, secondary funds and co-investment funds, which are organized as limited partnerships of which a subsidiary of the Advisor serves as the general partner. Due to the ownership interests of the general partners in these funds-of-funds, secondary funds and co-investment funds, the Advisor has an indirect financial interest in the investments held by the funds-of-funds, secondary funds and co-investment funds. These indirect financial interests are disclosed to all prospective investors in the offering documents and partnership agreements relating to the applicable funds. In addition, the Allocation Committee evaluates all investments made by such funds in accordance with its standard policies and procedures.



Item 12. Brokerage Practices

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

The Advisor has a duty to seek best execution for its client's securities transactions. Best execution does not necessarily mean best price available. When the Advisor seeks best execution, it carefully considers the facts and circumstances involved, including, but not limited to, market liquidity, order size, the trading characteristics of the security involved, the broker-dealer's familiarity with the security, the difficulty of executing the trade, the ability of the broker-dealer to provide efficient execution at a favorable price, the fact that there may be a limited number of broker-dealers who can execute certain trades and the Advisor's past experience with the broker-dealer for prompt, competent, and reliable service in all aspects of order processing, execution, and settlement. When the Advisor negotiates commission levels and assesses best execution, the Advisor must determine in good faith that the total cost (price plus commissions) is reasonable in relation to the value of the execution. When the Advisor places orders for the sale of securities, it uses its best judgment to select the broker-dealer for each specific transaction which it believes is most capable of providing the brokerage services necessary.

On occasion, transactions in post-venture distributions of restricted stock may result in delayed settlement, generally ranging from four to six weeks. As a result, many of these trades are conducted on a delivery vs. payment basis, or may require the executing broker to extend the delivery date. While the delay does not affect the execution price, clients will not receive the proceeds from the sale until settlement is achieved.

Research and Other Soft Dollar Benefits

The Advisor does not utilize soft dollars in any way in connection with its business.

Brokerage for Client Referrals

The Advisor does not direct brokerage business to third parties in exchange for client referrals.

Directed Brokerage

Under certain circumstances, the Advisor may permit clients to direct the Advisor to execute the client's trades with a specified broker-dealer. When a client directs the Advisor to use a specified broker-dealer to execute all or a portion of the client's securities transactions, the Advisor treats the client direction as a decision by the client to retain, to the extent of the direction, the discretion the Advisor would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions for the client's account. Although the Advisor attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so, in which case the Advisor will continue to comply with the client's instructions. Transactions in the same security for accounts that have directed the use of the same broker will be aggregated. When the directed broker-dealer is unable to execute a trade, the Advisor will select broker-dealers other than the directed broker-dealer to effect client securities transactions.

A client who directs the Advisor to direct brokerage to a particular broker-dealer to effect transactions should consider whether such a designation may result in certain costs or disadvantages to the client. Such costs may include higher brokerage commissions (because the Advisor may not be able to aggregate orders to reduce transaction costs) and potentially less favorable execution of transactions. The commissions charged to clients that direct the Advisor to execute the client's trades through a specified broker-dealer may in some transactions be materially different than those of clients who do not direct the execution of their trades. Clients that direct the Advisor to execute the client's trades through a specified broker-dealer may also



lose the ability to negotiate volume commission discounts on batched transactions that may otherwise be available to other clients of the Advisor.

Due to the unique nature of the Advisor's DM Services, the Advisor discourages the use of directed brokerage arrangements.

Order Aggregation

The Advisor may sell the same security for many accounts. It is the Advisor's practice, where possible, to aggregate for execution as a single transaction orders for the sale of a security for the accounts of several clients having the same brokerage firm or custodian. The Advisor will also aggregate in the same transaction, the same securities for accounts where the Advisor has brokerage discretion. Such aggregation may enable the Advisor to obtain a more favorable price or a better commission rate based upon the volume of a particular transaction. However, in cases where the client directs the Advisor to utilize the services of a certain broker, the Advisor will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade. In cases where trading or investment restrictions are placed on a client's account, the Advisor may be precluded from aggregating that client's transaction with others. In such a case, the client may pay a higher commission rate or receive less favorable prices than clients who are able to participate in an aggregated order. For orders where the entire quantity of client securities are not sold on a given day, the daily amount liquidated will be distributed pro-rata across all client accounts selling that security.



Item 13. Review of Accounts

The Advisor's investment services concerning accounts include the development of the client's strategic plan, as well as reporting and monitoring services. The strategic plan is developed by the relationship management team in conjunction with the client and sets forth the client's target allocations for various types of private equity investments, as well as the geographic dispersion of the account. Strategic plans are reviewed with the client on an ongoing basis, and are revised from time to time to reflect the client's changing needs.

There are currently 37 reviewers with monitoring responsibilities in the client service department. The reviewers consist of 23 analysts, 7 associates, 4 senior associates, one vice president and two principals who are responsible for 188 accounts. Their functions include organizing and reconciling partnership and portfolio company information for each account. The analysts regularly receive instructions regarding the review of the accounts and the preparation of customized reports for the clients. Investment monitoring services also generally include regular communications with fund managers and attendance at annual meetings and advisory board meetings. These services generally are provided by members of the fund investment team and the transaction team, which consists of 34 and 20 persons, respectively.

The Advisor generally provides written quarterly, semi-annual and annual reports to clients. The level of detail in the reports varies according to client specifications. The Advisor also provides updates on special situations requiring client action or attention, such as certain amendments to partnership agreements. Information contained within these reports is obtained from periodic reports and financial statements of the underlying investments. The Advisor's reports include quantitative and qualitative analysis of individual investments and the portfolio as a whole. All transactions affecting client investments, including capital calls, distributions of cash or securities, and changes to portfolio valuations, are recorded promptly in an investment transaction database by the investment monitoring staff. This data is reconciled monthly with information provided by clients' custodian banks and quarterly with financial information provided by fund managers prior to being incorporated into client reports. All accounting and performance information is reviewed by supervisory personnel who have responsibility for overseeing investment monitoring and client reporting functions, prior to distribution of reports to clients.

The Advisor also may provide monthly reports detailing cash flow activity in the accounts. In addition to day-to-day portfolio operations and activities, the Advisor provides a client reporting technology provided by iLEVEL Solutions LLC ("iLEVEL"). iLEVEL maintains and develops a portfolio management technology for the private markets industry. The Advisor began using iLEVEL in 2014. iLEVEL allows clients to access their accounts on a secure, web-based system 24 hours a day, seven days a week. The Advisor owns a minority equity interest in Ipreo Holdings, LLC which is the parent company of iLEVEL.



Item 14. Client Referrals and Other Compensation

Economic Benefits Received from Non-Clients for Providing Services to Clients

Not applicable

Compensation to Non-Supervised Persons for Client Referrals

A wholly-owned subsidiary of the Advisor, Hamilton Lane Securities LLC ("HLS"), operates as a limited-purpose broker/dealer and is engaged in the marketing of private investment funds managed by the Advisor to US-based investors and certain other private placement activities. HLS is compensated via a flat monthly fee by the Advisor for its fund marketing efforts.

From time to time the Advisor engages placement agents to assist in marketing the Advisor's funds and services, primarily in foreign countries in which the Advisor does not have business development personnel. The Advisor has policies and procedures that apply to the engagement of placement agents. These include entering into a written agreement with each placement agent setting forth services to be provided, fees, various representations and warranties, and other terms and conditions as the Advisor believes are necessary or appropriate.

The Advisor has entered into agreements with a small number of large U.S.-based broker/dealers to distribute interests in certain of the Advisor's commingled fund products to qualified investors. The broker/dealers may be compensated for their marketing efforts by receiving a percentage of the management fee charged by the fund that they are distributing. The broker/dealers may also, independent of the Advisor, charge qualified investors a placement fee. Any compensation paid to a broker/dealer for soliciting investors to invest in any of the Advisor's commingled products, whether paid by the Advisor or charged independently by the broker/dealer, is disclosed in the offering document for such fund.



Item 15. Custody

The Advisor is deemed to have indirect custody of client assets held in certain managed accounts and funds that it manages. The Advisor seeks to utilize exemptions from various reporting requirements of the SEC's Custody Rule (Rule 206(4)-2) by delivering annual audited financial statements for any fund for which the Advisor is deemed to have custody within either 120 days after the fund's fiscal year-end or 180 days of the fund's fiscal year-end if the fund is a fund-of-funds.

For funds that do not have their annual audit completed within the 120 or 180-day window or for certain other managed accounts (collectively "Subject Accounts"), the bank, broker-dealer or other qualified custodian of the client's assets will send statements directly to the client on a quarterly basis. Clients are urged to review those statements carefully. The Advisor also sends periodic statements to Subject Account investors. Clients are urged to compare statements from the qualified custodian with their statements from the Advisor. In addition, the Advisor has retained an independent auditor to conduct an annual surprise audit of the assets held by the Subject Accounts.

For DM Services accounts, clients choose their own custodians.

**Item 16. Investment Discretion**

The Advisor provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on the Advisor's discretionary authority.

Prior to assuming full or limited discretion in managing a client's assets, the Advisor enters into an investment management agreement or other agreement that sets forth the scope of the Advisor's discretion and the fees charged.



Item 17. Voting Client Securities

Policies and Procedures Relating to Authority to Vote Client Securities

Private Equity Services

The Advisor's voting policies and procedures are designed to ensure that all client securities are voted in the best interests of the client. "Best interests" means the best economic interests of the shareholders or partners of the client or, in the case of an employee pension plan, the beneficiaries of the plan. The Chief Investment Officer and the relationship managers together have the primary responsibility for voting securities over which the Advisor has discretionary authority. They are assisted in the process by attorneys in the Legal and Investment Departments. Certain issues may be referred to the Investment Committee for consideration.

In exercising its voting authority (including a decision to abstain), the Advisor will take into account such factors as the Investment Committee, the Chief Investment Officer and the relationship managers deem relevant to the client's economic interests, including, but not limited to, the investment guidelines of the applicable client or managed fund, the current state of the client's or fund's portfolio, current market terms and conditions (i.e., whether or not a requested action is consistent with the then prevailing terms or practice for similar funds or companies), and the performance of the fund managers or company management. Since there are many factors that influence voting decisions and since there are many different types of issues for which fund managers request amendments to, or consents under, partnership agreements, the Advisor has not established a list of "typical" issues that it will vote for or against.

In the event that a conflict of interest arises in connection with the voting of client securities, the relationship manager will promptly inform the client of the conflict and all relevant information relating to the matter for which a vote is required. The Advisor will then vote only in accordance with the client's instructions. If the Company does not receive instructions from the client, or if it is impractical to obtain such instructions, the Company will exercise its voting authority in the best interests of the client as determined by the Advisor.

DM Services

The Advisor has retained RiskMetrics/Institutional Shareholder Services ("ISS"), a proxy voting and consulting firm, to serve as the Advisor's voting agent with respect to publicly traded securities and to receive proxy voting statements, provide information and research, make proxy voting recommendations, and handle various administrative functions associated with the voting of client proxies for clients utilizing the Advisor's DM Services. The proxy voting guidelines for U.S. proxies are set forth in the ISS Proxy Voting Guidelines Summary and the ISS Concise Proxy Voting Guidelines. These summaries are a condensed version of all proxy voting recommendations contained in the ISS Proxy Voting Manual. While ISS makes the proxy voting recommendations, the Advisor retains the ultimate authority on how to vote. It is anticipated that the Advisor will be in agreement with ISS recommendations and no other action will be required.

Clients may obtain a copy of the Advisor's proxy voting policies and procedures as well as a record of how the Advisor voted their proxies by sending a written request to:

Attention: Director of Compliance
Hamilton Lane Advisors, LLC
One Presidential Boulevard - 4th Floor
Bala Cynwyd, PA 19004

Item 18. Financial Information

This item is not applicable as the Advisor does not meet any of the criteria required for disclosure of financial information.