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EPISODE 69:

Private Market Innovation and Insights

with Hamilton Lane



Robert Morier: Welcome to the Dakota Live! Podcast. I'm your host, Robert Morier. The goal of this podcast is to help you better know the people behind investment decisions. We introduce you to chief investment officers, manager research professionals, and other important players in the industry who will help you sell in between the lines and better understand the investment sales ecosystem. If you're not familiar with Dakota and their Dakota Live! content, please check out our website at dakota.com to learn more about our services. Before we get started, I need to read a brief disclosure. This content is provided for informational purposes and should not be relied upon as recommendations or advice about investing in securities. All investments involve risk and may lose money. Dakota does not guarantee the accuracy of any of the information provided by the speaker who is not affiliated with Dakota. Not a solicitation, testimonial, or an endorsement by Dakota or its affiliates. Nothing herein is intended to indicate approval, support, or recommendation of the investment advisor or its supervised persons by Dakota. Today's episode is brought to you by Dakota Marketplace. Are you tired of constantly jumping between multiple databases and channels to find the right investment opportunities? Introducing Dakota Marketplace, the comprehensive institutional and intermediary database built by fundraisers for fundraisers. With Dakota Marketplace, you'll have access to all channels and asset classes in one place, saving you time and streamlining your fundraising process. Say goodbye to the frustration of searching through multiple databases and say hello to a seamless and efficient fundraising experience. Sign up now and see the difference Dakota Marketplace can make for you. Visit dakotamarketplace.com today. Well, I am thrilled to introduce our audience today to John Brecker and Jackie Rantanen from Hamilton Lane. John and Jackie, welcome to the show.

Jackie Rantanen: Thank you.

John Brecker: Thanks so much for having us.

Robert Morier: Yeah, thank you for being here. It's really a pleasure. I know you didn't have to come too far to get to the studios, but nonetheless we're grateful that you're here spending time with us and our audience. We have a lot of questions to ask you both. But before we get started, I'm going to quickly read your biographies for our audience. Hamilton Lane is one of the largest private market investment firms globally, providing innovative solutions to institutional and private wealth investors around the world, dedicated exclusively to private markets and investing for more than 30 years. The firm currently employs nearly 700 professionals operating in offices throughout North America, Europe, Asia-Pacific, and the Middle East. Hamilton Lane has over \$903 billion in assets under management and supervision, composed of \$120 billion in discretionary assets, and nearly \$783 billion in non-discretionary assets as of December 31, 2023. Hamilton Lane specializes in building flexible investment programs that provide clients with access to the full spectrum of private market strategies, sectors, and geographies.

John Becker is a managing director on the client solutions team, where he's responsible for leading the business development group in the Midwest as well as in the insurance channel. Prior to joining Hamilton Lane in 2012, John spent more than five years with Turner Investments, more recently as a director and principal with the US and Canada Institutional Team. Previously, he was a financial advisor with Virginia Asset Management and Waddell and Ried, where he worked with high net-worth families and small businesses. John received a BS in business administration with a concentration in finance from the Robins School of Business at the University of Richmond. He is a chartered alternative investment analyst. Jackie Rantanen is head of Investor Solutions with Hamilton Lane's Evergreen Portfolio Management Team, where she is responsible for leading the investor solutions function with a focus on the continued expansion of the firm's growing retail platform. Jackie also serves as a member of the Investment, Responsible Investment, and Executive Committees. Jackie began her career with Hamilton Lane on the Fund Investment Team. She has held roles in relationship management, public relations, marketing teams, and previously led the Global Product Team. Prior to joining Hamilton Lane in 1997, Jackie was a corporate finance analyst for Comcast Corporation. Previously, she was a member of the Chemical Division's Financial Analyst Department for Sunoco. Jackie received an MBA from Villanova University and a BS from Drexel University. Again, thank you for both for being here. And congratulations on both of your success.

John Brecker: Thank you.

Robert Morier: It's really nice to hear that, and particularly a Drexel University graduate. Near and dear to my heart, as a professor at Drexel. I'll have to get your experiences off camera when this is wrapped up. But thank you again for being here. Well, Jackie, for some background for our audience, can you help us set the stage with Hamilton Lane's Evergreen Strategies?

Jackie Rantanen: Sure.

Robert Morier: Where does it sit within the organization?

Jackie Rantanen: Sure. Well, think about all of the things that you said in terms of describing Hamilton Lane and what we do. Right? We've been investing solely in the private markets for over three decades. And our focus really is providing access points for investors into this complicated, challenging market that is private markets. And that's what the Evergreen strategies really represent, an extension of that. Evergreen funds are structures that are really set up to really allow a broader set of investors access into the private markets. Private markets have been limited in many cases to institutional investors, a lot of the way that they work... the minimums, the administrative burden, some of the aspects of it. And Evergreen structures are really meant to counter that. So,

when you look at what Hamilton Lane is doing, we're working with a whole host of investors. The Evergreen structures really allow us to broaden that.

Robert Morier: Interesting. Well, look forward to digging more into those strategies as we go forward. Before we do, though, let's go back to Market Street. So, when you were at Drexel University... I am always curious, because when I was an undergraduate, I think the only criteria I had on my resume was that I was CPR certified. So, I had no idea what direction I was going in, let alone manager research, asset allocation, and ultimately investment management. How did you find your way into the industry?

Jackie Rantanen: I'm a proud Drexel grad, proud Philly gal. So, I don't think I ever had the plans to be very far from home. I should say I'm the youngest of nine children. So even going to Drexel was a bit of... how can I get a great education with a practical element. And that's really what happened for me. Drexel was a great experience for me. I thought the co-op program really set me up to be able to have some real working experience, test a little bit where my interests were, and really open up some doorways to some... as you read in my bio, some local companies. And so, I started at Sunoco. It really was an analyst program very much similar to a co-op program. It was corporate finance related, so it got me some really good experience. I leveraged that for what was a relatable but different experience with Comcast. At the time, this was the mid '90s, Comcast was a cable company. But I was helping with the team that helped to finance all the cable property acquisitions. It was just before they were buying QVC and expanding some content when I was there. If you can believe it, they were actually working on the cable modem at the time, which sounds like a really long time ago. But it was. And so, it was an exciting time, again, still corporate finance related. And I had an opportunity to join Hamilton Lane. I didn't know what private equity was, and no one I knew did. It was 1997. So, fortunately, they were open to hiring people without that specific experience. And so, it's really about taking opportunities, a lot of hard work, but really wanting to continue to learn, and focus, and grow. And so that's what led me there. At Hamilton Lane, obviously I've done a lot of different things. 27 years, it sounds like you're at one place for a long time. But I've done so many different jobs, and really had the experience to grow my career with a company that was innovating and leading in an industry that was evolving and changing and continues to do so.

Robert Morier: Well, as one of nine, I should be asking you about team building and conflict management.

Jackie Rantanen: Yeah. That might be true.

Robert Morier: Unbelievable—

Jackie Rantanen: I know.

Robert Morier: ... that you've been able to... I mean, as one of nine, that's so interesting. I could ask you all about those questions growing up.

Jackie Rantanen: I know.

Robert Morier: John, so tell us about Hamilton Lane. How does it differentiate itself from other investment firms? One of the questions I'm sure Jackie asks her GP partner, your GP partners, is what's the competitive edge.

John Brecker: Yeah. And I think that's a question we get all the time. Right? And certainly, as the private markets have grown, certainly since I've been there 12 years, we get this question a lot. And it's a point that we need to stress with our clients and our GP partners and the like. So, I think it really comes down to three main points, Robert. One is our work with our clients. And that all starts with their clients, the needs, and those initial conversations that we're having, and my colleagues are having with those clients and partners. What do they need out of the private markets? What do they want? How do they want to access it? And then coming back to Hamilton Lane as a solutions provider, trying to put together the best solution possible for them. The second point, really getting on to the platform itself is, as Jackie's mentioned... you mentioned in the introductions, as well... we sit in a very fortunate position to manage over \$900 billion. That's very important in the private markets to see the deal flow not only on the fund side, but on the co-investment, secondary side as well. And we have a huge team that helps diligence all of those investment opportunities. But also focusing quite a bit on portfolio construction... something we'll talk about I think a little bit later. I think last, but certainly not least, is around data and technology. It's been a big driver of the success at the firm, and something that we believe in strongly. We have invested in over 15 different financial technology companies off our own balance sheet, all with the express purpose to help our clients experience in the private markets or help us manage the private markets funds a little bit better, whether it be operationally, technology, or different access points. We're fortunate to have a database of over 57,000 different funds, a whole host of private markets companies that we track and follow. It helps us make better investment decisions, help us educate our clients in terms of what they should expect out of the market, and have an opinion on what's going on in the market at this current time.

Robert Morier: Well, could you take us back to Richmond?

John Brecker: Sure.

Robert Morier: Since we went back to Philly, let's go back to Richmond.

John Brecker: Yes.

Robert Morier: What was your journey into the industry like? And what ultimately took you on this path?

John Brecker: Yeah. I think something you mentioned earlier about coming out of senior year in Richmond... I was a finance major. Everything was about investment banking or corporate finance, one of the... no offense, obviously, Jackie.

Jackie Rantanen: None taken.

John Brecker: But those two things for me didn't really pique my interest. And I was fortunate enough to find my way into the financial advising space and to find a really good mentor in that initial work. To me, the financial advising space is a great one. It's a job and a role that I love sitting around kitchen tables, sitting with small business owners, trying to help them sort out what they should do financially to help them achieve their goals. Similar role to what I do today, which is sort of full circle. I did that for five years. My wife and I wanted to get back to the Philly area, and decided I wanted to get over to the institutional space. I landed at Turner Investments, working for a great team there. A couple of people that really helped build my career over time, getting to learn the industry, doing everything from answering RFPs to binding books and everything in between, making phone calls, and eventually meeting with clients. I had a great run there. And really, my wife's background is in investment banking and private markets. And was fortunate enough just about 12 years ago to meet some people at Hamilton Lane who had a desire to bring on somebody with my background, and to help build out the Midwest and Canada at the time. And so, I was fortunate enough back in 2012 to start. I've been there ever since and working with clients, which has been an amazing run. And it's been a great place to be, a great place to raise a family for me and my wife.

Robert Morier: One thing I noticed in preparing for this interview is that education and educational materials really resonates throughout the whole firm. So, John, in your role today, can you talk to us about how does education get put into practice?

John Brecker: It is such a huge part of everything that we do at Hamilton Lane. For us, sitting on that database, having the technology, looking at market trends' themes is so vital. I think one of the things that private markets have not done really well over time is have transparency, have real data behind how to make investment decisions. I think our asset class lives in a world where we love to talk about the latest fund, the latest deal. But what we don't talk about is portfolio construction and the implications of those portfolio construction decisions. And so, a lot of the conversations that we have initially with clients is about everything from what is private markets, though less so today, to how do secondaries fit in, how do co-investments fit in, how should we build a portfolio, and honestly, a lot of myth-busting that we like to do. And it all comes back to relying on that

data to either prove or disprove things that we hear in the market. And I think that's a really good spot for us to sit in being an advocate for the industry as a whole.

Robert Morier: Jackie, one of those myths is the perception, I should say, that private equity is inherently riskier than public equities. And it would be interesting, I think, for our audience to better understand why Hamilton Lane believes that doesn't always match up with reality.

Jackie Rantanen: Yeah. I mean, you look at the data and there's so many elements of risk. And so maybe it's no surprise, although we find that people sometimes are surprised. Just look at the number of opportunities, for example. The opportunity set in the public markets is shrinking. Today in the US there are half the number of listed companies as there were two decades ago. On the private side, the number of private companies is large and growing. And so, I think for those who think that private markets are just small companies and there aren't very many of them, not true. So, when you think about the opportunity set, that's really important. You think about the number of companies that you can invest in. Again, look at the public markets and the private markets performance comparisons. The private markets, both equity and credit, have outperformed their public comparables for each of the last vintage years in the last two decades. So, there's a number of different things that you can look at. I think the other thing, again, comparing public to private, look at the Russell 2000. 40% of Russell 2000 companies had negative earnings. I mean, imagine if you said that of a private markets portfolio. People would say, I can't do that. Look at the S&P 500. It's old news now, people talking about the S&P 7, really saying that seven companies are driving that index. That's 1% of the index driving the performance. Again, if you compare that to a private market's portfolio see it's much more broad-based. So, there's a lot of different elements of risk, and we encourage people to look at them. We encourage people to understand the data. But what we're trying to do is just that, show it. What's your question? Let's look at it. And so those are just some of the examples.

Robert Morier: That's interesting. John, one of those elements of risk is liquidity. So how are you educating your clients as to a liquidity premium that is potentially available as it relates to private market investing?

John Brecker: I think one of the things that we always stress to clients is private equity and private markets is a long-term asset class. There's no way around it. The reason that the stats that Jackie mentioned about how long this asset class has outperformed for is the governance model and the fact that the general partners can go in, build these companies, manage these companies, sell them at a rate that's outperforming the public market peers over the last two decades. That doesn't come without trade-offs, liquidity being one of them. Now, I would say if you rewind the clock 10, 15, 20 years, and look at the choices that you would have in private equity, it has vastly grown over the last two,

three decades, to where you have more choice of how to approach the private markets in total, whether that be through closed-end fund, Evergreen funds, but also the emergence of co-investments secondaries. And so, I think when we talk to clients about how to build a portfolio, it's not only just what's your return benchmark if it's the Russell 3000 plus a couple of 100 basis points. That's one question. We need to understand that, but we also need to understand the liquidity elements, the risk elements, their volatility metrics that we want to incorporate into the portfolio. Because I can take a public pension that needs to pay out a certain percentage of their balance and compare that to an insurance company with a 30- or 40- or 50-year time horizon. Those are two very different portfolios in terms of the needs of liquidity. So that's a huge piece of it. Now, I think when it looks at allocations, it's generally been 10%, 15%, 20% generally. I think with the emergence of a lot of more investor friendly structures across institutional and private wealth, you can start to see those allocations tick up a little bit more as those structures become a little bit more amenable to real world client needs.

Robert Morier: That's helpful, John. Thank you for sharing that. Jackie, I'm going to ask you to set the stage again. One of the reasons I was delayed in getting you these questions is because I had to read a 92-page 2024 market overview. I wasn't kidding, over 90 pages. Education is real at Hamilton Lane. And in the opening, Hamilton Lane intriguingly compares the current private market environment to the narrative of Hamlet. So interesting. How do you help investors navigate this Hamlet-like environment of uncertainty and make confident investment decisions? Obviously, Hamlet is known as having an esoteric crisis. So how do investors think about managing that risk that's perceivable?

Jackie Rantanen: Well, the Hamlet choice was obviously purposeful because there are so many questions right now. And we really boil it down to, like, to invest or not to invest. And I think all kinds of investors are asking those questions. And whether it's natural skepticism, or it's fear-based because of uncertainty that's happening in the world more broadly, or uncertainty because there's a lack of familiarity with the private markets, I think our goal is to come back to the data and the information, and really allow investors to look at the private markets much more kind of objectively and in a similar fashion, obviously, not exactly the same as the public markets. And so, it's really about showing information, and busting some of those myths, and sharing perspective. I think if you look at... and you clearly have... our market overview, you see that it's full of data. And I think the punch line is that now is the time to invest, that the data would support the place that private markets exposure has in a well-built, well-diversified portfolio, and doing so with a thoughtful approach to portfolio construction. So that's really what we do. We try to share the perspective. We try to share the information. And then we provide opportunities for access.

John Brecker: One of the things that we always stress about is not trying to time markets. Even more so in private markets, they're impossible to time. And so just when you think it might be the perfect time, if that ever does exist, you may not be able to take advantage of that. And so, I think for us we're preaching consistency in terms of pacing, in terms of investments, to make sure that we don't try to catch a falling knife or try to top out at any one given time.

Robert Morier: It makes sense given the long-term objectives. It sounds like not only of your strategies but your clients, as well. So, you have all of this data, all of this information. How do you go about selecting these high conviction investment themes then for your portfolios?

Jackie Rantanen: The most important thing is really understanding the market. John said it. I've said it. The market is vast in terms of the opportunity set. And so, our objective is to really build portfolios that meet client needs. So, whether it is our commingled funds that we're creating or a bespoke account for a client, it's understanding what the objective is and then really working with the opportunity set to build that. You have a top-down, bottom-up approach, if you will, guidelines and a strategic plan that sets out to meet those objectives, and then the tactical, practical, day-in and day-out. And so, we really are comprehensive. We really do focus on guidelines. But it's always about what are the objectives of this portfolio, and then how do we use the opportunity set that is in the market to really kind build that. I think it's really important to be able to have that broad range of opportunity set to then execute.

Robert Morier: So, once you've identified that client objective, can you take us through what it looks like then selecting your GP partners? What does that typical manager underwriting process look like? You have to sit down, look at the manager, look at their characteristics, who they are as investment partners potentially, and then making the decision.

Jackie Rantanen: First and foremost, the important thing is to know that we welcome the opportunity to look at every type of investment out there. And so, remember, our investment teams are looking across different strategies, different investment types. So, we cover the entirety of the private markets from a strategy perspective, and we do invest through primaries, secondaries, and co-invest. So that's our focus. We're trying to see everything. We have teams that have the expertise, and teams around the world too. So, one of the things is we see the opportunities. And the teams will do an efficient first screen. And if it's not a fit, it'll be a quick no. Because one of the things that we recognize is the partnership is so important. And so, if we believe that this opportunity is not right for us for right now, we'll tell the general partners so that they can go and find other partners. And then it's really digging in. It's an iterative process. The investment teams are doing that initial screening, bringing it to Investment Committee for an approval to go to

go further or to let it go. And then, if they do a deep dive, it's the things that you would expect. It's really understanding the team, and their depth of experience, their cohesion, their approach, their governance, all of those elements. It's about the kind of strategy and sector. And so, this is about value creation and growth. And so how have they done it in the past? And does this make sense today? Can we see that they've actually built companies in ways that show revenue and EBITDA growth versus just multiple expansion? And so all of the elements. I think a big piece of the puzzle is what we've touched on a few times, that data and technology. Our investment teams work as one team in terms of sharing data, sharing information. So, when an opportunity comes in, there's a quick reference point of what do we know, how can we kind of connect this opportunity with what we know about this general partner, sometimes even this asset and this strategy. It's about digging in and underwriting really at the investment level. It's about understanding the team. And it's about having a view on the sector and strategy.

Robert Morier: So, what does the mix of assets then typically look like as it relates to your private market opportunities?

Jackie Rantanen: There's no typical, and I think that's important. Again, think about the strategies. There's equities, but then within equities there's buyout. There's growth. There's venture. There's credit. There's real assets. There's infrastructure. So, the strategies bring with them different profiles, different deployment, liquidity aspects. So, all of that is important. Back to what does this portfolio need... typically there's a mix. There's a mix of different access points, so there may be primary, secondaries, and co-investments. And then there's typically a mix of different types of strategies, equities, credit, real assets. But it depends on what's the objective, what's the time frame, and how is this fitting into a broader portfolio. I think, for us, having all of those kind of tools at our disposal is what's important.

Robert Morier: And it all comes together. Those tools are then used to build or construct a portfolio. So, could you talk to us about portfolio construction, particularly from the lens of a retail investor? Given that that's been an active area of opportunity for you all, how are you thinking about portfolio construction as it relates to these client objectives?

Jackie Rantanen: So, when you think about the retail investors, they are, I would say, severely under allocated to the private markets for a whole host of reasons... inaccessible, all of the things that are difficult. Interestingly, if you look at the private wealth universe... so think families, family offices, high net worth... they control almost the same amount of capital as institutional investors. But they only account for 16% of the private markets AUM. So just in terms of context, they really have very little. So, I think, first and foremost, it's about getting that access we talked about at the beginning. Evergreen's our one structure that are really kind of purpose built for this market. And a lot of what you're seeing in these kinds of early days of Evergreen is creating core holdings for these

investors, so allowing them to start a portfolio build with a diversified exposure that is allowing a program to be built. So, I think that, first and foremost, it's getting an anchor, if you will, a core holding that is well-diversified, but then allowing that optionality for different strategies to customize a portfolio. So, you think about a kind of core private equity portfolio, and then being able to have the optionality to maybe add some credit or add some infrastructure or add some real estate. I think that's the portfolio construction approach that we see unfolding for the private wealth market. But today it's really just getting started and giving them the access points.

Robert Morier: And we've been talking about data and technology a few times, kind of touching on it. And you had mentioned, John, some investments that the firm has made in this regard. Could you expand on the use of data and technology, not just from an investment perspective, so portfolio construction, but thinking about the client, those objectives. As you said, under-allocated, so there's this kind of need to build up this repository of information that's going to need to be available for clients.

John Brecker: You can bucket some of the things that we've done in terms of technology investments into a couple. One, talking about analytics and transparency, we have our platform around Cobalt that gives clients the ability to slice and dice their private markets data, run theories around pricing, run theories about market trends, and sort of view that through our lens in terms of that database and that data set. Putting that in their hands is important. Others, around reporting transparency, making sure that they know what they own in their private markets down to the asset level, which is important for a lot of groups, but certainly for those that are maybe more ESG or SRI sensitive to know exactly what's in their portfolio. What do I own? What exposure do I have to Western Europe or the Asia-Pacific region? That's important, and certainly answers to questions that would have taken a number of hours in terms of going through PDF files on there. So, if we can make that easier and more transparent for our clients, that's very impactful. The other part of it is what else can we do internally within our own operations to make things faster, easier, better. And that's everything from the subscription process, which to date is still PDFs, and missed checkboxes, and all of those sorts of issues that seem like they should have been solved decades ago. We're trying to help solve that with those investments. And for us, it's important for us to make an equity investment, to be a strategic partner to those groups, so that we can help guide them along the way, again going back to the advocacy of being in the private markets and being a leader in that. So, everything from those subscription documents to tokenization and other sort of access points within the private markets to help expand that through the use of technology, that's really core and very important for what we do as a firm, and the innovation factor that is so very, very core to us and has been for a long time.

Robert Morier: John, what are some of the questions that you're getting from your insurance clients today?

John Brecker: A lot about rates, and insurance, and private credit. That is certainly number one. I think that is sort of first and foremost for a lot of our clients outside of regulatory issues that sort of keep coming up with the NAIC, which we're staying on top of. And so how do they make more and better efficient pathways into the private markets? The insurance landscape is a vast one. We have very, very large insurers that often have asset management firms. Those are great. Some smaller insurers that need help and need help accessing to the private markets, and so they're trying to figure out how do we do that. How does it work inside of our own program? And then how do we make best use of technology data? We talked about reporting. Reporting is a huge issue in the insurance landscape. And so, we engage a lot with our insurance clients around technology, sort of arming them with more tools and resources to help them make better investment decisions on that side. And then, obviously, how do they leverage the Hamilton Lane platform?

Robert Morier: Jackie, how does Hamilton Lane define responsible investments?

Jackie Rantanen: A risk framework, really. All investments have risks. Understanding them is really important. Obviously, most people think about the financial risks. And we would expand that to think about the risks an investment might have with regards to the environment, social elements. Governance obviously is an important component. And so, for us it's embedded into all of the underwriting that our investment teams do to have a view on how the investment interacts in the world more broadly, and how it might. And by doing that, by understanding the risks, it allows us to make specific decisions. Whether that's a risk we're willing to take or not take, whether that's a risk that doesn't align appropriately with specific investors' objectives, it just gives us more information to work with. So, we think it's really important, so having the risk framework, being accountable to having it, and being accountable to reporting on it. We also think that responsible investing means engaging, you know, engaging with our partners, engaging with leaders in the industry around tracking, reporting, and monitoring the risks of investing, and then being good stewards, and so sharing perspective, demanding information and metrics from the broader kind of general partner community. All of that, we think is part of it. So responsible investing is active, and we think it's important for the industry.

Robert Morier: John, how do your clients define responsible investing? Just given the political climate, it feels a little bit like the tide. It comes in and out. We're a little bit out right now. So, I'm just curious, from those conversations you're having with clients, the risk framework makes a lot of sense. Is that how they're seeing it as well?

John Brecker: Yes. On the risk framework, I would say the view from sort of being tied in or out I think is probably what we see in a lot of trade publications. I think, though, the views at a very micro level for each individual client largely haven't changed. I think if you

were concerned about ESG or SRI issues before five years ago, you probably still are now. And maybe you're getting more questions from your constituents about, where do we sit on certain issues. But I think for us it's that conversation up front, like I talked about at the beginning. Where do you want to take risk? And is that a risk that you're concerned about? If so, how far down is that risk? Is that we want to avoid certain sectors because they conflict with what we're doing? Is it we want to avoid certain companies, or we want to avoid certain areas? Great. Then let's talk about that up front when we're constructing the portfolios Jackie mentioned, trying to understand what that general partner does and does really well and if that's a good match for that client or not. And sometimes the answer is no and that's totally fine. And then I think very much on the back end, through the use of technology, through a reporting technology, and even sort of further on the impact lens through our partnership with Nevada, it's important to know what you own, and so that you can confidently sit in front of whatever constituent base have... whether it's a university, a foundation, an insurance company... and answer specific questions about what do you own. Because I think that lack of transparency, certainly in the private markets, does not help any conversation whether you want more restrictions or less. And so, I think that transparency certainly help answers a lot of questions.

Robert Morier: So, in these same conversations, how are you communicating what the future of private investments looks like?

John Brecker: It's the whole crystal ball question.

Robert Morier: Is the crystal ball in—

John Brecker: Yeah.

Robert Morier: Is it in the carry on?

John Brecker: It is. It is. It's right below the desk. No, look. I think there's a number of tailwinds to the asset class. Jackie talked about the performance. That will continue to... we hope will continue to persist over time. So, we're getting a lot more opportunities for investment. As Jackie mentioned, the number of companies staying private for longer is a trend. I think we are getting a lot more interest from clients, not only private wealth clients, but also institutional clients that are either continuing their allocations or increasing them. And I think from the general partner community we're having a number... an increasing amount of opportunity to invest in different ways, which means that for us and sitting in our seat, portfolio construction and data and information just becomes that much more important every single day that we live it. And so, I think what we would expect is allocations to continue to increase. We have a colleague of ours that says it should be 50%... let's see if we get there... of portfolios. And I think because of the

performance, because of the way that a lot of these investments are managed, I think that trend will continue for a while. At least we hope, but we may be biased.

Robert Morier: Jackie, how about 2024? A quote that I often use in the beginning of the year is, "There are years that ask questions and years that answer." So, what do you and the firm believe this year is going to turn into? Is it going to be a year where we get more answers or are we going to come out of this year with more questions as it relates to private markets?

Jackie Rantanen: There are certainly a lot of questions right now. And so, our executive co-chairman said, at one of our big client events recently, that this is one of the toughest environments he's ever seen. And he's been at it since the beginning. There's so much uncertainty. Predictions are difficult. Whether you think about... the remaining uncertainty with inflation and interest rates, that's so baseline to the investing landscape. I think that important to acknowledge that there are major elections around the world that are causing uncertainty. I heard a stat... I don't know if it's exactly correct, but directionally... that 50% of the world's population will vote this year on a major election. That's pretty significant. So, I think it's those... it's that backdrop that leads me to say we'll have some answers. I think that the interest rate inflation recession question is less noisy than it was before. I saw this morning that the latest consensus is no recession here in the US. And so, I think those things settling down are really supporting the increase in activity that we're starting to see. And so, I don't think we'll be question-less as we go forward. But I think that some of these major questions will be answered, I think, kind of resolving some uncertainty, giving people some confidence in terms of moving forward. I would also say that times of uncertainty are not terrible times to invest. They may be uncomfortable times to invest, but we think that this will be a year of some significant answers, and hopefully some continued kind of information frameworks and support for people to make good investment decisions.

Robert Morier: Well, you've both been with Hamilton Lane for 12 years and 27 years respectively. That is nice to hear. It's not often that you see that type of tenure at firms these days. It's a lot easier to move around. And we see even some of our guests who have been on the show but have since left. So, I'm just curious. In 12 and 27 years, what's a decision that you're proud of professionally that you've made in your tenure at Hamilton Lane?

John Brecker: I think it is... I'm proud of a lot of the candor that we've been able to have with our clients. And all of us have been in so many different conference rooms, and certainly you've heard so many different pitches and sales pitches. And I think to truly be able to connect with clients, to help them do their jobs better, provide better for their constituents, but also the ability to look at clients and go, you know what? We're not the right fit for you. We're not the perfect manager. Maybe you should go left, or right, or

wherever it might be. But I think that is what I sit back on maybe over 12 years and say, we've made some real difference in our clients' lives. And we've been candid and honest with them, sometimes to our own detriment, which is probably not what we would expect from a lot of groups. But I think that, for me, is probably something I'm most proud of to be able to help those clients.

Jackie Rantanen: I completely agree with John. I think it's really important work that we do. I think I would add to it by saying, if you look internally, we've created a culture of innovation and engagement that is exciting, and challenging, and collaborative. I'm really proud of that. It's really fun to be working at a place where your colleagues are facing in the same direction, working for the same goals, and challenging each other to do our best work. I think that's... I don't know what else you could ask for in terms of a really... kind of rich environment to work in. So, you couple that with John's points around doing great work for clients, and it's hard to say anything. But it's pretty good.

John Brecker: Jackie and I have spent a lot of time in airplanes and rental cars together over 12 years, probably more than Jackie would like to care.

Jackie Rantanen: We've done some philosophical sharing.

John Brecker: But I think it's a lot of knowing each other's families. And I've had the great fortune of raising four kids since I've been at Hamilton Lane, and it's such a great place to be able to make it to baseball fields, and soccer fields, and traveling a lot, but also enjoying those that you travel with and having some fun along the way, which we certainly try to do, but enjoy each other's company with good people.

Robert Morier: How about the mentors, the people who have helped you along the way that you can think of?

John Brecker: From the first gentleman who hired me, Richard Mendoza, who's still a financial advisor down in Texas now, he sort of showed how to connect with clients a lot of times around financial... excuse me, kitchen tables and around little conference rooms, and trying to figure out exactly how do we help those clients achieve their goals, and what are their goals, on a very, very personal level. The two that hired me into the institutional space, in Scott and Kevin from Turner, just really trying to know how to work hard, travel, but enjoy family as much as we possibly can. And then a lot of folks that we continue to work with, Jackie being one of them, that we truly find out how to do the right thing for a lot of our clients and for a lot of our families, and really know what's important in life. And that's truly important. And I would throw in my wife and kids, who are crazy at times but also a very big source of inspiration for me, which is always fun.

Jackie Rantanen: Yeah. I would echo what John says in a lot of ways. I was so lucky to start at Hamilton Lane so many years ago. There were so few of us, and many are still there. So, John and I are long-tenured. There are a lot of long-tenured people at Hamilton Lane. So, I got the chance to work with our now today co-CEOs, our executive chairman. I got to work with them closely and learn from them. And I'm so grateful. And many people, John said it, we travel together. You ask the questions. You double down and check again or give me feedback. We'll get out of a meeting and give each other feedback. I think all of that. So, it's a nice culture of that, and then it's the just the individual relationships that you have. I would also say... I mentioned my family. Certainly, a family of 11, I saw incredible work ethic with my parents. And my father, in particular, had that real love of learning. And my brothers and sisters, you know, we're all really hard workers. And so, I value that. And they've been mentors to me in a way that's so important. As John said, I have two college-age sons who challenge me, and acknowledge me, and all of the things. And, you know, so grateful. Our family is very, very close. And I think just having that dynamic, and having those types of relationships, I'm forever grateful every day.

Robert Morier: Congratulations to both of you on all of your success. Congratulations to Hamilton Lane on their continued success, as well. Thank you for being in the studio here today.

Jackie Rantanen: Thank you. Thank you.

John Brecker: Thank you very much for having us. Appreciate the time.

Robert Morier: If you want to learn more about John, Jackie, and Hamilton Lane, please visit their website at www.hamiltonlane.com. You can find this episode and past episodes on [Spotify](#), [Apple](#), or your favorite podcast platform. We're also available on [YouTube](#), if you prefer to watch while you listen. If you'd like to catch up on past episodes, check out our website at dakota.com. Finally, if you like what you're seeing and hearing, please be sure to like, follow, and share these episodes. We welcome your feedback as well. John and Jackie, thank you again for being here. And to our audience, thank you for investing your time with Dakota.