

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Audited Financial Statements
Period from January 1, 2022 through December 31, 2022

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Financial Statements

Period Ended December 31, 2022

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Independent Auditors' Report to the General Partner

Opinion

We have audited the financial statements of Hamilton Lane Strategic Opportunities 2017 Offshore Fund LP (the "Partnership"), which comprise the statement of assets, liabilities and partners' capital as of December 31, 2022, and the related statements of operations, changes in partners' capital, and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2022, and the results of its operations, changes in its partners' capital, and its cash flows for the period then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



Independent Auditors' Report to the General Partner (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature of the KPMG firm, written in black ink, appearing as 'KPMG' with a stylized flourish at the end.

March 29, 2023

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Statement of Assets, Liabilities and Partners' Capital

December 31, 2022

Assets

Investments, at fair value:

Investment in Hamilton Lane Strategic Opportunities 2017 Fund LP ("Main Partnership")	\$ 90,418,881
Investment in Hamilton Lane Strategic Opportunities 2017 Fund PH DE Blocker LP ("PH Blocker") (net cost - \$21,030,079)	27,308,884
Total investments	<u>117,727,765</u>
Cash	35,011
Prepaid expenses	18,181
Other receivables	<u>6,320</u>
Total assets	<u><u>\$ 117,787,277</u></u>

Liabilities and partners' capital

Liabilities:

Accounts payable and accrued expenses	\$ 14,811
Payable to Main Partnership	3,117
Payable to taxing authorities	2,500
Deferred tax liability	<u>50,572</u>
Total liabilities	<u>71,000</u>

Partners' capital:

Limited Partners	<u>117,716,277</u>
Total partners' capital	<u>117,716,277</u>
Total liabilities and partners' capital	<u><u>\$ 117,787,277</u></u>

See accompanying notes and attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Statement of Operations

Period ended December 31, 2022

Net investment income (loss) allocated from Main Partnership

Interest income	\$ 6,551,664
Management fees	(860,970)
Other expenses	(265,765)
Net investment income (loss) allocated from Main Partnership	<u>5,424,929</u>

Partnership income

Investment income, net of related taxes (benefit) of \$438,915	<u>2,630,385</u>
Total income	<u>2,630,385</u>

Partnership expenses

Professional fees	95,155
Other	10,958
Total expenses	<u>106,113</u>

Net investment income (loss)	<u>7,949,201</u>
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Net change in unrealized appreciation / depreciation on:

Investments allocated from Main Partnership, net of related taxes (benefit) of (\$368,495)	(6,892,075)
Investments allocated from PH Blocker	(4,285,160)
Net change in unrealized appreciation / depreciation	<u>(11,177,235)</u>

Allocation of carried interest from Main Partnership	<u>183,565</u>
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Net increase (decrease) in partner's capital resulting from operations	<u>\$ (3,044,469)</u>
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See accompanying notes and attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Statement of Changes in Partners' Capital

Period ended December 31, 2022

Partners' capital at January 1, 2022	\$	123,092,385
Contributions received from partners		1,625,278
Distributions paid to partners		(3,956,917)
Net investment income (loss):		
Management fees		(860,970)
Other		8,810,171
Net change in unrealized appreciation / depreciation		(11,177,235)
Carried interest allocation		183,565
Partners' capital at December 31, 2022	\$	<u>117,716,277</u>

See accompanying notes and attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Statement of Cash Flows

Period ended December 31, 2022

Cash flows from operating activities

Net increase (decrease) in partners' capital resulting from operations	\$ (3,044,469)
Adjustments to reconcile net increase (decrease) in partners' capital resulting from operations to net cash provided by (used in) operating activities:	
Net investment (income) loss allocated from Main Partnership	(5,424,929)
Net change in unrealized appreciation / depreciation	11,545,730
Allocation of carried interest from Main Partnership	(183,565)
Contributions to Main Partnership	(1,157,762)
Distributions from Main Partnership	1,326,471
Contributions to PH Blocker	(365,619)
Changes in assets and liabilities:	
Prepaid expenses	(18,181)
Other receivables	7,388
Accounts payable and accrued expenses	2,069
Payable to Main Partnership	3,117
Payable to taxing authorities	2,487
Deferred tax liability	(380,242)
Payable to Manager	(300)
Net cash provided by (used in) operating activities	<u>2,312,195</u>

Cash flows from financing activities

Contributions received from partners	1,625,278
Distributions paid to partners	(3,956,917)
Net cash provided by (used in) financing activities	<u>(2,331,639)</u>

Net increase (decrease) in cash	(19,444)
Cash - beginning of period	54,455
Cash - end of period	<u><u>\$ 35,011</u></u>

Supplemental disclosure of cash flow information

Taxes paid (refunded) during the period, net	<u><u>\$ 1,316</u></u>
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See accompanying notes and attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Notes to Financial Statements

December 31, 2022

1. Organization and Purpose

Hamilton Lane Strategic Opportunities 2017 Offshore Fund LP (the “Partnership”), a Cayman Islands exempted limited partnership, was formed on September 14, 2016 and commenced operations on March 28, 2017. The Partnership was registered with the Cayman Islands Monetary Authority on July 30, 2020 under the Private Funds Regulations (2022 Revision). Hamilton Lane Strategic Opportunities 2017 GP LLC (the “General Partner”), a Delaware limited liability company, is the sole general partner of the Partnership. The Amended and Restated Exempted Limited Partnership Agreement dated January 31, 2017 (the “Agreement”) was entered into by and among the General Partner and the limited partners of the Partnership (collectively, the “Limited Partners”).

Hamilton Lane Advisors, L.L.C. (the “Main Partnership Manager” or “Manager”), an affiliate of the General Partner, serves as the investment manager of the Partnership.

The Partnership is a feeder fund in a master-feeder structure whereby the Partnership invests substantially all of its assets in Hamilton Lane Strategic Opportunities 2017 Fund LP (the “Main Partnership”), in accordance with and subject to the other provisions of the Agreement and the Main Partnership’s Amended and Restated Limited Partnership Agreement (the “Main Partnership Agreement”).

The Main Partnership is a feeder fund in a master-feeder structure whereby the Main Partnership invests substantially all of its assets in Hamilton Lane Strategic Opportunities 2017 Fund Holdings LP (“Holdings”). The Main Partnership’s investment objective, through Holdings, is to create a portfolio of opportunistically-oriented private market investments that generate attractive risk-adjusted returns through a flexible and diversified investment strategy, including investments in direct credit and opportunistic equity (“direct investments”) and secondary investments (“fund investment”) (collectively hereinafter referred to as “investments” or “portfolio investments”).

The Partnership has elected to participate in Preston Hollow Capital, LLC (“Preston Hollow”) through Hamilton Lane Strategic Opportunities 2017 Fund PH DE Blocker LP (“PH Blocker”). PH Blocker is a Delaware limited partnership that was formed on May 4, 2017 and that commenced operations on October 31, 2017.

See attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Notes to Financial Statements

December 31, 2022

The Agreement provides that the Partnership will terminate on the date that the Main Partnership terminates, which was on April 30, 2022, unless extended at the discretion of the General Partner for up to two successive one-year terms; and for further one-year periods with the consent of the Advisory Committee or a Majority Interest (as defined in the Main Partnership Agreement). The Advisory Committee has approved a one year extension, with a new termination date of April 30, 2023. The General Partner intends to extend the term of the Partnership until April 30, 2024 later this year.

Attached are the audited financial statements of the Main Partnership and Holdings, including its schedules of fund investment and direct investments, and significant accounting policies, which are an integral part of these financial statements. As of December 31, 2022, the Partnership had a 92.59% ownership interest in the Main Partnership.

2. Significant Accounting Policies

Basis of Presentation The Partnership prepares its financial statements on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”). The General Partner has determined that the Partnership is an investment company for purposes of accounting and financial reporting in accordance with Accounting Standards Codification 946 (“ASC 946”), *Financial Services – Investment Companies*. U.S. GAAP for an investment company requires investments to be recorded at their estimated fair value. The net change in unrealized appreciation / depreciation on portfolio investments is recognized on a current basis in the Statement of Operations.

Use of Estimates The preparation of financial statements in conformity with U.S. GAAP requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and such differences could be material. Significant estimates include the valuation of the Partnership’s investment in the Main Partnership, as discussed below.

Investment Valuation The Partnership records its investment in the Main Partnership at fair value, which is the Partnership’s allocable share of the net assets of the Main Partnership. The performance of the Partnership is directly affected by the performance of the Main Partnership and indirectly by the performance of Holdings. Valuation of investments held by Holdings is discussed in the notes to Holdings’ audited financial statements, which are attached hereto.

See attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Notes to Financial Statements

December 31, 2022

Valuation of Portfolio Investments The Partnership's investment in PH Blocker is reflected in the accompanying Statement of Assets, Liabilities and Partners' Capital at estimated fair value as of December 31, 2022 in accordance with Accounting Standards Codification 820, *Fair Value Measurement* ("ASC 820").

ASC 820 allows a reporting entity, as a practical expedient, to estimate fair value of certain alternative investments at the net asset value as reported by the investee entity in instances where the net asset value has been calculated in a manner consistent with ASC 946. The General Partner's valuation is generally equal to or based upon the reported capital account or net asset value of the underlying fund investments as of December 31, 2022. In addition, the General Partner considers various factors, including current net asset valuations of the funds, the basis of accounting that the financial statements of the funds are prepared in accordance with and other financial information provided by the general partner of the funds to determine if any adjustments should be made to the reported capital account or net realizable value. Because the funds' investments are primarily in private equity and equity-related investments that are not publicly traded, market quotations are generally not available to be used for valuation purposes. Therefore, most of the funds' underlying investments are generally required to be valued at estimated fair values using present value and other subjective valuation techniques. For investments held by the funds that are publicly traded and for which market quotations are available, valuations are generally based on the closing sales prices, or an average of the closing bid and ask prices, as of the valuation date.

The financial statements include the Partnership's investment in PH Blocker valued at \$27,308,884 as of December 31, 2022, whose net asset value has been estimated in accordance with ASC 820 by the General Partner. The value assigned to this portfolio investment is based on available information and does not necessarily represent the amount that might ultimately be realized, since such amount depends on future circumstances and cannot be determined until the individual portfolio investment is actually liquidated.

Because of inherent uncertainties involved in the valuations of portfolio investments that are not publicly traded, the estimated value may differ significantly from the value that would have been used had a readily determinable fair market value for the portfolio investment existed, and the difference could be material.

Contingencies The Partnership enters into agreements that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown. However, the

See attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Notes to Financial Statements

December 31, 2022

Partnership has not had prior claims or losses attributable to these arrangements and expects the risk of loss to be remote.

Cash All cash was held in U.S. dollars as unrestricted cash with financial institutions in amounts which, at times, may have exceeded federally insured limits.

Income Taxes The Partnership is a Cayman Islands exempted limited partnership, and therefore under present Cayman Islands taxation law, neither the Partnership nor any of the partners are subject to taxation in the Cayman Islands.

The Partnership has elected to be taxed as a foreign corporation for U.S. income tax purposes. Certain items of income that the Partnership earns from the Main Partnership may be subject to income taxes imposed in the U.S. and other countries, which will impact the Partnership's effective tax rate.

Investments made by Holdings that generate U.S. source investment income may subject the Partnership to U.S. federal taxation. U.S. source dividend income is generally subject to a 30% U.S. federal withholding tax. U.S. source interest income is also generally subject to this 30% U.S. federal withholding tax, unless the interest income qualifies as bank or portfolio interest in which case the interest income would be exempt from the withholding tax.

Investments made by Holdings in flow-through entities that generate income effectively connected with the U.S. trade or business ("effectively connected income") will also subject the Partnership to U.S. federal and state taxation. Generally, the U.S. requires withholding on effectively connected income at the highest U.S. tax rate on income allocated to non-U.S. recipients (generally 21%). In addition, the Partnership may also be subject to a branch profits tax which is generally imposed at a rate of 30% of the after-tax profits derived from effectively connected income. The combined effect of these two levels of tax is that the aggregate U.S. federal tax rate on effectively connected income generally approximates 44.70%. In addition, effectively connected income may also be subject to U.S. state and local income taxes depending on the state or locality in which the effectively connected income is earned.

Accounting Standards Codification 740, *Income Taxes* ("ASC 740") provides guidance regarding how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing an entity's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax

See attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Notes to Financial Statements

December 31, 2022

positions deemed to meet the more-likely-than-not threshold of being sustained would be recorded as a tax benefit in the current period. The General Partner has reviewed the Partnership's tax positions for all open tax years and has concluded that no provision for income taxes is required in the Partnership's financial statements for uncertain tax positions.

The Partnership files U.S. federal and state income tax returns, of which the 2022, 2021, 2020, and 2019 returns remain subject to examination by the applicable tax authorities. There are currently no examinations being conducted.

The Partnership will recognize interest and penalties, if any, related to the underpayment of income taxes, including those resulting from the late filing of tax returns, as operating expenses in the Statement of Operations. The Partnership did not incur any such interest or penalties during the period ended December 31, 2022.

Investment Income and Expenses Investment transactions are recorded on a trade date basis. The Partnership records its proportionate share of the Main Partnership's income, expenses and realized and unrealized gains and losses on a quarterly basis. In addition, the Partnership records its own expenses.

3. Capital Contributions

The following table summarizes the Limited Partners' capital contributions as of December 31, 2022:

Total committed capital	\$387,480,000
Capital contributed	(408,877,952)
Recallable distributions	<u>100,533,943</u>
Remaining commitments	<u>\$ 79,135,991</u>

In total, the Limited Partners had contributed approximately 105.52% (computed gross of recallable distributions) of their committed capital to the Partnership as of December 31, 2022. The Partnership will periodically issue capital calls to its partners as cash is required to fund capital calls received from the Main Partnership and to pay Partnership expenses.

See attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Notes to Financial Statements

December 31, 2022

The General Partner is not obligated to, and has not made any capital contributions to the Partnership.

The Agreement specifies that, except as required by law, the Limited Partners shall not be obligated to make any contributions to the Partnership in excess of their remaining capital commitments and recallable distributions to the Partnership, or be personally liable for the debts and obligations of the Partnership.

4. Income Taxes

As of December 31, 2022, the Partnership has federal net operating loss ("NOL") and capital loss carryforwards of \$128,785.

The Partnership has recorded the following amounts related to income taxes:

	<u>December 31, 2022</u>
Current tax expense (benefit)	\$450,662
Deferred tax expense (benefit)	(380,242)
Total tax expense (benefit)	<u>\$ 70,420</u>
	<u>December 31, 2022</u>
Gross deferred tax asset	\$ 27,045
Less: valuation allowance	-
Gross deferred tax liability	(77,617)
Net deferred tax asset (liability)	<u>\$(50,572)</u>

All of the current and deferred tax expense (benefit) is reflected in dividend and interest income and net change in unrealized appreciation / depreciation on investments, including the effect of foreign currency translations in the Statement of Operations. The gross deferred tax asset relates to the Partnership's federal income tax NOL and the differences between the fair value of certain partnership investments as reported within the accompanying financial statements and the adjusted tax basis of those investments. We believe that it is more-likely-than-not that the benefit from the deferred tax asset will not be realized.

See attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Notes to Financial Statements

December 31, 2022

The ability of the Partnership to use NOL carryforwards to offset future taxable income may be subject to certain limitations. There is a risk that due to changes under the Tax Cuts and Jobs Act ("TCJA"), regulatory changes, or other unforeseen reasons, existing NOLs could expire or otherwise not be available to offset future taxable income.

The Partnership has no gross unrecognized tax expense under ASC 740. Further, the Partnership has not yet been subject to examination by the tax authorities in any of the jurisdictions in which it operates.

The Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), enacted on March 27, 2020, includes, among other provisions, allowing entities with NOL's originating in 2018, 2019 or 2020 to carry back those losses for five years and temporarily eliminates the tax law provision that limits the use of NOLs to 80% of taxable income. The CARES Act increases the Internal Revenue Code Section 163(j) interest deduction limit and allows for the acceleration of refunds of alternative minimum credits.

5. Allocations of Distributions and Income, Expenses, Gains and Losses

All items of net income or net loss, as well as all distributions, are generally allocated among the Limited Partners in proportion to their relative capital commitment amounts.

The Main Partnership Agreement provides for reduced management fee rates for any limited partner, including any of the Partnership's Limited Partners, with capital commitments of \$20 million or more (calculated on a combined basis for related Limited Partners). As of December 31, 2022, fourteen of the Partnership's current Limited Partners qualify for these reduced management fee rates. As a result, the Partnership's net investment income (loss), which includes the management fee expense allocated to the Partnership by the Main Partnership, is specially allocated among the Limited Partners in order to properly reflect this reduced management fee arrangement.

The General Partner does not participate in the net income or loss, or any distributions, of the Partnership.

See attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Notes to Financial Statements

December 31, 2022

6. Portfolio Investments

As of December 31, 2022, the Partnership directly held one fund investment, the fair value of which represents more than 5% of the Partnership's net assets. PH Blocker indirectly invests in Preston Hollow through Holdings.

The Partnership's investment in PH Blocker is presented on the Statement of Assets, Liabilities and Partners' Capital.

7. Operating Expenses

The Agreement provides that the Partnership is responsible for all of its own operating and administrative expenses, including, but not limited to (i) costs of legal, accounting and other professional services rendered to the Partnership, (ii) indemnification payments, (iii) all costs incurred by the General Partner and its affiliates in connection with the organization of the Partnership, (iv) the cost of maintaining the Partnership's records and producing periodic reports to the Limited Partners, and (v) costs incurred in connection with proposed investments that are not ultimately acquired.

As a limited partner of the Main Partnership, the Partnership is responsible for its share of the Main Partnership's expenses. These expenses include management fees payable to the Manager by the Main Partnership. The Manager does not charge any separate management fees directly to the Partnership or the Limited Partners for the services it renders to the Partnership.

8. Related Party Transactions

At December 31, 2022, the Partnership had an amount payable to the Main Partnership of \$3,117 for reimbursement of operating expenses.

See attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Notes to Financial Statements

December 31, 2022

9. Financial Highlights

Financial highlights of the Partnership for the period ended December 31, 2022 for the Limited Partners are as follows:

Ratios to average net assets:

Net investment income (loss)	<u>6.69%</u>
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Expenses:

Operating expenses	1.04%
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Carried interest allocation	<u>(0.15)</u>
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Total operating expenses and carried interest allocation	<u>0.89%</u>
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Internal rates of return from inception through:

December 31, 2022	<u>9.11%</u>
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January 1, 2022	<u>10.23%</u>
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The internal rates of return were computed based on the actual dates of the cash inflows (capital contributions) and outflows (distributions), and the Limited Partners' ending capital account balances as of the measurement date (residual value).

The net investment income (loss) and expense ratios were computed as a percentage of average net assets. Average net assets is the weighted average of the aggregate balances in the capital accounts of the Limited Partners during the period. Capital contributions were included from the date called and distributions were included from the date paid. Net income (loss) allocable to the Limited Partners, including net change in unrealized appreciation / depreciation on portfolio investments, was included from the end of each quarter based on quarter-end valuations.

Net investment income (loss) is the Limited Partners' share of the Partnership's investment income, net of the operating expenses incurred by the Partnership. The net investment income (loss) and operating expense ratios include the Limited Partners' share of investment income and expenses of the Partnership, the Main Partnership, and Holdings, but do not reflect net investment income (loss) or expenses of Holdings' underlying portfolio investments.

See attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 OFFSHORE FUND LP

Notes to Financial Statements

December 31, 2022

The net investment income (loss) ratio does not reflect the effect of the carried interest allocation to the General Partner and HL Carried Interest 2017 LP. The net investment income (loss) and operating expense ratios and the internal rates of return were calculated for the Limited Partner class taken as a whole. The calculations of such ratios and rates of return for individual Limited Partners may vary from these ratios and rates of return based on the timing of capital transactions for individual Limited Partners.

10. Subsequent Events

The General Partner has evaluated events that occurred through March 29, 2023, which is the date these financial statements were available to be issued. There were no material events noted during this period that would require disclosure, except as discussed below.

On March 10, 2023, Silicon Valley Bank, Santa Clara, California, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect insured depositors, the FDIC created the Deposit Insurance National Bank of Santa Clara (DINB). At the time of closing, the FDIC as receiver immediately transferred to the DINB all insured deposits of Silicon Valley Bank. As of March 29, 2023, the Partnership did not have cash exceeding the FDIC-insured limit at its account with Silicon Valley Bank.

Management and the General Partner of the Partnership have evaluated the aforementioned circumstances for the Partnership and its portfolio companies and have concluded that no substantial doubt exists about the Partnership's ability to continue as a going concern at the date the financial statements were available to be issued.

See attached audited financial statements of the Main Partnership and Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Audited Financial Statements

Period from January 1, 2022 through December 31, 2022

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Financial Statements

Period ended December 31, 2022

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Audited Financial Statements of Hamilton Lane Strategic Opportunities 2017 Fund Holdings LP	



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Independent Auditors' Report

General Partner and Limited Partners
Hamilton Lane Strategic Opportunities 2017 Fund LP:

Opinion

We have audited the financial statements of Hamilton Lane Strategic Opportunities 2017 Fund LP (the Partnership), which comprise the statement of assets, liabilities and partners' capital as of December 31, 2022, and the related statements of operations, changes in partners' capital, and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2022, and the results of its operations, changes in its partners' capital, and its cash flows for the period then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Philadelphia, Pennsylvania
March 29, 2023

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Statement of Assets, Liabilities and Partners' Capital

December 31, 2022

Assets

Investment in Hamilton Lane Strategic Opportunities 2017 Fund Holdings LP ("Holdings"), at fair value	\$	136,523,361
Cash		621,013
Prepaid expenses		50,256
Other receivables		<u>3,736</u>
Total assets	\$	<u><u>137,198,366</u></u>

Liabilities and partners' capital

Liabilities:

Payable to Holdings	\$	290,764
Accounts payable and accrued expenses		30,174
Other liabilities		<u>2,211</u>
Total liabilities		<u>323,149</u>

Partners' capital:

Limited Partners		125,664,807
Special Limited Partner		9,128,758
General Partner		<u>2,081,652</u>
Total partners' capital		<u>136,875,217</u>

Total liabilities and partners' capital	\$	<u><u>137,198,366</u></u>
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See accompanying notes and attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Statement of Operations

Period ended December 31, 2022

Net investment income (loss) allocated from Holdings

Interest income	\$ 7,075,778
Investment income	1,812,464
Other expenses	<u>(157,770)</u>
Net investment income (loss) allocated from Holdings	<u>8,730,472</u>

Partnership expenses

Management fees	1,151,963
Professional fees	138,462
Other	<u>10,126</u>
Total expenses	<u>1,300,551</u>
Net investment income (loss)	<u>7,429,921</u>

Net change in unrealized appreciation / depreciation on:

Investments allocated from Holdings	<u>(10,794,746)</u>
Net change in unrealized appreciation / depreciation	<u>(10,794,746)</u>

Net increase (decrease) in partners' capital resulting from operations \$ (3,364,825)

See accompanying notes and attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Statement of Changes in Partners' Capital

Period ended December 31, 2022

	Limited Partners	Special Limited Partner	General Partner	Total
Partners' capital at January 1, 2022	\$ 130,414,670	\$ 10,509,511	\$ 2,146,044	\$ 143,070,225
Contributions received from partners	1,469,165	-	3,332	1,472,497
Distributions paid to partners	(3,211,386)	(1,046,571)	(44,723)	(4,302,680)
Net investment income (loss):				
Management fees	(1,151,963)	-	-	(1,151,963)
Other	8,492,682	-	89,202	8,581,884
Net change in unrealized appreciation / depreciation	(10,682,543)	-	(112,203)	(10,794,746)
Carried interest allocation	334,182	(334,182)	-	-
Partners' capital at December 31, 2022	<u>\$ 125,664,807</u>	<u>\$ 9,128,758</u>	<u>\$ 2,081,652</u>	<u>\$ 136,875,217</u>

See accompanying notes and attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Statement of Cash Flows

Period ended December 31, 2022

Cash flows from operating activities

Net increase (decrease) in partners' capital resulting from operations	\$	(3,364,825)
Adjustments to reconcile net increase (decrease) in partners' capital resulting from operations to net cash provided by (used in) operating activities:		
Net investment (income) loss allocated from Holdings		(8,730,472)
Net change in unrealized appreciation / depreciation		10,794,746
Distributions from Holdings		4,302,680
Changes in assets and liabilities:		
Prepaid expenses		(50,256)
Other receivables		(3,253)
Payable to Holdings		290,764
Accounts payable and accrued expenses		22,300
Other liabilities		2,211
Net cash provided by (used in) operating activities		<u>3,263,895</u>

Cash flows from financing activities

Contributions received from partners	1,472,497
Distributions paid to partners	<u>(4,302,680)</u>
Net cash provided by (used in) financing activities	<u>(2,830,183)</u>

Net increase (decrease) in cash	433,712
Cash - beginning of period	<u>187,301</u>
Cash - end of period	<u><u>\$ 621,013</u></u>

See accompanying notes and attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Notes to Financial Statements

December 31, 2022

1. Organization and Purpose

Hamilton Lane Strategic Opportunities 2017 Fund LP (the “Partnership”), a Delaware limited partnership, was formed on September 14, 2016 and commenced operations on March 28, 2017. Hamilton Lane Strategic Opportunities 2017 GP LLC (the “General Partner”), a Delaware limited liability company, is the sole general partner of the Partnership. The Amended and Restated Limited Partnership Agreement dated January 31, 2017 (the “Agreement”) was entered into by and among the General Partner and the limited partners of the Partnership (collectively, the “Limited Partners”). On September 18, 2019, the Partnership entered into the Amended and Restated Master Assignment and Admission Agreement (the “Assignment and Admission Agreement”), whereby the General Partner transferred its right, title and interest in and the right to receive distributions and allocations relating to the carried interest payments for all periods commencing with January 1, 2018 to HL Carried Interest 2017 LP (“Special Limited Partner”).

Hamilton Lane Advisors, L.L.C. (the “Manager”), an affiliate of the General Partner, serves as the investment manager of both the Partnership and Holdings and provides portfolio management services to both the Partnership and Holdings.

The Partnership is a feeder fund in a master-feeder structure whereby the Partnership invests substantially all of its assets in Hamilton Lane Strategic Opportunities 2017 Fund Holdings LP (“Holdings”), a Delaware limited partnership. The Partnership’s primary investment objective, through Holdings, is to seek to create a portfolio of opportunistically-oriented private market investments that generate attractive risk-adjusted returns through a flexible and diversified investment strategy, including investments in direct credit and opportunistic equity (“direct investments”) and secondary investments (“fund investment”) (collectively hereinafter referred to as “investments” or “portfolio investments”).

The Agreement provides that the Partnership will terminate April 30, 2022, unless extended by, and at the discretion of, the General Partner for up to two successive one-year terms; and for further one-year periods with the consent of the Advisory Committee or Majority in Interest (as defined in the Agreement). The Advisory Committee has approved a one year extension, with a new termination date of April 30, 2023. The General Partner intends to extend the term of the Partnership until April 30, 2024 later this year.

Attached are the audited financial statements of Holdings, including its schedules of fund investment and direct investments and significant accounting policies, which are an integral part of these financial statements. As of December 31, 2022, the Partnership has a \$418,479,798 commitment to Holdings, which represents a 96.21% ownership interest in Holdings.

See attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Notes to Financial Statements

December 31, 2022

2. Significant Accounting Policies

Basis of Presentation The Partnership prepares its financial statements on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”). The General Partner has determined that the Partnership is an investment company for purposes of accounting and financial reporting in accordance with Accounting Standards Codification 946, *Financial Services – Investment Companies*. U.S. GAAP for an investment company requires investments to be recorded at their estimated fair value. The net change in unrealized appreciation / depreciation on portfolio investments is recognized on a current basis in the Statement of Operations.

Use of Estimates The preparation of financial statements in conformity with U.S. GAAP requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and such differences could be material. Significant estimates include the valuation of the Partnership’s investment in Holdings, as discussed below.

Investment Valuation The Partnership records its investment in Holdings at fair value, which is the Partnership’s interest in the net assets of Holdings. The performance of the Partnership is directly affected by the performance of Holdings. Valuation of investments held by Holdings is discussed in the notes to Holdings’ audited financial statements, which are attached hereto.

Contingencies The Partnership enters into agreements that contain a variety of indemnifications. The Partnership’s maximum exposure under these arrangements is unknown. However, the Partnership has not had prior claims or losses attributable to these arrangements and expects the risk of loss to be remote.

Cash All cash was held in U.S. dollars as unrestricted cash with financial institutions in amounts which, at times, may have exceeded federally insured limits.

Income Taxes No provision for U.S. federal, state or foreign income taxes has been made in the accompanying financial statements, as such taxes, if any, are the responsibility of the individual partners rather than the Partnership.

See attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Notes to Financial Statements

December 31, 2022

Accounting Standards Codification 740, *Income Taxes* (“ASC 740”) provides guidance regarding how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing an entity’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions deemed to meet the more-likely-than-not threshold of being sustained would be recorded as a tax benefit in the current period. The General Partner has reviewed the Partnership’s tax positions for all open tax years and has concluded that no provision for income taxes is required in the Partnership’s financial statements for uncertain tax positions for the period ended December 31, 2022.

The Partnership files U.S. federal and state income tax returns, of which the 2022, 2021, 2020, and 2019 returns remain subject to examination by the applicable tax authorities. There are currently no examinations being conducted.

The Partnership recognizes interest and penalties, if any, related to the underpayment of income taxes, including those resulting from the late filing of tax returns, as operating expenses in the Statement of Operations. The Partnership incurred penalties and interest of \$302 during the period ended December 31, 2022.

Investment Income and Expenses Investment transactions are recorded on a trade date basis. The Partnership records its proportionate share of Holdings’ income, expenses and realized and unrealized gains and losses on a quarterly basis. In addition, the Partnership records its own expenses.

3. Capital Contributions

The following table summarizes the Partnership’s capital contributions as of December 31, 2022:

	Limited Partners	Special Limited Partner	General Partner	Total
Total committed capital	\$414,130,000	\$ -	\$4,349,798	\$418,479,798
Capital contributed	(441,679,687)	-	(4,537,632)	(446,217,319)
Recallable distributions	107,612,836	-	1,028,808	108,641,644
Remaining commitments	\$ 80,063,149	\$ -	\$ 840,974	\$ 80,904,123

See attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Notes to Financial Statements

December 31, 2022

The Special Limited Partners are not obligated to make and have not made, any capital contributions to the Partnership. In total, the Limited Partners had contributed approximately 106.65% (computed gross of recallable distributions) of their committed capital to the Partnership as of December 31, 2022. The Partnership will periodically issue capital calls to its partners as cash is required to fund capital calls received from Holdings and to pay partnership expenses. Capital calls will generally be issued in proportion to each partner's capital commitment percentage, except that the General Partner is not required to contribute to the payment of management fees.

The Agreement specifies that, except as required by law, the Limited Partners shall not be obligated to make any contributions to the Partnership in excess of their remaining capital commitments and recallable distributions to the Partnership, or be personally liable for the debts and obligations of the Partnership.

4. Allocations of Distributions and Income, Expenses, Gains and Losses

Income from investments in cash equivalents, including investments held indirectly through Holdings, will be allocated and distributed among the partners in proportion to their funding percentages with respect to such investments. All other distributable cash received from investments, including investments held indirectly through Holdings, will be allocated among the partners in proportion to each partner's funding percentage to the Partnership's total invested capital in the investment. The amount allocated to the General Partner will be distributed to the General Partner. Per the Assignment and Admission Agreement, the General Partner's entitled allocation to carried interest payments will be distributed to the Special Limited Partner after the effective date of January 1, 2018. The amount initially allocated to each Limited Partner will then be reallocated as follows:

- (a) First, 100% to the Limited Partner until the cumulative distributions pursuant to this clause (a) from all portfolio investments that have been disposed of equal the aggregate of the following:
 - (i) the Limited Partner's aggregate capital contributions that were used to fund the purchase of all portfolio investments, including allocable partnership expenses that have been disposed of, including the pro rata portion of the acquisition cost of any portfolio investments that have been partially disposed of;

See attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Notes to Financial Statements

December 31, 2022

- (ii) the Limited Partner's aggregate capital contributions that were used to fund the purchase of all portfolio investments, including allocable partnership expenses, other than the portfolio investments referred to in (i), in respect of which the Partnership's carrying value is less than the Partnership's cost of such portfolio investments; and
 - (iii) the Limited Partner's proportionate share of the cumulative fees and expense borne by the Partnership that is allocable to the portfolio investments referred to in (i) and (ii).
- (b) Second, 100% to the Limited Partner until the Limited Partner receives cumulative distributions equal to a cumulative compounded preferred return of 6% per annum on its capital contributions to the Partnership with respect to the outstanding amounts described in (a) above (the "Preferred Return");
- (c) Third, 100% to the General Partner and the Special Limited Partner until the General Partner and Special Limited Partner receive cumulative distributions, as defined in the Assignment and Admission Agreement, equal to 10% of the total amounts apportioned pursuant to clause (b) above and this clause (c); and
- (d) Thereafter, 90% to the Limited Partner and 10% to the combined General Partner and Special Limited Partner, as defined in the Assignment and Admission Agreement.

The Agreement provides that, if upon dissolution of the Partnership, distributions have been made to the Special Limited Partner pursuant to clauses (c) and (d) above ("Carried Interest Payments"), and either (i) such Limited Partner has not received cumulative distributions equal to the sum of its total capital contributions and its Preferred Return with respect to all portfolio investments, or (ii) the Carried Interest Payments exceed 10% of (A) the amounts that would have been distributed to such Limited Partner if there had not been any Carried Interest Payments, less (B) the Limited Partner's total capital contributions, then the General Partner will contribute to the Partnership for distribution to the Limited Partner an amount equal to the lesser of (x) the amounts described in (a) (i) and (a) (ii) above, or (y) the cumulative Carried Interest Payments made to the General Partner (net of certain income taxes).

See attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Notes to Financial Statements

December 31, 2022

Income, Gains and Losses Income, gains and losses are generally allocated among the partners in the ratio in which the corresponding cash is distributable, as outlined above.

The Special Limited Partner does not participate in the net income or net loss, or any distributions of the Partnership, other than for the Carried Interest Payments discussed above.

For the period ended December 31, 2022, the Special Limited Partner was allocated \$(334,182) of unrealized carried interest. This amount, which is reflected in the accompanying financial statements, was calculated based on the Partnership's results of operations from inception of the Partnership through December 31, 2022, including unrealized appreciation / depreciation on the Partnership's investment in Holdings as of December 31, 2022. The cumulative unrealized carried interest amount allocated to the Special Limited Partner and General Partner from the inception of the Partnership through December 31, 2022 totaled \$11,664,743.

The Agreement also provides that the Partnership may make distributions to the Special Limited Partner to provide them with funds to pay applicable federal, state and local income tax liabilities attributable to the Partnership's income allocated to them ("Tax Distribution"). The only distributions with respect to carried interest that the Special Limited Partner received from the period from inception to December 31, 2022 were Tax Distributions totaling \$1,885,738, which are included in the Special Limited Partner's capital account balance. These distributions are not required to be, nor does the Special Limited Partner intend to, return them to the Partnership as the Tax Distributions did not exceed the amount of taxes payable to taxing authorities by the Special Limited Partner on the income allocated to the Special Limited Partner.

The carried interest amounts that will actually be paid to the General Partner and Special Limited Partner in the future will be based on the amounts ultimately realized from the Partnership's investment in Holdings, and the payments may be different than the amount reflected in the accompanying financial statements, and the difference could be material.

5. Operating Expenses

The Agreement provides that the Partnership is responsible for all of its own operating and administrative expenses, including, but not limited to (i) management fees (see Note 6), (ii) organizational expenses not to exceed \$1,250,000, (iii) fees payable for professional services rendered to the Partnership, including those payable to the Partnership's lawyers, accountants, custodian and administrator, (iv) expenses associated with reporting and providing information

See attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Notes to Financial Statements

December 31, 2022

to existing and prospective Limited Partners, and expenses associated with the maintenance of books and records of the Partnership and the preparation and distribution of financial reports and notices, (v) all out-of-pocket expenses directly related to investments or proposed investments that are not consummated, (vi) all expenses incurred in connection with any litigation involving the Partnership and the amount of any judgment or settlement paid in connection therewith and (vii) all principal, interest, fees, expenses and other amounts payable in connection with any borrowings or financings by the Partnership.

As a limited partner of Holdings, the Partnership is responsible for its share of Holdings' expenses.

6. Related Party Transactions

As compensation for services rendered to the Partnership, the Partnership pays the Manager an annual management fee. The management fee, which is payable quarterly in advance, is solely funded by and allocated to the Limited Partners.

Initially, the management fee is equal to 1.0% of each Limited Partner's net invested capital to the Partnership. The Agreement provides for lower percentage rates for Limited Partners with capital commitments of \$20 million or more. The General Partner may, in its sole discretion, waive in whole or in part the management fee payable in respect of Limited Partners that are employees or affiliates of the General Partner or Manager, or certain significant or strategic investors (including Limited Partners admitted on the initial closing date), or investors that are otherwise clients of the Manager.

Pursuant to the Agreement the Manager is entitled to receive a distribution management fee for its services related to the sale of securities received by the Partnership by way of distributions received in connection with the dispositions or other realizations of investments in an amount equal to 0.40% of the net proceeds generated from such services. That fee will be paid to the General Partner by Holdings. The distribution management fee is discussed in the notes to Holdings' audited financial statements, which are attached hereto.

Management fees of \$1,151,963 were incurred with respect to the period ended December 31, 2022.

At December 31, 2022, the Partnership had amounts payable to Holdings of \$290,764 for management fees.

See attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Notes to Financial Statements

December 31, 2022

7. Financial Highlights

Financial highlights of the Partnership for the period ended December 31, 2022 for the Limited Partners are as follows:

Ratios to average net assets:	
Net investment income (loss)	<u>5.82%</u>
Expenses:	
Operating expenses	1.15%
Carried interest allocation	<u>(0.26)</u>
Total operating expenses and carried interest allocation	<u>0.89%</u>
Internal rates of return from inception through:	
December 31, 2022	<u>9.25%</u>
January 1, 2022	<u>10.35%</u>

The internal rates of return were computed based on the actual dates of the cash inflows (capital contributions) and outflows (distributions), and the Limited Partners' ending capital account balances as of the measurement date (residual value).

The net investment income (loss) and expense ratios were computed as a percentage of average net assets. Average net assets is the weighted average of the aggregate balances in the capital accounts of the Limited Partners during the period. Capital contributions were included from the date called and distributions were included from the date paid. Net income or loss allocable to the Limited Partners, including net change in unrealized appreciation / depreciation on portfolio investments, was included from the end of each quarter based on quarter-end valuations.

Net investment income (loss) is the Limited Partners' share of the Partnership's investment income, net of the operating expenses incurred by the Partnership. The net investment income (loss) ratio does not reflect the effect of the carried interest allocation to the General Partner or the Special Limited Partner. The net investment income (loss) and operating expense ratios include the Limited Partners' share of investment income and expenses of both the Partnership and Holdings, but do not reflect investment income or operating expenses of Holdings' underlying portfolio investments.

See attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND LP

Notes to Financial Statements

December 31, 2022

The net investment income (loss) and expense ratios and the internal rates of return were calculated for the Limited Partner class taken as a whole. The calculations of such ratios and rates of return for individual Limited Partners may vary from these ratios and rates of return based on different management fee arrangements and the timing of capital transactions for individual Limited Partners and varying funding percentages for some investments.

8. Subsequent Events

The General Partner has evaluated events that occurred through March 29, 2023, which is the date these financial statements were available to be issued. There were no material events noted during this period that would require disclosure, except as discussed below.

On March 10, 2023, Silicon Valley Bank, Santa Clara, California, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect insured depositors, the FDIC created the Deposit Insurance National Bank of Santa Clara (DINB). At the time of closing, the FDIC as receiver immediately transferred to the DINB all insured deposits of Silicon Valley Bank. As of March 29, 2023, the Partnership did not have cash exceeding the FDIC-insured limit at its account with Silicon Valley Bank.

Management and the General Partner of the Partnership have evaluated the aforementioned circumstances for the Partnership and its portfolio companies and have concluded that no substantial doubt exists about the Partnership's ability to continue as a going concern at the date the financial statements were available to be issued.

See attached audited financial statements of Holdings.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Audited Financial Statements
Period from January 1, 2022 through December 31, 2022

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Financial Statements

Period ended December 31, 2022

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

General Partner and Limited Partners
Hamilton Lane Strategic Opportunities 2017 Fund Holdings LP:

Opinion

We have audited the financial statements of Hamilton Lane Strategic Opportunities 2017 Fund Holdings LP (the Partnership), which comprise the statement of assets, liabilities and partners' capital, including the schedule of fund investment and schedule of direct investments, as of December 31, 2022, and the related statements of operations, changes in partners' capital, and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2022, and the results of its operations, changes in its partners' capital, and its cash flows for the period then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Philadelphia, Pennsylvania
March 29, 2023

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Delphine Bonfanti
seinecap.com
Feb 02, 2024 12:25 PM EST

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Statement of Assets, Liabilities and Partners' Capital

December 31, 2022

Assets

Investments, at fair value:

Fund investment (net cost - \$24,596,806)	\$ 41,701,788
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Direct investments (net cost - \$119,022,002)	98,271,526
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Total investments	<u>139,973,314</u>
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Cash	566,655
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Interest receivable	1,156,020
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Receivable from affiliates	290,764
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Receivable from partners	<u>2,266</u>
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Total assets	<u><u>\$ 141,989,019</u></u>
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Liabilities and partners' capital

Liabilities:

Accounts payable and accrued expenses	\$ 75,193
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Other liabilities	<u>7,564</u>
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Total liabilities	<u>82,757</u>
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Partners' capital:

Limited Partners	141,570,286
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Special Limited Partner	313,938
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General Partner	<u>22,038</u>
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Total partners' capital	<u>141,906,262</u>
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Total liabilities and partners' capital	<u><u>\$ 141,989,019</u></u>
---	------------------------------

The accompanying notes are an integral part of these financial statements.

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seinecap.com
Feb 02, 2024 12:25 PM EST

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Statement of Operations

Period ended December 31, 2022

Investment income (loss)

Income:

Interest income	\$ 7,354,763
Investment income	1,883,927
Total income	<u>9,238,690</u>

Expenses:

Professional fees	160,327
Other	3,663
Total expenses	<u>163,990</u>

Net investment income (loss)	<u>9,074,700</u>
------------------------------	------------------

Net change in unrealized appreciation / depreciation on:

Investments	(11,220,366)
Net change in unrealized appreciation / depreciation	<u>(11,220,366)</u>

Net increase (decrease) in partners' capital resulting from operations	<u><u>\$ (2,145,666)</u></u>
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The accompanying notes are an integral part of these financial statements.

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Feb 02, 2024 12:25 PM EST
**HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND
HOLDINGS LP**

Statement of Changes in Partners' Capital

Period ended December 31, 2022

	Limited Partners	Special Limited Partner	General Partner	Total
Partners' capital at January 1, 2022	\$ 148,100,870	\$ 401,348	\$ 22,038	\$ 148,524,256
Distributions paid to partners	(4,402,023)	(70,305)	-	(4,472,328)
Net investment income (loss)	9,074,700	-	-	9,074,700
Net change in unrealized appreciation / depreciation	(11,220,366)	-	-	(11,220,366)
Carried interest allocation	17,105	(17,105)	-	-
Partners' capital at December 31, 2022	<u>\$ 141,570,286</u>	<u>\$ 313,938</u>	<u>\$ 22,038</u>	<u>\$ 141,906,262</u>

The accompanying notes are an integral part of these financial statements.

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Feb 02, 2024 12:25 PM EST

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Statement of Cash Flows

Period ended December 31, 2022

Cash flows from operating activities

Net increase (decrease) in partners' capital resulting from operations	\$ (2,145,666)
Adjustments to reconcile net increase (decrease) in partners' capital resulting from operations to net cash provided by (used in) operating activities:	
Non-cash interest income	(4,373,486)
Net change in unrealized appreciation / depreciation	11,220,366
Distributions received from direct investments accounted for as repayment of note principal financing	560,592
Changes in assets and liabilities:	
Interest receivable	(485,842)
Receivable from affiliates	(290,764)
Receivable from partners	(2,258)
Accounts payable and accrued expenses	11,056
Other liabilities	3,183
Payable to Manager	(4,399)
Net cash provided by (used in) operating activities	<u>4,492,782</u>

Cash flows from financing activities

Distributions paid to partners	<u>(4,472,328)</u>
Net cash provided by (used in) financing activities	<u>(4,472,328)</u>

Net increase (decrease) in cash	20,454
Cash - beginning of period	<u>546,201</u>
Cash - end of period	<u><u>\$ 566,655</u></u>

The accompanying notes are an integral part of these financial statements.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Schedule of Fund Investment

December 31, 2022

Fund Investment ^(a)	Commitment	Cumulative				Fair Value	Percentage of Partners' Capital
		Capital Contributions ^(b)	Distributions Received	Realized Gain	Net Cost		
Corporate finance/buyout							
Currency - U.S. Dollar:							
Webster Capital II-A, L.P. ^(c)	\$ 25,000,000	\$ 25,000,000	\$ (403,194)	\$ -	\$ 24,596,806	\$ 41,701,788	29.39 %
Total		\$ 25,000,000	\$ (403,194)	\$ -	\$ 24,596,806	\$ 41,701,788	29.39 %

^(a) Redemptions are not permitted by the investments.

^(b) The amount shown for capital contributions includes both the purchase price paid for the fund investment in the secondary market and subsequent capital contributions to the fund.

^(c) The investment is expected to liquidate over the next one to two years. The timing for the sale of underlying assets is unknown.

The accompanying notes are an integral part of these financial statements.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Schedule of Direct Investments

December 31, 2022

Direct Investments	Cumulative				Fair Value	Percentage of Partners' Capital
	Cost	PIK Interest/ Amortization	Return of Capital Distributions	Net Cost		
Investment in Focus Financial Partners, LLC, a registered investment advisor						
Trident FFP Co-Investment L.P., 62.500% limited partner interest	\$ 2,703,125	\$ -	\$ (735,730)	\$ 1,967,395	\$ 3,686,666	2.60 %
Investment in Highgate Hotels, L.P., a hospitality management firm in the United States and Europe						
Castle Management Borrowers LLC, \$26,567,564, initial lien term loan, 3.191%, 2/15/24	24,548,771	2,921,604	(985,939)	26,484,436	23,226,701	16.37
Investment in Learning Care Group (US) No. 2 Inc., a provider in the private sector early childhood education						
Learning Care Group (US) No. 2 Inc., Childtime Childcare, Inc. and Petite Academy, \$10,937,500, second lien term loan, 12.192%, 3/13/26	10,718,750	130,949	-	10,849,699	9,772,059	6.88
Learning Care Group (US) No. 2 Inc., Childtime Childcare, Inc. and Petite Academy, \$6,562,500, second lien term loan, 12.192%, 3/13/26	6,431,250	78,570	-	6,509,820	5,863,236	4.13
ASP LCG Holdings, Inc. 7,500 shares Series A preferred stock 9.000% PIK, 3/13/25, and warrants to purchase 2,204,551 shares of Class B common stock, 3/13/30	7,275,000	4,006,095	-	11,281,095	15,973,850	11.26
Total Learning Care Group (US) No. 2 Inc.	24,425,000	4,215,614	-	28,640,614	31,609,145	22.27

The accompanying notes are an integral part of these financial statements.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Schedule of Direct Investments

December 31, 2022

	Cumulative					Percentage of Partners' Capital
Direct Investments	Cost	PIK Interest/ Amortization	Return of Capital Distributions	Net Cost	Fair Value	
<i>Investment in PatientPoint Holdings, Inc., a provider in management consulting services</i>						
Searchlight PTP Co-Invest Partners, L.P., 50.000% limited partner interest	<u>15,050,000</u>	<u>-</u>	<u>(15,050,000)</u>	<u>-</u>	<u>3,239,460</u>	<u>2.28</u>
<i>Investment in Perforce Software Holding, Inc., a developer of software configuration management systems</i>						
\$1,000,000, Class A-1 common stock	<u>2,000,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>1,000,000</u>	<u>4,599,479</u>	<u>3.24</u>
<i>Investment in Premiere Global Services, Inc., a global provider of conferencing and collaboration solutions</i>						
American Teleconferencing Services, Ltd. (PGi), \$32,801,532, second lien term loan, 10.000%, 6/6/24	<u>23,030,000</u>	<u>9,697,163</u>	<u>-</u>	<u>32,727,163</u>	<u>-</u>	<u>-</u>
<i>Investment in Preston Hollow Capital, LLC, a non-bank finance company specializing in municipal specialty finance</i>						
185,444 member units	<u>28,202,394</u>	<u>-</u>	<u>-</u>	<u>28,202,394</u>	<u>31,910,075</u>	<u>22.49</u>
Total	\$ 119,959,290	\$ 16,834,381	\$ (17,771,669)	\$ 119,022,002	\$ 98,271,526	69.25 %

The accompanying notes are an integral part of these financial statements.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

1. Organization and Purpose

Hamilton Lane Strategic Opportunities 2017 Fund Holdings LP (the “Partnership”), a Delaware limited partnership, was formed on September 14, 2016 and commenced operations on March 28, 2017. Hamilton Lane Strategic Opportunities 2017 GP LLC (the “General Partner”), a Delaware limited liability company, is the sole general partner of the Partnership. The Amended and Restated Limited Partnership Agreement dated January 31, 2017 (the “Agreement”) was entered into by and among the General Partner and three limited partners of the Partnership: Hamilton Lane Strategic Opportunities 2017 Fund LP (the “Main Partnership”), Hamilton Lane Strategic Opportunities 2017 Fund SCS (“SCS”) and Hamilton Lane Strategic Opportunities 2017 Fund PH DE Blocker LP (“PH Blocker”) (collectively, the “Limited Partners”). On September 18, 2019, the Partnership entered into the Amended and Restated Master Assignment and Admission Agreement (the “Assignment and Admission Agreement”), whereby the General Partner transferred its right, title and interest in and the right to receive distributions and allocations relating to the carried interest payments for all periods commencing with January 1, 2018 to HL Carried Interest 2017 LP (“Special Limited Partner”).

Hamilton Lane Advisors, L.L.C. (the “Manager”), an affiliate of the General Partner, serves as the investment manager and provides portfolio management services to the Partnership.

The Partnership’s primary investment objective is to seek to create a portfolio of opportunistically-oriented private market investments that generate attractive risk-adjusted returns through a flexible and diversified investment strategy, including investments in direct credit and opportunistic equity (“direct investments”) and secondary investments (“fund investment”) (collectively hereinafter referred to as “investments” or “portfolio investments”).

The Agreement provides that the Partnership will terminate on the earlier of (i) the determination of the General Partner, in its discretion, that such dissolution is advisable, and (ii) such time as all portfolio investments have completed their dissolution or winding up.

2. Significant Accounting Policies

Basis of Presentation The Partnership prepares its financial statements on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”). The General Partner has determined that the Partnership is an investment company for purposes of accounting and financial reporting in accordance with Accounting Standards Codification 946 (“ASC 946”), *Financial Services – Investment Companies*. U.S. GAAP for an investment company requires investments to be recorded at their estimated fair value.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

Use of Estimates The preparation of financial statements in conformity with U.S. GAAP requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and such differences could be material. Significant estimates include valuation of the Partnership's portfolio investments, as discussed below.

Concentration of Market, Credit and Industry Risks The Partnership's portfolio investments are generally illiquid, non-publicly traded securities and are realized as distributions from portfolio investments are made and when portfolio investments are disposed of. These portfolio investments are subject to various risk factors including market, credit and industry risks. Market risk represents the potential loss in value of financial instruments caused by movements in market variables, such as interest rates. Other risks affecting these portfolio investments include, but are not limited to, increasing competition, rapid changes in technology and changes in economic conditions. These risk factors could have a material effect on the ultimate realizable value of the Partnership's portfolio investments.

Valuation of Investments The Partnership's investments are reflected in the accompanying Statement of Assets, Liabilities and Partners' Capital at estimated fair value as of December 31, 2022 in accordance with Accounting Standards Codification 820, *Fair Value Measurement* ("ASC 820").

Fund Investment

ASC 820 allows a reporting entity, as a practical expedient, to estimate fair value of certain alternative investments at the net asset value as reported by the investee entity in instances where the net asset value has been calculated in a manner consistent with ASC 946. The General Partner's valuation is generally equal to or based upon the reported capital account or net asset value of the underlying portfolio investments as of December 31, 2022. In addition, the General Partner considers various factors, including current net asset valuations of the portfolio investments, the basis of accounting that the financial statements of the portfolio investments are prepared in accordance with and other financial information provided by the general partners of the portfolio investments to determine if any adjustments should be made to the reported capital account or net realizable value. Because the portfolio investments' investments are primarily in private equity credit and equity-related investments that are not publicly traded, market quotations are generally not available to be used for valuation purposes. Therefore, most of the portfolio investments' underlying investments are generally required to be valued at estimated fair values using present value and other subjective valuation techniques. For investments held by the

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

portfolio investments that are publicly traded and for which market quotations are available, valuations are generally based on the exchange closing prices, or an average of the closing bid and ask prices, as of the valuation date.

Realized and Unrealized Gains and Losses All changes in the estimated fair value of the Partnership's fund investment are accounted for as changes in unrealized appreciation / depreciation on investments and are recorded in the Statement of Operations. Therefore, the net change in unrealized appreciation / depreciation on investments includes not only the Partnership's share of the changes in the fund's net change in unrealized appreciation / depreciation on its investments, but also the Partnership's share of the fund's syndication costs, management fees and other operating expenses and the Partnership's share of the fund's investment income and realized gains and losses.

It is anticipated that the Partnership will generally hold its fund investment until the fund has disposed of, or distributed, all of its underlying investments and is liquidated. The Partnership will only characterize gains from its fund investment that is held until the fund is liquidated as realized when, and to the extent that, cumulative distributions received from the fund exceed the Partnership's aggregate investment in the fund as of the date the distribution is received by the Partnership. The Partnership will only characterize losses as realized from its fund investment that is held until the fund is liquidated when, and to the extent that, cumulative distributions received from the fund total less than the Partnership's aggregate investment in the fund and the fund has been liquidated.

The Partnership may also dispose of its fund investment in the secondary market. Amounts reported as realized gains and losses from such sale are measured by the difference between the cumulative contributions to the fund, reduced (but not below zero) by cumulative distributions received from the fund (net cost) and the net sales proceeds received from the sale.

Direct Investments

The Partnership's investments are in private equity, credit and equity-related investments that are generally not publicly traded, market quotations are not available to be used for valuation purposes. Therefore, the General Partner is required to value these investments at estimated fair values, using present value and other subjective valuation techniques. These may include references to market multiples, valuations for comparable companies, public market or private transactions, subsequent developments concerning the companies to which the securities relate, results of operations, financial condition, cash flows, and projections of such companies provided to the General Partner and such other factors as the General Partner may deem relevant. Depending on the circumstances, company multiples will not always be comparable due to the size of the related companies or associated transactions being used as comparable data in valuation.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

The General Partner utilizes a valuation committee, consisting of senior members of the management team, to review and approve the valuation results related to the investments. The General Partner also retains independent valuation firms to provide third-party valuation consulting services.

For investments held by the portfolio investments that are publicly traded and for which market quotations are available, valuations are generally based on the exchange closing prices, or an average of the closing bid and ask prices, as of the valuation date.

The financial statements include portfolio investments valued at \$139,973,314 as of December 31, 2022, whose values have been estimated in accordance with ASC 820 by the General Partner. The values assigned to these investments are based on available information and do not necessarily represent the amounts that might ultimately be realized, since such amounts depend on future circumstances and cannot be determined until the individual investments are actually liquidated.

Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, those estimated values may differ significantly from the values that would have been used had a readily determinable fair market value for the investments existed, and the differences could be material.

Income Recognition The Partnership's primary sources of income are from the sale of investments, investment income, realized gains recognized upon distributions from the direct investments, and unrealized appreciation / depreciation in the fair value of its direct investments. The Partnership recognizes realized gains and investment income based on the characterization of distributions provided by the direct investments at the time of the distribution.

Realized gains and losses from the sale of direct investments represent the difference between the original cost of the direct investments, as adjusted for return of capital distributions, amortization and paid-in-kind interest (net cost), and the net proceeds received at the time of the sale, disposition or distribution date. The Partnership records realized gains and losses on direct investments when securities are sold, distributed to the partners or written-off as worthless. The Partnership recognizes the difference between the net cost and the estimated fair value of direct investments owned as the net change in unrealized appreciation / depreciation on investments in the Statement of Operations.

Interest income, including amortization of premium or discount and interest on paid-in-kind instruments, is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

or the date the Partnership becomes aware of the dividend. Other income from direct investments, which represents operating income, commitment fees and prepayment income, is recorded on an accrual basis.

Contingencies The Partnership enters into agreements that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown. However, the Partnership has not had prior claims or losses attributable to these arrangements and expects the risk of loss to be remote.

Cash All cash was held in U.S. dollars as unrestricted cash with financial institutions in amounts which, at times, may have exceeded federally insured limits.

Income Taxes No provision for U.S. federal, state or foreign income taxes has been made in the accompanying financial statements, as such taxes, if any, are the responsibility of the individual partners rather than the Partnership.

Accounting Standards Codification 740, *Income Taxes* ("ASC 740") provides guidance regarding how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing an entity's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions deemed to meet the more-likely-than-not threshold of being sustained would be recorded as a tax benefit in the current period. The General Partner has reviewed the Partnership's tax positions for all open tax years and has concluded that no provision for income taxes is required in the Partnership's financial statements for uncertain tax positions.

The Partnership files U.S. federal and state partnership tax returns, of which the 2022, 2021, 2020, and 2019 returns remain subject to examination by the applicable tax authorities. There are currently no examinations being conducted.

The Partnership recognizes interest and penalties, if any, related to the underpayment of income taxes, including those resulting from the late filing of tax returns, as operating expenses in the Statement of Operations. The Partnership did not incur any such interest or penalties during the period ended December 31, 2022.

Recently Issued Accounting Pronouncements In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04") which was further clarified in January 2021 with the issuance of Accounting Standards Update 2021-01, *Reference Rate Reform (Topic 848): Scope* ("ASU 2021-01"). The amendments in this update provide optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

rate reform if certain criteria are met. The amendments in this update apply only to contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate (LIBOR) or another reference rate expected to be discontinued because of reference rate reform. An entity may elect to adopt the amendments in ASU 2020-04 and ASU 2021-01 at any time after March 12, 2020, but no later than December 31, 2024, as extended in Accounting Standard Update 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, which was issued by the FASB in December 2022. The Partnership does not expect the impact of this guidance to be material to its financial statements.

In June 2022, the FASB issued Accounting Standards Update 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The amendments in this update clarify the guidance in Topic 820 when measuring the fair value of an equity security subject to contractual sale restrictions and introduce new disclosure requirements related to such equity securities. The amendments are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Partnership does not expect the impact of this guidance to be material to its financial statements.

3. Capital Contributions

The following table summarizes the Partnership's capital contributions as of December 31, 2022:

Hamilton Lane Strategic Opportunities 2017 Fund LP	\$ 434,773,898
Hamilton Lane Strategic Opportunities 2017 Fund SCS	16,072,654
Hamilton Lane Strategic Opportunities 2017 Fund PH DE Blocker LP	<u>1,069,796</u>
Total contributions	<u>\$ 451,916,348</u>

The General Partner is not obligated to make, and has not made, any capital contributions to the Partnership. The Limited Partners agree to make, as the General Partner determines, capital contributions to the Partnership from time to time (i) in proportion to their funding percentage for the relevant portfolio investments and (ii) to fund their allocable portion of the Partnership expenses.

The Agreement specifies that, except as required by law, the Limited Partners shall not be obligated to make any contributions to the Partnership without the consent of the General Partner, or be personally liable for the debts and obligations of the Partnership.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

4. Allocation of Income, Gains, Losses and Distributions

Income from investments in cash equivalents will be allocated and distributed among the partners in proportion to their investment percentages with respect to such investments. All other distributable cash received from investments will be allocated among the partners in proportion to each partner's funding percentage to the Partnership's total invested capital in the investment. Per the Assignment and Admission Agreement, the General Partner's entitled allocation to carried interest payments will be distributed to the Special Limited Partner after the effective date of January 1, 2018. The amount initially allocated to SCS, either directly or indirectly through the PH Blocker (together with SCS, the "SCS LP"), will then be reallocated as follows:

- (a) First, 100% to the SCS LP until the cumulative distributions pursuant to this clause (a) from all portfolio investments that have been disposed of equal the aggregate of the following:
 - (i) the SCS LP's aggregate capital contributions that were used to fund the purchase of all portfolio investments, including allocable partnership expenses that have been disposed of, including the pro rata portion of the acquisition cost of any portfolio investments that have been partially disposed of;
 - (ii) the SCS LP's aggregate capital contributions that were used to fund the purchase of all portfolio investments, including allocable partnership expenses, other than the portfolio investments referred to in (i), in respect of which the Partnership's carrying value is less than the Partnership's cost of such portfolio investments; and
 - (iii) the SCS LP's proportionate share of the cumulative fees and expense borne by the Partnership that is allocable to the portfolio investments referred to in (i) and (ii).
- (b) Second, 100% to the SCS LP until the SCS LP receives cumulative distributions equal to a cumulative compounded preferred return of 6% per annum on its capital contributions to SCS with respect to the outstanding amounts described in (a) above (the "Preferred Return");
- (c) Third, 100% to the General Partner and the Special Limited Partner until the General Partner and the Special Limited Partner receive cumulative distributions equal to 10% of the total amounts apportioned pursuant to clause (b) above and this clause (c); and

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

- (d) Thereafter, 90% to the SCS LP and 10% to the combined General Partner and Special Limited Partner, as defined in the Assignment and Admission Agreement.

The Limited Partnership Agreement of SCS dated August 8, 2016 provides that, if upon dissolution of the Partnership, distributions have been made to the Special Limited Partner pursuant to clauses (c) and (d) above (“Carried Interest Payments”), and either (i) such SCS LP has not received cumulative distributions equal to the sum of its total capital contributions and its Preferred Return with respect to all investments, or (ii) the Carried Interest Payments exceed 10% of (A) the amounts that would have been distributed to such SCS LP if there had not been any Carried Interest Payments, less (B) the SCS LP’s total capital contributions, then the General Partner will contribute to the Partnership for distribution to the SCS LP an amount equal to the lesser of (x) the amounts described in (a) (i) and (a) (ii) above, or (y) the cumulative Carried Interest Payments made to the General Partner and the Special Limited Partner (net of certain income taxes). Per the Assignment and Admission Agreement, the Special Limited Partner assumes and agrees to discharge the pro rata portion applicable to the General Partner of any amounts described in this paragraph, determined by reference to total Carried Interest Payments received by the Special Limited Partner and the General Partner.

Income, Gains and Losses Income, gains and losses are generally allocated among the partners in the ratio in which the corresponding cash is distributable, as outlined above.

The General Partner and Special Limited Partner do not participate in the net income or net loss, or any distributions of the Partnership, other than for the Carried Interest Payments discussed above.

For the period ended December 31, 2022, the Special Limited Partner was allocated \$(17,105) of unrealized carried interest. This amount, which is reflected in the accompanying financial statements, was calculated based on the Partnership’s results of operations from inception of the Partnership through December 31, 2022, including unrealized appreciation / depreciation on the Partnership’s portfolio investments as of December 31, 2022. The cumulative unrealized carried interest amount allocated to the Special Limited Partner and the General Partner from the inception of the Partnership through December 31, 2022 totaled \$439,716.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

The Agreement also provides that the Partnership may make distributions to the Special Limited Partner to provide them with funds to pay applicable federal, state and local income tax liabilities attributable to the Partnership's income allocated to them ("Tax Distribution"). The only distributions with respect to carried interest that the Special Limited Partner received from the period from inception to December 31, 2022, were Tax Distributions totaling \$103,740, which are included in the Special Limited Partner's capital account balance. The distributions are not required to be, nor does the Special Limited Partner intend to, return them to the Partnership as the Tax Distributions did not exceed the amount of taxes payable to taxing authorities by the Special Limited Partner on the income allocated to the Special Limited Partner.

The carried interest amounts that will actually be paid to the General Partner and Special Limited Partner in the future will be based on the amounts ultimately realized from the Partnership's remaining investments, and the payments may be different than the amount reflected in the accompanying financial statements, and the difference could be material.

5. Portfolio Investments

Fund Investment

As of December 31, 2022, the Partnership directly held one fund investment, the fair market value of which individually represents more than 5% of the Partnership's net assets. Webster Capital II-A, L.P. ("Webster II-A") invests in lower middle-market healthcare services and branded consumer opportunities.

On a look through basis, there is one investment as of December 31, 2022 in which the Partnership's indirect ownership represents more than 5% of the Partnership's net assets. Webster II-A holds an investment, Discovery Behavioral Health, LLC, operator of residential behavioral health centers and represents 28.86% of the Partnership's net assets.

The Partnership's fund investment is generally considered to be illiquid. The Partnership will achieve liquidity only as and when the fund sells its portfolio company investments and distribute the proceeds received from the disposition of those investments to the Partnership and the fund's other investors. It is also possible for the Partnership to dispose of its interests in the fund investments in the secondary market.

Unfunded Commitment The Partnership's fund investment is summarized on the Schedule of Fund Investment. As of December 31, 2022, the Partnership has no outstanding unfunded commitments to fund investments.

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Notes to Financial Statements

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Direct Investments

The Partnership's direct investments are generally considered to be illiquid investments. The Partnership will achieve liquidity only as and when the investor group that owns each investment, and which the Partnership is a member of, sells the portfolio company.

Supplemental Investment Disclosures The following tables categorize the Partnership's direct investments by country and industry as of December 31, 2022:

	Net Cost	Fair Value	Percentage of Partners' Capital
<u>Country</u>			
United States	\$ 119,022,002	\$ 98,271,526	69.25%
	<u>\$ 119,022,002</u>	<u>\$ 98,271,526</u>	<u>69.25%</u>
<u>Industry</u>			
Consumer discretionary	\$ 55,125,050	\$ 54,835,846	38.64%
Financials	30,169,789	35,596,741	25.09
Healthcare	-	3,239,460	2.28
Information technology	33,727,163	4,599,479	3.24
	<u>\$ 119,022,002</u>	<u>\$ 98,271,526</u>	<u>69.25%</u>

Fair Value Measurements The Partnership valued its investments, in the absence of observable market prices, using the valuation methodologies described in Note 2. One of the Partnership's portfolio investments, Webster II-A, is valued using net asset value as a practical expedient.

The General Partner's determination of fair values is based on the best information available in the circumstances and involves significant management judgment. Because of the inherent uncertainties involved in the valuation of investments that are not publicly traded, the resultant estimated values may differ significantly from the values that would have been used had observable market prices for the investments existed, and the differences could be material.

In accordance with ASC 820, investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments which would generally be included in Level I include listed equities.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

Level II – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in Level II include corporate bonds and loans, currency option contracts, and less liquid and restricted equity securities. This category also includes interests in special purpose vehicles whose fair value is predominantly attributable to investments in Level I type securities.

Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Those unobservable inputs, that are not corroborated by market data, generally reflect the reporting entity's own assumptions about the assumptions market participants would use in determining the fair value of the investment. The types of investments which would generally be included in Level III include equity and/or debt securities issued by private entities and investments in private equity partnerships.

In situations where the inputs used to measure fair value fall into different levels of the fair value hierarchy, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following table summarizes the Partnership's portfolio investments measured at fair value on a recurring basis by the above fair value hierarchy levels as of December 31, 2022:

	Level I	Level II	Level III	Total
Debt securities	\$ -	\$ -	\$ 38,861,996	\$ 38,861,996
Member and limited partner interests	-	3,686,666	35,149,535	38,836,201
Equity securities	-	-	20,573,329	20,573,329
Total	<u>\$ -</u>	<u>\$ 3,686,666</u>	<u>\$ 94,584,860</u>	<u>98,271,526</u>
Other investments measured at net asset value ^(A)				<u>41,701,788</u>
Total portfolio investments				<u>\$ 139,973,314</u>

Note (A) In accordance with Accounting Standards Update 2015-07, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the Statement of Assets, Liabilities and Partners' Capital.

There were no transfers into or out of Level III during the period ended December 31, 2022.

HAMILTON LANE STRATEGIC OPPORTUNITIES 2017 FUND HOLDINGS LP

Notes to Financial Statements

December 31, 2022

The following table provides quantitative measures used to determine the fair values of the Level III investments as of December 31, 2022:

Industry	Level III Fair Value	Valuation Technique	Unobservable Inputs	Input
Consumer discretionary	\$ 54,835,846	Income approach	Market yield	17.71%
Financials	31,910,075	Market approach	P/BV multiple	1.3x
Healthcare	3,239,460	Market approach	EBITDA multiple	10.0x
Information technology	4,599,479	Market approach	EBITDA multiple	11.3x
		Estimated realizable value	Zero value	Note A
Total investments	<u>\$ 94,584,860</u>			

Note (A) A valuation in this industry is based on a recent transaction, generally defined as investments purchased within six months of valuation date or a pending transaction with an expected close date after the valuation date.

6. Operating Expenses

The Agreement provides that the Partnership is responsible for all of its own operating and administrative expenses, including out-of-pocket expenses of organizing, administration of the Partnership and organizational expenses. Expenses directly attributable to a particular portfolio investment will be allocated to the partners in accordance with their respective funding percentages with respect to such portfolio investment. The General Partner may allocate expenses among the partners differently if, and to the extent that such expenses are, in the reasonable discretion of the General Partner, solely or disproportionately attributable to one or more particular partners.

7. Related Party Transactions

The Manager is entitled to receive a distribution management fee for its services related to the sale of securities received by the Partnership by way of distributions received in connection with the dispositions or other realizations of investments in an amount equal to 0.40% of the Limited Partners' share of the net proceeds generated from such services. There were no distribution management fees incurred for the period ended December 31, 2022.

At December 31, 2022, the Partnership had an amount receivable from affiliates of \$290,764 for transfer for payment of management fees.

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8. Financial Highlights

Financial highlights of the Partnership for the period ended December 31, 2022 for the Limited Partners are as follows:

Ratios to average net assets:	
Net investment income (loss)	<u>6.35%</u>
Expenses:	
Operating expenses	0.11%
Carried interest allocation	<u>(0.01)</u>
Total operating expenses and carried interest allocation	<u>0.10%</u>
Internal rates of return from inception through:	
December 31, 2022	<u>11.01%</u>
January 1, 2022	<u>12.22%</u>

The internal rates of return were computed based on the actual dates of the cash inflows (capital contributions) and outflows (distributions), and the ending Limited Partners' capital account balances as of the measurement date (residual value).

The net investment income (loss) and expense ratios were computed as a percentage of average net assets. Average net assets is the weighted average of the aggregate balances in the capital accounts of the Limited Partners during the period. Capital contributions were included from the date called and distributions were included from the date paid. Net income or loss allocable to the Limited Partners, including net change in unrealized appreciation / depreciation on portfolio investments, was included from the end of each quarter based on quarter-end valuations.

Net investment income (loss) is the Limited Partners' share of the Partnership's investment income, net of the operating expenses incurred by the Partnership. The net investment income (loss) ratio does not reflect the effect of the carried interest allocation to the General Partner or the Special Limited Partner. Both the net investment income (loss) and operating expense ratios relate solely to the Partnership's operations and do not reflect investment income or expenses of the portfolio investments in which the Partnership has invested.

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The net investment income (loss) and expense ratios and the internal rates of return were calculated for the Limited Partner class taken as a whole. The calculations of such ratios and rates of return for individual limited partners may vary from these ratios and rates of return based on the timing of capital transactions for individual limited partners and varying funding percentages for some investments.

9. Subsequent Events

The General Partner has evaluated events that occurred through March 29, 2023, which is the date these financial statements were available to be issued. There were no material events noted during this period that would require disclosure, except as discussed below.

On March 10, 2023, Silicon Valley Bank, Santa Clara, California, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect insured depositors, the FDIC created the Deposit Insurance National Bank of Santa Clara (DINB). At the time of closing, the FDIC as receiver immediately transferred to the DINB all insured deposits of Silicon Valley Bank. As of March 29, 2023, the Partnership did not have cash exceeding the FDIC-insured limit at its account with Silicon Valley Bank.

Management and the General Partner of the Partnership have evaluated the aforementioned circumstances for the Partnership and its portfolio companies and have concluded that no substantial doubt exists about the Partnership's ability to continue as a going concern at the date the financial statements were available to be issued.