HANNON ARMSTRONG

Q2 2019 Earnings Presentation

August 1, 2019

HANNON ARMSTRONG

Forward Looking Statements

Some of the information contained herein are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used herein, words such as "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," "target," or similar expressions, are intended to identify such forward-looking statements. Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements include those discussed under the caption "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2018 as amended by our Amendment No. 1 to our Annual Report on Form 10-K for the year ended December 31, 2018, which were filed with the U.S. Securities and Exchange Commission (SEC), as well as in other reports that we file with the SEC.

Forward-looking statements are based on beliefs, assumptions and expectations as of August 1, 2019. This guidance reflects the Company's estimates of (i) yield on its existing Portfolio; (ii) yield on incremental Portfolio investments, inclusive of the Company's existing pipeline; (iii) the volume and profitability of securitization transactions; (iv) amount, timing, and costs of debt and equity capital to fund new investments; (v) changes in costs and expenses reflective of the Company's forecasted operations, and (vi) the general interest rate and market environment. All guidance is based on current expectations of future economic conditions, the regulatory environment, the dynamics of the markets in which it operates and the judgment of the Company's management team. The Company has not provided GAAP guidance as discussed in the Supplemental Financial Data slide of this presentation. We disclaim any obligation to publicly release the results of any revisions to these forward-looking statements reflecting new estimates, events or circumstances after the date of this presentation.

This presentation refers to certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Reconciliations of those non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix herein.

Estimated carbon savings are calculated using the estimated kilowatt hours, gallons of fuel oil, million British thermal units of natural gas and gallons of water saved as appropriate, for each project. The energy savings are converted into an estimate of metric tons of CO2 equivalent emissions based upon the project's location and the corresponding emissions factor data from the U.S. Government and International Energy Agency. Portfolios of projects are represented on an aggregate basis. The carbon and water savings information included in this presentation is based on data from a third-party source that we believe to be reliable. We have not independently verified such data, which involves risks and uncertainties and is subject to change based on various factors.

Hannon Armstrong: Investing in Climate Change Solutions℠

Q2 2019 Highlights[1]

- $0.19 GAAP EPS and $0.30 Core EPS for Q2 2019[2]
- $204m transactions closed in Q2 2019 (over 90% intended to be funded on balance sheet)
- Transactions closed YTD $523m vs. $308m in 2018
- Priced $350m corporate unsecured green bond offering
- Reiterate 3-year compounded Core EPS guidance
- Leverage of 1.2x at end of Q2 2019
- Core ROE 9.2%[3]

- Q2 2019 CarbonCount®[4] 0.24
  ~48,000 metric tons of carbon emissions avoided annually
- Q2 2019 WaterCount℠ 29.2
  ~ 5.9 million gallons of water saved annually
- Added two new directors

Target Markets and Asset Classes

Behind-the-Meter

- Energy Efficiency
- Storage
- Distributed Generation

Grid-Connected

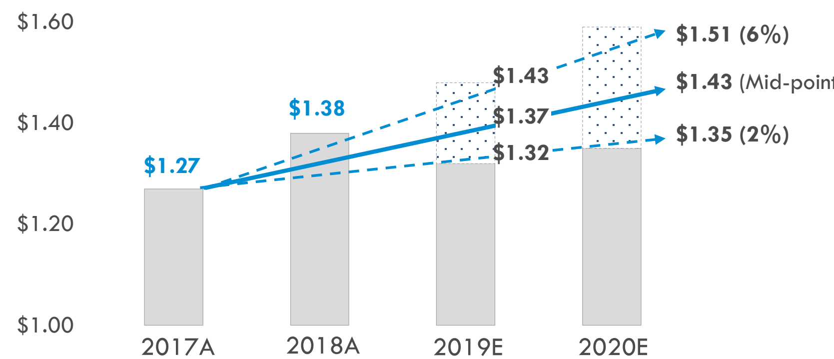
- Solar
- Storage
- Wind

Sustainable Infrastructure

- Stormwater Remediation
- Environmental Restoration

Core Earnings per Share | Guidance

Reiterate 2% to 6% Compounded 3-Year Annual Core EPS Growth Guidance
(using 2017 as the baseline)



[1] For the three months ended June 30, 2019; See Appendix for an explanation of core earnings and reconciliation to GAAP net income
[2] GAAP diluted earnings per share is the most comparable GAAP measure to our core earnings per share; Basic earnings per share for the three months ended June 30, 2019 is $0.20
[3] Core ROE is calculated using Q2 2019 core earnings and the average of the ending equity balances as of March 31, 2019 and June 30, 2019
[4] CarbonCount® is a scoring tool that evaluate investments in U.S.-based, energy efficiency and renewable energy projects to determine how effectively they can be expected to reduce CO2 emissions per $1,000 of investment

Diversity of Markets Provides Strong Pipeline for Annual Investment Targets

Behind-the-Meter (BTM)

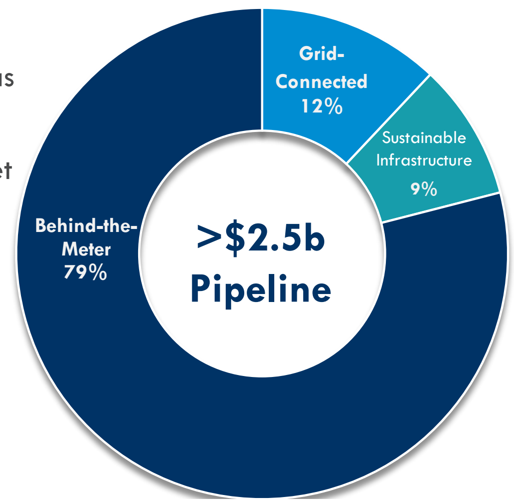
Sustainable Infrastructure (SI)

Grid-Connected (GC)

$1b Annual Investments

BTM Market Highlights

- C&I, Community and Residential solar as well as PACE markets are growing well
- Federal efficiency and resiliency market remains strong and typically is securitized
- The location minimizes exposure to persistently low natural gas prices
- Our legacy focus on BTM continues as the future of energy looks to be more decentralized, digitalized and decarbonized



GC and SI Market Highlights

- Land for utility-scale solar continues to be an attractive asset class
- Wind market is currently a relatively minor part of the pipeline
- Stormwater Remediation and Environmental Restoration markets have the potential for significant growth as communities adapt to more severe weather events

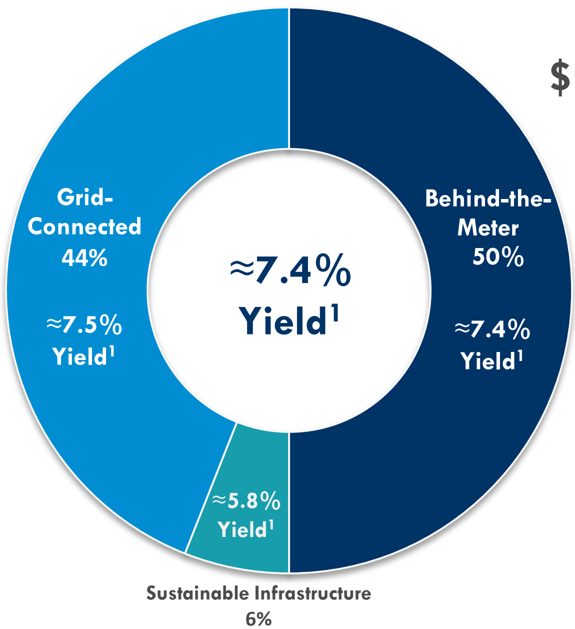
Balance Sheet = Interest Income ↔ **Securitizations = Gain on Sale**

Business Mix in any One Period Varies Revenue Between Investment Revenue and Gain on Sale

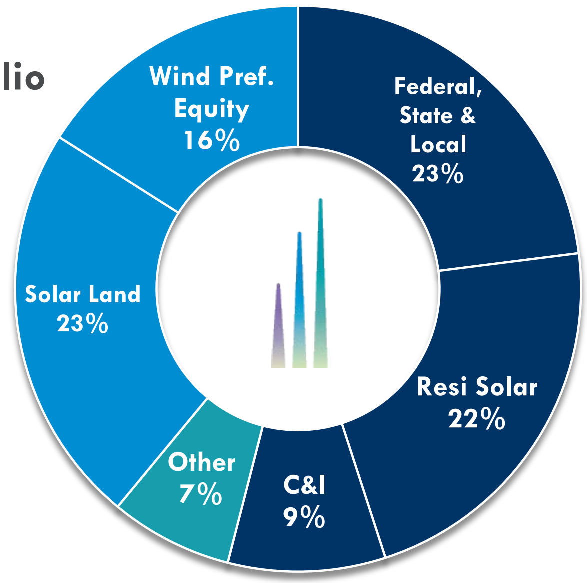
Portfolio Optimization Driving Increase in Yield; Remains Well Diversified

$1.8 Billion Portfolio

Portfolio by Market



Portfolio by Asset Class[2]



- Portfolio optimization of BTM assets improved QoQ yield
- Recent investments have contributed to yield improvement in all 3 markets

- ~190 investments with a $9m average balance provides strong diversity
- Average life of 14 years with minimal refinance or call risk

[1] Represents current unlevered estimated Core yield as of June 30, 2019. See Slide 12 for additional information

[2] Some asset classes contain both Behind-the-Meter and Grid Connected assets

Executing on our Financing Strategy

$167m IPO at $12.50

Unsecured Debt Issuance Expands Access to Debt Markets

$885m of Equity

2013

- First Credit facility
- First Sustainable Yield Bond (SYB) issued with CarbonCount® metric

2015

- First rated SYB issued for real estate assets

2017

- First rated SYBs to receive Moody's Green Bond Assessment
- $150m public convertible bond
- Established ATM program

2018

- Refinanced and extended $450m credit facility and expanded from 1 to 6 lenders

2019

- $350m unsecured corporate green bond
- $250m ATM refresh
- Repaid SYB 2013-1 and extended repurchase agreement

1H 2019 Highlights

Inaugural issuance of $350m of unsecured green bond at 5.25% maturing in 2024 (closed in July 2019)

- Oversubscribed offering with significant demand enabled $50m upsize to original deal size
- Provides access to liquid corporate bond market for stable funding of growth
- Green Bond designation provides unsecured bond investors access to finance climate change solutions

Debt ratings from S&P Global Ratings and Fitch Ratings

- Obtained BB+ corporate issuer credit ratings from S&P Global Ratings and Fitch Ratings

Financing strategy update

- Repayment of SYB 2013-1 and extension of repo facility eliminates current year rollover risk

Q2 2019 Results – Increase in Investment Revenue

Results, Unaudited* ($ in millions, except per share data)	Q2 2019	Q2 2018	YTD 2019	YTD 2018	YTD Notes
Investment revenue[1]	$ 23.4	$ 20.3	$ 47.3	$ 40.6	17% increase YoY; Increased Portfolio yield
Other investment revenue	7.9	15.8	17.1	23.7	Decreased due to mix of transactions
Total revenue	**$ 31.3**	**$ 36.1**	**$ 64.4**	**$ 64.3**	
Interest expense	(14.9)	(19.0)	(30.3)	(37.7)	Lower leverage and lower debt cost
Compensation, general & administrative	(10.4)	(10.2)	(21.2)	(18.6)	Increased equity-based compensation expense
Income before equity method investments	**$ 6.0**	**$ 6.9**	**$ 12.9**	**$ 8.0**	
Non-cash HLBV gain on equity method investment	7.6	10.6	12.1	8.3	
Income tax (provision)/benefit and other	(0.9)	(0.2)	1.4	(0.3)	Non cash benefit from allocated tax attributes from our renewable energy projects
GAAP earnings	**$ 12.7**	**$ 17.3**	**$ 26.4**	**$ 16.0**	
GAAP diluted earnings per share	**$ 0.19**	**$ 0.32**	**$ 0.41**	**$ 0.29**	41% increase in GAAP EPS YoY
Equity method investments[2]	$ 1.9	$ (0.7)	$ 7.0	$ 12.2	
Equity-based compensation	3.4	3.4	7.0	5.2	
Other[3]	1.8	0.8	0.3	1.7	
Core earnings[4]	**$ 19.8**	**$ 20.8**	**$ 40.7**	**$ 35.1**	
Core earnings per share	**$ 0.30**	**$ 0.39**	**$ 0.63**	**$ 0.65**	3% decrease in Core EPS YoY

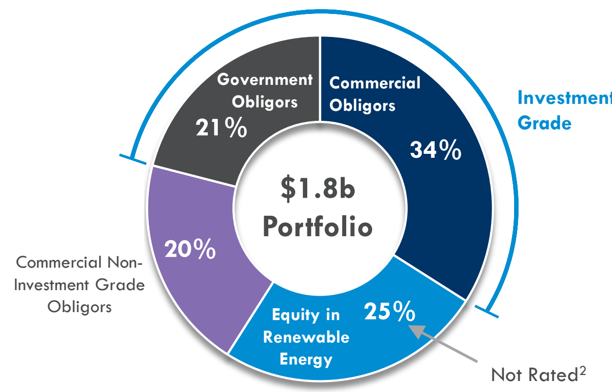
Equity Method Summary ($m)	YTD 2019	YTD 2018
GAAP earnings	$ 12.1	$ 8.3
Core adjustment	7.0	12.2
Core Earnings	$ 19.1	$ 20.5
Return of investment	34.5	49.7
Cash Collected	$ 53.6	$ 70.2

* Subtotals may not sum due to rounding
1 Interest income and rental income
2 Reflects the adjustment from GAAP income to arrive at core earnings from Equity method investments
3 Includes minority interest, taxes and amortization of intangibles
4 See Appendix for an explanation of core earnings and reconciliation to GAAP net income; See footnote on slide 12 for an explanation of core earnings

Balance Sheet Positioned for Growth

Assets		June 30, 2019 ($ in millions)
Equity method investments	$	458
Government receivables		343
Commercial receivables		508
Real Estate		364
Investments		124
Cash and cash equivalents		38
Other		192
Total Assets	$	**2,027**
Liabilities and Equity		
Credit facility	$	210
Non-recourse debt		740
Convertible Notes		149
Other		43
Total Liabilities		1,142
Total Equity		885
Total Liabilities and Equity	$	**2,027**

Portfolio Credit Quality



- Continue to have less than 1% of the Portfolio on non-accrual status

Optimizing our Financing Strategy

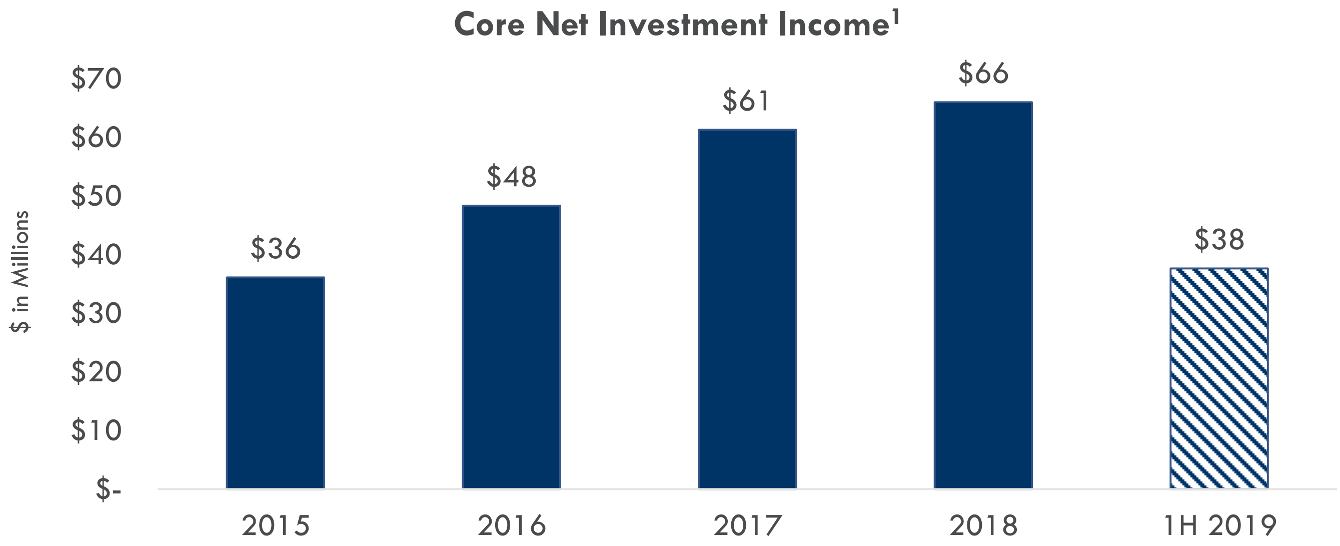
- Paid off secured debt and issued $50m of equity via ATM which reduced leverage to 1.2
- Fixed-rate debt of 76%

Diversified Shareholders[1]

- Public Float: ~95%
- Hannon Insiders: ~5%
- Institutional Ownership: ~85%

[1] Bloomberg data as of 7/29/2019; Management calculations
[2] Typically senior or preferred in structure

Consistent Growth in Portfolio Net Investment Income (NII)



Key Highlights

- Focus on building the balance sheet for portfolio earnings combined with lower interest costs
- Deploying proceeds from $350m corporate unsecured borrowing will grow NII for long term, sustainable growth
- Yield on assets continues to improve as we optimize the risk/return profile of the balance sheet
- Long-dated assets facilitate stability/growth in NII with limited pre-payments and runoff

[1] Core Net Investment Income is calculated as Interest income - receivables, interest income - investments, and rental income less interest expense as reported within our financial statements prepared in accordance with US GAAP plus core equity method investment earnings plus amortization of real estate intangibles. See Appendix for a reconciliation to GAAP net investment income.

Investing in Climate Change Solutions℠

Our Results Continue to Support Our Investment Thesis…
We will earn superior risk-adjusted returns investing on the right side of the climate change line...

…While Supporting Our Top-Tier Clients in a Large, Growing Market…

- Engineering the **decentralized, digitalized, decarbonized** future of energy

…Delivering an Attractive ROE…

- Continue to deliver Core ROEs at or above 10%[1]

…Providing Investors Yield + Growth Total Return…

- 4.8% Dividend yield is above Utilities (2.9%), Selected Peers (3.8%) and REITs (4.2%)[2]
- Core earnings growth guidance at 2% to 6%

…And Leading on ESG Disclosure.

- CarbonCount® sets the bar for capital providers reporting environmental impact

Note: Utilities include: SO, EXC, NRG, EIX, Selected Peers includes: BIP, DLR, AMT, WY
[1]Core ROE above is calculated using YTD 2019 core earnings and the average of the ending equity balances as of December 31, 2018, March 31, 2019 and June 30, 2019. This amount is adjusted for rounding.
[2]Factset data, based on most recent quarterly dividend annualized and share prices as of 7/26/19.

Appendix

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Supplemental Financial Data

EXPLANATORY NOTES

Non-GAAP Financial Measures – We calculate core earnings as GAAP net income (loss) excluding non-cash equity compensation expense, non-cash provision for credit losses, amortization of intangibles, any one-time acquisition related costs or non-cash tax charges and the earnings attributable to our non-controlling interest of our Operating Partnership. We also make an adjustment to our equity method investments in the renewable energy projects as described below. In the future, core earnings may also exclude one-time events pursuant to changes in GAAP and certain other non-cash charges as approved by a majority of our independent directors.

Certain of our equity method investments in renewable energy projects are structured using typical partnership "flip" structures where the investors with cash distribution preferences receive a pre-negotiated return consisting of priority distributions from the project cash flows, in many cases, along with tax attributes. Once this preferred return is achieved, the partnership "flips" and the common equity investor, often the operator or sponsor of the project, receives more of the cash flows through its equity interests while the previously preferred investors retain an ongoing residual interest. We have made investments in both the preferred and common equity of these structures. Regardless of the nature of our equity interest, we typically negotiate the purchase prices of our equity investments, which have a finite expected life, based on our assessment of the expected cash flows we will receive from these projects discounted back to the net present value, based on a target investment rate, with the expected cash flows to be received in the future reflecting both a return on the capital (at the investment rate) and a return of the capital we have committed to the project. We use a similar approach in the underwriting of our receivables. Under GAAP, we account for these equity method investments utilizing the HLBV method. Under this method, we recognize income or loss based on the change in the amount each partner would receive, typically based on the negotiated profit and loss allocation, if the assets were liquidated at book value, after adjusting for any distributions or contributions made during such quarter. The HLBV allocations of income or loss may be impacted by the receipt of tax attributes, as tax equity investors are allocated losses in proportion to the tax benefits received, while the sponsors of the project are allocated gains of a similar amount. In addition, the agreed upon allocations of the project's cash flows may differ materially from the profit and loss allocation used for the HLBV calculations.

The cash distributions for our equity method investments are segregated into a return on and return of capital on our cash flow statement based on the cumulative income (loss) that has been allocated using the HLBV method. However, as a result of the application of the HLBV method, including the impact of tax allocations, the high levels of depreciation and other non-cash expenses that are common to renewable energy projects and the differences between the agreed upon profit and loss and the cash flow allocations, the distributions and thus the economic returns (i.e. return on capital) achieved from the investment are often significantly different from the income or loss that is allocated to us under the HLBV method. Thus, in calculating core earnings, we further adjust GAAP net income (loss) to take into account our calculation of the return on capital (based upon the investment rate) from our renewable energy equity method investments, as adjusted to reflect the performance of the project and the cash distributed. We believe this core equity method investment adjustment to our GAAP net income (loss) in calculating our core earnings measure is an important supplement to the HLBV income allocations determined under GAAP for an investor to understand the economic performance of these investments.

For the three and six months ended June 30, 2019, we recognized income of $8 million and $12 million, respectively under GAAP for our equity investments in renewable energy projects. We reversed the GAAP income and recorded $10 million and $19 million for core earnings as discussed above, to reflect our return on capital from these investments for the three and six months ended June 30, 2019. This compares to the collected cash distributions from these equity method investments of approximately $27 million and $54 million for the three and six months ended June 30, 2019, with the difference between core earnings and cash collected representing a return of capital.

We believe that core earnings provides an additional measure of our core operating performance by eliminating the impact of certain non-cash expenses and facilitating a comparison of our financial results to those of other comparable companies with fewer or no non-cash charges and comparison of our own operating results from period to period. Our management uses core earnings in this way. We believe that our investors also use core earnings, or a comparable supplemental performance measure, to evaluate and compare our performance to that of our peers, and as such, we believe that the disclosure of core earnings is useful to our investors.

However, core earnings does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (loss) (determined in accordance with GAAP), or an indication of our cash flow from operating activities (determined in accordance with GAAP), or a measure of our liquidity, or an indication of funds available to fund our cash needs, including our ability to make cash distributions. In addition, our methodology for calculating core earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported core earnings may not be comparable to similar metrics reported by other companies.

Illustrative Business Model and Yield Information – The illustrative economic model included in this presentation is based in part on an illustrative model. In addition, the yield information included in this presentation is for illustrative purposes only and is based on certain additional assumptions, including assumptions relating to the use of leverage and default rates, and does not reflect actual yields. The yields and returns have been calculated by using an economic model developed by Hannon Armstrong. Therefore, yield and return information do not represent the yields and results that an actual investor in HASI will receive. Moreover, the actual performance of HASI will be subject to a variety of risks, uncertainties and other factors, some of which are beyond the Company's control, and which may lead to non-payment of interest and principal and losses on the sale of securities. Please refer to the Risk Factors included in the 2018 10-K for a discussion of these risks.

Guidance – We have not provided GAAP guidance as forecasting a comparable GAAP financial measure, such as net income, would require that we apply the HLBV method to these investments. In order to forecast under the HLBV method, we would be required to make various assumptions related to expected changes in the net asset value of the various entities and how such changes would be allocated under HLBV. GAAP HLBV earnings over a period of time are very sensitive to these assumptions especially in regard to when a partnership transactions flips and thus the liquidation scenarios change materially. We believe that these assumptions would require unreasonable efforts to complete and if completed, the wide variation in projected GAAP earnings based upon a range of scenarios would not be meaningful to investors. Accordingly, we have not included a GAAP reconciliation table related to any Core Earnings guidance.

Portfolio/Credit Quality Footnotes

"Government"	Transactions where the ultimate obligor is the U.S. federal government or state or local governments where the obligors are rated investment grade (either by an independent rating agency or based upon our internal credit analysis). This amount includes $228 million of U.S. federal government transactions and $155 million of transactions where the ultimate obligors are state or local governments. Transactions may have guaranties of energy savings from third party service providers, which typically are entities rated investment grade by an independent rating agency.
"Commercial"	Transactions where the projects or the ultimate obligors are commercial entities that have been rated investment grade (either by an independent rating agency or based on our internal credit analysis). Of this total, $9 million of the transactions have been rated investment grade by an independent rating agency.
"Commercial Non-Investment Grade"	Transactions where the projects or the ultimate obligors are commercial entities that either have ratings below investment grade (either by an independent rating agency or using our internal credit analysis) or where the nature of the subordination in the asset causes it to be considered non-investment grade. This category of assets includes $328 million of mezzanine loans made on a non-recourse basis to special purpose subsidiaries of residential solar companies where the nature of the subordination causes it to be considered non-investment grade. These loans are secured by residential solar assets and we rely on certain limited indemnities, warranties, and other obligations of the residential solar companies or their other subsidiaries. Approximately $206 million of the mezzanine loans were made to entities in which we also have non-controlling equity investments of approximately $24 million. Commercial non-investment grade receivables also include $16 million of transactions where the projects or the ultimate obligors are commercial entities that have ratings below investment grade using our internal credit analysis, and $8 million of loans on non-accrual status.
"Real Estate"	Includes the real estate and the lease intangible assets (including those held through equity method investments) from which we receive scheduled lease payments, typically under long-term triple net lease agreements.
"Average Remaining Balance"	Excludes approximately 175 transactions each with outstanding balances that are less than $1 million and that in the aggregate total $63 million.

Income Statement

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

(UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Revenue				
Interest income, receivables	$ 15,122	$ 12,756	$ 30,642	$ 25,604
Interest income, investments	1,793	1,589	3,676	3,129
Rental income	6,469	5,967	12,946	11,909
Gain on sale of receivables and investments	2,167	14,208	9,006	20,465
Fee and other income	5,717	1,615	8,141	3,221
Total revenue	**31,268**	**36,135**	**64,411**	**64,328**
Expenses				
Interest expense	14,869	19,033	30,300	37,744
Compensation and benefits	6,650	6,335	14,089	11,656
General and administrative	3,739	3,844	7,080	6,930
Total expenses	**25,258**	**29,212**	**51,469**	**56,330**
Income before equity method investments	**6,010**	**6,923**	**12,942**	**7,998**
Income (loss) from equity method investments	7,624	10,583	12,131	8,298
Income (loss) before income taxes	**13,634**	**17,506**	**25,073**	**16,296**
Income tax (expense) benefit	(839)	(153)	1,430	(171)
Net income (loss)	**$ 12,795**	**$ 17,353**	**$ 26,503**	**$ 16,125**
Net income (loss) attributable to non-controlling interest holders	55	91	117	86
Net income (loss) attributable to controlling stockholders	**$ 12,740**	**$ 17,262**	**$ 26,386**	**$ 16,039**
Basic earnings (loss) per common share	$ 0.20	$ 0.32	$ 0.41	$ 0.29
Diluted earnings (loss) per common share	$ 0.19	$ 0.32	$ 0.41	$ 0.29
Weighted average common shares outstanding—basic	63,772,549	52,051,253	62,766,318	51,882,021
Weighted average common shares outstanding—diluted	64,429,155	52,051,253	63,394,220	51,882,021

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Balance Sheet

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	June 30, 2019 (unaudited)	December 31, 2018
Assets		
Equity method investments	$ 458,267	$ 471,044
Government receivables	342,606	497,464
Commercial receivables	508,286	447,196
Real estate	363,809	365,370
Investments	124,370	169,793
Cash and cash equivalents	37,892	21,418
Other assets	192,191	182,628
Total Assets	**$ 2,027,421**	**$ 2,154,913**
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable, accrued expenses and other	$ 38,264	$ 36,509
Deferred funding obligations	5,814	72,100
Credit facilities	209,653	258,592
Non-recourse debt (secured by assets of $920 million and $1,105 million, respectively)	740,003	834,738
Convertible notes	148,943	148,451
Total Liabilities	1,142,677	1,350,390
Stockholders' Equity:		
Preferred stock, par value $0.01 per share, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, par value $0.01 per share, 450,000,000 shares authorized, 64,912,741 and 60,510,086 shares issued and outstanding, respectively	649	605
Additional paid in capital	1,060,086	965,384
Accumulated deficit	(180,217)	(163,205)
Accumulated other comprehensive income (loss)	968	(1,684)
Non-controlling interest	3,258	3,423
Total Stockholders' Equity	884,744	804,523
Total Liabilities and Stockholders' Equity	**$ 2,027,421**	**$ 2,154,913**

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Reconciliation of GAAP Net Income to Core Earnings

The table below provides a reconciliation of our GAAP net income (loss) to core earnings for the three and six months ended June 30, 2019 and 2018.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019		2018		2019		2018	
	$	Per Share	$	Per Share	$	Per Share	$	Per Share
	(dollars in thousands, except per share amounts)							
Net income (loss) attributable to controlling stockholders [(1)]	$ 12,740	$ 0.19	$ 17,262	$ 0.32	$ 26,386	$ 0.41	$ 16,039	$ 0.29
Core earnings adjustments:								
Reverse GAAP (income) loss from equity method investments	(7,624)		(10,583)		(12,131)		(8,298)	
Add back core equity method investments earnings	9,538		9,912		19,143		20,504	
Non-cash equity-based compensation charges	3,411		3,379		6,990		5,225	
Amortization of intangibles	823		785		1,638		1,567	
Non-cash provision (benefit) for income taxes	830		—		(1,436)		—	
Current year earnings attributable to non-controlling interest	55		91		117		86	
Core earnings [(2)]	$ 19,773	$ 0.30	$ 20,846	$ 0.39	$ 40,707	$ 0.63	$ 35,123	$ 0.65

(1) This is the GAAP diluted earnings per share and is the most comparable GAAP measure to our core earnings per share.

(2) Core earnings per share is based on 65,749,618 shares and 64,733,505 shares for the three and six months ended June 30, 2019 and 54,076,462 shares and 53,814,625 shares for the three and six months ended June 30, 2018, which represents the weighted average number of fully-diluted shares outstanding including our restricted stock awards and restricted stock units and the non-controlling interest in our Operating Partnership. We include any potential common stock issuance in this calculation related to our convertible notes using the treasury stock method.

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Additional GAAP to Core Reconciliations

The table below provides a reconciliation of the Other core adjustments:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
	(in thousands)		*(in thousands)*	
Other core adjustments				
Amortization of intangibles [1]	$ 823	$ 785	$ 1,638	$ 1,567
Non-cash provision (benefit) for income taxes	830	—	(1,436)	—
Net income attributable to non-controlling interest	55	91	117	86
Other core adjustments	$ 1,708	$ 876	$ 319	$ 1,653

(1) Adds back non-cash amortization of lease and pre-IPO intangibles

The table below provides a reconciliation of the GAAP SG&A expenses to Core SG&A expenses:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
	(in thousands)		*(in thousands)*	
GAAP SG&A expenses				
Compensation and benefits	$ 6,650	$ 6,335	$ 14,089	$ 11,656
General and administrative	3,739	3,844	7,080	6,930
Total SG&A expenses (GAAP)	$ 10,389	$ 10,179	$ 21,169	$ 18,586
Core SG&A expenses adjustments:				
Non-cash equity-based compensation charge [1]	$ (3,411)	$ (3,379)	$ (6,989)	$ (5,225)
Amortization of intangibles [2]	(52)	(51)	(102)	(101)
Core SG&A expenses adjustments	(3,463)	(3,430)	(7,091)	(5,326)
Core SG&A expenses	$ 6,926	$ 6,749	$ 14,078	$ 13,260

(1) Reflects add back of non-cash amortization of equity-based compensation. Outstanding grants related to equity-based compensation are included in core earnings per share calculation.

(2) Adds back non-cash amortization of pre-IPO intangibles

Additional GAAP to Core Reconciliations

	2015	2016	2017	2018	Q2 2019 YTD
Net investment income [1]	$ 21,619	$ 16,719	$ 16,172	$ 22,079	$ 16,965
Core equity method investment earnings [2]	13,307	30,491	42,707	40,923	19,143
Amortization of real estate intangibles [3]	1,179	1,135	2,420	3,003	1,537
Total Core net investment income	$ 36,105	$ 48,345	$ 61,299	$ 66,005	$ 37,645

(1) Net investment income is calculated as Interest income - receivables, Interest income - investments, and Rental income less Interest expense as reported within our financial statements prepared in accordance with US GAAP.

(2) Reflects adjustment for equity method investments described above within the "Supplemental Financial Data" Explanatory Notes.

(3) Non-cash amortization of real estate intangibles.

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