

Grosvenor Capital Management, L.P. SEC Form ADV, Part 2A

March 23, 2018

Item 1 – Cover Page

GROSVENOR CAPITAL MANAGEMENT, L.P.

900 North Michigan Avenue
Suite 1100
Chicago, Illinois 60611
312-506-6500
www.gcmgrosvenor.com

March 23, 2018

GCM Grosvenor provides investment management and advisory services for hedge fund investments primarily through Grosvenor Capital Management, L.P. (**GCMLP**) and private equity, real estate, and infrastructure investments primarily through GCM Customized Fund Investment Group, L.P. (**GCM CFG**), and together with GCMLP and their affiliates, **GCM Grosvenor**). Additional information about GCMLP is available on the United States Securities and Exchange Commission's (**SEC**) website at www.adviserinfo.sec.gov.

References to "we," "us," and "our" in this Brochure are to GCMLP, and references to "client accounts" are to accounts that we manage, advise, or sub-advise for our clients on a discretionary or non-discretionary basis. (See Item 16 of this Brochure for a description of the manner in which we characterize client accounts as "discretionary.")

This Brochure provides information about the qualifications and business practices of GCMLP. If you have any questions about the contents of this Brochure or the additional information about GCMLP made available on the SEC's website, please contact GCMLP at client.services@gcmlp.com. Note that, the information in this Brochure has not been approved or verified by the SEC, any state securities authority or any other governmental authority or any regulatory or self-regulatory organization.

We are registered with the SEC as an investment adviser under the U.S. Investment Advisers Act of 1940 (**Advisers Act**). Registration with the SEC as an investment adviser under the Advisers Act does not imply a certain level of skill or training, nor has any of the foregoing approved or disapproved of our qualifications.

Item 2 – Material Changes

This Brochure contains the following material change to our Brochure dated March 30, 2017:

- In Item 8, we have added the Labor Impact Program to the list of advisory services that we provide, and updated the description of certain other advisory services that we provide.
- In Item 8, we have added Strategic Investments Group Strategies to the list of investment strategies that our portfolios pursue, and updated Risks and Other Special Considerations with additional risk factors.
- In Item 10, we updated language relating to how we work with our affiliated investment adviser, GCM CFG.
- In Item 10, we have added disclosure reflecting the change in registration status of GCM UK, an affiliate of GCMLP.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	5
Our Business	5
Advisory Services	5
Ancillary Information Provided as a Courtesy	6
Administrative Services	6
Our Assets Under Management	6
Our Principal Owners.....	7
Item 5 – Fees and Compensation	7
Fees in General	7
Fees for Commingled GCMLP Funds.....	7
Fees for Customized GCMLP Funds	7
Fees for Advisory Services	8
Aggregation of Certain Accounts for Fee Purposes	8
Deduction of Fees from GCMLP Funds	8
Fee Refunds	8
Expenses	8
Item 6 – Performance-Based Fees and Side-By-Side Management	10
Item 7 – Types of Clients.....	10
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	11
Our Investment Process.....	11
Modifications of Our Investment Process	13
Other Investment Management and Advisory Services	13
Investment Strategies.....	15
Secondary Sales of Investments	22
Risks and Other Special Considerations.....	23
Conflicts of Interest	28
Item 9 – Disciplinary Information	49
Item 10 – Other Financial Industry Activities and Affiliations	49
Affiliated Registered Investment Adviser	49
Affiliated Investment Managers	49
Affiliated Placement Agents/Distributor	50
Other Affiliates	50

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	50
Code of Ethics	50
Our Ability to Invest in the Same Securities in which the GCM Grosvenor Funds Invest	51
Item 12 – Brokerage Practices	51
Our Brokerage Practices	51
Brokerage Practices of Investment Managers of Underlying Funds.....	52
Item 13 – Review of Accounts	53
Account Reports and Reporting Packages	53
Item 14 – Client Referrals and Other Compensation.....	55
Receipt of Payments from Third Parties	55
Payment of Compensation for Investor Referrals	55
Payment of Compensation for Client Referrals	55
Non-Affiliated Placement Agents	56
Item 15 – Custody	56
Item 16 – Investment Discretion	56
Item 17 – Voting Client Securities.....	57
Background	57
General Policy to Take Action in Response to Proxy Requests.....	57
Item 18 – Financial Information.....	58

Item 4 – Advisory Business

Our Business

GCMLP (including its predecessors) has been in business since 1971.

We provide the following investment management and advisory services for hedge fund and alternative investments to investment vehicles and separately managed accounts (**GCMLP Funds**):

- Multi-investor GCMLP Funds managed or advised by GCMLP (**Commingled GCMLP Funds**)

We offer investment vehicles designed for multiple investors who seek ease of investment, diversification, and choice of strategy.

Investors who wish to invest in our Commingled GCMLP Funds may currently choose from multi-strategy, credit-focused, equity-focused, macro-focused, commodity-focused, and other specialty portfolios.

- Single-investor GCMLP Funds managed or advised by GCMLP (**Customized GCMLP Funds**)

We offer customized investment vehicles and separate accounts designed for investors seeking a customized mandate, control over structure, and/or involvement in the investment process.

We collaborate with investors to design, implement, and monitor customized portfolios tailored to the investor's needs.

Most GCMLP Funds invest primarily in hedge fund or alternative investment vehicles (**Underlying Funds**) managed by third-party investment managers (**Investment Managers**). Certain GCMLP Funds invest directly in trading and/or investment positions, market exposures, and/or other sources of risk premia (**Direct Investments**) or do so indirectly through investments in one or more managed accounts or limited liability vehicles, instruments, or investment structures managed by third-party firms (**Co-Investments**, collectively with Direct Investments, **Strategic Investments**).

Although investors in the GCMLP Funds that are organized as legal entities are not, in their capacity as such, our clients for regulatory purposes, we sometimes refer to those investors as our clients.

Advisory Services

We offer clients who seek assistance in designing, building, and managing their hedge fund or alternative investment programs a wide range of tailored, non-discretionary services in the following areas:

Program Design – We work with clients to design the framework of their hedge fund or alternative investment programs. We also help clients define and document policies for their overall programs and/or individual portfolios.

Operational Infrastructure – We work with clients to design and implement the operational infrastructure for their hedge fund or alternative investment programs. To achieve their operational goals, clients may build in-house capabilities, leverage our administrative services, and/or engage third-party service providers.

Due Diligence – Clients may access our research, due diligence, and views about Investment Managers and Underlying Funds through our due diligence reports and conversations with our staff. Investment Managers and Underlying Funds may be sourced by us or the client. We may conduct due diligence and monitoring jointly with the client's staff.

Structuring – We assist clients who are developing their hedge fund or alternative investment programs in assessing and selecting the appropriate structures for their hedge fund or alternative investments. Clients building direct investment programs and customized portfolios may under certain circumstances benefit from our experience negotiating advantageous terms with Investment Managers, which may include lower effective fees, improved terms, separate accounts, and/or other side letter provisions. In addition, we may permit clients to participate in investments that reflect customized structures or terms negotiated between us and certain Investment Managers.

Portfolio and Risk Management – We offer clients advice on constructing and managing customized portfolios. Clients may under certain circumstances access our portfolio management tools to manage their portfolios with the assistance of our

investment professionals. Our risk aggregation and analytical capabilities help clients measure, monitor, and stress test certain risks associated with investments in their hedge fund or alternative investment programs.

Technology Solutions – We provide a range of technology solutions to assist clients in managing their hedge fund or alternative investment processes.

Knowledge Transfer – We offer clients formal educational and training sessions to assist in the development of their in-house hedge fund or alternative investment knowledge and capabilities.

Transition Services – We assist clients in managing the liquidation or transfer of hedge fund or alternative investment portfolios previously managed by clients or other investment managers.

Ancillary Information Provided as a Courtesy

At a client's request, we may provide information, advice, opinions, evaluations, recommendations, forecasts, or suggestions (**Ancillary Information**) that relate to matters outside the scope of our management of the client's assets. Ancillary Information typically is general in nature and does not take into account a client's particular circumstances or needs. Therefore, Ancillary Information is not, and should not be considered, advice with respect to the purchase, sale, holding, or management of securities or other assets. Unless we expressly agree otherwise with a client, we provide Ancillary Information solely as a courtesy, and do not assume any duties to the client other than the duty to act in good faith in connection with providing Ancillary Information to the client.

Administrative Services

We provide a broad range of accounting and financial reporting services, tax reporting services, administrative support services, and client services (collectively, **Administrative Services**) for GCMLP Funds, as well as for certain investment funds whose investment portfolios are managed or advised by parties other than us (**Administered Funds**). These services include, but are not necessarily limited to, the following:

Accounting and Financial Reporting – maintaining the official books and records of certain GCMLP Funds and Administered Funds and reporting various financial information to investors on an interim and annual basis, including the preparation of annual financial statements and the coordination of the audits of such financial statements by an independent public accounting firm.

Tax Reporting – preparing, in collaboration with an independent public accounting firm, required statutory tax filings and disclosures.

Administrator Relationship Management – selecting, evaluating, coordinating, and monitoring the services of independent administrators for certain GCMLP Funds and Administered Funds.

Treasury Operations – authorizing or executing the movement of funds directly or through the use of administrators, as well as managing short-term cash balances, negotiating and managing credit facilities, and monitoring counterparty risk for certain GCMLP Funds and Administered Funds.

Investment Implementation – Evaluating and implementing investment decisions, including executing the appropriate investment documentation for subscriptions to and withdrawals from underlying funds in which GCMLP funds invest.

Client Services – assisting clients in reviewing subscription documents and processing contribution or subscription and withdrawal or redemption requests, as well as distributing regular investment performance reporting and responding to periodic client inquiries and requests.

Our Assets Under Management

As of December 31, 2017, the net asset value of client accounts that we managed was approximately \$26.3 billion. The methodology used to calculate the net asset value of client accounts that we manage differs from the methodology used to calculate "regulatory assets under management" for purposes of responding to Item 5.f(2) of Part 1 of our SEC Form ADV. Additional detail concerning the methodology is available upon request.

Additionally, we provide advice on a non-discretionary basis to clients separate from such client accounts.

Our Principal Owners

Our principal owner is Grosvenor Capital Management Holdings, LLLP (**GCM Holdings**), an Illinois (USA) limited liability limited partnership. Employees and former employees of companies associated with GCM Grosvenor, as well as certain other persons formerly associated with us, indirectly own approximately 71% of the limited partnership interests in GCM Holdings and, as a result, approximately 71% of us. Michael J. Sacks, our Chairman and Chief Executive Officer, is the principal owner of GCM Holdings and owns a controlling interest in GCM Holdings through several intermediate entities that he controls and of which he is the principal owner.

Three entities under the management of Hellman & Friedman LLC, a private equity investment firm (the **H&F Partners**), collectively own a minority stake in GCM Holdings. The H&F Partners are passive investors in GCM Holdings and do not play a role in the day-to-day management of either GCM Grosvenor or GCM Holdings.

Item 5 – Fees and Compensation

Fees in General

Except as discussed herein, we charge one of, or a combination of, the following management fees or performance-based fees or allocations to a client in connection with managing or advising a GCMLP Fund:

- a percentage of assets under management, of up to 2% per annum, which:
 - › may be on a sliding or tiered scale
 - › may be subject to a minimum, expressed in dollars or as a percentage of assets under management
- a percentage of capital appreciation, of up to 20%, which may be subject to a hurdle, a high watermark and/or a preferred return or outperformance of a particular benchmark return, and that may be a fixed percentage or based upon a variable index rate
- an agreed-upon fixed amount

In the case of the GCMLP Funds (**GCMLP Seed Funds**) that primarily invest capital (**Seed Capital**) in Underlying Funds (each, a **Seed Manager Fund**) managed by Investment Managers (each, a **Seed Manager**) that either have not yet established investment advisory firms or that operate investment advisory firms that have yet to achieve a critical mass of assets under management, in addition to one or more of the fees and allocations described above, we participate, alongside investors in GCMLP Seed Funds, in the revenue or other economics of the Seed Managers with whom GCMLP Seed Funds invest.

In certain instances, GCMLP Funds may be subject to a fee from which GCMLP Funds compensate both GCMLP and the Investment Managers of the Underlying Funds.

Fees for Commingled GCMLP Funds

Each Commingled GCMLP Fund sets forth its fee structure, including how and when fees are calculated, charged, and paid, in an offering document (together with private placement memorandum, investment management agreement or similar, **GCMLP Fund Documents**) provided to each prospective investor in the GCMLP Fund prior to the prospective investment in such fund.

Management fees typically are payable monthly or quarterly, either in advance or in arrears, and typically are not negotiable.

Certain investors, including seed investors, strategic partners, and persons associated or formerly associated with us, and members of their families, as well as certain friends of such persons, may invest in GCMLP Funds on a non-fee-paying basis or at fee rates that are lower than those charged to other investors in such GCMLP Funds, in our discretion.

Fees for Customized GCMLP Funds

Each Customized GCMLP Fund sets forth its fee structure—including how and when fees are calculated, charged, and paid—in the GCMLP Fund Documents provided to the prospective investor in the GCMLP Fund prior to the prospective investor's investment in the GCMLP Fund.

Fees and other terms for each Customized GCMLP Fund are negotiated on a case-by-case basis with the investors in such Customized GCMLP Fund. Management fees typically are payable monthly or quarterly, either in advance or in arrears.

Fees for Advisory Services

Fees for these services, which are discussed in Item 4 of this Brochure in Advisory Services, are negotiated on a case-by-case basis and depend upon the range of hedge fund or alternative investment program advisory services and other services that we provide to a client. Depending on the scope of such services and the overall size and nature of GCMLP's relationship with a particular client, in our discretion, we may determine not to charge additional fees for certain additional services.

Aggregation of Certain Accounts for Fee Purposes

If a GCMLP Fund maintains a tiered fee structure, such that the fees payable by the investor in the GCMLP Fund vary depending on the amount of the investor's investment in the GCMLP Fund, we may in our discretion, agree with an investor to treat investments by the investor, its affiliates, and/or certain other persons in one or more GCMLP Funds as a single investment for purposes of determining the fees payable in respect of the GCMLP Fund. Such aggregation of an investor's assets will result in an overall fee that is lower than would be the case in the absence of such aggregation.

Deduction of Fees from GCMLP Funds

In the case of Commingled GCMLP Funds, we invoice the GCMLP Funds for our fees, typically monthly or quarterly, and deduct such fees, or instruct that such fees be deducted, directly from the assets of such GCMLP Funds.

In the case of Customized GCMLP Funds, depending on our agreement with the relevant investor, typically monthly or quarterly, we:

- invoice the relevant GCMLP Fund and deduct our fees directly from the assets of such GCMLP Fund; or
- invoice the relevant GCMLP Fund and, upon the investor's approval of our invoice, receive our fees either from the relevant GCMLP Fund or directly from the investor.

Fee Refunds

In cases in which an investor in a GCMLP Fund pays fees in advance and the investor terminates its investment in such GCMLP Fund in accordance with the termination provisions governing such GCMLP Fund prior to the expiration of the period for which the advance fee was paid, except as otherwise agreed with the investor, we pay an appropriate pro rata refund to the investor, or make a pro rata credit to the investor, designed to ensure that the investor pays a fee only for the portion of the period preceding the effectiveness of the termination.

Expenses

Each GCMLP Fund typically pays its organizational and initial offering costs out of the proceeds of the initial offering of its securities.

Each GCMLP Fund typically pays such costs and expenses as are necessary, advisable, or convenient for the conduct of its business, including, without limitation:

- brokerage commissions, due diligence costs, investment banking fees, monitoring costs, sourcing or finder's fees, and other costs related to the identification, sourcing, evaluation, or execution of transactions—including expenses related to potential transactions that are not ultimately consummated (i.e., broken deal fees and other transaction-related expenses incurred either by GCMLP, the GCMLP Fund, and/or the Investment Manager or other party sponsoring such investment)
- the interest expense, fees, and other expenses associated with any borrowing facility
- fees and expenses in connection with the custody of assets of a GCMLP Fund
- fees and expenses associated with reporting to clients
- legal, accounting, administration, tax preparation, audit, financial statement preparation, valuation, research terminal, consulting, and other professional fees and expenses, including costs and out of pocket expenses of a third party engaged by a GCMLP Fund or by GCMLP itself for purposes of providing these services to one or more GCMLP Funds
- other operating or administrative fees and expenses related to accounting, research, due diligence, reporting, and portfolio management services
- Third-Party Costs, as defined herein

- any costs and expenses arising out of a GCMLP Fund's indemnification obligations
- any taxes and regulatory or other governmental fees and charges (including regulatory or governmental fees and charges resulting from the offering or sale of a GCMLP Fund's securities in a non-U.S. jurisdiction)
- certain travel and entertainment expenses incurred in connection with a GCMLP Fund's affairs, including in connection with investments, potential investments, and meetings with investors or their representatives (to the extent permissible in such Fund's governing documents and to the extent such expenses comply with GCMLP's Travel and Expense Policy)
- extraordinary expenses
- all other costs related to a GCMLP Fund's investment activities

We are not reimbursed for our internal costs except as agreed upon in connection with a particular GCMLP Fund.

In accordance with our policies and procedures and the documents governing certain GCMLP Funds, payments made to independent third-party vendors, consultants, or professional advisers (including providers of outsourced accounting, administrative, or reporting services) that directly support the ongoing management, administration, and operations of such GCMLP Funds (**Third-Party Costs**) are borne by such GCMLP Funds. Third-Party Costs may include, among others:

- insurance expenses, which consist primarily of premium payments made to third-party insurance underwriters and brokers related primarily to fiduciary liability coverage, professional liability coverage, ERISA fidelity bond if applicable, and directors' and officers' liability coverage
- operational due diligence expenses, which consist primarily of professional fees paid to third-party investigation firms to conduct background investigations on existing and potential Investment Managers
- technology expenses, which consist primarily of software and data licensing, development, programming and operating costs paid to third-party vendors to support the operating platforms of the GCMLP Funds, as well as costs related to the licensing, usage, and redistribution of data and performance benchmarks
- risk-aggregation reporting expenses, which consist primarily of fees payable to organizations that collect and aggregate exposure data from Underlying Funds and provide related reports to us in connection with our risk management process
- industry expert expenses, which consist primarily of fees payable to firms that source through their member networks professionals with expertise relevant to the GCMLP Funds' investment activities

Third-Party Costs, to the extent allocable, are generally allocated to the GCMLP Funds or related groups of GCMLP Funds (e.g., all GCMLP Funds pursuing a particular strategy) on a pro rata basis in accordance with their respective net asset values, unless we decide, in our discretion and as permitted by the various GCMLP Funds' Documents, to specially allocate such expenses to a subset of GCMLP Funds to which such expenses more specifically relate, even though they may not benefit from such expenses on a strictly pro rata basis.

All costs and expenses directly attributable to one or more GCMLP Funds, and not to any other GCMLP Fund, including the costs of background investigations directly attributable to such GCMLP Funds, are charged to those GCMLP Funds and are not allocated pro rata among other GCMLP Funds in the manner discussed above.

In certain limited cases, GCM Grosvenor bears all or a portion of the Third-Party Costs that otherwise would be borne by a GCMLP Fund pursuant to the principles discussed above.

As an investor in Underlying Funds, each GCMLP Fund typically bears its allocable share of the Underlying Funds' respective organizational, offering, investment, and operating expenses, including taxes, interest due on borrowings, brokerage and other transaction costs, the fees, expenses, and profit participations of the Investment Managers and any extraordinary costs incurred. The advisory fees charged by Investment Managers vary in type, amount, and structure; for example, certain performance fees or allocations are paid or made only after achieving a hurdle rate of return and others are calculated period-to-period without a high water mark. Moreover, some performance fees or allocations may be calculated after investors have received a return of capital and a preferred return, or variations of such arrangements. Most GCMLP Funds are thus subject to two levels of fees and a potentially higher expense-to-equity ratio than would be associated with an investment fund that invests and trades directly in financial instruments under the direction of a single investment manager.

Item 6 – Performance-Based Fees and Side-By-Side Management

As discussed in Item 5 of this Brochure, we accept performance-based fees, special allocations (i.e., carried interest) or other types of performance-based compensation from certain GCMLP Funds, in addition to or in lieu of other fees.

Performance-based compensation is based on a share of:

- the capital gains on or capital appreciation in the value of the GCMLP Fund, which may be subject to a hurdle, a high watermark and/or a preferred return; or
- the outperformance of the GCMLP Fund relative to the performance of a particular benchmark, which may be a fixed percentage or based upon a variable index rate

The receipt of performance-based compensation or special allocations rewards us for continuing increases in the value of the assets of such GCMLP Fund or the outperformance of such GCMLP Fund relative to the performance of a particular benchmark, without directly penalizing us for losses or underperformance relative to a particular benchmark, creating an incentive for us to invest and reinvest the assets of such GCMLP Fund in a manner that is riskier or more speculative than would otherwise be the case.

GCMLP Funds may issue more than one class of securities, and, in some cases, certain classes of securities issued by a GCMLP Fund may bear performance-based compensation or special allocations while other classes do not. Because we manage the assets of a GCMLP Fund as a single pool of assets, all investors in such GCMLP Fund are subject to the risk discussed in the preceding paragraph and not just those investors who invest in classes of securities that bear performance-based compensation or special allocations.

Similarly, in some cases, two or more feeder funds managed or advised by us may invest all or substantially all of their assets in a master fund managed or advised by us. In these cases, one or more of the feeder funds that invest in a particular master fund may pay performance-based compensation or special allocations to us while other feeder funds that invest in such master fund do not. In these cases, all investors in the feeder funds are subject to the risk discussed above—not just those investors who invest in the feeder funds that bear performance-based compensation or special allocations—because we manage the assets of such master fund as a single pool of assets.

We may have an incentive to allocate certain investment opportunities to GCMLP Funds from which we receive performance-based compensation or special allocations, in preference to GCMLP Funds from which we do not receive performance-based compensation or special allocations, because we may stand to gain greater compensation from the former types of GCMLP Funds by allocating the best investment opportunities to them. We have adopted detailed portfolio opportunity allocation policies and procedures designed to result in the fair and equitable allocation of investment opportunities in Underlying Funds among all eligible accounts, including GCM Grosvenor proprietary accounts, for which such opportunities are appropriate and that have the funds available to take advantage of such opportunities. Additionally, Investment Managers of Underlying Funds may from time to time make us aware of opportunities to co-invest in specific underlying investments (i.e., investments other than investments in Underlying Funds). These co-investment opportunities may be allocated at our discretion, including to GCMLP Funds eligible to invest in such opportunities or to investors in GCMLP Funds.

Item 7 – Types of Clients

We have three basic types of clients:

Type 1: GCMLP Funds organized as legal entities. Some GCMLP Funds are privately offered and are not subject to registration under the Investment Company Act of 1940 (as amended, the **ICA**). Others are open-end or closed-end investment companies registered under the ICA and publicly offer their securities. Many are Commingled GCMLP Funds, while others are Customized GCMLP Funds.

Some GCMLP Funds are feeder funds that invest all or substantially all of their assets in master GCMLP Funds. Feeder funds may be Commingled or Customized GCMLP Funds and may invest their assets in master GCMLP Funds that are Commingled or Customized GCMLP Funds.

- Type 2:* Institutional investors, such as public or private pension plans or sovereign wealth funds, entering into discretionary or non-discretionary investment management agreements, investment advisory agreements or similar agreements with us rather than investing in GCMLP Funds organized as legal entities.
- Type 3:* Institutional investors that we assist, on a non-discretionary basis, in designing, building, and managing their hedge fund or alternative investment programs. We typically do not provide continuous and regular supervisory or management services to this type of client.

We generally require a minimum initial investment of \$100,000,000 for launching or maintaining a Customized GCMLP Fund, but we have reduced and may in the future reduce this requirement in our discretion.

The minimum initial investment for a particular Commingled GCMLP Fund is set forth in the GCMLP Fund Documents for such Commingled GCMLP Fund.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Our Investment Process

Except as related to certain programs as described herein, Other Investment Management and Advisory Services, which may have different designated investment committees that are described therein, our investment process is overseen by the **Investment Committee** and implemented by our Investments Department, which is comprised of three functional teams:

- Our **Research Team** is responsible for strategy research, investment due diligence, and monitoring of Investment Managers and Underlying Funds.
- Our **Portfolio Management Team** consists of investment professionals assigned to separate Portfolio Management Teams, each responsible for the day-to-day management of a set of GCMLP Funds assigned to such team. The Portfolio Management Team assigned to a GCMLP Fund constructs the initial portfolio (subject to approval by a **Portfolio Committee**, which consists of two senior investment professionals), evaluates such GCMLP Fund's portfolio composition on an ongoing basis and proposes allocation changes for such GCMLP Fund to the Portfolio Committee. The Portfolio Management Teams communicate with clients to discuss performance, outlook and proposed portfolio changes.
- Our **Risk Management Team** works with our Research and Portfolio Management Teams to perform risk management assessments of investment strategies, Investment Managers, Underlying Funds, and GCMLP Funds. Our Risk Management Team has three primary responsibilities:
 - › conducting independent risk management due diligence and monitoring of Investment Managers and their Underlying Funds
 - › performing risk management analytics on GCMLP Funds, Underlying Funds and clients' full hedge fund or alternative investment programs
 - › developing proprietary risk management tools

The Investment Committee, with input from the Research, Risk Management, and Portfolio Management Teams, develops its outlook for investment strategies and underlying exposure categories based upon its evaluation of the risk/reward profiles of such investment strategy or underlying exposure category. The Investment Committee's outlook for such investment strategies and underlying exposure categories determines guidelines specifying the target percentages of assets—usually determined as a range—that our Portfolio Management Teams generally follow in proposing portfolio allocations to particular investment strategies and underlying exposure categories.

The Investment Committee, in connection with approving particular Underlying Funds and from time to time thereafter, determines guidelines specifying the target percentages of assets—usually determined as a range—to assist our Portfolio Management Teams in proposing initial and subsequent portfolio allocations to a particular Underlying GCMLP Fund or Underlying Funds managed by a particular Investment Manager.

Our **Operations Committee** oversees our operational risk framework. The Operations Committee also reviews and approves, from an operational perspective, prospective investments. The Operations Committee works collaboratively with, but is independent of, our Investment Department to ensure the separation of duties between investment and operational due diligence.

- The **Operational Due Diligence Team** evaluates Investment Managers/Underlying Funds from an operational and legal perspective. Our Operational Due Diligence Team's responsibilities include:
 - › evaluating the people, processes, and systems that support the Investment Manager's infrastructure and operations
 - › reviewing and analyzing relevant legal and regulatory documentation
 - › utilizing independent third-party investigative firms to perform background checks of the Investment Manager, its key personnel, its target Underlying Funds, and the independent directors of such target Underlying Funds

Due diligence

- *Investment Due Diligence*

If the co-heads of the Research Team authorize full due diligence with respect to a potential Investment Manager and Underlying Fund, we assign an Investment Due Diligence Team to that Investment Manager and Underlying Fund, which is responsible for assessing:

- › certain qualitative factors relating to the potential Investment Manager, such as its investment philosophy, investment mandate and investment decision-making structure, the skills and commitment of its key professionals, its depth and breadth of experience in the relevant investment strategy, its investment and risk management processes, and its organizational infrastructure and its stability
- › the quality of such potential Investment Manager's and Underlying Fund's historical returns

- *Risk Management Due Diligence*

Our Risk Management Team performs due diligence separately from our Research Team to assess the risk management processes, both quantitative and qualitative, and systems of Investment Managers and to analyze the risk and exposure of the Underlying Funds managed by the Investment Managers.

- *Operational Due Diligence*

The Operational Due Diligence Team evaluates a potential Investment Manager's operational infrastructure and the overall design of the Investment Manager's internal control environment. This evaluation includes a review of the audited financial statements of the target Underlying Fund managed by such Investment Manager, if available, and evaluation of the audit firm engaged by such Investment Manager to audit such target Underlying Fund. The Operational Due Diligence team will also conduct background checks on Investment Managers and their key personnel using an external service provider.

Investment Committee and Operations Committee Approval

The Investment Committee currently has four members that are senior investment professionals and makes decisions by majority vote. Our Chief Executive Officer has the authority to determine the outcome in the event of a tie and the authority to veto any affirmative decision made by the Investment Committee. However, if the Investment Committee rejects or terminates an Investment Manager or Underlying Fund, our Chief Executive Officer cannot override such rejection or termination.

The Operations Committee currently has four members that are senior members of GCM Grosvenor and makes decisions by majority vote. Our Chief Executive Officer has the authority to veto any affirmative decision made by the Operations Committee. However, if the Operations Committee rejects or terminates an Investment Manager or Underlying Fund, our Chief Executive Officer cannot override such rejection or termination.

Except where expressly agreed otherwise with a client, the Investment Committee must approve Underlying Funds from an investment and risk perspective and by the Operations Committee from an operational perspective before we may invest the assets of any client or recommend to a client that it invest its assets in such Underlying Funds.

The Portfolio Committee reviews and approves all initial and subsequent portfolio allocations proposed by each Portfolio Management Team for each GCMLP Fund assigned to such Portfolio Management Team.

Our Chief Executive Officer has a veto right over portfolio management activity for the GCMLP Funds.

The size and composition of our Investment Committee and Operations Committee may change from time to time.

Allocation of Investment Opportunities

We allocate investment opportunities among eligible GCMLP Funds and investment vehicles managed or advised by GCM CFGI (**GCM CFGI Funds**, collectively with GCMLP Funds, **GCM Grosvenor Funds**) in a manner that we deem to be fair and equitable, and may take into account a variety of relevant factors.

Modifications of Our Investment Process

The discussion above summarizes our investment process in effect as of the date of this Brochure. We have previously modified our investment process and expect to continue to modify our investment process from time to time. We may make substantive modifications to our investment process without notice to our clients.

Other Investment Management and Advisory Services

- **Strategic Investments Group**

Investment professionals organized as the Strategic Investments Group (**SIG Professionals**) focus on: (i) identifying, and performing investment due diligence with respect to, prospective investment ideas or investment themes; (ii) monitoring the investments or investment themes on an ongoing basis; and (iii) managing and adjusting position sizes, potentially on a daily basis. In addition to these responsibilities, the Strategic Investments Group manages the Special Opportunities Program, MAC Opportunities, and MAC Portfolios each as defined herein.

- **Special Opportunities Program**

Our Special Opportunities Program seeks to provide exposure to Strategic Investments. For this program, SIG Professionals focus on: (i) identifying, and performing investment due diligence with respect to, prospective investment ideas or investment themes; (ii) monitoring the investments or investment themes on an ongoing basis; and (iii) managing and adjusting position sizes, potentially on a daily basis. There are generally no restrictions on the types of investments in which the Special Opportunities Program may invest, except as otherwise may be required or prohibited by applicable law or policy.

In selecting investments for the Special Opportunities Program, the Special Opportunities Investment Committee (**SOIC**) relies on advice from the SIG Professionals. The SOIC considers factors in selecting investments for the Special Opportunities Program that may differ from the factors taken into consideration by the Investment Committee in selecting investments for other GCMLP Funds.

The Operations Committee generally will evaluate and approve Strategic Investments where it deems such evaluation appropriate.

- **Multi Asset Class Portfolios**

GCM Grosvenor invests assets of certain GCMLP Funds across multiple asset classes (**MAC Portfolios**), including hedge funds, private equity, real estate, and infrastructure (**MAC Opportunities**).

With respect to MAC Portfolios, SIG Professionals focus on: (i) identifying, and performing investment due diligence on prospective MAC Opportunities, and (ii) monitoring the MAC Opportunities on an ongoing basis.

In selecting investments for the MAC Portfolios, the MAC Investment Committee (**MAIC**) relies on advice from the SIG Professionals. The factors taken into consideration by the MAIC in selecting investments for MAC Portfolios may differ from the factors taken into consideration by the Investment Committee in selecting investments for other GCMLP Funds.

The Operations Committee generally will evaluate and approve MAC Opportunities where it deems such evaluation appropriate. GCMLP may involve one or more affiliates of GCMLP in evaluating investments for the MAC Portfolios.

- **Labor Impact Program**

The Labor Impact Program will invest in infrastructure opportunities that leverage GCM Grosvenor's understanding of, and experience with, organized labor, government, and finance. The Labor Impact Program's mandate requires that an investment meet a risk/return standard utilizing value-additive union labor. The Labor Impact Program will consider investments across core, core-plus, and opportunistic infrastructure assets and businesses through direct investments and partnerships with other financial market participants, as well as partnerships/joint ventures with operators, construction firms and government. The Labor Impact Program will seek to selectively invest across various subsectors of infrastructure in both greenfield and brownfield investments. The Labor Impact Program will also opportunistically invest in real estate assets that meet its mandate of targeting compelling investment opportunities that utilize value-additive union labor. GCMLP may involve one or more affiliates of GCMLP in evaluating investments for the Program.

- **Seeding Transactions**

GCMLP Funds, as well as GCM Grosvenor acting for its own accounts, may enter into agreements under which GCMLP Funds or GCM Grosvenor invest in Seed Manager Funds and/or provide capital or debt financing to Seed Managers in exchange for certain benefits, which we refer to as Seeding Transaction Benefits (**Project Agreements**).

Typically, the only consideration for receiving Seeding Transaction Benefits is the investment for a specified period of time by the participating GCMLP Fund or GCM Grosvenor proprietary capital in the Seed Manager Fund managed or advised by the Seed Manager. In certain cases, however, a GCMLP Fund or GCM Grosvenor may provide capital or debt financing to a Seed Manager in exchange for Seeding Transaction Benefits.

We currently manage one GCMLP Seed Fund that has entered into Project Agreements and invested in Seed Manager Funds as a principal part of its business. We may manage additional GCMLP Seed Funds of this type in the future and other GCMLP Funds may invest Seed Capital with Seed Managers on an ad hoc basis.

A special Seed Fund Investment Committee (**SFIC**) is responsible for the selection of the Seed Capital transactions in which the GCMLP Seed Funds will participate. The Investment Committee, or other Investment Committee, rather than the SFIC, may be responsible for the selection of Seed Capital transactions for GCMLP Funds that are not GCMLP Seed Funds. In evaluating prospective Seed Capital transactions, the SFIC relies on advice from certain investment professionals focused on the Seed Fund (**Seed Fund Investment Professionals**), as well as members of the Operational Due Diligence Team.

The Operations Committee must approve all Seeding Transactions proposed to be made by a GCM Seed Fund from an operational perspective.

- **Placing Assets Under the Management of Seed Managers**

We may invest the assets of GCMLP Funds, as well as GCM Grosvenor proprietary assets, directly or indirectly by investing in a GCMLP Seed Fund or other GCMLP Fund in: (i) Seed Manager Funds and/or Seed Managers; and/or (ii) investment opportunities made available by Seed Managers, but which they consider to be outside the scope of their respective investment mandates.

Except as otherwise provided in the operative documents of a GCMLP Fund or agreed between an investor and us:

- › we have no obligation to make available to any GCMLP Fund, or to any investor, any opportunity to enter into a Project Agreement, or to invest in any Seed Manager Fund or Seed Manager
- › Subject to the GCMLP Funds' Documents, the requirements of applicable law and such policies, if any, as we may from time to time adopt, we retain sole discretion to determine:
 - the extent to which any GCMLP Fund enters into Project Agreements and invests in Seed Manager Funds or Seed Managers
 - the terms on which such GCMLP Fund will do so

Investments in Seed Manager Funds or Seed Managers may be made available to GCMLP Funds notwithstanding the fact that one or more GCMLP Seed Funds or other GCMLP Funds have entered into Project Agreements involving such Seed Manager Funds or Seed Managers. In certain cases, a Project Agreement may entitle a GCMLP Seed Fund, as well as

investors in such GCMLP Seed Fund, to invest in a Seed Manager Fund on terms that are more favorable than those available to the Seed Manager Fund's other investors, typically with discounts from a standard fee schedule. Accordingly, if other GCMLP Funds invest in such Seed Manager Fund, they may do so on terms that differ from, and may be less favorable than, those available to the applicable GCMLP Seed Fund.

GCM Grosvenor may provide back-office and administrative services to Seed Managers pursuant to service level agreements at what we believe to be arm's-length prices. While GCM Grosvenor will have the opportunity of entering into such service level agreements with Seed Managers only because of the Seed Capital provided by the applicable GCM Seed Fund, such GCM Seed Fund will not share in any of the revenues GCM Grosvenor receives under any such service level agreement.

- **Temporary Investments and Hedging Transactions**

Except to the extent that the governing documents relating to a GCMLP Fund expressly provide otherwise, we may from time to time:

- › invest, for cash management purposes, cash held by such GCMLP Fund (pending investment by such GCMLP Fund or distribution to its investors) directly in securities and other financial instruments such as:
 - U.S. government and agency securities
 - bank demand deposit accounts—which may or may not be interest bearing—and certificates of deposit
 - commingled investment products (such as money market mutual funds)
- › cause such GCMLP Fund to engage in hedging transactions by purchasing or selling securities or derivative instruments with the intent of reducing certain exposure—for example, by:
 - purchasing or selling securities or derivatives with the intent of reducing certain exposures
 - entering into foreign currency forward contracts to hedge currency risk on behalf of such GCMLP Fund if such GCMLP Fund is denominated in a currency other than U.S. Dollars (e.g., Japanese yen, euro, Swiss franc), but invests primarily in U.S. dollar-denominated Underlying Funds, or if such GCMLP Fund is denominated in U.S. dollars and invests in Underlying Funds or individual securities that are denominated in currencies other than the U.S. dollar

These temporary investments and hedging transactions are ancillary to the primary hedge fund or alternative investment program of the affected GCMLP Funds.

Investment Strategies

We currently manage or advise portfolios that pursue the following investment strategies:

- broadly diversified, multi-strategy
- global long/short equity
- U.S. long/short equity
- global macro
- commodities
- global credit
- opportunistic (a blend of several of the above strategies, often with a more aggressive mandate)
- completion (weighted toward strategies under-represented in clients' portfolios)
- hedge fund seeding
- multi-asset class

We classify each Underlying Fund approved by the Investment Committee into a specific strategy and sub-strategy category based upon such Underlying Fund's primary investment strategy. Our current strategy and sub-strategy categories are as follows:

- Credit Strategies
 - › Fundamental credit
 - › Structured credit
 - › Long-short credit
 - › Distressed credit
 - › Emerging market credit
 - › Specialist credit
- Relative Value Strategies
 - › Convertible arbitrage
 - › Fixed income arbitrage
 - › Option volatility arbitrage
 - › Diversified relative value
- Equity Strategies

- › Directional equity
 - › Low-net equity
 - › Fundamental market neutral equity
 - › Activism
 - › Event driven
 - › Emerging market equity
 - › Specialist equity
- Quantitative Strategies
 - › Directional quantitative strategies
 - › Non-directional quantitative strategies
- Multi-Strategy
- Macro Strategies
 - › Diversified macro
 - › Emerging market macro
 - › Specialist macro
- Commodities Strategies
 - › Diversified commodities
 - › Specialist commodities
- Portfolio Hedging Strategies
 - › Dedicated short equities
 - › Dedicated short credit
 - › Volatility protection
 - › Opportunistic hedging
- Strategic Investments Group Strategies
 - › Direct investments
 - › Co-investments
- Private Markets Strategies
 - › Private equity
 - › Real estate
 - › Infrastructure
 - › Co-investment opportunities

Our broadly diversified, multi-strategy portfolios pursue a broad range of the various strategies as described herein. Our global long/short equity portfolios focus primarily on investing and trading in equity securities of both U.S. and non-U.S. issuers, whereas our U.S. long/short equity portfolios focus primarily on investing and trading in equity securities of U.S. issuers (see Equity Strategies). Our global credit portfolios primarily pursue the types of strategies discussed under Credit Strategies. While certain portfolios may primarily pursue a single strategy, all portfolios may pursue one or more of the various strategies discussed herein.

We may from time to time change our strategy classification framework, or reclassify the particular strategy or sub-strategy pursued by an Underlying Fund, in either case without notice to clients, using our reasonable discretion. Further, we may classify or re-classify a particular Underlying Fund as pursuing a particular strategy or sub-strategy even though such Underlying Fund may not invest all of its assets in accordance with such strategy or sub-strategy.

Credit Strategies

Credit strategies include directional and hedged investments in debt securities, credit derivatives, and related instruments. The primary investment approaches include long/short credit, fundamental credit, specialist credit, distressed credit and structured credit. Credit strategies, although diverse, can exhibit highly correlated losses during certain market periods.

Fundamental credit consists primarily of diversified credit portfolios that may engage in a wide range of investment approaches including, but not limited to distressed investing, high-yield credit, and direct lending. Investment managers assigned to this category typically have a net credit exposure greater than 50% net long.

- *Distressed investing* consists primarily of long and short directional investments in securities of companies that are in various stages of financial difficulty, including bankruptcy. The goal of the strategy is to earn an attractive absolute rate of return through investing in specific events with limited exposure to broad market fluctuations. Investment managers seek to capitalize on market opportunities resulting from a lack of information, illiquidity, excessive selling pressure, and complexity of capital structures or securities.
- *High-yield credit* involves taking long positions in levered loans or high-yield bonds. The positions in this sub-strategy are motivated primarily by fundamental credit views that also may consider technical market factors such as short-term supply/demand imbalances. An investment manager may be long an issuing company's credit either by investing directly in bonds or loans or by establishing a synthetic long position or short position through a credit default swap (CDS).
- *Direct lending* investments are primarily in debt securities of issuers that require capital for growth, acquisitions, recapitalizations, or changes of control. Such securities include first and second lien loans, as well as subordinated debt, which may include an associated equity component such as warrants, preferred stock, or other similar securities. The

investment manager directly originates these loans, which typically include relatively high coupons and generous structuring fees. In order to compensate for the less liquid nature of the instruments and other inherent risks of direct lending, direct financing arrangements often will be collateralized with assets, include restrictive covenants and provide upside equity participation.

Structured credit consists of investments in residential mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, and corporate credit-related structured credit instruments such as collateralized debt obligations (CDO). Trade selection is based on fundamental analysis of the underlying assets as well as analysis of the structured credit vehicle, including such vehicle's cash flow waterfall.

Long-short credit consists primarily of long-short credit, correlation trades, and credit volatility arbitrage.

- *Long-short credit* involves taking long and short positions that reflect relative-value views between, or among, different credits, groups of credits, sectors, or indices. The positions in this sub-strategy typically are motivated by fundamental credit views with an appreciation for market technicals. One example of a long/short credit trade is a pairs trade in which the investment manager may be long a company's CDS and short a competitor's CDS. Not all positions entail related credits; for example, an investment manager may construct a portfolio that is long a basket of telecom credits via a CDS and short a basket of financial services credits via a CDS.
- *Correlation trades* involve arbitraging perceived mispricings in baskets or portfolios of credits versus the individual components of the basket, an index, or a highly-correlated derivative of the basket. Frequently, the trade is structured to be neutral to credit spread movements in the broad market. The securities used in the arbitrage may include CDOs, synthetic CDOs, bespoke CDS baskets, credit indices and individual CDSs. Synthetic CDOs are similar to CDOs, except that the credits are included in the pool via CDS contracts instead of cash bonds. Bespoke CDS baskets represent a collection of credits that are selected individually to create a customized hedge of specific portfolio risks. These instruments are less liquid due to their customized nature.
- *Credit volatility arbitrage* typically involves buying and selling options on credit spreads of individual companies or on traded indices. An investment manager also may buy and sell volatility across various asset classes. For example, an investment manager may sell volatility via options on credit spreads and buy volatility on the same company via the equity markets.

Distressed credit consists of underlying funds that are explicitly focused on capturing opportunities in distressed situations primarily in corporate capital structures and at times within sovereign credits. This may range from buy-and-hold fundamental value identification to distressed activism, capital structure arbitrage within stressed or distressed capital structures, or various forms of documentation arbitrage.

Emerging market credit consists of underlying funds that opportunistically investing in stressed, distressed, and other value-oriented investments in emerging markets on a dedicated basis. Such investments may extend across the corporate capital structure and could periodically include more junior claims. Additionally, emerging market credit investments may at times include sovereign credit or rate positions, both long and short, either as value investment opportunities or as portfolio hedging tools.

Specialist credit consists of a variety of underlying strategies that tend to focus on niche subsets of global credit and fixed income markets. These will typically seek to exploit idiosyncratic mispricings or structural return premia available within the identified market segment. Examples of specialist credit strategies include, but are not limited to, aviation finance, litigation finance, origination platforms, and trade finance.

Relative Value Strategies

Relative value strategies include diversified relative value, convertible arbitrage, fixed income arbitrage, and option volatility arbitrage.

Diversified Relative Value

Diversified relative value strategies consist primarily of highly diversified multi-asset class portfolios that may engage in a wide range of investment approaches including, but not limited to convertible arbitrage, fixed income arbitrage and option

volatility arbitrage, as well as a range of other strategies. Diversified relative value strategies will typically exhibit a low beta and correlation profile to traditional equity and fixed income benchmarks.

Convertible Arbitrage

Convertible arbitrage strategies include a variety of strategies involving investments in convertible securities that investment managers perceive to be undervalued from a fundamental or volatility perspective. The primary convertible arbitrage strategies include, but are not limited to: long volatility or gamma trading, catalyst or event driven investing and credit sensitive investing. In general, a position in each particular strategy involves taking a long position in convertible bonds or convertible preferred shares and short positions in the underlying common stock into which the convertible securities are exchangeable, in order to isolate the aspect of the security that the investment manager believes is mispriced and largely eliminate the effect of directional moves in the underlying stock price.

- Long volatility or gamma trading primarily involves taking positions where the investment manager perceives that the volatility level of the underlying security implied by the price of the convertible security is too low relative to historical or expected future volatility of the security. The investment manager typically will fully hedge the long convertible position by shorting the appropriate amount of the underlying security and generally will make a profit if the underlying security exhibits high volatility. In the trades, the investment manager typically seeks to hedge interest rate and credit risk by using interest rate futures or swaps and credit derivatives.
- Catalyst or event driven investing involves taking positions where the investment manager expects that a catalyst or event will cause the implied volatility of the convertible bonds or the actual volatility of stock price changes to increase. Such catalysts may include new product announcements, litigation, management changes, or regulatory approval of a new drug. The investment manager typically will seek to hedge interest rate and credit risk by using interest rate futures or swaps and credit derivatives.
- Credit sensitive investing involves taking positions where the investment manager expects that the financial condition of the underlying company will improve and credit spreads of the convertible bond will narrow. Such a view may be based on improved trends in earnings, refinancing of existing debt or the selling of assets. The credit risk of such a position typically will be largely unhedged.

Fixed Income Arbitrage

Fixed income arbitrage includes a variety of strategies involving investments in fixed income instruments designed to: (i) eliminate or reduce exposure to changes in the level of interest rates; (ii) profit from perceived dislocations (e.g., anomalous yield differences) between related sets of fixed income securities. Examples of types of fixed income arbitrage trades include the following: yield curve arbitrage, swap spreads versus government yield spreads, cash versus futures basis trades, U.S. government agency debt versus U.S. Treasuries and the trading of agency mortgage derivatives.

Option Volatility Arbitrage

Option volatility arbitrage strategies trade volatility as an asset class. Exposures may be long, short, or neutral to the direction of implied volatility. Option volatility arbitrage strategies may be either directional or relative value in nature. Specifically, directional volatility arbitrage strategies seek to express a view on the likely trend of implied volatility across various asset classes including equities, foreign exchange, interest rates, and commodities, whereas relative value volatility arbitrage strategies seek to exploit mispricings between multiple options, or instruments containing implied volatility. Option volatility arbitrage managers typically invest in liquid instruments including options and variance swaps.

Multi-Strategy

Multi-strategy investment involves the combination of one or more of the strategies described herein in an effort to reduce volatility and mitigate strategy and market risks.

Equity Strategies

Equity strategies generally focus on the purchase or short sale of equity and equity-linked instruments in global markets. An equity investment manager may focus on a particular capitalization range (e.g., small cap versus large cap) or a particular industry sector (e.g., healthcare, technology, or consumer), may employ a specific investment style (e.g., value versus

growth) or may pursue a broad mandate, investing in securities without specific regard for their issuers' capitalization, sector or geography. Some investment managers may employ an activist approach whereby they attempt to influence company management to take specific measures to maximize shareholder value, while others may utilize top-down macroeconomic analysis to guide capital-allocation strategies and fundamental security selection. An equity investment manager typically seeks to capitalize on discrepancies between such investment manager's own evaluation of the intrinsic value of an equity security and assessment of the forward-looking prospects of the issuer of such security and the consensus view reflected in the market price of such security. Some investment managers also may seek to extract value by being more trading-oriented or catalyst-driven.

To the extent that GCMLP Funds invest with equity investment managers, we focus and expect to continue to focus on investment managers that primarily employ hedged equity investment strategies. A hedged equity investment manager typically implements its particular investment strategy by establishing long and short positions in equity or equity-linked instruments. However, while hedged equity investment managers typically focus on establishing both long and short positions, some of these investment managers may focus exclusively on establishing long or short positions. In addition to selling securities short, an equity investment manager may seek to hedge portfolio exposure by using instruments such as exchange-traded funds, equity-linked options, index options, and futures. Additionally, an investment manager may at times hold a portion of the portfolio in non-equity securities, including, but not limited to, preferred or convertible securities, equity options or at times fixed income instruments, though it is expected these exposures will represent a relatively minor portion of the portfolios' overall exposure. An equity investment manager also may seek to manage risk by adopting top-down constraints on leverage, limits on net market exposure, net regional exposure and net sector exposure, position size limits, position stop-loss limits and parameters relating to the number of its positions. Equity sub-strategies include directional equities, low-net equities, fundamental market neutral equities, activism, and specialist equity.

Directional equity

Directional equity strategies consist primarily of diversified generalist equity portfolios that may engage in a wide range of equity investment approaches. Investment managers assigned to this category will often have net long equity exposure in excess of 50%.

Low-net equity

Low-net equity strategies consist primarily of diversified generalist equity portfolios that may engage in a wide range of equity investment approaches. Investment managers assigned to this category typically have a net equity exposure greater than 50% net long in most market environment and may at times have net short portfolio exposure.

Fundamental market neutral equity

Fundamental market neutral equities consist primarily of portfolios that exercise a multi-portfolio manager investment approach and maintain a closely beta and factor hedged portfolio in most market environments, with underlying investment decision primarily based on fundamental security analysis (as opposed to various forms of quantitative analysis). Investment managers assigned to this category typically have a risk adjusted net equity exposure that will average close to zero over a full market cycle.

Activism

Within the equity strategy, activism primarily entails relies on the ability of a manager to acquire a significant economic stake that will most frequently be held in the voting equity instruments of the company in order to influence management and corporate decisions in such a way as to increase the value of the holdings. Examples include seeking management changes, selling business units, securing special dividends and influencing financial restructurings.

Event driven strategies

Event driven strategies include investing in spin-offs, stub-trades, post-restructuring equities, post-bankruptcy equities, risk (merger) arbitrage, litigation equity trades, and recapitalizations. A post-restructuring equity investment involves purchasing the equity of a company that has completed a recent restructuring, most commonly as part of a bankruptcy plan. Spin-offs are subsidiaries of large public companies that are distributed to shareholders as a means of enhancing shareholder value.

Risk arbitrage is a strategy that seeks to capitalize on perceived pricing discrepancies, or spreads, in the equity securities of two companies involved in announced corporate transactions, such as mergers, tender or exchange offers, reorganizations, liquidations and recapitalizations. For merger transactions, the strategy typically entails buying the security of the company being acquired, while simultaneously selling short the security of the acquirer. When a merger deal is pending, uncertainty about the outcome typically creates a pricing disparity; the stock of the target company typically sells at a discount to the expected acquisition price.

Investment managers investing in merger arbitrage seek to capture the spread between the current stock price and the price upon the completion of the deal. In a cash or tender transaction, the investment manager seeks to capture the spread between the tender price and the price at which the target company's stock is trading.

Emerging market equity

Emerging market equity strategies consist of funds focused specifically on investing in emerging markets. This may include a variety of portfolio construction methodologies and underlying investment techniques. Emerging market investing may differ in the risk/return, liquidity, legal infrastructure and accounting profile of underlying corporate reporting as compared to similar portfolio construction techniques deployed in developed equity markets.

Specialist equity

The specialist equity strategy consists largely of niche sector, regional and market focused funds across a range of portfolio construction approaches. These strategies will typically seek to leverage a narrow, focused investment approach to isolate uncorrelated return streams within a particular sub-set of global equity markets, or generate attractive risk adjusted exposure to a specific market opportunity. Examples of specialist equity strategies include, but are not limited to, healthcare, energy, and other sector focused funds, as well as regionally focused equity strategies.

Macro Strategies

Global macro includes a variety of strategies involving investments based on analysis, expectations and forecasts of macroeconomic trends; government and central bank policies; various macroeconomic or geopolitical events; and overall themes impacting regions, countries, sectors, or specific companies and the resulting impact on global capital markets. Specifically, trades within these strategies are typically based on analysis of broad factors including: governmental and central bank policies, political changes, deficit trends, trade imbalances, interest rate trends, commodity price trends, global investor sentiment and inter-country government relations. Global macro strategies may be diversified in nature trading across a wide range of asset classes globally or may be specialized to focus on particular regions, or sub-sets of tradeable macroeconomic asset classes, such as currencies or rates.

Commodity Strategies

Investing in commodities includes a variety of strategies involving investments based on the evaluation of market data and relationships as they pertain to commodity markets, including, but not limited to, energy, agriculture, resources, and metals. Managers pursuing these strategies analyze a number of factors including supply and demand, legislative and environmental policy changes, trends in growth rates and resource consumption, changes in global monetary and trade policy, geopolitical events, and technical factors.

We consider and evaluate commodity investment managers that perform fundamental research and make discretionary trading decisions as well as managers that employ systematic investment processes designed to make investment decisions based on mathematical, algorithmic, or technical models. Commodity investment managers generally seek to anticipate changes in market fundamentals and prices or identify situations where prices do not properly reflect fundamentals.

Quantitative Strategies

Quantitative strategies include funds that primarily use quantitative mathematical models to identify and implement underlying portfolio investments. Such quantitative mathematical models rely on patterns inferred from historical prices and other financial data in evaluating prospective investments. These formulas and models are typically developed and implemented using high-powered computers that may generate buy or sell indications to assist the manager in identifying securities and other financial instruments which appear mispriced based on the underlying models, furthermore, these systems will often implement buy or sell orders directly to brokers. The models used are often highly complex and rely on

quantitative (and to a lesser extent, technical) analysis of large amounts of real-time and historic data with a view towards identifying pricing discrepancies, inefficiencies and/or anomalies.

In addition to the models described above, quantitative strategies may also employ models that focus more on fundamental analysis and research conducted by analysts (rather than computer-based quantitative and technical analysis) and models that combine two or more types of analysis in varying degrees. Fundamental analysis and research explores, among other things, issuers, industries, current market and financial conditions and an understanding of the drivers of change within these areas. Such fundamental analysis and research is expected to be generated by substantial numbers of external investment professionals, data vendors, market participants and/or other consultants and may be augmented by a manager's internally generated fundamental analysis. The investment manager may apply systematic mathematical formulas to such analysis and research, or, may use such analysis and research alone, without further quantitative analysis to assist in developing their quantitative investment decision-making process.

Portfolio Hedging Strategies

If conditions warrant, we may employ four primary hedging strategies: dedicated short equity, dedicated short credit, volatility protection, and opportunistic hedges.

Dedicated Short Equity

Short equity strategies involve the short sale of equity and equity-linked instruments in global markets that would profit in the event of a decrease in the price of such securities. A dedicated short equity investment manager may focus on a particular capitalization range (e.g., small cap versus large cap) or a particular industry sector (e.g., healthcare, technology, or consumer), may employ a specific investment style or may pursue a broad mandate (e.g., selling securities short without specific regard for their issuers' capitalization, sector or geography). Some investment managers may employ a top-down macroeconomic analysis to guide their capital-allocation strategies or fundamental security selection. Investment managers that pursue this strategy typically seek to capitalize on discrepancies between such investment manager's own evaluation of the intrinsic value of an equity security and assessment of the forward-looking prospects of the issuer of such security and the consensus view reflected in the market price of such security. Some investment managers also may seek to extract value by being more trading-oriented or catalyst-driven.

Dedicated Short Credit

Dedicated short credit involves shorting individual investment-grade or high-yield credits that exhibit either perceived anomalous pricing relative to similar credits or perceived weakening fundamentals with a high probability of credit deterioration. The short position typically is established using a credit default swap (**CDS**). In addition to using a single-name CDS to short specific issuers, an investment manager also may use specific indices to short credit markets or specific sectors in aggregate.

Volatility Protection

Volatility protection strategies are portfolio hedging strategies that are designed to provide convex payoffs during extreme market crises. Volatility protection strategies generally invest in highly liquid financial derivatives and other securities that are expected to be profitable when global capital markets decline precipitously and volatility rises sharply. The generic types of volatility protection trades include, but are not limited to, the following: equity index puts and put spreads at various strike points, credit index protection positions at various strike points, volatility based securities such as variance swaps and Chicago Board of Trade Volatility Index options, directional currency positions and directional commodity positions. While volatility protection strategies are expected to provide positive returns when global capital markets decline significantly, they are a form of portfolio insurance and, as such, are expected to perform poorly, and could potentially lose all or substantially all capital allocated to them, when global capital markets are stable or upward-trending while providing positive returns when global capital markets decline significantly.

Opportunistic Hedging

Opportunistic hedging strategies may include a variety of short-term positions that have a positive expected rate of return in an environment where we would expect traditional equity or credit market risk factors to perform poorly. Relative to the other portfolio hedging strategies outlined above, opportunistic hedges are more likely to target discrete trades or risk factors, rather than shorting market benchmarks or purchasing derivative protection on such benchmarks.

Strategic Investments Group Strategies

GCMLP may invest GCMLP Fund capital in Strategic Investments Group Strategies.

Direct Investments

Direct Investments include investments directly in trading and/or investment positions, market exposures and/or other sources of risk premia, which may be included in certain GCMLP Funds, including Strategic Investments Funds.

A GCMLP Fund may also obtain a direct investment by receiving a portfolio security distributed to it by an Underlying Fund as an in-kind distribution. In these cases, we generally seek to liquidate direct investments received as in-kind distributions after the receipt by the relevant GCMLP Fund, as promptly as reasonably practicable subject to the liquidity of such direct investments.

Co-Investment Opportunities

Co-Investment Opportunities include opportunities in which an investor invests alongside a fund directly in an investment opportunity. Such investments will typically fall into one of the Investment Strategies mentioned previously. Potential advantages of co-investments may include investing alongside managers with deep domain expertise, ability to determine investment pace and portfolio composition on a portfolio company level, investing in selective high quality deal flow at reduced fees thereby enhancing potential overall returns for the private equity portfolio, and achieving quicker drawdowns and returns of capital.

Private Markets Strategies

GCMLP may invest GCMLP Fund capital in private markets strategies. In providing services to a GCMLP Fund that invests in private markets strategies, GCMLP may involve one or more affiliates of GCMLP.

Private Equity

Any investment strategy that involves the purchase of securities in a private transaction, including, but not limited to, leveraged buyouts, venture capital, private credit, real estate and infrastructure may be considered private equity.

Real Estate

Real estate investments include private investment in unlisted real estate assets. Real estate fund managers provide equity and attain debt financing to purchase assets and then work closely with local operating partners to implement an active asset management strategy. Investment strategies are typically designated as core, core plus, value-add or opportunistic; they vary significantly in risk, return and cash flow characteristics based on asset type, sector and geography.

Infrastructure

Infrastructure investments include investments in large-scale projects focused on transportation (e.g., airports, toll roads), communications (e.g., satellites, cable towers), energy production (e.g., renewables, dams, and pipelines), utilities (e.g., phone, electric generation), or social services (e.g., hospitals, schools, prisons, waste facilities). Infrastructure assets vary significantly in risk, return, and cash flow characteristics based on strategy, sector, stage, and geography.

Co-Investment Opportunities

Co-Investment Opportunities include opportunities in which an investor invests alongside a fund directly in a portfolio company, generally at reduced fee levels. Such deals can include buyout, venture capital, distressed debt, mezzanine, infrastructure, or real estate investment strategies. Potential advantages of co-investments may include investing alongside managers with deep domain expertise, ability to determine investment pace and portfolio composition on a portfolio company level, investing in selective high quality deal flow at reduced fees thereby enhancing potential overall returns for the private equity portfolio and achieving quicker drawdowns and returns of capital.

Secondary Sales of Investments

On occasion we may consider the sale of some or all of the investments within a GCMLP Fund or of a group of investments, which may be the same or different, among a group of GCMLP Funds (each, a **Secondary Sale**). We may consider a Secondary Sale of an investment on behalf of certain GCMLP Funds but not others. Reasons for a Secondary Sale can vary depending on the facts and circumstances associated with each GCMLP Fund. For example, a Secondary Sale could be considered at the specific request of a client, because a particular GCMLP Fund is approaching the end of its term, because

GCMLP receives an unsolicited offer, or because the sponsor of a particular investment proposes a restructuring or other liquidity event.

Risks and Other Special Considerations

An investment in a GCMLP Fund is speculative and involves substantial risk, including the possible loss of the entire amount invested, due to, among other factors:

- the nature of our investment programs
- the significant continuing uncertainty in the global financial markets
- significant fees and costs—including advisory, transaction and opportunity costs—associated with an investment in a GCMLP Fund
- the restrictions applicable to withdrawals/redemptions from a GCMLP Fund, as well as a GCMLP Fund's dependence on its ability to withdraw or redeem capital from Underlying Funds in order to satisfy withdrawal/redemption requests from its investors

There can be no assurance that any GCMLP Fund will achieve its investment objectives or avoid significant losses. Past performance is not necessarily indicative of future results, and the performance of the GCMLP Funds could be volatile.

You should not invest in a GCMLP Fund unless: you have no need for liquidity with respect to the investment, you are fully able to bear the financial risks of the investment for an extended period of time, and you are fully able to sustain the possible loss of the entire investment. You should consider an investment in a GCMLP Fund as a long-term investment that is appropriate only for a limited portion of your overall portfolio.

Set forth herein are the general categories of risk that apply to investing in the GCMLP Funds. These risks are discussed in greater detail in the relevant GCMLP Fund Documents. Certain of these risks may be exacerbated in the case of GCMLP Funds with concentrated portfolios. These risks are provided for illustrative purposes and not intended to be all-inclusive.

Market Risk – the risks that economic and market conditions and factors may materially adversely affect the value of a GCMLP Fund's investments.

Strategy Risk – the risks associated with: (i) the possible failure of GCMLP's asset allocation methodology, including the possible failure of a multi-Underlying Fund approach; (ii) the possible failure of the investment strategies, techniques and practices employed by one or more Investment Managers; (iii) possible inefficient or inaccurate trade execution by Underlying Funds; and (iv) GCMLP's inability to gauge (due to limited position-level transparency and/or unanticipated results) and/or react (due to the Underlying Funds' restrictive withdrawal/redemption provisions) on a real-time basis to specific strategy-related and/or position-level risks associated with positions held by the Underlying Funds in which a GCMLP Fund invests. In addition to the inherent opportunity costs of allocating assets across different strategies (which are, among other things, likely to have periods of offsetting profits and losses), to the extent GCMLP engages in the active allocation of the assets of a GCMLP Fund from time to time among different Underlying Funds, there can be no assurance that: (i) such strategy will not be more volatile than, or will not underperform, either or both an investment in a single Underlying Fund or a static allocation among a fixed group of Underlying Funds; (ii) an investment strategy that has been profitable in the past will not incur material losses in the future; or (iii) GCMLP will not allocate assets to Underlying Funds that are entering into unprofitable cycles and away from those entering into profitable cycles. Because GCMLP Funds invest in Underlying Funds, each GCMLP Fund is subject to the risks associated with the investment strategies and investment techniques employed by the Investment Managers. The Investment Managers may not be successful in attempting to generate profits or avoid losses. Underlying Funds employing alternative investment strategies are subject to a risk of total loss—the risk that a previously low volatility and apparently comparatively low risk strategy will incur sudden and dramatic losses—at a level of severity to which investment funds employing traditional strategies (which may be less dependent on the availability of financing or market liquidity) may not be subject. Strategy-specific losses may result from any number of factors, including excessive concentration by multiple Investment Managers in the same investment and/or market sector, general market events or conditions that adversely affect particular strategies (e.g., illiquidity within a given market), faulty assumptions or analysis concerning market events or conditions and faulty or incomplete due diligence regarding particular markets or investments. The governing documents of Underlying Funds typically do not impose any meaningful restrictions

on the manner in which the Investment Managers of such Underlying Funds may invest and trade, and often permit the Investment Managers to invest and trade in essentially an unrestricted range of strategies and securities. Investment Managers of Underlying Funds in which a GCMLP Fund invests may employ substantial amounts of leverage (e.g., leverage exceeding five times as measured by notional long market value as a percentage of capital) as well as engage in other specialized investment techniques and practices. These techniques and practices include, but are not limited to, use of derivatives, short selling, hedging, securities lending, use of models and trend-following. These techniques may increase the opportunities for gain, but also may substantially increase the risks of volatility and loss. A GCMLP Fund may invest in Underlying Funds that are domiciled in or managed from non-U.S. jurisdictions, or both. In addition, Investment Managers may invest in non-U.S. companies or trade in non-U.S. markets, or both. Investing and trading in securities of non-U.S. governments and companies may involve certain considerations not usually associated with investing and trading in securities issued by the U.S. government or by U.S. companies.

Manager Risk – the risks associated with a GCMLP Fund’s investments with Investment Managers, including: (i) the fact that an Investment Manager’s past performance is not necessarily indicative of future results; (ii) an Investment Manager’s dependence on a strictly limited number of key professionals; (iii) significant structural changes in an Investment Manager’s operations; (iv) fraud or misrepresentation on the part of an Investment Manager or its personnel; (v) an Investment Manager’s failure to comply with applicable legal, registration, tax or regulatory requirements; (vi) human error or poor judgment on the part of an Investment Manager’s personnel; and (vii) systems malfunctions and other operational failures.

Manager Investment Risk – the risks associated with investments in revenue share or equity interests in Investment Managers. To the extent a GCMLP Fund invests in revenue share or equity interests in Investment Managers, such GCMLP Fund would be subject to significant additional risks as such investments involve substantial business and financial risks that can result in significant losses. Risks involved in such investments include risks associated with investments in businesses in an early stage of development or with little or no operating history. These risks may be greater than would be the case if a GCMLP Fund invested primarily with seasoned Investment Managers. A GCMLP Fund’s control over the investment policies of an Investment Manager may be limited, but such rights could expose the assets of a GCMLP Fund to claims by Investment Managers, their other equity holders or their creditors. Investments in Investment Managers (in addition to Underlying Funds) also may subject GCMLP and its related persons to certain actual and potential conflicts of interest in making investment decisions for a GCMLP Fund in addition to those that it would be subject to if such GCMLP Fund exclusively invested in Underlying Funds.

Reliance on Underlying Managers – GCMLP invests on behalf of clients primarily in hedge funds, and to a lesser extent in private equity, infrastructure, and real estate funds, as well as companies sponsored and managed by third parties. GCMLP generally does not have an active role in the management of the assets of the underlying funds or companies, including the valuation by the underlying funds of their investments. GCMLP’s ability to withdraw from or transfer interests in such funds and companies may be limited. Further, the performance of each investment made by GCMLP may depend significantly on decisions made by third parties, which could adversely affect the returns achieved by GCMLP.

Identification and Availability of Investment Opportunities – The success of GCMLP Funds depends on the identification and availability of suitable investment opportunities. To some degree, the availability of investment opportunities will be subject to market conditions and other factors outside the control of GCMLP. Past returns of GCMLP Funds have benefited from investment opportunities and general market conditions that may not recur, including favorable borrowing conditions in the debt markets, and there can be no assurance that Underlying Funds will be able to avail themselves of comparable opportunities and conditions. There can be no assurance that the Underlying Funds will be able to identify sufficient attractive investment opportunities to meet their investment objectives.

Structural Risk – the risks arising from the organizational structure as well as the operative terms of the relevant GCMLP Fund and the Underlying Funds in which such GCMLP Fund invests, including investor liquidity restrictions. The operative terms of the Underlying Funds in which a GCMLP Fund invests are necessarily reflected in the operative terms of such GCMLP Fund. There are material restrictions on transferring interests in, as well as on redeeming or withdrawing capital from, GCMLP Funds, as set forth in the relevant GCMLP Fund’s governing documents. No secondary market exists for shares or other interests in any GCMLP Fund and none is likely to develop. Further, the complicated and often protracted process

of withdrawing or redeeming from Underlying Funds could limit a GCMLP Fund's ability to meet withdrawal/redemption requests from the investors in such GCMLP Fund. Each GCMLP Fund is subject to management or advisory fees and other costs and expenses, regardless of whether it realizes any profits, and will have to earn substantial profits to avoid depletion of its assets due to such fees, costs, and expenses. As GCMLP Funds invest in Underlying Funds, each Fund bears its allocable share of the costs and expenses of the Underlying Funds in which it invests. This includes its allocable share of the Underlying Funds' respective organizational, offering, investment, and operating expenses, including taxes, interest due on borrowings, brokerage costs, the fees, expenses, and performance compensation of the Investment Managers and any extraordinary costs incurred. Each GCMLP Fund is thus subject to a layering of fees and a potentially higher expense ratio than would be associated with an investment in an investment fund that invests and trades directly in financial instruments under the direction of a single Investment Manager.

Valuation Matters – The fair value of all investments or of property received in exchange for any of GCMLP investments will be determined by GCM Grosvenor in accordance with its policies and procedures and the relevant GCMLP Fund Documents. Accordingly, the carrying value of an investment may not reflect the price at which it could be sold in the market, and the difference between the carrying value and the ultimate sales price could be material. In addition, GCM Grosvenor's objectivity in determining valuations, whether at the GCMLP Fund or the Underlying Fund level, could be qualified by GCM Grosvenor's incentive to present positive investment results. The valuation of investments will also affect the amount and timing of GCM Grosvenor's carried interest or performance-based fees or allocations and, in many circumstances, the amount of management fees payable to GCM Grosvenor. The valuation of investments may also affect the ability of GCM Grosvenor to raise successor funds to one or more GCMLP Funds. As a result, there may be circumstances where GCM Grosvenor is incentivized to determine valuations that are higher than the actual fair value of investments.

Operational Risk – the risks arising from the day-to-day management of multi-investor investment vehicles. In certain cases, GCMLP Funds are multi-investor investment vehicles, and in most cases, the Underlying Funds in which GCMLP Funds invest are multi-investor investment vehicles.

Cybersecurity Risk – Cyberattacks and security vulnerabilities could result in a breach despite the various protections utilized by GCM Grosvenor and GCM Grosvenor vendors. A breach could potentially result in the disclosure of client data, the misuse of confidential or proprietary information, theft of assets, regulatory issues, or damage to the firm's reputation.

Institutional Risk – the risks that a GCMLP Fund could incur losses due to: (i) the failure of counterparties to perform their contractual commitments to such GCMLP Fund or to the Underlying Funds in which such GCMLP Fund invests; (ii) the financial difficulties, fraud or misrepresentation of brokerage firms, banks or other financial institutions that hold assets of such GCMLP Fund or of the Underlying Funds in which such GCMLP Fund invests; (iii) the failure of exchanges and clearinghouses; (iv) suspensions of trading; or (v) counterparties holding assets in unregulated rather than regulated accounts.

Regulatory Risk – the risks associated with: (i) no regulatory approval or recommendation of GCMLP or any Investment Manager; (ii) investing both in unregulated entities and in securities sold in unregistered offerings; (iii) GCMLP, GRV Securities LLC (a broker-dealer affiliated with GCMLP), the GCMLP Funds, the Investment Managers and the Underlying Funds operating in a changing regulatory environment, including the risks of regulatory inquiries, new legislation, new regulations and government intervention; (iv) a GCMLP Fund needing to comply with numerous regulations restricting its offering procedures; and (v) being subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**) (in the case of certain GCMLP Funds). Except in the case of GCMLP Funds registered as investment companies under the ICA, the GCMLP Funds are not required to register as investment companies under or to comply with the substantive provisions of the ICA. As such, investors in these GCMLP Funds will not receive the protection of such laws. If a GCMLP Fund were registered as an investment company under the ICA, the ICA would require—among other things—that such GCMLP Fund have a board of directors comprised in significant part of independent directors, would compel the use of certain custodial arrangements, and would regulate such GCMLP Fund's relationships and transactions with GCMLP and its related persons. Compliance with certain of such provisions could reduce certain risks to which an investor is exposed.

Political Risk – Any new Executive Branch administration may involve changes in U.S. regulations and laws as well as economic and tax policy. There can be no certainty as to what actions any new administration will take in this regard and

whatever the ultimate outcome of a new administration's proposals, there is likely to be substantial uncertainty regarding the state and effect of financial regulation resulting from any regulatory changes. There can be no assurance that changes in U.S. economic and tax policy or to the regulation of the financial markets will not have a material adverse effect on the investments and investment strategies pursued by GCM Grosvenor Funds.

Tax Risk – the tax risks and special tax considerations arising from the operation of multi-investor investment vehicles. In certain cases, GCMLP Funds are multi-investor investment vehicles, and in most cases, the Underlying Funds in which GCMLP Funds invest are multi-investor investment vehicles. Among other things, many GCMLP Funds that are organized as partnerships for U.S. federal income tax purposes are not expected to be able to complete and file their partnership income tax returns for any year or deliver Schedule K-1s for the year to their investors until they have received Schedule K-1s or similar tax information for that year from the Underlying Funds in which they invest and have received other necessary information from the Investment Managers of such Underlying Funds. Because a large number of the Underlying Funds in which such GCMLP Funds invest are calendar year taxpayers, it is highly unlikely that such GCMLP Funds will be able to send Schedule K-1s to their investors in time for them to file their income tax returns by the original due date. Thus, it will likely be necessary for such investors to obtain extensions of the filing date for their returns for each year. An Underlying Fund may, in an effort to minimize taxation, take certain tax positions, or use certain tax structures that may in the future be disallowed or reversed, which could result in material tax expenses to such Underlying Fund.

Additionally, investors in GCMLP Funds may have different tax considerations, such as a desire to avoid income effectively connected with the United States, unrelated business taxable income, or withholding on certain types of income. Further, investments in non-U.S. jurisdictions may result in additional tax risks unique to the non-U.S. jurisdictions.

Follow-On Investments – a GCMLP Fund may be called upon to provide additional funding for Strategic Investments in which it has an investment, or may have the opportunity to increase its investment in such Strategic Investments. There can be no assurance that a GCMLP Fund or an Underlying Fund will wish to make additional investments or that it will have sufficient available capital or funds to do so. Any decision by a GCMLP Fund not to make additional investments or its inability to make them may have a substantial negative impact on a Strategic Investment in need of such an investment, may diminish such GCMLP Fund's ability to influence the Strategic Investment's future development, or may result in reduced returns from the Strategic Investment due to dilution. It is important to note that a GCMLP Fund may no longer be permitted to commit capital without investor approval and sufficient available capital or funds. Even with such approval and available capital or funds, the GCMLP Fund still may not be able to invest for various reasons.

Concentration Risk – certain GCMLP Funds may only make a limited number of investments, and those investments may involve a high degree of risk; as such, poor performance by a few of the investments could severely affect the total returns to investors.

Controlling Interest Risk – an investment may involve a controlling interest. The exercise of control may impose additional risks of liability for environmental damage, product defects, pension benefits, failure to supervise management, violation of governmental regulations (including securities laws) or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, the GCMLP Fund might suffer a significant loss.

Reliance on Management of Co-Investments – While it is our intent to invest the assets of GCMLP Funds in Co-Investments with qualified operating management in place alongside qualified investment managers, there can be no assurance that such management will remain in place or continue to operate successfully. Although we will monitor the performance of Underlying Funds and Co-Investments, each GCMLP Fund will rely upon management to operate the Underlying Funds and Co-Investments on a day-to-day basis.

Risks upon Disposition of Investments – In connection with the disposition of an investment or Underlying Fund, a GCMLP Fund or Underlying Fund may be required to make representations about the business and financial affairs of the investment or Underlying Fund of a type typically made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. A GCMLP Fund or Underlying Fund may also be required to indemnify the purchasers of such investment or the underwriters to the extent that any such representations or

disclosure documents turn out to be incorrect, inaccurate, or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by investors. If relevant, GCMLP Fund Documents contain provisions to the effect that if there is any such claim in respect of an investment or Underlying Fund, it will be funded by the investors in such GCMLP Fund to the extent that they have received distributions from the GCMLP Fund, subject to certain limitations.

Foreign Investment Risk – Underlying funds, Strategic Investments and Co-Investments in which the GCMLP Funds may invest may be organized and operate outside of the United States. Such investments involve risks not typically associated with investments in securities issued by U.S. companies. For instance, investments in non-U.S. businesses:

- may require significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations
- may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the United States
- will expose the investing GCMLP Fund to potential losses arising from changes in foreign currency exchange rates on unrealized investments, uncalled capital commitments to investments and investment reserves.

All of the foregoing factors, and others, may increase transaction costs and adversely impact the value of a GCMLP Fund's investments in non-U.S. Strategic Investments or Co-Investments. To the extent a GCMLP Fund or Underlying Fund invests in Strategic Investments or Co-Investments that operate in emerging market countries, those investments involve certain risks not typically associated with investments in the securities of companies in more developed markets, including the direct and indirect consequences of potential political, economic, social, and diplomatic changes in those countries. The governments in those countries typically participate to a significant degree, through ownership interests or regulation, in local business, often exercising a controlling influence in certain key sectors of the economy. In emerging markets, these risks may be heightened.

Unknown Impact of Brexit – The outcome of the June 23, 2016 United Kingdom (UK) referendum on whether to leave or remain a member state of the European Union (EU) was in favor of leaving. Under the process for leaving the EU contemplated in Article 50 of the Treaty on the Functioning of the European Union (TFEU), the UK will remain a member state until a withdrawal agreement is entered into, or failing that, two years following the notification of the intention to leave. Article 50 was triggered on March 29, 2017, formally beginning the process for UK's withdrawal from the EU. Given the size and importance of the UK's economy, (a) uncertainty or unpredictability about its legal, political and economic relationship with Europe; (b) any new laws or regulations adopted to replace those which cease to apply on leaving the EU; and (c) uncertainties relating to the possibility, or scope, of possible transitional arrangements to be agreed between the UK and the EU may be, or continue to be, a source of instability, create significant currency fluctuations, and/or otherwise adversely affect international markets, arrangements for trading or other existing cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future including beyond the date of the UK's withdrawal from the EU or the expiration of any transitional arrangements which may be agreed. The outcome of the UK referendum could also have a destabilizing effect if other member states were to consider the option of leaving the EU. For these reasons, the decision of the UK to leave the EU could have materially adverse consequences on GCM Grosvenor Funds, the performance of their investments or investment strategies and their ability to source, identify, and invest in a sufficient number of opportunities to permit GCM Grosvenor Funds to sufficiently diversify their portfolios or to otherwise fulfill their investment objectives. As a result, this may have a materially adverse effect on the potential return on an investment in a GCM Grosvenor Fund.

Risks Associated with Portfolio Companies of Underlying Funds – The portfolio companies in which the Underlying Funds have invested or may invest may involve a high degree of business and financial risk. These companies may be in an early stage of development, may not have a proven operating history, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, may have a high level of leverage, or may otherwise have a weak financial condition. In addition, these portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified

managerial and technical personnel. In addition, during periods of difficult market conditions or slowdowns in a particular investment category, industry, or region, portfolio companies may experience decreased revenues, financial losses, and difficulty in obtaining access to financing and increased costs. During these periods, these companies may also have difficulty in expanding their businesses and operations and may be unable to pay their expenses as they become due. A general market downturn or a specific market dislocation may result in lower investment returns for the Underlying Funds in which a client invests, which would adversely affect investment returns.

Substantial Fees and Expenses – Clients typically pay management fees, offering and organizational expenses and operational expenses as set forth in their governing documents, whether or not they make any profits. While it is difficult to predict the future expenses of clients, such expenses may be substantial. Please see Item 5 for additional information on fees and expenses.

For a complete discussion of a particular GCMLP Fund's investment strategies and the principal investments risks of those strategies, please read carefully the GCMLP Fund Documents received from us in connection with such GCMLP Fund.

Conflicts of Interest

In addition, GCMLP, GCM CFG, our affiliated entities and our related persons are subject to certain actual or potential conflicts of interest in making investment decisions for the GCMLP Funds and GCM CFG Funds, and the Investment Managers are subject to similar as well as certain additional actual and/or potential conflicts of interest in managing their respective Underlying Funds. Some of these conflicts have been discussed throughout. Certain of these actual and potential conflicts of interest are discussed herein, in the current GCM Grosvenor Fund Documents provided to each prospective investor in a particular GCMLP Fund, GCM CFG Fund, and/or in the document entitled *GCM Grosvenor – Supplemental Disclosures Regarding Conflicts of Interest*, a copy of which is available from us upon request.

GCM Grosvenor currently provides or may in the future provide a broad spectrum of financial services, including, without limitation, investment advisory, broker-dealer, asset management, capital markets and idea generation services, to a variety of clients, including GCM Grosvenor Funds. GCM Grosvenor expects to sponsor, manage, and/or advise additional GCM Grosvenor Funds in the future, including GCM Grosvenor Funds that have investment objectives, programs, strategies and positions that are similar to or have interests adverse to each other. Because GCM Grosvenor has different financial services businesses and sponsors, manages and/or advises multiple GCM Grosvenor Funds, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than those to which it would otherwise be subject if it had only one line of business or sponsored, managed and/or advised only a single GCM Grosvenor Fund. Even if one GCM Grosvenor Fund has investment objectives, programs or strategies that are similar to those of another GCM Grosvenor Fund, GCM Grosvenor still gives advice or takes action with respect to the investments held by, and transactions of, the other GCM Grosvenor Funds that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, such GCM Grosvenor Fund for a variety of reasons, including, without limitation, differences between the investment strategy, financing terms, regulatory treatment and tax treatment of the other GCM Grosvenor Funds and such GCM Grosvenor Fund. As a result, one GCM Grosvenor Fund and another GCM Grosvenor Fund will likely have substantially different portfolios and investment returns.

Prospective and existing investors in a GCM Grosvenor Fund should generally understand that (i) the relationships among such GCM Grosvenor Fund, the other GCM Grosvenor Funds and GCM Grosvenor are complex and dynamic; and (ii) as GCM Grosvenor's and GCM Grosvenor Funds' businesses change over time, GCM Grosvenor and its personnel will likely be subject, and such GCM Grosvenor Fund will likely be exposed, to new or additional conflicts of interest. In the ordinary course of business, and in particular in managing and making investment decisions for GCM Grosvenor Funds, GCM Grosvenor engages in activities in which its interests or the interests of certain GCM Grosvenor Funds may conflict with the interests of other GCM Grosvenor Funds and the investors in such GCM Grosvenor Funds. Such conflicts of interest could affect the objectivity of GCM Grosvenor and adversely affect one or more of the GCM Grosvenor Funds and/or the performance of the GCM Grosvenor Funds or returns to their investors. Certain of these actual and potential conflicts are summarized herein. In addition, each investor and prospective investor in a GCM Grosvenor Fund is urged to review carefully any relevant GCM Grosvenor Fund's constituent or offering documents (**GCM Grosvenor Fund Documents**) for

additional information regarding GCM Grosvenor's business, such as GCM Grosvenor Fund, and the conflicts of interest to which GCM Grosvenor is subject.

GCM Grosvenor maintains policies and procedures that address actual and potential conflicts of interest. In the event that a conflict of interest arises, GCM Grosvenor will generally attempt to resolve such conflict according to such policies and procedures and in a fair and equitable manner, on a case-by-case basis. GCM Grosvenor will take into consideration the interests of the relevant parties, including the interests of GCM Grosvenor, and the circumstances giving rise to the conflict in its resolution of conflicts. GCM Grosvenor will have the power to resolve, or consent to the resolution of, conflicts of interest on behalf of, and such resolution will be binding on, the GCM Grosvenor Funds. These resolutions include, without limitation, refraining from investing in or disposing of the investment giving rise to the conflict of interest, appointing an independent party to provide approval on behalf of the relevant GCM Grosvenor Fund or consulting an investor advisory committee.

GCM Grosvenor cannot resolve all conflicts of interest in a manner that is equitable or favorable to all GCM Grosvenor Funds and all investors in such GCM Grosvenor Funds and the investors in GCM Grosvenor Funds will generally have no means of confirming that any of such conflicts have, in fact, been equitably resolved. GCM Grosvenor has an inherent conflict of interest when identifying an issue as a conflict and when resolving conflicts of interest that involve its own interests. There can be no assurance that any actual or potential conflict of interest will not result in a less favorable outcome for the GCM Grosvenor Fund than if such conflict of interest did not exist. By investing in a GCM Grosvenor Fund, each investor will be deemed to have acknowledged and consented specifically to (i) the existence of such actual, apparent and potential conflicts of interest, including, without limitations, those described herein and in the relevant GCM Grosvenor Fund Documents; and (ii) the actions taken by GCM Grosvenor to address such conflicts and, to the extent permitted by applicable law, to have waived any claims with respect to the existence of any conflicts of interest.

GCM Grosvenor Policies and Procedures

Policies and procedures implemented by GCM Grosvenor in an effort to mitigate potential conflicts of interest and/or address certain regulatory requirements and contractual restrictions reduce the synergies that would otherwise exist across its various businesses and that GCM Grosvenor could otherwise draw on in pursuing attractive investment opportunities for GCM Grosvenor Funds. GCM Grosvenor has established compliance functions to administer GCM Grosvenor's information sharing policies and procedures and to identify and monitor potential conflicts of interest. Although GCM Grosvenor Funds generally seek to leverage GCM Grosvenor's firm-wide resources to help source, conduct due diligence on, structure, and create value for GCM Grosvenor Funds' investments, the information sharing policies and procedures referenced above, as well as certain legal, contractual, and tax constraints and other considerations could significantly limit GCM Grosvenor Funds' ability to do so. For example, GCM Grosvenor may come into possession of material non-public information with respect to (i) companies in which a GCM Grosvenor Fund is invested or is considering investing (each, a **Portfolio Company**); and/or (ii) companies that are current GCM Grosvenor clients. Due to the receipt of such information, GCM Grosvenor may be restricted from sharing such information with the GCM Grosvenor professionals responsible for making GCM Grosvenor Funds' investment or divestment decisions or from making such investments or divestments, even where the disclosure of such information would be in the best interest of one or more GCM Grosvenor Funds or would otherwise influence the decisions taken by such investment professionals with respect to such actual or potential investment or divestment. Additionally, the terms of confidentiality or other agreements with or related to companies in which GCM Grosvenor has entered, either on its own behalf or on behalf of advisory clients of GCM Grosvenor, may restrict or otherwise limit the ability of a GCM Grosvenor Fund to make investments in or otherwise engage in businesses or activities competitive with such companies. GCM Grosvenor may also enter into one or more strategic relationships (e.g., in certain regions or with respect to certain types of investments) that, while intended to provide greater opportunities for a GCM Grosvenor Fund, may require such GCM Grosvenor Fund to share such opportunities or otherwise limit the amount of certain, or all such opportunities the GCM Grosvenor Fund could otherwise take. Accordingly, there can be no assurance that GCM Grosvenor Funds will be able to fully leverage all of the available resources and industry expertise of GCM Grosvenor. Additionally, there may be circumstances in which one or more individuals associated with GCM Grosvenor cannot provide services to one or more GCM Grosvenor Funds because of certain confidential information available to those individuals.

Multiple GCM Grosvenor Funds

GCM Grosvenor sponsors, manages, and/or advises multiple GCM Grosvenor Funds. The investment strategies pursued, and types of investments made, by the various GCM Grosvenor Funds can be similar to one another. Therefore, certain GCM Grosvenor Funds compete with other GCM Grosvenor Funds and/or Underlying Funds in identifying and seeking to acquire investments.

GCM Grosvenor and its related persons might have an incentive to favor certain GCM Grosvenor Funds over other GCM Grosvenor Funds. For example, with regard to the selection of investment opportunities or the allocation of investment opportunities that have limited investment capacity, because GCM Grosvenor may receive greater compensation from the favored GCM Grosvenor Funds for its services or otherwise, including, without limitation, in arrangements without contingencies (such as a carried interest clawback or performance-based fee or allocation loss carryforward) or arrangements where the favored GCM Grosvenor Fund is associated with different expenses, including in light of an agreement by GCM Grosvenor to bear certain expenses on behalf of such GCM Grosvenor Fund. GCM Grosvenor and its related persons may also have an incentive to favor certain GCM Grosvenor Funds over other GCM Grosvenor Funds if GCM Grosvenor or its related persons have investments in such favored GCM Grosvenor Funds.

Additionally, certain GCM Grosvenor Funds invest in other GCM Grosvenor Funds, and GCM Grosvenor may be authorized to vote with respect to the interests held by such investing GCM Grosvenor Funds and otherwise act as their representative with respect to GCM Grosvenor Funds in which such other GCM Grosvenor Funds invest (including, without limitation, serving as such investing GCM Grosvenor Funds' representative on an advisory or similar committee).

As a result of certain restrictions imposed by the ICA on GCM Grosvenor RICs and on affiliated persons (as that term is defined in the ICA) of such RICs, it is possible that if a GCM Grosvenor Fund invests in an Underlying Fund in which a RIC managed by GCM Grosvenor is also an investor, such GCM Grosvenor Fund may be required to forego some or all of its voting rights associated with such investment. In addition, in situations where a RIC that GCM Grosvenor manages and other GCM Grosvenor Funds own, in the aggregate, 25% or more of the interests in a particular Underlying Fund, GCM Grosvenor Funds may be precluded from making additional investments in such Underlying Fund, even though GCM Grosvenor deems it would be appropriate for GCM Grosvenor Funds to make additional investments in such Underlying Fund. In seeking to not limit certain GCM Grosvenor Funds' investment activities as a result of this restriction, GCM Grosvenor may choose to not invest RIC assets in certain Underlying Funds. Moreover, in the event that such aggregate ownership in an Underlying Fund equals or exceeds the 25% threshold, for example, due to redemptions by non-GCM Grosvenor investors in an Underlying Fund, GCM Grosvenor would likely redeem a portion of the aggregate RIC and GCM Grosvenor Funds' capital from the Underlying Fund to reduce the aggregate ownership level below that threshold.

Investment in Different Parts of the Capital Structure

GCM Grosvenor Funds may invest in companies in which GCM Grosvenor or one or more other GCM Grosvenor Funds also invest, either directly or indirectly through an Underlying Fund. Investments in a company by certain GCM Grosvenor Funds may be made prior to the investment by other GCM Grosvenor Funds, concurrently, including as part of the same financing plan or subsequent to the investments by such other GCM Grosvenor Funds. Any such investment by a GCM Grosvenor Fund may consist of securities or other instruments of a different class or type from those in which other GCM Grosvenor Funds are invested, and may entitle the holder of such securities or other instruments to greater control or to rights that otherwise differ from those to which such other GCM Grosvenor Funds are entitled. In connection with any such investments—including as they relate to acquisition, owning, and disposition of such investments—the GCM Grosvenor Funds may have conflicting interests and investment objectives, and any difference in the terms of the securities or other instruments held by such parties may raise additional conflicts of interest for the GCM Grosvenor Funds and GCM Grosvenor. For example, certain GCM Grosvenor Funds may invest in the common equity of a company that subsequently issues debt that is held, directly or indirectly, by one or more other GCM Grosvenor Funds; the interests of these two groups of investors in the company may under certain circumstances be unaligned or adverse—particularly in times of stress for the company. This conflict may be exacerbated to the extent that representatives of GCM Grosvenor serve on an advisory or other board or committee related to such company or GCM Grosvenor Funds' investment in such company. In

certain instances, GCM Grosvenor Funds and/or GCM Grosvenor may invest as a minority investor as part of a larger investing group or syndicate. In such cases, the financial sponsor, and not GCM Grosvenor, will be in the position to negotiate and potentially make decisions on behalf of the holders of the relevant class of equity or debt holders.

GCM Grosvenor recognizes that conflicts arise under such circumstances and will endeavor to treat all GCM Grosvenor Funds fairly and equitably. To that end, GCM Grosvenor has adopted procedures that are designed to enable GCM Grosvenor to address such conflicts and to ensure that GCM Grosvenor Funds are treated fairly and equitably.

Carried Interest, Performance-Based Fees and Allocations and Management Fees

GCM Grosvenor sometimes receives carried interest or other performance-based fees or allocations that may create an incentive for GCM Grosvenor to make more speculative investments and determinations, directly or indirectly on behalf of GCM Grosvenor Funds, or otherwise take or refrain from taking certain actions than it would otherwise make in the absence of such carried interest or performance-based fees or allocations. In addition, GCM Grosvenor may have an incentive to make exit determinations based on factors that maximize economics in favor of GCM Grosvenor or its employees. Certain employees or related persons of GCM Grosvenor can receive directly a portion of GCM Grosvenor's carried interest or performance-based fees or allocations with respect to one or more GCM Grosvenor Funds, which may similarly influence such employees' or related persons' judgments. In connection therewith, any clawback obligation may create an incentive for GCM Grosvenor to defer disposition of one or more investments if such disposition would result in a realized loss and/or the finalization of dissolution and liquidation of a GCM Grosvenor Fund where a clawback obligation would be owed.

GCM Grosvenor receives management fees in respect of certain GCM Grosvenor Funds on an as invested basis or only in respect of invested capital where GCM Grosvenor may have an incentive to make investments more quickly, or at all, or defer disposition or the write-off of investments, for such GCM Grosvenor Funds in order to earn management fees that it otherwise would not, absent such a fee arrangement. In addition, management fees or other compensation is sometimes calculated on a basis that includes unrealized appreciation and thus might be greater than if the compensation were based solely on realized gains.

In certain instances, the management fees and/or carried interest or other performance-based fees or allocations payable to GCM Grosvenor in respect of a particular GCM Grosvenor Fund may be offset by the management fees and/or incentive compensation payable to Investment Managers of Underlying Funds in which such GCM Grosvenor Funds invest (so-called "all in" fee arrangements). In such instances, we will have an incentive to invest directly rather than with an Investment Manager, even if the GCM Grosvenor Fund would be better served by investing with an Investment Manager, or to invest with Investment Managers that charge lower fees or to otherwise structure compensation arrangements with Investment Managers that reduce the amount of these offsets, which in each case may affect the quality of the Investment Managers with whom such GCM Grosvenor Funds invest.

Other Fees

GCM Grosvenor may earn fees or similar compensation in a variety of ways, including from or in connection with services provided or related to portfolio investments or in connection with actual or potential investments, including, without limitation, board of directors' fees and supervisory/monitoring fees with respect to investments and other fees, break-up and similar transaction fees, and may receive these fees on an accelerated basis in connection with certain transactions. Except as otherwise disclosed, GCM Grosvenor Fund investors will not receive the benefit of fees or other compensation received by GCM Grosvenor in connection with the provision of services by GCM Grosvenor to GCM Grosvenor Funds or third parties.

Other GCM Grosvenor Business Activities

GCM Grosvenor and its related persons may engage in any activities, including, without limitation, a broad range of advisory, capital markets and other businesses or ventures. GCM Grosvenor has no obligation to make investment or other opportunities in any such businesses or ventures available to any GCM Grosvenor Fund or to the investors in any GCM Grosvenor Fund. Except to the extent GCM Grosvenor determines otherwise, in connection with its other businesses and ventures, GCM Grosvenor may enter into agreements related to clients or potential investments, restricting the ability of the GCM Grosvenor Funds to make certain investments or engage in certain activities, which would otherwise be of benefit

to the GCM Grosvenor Funds. In addition, from time to time, GCM Grosvenor will provide services beyond those currently provided. GCM Grosvenor Funds will not participate in the risks or rewards of such businesses or ventures and the investors in the GCM Grosvenor Funds will not receive a benefit from fees generated by such activities. Further, such businesses and ventures (i) compete with the GCM Grosvenor Funds for GCM Grosvenor's time and attention (as well as the time and attention of GCM Grosvenor's related persons); and (ii) potentially create additional conflicts of interest or raise other special considerations.

Conflicts of interest resulting from the foregoing include the allocation of management time among GCM Grosvenor Funds and other clients of GCM Grosvenor. Nothing in the governing documents of any GCM Grosvenor Fund generally (i) requires GCM Grosvenor and its affiliates to devote their full business time to the business and affairs of any particular GCM Grosvenor Fund or to the business and affairs of the GCM Grosvenor Funds in general; (ii) limits or restricts GCM Grosvenor or its related persons from engaging in and devoting time and attention to other businesses or ventures or from rendering services of whatever kind or nature; or (iii) restricts GCM Grosvenor or its related persons from forming additional investment funds, from entering into investment advisory relationships or from engaging in other business activities. As GCM Grosvenor sponsors, advises, and/or manages numerous GCM Grosvenor Funds, the officers and employees of GCM Grosvenor may not spend a significant portion of their time on matters related to any particular GCM Grosvenor Fund, and GCM Grosvenor or its personnel may have financial or other incentives to favor certain GCM Grosvenor Funds over other GCM Grosvenor Funds. Additionally, potential investments by GCM Grosvenor Funds are subject to approval by a GCM Grosvenor investment, operations, or other committees, whose professionals serve this function for all or certain GCM Grosvenor Funds. It is expected that an investment, operations or other committees and its professionals will face additional conflicts of interest in allocating their time, attention, and potential investment opportunities among GCM Grosvenor Funds.

In addition, as permitted by law, GCM Grosvenor and its related persons, in investing and trading for its proprietary accounts may make use of information obtained by GCM Grosvenor in the course of investing for the GCM Grosvenor Funds. GCM Grosvenor does not generally establish information barriers between internal investment teams. GCM Grosvenor and its related persons will have no obligation to compensate any GCM Grosvenor Fund (or any investor therein) in any respect for its receipt of such information or to account to any GCM Grosvenor Fund (or any investor therein) for any profits earned from GCM Grosvenor's or its related persons' use of such information.

In addition, while GCM Grosvenor maintains compliance policies and procedures, including personal trading policies, which seek to reduce potential conflicts of interest, GCM Grosvenor employees in certain circumstances may be permitted to invest in alternative investment funds and other investment vehicles, including GCM Grosvenor Funds and potential competitors of GCM Grosvenor Funds. Investors will not receive any benefit from any such investments. The records of any such investments by GCM Grosvenor's employees generally will not be open to inspection by the investors. GCM Grosvenor and its employees give advice or take action for their own accounts that may differ from, conflict with, or be adverse to advice given or action taken for a GCM Grosvenor Fund. These activities may create conflicts of interest for the employees in providing services with respect to the GCM Grosvenor Funds and may further adversely affect the prices and availability of other investments held by or potentially considered for purchase by such GCM Grosvenor Fund.

Credit Issues

The GCM Grosvenor Funds will be required to establish business relationships with their counterparties based on the GCM Grosvenor Funds' own credit standing. Neither GCM Grosvenor nor any of its affiliates will have any obligation to allow its credit to be used in connection with a GCM Grosvenor Fund's establishment of its business relationships, nor is it expected that any GCM Grosvenor Fund's counterparties will rely on the credit of GCM Grosvenor or its affiliates in evaluating the GCM Grosvenor Fund's creditworthiness.

Future GCM Grosvenor Services

GCM Grosvenor may expand, either directly or indirectly through majority or minority interests in separate businesses, into new investment strategies, geographic markets and businesses and seek to provide certain products or perform certain services such as investment banking, lending, advisory and other services to corporations, financial sponsors, management or other persons, including Underlying Funds managed by Investment Managers, Portfolio Companies or other parties.

Such services could be provided to an Investment Manager, an Underlying Fund, a Portfolio Company, an investor, another transaction party or a third party that may have interests that differ from the interests of the GCM Grosvenor Funds, Investment Managers, Underlying Funds, or Portfolio Companies. GCM Grosvenor's compensation for such services could include: (i) financial advisory or structuring fees; (ii) fees for restructuring, merger and acquisition advice for underwriting or placement activities; (iii) financing or commitment fees; (iv) monitoring or consulting fees; (v) brokerage fees; (vi) interest; and (vii) other fees or forms of compensation (including appreciation of its investment in a company that provides such services). Certain fee income earned by GCM Grosvenor with respect to GCM Grosvenor Fund investments will offset management fees payable by the GCM Grosvenor Funds. Other income, including investment banking and other financial services compensation earned by GCM Grosvenor, will not do so and will not be shared with the GCM Grosvenor Funds or any GCM Grosvenor Fund investor. Payment of certain fee income due to GCM Grosvenor with respect to GCM Grosvenor Fund investments may be accelerated in connection with certain events related to such investments (e.g., strategic sales). Except as provided herein, GCM Grosvenor will not be restricted in the scope of its business or in the performance of any such services, even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. Additionally, GCM Grosvenor has, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or have held investments similar to those intended to be made by GCM Grosvenor Funds. These clients may themselves represent appropriate investment opportunities for certain GCM Grosvenor Funds or may compete with certain GCM Grosvenor Funds for investment opportunities. Additional conflicts arise if GCM Grosvenor provides services to, and is compensated by, third parties that may be otherwise suitable investments opportunities for one or more GCM Grosvenor Funds.

In connection with any future investment banking, lending, advisory, underwriting, and other businesses, GCM Grosvenor may come into possession of information that limits its ability to engage in certain transactions. There may be circumstances in which one or more of certain individuals associated with GCM Grosvenor will be precluded from providing services related to the GCM Grosvenor Funds' activities because of certain confidential information available to those individuals or to other parts of GCM Grosvenor.

In the regular course of its other businesses, GCM Grosvenor may represent potential purchasers, sellers and other involved parties, such as corporations, financial buyers, management, shareholders, and institutions, with respect to investments that are suitable for the GCM Grosvenor Funds. In such a case, GCM Grosvenor's client would typically require GCM Grosvenor to act exclusively on its behalf, thereby precluding the GCM Grosvenor Funds from acquiring such assets. GCM Grosvenor will be under no obligation to decline any such engagements in order to make the investment opportunity available to the GCM Grosvenor Funds. The GCM Grosvenor Funds may be forced to sell or hold existing investments as a result of relationships that GCM Grosvenor has or transactions or investments GCM Grosvenor may make.

GCM Grosvenor Special Relationships

GCM Grosvenor enters into strategic partnerships, co-investments or other multi-strategy or multi-asset class arrangements with investors that commit capital to a range of GCM Grosvenor's platform of products, investment ideas, and asset classes, including the strategy of one or more GCM Grosvenor Funds. Such arrangements may include GCM Grosvenor granting certain preferential terms to such investors.

Joint Ventures

GCM Grosvenor Funds may enter into joint ventures with Investment Managers or other persons with respect to the management of specified portfolio investments or categories of portfolio investments. In connection therewith, such Investment Managers or other persons may receive management fees and/or performance-based fees or allocations such as a carried interest in vehicles through which such joint ventures invest. GCM Grosvenor Funds may also hold certain portfolio investments through investment vehicles managed in whole or in part by Investment Managers or other persons where GCM Grosvenor determines this is necessary or appropriate due to regulatory or other reasons. Any compensation of such Investment Managers or of joint venture partners, which will reduce the GCM Grosvenor Funds' returns from the relevant portfolio investments, may not offset carried interest, performance-based fees or allocations or management fees due to GCM Grosvenor and will increase the cost of the investors' investment in the GCM Grosvenor Funds.

Broker-Dealer Activities

GCM Grosvenor may include entities that act as broker-dealers. Such broker-dealers, including any respective related lending vehicles: (i) may manage or otherwise participate in underwriting syndicates and/or selling groups with respect to issuers of the GCM Grosvenor Funds' investments; (ii) may otherwise be involved in the private placement of debt or equity securities or instruments issued by the issuers and non-controlling entities in or through which the GCM Grosvenor Funds may invest; or (iii) may otherwise arrange or provide financing for portfolio investments alone or with other lenders, which may include the GCM Grosvenor Funds. Affiliated broker-dealers may, as a consequence of such activities, hold positions in instruments and securities issued by the issuers of the GCM Grosvenor Funds' portfolio investments and may engage in transactions that may also be appropriate investments for the GCM Grosvenor Funds. Subject to applicable law, such broker-dealers may receive underwriting fees, placement commissions, financing fees, interest payments or other compensation with respect to such activities, which are not required to be shared with the GCM Grosvenor Funds or the investors. Where a GCM Grosvenor broker-dealer serves as underwriter with respect to an issuer's securities, the GCM Grosvenor Funds may be subject to a lock-up period following the offering under applicable regulations or agreements during which time its ability to sell any securities that it continues to hold is restricted.

Portfolio Entity Relationships

GCM Grosvenor enters into strategic partnerships or other arrangements with Underlying Funds or Investment Managers as part of an integrated overall arrangement with such Underlying Fund or Investment Manager. Such an agreement would typically involve granting to GCM Grosvenor and/or certain GCM Grosvenor Funds preferential terms or co-investment opportunities based on the size, length or other characteristic of a single GCM Grosvenor Fund's or the aggregate GCM Grosvenor Funds' investment in such Underlying Fund and/or with such Investment Manager. The existence of such partnership or arrangement creates potential conflicts of interest for GCM Grosvenor with respect to the allocation and management of investments, including, without limitation, an incentive for GCM Grosvenor to increase or make commitments by one or more GCM Grosvenor Funds to such Underlying Funds or to delay or preclude one or more GCM Grosvenor Funds from withdrawing capital from or redeeming its interests in the relevant Underlying Funds.

GCM Grosvenor Funds' Portfolio Companies may be counterparties or participants in agreements, transactions, or other arrangements, with Portfolio Companies of other Underlying Funds in portfolios managed by GCM Grosvenor, which might not have otherwise been entered into, but for the affiliation with GCM Grosvenor. These agreements, transactions or other arrangements may involve fees and/or servicing payments to GCM Grosvenor-affiliated entities that may not be subject to management fee offset provisions. Additionally, GCM Grosvenor may hold equity or other investments in companies or businesses (even if they are not affiliates of GCM Grosvenor) that provide services to or otherwise contract with Portfolio Companies. GCM Grosvenor may enter into relationships with companies and, in connection with such relationships, make referrals and/or introductions to Portfolio Companies, which sometimes result in financial incentives, including additional equity ownership, and/or milestones benefitting GCM Grosvenor that are tied or related to participation by Portfolio Companies. The GCM Grosvenor Funds and the investors will not share in any fees or economics accruing to GCM Grosvenor as a result of these relationships and/or participation by Portfolio Companies.

With respect to transactions or agreements with future Portfolio Companies, GCM Grosvenor, in certain instances, negotiates and executes agreements between GCM Grosvenor and/or the GCM Grosvenor Funds on the one hand, and the Portfolio Companies or their affiliates, on the other hand, which could entail a conflict of interest in seeking to enter into terms that are at arm's length.

GCM Grosvenor frequently seeks to obtain agreements from Investment Managers under which Underlying Funds managed by such Investment Managers agree to accept specified dollar amounts of capital from GCM Grosvenor Funds, considered in the aggregate, at specified investment dates and/or over specified time periods. In cases where GCM Grosvenor is able to negotiate capacity of this type for the GCM Grosvenor Funds with respect to a particular Underlying Fund, such capacity is not reserved solely for those GCM Grosvenor Funds that are in existence on the date that GCM Grosvenor negotiated such capacity. Similarly, to the extent such capacity is allocated to a GCM Grosvenor Fund that was in existence on the date that GCM Grosvenor negotiated such capacity, such allocation is not reserved solely for persons who were investors in such GCM Grosvenor Fund on that date. Instead, such capacity is made available to all GCM Grosvenor Funds that wish to invest

in such Underlying Fund, based on the allocation decisions of their respective portfolio management teams and the application of GCM Grosvenor's capacity allocation guidelines. To the extent that any such capacity is allocated to a GCM Grosvenor Fund that existed on that date, all investors in such GCM Grosvenor Fund participate in such capacity in accordance with their respective economic interests in such GCM Grosvenor Fund, even if such investors invested in such GCM Grosvenor Fund subsequent to that date.

Legal Interpretation

In the course of its business, GCM Grosvenor will be required to interpret the terms of applicable legal documentation, including but not limited to the GCM Grosvenor Fund Documents, Underlying Funds, and/or Portfolio Companies. GCM Grosvenor has an incentive to favor certain interpretations over others if one interpretation results favorably for GCM Grosvenor or the GCM Grosvenor Funds. There will be times where GCM Grosvenor interprets legal and regulatory restrictions in a way that may be more favorable to GCM Grosvenor than to the GCM Grosvenor Funds or their investors.

Advisors and Operating Partners

GCM Grosvenor engages and retains strategic advisors, consultants, operating partners, and other similar professionals who are not employees or affiliates of GCM Grosvenor and who, from time to time, receive payments from, or allocations with respect to, Underlying Funds, and/or Portfolio Companies, and GCM Grosvenor or the GCM Grosvenor Funds. These advisors, consultants, operating partners, and/or other professionals may have the right or may be offered the ability to co-invest alongside the GCM Grosvenor Funds, including in those investments in which they are involved, or otherwise participate in equity plans for management of any such Portfolio Company. Such co-investment and/or participation generally will reduce the amount invested by the GCM Grosvenor Funds in any investment. In certain instances, GCM Grosvenor has formal arrangements with these advisors, consultants, operating partners, and/or other professionals, and in other cases, the relationships are more informal. They are either compensated, including pursuant to retainers and expense reimbursement, from GCM Grosvenor, the GCM Grosvenor Funds, Underlying Funds, and/or Portfolio Companies or otherwise uncompensated unless and until an engagement with a Portfolio Company develops. Additionally, they may have certain attributes of GCM Grosvenor employees (e.g., have dedicated offices at GCM Grosvenor, participate in general meetings and events for GCM Grosvenor personnel, work on GCM Grosvenor matters as their primary or sole business activity) even though they are not GCM Grosvenor employees, affiliates or personnel for purposes of the GCM Grosvenor Funds' agreements and related management fee offset provisions. Payments or allocations of costs and expenses to GCM Grosvenor's advisors, consultants, operating partners, and/or other professionals will generally not be subject to any offset provisions. Additionally, there can be no assurance that any of the senior advisors, consultants, operating partners and/or other professionals will continue to serve in such roles and/or continue their arrangements throughout the term of the GCM Grosvenor Funds.

Allocation of Costs and Expenses

GCM Grosvenor has a potential conflict of interest in determining whether certain costs and expenses are incurred in the course of operating the GCM Grosvenor Funds. For example, the costs arising from newly imposed regulations and self-regulatory requirements should be paid by the GCM Grosvenor Funds or by GCM Grosvenor. The GCM Grosvenor Funds will generally pay or otherwise bear all legal, accounting, filing, and other expenses incurred in connection with organizing and establishing the GCM Grosvenor Funds and the offering of interests in the GCM Grosvenor Funds. In addition, the GCM Grosvenor Funds will generally pay all expenses related to the operation of the GCM Grosvenor Funds and their investment activities as described in each GCM Grosvenor Fund Documents. GCM Grosvenor will also determine, in its sole discretion, the appropriate allocation of investment-related expenses, including broken deal expenses, incurred in respect of un consummated investments and expenses more generally relating to a particular investment strategy, among the GCM Grosvenor Funds, vehicles and accounts participating or that would have participated in such investments or that otherwise participate in the relevant investment strategy, as applicable. This could result in one or more GCM Grosvenor Funds bearing more or less of these expenses than other investors or potential investors in the relevant investments or a GCM Grosvenor Fund paying a disproportionate share, including some or all, of the broken deal expenses or other expenses incurred by potential investors.

GCM Grosvenor Fund Documents identify non-exclusive lists of the costs and expenses to be paid by each GCM Grosvenor Fund. However, questions of interpretation can arise in connection with determining whether a certain cost or expense has, in fact, been so identified as well as whether newly arising and/or unanticipated costs or expenses fit within the non-exclusive categories of costs and expenses described. GCM Grosvenor does not in all cases resolve such questions so that it—as opposed to the GCM Grosvenor Funds—is wholly, or even partially, responsible for such cost or expense.

Expenses related more generally to a particular investment or investment strategy, including, without limitation, broken deal expenses, certain organizational expenses, fees and expenses of consultants (e.g., senior advisors, industry advisors and other technical consultants) and costs and expenses of research and due diligence relating to such investment or strategy may be allocated to the GCM Grosvenor Funds and, if applicable, GCM Grosvenor proprietary entities participating (or proposed to participate) in the relevant investment or investment strategy. The allocation of such expenses among investors in a given investment or strategy will be based upon a number of relevant factors, including, without limitation, the capital committed to the investment or strategy. While, as a general matter, the significant majority of such expenses will typically be borne by the primary investment vehicles or accounts for such investment or strategy, the proportion of such expenses allocated to any relevant fund, vehicle or account may vary from period to period and for certain investments or strategies, resulting in one or more GCM Grosvenor Funds bearing more of the expense than others.

It should be noted that GCM Grosvenor can make different determinations with respect to costs and expenses, including, without limitation, in connection with determining whether a certain cost or expense is to be paid by a GCM Grosvenor Fund and the manner in which such costs and expenses are allocated among the GCM Grosvenor Funds. Additionally and without limitation, GCM Grosvenor may agree to bear certain costs and/or expenses for some but not all GCM Grosvenor Funds.

Allocation of Investment Opportunities

GCM Grosvenor will, from time to time, be presented with investment opportunities that fall within the investment objectives of multiple GCM Grosvenor Funds, including GCM Grosvenor Funds that are managed or advised by an affiliate of the Adviser. In such circumstances, GCM Grosvenor will seek to allocate such opportunities among the eligible GCM Grosvenor Funds on a basis that GCM Grosvenor reasonably determines in good faith to be fair and equitable, and may take into account a variety of relevant factors in determining eligibility, including the investment team primarily responsible for sourcing or performing due diligence on the transaction, the nature of the investment focus of each GCM Grosvenor Fund, the relative amounts of capital available for investment, anticipated expenses to the applicable GCM Grosvenor Fund and/or to GCM Grosvenor with regard to investment by the various GCM Grosvenor Funds, the investment pacing and timing of the GCM Grosvenor Funds and other considerations deemed relevant by GCM Grosvenor. In certain cases, pursuant to its policies and procedures and/or applicable agreements, GCM Grosvenor may be obligated to offer an investment opportunity to one or more particular GCM Grosvenor Funds or GCM Grosvenor clients, including in connection with such clients' direct investments, in priority to or in addition to other GCM Grosvenor Funds. Furthermore, in certain instances, a GCM Grosvenor Fund of one GCM Grosvenor adviser may be treated as a GCM Grosvenor Fund of another GCM Grosvenor adviser for purposes of investment allocations, particularly if such other GCM Grosvenor adviser or its personnel are assisting in managing such GCM Grosvenor Fund. In the case of any such limited opportunity, certain GCM Grosvenor Funds may not be allocated the full investment level in any investment opportunity, or may be unable to participate in certain investments due to contractual constraints on the availability of such investments. In the event that a GCM Grosvenor Fund is subject to terms which are less favorable to us than the economic terms applicable to other GCM Grosvenor Funds, it could create an incentive for GCM Grosvenor to prioritize the allocation of certain investments to such other GCM Grosvenor Funds. Such less favorable terms include, for example, lower fees, lower carried interest, lower performance-based fees or allocations or greater expenses borne by GCM Grosvenor.

Co-Investment Allocations

GCM Grosvenor will offer to GCM Grosvenor Funds, GCM Grosvenor Fund investors and/or other parties certain co-investment opportunities presented to GCM Grosvenor by Investment Managers or otherwise, in accordance with GCM Grosvenor's policies and procedures. There is no assurance that any particular GCM Grosvenor Fund or GCM Grosvenor Fund investor will be granted any co-investment opportunities, even if a particular GCM Grosvenor Fund's investment in a

particular Underlying Fund forms part or all of the basis on which an Investment Manager makes a particular co-investment opportunity available to GCM Grosvenor. GCM Grosvenor will allocate this investment opportunity in accordance with its policies and procedures, which may result in such GCM Grosvenor Fund or investor receiving a smaller, or no, allocation to the particular investment opportunity.

Co-investment opportunities are considered by some to be highly attractive investment opportunities, in part because such opportunities represent a potential opportunity to gain exposure to particular investments sourced and diligenced by Investment Managers while, in some cases, paying such Investment Managers less or no asset-based fees, carried interest or performance-based fees or allocations in connection with such co-investments. This perceived attractiveness by some investors, combined with the co-investment allocation policies of certain Investment Managers, creates certain incentives for GCM Grosvenor. For instance, among other things, GCM Grosvenor may be offered co-investment opportunities in connection with investments in a particular Underlying Fund, which may increase GCM Grosvenor's incentive to invest GCM Grosvenor Fund assets in such Underlying Fund. In addition, GCM Grosvenor could be incentivized to cause the GCM Grosvenor Funds to make a larger capital commitment to a particular Underlying Fund than it originally anticipated, to accept a particular co-investment opportunity and/or to participate on a limited partner advisory committee in hopes of receiving preferential or additional co-investment rights. In addition to the fact that there are no assurances made that any such co-investment opportunities—or any related economic benefits—will be made available to any particular GCM Grosvenor Fund or GCM Grosvenor Fund investor, this could create additional risks for the GCM Grosvenor Funds, such as greater exposure to an Underlying Fund than GCM Grosvenor would have taken absent such potential co-investments. The fact that GCM Grosvenor sponsors or advises, and receives compensation from, GCM Grosvenor Funds with a significant or exclusive investment focus on co-investment opportunities exacerbates GCM Grosvenor's conflicts with respect to co-investments. Also, while GCM Grosvenor's investment allocation policy is intended to allocate co-investment opportunities in a fair and equitable basis, there may be an incentive for GCM Grosvenor to allocate co-investment opportunities in a manner that favors certain GCM Grosvenor Funds over others.

Certain investors co-investing with the GCM Grosvenor Funds may invest on different and more favorable terms than the GCM Grosvenor Funds and may have interests or requirements that conflict with and adversely impact the GCM Grosvenor Funds. Examples may include investors' liquidity requirements, available capital, the timing of acquisitions and dispositions or control rights. GCM Grosvenor will generally seek to ensure that GCM Grosvenor, the GCM Grosvenor Funds, GCM Grosvenor proprietary entities, and investors participate in any co-investment and any related transactions on comparable economic terms to the extent GCM Grosvenor determines appropriate, subject to legal, tax and regulatory considerations. Investors should note, however, that such participation may not be appropriate in all circumstances and that one or more GCM Grosvenor Funds may participate in such investment on different and potentially less favorable economic terms than such parties if GCM Grosvenor deems such participation as being otherwise in such GCM Grosvenor Funds' best interests. Additionally, a co-investment opportunity may be structured such that investors that have committed to the co-investment opportunity do not share in any broken deal expenses. This may have an adverse effect on the GCM Grosvenor Funds.

From time to time, GCM Grosvenor may have the opportunity to offer certain investment opportunities to GCM Grosvenor Fund investors or other parties on an overage basis after GCM Grosvenor Funds have received what GCM Grosvenor determines to be an appropriate allocation to such opportunities. GCM Grosvenor may offer and allocate such overage investment opportunities to any parties in its sole discretion and on such terms and conditions that GCM Grosvenor and such parties agree. There is no assurance that any GCM Grosvenor Fund investor will be granted any such opportunity offered by GCM Grosvenor, even if the investment of a particular GCM Grosvenor Fund in which such investor invests contributed, in whole or in part, to such overage opportunity. GCM Grosvenor will take into account various facts and circumstances deemed relevant by it when determining the allocation of overage opportunities. Such factors include, among others, (i) whether a potential overage investor has expressed an interest in evaluating such opportunities; (ii) whether a potential overage investor has a history of participating in such opportunities with GCM Grosvenor; (iii) the size of the interest and opportunity; (iv) the economic terms applicable to such overage investment for such investor and GCM Grosvenor; (v) whether allocating to a potential overage investor will help establish, recognize, strengthen and/or cultivate relationships with an existing or prospective investor; and (vi) such other factors GCM Grosvenor deems relevant under the circumstances. The allocation of overage investment opportunities by GCM Grosvenor may involve a benefit to GCM

Grosvenor including, without limitation, management fees, carried interest or performance-based fees or allocations from an overage opportunity. GCM Grosvenor Fund investors or other parties that seek to participate in a potential overage opportunity may not share in any broken deal expenses in the event such opportunity is not consummated.

In certain circumstances, GCM Grosvenor, its affiliates and their respective employees (or any designee thereof) and other companies, partnerships or vehicles affiliated with GCM Grosvenor may be permitted to co-invest side-by-side with the GCM Grosvenor Funds and may consummate an investment in an investment opportunity otherwise suitable for a GCM Grosvenor Fund.

Board and Advisory Committee Seats

Persons designated by GCM Grosvenor may serve as GCM Grosvenor's representatives on an advisory committee or member of a board of directors, or participate in an equivalent body, of Underlying Funds or Portfolio Companies (collectively, **GCM Board Representatives**). As a consequence, these GCM Board Representatives may thereby receive information other investors may not and could potentially control or influence their policies and operations. This creates a number of potential conflicts of interest. For example, the conflict of interest between a GCM Board Representative's duties and responsibilities to the applicable GCM Grosvenor Funds that invest in such Underlying Fund or Portfolio Company and the duties and responsibilities, if any, such GCM Board Representative has to the other investors in such Underlying Fund or Portfolio Company. A GCM Board Representative may also have a conflict of interest in discharging such representative's duties and responsibilities in respect of a particular Underlying Fund or Portfolio Company to the extent that multiple GCM Grosvenor Funds invest in such Underlying Fund or Portfolio Company and such GCM Grosvenor Funds themselves have conflicting interests in respect of such Underlying Fund or Portfolio Company. Certain actions of an Underlying Fund or Portfolio Company may be in the interests of one GCM Grosvenor Fund but adverse to the interest of others. For example, GCM Grosvenor Funds may invest in the same Underlying Funds at different times and/or under different terms, and may therefore have different investment horizons or objectives (e.g., different GCM Grosvenor Funds investing on a primary basis versus on a secondary basis in an Underlying Fund). Among other things, a GCM Board Representative may have a conflict in making decisions to extend commitment periods or terms or approve decisions with regard to the disposition of Underlying Fund assets in such circumstances. Similarly, GCM Grosvenor Funds may invest, directly or indirectly, in different types of securities of the same issuers as other GCM Grosvenor Funds. To the extent that the GCM Grosvenor Funds hold interests that are different, or more senior, than those held by such other vehicles, accounts and clients, GCM Grosvenor may be presented with decisions involving circumstances where the interests of such vehicles, accounts and clients are in conflict with those of the GCM Grosvenor Funds. Furthermore, it is possible that the GCM Grosvenor Funds' interests may be subordinated or otherwise adversely affected by virtue of such other GCM Grosvenor Fund's involvement and actions relating to its investment. Such situations give rise to potential conflicts of interest in respect of GCM Grosvenor or a GCM Board Representative discharging its duties and responsibilities in respect of such Underlying Fund or Portfolio Company. For example, GCM Board Representatives may be asked to vote on acquisition decisions, executive compensation, valuations, restructurings, and the terms of additional financings in respect of a Portfolio Company, which could have a disparate impact on GCM Grosvenor Fund investors in such Portfolio Company. See also *Investments by Other GCM Grosvenor Funds*. GCM Grosvenor has developed protocols for addressing conflicts involving GCM Grosvenor Fund investment decisions where interests between GCM Grosvenor Funds may be adverse.

Certain multi-investor GCM Grosvenor Funds may appoint advisory committees, or equivalent bodies, for purposes of GCM Grosvenor presenting and seeking approval or consent for certain GCM Grosvenor Fund actions or for purposes of generally providing advice and counsel to GCM Grosvenor in connection with actual and potential conflicts of interest and certain other matters relating to GCM Grosvenor Funds. GCM Grosvenor Fund advisory committee members, which are generally representatives of investors in the applicable GCM Grosvenor Fund, are typically authorized to act in the self-interest of the investors which they represent, without fiduciary obligations to any other investors. Such persons may have an incentive to base their decisions on personal considerations related to the investor they represent rather than on the best interests of the relevant GCM Grosvenor Funds. Consequently, a GCM Grosvenor Fund advisory committee's decision may not itself assure an equitable resolution—at least insofar as all investors are concerned—of any conflicts of interest or other issues in question.

Principal and Cross Transactions

When permitted by applicable law, the terms of the relevant GCM Grosvenor Fund Documents and the applicable policies and procedures of GCM Grosvenor, certain GCM Grosvenor Funds may invest in Portfolio Companies in which GCM Grosvenor or one or more other GCM Grosvenor Funds have an equity, debt or other interest, or engage in investment transactions that may result in such Portfolio Company or other GCM Grosvenor Fund being relieved of obligations or otherwise exiting investments, in a manner which may benefit GCM Grosvenor or such other GCM Grosvenor Funds.

GCM Grosvenor may cause certain GCM Grosvenor Funds to engage in transactions with or through GCM Grosvenor. Sometimes, these transactions are referred to as principal transactions. When permitted by applicable law, the terms of the relevant GCM Grosvenor Fund Documents and the applicable policies and procedures of GCM Grosvenor, the GCM Grosvenor Funds may also engage in transactions in which GCM Grosvenor advises both sides of the transaction (cross transactions) and acts as broker for, and may receive a commission from, a GCM Grosvenor Fund on one side of a transaction and a party on the other side of the transaction (agency cross transactions). See also Transfers of Interests in Underlying Funds, herein.

There may be potential conflicts of interest and/or regulatory restrictions relating to principal, cross and agency cross transactions that could limit GCM Grosvenor's ability to engage in these transactions. GCM Grosvenor will likely have a conflict of interest and responsibilities to the parties in such transactions and has developed policies and procedures in relation to such transactions and conflicts.

Transfers of Interests in Underlying Funds

From time to time, to the extent permitted by applicable law, the terms of the relevant GCM Grosvenor Fund Documents and the applicable policies of GCM Grosvenor, GCM Grosvenor may determine that it is appropriate for one or more GCM Grosvenor Funds to dispose of, or decrease, their investments in a particular Underlying Fund as of a particular date, while also determining that it is appropriate for one or more other GCM Grosvenor Funds to invest, or increase their investments, in such Underlying Fund as of the same date. GCM Grosvenor will potentially face conflicts of interest in connection with such transactions, including with respect to the consideration offered by, and the obligations of, GCM Grosvenor and the applicable GCM Grosvenor Funds. GCM Grosvenor may also be required, under the GCM Grosvenor Funds' Documents, to obtain the consent of a limited partner advisory committee to enter into certain of the GCM Grosvenor Funds' potential investments, and the failure of any such advisory committee to grant such consent would prevent the relevant GCM Grosvenor Fund from consummating such investments and could adversely affect such GCM Grosvenor Fund.

In no instance does any party, including GCM Grosvenor or the Investment Manager of any affected Underlying Fund, receive any additional compensation specifically as a result of any such transfer. However, the practice of engaging in transfers could create certain risks for investors in affected GCM Grosvenor Funds. In certain cases, GCM Grosvenor is able to negotiate arrangements with Investment Managers—either at the inception of its relationship with an Investment Manager or on a case-by-case basis after GCM Grosvenor has established such a relationship—that permit a transferee GCM Grosvenor Fund to “stand in the shoes” of a transferor GCM Grosvenor Fund for purposes of determining such business terms as the duration of any lock-up period, the continuation of any performance/incentive compensation loss carryforwards, the applicability of withdrawal charges, etc. GCM Grosvenor generally intends to take advantage, to the fullest extent permitted by law, of the ability of transferee GCM Grosvenor Funds to receive carryover business terms. In certain cases, however, regulatory considerations and/or contractual arrangements may prohibit GCM Grosvenor from effecting transactions in which business terms are carried over from the transferor GCM Grosvenor Fund to the transferee GCM Grosvenor Fund.

Reputational Matters

GCM Grosvenor may have a conflict of interest between acting in what might be the best interest for the GCM Grosvenor Funds or certain employees and ensuring that GCM Grosvenor avoids publicity or any reputational harm. For example, there may be certain positions which other market participants take and which may benefit the GCM Grosvenor Funds but which GCM Grosvenor does not take for the GCM Grosvenor Funds due to GCM Grosvenor's determination that such position may be seen as inappropriate in certain regulatory contexts or otherwise unadvisable. In addition, GCM Grosvenor may decide not to make certain investments, or otherwise take or fail to take certain actions, on behalf of GCM Grosvenor

Funds to the extent that such investments, actions or inactions could subject GCM Grosvenor or its related persons to reputational risk, even if such investments, actions or inactions would be appropriate or potentially favorable for a GCM Grosvenor Fund. Certain existing or potential GCM Grosvenor Fund investments may require GCM Grosvenor to make public or potentially public disclosures about itself, its business and/or its related persons that GCM Grosvenor may not wish to make public, and GCM Grosvenor may therefore determine not to make such investment or to seek a potentially premature exit from such investment for a GCM Grosvenor Fund.

GCM Grosvenor Fund Investor Interests

Investors in GCM Grosvenor Funds may have conflicting regulatory, legal, investment, tax and other interests with respect to their investments in such GCM Grosvenor Funds relative to the interests of other investors in GCM Grosvenor Funds that participate in the same investments. The conflicting interests of individual GCM Grosvenor Fund investors with respect to other investors in such GCM Grosvenor Fund and relative to investors in other GCM Grosvenor Funds may relate to or arise from, among other things, the nature and tax profile of the investors themselves, the nature of investments made by such GCM Grosvenor Fund and such other GCM Grosvenor Funds, the structuring or the acquisition of investments and the timing of disposition of investments, and internal investment policies of the GCM Grosvenor Fund investors and their target risk/return profiles. As a consequence, conflicts of interest may arise in connection with the decisions made by GCM Grosvenor that may be more beneficial for one investor than for another investor, especially with respect to an investor's individual tax situation. Since GCM Grosvenor may make meaningful capital commitments to certain GCM Grosvenor Funds, conflicts may arise between its own interests and those of the GCM Grosvenor Fund investors in relation to such decisions, and similar conflicts may arise if GCM Grosvenor allocates carried interest or performance-based fees or allocation distributions to one or more third parties, including a GCM Grosvenor Fund investor. In selecting and structuring investments appropriate for the GCM Grosvenor Funds, GCM Grosvenor will typically consider the investment and other objectives of the GCM Grosvenor Funds and their investors as a whole, not the investment or other objectives of any investor individually. Additionally, GCM Grosvenor may, in its sole discretion in certain circumstances, elect to exclude certain investors from particular investments, including participation in New Issues as such term is defined under the rules of the U.S. Financial Industry Regulatory Authority, for legal or regulatory reasons applicable to any such investment, in which case non-excluded investors in the applicable GCM Grosvenor Fund may be allocated a greater proportionate interest in such investment. Similarly, GCM Grosvenor may, in its sole discretion for any reason including for convenience or otherwise, elect for a GCM Grosvenor Fund to be treated as restricted from participating in New Issues even though some or all of the investors in such GCM Grosvenor Fund are unrestricted, which would result in such GCM Grosvenor Fund being allocated less interest in New Issues investments than it otherwise would receive had GCM elected for such GCM Grosvenor Fund to be treated as unrestricted.

Not all investors monitor their investments in vehicles such as the GCM Grosvenor Funds in the same manner. GCM Grosvenor also has a conflict of interest in determining whether to disclose certain information to certain, but not other, investors. For example, certain investors request from GCM Grosvenor, periodically or contractually, information regarding the GCM Grosvenor Funds and or has yet to be set forth in, the reporting and other information required to be delivered to all investors of the relevant GCM Grosvenor Fund. In such circumstances, GCM Grosvenor often provides such information to such investor, but providing such information to one or more investors does not mean GCM Grosvenor will be obligated to affirmatively provide such information to all investors. As a result, certain investors may have more information about the GCM Grosvenor Funds than other investors, and GCM Grosvenor will have no duty to ensure all investors seek, obtain or process the same information, or to ensure that investors with more information about the GCM Grosvenor Funds not use such information for purposes of trading, either in interests of a GCM Grosvenor Fund or otherwise.

Treatment of the GCMLP Funds Collectively for Certain Transactions

In certain cases, although each investment in an Underlying Fund by a GCMLP Fund is a distinct transaction, Underlying Funds may agree to treat all investments made by GCMLP Funds as if they had been made by the same investor for purposes of applying certain business terms, such as "gates." We enter into these types of arrangements because we believe that, in most cases, they can be expected to benefit all participating GCMLP Funds. For example, under arrangements such as these, certain GCMLP Funds could make complete withdrawals or redemptions provided that other GCMLP Funds do not withdraw or redeem, as the former GCMLP Funds could make use of the withdrawal or redemption

capacity allocable to the GCMLP Funds on a collective basis. However, these arrangements also have certain drawbacks. For example, if one GCMLP Fund were to withdraw or redeem from an Underlying Fund, its withdrawal or redemption could reduce withdrawal or redemption capacity for other GCMLP Funds. In this example, depending on the actual terms of the applicable gate, a particular GCMLP Fund may be entitled to receive less withdrawal or redemption proceeds in respect of a particular withdrawal or redemption than would otherwise be the case.

In certain cases, we are able to negotiate favorable investment terms with the Investment Managers of Underlying Funds, but often on the condition that our accounts, which may include GCM Grosvenor proprietary accounts, collectively maintain an aggregate minimum level of invested capital in a given Underlying Fund or group of Underlying Funds managed by the same Investment Manager.

Investments in Investment Managers

Certain GCM Grosvenor Funds and/or GCM Grosvenor and its related persons may, for their own accounts (i) invest in Investment Managers and in investment vehicles or accounts managed or advised by such firms; (ii) enter into fee-, revenue-, and/or profit-sharing agreements or other arrangements with Investment Managers and/or with investment vehicles or accounts managed or advised by such firms; and/or (iii) operate and/or manage Investment Managers. Investments in Investment Managers may be made in exchange for seeding or otherwise funding such firms' operations. In connection with such seed investments, GCM Grosvenor may receive economic participation in the form of profit sharing, equity interests, or other contractual means of participating in the business of the Investment Managers.

GCM Grosvenor and its related persons may from time to time invest, for their respective proprietary accounts, in early-stage or emerging Underlying Funds, including GCM Grosvenor-Administered Funds (as defined herein) at times when investments in such Underlying Funds would not be appropriate for the GCM Grosvenor Funds. If GCM Grosvenor should subsequently determine, in accordance with its then current criteria applicable to the selection of Underlying Funds, that such an Underlying Fund is an appropriate investment for the GCM Grosvenor Funds, GCM Grosvenor and its related persons will not be required to restructure the terms of their original investment in such Underlying Fund in order to make investments in such Underlying Fund available to the GCM Grosvenor Funds even if, for regulatory or other reasons, the GCM Grosvenor Funds would be, or, in GCM Grosvenor's reasonable determination, may be, precluded from investing in such Underlying Fund in the absence of such restructuring.

Other than as expressly provided by the relevant GCM Grosvenor Fund Documents, GCM Grosvenor and its related persons have no obligation to make investment opportunities in other investment management firms available to GCM Grosvenor Funds or any GCM Grosvenor Fund investor. Because of certain legal restrictions that may be imposed on certain GCM Grosvenor Funds or due to other considerations, GCM Grosvenor may in certain cases be restricted from causing such GCM Grosvenor Funds to invest with Investment Managers with which GCM Grosvenor or other GCM Grosvenor Funds have a Project Agreement or in which GCM Grosvenor, one or more of its related persons and/or one or more other GCM Grosvenor Funds invest.

GCM Grosvenor's or the GCM Grosvenor Funds' interest in an Investment Manager as described herein could create a greater incentive for GCM Grosvenor to invest on behalf of a GCM Grosvenor Fund in such Investment Manager's Underlying Fund than would exist absent GCM Grosvenor's or other GCM Grosvenor Funds' economic interest in such Investment Manager. If a GCM Grosvenor Fund does invest with Investment Managers with which GCM Grosvenor has Project Agreements, this likely will result in additional compensation to GCM Grosvenor or one or more of the other GCM Grosvenor Funds. Except as otherwise disclosed, the investing GCM Grosvenor Fund and GCM Grosvenor Fund investors will not receive the benefit of the additional compensation arrangements of GCM Grosvenor or such other GCM Grosvenor Funds.

GCM Grosvenor also has a conflict of interest in determining whether to cause GCM Grosvenor Funds to withdraw capital from an Investment Manager's Underlying Fund because we may have a financial incentive not to exercise such right—even if we may otherwise believe that a withdrawal is appropriate under the circumstances—because by reducing the capital under the management of such Investment Manager could reduce the fees, revenues or profits earned by such Investment Manager and thus reduce the amount of such fees, revenues or profits to which GCM Grosvenor or GCM Grosvenor Funds are entitled under the Project Agreement relating to such Underlying Fund.

Follow-On Investments

Certain Underlying Funds employ a long-term approach, whereby investments in Portfolio Companies are typically held for a number of years, and there may be follow-on investments in Portfolio Companies in which other GCM Grosvenor Funds and/or Underlying Funds sponsored by the same Investment Manager have previously made investments. Such follow-on investments in existing Portfolio Companies may be attractive investment opportunities, and may somewhat or substantially dilute the earlier investments made by such other GCM Grosvenor Funds and/or Underlying Funds if such other GCM Grosvenor Fund and/or Underlying Funds either do not have or do not exercise anti-dilution rights in respect of such Portfolio Companies. Such dilution may be extreme if, without the follow-on investment, the Portfolio Company would suffer significant negative consequences or fail, so that the terms on which such follow-on investment is made may be highly beneficial to the subsequent investors.

Follow-on investments in a Portfolio Company may be made either at a higher or a lower valuation than prior investments that were made in such Portfolio Company. When subsequent investments are “down financing rounds,” conflicts can be exacerbated, as the down financing rounds will often result in earlier investment value being substantially degraded due to the deterioration of the financial condition of the Portfolio Company.

Investments by Other GCM Grosvenor Funds

In addition to follow-on investments, GCM Grosvenor Funds may make debt, equity or other investments in companies in which GCM Grosvenor or one or more other GCM Grosvenor Funds also invest, either directly or through an Underlying Fund. Such investments by a GCM Grosvenor Fund may be made prior to the investment by other GCM Grosvenor Funds, concurrently as part of the same financing plan or subsequent to the investment by such GCM Grosvenor Fund. Any such investment by a GCM Grosvenor Fund may consist of securities, loans or other investments of a different class or type from those in which other GCM Grosvenor Funds are invested and that may entitle the holder of such investments to greater control or to rights that otherwise differ from those to which such GCM Grosvenor Fund is entitled. In connection with any such investments, the GCM Grosvenor Funds may have conflicting interests and investment objectives, and any difference in the terms of the investments held by such parties may raise additional conflicts of interest for the GCM Grosvenor Funds and GCM Grosvenor.

Investments in Other GCM Grosvenor Funds

From time to time, to the extent permitted by applicable law, the terms of the relevant GCM Grosvenor Fund Documents and the applicable policies of GCM Grosvenor, a GCM Grosvenor Fund may acquire investments, on a secondary basis or otherwise, in funds for which GCM Grosvenor serves as the promoter, general partner, investment manager or in a similar capacity, whether from such other GCM Grosvenor Fund, from GCM Grosvenor or from another party. If a GCM Grosvenor Fund purchases an investment from or securities in such other GCM Grosvenor Fund, GCM Grosvenor or a client of GCM Grosvenor, conflicts of interest may arise, and there can be no assurance that the interests of one GCM Grosvenor Fund would not be subordinated to those of the other parties or that GCM Grosvenor will resolve such conflicts of interest in a manner that is equitable or favorable to all parties involved.

If a GCM Grosvenor Fund were an investor in another investment fund established by GCM Grosvenor, GCM Grosvenor has conflicting division of loyalties and responsibilities regarding such GCM Grosvenor Fund and such other investment fund, and certain other conflicts of interest would be inherent in the situation. In certain cases, a GCM Grosvenor Fund may also acquire secondary investments from other funds established, managed, or advised by GCM Grosvenor and similar conflicts of interest would arise. In addition, if a GCM Grosvenor Fund purchases an investment from a client of GCM Grosvenor, conflicts of interest may arise due to GCM Grosvenor’s relationship with such client, and there can be no assurance that the interests of the GCM Grosvenor Fund would not be subordinated to those of such client.

Investments in GCM Grosvenor-Administered Underlying Funds and GCM Strategic Entities

To the extent permitted by applicable law, the terms of the relevant GCM Grosvenor Fund Documents and the applicable policies of GCM Grosvenor, GCM Grosvenor and its related persons will from time to time invest, for their respective proprietary accounts, in Underlying Funds that GCM Grosvenor administers, but does not manage, and from which GCM Grosvenor receives administrative or similar fees (**GCM Grosvenor-Administered Funds**). In many cases, such investments may be made at times when investments in the GCM Grosvenor-Administered Funds are not appropriate for the GCM

Grosvenor Funds. If GCM Grosvenor should subsequently determine, in accordance with its then current criteria applicable to the selection of the Underlying Funds, that such a GCM Grosvenor-Administered Fund is an appropriate investment for a GCM Grosvenor Fund, GCM Grosvenor may determine to cause such GCM Grosvenor Fund to invest in such GCM Grosvenor-Administered Fund. GCM Grosvenor will not be required to reduce, eliminate or restructure the administrative or similar fees it receives from such GCM Grosvenor-Administered Fund in response to such GCM Grosvenor Fund's investment or in order to make investments in such GCM Grosvenor-Administered Fund available to the GCM Grosvenor Funds, even if, for regulatory or other reasons, the GCM Grosvenor Funds would be, or in GCM Grosvenor's reasonable determination may be, precluded from investing in such GCM Grosvenor-Administered Fund in the absence of such fee reduction, elimination or restructuring.

GCM Grosvenor and its related persons will from time to time invest, for their respective proprietary accounts, in Underlying Funds through one or more collective entities managed or advised by GCM Grosvenor (each, a **GCM Strategic Entity**) for legal, tax, regulatory, strategic or other applicable reasons to facilitate certain investments. GCM Grosvenor may have an incentive to allocate the GCM Grosvenor Fund's assets to one or more GCM Strategic Entities since GCM Grosvenor has a direct or indirect financial interest in the success of such funds. Further, GCM Grosvenor may cause one or more GCM Grosvenor Funds to invest in a GCM Strategic Entity, including in a GCM Strategic Entity in which such GCM Grosvenor Funds are already invested. In certain cases, a GCM Strategic Entity may be established to serve as investment vehicles not only for GCM Grosvenor Funds, but also for outside investors. GCM Grosvenor will not be obligated to make investment opportunities in GCM Strategic Entities available to the GCM Grosvenor Funds or GCM Grosvenor Fund investors. GCM Grosvenor generally does not expect to receive any additional compensation in respect of investments made by the GCM Grosvenor Funds in GCM Strategic Entities though GCM Grosvenor may have an incentive to invest the assets of the GCM Grosvenor Funds in one or more GCM Strategic Entities, including as a means of helping to establish and promote such GCM Strategic Entity, which may subsequently serve as a means of attracting fee-paying capital for GCM Grosvenor from outside investors. In certain instances, GCM Grosvenor may limit a GCM Grosvenor Fund's non-fee paying exposure to a particular GCM Strategic Entity, whereby such exposure may be less than what may be deemed optimal from a portfolio management perspective. To the extent GCM Grosvenor limits non-fee paying exposure to a particular GCM Strategic Entity, GCM Grosvenor has a conflict in determining where to set such limitation. If required, GCM Grosvenor will make appropriate disclosure to and, if required by law or the GCM Grosvenor Fund Documents, receive consent from GCM Grosvenor Fund investors.

Ability to Withdraw/Redeem from Investments in which GCM Grosvenor Funds Invest

Certain GCM Grosvenor Funds may wish to withdraw or redeem from an Underlying Fund at the same time that other GCM Grosvenor Funds or GCM Grosvenor wish to withdraw or redeem from such Underlying Fund. The ability to withdraw or redeem from any Underlying Fund may differ materially from investor to investor due to the timing of their respective investments in such Underlying Fund, the different classes of interests in such Underlying Fund in which they invest, special arrangements negotiated with the Investment Manager of such Underlying Fund and other factors. The reasons why certain GCM Grosvenor Funds or GCM Grosvenor may wish to or be compelled to withdraw or redeem from a particular Underlying Fund as of a particular date also may differ materially from the reasons why other GCM Grosvenor Funds or GCM Grosvenor may wish to or be compelled to withdraw or redeem from such Underlying Fund as of such date.

Withdrawals/redemptions or contributions/subscriptions by GCM Grosvenor Funds or GCM Grosvenor from or to a particular Underlying Fund could in certain cases adversely affect other GCM Grosvenor Funds that are invested in such Underlying Fund. Significant withdrawals/redemptions or contributions/subscriptions could, for example, cause portfolio damage, portfolio dilution, depletion of liquidity, costly portfolio rebalancing, imposition of withdrawal gates and under-allocation to certain positions. It could also cause an Underlying Fund to make in-kind, as opposed to cash, distributions. In cases such as these, GCM Grosvenor has a conflict of interest in making withdrawals/redemptions or contributions/subscriptions for the GCM Grosvenor Funds. This conflict of interest could be exacerbated in situations where one or more GCM Grosvenor Fund or GCM Grosvenor may withdraw or redeem from a particular Underlying Fund on a date as of which one or more other GCM Grosvenor Funds are not able to do so. For example, certain GCM Grosvenor Funds or GCM Grosvenor may have invested in a particular Underlying Fund pursuant to a lock-up that has expired,

whereas one or more other GCM Grosvenor Funds may still be subject to lock-ups in connection with their investments in such Underlying Fund because they either:

- purchased their interests in such Underlying Fund subsequent to the time that certain other GCM Grosvenor Funds or GCM Grosvenor purchased their interests in such Underlying Fund
- opted for liquidity classes in such Underlying Fund that are different from the liquidity classes owned by such other GCM Grosvenor Funds or GCM Grosvenor

In addition, certain withdrawal/redemption gates are, for example, calculated based on withdrawals/redemptions during an entire quarter or other period. Accordingly, if certain GCM Grosvenor Funds or GCM Grosvenor withdraw/redeem during a quarter, this could prevent one or more other GCM Grosvenor Funds from withdrawing/redeeming during that period, whereas the earlier withdrawals/redemptions are unaffected.

Investments in Underlying Funds Managed by Clients

Certain of the Underlying Funds in which the GCM Grosvenor Funds may invest may be managed by Investment Managers owned in whole or in part by GCM Grosvenor clients, or may hold notes or other securities issued by such clients, and GCM Grosvenor may be aware of such holding. Such relationship could compromise GCM Grosvenor's objectivity in determining whether or not to invest in such Underlying Funds. GCM Grosvenor and the GCM Grosvenor Funds will not be precluded from investing in such client-managed funds.

Investments by Underlying Funds in Securities Issued by a GCM Grosvenor Affiliate

Certain of the Underlying Funds in which the GCM Grosvenor Funds may invest may hold notes or other securities issued from time to time by GCM Grosvenor or an affiliate. The fact that certain of the Underlying Funds may hold notes or other securities issued by GCM Grosvenor or an affiliate could compromise GCM Grosvenor's objectivity in determining whether or not to invest in such Underlying Funds.

Stapled Investments and Secondaries

In order to participate in a particular investment opportunity or otherwise, GCM Grosvenor Funds may be required to make separate commitments to another Underlying Fund or investment often managed by the Investment Manager or sponsor whose consent is required for the GCM Grosvenor Fund to participate in the investment opportunity. Such requirements may be communicated verbally and not documented in writing. In instances where this occurs, GCM Grosvenor will consider the particular investment opportunity together with the required separate commitment to another Underlying Fund or investment in determining whether or not to pursue or forego the investment opportunity. Furthermore, such new, current or future Underlying Fund or investment that is "stapled" to the particular investment opportunity may prove to be a less attractive opportunity than the opportunity chosen by the GCM Grosvenor Fund as part of its own independent investment strategy and may not produce positive investment returns. Ultimately, such a separate commitment requirement, if present, may negatively, or positively, impact the GCM Grosvenor Fund's returns. Additionally, such separate commitment requirement may be made by a different GCM Grosvenor Fund than the one participating in the original investment opportunity, which would result in additional conflicts.

Investment Managers and Co-Investment Sponsors

The Investment Managers and sponsors of co-investment opportunities are likely to be subject to many of the same types of conflicts of interest to which GCM Grosvenor is subject. For example, such Investment Managers and sponsors may be involved in other business ventures, including the management and/or administration of other investment funds and accounts whose investment objectives are identical or substantially similar to those of the Underlying Funds. These Underlying Funds will not share in the risks or rewards of such other ventures. In addition, such other ventures may compete with the Underlying Funds for the time and attention of the relevant sponsors and might create additional conflicts of interest and/or raise other special considerations.

To the extent that the Investment Managers and sponsors of co-investment opportunities also manage other accounts, including other accounts in which they may have an interest, they may have financial and other incentives to favor such accounts over the Underlying Fund. Investment Managers and co-investment sponsors typically must allocate to a limited number of co-investment opportunities, and the scarcity of such opportunities may exacerbate such Investment Managers'

and sponsors' conflicts of interest in determining whether to allocate these investments to the GCM Grosvenor Funds, in whole or in part, and on what terms.

In addition, in connection with investing for other accounts, Investment Managers and co-investment sponsors may make use of information obtained by them in connection with the GCM Grosvenor Fund's investments. They will have no obligation to compensate the GCM Grosvenor Funds in any respect for their receipt of such information or to account to the GCM Grosvenor Funds for any profits earned from their use of such information.

Investment Managers and co-investment sponsors determine the value of the illiquid investments in a variety of different ways and have considerable discretion in doing so. Investment Managers and sponsors may have a conflict of interest in arriving at such valuations. For example, such valuations may affect the amount of advisory compensation received by such Investment Managers and sponsors, and this may in turn affect the performance of the GCM Grosvenor Funds. As GCM Grosvenor will generally rely on the valuations provided by such Investment Managers and sponsors when determining valuations for the GCM Grosvenor Funds, erroneous valuations by such Investment Managers or sponsors could have an adverse impact on the GCM Grosvenor Funds (see "Valuation Matters," herein). In addition, if GCM Grosvenor has a GCM Board Representative on a limited partner advisory committee or similar board of an Underlying Fund, GCM Grosvenor may also have a conflict of interest in determining valuations for such Underlying Fund to the extent such valuations indirectly improve the performance of the GCM Grosvenor Funds.

Relationships with Service Providers, Investment Managers, and Consulting Firms

Persons employed by or otherwise associated with GCM Grosvenor may be related to, or otherwise have business, personal, political, financial or other relationships with, persons employed by or otherwise associated with i) service providers engaged for GCM Grosvenor Funds; ii) Investment Managers of existing or prospective Underlying Funds or other investments and/or iii) investment consulting firms engaged by one or more existing or prospective GCM Grosvenor Fund investors.

In providing services to the GCM Grosvenor Funds, GCM Grosvenor may face conflicts of interest in selecting service providers for the GCM Grosvenor Funds. Certain advisors and other service providers, or their affiliates, including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents, to the GCM Grosvenor Funds may also provide goods or services to or have business, personal, political, financial or other relationships with GCM Grosvenor. Such advisors and service providers may be investors in certain GCM Grosvenor Funds, affiliates of GCM Grosvenor, sources of investment opportunities or investors, or counterparties therewith. These relationships may influence GCM Grosvenor in deciding whether to select or recommend such a service provider to perform services for a particular GCM Grosvenor Fund, the cost of which will generally be borne directly or indirectly by such GCM Grosvenor Fund. Notwithstanding the foregoing, investment transactions for the GCM Grosvenor Funds that require the use of a service provider will generally be allocated to service providers on the basis of GCM Grosvenor's judgment as to best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain other services or items that GCM Grosvenor believes to be of benefit to the GCM Grosvenor Fund. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to GCM Grosvenor as compared to services provided to the GCM Grosvenor Funds, which may result in more favorable rates or arrangements than those payable by the GCM Grosvenor Funds and may create an incentive for GCM Grosvenor to select such advisor or for such service provider to provide services to one or more GCM Grosvenor Funds.

In cases where persons employed by or otherwise associated with GCM Grosvenor have relationships with persons employed by or otherwise associated with Investment Managers of existing or prospective Underlying Funds or other third parties that provide or contemplate providing services to us and/or one or more GCM Grosvenor Funds, such GCM Grosvenor persons may have an incentive to base their decisions, including decisions to hire or to not terminate, on personal considerations rather than on the best interests of the affected GCM Grosvenor Funds. We, however, monitor relationships of these types with a view to determining whether there is a reasonable likelihood that such persons will base their decisions on personal considerations rather than on the best interests of the affected GCM Grosvenor Funds and will take appropriate action if we determine that such a reasonable likelihood exists.

From time to time, GCM Grosvenor personnel may attend or speak at conferences and programs for potential investors interested in investing in funds. The conferences are sometimes sponsored by investment firms that either provide services to the GCM Grosvenor Funds or have a relationship with GCM Grosvenor. Through such capital introduction events, prospective investors in the GCM Grosvenor Funds have the opportunity to meet with GCM Grosvenor. However, such events and other services may influence GCM Grosvenor in deciding whether to do business with or employ the services of such investment firms.

GCM Grosvenor may have or may develop relationships with Portfolio Companies, in which the GCM Grosvenor Funds make direct or indirect investments, and their representatives. Such relationships may include serving as a member of the board of directors or advisory committee of a Portfolio Company, seeking a buyer or equity investor on behalf of such Portfolio Company, and advising such Portfolio Company as to appropriate candidates, other than the GCM Grosvenor Funds, for such acquisition or investment. Such persons employed by or otherwise associated with GCM Grosvenor may have an incentive to base their decisions on personal considerations rather than on the best interests of the affected GCM Grosvenor Funds.

Persons employed by or otherwise associated with consulting firms may have an incentive to select or recommend GCM Grosvenor as a prospective manager of the assets of clients of such consulting firms and/or recommend that such clients continue to retain GCM Grosvenor. GCM Grosvenor may from time to time enter into arrangements with consulting firms that represent existing and prospective clients, pursuant to which such consulting firms provide GCM Grosvenor certain performance or other data on the alternative investment industry. GCM Grosvenor may compensate such consulting firms for such services on an annual flat-fee or other basis. GCM Grosvenor requires that any consulting firm that provides services to GCM Grosvenor for compensation disclose that fact to all clients to which it recommends GCM Grosvenor.

Gifts, Meals, and Entertainment

Persons employed by or otherwise associated with GCM Grosvenor may receive gifts, meals or entertainment from current or prospective service providers of GCM Grosvenor or the GCM Grosvenor Funds, including, without limitation, existing or potential Investment Managers. GCM Grosvenor maintains policies and procedures that it believes are reasonably designed to preserve its objectivity with respect to the selection, retention, and termination of service providers, notwithstanding the receipt of gifts, meals, and/or entertainment by its personnel from such service providers. However, notwithstanding these policies and procedures, to the extent that employees of GCM Grosvenor or its related persons receive gifts, meals and/or entertainment from a service provider or prospective service provider, such individual may have an incentive to seek to cause GCM Grosvenor or the GCM Grosvenor Funds to enter into a business relationship with, or to sustain or expand an existing business relationship with, such service provider even if doing so is not in the best interests of the GCM Grosvenor Funds.

GCM Grosvenor may from time to time provide meals and entertainment to, or contribute to events sponsored by, persons employed by or otherwise associated with consultants, financial advisers, clients and prospective clients, which may include investors in the GCM Grosvenor Funds. In certain cases, GCM Grosvenor may provide such contributions, meals, and entertainment to clients or prospective clients at the request of consultants, financial planners or other third parties. It is possible that such contributions or provision of meals and entertainment could affect such persons' decision-making responsibilities.

Charitable and Philanthropic Activities

GCM Grosvenor and persons employed by or otherwise associated with GCM Grosvenor engage in philanthropic activities through contributions of their time and/or financial resources to charitable organizations. Investment Managers, service providers, investors in the GCM Grosvenor Funds, consultants, and financial advisors to prospective and existing investors in the GCM Grosvenor Funds and the respective principals of the foregoing may engage in similar philanthropic activities. GCM Grosvenor and its related persons, on the one hand, and such other entities and their principals, on the other hand, may from time to time ask each other to participate in their respective philanthropic activities. It is the policy of GCM Grosvenor that any such participation or lack thereof will not, under any circumstances, be a factor in the investment management process; however, such charitable and philanthropic activities may create potential conflicts of interest.

Engagement in Political Activities Conflict

GCM Grosvenor and its employees may have personal relationships with elected and non-elected government officials and may engage in political activities, which include making contributions to certain political figures or organizations, coordinating and soliciting on behalf of a political figure or organization, or volunteering on behalf of a campaign committee. GCM Grosvenor requires all employees to obtain pre-approval from the Firm's Legal and Compliance Department prior to engaging in any political activities. The Firm's Legal and Compliance Department monitors employee political activities. While GCM Grosvenor may allow employees to engage in such political activities, GCM Grosvenor has policies and procedures in place that seek to prevent violating applicable rules and regulations. Furthermore, GCM Grosvenor is mindful when permitting employees to engage in political activities that may create potential conflicts of interest or may not be in the best interest of the GCM Grosvenor Funds. GCM Grosvenor can and will make the determination not to seek or pursue business in a particular state or local jurisdiction in order to avoid any actual or perceived conflict.

Valuation Matters

The fair value of all investments or of property received in exchange for any of GCM Grosvenor Fund investments will be determined by GCM Grosvenor in accordance with its policies and procedures and the relevant GCM Grosvenor Fund Documents. Accordingly, the carrying value of an investment may not reflect the price at which it could be sold in the market, and the difference between the carrying value and the ultimate sales price could be material. In addition, GCM Grosvenor's objectivity in determining valuations, whether at the GCM Grosvenor Fund or the Underlying Fund level, could be qualified by GCM Grosvenor's incentive to present positive investment results. The valuation of investments will also affect the amount and timing of GCM Grosvenor's carried interest or performance-based fees or allocations and, in many circumstances, the amount of management fees payable to GCM Grosvenor. The valuation of investments may also affect the ability of GCM Grosvenor to raise successor funds to one or more GCM Grosvenor Funds. As a result, there may be circumstances where GCM Grosvenor is incentivized to determine valuations that are higher than the actual fair value of investments.

Brokerage and Research Services; "Soft Dollars"

GCM Grosvenor does not currently participate in "soft dollar" arrangements. However, GCM Grosvenor may in the future select service providers, including affiliates of GCM Grosvenor, that furnish GCM Grosvenor with proprietary or third-party brokerage and research services that provide, in GCM Grosvenor's view, appropriate assistance to GCM Grosvenor in its investment advisory process. As a result, GCM Grosvenor may pay for such brokerage and research services with "soft" or commission dollars.

Trade and Clerical Errors

Pursuant to the standard of care provisions of the GCM Grosvenor Fund Documents, GCM Grosvenor will reimburse such GCM Grosvenor Fund for losses sustained by such GCM Grosvenor Fund as a result of any trade or clerical error that is caused by GCM Grosvenor's failure to adhere to the standard of care set forth in such provisions. Subject to its fiduciary obligations, GCM Grosvenor will determine: (i) whether any trade or clerical error is required to be reimbursed in accordance with such standard of care provisions; and (ii) if so, the extent of the loss that has been incurred by the relevant GCM Grosvenor Fund. GCM Grosvenor has an inherent conflict of interest with respect to determining whether or not a trade or clerical error is required to be reimbursed in accordance with the applicable standard of care provisions and with respect to determining the extent of the loss that has been incurred by the relevant GCM Grosvenor Fund.

If a trade or clerical error occurs other than as a result of GCM Grosvenor's failure to adhere to the applicable standard of care, GCM Grosvenor, in its sole discretion, reserves the right to reimburse the relevant GCM Grosvenor Fund for any losses sustained by such GCM Grosvenor Fund as a result of such trade or clerical error. GCM Grosvenor's reimbursement of a GCM Grosvenor Fund for a trade or clerical error in such a situation will not constitute a waiver of GCM Grosvenor's general policy to cause such GCM Grosvenor Fund to bear the losses associated with other trade or clerical errors that occur other than as a result of our failure to adhere to the applicable standard of care. Any net gain resulting from trade or clerical errors will be for the benefit of the relevant GCM Grosvenor Fund and will not be retained by GCM Grosvenor.

Subject to the considerations set forth above, GCM Grosvenor is under no obligation to reimburse any GCM Grosvenor Fund for any errors or mistakes made by GCM Grosvenor, its employees or its agents with respect to placing or executing trades for such GCM Grosvenor Fund or for any other administrative or clerical errors or mistakes made by the foregoing.

Certain Disclosure Issues

GCM Grosvenor may have a conflict of interest in determining whether to disclose certain information not otherwise required to be disclosed by the relevant GCM Grosvenor Fund Documents, applicable laws, or regulations concerning GCM Grosvenor to existing or prospective investors. In certain cases, GCM Grosvenor may conclude that such disclosure could be damaging to its business, which would give GCM Grosvenor an incentive to determine that such information is not material and need not be disclosed to investors or prospective investors even though it might be of interest to them.

In addition, GCM Grosvenor may possess material non-public information or other confidential proprietary information that may effectively limit the ability of certain GCM Grosvenor Funds to make certain investments or dispose of certain investments until such time as the information became public or is deemed no longer material to preclude GCM Grosvenor Funds from participating in, or disposing of, an investment. Disclosure of such information to GCM Grosvenor's personnel responsible for the affairs of certain GCM Grosvenor Funds will be on a business need to know basis only, and the GCM Grosvenor Funds may not be free to act upon any such information. Additionally, there may be circumstances in which one or more of certain individuals associated with GCM Grosvenor will be precluded from providing services related to the GCM Grosvenor Funds' activities because of certain confidential information available to GCM Grosvenor. Therefore, the GCM Grosvenor Funds may not have access to material non-public information in the possession of GCM Grosvenor which might be relevant to an investment decision to be made by the GCM Grosvenor Funds, and the GCM Grosvenor Funds may initiate a transaction or sell an investment which, if such information had been known to it, may not have been undertaken. Due to these and legal restrictions, the GCM Grosvenor Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold. Any such restrictions may materially constrain the investment flexibility of GCM Grosvenor or the GCM Grosvenor Funds.

No Independent Advice

In the case of multi-investor GCM Grosvenor Funds, the terms of the agreements and arrangements under which such GCM Grosvenor Funds are established and will be operated have been or will be established by GCM Grosvenor and are not the result of arm's length negotiations or representations of the investors by separate counsel. Prospective investors in a multi-investor GCM Grosvenor Fund should therefore seek their own legal, tax and financial advice before making an investment in a GCM Grosvenor Fund.

Side Letters

GCM Grosvenor and the GCM Grosvenor Funds have and will enter into side letters or other similar agreements with certain investors in connection with their admission to or continuing investment in the GCM Grosvenor Funds. These side letters have the effect of establishing rights under, altering, waiving, or supplementing the terms of the applicable GCM Grosvenor Fund Documents with respect to such investors in a manner more favorable to such investors than those applicable to other investors. Any rights or terms so established with an investor will govern solely with respect to such investor, but generally not any of such investor's assignees or transferees. In addition, for the avoidance of doubt, it is acknowledged and agreed that certain rights afforded to investors in side letters may be limited to investors with a certain commitment level or which have subscribed for interests in the GCM Grosvenor Fund by a particular date or otherwise only made available subject to certain conditions, restrictions, or limitations. There can be no assurance that any such arrangements will not have an adverse effect on the GCM Grosvenor Funds or affect the returns of the investors therein.

Legal Representation

A number of law firms represent GCM Grosvenor in a variety of different matters. Unless otherwise agreed, none of these law firms represent any GCM Grosvenor Fund investors in connection with matters relating to the GCM Grosvenor Funds or their investments. These law firms represent GCM Grosvenor, including with respect to their role in relation to the GCM Grosvenor Funds. It is not anticipated that, in connection with the organization or operation of the GCM Grosvenor Funds, GCM Grosvenor will have the GCM Grosvenor Funds engage counsel separate from counsel to GCM Grosvenor. Such counsel will not however be acting as counsel for any GCM Grosvenor Fund investor. Furthermore, in the event a conflict of

interest or dispute arises between GCM Grosvenor and the GCM Grosvenor Funds or any GCM Grosvenor Fund investor it will be accepted that counsel to GCM Grosvenor is not counsel to the GCM Grosvenor Funds or any GCM Grosvenor Fund investor. However, in certain cases, such counsel's fees are paid through or by the GCM Grosvenor Funds and therefore in effect by the GCM Grosvenor Fund investors.

Item 9 – Disciplinary Information

We are required to disclose to you all legal and disciplinary events relating to us or to our personnel that are material to your evaluation of our advisory business or the integrity of our management.

To the best of our knowledge, there are no legal or disciplinary events relating to us or our personnel that are material to your evaluation of our advisory business or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliated Registered Investment Adviser

We are under common control with GCM CFGI, an investment adviser registered as such with the SEC. Similar to the investment advisory services we provide our clients, GCM CFGI offers customized and commingled investment funds and accounts that invest primarily in private equity, real estate, infrastructure, and venture capital investments.

While we share certain operational infrastructure with GCM CFGI, we generally maintain separate investment teams and investment processes. However, investment and non-investment personnel are encouraged to collaborate with their colleagues at GCM CFGI, and investment opportunities sourced by us or by GCM CFGI may be allocated pursuant to GCM Grosvenor's policies across the enterprise.

Affiliated Investment Managers

GCM Investments UK LLP (**GCM UK**), an affiliate of GCM Grosvenor, is a UK based firm that provides certain services to GCM Grosvenor. GCM UK is authorized and regulated by the UK Financial Conduct Authority to provide investment advisory and arranging services to professional investors. GCM UK seeks to obtain information on and access to UK and Europe based investment managers and to furnish GCM Grosvenor advice with respect to such managers. In addition, employees of GCM UK meet with existing and prospective clients of GCM Grosvenor in the UK and Europe and assist employees of GCM Grosvenor when they are present in the UK. As compensation for the services GCM UK performs, GCM Grosvenor pays GCM UK a service fee based on a percentage mark-up over the cost of providing such services.

GCM UK has an incentive to introduce GCM Grosvenor Funds to GCM UK's clients because additional investments in such products will result in additional investment management or advisory fees for GCM Grosvenor. In cases where GCM UK provides investment advisory or arranging services to investors, such investors will be informed of the affiliation between GCM Grosvenor and GCM UK, and thus will be aware of this incentive prior to the time they invest in a GCM Grosvenor Fund.

In addition, in November 2017, GCM UK became a full scope Alternative Investment Fund Manager (AIFM) under the Alternative Investment Fund Managers Directive, enabling GCM UK to be an AIFM for alternative funds that will have the benefit of the EU marketing passport. We anticipate that when GCM UK establishes its European domiciled alternative funds, it will appoint GCMLP or GCM CFGI as the investment manager to these funds.

GCM Investments Hong Kong Limited (**GCM HK**), an affiliate of GCM Grosvenor, is located in Hong Kong. GCM HK is licensed to deal in securities (Type 1) and advise on securities (Type 4) by the Hong Kong Securities and Futures Commission. It seeks to obtain information on and access to Asia-based investment managers and provides GCM Grosvenor advice with respect to such managers. In addition, employees of GCM HK provide ongoing client service to GCM Grosvenor clients in Asia and assistance to employees of GCM Grosvenor when they are traveling in Asia. As compensation for the services GCM HK performs, GCM Grosvenor pays GCM HK a service fee based on a percentage mark-up over the cost of providing such services.

GCM Japan (as defined herein) may act as a discretionary investment manager on behalf of clients in Japan and, in that connection, may allocate client assets to one or more investment vehicles managed or advised by GCMLP or GCM CFGI.

Affiliated Placement Agents/Distributor

Our affiliate, GRV Securities LLC (**GSLLC**), serves as placement agent or distributor for certain GCM Grosvenor Funds.

GSLLC is registered as a broker-dealer with the SEC under the U.S. Securities Exchange Act of 1934 and with 53 U.S. state and territorial jurisdictions and is a member of the U.S. Financial Industry Regulatory Authority, Inc.

GSLLC's sole functions are to:

- act as a private placement agent for certain securities (including interests in certain GCM Grosvenor Funds)
- provide wholesaling and distribution services to closed-end RICs sponsored and advised or managed by us
- provide certain support services to third-party selling agents that market the RICs
- provide wholesaling services to open end RICs advised or sub-advised by us

Pursuant to a Master Placement Agent Agreement, we and GCM CFGI compensate GSLLC on a flat annual fee basis for the placement agent and distribution services provided by GSLLC, regardless of the success of GSLLC's services. GSLLC has no employees. However, certain of our employees, including many of our executive-level employees, are registered as representatives of GSLLC so that they may engage in private placement activities on behalf of certain GCM Grosvenor Funds. We are exclusively responsible for compensating such employees, and neither we nor GSLLC pays any sales commissions to any such employees in connection with the private placement activities they perform on behalf of the GCM Grosvenor Funds.

GCM Investments Japan K.K. (**GCM Japan**), an affiliate of GCM Grosvenor, is located in Tokyo, Japan. GCM Japan is registered as a securities company in Japan with the Kanto Local Finance Bureau. GCM Japan may act as placement agent for certain GCM Grosvenor Funds that are privately offered in Japan to Japanese investors, provide ongoing services to Japanese investors in such vehicles and provide research services to GCM Grosvenor. GCM Grosvenor may compensate GCM Japan for such placement agent services with an asset based fee and may compensate GCM Japan for ongoing client and research services based on a percentage mark-up over the cost of providing such services. GCM Japan is exclusively responsible for compensating its employees, and neither GCMLP or GCM CFGI, nor GCM Japan, pays any sales commissions to such employees in connection with the private placement activities they perform.

GSLLC and GCM Japan have an incentive to introduce GCM Grosvenor Funds to prospective investors, because additional investments in such products will result in additional investment management or advisory fees for GCM Grosvenor. However, all prospective investors are informed of the affiliation between GCM Grosvenor and GSLLC or GCM Japan, as applicable under the circumstances, and are thus aware of this incentive prior to the time they invest funds in a GCM Grosvenor Fund.

Other Affiliates

GCM Investments (Korea) Co. Ltd. (**GCM Korea**), an affiliate of GCM Grosvenor, is located in Seoul, South Korea. The activities of GCM Korea are not regulated in South Korea. GCM Korea provides ongoing services to Korean clients in investment vehicles or accounts managed by GCM Grosvenor. In addition, employees of GCM Korea provide assistance to employees of GCM Grosvenor when they are present in South Korea. GCM Grosvenor may compensate GCM Korea for ongoing client services based on a percentage mark-up over the cost of providing such services. GCM Korea does not introduce GCM Grosvenor Funds to prospective Korean clients.

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

Code of Ethics

We have adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act and Rule 17j-1 under the ICA (**Code of Ethics**). The Code of Ethics outlines the Firm's duties of care and loyalty; the standards of conduct required of all covered persons; and the requirements applicable to outside business activities, conflicts of interest, and personal trading.

Our personnel have several basic obligations under the Code of Ethics:

- (1) act consistently with our fiduciary duties to our clients
- (2) comply with applicable federal securities and commodities laws
- (3) understand and adhere to the Firm's compliance policies and procedures
- (4) periodically submit certain statements or certifications to us
- (5) obtain pre-clearance from us in connection with certain types of activities and transactions (**Pre-Clearance Transactions**), including (under certain circumstances) investments in securities issued in private placements or in initial public offerings
- (6) refrain from engaging in certain types of prohibited transactions

Compliance may deny an employee's request to engage in a Pre-Clearance Transaction or revoke approval of a previously approved Pre-Clearance Transaction if they determine:

- such employee is delinquent in filing reports required to be filed by such employee pursuant to the Code of Ethics
- such transaction or activity involves a company on the Restricted List
- such employee may unfairly benefit from such transaction or activity at the expense of our or our affiliate's clients
- such employee may benefit from such transaction or activity as a result of information that is proprietary to us, any of our affiliates or any of our affiliates' clients
- such transaction or activity involves, or appears to involve, a conflict between the interests of such employee or us and those of any of our or our affiliates' clients
- such transaction or activity involves undue litigation, regulatory, enforcement or reputational risk to us
- such transaction or activity is otherwise prohibited or conflicts with the terms and conditions of the Code of Ethics

In applying the foregoing criteria, Compliance may take such facts and circumstances into account as appropriate.

We will provide you a copy of our Code of Ethics upon your request.

Our Ability to Invest in the Same Securities in which the GCM Grosvenor Funds Invest

GCM Grosvenor may for our own account invest in GCM Grosvenor Funds for its own account alongside investors who are not related to us. When we do so, GCM Grosvenor participates in the investment opportunities in which such GCM Grosvenor Funds participate, alongside the other investors in such GCM Grosvenor Funds.

In addition, GCM Grosvenor may for its own account place assets under the management of (or otherwise procure investment advisory or investment management services from) any Investment Manager directly or indirectly used by one or more GCM Grosvenor Funds. For example, GCM Grosvenor may invest in an Underlying Fund for its own account in which one or more GCM Grosvenor Funds invest. Further, GCM Grosvenor may invest in an Underlying Fund at or about the same time one or more GCM Grosvenor Funds invest in such Underlying Fund.

GCM Grosvenor for its own account and one or more GCM Grosvenor Funds that place assets under the management of, or otherwise procure investment advisory or investment management services from, any Investment Manager directly or indirectly used by one or more other GCM Grosvenor Funds may do so on terms (including terms relating to fees, liquidity and transparency) that are the same as or more advantageous than those applicable to the investments that may be made by such other GCM Grosvenor Funds with such Investment Manager. To the extent that GCM Grosvenor invests for its own account with a given Investment Manager on terms that are more advantageous than those on one or more GCM Grosvenor Funds may invest with such Investment Manager, GCM Grosvenor may have an incentive to maintain or increase the investment by such GCM Grosvenor Funds with such Investment Manager in order to obtain or maintain such advantageous terms for the benefit of GCM Grosvenor.

Item 12 – Brokerage Practices

Our Brokerage Practices

Except in the very limited case of secondary market transactions in interests in Underlying Funds, when the GCMLP Funds invest in Underlying Funds—which typically constitutes their principal business activity—the GCMLP Funds contract directly

with the Underlying Funds without the involvement of a financial intermediary such as a broker-dealer. Commissions are not payable in connection with such investments.

To the extent that GCMLP Funds we manage on a discretionary basis purchase or sell investments other than investments in Underlying Funds, we have the authority to determine the financial intermediaries to be used in connection with such purchases or sales and to negotiate the commissions or other transactional compensation to be paid to such intermediaries in connection with such purchases or sales—which commissions or other compensation are borne by the affected GCMLP Funds. In determining which intermediaries to use, to effect purchases and sales of securities on behalf of the GCMLP Funds, we focus on the quality of the execution-related services provided by the intermediaries, including factors such as the ability of the intermediaries to execute transactions efficiently, their responsiveness to instructions, their facilities, their reliability, and their financial stability. We do not necessarily select those that charge the lowest commissions or other transactional costs.

To the extent that the GCMLP Funds we advise on a non-discretionary basis engage in transactions in investments other than investments in Underlying Funds, we do not have the authority to determine the financial intermediaries used in connection with such transactions or to negotiate the commissions or other transactional compensation to be paid to such intermediaries in connection with such transactions, unless the client expressly confers that authority on us and we agree to accept such authority. In all such cases, the commissions or other compensation are borne by the client.

We do not separately compensate financial intermediaries for the provision of non-execution related services and we do not believe that we pay up for such services. However, we may from time to time use financial intermediaries that provide research-related products or services to most or all of their customers, and—although we do not request research-related products or services from such financial intermediaries—we may on occasion receive and use research provided by such intermediaries. In this situation, we receive a benefit because we do not have to produce or pay for the research. Accordingly, we may have an incentive to select financial intermediaries based on our interest in receiving the research or other products or services rather than on our clients' interest in receiving the most favorable execution. However, since the research provided is not material in nature and quantity and is provided without our request, we believe that our receipt of such research does not have a material effect on our selection of financial intermediaries.

To the extent that the GCMLP Funds engage in secondary market transactions in interests in Underlying Funds, we generally have limited ability to select the financial intermediaries involved in connection with any proposed transaction or to negotiate the commissions or other transactional compensation to be paid to such intermediaries in connection with such transactions. The commissions charged by such intermediaries may vary significantly from intermediary-to-intermediary, and from transaction-to-transaction.

Brokerage Practices of Investment Managers of Underlying Funds

Investment Managers of the Underlying Funds in which the GCMLP Funds invest select the financial intermediaries that execute transactions for their respective Underlying Funds and negotiate the related brokerage commissions and other transactional costs paid to such intermediaries.

In selecting financial intermediaries and/or in negotiating commissions and other compensation with them, such Investment Managers, subject to their overall duty to obtain best execution of all transactions for the Underlying Funds they manage:

- have authority to and may consider the full range and quality of the services and products provided by the intermediaries, including factors such as the ability of the intermediaries to execute transactions efficiently, their responsiveness to instructions, their facilities, reliability and financial responsibility and the value of any research or other services or products they provide
- do not necessarily select intermediaries that charge the lowest transaction costs. In this regard, Investment Managers may engage in the practice known as “paying up,” whereby the Investment Managers cause their Underlying Funds to pay higher transaction costs than they would otherwise pay so that the Investment Managers may receive certain non-execution related products and services provided by or through the intermediaries, so-called soft dollar benefits

The practices discussed above create conflicts between the interests of an Investment Manager and the interests of the Underlying Funds managed by such Investment Manager. This is because an Investment Manager that receives soft dollar benefits receives a benefit that it does not have to purchase out of its own resources. This benefit, in turn, may create an incentive to utilize particular intermediaries based not on the interest of the Underlying Funds in achieving best execution of their transactions, but on the Investment Manager's interest in receiving benefits for which it does not have to pay out of its own resources.

Further, an Investment Manager may cause an Underlying Fund managed by such Investment Manager to pay transaction costs to a financial intermediary even though such Investment Manager and/or clients of such Investment Manager other than such Underlying Fund are the exclusive beneficiaries of soft dollar benefits provided by the intermediary.

We ordinarily are authorized to consent—on behalf of GCMLP Funds that we manage on a discretionary basis—to practices in which the Investment Managers of the Underlying Funds in which such GCMLP Funds invest receive soft dollar benefits from the financial intermediaries selected by such Investment Managers to effect transactions in securities or other financial instruments for such Underlying Funds (subject to the Investment Managers' overall duty to obtain best execution of all transactions for the Underlying Funds they manage). This is the case regardless of whether such Investment Managers' soft dollar practices conform to the requirements of the so-called "safe harbor" provided by Section 28(e) of the Exchange Act (except where regulatory considerations do not permit such Investment Managers to engage in such practices). However, most of the Underlying Funds in which the GCMLP Funds invest either do not engage in soft dollar practices or do so within the safe harbor provisions of Section 28(e) of the Exchange Act. In those cases where the Investment Manager of an Underlying Fund indicates that it may engage in soft dollar practices outside of the safe harbor, we—as part of our due diligence review and ongoing monitoring of Underlying Fund investments—obtain information concerning such soft dollar practices and make an assessment as to whether such practices are appropriate and reasonable under the circumstances.

Item 13 – Review of Accounts

Account Reports and Reporting Packages

Basic Account Reports

Except where we expressly agree otherwise with a client, we deliver or cause to be delivered—no less frequently than quarterly—to each person who was an investor in a GCMLP Fund, or their designated representative, at any time during the relevant reporting period a written report setting forth:

- an unaudited statement of the estimated rate of return of the GCMLP Fund for the period covered by the report (except in the case of GCMLP Funds that are RICs)
- the estimated value of the investor's investment in the GCMLP Fund as of the end of such period
- such other financial reports and information as we may deem appropriate

For each GCMLP Fund that is an entity, and for which we have custody (as further described in Item 15 – Custody), as soon as reasonably practicable after the end of such GCMLP Fund's fiscal year, and in no event not more than 180 days after the end of such fiscal year or 60 days, in the case of the RICs, we deliver or cause to be delivered to each person who was an investor in such GCMLP Fund at any time during such fiscal year a written report containing audited financial statements of the GCMLP Fund for such fiscal year. Such audited financial statements generally include or are accompanied by:

- a statement of assets, liabilities and investors' capital (including a condensed schedule of investments in the case of GCMLP Funds that are not RICs, and a schedule of investments for GCMLP Funds that are RICs)
- a statement of operations
- a statement of changes in investors' capital
- a statement of cash flows
- the financial statements of any GCMLP Fund in which such GCMLP Fund invests

Clients or their designated representatives generally access reports and analytical tools online via our client web portal, which offers portfolio, investment manager, and industry information through an interactive, secure, and easy-to-use format. Reporting varies by investment size.

Exceptions to Investment Constraints

To the extent that a monthly review by our Portfolio Management Team indicates an exception to a GCMLP Fund's compliance with applicable investment constraints, the Portfolio Management Team assigned to such GCMLP Fund and certain other members of our Investments Department review the exception to determine what action, if any, is required to remedy the exception.

Investment Committee Changes in Strategy and/or Allocation Guidelines

If the Investment Committee changes one or more strategy and/or allocation guidelines, manager allocation guidelines or the approval status of certain Investment Managers, the assigned Portfolio Management Team and certain other members of our Investments Department or Investment Committee review the changes to determine what action, if any, is required to adjust the portfolios of the GCMLP Funds in light of the changes.

Capital Inflows/Outflows

To the extent there are capital inflows or outflows with respect to a GCMLP Fund, the Portfolio Management Team assigned to such GCMLP Fund reviews the portfolio of such GCMLP Fund to determine what changes are required to accommodate such capital flows.

Portfolio Management Team Proposed Changes in Allocations

If the Portfolio Management Team assigned to a GCMLP Fund decides to propose changes to the portfolio allocations of such GCMLP Fund based on its assessment of specific Investment Manager opportunities or market opportunities, certain members of our Investments Department review such GCMLP Fund to determine whether the proposed changes would be consistent with such GCMLP Fund's investment constraints.

Our personnel who are responsible for the reviews discussed above include persons who are our Associates, Vice Presidents, Senior Vice Presidents, or Managing Directors. However, primary responsibility for such reviews rests with the Portfolio Management Team assigned to the relevant GCMLP Fund.

Different Reporting Packages

Different investors, including different investors in the same GCMLP Fund, as well as certain other persons, including (i) persons to whom we provide investment advisory services on a non-discretionary basis and (ii) persons who currently have, or who previously have had, an interest in us or who otherwise currently are, or who previously have been, associated with us, receive oral and/or written reports from us that differ in form, substance, level of detail, timing and/or frequency.

Recipients of our oral and written reports should be aware that:

- we do not permit such recipients to copy, transmit or distribute such reports, or any data or other information contained therein, in whole or in part, or authorize such actions by others, without our express prior written consent, and any such action taken without our express prior written consent may constitute a breach of contract and applicable copyright laws
- by their receipt of such reports, such recipients will be deemed to have acknowledged that: (i) the data and/or other information contained therein may include data and/or information that, under applicable law, may be deemed to be material, non-public information regarding particular securities and/or the issuers thereof; (ii) under certain circumstances, United States securities laws prohibit the purchase and sale of securities by persons or entities who are in possession of material, non-public information relating to such securities and/or the issuers thereof; (iii) securities laws of other jurisdictions may contain a similar prohibition; and (iv) as a result, it is possible that trading in securities that are the subject of data and/or information contained in such reports may be prohibited by law

If you are a recipient of our oral or written reports, we strongly urge you to review your own policies and procedures relating to the possible receipt of confidential or material, non-public information to ensure that any information that you

receive from us relating to particular securities and/or the issuers thereof will not be used in any manner that conflicts with applicable laws.

Item 14 – Client Referrals and Other Compensation

Receipt of Payments from Third Parties

We serve as a sub-adviser to certain investment vehicles that are managed by independent third parties. These independent third parties compensate us, either directly out of the investment management fees they receive from such investment vehicles or otherwise, out of their own resources or indirectly from the relevant investment vehicles, for the sub-advisory services we provide to such investment vehicles.

Payment of Compensation for Investor Referrals

As discussed in greater detail in Item 10 of this Brochure under the heading Affiliated Placement Agents, we compensate certain affiliated entities for referring prospective investors to certain GCMLP Funds.

In addition, we or one of our affiliates may pay compensation or commissions from our own resources, either at the time of sale or on an ongoing basis, to intermediaries for sales by such intermediaries of interests to investors in the RICs, as well as for ongoing investor servicing. Such payments, sometimes referred to as “revenue sharing,” may be made:

- from the investment advisory fees we receive from the RICs
- for the provision of sales training, product education and access to sales staff, the support and conduct of due diligence, balance maintenance, the provision of information and support services to investors, inclusion on preferred provider lists and the provision of other services

The receipt of such payments could create an incentive for the intermediaries to offer or recommend a GCMLP Fund instead of similar investments where such payments are not received. Such payments may be different for different intermediaries.

We may from time to time compensate unaffiliated third parties in connection with our participation in investor introduction conferences sponsored by such third parties in which we meet with prospective investors introduced to us by such third parties.

Payment of Compensation for Client Referrals

From time to time, we may make cash payments for client referrals to persons other than our employees and our affiliates pursuant to applicable laws, including Rule 206(4)-3 under the Advisers Act, when applicable. These payments may differ by referrer and are negotiated based on a range of factors, including but not limited to: target markets; nature and size of potential client relationships; quality of service and industry reputation. In general, a referrer may be compensated based (i) on a fixed periodic fee that is not contingent upon any person referred to us by such referrer becoming a client of ours; or (ii) on a percentage of the amount of the referred client’s investment with us over some set period of time. Some referrers or their affiliates may receive a retainer amount against which future payments are offset. Referrers may also receive reimbursement for certain expenses related to their activities associated with referring clients to us. Any such payments will be disclosed in accordance with Rule 206(4)-3.

We are also referred clients by unaffiliated consultants that are retained by clients or prospective clients. While we do not make payments to these consultants for client referrals, we may pay to participate in investment advisory searches conducted by certain consultants on behalf of their clients as well as in conferences and other events sponsored by certain consultants. We may also purchase products and services from such consultants or their affiliates.

Our participation in conferences and other events sponsored by consultants, or by industry-related organizations to which we pay a fee for membership, helps us interact with investment industry participants and develop an understanding of industry trends and the points of view and challenges of industry participants. Conference and other event participants may include trustees, fiduciaries, consultants, administrators, state and municipal personnel and other clients or prospective clients.

Non-Affiliated Placement Agents

From time to time, we engage non-affiliated placement, distribution, or similar agents to assist us in marketing interests in our investment products. If you acquire an interest in any of our investment products as a result of a recommendation made by any such placement, distribution or similar agent, you should not view such recommendation as being disinterested, as we generally will pay the agent for the introduction. Also, you should regard such an agent as having an incentive to recommend that you retain your interest in our investment products, since such agent may be paid a portion of our fees for all periods during which you do so. To the extent that such agent is compensated by GCM Grosvenor, such compensation will be separately disclosed to investors.

Item 15 – Custody

Pursuant to the Advisers Act—which imposes certain requirements on SEC-registered investment advisers that have custody of client funds or securities—we are deemed to have custody of the funds and securities of certain GCMLP Funds even though:

- subject to certain SEC-permitted exceptions, we and our affiliates do not physically hold the funds or securities of such GCMLP Funds
- the funds and securities of such GCMLP Funds are not held or registered in our name or in the name of any of our affiliates

Although we are deemed, under applicable rules, to have custody of the funds and securities of certain GCMLP Funds that are entities, we are generally exempt from many of the provisions of the custody rule because we undertake to deliver to the investors, within 180 days after the end of the fiscal year of such GCMLP Fund, financial statements that are:

- prepared in accordance with Accounting Standards Generally Accepted in the United States (**U.S. GAAP**), or with accounting principles other than U.S. GAAP under certain circumstances
- audited by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board

Item 16 – Investment Discretion

We manage most GCMLP Funds on a discretionary basis, which means that GCMLP has the authority to decide which securities to purchase and sell for such GCMLP Funds. We consider a GCMLP Fund to be managed by us on a discretionary basis if we have been granted legal authority in GCMLP Fund Documents to invest and reinvest the assets of such GCMLP Fund without receiving prior authorization from any investor in such GCMLP Fund or any other person to engage in particular investment activities for such GCMLP Fund. In certain cases where we have been granted discretionary investment authority over GCMLP Funds, the investors or participants in those GCMLP Funds have informally reserved the right to approve or not approve our investment decisions for those GCMLP Funds prior to the implementation of such decisions.

We manage, on a discretionary basis, many GCMLP Funds that are designed for multiple investors. In these cases, we determine the particular **Investment Guidelines** that will apply to our management of the GCMLP Fund. These restrictions typically do not include restrictions on the GCMLP Fund's ability to make investments in particular securities or particular types of securities. Further, investors in the GCMLP Fund are not afforded the opportunity to place restrictions on the GCMLP Fund's ability to make particular investments or particular types of investments, or otherwise to place any additional material limitations on our exercise of discretionary authority over such GCMLP Fund. The Investment Committee may re-evaluate the Investment Guidelines from time to time based on various factors, including its assessment of market conditions, and may amend or modify the Investment Guidelines from time to time based on such re-evaluations. Such modifications may be made without notice to investors in such GCMLP Funds.

We also manage, on a discretionary basis, many GCMLP Funds that are designed for single investors or groups of related investors. In these cases, prior to the launch of the GCMLP Fund, we propose to the single investor or group of investors the Investment Guidelines that will apply to our management of the GCMLP Fund, and the investor is afforded the opportunity

to review and suggest changes to such guidelines, including restrictions on the GCMLP Fund's ability to make particular investments or particular types of investments. If we agree to be bound by any such changes, we will follow them in connection with managing such GCMLP Fund.

Item 17 – Voting Client Securities

Background

From time to time, GCMLP receives requests from Investment Managers or other parties (other than a client) to vote a security held by a GCMLP Fund, or to vote on any matter (or consent to any action) relating to a Project Agreement (**Proxy Request**). GCMLP seeks to vote Proxy Requests in the best interests of our clients for which we have the authority to vote. GCMLP's authority to vote or make recommendations for our clients is based on regulatory requirements, any arrangements made with the client and whether we have investment discretion. GCMLP has adopted policies and procedures that establish standards for the proxy voting process, identification, and management of conflicts of interest and client disclosure obligations.

You may request a copy of our Proxy Voting Policies and Procedures (**Proxy Voting Policy**), which are summarized herein, or request an opportunity to review our proxy voting records, by contacting our Investor Relations Team (telephone: +1.855.426.9321; e-mail: client.services@gcmlp.com).

General Policy to Take Action in Response to Proxy Requests

GCMLP's authority to vote or make recommendations for GCMLP Funds is based on regulatory requirements, any arrangements made with the client and whether GCMLP has investment discretion. For some GCMLP Funds, GCMLP must notify the client, or obtain affirmative or negative consent from the client, before responding to certain Proxy Requests or inform the client, after responding to certain Proxy Requests, of what actions have been taken.

Discretionary Investment Authority

GCMLP votes Proxy Requests in connection with GCMLP Funds over which it has investment discretion, with some exceptions. GCMLP does not vote Proxy Requests if the GCMLP Fund is a single investor or single participant fund and GCMLP has agreed in writing with the client that GCMLP is not required to vote Proxy Requests for the fund. However, if the single investor or single participant fund is subject to ERISA, GCMLP will vote Proxy Requests unless an authorized fiduciary of the fund agrees in writing with GCMLP that GCMLP is precluded from voting Proxy Requests.

GCMLP ordinarily does not consult with clients prior to taking action. However, in certain cases, clients that grant investment discretion to GCMLP may make arrangements to reserve the right to approve or disapprove, or simply receive notice, of GCMLP's decisions with respect to voting on Proxy Requests that affect their account.

Non-Discretionary Investment Authority

For GCMLP Funds over which GCMLP does not have investment discretion, GCMLP informs the clients of the Proxy Request and may provide recommendations on what actions to take. Although, for funds subject to ERISA, GCMLP will not make recommendations if an authorized fiduciary of the fund has agreed in writing with GCMLP that GCMLP is precluded from making recommendations and that a party associated with the fund, such as the plan sponsor, has reserved in writing the authority and right to take actions in response to Proxy Requests.

Upon client request, GCMLP will vote Proxy Requests in accordance with the client's voting instructions.

Best Efforts to Vote and Exceptions

GCMLP makes best efforts to act or make recommendations on Proxy Requests in a timely manner. However, there may be circumstances in which GCMLP abstains from voting.

Timeliness of Receipt of Materials

GCMLP makes best efforts to act upon and make recommendations on Proxy Requests. However, GCMLP will only be able to do so when it receives Proxy Requests with sufficient time prior to the voting cut-off date to consider the impact of the proposals and complete its procedures.

Lack of Adequate Information

With the Operations Committee's approval, GCMLP may abstain or recommend abstaining from taking action on a proposal when GCMLP does not believe that the Proxy Request provides sufficient detail to support a decision.

Abstentions Where Cost of Consideration Outweighs Benefit

With the Operations Committee's approval, GCMLP may abstain from acting or from recommending what action should be taken with respect to a Proxy Request when it believes that the expected cost or administrative burden of giving due consideration to the proposal does not justify the potential benefits to the affected GCMLP Fund that might result from adopting or rejecting the proposal in question.

Public Companies – Share Blocking and Re-Registration

In certain countries, shareholders that vote an issuer's proxy are required to deposit their shares with a designated depository prior to the date of the meeting. The owner may not sell their shares until after the meeting when the shares are returned to the custodian. In countries that require shares to be blocked, GCMLP will consider the potential benefit of taking action on Proxy Requests to determine if it will consider voting and the resulting share blocking of the security.

In certain countries, an owner of a company's shares is required to re-register the shares in order to take action on a proxy. Similar to share blocking, re-registration temporarily prevents a shareholder from selling shares. In countries that require re-registration, GCMLP will consider the potential benefit of taking action on Proxy Requests to determine if it will consider voting and re-registering the security.

Conflicts

Due to the difficulty of predicting and identifying material conflicts with respect to proxy voting ahead of time, we will address those conflicts as they arise. Generally, conflicts of interest will be identified by members of our Investment Committee as well as individuals involved in the proxy voting process and brought to the attention of our Global Chief Compliance Officer (CCO) or designee. The CCO or designee will determine the materiality of the conflict, and in consultation with other GCM CFG personnel, determine the appropriate course of action.

Item 18 – Financial Information

We are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.

We have no financial condition that impairs or is reasonably likely to impair our ability to meet our contractual commitments to our clients, and we have never been the subject of any bankruptcy petition.