



Item 1 – Cover Page

GCM Customized Fund Investment Group, L.P.

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New York, New York 10010

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Brochure dated February 4, 2014
(SEC Form ADV, Part 2A)

This Brochure provides information about the qualifications and business practices of GCM Customized Fund Investment Group, L.P. (**GCM CFIG**). Additional information about GCM CFIG is available on the SEC's website at www.adviserinfo.sec.gov.

If you have any questions about the contents of this Brochure or the additional information about GCM CFIG made available on the SEC's website, please contact GCM CFIG at cfig.investorservices@gcmlp.com or 646-362-3700.

References to "we," "us" and "our" in this Brochure are to GCM CFIG.

In this Brochure, for purposes of convenience, we typically refer to the investment vehicles or accounts that we manage or advise as the **CFIG Funds**. This term includes privately offered customized and commingled investment vehicles that we manage or advise, which are typically organized as limited partnerships, limited liability companies, trusts, corporations or similar entities.

GCM CFIG is registered with the U.S. Securities and Exchange Commission (**SEC**) as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (**Advisers Act**). Registration with the SEC as an investment adviser under the Advisers Act does not imply a certain level of skill or training. Further, the information in this Brochure has not been approved or verified by the SEC, any state securities authority, any other governmental authority or any regulatory or self-regulatory organization, nor has any of the foregoing approved or disapproved of our qualifications.

Item 2 – Material Changes

We are a recently organized investment adviser, and this is the first Brochure we are providing to investors and participants in the CFGF Funds. Accordingly, this Item 2 currently is not applicable to us. Investors and participants in the CFGF Funds and other interested parties are encouraged to read the entire Brochure carefully. We will deliver to investors and participants in the CFGF Funds a summary of any material changes to this (and any subsequent) Brochure within 120 calendar days of the close of our fiscal year. We may also provide investors and participants in the CFGF Funds with other interim disclosures about material changes to the information in this Brochure as necessary. A copy of our current Brochure can be obtained by contacting a GCM CFGF client services representative at (646) 362-3700.

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Item 4 – Advisory Business

Our History

We are the successor entity to the Customized Fund Investment Group, which, from 2000 to January 2, 2014, was a business unit within the asset management division of Credit Suisse Group AG (**Credit Suisse**). On January 2, 2014, Grosvenor Capital Management Holdings, LLLP, an Illinois (USA) limited liability limited partnership (**GCMH**), acquired certain assets associated with the Customized Fund Investment Group from Credit Suisse.

Our Business

We specialize in providing the following private equity, real estate, infrastructure and venture capital investment management and advisory services:

- ***Customized Investment Programs***

We offer customized investment funds and accounts that are designed for investors seeking a customized mandate, control over structure and, often, some involvement in the investment process. Generally, our investment team seeks to identify appropriate investment opportunities and make appropriate investments for these CFGF Funds, and then monitors and disposes of such investments for these CFGF Funds, in accordance with the investment objectives, mandates and client-imposed restrictions set forth in the related advisory agreements, offering documents (where applicable), representations made to investors/participants in these CFGF Funds, and regulatory restrictions.

We collaborate with the investor to design, implement and monitor a customized portfolio that is tailored to the investor's unique needs. Our customized investment programs may pursue their investment objectives either by investing in:

- > one or more pooled investment vehicles (**Underlying Funds**), which themselves purchase securities or other assets and are managed by third-party investment managers (whom we refer to as **Investment Managers**); and/or
- > securities or other assets that may be sponsored or identified by Investment Managers (either directly or indirectly through "special purpose vehicles" formed for the purpose of investing in such securities or other assets). We sometimes refer to these securities or other assets as **Co-Investments**.

- ***Commingled Investment Funds***

We offer commingled investment funds that are designed for multiple investors and that may pursue the same investment types and strategies as our customized investment funds.

Like our customized investment funds, our commingled investment funds may pursue their investment objectives by investing in Underlying Funds and/or Co-Investments (either directly or indirectly through "special purpose vehicles" formed for the purpose of investing in such securities or other assets).

- ***Portfolio Administration Services***

In addition to providing comprehensive monitoring and reporting services for our customized investment funds and accounts, we offer, as a separate service, portfolio administration services that are designed to integrate all of an investor's private equity, real estate, infrastructure and venture capital holdings, including those investments that are sourced directly by the investor or through parties other than us, such as the investor's consultants or other investment managers/advisers. We can customize our proprietary web-based reporting systems to meet the investor's requirements and include document archiving and indexing capabilities.

If selected to provide portfolio administration services on holdings outside of a GCM CFGI-managed/advised investment program, we provide some or all of the following services with respect to an investor's private fund holdings:

- > Tracking all cash flow activity and developing appropriate cash flow activity categorizations.
- > Reviewing and reconciling all capital calls and distributions.
- > Recording quarterly capital account adjustments.
- > Reconciling quarterly reports received by an investor in respect of its investments.
- > On a quarterly or semi-annual basis, providing an investor with various fund-by-fund and aggregate reporting.
- > Attending periodic meetings held by an investor's private fund program's Investment Managers, and preparing brief reports of any relevant updates.
- > Reviewing all amendment requests made by an Investment Manager and providing a written summary and review of the terms of the amendment.

Investors have access to all of the reports described above through a password protected portal into GCM CFGI's FundCentral™ and Document Imaging™ systems.

For purposes of convenience:

- we sometimes refer to the privately offered customized and commingled investment vehicles that we manage or advise – which are typically organized as limited partnerships, limited liability companies, trusts, corporations or similar entities – as the **CFGI Investment Vehicles**; and
- we sometimes refer to the CFGI Investment Vehicles, together with accounts that we manage or advise but that are not organized as legal entities, as the **CFGI Funds**.

The management and control of each CFG Investment Vehicle is vested exclusively in its general partner or similar managing entity (each, a **Manager**). (We use the term “Manager” also to apply to the managing entity of a CFG Investment Vehicle that is not structured as a partnership, such as the managing member of a CFG Investment Vehicle that is structured as a limited liability company). Typically, the Manager of each CFG Investment Vehicle is our affiliate. The investors in the CFG Investment Vehicles (**Investors**) generally have no part in the management or control of the CFG Investment Vehicles and have no authority or right to act on behalf of the CFG Investment Vehicles in connection with any matter. (We use the term “Investor” to apply to investors in CFG Investment Vehicles that are structured as partnerships, limited liability companies, trusts, corporations or similar entities).

The Manager of each CFG Investment Vehicle has delegated certain of its rights, power, authority, duties and responsibilities to us pursuant either to:

- the CFG Investment Vehicle’s organizational documents (each, an **Organizational Document**); and/or
- an investment advisory or investment management agreement (each, an **Investment Management Agreement**).

We have the authority and right to act on behalf of a CFG Investment Vehicle to the extent (but only to the extent) such authority or right is provided for in the relevant Organizational Document and/or Investment Management Agreement. Upon request, Investors in a CFG Investment Vehicle will be furnished with a copy of the relevant Organizational Document and/or Investment Management Agreement as in effect from time to time.

As further discussed in this Brochure, although Investors may directly or indirectly receive certain services from us as investors in a CFG Investment Vehicle, Investors, in their capacity as such, are not our clients. However, in some instances, persons or entities that are Investors in CFG Investment Vehicles have separately executed investment management/advisory agreements with us and have established separate accounts with us, in which case they are our clients for purposes of such agreements.

As the CFG Investment Vehicles are typically privately offered without being marketed to the general public, persons reviewing this Brochure who wish to receive more information about the CFG Investment Vehicles should contact us.

Regulatory Assets Under Management

As of January 2, 2014, we have approximately \$20 billion in regulatory assets under management.

Ownership and Structure

Our principal owner is GCMH. Grosvenor Holdings, L.L.C. (**Holdings I**) and Grosvenor Holdings II, L.L.C. (**Holdings II**) and together with Holdings I, (**Holdings**) together own approximately 70% of the limited partnership interests in GCMH. As a result, Holdings indirectly owns approximately 70% of us. Holdings, in turn, is owned by certain of our employees and certain current and former employees of (as well as certain other persons formerly associated with) Grosvenor Capital Management, L.P. (**Grosvenor**).

Michael Sacks, Grosvenor's Chairman and Chief Executive Officer, is the principal owner of Holdings I and owns a controlling interest in Holdings I (through several intermediate entities that he controls and of which he is the principal owner). Holdings I owns a controlling interest in Holdings II.

Three entities under the management of Hellman & Friedman LLC, a private equity investment firm (**H&F Partners**), collectively own approximately 30% of the limited partnership interests in GCMH (and, as a result, indirectly own approximately 30% of us). The H&F Partners are passive investors in GCMH and do not play a role in the day-to-day management of us, Grosvenor or GCMH. The H&F Partners, however, have reserved certain "consent" rights with respect to certain extraordinary corporate actions taken by GCMH, of the type commonly reserved by institutional private equity investors.

Item 5 – Fees and Compensation

Fees in General

The CFGF Funds generally pay us or our affiliates one of, or a combination of, the following management fees or performance fees or special allocations (*i.e.*, carried interest):

- a percentage of assets or commitments under management, a fixed fee, a fee or allocation based on performance, or any combination of the foregoing; and
- a percentage of realized profits, which is typically subject to a "hurdle" or "preferred return."

Fees may differ based upon a number of factors, including without limitation, overall fee arrangements, account complexity, overall relationships with us and our affiliates, account size, assets or commitments under management and the terms of the various Underlying Funds in which the CFGF Funds invest. Such fees for certain of the Underlying Funds may be waived, reduced or calculated differently with respect to certain investors/participants in the CFGF Funds, including our employees and employees of our affiliates, at our discretion and as permitted by the Underlying Funds' offering documentation and organizational documents.

Neither we nor any of our personnel receive compensation attributable to the sale of a security, including shares or similar equity interests in any CFGF Investment Vehicle, or other investment products (*e.g.*, brokerage commissions).

Fees and Allocations for Customized CFGF Funds

We set forth the specific fee and special allocation structure (including how and when fees are calculated, charged and payable, and how allocations are calculated and made) in the Organizational Document and/or Investment Management Agreement provided to the prospective investor/participant in a CFGF Fund prior to the prospective investor's/participant's decision to invest in such CFGF Fund.

Management fees, special allocations and other terms for customized CFGF Funds are negotiated on a case-by-case basis with the investor/participant. Fees are payable either monthly or quarterly, either in advance (but never more than three months in advance) or in arrears. Special allocations:

- generally are based on:

- > a waterfall calculation which takes into account realized gains and, in some cases, unrealized gains and losses on portfolio securities; and
 - > realized gains less the losses of the Investor over the life of the relevant CFG Investment Vehicle or on a deal-by-deal basis; and
- may or may not take into account management fees and expenses previously paid by the Investor.

Fees and Allocations for Commingled CFG Investment Vehicles

Each commingled CFG Investment Vehicle sets forth its specific fee structure (including how and when fees are calculated, charged and payable, and how allocations are calculated and made) in a confidential explanatory memorandum or similar offering document provided to each prospective Investor in such CFG Investment Vehicle prior to the prospective Investor's decision to invest in the CFG Investment Vehicle.

Fees typically are payable either monthly or quarterly, either in advance (but never more than three months in advance) or in arrears, and typically are not negotiable. Special allocations are calculated and made in the same manner as described above for our customized CFG Investment Vehicles.

Fees for Portfolio Administration Services

Fees for portfolio administration services are negotiated on a case-by-case basis and depend upon the range of portfolio administration services and other services that we provide to the client.

Prepayment of Fees

When we require an investor/participant in a CFG Fund to pay its fees to us in advance, and the investor/participant terminates its investment in accordance with the applicable termination provisions prior to the expiration of the period for which the advance fee was paid, generally we will pay an appropriate *pro rata* refund to the investor/participant (or make a *pro rata* credit to the investor/participant) designed to ensure that the investor/participant pays a fee only for the portion of the period preceding the effectiveness of the termination, or otherwise in accordance with the terms of the applicable Organizational Document and/or Investment Management Agreement.

Expenses

In addition to the fees described in this item, CFG Funds may indirectly bear any other costs charged to the CFG Funds or Underlying Funds in which the CFG Funds invest, which generally will be set forth in the applicable Organizational Document and/or Investment Management Agreement. Such costs will vary and typically include, though are not limited to, accounting, legal, fund administration fees and other related expenses.

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

As discussed in greater detail in Item 5 of this Brochure, many CFG Funds pay us or our affiliates performance fees or special allocations (*i.e.*, carried interest) based on a percentage of realized profits, which typically are subject to a “hurdle” or “preferred return.” These arrangements present potential

conflicts when our interests may not be (or may be perceived not to be) aligned with the best interests of one or all of the CFGF Funds. We may therefore have an incentive to allocate what we consider to be the best investment opportunities to CFGF Funds from which we receive performance fees or special allocations—in preference to CFGF Funds from which we do not receive performance fees or special allocations—because we may stand to gain greater compensation from the former types of CFGF Funds by allocating the best investment opportunities to them. To avoid actual and potential conflicts of interest arising from these compensation arrangements, we have adopted allocation policies and procedures designed to address and mitigate such conflicts.

Item 7 – Types of Clients

Our investment management/advisory clients consist of:

- the CFGF Investment Vehicles; and
- participants in CFGF Funds that are not organized as legal entities.

Investors in CFGF Investment Vehicles are not, in their capacity as such, our clients. Nonetheless, we treat Investors in the CFGF Investment Vehicles as our “clients” for purposes of convenience of discussion.

Investors who invest in the CFGF Investment Vehicles, and participants in CFGF Funds that are not organized as legal entities, may include, among others:

- Charitable Organizations
- Governments and Governmental Agencies
- Supranational Organizations
- High Net Worth Individuals
- Public and Private Pension plans
- Sovereign Wealth Funds
- Insurance Companies
- Corporations

The CFGF Investment Vehicles may be organized as U.S. or non-U.S. entities, and are operated as investment pools exempt from registration under the Investment Company Act of 1940, as amended (**Investment Company Act**).

An Investor who wishes to invest in a CFGF Investment Vehicle may be required to commit to invest a minimum amount that varies depending on the CFGF Investment Vehicle. This requirement is disclosed in each CFGF Investment Vehicle’s Organizational Document and/or offering documentation. We may make exceptions at our discretion.

CFIG Funds that are not organized as legal entities typically have investment strategies that are similar to those of the CFIG Investment Vehicles. Characteristics of certain asset classes may require minimum account sizes for participants in such CFIG Funds. We may make exceptions at our discretion.

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

Our Investment Philosophy

Our basic investment philosophy is based on the following principles:

- Follow a research-based approach.

We typically employ a “top down/bottom up” research-based approach to our investment activities (but in the case of customized CFIG Funds, may follow a different approach, depending on the investment objectives, mandate, restrictions, *etc.* established by the particular investors/participants in such CFIG Funds).
- Seek to achieve an appropriate level of diversification (or the level of diversification prescribed by the investor/participant in a customized CFIG Fund).
- Focus on fewer Investment Managers, with the objective of identifying what we believe to be the highest quality Investment Managers appropriate for the CFIG Funds.
- Seek to invest with Investment Managers that we regard as having a competitive advantage.
- Conduct effective due diligence with respect to Investment Managers and the Underlying Funds they manage or advise.

Diversification and Types of Investments

We typically recommend that the portfolio of a CFIG Fund be diversified by strategy, type, geography, sector and vintage year (but in the case of customized CFIG Funds may follow a different approach, depending on the investment objectives, mandate, restrictions, *etc.* established by the particular investors/participants in such CFIG Funds).

The types of investments we typically seek to include in diversified portfolios for CFIG Funds include:

- Primary Fund Investments (that is, investments in Underlying Funds acquired directly from the Underlying Funds);
- Secondary Fund Investments (that is, investments in Underlying Funds acquired in secondary market transactions); and
- Co-Investments (that is, direct or indirect investments in Operating Companies and other assets sponsored or identified by Investment Managers).

The types of strategies we typically seeks to include in diversified portfolios for CFGF Funds include, but are not limited to, the following:

- Leveraged Buyouts;
- Venture Capital/Growth Equity;
- Credit;
- Distressed Debt;
- Clean Technology;
- Infrastructure;
- Real Estate;
- Small and Emerging Manager;
- Regionally-Focused strategies; and
- Emerging Markets.

In addition to investment type and investment strategy, we typically seek to construct portfolios that are also diversified by characteristics, including, but not limited to, the following:

- Sector;
- Geography; and
- Vintage Year.

Investment Policies

It is generally our policy to:

- manage the portfolios of the CFGF Funds in accordance with the investment objectives, mandates and restrictions set forth in the related advisory agreements, offering documents (where applicable), representations made to relevant investors/participants in the CFGF Funds and regulatory restrictions;
- conduct an appropriate level of initial and ongoing due diligence with respect to Investment Managers and the Underlying Funds they manage or advise, as well as with respect to Co-Investments;
- make investments for the accounts of CFGF Funds only if such investments have been approved by our Investment Committee by a majority vote of its members; and

- monitor the portfolios of the CFGF Funds on a continuous basis.

The foregoing policies, and the general investment process described below, apply generally to the CFGF Funds. However, certain customized CFGF Funds may have their own investment committees, follow different policies, and employ a different investment process.

General Investment Process

1. Deal Sourcing

We source investment opportunities through a variety of sources, including, but not limited to, the following:

- Calling Program – we maintain a comprehensive list of private equity funds in the market globally.
- Fund manager network established through our investments in Underlying Funds and Co-Investments.
- Industry conferences/publications.
- Unsolicited opportunities from Investment Managers that are interested in establishing a relationship with us.

In addition, clients may refer potential investment opportunities to us and recommend them for consideration in their portfolios.

As part of our sourcing process, we typically request an Investment Manager or other sponsor to provide basic due diligence materials to us (e.g., investor presentation, DDQ, etc.).

2. Deal Flow Evaluation

We currently have three investment sub-committees (Buyout Fund, Non-Buyout Fund and Co-Investment) that review investment opportunities identified through our sourcing process and proactively track all opportunities in the respective sectors assigned to them that they regard as “first tier.” These sub-committees, which generally meet on a weekly basis, are comprised of investment professionals of various levels of seniority and are intended to establish a preliminary recommendation as to whether we should conduct further due diligence with respect to any such opportunity, as discussed below. (The deal teams and investment sub-committees are not authorized to initiate the conduct of further due diligence, which is a responsibility that rests with our Investment Committee. Further, the deal teams and the investment sub-committees are not authorized to approve or disapprove investment opportunities on our behalf. Sub-committee review is intended to help ensure that the deal under consideration has been subjected to our requisite level of scrutiny prior to its submission to our Investment Committee. Weekly sub-committee meetings also provide the deal team with a forum to discuss any questions or concerns that have arisen and to receive input and guidance from a broad group of investment professionals.)

Once a potential Investment Manager or Co-Investment has been identified, a deal team, which typically consists of a Managing Director/Partner/Director, a Principal/Vice President, an Associate and

an Analyst, is assigned to the deal. The deal team typically conducts an initial meeting with the Investment Manager or sponsor of the Co-Investment (as applicable). During this meeting, the deal team focuses on a variety of issues, including the Investment Manager's investment strategy, business model, value-addition proposition, historical track record, regional expertise, pipeline, and fees. The deal team is responsible for entering materials received from Investment Managers and sponsors into FundCentral™.

The deal team's findings are presented to the relevant sub-committee (typically at the next succeeding meeting of such sub-committee) in the form of a Preliminary Investment Memorandum (**PIM**), which is a document written by the deal team as the basis for group discussion. Members of the deal team and such sub-committee then decide whether to recommend, to our Investment Committee, that preliminary due diligence (discussed below) be conducted with respect to the Investment Manager or Co-Investment in question. Of the many factors involved in making this decision, key ones typically include:

- investment merits;
- appropriate risk/return profile (Co-Investments); and
- client/investor "fit."

The deal team and the relevant sub-committee will recommend to our Investment Committee that preliminary due diligence (discussed below) be conducted with respect to the Investment Manager or Co-Investment in question only if such deal team and sub-committee decide that such Investment Manager or Co-Investment meets all of the criteria specified in the preceding paragraph.

Each investment sub-committee updates our Investment Committee on such sub-committee's most recent meeting, typically at the next succeeding meeting of the Investment Committee. (Investment Committee meetings, like the meetings of the investment sub-committees, are generally held on a weekly basis.) Such update includes such sub-committee's recommendation as to whether preliminary due diligence (discussed below) should be conducted with respect to the Investment Manager(s) or Co-Investment(s) in question.

3. *Preliminary Due Diligence*

If authorized by our Investment Committee, the relevant deal team will conduct "preliminary" due diligence with respect to the Investment Manager or Co-Investment in question. (The Investment Committee, however, may determine to forego the "preliminary" due diligence process and proceed directly to "comprehensive" due diligence, discussed below.) This process is designed to enable the deal team to conduct a more detailed analysis on the proposed investment, for the principal purpose of highlighting the key risks and issues associated with the investment opportunity under review.

During this process, the assigned deal team may conduct select reference checks with potential limited partners and co-investors.

Typical areas of focus at the preliminary due diligence stage may include:

- Fund Commitments – Investment strategy, quality of investor base, track record performance relative to benchmark, attribution and valuation analysis of track record, quality/capabilities of the team, and preliminary review of legal terms

- Co-Investments – Company/asset overview, deal structure/downside protection, management, industry and sector analyses, competitive advantages/barriers to entry, financial model, exit opportunities

Based on its findings, the deal team provides a revised PIM to our Investment Committee (typically at the next succeeding meeting of our Investment Committee), highlighting the key risks and issues associated with the investment opportunity under review. All relevant GCM CFG investment professionals receive a copy of the revised PIM in advance of such meeting and are encouraged to participate in discussion at such meeting. Majority approval of Investment Committee members is required to move to “comprehensive” due diligence.

4. *Comprehensive Due Diligence*

If our Investment Committee determines that an investment opportunity warrants further due diligence, it may commit substantial resources to complete the analysis by authorizing “comprehensive” due diligence with respect to such opportunity. This process typically may take up to eight weeks and involves a collective effort by the relevant deal team.

“Comprehensive” due diligence typically includes, but is not limited to:

- on-site meetings with investment professionals of each potential Investment Manager or co-investor;
- analysis of Underlying Fund or Co-Investment strategy, growth prospects, industry dynamics, management, and potential conflicts;
- investment attribution and value creation analysis;
- in the case of an Underlying Fund:
 - > reference calls regarding the Investment Manager that manages such Underlying Fund and individual investment professionals of such Investment Manager;
 - > analysis of historical financial performance of the underlying investments of prior Underlying Funds managed by such Investment Manager; and
 - > evaluation of the unrealized investments of prior Underlying Funds managed by such Investment Manager;
- a review of each investment’s capital structure, covenants, and liquidity;
- in the case of an Operating Company, reference calls regarding the company and its management team; and
- review and negotiation of the investment terms and conditions.

We may also conduct background checks on Investment Managers, Operating Companies and their key personnel using an external service provider.

5. *Investment Committee and Making Investment Decisions*

a. Investment Committee Memorandum and Sub-Committee Review

Upon completion of comprehensive due diligence with respect to a particular investment opportunity, the relevant deal team prepares an Investment Committee Memorandum (**ICM**).

The ICM is designed to discuss mitigating factors to the risks presented in the PIM relating to such investment opportunity, and:

- where such investment opportunity is an Underlying Fund, typically contains:
 - > a complete attribution analysis and portfolio revaluation to verify the Investment Manager's stated performance and true source of returns; and
 - > a detailed assessment of such Underlying Fund's management team and that team's record of value creation, including the results of extensive reference calls to other private equity managers, current and past limited partners and underlying portfolio companies; and
- where such investment opportunity is a Co-Investment, typically contains a detailed underwriting analysis.

The relevant investment sub-committee reviews the ICM, which may undergo several drafts as guidance is provided. If the potential investment ultimately receives sub-committee approval, the deal team prepares a Recommendation Memo (**RM**) on the opportunity, which outlines the principal merits and risks associated with the investment.

b. Investment Committee

Decisions to make new private equity investments and decisions to realize private equity investments are made by our Investment Committee. Our Investment Committee bases its decisions upon the merits of each individual investment and investment objectives, mandates, restrictions, *etc.* of the CFGF Funds, after considering the findings of the related ICM and RM. Our Investment Committee meets on a regular basis (usually every week). ICMs and RMs are jointly presented at weekly Investment Committee meetings, where our Investment Committee conducts final discussions of the deal(s) in question. The deal team is responsible for providing copies of the ICM and RM relating to each deal under discussion to all members of our Investment Committee in advance of the meeting.

Formal decisions to make a commitment to an Underlying Fund or a Co-Investment are made by our Investment Committee at its periodic meetings by a majority vote. In the case of a customized CFGF Fund, the investor/participant in such CFGF Fund may retain the authority to veto any investment decision made by our Investment Committee.

As discussed below, following a particular investment decision, we conduct final legal negotiations and, upon agreement of the relevant parties, definitive final documentation is executed.

6. *Investment Execution*

Once our Investment Committee has approved a particular investment, we typically engage outside counsel to work with our in-house lawyers to review the related documentation and complete a legal checklist of such documentation based on such review.

Key areas of focus may include, but are not limited to:

- In the case of a commitment to an Underlying Fund:
 - > negotiation of:
 - favorable fee and expense-related terms;
 - adequate “key man” provisions;
 - provisions allowing for-cause removal of the Investment Manager and “no fault divorce;”
 - clearly defined limitations on permissible investment activities; and
 - “side letter” terms required by investors/participants in CFGF Funds;
 - > the degree of alignment between the interests of the general partner or other manager, on the one hand, and the limited partners or other investors, on the other hand; and
 - > establishment of advisory committees and other means of mitigating Investment Manager conflicts of interest.
- In the case of a commitment to a Co-Investment:
 - > negotiation of shareholder rights, including provisions relating to protection of minority shareholder rights, tag-along rights, information rights and board observer rights; and
 - > appropriate tax/legal diligence on the investment structure and tax implications of the purchase (where necessary).

7. *Investment Monitoring Processes*

Once a commitment has been made, we utilize a team-wide monitoring effort to develop and maintain a relationship with Investment Managers of Underlying Funds and lead sponsors of, or lenders for, Co-Investments. Our ongoing monitoring typically involves the following activities:

a. Underlying Funds

- **Facilitate Periodic Interaction and Dialogue with Investment Managers.** Our investment professionals generally attend annual meetings held by Investment Managers. We also regularly meet with Investment Managers, management of Co-Investments and other investors during the course of monitoring the investment portfolios of the CFGF Funds.
- **Participate in Advisory Boards.** In many instances and to the extent possible, we will place a representative on the advisory board of an Underlying Fund, giving us a wider window into the affairs of such Underlying Fund and its Investment Manager.
- **Review Communications, Portfolio Management and Performance.** We conduct comprehensive qualitative and quantitative reviews of Underlying Funds held by the CFGF Funds. These reviews cover a number of areas, including Investment Manager communications, financial and tax statements, quarterly reports, capital calls, distribution notices, legal documents and other correspondence, adherence to basic strategy and areas of core competence, stability of the Investment Manager's management team and benchmarking the draw-down, investment and distribution performance of the Underlying Fund(s) managed by such Investment Manager with industry benchmarks across a number of variables including fund type and vintage year. We also actively review documentation modifications and amendments proposed by Investment Managers.
- **Seek to Ensure Consistency of Strategy.** We monitor investment values, capital calls and distributions of all investments in an Underlying Fund's portfolio in order to assess whether the Investment Manager of such Underlying Fund maintains consistency and reliability in terms of investment strategy.
- **Assess Back-Office Systems and Infrastructure.** We conduct initial on-site visits and provides feedback with respect to the quality of fund managers' systems and support networks throughout the course of the relationship when necessary.
- **Participate in Industry Conferences.** Our professionals frequently participate in industry conferences and seminars as speakers, sponsors and attendees, as well as in many industry associations.
- **Utilize Proprietary Systems.** We utilize proprietary, web-based systems that enable us to access/analyze/dissect portfolios and review fund-related documentation on a "real time" basis, thereby enabling us to provide customized portfolio analysis.

b. Co-Investments

- Our deal teams, in collaboration with our valuation team, conduct various analyses that may include:
 - > ongoing covenant analysis; and
 - > quarterly financial monitoring and ratio analysis.
- Our valuation team coordinates with the relevant deal teams to conduct independent quarterly valuations of the company based on various factors, including:
 - > comparable public market trading values;
 - > comparable transaction values;
 - > underlying sponsor marks; and
 - > potential impairment of hard assets.
- Our deal team members conduct regular update calls and/or visits with the lead sponsor to understand the progress of the company.
- As a result of the information rights that are negotiated at the inception of the investment, we typically receive quarterly financials, board packets, and other relevant information that enables us to track the company's progress.
- In many instances and to the extent possible, we will place a representative on the Board of Directors of a company or as a Board observer, giving us a wider window into the affairs of such company.

8. *Monitoring Client and Investor Mandates and Restrictions*

a. Client Mandates and Restrictions

We manage the CFIG Funds in accordance with the investment objectives, mandates and client-imposed restrictions forth in the related advisory agreements, offering documents (where applicable), representations made to relevant investors/participants in the CFIG Funds, and regulatory restrictions.

In the case of customized CFIG Funds, our investment management/investment advisory services are customized to the needs of the individual investors/participants in such CFIG Funds. Investors/participants may impose reasonable guidelines, mandates or restrictions in writing to customize an investment strategy and/or satisfy legal, regulatory, tax, or other special concerns.

Our portfolio managers are primarily responsible for ensuring that the investments held by CFIG Funds are managed in accordance with the requirements discussed above. With limited

exceptions, before making an investment on behalf of a CFGF Fund, the relevant portfolio managers confirm that the investment is being made in accordance with such requirements.

9. *Allocation of Investment Opportunities*

We allocate investment opportunities among the CFGF Funds in a manner that we deem to be fair and equitable over time. (However, if an investor/participant in a CFGF Fund sources a particular investment opportunity, it typically is entitled to an allocation of as much of such investment as such investor/participant wishes.)

a. Investments in Underlying Funds

In the event that the amount of available commitments to a particular targeted Underlying Fund is not sufficient to satisfy a full allocation to all CFGF Funds, it is our general policy to allocate the available commitments to such Underlying Fund: (a) first, *pro rata* among all Eligible CFGF Funds (as defined below) and (b) then, to the extent of any remaining available commitments, *pro rata* to the other CFGF Funds, in each case, based on committed capital of the relevant CFGF Funds, provided that, with regard to a particular CFGF Fund:

- such CFGF Fund has sufficient funds to make the commitment to such Underlying Fund;
- such commitment is consistent with the investment objectives, mandate and restrictions applicable to such CFGF Fund (including sub-asset class, vintage, size and geography, and tax, legal and regulatory restrictions);
- such Underlying Fund is appropriate for such CFGF Fund in light of the composition of its existing investment portfolio;
- the economic and legal terms of such Underlying Fund are appropriate for such CFGF Fund; and
- the amount of such CFGF Fund's *pro rata* commitment to such Underlying Fund complies with any minimum investment policy of such CFGF Fund.

The ability of a CFGF Fund to invest in an Underlying Fund is subject to acceptance of a subscription by the sponsor of such Underlying Fund, and a refusal by such sponsor of a subscription from a particular CFGF Fund will not prevent participation in such Underlying Fund by other CFGF Funds.

For purposes of the foregoing, "Eligible CFGF Fund" means, with respect to a particular Underlying Fund, a CFGF Fund for which GCM CFGF, acting through one or more of its affiliates at the time: (a) was, at the time GCM CFGF requested an allocation for commitments from such Underlying Fund, the general partner manager or advisor of such CFGF Fund and (b) remains at the time of such Underlying Fund's closing, the general partner, manager or advisor of such CFGF Fund.

GCM CFGF may, in its discretion, adjust the above allocations based on the amounts targeted by each CFGF Fund for investment in Underlying Funds based on the target investment pace for each CFGF Fund.

Among Eligible CFGF Funds, GCM CFGF may, in its discretion, adjust the above allocations to an investment in an Underlying Fund to give preference to Eligible CFGF Funds for which GCM CFGF serves as general partner or manager (as opposed to acting as non-discretionary advisor).

Additionally, depending on the wishes of a particular investor/participant in a customized CFGF Fund, GCM CFGF's customized approach can provide such investor/participant with ultimate influence or control over the composition of the investment portfolio of such CFGF Fund. The customized CFGF Funds are designed to be consultative in nature and seek, to the extent the investor/participant desires, to involve the investor/participant and/or its professional advisers in all phases of the deal review and due diligence process for potential investments. Investors/participants in customized CFGF Funds are thus able to review the investments that GCM CFGF is considering for inclusion in their portfolios, to request particular points of due diligence to address any investment or conflicts-related concerns they may have, and, most importantly, to ultimately have the right to opt out of any investment recommended by GCM CFGF. As a result, an investor/participant is able to closely monitor the activities of GCM CFGF and ensure that its portfolio is constructed only with investments with which it is entirely comfortable.

b. Co-Investments

In the event that the amount of available investment in a particular targeted Co-Investment is not sufficient to satisfy a full allocation to all CFGF Funds, it is our general policy to allocate the available investment in such Co-Investment: (a) first, *pro rata* among all Eligible CFGF Co-Invest Funds (as defined below) and (b) then, to the extent of any remaining available investment in such Co-Investment, *pro rata* to the other CFGF Funds, in each case, based on committed Co-Investment capital of the relevant CFGF Funds, provided that, with regard to a particular CFGF Fund:

- such CFGF Fund has sufficient funds to invest in such Co-Investment;
- such Co-Investment is consistent with the investment objectives, mandate and restrictions applicable to such CFGF Fund (including sub-asset class, vintage, size and geography, and tax, legal and regulatory restrictions);
- such Co-Investment is appropriate for such CFGF Fund in light of the composition of its existing investment portfolio;
- the economic and legal terms of such Co-Investment are appropriate for such CFGF Fund; and
- the amount of such CFGF Fund's *pro rata* investment in such Co-Investment complies with any minimum investment policy of such CFGF Fund.

The ability of a CFGF Fund to invest in a Co-Investment is subject to acceptance of a commitment by the sponsor or source of such Co-Investment, and a refusal by such sponsor or source of a commitment from a CFGF Fund will not prevent participation in such Co-Investment by other CFGF Funds.

For purposes of the foregoing, “Eligible CFGF Co-Invest Fund” means, with respect to a particular Co-Investment, a CFGF Fund with an established Co-Investment focus for which GCM CFGF, acting through one or more affiliates of at the time: (a) was, at the time GCM CFGF requested an allocation for commitments with respect to such Co-Investment, the general partner, manager or advisor of such CFGF Fund and (b) remains, at the time of such Co-Investment’s closing, the general partner, manager or advisor of such CFGF Fund.

GCM CFGF may, in its discretion, adjust the above allocations based on the amounts targeted by each CFGF Fund for Co-Investments based on the target investment pace for each CFGF Fund.

Among Eligible CFGF Co-Invest Funds, GCM CFGF may, in its discretion, adjust the above allocations to a Co-Investment to give preference to Eligible CFGF Co-Invest Funds for which GCM CFGF serves as general partner or manager (as opposed to acting as non-discretionary advisor).

Opportunities to invest in Co-Investments (that is, direct or indirect investments in Operating Companies and other assets sponsored or identified by Investment Managers) and Secondary Fund Investments (that is, investments in Underlying Funds acquired in secondary market transactions) (collectively, Qualifying Investments) are often made available to GCM CFGF and/or CFGF Funds on the basis of the total investments made, in the aggregate, by all CFGF Funds (including CFGF Funds that ordinarily do not invest in or have an investment focus on Qualifying Investments) in the Underlying Fund(s) managed by the sponsor/source of the relevant Qualifying Investment. As a result, investments in Underlying Fund(s) by CFGF Funds that do not invest in or have an investment focus on Qualifying Investments (Non-Participating Funds) may result in the generation of investment opportunities for CFGF Funds that invest in or have an investment focus on Qualifying Investments (Participating Funds), without any compensating benefit being provided to Non-Participating Funds. Further, a sponsor/source of a particular investment opportunity might make such opportunity available to GCM CFGF and/or CFGF Funds in an amount greater than GCM CFGF, acting on behalf of CFGF Funds, wishes to invest in such opportunity. In such a case, GCM CFGF may allocate such “excess capacity” or “overage” in respect of an investment opportunity to other parties (including parties who may pay fees to GCM CFGF in connection with allocating such opportunity), either in GCM CFGF’s discretion or pursuant to GCM CFGF’s agreements with such parties. Under certain circumstances, this could create an incentive for GCM CFGF to under-allocate such an opportunity to Participating Funds and over-allocate such opportunity to such other parties. GCM CFGF recognizes that it has a fiduciary duty to the CFGF Funds to act in good faith and with fairness in all of its dealings with them, and will take such duties into account in dealing with all actual and potential conflicts of interest arising from the allocation of investment opportunities.

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 in the future. We may make material modifications to our investment process without notice to our clients.

Investment Strategies and Risk of Loss

The CFGF Funds generally invest in long-term private equity, real estate, infrastructure and/or venture capital investments, primarily through investing in Underlying Funds and/or in interests in underlying operating companies or assets (**Operating Companies**). The investment strategies used by the investment manager of a particular Underlying Fund to make investment decisions for such Underlying Fund may vary, sometimes significantly, from investment strategies implemented for Underlying Funds that have different investment managers.

CFGF Funds may invest in Operating Companies (either directly or indirectly through “special purpose vehicles” formed for the purpose of investing in Operating Companies). Except as expressly provided otherwise in the Organizational Document and/or Investment Management Agreement of a CFGF Fund:

- any investment in one class or series of securities of an Operating Company made by the CFGF Fund and/or investors or participants in such CFGF Fund shall be made by such CFGF Fund and/or such investors or participants directly or through a single investment vehicle; and
- if more than one CFGF Fund or investor/participant shall participate in a single investment, they shall participate on the same terms, although in certain circumstances investors/participants may negotiate the terms of an investment without our assistance.

In certain circumstances, it may be necessary or desirable for clients investing in an Operating Company to invest in different ways. For example, to address accounting, tax or regulatory considerations, one client may prefer to invest directly in an Operating Company and another client may prefer to invest through an investment vehicle. If such alternative investment vehicles are used to make an investment, the Investors’ interests in such vehicle generally will be structured in such a manner that would be reasonably expected to preserve in all material respects the overall economic relationship of the Investors.

An investment in securities, including investments in Underlying Funds and Operating Companies, involves a significant degree of risk. There can be no assurance that the investment’s targeted returns will be achieved or that there will not be a loss of capital. Losses will be borne solely by the investors/participants in the CFGF Funds and not by us (other than in our capacity as the general partner of certain CFGF Investment Vehicles). Therefore, an investor should not invest in a CFGF Investment Vehicle or open a managed account with us unless the investor can withstand a total loss of its investment. Loss of money is a risk of investing in any CFGF Fund. The following are some of the risks and considerations which should be made prior to investing in the private equity, real estate, infrastructure and venture capital markets:

Legal, Tax and Regulatory Risks

Legal, tax and regulatory developments may adversely affect a CFGF Fund, Underlying Fund or Operating Company during the term of the investment. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements, and regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to change by government and judicial actions. The regulatory environment for private funds is evolving, and currently there are numerous legislative and regulatory

proposals in the United States, Europe and other countries that could affect an Underlying Fund and its trading activities, and therefore could affect the CFGF Funds. The CFGF Investment Vehicles themselves may also be directly affected by such legislative and regulatory proposals because they also are structured as private funds. Changes in the regulation of private funds and their trading activities may adversely affect the ability of a CFGF Investment Vehicle or Underlying Fund to pursue its investment strategy, its ability to obtain leverage and financing and the value of its investments. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in laws and regulations may occur, but any laws and regulations that restrict the ability of a CFGF Fund or Underlying Fund to trade in securities or the ability of the CFGF Fund or Underlying Fund to employ, or brokers and other counterparties to extend, credit in its trading (as well as other regulatory changes that result) could have a material adverse impact on a CFGF Fund's or Underlying Fund's portfolio.

A CFGF Fund, an Underlying Fund, an Operating Company and/or GCM CFGF may also be subject to regulation in the jurisdictions in which they engage in business. Investors should understand that a CFGF Fund's, an Underlying Fund's or an Operating Company's business is dynamic and is expected to change over time. Therefore, a CFGF Fund, an Underlying Fund or an Operating Company may be subject to new or additional regulatory constraints in the future. The offering materials and any other documents received in connection with an investment in a CFGF Fund, an Underlying Fund or an Operating Company cannot address or anticipate every possible current or future regulation or negative event that may affect the CFGF Fund, the Underlying Fund or the Operating Company, or GCM CFGF or its businesses. Such regulations and events may have a significant impact on the investors or the operations of the CFGF Fund, the Underlying Fund or the Operating Company, including, without limitation, by restricting the types of investments the CFGF Fund, the Underlying Fund or the Operating Company may make, preventing the CFGF Fund, the Underlying Fund or the Operating Company from exercising its voting rights with regard to certain financial instruments and requiring the CFGF Fund, the Underlying Fund or the Operating Company to disclose the identities of its investors.

Illiquidity Risk

An investment in a CFGF Fund requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to investors/participants in CFGF Funds. The securities issued by Underlying Funds and Operating Companies typically cannot be sold except pursuant to a registration statement filed under the U.S. Securities Act of 1933, as amended (**Securities Act**) or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. As such, a CFGF Fund's investments may be highly illiquid, and there can be no assurance that any CFGF Fund will be able to realize on such investments in a timely manner. Similarly, the interests in a CFGF Investment Vehicle generally will not be registered under the Securities Act or any other applicable securities laws. There may be no public market for such interests and none may be expected to develop. In addition, an Investor in a CFGF Investment Vehicle generally may not transfer its interest in a CFGF Investment Vehicle except with the consent of the Manager of such CFGF Investment Vehicle, which ordinarily may be withheld by the Manager in its sole discretion. Investors in a CFGF Investment Vehicle may not withdraw capital from a CFGF Investment Vehicle and, as such, may not be able to liquidate their investments prior to the end of the CFGF Investment Vehicle's term.

Portfolio Valuation

Valuations of a CFGF Fund's or an Underlying Fund's portfolio, which may affect the amount of the management fee and/or performance fee or allocation payable to us, are expected to involve uncertainties and discretionary determinations. Third party pricing information may not be available regarding a significant portion of a CFGF Fund's or Underlying Fund's investments in certain asset classes, and in some circumstances we may rely on valuation models that we have created in order to value the assets and calculate the account value of the CFGF Fund or the Underlying Fund. We are not required to, and do not expect to receive, independent third party verification of these valuation models, or of the valuations produced by these models. In addition, to the extent third-party pricing information is available, a disruption in the secondary markets for investments in Underlying Funds and Co-Investments may limit the ability to obtain accurate market quotations for purposes of valuing investments and calculating the net asset value of a CFGF Fund's or an Underlying Fund's investments. Further, because of the overall size and concentrations in particular markets and maturities of positions that may be held by a CFGF Fund or an Underlying Fund from time to time, the liquidation values of a CFGF Fund's or an Underlying Fund's securities and other investments may differ significantly from the interim valuations of these investments derived from the valuation methods described herein.

Absence of Regulatory Oversight

While a CFGF Investment Vehicle or an Underlying Fund may be considered similar in some ways to an investment company, it is not required and does not intend to register as such under the Investment Company Act and, accordingly, its investors are not accorded the protections of the Investment Company Act. Similarly, CFGF Funds that are not structured as legal entities are not subject to the Investment Company Act.

Dependence on Key Personnel

The success of a CFGF Fund may depend in substantial part on the skill and expertise of our personnel, as well as the skill and expertise of the personnel of Underlying Funds. There can be no assurance that we or any Underlying Fund will always be in a position to continue to employ skilled and experienced personnel. The loss of key personnel by us or an Underlying Fund could have a material adverse effect on a CFGF Fund.

Potential Regulation of the Private Equity Industry

Recently, as private equity firms become more significant participants in the broad-based economy, there has been significant discussion regarding greater governmental scrutiny and/or potential regulation of the private equity industry. It is uncertain what form and in what jurisdictions such enhanced scrutiny and/or regulation of the private equity industry may ultimately take. Therefore, there can be no assurance as to whether any such regulatory scrutiny or initiatives will have an adverse impact on the private equity industry, including the ability of a CFGF Fund or an Underlying Fund to achieve its investment objectives.

Tax Treatment

There may be changes in tax laws or interpretations of such tax laws adverse to a CFGF Fund, an Underlying Fund, an Operating Company or its investors. There can be no assurance that the structure of

a CFGF Fund, an Underlying Fund or an Operating Company will be tax efficient to any particular investor. Also, there can be no assurance that a CFGF Fund will have sufficient cash flow to permit it to make annual distributions in the amount necessary to permit its investors/participants to pay all tax liabilities resulting from their interests in such CFGF Fund. Prospective investors/participants in CFGF Funds are urged to consult their tax own advisers with reference to their specific tax situations.

Follow On Investments

A CFGF Fund or an Underlying Fund may be called upon to provide additional funding for Operating Companies in which it has an investment, or may have the opportunity to increase its investment in such Operating Companies. There can be no assurance that a CFGF Fund or an Underlying Fund will wish to make additional investments or that it will have sufficient funds to do so. Any decision by a CFGF Fund not to make additional investments or its inability to make them may have a substantial negative impact on an Operating Company in need of such an investment, may diminish the CFGF Fund's ability to influence the Operating Company's future development, or may result in reduced returns from the Operating Company due to dilution.

Reliance on Management of Operating Companies

While it is our intent to invest the assets of CFGF Funds in Operating Companies with proven operating management in place, 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 Operating Companies, each CFGF Fund will rely upon management to operate the Underlying Funds and Operating Companies on a day-to-day basis.

Concentration/Performance Risk

Because each CFGF Fund may only make a limited number of investments, and because those investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to investors/participants in the CFGF Funds. Additionally, the performance of a CFGF Fund or any other investment vehicle or account managed or advised by us or our affiliates is not necessarily indicative of the results that will be achieved by any other CFGF Fund.

Controlling Interest Liability

A CFGF Fund or an Underlying Fund may have controlling interests in some of the Operating Companies in which it invests. The exercise of control over an Operating Company may impose additional risks of liability for environmental damage, product defects, 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 CFGF Fund or Underlying Fund might suffer a significant loss.

Risks upon Disposition of Investments

In connection with the disposition of an investment in an Operating Company, a CFGF Fund or an Underlying Fund may be required to make representations about the business and financial affairs of the Operating Company 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 CFGF Fund or

an 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 the investors/participants in the CFGF Funds. Each CFGF Fund's Organizational Document and/or Investment Management Agreement contains provisions to the effect that if there is any such claim in respect of an Operating Company, it will be funded by the investors/participants in such CFGF Fund to the extent that they have received distributions from the CFGF Fund, subject to certain limitations.

Foreign Investment Risk

Certain Operating Companies in which the CFGF Funds may invest (directly or indirectly through Underlying Funds) may be organized and operated 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; and
- will expose the investing CFGF Fund to potential losses arising from changes in foreign currency exchange rates.

All of the foregoing factors, and others, may increase transaction costs and adversely impact the value of a CFGF Fund's investments in non-U.S. Operating Companies. To the extent a CFGF Fund or Underlying Fund invests in Operating Companies 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.

In addition to the risks discussed above, an investment in a CFGF Fund may be subject to numerous additional risks, including, but not limited to:

Counterparty Risk

Investments and investment transactions are subject to various counterparty risks. The counterparties to transactions in over-the-counter or "inter-dealer" markets are typically subject to lesser credit evaluation and regulatory oversight compared to members of "exchange-based" markets. This may increase the risk that a counterparty will not settle a transaction because of a credit or liquidity problem, thus causing a CFGF Fund to suffer losses. In addition, in the case of a default, an investment could become subject to adverse market movements while replacement transactions are executed. Such counterparty risk is accentuated for investments with longer maturities or settlement dates where events may intervene to prevent settlement or where transactions are concentrated with a single or small group of counterparties.

Further, on the bankruptcy, insolvency, or liquidation of any counterparty, the investor may be deemed to be a general, unsecured creditor of such counterparty and could suffer a total loss with respect to any positions and/or transactions with such counterparty. In volatile markets, there is also a greater risk that counterparties may have their assets frozen or seized as a result of government intervention or regulation. We are not restricted from dealing with any particular counterparty or from concentrating any or all of a CFGF Fund's transactions with one counterparty. Similarly counterparty risks apply to the investment activities of Underlying Funds.

Foreign Currency Risk

Fluctuations in exchange rates may adversely affect the value of a CFGF Fund's foreign currency holdings and investments denominated in foreign currencies.

Market Risk

Returns from the securities in which a CFGF Fund or an Underlying Fund invests may underperform returns from the general securities markets or other types of securities.

Non-Diversification Risk

The portfolio of a CFGF Fund or an Underlying Fund may be subject to wider fluctuations in value if it is non-diversified than if it was subject to broader diversification requirements.

For a complete discussion of a particular CFGF Investment Vehicle's investment strategies and the principal investments risks of those strategies, please read carefully the offering materials, the Organizational Document and any other documents received from us in connection with such CFGF Investment Vehicle.

In the case of a CFGF Fund that is not organized as a legal entity, for a complete discussion of the investment strategies of such CFGF Fund and the principal investment risks of those strategies, investors/participants in such type of CFGF Fund should carefully read the Investment Management Agreement, any investment guidelines that accompany the Investment Management Agreement and any other documents received from us in connection with such CFGF Fund.

Item 9 – Disciplinary Information

We are required to disclose all legal and disciplinary events relating to us or our personnel that are material to a prospective client's evaluation of our advisory business or the integrity of our management.

To the best of our knowledge, there are not currently (nor have there been in the past) any legal and disciplinary events relating to us or our personnel that would be material to a client's evaluation of our advisory business or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliated Investment Adviser

We are under common control with Grosvenor Capital Management, L.P. (**Grosvenor**), an investment adviser registered as such with the SEC since 1997. Since 1971, Grosvenor and its predecessors have specialized in providing hedge fund investment management and advisory services to their clients. Similar to the investment advisory services we provide our clients in respect of private equity, real estate, infrastructure and venture capital investments, Grosvenor offers customized and commingled investment funds and accounts that invest primarily in underlying hedge funds in pursuing their respective strategies.

As affiliates, GCM CFG and Grosvenor share certain common resources, including common offices, services, human resources, information technology and legal and compliance departmental resources. However, Grosvenor is under no obligation to identify or make available to us or our clients any investment opportunities that Grosvenor identifies, and we are under no obligation to identify or make available to Grosvenor or its clients any investment opportunities that we identify.

Affiliated Investment Managers

GCM CFG's affiliate, GCM Investments UK LLP (**GCM UK**), is located in London and may provide certain services to Grosvenor and GCM CFG. GCM UK seeks to obtain information on and access to UK- and European-based investment managers and to furnish Grosvenor and GCM CFG advice with respect to such managers. In addition, employees of GCM UK meet with Grosvenor's and GCM CFG's existing and prospective clients in the UK and Europe and provide assistance to Grosvenor's and GCM CFG's employees when they are present in the UK. GCM UK is authorized and regulated by the UK Financial Conduct Authority to provide investment advisory and arranging services to professional investors. As compensation for the services GCM UK performs, Grosvenor and GCM CFG pay 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 Grosvenor's and GCM CFG's products to GCM UK's clients, because additional investments in such products will result in additional investment management/advisory fees for Grosvenor or GCM CFG, as the case may be. In cases where GCM UK provides investment advisory or arranging services to professional investors, such professional investors will be informed of the affiliation between GCM CFG, on the one hand, and GCM UK, on the other, and thus will be made aware of this incentive prior to the time they invest in a CFG Fund.

GCM CFG's affiliate, GCM Investments Hong Kong Limited (**GCM HK**), is located in Hong Kong. It seeks to obtain information on and access to Asia-based investment managers and may provide Grosvenor and GCM CFG advice with respect to such managers. In addition, employees of GCM HK provide assistance to Grosvenor's and GCM CFG's employees when they are traveling in Asia. As compensation for the services GCM HK performs, Grosvenor and GCM CFG pay GCM HK a service fee based on a percentage mark-up over the cost of providing such services.

Affiliated Placement Agents

Two of our affiliates may serve as placement agents for certain investment vehicles that we or Grosvenor manage or advise:

- Grosvenor Securities LLC (**Grosvenor Securities**); and
- GCM Investments Japan K.K. (**GCM Japan**).

Grosvenor Securities, a Delaware limited liability company of which Grosvenor is the sole common member, is registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (**Exchange Act**) and is a member of the Financial Industry Regulatory Authority, Inc. One of Grosvenor Securities' primary functions is to act as private placement agent for certain investment vehicles managed or advised by Grosvenor and for certain CFG Investment Vehicles. Pursuant to a Master Placement Agent Agreement, we and Grosvenor compensate Grosvenor Securities on a flat annual fee basis for the placement agent/distribution services provided by Grosvenor Securities, regardless of the success of Grosvenor Securities' services. Grosvenor Securities has no employees. However, certain of our employees, including many of our executive-level employees, are registered as representatives of Grosvenor Securities so that they may engage in private placement activities on behalf of CFG Investment Vehicles. We are exclusively responsible for compensating such employees, and neither we nor Grosvenor Securities pays any sales commissions to any of such employees in connection with the private placement activities they perform on behalf of the CFG Investment Vehicles.

GCM Japan, a Japanese limited liability stock company of which Grosvenor is the sole shareholder, is registered as a securities company in Japan with the Kanto Local Finance Bureau. GCM Japan may act as placement agent for certain CFG Investment Vehicles that are privately offered in Japan to Japanese investors, may provide ongoing services to Japanese investors in such CFG Investment Vehicles and may provide research services to us. We 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 we nor GCM Japan pays any sales commissions to such employees in connection with the private placement activities they perform.

GCM Japan also 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 CFG Funds.

Grosvenor Securities and GCM Japan have an incentive to introduce Grosvenor's and GCM CFG's products to prospective investors, because additional investments in such products will result in additional investment management/advisory fees for Grosvenor or GCM CFG. However, all prospective investors are informed of the affiliation between GCM CFG, on the one hand, and Grosvenor Securities or GCM Japan, on the other (as applicable under the circumstances), and are thus aware of this incentive prior to the time they invest funds in a CFG Fund.

Non-Affiliated Placement Agents

GCM CFG may from time to time engage non-affiliated placement, distribution or similar agents to assist it in marketing interests in its investment products. Persons who acquire any of GCM CFG's

investment products as a result of a recommendation made by any such placement, distribution or similar agent should not view such recommendation as being disinterested, as GCM CFGI generally will pay the agent for the introduction. Also, such persons should regard such an agent as having an incentive to recommend that they retain their interest in GCM CFGI's investment products, because such agent may be paid a portion of GCM CFGI's fees for all periods during which such person does so.

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

Code of Ethics

We have adopted a Personal Investment and Trading Policy, Statement on Insider Trading and Code of Ethics pursuant to Rule 204A-1 under the Advisers Act (**Code of Ethics**).

The Code of Ethics is designed to ensure, among other things, that we and our related persons do not violate our fiduciary duties to any CFGI Fund or federal or state, as applicable, securities laws, rules or regulations in connection with:

- performing investment management and investment advisory services for the CFGI Funds; and
- acquiring or disposing of investments on behalf of the CFGI Funds.

Our personnel have four basic types of obligations under the Code of Ethics:

- (1) to act consistently with the fiduciary duties we owe to the CFGI Funds;
- (2) to refrain from engaging in certain types of prohibited transactions;
- (3) to obtain pre-clearance from us in connection with certain types of activities and transactions (**Pre-Clearance Transactions**), including (under certain circumstances) investments in certain securities; and
- (4) to submit certain reports to us.

Our Trading Policy Compliance Officer or Trading Policy Compliance Committee, as the case may be, may disapprove an employee's request to engage in a Pre-Clearance Transaction (or revoke approval of a previously approved Pre-Clearance Transaction) if he, she or it, as the case may be, determines (among other things) that:

- such employee is delinquent in filing reports required to be filed by such employee pursuant to the Code of Ethics;
- such Pre-Clearance Transaction is a prohibited transaction under the Code of Ethics or otherwise conflicts with the terms and conditions of the Code of Ethics;
- such employee may unfairly benefit from such Pre-Clearance Transaction at the expense of any CFGI Funds;

- such employee may benefit from such Pre-Clearance Transaction as a result of information that is proprietary to GCM CFGI or any CFGI Funds;
- such Pre-Clearance Transaction involves, or appears to involve, a conflict between the interests of such employee or GCM CFGI, on the one hand, and those of any CFGI Fund(s), on the other hand; or
- such Pre-Clearance Transaction involves undue litigation, regulatory, enforcement or reputational risk to GCM CFGI.

In applying the foregoing criteria, our Trading Policy Compliance Officer or Trading Policy Compliance Committee may take such facts and circumstances into account as he, she or it, as the case may be, determines to be appropriate.

We will provide existing and prospective investors/participants in the CFGI Funds a copy of our Code of Ethics upon request.

Item 12 – Brokerage Practices

In our capacity as the investment manager of or investment adviser to the CFGI Funds, we are a “fiduciary” that owes the following duties, among others, to the CFGI Funds in connection with all transactions in securities where we have the power and authority to effect such transactions for the CFGI Funds:

- to seek “best price” and “best execution” in connection with such transactions (where the concepts of “best price” and “best execution” apply to such transactions);
- to effect such transactions in a manner that is fair to all affected CFGI Funds; and
- to exercise diligence and care throughout the transaction process.

We invest the assets of the CFGI Funds primarily in:

- securities issued by Underlying Funds; and
- securities issued by Operating Companies.

The CFGI Funds ordinarily invest in Underlying Funds in transactions directly with such Underlying Funds without the involvement of a financial intermediary such as a broker-dealer. Commissions are not payable in connection with such investments.

However, the CFGI Funds may from time to time acquire or dispose of interests in Underlying Funds in private “secondary market” transactions. To the extent that the CFGI Funds engage in “secondary market” transactions in interests in Underlying Funds, we generally have limited (if any) 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. In general, the number of financial intermediaries active in the private equity fund

“secondary market” is small. The commissions charged by such intermediaries may vary significantly from intermediary-to-intermediary, and from transaction-to-transaction.

Our investment strategies generally do not involve the direct purchase of publicly traded securities, either in the over-the-counter or exchange markets. However, in certain cases, Underlying Funds in which the CFGF Funds invest may make, to the CFGF Funds, “in-kind” distributions of publicly traded securities issued by Operating Companies held by such Underlying Funds. Also, in certain cases, Operating Companies whose securities were acquired by the CFGF Funds in private transactions may register those securities for public resale. Finally, though rare, the CFGF Funds may (but only with the prior written authorization of our Investment Committee), purchase publicly traded securities in the over-the-counter or exchange markets.

To the extent that the CFGF Funds that we manage on a “discretionary” basis purchase or sell securities in the public markets, we have the authority to determine the financial intermediaries to be used in connection with such purchases/sales and to negotiate the commissions or other transactional compensation to be paid to such intermediaries in connection with such purchases/sales – which commissions or other compensation are borne by the affected CFGF Funds. In determining which financial intermediaries to use to effect purchases and sales of securities on behalf of the CFGF 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), and do not necessarily select those that charge the lowest commissions or other transactional costs.

To the extent that CFGF Funds that we advise on a “non-discretionary” basis purchase or sell securities in the public markets, 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 investor(s)/participant(s) in the relevant CFGF Fund 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 relevant CFGF Funds.

We currently do not have any formal “soft dollar” arrangements. 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. Access to such research is not contingent on any level of trading or commissions generated, and we believe such research is available to all institutional money managers of similar size. Further, since the research provided is not material in nature and quantity and is provided to us without our request, we believe that our receipt of such research does not have a material effect on our selection of financial intermediaries.

Item 13 – Review of Accounts

We have established policies for reviewing portfolio transactions for consistency with the investment guidelines of the relevant CFGF Fund(s), the accuracy of valuations, and suitability for the relevant CFGF Fund(s). Our investment professionals review the relevant portfolio on an on-going basis and provide reports in a manner, and on a frequency, as may have been negotiated with the investor(s)/participant(s) in the CFGF Funds. In addition, investors/participants in the CFGF Funds generally are provided with periodic reports and relevant tax reporting information. Special reports may be developed to meet specific investor/participant requirements or respond to inquiries.

The investments made by CFGF Funds generally are long-term in nature. Accordingly, the review process is not directed toward a short-term decision to purchase or sell securities. However, we carefully monitor Underlying Funds and Operating Companies in which the CFGF Funds invest and generally evaluate such Underlying Funds and Operating Companies on an ongoing basis.

Generally, securities for which market quotations are readily available will be assigned the market price and all other securities (and other assets) will be assigned their “fair value” as determined in good faith by us, subject to the policies and procedures on valuation and independent quarterly reviews by a valuation committee composed of firm-wide representatives, including representatives of our senior management team.

Item 14 – Client Referrals and Other Compensation

We may pay fees to financial intermediaries, advisers, planners, and individuals who refer their clients to us, either as potential Investors in CFGF Investment Vehicles or as potential participants in CFGF Funds that are not organized as legal entities.

In that connection, we may enter into a written agreement with a referrer/solicitor pursuant to Rule 206(4)-3 under the Advisers Act. Pursuant to such an agreement, we would provide the referrer/solicitor with this Brochure and a related disclosure document (**Disclosure Document**). The referrer/solicitor would then be required to deliver to each prospective participant in a CFGF Fund that is not organized as a legal entity, at the time of solicitation:

- this Brochure;
- the Disclosure Document; and
- a written disclosure statement on the solicitor’s letterhead that:
 - > advises the participant of the nature of the relationship between us and the referrer/solicitor;
 - > includes a statement that we will compensate the referrer/solicitor for the services it provides under the referral/solicitation agreement, and indicates the terms of such compensation arrangement, including a description of the compensation paid or to be paid by us to the referrer/solicitor under the referral/solicitation agreement; and
 - > indicates whether the participant will be charged amounts in addition to the investment advisory fee in connection with the referral/solicitation agreement.

Item 15 – Custody

Under the “custody rule” under 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 clients even though:

- we and our affiliates do not physically hold the funds or securities of such clients; and
- the funds and securities of such clients are not held or registered in our name or in the name of any of our affiliates.

Although we are deemed, under the “custody rule,” to have custody of the funds and securities of certain CFGI Investment Vehicles, we are exempt from many of the provisions of that rule because we undertake to deliver to the Investors in such CFGI Investment Vehicles, within 180 days after the end of the fiscal year of the relevant CFGI Investment Vehicle, financial statements of such CFGI Investment Vehicle that are:

- prepared in accordance with U.S. generally accepted accounting principles (**GAAP**), or with accounting principles other than GAAP, provided that:
 - > such financial statements meet the requirements of U.S. generally accepted audited standards;
 - > such financial statements contain information substantially similar to statements prepared in accordance with GAAP; and
 - > any material differences between the preparation of such financial statements in accordance with GAAP, on the one hand, and accounting principles other than GAAP, on the other hand, are reconciled in such financial statements; and
- such financial statements are 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

In the case of CFGI Funds over which we exercise investment discretion, we generally have sole discretion to determine, without consent of the investors/participants in such CFGI Funds, which securities will be bought or sold (and in what amount) for such CFGI Funds. The Organizational Document and offering documentation for a CFGI Investment Vehicle or the Investment Management Agreement for a CFGI Fund that is not organized as a legal entity may, however, place certain restrictions on the type and amount of securities which we can buy on behalf of the CFGI Investment Vehicle or other CFGI Fund. In certain cases, the investor(s)/participant(s) in a CFGI Fund may maintain discretion over which securities may be bought and sold, in which amount and when, and this would be described in the Organizational Document and/or the Investment Management Agreement of such CFGI Fund.

Item 17 – Voting Client Securities

Background

The federal securities laws do not specifically address how an adviser like us must exercise its proxy voting authority for its clients. Under the Advisers Act, however, an adviser is a fiduciary that owes each of its clients a duty of care and loyalty with respect to all services undertaken on the client’s behalf (including proxy voting, if the adviser undertakes to perform that service on behalf of the client). The

duty of care requires an adviser with proxy voting authority to monitor corporate events and, generally, to vote the proxies. As a general matter, if an investment has investment discretion over a client's account, such investment adviser automatically be deemed to have discretion over voting proxies with respect to securities held by such account, unless the adviser and the client expressly agree otherwise.

Rule 206(4)-6 under the Advisers Act requires each investment adviser registered as such under the Advisers Act and that exercises proxy voting authority with respect to client securities to:

- adopt and implement written policies and procedures that are reasonably designed to ensure that the adviser votes client securities in the clients' best interests; such policies and procedures must address how the adviser resolves material conflicts between the interests of the adviser, on the one hand, and the interests of its clients, on the other hand, that can arise during the proxy voting process;
- disclose to clients how they may obtain information from the adviser about how the adviser voted with respect to their securities; and
- describe to clients the adviser's proxy voting policies and procedures and, upon request, furnish a copy of the policies and procedures to the requesting client.

You may request a copy of our Proxy Voting Policies and Procedures (**Proxy Voting Policy**), which are summarized below, and/or request an opportunity to review our proxy voting records, by contacting our Legal/Compliance Department (telephone: 646-362-3700; e-mail: cfig.investorservices@gcmlp.com).

Our Proxy Voting Policy

We have designed and adopted our Proxy Voting Policy to ensure that:

- we identify and take action on Proxy Requests (defined below) in a timely manner; and
- to the extent we and/or our personnel have any material conflicts of interest in connection with responding to Proxy Requests, such conflicts are appropriately addressed.

The Situations in which We Are Requested to Respond to Proxy Requests

The most common scenarios in which we are requested to respond to proxy requests relating to securities held by one or more CFGF Funds are as follows:

- we have investment discretion over the assets of such CFGF Funds and we are requested by:
 - > the Investment Manager of an Underlying Fund in which one or more CFGF Funds invest to vote limited partnership interests, limited liability company interests, shares or similar equity interests in such Underlying Fund; or
 - > the Board of Directors or similar governing body of an Operating Company in which one or more CFGF Funds invest to vote shares in such Operating Companies; or

- a participant in a CFGF Fund that is not organized as a legal entity and over which we do not have investment discretion is requested by:
 - > the Investment Manager of an Underlying Fund in which such account invests to vote limited partnership interests, limited liability company interests, shares or similar equity interests in such Underlying Fund, and such participant in turn requests us to make a recommendation as to how such participant should respond to such request; or
 - > the Board of Directors or similar governing body of an Operating Company in which such CFGF Fund invests to vote shares in such Operating Company, and such participant in turn requests GCM CFGF to make a recommendation as to how such participant should respond to such request.

For purposes of convenience, a request by an Investment Manager or other party (other than an investor/participant in a CFGF Fund) to vote a security held by a CFGF Fund is referred to below as a **“Proxy Request.”**

General Policy to Take Action In Response to Proxy Requests

In the case of a CFGF Fund over which we exercise investment discretion, it is our policy to take action in response to each Proxy Request that we receive in connection with managing such CFGF Fund (unless: (i) such CFGF Fund is a “single investor” or “single participant” account; (ii) we have expressly agreed with such “single investor” or “single participant” that we are not required to take action in respect of Proxy Requests affecting such CFGF Fund; and (iii) if such CFGF Fund is subject to the Employee Retirement Income Security Act of 1974, as amended (**ERISA**), we have expressly agreed with such “single investor” or “single participant” that we are precluded from taking action in response to Proxy Requests affecting such CFGF Fund).

In the case of a CFGF Fund over which GCM CFGF does not have investment discretion, if requested to so by the investor(s)/participant(s) in such CFGF Fund, we will recommend, to the appropriate party, what action such CFGF Fund should take in response to Proxy Request received by such CFGF Fund (unless: (i) such CFGF Fund is a “single investor” or “single participant” CFGF Fund that is subject to ERISA; and (ii) an appropriate authorized fiduciary of such “single investor” or “single participant” has expressly agreed with us that: (A) a party associated with such “single investor” or “single participant” (e.g., the plan sponsor of such “single investor” or “single participant”) has expressly reserved the authority and right to take actions in response to Proxy Requests relating to the investments in such CFGF Fund; and (B) we are precluded from making recommendations respecting Proxy Requests affecting such CFGF Fund).

In certain cases, however, we may determine to abstain from acting on a Proxy Request (or from recommending what action should be taken with respect to a Proxy Request), such as where the expected cost and/or administrative burden of giving due consideration to the Proxy Request does not justify the potential benefits to the affected CFGF Fund(s) that might result from adopting or rejecting (as the case may be) the proposal(s) in question.

Also, when CFGF Funds receive publicly traded securities from Underlying Funds as “in-kind” distributions, our general policy is to dispose of such securities as promptly as practicable under the

circumstances. In these cases, we generally will not vote proxies relating to such securities because we have no intention to hold such investments for long-term investment purposes.

Discretionary CFIF Funds

With respect to CFIF Funds over which we exercise legal investment discretion, we ordinarily does not consult with the investors/participants in such CFIF Funds prior to taking action on Proxy Requests relating to investments held by such CFIF Funds. In certain cases, however, investors/participants in CFIF Funds over which we exercise legal investment may informally reserve the right to approve or disapprove of our decisions with respect to voting on Proxy Requests that affect such CFIF Funds.

We will review each Proxy Request on a case-by-case basis to determine how voting on such Proxy Request will be in the (respective) best interests of the affected CFIF Fund(s). As a result, depending on the particular circumstances of different CFIF Funds, we may vote the securities of or more CFIF Funds differently than we vote those of one or more other CFIF Funds, or may vote differently on various proposals, even though the securities or proposals are similar (or identical).

We will vote all Proxy Requests in a prudent manner, considering the prevailing circumstances at the relevant time and in a manner consistent with our Proxy Voting Policy and our fiduciary duties to such CFIF Funds. In general, this means that we will vote Proxy Requests with a view toward maximizing overall value of the related securities in the hands of the relevant CFIF Funds. In discharging this duty, we will consider all relevant information, and evaluate other issues, that could have an impact on the value of such securities.

We expect that Proxy Requests may request approval of measures that reduce the relevant CFIF Fund (s)'s rights, powers and authority, and/or increase the relevant CFIF Fund(s)'s duties and obligations, associated with the security in question (**Adverse Measures**). Nevertheless, we may determine to take favorable action on a Proxy Request that proposes Adverse Measures as long as we reasonably believe, based on the totality of the facts and circumstances, that continuing to hold the relevant security has a reasonable probability of conferring economic benefits on the relevant CFIF Fund(s) that outweigh the adverse economic affect(s) of such Adverse Measure, considered over the anticipated holding period of such security in the portfolio(s) of the relevant CFIF Fund(s).

Non-Discretionary CFIF Funds

In the case of a CFIF Fund over which we do not have investment discretion:

- if requested to so by the investor(s)/participant(s) in such CFIF Fund, we will recommend, to the appropriate party, what action such CFIF Fund should take in response to Proxy Request received by such CFIF Fund (unless: (i) such CFIF Fund is a "single investor" or "single participant" CFIF Fund that is subject to ERISA; and (ii) an appropriate authorized fiduciary of such "single investor" or "single participant" has expressly agreed with us that: (A) a party associated with such "single investor" or "single participant" (e.g., the plan sponsor of such "single investor" or "single participant") has expressly reserved the authority and right to take actions in response to Proxy Requests relating to the investments in such CFIF Fund; and (B) we are precluded from making recommendations respecting Proxy Requests affecting such CFIF Fund); or

- if we are not requested to make a recommendation with respect to a Proxy Request received by such CFGF Fund, we will inform the appropriate party(ies) that we have received such Proxy Request and will follow the instructions of the investor(s)/participant(s) in such CFGF Fund with respect to voting on such Proxy Request.

Conflicts of Interest

1. Identification of Conflicts of Interest

In furtherance of our goal to take action on all Proxy Requests in a manner that best serves the interests of the affected CFGF Funds, we will not implement any decision to respond to (or make a recommendation as to how to respond to) a Proxy Request in a particular manner unless and until our Chief Compliance Officer (**CCO**), or another Compliance Officer designated by our CCO, has implemented the procedures set forth below to:

- identify whether we are subject to a conflict of interest in taking action in response to such Proxy Request;
- assess the materiality of such a conflict; and
- address a material conflict in a manner designed to serve the best interests of the affected CFGF Fund(s).

2. Procedures for Identifying Conflicts of Interest

A Compliance Officer may rely on the obligations of members of our Investment Committee and certain other GCM CFGF personnel to bring conflicts of interest of which they are aware to the attention of such Compliance Officer (*e.g.*, whether a member of our Investment Committee directly or indirectly owns the security in question).

Based on information provided to him or her pursuant to the preceding paragraph, the relevant Compliance Officer, in consultation with such other GCM CFGF personnel (if any) as he or she may determine to be appropriate under the circumstances, shall determine whether we are subject to a conflict of interest in taking action in response to a Proxy Request.

If the Compliance Officer determines that we are subject to a conflict of interest in taking action in response to a Proxy Request, he or she shall implement the procedures set forth below to assess whether such conflict of interest is material.

3. Procedures for Assessing Whether a Conflict of Interest Is Material

- a. If the Compliance Officer determines that we are subject to a conflict of interest in taking action in response to a Proxy Request, he or she shall, in consultation with such other GCM CFGF personnel (if any) as he or she may determine to be appropriate under the circumstances, determine whether such conflict is material.

A conflict of interest ordinarily will be considered material if it can reasonably be argued that we (or a member of our senior management) has a meaningful incentive to respond

to the Proxy Request in a manner designed to benefit us (or such member of our senior management) rather than the affected CFGF Fund(s) (even if there is no ostensible detriment to the affected CFGF Fund(s) from responding to such request in that manner). In addition, a conflict of interest may be considered material if it can reasonably be argued that we have a meaningful incentive to respond to a Proxy Request in a manner designed to favor one or more CFGF Funds over one or more other CFGF Funds.

- b. If the Compliance Officer determines that we (or a member of our senior management) is subject to a conflict of interest in responding to a Proxy Request but that such conflict is not material, he or she shall issue an instruction to take action in response to such Proxy Request in accordance with the decision reached pursuant to our Proxy Voting Policy (in the case of CFGF Funds over which we exercise investment discretion).
- c. If the Compliance Officer determines that we (or a member of our senior management) is subject to a conflict of interest in responding to a Proxy Request but that such conflict is material, he or she shall implement the procedures set forth below to address such conflict.

4. *Procedures for Addressing a Material Conflict of Interest*

- a. If the Compliance Officer determines that we (or a member of our senior management) is subject to a material conflict of interest in taking action in response to a Proxy Request, he or she shall, in consultation with such other GCM CFGF personnel (if any) as he or she may determine to be appropriate under the circumstances, determine how to address such conflict.
- b. In determining how to address a material conflict of interest, the Compliance Officer may consider the following potential solutions, as well as any other solutions he or she wishes to consider:
 - in the case of a CFGF Fund over which we do not exercise investment discretion, disclosing the conflict of interest to the appropriate party(ies);
 - in the case of a CFGF Fund over which we exercise investment discretion, disclosing the conflict of interest to the appropriate party(ies) and obtaining their consent (in accordance with the documents governing such CFGF Fund) to act on the Proxy Request in accordance with the decision reached pursuant our Proxy Voting Policy; and
 - in the case of any CFGF Fund, engaging an independent third party to recommend a response to the Proxy Request.
- c. In the case of any CFGF Fund that is subject to ERISA, we may not issue an instruction to take or recommend action in response to a Proxy Request unless the material conflict has been cured or avoided to the satisfaction of the Compliance Officer pursuant to one or more of the following steps:

- If the material conflict implicates one or more individuals on our Investment Committee, but does not implicate us (or other members of our senior management), the implicated individual(s) shall be recused from the decision with respect to such Proxy Request if feasible and not detrimental to such CFG Fund.
- If the impact of the material conflict goes beyond specific GCM CFG personnel who can reasonably be recused from the action, we must engage an independent third party to recommend a response to the Proxy Request. The independent third party could be the fiduciary for the CFG Fund, in the case of a non-discretionary CFG Fund, if the fiduciary agrees in writing to assume full fiduciary responsibility for the response without advice from us.

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 commitment 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.