



Item 1 – Cover Page

GCM Customized Fund Investment Group, L.P.

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www.gcmlp.com

Brochure dated March 31, 2015
(SEC Form ADV, Part 2A)

This Brochure provides information about the qualifications and business practices of GCM Customized Fund Investment Group, L.P. (**GCM Grosvenor Private Markets**). Additional information about GCM Grosvenor Private Markets 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 Grosvenor Private Markets made available on the SEC's website, please contact Client Services at investor.services@gcmlp.com or 646-362-3700.

References to "we," "us" and "our" in this Brochure are to GCM Grosvenor Private Markets.

In this Brochure, for purposes of convenience, we typically refer to the investment vehicles or accounts that we manage or advise collectively as the **GCM Grosvenor Private Markets 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 Grosvenor Private Markets 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 wish to bring the following changes to our Brochures dated March 31, 2014 and October 1, 2014 to your attention:

1. We have implemented an Operational Due Diligence Team to assess Investment Managers from an “operational” perspective and an Operations Committee to approve investments from an “operational” perspective. (See Item 8.)
2. We have included disclosure on our investment monitoring line of business (See Item 4).



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Item 4 – Advisory Business

Our History

We are the successor entity to the Customized Fund Investment Group, which, from late 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 GCM Grosvenor Private Markets Funds, and then monitors and disposes of such investments for these GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 Private Markets 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, including securities issued by operating companies (**Operating Companies**), or other direct 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 Private Markets 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).

- ***Investment Monitoring Services***

As a separate service, we provide certain investment monitoring services for clients that are designed to monitor their private equity, real estate, infrastructure and venture capital holdings, all of which are held directly by the client.

If selected to provide investment monitoring services with respect to a client’s private fund holdings, we may provide one or more of the following services:

- > testing the schedule of unrealized investments;
- > reviewing distribution notices;
- > monitoring capital calls to ensure that management fees were calculated accurately; and
- > reviewing equity ownership of individual portfolio companies.

- ***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 our 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; and
- > reviewing amendment and consent requests made by an Investment Manager and providing a written summary and review of the terms of the amendment or consent.

Such an investor has access to all of the reports described above through a password protected portal into our 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 **GCM Grosvenor Private Markets Investment Vehicles**; and
- we sometimes refer to the GCM Grosvenor Private Markets Investment Vehicles, together with accounts that we manage or advise but that are not organized as legal entities, as the **GCM Grosvenor Private Markets Funds**.

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

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

- such GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Investment Vehicle, Investors, in their capacity as such, are not our clients. However, in some instances, persons or entities that are Investors in GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Investment Vehicle should contact us.

Assets Under Management

As of December 31, 2014, we had approximately \$22,358,844,000 in 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 71% of the limited partnership interests in GCMH. As a result, Holdings indirectly owns approximately 71% 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. (**GCM Grosvenor Public Markets**).

Michael Sacks, the 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 29% of the limited partnership interests in GCMH (and, as a result, indirectly own approximately 29% 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, GCM Grosvenor Public Markets or our affiliates. 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.

Foreign Licenses

GCM Grosvenor Private Markets is registered as a cross-border discretionary investment management company with the Republic of Korea’s Financial Services Commission under its Financial Investment Services and Capital Markets Act as of May 21, 2014. In this capacity, GCM Grosvenor Private Markets may market and provide discretionary investment management services on a cross-border basis to Qualified Professional Investors, which include the Republic of Korea’s government, the Bank of Korea, and certain financial institutions and other entities designated by Korean law.



Item 5 – Fees and Compensation

Fees in General

The GCM Grosvenor Private Markets Funds generally pay us or our affiliates one, or a combination, of the following management fees, performance fees or special allocations (*i.e.*, carried interest), or transaction fees (e.g., upfront transactions fees, monitoring fees, advisory board participation fees):

- a percentage of assets or commitments or remaining invested capital plus unfunded commitments, a fixed fee, a fee or allocation based on performance, or any combination of the foregoing;
- a percentage of realized profits, which is typically subject to a “hurdle” or “preferred return;” and/or
- transaction fee(s).

All transaction fees are either rebated back to the applicable GCM Grosvenor Private Market Fund (*i.e.*, such fee is offset against our management fee or directly paid to the applicable GCM Grosvenor Private Market Fund and allocated, on a pro rata basis, to investors in such Fund (including GCM Grosvenor Private Markets and its affiliates, if they are investors in such Fund).

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 Private Markets Funds in which the GCM Grosvenor Private Markets Funds invest. Such fees for certain of the Underlying Private Markets Funds may be waived, reduced or calculated differently with respect to certain investors/participants in the GCM Grosvenor Private Markets Funds, including our employees and employees of our affiliates, at our discretion and as permitted by the Underlying Private Markets 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 GCM Grosvenor Private Markets Investment Vehicle, or other investment products (*e.g.*, brokerage commissions).

Fees and Allocations for Customized GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund prior to the prospective investor’s/participant’s decision to invest in such GCM Grosvenor Private Markets Fund.

Management fees, special allocations and other terms for customized GCM Grosvenor Private Markets 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 an investor’s realized gains and, in some cases, unrealized gains and losses on portfolio securities, either over the life of the GCM Grosvenor Private Markets Fund 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 GCM Grosvenor Private Markets Investment Vehicles

Each commingled GCM Grosvenor Private Markets 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 private placement memorandum or similar offering document provided to each prospective Investor in such GCM Grosvenor Private Markets Investment Vehicle prior to the prospective Investor's decision to invest in the GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Investment Vehicles.

Fees for Investment Monitoring and Portfolio Administration Services

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

Prepayment of Fees

When we require an investor/participant in a GCM Grosvenor Private Markets 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, GCM Grosvenor Private Markets Funds may indirectly bear any other costs charged to the GCM Grosvenor Private Markets Funds or Underlying Private Markets Funds in which the GCM Grosvenor Private Markets 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 (e.g., expenses related to attending annual or similar meetings for portfolio companies directly or indirectly held by one or more GCM Grosvenor Private Markets Funds.)

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

As discussed in greater detail in Item 5 of this Brochure, many GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds. We may, therefore, have an incentive to allocate what we consider to be the best investment opportunities to GCM Grosvenor Private Markets



Funds from which we receive performance fees or special allocations—in preference to GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Investment Vehicles; and
- participants in GCM Grosvenor Private Markets Funds that are not organized as legal entities.

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

Investors who invest in the GCM Grosvenor Private Markets Investment Vehicles, and participants in GCM Grosvenor Private Markets 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; and
- corporations.

The GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Investment Vehicle may be required to commit to invest a minimum amount that varies depending on the GCM Grosvenor Private Markets Investment Vehicle. This requirement is disclosed in each GCM Grosvenor Private Markets Investment Vehicle’s Organizational Document and/or offering documentation. We may make exceptions at our discretion.



GCM Grosvenor Private Markets Funds that are not organized as legal entities typically have investment strategies that are similar to those of the GCM Grosvenor Private Markets Investment Vehicles. Characteristics of certain asset classes may require minimum account sizes for participants in such GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds, may follow a different approach, depending on the investment objectives, mandate, restrictions, *etc.* established by the particular investors/participants in such GCM Grosvenor Private Markets Funds).
- Seek to achieve an appropriate level of diversification (or the level of diversification prescribed by the investor/participant in a customized GCM Grosvenor Private Markets Fund).
- Focus on fewer Investment Managers, with the objective of identifying what we believe to be the highest quality Investment Managers appropriate for the GCM Grosvenor Private Markets 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 Private Markets Funds they manage or advise.

Diversification and Types of Investments

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

The types of investments we typically seek to include in diversified portfolios for GCM Grosvenor Private Markets Funds include:

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

The types of strategies we may seek to include in the investment portfolios of the GCM Grosvenor Private Markets Funds include, but are not limited to, the following:

- Leveraged Buyouts;
- Venture Capital/Growth Equity;
- Credit / Mezzanine;
- Distressed Debt;
- Clean Technology;
- Infrastructure (also referred to as Infrastructure, Energy and Real Assets);
- Real Estate;
- Small and Emerging Managers;
- Regionally-Focused Strategies;
- Responsible Investing as related to environment, social and corporate governance; 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:

- Industry;
- Sector;
- Stage;
- Geography; and
- Vintage Year.

Investment Policies

It is generally our policy to:

- manage the portfolios of the GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds and regulatory restrictions;

- conduct an appropriate level of initial and ongoing due diligence with respect to Investment Managers and the Underlying Private Markets Funds they manage or advise, as well as with respect to Co-Investments;
- make investments for the accounts of GCM Grosvenor Private Markets Funds only if such investments have been approved by: (i) our Principal Investment Committee by a majority vote of its members (our Principal Investment Committee is responsible for making the investment decisions for the majority of the GCM Grosvenor Private Markets Funds; however, certain customized GCM Grosvenor Private Markets Funds may have different investment committees, follow different policies and employ different investment processes); and (ii) the Operations Committee by a majority of its members; and
- monitor the portfolios of the GCM Grosvenor Private Markets Funds on an ongoing basis.

The foregoing policies, and the general investment process described below, apply generally to the GCM Grosvenor Private Markets Funds. However, certain customized GCM Grosvenor Private Markets Funds may have their own investment committees (each of which includes at least one member of our Principal Investment Committee), follow different policies, and employ different investment processes.

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 Private Markets Funds and Co-Investments;
- Industry conferences/publications; and
- 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. These sub-committees, which generally meet on a weekly basis, are comprised of investment professionals of various levels of seniority, including

Principal Investment Committee members, and are intended to evaluate whether we may have capital to deploy to the relevant investment opportunity as well as whether we should conduct any due diligence with respect to such opportunity, as discussed below. It is important to note that the deal teams and investment sub-committees are not authorized to initiate the conduct of “comprehensive” due diligence, which is a responsibility that rests solely with our Principal 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 Principal 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 investment team members of various levels of seniority, 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) and is responsible for ensuring that materials received from Investment Managers and sponsors are entered into FundCentral™.

The deal team’s findings are presented to the relevant sub-committee (typically at the next succeeding meeting of such sub-committee). During this meeting, the deal team focuses on a variety of issues, including:

- For Underlying Private Markets Funds, the deal team focuses on the potential Investment Manager’s investment strategy, value-addition proposition, historical track record and the experience, responsibilities and interactions among its professionals.
- For Co-Investments, the deal team prepares an Executive Summary of the Co-Investment opportunity, which focuses on the investment thesis, company, industry, management, sponsor, transaction and projected returns of the investment.

The relevant sub-committee discusses the pros and cons of conducting further due diligence on the potential Investment Manager or Co-Investment (i.e., commencing preliminary due diligence, which is described in detail below). 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.”

We will commence preliminary due diligence on the potential Investment Manager or Co-Investment only if it is determined that the opportunity meets the criteria set forth above.

3. *Preliminary Due Diligence*

Once it has been determined that an investment opportunity meets the initial criteria described above, the relevant deal team will conduct “preliminary” due diligence with respect to the Investment Manager or Co-Investment in question. 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 modeling, and exit opportunities.

Based on its findings, the deal team provides a Preliminary Investment Memorandum (**PIM**) to our Principal Investment Committee (typically at the next succeeding meeting of our Principal Investment Committee), highlighting the key risks and issues associated with the investment opportunity under review. The PIM also contains a preliminary assessment of the GCM Grosvenor Private Markets Funds for which the investment opportunity may be appropriate. All relevant GCM Grosvenor Private Markets’ 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 the members of our Principal Investment Committee is required to move to “comprehensive” due diligence.

4. *Comprehensive Due Diligence*

Once the Principal Investment Committee authorizes “comprehensive” due diligence, the Operational Due Diligence team commences extensive operational due diligence on the investment opportunity. This process typically may take up to eight weeks and involves a collective effort by the relevant deal team.

The Operational Due Diligence team is charged with evaluating a potential Investment Manager’s operational infrastructure and the overall design of its internal control environment. This evaluation includes a review of the audited financial statements of the Underlying Private Markets Funds managed by such Investment Manager (if available) and evaluation of the audit firm engaged by such Investment Manager to audit such Underlying Private Markets Funds. The Operational Due Diligence team will also conduct background checks on Investment Managers, sponsors of Co-Investment opportunities, Operating Companies and their key personnel using an external service provider.

In addition to the above, “comprehensive” due diligence typically includes, but is not limited to:

- on-site meetings with investment professionals of each potential Investment Manager or Co-Investment's sponsor;
- analysis of Underlying Private Markets 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 Private Markets Fund:
 - > reference calls regarding the Investment Manager that manages such Underlying Private Markets Fund and individual investment professionals of such Investment Manager;
 - > analysis of historical financial performance of the underlying investments of prior Underlying Private Markets Funds managed by such Investment Manager; and
 - > evaluation of the unrealized investments of prior Underlying Private Markets Funds managed by such Investment Manager;
- a review of each Co-Investment's capital structure, covenants, and liquidity;
- in the case of a Co-Investment in an Operating Company, reference calls regarding the company and its management team; and
- a review and negotiation of the investment terms and conditions.

5. *Principal Investment Committee, Operations Committee and Making Investment Decisions*

a. Principal 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 a memorandum for our Principal Investment Committee (**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 Private Markets 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 Private Markets 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, as well as the GCM Grosvenor Private Markets Funds for which the opportunity is being proposed.

b. Principal Investment Committee

Decisions to make new investments and decisions to dispose of investments are made by our Principal Investment Committee. Our Principal Investment Committee bases its decisions upon the merits of each individual investment and investment objectives, mandates, restrictions, *etc.* of the GCM Grosvenor Private Markets Funds, after considering the findings of the related ICM and RM. Our Principal Investment Committee meets on a regular basis (usually every week). ICMs and RMs are jointly presented at weekly Principal Investment Committee meetings, where our Principal Investment Committee conducts final discussions of the deal 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 Principal Investment Committee in advance of the meeting.

Formal decisions to make a commitment to an Underlying Private Markets Fund or a Co-Investment are made by our Principal Investment Committee at its meetings by a majority vote.

In the case of a customized GCM Private Markets Fund, the investor/participant in such GCM Grosvenor Private Markets Fund may retain the authority to approve or veto any investment decision made by our Principal 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 after a final vote by our Principal Investment Committee is taken to approve the investment.

c. Operations Committee

The Operations Committee (**Operations Committee**) currently has three members: Mr. Paul A. Meister (Chair), Mr. Eric A. Felton and Mr. Joseph H. Nesler. Our Operations Committee makes decisions by majority vote. Effective May 1, 2015, the Operations Committee will consist of Mr. Meister (Chair), Mr. Felton and Mr. Burke J. Montgomery. Mr. Michael J. Sacks, our Chairman and Chief Executive Officer, has the authority to veto any decision made by the Operations Committee. However, if our Operations Committee rejects or terminates a particular investment or Underlying Private Markets Fund, Mr. Sacks is not authorized to override such rejection or termination.

Once the Operational Due Diligence team has completed its operational and financial due diligence of an investment opportunity, the Operations Committee will review, and must approve, a particular Investment Manager and particular Underlying Private Markets Fund managed by such Investment Manager from an “operational” perspective before we may invest the assets of any client in such Underlying Private Markets Fund or recommend to a client that it invest its assets in any such Underlying Private Markets Fund.

6. *Investment Execution*

Once our Principal Investment Committee and the Operations Committee have 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 Private Markets 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 GCM Grosvenor Private Markets 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 Private Markets Funds and lead sponsors of, or lenders for, Co-Investments. Our ongoing monitoring typically involves the following activities:

- a. Underlying Private Markets 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 GCM Grosvenor Private Markets 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 Private Markets Fund, giving us a wider window into the affairs of such Underlying Private Markets Fund and its Investment Manager.
- **Review Communications, Portfolio Management and Performance.** We conduct comprehensive qualitative and quantitative reviews of Underlying Private Markets Funds held by the GCM Grosvenor Private Markets 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 Private Markets 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 Private Markets Fund's portfolio in order to assess whether the Investment Manager of such Underlying Private Markets Fund maintains consistency and reliability in terms of investment strategy.
- **Assess Back-Office Systems and Infrastructure.** We conduct initial on-site visits and provide feedback with respect to the quality of Investment Managers' systems and support networks and may monitor such systems or 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 performs an independent valuation of each Co-Investment. The information from which we derive our fair value typically includes, but is not limited to:
 - > audited (annually) and unaudited (quarterly) financial statements, which include net earnings, earnings before interest, taxes, depreciation and amortization, balance sheets and other financial disclosures;
 - > recent public or private transactions (especially for venture capital underlying companies);
 - > valuations for comparable companies;
 - > historical data; and
 - > other measures, including discounted cash flows, estimated collectability of escrows, sponsor valuation (for comparison purposes only), and consideration of any other pertinent information including the types of securities held and restrictions on disposition.
- 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 financial statements, 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 as a board observer or board member of a company, 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 GCM Grosvenor Private Markets 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 relevant investors/participants in the GCM Grosvenor Private Markets Funds, and regulatory restrictions.

In the case of customized GCM Private Markets Funds, our investment management/investment advisory services are customized to the needs of the individual investors/participants in such GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds are managed in accordance with the requirements discussed above. With limited exceptions, before making an investment on behalf of a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds in a manner that we deem to be fair and equitable. (If an investor/participant in a GCM Private Markets 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 Private Markets Funds

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

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

The ability of a GCM Grosvenor Private Markets Fund to invest in an Underlying Private Markets Fund is subject to acceptance of a subscription by the sponsor of such Underlying Private Markets Fund, and a refusal by such sponsor of a subscription from a particular GCM Grosvenor Private Markets



Fund will not prevent participation in such Underlying Private Markets Fund by other GCM Grosvenor Private Markets Funds.

For purposes of the foregoing, “Eligible GCM Grosvenor Private Markets Fund” means, with respect to a particular Underlying Private Markets Fund, a GCM Grosvenor Private Markets Fund for which GCM Grosvenor Private Markets, acting through one or more of its affiliates at the time:

- was, at the time GCM Grosvenor Private Markets requested an allocation for commitments from such Underlying Private Markets Fund, the general partner manager or advisor of such GCM Grosvenor Private Markets Fund; and
- remains at the time of such Underlying Private Markets Fund’s closing, the general partner, manager or advisor of such GCM Grosvenor Private Markets Fund.

GCM Grosvenor Private Markets may, in its discretion, adjust the above allocations based on the amounts targeted by each GCM Grosvenor Private Markets Fund for investment in Underlying Private Markets Funds based on the target investment pace for each GCM Grosvenor Private Markets Fund. In addition, GCM Grosvenor Private Markets may, in its discretion, adjust the above allocations by limiting, or potentially prohibiting, an allocation to a GCM Grosvenor Private Markets Fund if the result of such an allocation may include subjecting other GCM Grosvenor Private Markets Funds to legal or regulatory risks or restrictions they would not otherwise be subject.

Among Eligible GCM Grosvenor Private Markets Funds, GCM Grosvenor Private Markets may, in its discretion, adjust the above allocations to an investment in an Underlying Private Markets Fund to give preference to Eligible GCM Grosvenor Private Markets Funds for which GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund, GCM Grosvenor Private Markets’ customized approach can provide such investor/participant with ultimate influence or control over the composition of the investment portfolio of such GCM Grosvenor Private Markets Fund. The customized GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds are thus able to review the investments that GCM Grosvenor Private Markets 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 Grosvenor Private Markets. As a result, an investor/participant is able to closely monitor the activities of GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds, it is our general policy to allocate the available investment in such Co-Investment: (a) first, *pro rata* among all Eligible GCM Grosvenor Private Markets 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 GCM Grosvenor Private



Markets Funds, in each case, based on committed Co-Investment capital of the relevant GCM Grosvenor Private Markets Funds, provided that, with regard to a particular GCM Grosvenor Private Markets Fund:

- such GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund (including sub-asset class, vintage, size and geography, and tax, legal and regulatory restrictions);
- such Co-Investment is appropriate for such GCM Grosvenor Private Markets Fund in light of the composition of its existing investment portfolio;
- the economic and legal terms of such Co-Investment are appropriate for such GCM Grosvenor Private Markets Fund; and
- the amount of such GCM Grosvenor Private Markets Fund's *pro rata* investment in such Co-Investment complies with any minimum investment policy of such GCM Grosvenor Private Markets Fund.

The ability of a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund will not prevent participation in such Co-Investment by other GCM Grosvenor Private Markets Funds.

For purposes of the foregoing, "Eligible GCM Grosvenor Private Markets Co-Invest Fund" means, with respect to a particular Co-Investment, a GCM Grosvenor Private Markets Fund with an established Co-Investment focus for which GCM Grosvenor Private Markets, acting through one or more affiliates of at the time:

- was, at the time GCM Grosvenor Private Markets requested an allocation for commitments with respect to such Co-Investment, the general partner, manager or advisor of such GCM Grosvenor Private Markets Fund; and
- remains, at the time of such Co-Investment's closing, the general partner, manager or advisor of such GCM Grosvenor Private Markets Fund.

GCM Grosvenor Private Markets may, in its discretion, adjust the above allocations based on the amounts targeted by each GCM Grosvenor Private Markets Fund for Co-Investments based on the target investment pace for each GCM Grosvenor Private Markets Fund. In addition, GCM Grosvenor Private Markets may, in its discretion, adjust the above allocations by limiting, or potentially prohibiting, an allocation to a GCM Grosvenor Private Markets Fund if the result of such an allocation may include subjecting other GCM Grosvenor Private Markets Funds to legal or regulatory risks or restrictions they would not otherwise be subject.

Among Eligible GCM Grosvenor Private Markets Co-Invest Funds, GCM Grosvenor Private Markets may, in its discretion, adjust the above allocations to a Co-Investment to give preference



to Eligible GCM Grosvenor Private Markets Co-Invest Funds for which GCM Grosvenor Private Markets 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 Private Markets Funds acquired in secondary market transactions) (collectively, **Qualifying Investments**) are often made available to GCM Grosvenor Private Markets and/or GCM Grosvenor Private Markets Funds on the basis of the total investments made, in the aggregate, by all GCM Grosvenor Private Markets Funds (including GCM Grosvenor Private Markets Funds that ordinarily do not invest in or have an investment focus on Qualifying Investments) in the Underlying Private Markets Fund(s) managed by the sponsor/source of the relevant Qualifying Investment. As a result, investments in Underlying Private Markets Fund(s) by GCM Grosvenor Private Markets 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 GCM Private Markets 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 Grosvenor Private Markets and/or GCM Grosvenor Private Markets Funds in an amount greater than GCM Grosvenor Private Markets, acting on behalf of GCM Grosvenor Private Markets Funds, wishes to invest in such opportunity. In such a case, GCM Grosvenor Private Markets may allocate such “excess capacity” or “overage” in respect of an investment opportunity to other parties (including parties who may pay fees to GCM Grosvenor Private Markets in connection with allocating such opportunity), either in GCM Grosvenor Private Markets’ discretion or pursuant to GCM Grosvenor Private Markets’ agreements with such parties. Under certain circumstances, this could create an incentive for GCM Grosvenor Private Markets to under-allocate such an opportunity to Participating Funds and over-allocate such opportunity to such other parties. GCM Grosvenor Private Markets recognizes that it has a fiduciary duty to the GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds generally invest in long-term private equity, real estate, infrastructure and/or venture capital investments, primarily through investing in Underlying Private Markets Funds and/or in Co-Investments. The investment strategies used by the investment manager of a particular Underlying Private Markets Fund to make investment decisions for such Underlying Private Markets Fund may vary, sometimes significantly, from investment strategies implemented for Underlying Private Markets Funds that have different investment managers.

GCM Grosvenor Private Markets Funds may make Co-Investments (either directly or indirectly through “special purpose vehicles” formed for the purpose of investing in Operating Companies and other assets).



Except as expressly provided otherwise in the Organizational Document and/or Investment Management Agreement of a GCM Grosvenor Private Markets Fund:

- any investment in one class or series of securities of Operating Companies or other Co-Investments made by the GCM Grosvenor Private Markets Fund and/or investors or participants in such GCM Grosvenor Private Markets Fund shall be made by such GCM Grosvenor Private Markets Fund and/or such investors or participants directly or through a single investment vehicle; and
- if more than one GCM Grosvenor Private Markets 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 a Co-Investment to invest in different ways. For example, to address accounting, tax or regulatory considerations, one client may prefer to invest directly in a Co-Investment 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 Private Markets Funds and Co-Investments, 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 GCM Grosvenor Private Markets Funds and not by us (other than in our capacity as the general partner of certain GCM Grosvenor Private Markets Investment Vehicles). Therefore, an investor should not invest in a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund, Underlying Private Markets Fund or Co-Investment 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 Private Markets Fund and its trading activities, and therefore could affect the GCM Grosvenor Private Markets Funds. The GCM Grosvenor Private Markets 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 Private Markets Investment Vehicle or Underlying Private Markets 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 GCM Grosvenor Private Markets Fund or Underlying Private Markets Fund to trade in securities or the ability of the GCM Grosvenor Private Markets Fund or Underlying Private Markets 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 GCM Grosvenor Private Markets Fund's or Underlying Private Markets Fund's portfolio.

A GCM Grosvenor Private Markets Fund, an Underlying Private Markets Fund, a Co-Investment and/or GCM Grosvenor Private Markets may also be subject to regulation in the jurisdictions in which they engage in business. Investors should understand that a GCM Grosvenor Private Markets Fund's, an Underlying Private Markets Fund's or a Co-Investment's business is dynamic and is expected to change over time. Therefore, a GCM Grosvenor Private Markets Fund, an Underlying Private Markets Fund or a Co-Investment 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 GCM Grosvenor Private Markets Fund, an Underlying Private Markets Fund or an Co-Investment cannot address or anticipate every possible current or future regulation or negative event that may affect the GCM Grosvenor Private Markets Fund, the Underlying Private Markets Fund or the Co-Investment, or GCM Grosvenor Private Markets or its businesses. Such regulations and events may have a significant impact on the investors or the operations of the GCM Grosvenor Private Markets Fund, the Underlying Private Markets Fund or the Co-Investment, including, without limitation, by restricting the types of investments the GCM Grosvenor Private Markets Fund, the Underlying Private Markets Fund or the Co-Investment may make, preventing the GCM Grosvenor Private Markets Fund, the Underlying Private Markets Fund or the Co-Investment from exercising its voting rights with regard to certain financial instruments and requiring the GCM Grosvenor Private Markets Fund, the Underlying Private Markets Fund or the Co-Investment to disclose the identities of its investors.

Illiquidity Risk

An investment in a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds. The securities issued by Underlying Private Markets Funds and Co-Investments 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 GCM Grosvenor Private Markets Fund's investments may be highly illiquid, and there can be no assurance that any GCM Grosvenor Private Markets Fund will be able to realize on such investments in a timely manner. Similarly, the interests in a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Investment Vehicle generally may not transfer its interest in a GCM Grosvenor Private Markets Investment Vehicle except with the consent of the Manager of such GCM Grosvenor Private Markets Investment Vehicle, which ordinarily may be withheld by the Manager in its sole discretion. Investors in a GCM Grosvenor Private Markets Investment Vehicle may not withdraw capital from a GCM Grosvenor Private Markets Investment Vehicle and, as such, may not be able to liquidate their investments prior to the end of the GCM Grosvenor Private Markets Investment Vehicle's term.

Portfolio Valuation



Valuations of a GCM Grosvenor Private Markets Fund's or an Underlying Private Markets 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 GCM Grosvenor Private Markets Fund's or Underlying Private Markets 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 GCM Grosvenor Private Markets Fund or the Underlying Private Markets 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 Private Markets 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 GCM Grosvenor Private Markets Fund's or an Underlying Private Markets Fund's investments. Further, because of the overall size and concentrations in particular markets and maturities of positions that may be held by a GCM Grosvenor Private Markets Fund or an Underlying Private Markets Fund from time to time, the liquidation values of a GCM Grosvenor Private Markets Fund's or an Underlying Private Markets 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 GCM Grosvenor Private Markets Investment Vehicle or an Underlying Private Markets 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, GCM Grosvenor Private Markets Funds that are not structured as legal entities are not subject to the Investment Company Act.

Dependence on Key Personnel

The success of a GCM Grosvenor Private Markets 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 Private Markets Funds. There can be no assurance that we or any Underlying Private Markets 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 Private Markets Fund could have a material adverse effect on a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund or an Underlying Private Markets Fund to achieve its investment objectives.

Tax Treatment



There may be changes in tax laws or interpretations of such tax laws adverse to a GCM Grosvenor Private Markets Fund, an Underlying Private Markets Fund, a Co-Investment or its investors. There can be no assurance that the structure of a GCM Grosvenor Private Markets Fund, an Underlying Private Markets Fund or a Co-Investment will be tax efficient to any particular investor. Also, there can be no assurance that a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund. Prospective investors/participants in GCM Grosvenor Private Markets Funds are urged to consult their tax own advisers with reference to their specific tax situations. An Underlying Private Markets Fund may, in an effort to minimize taxation, take certain tax positions and/or use certain tax structures that may in the future be disallowed or reversed, which could result in material tax expenses to such Underlying Private Markets Fund.

Follow On Investments

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

Reliance on Management of Co-Investments

While it is our intent to invest the assets of GCM Grosvenor Private Markets Funds in Co-Investments 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 Private Markets Funds and Co-Investments, each GCM Grosvenor Private Markets Fund will rely upon management to operate the Underlying Private Markets Funds and Co-Investments on a day-to-day basis.

Concentration/Performance Risk

Because each GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds. Additionally, the performance of a GCM Grosvenor Private Markets Fund or any other investment vehicle or account managed or advised by us or our affiliates are not necessarily indicative of the results that will be achieved by any other GCM Grosvenor Private Markets Fund.

Controlling Interest Liability

A GCM Grosvenor Private Markets Fund or an Underlying Private Markets Fund may have controlling interests in some of the Co-Investments in which it invests. The exercise of control over a Co-Investment 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 GCM Grosvenor Private Markets Fund or Underlying Private Markets Fund might suffer a significant loss.

Risks upon Disposition of Investments

In connection with the disposition of an investment in a Co-Investment, a GCM Grosvenor Private Markets Fund or an Underlying Private Markets Fund may be required to make representations about the business and financial affairs of the Co-Investment 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 GCM Grosvenor Private Markets Fund or an Underlying Private Markets 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 GCM Grosvenor Private Markets Funds. Each GCM Grosvenor Private Markets Fund's Organizational Document and/or Investment Management Agreement contains provisions to the effect that if there is any such claim in respect of a Co-Investment, it will be funded by the investors/participants in such GCM Grosvenor Private Markets Fund to the extent that they have received distributions from the GCM Grosvenor Private Markets Fund, subject to certain limitations.

Foreign Investment Risk

Certain Co-Investments in which the GCM Grosvenor Private Markets Funds may invest (directly or indirectly through Underlying Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund's investments in non-U.S. Co-Investments. To the extent a GCM Grosvenor Private Markets Fund or Underlying Private Markets Fund invests in Co-Investments that operate in emerging market countries, those investments involve certain risks not typically associated with investments in the securities of companies in more developed markets, including the direct and indirect consequences of potential political, economic, social and diplomatic changes in those countries. The governments in those countries typically participate to a significant degree, through ownership interests or regulation, in local business, often exercising a controlling influence in certain key sectors of the economy. In emerging markets, these risks may be heightened.

In addition to the risks discussed above, an investment in a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund’s transactions with one counterparty. Similarly counterparty risks apply to the investment activities of Underlying Private Markets Funds.

Foreign Currency Risk

Fluctuations in exchange rates may adversely affect the value of a GCM Grosvenor Private Markets Fund’s foreign currency holdings and investments denominated in foreign currencies.

Market Risk

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

Non-Diversification Risk

The portfolio of a GCM Grosvenor Private Markets Fund or an Underlying Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Investment Vehicle.

In the case of a GCM Grosvenor Private Markets Fund that is not organized as a legal entity, for a complete discussion of the investment strategies of such GCM Grosvenor Private Markets Fund and the principal investment risks of those strategies, investors/participants in such type of GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Public Markets, an investment adviser registered as such with the SEC since 1997. Since 1971, GCM Grosvenor Public Markets 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, GCM Grosvenor Public Markets offers customized and commingled investment funds and accounts that invest primarily in underlying hedge funds in pursuing their respective strategies.

While GCM Grosvenor Public Markets and we share certain operational infrastructure and an Operations Committee, each has its own investment team and investment process. We and GCM Grosvenor Public Markets have implemented information barriers between the investment teams of GCM Grosvenor Public Markets and us that prevent the sharing of certain investment information between the two business units. Additionally, neither GCM Grosvenor Public Markets nor we are under any obligation to share with the other business unit (or the clients of the other business unit) any investment opportunities it identifies.

Affiliated Investment Managers

GCM Investments UK LLP (**GCM UK**), an affiliate of GCM Grosvenor Private Markets and GCM Grosvenor Public Markets, is located in London and may provide certain services to us and GCM Grosvenor Public Markets. GCM UK seeks to obtain information on and access to UK- and European-based investment managers and to furnish us or GCM Grosvenor Public Markets with advice with respect to such managers. In addition, employees of GCM UK meet with existing and prospective clients of GCM Grosvenor Private Markets and GCM Grosvenor Public Markets in the UK and Europe and provide assistance to employees of GCM Grosvenor Private Markets and GCM Grosvenor Public Markets 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, we and GCM Grosvenor Public Markets 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 our products to GCM UK's clients because additional investments in such products will result in additional investment management/advisory fees for us, as the case may be. In cases where GCM UK provides investment advisory or arranging services to investors, such investors will be informed of the affiliation between us, 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 GCM Grosvenor Private Markets Fund.

GCM Investments Hong Kong Limited (**GCM HK**), an affiliate of GCM Grosvenor Private Markets and GCM Grosvenor Public Markets, is located in Hong Kong. It seeks to obtain information on and access to



Asia-based investment managers and may provide us or GCM Grosvenor Public Markets with advice with respect to such managers. In addition, employees of GCM HK provide assistance to employees of GCM Grosvenor Private Markets and GCM Grosvenor Public Markets when they are traveling in Asia. GCM HK is licensed to deal in securities (Type 1) and advise on securities (Type 4) by the Hong Kong Securities and Futures Commission. As compensation for the services GCM HK performs, we and GCM Grosvenor Public Markets 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 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 GCM Grosvenor Public Markets 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 GCM Grosvenor Private Markets and for certain GCM Grosvenor Private Markets Investment Vehicles. Pursuant to a Master Placement Agent Agreement, we and GCM Grosvenor Public Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Investment Vehicles.

GCM Japan, a Japanese limited liability stock company of which GCM Grosvenor Public Markets 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 investment vehicles managed or advised by GCM Grosvenor Private Markets and for certain GCM Grosvenor Public Markets that are privately offered in Japan to Japanese investors, may provide ongoing services to Japanese investors in such investment vehicles and may provide research services to us and GCM Grosvenor Public Markets. We and GCM Grosvenor Public Markets 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 GCM Grosvenor Private Markets or GCM Grosvenor Public Markets, 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 investment vehicles managed or advised by GCM Grosvenor Public Markets or GCM Grosvenor Private Markets.



Grosvenor Securities and GCM Japan have an incentive to introduce our products that will result in additional investment management/advisory fees for GCM Grosvenor Private Markets., all prospective investors are informed of the affiliation between GCM Grosvenor Private Markets, 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 GCM Grosvenor Private Markets Fund.

Affiliated General Partners

We are affiliated with certain general partners (as disclosed in the ADV Part 1 Schedule D Section 7.A.1) of certain GCM Grosvenor Private Markets Investment Vehicles which we advise. Such affiliated general partners are ultimately controlled by GCM Grosvenor Private Markets.

Non-Affiliated Placement Agents

GCM Grosvenor Private Markets 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 Grosvenor Private Markets' 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 Grosvenor Private Markets 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 Grosvenor Private Markets' investment products, because such agent may be paid a portion of GCM Grosvenor Private Markets' 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 GCM Grosvenor Private Markets Fund or federal or state, as applicable, securities laws, rules or regulations in connection with:

- performing investment management and investment advisory services for the GCM Grosvenor Private Markets Funds; and
- acquiring or disposing of investments on behalf of the GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 may deny 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 prohibited 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 GCM Private Markets Fund;
- such employee may benefit from such Pre-Clearance Transaction as a result of information that is proprietary to GCM Grosvenor Private Markets, GCM Grosvenor Public Markets or any investment vehicle or account managed or advised by either;
- such Pre-Clearance Transaction involves, or appears to involve, a conflict between the interests of such employee or GCM Grosvenor Private Markets or GCM Grosvenor Public Markets, on the one hand, and those of any investment vehicle or account managed or advised by GCM Grosvenor Private Markets or GCM Grosvenor Public Markets, on the other hand; or
- such Pre-Clearance Transaction involves undue litigation, regulatory, enforcement or reputational risk to GCM Grosvenor Private Markets or GCM Grosvenor Public Markets.

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

We will provide existing and prospective investors/participants in the GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds, we are a “fiduciary” that owes the following duties, among others, to the GCM Grosvenor Private Markets Funds in connection with all transactions in securities where we have the power and authority to effect such transactions for the GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds; and



- to exercise diligence and care throughout the transaction process.

We invest the assets of the GCM Grosvenor Private Markets Funds primarily in:

- securities issued by Underlying Private Markets Funds; and
- Co-Investments.

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

However, the GCM Grosvenor Private Markets Funds may from time to time acquire or dispose of interests in Underlying Private Markets Funds in private “secondary market” transactions. To the extent that the GCM Grosvenor Private Markets Funds engage in “secondary market” transactions in interests in Underlying Private Markets 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 Private Markets Funds in which the GCM Grosvenor Private Markets Funds invest may make, to the GCM Grosvenor Private Markets Funds, “in-kind” distributions of publicly traded securities issued by Co-Investments held by such Underlying Private Markets Funds. Also, in certain cases, Co-Investments whose securities were acquired by the GCM Grosvenor Private Markets Funds in private transactions may register those securities for public resale. Finally, though rare, the GCM Grosvenor Private Markets Funds may (but only with the prior written authorization of our Principal Investment Committee), purchase publicly traded securities in the over-the-counter or exchange markets.

To the extent that the GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds. In determining which financial intermediaries to use to effect purchases and sales of securities on behalf of the GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund(s), the accuracy of valuations, and suitability for the relevant GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds. In addition, investors/participants in the GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 Private Markets Funds and Co-Investments in which the GCM Grosvenor Private Markets Funds invest and generally evaluate such Underlying Private Markets Funds and Co-Investments 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 our 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 GCM Grosvenor Private Markets Investment Vehicles or as potential participants in GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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:

- subject to certain SEC-permitted exceptions, 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 GCM Grosvenor Private Markets Investment Vehicles, we are exempt from many of the provisions of that rule because we undertake to deliver to the Investors in such GCM Grosvenor Private Markets Investment Vehicles, within 180 days after the end of the fiscal year of the relevant GCM Grosvenor Private Markets Investment Vehicle, financial statements of such GCM Grosvenor Private Markets 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 auditing 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 GCM Grosvenor Private Markets Funds over which we exercise investment discretion, we generally have sole discretion to determine (subject in certain cases to an Investor's retention of the right to approve or veto an investment) to determine without consent of the investors/participants in such GCM Grosvenor Private Markets Funds, which securities will be bought or sold (and in what amount) for such GCM Grosvenor Private Markets Funds. The governing documentation for a GCM Grosvenor Private Markets Fund may, however, place certain restrictions on the type and amount of securities which we can buy on behalf of such GCM Grosvenor Private Markets Fund. In certain cases, the investor(s)/participant(s) in a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 Client Services Department (telephone: 646-362-3700 ; e-mail: investor.services@gcmllp.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 GCM Grosvenor Private Markets Funds are as follows:

- we have investment discretion over the assets of such GCM Grosvenor Private Markets Funds and we are requested by:
 - > the Investment Manager of an Underlying Private Markets Fund in which one or more GCM Grosvenor Private Markets Funds invest to vote limited partnership interests, limited liability company interests, shares or similar equity interests in such Underlying Private Markets Fund; or
 - > the Board of Directors or similar governing body of a Co-Investment in which one or more GCM Grosvenor Private Markets Funds invest to vote shares in such Co-Investment; or
- a participant in a GCM Grosvenor Private Markets 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 Private Markets Fund in which such account invests to vote limited partnership interests, limited liability company interests, shares or similar equity interests in such Underlying Private Markets 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 a Co-Investment in which such GCM Grosvenor Private Markets Fund invests to vote shares in such Co-Investment, and such participant in turn requests GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund) to vote a security held by a GCM Grosvenor Private Markets Fund is referred to below as a **Proxy Request**.

General Policy to Take Action In Response to Proxy Requests

In the case of a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund (unless: (i) such GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund; and (iii) if such GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund).

In the case of a GCM Grosvenor Private Markets Fund over which GCM Grosvenor Private Markets does not have investment discretion, if requested to do so by the investor(s)/participant(s) in such GCM Grosvenor Private Markets Fund, we will recommend, to the appropriate party, what action such GCM Grosvenor Private Markets Fund should take in response to Proxy Request received by such GCM Grosvenor Private Markets Fund (unless: (i) such GCM Grosvenor Private Markets Fund is a “single investor” or “single participant” Private Markets 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 GCM Grosvenor Private Markets Fund; and (B) we are precluded from making recommendations respecting Proxy Requests affecting such GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund(s) that might result from adopting or rejecting (as the case may be) the proposal(s) in question.

Also, when GCM Grosvenor Private Markets Funds receive publicly traded securities from Underlying Private Markets 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 GCM Grosvenor Private Markets Funds

With respect to GCM Grosvenor Private Markets Funds over which we exercise legal investment discretion, we ordinarily do not consult with the investors/participants in such GCM Grosvenor Private Markets Funds prior to taking action on Proxy Requests relating to investments held by such GCM Grosvenor Private Markets Funds. In certain cases, however, investors/participants in GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund(s). As a result, depending on the particular circumstances of different GCM Grosvenor Private Markets Funds, we may vote the securities of one or more GCM Grosvenor Private Markets Funds differently than we vote those of one or more other GCM Grosvenor Private Markets 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



GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund(s)'s rights, powers and authority, and/or increase the relevant GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund(s).

Non-Discretionary GCM Grosvenor Private Markets Funds

In the case of a GCM Grosvenor Private Markets Fund over which we do not have investment discretion:

- if requested to so by the investor(s)/participant(s) in such GCM Grosvenor Private Markets Fund, we will recommend, to the appropriate party, what action such GCM Grosvenor Private Markets Fund should take in response to Proxy Request received by such GCM Grosvenor Private Markets Fund (unless: (i) such GCM Grosvenor Private Markets Fund is a "single investor" or "single participant" GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund; and (B) we are precluded from making recommendations respecting Proxy Requests affecting such GCM Grosvenor Private Markets Fund); or
- if we are not requested to make a recommendation with respect to a Proxy Request received by such GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund(s).

2. *Procedures for Identifying Conflicts of Interest*

A Compliance Officer may rely on the obligations of members of our Principal Investment Committee and certain other GCM Grosvenor Private Markets 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 Principal 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 Grosvenor Private Markets 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 Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund(s) (even if there is no ostensible detriment to the affected GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Funds over one or more other GCM Grosvenor Private Markets Funds.

- b. If the Compliance Officer determines that we (or a member of our senior management) are 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 GCM Grosvenor Private Markets Funds over which we exercise investment discretion).

- c. If the Compliance Officer determines that we (or a member of our senior management) are 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) are 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 Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund over which we do not exercise investment discretion, disclosing the conflict of interest to the appropriate party(ies);
 - in the case of a GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund) to act on the Proxy Request in accordance with the decision reached pursuant our Proxy Voting Policy; and
 - in the case of any GCM Grosvenor Private Markets Fund, engaging an independent third party to recommend a response to the Proxy Request.
- c. In the case of any GCM Grosvenor Private Markets 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 Principal 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 GCM Grosvenor Private Markets Fund.
 - if the impact of the material conflict goes beyond specific GCM Grosvenor Private Markets 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 GCM Grosvenor Private Markets Fund, in the case of a non-discretionary GCM Grosvenor Private Markets 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.