

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

March 30, 2020

Item 1 – Cover Page

GROSVENOR CAPITAL MANAGEMENT, L.P.

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March 30, 2020

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

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

This Brochure provides information about the qualifications and business practices of GCMLP. If you have any questions about the contents of this Brochure or the additional information about GCMLP made available on the SEC's website, please contact GCMLP at client.services@gcmlp.com. Note that the information in this Brochure has not been approved or verified by the SEC, any state securities authority or any other governmental authority or any regulatory or self-regulatory organization. For information relating to the AML compliance officer (AMLCO), money laundering reporting officer (MLRO), and deputy MLRO for GCM Grosvenor-advised Cayman Islands-domiciled funds, please contact compliance@gcmlp.com.

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

Item 2 – Material Changes

This Brochure contains the following material change to our Brochure dated March 29, 2019:

- In Item 5, we updated the language relating to Expenses borne by GCMLP Funds.
- In Item 8, we updated the discussion of the risks and conflicts of interest associated with investments in GCMLP Funds.
- In Item 11, we added discussion about GCM Grosvenor employees' serving as directors of public companies.

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Item 4 – Advisory Business

Our Business

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

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

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

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

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

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

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

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

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

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

Advisory Services

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

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

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

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

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

Portfolio and Risk Management – We offer clients advice on constructing and managing customized portfolios. Under certain circumstances, clients sometimes access our portfolio management tools to manage their portfolios with the

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

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

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

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

Ancillary Information Provided as a Courtesy

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

Administrative Services

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

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

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

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

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

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

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

Our Assets Under Management

As of December 31, 2019, our assets under management were approximately \$28.9 billion. The methodology used to calculate the net asset value of client accounts that we manage differs from the methodology used to calculate "regulatory assets under management" for purposes of responding to Item 5.f(2) of Part 1 of our SEC Form ADV. Additional detail concerning the methodology is available upon request.

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

Our Principal Owner

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

Item 5 – Fees and Compensation

Fees in General

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

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

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

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

Fees for Commingled GCMLP Funds

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

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

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

Fees for Customized GCMLP Funds

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

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

Fees for Advisory Services

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

Aggregation of Certain Accounts for Fee Purposes

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

Deduction of Fees from GCMLP Funds

In the case of Commingled GCMLP Funds, GCMLP invoices GCMLP Funds for its fees, typically monthly or quarterly, and instructs that such fees be remitted to GCMLP from the assets of such GCMLP Funds.

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

- invoices the relevant GCMLP Fund and/or instructs that such fees be remitted to GCMLP from the assets of such GCMLP Fund; or
- invoices the relevant GCMLP Fund and, upon the investor's approval of its invoice, receive its fees either from the relevant GCMLP Fund or directly from the investor.

Fee Refunds

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

Expenses

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

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

- all costs and expenses incurred in the identification, evaluation, selection, purchase, management, sale, or exchange of investments, whether or not ultimately consummated), including, without limitation, brokerage commissions, broken-deal costs, due diligence costs, investment banking fees, monitoring costs, sourcing or finder's fees, and research costs, including research terminals
- expenses relating to any Underlying Fund including, without limitation, organizational and offering expenses
- the interest expense, fees, and other expenses associated with any borrowing facility
- profit participations or other compensation of the general partners, advisers, or managers of entities in which a GCMLP Fund invests or of advisers or managers of managed accounts
- fees and expenses in connection with the custody of assets of a GCMLP Fund
- legal, accounting, auditing, tax and financial statement preparation, consulting, and other professional fees and expenses, including out-of-pocket expenses of a third party engaged by a GCMLP Fund or by GCMLP itself for purposes of providing these services to one or more GCMLP Funds
- administrative expenses and costs, including the fees and out-of-pocket expenses of a GCMLP Fund's administrator
- computer software licensing, development, purchasing, programming, and operating costs

- fees and expenses associated with reporting to clients
- other operating or administrative fees and expenses related to accounting, research, due diligence, reporting, and portfolio management services
- valuation fees and expenses
- Third-Party Costs as defined herein
- taxes and similar amounts (if any)
- extraordinary expenses (if any), including any costs and expenses arising out of a GCMLP Fund's litigation and indemnification costs and obligations
- costs and expenses of consultants engaged by GCMLP or its affiliates in connection with services provided by GCMLP or its affiliates to the GCMLP Fund
- regulatory or other governmental fees and charges, including regulatory or governmental fees and charges resulting from the offering or sale of a GCMLP Fund's securities in a non-U.S. jurisdiction
- certain travel and entertainment expenses incurred in connection with a GCMLP Fund's affairs, including in connection with investments, and potential investments, and meetings with investors or their representatives, to the extent permissible in such GCMLP Fund's governing documents and to the extent such expenses comply with GCMLP's Travel and Expense Policy
- reimbursement of GCMLP or its affiliates for administrative and overhead expenses related to overseeing administrative services, including, without limitation, an allocable portion of the cost of compensation (including benefits) and related expenses of employees performing such oversight, which reimbursement may take the form of a general charge intended to cover such expenses as determined by GCMLP in its reasonable discretion
- all other costs specifically described in the particular GCMLP Fund's offering documents
- all other costs related to a GCMLP Fund's investment activities

GCMLP typically does not charge and is not reimbursed for its own overhead or other internal costs except as agreed upon in connection with a particular GCMLP Fund.

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

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

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

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

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

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

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

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

Performance-based compensation is based on a share of:

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

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

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

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

GCMLP may have an incentive to allocate certain investment opportunities to GCMLP Funds from which we receive performance-based compensation or special allocations, in preference to GCMLP Funds from which we do not receive performance-based compensation or special allocations, because we may stand to gain greater compensation from the former types of GCMLP Funds by allocating the best investment opportunities to them. We have adopted detailed investment allocation policies and procedures designed to provide fair and equitable allocation of investment opportunities in Underlying Funds among all eligible accounts. Additionally, Investment Managers of Underlying Funds may from time to time make us aware of opportunities to co-invest in specific underlying investments (i.e., investments other than

investments in Underlying Funds). These co-investment opportunities are allocated at our discretion, including to GCMLP Funds eligible to invest in such opportunities or to investors in GCMLP Funds.

Item 7 – Types of Clients

GCMLP has three basic types of clients:

- Type 1:* GCMLP Funds organized as legal entities. Some GCMLP Funds are privately offered and are not subject to registration under the Investment Company Act of 1940 (as amended, the **ICA**). Others are open-end or closed-end investment companies registered under the ICA and publicly offer their securities. Some are Commingled GCMLP Funds, while others are Customized GCMLP Funds.
- Some GCMLP Funds are feeder funds that invest all or substantially all of their assets in master GCMLP Funds. Feeder funds may be Commingled or Customized GCMLP Funds and may invest their assets in master GCMLP Funds that are Commingled or Customized GCMLP Funds.
- Type 2:* Institutional investors, such as public or private pension plans or sovereign wealth funds, and high-net worth investors entering into discretionary or non-discretionary investment management agreements, investment advisory agreements or similar agreements with us rather than investing in GCMLP Funds organized as legal entities.
- Type 3:* Institutional investors that we assist, on a non-discretionary basis, in designing, building, and managing their hedge fund or alternative investment programs. This service does not typically constitute continuous and regular supervisory or management services.

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

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

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

Our Hedge Fund Strategies Investment Process

Except as related to certain programs as described herein, for example under Other Investment Management and Advisory Services, which in some cases have different designated investment committees and investment processes that are described therein, GCMLP's hedge fund strategies investment process is overseen by the **Hedge Fund Strategies Investment Committee** and implemented by our Hedge Fund Strategies Investments Department, which is comprised of three functional teams:

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

- › performing risk management analytics on GCMLP Funds, Underlying Funds and clients' full hedge fund or alternative investment programs
- › developing proprietary risk management tools

The Hedge Fund Strategies Investment Committee, with input from the Research, Risk Management, and Portfolio Management Teams, develops its forward-looking expectations for investment strategies and Underlying Funds through a quantitative and qualitative evaluation of the risk/reward profiles of such investment strategy or Underlying Fund. The Hedge Fund Strategies Investment Committee's forward looking expectations for such investment strategies and Underlying Funds, in conjunction with each portfolio's return and risk objectives, determines guidelines with respect to the target percentage of assets that the Portfolio Management Teams generally follow in proposing portfolio allocations to particular investment strategies and Underlying Funds.

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

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

Due diligence

- Investment Due Diligence

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

- › particular quantitative data relating to the Underlying Fund, including performance relative to peers, key return and risk statistics, attribution and drivers of performance, and quality of historical returns
- › certain qualitative factors relating to the potential Investment Manager, such as its investment philosophy, investment mandate and investment decision-making structure, the skills and commitment of its key professionals, its depth and breadth of experience in the relevant investment strategy, its investment and risk management processes, its organizational infrastructure and stability, and its policies with respect to environmental, social, and corporate governance (ESG) factors

- Risk Management Due Diligence

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

- Operational Due Diligence

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

Hedge Fund Strategies Investment Committee and Operations Committee Approval

The Hedge Fund Strategies Investment Committee currently has four members who are senior investment professionals and makes decisions by majority vote. The Chief Executive Officer has the authority to determine the outcome in the event

of a tie and the authority to veto any affirmative decision made by the Hedge Fund Strategies Investment Committee. However, if the Hedge Fund Strategies Investment Committee rejects or terminates an Investment Manager or Underlying Fund, the Chief Executive Officer cannot override such rejection or termination.

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

The Hedge Fund Strategies Investment Committee approves Underlying Funds from an investment and risk perspective, and the Operations Committee approves from an operational perspective, before we invest the assets of any hedge fund strategies client or recommend to a client that it invest its assets in such Underlying Funds, except where expressly agreed upon with the particular client, or where the particular GCM Grosvenor Fund's Documents state otherwise. In some cases, such approvals are limited to a particular client's or group of clients' portfolios under certain circumstances rather than for all client portfolios.

The Portfolio Committee reviews and approves initial and subsequent portfolio allocations proposed by each Portfolio Management Team for each GCMLP Fund assigned to such Portfolio Management Team. Our Chief Executive Officer has a veto right over portfolio management activity for the GCMLP Funds.

The size and composition of the Hedge Fund Strategies Investment Committee and Operations Committee may change from time to time.

Allocation of Investment Opportunities

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

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

Other Investment Management and Advisory Services

- **Strategic Investments Group**

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

- **Special Opportunities Program**

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

In selecting investments for the Special Opportunities Program, the Special Opportunities Investment Committee (**SOIC**) relies on advice from the SIG Professionals. The SOIC considers factors in selecting investments for the Special Opportunities Program that sometimes differ from the factors taken into consideration by the Hedge Fund Strategies Investment Committee in selecting investments for hedge fund strategies GCMLP Funds.

- The Operations Committee generally will evaluate and approve Strategic Investments where it deems such evaluation appropriate, but does not evaluate and approve all Strategic Investments.

- **Private Equity, Real Estate, and Infrastructure Investments**

GCM Grosvenor invests assets of certain GCMLP Funds in long-term private equity, real estate, and infrastructure investments, which the **PEREI Investment Committee** and typically the Operations Committee must approve. These investments include:

- › Investments in Underlying Funds acquired directly from Investment Managers at or near inception during the fundraising period (Primary Fund Investments)
- › Investments in Underlying Funds acquired in secondary market transactions (Secondary Investments)
- › Co-Investments
- › Direct Investments

- **Multi Asset Class Portfolios**

GCM Grosvenor invests assets of certain GCMLP Funds across multiple asset classes (**MAC Portfolios**), which include hedge fund asset classes, private equity, real estate, and/or infrastructure (**MAC Opportunities**).

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

In selecting investments for the MAC Portfolios, the MAC Investment Committee (**MAIC**) relies on advice from the SIG Professionals. The factors taken into consideration by the MAIC in selecting investments for MAC Portfolios sometimes differ from the factors taken into consideration by the Hedge Fund Strategies Investment Committee in selecting investments for hedge fund strategies GCMLP Funds, or by factors taken into consideration by GCM CFGI in selecting investments for GCM CFGI Funds.

The Operations Committee generally will evaluate and approve MAC Opportunities where it deems such evaluation appropriate, but does not evaluate and approve all MAC Opportunities. At times, GCMLP involves affiliates of GCMLP in evaluating investments for the MAC Portfolios.

- **Labor Impact Program**

The Labor Impact Infrastructure Program (**Labor Impact Program**) seeks to originate and execute infrastructure investments (**Labor Impact Investments**) that leverage GCM Grosvenor's relationships with, understanding of, and experience in organized labor, government, and finance. The Labor Impact Program's mandate requires that an investment meet a risk/return standard and utilize value-additive union labor. The Labor Impact Program will consider investments across core, core-plus, and opportunistic infrastructure assets, and businesses through direct investments and partnerships with other financial market participants, as well as partnerships/joint ventures with operators, construction firms and governmental entities. The Labor Impact Program seeks to selectively invest across various subsectors of infrastructure in both greenfield, and brownfield investments and will also opportunistically invest in certain real estate assets that have infrastructure-like characteristics. The Labor Impact Fund Investment Committee (**LIFIC**) is responsible for the selection of the transactions in which the Labor Impact Program participates. At times, GCMLP involves affiliates of GCMLP in evaluating investments for the Labor Impact Program. In selecting investments for the Labor Impact Program, the LIFIC incorporates information and advice from the SIG Professionals, among others.

- **Seeding Transactions**

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

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

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

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

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

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

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

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

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

In certain cases, Investments in Seed Manager Funds or Seed Managers are made available to GCMLP Funds notwithstanding the fact that one or more GCMLP Seed Funds or other GCMLP Funds have entered into Project Agreements involving such Seed Manager Funds or Seed Managers. In certain cases, a Project Agreement may entitle a GCMLP Seed Fund, as well as investors in such GCMLP Seed Fund, to invest in a Seed Manager Fund on terms that are more favorable than those available to the Seed Manager Fund's other investors, typically with discounts from a standard fee schedule. Accordingly, if other GCMLP Funds invest in such Seed Manager Fund, they may do so on terms that differ from, and may be less favorable than, those available to the applicable GCMLP Seed Fund.

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

- **Temporary Investments and Hedging Transactions**

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

- › invest, for cash management purposes, cash held by such GCMLP Fund (pending investment by such GCMLP Fund or distribution to its investors) directly in securities and other financial instruments, for example:
 - U.S. government and agency securities
 - bank demand deposit accounts—which typically are not interest bearing—and certificates of deposit

- commingled investment products (such as money market mutual funds)
- › cause such GCMLP Fund to engage in hedging transactions by purchasing or selling securities or derivative instruments with the intent of reducing certain exposure—for example, by:
 - purchasing or selling securities or derivatives with the intent of reducing certain exposures
 - entering into foreign currency hedging transactions on behalf of such GCMLP Fund if such GCMLP Fund is denominated in a currency other than U.S. Dollars (e.g., Japanese yen, euro, Swiss franc), but invests primarily in U.S. dollar-denominated Underlying Funds, or if such GCMLP Fund is denominated in U.S. dollars and invests in Underlying Funds or individual securities that are denominated in currencies other than the U.S. dollar

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

Modifications of Our Investment Process

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

Investment Strategies

GCMLP currently manages or advises portfolios that pursue one or more of the following investment strategies:

- broadly diversified, multi-strategy
- global long/short equity
- U.S. long/short equity
- global macro
- commodities
- global credit
- completion (weighted toward strategies under-represented in clients' portfolios)
- hedge fund seeding
- multi-asset class
- private equity, real estate, and infrastructure
- labor impact
- opportunistic (a blend of several of the strategies herein)

GCMLP classifies each Underlying Fund into a specific strategy and sub-strategy category based upon such Underlying Fund's primary investment strategy. The current strategy and sub-strategy categories are as follows:

- Credit Strategies
 - › Fundamental credit
 - › Structured credit
 - › Long-short credit
 - › Distressed credit
 - › Emerging market credit
 - › Specialist credit
- Relative Value Strategies
 - › Convertible arbitrage
 - › Fixed income arbitrage
 - › Option volatility arbitrage
 - › Diversified relative value
- Equity Strategies
 - › Directional equity
 - › Low-net equity
 - › Fundamental market neutral equity
 - › Activism
- › Event driven
- › Emerging market equity
- › Specialist equity
- Quantitative Strategies
 - › Directional quantitative strategies
 - › Non-directional quantitative strategies
- Multi-Strategy
- Macro Strategies
 - › Diversified macro
 - › Emerging market macro
 - › Specialist macro
- Commodities Strategies
 - › Diversified commodities
 - › Specialist commodities
- Portfolio Hedging Strategies
 - › Dedicated short equities

- › Dedicated short credit
 - › Volatility protection
 - › Opportunistic hedging
- Strategic Investments Group Strategies
 - › Direct investments
 - › Co-investments
- Private Markets Strategies
 - › Private equity
 - › Real estate
 - › Infrastructure
 - › Co-investment opportunities
 - › Secondary investments

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

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

Credit Strategies

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

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

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

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

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

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

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

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

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

Relative Value Strategies

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

Diversified Relative Value

Diversified relative value strategies consist primarily of highly diversified multi-asset class portfolios that may engage in a wide range of investment approaches including, but not limited to convertible arbitrage, fixed income arbitrage and option volatility arbitrage, as well as a range of other strategies. Diversified relative value strategies will typically exhibit a low beta and correlation profile to traditional equity and fixed income benchmarks.

Convertible Arbitrage

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

securities are exchangeable, in order to isolate the aspect of the security that the investment manager believes is mispriced and largely eliminate the effect of directional moves in the underlying stock price.

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

Fixed Income Arbitrage

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

Option Volatility Arbitrage

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

Multi-Strategy

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

Equity Strategies

Equity strategies generally focus on the purchase or short sale of equity and equity-linked instruments in global markets. An equity investment manager may focus on a particular capitalization range (e.g., small cap versus large cap) or a particular industry sector (e.g., healthcare, technology, or consumer), may employ a specific investment style (e.g., value versus growth) or may pursue a broad mandate, investing in securities without specific regard for their issuers' capitalization, sector or geography. Some investment managers may employ an activist approach whereby they attempt to influence company management to take specific measures to maximize shareholder value, while others may utilize top-down macroeconomic analysis to guide capital-allocation strategies and fundamental security selection. An equity investment manager typically seeks to capitalize on discrepancies between such investment manager's own evaluation of the intrinsic value of an equity security and assessment of the forward-looking prospects of the issuer of such security and the consensus view reflected in the market price of such security. Some investment managers also may seek to extract value by being more trading-oriented or catalyst-driven.

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

Directional equity

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

Low-net equity

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

Fundamental market neutral equity

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

Activism

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

Event driven strategies

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

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

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

Emerging market equity

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

Specialist equity

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

Macro Strategies

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

Commodity Strategies

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

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

Quantitative Strategies

Quantitative strategies include funds that primarily use quantitative mathematical models to identify and implement underlying portfolio investments. Such quantitative mathematical models rely on patterns inferred from historical prices and other financial data in evaluating prospective investments. These formulas and models are typically developed and implemented using high-powered computers that may generate buy or sell indications to assist the manager in identifying securities and other financial instruments which appear mispriced based on the underlying models, furthermore, these systems will often implement buy or sell orders directly to brokers. The models used are often highly complex and rely on quantitative (and to a lesser extent, technical) analysis of large amounts of real-time and historic data with a view towards identifying pricing discrepancies, inefficiencies and/or anomalies.

In addition to the models described above, quantitative strategies may also employ models that focus more on fundamental analysis and research conducted by analysts (rather than computer-based quantitative and technical analysis) and models that combine two or more types of analysis in varying degrees. Fundamental analysis and research explores,

among other things, issuers, industries, current market and financial conditions and an understanding of the drivers of change within these areas. Such fundamental analysis and research is expected to be generated by substantial numbers of external investment professionals, data vendors, market participants and/or other consultants and may be augmented by a manager's internally generated fundamental analysis. The investment manager may apply systematic mathematical formulas to such analysis and research, or, may use such analysis and research alone, without further quantitative analysis to assist in developing their quantitative investment decision-making process.

Portfolio Hedging Strategies

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

Dedicated Short Equity

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

Dedicated Short Credit

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

Volatility Protection

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

Opportunistic Hedging

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

Strategic Investments Group Strategies

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

Direct Investments

Direct Investments include directly investing in trading and/or investment positions, portfolio companies, real assets, market exposures, debt, and/or various sources of risk premia, which may be included in certain GCMLP Funds, including Strategic Investments Funds.

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

Co-Investment Opportunities

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

Private Markets Strategies

GCMLP may invest GCMLP Fund capital in private markets strategies. In providing services to a GCMLP Fund that invests in private markets strategies, at times GCMLP involves affiliates of GCMLP.

Private Equity

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

Real Estate

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

Infrastructure

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

Co-Investment Opportunities

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

Secondary Transactions in Investments

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

We may also consider the purchase of Underlying Funds for one or more GCMLP Funds in secondary market transactions (each, a **Secondary Purchase**). Typically, a Secondary Purchase will be made opportunistically to the extent the Hedge Fund Strategies Investment Committee believes the pricing is attractive or in respect of an Underlying Fund that is otherwise not available for primary investment (i.e., closed). In all cases, the Hedge Fund Strategies Investment Committee and Operations Committee will approve Underlying Funds for which Secondary Purchases are made.

Risks and Other Special Considerations

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

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

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

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

Here, we have set forth the general categories of risk that apply to investing in the GCMLP Funds. These risks are discussed in greater detail in the relevant GCMLP Fund Documents. Certain of these risks may be exacerbated in the case of GCMLP Funds with concentrated portfolios. These risks are not intended to be all-inclusive.

Market Risks

Generally, the risks that economic and market conditions and factors may materially adversely affect the value of the GCMLP Fund’s investments.

Adverse Market Conditions

All investments in securities and other financial instruments involve a substantial risk of volatility and loss arising from any number of general economic and market conditions as well as other factors, all of which are beyond the control of GCMLP and the Investment Managers—for example: changes in market sentiment; industrial conditions; competition and technology; inflation; exchange rates; interest rates; U.S. or international economic or political conditions or events; tax laws and governmental regulation; and governmental trade, fiscal, monetary or exchange control programs or policies. Conditions and factors such as these, as well as innumerable other conditions and factors, often are unforeseeable, rendering it difficult or impossible to predict future market movements. Unexpected volatility, illiquidity or “market shocks” in the markets in which the GCMLP Fund directly or indirectly holds positions could impair a GCMLP Fund’s ability to achieve its investment objectives and cause the GCMLP Fund to incur losses.

Strategy Risks

Generally, the risks associated with:

- the possible failure of GCMLP’s asset allocation methodology, including the possible failure of a multi-Underlying Fund approach;
- the possible failure of the investment strategies, techniques and practices employed by one or more Investment Managers;
- possible inefficient or inaccurate trade execution by GCMLP or an Investment Manager;

- GCMLP's inability to gauge and react (due to Underlying Funds' restrictive withdrawal or redemption provisions) on a real time basis to the specific strategy-related and/or position-level risks associated with positions held by the Underlying Funds in which a GCMLP Fund invests.

Possible Failure of GCMLP's Asset Allocation Methodology, Including the Possible Failure of a Multi-Underlying Fund Approach

GCMLP's methodology for selecting investment strategies and Investment Managers, developing portfolios of multiple Investment Managers and actively allocating a GCMLP Fund's assets among them may prove unsuccessful in generating profits and/or avoiding losses.

In addition to the inherent opportunity costs of allocating assets across different strategies (which are, among other things, likely to have periods of offsetting profits and losses), there can be no assurance that:

- a GCMLP Fund's strategy will not be more volatile than, or will not underperform, either or both an investment in a single Underlying Fund or a static allocation among a fixed group of Underlying Funds;
- an investment strategy that has been profitable in the past will not incur material losses in the future; or
- GCMLP will not allocate assets of a GCMLP Fund to Underlying Funds that are entering into unprofitable cycles and away from those entering into profitable cycles.

Since a GCMLP Fund may allocate its assets to multiple Investment Managers, each of which trades independently of the others, there can be no assurance that the use of multiple Investment Managers will not effectively result in:

- losses by certain Underlying Funds that offset, or more than offset, gains (if any) achieved by others. The adverse effect on a GCMLP Fund's performance of certain Underlying Funds' losses offsetting the gains (if any) recognized during the same period by other Underlying Funds is exacerbated by the fact that each Investment Manager receives performance/incentive fees or other performance/incentive compensation based on such Investment Manager's individual performance, irrespective of a GCMLP Fund's overall performance. Consequently, a GCMLP Fund may pay substantial performance/incentive fees or other performance/incentive compensation to those Investment Managers that recognize gains, irrespective of contemporaneous losses incurred by other Investment Managers, and even during periods when a GCMLP Fund is incurring significant overall losses (i.e., where the losses incurred by a GCMLP Fund's investments in unprofitable Underlying Funds, together with a GCMLP Fund's expenses, exceed the profits recognized by a GCMLP Fund's investments in profitable Underlying Funds);
- Underlying Funds managed by different Investment Managers holding economically offsetting positions. As long as Underlying Funds hold offsetting positions, a GCMLP Fund as a whole will be unable to recognize any gain or loss on such open positions, while at the same time incurring transaction costs and paying advisory fees; and/or
- various Investment Managers competing from time to time for the same positions for their respective Underlying Funds, potentially affecting the value of such positions in a manner adverse to a GCMLP Fund.

If a GCMLP Fund receives additional capital contributions from its investors during periods when certain Underlying Funds are "closed"—i.e., no longer accepting additional capital from GCMLP Funds (as well as possibly other investors)—such additional capital will have to be allocated to Underlying Funds that are then accepting additional funds, even if GCMLP otherwise would have maintained the respective percentage allocations between the "open" and "closed" Underlying Funds. Accepting such additional capital contributions will dilute investors' exposure to "closed" Underlying Funds (which may be among the most successful Underlying Funds).

GCMLP seeks preferred terms for a GCMLP Fund from the Underlying Funds in which a GCMLP Fund invests. GCMLP may not always be successful in negotiating such preferred terms and may select Underlying Funds for investment by a GCMLP Fund that provide such preferred terms in preference to other Underlying Funds that do not provide such preferred terms.

GCMLP's investment approach for a GCMLP Fund is typically designed to achieve broad diversification across global capital markets (e.g., equities, fixed-income, commodities, non-U.S. currencies and physical commodities, traded in numerous markets worldwide), limiting a GCMLP Fund's exposure to any single market. Despite the apparent diversification among the strategies used by the different Investment Managers, these strategies generally tend to be dependent on market liquidity and the general availability of dealer and prime broker financing on reasonable and customary terms. As a result of

these and other factors, multiple markets could from time to time move in tandem against a GCMLP Fund's positions (*e.g.*, concurrent declines in the global equity and fixed-income markets), and a GCMLP Fund could suffer substantial losses—as happened in 2008.

Significant changes in the volatility of market price levels can adversely affect many alternative investment strategies by potentially disrupting historical price relationships. As a result, during periods of market stress, when the potential diversification benefits of an investment in a GCMLP Fund might otherwise be the most important in terms of protecting an overall portfolio against major losses, a number of Underlying Funds may incur material losses at or about the same time, resulting in a GCMLP Fund augmenting rather than mitigating overall portfolio losses.

Possible Failure of the Investment Strategies, Techniques and Practices Employed by One or More Investment Managers

A GCMLP Fund is subject to the risks associated with the investment strategies and investment techniques and practices employed by the Investment Managers. The Investment Managers may not be successful in attempting to generate profits or avoid losses.

Underlying Funds employing alternative investment strategies are subject to a “risk of total loss”—the risk that a previously low volatility and apparently comparatively low risk strategy will incur sudden and dramatic losses—at a level of severity to which investment funds employing traditional strategies which may be less dependent on the availability of financing or market liquidity may not be subject.

Strategy-specific losses result from any number of factors, including excessive concentration by a GCMLP Fund to multiple Investment Managers in the same investment and/or market sector, general market events or conditions that adversely affect particular strategies (*e.g.*, illiquidity within a given market), faulty assumptions or analysis concerning market events or conditions and faulty or incomplete due diligence regarding particular markets or investments.

The governing documents of the Underlying Funds typically do not impose any meaningful restrictions on the manner in which the Investment Managers of such Underlying Funds invest and trade, and often permit the Investment Managers to invest and trade in essentially an unrestricted range of strategies and securities. As a result, Investment Managers may from time to time suddenly and materially modify their investment objectives, styles, policies and/or restrictions, in many cases without notice to GCMLP. Any such modification could involve changes in the types of securities and other instruments that an Investment Manager uses to implement its strategy, as well as changes in the markets in which such securities and instruments trade. There can be no assurance that any such modification will be successful or not result in losses to a GCMLP Fund. GCMLP allocates and reallocates a GCMLP Fund's assets among the Underlying Funds in such amounts and at such times as GCMLP believes—subject to the structural constraints on GCMLP's ability to do so imposed by the liquidity provisions of Underlying Funds—is most likely to achieve a GCMLP Fund's investment objectives. GCMLP's allocation of a GCMLP Fund's assets among various Investment Managers depends in part on GCMLP's assessment of the particular investment objective(s), style(s), policies and restrictions of each Investment Manager. If, after allocating a GCMLP Fund's assets to a particular Investment Manager, such Investment Manager materially modifies its investment objective(s), style(s), policies or restrictions, a GCMLP Fund's portfolio allocations might no longer be consistent with its investment objectives.

Investment Managers generally are not required to follow any formal diversification policies in trading on behalf of their Underlying Funds. Accordingly, an Underlying Fund may from time to time become significantly concentrated in a particular market sector, geographic region, issuer, specific instrument, *etc.* Such concentration increases risk.

At times, Investment Managers employ substantial amounts of leverage (*e.g.*, leverage exceeding five times as measured by notional long market value as a percentage of capital) as well as engage in other specialized investment techniques and practices in managing their Underlying Funds. These techniques and practices include, but are not limited to, use of derivatives, short selling, hedging, securities lending, use of models and trend-following. These techniques and practices may increase the opportunities for gain, but also may substantially increase the risks of volatility and loss. In the case of leveraged trading strategies, market illiquidity whether relating to exchange-traded or over-the-counter (**OTC**) instruments creates the risk of an Underlying Fund not being able to reduce positions in order to reduce the amount of its borrowings or to raise cash by selling positions in order to meet margin calls—possibly resulting in total losses.

Investment Managers often invest on the basis of short-term market considerations, and the mispricings or other criteria from which such Investment Managers seek to profit can be short-lived. The turnover rate of the Investment Managers' positions may be significant, potentially involving substantial brokerage commissions, dealer mark-ups and fees on the acquisition and sale of positions. The costs associated with high portfolio turnover may adversely affect the performance of an Investment Manager's Underlying Funds.

Following the disruptions of 2008-2009, many institutional investors have insisted on greater liquidity from funds in which they invest. In order to provide such liquidity, Investment Managers may modify their portfolios to exclude potentially attractive but less liquid investments. The demand for greater liquidity may, accordingly, result in a material opportunity cost as the profit potential of the Underlying Funds is diminished in order to meet such demand.

In response to the *WorldCom*, *Enron* and *Lehman Brothers* bankruptcies and other highly publicized losses resulting at least in part from improper accounting methods over the past two decades, a number of accounting initiatives have been implemented or proposed by auditing professional standards boards (e.g., the Financial Accounting Standards Board and compliance bodies outside the U.S.). Certain of these changes have materially adversely impacted previously successful strategies, and certain proposed initiatives could materially adversely affect the viability of certain investment activities in which various Underlying Funds have engaged for many years.

Use of Leverage

Certain Underlying Funds will from time to time employ leverage, both for speculative and hedging purposes, in a wide variety of ways, including purchasing instruments with borrowed funds, investing and trading in futures contracts, options on futures, options on securities, forward contracts, swaps and other derivative instruments, as well as short selling. There generally is no formal limitation on the amount of leverage that an Underlying Fund uses, if any. Further, certain GCMLP Funds borrow in accordance with the terms in their documents.

The level of interest rates, in general, and the rates at which a particular Underlying Fund can borrow are likely to have a substantial effect on the performance of such Underlying Fund. If the interest expense on borrowings—which ordinarily fluctuates based on market conditions—were to exceed the net return on the portfolio securities purchased with such borrowings, the use of leverage would result in a lower rate of return than had leverage not been used.

The use of leverage causes the value of the leveraged instrument or position to increase or decrease more rapidly than if leverage were not employed. A relatively small price movement in a leveraged instrument or position could result in immediate and substantial losses.

To the extent that an Underlying Fund borrows, such borrowing typically will be secured by a pledge of the securities and other assets acquired with such borrowing. Lenders have essentially discretionary authority to increase the collateral required to secure a borrower's obligations and, if such borrower is unable to provide additional collateral, the lender has the right to liquidate such borrower's assets in order to meet such increased requirements. For example, if assets pledged to a broker to secure an Underlying Fund's margin trading activities were to decline in value or if the broker were to increase the required margin, such Underlying Fund could be subject to a margin call, pursuant to which it must either deposit additional funds with the broker or suffer mandatory liquidation of its open positions. A forced liquidation of assets resulting from an unsatisfied margin call could have extremely adverse consequences for such Underlying Fund.

During periods of "credit squeezes" or "flights to quality," the market for credit instruments other than U.S. Treasury bills can become substantially reduced. This poses a particular risk that leveraged positions held by Underlying Funds sometimes need to be sold at discounts to fair value in order to meet margin calls. Particularly in the case of strategies that leverage positions in less liquid instruments, if an Underlying Fund implementing such strategies is forced to sell positions at a discount, such Underlying Fund's dealers may reduce the value of such Underlying Fund's outstanding positions, resulting in additional margin calls as loan to value triggers are hit under prime brokerage and swap agreements.

In addition to the risk of discounted sales of assets made to meet margin calls causing a reduction in the dealer values of similar assets held by an Underlying Fund and further margin calls, there is the risk that the need to meet margin calls may lead to material reductions in an Underlying Fund's holdings. In 2008–2009, for example, the market for credit instruments was so illiquid that a number of investment funds had to sell otherwise highly desirable investments in other asset classes in

order to meet margin calls on their credit positions. Similarly, “funds of funds” had to withdraw/redeem from the more liquid strategies in order to fund their own withdrawals/redemptions, materially adversely affecting the performance of such strategies. Selling liquid assets to fund margin calls on illiquid assets increases the illiquidity of an Underlying Fund’s overall portfolio—potentially materially increasing the risk of major if not total losses.

The availability of leverage, both to Underlying Funds and to funds investing in Underlying Funds, was materially reduced during the market disruptions of 2008–2009, and its availability continues to be restricted. This trend may continue. In addition, the general availability of leverage may be limited by regulation. An ongoing reduction and/or increase in the cost of leverage could materially diminish the profit potential of many of the strategies in which a GCMLP Fund invests.

Use of Derivatives

Investment Managers and GCMLP may use derivative instruments (including, without limitation, futures contracts, options on futures, options on securities, forward contracts, swaps, and credit derivatives such as CDS), as well as derivative investment techniques (including, without limitation, synthetic short sales), for various hedging and/or speculative purposes. The use of such instruments and techniques results in leverage, thereby exposing a GCMLP Fund to increased risks.

Uncertainties remain as to how the markets for certain derivative instruments will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. A number of these markets have a limited history of operating during a period of “market crisis.” Certain market conditions have, for example, made it impossible for an Investment Manager to liquidate derivative positions to limit losses or recognize profits or to maintain such positions in order to continue to hedge other market exposures.

Many derivative instruments are traded not on exchanges but rather through an informal network of banks and dealers that have no obligation to make markets in such instruments. The trading of OTC derivatives involve a variety of risks, including: (i) counterparty risk; (ii) basis risk; (iii) interest-rate risk; (iv) settlement risk; (v) legal risk; and (vi) operational risk. Basis risk, in this context, is the risk that the price of a derivative sometimes vary from the price of its underlying reference asset by more than expected ranges. Interest-rate risk is the general risk associated with movements in interest rates, which are incorporated into the pricing of many derivatives. Settlement risk is the risk that a settlement does not take place as expected. Legal risk is the risk that a transaction: (i) proves unenforceable at law or because it has been inadequately or improperly documented; or (ii) has unanticipated and “off-market” business terms (for example, unusual provisions for terminating conversion rights). Operational risk is the risk of unexpected losses arising from deficiencies in an Investment Manager’s management infrastructure, support and/or control systems and procedures, making it impossible or impracticable to acquire, liquidate, value or assess the risk of a given OTC position.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (including the regulations promulgated and to be promulgated thereunder, **Dodd-Frank**), enacted in July 2010, includes provisions that comprehensively regulate the OTC derivatives markets for the first time.

Dodd-Frank requires that a substantial portion of OTC derivatives must be executed in regulated markets and be submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing are subject to variation margin requirements, and sometimes subject to minimum initial margin requirements, set by the relevant clearinghouse, as well as margin requirements mandated by the CFTC, SEC and/or federal prudential regulators. OTC derivatives dealers also typically demand the unilateral ability to increase the Underlying Funds’ collateral requirements for cleared OTC trades beyond any regulatory and clearinghouse minimums. The CFTC and federal prudential regulators have also imposed margin requirements on non-cleared OTC derivatives and new requirements that apply to the holding of customer collateral by OTC derivatives dealers. These requirements typically increase the amount of collateral required to provide and the costs associated with providing it. OTC derivative dealers also are required to post margin to the clearinghouses through which they clear their customers’ trades instead of using such margin in their operations, as was widely permitted before Dodd-Frank. This has increased and will continue to increase the OTC derivative dealers’ costs, which costs are generally passed through to other market participants in the form of higher fees, including clearing account maintenance fees, and less favorable dealer marks.

Although Dodd-Frank requires many OTC derivative transactions previously entered into on a principal-to-principal basis to be submitted for clearing by a regulated clearinghouse, certain of the derivatives traded remain principal-to-principal or OTC contracts entered into privately between an Underlying Fund or a GCMLP Fund and a third party. The risk of counterparty nonperformance can be significant in the case of these OTC instruments, and “bid-ask” spreads in some cases are unusually wide in these heretofore substantially unregulated markets. While Dodd-Frank is intended in part to reduce these risks, its success in this respect may not be evident for some time after Dodd-Frank is fully implemented; this process may take several years.

The CFTC and U.S. commodities exchanges impose limits, referred to as “speculative position limits,” on the maximum net long or net short speculative positions that any person holds or controls in any particular futures or options contract traded on U.S. commodities exchanges. For example, the CFTC currently imposes speculative position limits on nine agricultural commodities (*e.g.*, corn, oats, wheat, soybeans and cotton) and U.S. commodities exchanges currently impose speculative position limits on many other commodities. Dodd-Frank significantly expands the CFTC’s authority to impose position limits with respect to futures contracts, options on futures contracts, swaps that are economically equivalent to futures or options on futures, swaps that are traded on a regulated exchange and certain swaps that perform a significant price discovery function. In November 2011, the CFTC adopted a separate position limits regime for 28 so-called “core” futures contracts, which include contracts on metals, energy and agricultural products, options on the core futures and swap contracts that are economically equivalent to the futures contracts or options on the futures. Those proposed speculative position limits were vacated by the United States District Court for the District of Columbia. While the CFTC has since re-proposed various versions of the vacated rules on three separate occasions, none of these have been finalized (with the exception of rules regarding the aggregation of positions for purposes of determining compliance with position limits). Most recently, in January 2020, the CFTC approved a proposed rulemaking that would apply spot month-only federal speculative position limits, based on a CFTC finding that they are necessary, to a wider range of contracts than the nine agricultural contracts currently subject to federal limits and provide additional exemptions from those limits, including expanded bona fide hedge exemptions. It also withdrew all of its previous position limits proposals. If the CFTC is ultimately successful in adopting these position limit rules, the size or duration of positions available to the Underlying Funds will be severely limited. The Underlying Funds could be required to liquidate positions it holds in order to comply with such limits or may not be able to fully implement trading instructions generated by its trading models, in order to comply with such limits. Any such liquidation or limited implementation could result in substantial costs to the Underlying Funds. In light of the difficulty that the CFTC has encountered in finalizing these position limit rules, there remains considerable uncertainty about the final status of its most recent proposed rulemaking.

Use of Margin

There can be no assurance that a GCMLP Fund or an Underlying Fund will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that provide financing to a GCMLP Fund or an Underlying Fund can apply essentially discretionary margin, haircut, financing, security and valuation policies. Changes by banks and dealers in such financing policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with dealers. Any such effects will likely be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel a GCMLP Fund or an Underlying Fund to liquidate all or part of its portfolio at disadvantageous prices.

Possible Inefficient or Inaccurate Trade Execution by Underlying Funds

Many of the trading techniques used by Investment Managers require the rapid and efficient execution of transactions. Inefficient executions may eliminate the small pricing differentials that these techniques attempt to exploit.

Under certain market conditions, including those which prevailed for periods in 1994, 1998 and 2008-2009, it can become difficult, if not financially infeasible, to execute certain transactions in a range of financial instruments.

Concentration Risks

GCMLP may concentrate a GCMLP Fund's assets in a limited number of Underlying Funds. Consequently, a loss in any such Underlying Fund could result in a proportionately higher reduction in the Net Asset Value of a GCMLP Fund than if a GCMLP Fund's assets had been spread across a larger number of Underlying Funds. Any such concentration of risk may increase losses suffered by a GCMLP Fund, and a GCMLP Fund's returns may be adversely affected by the unfavorable performance of a single investment by an Underlying Fund. In addition, a material portion of an Underlying Fund's portfolio may be concentrated in one or only a limited number of investments. Since a relatively high percentage of a GCMLP Fund's assets may be invested in a limited number of Underlying Funds, a GCMLP Fund's portfolio may be more susceptible to any single economic, political or regulatory occurrence.

Follow-On Investments

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

Controlling Interest Risk

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

Risks upon Disposition of Investments

In connection with the disposition of an investment or Underlying Fund, a GCMLP Fund or Underlying Fund may be required to make representations about the business and financial affairs of the investment or Underlying Fund of a type typically made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. A GCMLP Fund or Underlying Fund may also be required to indemnify the purchasers of such investment or the underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate, or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by investors. If relevant, GCMLP Fund Documents contain provisions to the effect that if there is any such claim in respect of an investment or Underlying Fund, it will be funded by the investors in such GCMLP Fund to the extent that they have received distributions from the GCMLP Fund, subject to certain limitations.

Foreign Investment Risk

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

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

All of the foregoing factors, and others, can be expected to increase transaction costs and adversely impact the value of a GCMLP Fund's investments in non-U.S. Strategic Investments or Co-Investments. To the extent a GCMLP Fund or Underlying Fund invests in Strategic Investments or Co-Investments that operate in emerging market countries, those investments

involve certain risks not typically associated with investments in the securities of companies in more developed markets, including the direct and indirect consequences of potential political, economic, social, and diplomatic changes in those countries. The governments in those countries typically participate to a significant degree, through ownership interests or regulation, in local business, often exercising a controlling influence in certain key sectors of the economy. In emerging markets, these risks are heightened.

Manager Risks

Generally, the risks associated with a GCMLP Fund's investments with Investment Managers, including:

- the fact that an Investment Manager's past performance is not necessarily indicative of such Investment Manager's future results;
- an Investment Manager's dependence on a strictly limited number of key professionals;
- significant structural changes in an Investment Manager's operations;
- fraud or misrepresentation on the part of an Investment Manager or its personnel;
- an Investment Manager's failure to comply with applicable legal, registration, tax or regulatory requirements;
- human error and/or poor judgment on the part of an Investment Manager's personnel; and
- systems malfunctions and other operational failures.

Past Performance Not Necessarily Indicative of Future Results

One important factor that GCMLP considers in selecting Investment Managers is the quality and consistency of their past performance. An Investment Manager's past performance, however, is not necessarily indicative of its future results. Virtually without exception, Investment Managers experience drawdowns of varying degrees and varying lengths over their careers. The fact that an Investment Manager's past drawdowns have been relatively minimal and/or have been recouped relatively quickly does not necessarily mean that this will be the case in the future. Moreover, certain Underlying Funds might have no operating history, and in some cases, Investment Managers have not managed a trading vehicle using the strategies to be used for a GCMLP Fund.

Dependence on a Strictly Limited Number of Key Professionals

Certain Investment Managers have a single principal or a strictly limited number of principals and key employees. If the services of any of such principals or key employees became unavailable (for example, by reason of death, disability, severance or retirement), the Underlying Funds managed by such an Investment Manager could be materially adversely affected, and a GCMLP Fund may not be in a position to withdraw/redeem from such Underlying Funds in sufficient time to mitigate the risks arising from such changes in the Investment Manager's key personnel.

Reliance on Management of Co-Investments

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

Significant Structural Changes in an Investment Manager's Operations

GCMLP may not learn of significant structural events affecting an Investment Manager—*e.g.*, personnel changes, major asset withdrawals/redemptions, material discrepancies between quoted and actionable prices for significant components of Underlying Fund holdings or substantial growth in assets under management—until after the fact, and a GCMLP Fund may not be in a position to withdraw/redeem from such Investment Manager's Underlying Funds in sufficient time to mitigate the risks arising from such events.

Fraud or Misrepresentation

GCMLP cannot protect a GCMLP Fund from the risk of Investment Manager fraud or misrepresentation. Because a GCMLP Fund will not have custody or control over assets it invests in Underlying Funds, the Investment Manager of an Underlying Fund (or such Investment Manager's personnel) could divert or abscond with such assets. An Investment Manager also could deviate from its stated investment strategy, objectives, policies or restrictions (*e.g.*, entering into new or riskier

markets, excessive portfolio concentration, investing outside of pre-defined ranges, excessive leverage), issue false performance reports or engage in other misconduct.

Failure to Comply with Applicable Legal, Registration, Tax or Regulatory Requirements

GCMLP cannot protect a GCMLP Fund from the risk of an Investment Manager's failure to comply with applicable legal, registration, tax or regulatory requirements. Investment Managers, and the Underlying Funds they manage, might become involved in litigation or regulatory actions for any number of reasons. If an Underlying Fund is so involved, a GCMLP Fund could be exposed to substantial losses, as well as an unsupportable level of withdrawals/redemptions, which could in turn expose a GCMLP Fund to substantial losses, as well as reputational risk.

Risks Associated with Investments in Revenue Share or Equity Interests in Investment Managers

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

Human Error and Poor Judgment

In many cases, the bulk of Underlying Fund trading will be based on the market judgment of an Investment Manager's personnel. Such judgment may be in error, based on incomplete or inaccurate information and/or adversely influenced by personal or emotional factors.

Systems Malfunctions and Other Operational Failures

Many Investment Managers implement strategies that rely to a material extent on trading and analytical systems. These systems could malfunction at any time, and such malfunction may not be identified for some period of time during which material losses could be incurred. The risk and magnitude of potential trading errors can also be materially increased by the use of computerized trading systems.

Structural Risks

Generally, the risks arising from the organizational structure as well as the operative terms of a GCMLP Fund, a GCMLP Fund and the Underlying Funds in which a GCMLP Fund invests. The operative terms of the Underlying Funds in which a GCMLP Fund invests are necessarily reflected in the operative terms of a GCMLP Fund. Structural risks include:

- investor liquidity restrictions and the fact that there is no market for the interests;
- a GCMLP Fund is subject to significant fees and expenses;
- GCMLP's and the Investment Managers' incentive compensation structure creates an incentive for GCMLP and the Investment Managers to invest and trade in a riskier and more speculative manner than otherwise would be the case;
- a GCMLP Fund is dependent on GCMLP and its key personnel;
- Underlying Funds' limited liquidity could adversely affect a GCMLP Fund;
- Underlying Fund "monetization" of "fair value" is a structural disadvantage of hedge funds; and
- groups of investors who are in a position to control a GCMLP Fund.

No Market for the Interests

There are material restrictions on transferring interests in, as well as on withdrawing capital from, a GCMLP Fund. No secondary market exists for interests, and none is likely to develop.

Significant Fees and Expenses

A GCMLP Fund is subject to management/advisory fees and other costs and expenses, regardless of whether it realizes any profits, and will have to earn substantial profits to avoid depletion of its assets due to such fees, costs and expenses. A

GCMLP Fund bears its allocable share of the costs and expenses of the Underlying Funds in which it invests, including its allocable share of the Underlying Funds' respective organizational, offering, investment and operating expenses, including taxes, interest due on borrowings, brokerage costs, the management fees, expenses and performance compensation of the Investment Managers—determined with respect to each Investment Manager individually irrespective of the overall performance of a GCMLP Fund—and any extraordinary costs incurred. In addition, a GCMLP Fund is indirectly subject to the brokerage commissions paid by the Underlying Funds to broker-dealers. Under certain circumstances, Investment Managers may receive brokerage, research or other services from broker-dealers and cause Underlying Funds to pay such broker-dealers commissions that are higher than the lowest commission rates available from other broker-dealers that provide only basic execution services. Investment Managers may trade frequently, with the result that certain Underlying Funds' transaction costs may significantly exceed those associated with other investment entities. Certain Investment Managers pass through to their Underlying Funds certain expenses that other Investment Managers treat as Investment Manager overhead expense, payable out of such Investment Manager's own assets. A GCMLP Fund is thus subject to a "layering" of fees and a potentially higher expense ratio than would be associated with an investment in an investment fund that invests and trades directly in financial instruments under the direction of a single investment manager.

Investment Structures

To the extent permitted by applicable law, the terms of the relevant GCMLP Fund Documents and the applicable policies of GCMLP, GCMLP causes GCMLP Funds to invest in investments structured in a variety of ways, including direct investment holdings and investment holdings through legal entities, including investment vehicles, or accounts formed or managed by GCMLP or by a third-party. To the extent that investments are implemented utilizing a legal entity, whether formed by GCMLP or a third-party, each GCMLP Fund that invests in such legal entity will typically bear its pro rata share of the usual and customary expenses of such legal entity. Furthermore, an investment by a GCMLP Fund through such a legal entity or account sometimes subjects the investing GCMLP Fund to fees, expenses, liquidity, or other terms that would differ from such GCMLP Fund making such investment directly if a direct investment is available. These differences are likely to be exacerbated in instances where GCMLP determines to invest in an Underlying Fund or other investment through a legal entity that aggregates GCMLP Fund investments in such investment.

Incentive Compensation Structure

Incentive compensation payable or allocable to GCMLP create an incentive for GCMLP to invest and reinvest a GCMLP Fund's assets in a manner that is riskier or more speculative than otherwise would be the case. Similarly, the performance/incentive fees or other performance/incentive compensation payable or allocable to most if not all of the Investment Managers rewards such Investment Managers for continuing increases in the value of the assets they manage without directly penalizing them for losses, creating an incentive for them to invest and trade assets in a manner that is riskier or more speculative than otherwise would be the case.

To the extent GCMLP receives incentive compensation in connection with managing a GCMLP Fund, such allocation will be determined on the basis of the value of a GCMLP Fund's assets, including the value attributable to unrealized appreciation. Incentive compensation is sometimes made to GCMLP based on positions that were profitable at the time such incentive compensation was made but unprofitable when eventually liquidated. Similarly, the performance/incentive fees or other performance/incentive compensation paid or allocated to a particular Investment Manager sometimes determined based on the value of a GCMLP Fund's assets allocated to such Investment Manager, including the value attributable to unrealized appreciation. Performance/incentive fees or other performance/incentive compensation sometimes payable or allocable to such Investment Manager based on positions that were profitable at the time such fees or compensation were paid or allocated but unprofitable when a GCMLP Fund eventually liquidated.

Moreover, the "fair value" of such positions included in calculating such performance/incentive fees or other performance/incentive compensation may not, in fact, reflect such positions' actual value at the time, and much less upon liquidation.

In certain cases, the Investment Managers' performance/incentive fees or other performance/incentive compensation may be determined separately year-by-year without regard to prior losses. In other cases, Investment Managers may receive performance/incentive fees or other performance/incentive compensation—albeit typically at a reduced rate—on any

profits earned during a year, even though such profits serve only to earn back part or all of prior losses (including losses of prior profits on which performance/incentive fees or other performance/incentive compensation were previously paid or allocated).

If a GCMLP Fund replaces an Investment Manager at a time when such Investment Manager has cumulative losses since its last receipt of performance/incentive fees or other performance/incentive compensation (which losses generally would have to be earned back before additional performance/incentive fees or other performance/incentive compensation would be due to such Investment Manager), a GCMLP Fund will lose the benefit of such “loss carryforward” for purposes of calculating future performance/incentive fees or other performance/incentive compensation due to such Investment Manager. If the replacement Investment Manager generates profits, a GCMLP Fund will owe performance/incentive fees or other performance/incentive compensation to such replacement Investment Manager based on such profits, irrespective of the facts that: (i) a GCMLP Fund would not owe such fees or compensation to the former Investment Manager for the same level of profits; and (ii) insofar as a GCMLP Fund itself is concerned, such profits may only partially offset prior losses sustained by the Investment Manager that has been replaced.

Dependence on GCMLP and Key Personnel

GCMLP generally has complete discretion in selecting the Investment Managers used by a GCMLP Fund and designing and monitoring a GCMLP Fund’s overall portfolio. Investors generally will not make decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding a GCMLP Fund’s business and affairs. The success of a GCMLP Fund will depend on GCMLP’s ability to successfully select investment strategies and Investment Managers as well as to allocate and reallocate a GCMLP Fund’s assets among them. GCMLP’s ability to do so, of which there can be no assurance, depends on the services of certain key personnel. If GCMLP should lose the services of one or more of these key personnel, its ability to perform its responsibilities to a GCMLP Fund and a GCMLP Fund could be materially adversely affected.

Additionally, GCMLP will typically not have an active role in the day-to-day management of the Underlying Funds. Moreover, the GCMLP will typically not have the opportunity to evaluate the specific investments made by any Underlying Fund or potential Underlying Fund. Accordingly, the returns of a GCMLP Fund will depend on the performance of the Underlying Funds’ existing management and a GCMLP Fund could be substantially adversely affected by the unfavorable performance of such management.

Underlying Fund Liquidity

The complicated and often protracted process of withdrawing/redeeming from Underlying Funds could limit a GCMLP Fund’s ability to meet withdrawal requests from investors in a timely manner. It also could result in substantial “opportunity costs” by limiting a GCMLP Fund’s ability to adjust its Underlying Fund allocations in an effort to capitalize on opportunities or prevent losses.

Among other things, the timing of the receipt of withdrawal/redemption proceeds from the Underlying Funds is uncertain and can vary by months from the expected payment dates. This uncertainty creates cash management difficulties for a GCMLP Fund, as a GCMLP Fund cannot (in the absence of sufficient additional investments from investors) reallocate withdrawal/redemption proceeds from one Underlying Fund to another until a GCMLP Fund receives such proceeds from the former. Moreover, once such proceeds are received there may be a significant delay before they can be reinvested if suitable Underlying Funds are then placing limitations on accepting additional capital. The unpredictability of the timing of the payment of withdrawal/redemption proceeds could have a significantly adverse effect on a GCMLP Fund.

Certain Underlying Funds may have significantly limited liquidity and may invest a significant portion of their assets in illiquid investments. An Underlying Fund with significant illiquid investments may have a mismatch between the liquidity of its investment portfolio and the liquidity it offers to its investors, resulting in an inability to satisfy withdrawal/redemption requests. Such a mismatch between the liquidity of an Underlying Fund’s investment portfolio, on the one hand, and the liquidity such Underlying Fund offers to its investors, on the other hand, could cause such Underlying Fund to suspend withdrawals/redemptions, or to take other measures restricting the ability of its investors (including a GCMLP Fund) to withdraw/redeem. The constituent documents of Underlying Funds typically give their Investment Managers broad leeway to restrict investor liquidity if they believe that not doing so would adversely affect continuing investors.

In addition, when determining whether to honor a withdrawal/redemption request, an Underlying Fund with significant illiquid investments may face a conflict of interest between honoring such withdrawal/redemption request and maintaining the liquidity of such Underlying Fund's investment portfolio for the benefit of its continuing investors. If such an Underlying Fund sells liquid positions in order to fund withdrawal/redemption requests, the percentage of such Underlying Fund's assets invested in illiquid assets could increase materially, to the potential detriment of such continuing investors. The reduced liquidity of such an Underlying Fund's investment portfolio could adversely affect the ability of the remaining investors in such Underlying Fund, including a GCMLP Fund, to withdraw/redeem their investments should they choose to do so.

In certain cases, other investors in an Underlying Fund may have preferential withdrawal/redemption rights as compared to a GCMLP Fund, the exercise of which could materially adversely affect a GCMLP Fund's investment in such Underlying Fund. For example, in many cases, a GCMLP Fund is subject to a "lock-up," "gate" or other restriction on its ability to withdraw/redeem its investment in an Underlying Fund and may be adversely affected by the fact that other investors in such Underlying Fund are able to withdraw/redeem before a GCMLP Fund is permitted to do so. The higher the percentage of illiquid investments held by an Underlying Fund, the greater the potential disadvantage to a GCMLP Fund of not being able to withdraw/redeem at the same times as other investors in such Underlying Fund.

The burden of the Underlying Funds' restrictions on withdrawals/redemptions may be misallocated among investors. For example, certain Underlying Funds assess withdrawal/redemption charges if investors withdraw/redeem within a certain period of time, generally 12 to 24 months, but in some cases longer, following investment. Withdrawals from a GCMLP Fund sometimes require a GCMLP Fund to withdraw/redeem from Underlying Funds that assess withdrawal/redemption charges whereas a GCMLP Fund would otherwise not do so. If, in connection with an investor's withdrawal of capital from a GCMLP Fund, a GCMLP Fund is required to pay a fee to an Underlying Fund upon withdrawal/redemption from such Underlying Fund in order to fund such withdrawal, that fee effectively reduces a GCMLP Fund's overall net asset value, not only the withdrawal proceeds received by the investor who is withdrawing such capital.

Underlying Funds' "Monetization" of Quoted Net Asset Values

One of the structural disadvantages of "hedge" funds (such as many of the Underlying Funds) is that hedge funds—unlike private equity funds—pay incentive and management compensation as well as permit withdrawals/redemptions based on the valuation of open positions rather than the proceeds of positions that have been liquidated. Such payments effectively require the hedge fund to monetize a portion of a GCMLP Fund's "fair value" to fund advisory compensation and withdrawals/redemptions, even though a GCMLP Fund itself may not be able to recognize such "fair value" in any actual sale. Monetizing "fair value" for the benefit of the Investment Managers as well as withdrawing/redeeming investors reduces Underlying Funds' available cash while also exposing the Underlying Funds to the risk of substantial economic dilution. This structural disadvantage of hedge funds may be particularly severe in the case of funds that concentrate their portfolios directly or indirectly in illiquid assets, as the spread between dealers' quoted prices for many illiquid instruments and the prices at which they would be prepared to actually effect transactions may frequently be material.

Material Non-Public Information

GCM Grosvenor at times possesses material non-public information or other information that may effectively limit the ability of a GCMLP Fund to make certain investments or dispose of certain investments until such time as the information became public or is deemed no longer material to preclude a GCMLP Fund from participating in, or disposing of, an investment. Disclosure of such information to a GCMLP Fund's personnel responsible for the affairs of a GCMLP Fund will be on a need-to-know basis only, and a GCMLP Fund may not be free to act upon any such information. Additionally, there may be circumstances in which one or more of certain individuals associated with GCMLP Grosvenor will be precluded from providing services related to a GCMLP Fund's activities because of certain confidential information available to GCMLP Grosvenor. Due to these and legal restrictions, a GCMLP Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold. Any such restrictions may materially constrain the investment flexibility of GCMLP Grosvenor and/or a GCMLP Fund.

Investor Concentration Risk

There is no limit on the amount that an investor or a group of related investors may invest in a GCMLP Fund. If an investor or a group of related investors contribute a substantial percentage of a GCMLP Fund's capital, such investor or group of investors may be in a position to control the outcome of investor votes, thereby effectively controlling a GCMLP Fund. Such "controlling" investor or group of investors generally have no fiduciary duty to other investors and may make decisions that are not in the best interest of such other investors. Additionally, should such "controlling" investor or investors withdraw from a GCMLP Fund, which they may do for reasons entirely unrelated to the performance of a GCMLP Fund, the effect on a GCMLP Fund could be materially adverse while also effectively precluding other investors from withdrawing themselves.

Valuation Risks

Generally, the risks relating to GCMLP's reliance on Investment Managers to accurately value the financial instruments in which Underlying Funds they manage invest in accordance with agreed-upon standards (which are most commonly defined by U.S. GAAP or IFRS) and procedures, including the risks that:

- a GCMLP Fund, as an investor in an Underlying Fund, could suffer economic dilution if the "fair value" of certain of such Underlying Fund's investments differs from the actual or realizable value of such investments;
- the economic dilution caused by the "fair value" or actual or realizable value disparity at the Underlying Fund level may be magnified at a GCMLP Fund level due to a GCMLP Fund's investing in numerous Underlying Funds;
- Investment Managers have an incentive to overvalue financial instruments held by the Underlying Funds they manage for a number of reasons, including in order to increase their management fees and performance/incentive fees as well as enhance the apparent performance of such Underlying Funds; and
- Investment Managers have an incentive to undervalue less liquid assets for a number of reasons, including in order to discourage withdrawals/redemptions.

GCMLP's Reliance on Investment Manager Valuations

GCMLP will be responsible for determining the value of a GCMLP Fund's assets, and will adhere to the valuation principles set forth in such GCMLP Fund's Documents in doing so. Under these principles, the valuation of a GCMLP Fund's investment in an Underlying Fund generally is based on the valuations provided by the Investment Manager of such Underlying Fund.

U.S. GAAP and IFRS require that all investments held by an Underlying Fund be valued at "fair value." However, there can be no assurance that valuations provided by an Investment Manager will accurately reflect "fair value" as defined by U.S. GAAP or IFRS. Although many Underlying Funds in which a GCMLP Fund invests concentrate their portfolios in readily marketable investments, others invest a substantial portion of their assets in investments that do not have a readily determinable value, and even those Underlying Funds that concentrate their portfolios in readily marketable investments may invest from time to time in investments that do not have a readily determinable value. In cases where market quotations for an Underlying Fund's investments are not readily available, the relevant Investment Manager must determine the "fair value" of such investments using other methods allowed under U.S. GAAP or IFRS. Such methods may be based on less observable market valuation input data and therefore involve significant judgment on the part of the Investment Manager. In determining the "fair value" of such investments, Investment Managers may employ a wide range of valuation techniques, including:

- using internal models and estimates;
- using pricing services or other third-party valuation sources (when and if available); and/or
- obtaining quotes for such investments from dealers and other potential purchasers.

Determining "fair value" is often difficult and inexact, particularly when it involves the valuation of longer-term and illiquid investments or investments that are subject to legal or other restrictions on transfer. In the absence of actual sale transactions, it is difficult for an Investment Manager to determine or assess the reliability of the "fair values" it has placed on particular investments. Further, an Investment Manager that has "fair valued" a particular instrument pursuant to a particular valuation technique typically is permitted to modify such valuation pursuant to a different methodology if such Investment Manager believes that such different methodology results in a more accurate "fair value." Accordingly, irrespective of the good faith of an Investment Manager in "fair valuing" investments held by its Underlying Fund, such "fair

values” may materially differ from actual or realizable values, and the “fair value” given to a particular instrument may vary from one period to the next or from one Underlying Fund that holds such instrument to another.

Structural Economic Dilution

The structure of a GCMLP Fund concedes various sources of potentially material economic dilution for investors. For example, when a new investor invests in a GCMLP Fund that investor effectively will dilute existing investors’ indirect participation in the loss carryforwards attributable to a GCMLP Fund’s investments in certain Underlying Funds as well as any subsequent performance fee reversals attributable to a GCMLP Fund’s investment in other Underlying Funds.

The potentially material discrepancies between Investment Managers’ “fair valuation” of particular investments and the actual or realizable values of such investments create the risk of ongoing economic dilution to investors (such as a GCMLP Fund) in the respective Underlying Funds managed by such Investment Managers because subscriptions and withdrawals/redemptions are processed on the basis of such valuations. If a GCMLP Fund invests in an Underlying Fund when the actual value of such Underlying Fund is lower than the value determined by the Investment Manager of such Underlying Fund, or withdraws/redeems capital from an Underlying Fund when the actual value of such Underlying Fund is higher than the value determined by the Investment Manager of such Underlying Fund, it will suffer economic dilution.

A GCMLP Fund would suffer economic dilution if an Underlying Fund, in order to fund a withdrawal/redemption from an investor other than a GCMLP Fund, were to sell investments at prices below the “fair value” placed on such investments by the Investment Manager of such Underlying Fund as of the withdrawal/redemption date.

Another source of economic dilution inherent in a GCMLP Fund’s structure results from a GCMLP Fund permitting its investors to withdraw capital from their Capital Accounts based on the Net Asset Value of such Capital Accounts as of a given withdrawal date. Frequently, when generating funds to satisfy withdrawal requests from its investors, a GCMLP Fund will not, and will not be able to, withdraw/redeem pro rata from all Underlying Funds. Accordingly, while a pro rata portion of the net asset value of an Underlying Fund is included in calculating the withdrawal/redemption proceeds payable to a GCMLP Fund to honor an investor’s withdrawal request, a GCMLP Fund and the investors remain exposed to such Underlying Fund on the same basis as before such withdrawal occurred and may incur losses on the portion of such investment formerly attributable to the withdrawing investor.

As a GCMLP Fund effectively includes the “fair value” of instruments held by Underlying Funds in determining the withdrawal proceeds payable to a withdrawing investor, if such instruments ultimately prove to be more valuable than their “fair value,” the resulting profits will inure to the benefit of non-withdrawing investors. If, however, such instruments ultimately prove to be less valuable than their “fair value,” withdrawing investors will benefit at the expense of non-withdrawing investors.

GCM will value a GCMLP Fund’s assets based on estimates it receives from the Investment Managers, which estimates are often preliminary and subject to change. An Investment Manager may, after it has provided a GCMLP Fund with a month-end or quarter-end estimate, revise such estimate, in certain cases to a material degree. If revisions are made to the value of the Underlying Funds, GCM ordinarily will make related revisions to the value of a GCMLP Fund retroactively to reflect the revised value on the designated valuation date. However, in certain instances GCM will make revisions to the value of a GCMLP Fund (and, ultimately, to the value of interests) prospectively. This practice could result from time to time in a certain level of economic dilution of investors that withdraw from or subscribe to a GCMLP Fund prior to such revised valuations being included in calculating a GCMLP Fund’s Net Asset Value.

The management fees and incentive compensation to GCMLP will frequently be based on the valuations received from the Underlying Funds. If such valuations are overstated, the management fees and incentive compensation also will be overstated.

Binary Investments

Certain investments depend on discrete events with binary outcomes in which there is potentially a material and abrupt adjustment to net asset value (a “gapping” net asset value) at the point that the result of a certain event is determined. For example, certain of a GCMLP Fund’s investments may be subject to litigation, and the outcome of litigation is usually unpredictable and such proceedings may continue without resolution for long periods of time. While the market prices of

such investments may be affected by the perceived change in probability of a certain outcome, until there is a final resolution, there is a material potential uncertainty in the net asset values as currently determined. Subscriptions and redemptions will, however, be processed at what is determined to be “fair value,” which could factor in any such “gapping” which GCMLP believes cannot be reasonably predicted, much less quantified. As a result, subscribing and redeeming investors are subject to the risk of economic dilution, *i.e.*, to the risk of a subscription or redemption being processed in accordance with a net asset value which is suddenly and materially changed by the outcome of a certain event. The risk of such economic dilution will typically increase the nearer an outstanding transaction in which a GCMLP Fund is invested comes to its “decision date.”

Investments in Third-Party Legal Claims

GCMLP and Investment Managers make investments to fund third-party legal claims in return for a share of any favorable settlement or award. Such investments create the risk of a complete loss of investment where a claim proves unsuccessful. There exists a large degree of uncertainty with respect to the outcome of any claim, including the amount of damages that may be assessed. Such uncertainties may result in a judgment or settlement for amounts lower than predicted, or a failure to reach a settlement. Finally, even if a case is resolved in favor of GCMLP’s or the Investment Manager’s position, there exists uncertainty with respect to the ability of the opposing party and/or its insurance company to pay a settlement or judgment. As the timing and amounts recovered in such cases are outside of GCMLP’s or the Investment Manager’s control, the returns on a GCMLP Fund’s or the Underlying Fund’s investments may be affected.

Investment Manager Conflicts of Interest in Valuations

Investment Managers have an incentive to exercise their valuation discretion in a manner that overvalues the holdings of their Underlying Funds, because overvaluations typically result in an increase in their management fees and performance/incentive fees or other performance/incentive compensation.

Investment Managers have an incentive to overvalue their Underlying Funds for the purpose of inflating their “track records” in an effort to attract new investors and/or retain existing investors. Conversely, Investment Managers may have an incentive to exercise their valuation discretion in a manner that undervalues less liquid assets, because under valuations of these assets can discourage withdrawals/redemptions.

To the extent Investment Managers have authority to classify investments as so-called “designated” or “side pocket” investments, they have the incentive to so classify poorly-performing illiquid assets if the effect of such classification results in higher fees to the Investment Managers or enables the Investment Managers to report better performance.

Operational Risks

Generally, the risks arising from the day-to-day management of commingled investment vehicles such as a GCMLP Fund and the Underlying Funds in which a GCMLP Fund invests, including:

- trade error risks;
- substantial Fund withdrawals could require rapid Underlying Fund investment liquidations; and
- possible “restricted person” status of a GCMLP Fund could limit “New Issues” income.

Trade Error Risks

The success of an Investment Managers’ strategies depends in part upon the accurate calculation of price relationships as well as the communication of precise trading instructions and ongoing position evaluations. In addition, the Underlying Funds generally require active, ongoing management and dynamic adjustments to their portfolios. There is the possibility that, through human error, oversight or operational weaknesses, mistakes could occur in one or more of these processes, potentially leading to significant losses.

Trading errors will occur, notwithstanding the exercise of due care and the implementation of procedures specifically designed to prevent such errors.

A number of Underlying Funds use electronic trading platforms, some almost exclusively. Electronic trading is subject to material systems risks as enormous and erroneous trades are sometimes generated by such systems, which are executed before there is any realistic opportunity to cancel the transaction.

When trading errors occur, they generally will be for the account of the applicable Underlying Fund, and a GCMLP Fund will bear its *pro rata* share of resulting losses.

Possible Effects of Substantial Withdrawals

Substantial withdrawals from a GCMLP Fund could require a GCMLP Fund to liquidate its investments in Underlying Funds more rapidly than GCMLP otherwise would deem advisable in order to raise the cash necessary to enable a GCMLP Fund to fund such withdrawals, potentially resulting in losses and/or disruption of GCMLP's investment program for a GCMLP Fund. In order to fund such withdrawals, a GCMLP Fund also could be compelled to withdraw/redeem capital from the Underlying Funds offering more frequent investor liquidity even though GCMLP otherwise would have preferred to retain a GCMLP Fund's investments in such Underlying Funds. Withdrawing/redeeming from such Underlying Funds would leave a GCMLP Fund with a less liquid portfolio overall, to the potential material detriment of the continuing investors.

A reduction in a GCMLP Fund's asset base could result in an imbalanced portfolio containing strategy and/or market concentrations in excess of a GCMLP Fund's Investment Objectives and Constraints. A reduction in the size of a GCMLP Fund could also prevent a GCMLP Fund from taking advantage of certain investment opportunities and/or increase its expense-to-equity ratio, making it more difficult to generate a positive return or to recoup losses. Certain levels of reduction in a GCMLP Fund's asset base could cause a GCMLP Fund to lose its "most favored nation" status and/or preferential advisory fee (and other) terms with respect to one or more Underlying Funds.

Limited Participation in New Issues

FINRA Rule 5130, promulgated by the U.S. Financial Industry Regulatory Authority, Inc., restricts the extent to which its broker-dealer members may sell certain issues of securities (so-called **New Issues**) to private investment vehicles such as a GCMLP Fund and to Underlying Funds in which a GCMLP Fund invests. If a sufficient number of investors do not respond to GCMLP's questionnaire relating to FINRA Rule 5130 or if GCMLP determines that a GCMLP Fund is not eligible for, or it is inadvisable for a GCMLP Fund to participate in, New Issues, GCMLP will instruct the Underlying Funds to treat a GCMLP Fund as a "restricted person" (even if all investors are not "restricted persons"). This may have the effect of limiting the amount of income from New Issues that otherwise would be allocable to investors who are not "restricted persons."

Institutional Risks

Generally, the risks that a GCMLP Fund could incur losses due to:

- counterparty risk, i.e., the failure of counterparties to perform their contractual commitments to a GCMLP Fund or to the Underlying Funds in which a GCMLP Fund invests;
- the financial difficulties, fraud or misrepresentation of brokerage firms, banks or other financial institutions that hold assets of a GCMLP Fund or a GCMLP Fund of the Underlying Funds in which a GCMLP Fund invests;
- the failure of exchanges and clearinghouses;
- suspensions of trading;
- counterparties holding assets in unregulated rather than regulated accounts; and
- cybersecurity breaches.

Counterparty Risk

Certain of the markets in which Investment Managers invest and trade are OTC or "inter-dealer" markets. The participants in these markets typically are not subject to the type of strict credit evaluation and regulatory oversight applicable to members of "exchange-based" markets, and transactions in these markets typically are not settled through exchanges or clearinghouses that guarantee the trades of their participants. Rather, the responsibility for performing under a particular transaction rests solely with the counterparties to such transaction. This results in the risk that a counterparty may not settle a transaction with an Underlying Fund or with a GCMLP Fund, to the extent that a GCMLP Fund itself enters into OTC transactions in accordance with its terms, because the counterparty is either unwilling or unable to do so, potentially resulting in significant loss for the Underlying Fund or a GCMLP Fund. An Underlying Fund or a GCMLP Fund could lose a significant portion of its capital in attempting to execute a substitute transaction to replace a transaction under which a counterparty has defaulted, which transaction may have hedged the risks of other market exposures maintained by such Underlying Fund or by a GCMLP Fund and which market exposures are no longer limited by such defaulted hedging

positions. Counterparty risk is accentuated in the case of contracts having longer maturities as well as in the case of an Underlying Fund that concentrates its transactions with a single counterparty or limited number of counterparties.

While Dodd-Frank is intended to bring more stability and lower counterparty risk to the derivatives market by requiring exchange clearing of derivatives trades, not all of the Investment Managers' trades will be subject to the clearing requirements once they generally become effective, either because the trades are grandfathered or because they are bespoke. Furthermore, it is yet to be seen whether Dodd-Frank will be effective in reducing counterparty risk or if such risk may actually increase as a result of market uncertainty, mutuality of loss to clearinghouse members, or other reasons.

Financial Difficulties, Fraud and Misrepresentation of Custodians

Brokerage firms, banks and other financial institutions have custody of the assets of the Underlying Funds (including margin deposits), as well as certain assets of a GCMLP Fund. These assets often will not be registered in the name of an Underlying Fund or a GCMLP Fund. Financial difficulties, fraud or misrepresentation at any of these institutions could lead to significant losses as well as impair the operational capabilities and/or capital position of the affected Underlying Fund and/or of a GCMLP Fund.

Failure of Exchanges and Clearinghouses

The Underlying Funds and a GCMLP Fund are subject to the risk of the failure of any of the exchanges on which their positions trade or of the clearinghouses for such exchanges.

Suspensions of Trading

Securities and futures exchanges typically have the authority to suspend or limit trading in any instrument traded on such exchanges. A trading suspension or limitation could render it impossible or economically infeasible for an Underlying Fund to liquidate, in a timely manner, positions against which the market is moving. A delay in exiting a position could expose such Underlying Fund to losses with respect to such position, which could increase as the delay continues.

Unregulated Accounts

Assets held in unregulated accounts at a broker-dealer or counterparty are given no special protection in the case of the bankruptcy of that entity. In both the Lehman Brothers and the Refco bankruptcies, it appeared that a number of investors which believed that their assets were held in regulated accounts in fact had such assets held in unregulated accounts, and were, accordingly, only general, unsecured creditors of the bankrupt's estate with respect to such assets.

Cybersecurity Breaches

A GCMLP Fund and the Underlying Funds are subject to risks associated with a breach in their cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs and data from "hacking" by other computer users, other unauthorized access, denial of service or malicious acts targeting networks, systems, computers, programs and data and the resulting damage and disruption of hardware and software systems, loss or corruption of data or business as well as misappropriation of confidential information. If a cybersecurity breach occurs, a GCMLP Fund or an Underlying Fund, as applicable, may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose GCM, a GCMLP Fund or an Underlying Fund, as applicable, to civil liability as well as regulatory inquiry and/or action.

Regulatory Risks

Generally, the risks associated with:

- no regulatory approval or recommendation of GCMLP or any Investment Manager;
- investing both in unregulated entities and in securities sold in unregistered offerings;
- GCM, GSLLC, a GCMLP Fund, the Investment Managers and the Underlying Funds operating in a changing regulatory environment, including the risks of regulatory inquiries, new legislation, new regulations and government intervention;
- recent regulatory developments in Europe;
- a GCMLP Fund needing to comply with numerous regulations restricting its offering procedures; and

- marketing restrictions on a GCMLP Fund make it more difficult to raise capital.

No Regulatory Approval or Recommendation

Although GCMLP is registered with the SEC as an “investment adviser” under the Advisers Act and with the CFTC as a “commodity pool operator” and “commodity trading advisor” under the Commodity Exchange Act, such registrations do not imply a certain level of skill or training. Further, neither the SEC nor any other governmental, regulatory or self-regulatory authority or organization has in any manner passed upon or made any finding or determination as to the value or fairness of an investment in a GCMLP Fund or made any recommendation as to such an investment.

Generally, investors in a GCMLP Fund will not receive the protection of the ICA. If a GCMLP Fund were registered as an “investment company” under the ICA, the ICA would require, among other things, that it have a board of directors comprised in significant part of “independent” directors, would compel the use of certain custodial arrangements, and would regulate its relationships and transactions with GCMLP and its related persons. Compliance with certain of such provisions could reduce certain risks of loss to which an investor is exposed, although such compliance could significantly increase the operating expenses of a GCMLP Fund as well as limit a GCMLP Fund’s investment and trading activities.

Changing Regulatory Environment

The global financial markets underwent pervasive and fundamental disruptions in 2008-2009 that have led to extensive and unprecedented governmental intervention.

In response to the recent financial crises, Dodd-Frank was enacted in July 2010. Dodd-Frank seeks to regulate markets, market participants and financial instruments that previously have been unregulated and substantially alters the regulation of many other markets, market participants and financial instruments.

In 2008-2009, the Federal Reserve intervened to an unprecedented extent in the credit markets and it may do so in the future. During that same period, the U.S. federal government took significant and historic steps to intervene to prevent widespread foreclosures on subprime homeowners, and it continues to do so. Foreign governments have also taken similar measures. The effect of any such intervention has been a dramatic decline in the supply of certain mortgage-related instruments targeted for purchase by a number of the Underlying Funds. Future government interventions may materially adversely affect a GCMLP Fund and/or the Underlying Funds. Government intervention is subject to inherent uncertainties relating to prevailing economic conditions and political considerations.

It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Underlying Funds’ strategies. However, GCMLP believes that there is a high likelihood of significantly increased regulation of the financial markets, and that such increased regulation could be materially detrimental to the Underlying Funds (and thus a GCMLP Fund).

For example, certain changes could alter an expected investment outcome, introduce new uncertainty regarding investment outcomes or reduce the utility of or eliminate altogether investment techniques or strategies that previously were profitable.

Unknown Impact of Brexit

On March 29, 2017, the United Kingdom (**UK**) made a formal notification to the European Union (**EU**) under Article 50 of the Treaty of Lisbon which triggered a two year period during which the terms of the exit, commonly referred to as “Brexit,” were negotiated. After several extensions, on January 31, 2020, the UK formally left the EU, which triggered a transition period which is due to expire on December 31, 2020. During the transition period, the UK will remain in the EU customs union and single market. If both the UK and the EU agree, this transition period may be extended once by two years, meaning it could remain in place until December 31, 2022. During the transition period, the EU and the UK will negotiate the details of their future relationship. This will include agreeing on what conditions will apply to UK-based companies seeking to do business in and with the EU as well as to EU-based companies that want to do business in and with the UK after the transition period. Negotiations will also take place on citizens’ rights and cooperation on security. There will be more clarity on the new relationship between the EU and the UK only once these negotiations have been completed. The new agreements will enter into force after the transition period. These new agreements, too, will have to be approved by the individual member states, the UK parliament and the European Parliament. If no agreement is reached about the

future relationship between the UK and EU, there will be a "no deal" Brexit after the transition period. Given the size and importance of the UK's economy, (a) uncertainty or unpredictability about its future legal, political and economic relationship with Europe; (b) any new laws or regulations adopted to replace those which cease to apply as a result of the negotiations; and (c) uncertainties relating to the possibility, or scope, of possible transitional arrangements to be agreed between the UK and the EU are likely to be, or continue to be, a source of instability, create significant currency fluctuations, and/or otherwise adversely affect international markets, arrangements for trading or other existing cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future including beyond the date of the expiration of any transitional arrangements which may be agreed. The outcome of the UK exit from the EU could also have a destabilizing effect if other member states were to consider the option of leaving the EU. For these reasons, the decision of the UK to leave the EU could have materially adverse consequences on GCMLP Funds, the performance of their investments or investment strategies and their ability to source, identify, and invest in a sufficient number of opportunities to permit GCMLP Funds to sufficiently diversify their portfolios or to otherwise fulfill their investment objectives. As a result, this could have a materially adverse effect on the potential return on an investment in a GCMLP Funds.

Epidemics and Pandemics

Since 2003, the world has seen a number of outbreaks of new viral illnesses of varying severity, including but not limited to Severe Acute Respiratory Syndrome (**SARS**), Middle East Respiratory Syndrome (**MERS**), the H1N1 Flu (**Swine Flu**), and COVID-19 caused by the novel Coronavirus known as SARS-CoV-2 (**Coronavirus**). The responses to these outbreaks have varied as has their impact on human health, local economies and the global economy, and it is impossible at the outset of any such outbreak to estimate accurately what the ultimate impact of any such outbreak will be. Protective measures taken by governments and the private sector, including GCMLP, to mitigate the spread of such illness, including travel restrictions and outright bans, quarantines, and work-at-home arrangements, and the spread of any such illness within the offices of GCMLP could severely impair GCMLP's operational capabilities, potentially harming GCMLP's business.

Uncertain Economic, Social, and Political Environment

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including but not limited to the rapid and pandemic spread of novel viruses such as SARS, MERS, and COVID-19 (Coronavirus). Such health crises could exacerbate political, social, and economic risks previously mentioned, and result in significant breakdowns, delays and other disruptions to important global, local and regional supply chains affected, with potential corresponding results on the operating performance of affected portfolio companies. A climate of uncertainty, including the contagion of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of GCMLP and the GCMLP Funds to execute their respective strategies and to achieve attractive returns. This may slow the rate of future investments by the GCMLP Fund and in some cases result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the contagion of infectious viruses or diseases, or general economic downturn may have an adverse effect upon the Underlying Funds held by GCMLP Funds.

MiFID II

The EU Markets in Financial Instruments Directive (Directive 2014/65/EU) and Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014) (together, **MiFID II**) governs the provision of investment services and activities in relation to, as well as the organized trading of, financial instruments such as shares, bonds, units in collective investment schemes and derivatives. MiFID II was required to be implemented in EU member states from January 3, 2018. Although a GCMLP Fund is not organized in the EU, and is not authorized or regulated by any EU member state financial services regulator, certain aspects of MiFID II may have an impact on a GCMLP Fund.

MiFID II imposes certain restrictions as to the trading of shares and derivatives, which could apply to transactions made by or with a GCMLP Fund and Underlying Funds. Subject to certain conditions and exceptions, a GCMLP Fund or Underlying Funds may be unable to trade shares or derivatives with affected counterparties other than as provided by MiFID II. MiFID II also applies position limits to the size of a net position that a person can hold at all times in commodity derivatives traded on EU trading venues and in “economically equivalent” OTC derivatives.

More generally, EU regulated firms that have trading relationships with a GCMLP Fund or Underlying Funds may be obliged by MiFID II to impose certain requirements on a GCMLP Fund or Underlying Funds, or they may seek to do so contractually, with a view to satisfying their own compliance obligations. It is difficult to predict the full impact of MiFID II on a GCMLP Fund. Prospective investors should also be aware that there may be costs (whether direct or indirect) of compliance with MiFID II.

European Market Infrastructure Regulation

The European Market Infrastructure Regulation (Regulation (EU) No 648/2012) (**EMIR**) entered into force on August 16, 2012.

EMIR introduced certain requirements in respect of derivative contracts, which apply primarily to “financial counterparties” such as EU authorised investment firms, credit institutions, insurance companies, UCITS and alternative investment funds managed by EU authorised alternative investment fund managers (**FCs**), and “non-financial counterparties” (being an EU entity which is not a financial counterparty) (**NFCs**).

EMIR’s requirements in respect of derivative contracts include: (i) mandatory clearing of OTC derivative contracts declared subject to the clearing obligation; (ii) risk mitigation techniques in respect of uncleared OTC derivative contracts, including the mandatory margining of uncleared OTC derivative contracts; and (iii) reporting and record-keeping requirements in respect of all derivative contracts.

Where a GCMLP Fund or Underlying Funds transact with in-scope EU counterparties, such counterparties may require a GCMLP Fund or Underlying Funds, to comply with certain provisions of EMIR so that the EU counterparty can fulfil its regulatory obligations and ensure that the transaction is EMIR-compliant. As a result a GCMLP Fund or Underlying Funds may become subject to additional obligations and/or costs that may not otherwise have applied.

The extent to which these requirements apply is dependent on the classification of the EU counterparties as FCs, NFCs above EMIR’s prescribed clearing threshold (NFC+s) or NFCs below EMIR’s prescribed clearing threshold (NFC-s) and the classification of a GCMLP Fund or Underlying Fund if it was established in the EU.

Environmental, Social and Governance Risks

GCMLP generally considers ESG factors when managing GCMLP Funds. ESG-focused investments may not provide as favorable returns or protection of capital as other investments, and may be more concentrated in certain sectors than investments that do not have the intention of generating measurable ESG impact.

Tax Risks

Generally, the risks and special tax considerations arising from the operation of an investment vehicle, including:

- material tax considerations for an investment in a GCMLP Fund;
- a GCMLP Fund’s investments not being tax-driven;
- an Underlying 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 Fund.

Material Tax Considerations

An investment in a GCMLP Fund involves a number of material tax-related considerations. The Offeree must consult the Offeree’s own tax advisors concerning such considerations. GCMLP accepts no responsibility for the tax consequences to the Offeree of investing in a GCMLP Fund.

Investments Not Tax-Driven

A substantial portion of a GCMLP Fund's income may constitute short-term capital gain or ordinary income in the form of dividends and interest, all of which are subject to income tax at the highest applicable rate. Furthermore, the Investment Managers' trading decisions will be based primarily on economic, and not tax, considerations. This could result, from time to time, in adverse tax consequences to investors.

Underlying Funds' Tax Expenses

An Underlying 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 Fund.

Conflicts of Interest

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

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

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

GCM Grosvenor maintains policies and procedures that address actual and potential conflicts of interest. In the event that a conflict of interest arises, GCM Grosvenor will generally attempt to resolve such conflict in accordance with such policies

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

GCM Grosvenor has an inherent conflict of interest when identifying an issue as a conflict and when resolving conflicts of interest that involve its own interests. While GCM Grosvenor will always seek to resolve conflicts in a manner that is fair and equitable to all clients, there can be no assurance that any actual or potential conflict of interest will not result in a less favorable outcome for the GCM Grosvenor Fund than if such conflict of interest did not exist. By investing in a GCM Grosvenor Fund, each investor will be deemed to have acknowledged and consented specifically to (i) the existence of such actual, apparent and potential conflicts of interest, as are described herein and/or in the relevant GCM Grosvenor Fund Documents; and (ii) the actions taken by GCM Grosvenor to address such conflicts as described herein and/or in the relevant GCM Grosvenor Fund Documents.

GCM Grosvenor Policies and Procedures

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

Multiple GCM Grosvenor Funds

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

GCM Grosvenor and its related persons might have an incentive to favor certain GCM Grosvenor Funds over other GCM Grosvenor Funds. For example, with regard to the selection of investment opportunities or the allocation of investment opportunities that have limited investment capacity, GCM Grosvenor has an incentive to favor those GCM Grosvenor Funds from which GCM Grosvenor receives either greater compensation or compensation in more favorable structures. GCM Grosvenor and its related persons also have an incentive to favor certain GCM Grosvenor Funds over other GCM Grosvenor Funds if GCM Grosvenor or its related persons have investments in such favored GCM Grosvenor Funds.

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

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

Investment in Different Parts of the Capital Structure

At times, GCM Grosvenor Funds invest in companies in which GCM Grosvenor or one or more other GCM Grosvenor Funds also invest, either directly or indirectly through an Underlying Fund. Investments in a company by certain GCM Grosvenor Funds may be made prior to the investment by other GCM Grosvenor Funds, concurrently, including as part of the same financing plan or subsequent to the investments by such other GCM Grosvenor Funds. Any such investment by a GCM Grosvenor Fund may consist of securities or other instruments of a different class or type from those in which other GCM Grosvenor Funds are invested, and may entitle the holder of such securities or other instruments to greater control or to rights that otherwise differ from those to which such other GCM Grosvenor Funds are entitled. In connection with any such investments—including as they relate to acquisition, owning, and disposition of such investments—the GCM Grosvenor Funds have conflicting interests and investment objectives, and any difference in the terms of the securities or other instruments held by such parties may raise additional conflicts of interest for the GCM Grosvenor Funds and GCM Grosvenor. For example, certain GCM Grosvenor Funds may invest in the common equity of a company that subsequently issues debt that is held, directly or indirectly, by one or more other GCM Grosvenor Funds; the interests of these two groups of investors in the company under certain circumstances can be unaligned or adverse—particularly in times of stress for the company. This conflict may be exacerbated to the extent that representatives of GCM Grosvenor serve on an advisory or other board or committee related to such company or GCM Grosvenor Funds' investment in such company. In certain instances, GCM Grosvenor Funds and/or GCM Grosvenor invest as a minority investor as part of a larger investing group or syndicate. In such cases, the financial sponsor, and not GCM Grosvenor, will be in the position to negotiate and potentially make decisions on behalf of the holders of the relevant class of equity or debt holders.

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

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

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

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

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

Other Fees

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

Other GCM Grosvenor Business Activities

GCM Grosvenor and its related persons may engage in any activities, including, without limitation, a broad range of advisory, capital markets and other businesses or ventures. GCM Grosvenor has no obligation to make investment or other opportunities in any such businesses or ventures available to any GCM Grosvenor Fund or to the investors in any GCM Grosvenor Fund. Except to the extent GCM Grosvenor determines otherwise, in connection with its other businesses and ventures, GCM Grosvenor may enter into agreements related to clients or potential investments, restricting the ability of the GCM Grosvenor Funds to make certain investments or engage in certain activities, which would otherwise be of benefit to the GCM Grosvenor Funds. In addition, from time to time, GCM Grosvenor will provide services beyond those currently provided. GCM Grosvenor Funds will not participate in the risks or rewards of such businesses or ventures and the investors in the GCM Grosvenor Funds will not receive a benefit from fees generated by such activities. Further, such businesses and ventures (i) compete with the GCM Grosvenor Funds for GCM Grosvenor's time and attention (as well as the time and attention of GCM Grosvenor's related persons); and (ii) potentially create additional conflicts of interest or raise other special considerations.

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

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

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

Access to Information

In the ordinary course of its investment activities on behalf of GCM Grosvenor Funds, GCM Grosvenor receives investment-related information. GCM Grosvenor does not generally establish information barriers between internal investment teams. To the extent permitted by law, investment professionals, including SIG Professionals, have access to and make use of such investment-related information in making investment decisions for GCM Grosvenor Funds. Therefore, information related to investments made on behalf of a particular GCM Grosvenor Fund may inform investment decisions made in respect of another GCM Grosvenor Fund. The access and use of this information creates conflicts between GCM Grosvenor Funds, and no GCM Grosvenor Fund, or any investor therein, is entitled to any compensation for any profits earned by another GCM Grosvenor Fund based on GCM Grosvenor's use of investment-related information received in connection with managing such GCM Grosvenor Fund.

Credit Issues

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

Future GCM Grosvenor Services

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

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

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

GCM Grosvenor Special Relationships

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

Joint Ventures

GCM Grosvenor Funds sometimes enter into joint ventures with Investment Managers or other persons with respect to the management of specified portfolio investments or categories of portfolio investments. In connection therewith, such Investment Managers or other persons receive management fees and/or performance-based fees or allocations such as a carried interest in vehicles through which such joint ventures invest. GCM Grosvenor Funds also hold certain portfolio

investments through investment vehicles managed in whole or in part by Investment Managers or other persons where GCM Grosvenor determines this is necessary or appropriate due to regulatory or other reasons. Any compensation of such Investment Managers or of joint venture partners, which will reduce the GCM Grosvenor Funds' returns from the relevant portfolio investments, may not offset carried interest, performance-based fees or allocations or management fees due to GCM Grosvenor and will increase the cost of the investors' investment in the GCM Grosvenor Funds.

Broker-Dealer Activities

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

Portfolio Entity Relationships

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

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

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

GCM Grosvenor frequently seeks to obtain agreements from Investment Managers under which Underlying Funds managed by such Investment Managers agree to accept specified dollar amounts of capital from GCM Grosvenor Funds, considered in the aggregate, at specified investment dates and/or over specified time periods. In cases where GCM Grosvenor is able to

negotiate capacity of this type for the GCM Grosvenor Funds with respect to a particular Underlying Fund, such capacity is not reserved solely for those GCM Grosvenor Funds that are in existence on the date that GCM Grosvenor negotiated such capacity. Similarly, to the extent such capacity is allocated to a GCM Grosvenor Fund that was in existence on the date that GCM Grosvenor negotiated such capacity, such allocation is not reserved solely for persons who were investors in such GCM Grosvenor Fund on that date. Instead, such capacity is made available to all GCM Grosvenor Funds that wish to invest in such Underlying Fund, based on the allocation decisions of their respective portfolio management teams and the application of GCM Grosvenor's capacity allocation guidelines. To the extent that any such capacity is allocated to a GCM Grosvenor Fund that existed on that date, all investors in such GCM Grosvenor Fund participate in such capacity in accordance with their respective economic interests in such GCM Grosvenor Fund, even if such investors invested in such GCM Grosvenor Fund subsequent to that date.

Legal Interpretation

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

Advisors and Operating Partners

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

Allocation of Costs and Expenses

GCM Grosvenor has a conflict of interest in determining whether certain costs and expenses are incurred in the course of operating the GCM Grosvenor Funds. For example, GCM Grosvenor has to determine whether the costs arising from newly imposed regulations and self-regulatory requirements should be paid by the GCM Grosvenor Funds or by GCM Grosvenor. The GCM Grosvenor Funds will generally pay or otherwise bear all legal, accounting, filing, and other expenses incurred in connection with organizing and establishing the GCM Grosvenor Funds and the offering of interests in the GCM Grosvenor Funds. In addition, the GCM Grosvenor Funds will generally pay all expenses related to the operation of the GCM Grosvenor

Funds and their investment activities as described in the GCM Grosvenor Fund Documents applicable to each GCM Grosvenor Fund. GCM Grosvenor will also determine, in its sole discretion, the appropriate allocation of investment-related expenses, including broken deal expenses, incurred in respect of unconsummated investments and expenses more generally relating to a particular investment strategy, among the GCM Grosvenor Funds, vehicles and accounts participating or that would have participated in such investments or that otherwise participate in the relevant investment strategy, as applicable. This could result in one or more GCM Grosvenor Funds bearing more or less of these expenses than other investors or potential investors in the relevant investments or a GCM Grosvenor Fund paying a disproportionate share, including some or all, of the broken deal expenses or other expenses incurred by potential investors.

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

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

GCM Grosvenor receives complimentary or discounted use of third-party cash management software from banking institutions in exchange for maintaining cash deposits or cash-equivalent investments (e.g., money market accounts) with such institutions, resulting in a potential conflict of interest when determining where to make such deposits or investments.

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

Allocation of Investment Opportunities

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

GCM Grosvenor to prioritize the allocation of certain investments to such other GCM Grosvenor Funds. Such less favorable terms include, for example, lower fees, lower carried interest, lower performance-based fees or allocations or greater expenses borne by GCM Grosvenor.

Co-Investment Allocations

GCM Grosvenor will offer to GCM Grosvenor Funds, GCM Grosvenor Fund investors and/or other parties certain co-investment opportunities presented to GCM Grosvenor by Investment Managers or otherwise, in accordance with GCM Grosvenor's policies and procedures. There is no assurance that any particular GCM Grosvenor Fund or GCM Grosvenor Fund investor will be granted any co-investment opportunities, even if a particular GCM Grosvenor Fund's investment in a particular Underlying Fund forms part or all of the basis on which an Investment Manager makes a particular co-investment opportunity available to GCM Grosvenor. GCM Grosvenor will allocate this investment opportunity in accordance with its policies and procedures, which sometimes results in such GCM Grosvenor Fund or investor receiving a smaller, or no, allocation to the particular investment opportunity.

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

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

From time to time, GCM Grosvenor has the opportunity to offer certain investment opportunities to GCM Grosvenor Fund investors or other parties on an overage basis after GCM Grosvenor Funds have received what GCM Grosvenor determines to be an appropriate allocation to such opportunities. GCM Grosvenor may offer and allocate such overage investment opportunities to any parties in its sole discretion and on such terms and conditions that GCM Grosvenor and such parties agree. There is no assurance that any GCM Grosvenor Fund investor will be granted any such opportunity offered by GCM

Grosvenor, even if the investment of a particular GCM Grosvenor Fund in which such investor invests contributed, in whole or in part, to such overage opportunity. GCM Grosvenor will take into account various facts and circumstances deemed relevant by it when determining the allocation of overage opportunities. Such factors include, among others, (i) whether a potential overage investor has expressed an interest in evaluating such opportunities; (ii) whether a potential overage investor has a history of participating in such opportunities with GCM Grosvenor; (iii) the size of the interest and opportunity; (iv) the economic terms applicable to such overage investment for such investor and GCM Grosvenor; (v) whether allocating to a potential overage investor will help establish, recognize, strengthen and/or cultivate relationships with an existing or prospective investor; and (vi) such other factors GCM Grosvenor deems relevant under the circumstances. The allocation of overage investment opportunities by GCM Grosvenor sometimes involves a benefit to GCM Grosvenor including, without limitation, management fees, carried interest or performance-based fees or allocations from an overage opportunity. GCM Grosvenor Fund investors or other parties that seek to participate in a potential overage opportunity may not share in any broken deal expenses in the event such opportunity is not consummated.

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

Board and Advisory Committee Seats

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

Certain multi-investor GCM Grosvenor Funds appoint advisory committees, or equivalent bodies, for purposes of GCM Grosvenor's presenting and seeking approval or consent for certain GCM Grosvenor Fund actions or for purposes of

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

Principal and Cross Transactions

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

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

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

Transfers of Interests in Underlying Funds

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

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

effecting transactions in which business terms are carried over from the transferor GCM Grosvenor Fund to the transferee GCM Grosvenor Fund.

Reputational Matters

GCM Grosvenor may have a conflict of interest between acting in what might be the best interest for the GCM Grosvenor Funds or certain employees and ensuring that GCM Grosvenor avoids publicity or any reputational harm. For example, there may be certain positions which other market participants take and which may benefit the GCM Grosvenor Funds but which GCM Grosvenor does not take for the GCM Grosvenor Funds due to GCM Grosvenor's determination that such position may be seen as inappropriate in certain regulatory contexts or otherwise inadvisable. In addition, GCM Grosvenor may decide not to make certain investments, or otherwise take or fail to take certain actions, on behalf of GCM Grosvenor Funds to the extent that such investments, actions or inactions could subject GCM Grosvenor or its related persons to reputational risk, even if such investments, actions or inactions would be appropriate or potentially favorable for a GCM Grosvenor Fund. Certain existing or potential GCM Grosvenor Fund investments may require GCM Grosvenor to make public or potentially public disclosures about itself, its business and/or its related persons that GCM Grosvenor may not wish to make public, and GCM Grosvenor may therefore determine not to make such investment or to seek a potentially premature exit from such investment for a GCM Grosvenor Fund in order to avoid such public disclosure.

GCM Grosvenor Fund Investor Interests

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

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

or process the same information, or to ensure that investors with more information about the GCM Grosvenor Funds not use such information for purposes of trading, either in interests of a GCM Grosvenor Fund or otherwise.

Treatment of the GCMLP Funds Collectively for Certain Transactions

In certain cases, although each investment in an Underlying Fund by a GCMLP Fund is a distinct transaction, Underlying Funds agree to treat all investments made by GCMLP Funds as if they had been made by the same investor for purposes of applying certain business terms, such as “gates.” We enter into these types of arrangements because we believe that, in most cases, they can be expected to benefit all participating GCMLP Funds. For example, under arrangements such as these, certain GCMLP Funds could make complete withdrawals or redemptions provided that other GCMLP Funds do not withdraw or redeem, as the former GCMLP Funds could make use of the withdrawal or redemption capacity allocable to the GCMLP Funds on a collective basis. However, these arrangements also have certain drawbacks. For example, if one GCMLP Fund were to withdraw or redeem from an Underlying Fund, its withdrawal or redemption could reduce withdrawal or redemption capacity for other GCMLP Funds. In this example, depending on the actual terms of the applicable gate, a particular GCMLP Fund may be entitled to receive less withdrawal or redemption proceeds in respect of a particular withdrawal or redemption than would otherwise be the case.

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

Investments in Investment Managers

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

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

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

GCM Grosvenor’s or the GCM Grosvenor Funds’ interest in an Investment Manager as described herein could create a greater incentive for GCM Grosvenor to invest on behalf of a GCM Grosvenor Fund in such Investment Manager’s Underlying Fund than would exist absent GCM Grosvenor’s or other GCM Grosvenor Funds’ economic interest in such Investment Manager. If a GCM Grosvenor Fund does invest with Investment Managers with which GCM Grosvenor has Project Agreements, this likely will result in additional compensation to GCM Grosvenor or one or more of the other GCM

Grosvenor Funds. Except as otherwise disclosed, the investing GCM Grosvenor Fund and GCM Grosvenor Fund investors will not receive the benefit of the additional compensation arrangements of GCM Grosvenor or such other GCM Grosvenor Funds.

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

Follow-On Investments

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

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

Investments by Other GCM Grosvenor Funds

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

Investments in Other GCM Grosvenor Funds

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

If a GCM Grosvenor Fund were an investor in another investment fund established by GCM Grosvenor, GCM Grosvenor has conflicting division of loyalties and responsibilities regarding such GCM Grosvenor Fund and such other investment fund, and certain other conflicts of interest would be inherent in the situation. In certain cases, a GCM Grosvenor Fund may also acquire secondary investments from other funds established, managed, or advised by GCM Grosvenor and similar conflicts

of interest would arise. In addition, if a GCM Grosvenor Fund purchases an investment from a client of GCM Grosvenor, conflicts of interest may arise due to GCM Grosvenor's relationship with such client, and there can be no assurance that the interests of the GCM Grosvenor Fund would not be subordinated to those of such client.

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

To the extent permitted by applicable law, the terms of the relevant GCM Grosvenor Fund Documents and the applicable policies of GCM Grosvenor, GCM Grosvenor and its related persons will from time to time invest, for their respective proprietary accounts, in Underlying Funds that GCM Grosvenor administers, but does not manage, and from which GCM Grosvenor receives administrative or similar fees (**GCM Grosvenor-Administered Funds**). Such investments may be made at times when investments in the GCM Grosvenor-Administered Funds are not appropriate for the GCM Grosvenor Funds. If GCM Grosvenor should subsequently determine, in accordance with its then current criteria applicable to the selection of the Underlying Funds, that such a GCM Grosvenor-Administered Fund is an appropriate investment for a GCM Grosvenor Fund, GCM Grosvenor may determine to cause such GCM Grosvenor Fund to invest in such GCM Grosvenor-Administered Fund. GCM Grosvenor will not be required to reduce, eliminate, or restructure the administrative or similar fees it receives from such GCM Grosvenor-Administered Fund in response to such GCM Grosvenor Fund's investment or in order to make investments in such GCM Grosvenor-Administered Fund available to the GCM Grosvenor Funds, even if, for regulatory or other reasons, the GCM Grosvenor Funds would be, or in GCM Grosvenor's reasonable determination may be, precluded from investing in such GCM Grosvenor-Administered Fund in the absence of such fee reduction, elimination or restructuring.

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

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

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

Withdrawals/redemptions or contributions/subscriptions by GCM Grosvenor Funds or GCM Grosvenor from or to a particular Underlying Fund could in certain cases adversely affect other GCM Grosvenor Funds that are invested in such

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

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

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

Investments in Underlying Funds Managed by Clients

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

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

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

Stapled Investments and Secondaries

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

Investment Managers and Co-Investment Sponsors

The Investment Managers and sponsors of co-investment opportunities are likely to be subject to many of the same types of conflicts of interest to which GCM Grosvenor is subject. For example, such Investment Managers and sponsors may be involved in other business ventures, including the management and/or administration of other investment funds and accounts whose investment objectives are identical or substantially similar to those of the Underlying Funds. These

Underlying Funds will not share in the risks or rewards of such other ventures. In addition, such other ventures may compete with the Underlying Funds for the time and attention of the relevant sponsors and might create additional conflicts of interest and/or raise other special considerations.

To the extent that the Investment Managers and sponsors of co-investment opportunities also manage other accounts, including other accounts in which they may have an interest, they may have financial and other incentives to favor such accounts over the Underlying Fund. Investment Managers and co-investment sponsors typically must allocate to a limited number of co-investment opportunities, and the scarcity of such opportunities may exacerbate such Investment Managers' and sponsors' conflicts of interest in determining whether to allocate these investments to the GCM Grosvenor Funds, in whole or in part, and on what terms.

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

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

Relationships with Service Providers, Investment Managers, and Consulting Firms

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

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

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

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

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

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

Gifts, Meals, and Entertainment

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

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

Charitable and Philanthropic Activities

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

Engagement in Political Activities Conflict

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

Valuation Matters

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

Brokerage and Research Services; "Soft Dollars"

GCM Grosvenor may in the future select service providers, including affiliates of GCM Grosvenor, that furnish GCM Grosvenor with proprietary or third-party brokerage and research services that provide, in GCM Grosvenor's view, appropriate assistance to GCM Grosvenor in its investment advisory process. GCM Grosvenor may pay for such brokerage and research services with "soft" or commission dollars.

Trade and Clerical Errors

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

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

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

Certain Disclosure Issues

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

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

No Independent Advice

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

Side Letters

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

Legal Representation

A number of law firms represent GCM Grosvenor in a variety of different matters. Unless otherwise agreed, none of these law firms represent any GCM Grosvenor Fund investors in connection with matters relating to the GCM Grosvenor Funds or their investments. These law firms represent GCM Grosvenor, including with respect to their role in relation to the GCM Grosvenor Funds. It is not anticipated that, in connection with the organization or operation of the GCM Grosvenor Funds, GCM Grosvenor will have the GCM Grosvenor Funds engage counsel separate from counsel to GCM Grosvenor. Such counsel will not however be acting as counsel for any GCM Grosvenor Fund investor. Furthermore, in the event a conflict of interest or dispute arises between GCM Grosvenor and the GCM Grosvenor Funds or any GCM Grosvenor Fund investor it will be accepted that counsel to GCM Grosvenor is not counsel to the GCM Grosvenor Funds or any GCM Grosvenor Fund investor. However, in certain cases, such counsel's fees are paid through or by the GCM Grosvenor Funds and therefore in effect by the GCM Grosvenor Fund investors.

Item 9 – Disciplinary Information

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

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

Item 10 – Other Financial Industry Activities and Affiliations

GCMLP is registered with the Commodity Futures Trading Commission as a commodity pool operator and a commodity trading advisor, and is a member of the National Futures Association.

Affiliated Registered Investment Adviser

GCMLP is under common control with GCM CFGI, an investment adviser registered as such with the SEC. GCMLP manages a number of investment vehicles, including closed-end investment companies, unit investment trusts, private investment companies, and offshore funds.

Similar to the investment advisory services we provide our clients, GCM CFGI offers customized and commingled investment funds and accounts that invest primarily in private equity, real estate, infrastructure, and venture capital investments.

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

Affiliated Investment Managers

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

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

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

GCM Japan (as defined herein) acts as a discretionary investment manager on behalf of clients in Japan and, in that connection, under certain circumstances allocates client assets to one or more investment vehicles managed or advised by GCMLP or GCM CFG.

Affiliated Placement Agents/Distributor

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

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

GSLLC's sole functions are to:

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

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

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

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

Other Affiliates

GCM Investments (Korea) Co. Ltd. (**GCM Korea**), an affiliate of GCM Grosvenor, is located in Seoul, South Korea. The activities of GCM Korea are not regulated in South Korea. GCM Korea provides ongoing services to Korean clients in investment vehicles or accounts managed by GCM Grosvenor. In addition, employees of GCM Korea provide assistance to employees of GCM Grosvenor when they are present in South Korea. GCM Grosvenor may compensate GCM Korea for

ongoing client services based on a percentage mark-up over the cost of providing such services. GCM Korea does not introduce GCM Grosvenor Funds to prospective Korean clients.

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

Code of Ethics

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

GCM Grosvenor personnel have several basic obligations under the Code of Ethics:

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

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

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

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

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

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

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

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

the investment by such GCM Grosvenor Funds with such Investment Manager in order to obtain or maintain such advantageous terms for the benefit of GCM Grosvenor.

Serving as Directors of Public Companies

Certain employees of GCM Grosvenor serve as directors of public companies. GCM Grosvenor requires the approval of GCM Grosvenor's Global Chief Compliance Officer prior to any employee's serving as a director of any public company. As of December 31, 2019, those companies were: Aqua America Inc.

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

Item 12 – Brokerage Practices

Our Brokerage Practices

In respect of transactions in Underlying Funds, except in the very limited case of secondary market transactions in interests in Underlying Funds, when the GCMLP Funds invest in Underlying Funds—which typically constitutes their principal business activity—the GCMLP Funds contract directly with the Underlying Funds without the involvement of a financial intermediary such as a broker-dealer. Commissions are not payable in connection with such investments.

To the extent that GCMLP Funds managed on a discretionary basis purchase or sell investments other than investments in Underlying Funds, GCMLP has the authority to determine the financial intermediaries to be used in connection with such purchases or sales and to negotiate the commissions or other transactional compensation to be paid to such intermediaries in connection with such purchases or sales—which commissions or other compensation are borne by the affected GCMLP Funds. In determining which intermediaries to use, to effect purchases and sales of securities on behalf of the GCMLP Funds, GCMLP focuses on the quality of the execution-related services provided by the intermediaries, often called best execution. Best execution generally includes a variety of factors such as price quotes, execution quality, including the applicable spread or commission and commission rates among brokers, the extent to which the broker-dealer makes a market in the securities involved or has access to such markets, financial responsibility, responsiveness to GCMLP, and the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction. Best execution does not necessarily mean always obtaining the best price for any single transaction. GCMLP does not necessarily select those that charge the lowest commissions or other transactional costs. GCMLP sometimes recommends trades in the same security for several different GCMLP Funds. Rather than placing trades individually, GCMLP will seek to aggregate trades together for multiple GCMLP Funds to reduce commission rates, fulfill best execution, and ensure fair and equitable pricing. To fulfill its fiduciary duty, GCMLP reasonably ensures that the aggregation of trades does not purposely favor one client over others, treats clients fairly over time, accurately maintains records of trades, allocations and positions, and identifies potential conflicts related to trading and takes reasonable steps to address those conflicts.

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

We do not separately compensate financial intermediaries for the provision of non-execution related services and we do not believe that we pay up for such services. However, we do 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 on occasion receive and use research provided by such intermediaries. In this situation, we receive a benefit because we do not have to produce or pay for the research.

Accordingly, we may have an incentive to select financial intermediaries based on our interest in receiving the research or other products or services rather than on our clients' interest in receiving the most favorable execution. However, since the research provided is not material in nature and quantity and is provided without our request, we believe that our receipt of such research does not have a material effect on our selection of financial intermediaries.

GCM Grosvenor may in the future select service providers that furnish GCM Grosvenor with proprietary or third-party brokerage and research services that provide, in GCM Grosvenor's view, appropriate assistance to GCM Grosvenor in its investment advisory process. GCM Grosvenor may pay for such brokerage and research services with "soft" or commission dollars.

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

Brokerage Practices of Investment Managers of Underlying Funds

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

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

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

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

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

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

Item 13 – Review of Accounts

Account Reports and Reporting Packages

Basic Account Reports

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

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

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

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

Clients or their designated representatives generally access reports and, where available, analytical tools online via our client web portal or a designated third-party client web portal. The types of information that may be available may include portfolio, investment manager, and industry information. Reporting may vary by investment size, structure, and investment vertical.

Exceptions to Investment Constraints

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

Investment Committee Changes in Strategy and/or Allocation Guidelines

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

Capital Inflows/Outflows

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

Portfolio Management Team Proposed Changes in Allocations

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

The personnel who are responsible for the reviews discussed above include persons who are at levels including Analysts, Associates, Principals, Executive Directors, or Managing Directors. However, primary responsibility for such reviews rests with the Portfolio Management Team assigned to the relevant GCMLP Fund.

Different Reporting Packages

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

Recipients of oral and written reports should be aware that:

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

If you are a recipient of our oral or written reports, we strongly urge you to review your own policies and procedures relating to the possible receipt of confidential or material, non-public information to ensure that any information that you receive from us relating to particular securities and/or the issuers thereof will not be used in any manner that conflicts with applicable laws.

Item 14 – Client Referrals and Other Compensation

Receipt of Payments from Third Parties

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

Payment of Compensation for Investor Referrals

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

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

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

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

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

Payment of Compensation for Client Referrals

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

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

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

Non-Affiliated Placement Agents

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

Item 15 – Custody

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

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

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

- prepared in accordance with Accounting Standards Generally Accepted in the United States (**U.S. GAAP**), or with accounting principles other than U.S. GAAP under certain circumstances

- audited by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board

Item 16 – Investment Discretion

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

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

We also manage, on a discretionary basis, many GCMLP Funds that are designed for single investors or groups of related investors. In these cases, prior to the launch of the GCMLP Fund, we propose to the single investor or group of investors the Investment Guidelines that will apply to our management of the GCMLP Fund, and the investor is afforded the opportunity to review and suggest changes to such guidelines, including restrictions on the GCMLP Fund's ability to make particular investments or particular types of investments. If we agree to be bound by any such changes, we will follow them in connection with managing such GCMLP Fund.

Item 17 – Voting Client Securities

Background

GCMLP's Proxy Voting Policies and Procedures (**Proxy Voting Policy**) set forth the policies and procedures by which GCMLP exercises its authority to vote on or make recommendations on how to vote on proxy requests relating to securities held by GCMLP Funds (Proxy Requests). GCMLP Funds receive Proxy Requests from Underlying GCMLP Funds, public companies, and other issuers. GCMLP seeks to take action on Proxy Requests in the best economic interests of the GCMLP Funds for which it has the authority to vote or to which it makes voting recommendations. The Proxy Voting Policy establishes standards for the proxy voting process, identification and management of related conflicts of interest and client disclosure obligations.

Investors can request a copy of the Proxy Voting Policies and Procedures or request an opportunity to review the proxy voting records, by contacting the Investor Relations Team (telephone: +1.855.426.9321; e-mail: client.services@gcmlp.com).

Authority to Vote and Make Recommendations

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

Discretionary Investment Authority

GCMLP has the authority to vote on Proxy Requests in connection with GCMLP Funds over which it has investment discretion, with some exceptions. GCMLP does not vote on Proxy Requests if the GCMLP Fund is a single investor or single participant fund and GCMLP has agreed in writing with the investor that GCMLP is not required to vote on Proxy Requests for the fund.

However, in the case of a GCMLP Fund that is subject to ERISA:

- Where the authority to manage the assets of the GCMLP Fund has been delegated to GCMLP pursuant to Section 403(a)(2) of ERISA, no person other than GCMLP has authority to vote on Proxy Requests on behalf of the GCMLP Fund, except to the extent a named fiduciary of the ERISA investor in the GCMLP Fund has reserved to itself or to another named fiduciary so authorized by the ERISA investor's governing documents the exclusive right to direct a plan trustee of the ERISA investor regarding the voting of proxies.
 - A named fiduciary of an ERISA investor, in delegating investment management authority to GCMLP, could reserve to itself the exclusive right to direct a trustee of the ERISA investor with respect to the voting of all proxies or reserve to itself the exclusive right to direct a trustee as to the voting of only those proxies relating to specified assets or issues.
- If the governing documents relating to the GCMLP Fund or the plan documents relating to the ERISA investor in the GCMLP Fund provide that GCMLP is not required to vote on Proxy Requests, but does not expressly preclude GCMLP from voting on proxies, GCMLP has exclusive authority to vote on Proxy Requests on behalf of the GCMLP Fund.

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

Non-Discretionary Investment Authority

When GCMLP does not have authority to vote on Proxy Requests on behalf of a GCMLP Fund, depending on its agreement with the GCMLP Fund, it may have an obligation to make recommendations to the GCMLP Fund on how to vote on Proxy Requests.

In certain cases, GCMLP may not have the authority to vote on Proxy Requests on behalf of a GCMLP Fund, or have any obligation to make recommendations to the GCMLP Fund on how to vote on Proxy Requests, but may from time to time, at the request of the investor in the GCMLP Fund, make recommendations to the investor on how to vote on Proxy Requests.

In the case of a GCMLP Fund subject to ERISA, GCMLP will not make recommendations if an authorized fiduciary of the fund has agreed in writing with GCMLP that GCMLP is precluded from making recommendations and that a party associated with the GCMLP Fund, such as the plan sponsor, has reserved in writing the authority and right to take actions in response to Proxy Requests.

When GCMLP does not have authority to vote on Proxy Requests on behalf of a GCMLP Fund, the client's custodian or an Underlying Fund may provide Proxy Requests to the client directly. However, if GCMLP receives a Proxy Request, it will forward the information to the client.

Upon client request and subject to ERISA considerations, GCMLP will vote on Proxy Requests in accordance with the client's voting instructions.

Reasonable Best Efforts to Vote and Abstentions

GCMLP uses its reasonable best efforts to vote on or make voting recommendations on Proxy Requests in a timely manner. However, there may be circumstances in which GCMLP abstains from taking action.

Timeliness of Receipt of Materials

GCMLP may abstain from voting on or making voting recommendations on a Proxy Request when GCMLP does not receive the Proxy Request with sufficient time prior to the voting cut-off date to consider the impact of the proposals and complete its evaluation procedures.

Lack of Adequate Information

GCMLP may abstain from voting on or making voting recommendations on a Proxy Request when GCMLP does not believe that the Proxy Request provides sufficient detail to support a decision.

Abstentions Where Cost of Consideration Outweighs Benefit

GCMLP may abstain from voting on or making voting recommendations on a Proxy Request when GCMLP believes that the expected cost or administrative burden of giving due consideration to the proposal does not justify the potential benefits to the affected GCMLP Fund that might result from adopting or rejecting the proposal in question.

Public Companies – Share Blocking and Re-Registration

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

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

Conflicts of Interest

GCMLP takes measures to identify and address conflicts of interest with respect to Proxy Requests. The test for determining whether circumstances present a conflict of interest is if it can reasonably be argued that the circumstances give GCMLP or a Proxy Principal a meaningful incentive to respond to a Proxy Request in a manner that:

- places the interests of GCMLP or the Proxy Principal over the interest of a GCMLP Fund even if there is no apparent detriment to the GCMLP Fund
- places the interests of one GCMLP Fund over the interests of another GCMLP Fund

The Proxy Voting Coordinator evaluates the circumstances of a potential conflict of interest based on the test described above to determine whether or not there is a conflict of interest.

GCMLP will not make a final decision with respect to a Proxy Request until the Proxy Voting Coordinator performs the following:

- identifies whether GCMLP is subject to a conflict of interest in taking action in response to the Proxy Request
- addresses the conflict in a manner designed to serve the best economic interests of the affected GCMLP Funds

Identifying Conflicts of Interest

Generally, an Investment Committee may identify conflicts of interest and notify the Global CCO or the Proxy Voting Coordinator. In addition, each Proxy Principal notifies the Proxy Voting Coordinator of any potential conflicts of interest they have with respect to a Proxy Request on which they are considering action.

Addressing Conflicts of Interest

If the Proxy Voting Coordinator receives information indicating that GCMLP, its senior management, or a Proxy Principal is subject to a conflict of interest in taking action with respect to a Proxy Request, the Proxy Voting Coordinator will not instruct or make a recommendation on a vote until the conflict is mitigated.

The Proxy Voting Coordinator, together with the Global CCO, determines the actions to be taken to address any conflicts of interest, which may include:

- excluding a conflicted party from the decision making process
- for GCMLP Funds for which GCMLP makes voting recommendations on Proxy Requests, disclosing the conflicts to the appropriate parties
- for GCMLP Funds for which GCMLP has the authority to take action on Proxy Requests, disclosing the conflict to the appropriate parties and obtaining consent to take specific action on the proposals

- engaging an independent third party to recommend or determine the actions to be taken in response to the Proxy Request

For GCMLP Funds subject to ERISA, if a conflict relates to the Proxy Principal or a voting member of a committee involved in the proxy voting process, the affected employees will recuse themselves from the process if feasible and not detrimental to the GCMLP Fund. If the impact of the conflict goes beyond specific employees who can reasonably be recused from the action, GCMLP must engage an independent third party to recommend a response to the Proxy Request. In the case of a GCMLP Fund for which GCMLP does not have investment discretion, the independent third party could be the fiduciary for the client if the fiduciary agrees in writing to assume full fiduciary responsibility for the response without advice from GCMLP.

Voting GCMLP Fund Interests

Where a GCMLP Fund has issued a Proxy Request and GCMLP has the discretionary authority to vote on the Proxy Request on behalf of other GCMLP Funds that invest in such GCMLP Fund, to the extent that there are other investors in such GCMLP Fund—including GCMLP Funds where GCMLP does not have discretionary authority to vote proxies, or investors other than GCMLP Funds—GCMLP typically will vote the Proxy Request in the same manner that such other investors vote on the Proxy Request. Alternatively, the Global CCO or General Counsel may decide to engage an independent third party to recommend or determine the actions to be taken in response to the Proxy Request or to vote on the Proxy Request by other appropriate means.

Independent Third Party

Prior to engaging an independent third party, the Proxy Voting Coordinator and the Global CCO must first determine that the independent third party:

- has the capacity and competency to analyze the proxy issues in question
- can make recommendations in an impartial manner and in the best economic interests of the affected GCMLP Funds

Item 18 – Financial Information

GCMLP is required to disclose any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.

GCMLP does not have any financial condition that impairs or is reasonably likely to impair its ability to meet its contractual commitments to its clients, and GCMLP has never been the subject of any bankruptcy petition.