FELRA and UFCW Pension Fund

Compliance Report

June 30, 2022

Investment Performance Services, LLC

HFOF/Opportunistic Quarterly Compliance Checklist
Period Ending June 30, 2022

To: EnTrust Global

Re: FELRA & UFCW Pension Fund- Opportunistic Special Opportunities Fund IV

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents.

Part A: Account

1.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

Yes

2.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

Yes

3.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, gate, or change the current liquidity offered to investors?

No

4.) Do you see a need for a change in the Fund's current investment policy or your addendum to the Fund's investment policy?

N/A (If you have not signed an addendum to the Fund's investment policy statement)

Part B: Firm

1.) Have significant changes been made in the firm's investment management process during the quarter?

No

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No

3.) Have any ownership changes in the firm occurred during the quarter?

No

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

No

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No

6.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No

7.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes

8.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes

9.) Does your firm maintain stand-alone cybersecurity liability coverage?

Yes

10.) Does the coverage amount meet the requirements in the Fund's Investment Policy Statement?

Yes

Certified For The Firm By:
Name: Bruce Kahne

Signature: Bruk

Title: Senior Managing Director, Global General Counsel/Chief Compliance Officer
Firm: EnTrust Global
Date: July 12, 2022

Investment Performance Services, LLC
Fund of Hedge Funds Quarterly Compliance Checklist
Period Ending June 30, 2022

To: GCM Grosvenor
Re: **FELRA & UFCW Pension Fund (the "Fund") - GCM Grosvenor Secondary Opportunities Fund II, L.P.**

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents.

Part A: Account

1) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

Yes **No (please explain)**

2) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

Yes **No (please explain)**

3) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, gate, or change the current liquidity offered to investors?

No **Yes (please explain)**

4) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No **Yes (please explain)**

Part B: Firm

1.) Have significant changes been made in the firm's investment management process during the quarter?

No **Yes (provide details)**

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No **Yes (provide details)**

3.) Have any ownership changes in the firm occurred during the quarter?

No **Yes (provide details)**

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

No **Yes (provide details)**

GCMLP's Form ADV Part 1, which is several hundred pages in length, can be found online at www.adviserinfo.sec.gov; Part 2A can be accessed via the SEI Investor Dashboard/ Client Web Portal. Any material changes in the Part 2A are listed in Item 2 of the Part 2A.

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No **Yes (provide details and current status)**

6.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No **Yes (provide details)**

7.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes **No (please explain)**

8.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes **No (please explain)**

We believe the Fund is receiving all reporting it requires or has requested, but as the general partner and a fiduciary to GCM Grosvenor Secondary Opportunities Fund II, L.P. and its investors, the firm cannot be bound by the terms and conditions of the Fund's investment policy statement.

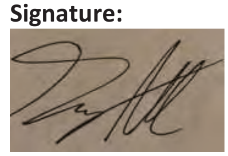
9.) Does your firm maintain stand-alone cybersecurity liability coverage?

Yes **No (please explain)**

10.) Does the coverage amount meet the requirements in the Fund's Investment Policy Statement?

Yes **No (please explain)**

Certified for The Firm By:
Name: Greg Antell
Signature:



Title: Principal
Firm: GCM Grosvenor
Date: July 7, 2022

For any questions, please contact GCM Grosvenor Investor Relations at investorrelations@gcmlp.com.

GCM GROSVENOR

Grosvenor Capital Management, L.P.

Risk Disclosure Statement for Multi-Strategy GCMLP Funds

April 2022

This **Risk Disclosure Statement** for Multi-Strategy GCMLP Funds is being delivered to you (the **Offeree**) in connection with your evaluation of a potential investment in an investment vehicle or account (**GCMLP Fund**) managed or advised by Grosvenor Capital Management, L.P. (**GCMLP** and, together with its affiliates, **GCM Grosvenor**). For purposes of this Risk Disclosure Statement, the term "GCMLP Fund" refers to the particular GCMLP Fund in which you are contemplating making an investment. The information contained in this Risk Disclosure Statement is incorporated by reference into the offering or risk disclosure document, including any supplement thereto, term sheet, constituent documents and/or such other offering material of the GCMLP Fund (collectively, the **Offering Material**), which was previously delivered to you or which is being delivered to you together with this Risk Disclosure Statement.

Investments

GCMLP seeks to achieve the GCMLP Fund's investment objective by allocating the GCMLP Fund's assets, directly or indirectly through its investment in a master fund, as noted in the Offering Material, to the discretionary investment authority of a select group of investment management firms (each, an **Investment Manager**) that manage limited liability private investment vehicles or accounts (each, an **Underlying Fund**), including GCM Vehicles. If noted in the Offering Material, GCMLP may also invest the assets of the GCMLP Fund directly in investments, as opposed to investing through an Underlying Fund. References herein to "GCMLP Fund" should be viewed as references not only to the GCMLP Fund, but also to the master fund in which the GCMLP Fund invests, wherever the context so permits.

The GCMLP Fund invests in Underlying Funds implementing alternative strategies. Underlying Funds and the GCMLP Fund are subject to the risk of ruin and an investment in the GCMLP Fund includes the risk of the possible loss of the entire amount invested. An investor should not invest in the GCMLP Fund if it is not prepared to suffer a total loss on its investment.

Investments through GCM Vehicles

The GCMLP Fund may and expects to invest in investment funds, separately managed accounts or other vehicles organized and sponsored by GCMLP or its affiliates (**GCM Vehicles**), subject to compliance with the Employee Retirement Income Security Act of 1974, as amended, (**ERISA**), if applicable. A GCM Vehicle may invest in one or more Underlying Funds, and/or may retain one or more Investment Managers to direct such GCM Vehicle's trading and investing activities, including on a managed account basis. GCMLP, in its sole discretion, may cause the GCMLP Fund to access Investment Managers through a GCM Vehicle for any reason, which may include, without limitation, facilitating and aggregating investments by multiple other investment funds and accounts managed or advised by GCMLP (each, a **GCM-Managed Account**) with the same Investment Manager, or where a direct investment in an Underlying Fund is not available. In addition, certain GCM Vehicles may make investments that are sourced and/or managed by GCMLP instead of an Investment Manager.

Investing in Underlying Funds through a GCM Vehicle may result in the GCMLP Fund being subject to somewhat different fees, liquidity or other terms than if the GCMLP Fund had invested directly in an Underlying Fund. In certain cases, aggregating the GCMLP Fund's capital with other GCM-Managed Accounts through a GCM Vehicle may enable GCMLP to obtain more favorable investment terms for the GCM Vehicle than would otherwise apply if the GCMLP Fund invested in an Underlying Fund directly. However, it may also result in the GCMLP Fund being subject to investment terms that may, under certain circumstances, be less favorable to the GCMLP Fund. For example, each Underlying Fund is likely to treat a GCM Vehicle as a single investor for purposes of calculating performance-based compensation and applying liquidity terms (such as redemption "gates," lock-up periods and other liquidity restrictions). As a result, the GCMLP Fund could be subject to paying performance-based compensation even though the GCMLP Fund itself experienced an overall net loss on its investment in the GCM Vehicle. In addition, if the GCM Vehicle has an accrued performance fee (reducing the net asset value at which new investments are made), new investments will share in any subsequent reversal of such accrued performance fees; conversely, if the GCM Vehicle has a "loss carryforward," new investments will share in a pro rata portion of such loss carryforward (reducing the performance fees that would otherwise be due in respect of future profits). In each case, existing investors in the GCM Vehicle will experience economic dilution as a result of new investments. Moreover, if any lock-up periods, redemption "gates" or other liquidity restrictions are applied by an Underlying Fund to a GCM Vehicle as a whole, the GCMLP Fund's ability to withdraw from such GCM Vehicle may be adversely affected by the withdrawal requests of other GCM-Managed Accounts from such GCM Vehicle (which could use all or a material portion of the redemption capacity that would otherwise have been available to the GCMLP Fund if it had invested directly).

GCM Vehicles may also borrow in connection with their investment activities, which may result in the GCMLP Fund investing with Investment Managers at a higher leverage ratio as compared to a direct investment in an Underlying Fund. The GCMLP Fund will bear its *pro rata* share of all expenses of any GCM Vehicle in which it invests, in addition to its *pro rata* share of the fees and performance-based compensation payable to Investment Managers. Therefore the GCMLP Fund will be subject to borrowing costs and other fees and expenses at multiple levels.

Limited Hedging Transactions

If noted in the Offering Material, GCMLP may from time to time cause the GCMLP Fund to engage in hedging transactions. For example, hedging may be effected by purchasing or selling securities or derivatives with the intent of reducing certain exposures.

The Underlying Funds in which the GCMLP Fund invests typically are denominated in U.S. dollars, although any or all of them may invest in certain instruments denominated in other currencies. Consequently, the Underlying Funds may be exposed to exchange-rate risk, and may incur material hedging costs if they elect to hedge the currency risk associated with their non-U.S. dollar denominated investments.

In addition, if an Investment Manager of an Underlying Fund denominated in U.S. dollars also manages one or more equivalent Underlying Funds denominated in other currencies, and if the portfolio management team responsible for managing the assets of the GCMLP Fund considers any such other Underlying Fund to be more advantageous to the GCMLP Fund than such Investment Manager's equivalent U.S. dollar-denominated fund, the portfolio management team may cause the GCMLP Fund to invest in such non-U.S. dollar denominated Underlying Fund.

Direct Investments

If noted in the Offering Material, GCMLP may from time to time invest the assets of the GCMLP Fund directly in the types of financial instruments in which Underlying Funds invest, with the objective of recognizing gains rather than for short-term cash management or hedging purposes (**Direct Investments**). To the extent the GCMLP Fund makes any Direct Investments, the risks described herein as related to Underlying Funds or their Investment Managers also apply to the GCMLP Fund and GCMLP with respect to such Direct Investments.

Leverage

If noted in the Offering Material, the GCMLP Fund may borrow on a secured or unsecured basis in order to: (i) address timing mismatches between inflows and outflows of capital to and from the GCMLP Fund in connection with (a) investor subscriptions and redemptions, (b) the GCMLP Fund's investment activities and (c) the payment of fees, expenses and other obligations of the GCMLP Fund in the ordinary course of business; and/or (ii) engage in hedging transactions. If noted in the Offering Material, the GCMLP Fund may also borrow for longer-term, strategic investment purposes.

Underlying Funds (including GCM Vehicles) employ leverage from time to time for speculative, hedging and cash management 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 and short selling. There generally is no formal limitation on the amount of leverage that Underlying Funds may use.

The GCMLP Fund may elect to invest in one or more Underlying Funds on a notional basis by causing such Underlying Funds to use margin in order to achieve the GCMLP Fund's desired market exposures. Cash not required to support an Underlying Fund's trading, including an appropriate over-collateralization amount, is expected to be held by the GCMLP Fund in bank demand deposit accounts and/or high-quality, short-term instruments that earn interest at competitive rates and/or in commingled investment products (e.g., money market funds) that invest in such instruments.

The use of leverage may increase the opportunities for gain, but also may substantially increase the risks of volatility and loss.

The "Seed Capital" or "Seed Manager" Program

GCMLP and certain of its related persons and, if disclosed in the Offering Material or otherwise disclosed to investors in the GCMLP Fund, the GCMLP Fund may have certain direct and indirect agreements with certain "early-stage" or "start-up" investment management firms (**Seed Managers**) pursuant to which GCMLP, such related persons and the GCMLP Fund, as applicable, share in the fees, revenues and/or profits of such Seed Managers in exchange for "seeding" the Seed Managers' operations (**Seed Capital Sharing Agreements**). GCMLP and the GCMLP Fund, if applicable, may also participate in a limited partnership formed for the purpose of entering into Seed Capital Sharing Agreements with Seed Managers in exchange for seeding their operations. GCMLP, its related persons and such GCMLP Fund, if applicable, may enter into Seed Capital Sharing Agreements with additional Seed Managers in the future (or modify their existing Seed Capital Sharing Agreements with Seed Managers). GCMLP may (but is not obligated to) cause GCM-Managed Accounts other than the GCMLP Fund to enter into Seed Capital Sharing Agreements with Seed Managers, regardless of whether any one or more of GCMLP, its related persons, the GCMLP Fund or any other GCM-Managed Account has a Seed Capital Sharing Agreement with any such Seed Manager.

In addition to their Seed Capital Sharing Agreements with Seed Managers, GCMLP, its related persons and GCM-Managed Accounts (which may include the GCMLP Fund) have placed and may continue to place assets under the management of such Seed Managers regardless of whether such assets are placed pursuant to Seed Capital Sharing Arrangements. GCMLP may (but is not obligated to) cause GCM-Managed Accounts other than the GCMLP Fund to place assets under the management of Seed Managers, regardless of whether any one or more of GCMLP, its related persons, the GCMLP Fund or any other GCM-Managed Account has a Seed Capital Sharing Agreement with any such Seed Manager.

In certain cases, a Seed Capital Sharing Agreement with (or other investment in) a Seed Manager includes the right to invest in Underlying Funds managed by such Seed Manager on terms that are more favorable than those otherwise available to clients of such Seed Manager (such as discounts from a standard fee schedule, or more favorable liquidity provisions). To the extent that the GCMLP Fund invests in Underlying Funds managed by a particular Seed Manager, the GCMLP Fund may or may not do so on terms that are more favorable than those otherwise available to clients of such Seed Manager, one or more GCM-Managed Accounts, GCMLP and/or GCMLP's related persons.

Decisions regarding whether and on what terms the GCMLP Fund will enter into Seed Capital Sharing Agreements with Seed Managers and/or place assets under the management of Seed Managers with which GCMLP, any of its related persons, the GCMLP Fund or any other GCM-Managed Account has a Seed Capital Sharing Agreement are made in the sole discretion of GCMLP (subject to the requirements of applicable law and such policies, if any, as GCMLP may from time to time adopt).

Risks and Other Special Considerations

An investment in the 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 the GCMLP Fund's investment program
- the significant continuing uncertainty in the global financial markets
- the potential concentration of the GCMLP Fund's assets with a select group of Investment Managers
- the significant fees and costs—including advisory, transaction and opportunity costs—associated with an investment in the GCMLP Fund, as outlined in the Offering Material, if applicable
- the restrictions applicable to redemptions from the GCMLP Fund, as well as the GCMLP Fund's dependence on its ability to withdraw or redeem capital from Underlying Funds to satisfy redemption requests from its investors, as outlined in the Offering Material

This Risk Disclosure Statement does not contain all of the information regarding the GCMLP Fund that is important to you. The GCMLP Fund and GCMLP urge you to read the Offering Material, including this Risk Disclosure Statement, in its entirety and to carefully consider:

- the special considerations, risk factors and possible consequences of investing in the GCMLP Fund as outlined in various sections of the Offering Material and in this Risk Disclosure Statement
- the actual and potential conflicts of interest to which GCM Grosvenor and its related persons are subject in making investment decisions for the GCMLP Fund, as well as those to which the Investment Managers are subject in making investment decisions for their respective Underlying Funds, as outlined in:
  - the section of the Offering Material entitled "Certain Conflicts of Interest," if applicable, and other sections of the Offering Material
  - Part 2A of GCMLP's U.S. Securities and Exchange Commission (**SEC**) Form ADV, a copy of which accompanies the Offering Material as an Exhibit
  - the document entitled "GCM Grosvenor – Supplemental Disclosure Regarding Conflicts of Interest," which is available from GCMLP upon request (+1.855.426.9321 or client.services@gcmlp.com)

You should not construe the contents of the Offering Material or this Risk Disclosure Statement, or of any other document or information provided to you by the GCMLP Fund, GCMLP, GRV Securities LLC (**GSLLC**) or any of their respective representatives in connection with the offering of investments in the GCMLP Fund, as legal, tax, financial or other advice or as a recommendation to subscribe for, hold or dispose of an investment in the GCMLP Fund.

You should consult your independent professional advisors in order to identify, investigate and evaluate the merits and risks of, as well as the possible consequences of investing in and subsequently withdrawing/redeeming capital from, the GCMLP Fund. The Offeree and its advisors must rely on their own examination of the GCMLP Fund in identifying, investigating and evaluating such merits, risks and consequences, as well as in making a decision as to whether to invest in the GCMLP Fund (and, if so, in what amount).

You should not invest in the GCMLP Fund unless you:

- have no need for liquidity with respect to such investment
- are fully able to bear the financial risks of such investment for an extended period of time
- are fully able to sustain the possible loss of the entire investment

You should consider an investment in the GCMLP Fund as a long-term investment that is appropriate only for a limited portion of your overall portfolio.

In light of the risks associated with an investment in the GCMLP Fund, such an investment may not be appropriate for many investors.

The discussion and summary of certain special considerations and risk factors in the Offering Material, including this Risk Disclosure Statement, does not in any way purport to be a complete discussion nor should it be construed to imply that it is a complete list of all of the numerous material special considerations and risk factors that you should consider prior to deciding whether to invest in the GCMLP Fund. Moreover, any discussion in the Offering Material, including this Risk Disclosure Statement, of special considerations and/or risk factors does not purport to be either detailed or complete even within its strictly limited scope.

The risks related to Underlying Funds or their Investment Managers referenced below also apply to the GCMLP Fund.

The general categories of risks set forth above and outlined below do not purport to be exhaustive and are not necessarily listed in order of their likelihood or magnitude.

Market Risks

Generally, there is a risk that economic, market conditions, and other factors may materially adversely affect the value of the GCMLP Fund's investments.

Adverse Market Conditions

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 or illiquidity in or market shocks to the markets in which the GCMLP Fund directly or indirectly holds positions could impair the GCMLP Fund's ability to achieve its investment objective and cause the GCMLP Fund to incur losses.

Liquidity restraints imposed by certain Underlying Funds as well as other factors may make it impossible for GCMLP to take any meaningful actions designed to reduce or mitigate risk during periods of market crises or other challenging market environments before the Underlying Funds (and the Fund) have incurred substantial losses. There can be no assurance GCMLP's investment program and risk management process can successfully mitigate or reduce downside risk under any particular market condition (and, in particular, during adverse markets conditions and challenging market environments).

Unexpected market shocks could have a substantial negative impact on the GCMLP Fund's portfolio. For example, the tragic events of September 11, 2001 had an immediate materially adverse effect on the financial markets in general and on the securities markets in particular. In the future, other events—including those involving terrorist attacks, acts of war and/or man-made or natural disasters—can be expected again to have a materially adverse effect on the financial markets in any number of ways, including causing sudden and material changes in volatility and liquidity.

In 2008-2009, a number of credit and other strategies incurred significant losses. In certain cases these losses were the result of severely reduced liquidity in the markets. For example, certain credit index arbitrage trades were unprofitable as certain liquid credit indices rallied while less liquid related credit indices did not. Other strategies incurred major losses resulting from technical selling pressure related to corporate credit instruments and mortgage-backed securities (**MBS**), excessive volatility in the equity markets and unprecedented government intervention in the financial markets in general. Additionally, short selling bans throughout the world adversely impacted hedging approaches and caused contagion impact on several strategies. The U.S. periodically enters into recessions, such as the recession which began in December 2007 and ended in June 2009; a recession could make it more difficult for the GCMLP Fund to achieve its investment objective.

A number of well-known investment funds incurred substantial and uncharacteristic losses in 2008. In addition, numerous funds suspended withdrawals/redemptions and/or otherwise delayed their investors' ability to withdraw/redeem substantial portions of their capital by allocating assets that had become less liquid due to the extreme market conditions to special liquidity vehicles, or by side-pocketing or designating such investments. This reduction in liquidity of certain Underlying Funds caused some fund of funds managers to take similar measures to restrict liquidity.

Conversely, many of the private investment funds that remained liquid in the 2008-2009 period suffered abnormally high—and in some cases total—withdrawals/redemptions due to the fact that other funds had suspended withdrawals/ redemptions so that investors in need of liquidity had no option but to withdraw/redeem capital from those funds that remained liquid.

In the wake of fundamental disruptions, global financial markets experienced significant uncertainty, which led to extensive and unprecedented governmental intervention, the end result of which remains uncertain. See "Regulatory Risks," below.

Under certain market conditions, market participants seem to have a tendency to treat widely disparate financial instruments similarly, and adverse information or negative market sentiment relating primarily to a particular type of instrument appear to negatively affect seemingly unrelated instruments. The same tendency appears also to apply to certain market sectors (e.g., energy markets) and geographic regions.

Recent dramatic increases in the deficits of a number of developed countries, including the U.S., and the deficits of emerging market countries, create the risk of higher inflation, which has not been a factor in the U.S. for a number of years. A number of Investment Managers' strategies can be materially adversely affected by inflation, as can the value of an investment in the GCMLP Fund.

The GCMLP Fund may incur major losses in the event of macroeconomic events such as disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the GCMLP Fund from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the GCMLP Fund. Market disruptions may from time to time cause dramatic losses for the GCMLP Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

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*

- *Due to limited position level transparency and the the Underlying Funds' restrictive withdrawal or redemption provisions, GCMLP's inability to guage and react on a real time basis to specific strategy-related and/or position-level risks associated with positions held by Underlying Funds in which the GCMLP Fund invests*
- *the potential concentration of the GCMLP Fund's capital in a limited number of Underlying Funds, investment strategies, and/or capital markets from time to time and over time*

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 Underlying Funds and actively allocating the 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:

- the GCMLP Fund's strategy of actively allocating the assets of the GCMLP Fund among different Underlying Funds will not result in more volatile performance 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
- GCMLP will not allocate assets to Underlying Funds that are entering into unprofitable cycles and away from those entering profitable cycles

Since the GCMLP Fund often allocates assets to multiple Investment Managers, each of which trades independently of the others, there can be no assurance that using multiple Investment Managers will not effectively result in:

- losses by certain Underlying Funds that offset, or more than offset, any gains (achieved by others. The adverse effect on a GCMLP Fund's performance of certain Underlying Funds' losses offsetting any gains recognized during the same period by other Underlying Funds is exacerbated by the fact that each Investment Manager receives compensation based on such Investment Manager's individual performance, irrespective of a GCMLP Fund's overall performance. Consequently, a GCMLP Fund can pay substantial performance-based 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 gains achieved by a GCMLP Fund's investments in profitable Underlying Funds);
- Underlying Funds managed by different Investment Managers holding economically offsetting positions. If Underlying Funds hold offsetting positions, a GCMLP Fund 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 the GCMLP Fund receives additional capital contributions/subscriptions during periods when certain Underlying Funds are closed (i.e., no longer accepting additional capital from GCMLP Funds and possibly other investors), such additional capital will have to be allocated to Underlying Funds that are then accepting additional capital, even if GCMLP otherwise would have maintained the respective percentage allocations between the open and closed Underlying Funds. Accepting such additional contributions will dilute investors' exposure to closed Underlying Funds, which could be among the most successful Underlying Funds.

GCMLP generally seeks for the GCMLP Fund to receive preferred terms from the Underlying Funds in which the GCMLP Fund invests. GCMLP is not always successful in negotiating such preferred terms and could select Underlying Funds that agree to provide preferred terms over Underlying Funds that offer lesser preferred terms or not at all.

GCMLP's investment approach for the GCMLP Fund is designed to achieve broad diversification across global capital markets (e.g., equities, fixed-income, commodities, non-U.S. currencies and physical commodities, traded in markets worldwide), limiting the 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 the GCMLP Fund's positions (e.g., concurrent declines in the global equity and fixed-income markets), and the GCMLP Fund could suffer substantial losses.

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 the GCMLP Fund might otherwise be the most important in terms of mitigating major losses in the overall portfolio, a number of Underlying Funds may incur material losses at or about the same time, resulting in the GCMLP Fund augmenting rather than mitigating overall portfolio losses.

GCMLP incorporates an element of its own analysis of macroeconomic conditions and economic variables into its determination of the strategies selected and the percentage allocation among such strategies for the GCMLP Fund. GCMLP's inclusion of an element of its own market judgment into its Investment Manager-selection process adds an additional dimension of risk, as GCMLP's economic analysis may be materially incorrect as well as variable and inconsistent over time.

GCMLP may invest GCMLP Fund capital in portfolio hedging strategies—i.e., defensive strategies that seek to mitigate losses in the GCMLP Fund in the event of major market disruptions such as those that occurred in 2008-2009—although there can be no assurance that this such investments will be effective. Disruptions of such magnitude historically have been rare and, as a result, the cost of hedging this risk may be substantial over time. An allocation to portfolio hedging strategies is generally expected to perform poorly in rising market environments and could potentially lose substantial percentages of capital when global capital markets are stable or trending upward. There can be no assurance that the GCMLP Fund will provide tail risk protection or that a tail risk event will occur while the GCMLP Fund makes investments in portfolio hedging strategies.

A substantial number of private investment funds and investment managers liquidated in the wake of the market disruptions of 2008-2009. In addition, many factors continue to exist that may increase the existing barriers to the formation of new investment managers. In the future, the universe of Investment Managers and Underlying Funds available to GCMLP in constructing the GCMLP Fund's portfolio may be materially diminished.

GCMLP manages over $25 billion in hedge fund portfolios. GCMLP often does not consider it economically practicable to make investments of less than approximately $50 million in the aggregate with an Investment Manager for GCMLP Funds. Also, GCMLP may limit its investments with a given Investment Manager as a percentage of such Investment Manager's assets under management. The combination of these parameters may reduce the number of investment managers that GCMLP considers eligible Investment Managers.

GCMLP may from time to time hold the GCMLP Fund's assets in reserve, for example, in cash, in bank demand deposit accounts that may or may not be interest bearing, and/or in high-quality, short-term debt instruments and/or commingled investment products (e.g., money market funds) that invest in such instruments. It is not possible to estimate the extent to which the GCMLP Fund may hold assets in reserve, but the percentage of the GCMLP Fund's assets held in reserve may be relatively high from time to time, perhaps for relatively long periods. Such periods of high investment balances in cash and cash equivalents could have a negative impact on the GCMLP Fund's rate of return. The returns, if any, earned on reserve assets will not meet the GCMLP Fund's return objective.

The non-traditional investment industry is highly competitive. GCMLP, the GCMLP Fund and the Underlying Funds compete with other investment funds, as well as with investment banking firms and other institutional investors, that may have substantially greater financial and other resources, including staff and infrastructure, than those that are available to GCMLP, the GCMLP Fund or such Underlying Funds. These other entities also may have better access to investment opportunities than the GCMLP Fund or the Underlying Funds. There can be no assurance that the GCMLP Fund or any Underlying Fund will be able to compete successfully.

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

Possible Failure of the Investment Strategies, Techniques and Practices Employed by One or More Investment Managers
General
The 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 are not always successful in attempting to generate profits and/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 comparatively low risk strategy will incur sudden and dramatic losses—at a level of severity to which investment funds employing traditional strategies, which may be less dependent on the availability of financing or market liquidity, may not be subject.

Strategy-specific losses may result from any number of factors, including excessive concentration by multiple Investment Managers in the same investment and/or market sector, general market events or conditions that adversely affect particular strategies (e.g., illiquidity within a given market), faulty assumptions or analysis concerning market events or conditions and faulty or incomplete due diligence regarding 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 may invest and trade, and often permit the Investment Managers to invest and trade in an essentially unrestricted range of strategies and securities. As a result, Investment Managers may 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 the GCMLP Fund. GCMLP allocates the 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 the GCMLP Fund's investment objective. GCMLP's allocation of the GCMLP Fund's assets among various Investment Managers depends in part on GCMLP's assessment of the particular investment objective, style, policies and restrictions of each Investment Manager. If, after allocating the GCMLP Fund's assets to a particular Investment Manager, such Investment Manager materially modifies its investment objective, style, policies or restrictions, the GCMLP Fund's portfolio allocations might no longer be consistent with its investment objective.

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, for example, in a particular market sector, geographic region, issuer, specific instrument. Such concentration increases risk.

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 Underlying Funds 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 Fund(s). In addition, to the extent that an Investment Manager uses an affiliated broker-dealer to execute trades for an Underlying Fund, such Investment Manager may have an incentive to increase portfolio turnover in order to provide its affiliated broker-dealer with increased revenues, especially if the Investment Manager is not in a position to earn incentive compensation from such Underlying Fund.

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.

Conversely, prior to the disruptions of 2008-2009, Investment Managers appeared increasingly to be making longer-term special or designated investments for their Underlying Funds. This trend may resume in the case of certain Investment Managers and strategy types. The GCMLP Fund is unable to redeem its indirect interest in such special or designated investments, and must hold such indirect interest until the underlying positions are liquidated by the applicable Underlying Fund. When an investor withdraws/redeems from the GCMLP Fund, such investor may be required to retain a residual indirect interest in the Underlying Funds' special or designated investments or may be bought out of such residual investments at fair value, which may be materially less than the actual value of such residual indirect interest. In the case of leveraged trading strategies, market illiquidity (whether relating to exchange-traded or OTC instruments) creates the additional 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.

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.

The Underlying Funds may invest their assets in investments denominated in a variety of currencies. Such investments are subject to the risk that the value of a particular currency will change in relation to the U.S. dollar. Among the factors that may affect currency exchange rates are trade balances, the level of short-term interest rates, differences in the relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Certain Investment Managers may seek to hedge such risks by investing directly in non-U.S. currencies and/or buying and selling related options, futures and/or forward contracts. Exchange rate hedging strategies—to the extent (if at all) implemented by an Underlying Fund—may not be effective.

Specialized Techniques and Practices

Investment Managers may employ substantial amounts of leverage (e.g., leverage exceeding 5x 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. Certain of these techniques and practices are outlined below.

Use of Leverage

Certain Underlying Funds will from time to time employ (and, in certain cases, routinely employ) leverage for speculative, hedging and cash management 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 may use. Further, the Fund may borrow in accordance with the terms set forth herein.

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 may 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 US Treasury bills can become substantially reduced. This poses a particular risk that leveraged positions held by Underlying Funds may 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 redeem from the more liquid strategies in order to fund their own 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 and/or sub-strategies in which the Fund invests.

Use of Derivatives

Underlying Managers and GCM may use derivative instruments (including, without limitation, futures contracts, options on futures, options on securities, forward contracts, swaps and credit derivatives such as credit default swaps), 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 the 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 Underlying 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 involves 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. Counterparty risk is outlined below under "INSTITUTIONAL RISKS—Counterparty Risk." Basis risk, in this context, is the risk that the price of a derivative may 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 may 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 Underlying 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 US Dodd-Frank Wall Street Reform and Consumer Protection Act (including the regulations promulgated and to be promulgated thereunder, "**Dodd-Frank**"), includes provisions that comprehensively regulate the OTC derivatives markets for the first time. The regulation of the U.S. and non-U.S. derivatives markets has undergone substantial change in recent years. Although the CFTC and SEC released final rules relating to clearing, reporting, recordkeeping and registration requirements under the legislation, many of the provisions of Dodd-Frank Act are subject to further final rule making or phase-in periods, and thus their ultimate impact remains unclear. New regulations could, among other things, restrict an Underlying Fund's ability to engage in derivatives and/or increase the costs of such derivatives.

Dodd-Frank requires that a substantial portion of OTC derivatives must be executed in regulated markets and be submitted for clearing to regulated clearinghouses ("**Central Clearing**"). The CFTC has implemented Central Clearing rules for certain OTC derivatives and the SEC may implement such rules in the future. OTC trades submitted for clearing are subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as margin requirements mandated by the CFTC, SEC and/or federal prudential regulators. Additionally, when trading cleared OTC derivatives, the Underlying Funds will not face a clearinghouse directly but rather will do so through a member of the clearinghouse. Clearing members typically demand the unilateral ability to increase the Underlying Funds' margin requirements for cleared OTC trades beyond any regulatory and clearinghouse minimums. Clearing members 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 addition to Central Clearing requirements, the prudential regulators and CFTC impose, and the SEC during the course of 2021 will impose, margin requirements on non-cleared OTC derivatives, which apply to the holding of customer collateral by OTC derivatives dealers. Regulators in the EU, UK and other jurisdictions have adopted regulatory frameworks with requirements similar to the US requirements. Variation margin requirements are now effective and initial margin requirements are being phased-in through 2022. These requirements may increase the amount of collateral the Underlying Funds are required to provide and the costs associated with providing it.

The CFTC also requires, and the SEC in the future may require, certain derivative transactions that were previously executed on a bi-lateral basis in the OTC markets to be executed through a regulated exchange or execution facility. Such requirements may make it more difficult and costly for investment funds, including the Underlying Funds, to enter into highly tailored or customized transactions. They also may render certain strategies in which the Underlying Funds might otherwise engage impossible or so costly that they will no longer be economical to implement. If a Portfolio decides to execute derivative transactions through such designated contract markets or swap execution facilities—and especially if it decides to become a direct member of one or more of these markets or execution facilities—such Underlying Fund would be subject to the rules of the market or execution facility, which would bring additional risks and liabilities, and potential requirements under applicable regulations and under rules of the relevant market or execution facility.

OTC derivative dealers are required to register with the CFTC and in the future may be required to register with the SEC. Registered swap dealers are also subject to minimum capital and margin requirements, business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory requirements. These requirements further increase the overall costs for OTC derivative dealers, which may be passed along to market participants. Additional regulation of the OTC derivatives markets, whether as a result of expanded CFTC and/or SEC mandated clearing and execution requirements, increased initial margin requirements or overlapping, regulatory requirements imposed by non-US regulators, may make OTC derivatives more costly, may limit the availability of certain derivatives transactions or may otherwise adversely affect the value or performance of certain derivatives.

The CFTC and US futures exchanges (the “**Exchanges**”) impose limits, referred to as “speculative position limits,” on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contract traded on US commodities exchanges. For example, the CFTC currently imposes speculative position limits on a number of agricultural commodities (*e.g.*, corn, oats, wheat, soybeans and cotton) and the Exchanges currently impose speculative position limits on many other futures and options contracts. Unless an exemption applies, the CFTC and the Exchanges’ rules require “aggregation” of positions across multiple accounts for which a person directly or indirectly controls trading or holds a 10% or greater ownership interest, as well as the positions of any other entity that trades pursuant to an express or implied agreement with that person. Aggregation is not done on a *pro rata* basis, meaning that if an Underlying Manager controls or holds a 10% or greater interest in another entity or account, the Underlying Manager and the Underlying Fund will be required to count 100% of that entity’s futures positions in determining its own compliance with speculative position limits. The Underlying Manager or such Underlying Fund could be required to liquidate positions in order to comply with position limits or may not be able to fully implement trading instructions generated by their trading models, in order to comply with position limits. An Underlying Fund may be required to liquidate positions or not take positions because the Underlying Manager has or would have an aggregate position in excess of applicable position limits when calculated across multiple accounts, even if the Underlying Fund itself is not over any position limit. Any such liquidation or limited implementation caused by the application of position limits to the Underlying Fund’s positions could result in substantial costs to the Underlying Fund.

Dodd-Frank significantly expanded 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 October 2020, the CFTC adopted a new position limits rule (“**New Position Limits Rule**”). Among other changes, the New Position Limits Rule: (i) creates higher federal position limits for the nine legacy agricultural contracts, (ii) mandates sixteen (16) non-legacy contracts and associated referenced contracts (including economically equivalent swaps) to become subject to federal position limits and (iii) requires Exchanges to share additional trading data with the CFTC. The requirements of the New Position Limits Rule are subject to additional phase-in periods. As a result of the New Position Limits Rule, the size or duration of positions available to an Underlying Fund may be further limited, such that the Underlying Fund could be required to liquidate positions or constrain the implementation of trading instructions.

All trading accounts owned or managed by an Underlying Manager and its principals are combined for the purposes of applying the speculative position limits established by the CFTC and the Exchanges. With respect to trading in financial instruments subject to position limits, the Underlying Manager may reduce the size of the positions that would otherwise be taken in such financial instruments and may not trade certain financial instruments in order to avoid exceeding such limits. Such modification, if required, could adversely affect the operations and profitability of the Underlying Funds. In the event that an Underlying Manager is required to modify positions as a result of reaching speculative position limits, such liquidation would be done on a *pro rata* basis across all accounts involved (including the applicable Underlying Fund, if applicable).

Combination Transactions

Investment Managers may engage in spreads or other combination options transactions involving the purchase and sale of related options and futures contracts. These transactions are considerably more complex than the purchase or writing of a single option. These transactions involve the risk that simultaneous execution of two or more buy or sell orders at the desired prices may be difficult or impossible, the possibility that a loss could be incurred on both sides of a multiple options transaction, and the possibility of significantly increased risk exposure resulting from the hedge against loss inherent in most spread positions being lost due to the assignment of an exercise to the short leg of a spread while the long leg remains outstanding. Also, the transaction costs of combination options transactions can be especially significant because separate costs are incurred on each component of the combination.

Straddles

In straddle writing, the investor writes both a put and a call on the same underlying instrument at the same exercise price in order to obtain a combined premium on the two writing transactions. In this strategy, the potential risk of loss is unlimited. To the extent the price of the underlying instrument is either above or below the exercise price by more than the combined premium, the writer of a straddle will incur a loss when one of the options is exercised. If the writer is assigned an exercise on one option position in the straddle and fails to close out the other position, subsequent fluctuations in the price of the underlying interest could cause the other option to be exercised as well, causing a loss on both positions.

Forward Trading

Investment Managers may trade deliverable forward contracts and related options, which, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. As a result of Dodd-Frank, the CFTC regulates non-deliverable forwards. Changes in the forwards markets may entail increased costs and result in burdensome reporting requirements. There is currently no limitation on daily price movements of forwards contracts. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. The imposition of credit controls by governmental authorities or the implementation of regulations might limit such forward trading to less than that which the Investment Managers would otherwise recommend, to the possible detriment of the Underlying Funds.

Credit Default Swaps and Other Credit Derivatives

The Underlying Funds may purchase and sell credit derivatives contracts—primarily CDSs—as a means of synthetically making a credit investment (long or short), facilitating relative-value" trades and/or hedging other transactions in their portfolios. The typical CDS contract requires the seller either (i) to pay to the buyer, in the event that a particular reference entity experiences specified credit events, either the difference between the notional amount of the contract and the value of the reference obligation; or (ii) to deliver cash equal to the notional amount of the contract in return for the delivery of an equal face amount of the reference obligation (or other deliverable obligation). In return, the buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. The Underlying Funds also may sell CDSs on a basket of reference entities as part of a synthetic collateralized debt obligation (**CDO**) transaction.

In circumstances in which physical delivery is required and an Underlying Fund does not own the debt securities that are deliverable under a CDS, such Underlying Fund will be exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices.

In certain instances of issuer defaults or restructurings, it has been unclear under the standard industry documentation for CDSs whether or not a "credit event" triggering the seller's payment obligation has occurred. Consequently, in such a situation an Underlying Fund might not be able to realize any, or the full, value of such a CDS upon a default or restructuring by the reference entity.

As a seller of CDSs, an Underlying Fund will incur leveraged exposure to the credit of the reference entity and will be subject to many of the same risks such Underlying Fund would incur if it were holding debt securities issued by such entity. However, an Underlying Fund generally will not have any legal recourse against the reference entity. In addition, the CDS buyer will have broad discretion to select which of the reference entity's debt obligations to deliver to an Underlying Fund following a credit event in circumstances in which physical delivery is required and will likely choose the obligations with the lowest market value in order to maximize the obligations of such Underlying Fund under the CDS.

One of the principles incorporated into some models used in CDS trading is that it is practicable to hedge a long exposure to an issuer's debt by a short position in the issuer's stock. However, in certain recent market situations, the correlation between major issuers' debt and equity price levels has been the opposite of what these models have assumed. There can be no assurance that the models used in the CDS market will, in fact, reflect actual market values. CDS trading led to systemic-threatening losses at a number of major financial institutions during 2008-2009. This trading is being materially curtailed by legislative and regulatory changes in response to these losses, among other factors, perhaps to the material detriment of a number of Investment Managers' strategies.

Short Selling

Investment Managers may sell securities short. In order to sell a security short, the seller must borrow the security from a securities lender and deliver it to the buyer. The seller is then obligated to return the security to the lender upon its demand, although the seller remains free to return the security to the lender at any time prior to the lender's demand. The seller ordinarily fulfills its obligation to return a security previously sold short by acquiring fungible securities in the open market. The seller must also pay to the lender of the security any interest or dividends payable on the security during the borrowing period, and may have to pay a premium to borrow the security, as well as permit the borrower to exercise voting or consent rights attributable to such security (if any). This obligation must, unless the seller then owns or has the right to obtain, without payment, securities identical to those sold short, be collateralized by a deposit of cash or marketable securities with the lender.

A short sale of a security by an Investment Manager ordinarily involves a judgment on its part that, subsequent to the sale, the price of the security will fall over time, resulting in profits equal to the difference between the net proceeds of the sale and the cost of acquiring the security, or a security exchangeable for or convertible into such security, at a later date to fulfill the obligation to return the security to the lender. The principal risk in selling a particular security short is that, contrary to the Investment Manager's expectation, the price of the security will rise, resulting in a loss equal to the difference between the cost of acquiring the security, for return to the lender, plus the cost of the transaction, and the net proceeds of the short sale. This risk of loss can be theoretically unlimited, as in the case of certain securities there is no limit on the price to which the security sold short may rise.

Another risk is that the short seller may be forced to unwind a short sale at a disadvantageous time for any number of reasons. For example, although a short seller may attempt to mitigate losses by replacing the securities sold short before the market price has increased significantly, under adverse market conditions the short seller might have to sell portfolio securities that the short seller otherwise would have retained in order to raise the capital necessary to replace the securities sold short. In addition, a lender may call back a security at a time when the market for such security is illiquid or additional securities are not available to borrow, forcing the short seller to cover the short sale, by repurchasing the underlying security, at a price that results in a significant loss.

From time to time, certain traders may attempt to profit by forcing short sellers to cover their short positions. These traders make large purchases of a security that has been sold short with the objective of driving up the price of such security through their purchases in the expectation that short sellers will seek to limit their losses by buying such security in the open market for return to their lenders, thereby driving the price of such security even higher: a so-called "short squeeze." For example, in January 2021, a short squeeze of the stock of the American video game retailer GameStop and other securities took place, causing major financial consequences and substantial losses for short sellers, including a number of hedge funds and funds of hedge funds. The short squeeze was triggered by users of various social media sites with the apparent intent of driving up the price of GameStop and other securities for reasons unrelated to the underlying fundamentals of the issuers. There can be no assurance that other coordinated and targeted short squeezes such as those that occurred in January 2021 will not happen again in the future.

In certain cases, an Investment Manager that wishes to establish a short position for an Underlying Fund in a particular security may find it difficult if not impossible to do so because of a limited supply of the security available for borrowing. In these cases, the cost to such Underlying Fund to borrow the security may be substantial. Even if the price at which such Underlying Fund ultimately covers its short position is lower than the original sale price, there is no guarantee that the cover price would cover the cost of borrowing the security. If an Underlying Fund is unable to find a security to borrow, its Investment Manager will be compelled to forego a potentially profitable investment opportunity.

Short selling in certain markets, for example, in the Asian securities markets, may be subject to materially more restrictive regulations, or as a practical matter be materially more difficult to do, than it is in U.S. and other developed markets.

In certain cases, Underlying Funds may take short positions in issuers that are or become subject to a takeover or other form of reorganization. The price of such issuers' securities may rise dramatically as the result of such a transaction or anticipated transaction, resulting in substantial losses on such Underlying Funds' short positions.

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 the 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 may 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 the GCMLP Fund or an Underlying Fund to liquidate all or part of its portfolio at disadvantageous prices.

Hedging
Investment Managers may seek to hedge positions as a means of obtaining protection against adverse price movements. The success of an Investment Manager's hedging strategy depends on its ability correctly to assess the degree of correlation between the performance of the positions being hedged and the performance of the instruments used to hedge such positions. Since the characteristics of many investments change as markets change or time passes, the success of an Investment Manager's hedging strategy also depends on such Investment Manager's ability to recalculate, readjust and execute hedges in an efficient and timely manner. There can be no assurance that Investment Managers that employ hedging strategies will employ them successfully. The use of hedging strategies can be expected to result, during profitable periods for the positions being hedged, in lower profits than would have been achieved had such strategies not been used. At the same time, these strategies provide no assurance of mitigating losses when the market moves against the supposedly hedged positions.

Hedged positions held by an Underlying Fund that are, as a whole, significantly profitable, may nevertheless result in material losses to such Underlying Fund due to timing differences between the cash flows on such hedges and on the offsetting "legs" of the position. For example, a combination of long forward MBS positions versus a short U.S. Treasury futures hedge may show an overall positive rate of return, but because the gains on the MBS side of the position do not generate cash flow until the MBS are sold, an Underlying Fund could be forced to close out the position prematurely due to the need to pay variation margin on the U.S. Treasury futures hedge, which requires daily settlement. From time to time, certain Underlying Funds have incurred major losses due to the differential cash flows on what otherwise would have been profitable offsetting positions.

An Investment Manager may choose to hedge only part of a portfolio and only for a limited period of time. Furthermore, there are a number of material risks—for example, inflation—against which no direct hedge may be available.

The Underlying Funds bear the cost of acquiring the hedging positions, including brokerage and related transaction charges. As hedging involves costs, and Investment Managers may determine that it is economically unattractive to hedge a number of risks. At times, an Investment Manager may determine, incorrectly, that such costs outweigh the benefits of obtaining the hedge, and, accordingly, not hedge an Underlying Fund's positions, which may result in such Underlying Fund incurring losses relating to a position that otherwise could have been hedged in a cost-effective manner.

Furthermore, to the extent that any hedging strategy involves the use of OTC derivatives transactions, such a strategy would be affected by implementation of the various regulations adopted pursuant to Dodd-Frank.

Differential Cash Flows on Related Positions
Certain of the Underlying Funds' strategies may involve taking positions that combine assets that are not margined on a marked-to-market basis and related or hedging positions on the same or similar assets but which are marked-to-market. Due to the cash flow imbalances between such positions, in extreme market scenarios an Underlying Fund may be forced to close out such positions, perhaps at disadvantageous prices.

Directional Long/Short Strategies
Directional long/short strategies can involve all of the risks and uncertainty of attempting to evaluate future price movements on both issuer-specific and market-wide levels. Directional debt positions, for example, can be both highly volatile and highly vulnerable to credit events at the issuer as well as to interest-rate changes in the market in general. Predicting future prices is inherently uncertain, and the losses incurred by long/short strategies, if the market moves against a position, often will not be hedged. The risk involved in attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict changes in the price differentials between related positions.

Event-Driven Investing
Event-driven investing is characterized by relatively small profits if a particular event is consummated as expected and relatively large losses if such event is not consummated as expected, because either the anticipated event does not happen or the terms are adversely changed. Successful event-driven investing requires Investment Managers to analyze and evaluate the unique set of facts and circumstances of each event and to make judgments on the: (i) expected price to be realized; (ii) time to completion; (iii) probability of success; and (iv) loss if the investment goes wrong. There can be no assurance that Investment Managers will correctly evaluate these factors.

Relative-Value Hedging Strategies
The use by certain Investment Managers of relative-value hedging or arbitrage strategies does not necessarily mean that those strategies are without risk or substantial cost. Substantial losses may be recognized on hedge or arbitrage positions, and illiquidity and default on one side of a relative-value position can effectively result in the position being transformed into an outright speculation. Relative-value strategies typically are dependent on market liquidity. In 1994, 1998 and again in 2008-2009 when market liquidity was sharply reduced, a number of investment funds pursuing relative-value strategies incurred total losses.

Every relative-value strategy involves exposure to certain second order risks of the relevant market, such as the implied volatility in convertible bonds or warrants, the yield spread between similar-term government bonds or the price spread between different classes of stock of the same issuer. Among the risks of relative-value transactions are that two or more buy or sell orders may not be able to be executed simultaneously at the desired prices, resulting in a loss being incurred on both sides of the transaction. Also, the transaction costs of relative-value transactions can be especially significant as such costs are incurred on each component of the transaction. Consequently, a substantial favorable price movement may be required before a profit can be realized.

Because of the relatively small intrinsic profits in hedge or arbitrage positions, certain Investment Managers may acquire highly leveraged hedge or arbitrage positions in an effort to meet such Investment Managers' rate of return objectives. Consequently, if the GCMLP Fund invests with such Investment Managers, it will be subject to major losses in the event that market disruptions reduce the availability of the financing needed to sustain or eliminate the hedged nature of such positions. Because of the high degree of leverage that they use, relative-value strategies are particularly susceptible to credit squeezes and margin calls.

Even if a relative-value strategy correctly identifies a mispricing, the ability of the strategy to capture such mispricing depends on an Underlying Fund's ability to maintain the relative-value position until the market returns to fair value. An Underlying Fund may not be able to do so for a number of reasons, including financing costs, stop-loss limits, different margin requirements in the case of inter-market positions and market disruptions, among others, and may, accordingly, incur substantial losses on a position which otherwise would have been profitable.

Use of Models
A number of Investment Managers employ strategies whose success depends on the validity of various models, certain of which may be used under license from third-parties while others may be developed internally. Models typically incorporate assumptions derived from past market data. Any one or all of these assumptions, whether or not supported by experience, could prove over time to be incorrect. For example, models may postulate, or their empirical efficacy may depend on, assumptions regarding the existence of relationships that appear to hold true, or in fact held true in the past, but that may not exist in the future or may not hold true in certain market conditions. The back-testing of certain models may be incomplete or impractical and may depend on the cooperation of third-parties with which the relevant Investment Manager has no contractual relationships. Inputs into various models may be composed of or derived from facts, the accuracy of which has not been independently verified by GCMLP, any Investment Manager or any third-party. In developing markets, material factors may not be incorporated into models for some time, or may be incorporated inaccurately. This has happened a number of times in the past, resulting in substantial losses for large groups of market participants that had determined, using models that later proved incorrect, that their positions had minimal risk.

In general, under a variety of conditions the pricing indicated by models may differ substantially from the reality of the markets, resulting in major losses. See also Trend-Following, below.

Investment Managers often use models not only for determining strategies, but also for valuing positions for which there is no readily determinable market value. The values determined by such models may differ materially from actual or realizable values. Many of the models used for valuation purposes by Investment Managers are internally developed, and the Investment Managers have an incentive to develop models that overprice their Underlying Funds' assets.

Fundamental Strategies

Fundamental analysis—which posits that markets are imperfect and that mispricings can be identified between prevailing market prices and those indicated by underlying fundamental data—is subject to the risk of inaccurate or incomplete market and economic information, as well as the difficulty of predicting prices based on such information. Furthermore, even if an analyst is able successfully to identify mispricings based on fundamental factors, there is the additional uncertainty of predicting the duration of such mispricings and, accordingly, when or whether it will be profitable to invest in a manner that would profit from the market's correction of such mispricings. Fundamental analysis is subject to significant losses when market sentiment leads to assets' market prices differing materially from the level indicated by fundamental analysis, as in the case of "flights to quality" when the demand for assets other than U.S. government securities diminishes to a degree significantly in excess of that indicated by the fundamental differences between U.S. government and other securities, or when technical factors, such as price momentum or option expirations, are the dominant forces determining assets' market prices.

Technical Strategies

While the trading strategies utilized by most Underlying Funds are expected to be primarily fundamental, certain Underlying Funds also may employ technical factors (i.e., the analysis of historical and current market data). Technical strategies are subject to the risk that unexpected fundamental, economic or other factors may dominate the market during certain periods. Furthermore, a frequent premise of technical strategies is that past market conditions are indicative of future market prices. The influx of different market participants, structural changes in the markets, for example, the "penny pricing" of options and the implementation of the SEC's Regulation NMS, the introduction of new financial products and other developments could materially adversely affect the profitability of technical strategies, diminishing the relevance of the past to future market behavior.

Quantitative Strategies

An investment in a Underlying Fund focused on quantitative strategies is subject to strategy risks in addition to those that apply to investing in all GCMLP Funds (see the above disclosures), including, but not limited to: (i) underperformance as a result of crowded signals and/or positions driving broad industry deleveraging; (ii) the trading decisions of the strategy depend on the accuracy of various statistical models, including forecast models, risk models, cost models and beta models created by the Investment Managers of Underlying Funds; the profitability of the strategy depends on the accuracy of Investment Managers' underlying forecast and cost models; the risk control of the strategy relies on the accuracy of Investment Managers' risk models; and the market exposure of the Underlying Funds relies on the accuracy of Investment Managers' beta models. No assurance can be given as to the models' accuracy, and flaws in these models could prevent an Underlying Fund from achieving its investment objectives; and (iii) large volume of daily trades using algorithms may heighten the potential for material trading errors as compared to other investment strategies that do not systematically execute trades.

Trend-Following

Investment Managers may employ strategies that utilize charts and computers in an effort to discern and predict market price trends. Trading based on such analysis is subject to the risks that price trends will not, in fact, develop as predicted by the analysis, or that trades signaled by the analysis may not be executed in time to take advantage of such price trends. This latter risk is exacerbated by numerous market participants using similar trend-following methods, all of which trigger substantially identical trading signals at or about the same time, making it impossible or economically infeasible to acquire the positions indicated by the strategy in an effort to capitalize on a predicted price trend. Any factor that would make it more difficult to execute trades in accordance with the signals generated by trend-following models or analysis, such as a significant reduction in the liquidity in a particular market, would also be detrimental to profitability.

Trend-following strategies often incur major losses in stagnant markets without discernible price trends as well as in whipsaw markets in which apparent trends develop and then rapidly reverse. In the past, there have been periods without identifiable trends and, presumably, such periods will recur.

Cash Management Strategies

Certain cash management strategies, intended to be non risk-bearing, utilize securities having a slightly higher yield and slightly higher risk than U.S. Treasury Bills, which are often perceived in the market as "riskless financial instruments." As events in the financial markets in 2008-2009 demonstrated, there can be periods in which there is virtually no demand for any debt instrument other than U.S. Treasury bills. During such periods, cash management strategies, generally used by the Underlying Funds as incidental strategies to yield enhance reserve cash, may suffer losses of principal as the instruments purchased by them can be sold only at a discount to par due to the market's rejection of any credit risk in excess of that associated with U.S. Treasury Bills.

Certain Strategies Precluded Due to Tax Considerations

There are a number of potentially profitable strategies in which non-U.S. Underlying Funds may not participate due to adverse tax consequences. Such Underlying Funds may choose not to, for example, invest in U.S. real estate due to the severely adverse tax consequences of doing so, while a U.S. investor may be able to make certain of such investments directly, or through a U.S. domiciled fund, without any adverse tax consequences.

Securities Lending

An Underlying Fund may, in order to generate additional income, lend its securities to broker-dealers and other institutional borrowers for use in such borrowers' short sale, arbitrage or other securities transactions. Securities lending entails all the risks generally associated with other extensions of credit. Among these are the risk that the Underlying Fund that engages in this activity will lose its rights to the collateral posted by the borrower if the borrower fails financially, and the risk that the borrower will default on the lending agreement in circumstances in which the collateral provided to the Underlying Fund as security is insufficient to offset the loss that such Underlying Fund sustains because of such default. In addition, an Underlying Fund could sustain a material loss if it incurs losses on investments made with cash collateral posted by a borrower, and the borrower subsequently returns the borrowed security, thereby obligating the Underlying Fund to return the posted collateral (even though the Underlying Fund lost all or a portion of such collateral through its investment program).

Energy Trading

Certain Investment Managers engage in energy market trading. Energy market trading involves certain risks that are qualitatively different from those incurred in trading securities and other financial instruments as the energy markets are susceptible to significant short-term price volatility because of a variety of factors, which have significantly less direct impact on the pricing of most financial instruments. The energy markets are also characterized by a lack of effective hedges and may experience severe disruptions due to natural disasters and the typically unsettled political situation in certain large, energy-producing countries, such as those in the Middle East, Russia and Venezuela.

Hybrid and Other Strategies

Many of the strategies executed by the Investment Managers combine elements of more than one of the foregoing general strategy types or may represent a completely different strategy type. Often, in the course of implementing a particular strategy an opportunistic trade—representing a different trading approach—will be made.

The Investment Managers combine a range of different trading techniques, implementing different strategies in different markets and combining different strategies in the same or related markets.

Developing Strategies

A number of alternative investment strategies and markets are relatively new and rapidly evolving and can be expected to change materially over time. There can be no assurance that certain financial markets will not evolve in a manner adverse to the particular investment strategies employed by certain Investment Managers.

Risks Associated with Particular Financial Instruments and Markets

Financial Futures Trading

Investment Managers may trade futures contracts and related options on financial instruments. Financial futures markets are volatile and are influenced by factors, such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits typically required in financial futures trading, a high degree of leverage is typical of a financial futures trading account. Consequently, a relatively small price movement in a futures contract may result in substantial losses to an Underlying Fund. Financial futures trading may be illiquid because certain futures exchanges do not permit trading in a particular type of futures contract beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, which conditions have in the past sometimes lasted for several days in certain contracts, the Underlying Funds could be prevented from promptly liquidating unfavorable positions, subjecting them to substantial losses.

In entering into futures contracts and options on futures contracts, there is a risk that a counterparty will not be able to meet its obligations to an Underlying Fund. The counterparty for futures contracts and options on futures contracts traded in the U.S. and on most foreign futures exchanges is the clearinghouse associated with such exchange. In general, clearinghouses are backed by the corporate members of the clearinghouse that are required to share any financial burden resulting from the non-performance by one of its members and, as such, should significantly reduce this credit risk. In cases where the clearinghouse is not backed by the clearing members (i.e., some foreign exchanges), it is normally backed by a consortium of banks or other financial institutions. There can be no assurance that any counterparty, clearing member or clearinghouse will be able to meet its obligations to one or more Underlying Funds.

The futures brokers with which the Underlying Funds engage in futures and options contract trading may not be required to segregate customer funds from their own assets and, even if required to do so, may not do so adequately. In addition, larger customer deficits could lead to under-segregation of customer assets. The Underlying Funds will be subject to the risk of loss, even of assets specifically identifiable to such Underlying Funds, in the event of the bankruptcy of any of such futures commission merchants. Even where customers' funds are properly segregated, the Underlying Funds might be able to recover only a pro rata share of the customer assets on deposit with a bankrupt futures commission merchant.

Options Trading

An Investment Manager may purchase and sell put and call options on debt and equity securities, indices (both narrow- and broad-based) and currencies on behalf of an Underlying Fund. A put option on securities or currencies gives the purchaser of the option, upon payment of a premium, the right to deliver a specified amount of the securities or currencies to the writer of the option on or before a fixed date at a predetermined price. A put option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index drops below a predetermined level on or before a fixed date. A call option on securities or currencies gives the purchaser of the option, upon payment of a premium, the right to call upon the writer to deliver a specified amount of the securities or currencies on or before a fixed date at a predetermined price. A call option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index rises above a predetermined level on or before a fixed date.

For the purchase of an option to be profitable, the market price of the option must increase sufficiently to cover the premium and transaction costs paid by the purchaser. If an option purchased is not sold or exercised when it has remaining value, or if at expiration the market price of the underlying security remains equal to or greater than the exercise price (in the case of a put) or remains equal to or below the exercise price (in the case of a call), the Underlying Fund will lose its entire investment in the option, that is, the premium paid upon purchase.

The seller (writer) of a covered call option (i.e., the writer has a long position in the underlying security) may hedge its long position in the underlying security by earning premium upon the sale of the option. In exchange for the premium, however, the seller assumes the risk of a decline in the market price of the underlying security to a level below the exercise price of the security, to the extent such decline exceeds the premium, and bargains away the opportunity for gain on the underlying security to the extent the market price of the security, less the premium received by the seller, exceeds the exercise price of the option, to the extent such gain exceeds the premium. Thus, in certain circumstances, a seller of a covered call option will receive less total return, and in other circumstances greater total return, from its hedged long position in the underlying security than it would have received from an unhedged long position in such security.

The seller (writer) of a covered put option (e.g., the writer has a short position in the underlying security) may hedge its short position in the underlying security by earning premium upon the sale of the option. In exchange for the premium, however, the seller assumes the risk of an increase in the market price of the underlying security to a level above the exercise price in establishing the underlying short position, to the extent such increase exceeds the premium, and bargains away the opportunity for gain on the underlying security below the exercise price in establishing the underlying short position, to the extent such gain exceeds the premium.

Even if the price of the underlying security never approaches the exercise price, the writer of an option can incur substantial losses if the value of the option sold increases due to increased market volatility. Volatility is an integral component of option pricing but is not necessarily integral to the pricing of the underlying security. If the volatility in the market for the asset underlying the options held or sold by an Underlying Fund changes materially, the Underlying Fund could incur substantial losses even if the options in question would have generated substantial profits if the current price levels had been in effect at expiration.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options generally are established through negotiation with the other party to the option contract. While this type of arrangement allows an Underlying Fund greater flexibility to tailor an option to its needs, OTC options generally involve greater credit risk than exchange-traded options, whose settlement is guaranteed by the clearing organization of the exchanges where they are traded. In addition, dealers are under no obligation to make markets in the OTC options they sell, which may make it economically impossible to close out an option position against which the market is moving.

The options markets have the authority to prohibit the exercise of particular options, which, if imposed when trading in an option has also been halted, would lock holders and writers of such option into their positions until one of the two restrictions has been lifted.

Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary market risks.

Fixed-Income Securities

Investment Managers may invest in bonds or other fixed-income securities, including instruments such as collateralized mortgage obligations and stripped MBS. Fixed-income securities are subject to the risk of an issuer's inability to meet principal and interest payments in a timely manner (credit risk) as well as to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). With bonds and other fixed-income securities, a rise in interest rates typically causes a fall, while a fall in interest rates typically causes an increase, in the value of outstanding securities. Bonds and other fixed-income securities generally involve less market risk than stocks, but the bonds of certain companies may be riskier than the stocks of others. The risk of bonds can vary significantly depending upon factors such as the financial condition of the issuer and the length of time to the maturity of the bond.

Investment-Grade and Un- or Lower-Rated Securities

Certain Underlying Funds may make substantial allocations to long and short positions in both investment-grade and lower-rated securities, sometimes referred to as high-yield or junk bonds. Analysis of the creditworthiness of lower-rated debt is complex. Lower-rated securities are often more susceptible to real or perceived adverse economic and industry conditions than higher-rated debt, and adverse publicity and investor perceptions, whether or not well founded, may have an inordinate effect on the value and liquidity of lower-rated debt, especially given the typically thinly-traded market in such securities.

The lower-rated and unrated securities in which certain Underlying Funds may invest are subject to significant economic uncertainties and have major risk exposure to adverse economic and/or issuer specific conditions. Such securities are considered to be predominantly speculative. Such securities generally offer a greater return potential than higher-rated securities but are also subject to greater price volatility, or total loss, and risk of loss of both income and principal.

Underlying Funds that pursue credit-related investment strategies may incur material additional expenses if they are required to seek recovery upon a default in the payment of principal or interest on their portfolio holdings.

Certain Underlying Funds may invest in preferred stock, which may have characteristics of both debt and equity. Not only may dividend payments to preferred stockholders be suspended or cancelled if the issuer experiences liquidity difficulties, but also the liquidation preference of preferred stock is generally subordinate to the debt obligations of the issuer. Consequently, investment in preferred stock carries significant risk of loss of principal that is greater risk than in the case of lower-rated debt securities.

Limited Value of Credit Ratings
One widely used measure of credit risk is credit ratings. In general, the rating assigned to a particular security by a nationally recognized statistical rating organization represents the opinion of such agency as to the credit quality of such security. Such ratings, however, are both relative and subjective; moreover, rating agencies only evaluate credit risk with respect to the timely payment of principal and interest. Such ratings are not absolute standards of quality, nor do they evaluate the market value risk of the securities rated.

A rating agency might not change its rating of a particular security timely to reflect events that take place after such security's initial rating is assigned. With respect to asset-backed securities (**ABS**), ratings are based on the historical payment experience on the underlying assets, and although they may include some "cushion" to absorb changes in payment experience, they do not represent any assessment of the likelihood that future payment experience will differ from prepayment assumptions or previously experienced historical payment rates. Such ratings do not address the possibility that payment and prepayment rates might be materially higher or lower than previously experienced, causing a lower than anticipated yield. The financial market crisis of 2008-2009 demonstrated that the ratings of certain securities may be materially incorrect.

Ratings may be used by the Investment Managers to determine the universe of securities that can be analyzed for potential investment, and inaccuracies in such ratings may incorrectly limit the securities that an Investment Manager considers for investment with materially adverse consequences to such Investment Manager's strategy.

Many of an Underlying Fund's debt and preferred equity holdings may not be rated by any rating agency. If so, such Underlying Fund will not have the benefit of a rating agency's analysis and will be dependent upon the judgment of the Investment Manager as to the credit quality of such securities.

Distressed Investing
Investment Managers may invest, long or short, in the securities of companies involved in bankruptcy proceedings, reorganizations and financial restructurings, and may take an active role in the affairs of these issuers. This may subject the affected Underlying Funds to heightened litigation risks and/or prevent such Underlying Funds from disposing of such securities due to an Investment Manager's receipt of material non-public information. See Risks Associated with the Issuers of Securities Held by Underlying Funds—Material Non-Public Information Regarding Specific Companies, below.

In certain cases, Underlying Funds may make passive investments in distressed securities while other investors seek to acquire securities of the same issuer for purposes of exercising control over the management or reorganization of the issuer. Such Underlying Funds may be at a disadvantage to the extent their interests differ from those of the control investors.

An Underlying Fund could lose all or a substantial portion of its investment in distressed companies. One of the risks of investing in distressed entities is the difficulty of obtaining reliable information as to the true condition of such entities. Distressed company investments also may be adversely affected by state and federal laws relating to fraudulent conveyances, voidable preferences, lender liability and a court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such investments are subject to sudden and erratic changes as well as price volatility, and the spread between the bid and ask prices of such investments is often greater than in the case of many other securities.

In a bankruptcy or other proceeding, Underlying Funds may be unable to enforce their rights to collateral and/or may have their security interests in collateral challenged, disallowed or subordinated to the claims of other creditors. It is not possible to predict the outcome of any bankruptcy proceeding or restructuring, and any such outcome may be delayed for a number of years.

Concerns regarding a downgrade of the U.S. Credit Rating

In August 2011, Standard & Poor's lowered its long term sovereign credit rating on the United States of American from AAA to AA+. While U.S. lawmakers reached agreement to raise the deferral debt ceiling in August 2011, the downgrade reflected Standard & Poor's view that the fiscal consolidation plan within that agreement fell short of what would be necessary to stabilize the U.S. government's medium term debt dynamics. Because of the unprecedented nature of negative credit rating actions with respect to U.S. government obligations, the impact of any subsequent downgrades on global markets, liquidity and financial conditions are unpredictable and may not be readily apparent.

Possible Positive Correlation with Stocks and Bonds

One of the goals of incorporating non-traditional investment strategies such as those utilized by the GCMLP Fund is to provide a potentially valuable element of diversification within an investor's portfolio. However, there can be no assurance, particularly during periods of market disruption and stress, when the risk control benefits of diversification may be most important, that non-traditional investment strategies or the GCMLP Fund will, in fact, be negatively or non-correlated with a traditional portfolio of stocks and bonds.

Bank Loans and Participations

Investment Managers may invest in fixed- and floating-rate bank loans and participations. The special risks associated with these obligations include: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) environmental liabilities that may arise with respect to the collateral securing the obligations; (iii) adverse consequences resulting from participating in such loans with other institutions which may default on their obligation to provide additional funding under such loans; and (iv) limitations on the ability of the investor in a participation directly to enforce the lender's rights under such loans.

A number of judicial decisions in the U.S. have upheld the right of borrowers to sue lending institutions based on various evolving legal theories (collectively termed **lender liability**). Generally, lender liability is founded upon the premise that an institutional lender has violated its duty, whether implied or contractual, of good faith and fair dealing owed to a borrower or has assumed a degree of control over the borrower resulting in the lender assuming a fiduciary duty to the borrower and/or its other creditors or shareholders. Underlying Funds that invest in bank loans could be subject to allegations of lender liability.

The participation of hedge funds in the loan markets is a relatively new development, and it is uncertain how successful hedge fund strategies—involving theoretical pricing models, hedging through supposedly similar (but not identical) asset classes and leverage, among other factors—will be in trading in these markets. While banks have participated in these markets for years as a means of laying off the risk of their debt portfolios, speculation in these markets is a much more recent development. There may be structural impediments to such trading that have not yet been fully recognized that could result in substantial losses to Underlying Funds.

Fraudulent Conveyance Considerations

Various creditor-protection laws, which differ materially from jurisdiction to jurisdiction, provide for the potential invalidation or subordination of certain debt obligations, which an Underlying Fund may acquire. For example, if a court were to find that a borrower did not receive fair consideration or reasonably equivalent value for incurring the indebtedness evidenced by an investment and/or granting any security interest or other lien securing such investment, and, after giving effect to such indebtedness, the borrower: (i) was insolvent; (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate such indebtedness and such security interest or other lien as fraudulent conveyances, subordinate such indebtedness to existing or future creditors of the borrower and/or recover amounts previously paid on such investment by the borrower, including to an Underlying Fund.

If an issuer in which an Underlying Fund has an investment becomes insolvent, any payment made on such investment may be subject to avoidance as a “preference” if made within a certain period of time, which may be as long as one year, before insolvency.

In general, if payments on an investment are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from Underlying Funds, the resulting loss will be borne by the investors in such Underlying Funds, including the GCMLP Fund.

Asset-Backed Securities

The Underlying Funds may invest in various types of ABS. These securities may be in the form of pass-through instruments or asset-backed obligations. These securities, as opposed to residential mortgage-backed securities (**RMBS**) and commercial mortgage-backed securities (**CMBS**) (see below), typically carry no direct or indirect government guarantee. ABS historically have been both designed and rated based on statistical analysis of prior payment experience. The significant losses incurred in mortgage securitization markets in 2008-2009 indicate that such analysis may, in certain cases, be materially inaccurate. The ability of obligors to make payments under the loans underlying certain types of ABS is dependent, among other things, on the availability of jobs and general macro and micro economic conditions. Investments in ABS are likely to be adversely affected by loan defaults and subsequent foreclosure sales, if underlying asset values should decline such that the outstanding balances of the loans, and any secondary financing on the assets, equal or exceed the value of such assets.

Holders of ABS bear various risks, including credit risks, liquidity risks, interest-rate risks, market risks, operational risks, structural risks and legal risks. Credit risk is a particularly important issue with ABS because of the significant credit risks relating to the numerous individual obligors on the underlying collateral and because issuers are primarily shell entities, the only asset of which is such collateral. Consequently, ABS credit risk essentially reflects the credit risk of a pool of anonymous individual borrowers.

The structure of ABS and the terms of the investors’ interest in the collateral vary widely depending on the type of collateral, market demand and the use of credit enhancements. Although the basic elements of all ABS are similar, individual transactions differ markedly in both structure and execution. Important determinants of the risks associated with issuing or holding ABS include the process by which principal and interest payments are allocated and distributed to investors, how credit losses affect the issuing vehicle and the return to investors in the ABS issued by such vehicle, whether the collateral represents a fixed set of specific assets or accounts, whether the collateral consists of revolving or closed-end obligations, under what terms, including the maturity of the ABS itself, any remaining balance in the accounts may revert to the issuing vehicle and the extent to which the entity that is the actual source of the collateral assets is obligated to provide support to the issuing vehicle or to the investors in such ABS.

The Underlying Funds may invest significant amounts of capital in ABS that are subordinate in right of payment and rank junior to other securities that are secured by or represent an ownership interest in the same pool of assets. Many ABS have structural features that divert payments of interest and/or principal to more senior classes when the delinquency or loss experience of the pool exceeds certain levels. Subordinated securities, by definition, have a higher risk of loss than senior instruments due to delinquencies or losses on the underlying assets.

ABS generally are subject to prepayment risks. The rate at which prepayments, including voluntary prepayments by the obligors and liquidations due to default and foreclosures, occur on loans underlying ABS is affected by a variety of factors including, without limitation, the current level of interest rates and economic, demographic, tax, social, legal and other factors. To the extent that prepayment rates are different than anticipated, the average yield of investments in ABS may be adversely affected. The interest rate sensitivity of any particular ABS is dependent upon the allocations of the cash flow from the underlying assets to the various ABS collateralized by such assets. Slower than anticipated prepayment rates may result in lower yield, particularly on reinvestment, and/or a longer duration on ABS than expected, adversely affecting the expected rate of return and market value. Certain types of ABS contain highly complex interest rate and cash flow provisions and may be highly volatile with respect to yield and total return to maturity and with respect to market value.

The value of ABS can depend on the ability of their servicers to service the underlying collateral and is, therefore, subject to risks associated with servicers' performance. In certain circumstances—as has recently been evident in the U.S. residential mortgage markets—the mishandling of documentation related to the underlying collateral by a servicer or originator (e.g., failure to properly document a security interest in the underlying collateral) may affect the rights of the security holders in and to the underlying collateral. In addition, the insolvency of entities that generate receivables or that utilize the underlying assets may result in costs and delays that are in addition to the losses associated with a decline in the value of the underlying assets.

Residential and Commercial Mortgage-Backed Securities
Investing in RMBS and CMBS involves the risks typically associated with investing in traditional fixed-income securities, including interest rate and credit risk, as well as the risk of principal prepayment and exposure to real estate. The risks of investing in such instruments reflect the risks of the underlying obligors, as well as of the real estate that secures the instruments. The rate of prepayments on underlying mortgages affects the price and volatility of MBS, and may have the effect of shortening or extending the effective maturity of such securities. Different types of MBS are subject to varying degrees of prepayment risk. RMBS generally provide for prepayment of principal at any time due to, among other reasons, prepayments on the underlying mortgage loans. Due to prepayments, an Underlying Fund may be required to reinvest assets at an inopportune time, resulting in lower returns.

Difficulty in the U.S. Residential Mortgage Market
Starting in 2007 and continuing for several years, the residential mortgage market in the U.S. experienced a variety of difficulties and changing economic conditions that materially and adversely affected the performance and market value of many Underlying Funds' investments. Housing prices and appraisal values in many states declined or stopped appreciating, after extended periods of significant appreciation. The protracted decline or extended flattening of those values resulted in unprecedented increases in delinquencies and losses on residential mortgage loans generally and in particular with respect to subprime residential mortgage loans, second homes and investment properties whose aggregate loan amounts, including any subordinate liens, were close to or greater than the related property values. There can be no assurance that residential mortgage markets will not experience similar difficulties in the coming years.

CMBS
CMBS are subject to particular risks, including lack of standardized terms, shorter maturities than residential mortgage loans and payment of all or substantially all of the principal only at maturity rather than regular amortization of principal. Commercial property values and net operating income are volatile, which may result in net operating income becoming insufficient to cover debt service on the related mortgage loan. The repayment of loans secured by income-producing properties typically is dependent upon the successful operation of the related real estate project rather than upon liquidation value of the underlying real estate.

Subordinated Securities
If the Underlying Funds purchase MBS that are subordinated to other interests in the same mortgage pool, the Underlying Funds, as holders of those securities, will only receive payments after the pool's obligations to other investors have been satisfied. An unexpectedly high rate of default on the mortgages held by a mortgage pool may substantially limit the pool's ability to make payments of principal or interest to the Underlying Funds as a holder of such subordinated securities, reducing the values of those securities or in some cases rendering them worthless; the risk of such defaults is generally higher in the case of mortgage pools that include subprime mortgages. An unexpectedly high or low rate of prepayments on a pool's underlying mortgages may have a similar effect on subordinated securities. A mortgage pool may issue securities subject to various levels of subordination; the risk of non-payment affects securities at each level, although the risk is greater in the case of more deeply subordinated securities.

Servicer Risk
MBS may provide that the servicer is required to make advances in respect of delinquent mortgage loans. However, servicers experiencing financial difficulties may not be able to perform these obligations. Under the bankruptcy laws, servicers who have sought bankruptcy protection may not be required to advance such amounts. Even if a servicer were able to advance such amounts, its obligation to make such advances may be limited to the extent that it does not expect to

recover such advances due to the deteriorating credit of the delinquent mortgage loans. In addition, a servicer's obligation to make such advances may be limited to the amount of its servicing fees. Under certain circumstances, including a failure to perform its servicing obligations or the bankruptcy of the servicer, investors will be entitled to remove and replace the existing servicer. There is no guarantee, however, that a suitable replacement servicer could be found; and the transition of servicing responsibilities to a replacement servicer could have an adverse effect on performance of servicing functions during or following the transition period, resulting in an increase in delinquencies and losses and decreases in recoveries.

Recharacterization in Bankruptcy
Transfers of mortgage loans by the originator or seller of MBS to the collateral trust, which supports such MBS, will be characterized in the applicable sale agreement as a sale transaction. Nevertheless, in the event of a bankruptcy of the originator or seller, the trustee in bankruptcy could attempt to recharacterize the sale of the mortgage loans as a borrowing secured by a pledge of the mortgage loans. If such attempt were successful, the trustee in bankruptcy could prevent the trustee for the MBS from exercising any of the rights of the owner of the mortgage loans and could elect to liquidate the mortgage loans. Investors may suffer a loss to the extent that the proceeds of the liquidation of the underlying mortgage loans would not be sufficient to pay amounts owed in respect of their investments. If this should occur, investors would lose the right to future payments of interest and may fail to recover their initial investment. Regardless of whether a trustee elects to foreclose on the underlying mortgage loan pool, delays in payments on their investments and possible reductions in the amount of these payments could occur. These adverse changes may materially reduce the cash flow that an Underlying Fund receives from its MBS.

Weighted Average Coupon Cap Feature
Certain MBS are structured to limit the interest payable to investors based upon a weighted average coupon cap. Such MBS include in their underlying mortgage pool loans that bear interest at varying rates. Because mortgage loans bearing interest at a higher rate will have a greater tendency to default than those with lower mortgage rates, such defaults will tend to reduce the weighted average coupon of the underlying mortgage loans and, accordingly, the interest rate payable to investors in the related MBS. In addition, delinquencies, defaults and lower recoveries on underlying mortgage loans will reduce the interest and principal actually paid to investors to less than the amounts owed to investors in accordance with the original terms of these MBS. Such MBS may not be structured with significant or any overcollateralization, so that their performance will be highly sensitive to delays or reductions in payments, particularly in the case of subordinated tranches of such MBS. To the extent that such MBS provide for write downs of principal, interest will cease to accrue on the portion of principal that has been written down.

Volatility in the MBS Market
The default rate and price volatility of MBS has, in the past, increased due to delinquencies, losses, lower recoveries on underlying mortgage pools and other factors. Future disruptions in the mortgage market could result in increased default rates and price volatility of MBS, which in turn may materially and adversely affect the value of an Underlying Fund's MBS assets, to an extent disproportionate to the actual payment experience on the collateral.

Potential Unavailability of Remedies for Breaches of Representations and Warranties
In a typical MBS securitization transaction, the originator and seller of underlying mortgage loans into the securitization pool make standard representations and warranties with respect to such loans, for example as to the enforceability of the loans and that the origination of the loans did not violate predatory lending or other applicable laws. A trust issuing the MBS typically will have remedies for a breach of such representations and warranties, which may include requiring the originator to cure the breach or to repurchase the loans in question at a price equal to par plus accrued interest. However, originators experiencing financial difficulties may not be able to perform these obligations and may be judgment proof. Furthermore, originators that have sought bankruptcy protection may not be required to perform these obligations. To the extent that there are significant breaches of representations and warranties in respect of the underlying mortgage loans held by an Underlying Fund through MBS transactions, such Underlying Fund may be adversely affected by the inability to enforce remedies for such breaches.

CDOs
The CDOs in which the Underlying Funds may participate involve substantial organizational, syndication and ancillary fees. An Underlying Fund's investment in CDOs will frequently be subordinate in right of payment to other securities sold by the CDO and will not be readily marketable. Depending upon the default rate on the collateral of the CDO, an Underlying Fund may incur substantial losses on its CDO investments. In addition, when an Underlying Fund sells securities or assets held by it to CDOs, such Underlying Fund might not receive any residual interest in such CDOs so that any profits that such Underlying Fund might have recognized on such securities or assets will no longer inure to the benefit of such Underlying Fund.

CDO structures are complex and evolving; an Underlying Fund may be subject to a number of yet unanticipated risks in participating in CDOs.

The CDO market experienced significant disruptions in 2008-2009 due to the sharply increased default rates on sub-prime and other mortgages. Similar disruptions may recur.

Leveraged Loans
Leveraged loans (loans to companies with highly leveraged capital structures) historically have experienced significantly higher default rates than investment-grade debt. These instruments are commonly under intense price pressure, and the dynamics driving their value are often company-specific issues unrelated to market-wide investor sentiment. The liquidity for defaulted obligations is very limited, and such obligations typically may only be sold at severe discounts to face value. There can be no assurance that the ultimate recovery on any defaulted obligation will not be materially less than the recovery rate assumed by an Underlying Fund in determining whether to acquire such obligation.

Subordinated Interests and Note Classes
The Underlying Funds in which the GCMLP Fund may invest in subordinated interests and note classes, each representing a highly leveraged investment in the underlying reference assets. The market value of these interests or notes will be significantly affected by, among other things, changes in the market value of, distributions and prepayments made by, and the prices and interest rates of, the underlying reference assets.

Convertible Securities
Convertible securities may provide higher current yields than the underlying equity securities, but generally offer lower current yields than non-convertible securities of similar quality. In addition, the value of convertible securities, like the value of bonds, fluctuates in relation to changes in interest rates, and, like the value of options, fluctuates in relation to changes in the prices of the underlying equity securities as well as in the volatility of such prices.

Global Securities
The GCMLP Fund may invest in Underlying Funds that are domiciled in and/or managed from non-U.S. jurisdictions. In addition, Investment Managers may invest in the securities of non-U.S. governments as well as non-U.S. companies and/or trade in non-U.S. markets.

Investing and trading in securities of non-U.S. governments and companies may involve certain considerations not usually associated with investing and trading in securities issued by the U.S. government or by U.S. companies. For example, certain non-U.S. companies are likely to be subject to greater risk of expropriation or nationalization of their assets, confiscatory taxation of their income and/or the imposition of confiscatory withholding or other taxes on dividends, interest or other income or gain on their securities. They also may encounter difficulties in enforcing contracts or face restrictions on repatriation of their funds or other assets. Securities of certain non-U.S. governments and companies may be subject to greater risk of: general social, political and economic uncertainty and instability; adverse diplomatic developments; currency controls; currency revaluations; fluctuations in the rate of exchange between currencies and the costs associated with currency conversion; and governmental policies that may restrict or damage economic growth and investment opportunities. Securities traded in non-U.S. markets may be less liquid and subject to greater price volatility than securities traded in U.S. markets due to the small size, and low volume, of trading in some non-U.S. markets. Disclosure, accounting and reporting standards that prevail in non-U.S. countries may not be equivalent to U.S. standards and, consequently, less information may be available to investors in companies located in non-U.S. countries than is available to investors in companies that are located in the U.S. Similarly, restrictions regarding the selective disclosure of material, non-public information to investors may be less restrictive than in the U.S. or not as aggressively enforced, potentially putting Underlying Funds at a disadvantage to other investors in those markets.

Transactions executed in financial markets outside the U.S. generally are not subject to regulation or supervision by U.S. regulatory authorities, and, in many cases, financial markets outside the U.S. are subject to different or less regulation than U.S. financial markets. For example, certain non-U.S. exchanges, in contrast to U.S. exchanges, are principals' markets in which performance is the responsibility only of the individual member with whom the trader has entered into a contract and not of an exchange or clearing corporation. In such a case, an investor is subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts. Transactions in financial markets outside the U.S. also may involve greater transaction and custody costs and greater delays in the settlement of transactions.

Underlying Funds may invest in securities issued by governments or companies operating in developing countries or in countries with new or developing capital markets; so-called "emerging markets." The risks outlined above are likely to be much greater in the case of such securities than in the case of securities issued by governments or companies operating in developed nations.

Currency Risk
Investments or liabilities of the Underlying Funds may be denominated in currencies other than the U.S. dollar, and hence the value of such investments, or the amount of such liabilities, will depend in part on the relative strength of the U.S. dollar. The Underlying Funds may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of securities. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the foreign exchange markets. These rates are also affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. The Underlying Funds may not be obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that the Underlying Funds may implement.

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

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

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

Privately Held Company Risks
Investing in privately held companies involves risks, for example, privately held companies may not be subject to SEC reporting requirements, are not required to maintain their accounting records in accordance with GAAP and are not required to maintain effective internal controls over financial reporting. As a result, investors in such companies may not have timely or accurate information about the business, financial conditions and results of operations of the privately held companies in which underlying Funds and direct investments may be made.

Risk-Linked Investments
Investment Managers may invest in instruments—for example, reinsurance industry loss warrants—which are based not on the market prices of securities but rather on the risk of a particular event occurring. Risk-linked instruments do not have a net asset value in any conventional sense, but rather are valued based on an assessment of the likelihood of the insured event occurring. These instruments are subject to the jump risk of becoming suddenly worthless if such event does, in fact, occur.

Longer-Term Positions
Investment Managers may take longer-term positions in an attempt to achieve their rate of return objectives. In many cases, these positions have no readily determinable value and are carried at or close to cost as an estimate of fair value until a revaluation or realization event occurs with respect to such positions. These positions create both liquidity and valuation risks for the Underlying Funds, and can contribute to performance volatility due to possible suspensions or restrictions on withdrawals/redemptions and/or sudden and material revaluations or realizations.

Risks Associated with the Issuers of Securities Held by Underlying Funds
Underlying Company Risk
The Underlying Funds may invest in companies that are subject to a high degree of business and financial risk. These companies, in certain cases, may have volatile operating results, operate in rapidly changing business environments, offer products subject to a substantial risk of obsolescence and require significant additional capital to support their operations or otherwise have a weak or unstable financial condition.

For example, companies in which the Underlying Funds invest may have highly leveraged capital structures. Investments in such companies, when compared to investments in similar companies that are not highly leveraged, are at much greater risk in the event of any deterioration in the operating results of such companies as well as adverse changes in general economic conditions such as increases in interest rates or a downturn in the economy or in the respective industry sectors in which such companies operate. If these companies are not able to generate sufficient cash flow to meet principal and interest payments on their indebtedness, the value of an Underlying Fund's investments in such companies could be significantly reduced or even eliminated.

Fraud or deceptive practices on the part of the management of companies in which Underlying Funds invest may not be detected by the due diligence efforts of the Investment Managers of such Underlying Funds and could materially adversely affect the value of such Underlying Funds' investments in such companies. In addition, even if Underlying Funds do not themselves invest in companies whose management has been involved in fraud or deceptive practices, public knowledge of fraud or certain other deceptive practices at other companies can have adverse effects on the securities markets in general and adversely affect the value of such Underlying Funds' investments.

Material Non-Public Information Regarding Specific Companies
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.

Creditor Committee/Board of Directors Participation
An Underlying Fund's investment program may from time to time enable it to place representatives on creditor committees and/or boards of directors of certain companies in which such Underlying Fund has invested. While such participation may enable the Investment Manager of such Underlying Fund to enhance the sale value of such Underlying Fund's investments in such companies, such participation will also generally prevent such Underlying Fund from freely disposing of such

investments, while also exposing it to additional liability. Ordinarily, Underlying Funds will indemnify their Investment Managers and their representatives for claims arising from such creditor committee/board of directors participation.

Regulated Trading Vehicles
Certain Underlying Funds and Investment Managers may or will be registered, or may or will be eligible for an exemption from registration, with regulatory authorities in various jurisdictions. Were such registrations or exemptions to be revoked, reversed or suspended, the ability of the Underlying Funds to implement their strategies could be materially impaired. On the other hand, Underlying Funds that are registered may be subject to ongoing regulatory oversight, periodic regulatory audits and other rules and restrictions not customarily imposed on other private investment funds. These restrictions, such as limitations on withdrawals/redemptions and prohibitions on certain trading and investing techniques, could adversely impact such Underlying Funds' ability to honor withdrawal/redemption requests or their ability to effect certain transactions. The GCMLP Fund will indirectly bear its pro rata share of regulated Underlying Funds' compliance costs.

Follow-On Investments
The 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 the 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 the 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 the 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 the 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.

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, such as 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.

GCMLP's Inability to Gauge and React to Specific Strategy-Related and/or Position-Level Risks on a "Real Time" Basis
GCMLP often will not be given access to specific information regarding the actual investments made by Underlying Funds. When such information is provided, it can be incomplete and/or out-of-date. Some Investment Managers will only release investment information to the extent that they choose, or are required to disclose by contractual provisions or regulatory considerations. Additionally, GCMLP often will not have any real time position level transparency. As a result, even though diversification is one of GCMLP's principal risk management techniques, GCMLP may not be able to determine with precision, at any given time, whether the GCMLP Fund has achieved an adequate degree of diversification with respect to such GCMLP Fund's indirect overall hedged or directional positions, or the extent of its concentration risk or exposure to specific financial instruments, securities, markets or strategies through its investments in Underlying Funds. In the last several years, the marketplace has demanded greater transparency from Investment Managers. However, while Investment Managers generally provide more portfolio information now than they did in the past, GCMLP does not in all cases receive either complete or real time position information relating to their Underlying Funds.

Even when GCMLP has access to information relating to positions held by Underlying Funds, GCMLP's ability to act on such information so as to mitigate the risks of investing in such Underlying Funds is materially limited by the complicated and often protracted process of withdrawing/redeeming from Underlying Funds, as outlined in the Offering Material. Indeed, GCMLP might not be able to withdraw/redeem from particular Underlying Funds for a number of months (if not longer) after the decision to withdraw/redeem has been reached, making it impossible for GCMLP to prevent losses during the interim. During the financial market crisis of 2008-2009, an unprecedented number of private investment funds suspended withdrawals/ redemptions, allocated substantial portions of their portfolios to special liquidation vehicles, postponed indefinitely the payment of withdrawals/redemptions and/or side-pocketed or designated substantial portions of their portfolios, due to what the investment managers of such funds believed to be an inability to execute portfolio transactions at reasonable price levels.

Conversely, if GCMLP does acquire information relating to an Underlying Fund that is not generally known to other Underlying Fund investors, GCMLP could, for so long as it is in possession of such information, be prevented from acting in a manner that GCMLP otherwise would believe to be in the best interest of the GCMLP Fund.

Concentration Risks

GCMLP may concentrate the GCMLP Fund's capital in a limited number of Underlying Funds and/or investment strategies. Consequently, a loss in any one or more Underlying Funds or the underperformance of a particular investment strategy in general could result in a proportionately higher reduction in the net asset value of the GCMLP Fund than if the GCMLP Fund's assets had been spread across a larger number of Underlying Funds and investment strategies. Any such concentration of risk may increase losses suffered by the GCMLP Fund, and the 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 the GCMLP Fund's capital may be invested in a limited number of Underlying Funds or strategies, the GCMLP Fund's portfolio may be more susceptible to any single economic, political or regulatory occurrence.

Manager Risks

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

- *the fact that an Investment Manager's past performance is not necessarily indicative of 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*
- *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 (including GCM Vehicles) may have no or only a strictly limited operating history, and in some cases, Investment Managers may not have managed a trading vehicle using the strategies to be used for the Underlying Fund.

Dependence on a Strictly Limited Number of Key Professionals

Certain Investment Managers may 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 the 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. In some cases, Underlying Funds provide that, upon the occurrence of a key person event, investors will have a special withdrawal/redemption right, potentially leading to the dissolution of the Underlying Fund.

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 the 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.

Investment Managers may experience substantial withdrawals/redemptions and losses as a result of a financial crisis (as occurred in 2008-2009), market disruptions or other adverse market events. Such events may result in such Investment Managers having substantially diminished operating revenues, especially as such losses may create loss carryforwards that, in some cases, prevent such Investment Managers from receiving performance compensation until such losses are recovered. The effect of such diminished resources on different Investment Managers may be difficult to assess, but can be expected to increase the business risk associated with allocating capital to such Investment Managers.

Conversely, certain Investment Managers may be experiencing major increases in the amount of assets that they manage. It is not known what effect, if any, such increases will have on their trading strategies or investment results. It is possible, however, that such increases could impair such Investment Managers' ability to perform at their historical levels.

Fraud or Misrepresentation
GCMLP cannot protect the GCMLP Fund from the risk of Investment Manager fraud or misrepresentation. Because the 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 the 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. For example, an Underlying Fund might accumulate positions in the securities of a particular company and engage in a proxy fight or otherwise attempt to gain control of such company, thereby triggering defensive litigation on the part of the company. Additionally, Underlying Funds that invest in bank loans may become involved in litigation with borrowers under various lender liability theories. If an Underlying Fund is so involved, it could be exposed to substantial losses, as well as an unsupportable level of withdrawals/redemptions, which could in turn expose the GCMLP Fund to substantial losses, as well as reputational risk.

In recent years, there have been a number of widely reported instances of violations of securities laws involving the misuse of material non-public information, market timing, short sales in connection with private investments in public equity, short selling before a public offering and other legal or regulatory restrictions. Such violations may result in substantial liabilities for damages caused to others, for the disgorgement of profits realized and/or for penalties. It is possible that an Underlying Fund might have engaged in trading violations in the past and could engage in trading violations in the future, despite the good faith of the Investment Manager. If so, such Underlying Fund could be named as a defendant in a lawsuit or regulatory action and be exposed to substantial losses, which could, in turn, expose the GCMLP Fund to substantial losses as well as reputational risk.

Human Error and/or Poor Judgment
Underlying Funds rely on the judgment of the relevant Investment Manager and its personnel. For example, 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.

Reliance on Underlying Managers

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

Reliance on Management of Co-Investments

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

Competition

Investment Managers typically compete with other investment and trading programs, including those of mutual funds, investment banks, broker/dealers, commercial banks, insurance companies, pension funds and other financial institutions, as well as private investors, many of which may have investment objectives similar to those of the Investment Managers. These competitors may have substantially greater resources and experience than the Investment Managers.

Structural Risks

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

- *investor liquidity restrictions and the fact that there is no market for investments in the GCMLP Fund*
- *the GCMLP Fund is subject to significant fees and expenses*
- *the incentive compensation structure creates an incentive for GCMLP and/or the Investment Managers to invest and trade in a riskier and more speculative manner than otherwise would be the case*
- *the GCMLP Fund is dependent on GCMLP and its key personnel*
- *Underlying Funds' limited liquidity could adversely affect the GCMLP Fund's ability to allocate and reallocate its capital, as well as the GCMLP Fund's ability to effect investor withdrawals/redemptions*
- *Underlying Fund monetization of fair value is a structural disadvantage of hedge funds*
- *groups of investors may be in a position to control the GCMLP Fund*

No Market for Investments in the GCMLP Fund

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

Significant Fees and Expenses

The 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. As the GCMLP Fund invests in Underlying Funds, the 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 fees, expenses and performance compensation of the Investment Managers—determined with respect to each Investment Manager individually irrespective of the overall performance of the GCMLP Fund—and any extraordinary costs incurred. In addition, the 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. The 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.

Incentive Compensation Structure

To the extent GCMLP receives a performance/incentive fee or other performance/incentive compensation (**Performance Compensation**) from any investor in the GCMLP Fund, GCMLP would be rewarded for increases in the value of the GCMLP Fund's assets without directly penalizing it for losses, creating an incentive for it to invest and reinvest the GCMLP Fund's assets in a manner that is riskier or more speculative than otherwise would be the case.

Similarly, the Performance Compensation payable to 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 Performance Compensation from any investor in the GCMLP Fund, such fee or Performance Compensation may be determined based on the value of the GCMLP Fund's assets, including the value attributable to unrealized appreciation. Accordingly, Performance Compensation could be paid to GCMLP based on positions that were profitable at the time such fees or compensation were calculated but unprofitable when eventually liquidated.

Similarly, the Performance Compensation paid to a particular Investment Manager may be determined based on the value of the GCMLP Fund's assets allocated to such Investment Manager, including the value attributable to unrealized appreciation. Performance Compensation may be payable to such Investment Manager based on positions that were profitable at the time such fees or compensation were paid but unprofitable when eventually liquidated. Moreover, the fair value of such positions included in calculating such performance/incentive fees may not, in fact, reflect such positions' actual value at the time, and much less upon liquidation.

In certain cases, the Investment Managers' Performance Compensation may be determined separately year-by-year without regard to prior losses. In other cases, Investment Managers may receive Performance 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 Compensation were previously paid.

If the GCMLP Fund replaces an Investment Manager at a time when such Investment Manager has cumulative losses since its last receipt of Performance Compensation, which losses generally would have to be earned back before additional Performance Compensation would be due to such Investment Manager, the GCMLP Fund will lose the benefit of such loss carryforward for purposes of calculating future Performance Compensation due to such Investment Manager. If the replacement Investment Manager generates profits, the GCMLP Fund will pay Performance Compensation to such replacement Investment Manager based on such profits, irrespective of the facts that:

- the GCMLP Fund would not have had to pay such Performance Compensation to the former Investment Manager for the same level of profits
- insofar as the 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

Except as set forth in the Offering Material, GCMLP has complete discretion in selecting the Investment Managers used by the GCMLP Fund and designing and monitoring the GCMLP Fund's overall portfolio. In cases where GCMLP has complete discretion, investors will not make decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding the GCMLP Fund's business and affairs. The success of the GCMLP Fund will depend on GCMLP's ability to successfully select investment strategies and Investment Managers as well as to allocate and, if possible, reallocate the 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 the GCMLP Fund and the GCMLP Fund could be materially adversely affected.

In addition, GCMLP will depend on the services of a limited number of Investment Managers. Losing the services of any of such Investment Managers could materially and adversely impact the GCMLP Fund. The highly specialized nature of the markets in which the Underlying Funds trade may make the Investment Managers particularly difficult to replace.

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

Contingent Liabilities
GCMLP will consult with the GCMLP Fund's directors or general partner concerning the advisability of establishing reserves for the GCMLP Fund. Reserves reduce net asset value when such reserves are established and, when reversed, increase net asset value in the period when reversed.

Underlying Fund Liquidity
The GCMLP Fund's ability to withdraw/redeem capital from Underlying Funds is affected by several factors, including, without limitation, the following:

- Underlying Funds may impose lock-up periods relating to the GCMLP Fund's investments in such Underlying Funds, during which the GCMLP Fund is not permitted to withdraw/redeem capital from such Underlying Funds. Lock-up periods, which may be measured either from the time the GCMLP Fund first invests in such an Underlying Fund or on an investment-by-investment basis in such an Underlying Fund, often run one year from the date of investment, but sometimes are longer.
- Underlying Funds may impose fund-level, share-class level or investor-level discretionary or non-discretionary gates that may limit the aggregate amount of withdrawals/redemptions that the GCMLP Fund can make as of a given withdrawal/redemption date.
- Certain Underlying Funds, in lieu of imposing lock-up periods or gates, impose early withdrawal fees for withdrawals/redemptions that occur during specified periods of time after the date of investment.
- The payment of withdrawal/redemption proceeds is subject to the settlement provisions of the governing documents of the Underlying Funds from which withdrawals/redemptions are made. An Underlying Fund's governing documents may provide, for example, that the Underlying Fund will pay a substantial portion of withdrawal/redemption proceeds within a specified number of days after the effective date of a withdrawal/redemption but may hold back the remaining proceeds until the Underlying Fund is able to finalize its net asset value as of such effective date, which finalization may not take place until completion of such Underlying Fund's annual audit for the year in which the withdrawal/redemption took place.
- In connection with the GCMLP Fund's withdrawal/redemption from an Underlying Fund, such Underlying Fund might establish substantial reserves, which may reduce amounts otherwise distributable to the GCMLP Fund, or otherwise withhold some or all of the withdrawal/redemption proceeds otherwise distributable to the GCMLP Fund so as to avoid having to liquidate investments prematurely in order to pay the GCMLP Fund in full, or in circumstances in which it is not feasible to determine the exact value of the GCMLP Fund's investment as of the date of withdrawal/redemption. The GCMLP Fund, as a withdrawing/redeeming investor from an Underlying Fund, may be required to continue to participate in certain illiquid investments and/or so-called side pocket or designated investments held by such Underlying Fund until such Underlying Funds determine to distribute the proceeds of such investments.
- Most (if not all) Underlying Funds have the authority to suspend withdrawals/redemptions or employ other so-called shock absorber provisions under certain circumstances.

The complicated and often protracted process of withdrawing/redeeming from Underlying Funds, outlined in the Offering Material, could limit the GCMLP Fund's ability to meet withdrawal/redemption requests from its investors in a timely manner, as outlined in the Offering Material. It also could result in substantial opportunity costs by limiting the 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 potentially creates cash management difficulties for the GCMLP Fund, as the GCMLP Fund cannot, in the absence of sufficient additional investments from investors or a credit facility, reallocate withdrawal/redemption proceeds from one Underlying Fund to another until the 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 the GCMLP Fund.

Certain Underlying Funds 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 the 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 the 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 the GCMLP Fund, the exercise of which could materially adversely affect the GCMLP Fund's investment in such Underlying Fund. For example, in many cases, the GCMLP Fund may be subject to a lock-up, gate or other restriction on its ability to withdraw/redeem its investment in an Underlying Fund, as outlined in the Offering Material, and may be adversely affected by the fact that other investors in such Underlying Fund are able to withdraw/redeem before the 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 the GCMLP Fund of not being able to withdraw/redeem at the same times as other investors in such Underlying Fund.

In 2008-2009, numerous investment funds suspended withdrawals/redemptions and/or made substantial distributions in-kind—effectively a partial suspension of withdrawals. As a result, numerous funds of funds were unable to meet withdrawals/redemptions requested by their own investors or effectively implement their asset allocation strategies. No assurance can be given that investment funds will not be compelled to take such measures in the future.

As described above, many comparably liquid private investment funds experienced material withdrawals in 2008-2009, despite performing well, because they were the only funds offering investor liquidity. The substantial withdrawals that could result from the GCMLP Fund serving as an "ATM" to its investors could disrupt the GCMLP Fund's portfolio, despite the GCMLP Fund otherwise having achieved its objective.

If the GCMLP Fund is a commingled investment product, the burden of the Underlying Funds' restrictions on withdrawals/redemptions may be misallocated among investors in the GCMLP Fund. 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/redemptions from the GCMLP Fund may require it to withdraw/redeem from Underlying Funds that assess withdrawal/redemption charges, whereas the GCMLP Fund would otherwise not do so. If, in connection with an investor's withdrawal/ redemption of capital from the GCMLP Fund, the 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/redemption, that fee effectively reduces the GCMLP Fund's overall net asset value, not only the withdrawal/redemption proceeds received by the investor who is withdrawing/redeeming such capital.

Underlying Funds' Monetization of Quoted Net Asset Values

One of the structural disadvantages of hedge funds (such as the Underlying Funds) is that hedge funds—unlike private equity funds—pay Performance 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 the fund's fair value to fund Performance Compensation and withdrawals/redemptions, even though the 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.

Investor Concentration Risk

If the GCMLP Fund is a commingled investment product, there is no limit on the amount that an investor or a group of related investors may invest in the GCMLP Fund. If an investor or a group of related investors contribute a substantial percentage of the GCMLP Fund's capital, such investor or group of related investors may be in a position to control the outcome of investor votes, thereby effectively controlling the GCMLP Fund. Such controlling investor or group of related 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/redeem from the GCMLP Fund, which they may do for reasons entirely unrelated to the performance of the GCMLP Fund, the effect on the GCMLP Fund could be materially adverse while also effectively precluding other investors from withdrawing/redeeming themselves.

Limited Voting Rights

The GCMLP Fund is not likely to have substantial voting rights with respect to any Underlying Fund. Consequently, Underlying Funds could make material changes to their operative documents against GCMLP's wishes. As a passive investor, the GCMLP Fund generally lacks authority, as well as the practical ability to join with other investors, to cause the removal of an Investment Manager, even if such Investment Manager has acted improperly, or to implement a change in an Underlying Fund's operations. Generally, the GCMLP Fund's only recourse is to withdraw/redeem (if possible) its interest in the Underlying Fund in question and, as outlined above, the GCMLP Fund may be restricted or delayed in its ability to do so.

Controlling Interest

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

Master-Feeder Structure

If the GCMLP Fund is a feeder fund within a master-feeder structure, such structure creates certain risks to investors. Because investors in a master fund, including a feeder fund, bear the expenses of such master fund on a pro rata basis, if one or more feeder funds were to withdraw/redeem capital from such master fund, investors in the other feeder funds would be compelled to bear a higher percentage of such master fund's expenses. Further, if one or more feeder funds were to withdraw/redeem capital from a master fund, GCMLP, in its capacity as investment manager of such master fund, might be compelled to liquidate positions of such master fund in a manner that results in less diversification in such master fund's portfolio than GCMLP otherwise would prefer.

If the GCMLP Fund is a feeder fund, certain other feeder funds that invest in the same master fund may have preferential withdrawal/redemption rights, because of currency hedging or otherwise, that could adversely affect investors in the GCMLP Fund, particularly if such preferential redemption rights are exercised during a period of illiquidity.

Delay in Distributions of Audited Financial Statements
GCMLP intends to, not later than 180 days after the end of each calendar year, cause to be delivered to each person who was an investor at any time during the calendar year a report containing audited financial statements of the GCMLP Fund for such year. If an investor requires a more prompt receipt of the GCMLP Fund's financial statements, for example, in order to prepare such investor's own financial statements, such investor should not invest in the GCMLP Fund.

Different Classes of Shares
Underlying Funds often offer different classes of interests, which may have different liquidity provisions. Under certain circumstances, the differential liquidity of such classes could have material adverse consequences to certain investors, including the GCMLP Fund, in the affected Underlying Fund.

The constituent documents of Underlying Funds provide for the manner in which the liabilities are to be attributed across the various classes (liabilities generally are to be attributed to the specific class in respect of which the liability was incurred). However, each Underlying Fund is a single legal entity and there is no limited recourse protection for any class. Accordingly, all of the assets of the Underlying Fund will be available to meet all of its liabilities regardless of the class to which such assets or liabilities are attributable. In practice, cross-class liability is only expected to arise where liabilities referable to one class are in excess of the assets referable to such class and it is unable to meet all liabilities attributed to it. In such a case, the assets of the Underlying Fund attributable to other classes may be applied to cover such liability excess and the value of the contributing classes will be reduced as a result.

It should also be noted that the GCMLP Fund may also have the power to offer different classes of interests and accordingly the considerations set out above may also apply to the GCMLP Fund.

Disposition of Investments
In connection with the disposition of an investment or Underlying Fund, the 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. The 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 Offering Materials 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 the GCMLP Fund to the extent that they have received distributions from the GCMLP Fund, subject to certain limitations.

Changes in Private Investment Fund Terms
In the wake of the financial market disruptions of 2008-2009, the terms common to many Underlying Funds changed materially. As such changes were made primarily in response to the pervasive illiquidity which affected many Underlying Funds in 2008-2009, resulting in withdrawal/redemption suspensions, distributions in kind, etc. The changes, which generally were supported by investors, included more frequent withdrawals/redemptions and an inability to restrict withdrawals/redemptions, and generally were intended to promote liquidity. Such changes are not necessarily to the benefit of long-term investors such as the GCMLP Fund, as more liquid portfolios generally are thought to have less profit potential.

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 generally accepted accounting principles (**U.S. GAAP**) or International Financial Reporting Standards (**IFRS**), and procedures, including the risks that:*

- *the 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 the level of the GCMLP Fund due to the 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 to enhance the apparent performance of such Underlying Funds*
- *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 the GCMLP Fund's assets, and will adhere to the valuation principles set forth in the Material Contracts in doing so. Under these principles, the valuation of the 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 some Underlying Funds in which the GCMLP Fund invests may concentrate their portfolios in readily marketable investments, others may invest a substantial portion of their assets in investments that do not have a readily determinable value; 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)
- 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

If the GCMLP Fund is a commingled investment product, the structure of the GCMLP Fund concedes various sources of potentially material economic dilution for investors. For example, when a new investor invests in the GCMLP Fund, that investor effectively will dilute existing investors' indirect participation in the loss carryforwards attributable to the GCMLP Fund's investments in certain Underlying Funds as well as any subsequent performance fee reversals attributable to the 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 the GCMLP Fund, in the respective Underlying Funds managed by such Investment Managers because subscriptions to and withdrawals/redemptions from Underlying Funds are processed on the basis of such valuations. If the 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.

The GCMLP Fund would suffer economic dilution if an Underlying Fund, in order to fund a withdrawal/ redemption from an investor other than the 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.

If the GCMLP Fund is a commingled investment product that permits withdrawals/redemptions, another source of economic dilution inherent in the GCMLP Fund's structure results from the GCMLP Fund permitting its investors to withdraw/redeem their investments in the GCMLP Fund based on the net asset value of such investments as of a given withdrawal/redemption date. Frequently, when generating funds to satisfy withdrawal/redemption requests from its investors, the 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 an investor withdrawing/ redeeming capital from the GCMLP Fund, the GCMLP Fund itself may remain exposed to such Underlying Fund on the same basis as before such withdrawal/redemption occurred and may incur losses on the portion of such investment formerly attributable to the withdrawing/redeeming investor.

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

GCMLP will value the 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 the 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, GCMLP, unless otherwise provided in the Offering Material, ordinarily will make related revisions to the value of the GCMLP Fund retroactively to reflect the revised value on the designated valuation date. However, in certain instances GCMLP will make revisions to the value of the GCMLP Fund, and ultimately, to the value of investments in the GCMLP Fund, prospectively. This practice could result from time to time in a certain level of economic dilution of investors that withdraw/redeem from or subscribe to the GCMLP Fund prior to such revised valuations being included in calculating the GCMLP Fund's net asset value.

Calculation of GCMLP's Compensation
The compensation payable by the GCMLP Fund to GCMLP will be based on the valuations received from the Underlying Funds. If such valuations are overstated, the compensation payable to GCMLP also will be overstated.

Binary Investments
Certain investments may 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 the 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 withdrawals/redemptions will, however, be processed at what is determined to be "fair value," which may or may not factor in any such "gapping" (which GCMLP believes cannot be reasonably predicted, much less quantified). As a result, subscribing and withdrawing/redeeming investors are subject to the risk of economic dilution, i.e., to the risk of a subscription or withdrawal/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 the GCMLP Fund is invested comes to its "decision date."

Investments in Third-Party Legal Claims
GCMLP and Investment Managers may 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 the GCMLP Fund's or the Underlying Fund's investments may be affected.

Investment Manager Conflicts of Interest in Valuation
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 undervaluations 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 so to 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.

Different Valuation Categories for Different Asset Classes
The Accounting Standards Codification Topic No. 820, "Fair Value Measurements," issued by the Financial Accounting Standards Board (**ASC 820**) (f/k/a "FAS 157") clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. An Underlying Fund may be required to make a valuation adjustment under ASC 820. Additionally, ASC 820 could lead to material delays in receiving financial information from the Underlying Funds, delaying the GCMLP Fund's valuation for purposes of withdrawals/redemptions. The application of ASC 820 to the Underlying Funds and the GCMLP Fund can be expected to continue to evolve, creating uncertainty in the valuation process.

Possibility of Qualified Audit Report
In the event that an Investment Manager is unable sufficiently to corroborate the internally generated fair value ascribed to longer-term and/or illiquid investments held by such Investment Manager's Underlying Fund, the auditor for such Underlying Fund may qualify its auditor's report on such Underlying Fund as to compliance with U.S. GAAP. GCMLP could feel compelled to cause the GCMLP Fund to withdraw/redeem (if possible) from an Underlying Fund that receives a qualified report. It is also possible, although unlikely, that if a sufficient number of Underlying Funds receive qualified auditors' reports, the GCMLP Fund will as well.

Operational Risks

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

- *past performance not being indicative of future results*
- *trade error risks*
- *substantial GCMLP Fund withdrawals/redemptions could require rapid Underlying Fund investment liquidations*
- *possible "restricted person" status of the GCMLP Fund could limit "New Issues" income*
- *exculpation and indemnification*

- *secondary market transactions*
- *during any time that the assets of the GCMLP Fund are deemed to constitute "plan assets" for purposes of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended (the **Code**), the investments and activities of the GCMLP Fund could be limited as a result.*

Past Performance Not Necessarily Indicative of Future Results
The GCMLP Fund may have no performance history. The past performance of other investment vehicles or account managed or advised by GCMLP is not necessarily indicative of the future results of the GCMLP Fund.

Trade Error Risks
The success of the 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 may be generated by such systems which are executed before there is any realistic opportunity to cancel the transaction.

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

Possible Effects of Substantial Withdrawals/Redemptions
Substantial withdrawals/redemptions from the GCMLP Fund could require the 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 the GCMLP Fund to fund such withdrawals/redemptions, potentially resulting in losses and/or disruption of GCMLP's investment program for the GCMLP Fund. In order to fund such withdrawals/redemptions, the GCMLP Fund also could be compelled to withdraw/redeem capital from certain Underlying Funds (e.g., the Underlying Funds offering more frequent investor liquidity) in which GCMLP otherwise would have preferred for the GCMLP Fund to remain invested. Withdrawing/redeeming from such Underlying Funds in order to satisfy substantial withdrawal/redemption requests could also result in the GCMLP Fund having a less liquid portfolio overall, to the potential material detriment of the continuing investors. In addition, if the GCMLP Fund makes a substantial withdrawal/redemption from an Underlying Fund in order to satisfy withdrawals/redemptions or for any other reason, the Underlying Fund may be required to liquidate its portfolio more rapidly than the Investment Manager would otherwise deem advisable, potentially resulting in losses.

A reduction in the GCMLP Fund's asset base could result in an imbalanced portfolio containing strategy and/or market concentrations in excess of the GCMLP Fund's Investment Guidelines. A reduction in the size of the GCMLP Fund could also prevent the 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 the GCMLP Fund's asset base could cause the 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.

Exculpation and Indemnification
The governing documents of the GCMLP Fund, such as the limited partnership agreement or investment management agreement, as applicable, frequently include broad exculpatory and indemnification provisions, which could make it difficult for the GCMLP Fund or its investors to recover funds from GCMLP or a person related to GCMLP in the event that such investors believe that GCMLP or such related person has breached a duty to the GCMLP Fund.

Secondary Market Transactions
In the event that the GCMLP Fund buys or sells interests in Underlying Funds in the secondary market, the GCMLP Fund could be subject to claims by the other party to any such transaction (the **Transacting Party**) to the effect that the GCMLP

Fund engaged in such transaction while in possession of material information not available to the Transacting Party. Such a claim could be based, for example, on the fact that GCMLP performs extensive due diligence on the Underlying Funds in which the GCMLP Fund invests and, in that connection, may have access to certain information concerning the Underlying Funds (and/or their Investment Managers) that may not be available to other investors in such Underlying Funds and/or to the Transacting Party. Although the GCMLP Fund will only engage in secondary market transactions in Underlying Fund interests in cases in which the Transacting Party agrees not to bring any claim against GCMLP or the GCMLP Fund based on any disparity (material or otherwise) between the relevant information available to GCMLP and to such Transacting Party, such an agreement may not be enforceable, either against the Transacting Party or against regulatory authorities having jurisdiction over GCMLP and/or the GCMLP Fund. It is reasonable to assume that the more profitable a secondary market transaction is for the GCMLP Fund, the greater would be the likelihood of such a claim being brought and the greater the likely amount of such claim.

Limited Participation in New Issues

US Financial Industry Regulatory Authority, Inc. (**FINRA**) Rules 5130 and 5131 restrict the extent to which FINRA's broker-dealer members may sell certain issues of securities (so-called **New Issues**) to private investment vehicles such as the GCMLP Fund (and to Underlying Funds in which the GCMLP Fund invests). If a sufficient number of investors do not respond to GCMLP's questionnaire relating to FINRA Rules 5130 and 5131 or if GCMLP determines that the GCMLP Fund is not eligible for, or it is inadvisable or inconvenient for the GCMLP Fund to participate in, New Issues, GCMLP will instruct the Underlying Funds to treat the 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" (which could have a material effect on performance from time to time and over time).

ERISA Regulation

During any time that the assets of the GCMLP Fund constitute plan assets for purposes of ERISA, and Section 4975 of the Code, if permitted by the Offering Materials, the fiduciary standards of Title I of ERISA extend to GCMLP in connection with its management of the GCMLP Fund, and certain provisions of ERISA and the Code could limit the investments and activities of the GCMLP Fund. Not only will a number of Underlying Funds not accept investments from plan asset funds, but also the restrictions imposed by ERISA may prohibit the GCMLP Fund from engaging in certain transactions which otherwise might have been in their best interest.

Plan Asset Underlying Funds

The assets of the Underlying Funds may be treated as assets of an "employee benefit plan" as defined in, and subject to the fiduciary responsibility provisions of, ERISA of a plan as defined in, and subject to, Section 4975 of, the Code (such employee benefit plans and plans being referred to herein as **Plans**); to the extent they are, it is expected that the Underlying Funds will be prohibited from engaging in certain types of transactions that they would otherwise be permitted to engage in were the assets of the Underlying Funds not treated as assets of Plans.

Institutional Risks

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

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

GCMLP has no control over the institutions with which the Underlying Funds enter into transactions. In addition, Investment Managers generally are not restricted from dealing with any particular counterparties or from concentrating any or all of their transactions for an Underlying Fund with a single counterparty or limited number of counterparties.

The bankruptcies of Lehman Brothers Inc., Refco, Inc. and their respective related entities underscore the risks of maintaining capital at certain types of financial institutions as well as the fact that most dealing agreements permit counterparties to transfer customer funds from regulated to unregulated accounts in the counterparties' discretion, which the counterparties have an incentive to do, as reserve assets held in unregulated accounts may be invested in high-yielding instruments and unregulated accounts generally do not subject the counterparties to net capital requirements. GCMLP has no ability to assess the extent to which the Underlying Funds maintain their assets in unregulated accounts subject to the bankruptcy of the counterparties holding such assets without the protections afforded to regulated accounts. In addition, the Lehman Brothers Inc. proceedings (which are ongoing) have made clear the inadequacy of the bankruptcy laws in a number of major global commercial jurisdictions in terms of protecting customer funds on deposit with dealers.

The 2008-2009 disruptions in the markets have placed increased pressure on the solvency and liquidity of counterparties and brokers. The unsettled mortgage markets did, in fact, call into question the financial stability, solvency and liquidity of a number of established counterparties and brokers. Even if the Underlying Funds do not actually lose capital on deposit with a given broker or counterparty, financial difficulties incurred by such entity could cause material losses to the Underlying Funds by impeding their ability to execute the transactions necessary to limit losses or capitalize on market opportunities.

While Dodd-Frank is intended to bring more stability and lower counterparty risk to derivatives market by requiring central clearing of certain standardized derivatives trades, not all of the Underlying Funds' trades will be subject to a clearing requirement because the trades are grandfathered or because they are bespoke, or because they are within a class that is not currently subject to mandatory clearing. 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, as well as certain assets of the GCMLP Fund, including margin deposits. These assets often will not be registered in the name of an Underlying Fund or the GCMLP Fund. The Underlying Funds and the GCMLP Fund are subject to the risk that these firms and other brokers and counterparties with which the Underlying Funds and/or the GCMLP Fund deal may default on their obligation to the Underlying Funds and/or the 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 the GCMLP Fund.

Failure of Exchanges and Clearinghouses
The Underlying Funds and the 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.

During 2008-2009, there were prolonged periods during which there were few or effectively no bids for certain types of positions. Such illiquidity has the same effect as an exchange's suspension of trading, making it impossible for Investment Managers to limit losses on positions against which the market is moving.

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.

International Swaps and Derivatives Association (ISDA) Agreement "Additional Termination Events"
During 2008-2009, certain events, such as Underlying Funds incurring losses, net asset value declines (due to losses and withdrawals/redemptions combined) and performance volatility, caused numerous Underlying Funds to trigger additional termination events under their outstanding ISDA agreements. Once an additional termination event occurs under an ISDA agreement, the dealer has full discretion as to whether to close out the account, raise the margin requirements and/or increase the interest rate charged on the leverage provided. Typically, once an additional termination event has occurred, there is no time limit on when the dealer may take any of the foregoing actions. Consequently, there are many Underlying Funds which remain in a state of forbearance with their dealers, meaning that such dealers could at any time take any of the foregoing actions, which the dealers may feel compelled to do due to matters entirely unrelated to the Underlying Fund in question. Investing in an Underlying Fund in a condition of forbearance with its dealers involves potentially materially increased risk.

Epidemics and Pandemics
The GCMLP Fund and the Underlying Funds, GCM Grosvenor and the Investment Managers are subject to risks associated with the consequences of natural disasters (e.g., fire, flood, earthquake, storm and hurricane), epidemics, pandemics and other outbreaks of serious contagious diseases (such as severe acute respiratory syndrome (**SARS**), avian flu, H1N1/09 flu and COVID-19 (commonly known as the "**Coronavirus**")), terrorist attacks (or the fear of or the precautions taken in anticipation of such attacks), and other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared). The occurrence of a natural disaster, epidemic, terrorist attacks or other acts of war have the potential to cause severe disruptions in the economies and financial markets of many industries, countries and regions (even beyond the site of the natural disaster, epidemic or attack) in which the GCMLP Fund and the Underlying Funds invest, leading to or extending regional or global economic downturns. In particular, such events could exacerbate political, social, and economic risks, and result in significant breakdowns, delays and other disruptions to important global, local and regional supply chains affected, resulting in substantial or total losses investment and illiquidity, as well as interrupting the business continuity and operations of GCMLP and the Investment Managers. A climate of uncertainty, including the contagion of infectious viruses or diseases, may also reduce the availability of potential investment opportunities, impair the ability to monitor and evaluate existing investments, cause substantial illiquidity in the marketplace, and reduce the accuracy of financial projections and valuations of the GCMLP Fund's (and the Underlying Fund's) portfolio.

Cybersecurity Breaches
The 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 and the resulting damage and disruption of hardware and software systems, loss or corruption of data as well as misappropriation of confidential information. If a cybersecurity breach occurs, the affected GCMLP Fund or Underlying Fund 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 both GCMLP and the affected GCMLP Fund or Underlying Fund to civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals/redemptions from the GCMLP Fund or Underlying Fund. See OPERATIONAL RISKS—Possible Effects of Substantial Withdrawals/Redemptions.

Public Company Risk

As a consequence of GCMG being a publicly traded company, the officers, directors, members, managers and employees of GCM Grosvenor may have duties or incentives relating to the interests of GCMG's shareholders that may differ from, and could conflict with, the interests of GCM-Managed Accounts and their investors (including the Fund and its Shareholders). Any such conflicts would not necessarily need to be taken into account if GCMG were not publicly traded.

Regulatory Risks

Generally, the risks associated with:

- *regulatory scrutiny around public companies*
- *no regulatory approval or recommendation of GCMLP or any Investment Manager*
- *investing both in unregulated entities and in securities sold in unregistered offerings*
- *GCMLP, GSLLC, the 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*
- *the GCMLP Fund needing to comply with numerous regulations restricting its offering procedures*
- *marketing restrictions on the GCMLP Fund making it more difficult to raise capital*
- *greater market transparency*
- *ERISA matters*

No Regulatory Approval or Recommendation

Although GCMLP is registered with the SEC as an "investment adviser" under the Investment Advisers Act of 1940, as amended, and with the CFTC as a "commodity pool operator" and "commodity trading advisor" under the Commodity Exchange Act, such registrations do not imply any level of skill or training. Further, neither the SEC nor any other governmental, regulatory or self-regulatory authority or organization has passed upon the value of investments in the GCMLP Fund, made any recommendation regarding the purchase of such investments, approved or disapproved of the GCMLP Fund's offering of such investments or of GCMLP's qualifications to manage the GCMLP Fund, or passed upon the adequacy or accuracy of the Offering Material, which includes this Risk Disclosure Statement.

GCMLP has claimed an exemption from registration with the CFTC as a "commodity pool operator" with respect to several GCMLP Funds under CFTC Rule 4.13(a)(3), based on the private offering of interests, the qualifications of investors and such GCMLP Funds' limited use of commodity interests. CFTC Rule 4.13(a)(3) limits the amount of commodity interest trading in which such GCMLP Funds are permitted to engage. Accordingly, each such GCMLP Fund may have to limit its commodity interest trading more than would otherwise be advisable in order to claim the exemption under CFTC Rule 4.13(a)(3). Additionally, as a result of claiming the exemption, GCMLP is not required to comply with the disclosure, reporting and recordkeeping requirements generally applicable to registered commodity pool operators with respect to such GCMLP Funds, including delivery to investors of a disclosure document and a certified annual report designed to meet CFTC requirements.

The GCMLP Fund is not required to register as an "investment company" under or to comply with the substantive provisions of the Investment Company Act of 1940 (as amended, the **ICA**). As such, the investors in the GCMLP Fund will not receive the protection of the ICA. If the 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 the GCMLP Fund as well as limit the GCMLP Fund's investment and trading activities.

Investing in Unregulated Entities and in Securities Sold in Unregistered Offerings
The GCMLP Fund offers, and intends to continue to offer, its securities on a continuous basis without registration of such offering under the Securities Act of 1933, as amended (the **Securities Act**), or any other securities laws, in reliance on exemptions from such registration. While GCMLP believes that reliance on such exemptions is appropriate, there can be no assurance that factors such as the manner in which offers and sales of the GCMLP Fund's securities are made, concurrent offerings of securities by other investment vehicles managed by GCMLP, the scope of disclosure provided to prospective investors or changes in applicable laws, regulations or interpretations will not cause the GCMLP Fund to fail to qualify for such exemptions. Failure to so qualify could result in materially adverse consequences for the GCMLP Fund.

Like the GCMLP Fund, the Underlying Funds in which the GCMLP Fund invests generally offer their securities pursuant to exemptions from the registration requirements of the Securities Act and other applicable securities laws, and generally are not registered as investment companies under the ICA.

Changing Regulatory Environment
The global financial markets underwent pervasive and fundamental disruptions in 2008-2009 that have led to extensive and unprecedented governmental intervention. This included the Dodd-Frank Act, enacted in July 2010, which resulted in the regulation of markets, market participants and financial instruments that previously had been unregulated and substantially altered the regulation of many other markets, market participants and financial instruments. The financial crisis also resulted in unprecedented intervention by the Federal Reserve in the credit markets. as well as significant and historic steps taken by the U.S. federal government to prevent widespread foreclosures on subprime homeowners. Foreign governments also took similar measures. Future government interventions could 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 will 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 investment techniques or strategies that previously were profitable.

Unknown Impact of Brexit
On January 31, 2020, the United Kingdom (the "**UK**") officially withdrew from the European Union (the "**EU**"). This was subsequent to the UK and EU having agreed on the wider terms of the UK's withdrawal from the EU pursuant to the *Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (2020)*, which provided for a period from February 1, 2020 until December 31, 2020, during which EU law continued to apply in the UK (the "**Transitional Period**").

There is likely to be considerable uncertainty as to the position of the UK and the arrangements that will apply to its relationships with the EU and other countries following the end of the Transitional Period. This uncertainty may affect other countries in the EU, or elsewhere, if they are considered to be impacted by these events. The impact of such events on a GCMLP Fund and/or Underlying Funds is difficult to predict but they may adversely affect the return on a GCMLP Fund and/or an Underlying Fund and their investments. There may be detrimental implications for the value of certain of their investments, their ability to enter into transactions or to value or realize such investments or otherwise to implement their investment program. Once the position of the UK and the arrangements which will apply to its relationships with the EU and other countries become clear it is possible that certain investments may need to be restructured to enable a GCMLP

Fund's objectives to be pursued fully. This may increase costs or make it more difficult for it to pursue their investment objectives.

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 imposes certain restrictions as to the trading of shares and derivatives, which could apply to transactions made by or with GCMLP Funds and Underlying Funds. Subject to certain conditions and exceptions, GCMLP Funds 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 the GCMLP Funds or Underlying Funds may be obliged by MiFID II to impose certain requirements on the GCMLP Funds 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. 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 derivative contracts.

Where a GCMLP Fund or Underlying Funds transact with in-scope EU counterparties, such counterparties could 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 could become subject to additional obligations and/or costs that might 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.

EU General Data Protection Regulation

The EU General Data Protection Regulation (the "**GDPR**") has direct effect in all EU member states. Although a number of basic principles will remain from previous EU data protection laws, the GDPR introduces new obligations on data controllers and rights for data subjects, including, among others: accountability and transparency requirements, which will require data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing; enhanced requirements for obtaining valid consent; obligations to consider data protection as any new products or services are developed and to limit the amount of personal data processed; obligations to comply with data protection rights of data subjects including a right of access to and rectification of personal data, obtain restriction of processing or to object to processing of personal data and a right to ask for a copy of personal data to be provided to a third party in a useable format and erasing personal data in certain circumstances; and reporting of personal data breaches to the supervisory authority without undue delay (and no later than 72 hours where feasible). The GDPR also introduces fines for serious breaches of up to the higher of 4% of annual worldwide turnover or €20m. The GDPR identifies a list of points to consider when determining the level of fines to impose (including the nature, gravity and duration of the infringement). Data subjects also have a right to compensation for financial or non-financial losses (*e.g.*, distress). The implementation of the GDPR may require amendments to the procedures and policies of GCM Grosvenor, GCMLP Funds and their respective affiliates. The changes could adversely impact these various parties' business by increasing their operational and compliance costs. Further, there is a risk that the measures will not be implemented correctly or that individuals within the business will not be fully compliant with the new procedures. If there are breaches of these measures, GCM Grosvenor, GCMLP Funds, and their respective affiliates (as relevant) could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on the operations, financial condition and prospects of the GCMLP Funds. Certain Underlying Fund Managers and Underlying Funds may also be subject to the foregoing risks.

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 could lead to or extend a localized or global economic downturn. Furthermore, such confidence could adversely be 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, could 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 could 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 could 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 could have an adverse effect upon the Underlying Funds held by GCMLP Funds.

Regulations Restricting Offering Procedures

The GCMLP Fund is subject to material, and increasing, restrictions on the marketing of its interests, making it more difficult for the GCMLP to raise capital, which would reduce the GCMLP Fund's expense/equity ratio and permit further diversification in the Underlying Funds in which the GCMLP Fund invests.

Greater Market Transparency

One of the regulatory and market responses to the market disruptions in 2008-2009 has been a demand for greater transparency around the positions and exposure of different market participants. Greater transparency may reduce the profit opportunities available to many Investment Managers' strategies, reducing the overall profit potential of alternative investments in general.

ERISA Matters

Many U.S. pension and profit sharing plans, individual retirement accounts and other tax-advantaged retirement funds are subject to provisions of the Code, ERISA or both, which may be relevant to a decision as to whether such an investor should invest in the GCMLP Fund. There may, for example, be issues as to whether such an investment is prudent or whether it results in prohibited transactions. The Offeree should consult its legal counsel before investing in the GCMLP Fund.

Involuntary Disclosure Risk

The ability of underlying investment managers and GCMLP Funds to achieve their investment goals is dependent in large part on the ability to develop and protect models and proprietary research. The models, proprietary research and data underpinning these investment processes are largely protected by GCMLP and underlying investment managers through the use of policies, procedures, agreements and similar measures designed to create and enforce robust confidentiality, nondisclosure and similar safeguards. However, aggressive position-level public disclosure obligations, or disclosure obligations to exchanges or regulators with insufficient privacy safeguards could lead to opportunities for competitors in the marketplace to reverse engineer investment models and strategies. Furthermore, underlying models, data and strategies are subject to the risk of theft. Any reverse engineering or theft of such intellectual property could impair the relative or absolute performance of underlying investment strategies.

EU General Data Protection Regulation
The EU General Data Protection Regulation (**GDPR**) has direct effect in all EU member states. Although a number of basic principles remain from previous EU data protection laws, the GDPR introduced new obligations on data controllers and rights for data subjects, including, among others: accountability and transparency requirements, which require data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing; enhanced requirements for obtaining valid consent; obligations to consider data protection as any new products or services are developed and to limit the amount of personal data processed; obligations to comply with data protection rights of data subjects including a right of access to and rectification of personal data, obtain restriction of processing or to object to processing of personal data and a right to ask for a copy of personal data to be provided to a third party in a useable format and erasing personal data in certain circumstances; and reporting of personal data breaches to the supervisory authority without undue delay (and no later than 72 hours where feasible). The GDPR also introduced fines for serious breaches of up to the higher of 4% of annual worldwide turnover or €20m. The GDPR identifies a list of points to consider when determining the level of fines to impose (including the nature, gravity and duration of the infringement). Data subjects also have a right to compensation for financial or non-financial losses (e.g., distress). If the GDPR were to apply to the GCMLP Fund, it could adversely impact the GCMLP Fund's business by increasing its operational and compliance costs. Further, there is a risk that the measures will not be implemented correctly or that individuals within the business will not be fully compliant with the new procedures. If there are breaches of these measures, the GCMLP Fund and GCMLP could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on the operations, financial condition and prospects of the GCMLP Fund.

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 the GCMLP Fund.

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

Structural Tax Considerations
GCMLP's investment decisions are based primarily upon economic, not tax, considerations, and could result, from time to time, in adverse tax consequences to some or all investors. There can be no assurance that the GCMLP Fund's investment arrangement, such as investing through a master fund, will be optimal for an investor from the standpoint of tax considerations. Moreover, this arrangement may reduce the return realized on investments for certain investors.

Unrelated Business Taxable Income
If noted in the Offering Material, GCMLP will seek to invest the assets of the GCMLP Fund in a manner that avoids the generation of unrelated business taxable income (**UBTI**). To this end, GCMLP will not invest the assets of the GCMLP Fund in any investment fund sponsored by an Investment Manager unless: (i) in the case of a U.S.-domiciled fund, such Investment Manager represents that it does not borrow for such fund and that it does not otherwise engage or intend to engage in activities which generate UBTI for such fund; or (ii) in the case of a non-U.S.-domiciled fund, GCMLP determines that an investment in such fund could not reasonably be expected to generate UBTI. However, the Offeree should be aware that

GCMLP does not control the activities of the Investment Managers used by the GCMLP Fund and, as a result, there can be no guarantee that the GCMLP Fund will not generate UBTI. If the investor is a tax-exempt investor and recognizes UBTI as a result of an investment in the GCMLP Fund, the investor may be required to file a tax return (not otherwise required to be filed by the investor) as well as to pay tax on such UBTI.

Accounting for Uncertainty in Income Taxes

Guidance for uncertainties in income taxes included in Financial Accounting Standards Board Accounting Standards Codification Topic 740 (**FASB ASC 740**) requires that the GCMLP Fund only recognize a tax benefit from an uncertain position if it is more likely than not that such position is sustainable, based solely on its "technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents." If this threshold is met, the GCMLP Fund should measure the tax benefit as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. FASB ASC 740 also provides guidance on derecognition, measurement, classification and interest and penalties with respect to tax positions. Among other things, FASB ASC 740 could have a material adverse effect on the periodic calculations of the GCMLP Fund's net asset value, including reducing the GCMLP Fund's net asset value to reflect reserves for income taxes, such as foreign withholding taxes, that may be payable by the GCMLP Fund as well as by the Underlying Funds. This could cause benefits or detriments to certain investors, depending upon the timing of their entry and exit from the GCMLP Fund. It is also possible that the application of FASB ASC 740 could result in the permanent loss of a tax benefit that otherwise may have been realized.

Invalid Tax Positions

The GCMLP Fund may take positions with respect to certain tax issues that depend on legal conclusions not yet addressed by the courts. Should any such positions be successfully challenged by the Internal Revenue Service (the **IRS**), the GCMLP Fund or an investor might be found to have a different tax liability for that year than that reported on its U.S. federal income tax return.

Audits

There can be no assurance that the tax returns of the investor or the GCMLP Fund (if an investment vehicle) will not be audited by the IRS, and/or by other government authorities in any jurisdiction, and that adjustments to such returns will not be made as a result of such an audit. If an audit results in an adjustment, the GCMLP Fund or investors may be required to pay back taxes, plus interest and possible penalties, which would not be reimbursed through distributions by the GCMLP Fund. The tax returns of Underlying Funds in which the GCMLP Fund invests are also subject to audit, presenting the same type of risk.

Certain Underlying Funds Could Be Subject to Net Income Tax in Certain Jurisdictions

Certain Underlying Funds could be subject to material net income taxes in one or more countries, including the U.S. or other jurisdictions.

U.S. Source Payments May Be Subject to Withholding Under the HIRE Act

The Hiring Incentives to Restore Employment Act (the **HIRE Act**) and IRS guidance provide that, with respect to each non-U.S. GCMLP Fund that is an investment vehicle, each non-U.S. master fund (if applicable) and each non-U.S. Underlying Fund, a 30% withholding tax will be imposed on certain payments of U.S. source income unless such non-U.S. GCMLP Fund, non-U.S. master fund or non-U.S. Underlying Fund, as the case may be, enters an agreement with the IRS to disclose the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, an interest in it, as well as certain other information relating to any such interest. An intergovernmental agreement between the United States and a jurisdiction in which a non-U.S. GCMLP Fund, non-U.S. master fund or non-U.S. Underlying Fund is resident or organized (or has a branch) or implementing legislation in such a jurisdiction may modify these requirements. Although each non-U.S. GCMLP Fund and each non-U.S. master fund will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that a non-U.S. GCMLP Fund or non-U.S. master fund will be able to satisfy these obligations. Further, no assurance can be given that any non-U.S. Underlying Fund will attempt to, or be able to, satisfy these obligations. If a non-U.S. GCMLP Fund, a non-U.S. master fund or a non-U.S. Underlying Fund becomes subject to a withholding tax because of the HIRE Act, the return of all investors may be materially affected. To ensure that any withholding is economically borne by the relevant investor whose failure to provide the necessary information gave rise to the withholding, a non-U.S. GCMLP Fund that is an investment vehicle may, without limitation, exchange (by way of redemption and immediate re-subscription) the shares or interests of the relevant investor for shares or interests of a separate class, series or sub-series and allocate the withholding solely against that class, series or sub-series, or debit a relevant investor's redemption proceeds by the amount of any withholding, and investors will be required to acknowledge the same in the GCMLP Fund's subscription agreement. The Offeree is encouraged to consult with the Offeree's own tax advisors regarding the possible implications of the HIRE Act on the Offeree's investment in the GCMLP Fund.

Underlying Fund Taxation

An Underlying Fund may 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 expense to such Underlying Fund and possibly to its investors.

GCM Grosvenor – Supplemental Disclosure Regarding Conflicts of Interest

April 2022

GCM Grosvenor provides investment management and advisory services for hedge fund investments through Grosvenor Capital Management, L.P. (**GCMLP**) and private equity, real estate and infrastructure investments through GCM Customized Fund Investment Group, L.P. (**GCM CFIG**, and together with GCMLP and their affiliates, **GCM Grosvenor**). GCM Grosvenor is subject to certain 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 just one line of business. This document describes certain actual and potential conflicts of interest that may be important to clients of GCM Grosvenor and prospective investors/participants in the investment vehicles or accounts managed or advised by GCM Grosvenor. Additional information about GCMLP and GCM CFIG is available on the SEC's website at www.adviserinfo.sec.gov.

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Introduction

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

Prospective and existing investors in a GCM Grosvenor Fund should generally understand that (i) the relationships among such GCM Grosvenor Fund, the other GCM Grosvenor Funds and GCM Grosvenor are complex and dynamic; and (ii) as GCM Grosvenor's and GCM Grosvenor Funds' businesses change over time, GCM Grosvenor and its personnel will likely be subject, and such GCM Grosvenor Fund will likely be exposed, to new or additional conflicts of interest. In the ordinary course of business, and in particular in managing and making investment decisions for GCM Grosvenor Funds, GCM Grosvenor engages in activities in which its interests or the interests of certain GCM Grosvenor Funds may conflict with the interests of other GCM Grosvenor Funds and the investors in such GCM Grosvenor Funds. Such conflicts of interest could affect the objectivity of GCM Grosvenor and adversely affect one or more of the GCM Grosvenor Funds and/or the performance of the GCM Grosvenor Funds or returns to their investors. Certain of these actual and potential conflicts are summarized herein. In addition, each investor and prospective investor in a GCM Grosvenor Fund is urged to review carefully Parts 2A and 2B of GCMLP's and/or GCM CFIG's Form ADV and any relevant GCM Grosvenor Fund's constituent or offering documents (**GCM Grosvenor Fund Documents**), in each case as applicable to such GCM Grosvenor Fund, for additional information regarding GCM Grosvenor's business, such GCM Grosvenor Fund, and the conflicts of interest to which GCM Grosvenor is subject. The foregoing information is incorporated by reference herein, and each investor will be conclusively presumed to have knowledge of the contents of the applicable GCM Grosvenor Form ADV and the relevant GCM Grosvenor Fund Documents.

GCM Grosvenor maintains policies and procedures that address actual and potential conflicts of interest. If 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, in the relevant Form ADV, 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.

For purposes of convenience, although investors in GCM Grosvenor 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.

GCM Grosvenor Policies and Procedures

Policies and procedures implemented by GCM Grosvenor to reduce or mitigate potential conflicts of interest and/or address certain regulatory requirements and contractual restrictions reduce the synergies that would otherwise exist across its various businesses and that GCM Grosvenor could otherwise draw on in pursuing attractive investment opportunities for GCM Grosvenor Funds. GCM Grosvenor has established compliance functions to administer GCM Grosvenor's information sharing policies and procedures and to identify and monitor potential conflicts of interest. Although GCM Grosvenor Funds generally seek to leverage GCM Grosvenor's firm-wide resources to help source, conduct due diligence on, structure, and create value for GCM Grosvenor Funds' investments, the information sharing policies and procedures referenced above, as well as certain legal, contractual and tax constraints and other considerations could significantly limit GCM Grosvenor Funds' ability to do so. For example, GCM Grosvenor may come into possession of material non-public information about (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 could be restricted from sharing such information with the GCM Grosvenor professionals responsible for making GCM Grosvenor Funds' investment or divestment decisions or from making such investments or divestments, even where the disclosure of such information would be in the best interest of one or more GCM Grosvenor Funds or would otherwise influence the decisions taken by such investment professionals with respect to such actual or potential investment or divestment. Additionally, the terms of confidentiality or other agreements with or related to companies in which GCM Grosvenor has entered, either on its own behalf or on behalf of advisory clients of GCM Grosvenor, may restrict or otherwise limit the ability of a GCM Grosvenor Fund to make investments in or otherwise engage in businesses or activities competitive with such companies. GCM Grosvenor may also enter 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, could 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 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 investment vehicles/accounts (**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 may also have an incentive to favor certain GCM Grosvenor Funds over other GCM Grosvenor Funds if GCM Grosvenor or its related persons have investments in such favored GCM Grosvenor Funds.

Additionally, certain GCM Grosvenor Funds invest in other GCM Grosvenor Funds, and GCM Grosvenor will 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 Investment Company Act of 1940, as amended, (the **ICA**) on certain GCM Grosvenor Funds (each, a **RIC**) and on affiliated persons (as that term is defined in the ICA) of such RICs, it is possible that if a GCM Grosvenor Fund invests in an Underlying Fund in which a RIC managed by GCM Grosvenor is also an investor, such GCM Grosvenor Fund may be required to forego some or all of its voting rights associated with such investment. In addition, in situations where a RIC that GCM Grosvenor manages and other GCM Grosvenor Funds own, in the aggregate, 25% or more of the interests in a particular Underlying Fund, GCM Grosvenor Funds may be precluded from making additional investments in such Underlying Fund, even though GCM Grosvenor deems it would be appropriate for GCM Grosvenor Funds to make additional investments in such Underlying Fund. In seeking to not limit certain GCM Grosvenor Funds' investment activities as a result of this restriction, GCM Grosvenor may choose to not invest RIC assets in certain Underlying Funds. Moreover, in the event that such aggregate ownership in an Underlying Fund equals or exceeds the 25% threshold, for example, due to redemptions by non-GCM Grosvenor investors in an Underlying Fund, GCM Grosvenor would likely redeem a portion of the aggregate RIC and GCM Grosvenor Funds' capital from the Underlying Fund to reduce the aggregate ownership level below that threshold.

Investment in Different Parts of the Capital Structure

GCM Grosvenor Funds may invest in companies in which GCM Grosvenor or one or more other GCM Grosvenor Funds also invest, either directly or indirectly through an Underlying Fund. Investments in a company by certain GCM Grosvenor Funds may be made prior to the investment by other GCM Grosvenor Funds, concurrently, including as part of the same financing plan or after the investments by such other GCM Grosvenor Funds. Any such investment by a GCM Grosvenor Fund could consist of securities or other instruments of a different class or type from those in which other GCM Grosvenor Funds are invested and may entitle the holder of such securities or other instruments to greater control or to rights that otherwise differ from those to which such other GCM Grosvenor Funds are entitled. In connection with any such investments—including as they relate to acquisition, owning, and disposition of such investments—the GCM Grosvenor Funds may have conflicting interests and investment objectives, and any difference in the terms of the securities or other instruments held by such parties will 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 will be exacerbated to the extent that representatives of GCM Grosvenor serve on an advisory or other board or committee related to such company or GCM Grosvenor Funds' investment in such company. In certain instances, GCM Grosvenor Funds and/or GCM Grosvenor may invest as a minority investor as part of a larger investing group or syndicate. In such cases, the financial sponsor, and not GCM Grosvenor, will be in the position to negotiate and potentially make decisions on behalf of the holders of the relevant class of equity or debt holders.

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

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

Other Fees

GCM Grosvenor earns 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 could 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 while investing for the GCM Grosvenor Funds. GCM Grosvenor does not generally establish information barriers between internal investment teams. GCM Grosvenor and its related persons will have no obligation to compensate any GCM Grosvenor Fund—or any investor therein—in any respect for its receipt of such information or to account to any GCM Grosvenor Fund—or any investor therein—for any profits earned from GCM Grosvenor's or its related persons' use of such information.

In addition, while GCM Grosvenor maintains compliance policies and procedures, including personal trading policies, which seek to reduce potential conflicts of interest, GCM Grosvenor employees in certain circumstances may be permitted to invest in alternative investment funds and other investment vehicles, including GCM Grosvenor Funds and potential competitors of GCM Grosvenor Funds. Investors will not receive any benefit from any such investments. The records of any such investments by GCM Grosvenor's employees generally will not be open to inspection by the investors. GCM Grosvenor and its employees give advice or act for their own accounts that could differ from, conflict with or be adverse to advice given or action taken for a GCM Grosvenor Fund. These activities may create conflicts of interest for the employees in providing services with respect to the GCM Grosvenor Funds and could 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 could inform investment decisions made in respect of another GCM Grosvenor Fund. The access and use of this information may create 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 could 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 could 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 such conflicts are described herein. Additionally, GCM Grosvenor has, and will continue to develop, relationships with a significant number of companies, financial sponsors, and their senior managers, including relationships with clients who may hold or have held investments like those intended to be made by GCM Grosvenor Funds. These clients may themselves represent appropriate investment opportunities for certain GCM Grosvenor Funds or may compete with certain GCM Grosvenor Funds for investment opportunities. Additional conflicts arise if GCM Grosvenor provides services to, and is compensated by, third parties that may be otherwise suitable investments opportunities for one or more GCM Grosvenor Funds.

In connection with any future investment banking, lending, advisory, underwriting, and other businesses, GCM Grosvenor could come into possession of information that limits its ability to engage in certain transactions. There could 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 could be forced to sell or hold existing investments as a result of relationships that GCM Grosvenor has or transactions or investments GCM Grosvenor makes.

GCM Grosvenor Special Relationships

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

Joint Ventures

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

Broker-Dealer Activities

GCM Grosvenor sometimes includes entities that act as broker-dealers. Such broker-dealers, including 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, because 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 securities that it continues to hold is restricted.

Portfolio Entity Relationships

GCM Grosvenor enters 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 could 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 could involve fees and/or servicing payments to GCM Grosvenor-affiliated entities that may not be subject to management fee offset provisions. Additionally, GCM Grosvenor could 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 could enter 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 want 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 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 interprets 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 is more favorable to GCM Grosvenor than to the GCM Grosvenor Funds or their investors.

Placement Agents/Affiliates

GRV Securities LLC (**GSLLC**), an affiliate of GCM Grosvenor, serves as a placement agent or distributor for certain GCM Grosvenor Funds, and GCM Grosvenor may engage other placement, distribution, or similar agents to assist it in marketing interests in 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. Except as otherwise disclosed to GCM Grosvenor Fund investors, the sole function of GSLLC in relation to the GCM Grosvenor Funds is to serve as private placement agent or distributor for interests in certain GCM Grosvenor Funds. GCM Grosvenor compensates GSLLC for the placement agent services provided by GSLLC, generally on a fixed fee basis, not dependent on the success of GSLLC, and except as otherwise disclosed to applicable GCM Grosvenor Fund investors, GSLLC does not receive any placement fees or compensation from 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 financial instruments business operator under Japan's Financial Instruments and Exchange Act to conduct a Type I financial instruments business (engaging in securities business handling liquid securities such as trust or corporate type funds), a Type II financial instruments business (engaging in securities business handling illiquid securities such as limited partnership funds) and a Discretionary Investment Management Business (engaging in asset management business for clients). In its capacity as a discretionary investment manager on behalf of clients in Japan, GCM Japan, under certain circumstances, allocates client assets to one or more investment vehicles managed or advised by GCMLP or GCM CFIG. GCM Japan also acts as placement agent for certain GCM Grosvenor Funds that are privately offered in Japan to Japanese investors, provides ongoing services to Japanese investors in such vehicles and provides 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 CFIG, nor GCM Japan, pays any sales commissions to such employees in connection with the private placement activities they perform.

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 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.

Each GCM Grosvenor Fund investor should understand that except as otherwise disclosed to such investor (i) in connection with acting as placement agent on behalf of a GCM Grosvenor Fund, GCM Securities acts as agent of the such GCM Grosvenor Fund, not as agent of or broker for such investor; (ii) GCM Securities is not acting as investment, tax, financial, legal or accounting advisor to potential investors in connection with the offering of the interests; and (iii) the placement agent activities of GCM Securities on behalf of a GCM Grosvenor Fund should not be construed as a recommendation to subscribe for interests in a GCM Grosvenor Fund, as GCM Securities makes no such recommendations. Potential investors must independently evaluate the offering and make their own investment decisions.

GCM Grosvenor may engage non-affiliated placement, distribution, or similar agents to assist in marketing interests in GCM Grosvenor Funds. If a GCM Grosvenor Fund investor acquires interests in a GCM Grosvenor Fund as a result of a recommendation made by any other placement, distribution or similar agent retained by GCM Grosvenor to assist in marketing the interests, such investor should not view such recommendation as being disinterested, as GCM Grosvenor generally will compensate the agent for the introduction. Additionally, certain affiliates of GCM Grosvenor may enter into placement agent agreements or otherwise be retained as placement agents by unaffiliated portfolio managers (**Unaffiliated Managers**). Under these placement agent agreements, to the extent permitted by applicable law, such other Unaffiliated Managers may compensate such affiliates of GCM Grosvenor for referring investors to the Unaffiliated Manager's funds and such fees will not be shared with the GCM Grosvenor Funds even if the relationship was sourced through, or in connection with providing services to, such GCM Grosvenor Funds.

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 could have the right or could 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 could 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 could have certain attributes of GCM Grosvenor employees 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 could 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 while 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 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 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 investment strategy could 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 each investment or investment strategy will be based upon relevant factors, including, without limitation, the capital committed to the investment or investment 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 investment strategy, the proportion of such expenses allocated to any relevant fund, vehicle or account may vary from period to period and for certain investments or investment 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 software, or payments to offset technology development or workstation costs, 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 way such costs and expenses are allocated among the GCM Grosvenor Funds. Additionally, and without limitation, GCM Grosvenor could 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 GCM Grosvenor Funds on a basis that GCM Grosvenor reasonably determines in good faith to be fair and equitable, and could 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. If a GCM Grosvenor Fund is subject to terms that have a less favorable impact on GCM Grosvenor 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 may be offered co-investment opportunities in connection with investments in a particular Underlying Fund, which may increase GCM Grosvenor's incentive to invest GCM Grosvenor Fund assets in such Underlying Fund. In addition, GCM Grosvenor could be incentivized to cause the GCM Grosvenor Funds to make a larger capital commitment to a particular Underlying Fund than it originally anticipated, to accept a particular co-investment opportunity and/or to participate on a limited partner advisory committee in hopes of receiving preferential or additional co-investment rights. In addition to the fact that there are no assurances made that any such co-investment opportunities—or any related economic benefits—will be made available to any particular GCM Grosvenor Fund or GCM Grosvenor Fund investor, this could create additional risks for the GCM Grosvenor Funds, such as greater exposure to an Underlying Fund than GCM Grosvenor would have taken absent such potential co-investments. The fact that GCM Grosvenor sponsors or advises, and receives compensation from, GCM Grosvenor Funds with a significant or exclusive investment focus on co-investment opportunities exacerbates GCM Grosvenor's conflicts with respect to co-investments. Also, while GCM Grosvenor's investment allocation policy is intended to allocate co-investment opportunities in a fair and equitable basis, there may be an incentive for GCM Grosvenor to allocate co-investment opportunities in a manner that favors certain GCM Grosvenor Funds over others.

Certain investors co-investing with the GCM Grosvenor Funds may invest on different and more favorable terms than the GCM Grosvenor Funds and may have interests or requirements that conflict with and adversely impact the GCM Grosvenor Funds. Examples may include investors' liquidity requirements, available capital, the timing of acquisitions and dispositions or control rights. GCM Grosvenor will generally seek to reasonably 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 could not be appropriate in all circumstances and that one or more GCM Grosvenor Funds could 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 could be structured such that investors that have committed to the co-investment opportunity do not share in any broken deal expenses. This could have an adverse effect on the GCM Grosvenor Funds.

From time to time, GCM Grosvenor may have the opportunity to offer certain investment opportunities to GCM Grosvenor Fund investors or other parties on an overage basis after GCM Grosvenor Funds have received what GCM Grosvenor determines to be an appropriate allocation to such opportunities. GCM Grosvenor could 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 consider various facts and circumstances deemed relevant by it when determining the allocation of overage opportunities. Such factors include, among others, (i) whether a potential overage investor has expressed an interest in evaluating such opportunities; (ii) whether a potential overage investor has a history of participating in such opportunities with GCM Grosvenor; (iii) the size of the interest and opportunity; (iv) the economic terms applicable to such overage investment for such investor and GCM Grosvenor; (v) whether allocating to a potential overage investor will help establish, recognize, strengthen, and/or cultivate relationships with an existing or prospective investor; and (vi) such other factors GCM Grosvenor deems relevant under the circumstances. The allocation of overage investment opportunities by GCM Grosvenor may involve a benefit to GCM Grosvenor including, without limitation, management fees, carried interest or performance-based fees or allocations from an overage opportunity. GCM Grosvenor Fund investors or other parties that seek to participate in a potential overage opportunity may not share in any broken deal expenses in the event such opportunity is not consummated.

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

Board and Advisory Committee Seats

Persons designated by GCM Grosvenor may serve as GCM Grosvenor's representatives on an advisory committee or member of a board of directors, or participate in an equivalent body, of Underlying Funds or Portfolio Companies (collectively, **GCM Board Representatives**). Consequently, these GCM Board Representatives stand to receive information other investors would not and could potentially control or influence their policies and operations. This creates 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 may also have a conflict of interest in discharging such representative's duties and responsibilities in respect of a particular Underlying Fund or Portfolio Company to the extent that multiple GCM Grosvenor Funds invest in such Underlying Fund or Portfolio Company and such GCM Grosvenor Funds themselves have conflicting interests in respect of such Underlying Fund or Portfolio Company. Certain actions of an Underlying Fund or Portfolio Company could be in the interests of one GCM Grosvenor Fund but adverse to the interest of others. For example, GCM Grosvenor Funds may invest in the same Underlying Funds at different times and/or under different terms and may therefore have different investment horizons or objectives (e.g., different GCM Grosvenor Funds investing on a primary basis versus on a secondary basis in an Underlying Fund). Among other things, a GCM Board Representative may have a conflict in making decisions to extend commitment periods or terms or approve decisions regarding the disposition of Underlying Fund assets in such circumstances. Similarly, GCM Grosvenor Funds could 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 would 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 could 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 may 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 that they represent, without fiduciary obligations to any other investors. Such persons may have an incentive to base their decisions on personal considerations related to the investor they represent rather than on the best interests of the relevant GCM Grosvenor Funds. Consequently, a GCM Grosvenor Fund advisory committee's decision may not itself assure an equitable resolution—at least insofar as all investors are concerned—of any conflicts of interest or other issues in question.

Principal and Cross Transactions

When permitted by applicable law, the terms of the relevant GCM Grosvenor Fund Documents and the applicable policies and procedures of GCM Grosvenor, certain GCM Grosvenor Funds 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 could result in such Portfolio Company or other GCM Grosvenor Fund being relieved of obligations or otherwise exiting investments, in a manner which benefits GCM Grosvenor or such other GCM Grosvenor Funds.

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

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

Transfers of Interests in Underlying Funds

From time to time, to the extent permitted by applicable law, the terms of the relevant GCM Grosvenor Fund Documents and the applicable policies of GCM Grosvenor, GCM Grosvenor may determine that it is appropriate for one or more GCM Grosvenor Funds to dispose of, or decrease, their investments in a particular Underlying Fund as of a particular date, while also determining that it is appropriate for one or more other GCM Grosvenor Funds to invest, or increase their investments, in such Underlying Fund as of the same date. GCM Grosvenor will potentially face conflicts of interest in connection with such transactions, including for the consideration offered by, and the obligations of, GCM Grosvenor and the applicable GCM Grosvenor Funds. GCM Grosvenor sometimes is required, under the GCM Grosvenor Funds' Documents, to obtain the consent of a limited partner advisory committee to enter 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 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 reasonably ensuring that GCM Grosvenor avoids publicity or any reputational harm. For example, there may be certain positions, which other market participants take, and which may benefit the GCM Grosvenor Funds but which GCM Grosvenor does not take for the GCM Grosvenor Funds due to GCM Grosvenor's determination that such position may be seen as inappropriate in certain regulatory contexts or otherwise unadvisable. In addition, GCM Grosvenor could 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 could require GCM Grosvenor to make public or potentially public disclosures about itself, its business, and/or its related persons that GCM Grosvenor may not want 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 could 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. Consequently, 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 makes 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, in its sole discretion in certain circumstances, could 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 that 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 could have more information about the GCM Grosvenor Funds than other investors, and GCM Grosvenor will have no duty to reasonably ensure all investors seek, obtain, or process the same information, or to reasonably 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 GCM Grosvenor Fund managed or sponsored by GCMLP (a **GCMLP Fund**) is a distinct transaction, Underlying Funds may agree to treat all investments made by GCMLP Funds as if they had been made by the same investor for purposes of applying certain business terms, such as "gates." We enter into these types of arrangements because we believe that, in most cases, they can be expected to benefit all participating GCMLP Funds. For example, under arrangements such as these, certain GCMLP Funds could make complete withdrawals or redemptions provided that other GCMLP Funds do not withdraw or redeem, as the former GCMLP Funds could make use of the withdrawal or redemption capacity allocable to the GCMLP Funds on a collective basis. However, these arrangements also have certain drawbacks. For example, if one GCMLP Fund were to withdraw or redeem from an Underlying Fund, its withdrawal or redemption could reduce withdrawal or redemption capacity for other GCMLP Funds. In this example, depending on the actual terms of the applicable gate, a particular GCMLP Fund may be entitled to receive less withdrawal or redemption proceeds in respect of a particular withdrawal or redemption than would otherwise be the case.

In certain cases, we are able to negotiate favorable investment terms with the Investment Managers of Underlying Funds, but often on the condition that our accounts, which could 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 could, 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 (**Project Agreements**); 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, could 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 imposed on certain GCM Grosvenor Funds or due to other considerations, GCM Grosvenor in certain cases can be restricted from causing such GCM Grosvenor Funds to invest with Investment Managers with which GCM Grosvenor or other GCM Grosvenor Funds have a Project Agreement or in which GCM Grosvenor, one or more of its related persons, and/or one or more other GCM Grosvenor Funds invest.

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

GCM Grosvenor also has a conflict of interest in determining whether to cause GCM Grosvenor Funds to withdraw capital from an Investment Manager's Underlying Fund because we may have a financial incentive not to exercise such right—even if we otherwise believes that a withdrawal is appropriate under the circumstances—because 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 could be follow-on investments in Portfolio Companies in which other GCM Grosvenor Funds and/or Underlying Funds sponsored by the same Investment Manager have previously made investments. Such follow-on investments in existing Portfolio Companies may be attractive investment opportunities, and may somewhat or substantially dilute the earlier investments made by such other GCM Grosvenor Funds and/or Underlying Funds if such other GCM Grosvenor Fund and/or Underlying Funds either do not have or do not exercise anti-dilution rights in respect of such Portfolio Companies. Such dilution could 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 could be made at either 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 makes 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 after the investment by such GCM Grosvenor Fund. Any such investment by a GCM Grosvenor Fund could consist of securities, loans or other investments of a different class or type from those in which other GCM Grosvenor Funds are invested and that may entitle the holder of such investments to greater control or to rights that otherwise differ from those to which such GCM Grosvenor Fund is entitled. In connection with any such investments, the GCM Grosvenor Funds could 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 could 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 could 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 acquires 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

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.

Investments in GCM Vehicles

GCM Grosvenor may and expects to cause GCM Grosvenor Funds to invest in certain investment funds, separately managed accounts or other vehicles organized and sponsored by GCM Grosvenor or its affiliates (**GCM Vehicles**). A GCM Vehicle may invest in one or more Underlying Funds, and/or may retain one or more Investment Managers to direct its trading and investing activities. As described below, GCM Vehicles may also have investors other than GCM Grosvenor Funds. GCM Grosvenor Funds may access Underlying Funds and Investment Managers through a GCM Vehicle for any reason, which may include, without limitation, facilitating and aggregating investments by multiple GCM Grosvenor Funds with the same Investment Manager or where a direct investment in an Underlying Fund is not available. Although aggregating a GCM Grosvenor Fund's capital with other GCM Grosvenor Funds through a GCM Vehicle may enable GCM Grosvenor to obtain more favorable investment terms for the GCM Vehicle than would otherwise apply if the GCM Grosvenor Fund invested in an Underlying Fund directly, GCM Grosvenor is subject to certain conflicts of interest in determining whether to cause the GCM Grosvenor Fund to invest through a GCM Vehicle. Such conflicts are mitigated to some extent because, absent appropriate disclosure to and consent by investors in the applicable GCM Grosvenor Fund, none of a GCM Grosvenor Fund or its investors will be subject to any asset-based fees or performance-based compensation payable or allocable by a GCM Vehicle to GCM Grosvenor or any of its affiliates (*i.e.*, GCM Grosvenor will not receive "double fees" from both the GCM Grosvenor Fund and a GCM Vehicle through which the GCM Grosvenor Fund invests). However, GCM Grosvenor may nonetheless have an incentive to cause the GCM Grosvenor Fund to invest in a GCM Vehicle instead of an Underlying Fund directly for reasons that, while not opposed to the best interests of the GCM Grosvenor Fund, primarily benefit GCM Grosvenor or the GCM Vehicle (*e.g.*, direct or indirect financial incentive or the administrative convenience of consolidating investments by multiple GCM Grosvenor Funds through a single entity).

Additionally, GCM Grosvenor and its related persons will from time to time invest, for their respective proprietary accounts, in Underlying Funds through one or more GCM Vehicles for legal, tax, regulatory, strategic or other applicable reasons to facilitate certain investments. GCM Grosvenor will not be obligated to make investment opportunities in such GCM Vehicles available to any of the GCM Grosvenor Funds or GCM Grosvenor Fund investors.

In certain instances, GCM Grosvenor may limit a GCM Grosvenor Fund's non-fee paying exposure to a particular GCM Vehicle, 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 Vehicle, 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.

In certain cases, GCM Vehicles may be established to serve as investment vehicles not only for GCM Grosvenor Funds, but also for outside investors. While GCM Grosvenor or its affiliates will not receive any additional compensation in respect of investments made by GCM Grosvenor Funds in GCM Vehicles (absent appropriate disclosure to and consent by investors in such GCM Grosvenor Funds), GCM Grosvenor may have an incentive to form and invest the assets of GCM Grosvenor Funds in GCM Vehicles as a means of helping to establish and promote GCM Vehicles which may subsequently serve as a means of attracting GCM Grosvenor fee-paying capital from outside investors.

Ability to Redeem from Investments in which GCM Grosvenor Funds Invest

Certain GCM Grosvenor Funds could want to redeem from an Underlying Fund at the same time that other GCM Grosvenor Funds or GCM Grosvenor wants to redeem from such Underlying Fund. The ability to redeem from any Underlying Fund could 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 want to or be compelled to 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 want to or be compelled to redeem from such Underlying Fund as of such date. 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, contributions, or subscriptions could, for example, cause portfolio damage, portfolio dilution, depletion of liquidity, costly portfolio rebalancing, imposition of redemption 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 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 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 could 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 after the time that certain other GCM Grosvenor Funds or GCM Grosvenor purchased their interests in such Underlying Fund; or
- 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 redemption gates are, for example, calculated based on redemptions during an entire quarter or other period. Accordingly, if certain GCM Grosvenor Funds or GCM Grosvenor redeem during a quarter, this could prevent one or more other GCM Grosvenor Funds from redeeming during that period, whereas the earlier redemptions are unaffected.

Investments in Underlying Funds Managed by Clients

Certain of the Underlying Funds in which the GCM Grosvenor Funds 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 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 invest also invest in various parts of GCM Grosvenor's or its Affiliates' capital structures, including in GCMG's public shares or in notes or other debt or equity securities issued from time to time by GCM Grosvenor or its Affiliates. Transactions entered into and/or investments made by such Underlying Funds may, directly or indirectly, affect GCM Grosvenor, the performance of the GCM Grosvenor Funds and the value of the debt or equity securities issued by GCM Grosvenor or its Affiliates, including GCMG's public shares. The fact that certain of the Underlying Funds invest in various parts of GCM Grosvenor's or its Affiliates' capital structures creates conflicts of interests, including conflicts that potentially compromise GCM Grosvenor's objectivity in determining whether to invest in or, where possible, redeem from such Underlying Funds.

Stapled Investments and Secondaries

In order to participate in a particular investment opportunity or otherwise, GCM Grosvenor Funds may be required to make separate commitments to another Underlying Fund or investment often managed by the Investment Manager or sponsor whose consent is required for the GCM Grosvenor Fund to participate in the investment opportunity. Such requirements may be communicated verbally and not documented in writing. In instances where this occurs, GCM Grosvenor will consider the particular investment opportunity together with the required separate commitment to another Underlying Fund or investment in determining whether 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 are involved in other business ventures, including the management and/or administration of other investment funds and accounts whose investment objectives are identical or substantially like 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 could have an interest, they could 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 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 could have conflicts of interest in arriving at such valuations. For example, such valuations could affect the amount of advisory compensation received by such Investment Managers and sponsors, and this may in turn affect the performance of the GCM Grosvenor Funds. As

GCM Grosvenor will generally rely on the valuations provided by such Investment Managers and sponsors when determining valuations for the GCM Grosvenor Funds, erroneous valuations by such Investment Managers or sponsors could have an adverse impact on the GCM Grosvenor Funds (see "Valuation Matters," herein). In addition, if GCM Grosvenor has a GCM Board Representative on a limited partner advisory committee or similar board of an Underlying Fund, GCM Grosvenor may also have a conflict of interest in determining valuations for such Underlying Fund to the extent such valuations indirectly improve the performance of the GCM Grosvenor Funds.

Relationships with Service Providers, Investment Managers, and Consulting Firms

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 could 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, investors, or counterparties therewith. These relationships could 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 may have an incentive to base their decisions, including decisions to hire or to not terminate, on personal considerations rather than on the best interests of the affected GCM Grosvenor Funds. 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, and may ask an employee to recuse themselves from certain decisions, if GCM Grosvenor determines that such a reasonable likelihood exists.

From time to time, GCM Grosvenor personnel may attend or speak at conferences and programs for potential investors interested in investing in funds. The conferences are sometimes sponsored by investment firms that either provide services to the GCM Grosvenor Funds or have a relationship with GCM Grosvenor. Through such capital introduction events, prospective investors in the GCM Grosvenor Funds can meet with GCM Grosvenor. However, such events and other services could 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 include serving as a member of the board of directors or advisory committee of a Portfolio Company, seeking a buyer or equity investor on behalf of such Portfolio Company, and advising such Portfolio Company as to appropriate candidates, other than the GCM Grosvenor Funds, for such acquisition or investment. Such persons employed by or otherwise associated with GCM Grosvenor may have an incentive to base their decisions on personal considerations rather than on the best interests of the affected GCM Grosvenor Funds.

Persons employed by or otherwise associated with consulting firms may have an incentive to select or recommend GCM Grosvenor as a prospective manager of the assets of clients of such consulting firms and/or recommend that such clients continue to retain GCM Grosvenor. GCM Grosvenor may from time to time enter 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 clients to which it recommends GCM Grosvenor.

Gifts, Meals, and Entertainment

Persons employed by or otherwise associated with GCM Grosvenor may receive gifts, meals or entertainment from current or prospective service providers of GCM Grosvenor or the GCM Grosvenor Funds, including, existing or potential Investment Managers. GCM Grosvenor maintains policies and procedures that it believes are reasonably designed to preserve its objectivity with respect to the selection, retention, and termination of service providers, notwithstanding the receipt of gifts, meals, and/or entertainment by its personnel from such service providers. However, notwithstanding these policies and procedures, to the extent that employees of GCM Grosvenor or its related persons receive gifts, meals, and/or entertainment from a service provider or prospective service provider, such individual may have an incentive to seek to cause GCM Grosvenor or the GCM Grosvenor Funds to enter into a business relationship with, or to sustain or expand an existing business relationship with, such service provider even if doing so is not in the best interests of the GCM Grosvenor Funds.

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

Charitable and Philanthropic Activities

GCM Grosvenor and persons employed by or otherwise associated with GCM Grosvenor engage in philanthropic activities through contributions of their time and/or financial resources to charitable organizations. Investment Managers, service providers, investors in the GCM Grosvenor Funds, consultants, and financial advisors to prospective and existing investors in the GCM Grosvenor Funds and the respective principals of the foregoing may engage in similar philanthropic activities. GCM Grosvenor and its related persons, on the one hand, and such other entities and their principals, on the other hand, may from time to time ask each other to participate in their respective philanthropic activities. It is GCM Grosvenor's policy that any such participation or lack thereof will not be a factor in the investment management process; however, such charitable and philanthropic activities could 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 may engage in political activities, which include making contributions to certain political figures or organizations, coordinating and soliciting on behalf of a political figure or organization, or volunteering on behalf of a campaign committee. GCM Grosvenor requires employees to obtain pre-approval from the Firm's Legal and Compliance Department prior to engaging in these political activities. As possible, the Firm's Legal and Compliance Department monitors employee political activities. While GCM Grosvenor allows 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 could 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 to avoid any actual or perceived conflict.

Valuation Matters

The fair value of 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 could also affect the ability of GCM Grosvenor to raise successor funds to one or more GCM Grosvenor Funds. As a result, there may be circumstances where GCM Grosvenor is incentivized to determine valuations that are higher than the actual fair value of investments.

Brokerage and Research Services; "Soft Dollars"

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

In addition, GCM Grosvenor may possess material non-public information or other confidential proprietary information that may effectively limit the ability of certain GCM Grosvenor Funds to make certain investments or dispose of certain investments until such time as the information became public or is deemed no longer material to preclude GCM Grosvenor Funds from participating in, or disposing of, an investment. Disclosure of such information to GCM Grosvenor's personnel responsible for the affairs of certain GCM Grosvenor Funds will be on a business need to know basis only, and the GCM Grosvenor Funds might not be free to act upon any such information. Additionally, there could 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 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. Certain rights afforded to investors in side letters could be limited to investors with a certain commitment level or that 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.

GCM GROSVENOR

GCM Customized Fund Investment Group, L.P.
SEC Form ADV, Part 2A

March 30, 2022

Item 1 – Cover Page

GCM Customized Fund Investment Group, L.P.

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(646) 362-3700
www.gcmgrosvenor.com

March 30, 2022

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 CFIG**, and together with GCMLP and their affiliates, **GCM Grosvenor**). Additional information about GCM CFIG 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 GCM CFIG, 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 GCM CFIG. If you have any questions about the contents of this Brochure or the additional information about GCM CFIG made available on the SEC's website, please contact GCM CFIG at 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 30, 2021:

- In Item 8, we updated disclosure relating to Risks and Other Special Considerations.

Item 3 – Table of Contents

Item 4 – Advisory Business

Our Business

GCM CFIG (including its predecessors) has been in business since 1999.

We provide the following investment management and advisory services for private markets (i.e., private equity, real estate, and infrastructure investments) to investment vehicles, separately managed accounts, and other clients on a discretionary and non-discretionary basis (**GCM CFIG Funds**):

- Single-investor GCM CFIG Funds managed or advised by GCM CFIG (**Customized GCM CFIG Separate Accounts**)

  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.

- Multi-investor GCM CFIG Funds managed or advised by GCM CFIG (**Specialized GCM CFIG Funds**)

  We offer investment vehicles designed for multiple investors seeking ease of investment and diversification in select strategies.

- The GCM CFIG Funds pursue their investment objectives by investing in:
  - one or more pooled investment vehicles (either directly or indirectly through special purpose vehicles formed for the purpose of investing in such securities or other assets), including funds acquired in the secondary market (**Underlying Funds,** which includes co-investments as the context requires), which themselves purchase securities or other assets and are managed by third-party investment managers (**Investment Managers**)
  - securities or other assets that may be sponsored or identified by Investment Managers or may be sourced independently by GCM Grosvenor (either directly or indirectly through special purpose vehicles formed for the purpose of investing in such securities or other assets). We refer to these securities, including securities issued by operating companies (**Operating Companies**), or other direct assets as co-investments (**Co-Investments**).

For convenience:

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

Although investors in GCM CFIG Funds or GCM CFIG Investment Vehicles are not, in their capacity as such, our clients for regulatory purposes, we sometimes refer to those investors as our clients.

Investment Monitoring Services

We provide Investment Monitoring Services (**Investment Monitoring Services**) for certain clients seeking assistance in monitoring their private equity, real estate, or infrastructure investments, including investments held directly by the client.

Investment Monitoring Services may include:

- testing the schedule of unrealized investments
- reviewing distribution notices
- monitoring capital calls to verify reasonableness of management fee calculations
- reviewing amendment and consent requests made by an Investment Manager and providing a written summary and review of the terms of the amendment or consent
- attending periodic meetings held by an investor's private fund program's Investment Managers and preparing brief reports of any relevant updates
- reviewing equity ownership of individual portfolio companies to ensure compliance with internal client policies

Portfolio Administration Services

We provide portfolio administration services (**Portfolio Administration Services**) for certain clients, designed to integrate portfolio administration for all of a client's private equity, real estate or infrastructure investments, including those investments that are sourced and executed directly by the investor or through parties other than GCM CFIG, such as the investor's consultants or other investment managers or advisers.

Portfolio Administration Services may include:

- tracking cash flow activity and developing appropriate cash flow activity categorizations
- reviewing and reconciling capital calls and distributions
- recording quarterly capital account adjustments
- reconciling quarterly reports received by an investor in respect of its investments
- providing document management services
- providing an investor with various fund-by-fund and aggregate reporting
- providing an investor with various look-through underlying asset level exposure reporting

Such an investor typically has access to the reports described above through a password-protected portal into our proprietary systems.

Our Assets Under Management

As provided in Item 5.f(2) of Part 1 of our SEC Form ADV, as of December 31, 2021, our assets under management were approximately $41.4 billion.

Our Principal Owner

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

GCM Grosvenor Inc. (**GCMG**), a public company traded on the Nasdaq exchange under the ticker symbol GCMG, indirectly controls GCM Holdings and our general partner, GCM, L.L.C. 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 (a) controls 75% of the voting power of GCMG, and (b) owns a majority interest in GCM Holdings through several intermediate entities that he controls and of which he is the principal owner. Information about GCMG, including certain ownership, governance and financial information, is disclosed in the firm's periodic filings with the SEC, which can be obtained from the firm's website at www.gcmgrosvenor.com or the SEC's website at www.sec.gov.

Item 5 – Fees and Compensation

Fees in General

The GCM CFIG Funds generally pay us or our affiliates one, or a combination, of the following:

- a percentage of up to 2.0%, of assets, investment value, and all or a portion of investor or investment commitments, which can include uncalled capital
- an agreed upon fixed amount
- a percentage of specified realized profits of up to 25%, which is typically subject to various hurdles or preferred returns

Any transaction or monitoring fees that are received by us will generally either be rebated back to the investors as an offset against our management fee or directly paid to the applicable GCM CFIG Fund and allocated among the partners of that fund, including GCM CFIG affiliates where applicable.

Fees differ based upon a number of factors, including without limitation, investment type and asset class, overall fee arrangements, account complexity, overall relationship with us and our affiliates, account size, assets or commitments under management and the terms of the various Underlying Funds in which the GCM CFIG Funds invest and vintage year of the GCM CFIG Fund.

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, can invest in GCM CFIG Funds on a non-fee-paying basis or at fee rates that are lower than those charged to other investors in such GCM CFIG Funds, in our discretion.

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

Fees and Allocations for Customized GCM CFIG Separate Accounts

Management fees, carried interest, or other special allocations, and other terms for Customized GCM CFIG Separate Accounts are negotiated on a case-by-case basis with the investor. Management fees are typically payable quarterly, either in advance or in arrears, may be payable on investments that are valued below cost, and in some cases, may be paid on investments valued at zero but have not been written off. Carried interest is generally based on a waterfall calculation that takes into account an investor's realized gains and losses and, in some cases, unrealized gains and losses on portfolio securities, either over the life of the Customized GCM CFIG Separate Account or on a deal-by-deal basis and may or may not take into account a hurdle or preferred return and management fees and expenses previously paid by the investor.

Fees and Allocations for Specialized GCM CFIG Funds

Typically, each Specialized GCM CFIG Fund sets forth its specific fee structure, including how and when fees are calculated, charged and payable, and how allocations are calculated and made in a private placement memorandum, limited partnership agreement, investment management agreement, side letter, or similar offering document (together, **GCM CFIG Fund Documents**) provided to each prospective investor in such GCM CFIG Investment Vehicle prior to the prospective investor's investment in the GCM CFIG Investment Vehicle. Fees applicable to Specialized GCM CFIG Funds typically are not negotiable.

Fees are typically payable quarterly, either in advance or in arrears, based on terms memorialized in the GCM CFIG Fund Documents. Carried interest is calculated in the same manner, as described above, for our Customized GCM CFIG Separate Accounts.

Aggregation of Certain Accounts for Fee Purposes

If a GCM CFIG Fund maintains a tiered fee structure, such that the fees payable by the investor in the GCM CFIG Fund vary depending on the amount of the investor's investment in or commitment to the GCM CFIG Fund, we have in the past and may in the future 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 GCM CFIG Funds and/or funds or accounts managed by a GCM CFIG affiliate as a single investment for purposes of determining the effective fee rate for such investors in respect of the GCM CFIG 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.

Fees for Investment Monitoring and Portfolio Administration Services

Fees for Investment Monitoring and Portfolio Administration Services are negotiated on a case-by-case basis and depend upon the range of services that we provide to the client.

Fee Refunds

In cases in which an investor in a GCM CFIG Fund pays fees in advance and the investor terminates its investment in such GCM CFIG Fund in accordance with the termination provisions governing such GCM CFIG 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 reasonably ensure that the investor pays a fee only for the portion of the period preceding the effectiveness of the termination.

Expenses

Each GCM CFIG Fund typically pays its organizational and initial offering costs.

Each GCM CFIG Fund typically pays such costs and expenses as are necessary, advisable, or convenient for the conduct of its business, which can include, without limitation:

- offering expenses, including expenses related to negotiations with prospective investors, amendments to offering documents and "blue sky," "world sky," and other similar filings and registrations
- brokerage commissions, due diligence costs, investment banking fees, monitoring costs, sourcing or finder's fees, and other costs related to the identification, sourcing, evaluation, selection, purchase or execution, holding, management, sale and/or disposition of investments (whether or not ultimately consummated), including, without limitation, broken-deal costs, due diligence costs, investment banking fees, private placement fees, monitoring costs, sourcing or finder's fees, research costs and other transaction-related expenses incurred either by GCM CFIG, the GCM CFIG Fund, and/or the Investment Manager or other party sponsoring such investment
- expenses relating to investment in any Underlying Fund (including, without limitation, organizational, offering, and operating expenses)
- the interest expense, fees, and other costs associated with any borrowing facility
- fees and expenses in connection with the custody of a GCM CFIG Fund's assets
- legal, accounting, auditing, tax and financial statement preparation, valuation, research terminal, consulting, and other professional fees and expenses, including costs and out-of-pocket expenses of a third party engaged by a GCM CFIG Fund or by GCM CFIG itself for purposes of providing these services to one or more GCM CFIG Funds
- administrative fees and expenses, including the fees and out-of-pocket expenses of a GCM CFIG Fund's administrator
- certain fees and expenses associated with reporting to clients
- directors' fees (if appliable, but none payable to any director affiliated or associated with GCM CFIG)
- any other operating or administrative fees and expenses related to accounting, research, due diligence, reporting, and portfolio management services
- the costs and expenses of a GCM CFIG Fund's "partnership representative"
- asset-based and/or performance-based compensation payable to GCM CFIG or its affiliates
- insurance expenses, which consist primarily of premium payments made to third-party insurance underwriters and brokers related primarily to fiduciary liability coverage, professional liability coverage, ERISA fidelity bond, if applicable, and directors' and officers' liability coverage
- operational due diligence expenses, which consist primarily of legal expenses and professional fees paid to third-party investigation firms to conduct background investigations on existing and prospective 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 GCM CFIG Funds, as well as costs related to the licensing, usage, and redistribution of data and performance benchmarks
- industry expert expenses, which consist primarily of fees payable to firms that source through their member networks professionals with expertise relevant to the GCM CFIG Funds' investment activities
- any costs and expenses arising out of a GCM CFIG Fund's indemnification obligations
- any taxes and regulatory or other governmental fees and charges including regulatory or governmental fees and charges resulting from the offering or sale of a GCM CFIG Fund's securities in a non-U.S. jurisdiction
- certain travel and entertainment expenses incurred in connection with a GCM CFIG Fund's affairs, including in connection with investments, potential investments, and meetings with investors or their representatives, to the extent permissible in such GCM CFIG Fund's governing documents and to the extent such expenses comply with GCM Grosvenor's Travel and Expense Policy
- extraordinary expenses
- reimbursement of GCM CFIG 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 GCM CFIG in its reasonable discretion
- all other costs specifically described in the particular GCM CFIG Fund's Documents
- all other costs related to a GCM CFIG Fund's investment activities, administration, and operations

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

All costs and expenses directly attributable to one or more GCM CFIG Funds, and not to any other GCM CFIG Fund (such as the costs of background investigations directly attributable to a particular GCM CFIG Fund), are charged to those GCM CFIG Funds and are not allocated pro rata among other GCM CFIG Funds in the manner outlined above.

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

As an investor in Underlying Funds or Co-Investments, each GCM CFIG Fund typically bears its allocable share of the Underlying Funds' or Co-Investments' respective organizational, offering, investment, and operating expenses, including taxes and similar amounts, interest due on borrowings, brokerage and other transaction costs, the fees, expenses, and performance-based compensation of the Investment Managers, and any extraordinary costs incurred. The advisory fees charged by Investment Managers vary in type, amount, and structure. For example, in certain cases, performance-based compensation is paid or made only after investors have received a return of capital and a preferred return or after achieving a hurdle rate of return. Most GCM CFIG Funds are thus subject to two levels of fees (at the GCM CFIG Fund and the Underlying Fund level) and, as a result, may have a 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. Pursuant to Accounting Standards Generally Accepted in the United States (**U.S. GAAP**), the management fee, partnership expenses, and carried interest of Underlying Funds or Co-Investments are typically capitalized and therefore not reflected in the reported expense ratios in the audited financial statements.

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

As discussed in Item 5, many GCM CFIG Funds pay us or our affiliates performance fees or special allocations (i.e., carried interest) based on a percentage of realized profits, which can be subject to a hurdle or preferred return. These arrangements present potential conflicts when our interests may not be, or are perceived not to be, aligned with the interests of one or all of the GCM CFIG Funds.

In allocating investment opportunities, there could be incentives to favor GCM CFIG Funds with higher potential performance-based fees or special allocations over GCM CFIG Funds with lower potential performance-based fees or special allocations. As a control, GCM CFIG has adopted written policies and procedures pursuant to which it seeks to allocate investment opportunities among GCM CFIG Funds in a fair and equitable manner. In addition, performance-based fees and special allocations can create an incentive for us to recommend investments that can be riskier or more speculative than those that would be recommended under different compensatory arrangements. Please see Item 8 for additional details on how we address and mitigate these types of conflicts.

Item 7 – Types of Clients

GCM CFIG has three basic types of clients:

Type 1: GCM CFIG Funds organized as legal entities that are not subject to registration under the Investment Company Act of 1940 (as amended, the **ICA**). Some are Specialized GCM CFIG Funds, while others are Customized GCM CFIG Separate Accounts.

Some GCM CFIG Funds are feeder funds that invest all or substantially all of their assets in master GCM CFIG Funds. Feeder funds could be Specialized or Customized GCM CFIG Separate Accounts and could invest their assets in master GCM CFIG Funds that are Specialized or Customized GCM CFIG Separate Accounts.

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 GCM CFIG 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.

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

The minimum initial investment for a particular Specialized GCM CFIG Fund is set forth in the GCM CFIG Fund Documents for such Specialized GCM CFIG Fund.

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

Our Investment Philosophy

The following principles define our basic investment philosophy:

- Follow a research-based approach.
  We typically employ a top down / bottom-up research-based approach to our investment activities. Customized GCM CFIG Separate Accounts may follow a different approach, depending on a variety of factors including the investment objectives, mandate, and restrictions established by the particular investors in such Customized GCM CFIG Separate Accounts.
- Seek to achieve an appropriate level of diversification in a Specialized GCM CFIG Fund (unless otherwise prescribed in the applicable GCM CFIG Fund Documents) or the level of diversification prescribed by the investor in a Customized GCM CFIG Separate Account.
- Focus on fewer Investment Managers or Co-investments, with the objective of identifying what we believe to be the highest quality Investment Managers or Co-investments appropriate for the GCM CFIG Funds.
- Seek to invest with Investment Managers that we regard as having a competitive advantage.
- Conduct effective due diligence with respect to Investment Managers and the Underlying Funds and Co-investments they manage or advise.

Diversification and Types of Investments

We typically recommend diversifying the portfolio of a GCM CFIG Fund by type, strategy, industry, geography, sector, stage, and vintage year. Customized GCM CFIG Separate Accounts may follow a different approach, depending on a variety of factors including the investment objectives, mandate, and restrictions established by the particular investors in such Customized GCM CFIG Separate Account.

The types of investments we typically seek to include in diversified portfolios for GCM CFIG Funds may 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 and/or companies acquired in secondary market transactions (**Secondary Investments**)
- Co-Investments
- Direct Investments

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

- Leveraged Buyouts (i.e., Middle Market or Large)
- Venture Capital
- Growth Equity
- Special Situations — e.g., Structured Equity and Subordinated Debt
- Distressed Debt
- Infrastructure (also referred to as Energy, Infrastructure, and Real Assets)
- Real Estate
- Small and Emerging Managers
- Diverse Managers
- Regionally Focused Strategies
- Responsible Investing
- Emerging Markets

General Investment Process

1. Deal Flow Evaluation

GCM CFIG has various investment sub-committees that review investment opportunities identified through GCM CFIG's sourcing process and reasonably ensure that investment opportunities are proactively tracked. These sub-committees, which generally meet on a weekly basis, are comprised of GCM CFIG investment professionals of various levels of seniority, including Principal Investment Committee members (defined herein). The intent of the investment sub-committee is to ask questions and highlight topics to the Deal Team in an effort to perform an adequate level of diligence for each investment opportunity.

Once we identify a potential Primary Fund Investment, Secondary Investment, Direct Investment, or Co-Investment (collectively, **Qualifying Investments**) that warrants further consideration, additional Deal Team members are assigned to initiate due diligence. The Deal Team typically conducts an initial meeting with the Investment Manager of the Underlying Fund, or sponsor of the Co-Investment or Direct Investment and presents findings and a recommendation at a meeting of the relevant sub-committee. During this meeting, the Deal Team focuses on a variety of issues or considerations, including:

- For Primary Fund Investments and Secondary Investments, the potential Investment Manager's investment strategy, value-addition proposition, historical track record, the experience, responsibilities, and interactions among its professionals. In the case of a secondary investment, the Deal Team will also spend time assessing the valuation and outlook for the remaining investments in the Underlying Fund and areas of alignment between the investors and the sponsor
- For Co-Investments and Direct Investments, the investment thesis, company, industry, management, sponsor, transaction, and projected returns of the investment

The relevant sub-committee discusses the pros and cons of commencing preliminary due diligence on the potential Qualifying Investment. Of the many factors involved in making this decision, key ones typically include investment merits, appropriate risk-return profile, and GCM CFIG Fund fit.

If the relevant sub-committee determines that an opportunity warrants further investigation, the Deal Team commences preliminary due diligence on the potential Qualifying Investment. In certain circumstances when there is a condensed timeline for a particular investment opportunity, senior investment professionals can direct the Deal Team to proceed directly to comprehensive due diligence.

The Portfolio Management Governance Group (**PMG**), which is composed of senior investment professionals, provides oversight for the portfolio management process across GCM CFIG Funds to ensure a consistent portfolio construction process as well as to reasonably ensure the appropriate implementation of the allocation policy. PMG, with support from the Portfolio Management team (**PM**), performs the following functions, among others:

- reviews and provides feedback regarding Investment Guidelines and target portfolio construction of the GCM CFIG Funds
- assesses eligibility of the GCM CFIG Funds for each Qualifying Investment
- reviews portfolio allocation recommendations provided by the portfolio managers of the applicable GCM CFIG Funds

PM verifies that each Qualifying Investment conforms with the Investment Guidelines of the participating GCM CFIG Funds prior to execution and retains appropriate support.

2. Preliminary Due Diligence

Once the appropriate sub-committee determines that an investment opportunity meets the initial criteria, the relevant Deal Team commences preliminary due diligence with respect to the Qualifying Investment. This process seeks to prioritize resources and enables the Deal Team to conduct a high-level review on the proposed investment for the principal purposes of highlighting the key risks and issues associated with the investment opportunity under review and developing indicative pricing for the assets in the case of Secondary Investments.

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

- Primary Fund Investments: investment strategy, quality of investor base, track record performance relative to other managers and applicable benchmarks, an assessment of the quality and/or capabilities of the team and preliminary review of legal terms
- Secondary Investments: company or asset overview, industry, and sector analyses, competitive advantages and barriers to entry, assessment of pricing, financial modeling and exit opportunities, Investment Manager assessment and alignment of interests. In some cases the Deal Team, after receiving consent from the relevant sub-committee, will provide the seller with a non-binding proposal to assess the seller's motivation to transact at the relevant price and to determine whether the opportunity warrants further time and attention by the Deal Team.
- Co-Investments and Direct Investments: company or asset overview, deal structure or downside mitigation, management, industry and sector analyses, competitive advantages and barriers to entry, assessment of pricing, financial modeling and exit opportunities

Based on its findings, the Deal Team provides a Preliminary Investment Memorandum (**PIM**) to the relevant sub-committee for feedback. Once the Deal Team addresses the relevant sub-committee's feedback, the Deal Team submits the PIM to the Principal Investment Committee, highlighting the key risks and issues associated with the investment opportunity under review and, in the case of Secondary Investments, indicative pricing for the interests. While the Deal Team produces the PIM, PM prepares and circulates a preliminary assessment of the potentially eligible GCM CFIG Funds for which the investment opportunity may be appropriate. Majority approval of the members of our Principal Investment Committee is required to move to comprehensive due diligence.

3. Comprehensive Due Diligence

Comprehensive due diligence commences after Principal Investment Committee authorization.

The designated deal team members for each investment opportunity complete comprehensive due diligence, typically including but not limited to:

- meetings with investment professionals of each potential Investment Manager or Co-Investment sponsor
- an in-depth analysis of strategy, growth prospects, industry dynamics, management, and potential conflicts
- reference calls
  - regarding the Investment Manager that manages such Underlying Fund or Co-Investment and individual investment professionals of such Investment Manager
  - to general partners and management of portfolio companies of comparable companies for Co-Investments or Direct Investments
  - to bankers that are in related industries or other similar Co-Investments or Direct Investments
- in the case of both Primary Fund Investments and Secondary Investments:
  - analysis of historical financial performance of the underlying investments of earlier vintage funds managed by such Investment Manager
  - evaluation of the unrealized investments of prior funds managed by such Investment Manager
- additionally, in the case of a Secondary Investment
  - assessment of future exit timing and realization value for each underlying company
  - analysis of remaining unfunded commitments, including expected uses and return potential
  - evaluation of the future fees associated with the Underlying Fund, including the calculation of management fees and the expected allocation of distributions between the general partner and the limited partners and other elements of limited partner and general partner alignment
- a review of each Co-Investment and Direct Investment's capital structure, covenants, underwriting, and liquidity
- a review and negotiation of the investment and economic terms and conditions

In addition, at this stage, Operational Due Diligence and Legal typically commence their processes to evaluate investments from an operational and legal perspective. Operational Due Diligence and Legal:

- evaluate the people, processes, and systems that support the Investment Manager's infrastructure and operations
- review and analyze relevant legal, tax, and regulatory documentation

- utilize independent third-party investigative firms to perform background checks of the Investment Manager, its key personnel, its target Underlying Funds, and the target company and its key management in the case of a Co-Investment

4. Principal Investment Committee, Operations Committee and Making Investment Decisions

   a. Investment Committee Memorandum (**ICM**) and Sub-Committee Review

   Upon completion of comprehensive due diligence with respect to a particular investment opportunity, the relevant Deal Team prepares an ICM for the Principal Investment Committee.

   The ICM discusses mitigating factors to the risks presented in the PIM relating to such investment opportunity, and typically contains:

   - For Primary Fund Investments, and where noted Secondary Investments:
     - an attribution analysis and portfolio revaluation to verify the Investment Manager's stated performance and assessment of the source of returns
     - a detailed assessment of such Primary Fund Investment's or Secondary Investment's management team and that team's record of value creation, including the results of extensive reference calls to other private equity managers, current and past limited partners, and underlying portfolio companies
   - For a Secondary Investment, an appropriately detailed underwriting analysis and pricing recommendation given the characteristics of the Secondary Investment
   - For a Co-Investment and a Direct Investment, a detailed underwriting analysis

   The relevant investment sub-committee reviews the ICM. If the potential investment ultimately receives sub-committee support, the Deal Team prepares a Recommendation Memo (**RM**), which outlines the opportunity at a high level, economic terms, principal merits, and risks associated with the investment, among other information.

   b. Principal Investment Committee

   The Principal Investment Committee, which includes senior GCM Grosvenor investment professionals, makes the decisions to make and dispose of investments on behalf of most GCM CFIG Funds; certain GCM CFIG Funds have additional or alternate Investment Committee members or procedures. The Principal Investment Committee bases its decisions upon a variety of factors, including the merits of each individual investment and investment objectives, mandates, and restrictions of the GCM CFIG Funds after considering the findings contained in the related ICM and RM. The Principal Investment Committee meets on a regular basis. At the meetings, the Deal Teams present ICMs and RMs to the Principal Investment Committee and hold final discussions of the deal in question.

   In addition to approving investments, the Principal Investment Committee approves the eligible, participating GCM CFIG Funds.

   Following a particular investment decision, GCM CFIG conducts final legal negotiations and, upon agreement by the relevant parties, executes relevant documents.

   The size and composition of our Principal Investment Committee could change from time to time.

   c. Operations Committee

   The **Operations Committee** generally reviews and approves, from an operational perspective, prospective investments. In order to provide for the separation of duties between Investments and Operational Due Diligence, the Operations Committee works collaboratively with, but is independent of, Investments.

   Once Operational Due Diligence and Legal complete due diligence of a Qualifying Investment, the Operations Committee reviews and must approve from an operational perspective, a particular Investment Manager or sponsor and the particular Qualifying Investment managed by such Investment Manager or sponsor before GCM

CFIG can invest the assets of a GCM CFIG Fund or recommend to a client that it invest its assets in such Qualifying Investment.

Generally, the Operations Committee makes decisions by majority vote. GCM Grosvenor's Chairman and Chief Executive Officer has the authority to determine the outcome in the event of a tie. In addition, GCM Grosvenor's Chairman and 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 size and composition of our Operations Committee may change from time to time.

5. Allocation of Investment Opportunities

We and our affiliated adviser, GCMLP, 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 CFIG Funds, GCM CFIG Investment Vehicles and investment vehicles managed or advised by GCMLP (**GCMLP Funds**, and collectively with GCM CFIG Funds and GCM CFIG Investment Vehicles, **GCM Grosvenor Funds**). Generally, our allocation methodology follows the same process for all types of investments, 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 the event that the amount of available capacity from a particular Qualifying Investment is not sufficient to satisfy a full allocation to all eligible GCM Grosvenor Funds such that each eligible GCM Grosvenor Fund is allocated its target investment amount, it is our general policy to allocate the available capacity in the Qualifying Investment to the eligible GCM Grosvenor Funds pro rata among all eligible GCM Grosvenor Funds based on their respective total investor commitment targeted to the applicable investment strategy up to each participating eligible GCM Grosvenor Fund's target investment amount. GCM Grosvenor could, in its discretion, adjust the target amount amongst eligible GCM Grosvenor Funds for a variety of reasons, including the target investment pace, the remaining time until the expiration of the commitment period, and the investment strategy, which includes objectives and constraints for each GCM Grosvenor Fund or a minimum target investment size. In addition, GCM Grosvenor could, in its discretion, adjust the above allocations by limiting, or potentially prohibiting, an allocation to a GCM Grosvenor Fund for certain other legal or regulatory reasons. GCM Grosvenor may modify the pro rata allocations among eligible GCM Grosvenor Funds prior to the final applicable investment date for a Qualifying Investment, and may consider any relevant circumstances that it believes in good faith warrant such modification, including when the proposed allocation to an eligible GCM Grosvenor Fund is deemed *de minimis* or is otherwise impracticable (*e.g.*, in light of the timing requirements necessary to implement an investment for a particular GCM Grosvenor Fund).

6. Allocation of Excess Investment Capacity

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

Investment Strategies

The GCM CFIG Funds generally invest in long-term private equity, real estate, or infrastructure investments, primarily through investing in Underlying Funds or in Co-Investments. The investment strategies used by the Investment Manager of a particular Primary Fund Investment to make investment decisions for such Underlying Fund may vary, sometimes significantly, from investment strategies implemented for Primary Fund Investments that have different Investment Managers.

GCM CFIG Funds may invest in Qualifying Investments either directly or indirectly through special purpose vehicles formed for the purpose of investing in Underlying Funds, Operating Companies, and other assets. Except as expressly prohibited in the GCM CFIG Fund Documents:

- any investment in one class or series of securities of Underlying Funds, Operating Companies or other Co-Investments made by the GCM CFIG Funds or investors in such GCM CFIG Funds shall be made by such GCM CFIG Fund or such investors directly or indirectly through one or more special purpose vehicles
- multiple GCM CFIG Funds or investors participating in a single investment will generally participate on the same terms

In certain circumstances, it may be necessary or desirable for clients investing in a Co-Investment to invest in different ways. For example, to address accounting, tax, or regulatory considerations, one client may invest directly in a Co-Investment while another may invest indirectly through an investment vehicle. If such investment vehicle is used to make an investment, the investor's interests in such vehicle generally will be structured in a manner that would be reasonably expected to preserve, in all material respects, the overall economic relationship of the investors.

Secondary Sales of Investments

On occasion we may consider the sale of some or all of the investments of one or more GCM CFIG Funds (each, a **Secondary Sale**). We may consider a Secondary Sale of an investment on behalf of certain GCM CFIG Funds but not others. Reasons for a Secondary Sale can vary depending on the specific facts and circumstances associated with each GCM CFIG Fund. For example, a Secondary Sale could be considered for any of, but not limited to, the following reasons: at the specific request of a client, because a particular GCM CFIG Fund is approaching the end of its term, because GCM CFIG receives an unsolicited offer, or because the sponsor of a particular investment proposes a restructuring or other liquidity event.

Risks and Other Special Considerations

An investment in a GCM CFIG 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 GCM CFIG Fund

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

You should not invest in a GCM CFIG 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, which may be longer than the GCM CFIG Fund's stated term, and you are fully able to sustain the possible loss of the entire investment. You should consider an investment in a GCM CFIG Fund as a long-term investment that is appropriate only for a limited portion of your overall portfolio.

Set forth herein are the general categories of risk that apply to investing in the GCM CFIG Funds. These risks are discussed in greater detail in the relevant GCM CFIG Fund Documents. Certain of these risks are exacerbated in the case of GCM CFIG Funds with concentrated portfolios. These risks are not intended to be all inclusive.

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

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

Legal, Tax and Regulatory Risk – Legal, tax and regulatory developments may adversely affect a GCM CFIG Fund, Underlying Fund or Co-Investment during the term of the investment. The regulatory environment for private funds is evolving, and currently there are numerous legislative and regulatory proposals in the United States, Europe and other countries that could affect an Underlying Fund and its trading activities, and therefore could affect the GCM CFIG Funds. The GCM CFIG Investment Vehicles themselves may also be directly affected by such legislative and regulatory proposals because they also are structured as private funds. Changes in the regulation of private funds and their trading activities may adversely affect the ability of a GCM CFIG Investment Vehicle or Underlying Fund to pursue its investment strategy. There has been an increase in governmental, regulatory, and self-regulatory scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in laws and regulations may occur, but any laws and regulations that restrict the ability of a GCM CFIG Fund or Underlying Fund to make certain investments could have a material adverse impact on a GCM CFIG Fund's or Underlying Fund's portfolio.

A GCM CFIG Fund, an Underlying Fund, a Co-Investment, or GCM CFIG may also be subject to regulation in the jurisdictions in which they engage in business. Investors should understand that a GCM CFIG Fund's, an Underlying Fund's or a Co-Investment's business is dynamic and is expected to change over time. Therefore, a GCM CFIG Fund, an Underlying Fund, or a Co-Investment may be subject to new or additional regulatory constraints in the future. The offering materials and any other documents received in connection with an investment in a GCM CFIG Fund, an Underlying Fund, or a Co-Investment cannot address or anticipate every possible current or future regulation or negative event that may affect the GCM CFIG Fund, the Underlying Fund or the Co-Investment, or GCM CFIG or its businesses. Such regulations and events may have a significant impact on the investors or the operations of the GCM CFIG Fund, the Underlying Fund, or the Co-Investment.

Illiquidity Risk – An investment in a GCM CFIG Fund requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to investors in GCM CFIG Funds. The securities issued by Underlying Funds and Co-Investments typically cannot be sold except pursuant to a registration statement filed under the U.S. Securities Act of 1933, as amended (**Securities Act**) or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. As a result, a GCM CFIG Fund's investments may be highly illiquid, and there can be no assurance that any GCM CFIG Fund will be able to realize on such investments in a timely manner. Similarly, the interests in a GCM CFIG Investment Vehicle generally will not be registered under the Securities Act or any other applicable securities laws. There may be no public market for such interests and none may be expected to develop. In addition, an investor in a GCM CFIG Investment Vehicle generally may not transfer its interest in a GCM CFIG Investment Vehicle without the consent of the manager of such GCM CFIG Investment Vehicle, which ordinarily may be withheld by the manager in its sole discretion. Investors in a GCM CFIG Investment Vehicle may not withdraw capital from a GCM CFIG Investment Vehicle and, as a result, may not be able to liquidate their investments prior to the end of the GCM CFIG Investment Vehicle's term.

Risks Associated with Portfolio Companies of Underlying Funds – The portfolio companies in which the Underlying Funds have invested or may invest may involve a high degree of business and financial risk. These companies may be in an early stage of development, may not have a proven operating history, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, may have a high level of leverage, or may otherwise have a weak financial condition. In addition, these portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. In addition, during periods of difficult market conditions or slowdowns in a particular investment category, industry, or region, portfolio companies may experience decreased revenues, financial losses, and difficulty in obtaining access to financing and increased costs. During these periods, these companies may also have difficulty in expanding their businesses and operations and may be unable to pay their expenses as they become due. A general market downturn or a specific market dislocation may result in lower investment returns for the Underlying Funds in which a client invests, which would adversely affect investment returns.

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

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

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

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

Exculpation and Indemnification - The broad exculpatory and indemnification provisions of a GCM CFIG Fund's Fund Documents could make it difficult for such GCM CFIG Fund to recover funds from GCM CFIG or a person related to GCM CFIG in the event that one or more investors believe that GCM CFIG or such related person has breached a duty to the GMCLP Fund.

Other agreements to which a GCM CFIG Fund is a party may contain similar exculpatory language and indemnification obligations. Such exculpatory and indemnification provisions may limit the remedies that might otherwise be available to the GCM CFIG Fund or its investors and/or result in a reduction of the Net Asset Value of the GCM CFIG Fund due to indemnification payments.

Tax Treatment – There may be changes in tax laws or interpretations of such tax laws adverse to a GCM CFIG Fund, an Underlying Fund, a Co-Investment, or its investors. There can be no assurance that the structure of a GCM CFIG Fund, an Underlying Fund or a Co-Investment will be tax efficient to any particular investor. Also, there can be no assurance that a GCM CFIG Fund will have sufficient cash flow to permit it to make annual distributions in the amount necessary to permit its investors to pay all tax liabilities resulting from their interests in such GCM CFIG Fund. Prospective investors in GCM CFIG Funds are urged to consult their tax own advisers with reference to their specific tax situations. 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.

Follow-On Investments – A GCM CFIG Fund or an Underlying Fund may be called upon to provide additional funding for Co-Investments in which it has an investment or may have the opportunity to increase its investment in such Co-Investments. There can be no assurance that a GCM CFIG Fund or an Underlying Fund will want to make additional investments or that it will have sufficient available capital or funds to do so. Any decision by a GCM CFIG Fund not to make additional investments or its inability to make them may have a substantial negative impact on a Co-Investment in need of such an investment, may diminish the GCM CFIG Fund’s ability to influence the Co-Investment’s future development, or may result in reduced returns from the Co-Investment due to dilution. It is important to note that a GCM CFIG 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 GCM CFIG Fund still may not be able to invest for various reasons.

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

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

Excess Contributions and Obligations – A GCM Fund may commit to invest or have investment obligations and liabilities that exceed its aggregate capital commitments as a result of, among other things, the recycling and reinvestment provisions in its governing documents. In such circumstances, investors’ aggregate investment exposure may exceed their aggregate capital contributions to a GCM Fund.

Controlling Interest Liability – A GCM CFIG Fund or an Underlying Fund may have controlling interests in some of the Co-Investments in which it invests. The exercise of control over a Co-Investment may impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws) or other types of liability in which the limited liability generally characteristic of business ownership is sometimes ignored. If these liabilities were to arise, the GCM CFIG Fund or Underlying Fund might suffer a significant loss.

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

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

Foreign Investment Risk – Primary Fund Investments, Secondary Investments and Co-Investments in which the GCM CFIG Funds invest (directly or indirectly through Underlying Funds) sometimes are organized and operated outside of the United States. Such investments involve risks not typically associated with investments in securities issued by U.S. companies. For instance, investments in non-U.S. businesses:

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

Public Company Risk – As a consequence of GCMG being a publicly traded company, the officers, directors, members, managers, and employees of GCM Grosvenor may have duties or incentives relating to the interests of GCMG's shareholders that could differ from, and could conflict with, the interests of our clients and their investors. Any such conflicts would not necessarily need to be taken into account if GCMG were not publicly traded.

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 could lead to or extend a localized or global economic downturn. Furthermore, such confidence could adversely be 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, could 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 could have an adverse effect on the economy generally and on the ability of GCM CFIG and the GCM CFIG Funds to execute their respective strategies and to achieve attractive returns. This could slow the rate of future investments by the GCM CFIG 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 could have an adverse effect upon the Underlying Funds held by GCM CFIG Funds.

Brexit – On January 31, 2020, the United Kingdom (the **UK**) officially withdrew from the European Union (the **EU**). This was subsequent to the UK and EU having agreed on the wider terms of the UK's withdrawal from the EU pursuant to the *Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and* *the European Atomic Energy Community (2020)*, which provided for a period from February 1, 2020 until December 31, 2020, during which EU law continued to apply in the UK (the **Transitional Period**). On December 24, 2020, the EU and the UK reached an agreement in principle on the terms of certain agreements and declarations governing the ongoing relationship between the EU and the UK, including the European Union-United Kingdom Trade and Cooperation Agreement (the **TCA**). The TCA is limited in its scope primarily to the trade of goods, transport, energy links and fishing; in particular, the TCA does not make any meaningful provision for the financial services sector. Uncertainties remain relating to certain aspects of the UK's future economic, trading and legal relationships with the EU and with other countries.

The impact of such events on a GCM CFIG Fund and/or Underlying Funds is difficult to predict but they may adversely affect the return on a GCM CFIG Fund and/or an Underlying Fund and their investments. There may be detrimental implications for the value of certain of their investments, their ability to enter into transactions or to value or realize such investments or otherwise to implement their investment program. Once the position of the UK and the arrangements which will apply to its relationships with the EU and other countries become clear it is possible that certain investments may need to be restructured to enable a GCM CFIG Fund's objectives to be pursued fully. This may increase costs or make it more difficult for it to pursue their investment objectives.

Russian Invasion of Ukraine – Commencing in 2021, Russian President Vladimir Putin ordered the Russian military to begin massing thousands of military personnel and equipment near its border with Ukraine and in Crimea, representing the largest mobilization since the illegal annexation of Crimea in 2014. President Putin has initiated troop movements into the eastern portion of Ukraine and continues to threaten an all-out invasion of Ukraine. On February 22, 2022, the United States and several European nations announced sanctions against Russia in response to Russia's actions. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, which could have a negative impact on the economy and business activity globally (including in the countries in which the Fund invests), and therefore could adversely affect the performance of the Fund's investments. Furthermore, the conflict between the two nations and the varying involvement of the United States and other NATO countries could preclude prediction as to their ultimate adverse impact on global economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Fund and the performance of its investments or operations, and the ability of the Fund to achieve its investment objectives. See also "Force Majeure Risks" herein. Additionally, to the extent that third parties, investors, or related customer bases have material operations or assets in Russia or Ukraine, they may have adverse consequences related to the ongoing conflict.

Natural Disasters, Epidemics and Terrorist Attacks – A GCM CFIG Fund, the Underlying Funds, GCM CFIG and the Investment Managers are subject to risks associated with the consequences of natural disasters (e.g., fire, flood, earthquake, storm and hurricane), epidemics, pandemics and other outbreaks of serious contagious diseases (such as severe acute respiratory syndrome (SARS), avian flu, H1N1/09 flu and COVID-19 (commonly known as the Coronavirus)), terrorist attacks (or the fear of or the precautions taken in anticipation of such attacks), and other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared). The occurrence of a natural disaster, epidemic, terrorist attacks or other acts of war have the potential to cause severe disruptions in the economies and financial markets of many industries, countries and regions (even beyond the site of the natural disaster, epidemic or attack) in which a GCM CFIG Fund and the Underlying Funds invest, leading to or extending regional or global economic downturns. In particular, such events could exacerbate political, social, and economic risks, and result in significant breakdowns, delays and other disruptions to important global, local and regional supply chains affected, resulting in substantial or total losses investment and illiquidity, as well as interrupting the business continuity and operations of GCM CFIG and the Investment Managers. A climate of uncertainty, including the contagion of infectious viruses or diseases, may also reduce the availability of potential investment opportunities, impair the ability to monitor and evaluate existing investments, cause substantial illiquidity in the market place, and reduce the accuracy of financial projections and valuations of a GCM CFIG Fund's (and the Underlying Fund's) portfolio.

Subscription Lines of Credit/Use of Leverage - Borrowing money for the purposes of cash management or to bridge capital calls can directly impact (positively or negatively) an account's IRR and multiple and can increase the risks associated with an investment. Borrowings may be secured by a client's commitments or assets. The amount of borrowings and the interest rates on those borrowings, which may fluctuate, can also have a significant effect on profitability. Moreover, a client's ability to service its debt depends largely on its financial performance and is subject to prevailing economic conditions and competitive pressures. Certain GCM CFIG Funds and certain underlying portfolio funds use a subscription line of credit. Performance may be favorably impacted when the GCM CFIG Fund or underlying portfolio fund uses this line of credit to facilitate portfolio investments, or to pay expenses, because it defers the calling of capital from investors. Since IRR generally is calculated as of the date the capital is called, rather than at the earlier time of funding the portfolio investment or payment of the expense, the use of a subscription line of credit could have a favorable impact on reported performance returns. If a line had not been used, the IRR may have been materially different due to the increased time an investor's capital was at risk.

Default by Another Limited Partner - GCM CFIG expects that the underlying portfolio funds will require commitments to meet capital calls over an extended period of time. Failure by an investor in a GCM CFIG fund to meet a capital call could have adverse consequences for the GCM CFIG fund (including, without limitation, financial penalties and the possibility of forfeiture of the GCM CFIG fund's interest in an underlying portfolio fund) which would result in an indirect consequence for non-defaulting investors.

EU General Data Protection Regulation – The EU General Data Protection Regulation (the "**GDPR**") has direct effect in all EU member states. Although a number of basic principles will remain from previous EU data protection laws, the GDPR introduces new obligations on data controllers and rights for data subjects, including, among others: accountability and transparency requirements, which will require data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing; enhanced requirements for obtaining valid consent; obligations to consider data protection as any new products or services are developed and to limit the amount of personal data processed; obligations to comply with data protection rights of data subjects including a right of access to and rectification of personal data, obtain restriction of processing or to object to processing of personal data and a right to ask for a copy of personal data to be provided to a third party in a useable format and erasing personal data in certain circumstances; and reporting of personal data breaches to the supervisory authority without undue delay (and no later than 72 hours where feasible). The GDPR also introduces fines for serious breaches of up to the higher of 4% of annual worldwide turnover or €20m. The GDPR identifies a list of points to consider when determining the level of fines to impose (including the nature, gravity and duration of the infringement). Data subjects also have a right to compensation for financial or non-financial losses (*e.g.*, distress). The implementation of the GDPR may require amendments to the procedures and policies of GCM Grosvenor, GCM CFIG Funds and their respective affiliates. The changes could adversely impact these various parties' business by increasing their operational and compliance costs. Further, there is a risk that the measures will not be implemented correctly or that individuals within the business will not be fully compliant with the new procedures. If there are breaches of these measures, GCM Grosvenor, GCM CFIG Funds, and their respective affiliates (as relevant) could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on the operations, financial condition and prospects of the GCM CFIG Funds. Certain Underlying Fund Managers and Underlying Funds may also be subject to the foregoing risks.

Environmental, Social and Governance Risks – GCM CFIG generally considers ESG factors when managing GCM CFIG Funds. A portfolio that employs an ESG strategy may seek to achieve ESG-related outcomes, to achieve exposure to overall ESG performance or particular ESG themes, and/or to screen out particular companies and industries. Such ESG strategies may reduce or increase a portfolio's exposure to certain companies or industries and the portfolio may forego certain investment opportunities as a result. Such portfolio's performance results may be lower than other portfolios that do not seek to invest in issuers based on ESG characteristics or that use different criteria when screening out particular companies and industries. There is also a risk that GCM CFIG may not apply the relevant ESG criteria correctly or that a portfolio could have indirect exposure to issuers that do not meet the relevant ESG criteria used by such portfolio. Further, there may be limitations with respect to the readiness of ESG data in certain sectors, as well as limited availability of investments with relevant ESG characteristics in certain sectors. GCM CFIG may change its ESG assessment of an Underlying Fund or a particular investment over time. While GCM CFIG views ESG considerations as having the potential to contribute to a portfolio's long-term performance, there is no guarantee that such results will be achieved.

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

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

Digital Asset Investment Risks - An Underlying Fund may invest in virtual or "crypto" currencies, coins, tokens (e.g., NFTs), crypto-assets and other similarly distributed ledger-based digital assets (collectively, Digital Assets). An Underlying Fund may gain exposure to Digital Assets indirectly, for example, through investments in exchange-traded and OTC-traded securities–including Digital Asset ETFs or investment trusts–futures and other instruments which are linked to an underlying Digital Asset and/or investments in businesses related to Digital Assets and blockchain technology more broadly (together with Digital Assets, Digital Asset Investments).

Digital Assets have a relatively limited history and are rapidly evolving, including with respect to the development of new Digital Assets, advancements in the related underlying technologies, markets for trading Digital Assets, and the regulation thereof. Therefore, it is not possible to know all the risks involved with Digital Asset Investments, and new risks may emerge at any time. New Digital Assets or changes to existing Digital Assets may expose an Underlying Fund to additional risks which are impossible to predict.

Digital Assets are a relatively new and highly speculative asset. Digital Assets and derivative products based on Digital Assets, including, but not limited to, futures, options and swaps.

The Digital Asset marketplace may be illiquid or insufficiently liquid for short or long periods of time. These factors are impossible to predict and are beyond an Investment Manager's control and could potentially be exacerbated by the particular characteristics of Digital Assets as an asset class. The foregoing could act to limit an Underlying Fund's options in acquiring and disposing of its Digital Asset Investments, particularly in times of stress in the Digital Asset market.

Liquidity and Valuation of Digital Assets - The Digital Asset marketplace may be illiquid or insufficiently liquid for short or long periods of time. These factors are impossible to predict and are beyond an Investment Manager's control and could potentially be exacerbated by the particular characteristics of Digital Assets as an asset class. The foregoing could act to limit an Underlying Fund's options in acquiring and disposing of its Digital Asset Investments, particularly in times of stress in the Digital Asset market.

The lack of centralized pricing sources for Digital Assets and Digital Asset Investments poses a variety of valuation challenges. From time to time, an Underlying Fund may face difficulties in determining the value of its Digital Asset Investments due to price volatility, illiquidity, and the fragmentation of such markets. Investment Managers and Underlying Funds may not be able to account for all the possible events and circumstances that may impact their ability to value the Underlying Fund's Digital Asset Investments, particularly in light of the potential for governmental and regulatory intervention and the nascent state of the secondary markets.

Regulatory Landscape for Digital Assets - Regulation of Digital Assets is relatively undeveloped and evolving; existing regulation is subject to change and interpretation and new regulation could be imposed at any time. Regulatory developments in this area are unpredictable and may materially and adversely affect a GCM CFIG Fund or Underlying Fund. As Digital Assets have grown in popularity and market capitalization, the U.S. Congress has begun to intensely scrutinize this area, as have numerous governmental and self-regulatory authorities, including, among others, the Federal Reserve Board, the SEC, the CFTC, the Financial Crimes Enforcement Network, the IRS, and FINRA. State financial and securities regulators in all 50 states have also taken substantial interest in the crypto space. Currently, the CFTC deems Digital Assets to be commodities for purposes of the Commodity Exchange Act–and federal district courts have agreed–, and certain Digital Assets have been deemed securities by the SEC for purposes of the Securities Act. Regulators in foreign jurisdictions are also highly active in this area. The liquidity of Digital Asset markets will be influenced by new laws, regulations, policies, and guidance which could vary significantly among international, federal, state, and local jurisdictions and are subject to significant uncertainty. Current and future legislation, regulatory rulemaking and other regulatory developments may impact the manner in which Digital Assets are treated for classification and clearing purposes.

Conflicts of Interest

In addition, GCM CFIG, GCMLP, 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 CFIG 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 plans in the future to 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. If 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 to reduce or 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 about (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 could 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 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, could 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 the available resources and industry expertise of GCM Grosvenor. Additionally, there could 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 will 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).

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 after the investments by such other GCM Grosvenor Funds. Any such investment by a GCM Grosvenor Fund could 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 will raise additional conflicts of interest for the GCM Grosvenor Funds and GCM Grosvenor. For example, certain GCM Grosvenor Funds sometimes 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 will 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 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 reasonably 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 will 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 could 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 could 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 for 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 to earn management fees that it otherwise would not, absent such a fee arrangement.

Other Fees

GCM Grosvenor earns 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 could 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 while 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 act for their own accounts that could 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 could 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 could 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 could 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 could 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 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 like 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 could come into possession of information that limits its ability to engage in certain transactions. There could 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 represents 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 could be forced to sell or hold existing investments as a result of relationships that GCM Grosvenor has or transactions or investments GCM Grosvenor makes.

GCM Grosvenor Special Relationships

GCM Grosvenor enters 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 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 sometimes includes entities that act as broker-dealers. Such broker-dealers, including 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, because 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 securities that it continues to hold is restricted.

Portfolio Entity Relationships

GCM Grosvenor enters 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.

GCM Grosvenor Funds' Portfolio Companies could 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 could involve fees and/or servicing payments to GCM Grosvenor-affiliated entities that may not be subject to management fee offset provisions. Additionally, GCM Grosvenor could 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 could enter 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 want 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.

<u>Legal Interpretation</u>
In the course of its business, GCM Grosvenor interprets 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 is more favorable to GCM Grosvenor than to the GCM Grosvenor Funds or their investors.

<u>Advisors and Operating Partners</u>
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 could have the right or could 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 could 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 could have certain attributes of GCM Grosvenor employees 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 could 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 while 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 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 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 could 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 each investment or strategy will be based upon 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 software, or payments to offset technology development or workstation costs, 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 way such costs and expenses are allocated among the GCM Grosvenor Funds. Additionally, and without limitation, GCM Grosvenor could 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 could 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. If 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 reasonably 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 could not be appropriate in all circumstances and that one or more GCM Grosvenor Funds could 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 could be structured such that investors that have committed to the co-investment opportunity do not share in any broken deal expenses. This could 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 could 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 consider 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.

<u>Board and Advisory Committee Seats</u>

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**). Consequently, these GCM Board Representatives stand to receive information other investors would not and could potentially control or influence their policies and operations. This creates 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 could 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 or Co-investments 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 regarding the disposition of Underlying Fund assets in such circumstances. Similarly, GCM Grosvenor Funds could 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 would 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. For example, GCM Board Representatives could 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 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 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 could result in such Portfolio Company or other GCM Grosvenor Fund being relieved of obligations or otherwise exiting investments, in a manner which benefits GCM Grosvenor or such other GCM Grosvenor Funds.

GCM Grosvenor could 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 for the consideration offered by, and the obligations of, GCM Grosvenor and the applicable GCM Grosvenor Funds. GCM Grosvenor sometimes is required, under the GCM Grosvenor Funds' Documents, to obtain the consent of a limited partner advisory committee to enter 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 continuation of any performance/incentive compensation, 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 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.

<u>Reputational Matters</u>
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 reasonably ensuring that GCM Grosvenor avoids publicity or any reputational harm. For example, there may be certain positions which other market participants take and which may benefit the GCM Grosvenor Funds but which GCM Grosvenor does not take for the GCM Grosvenor Funds due to GCM Grosvenor’s determination that such position may be seen as inappropriate in certain regulatory contexts or otherwise unadvisable. In addition, GCM Grosvenor could 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 could require GCM Grosvenor to make public or potentially public disclosures about itself, its business and/or its related persons that GCM Grosvenor may not want 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.

<u>GCM Grosvenor Fund Investor Interests</u>
Investors in GCM Grosvenor Funds could 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. Consequently, 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 makes 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 in its sole discretion in certain circumstances, could 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 could have more information about the GCM Grosvenor Funds than other investors, and GCM Grosvenor will have no duty to reasonably ensure investors seek, obtain, or process the same information, or to reasonably 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.

<u>Investments in Investment Managers</u>

Certain GCM Grosvenor Funds and/or GCM Grosvenor and its related persons could, 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 (**Project Agreements**); 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, could 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 imposed on certain GCM Grosvenor Funds or due to other considerations, GCM Grosvenor in certain cases can 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.

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 could 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 could 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 could 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 makes 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 after the investment by such GCM Grosvenor Fund. Any such investment by a GCM Grosvenor Fund could 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 could 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 could 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 could 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 acquires 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 Strategic Entities

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 could 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 could 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 for 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.

Investments in Underlying Funds Managed by Clients

Certain of the Underlying Funds in which the GCM Grosvenor Funds 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 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 invest also invest in various parts of GCM Grosvenor's or its Affiliates' capital structures, including in GCMG's public shares or in notes or other debt or equity securities issued from time to time by GCM Grosvenor or its Affiliates. Transactions entered into and/or investments made by such Underlying Funds may, directly or indirectly, affect GCM Grosvenor, the performance of the GCM Grosvenor Funds and the value of the debt or equity securities issued by GCM Grosvenor or its Affiliates, including GCMG's public shares. The fact that certain of the Underlying Funds invest in various parts of GCM Grosvenor's or its Affiliates' capital structures creates conflicts of interests, including conflicts that potentially compromise GCM Grosvenor's objectivity in determining whether to invest in or, where possible, redeem from 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 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 are involved in other business ventures, including the management and/or administration of other investment funds and accounts whose investment objectives are identical or substantially like 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 could have an interest, they could 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 could have conflicts of interest in arriving at such valuations. For example, such valuations could 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 for Primary Fund Investments and Secondary Investments 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 or Co-investment, GCM Grosvenor also has a conflict of interest in determining valuations for such Underlying Fund or Co-investment 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 could 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 could 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, and may ask an employee to recuse themselves from certain decisions, 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 can meet with GCM Grosvenor. However, such events and other services could 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 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 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, 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 existing or potential Investment Managers, 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 GCM Grosvenor's policy that any such participation or lack thereof will not be a factor in the investment management process; however, such charitable and philanthropic activities could 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 employees to obtain pre-approval from the Firm's Legal and Compliance Department prior to engaging in these political activities. As possible, the Firm's Legal and Compliance Department monitors employee political activities. While GCM Grosvenor allows 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 could 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 to avoid any actual or perceived conflict.

Valuation Matters

The fair value of 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 could 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 a GCM Grosvenor Fund for losses sustained by such GCM Grosvenor Fund because 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 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 because 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 because 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 because 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.

<u>Certain Disclosure Issues</u>
GCM Grosvenor could 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 might not be free to act upon any such information. Additionally, there could 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.

<u>No Independent Advice</u>
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.

<u>Side Letters</u>
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 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. 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 legal and disciplinary events relating to us or to our personnel that are material to your evaluation of our advisory business or the integrity of our management.

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

Item 10 – Other Financial Industry Activities and Affiliations

Affiliated Registered Investment Adviser

We are under common control with GCMLP, an investment adviser registered as such with the SEC. GCMLP is also 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. Since 1971, GCMLP and its predecessors have specialized in providing hedge fund investment management and advisory services to their clients.

While we share certain operational infrastructure with GCMLP, we generally maintain separate investment teams and investment processes. However, investment and non-investment personnel are encouraged to collaborate with their colleagues at GCMLP, and investment opportunities sourced by us or by GCMLP are 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 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 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 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.

Affiliated Placement Agents/Distributor

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

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

GSLLC's sole function with respect to GCM CFIG is to act as a private placement agent for certain securities (including interests in certain GCM Grosvenor Funds).

Pursuant to a Master Placement Agent Agreement, we and GCMLP 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 those individuals 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 financial instruments business operator under Japan's Financial Instruments and Exchange Act to conduct a Type I financial instruments business (engaging in securities business handling liquid securities such as trust or corporate type funds), a Type II financial instruments business (engaging in securities business handling illiquid securities such as limited partnership funds) and a Discretionary Investment Management Business (engaging in asset management business for clients). In its capacity as a discretionary investment manager on behalf of clients in Japan, GCM Japan, under certain circumstances, allocates client assets to one or more investment vehicles managed or advised by GCMLP or GCM CFIG. GCM Japan also acts as placement agent for certain GCM Grosvenor Funds that are privately offered in Japan to Japanese investors, provides ongoing services to Japanese investors in such vehicles and provides 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 CFIG, 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, 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 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.

GCM Grosvenor Holdings (Canada) ULC (**GCM Canada**) is an unregistered office located in Toronto, Ontario, Canada. Employees of GCM Canada conduct fundraising activities on behalf of its U.S. affiliate as well as provide ongoing client services to GCM Grosvenor's Canadian clients.

GCM Grosvenor (Deutschland) GmbH (**GCM Germany**) is located in Frankfurt, Germany. GCM Germany furthers the economic and legal interests of GCM Grosvenor and its affiliates.

Affiliated General Partners

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

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

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

- such GCM CFIG Investment Vehicle's Documents, including any applicable side letter agreements, which are negotiated on a case by case basis
- an investment advisory or investment management agreement

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

Code of Ethics

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

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

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

Compliance could 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 because 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 will take such facts and circumstances into account as appropriate.

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

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.

Item 12 – Brokerage Practices

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

- to seek best price and best execution in connection with such transactions, where applicable to such transaction
- to effect such transactions in a manner that is fair to all affected GCM CFIG Funds
- to exercise diligence and care throughout the transaction process

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

However, the GCM CFIG Funds may from time to time acquire or dispose of interests in Underlying Funds in private secondary market transactions. In general, the number of financial intermediaries active in the private equity fund secondary market is small. The commissions charged by such intermediaries may vary significantly from intermediary to intermediary, and from transaction to transaction.

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

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

To the extent that GCM CFIG Funds that we advise on a non-discretionary basis purchase or sell securities in the public markets, we do not have the authority to determine the financial intermediaries used in connection with such transactions. Accordingly, we cannot negotiate the commissions or other transactional compensation to be paid to such intermediaries in connection with such transactions, unless the investor in the relevant GCM CFIG Fund expressly confers that authority on us and we agree to accept such authority. In all such cases, the commissions or other compensation are borne by the relevant GCM CFIG Funds.

We currently do not have any formal soft dollar arrangements. We may from time to time use financial intermediaries that provide research-related products or services to most or all of their customers, and although we do not request research-related products or services from such financial intermediaries, we may on occasion receive and use research provided by such intermediaries. Access to such research is not contingent on any level of trading or commissions generated, and we believe such research is available to all institutional money managers of similar size. Further, since the research provided is not material in nature and quantity and is provided to us without our request, we believe that our receipt of such research does not have a material effect on our selection of financial intermediaries.

Item 13 – Review of Accounts

We manage the GCM CFIG Funds in accordance with the investment objectives, mandates and client-imposed restrictions set forth in GCM CFIG Funds' Documents, representations made to relevant investors in the GCM CFIG Funds and applicable regulatory restrictions. The investments made by GCM CFIG Funds generally are long-term in nature. Accordingly, the review process is not directed toward a short-term decision to purchase or sell securities. However, we carefully monitor Primary Fund Investments, Secondary Investments, and Co-Investments in which the GCM CFIG Funds invest.

GCM Grosvenor reviews GCM CFIG Funds on an on-going basis and provides reports in a manner, and on a frequency, as may have been negotiated with the investors in the GCM CFIG Funds. In addition, investors in the GCM CFIG Funds generally are provided with periodic reports and relevant tax reporting information. Special reports may be developed to meet specific investor requirements or respond to inquiries.

For each GCM CFIG Fund that is an entity, and for which we have custody (as further described in Item 15 – Custody), we deliver or cause to be delivered to each person who was an investor in such GCM CFIG Fund at any time during such fiscal year a written report containing audited financial statements of the GCM CFIG Fund for such fiscal year. Such audited financial statements generally include or are accompanied by:

- notes to the financial statements
- a statement of assets, liabilities, and investors' capital, including a condensed schedule of investments
- a statement of operations
- a statement of changes in investors' capital
- a statement of cash flows
- the financial statements of any GCM CFIG Fund in which such GCM CFIG Fund invests

In the case of Customized GCM CFIG Separate Accounts, our investment management or investment advisory services are tailored to the needs of the individual investors in such Customized GCM CFIG Separate Accounts. Investors may impose reasonable guidelines, mandates, or restrictions to customize an investment strategy or satisfy legal, regulatory, tax or other special concerns.

Different Reporting Packages

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

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

- we do not permit such recipients to copy, transmit or distribute such reports, or any data or other information contained therein, in whole or in part, or authorize such actions by others, without our express prior written consent
- 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

We may enter into a written agreement with a referrer or solicitor pursuant to Rule 206(4)-3 under the Advisers Act. Pursuant to such an agreement, we would provide the referrer or solicitor with this Brochure and a related disclosure document (**Disclosure Document**). The referrer or solicitor would then be required to deliver to each prospective participant in a GCM CFIG Fund at the time of solicitation:

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

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.

Item 15 – Custody

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

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

Although we are deemed*,* under applicable rules, to have custody of the funds and securities of certain GCM CFIG Funds that are entities, we are generally exempt from many of the provisions of the custody rule because we undertake to deliver to the investors, within 120-180 days after the end of the fiscal year of such GCM CFIG Fund, financial statements that are:

- prepared in accordance with 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

In the case of GCM CFIG Funds over which we exercise investment discretion, we sometimes have sole discretion without consent of the investors, as to which securities will be bought or sold, and in what amount. Certain investors may have greater involvement in the investment process. The governing documentation for a GCM CFIG Fund may, however, place certain restrictions on the type and amount of securities that we can buy on behalf of such GCM CFIG Fund. In certain cases, we serve in a non-discretionary capacity where the investor in a GCM CFIG Fund maintains discretion over which securities may be bought and sold, in which amount and when. Such a non-discretionary arrangement would be described in such GCM CFIG Fund Documents. In certain cases where we have been granted discretionary investment authority over GCM CFIG Funds, the investors in those GCM CFIG Funds have informally reserved the right to approve or not approve our investment decisions for those GCM CFIG Funds prior to the implementation of such decisions.

Item 17 – Voting Client Securities

Background

From time to time, GCM CFIG receives requests from Investment Managers or other parties (other than a client) to vote a security held by a GCM CFIG Fund, or to vote on any matter (or consent to any action) relating to a Project Agreement (Proxy Request). GCM CFIG seeks to vote Proxy Requests in the best interests of our clients for which we have the authority to vote. GCM CFIG's authority to vote or make recommendations for GCM CFIG Funds is based on regulatory requirements, any arrangements made with the client and whether we have investment discretion. GCM CFIG has adopted policies and procedures that establish standards for the proxy voting process, identification, and management of conflicts of interest and client disclosure obligations. You may request a copy of our Proxy Voting Policies and Procedures (**Proxy Voting Policy**), that are summarized herein, or request an opportunity to review our proxy voting records, by contacting our Investor Relations Team (telephone: +1.855.426.9321; e-mail: client.services@gcmlp.com).

General Policy to Take Action in Response to Proxy Requests

GCM CFIG votes Proxy Requests considering the available facts and in a manner consistent with the Proxy Voting Policy and GCM CFIG's fiduciary duties. GCM CFIG considers relevant information and evaluates other issues that could have an impact on the value of such securities. In general, GCM CFIG votes Proxy Requests to try to maximize the overall value of the affected GCM CFIG Funds.

When responding to Proxy Requests, GCM CFIG seeks to:

- identify and takes action on Proxy Requests in a timely manner
- address any conflicts of interest appropriately

In the case of a GCM CFIG Fund over which GCM CFIG exercises investment discretion, GCM CFIG takes action in response to each Proxy Request that it receives in connection with managing such GCM CFIG Fund unless:

- such GCM CFIG Fund is a single investor or participant GCM CFIG Fund;
- GCM CFIG has agreed in writing with the single investor or participant that GCM CFIG is not required to take action in response to Proxy Requests for an affected GCM CFIG Fund, unless subject to ERISA; and
- GCM CFIG has agreed in writing with the single investor or participant that GCM CFIG will not take action in response to Proxy Requests for an affected GCM CFIG Fund.

In the case of a GCM CFIG Fund over which GCM CFIG does not have investment discretion, if requested to do so by the investors in the fund, GCM CFIG will recommend the action that an affected GCM CFIG Fund should take in response to any received Proxy Request unless:

- the affected GCM CFIG Fund is a single investor or participant GCM CFIG Fund that is subject to ERISA; or
- an appropriate authorized fiduciary of the single investor or participant has agreed in writing that:
  - › a party associated with such single investor or participant (e.g., the plan sponsor of such single investor or participant) has reserved the authority and right to take actions in response to Proxy Requests relating to the investments in the affected GCM CFIG Fund; and
  - › GCM CFIG will not make recommendations with respect to Proxy Requests for the affected GCM CFIG Fund.

In certain cases, however, operating agreements between GCM CFIG and its investors may permit GCM CFIG to abstain from acting on a Proxy Request or from recommending what action should be taken with respect to a Proxy Request. An example of such instance is where the expected cost or administrative burden of giving due consideration to the Proxy Request does not justify the potential benefits to the affected GCM CFIG Funds that might result from adopting or rejecting the proposals in question.

Investment Discretion and Client Instructions

With respect to GCM CFIG Funds over which we exercise investment discretion, we ordinarily do not consult with investors prior to acting on Proxy Requests relating to held investments. In certain cases, however, investors in such accounts may reserve the right in operating agreements to approve or disapprove of GCM CFIG's decisions with respect to acting on Proxy Requests for the affected GCM CFIG Funds.

GCM CFIG reviews each Proxy Request to determine if acting on such Proxy Request would be in the best interest of the affected GCM CFIG Funds and its investors. As a result, depending on the particular circumstances of different GCM CFIG Funds, GCM CFIG may vote the securities of one GCM CFIG Fund differently than it votes those of another GCM CFIG Fund, or may vote differently on various proposals, even though the securities or proposals are similar or identical.

Conflicts of Interest

Generally, conflicts of interest will be identified by members of our Principal Investment Committee as well as individuals involved in the proxy voting process and brought to the attention of our Global Chief Compliance Officer (CCO) or designee. The CCO or designee will determine the materiality of the conflict and in consultation with other GCM CFIG personnel, determine the appropriate course of action. For GCM CFIG Funds subject to ERISA, GCM CFIG does not respond to a Proxy Request until all conflicts have been cured or avoided to the satisfaction of the CCO or their designee.

Item 18 – Financial Information

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

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

Investment Performance Services, LLC

HFOF/Opportunistic Quarterly Compliance Checklist
Period Ending June 30, 2022

To: EnTrust Global

Re: FELRA & UFCW Pension Fund- Hedge Fund of Funds EnTrust Capital Diversified Peru Class X

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents.

Part A: Account

1.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

Yes

2.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

Yes

3.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, gate, or change the current liquidity offered to investors?

No

4.) Do you see a need for a change in the Fund's current investment policy or your addendum to the Fund's investment policy?

N/A (If you have not signed an addendum to the Fund's investment policy statement)

Part B: Firm

1.) Have significant changes been made in the firm's investment management process during the quarter?

No

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No

3.) Have any ownership changes in the firm occurred during the quarter?

No

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

No

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No

6.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No

7.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes

8.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes

9.) Does your firm maintain stand-alone cybersecurity liability coverage?

Yes

10.) Does the coverage amount meet the requirements in the Fund's Investment Policy Statement?

Yes

Certified For The Firm By:
Name: Bruce Kahne

Signature:

Title: Senior Managing Director, Global General Counsel/Chief Compliance Officer
Firm: EnTrust Global
Date: July 12, 2022