

INVESTING FOR THE FUTURE



ABOUT GCM GROSVENOR

GCM Grosvenor (Nasdaq: GCMG) is a global alternative asset management solutions provider that invests across private equity, infrastructure, real estate, credit, and absolute return investment strategies. In 2021, the firm celebrated its 50th anniversary and is dedicated to delivering value for clients by leveraging our cross-asset class and flexible investment platform.



APPROXIMATELY

\$67B

Assets under
management



OVER

160

Investment
professionals



OVER

500

Employees
worldwide



OUR

50th

Year of
investing

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INVESTING FOR THE FUTURE

Much like 2020, 2021 has presented significant challenges and uncertainty for the industry, society, and planet. At GCM Grosvenor, we are leaning further into our responsibilities to our clients, employees, communities, the environment, and society at large.

We are helping our clients invest more responsibly. We invest in assets that support a healthier environment while creating union jobs that are so vital to our economy. We reached a milestone in our investments with diverse investment managers, and added to our employee programs that foster a diverse, equitable, and inclusive culture. We are finding more ways to support education and are helping more young people learn and develop. In short, we are investing for the future.

We believe, by upholding our commitments to all our stakeholders, together we can realize the growth, prosperity, and sustainability that we are seeking in a post-pandemic environment. This year's Impact Report highlights the steps we have taken and the progress we have made to achieving those goals.



ESG AND IMPACT INVESTING AT GCM GROSVENOR

Incorporating Environmental, Social, and Governance (“ESG”) factors into our business has always been part of our core values.

It is our belief that by investing and running our business responsibly, promoting a sustainable environment, fostering a more diverse industry and workforce, and staying active in our communities, we truly can make a positive impact.

A FORMAL ESG POLICY GUIDES OUR ACTIONS

Our ESG Policy provides a framework for how we apply ESG considerations regarding our business, how we engage with the communities, and how we pursue, evaluate, and implement investments. It is our ESG roadmap. Employees are required to read the document and abide by its guidelines.



We Help Our
Clients Invest
Responsibly



ESG AND IMPACT INVESTMENTS ARE IMPLEMENTED THROUGH SUSTAINABLY THEMED, SOCIALLY CONSTRUCTIVE, AND IMPACT STRATEGIES

ESG AND IMPACT

\$19B

invested/committed

\$6B

invested/committed

RENEWABLE AND EFFICIENT ENERGY
CLEAN WATER
EDUCATION
HEALTH CARE
AFFORDABLE HOUSING

IMPACT INVESTMENTS

\$13B

invested/committed

**DIVERSE
MANAGERS**

\$9B

**ORGANIZED
LABOR**

\$1B

**REGIONALLY
TARGETED¹**

\$3B



¹ Regionally targeted are investment programs that invest in businesses or in funds with a nexus to a particular U.S. state or region.

Data as of June 30, 2021 except for Private Equity, Infrastructure and Real Estate investment data which is as of March 31, 2021.

The data regarding ESG and impact investments (and sub-strategies) presented above and otherwise contained herein, is based on the amount committed to and invested in investments by GCM Grosvenor-managed portfolios as of the dates above, based on the assessment of each such investment by GCM Grosvenor investment team members. The relevant investments are placed into categories that are generally consistent with the categories presented in the UN PRI Impact Investing Market Map. Primary fund assessments are based on whether a significant part of the expected strategy of the primary fund falls into an ESG category. Co-investment categorizations are based either on categories represented by the co-investment sponsor or the underlying portfolio company. Diverse Manager investments include investments managed by or sponsored by a diverse manager, based on GCM Grosvenor's definition of a diverse manager, which is determined by thresholds of manager economic ownership by diverse parties (race, gender, sexual orientation, veterans, disabled persons). There is significant subjectivity in placing an investment in a particular category, and conventions and methodologies used by GCM Grosvenor in categorizing investments and calculating the data presented may differ from those used by other investment managers.

WE GATHER DATA AND EVALUATE ESG ISSUES IN CAPITAL DEPLOYMENT

In evaluating investments, we define ESG criteria as a set of standards for a company's operations.



ENVIRONMENTAL

How a firm's activity overlaps with broader environmental considerations



SOCIAL

How a firm manages relationships with its stakeholders



GOVERNANCE

A firm's ethics, compliance, controls, and other factors

We believe the consideration of ESG issues is an important aspect of our responsibility to clients. Factors may include:

- | | |
|--|--|
| 01 Negative/exclusionary screening | 05 Sustainability themed investing |
| 02 Positive/best-in-class screening | 06 Impact/community investing |
| 03 Norms-based screening | 07 Addressing lack of capital access for underrepresented investors |
| 04 ESG integration | 08 Corporate engagement and shareholder action |

INVESTMENT DUE DILIGENCE

- Diversity of employees
- Adoption of ESG policy
- Labor management
- Energy efficiency
- Climate change

OPERATIONAL DUE DILIGENCE

- Background investigations
- Data management and cybersecurity
- Reputable service providers
- Formal policies and internal controls



ESG findings



Investment Committee and Operations Committee review



APPROVED INVESTMENT



Portfolio construction

- Investment mandate & guidelines
 - > Client-directed
 - > GCM Grosvenor-directed



Ongoing monitoring and reporting

- ESG compliance questionnaire
- Adherence to mandate, guidelines, and exclusion lists
- Look-through exposure transparency

SUSTAINABLE INVESTING CASE STUDY: ELECTRIC VEHICLE MANUFACTURER

\$133 million investment in a next-generation electric vehicle manufacturer focused on the U.S. pickup truck and SUV markets. Investment is comprised of \$30 million equity and \$103 million convertible debt co-investments.

Overview

We invested in an oversubscribed round of financing led by major technology, automotive, and investment companies. We believe this round will provide the Company with sufficient capital to begin deliveries in 2021.

Investment Thesis and Environmental Considerations

Approximately 90 million vehicles are sold each year, and that number is projected to grow to 188 million by 2030. Of that, electric vehicles represent <2% of sales today and sell-side estimates range from 18% to 57% by 2030.¹

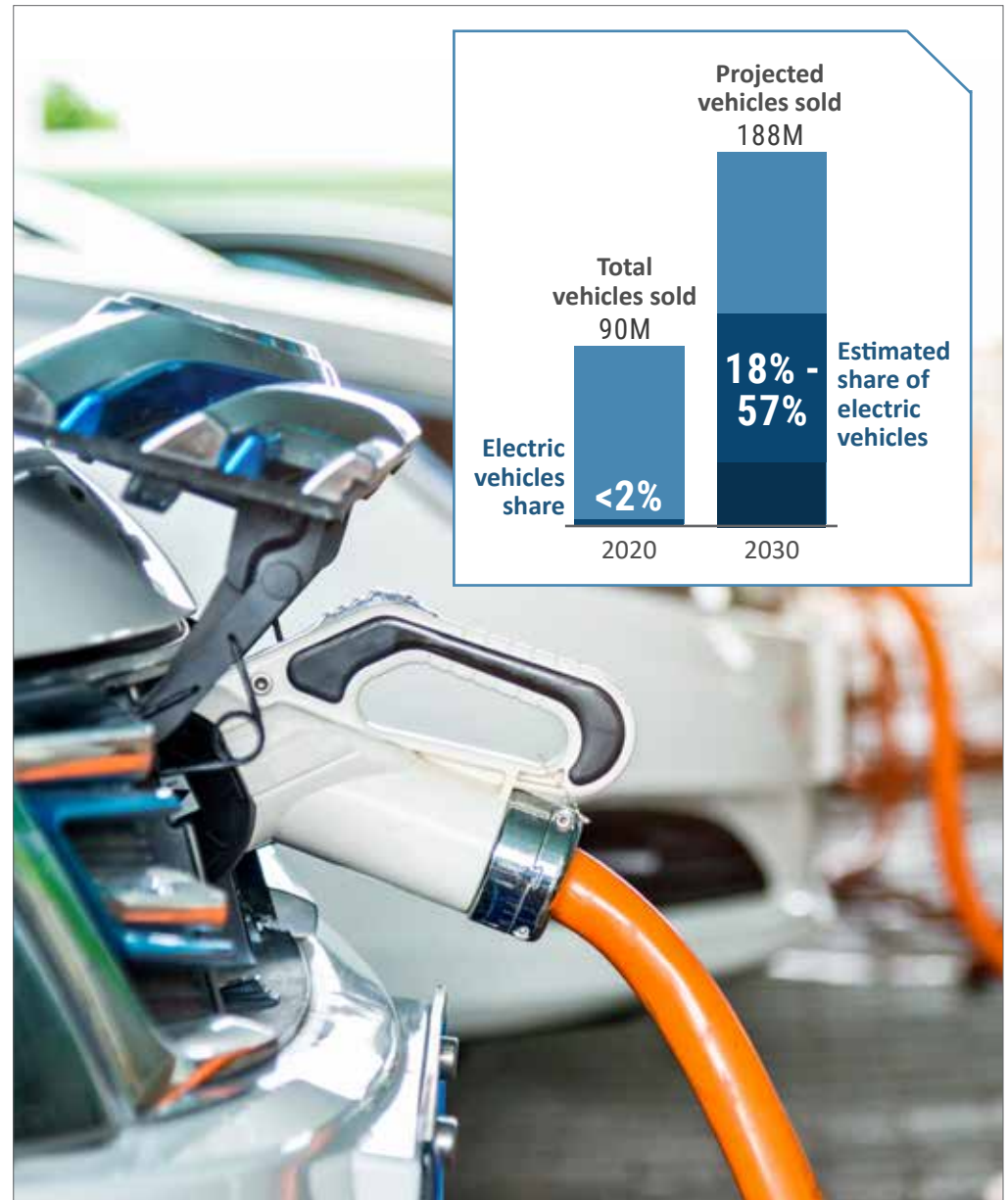
The SUV/pickup market is the largest segment in the industry and is growing in popularity. However, from 2010-2018 SUVs were the second-largest contributor to rising carbon emissions, behind the power sector.²

SUVs/pickups are higher-margin products for original equipment manufacturers (OEMs), and our investment thesis is based on market expectations that the Company's margins will exceed traditional OEMs at scale.

The Company is a first mover in the market – its electric SUV and pickup truck are expected to launch by late 2021, ahead of competitors.

Perceived Risks

This investment may face certain risks, which would need to be mitigated. Select risks include EV adoption rate, competition, manufacturing capacity, dilution from future capital needs, and company-specific risks.

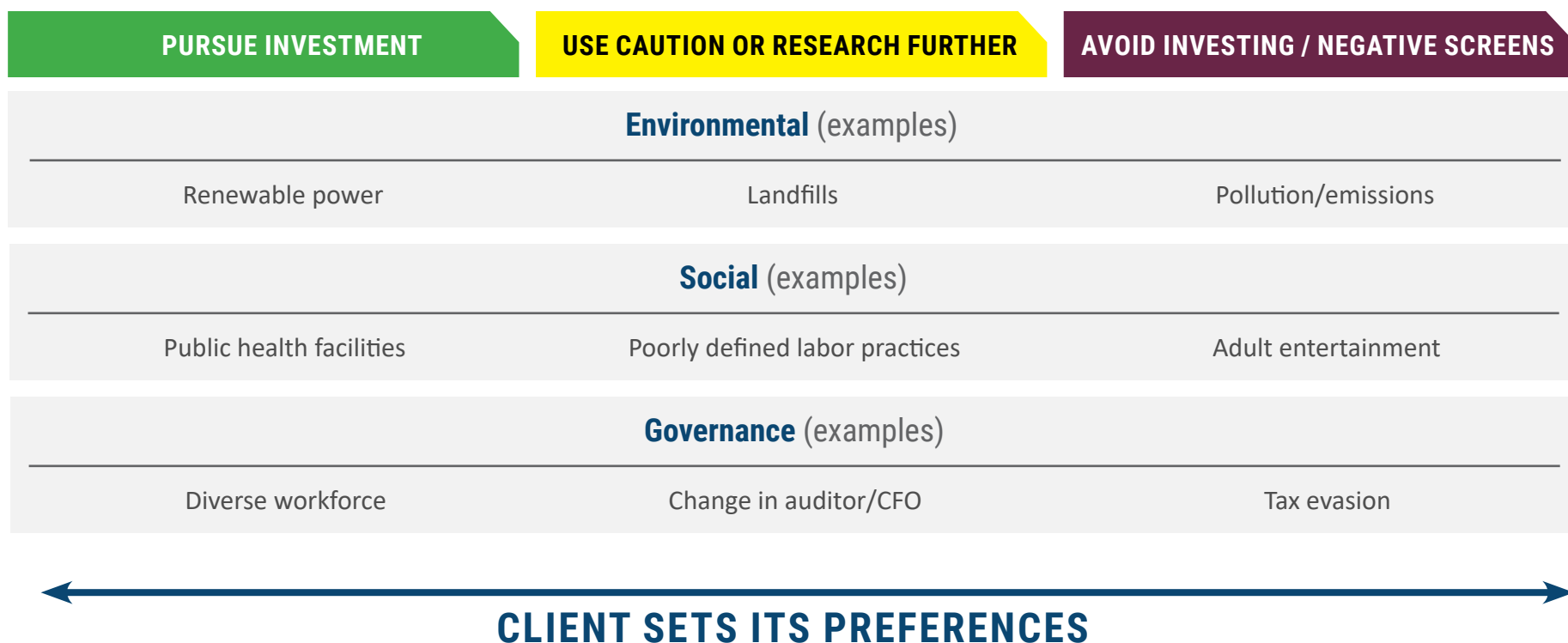


¹ Sell-side research sources include Jefferies, Goldman Sachs, and Deutsche Bank.
² Source: International Energy Agency.

No assurance can be given that any investment will achieve its objectives or avoid losses.

WE ALIGN INVESTMENT PORTFOLIOS WITH CLIENTS' ESG OBJECTIVES

We construct ESG and impact oriented portfolios based on the client's objectives, mandate, investment strategy, and structure. In doing so, we adhere to both our own ESG standards and those of the industry to create a framework that allows each client to set its parameters.



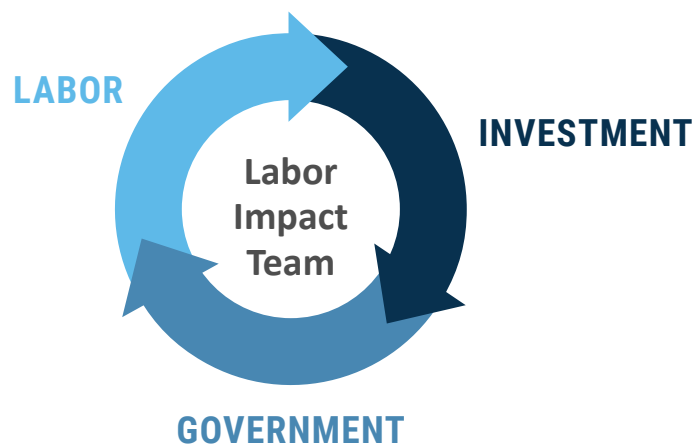
For illustrative purposes only. Examples represent a potential client's preferences for its customized program and are not necessarily representations of how we invest generally.

LABOR IMPACT STRATEGY

UNLOCKING VALUE THROUGH PARTNERSHIP AMONG LABOR, GOVERNMENT, AND PRIVATE CAPITAL

The GCM Grosvenor Labor Impact Strategy is founded on the belief that attractive infrastructure investment opportunities are more likely to be unlocked through close partnership among labor, government, and private capital.

With that in mind, GCM Grosvenor assembled a dedicated Labor Impact team that integrates investment, labor, and government expertise to source and execute infrastructure investments that align with our investors' priorities.



In 2021 we estimated the Labor Impact Strategy's positive effects on regional workforces and economies based on its initial four investments.

2.8M

PROJECTED UNION
WORK-HOURS
CREATED DURING
DEVELOPMENT

5,800

ESTIMATED DIRECT,
INDIRECT, AND
INDUCED JOBS
CREATED

\$258M

EXPECTED REALIZED
TAX REVENUE
(LOCAL, STATE,
FEDERAL)

\$2.2B

PROJECTED
ECONOMIC
IMPACT

North America's Building Trades Unions Collaboration

The Labor Impact Strategy has adopted a best-in-class Responsible Contractor Policy, developed in collaboration with North America's Building Trades Unions (NABTU) and other labor organizations. It promotes fair benefits, wages, working conditions, and training opportunities for workers on projects for the Labor Impact Strategy.



Data as of December 31, 2020.

Read more about the Labor Impact Strategy and view its Labor and Economic Impact Report at: <https://www.gcmgrosvenor.com/labor-impact-investing/>

To estimate the economic impacts associated with its investments, the Labor Impact Strategy utilized the IMPLAN Input-Output model.

For more information on IMPLAN, please review the notes at the end of this report.

For illustrative purposes only. Information included herein has been provided by parties not affiliated with GCM Grosvenor. GCM Grosvenor has not independently verified such information and makes no representation or warranty as to its accuracy or completeness.

LABOR IMPACT CASE STUDY: PUTTING CAPITAL TO WORK

The Labor Impact Strategy committed an initial \$60 million, with plans to commit up to \$100 million in a joint venture with an experienced management team to develop an Arctic Cold cold storage platform on the U.S. West Coast. The initial focus of this investment has been on the development of a large new facility in Oxnard, CA, as well as other acquisition opportunities.

Investment Highlights

The development of these critical supply chain assets between food producers and consumers is supported by strong market dynamics, including stable food production and favorable consumer trends. The construction of the first facility in Oxnard is secured by a long-term anchor tenant and is scheduled for completion in the fourth quarter of 2021. The company expanded its operations into a second facility located in Santa Maria, CA in the third quarter of 2021.

The construction of the Oxnard facility has already created thousands of new union work-hours and is expected to create meaningful impacts from both a labor and economic perspective.

Environmental Impact

The Oxnard facility will be LEED certified and is expected to draw approximately 44% of its power from sustainable sources. This translates into reducing the building's carbon footprint by approximately 206k tons – the equivalent of taking nearly 2,200 cars off the roads.



"Working with the Arctic Cold and Labor Impact teams has been extremely gratifying. It is rewarding to work on a project where quality contractors and workers are valued."

– Gary Dunn, President, Applied Process Cooling Corporation (APCCO), Modesto, CA

200,000

**PROJECTED TOTAL UNION CONSTRUCTION
WORK-HOURS CREATED DURING CONSTRUCTION**

\$76,795,291

**PROJECTED WAGES GENERATED DURING
CONSTRUCTION ALONE**

\$171,670,968

**TOTAL PROJECTED
ECONOMIC IMPACT**

Data as of December 31, 2020.

To estimate the economic impacts associated with its investments, the Labor Impact Strategy utilized the IMPLAN Input-Output model.

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WE AMPLIFY OUR RESPONSIBLE INVESTING EFFORTS BY PARTNERING WITH TOP INDUSTRY ORGANIZATIONS

Responsible investing industry affiliations

Signatory of



PRI

As a PRI signatory, we incorporate ESG factors into our investment decisions and influence others. We assist clients and peers seeking to become PRI signatories and provide firm-wide employee training.

In PRI's most recent assessment in 2020, we received the highest possible rating for our approach to strategy and governance, and for ESG integration in private equity manager selection, approval, and monitoring.¹



STANDARDS BOARD FOR ALTERNATIVE INVESTMENTS (SBAI)

Investor Chapter member of organization that establishes and maintains responsible standards of industry practice.



INSTITUTIONAL LIMITED PARTNERS ASSOCIATION (ILPA)

Endorser of private equity principles that seek alignment of interests between general partners ("GPs") and limited partners ("LPs"), and promote governance and transparency.

We are proud to be a **Founding Signatory of the ILPA Diversity in Action initiative**. We participate alongside other LPs and GPs to take steps to advance diversity, equity, and inclusion in the industry.



LOCAL GOVERNMENT PENSION SCHEME (LGPS) ADVISORY BOARD

Early adopter and signatory of the LGPS Advisory Board Code of Transparency.



PENSIONS FOR PURPOSE

Influencer member of organization focused on promoting impact investing by sharing news, research, and thought leadership content.

¹ For the full GCM Grosvenor PRI Transparency Report, visit www.unpri.org. Assessment methodology can be found at <https://www.unpri.org/reporting-and-assessment/how-investors-are-assessed-on-their-reporting/3066.article>

We Promote a Sustainable Environment Through Global Partnerships, Regional Investments, and Local Actions



WE SUPPORT AND ENGAGE WITH GLOBAL ORGANIZATIONS FOCUSED ON THE IMPACTS OF CLIMATE CHANGE



European
Commission
SFDR

SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)

Certain portfolios will qualify under the SFDR Article 8, in which a portion of the investments promote environmental and social characteristics.

We have integrated sustainability risks, defined by the SFDR as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of our investment decision-making and risk monitoring process.

» [EU SFDR Disclosure](#)



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals guide how we view ESG and help define our actions.



GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

As an investor member, we have access to GRESB's fund- and asset-level ratings database.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

We are a supporter of TCFD's efforts to develop consistent risk disclosures of environmental impact.

ENVIRONMENTAL INVESTING CASE STUDY: RENEWABLE ENERGY

In 2021, GCM Grosvenor invested \$85 million in a large-scale hydroelectric generating facility on the Mississippi River by acting as lead secondary investor in a newly created vehicle. We believe this core, renewable infrastructure investment in a hard-to-access asset class will produce favorable economics along with environmental benefits, making it a worthwhile “double-bottom line” investment.

Favorable Market Environment

INCREASED SUPPLY

In the U.S., renewable energy generation capacity is expected to grow from 27% of total power capacity in 2019 to 50% by 2035 as governments and corporations focus on establishing meaningful carbon reduction goals.¹

COST-EFFECTIVE SOURCES

In the last decade, the cost of key solar and wind technologies has reduced by 50%-80%, making wind and solar the cheapest source of energy across more than two-thirds of the world.²

SUPPORTIVE REGULATORY REGIMES

The number of countries with renewable energy targets has increased from 48 in 2004 to 172 in 2019.³

COAL PLANT RETIREMENTS

Coal-fired generation has declined from approximately 35% of all power produced in the U.S. to less than 20%,⁴ with most of the retirements happening in the last 6 years.⁵

CORPORATE RESPONSIBILITY GOALS DRIVING CHANGE

Over 100 leading global companies have committed to 100% renewable energy by 2050.³

Investment Highlights

QUALITY ASSET

A large U.S. hydroelectric facility with a strong 29-year operating history with no major operating issues.

ATTRACTIVE, FULLY CONTRACTED REVENUE PROFILE

100% of facility's power generation is contracted through 2031 via fixed-price Power Purchase Agreements (“PPAs”) with investment-grade or government counterparties.

MARKET TAILWINDS

Tailwinds include intensified broad decarbonization efforts, development of clean energy resources, and potential for federal-level carbon emissions pricing.

RESILIENT DOWNSIDE MITIGATION

Tiered pricing provides cash flow stability, even in lower hydrology years.

MARKET DEMAND

Potential for re-contracting at attractive rates, as renewables are increasingly favored by utilities and customers in the region.

Select risks include: recontracting risk, hydrology risk, operating risk, pipeline execution risk.



1. Renewables 2018 global status report, REN21, 2018.
 2. S&P Global: The 2020 U.S. Renewable Energy Outlook.
 3. European Commission, The EU Green Deal Investment Plan and Just Transition Mechanism explained, Jan 2020. BNEF EU 2030 Renewables Targets in Review, June 19, 2019.
 4. U.S. Energy Information Administration (EIA), eia.gov/todayinenergy/detail.php?id=48896
 5. EIA, eia.gov/todayinenergy/detail.php?id=44976
- No assurance can be given that any investment will achieve its objectives or avoid losses.**

ENVIRONMENTAL INVESTING CASE STUDY: RENEWABLE ENERGY

ESG Considerations

The facility is a large hydroelectric generation plant that delivers power in a market that is significantly weighted to thermal power generation. It represents the majority of the regional power company's reliability-rated capacity from renewable, zero-emission resources.

The facility's operating company is certified under the UL EcoLogo Program, the largest, most respected environmental certification in North America, and it has received S&P Global's strongest Green Evaluation score (E1) for its 2020 investment-grade green bond issuance. In addition, the facility's utility offtaker has committed to net-zero carbon emissions by 2050.

The facility serves the region by playing an integral part in flood control procedures and provides significant royalty revenue to the nearby city. The royalty is allocated to the city's annual municipal budget and is projected to cover over half its expenditures.

Average annual generation

1,100+

GIGAWATT HOURS

of renewable power per year,
the equivalent of over

750,000

METRIC TONS

of CO2 emissions avoided
per year

Avoided emissions equal

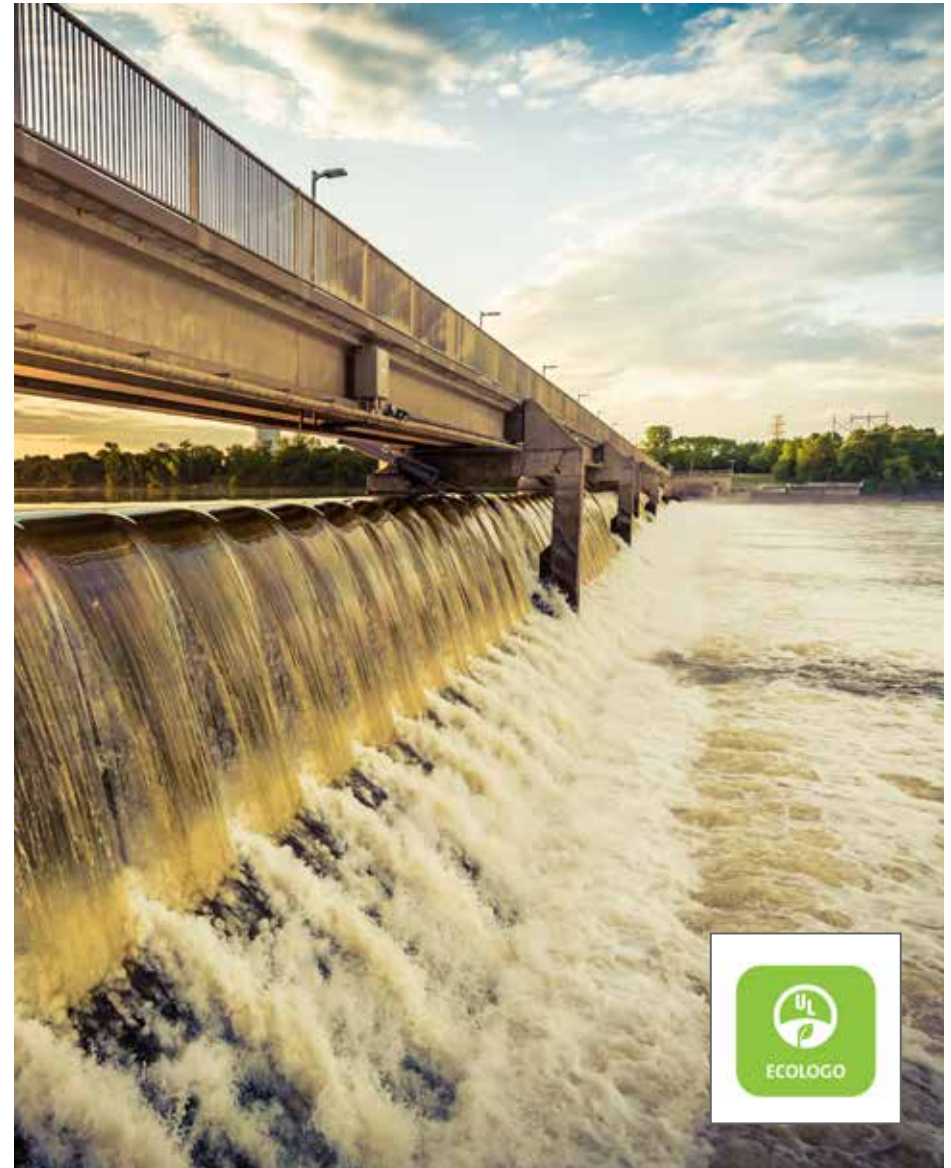
~170,000

CARS OFF THE ROADS

or the amount of carbon
sequestered by

~955,000

ACRES OF FOREST



Data source: U.S. Environmental Protection Agency.

This example was selected by GCM Grosvenor because of its timeliness and relevance to our ESG efforts, is presented for illustrative purposes only, and is not intended to be representative of GCM Grosvenor funds, strategies or investments.

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CREATING POSITIVE ENVIRONMENTAL IMPACT ON A LOCAL LEVEL

Our offices are recognized as being environmentally friendly and are certified by Leadership in Energy and Environmental Design (LEED), the industry standard in sustainable buildings.

New York – Gold certification

London – Gold certification

Seoul – Gold certification

Hong Kong – Gold certification

Tokyo – LEED Certified

OFFICE SPOTLIGHT

2 International Finance Center Hong Kong

WELL Health Safety Rating

Maintains the health, safety, and well-being of staff and building visitors in the post COVID-19 environment.

Wastewi\$e Certificate Excellence Level

Adopted measures to reduce the amount of waste generated in establishments and by products and services.

Indoor Air Quality Certificate Excellent class

Compliant with Environmental Protection Department indoor air quality objectives.



We Believe Diversity Is
Key To Sustaining The
Industry's Trajectory



DRIVING GROWTH AMONG DIVERSE INVESTMENT MANAGERS

Investing with diverse managers is consistent with our firm's commitment to diversity as well as our focus on seeking the best possible risk-adjusted investment returns for our clients. We believe diverse managers represent a compelling, yet undercapitalized investment opportunity in the alternatives universe.

\$8.7B invested/committed in diverse managers

20+ YEARS of activity

A "MUST SEE" LP

We seek innovative ways of investing with small, emerging, and diverse managers, such as seeding, joint ventures, anchor investments, and co-investments. Beyond investing, we work with managers in:

- Identifying and hiring a team
- Service provider selection
- Establishing risk management processes
- Regulatory registration and compliance
- Establishing operational capabilities
- Marketing support
- Raising awareness of best practices

IN THE NEWS

Chicago, April 29, 2021– GCM Grosvenor exceeds its June 2019 stated objective of committing an additional \$2 billion to women and minority investment managers, more than a year ahead of schedule.

» [Read the full press release](#)

IN THE PRESS

In the *Emerging Manager Monthly* article, "Leading Through Action," GCM Grosvenor's Derek Jones and Jessica Holsey discuss the importance of an inclusive industry.

» [Read the article.](#)

In the *Institutional Investor* profile, "The Overlooked Alternative," we put a spotlight on best practices in sourcing and implementing investments with diverse private equity managers.

» [Read the article.](#)

DIVERSE MANAGER SPOTLIGHT: AVANCE INVESTMENT MANAGEMENT

The Manager

Avance Investment Management was established in 2020 by David Perez, Luis Zaldivar, and Erik Scott in New York. Avance targets control investments in lower middle-market, founder-owned businesses in fragmented sectors with a special focus on the U.S. Hispanic market. These businesses typically exist in the services and consumer sectors broadly, and more specifically in the business, financial, healthcare, infrastructure, and technology services subsectors and in the food, residential, wellness, personal care, and enthusiast spaces.

Before Avance, the three founding partners worked together for over 15 years at a prior firm, where they had senior investment professional roles in over 30 platform investments. David was President and COO and had responsibility for fundraising, firm development, and talent management.

The Relationship

GCM Grosvenor has been working with the Avance team for over 15 years, having met David, Luis, and Erik in the early 2000s, when GCM Grosvenor committed to a 2000 vintage fund at their prior firm. Since then, GCM Grosvenor and the Avance team have maintained an investment relationship and continuous dialogue.

Through this relationship, GCM Grosvenor has been a positive influence on the Avance team as an early investor and participated in Avance's second platform investment as its largest co-investor.

In addition to investment activity, GCM Grosvenor has helped Avance raise assets by serving as a reference to other institutional investors.



Why Avance Investment Management Stands Out

PERFORMANCE

Avance's founding partners generated an attractive long-dated track record at their previous firms

EXPERIENCE

The partners have an average of 27 years of industry experience

GROWTH

Before Avance, the partners were instrumental in growing their prior firm's AUM from \$300 million to approximately \$3 billion

STRONG FOUNDATION

Avance has thoughtfully developed operational and investment processes, and a full team of eight investment professionals as well as senior functional professionals

SOURCING

Avance expects to source deals in the lower middle market and among Hispanic businesses, where David and Luis have developed relationships and established a broad network of Hispanic executives

Past performance is not indicative of future results.

No assurance can be given that any investment will achieve its objectives or avoid losses.

WE AMPLIFY OUR EFFORTS BY PARTNERING WITH INDUSTRY ORGANIZATIONS

We believe a more diverse, inclusive, and equitable industry is better for investors. To help level the playing field, we remain active and engaged with diverse professionals' organizations, helping to advance their missions in several ways.

Examples of partnership activities in 2021

EMPLOYMENT AND INTERSHIPS

GCM Grosvenor welcomed 6 Interns and 2 full-time Analysts through partnership programs with **SEO**, **Girls Who Invest**, **NAIC**, and **Prep for Prep**.

CONFERENCE SPONSORSHIPS AND PARTICIPATION

GCM Grosvenor was a Gold Sponsor of the **Association of Asian American Investment Managers (AAAIM)** National Conference, where we hosted a workshop focused on how institutional investors can "level-up" their emerging manager programs.

SPEAKING ENGAGEMENTS

GCM Grosvenor team members were featured speakers at the **Sponsors for Educational Opportunity (SEO)** Alternative Investments Conference, which aims to advance career development for professionals from backgrounds traditionally underrepresented in alternative investments.

EDUCATION PROGRAMS

We kicked off a year-long partnership program with **Rock the Street, Wall Street** to teach female students at Whitney M. Young Magnet High School in Chicago about savings and investments, budgeting, and capital markets.

MENTORING AND DEVELOPMENT

GCM Grosvenor teamed up with the **Forté Foundation** to support its mission of helping launch women into fulfilling, significant careers through mentoring, career guidance, job recruiting, and more.

Our key partnerships include organizations at the forefront of providing opportunities for growth.



"Thank you GCM Grosvenor for demonstrating your commitment to the advancement of women in our industry through your Gold Sponsorship of PEWIN: Private Equity Women Investor Network."

- @PEWIN, via LinkedIn

PARTNERSHIP SPOTLIGHT: THURGOOD MARSHALL COLLEGE FUND

Changing the Face of Leadership

The Thurgood Marshall College Fund (TMCf) was established in 1987 to provide deserving high school students access to higher education through scholarships. Today, it is the nation's largest organization exclusively representing the Black College community.

Through innovative programs and initiatives, TMCf serves as a resource for more than 300,000 students at 47 publicly supported Historically Black Colleges and Universities (HBCUs). TMCf identifies and develops talented students on campus and connects them with companies with specific hiring needs, providing graduates with access to blue-chip job opportunities that otherwise may not be available.



1,800
SCHOLARSHIPS

totaling

\$5.3M
AWARDED IN 2020



2,000
STUDENTS

provided with professional
development annually

In 2021, TMCf launched the National Black Talent Bank™ which will advance talented Black students by housing a database of uniquely talented Black high school seniors and positioning them for meaningful roles at participating companies. [Read more.](#)

The GCM Grosvenor Relationship

GCM Grosvenor is a voting member of the TMCf Board of Directors since 2016, provides funds for seven scholarships, and contributes to the TMCf Forever Fund, which ensures the organization's sustainability. In doing so, we promote TMCf's objective to provide a bridge between corporate America and the talent that exists at HBCUs.

Data source: Thurgood Marshall College Fund.



"Our organization provides scholarships to increase college completion rates and access to opportunities that enable economic mobility and the potential for generational impact."

**– Dr. Harry L. Williams, President and CEO,
Thurgood Marshall College Fund**

WE ARE AN INDUSTRY CATALYST FOR DIVERSE AND NEXT-GENERATION MANAGERS

In addition to our investments, work with managers, and partnerships, we host two industry-leading events to help drive the industry. The Small and Emerging Managers (SEM) Conference and Consortium share a common mission to advance women-owned, minority-owned, and emerging investment managers, while providing institutional investors and consultants access to this unique universe of managers.

15th Annual **SEM**2021 Small + Emerging Managers Conference

2020's first-ever virtual SEM Conference attracted a record of over 900 registrants, and featured more than 90 speakers, panelists, and moderators.

In 2021, the Small and Emerging Manager Conference marks a decade and a half of impacting the industry and creating real, positive progress. This year's agenda features speakers who address key issues faced by institutional investors during an ongoing volatile market environment and changing social climate. Keynote Speaker Earvin "Magic" Johnson shares his thoughts and experiences to spotlight the power of diversity and equity for any enterprise.



2021 SEM Conference
Keynote Speaker
Earvin "Magic" Johnson

18th Annual **Consortium**2021 Diverse + Women Managers Conference

With more than 420 attendees, Consortium 2021 was all about leadership and action. Building on the event's 18-year heritage, attendees discussed real-time tactics and next steps to increase allocations to diverse investment managers. Participants also heard from industry leaders about the positive "double-bottom-line" impacts that diversity and inclusion are having on their investments and their businesses.

Throughout the virtual event, attendees connected in panel presentations, small group discussions, and one-on-one conversations, taking away tangible action items.

225

first time
participants

129

representatives
from Limited
Partners (LPs)
and Consultants

80%

of which have
existing small,
emerging, or
diverse manager
investments

CONSORTIUM 2021 PARTICIPANTS

116

Minority
owned GPs

80

Women
owned GPs

5

Veteran
owned GPs

7

LGBTQ
owned GPs

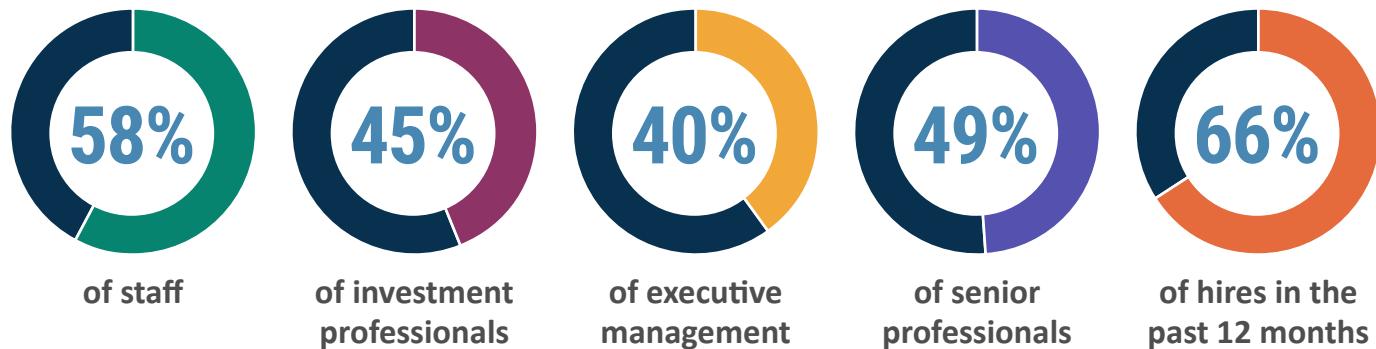
3

Disabled
owned GPs

WE ARE INTENTIONAL ABOUT CREATING A DIVERSE, EQUITABLE, AND INCLUSIVE FIRM

A diverse, engaged team is critical to our ability to create and deliver value to our clients. Thus, we are committed to creating an inclusive environment where diverse professionals can thrive.

Women and/or Ethnically Diverse Employees at GCM Grosvenor



DIVERSITY, EQUITY, AND INCLUSION ARE AT THE CORE OF HOW WE MANAGE OUR BUSINESS

Our **Diversity, Equity, and Inclusion Principles** guide our hiring practices and our engagement with current employees. The goal: to advance opportunities for underrepresented groups including minorities, women, LGBTQ employees, veterans, and individuals with disabilities.



RECRUITMENT EFFORTS

We actively recruit and expand employment opportunities for minorities, women, veterans, and individuals with disabilities by sourcing from a diverse talent pool and taking actions to reduce bias in the hiring process.



THE EMPLOYEE EXPERIENCE

We are committed to the training, development, retention, and promotion of minorities, women, LGBTQ employees, veterans, and individuals with disabilities currently employed at the firm.



SUBCONTRACTORS AND SUPPLIERS

We believe that working with a diverse slate of vendors and subcontractors allows us to remain competitive by giving us access to the most creative and innovative ideas.



OUR EMPLOYEES PROPEL THE FIRM'S RESOURCE PROGRAMS



Women's Inspirational Networking Group's (WINGS)

Founded in 2012, the Women's Inspirational Networking Group's (WINGS) mission is to promote, inspire, and empower women to achieve their fullest potentials, professionally and personally. With over 100 members, WINGS provides women and allies opportunities for networking, mentoring, leadership, professional development, and service.

Parent Resource Group

Parent Resource Group facilitates discussions on how parents and caregivers manage work and personal responsibilities, provides resources, and hosts events.

Women's Leadership Summit

Women's Leadership Summit gathers the firm's senior female leaders typically every other year to foster closer connections across business lines, functions, and regions, and provide enriching content to foster development in their careers and personal lives.



Founded in 2015, the Pride Alliance creates a space for LGBTQ+ and ally employees to share ideas, find community and networking opportunities, and advance employee engagement at the firm. This year, the group focused its efforts on virtual volunteer events with community partners and hosted educational sessions for the Firm's employees around personal pronouns and transgender inclusion in the workplace.

PRIDE ALLIANCE PARTNERSHIP SPOTLIGHT: CHICAGO HOUSE

Chicago House is a social service organization founded in 1985 that assists individuals impacted by HIV/AIDS and the broad LGBTQ community with housing, health, and employment support. We share in the belief that a home is a key determinant in reaching and maintaining positive health outcomes and greater well-being, and we thank the Chicago House staff for their hard work to facilitate housing and other services, particularly during the pandemic.

The Pride Alliance has partnered with Chicago House residential youth programs in several ways, including field trips to local museums and an annual holiday party in our office. Among the highlights this year:

- In December 2020, the Pride Alliance sponsored a holiday giving program, during which members purchased and wrapped presents for 27 children from 12 Chicago House families. In addition, GCM Grosvenor gave the Chicago House staff gift cards to Target and Women & Children First, a women-owned bookstore in Chicago.
- In May 2021, Pride Alliance members sent books to children in the Chicago House program and read Jessica Love's *Julián Is a Mermaid* together on video chat.

WE RECOGNIZE, CELEBRATE, AND LEARN FROM EACH OTHER

Throughout a challenging year, GCM Grosvenor prioritized learning and furthering the discussion about diversity and inclusion in our communities, our industry, and our workplace. Together, employees engaged in honest dialogue, learned about people and events that have helped shape our culture, and had some fun along the way.

PROMOTING AN INCLUSIVE CULTURE BY STAYING ENGAGED

To formally engage employees, the firm organized employee activities such as trivia events and book club discussions, and brought in several guest speakers who shared their expertise on specific topics. Among them:

Black History	Asian American and Pacific Islander Heritage	LGBTQ Pride	Stopping Antisemitism	Women's History	Hispanic Heritage	Inclusive Leadership
New York Historical Society presentation on its "Age of Jim Crow" exhibit Discussion with Isabel Wilkerson, author of <i>Caste: The Origins of Our Discontents</i>	New York Historical Society exploration of the Asia Society Triennial exhibit "We Do Not Dream Alone" Conversation with Christine Juang of <i>Hate is A Virus</i>	Education session on workplace inclusivity with Rebecca York of Out & Equal Workplace Advocates Parent Resource Group discussion with Paria Hassouri, the author of "Found In Transition"	Presentation from the Anti-Defamation League, who spoke to our employees about the rise of antisemitic attacks across the world and discussed steps we can all take to stop antisemitism	The Art Institute of Chicago presentation about influential female artists GCM Grosvenor Cares volunteer event: New York employees read women-themed books to children	Firmwide trivia event to learn about Hispanic history, culture, and impact Virtual Latin dance class for employees	Training with Dr. Derrick Gay, Diversity and Inclusion Strategist, on reframing the term "diversity," understanding the DEI business rationale, and learning more about our personal identity and perspectives



We Help
Communities
Thrive and Grow



WE CONTINUE TO SUPPORT THOSE IN NEED

Despite social distancing and restrictions placed on gatherings, we prioritized staying involved in our communities.



Some examples of our activities this year:

330

backpacks filled with supplies for students

194

holiday gifts given to youths

75+

activity-focused items sent to veterans in New York

370

donations to organizations and individuals chosen by employees, as part of the firm's COVID-19 giving campaign

15+

volunteer projects with local organizations in Chicago and New York

224

Organizations we financially support

110

Non-profit board memberships



Some of our key community partners:



PARTNER SPOTLIGHT: COOK ELEMENTARY SCHOOL



Since 2008, we have partnered in many ways with Cook Elementary School in Chicago's Auburn Gresham neighborhood, and 2021 is no exception. In July and August, we teamed up with City Year Chicago to host a Back-to-School 2021-22 donation drive in support of Cook Elementary.

We donated school supplies to fill **330 backpacks** and equip **21 classrooms**.

Earlier, we recognized that remote learning was particularly difficult for those who may lack adequate resources or support systems, so we stayed engaged by:



Donating 100 Chrome Books, chargers, headphones, white boards and other supplies to help students in their at-home learning



Providing food and aid to families who lost their jobs



Honoring teachers during Teacher Appreciation Week by handwriting thank you cards and sending each teacher a care package



Assisting the Youth Guidance social workers who support students and their families



"This week, our amazing volunteers from #GCMGrosvenor put together 50 appreciation kits for teachers at Cook Elementary. We're so grateful for your continued support of Auburn Gresham's students, teachers, and educational institutions all year long!"

- @ChicagoCares via Twitter

WE CONTINUE TO GIVE BACK IN MANY WAYS



JOB PREP

Provided job interview feedback, with Skills for Chicagoland's Future



COLLEGE AND CAREER ADVICE

Participated in "How to Survive College 101," with After School Matters



READING SKILLS

Participated in virtual story-time for youth in New York



FINANCIAL LITERACY

Taught finance basics to elementary and middle school students



TEACHER APPRECIATION

Sent care packages and thank you notes to teachers



HOLIDAY GIFTS

Purchased, wrapped, and delivered approximately 200 gifts to youth in Chicago and New York



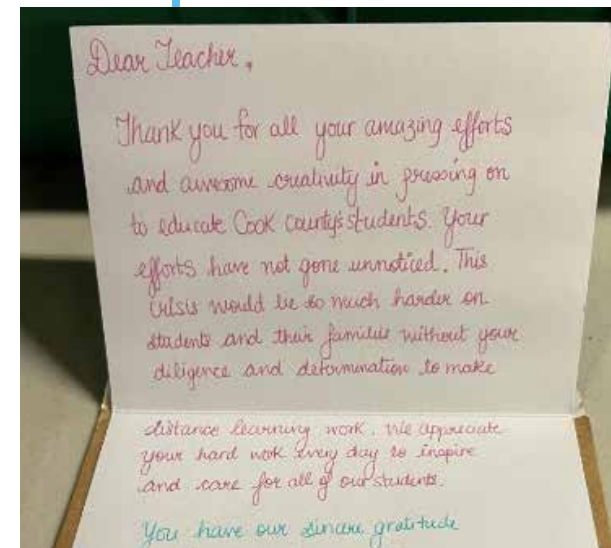
MENTORING

Participated in programs with WITS and Big Brothers Big Sisters to guide and advise students



VETERAN SUPPORT

Joined Volunteers for America in activity drive to help soldiers who served



We Hold Ourselves
to the Highest
Standards of
Compliance and
Governance



THREE CROSS-FUNCTIONAL TEAMS PROVIDE GOVERNANCE AND OVERSIGHT

ESG COMMITTEE

Develops and regularly reviews the ESG Policy, and supports our ESG framework by:

- Developing a firm-wide ESG strategy in collaboration with executive management
- Overseeing ESG activities and encouraging firm-wide integration of ESG factors
- Working closely with reporting and investment teams on ESG reporting
- Supporting industry integration of ESG factors
- Evaluating and monitoring ESG factors
- Providing regular ESG training for employees

DIVERSITY, EQUITY, AND INCLUSION COMMITTEE

Guides our efforts by creating and overseeing our strategy for inclusion and driving accountability. The committee has four areas of focus:

- People and culture
- Fostering an inclusive workplace
- Industry leadership
- Increasing our connectivity with diverse organizations through conferences and partnerships

CORPORATE RESPONSIBILITY TEAM

Supports ESG partnerships and reports on the firm's progress. Its objectives:

- Manage and develop partnerships for ESG/Responsible Investments ("RI")
- Identify and raise ESG/RI issues to the business
- Monitor and report on progress through key performance indicators

CULTURE OF COMPLIANCE STARTS WITH THE PROPER “TONE AT THE TOP”

Our actions with regard to corporate governance are driven by formal policies and guidelines, which we share publicly.

- » [Corporate Governance Guidelines](#)
- » [Code of Business Conduct and Ethics](#)
- » [Audit Committee Charter](#)

Our compliance program is designed to reasonably ensure that we comply with applicable U.S. and international regulations. Our actions and policies promote a strong culture of compliance, which include:

- Proper “tone at the top,” emphasizing acting in clients’ best interests
- Close collaboration among business groups, Compliance, and Legal
- Appropriate resources and staffing with defined responsibilities
- Well-defined escalation procedures with prompt and effective remediation
- Communication, education, and training
- Ongoing monitoring and testing

FOCUS ON CYBERSECURITY

Keeping our clients’ data secure is a top priority and a key component of our corporate governance. Elements of our many programs and policies include:

- Cybersecurity program founded on the NIST (National Institute of Standards and Technology) Cybersecurity Framework
- Multi-factor authentication (MFA) for employee remote access and client web portal login
- Annual third-party internal, external, cloud, and web application penetration tests
- Real-time event monitoring and notification through our Security Information and Event Management (SIEM) solution
- Robust internal social engineering and anti-phishing testing program that leverages industry-leading solution
- Holistic Vulnerability and Threat Management (VTM) program
- Endpoint Detection and Response (EDR) technology
- Strong encryption used for data-at-rest and data-in-transit
- Proactive and comprehensive third-party risk management controls

GOVERNANCE IN PRACTICE: OPERATIONAL DUE DILIGENCE

As a fiduciary, we seek to uphold standards of governance on behalf of our clients. Before making investments, we perform operational due diligence (ODD) to identify and attempt to mitigate certain risks that could arise from the non-investment operations of investments and managers. In doing so, we seek to avoid losses caused by operational errors or fraud, and to identify operational, regulatory, and legal issues.

We have a dedicated ODD team that operates independent of our Investment Department and is comprised of Finance and Legal professionals. The team performs: 1) background investigations on key personnel to help us assess their qualifications, experience, and integrity; 2) a review of the operational capabilities and controls to determine whether a manager's control environment is appropriate for its size and strategy; and 3) a review of the relevant legal documentation related to the potential investment.

Background investigations

We retain independent third-party investigation firms that specialize in financial services to conduct background investigations on prospective managers and their key personnel. These background checks generally include: identification of outside business arrangements; check for any civil or criminal litigation, historical regulatory actions, or adverse press; and verification of education and prior experience of personnel, among other items.

Operational capabilities and internal controls review

The ODD team assesses whether a potential manager has created a strong, institutional-quality internal control environment and whether it has engaged appropriate key service providers. As part of this review, ODD generally conducts interviews, requests information, and reviews documents pertaining to the proposed investment and manager.

Legal review and structuring review

GCM Grosvenor's internal team of attorneys and paralegals, in conjunction with external counsel, review relevant legal documentation, focusing on the legal governance, structure, and terms of the potential investment. The review is designed to assess the terms of the investments and identify potential issues to mitigate, including such governance issues as key person provisions and other early termination/withdrawal rights.



In a majority of the due diligences we perform, we recommend changes. Our recommendations are intended to improve or strengthen the overall control environment and reduce or help mitigate operational risks identified during diligence.

Ongoing Operational Monitoring

Our evaluation does not stop at initial investment. On an ongoing basis, we analyze and review various investment-related correspondence and monitor organizational and operational developments at a manager. The goal of our operational monitoring program is to monitor and manage, on an ongoing basis, operational risks associated with the managers and underlying investments, and typically includes procedures that occur on a daily, weekly, monthly, quarterly and annual frequency.

These ongoing monitoring procedures help to identify and evaluate change events that could potentially have a materially adverse impact on managers' operational infrastructure. Examples of these types of events include regulatory enforcement actions, commencement of criminal or civil litigation, change in ownership or control of the manager, adverse press, or turnover of key personnel, among others.

ABOUT GCM GROSVENOR

GCM Grosvenor (Nasdaq: GCMG) is a global alternative asset management solutions provider with approximately \$67 billion in assets under management across private equity, infrastructure, real estate, credit, and absolute return investment strategies. The firm is in its 50th year of operation and is dedicated to delivering value for clients in the growing alternative investment asset classes. Our experienced team of over 500 professionals serves a global client base of institutional and high net worth investors.

WHAT DEFINES US

- Delivering comprehensive alternative investment solutions
- Global investment experience that spans alternative asset classes
- Partnering with institutional clients worldwide
- Our position as a leader in customized solutions
- Our breadth of turn-key investment products
- Seeking to align our interests with clients by investing alongside them
- Ongoing commitment to the community, to diversity, equity, and inclusion, and to responsible investing



OUR OFFICES



CONTACT

Headquarters

Chicago

900 North Michigan Avenue
Suite 1100
Chicago, Illinois 60611
(312) 506-6500

New York: (646) 362-3700

Los Angeles: (310) 651-8270

Toronto: (647) 417-7361

London: +44 (0) 20 3727 4450

Frankfurt: +49 69 5899 6526

Tokyo: +81-3-5573-8110

Hong Kong: +852 3420 1777

Seoul: +82-2-2158 8500

Website:

GCMGROSVENOR.COM

Email:

INQUIRIES@GCMLP.COM

LinkedIn

@GCMGROSVENOR

DISCLOSURES

Unless otherwise indicated, employee, assets under management, and commitment data is most recent available as of July 1, 2021.

GCM Grosvenor (Nasdaq: GCMG) is a global alternative asset management solutions provider across private equity, infrastructure, real estate, credit, and absolute return investment strategies.

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

We define small and emerging managers, for private equity and real assets, as funds with less than \$1 billion, or managers that have launched three or fewer funds; for hedge fund strategies, we define as firms with assets under management of less than \$2 billion, or that are less than three years old. We define diverse managers as firms in which women or minority professionals account for at least 25% of firm economics.

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IMPLAN was created by academics to serve the needs of the United States Forest Service in the 1970's. It has been transformed today to serve as a solution-provider for anyone interested in better understanding their economy. IMPLAN is a regional economic analysis software and data application that is designed to estimate the impact or ripple effect of a given economic activity or the contribution of some existing activity within a specific geographic area.

IMPLAN has been a standard tool for academic and professional economists for decades. The methods used to produce IMPLAN's economic data set and economic impact estimates have been widely published both in professional publications as well as peer-reviewed academic journals. Many of these methods are considered standard best practices in a wide variety of applied economic fields today.

Other than union work hours created in 2020, all other labor impact and economic impact statistics within this report are model-based estimates. They were generated by the IMPLAN model utilizing actual budgets for Labor Impact Strategy investments for construction, maintenance and operations where applicable. Furthermore, with regard to construction, these estimates cover the entire timeline of project development and may incorporate multiple years.

For more information on the IMPLAN modeling process, visit IMPLAN.com.

IMPLAN glossary

Indirect jobs

Jobs stemming from business to business purchases in the supply chain taking place in the region

Induced jobs

Jobs in the region stemming from household spending of income, after removal of taxes, savings, and commuters

Labor wages

All forms of employment income, including employee compensation (wages, salaries, and benefits) and proprietor income

Direct jobs

Employment associated with the onsite development of the investment

Total economic impact

Sum of direct, indirect, and induced impacts resulting from investment

INVESTING FOR THE FUTURE

2021 GCM GROSVENOR IMPACT REPORT

gcmgrosvenor.com/our-impact