

REFINITIV

DELTA REPORT

10-Q

GCMG - GCM GROSVENOR INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1315
CHANGES	347
DELETIONS	551
ADDITIONS	417

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **September 30, 2023** **March 31, 2024**
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number 001-39716

GCM Grosvenor Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	85-2226287
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
900 North Michigan Avenue, Suite 1100 Chicago, IL	60611
(Address of principal executive offices)	(Zip Code)
312-506-6500	
(Registrant's telephone number, including area code)	
N/A	
(Former Name, Former Address and Former Fiscal Year if Changed Since Last Report)	

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.0001 par value per share	GCMG	The Nasdaq Stock Market LLC
Warrants to purchase shares of Class A common stock	GCMGW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/> <input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of **November 6, 2023** **May 3, 2024**, there were **42,988,563** **44,223,213** shares of the registrant's Class A common stock, par value \$0.0001 per share, outstanding and 144,235,246 shares of the registrant's Class C common stock, par value \$0.0001 per share, outstanding.

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BASIS OF PRESENTATION

As used in this Quarterly Report on Form 10-Q, unless as the context requires otherwise, as used herein, references to "GCM," the "Company," "we," "us," and "our," and similar references refer collectively to GCM Grosvenor Inc. and its consolidated subsidiaries.

Unless the context otherwise requires, references in this Quarterly Report on Form 10-Q to:

- "AUM" are to assets under management;
- "CFAC" are to CF Finance Acquisition Corp., a Delaware corporation;
- "clients" are to persons who invest in our funds, even if such persons are not deemed clients of our registered investment adviser subsidiaries for purposes of the Investment Advisers Act 1940, as amended;
- "Class A common stock" are to our Class A common stock, par value \$0.0001 per share;
- "Class B common stock" are to our Class B common stock, par value \$0.0001 per share;
- "Class C common stock" are to our Class C common stock, par value \$0.0001 per share;
- "FPAUM" are to fee-paying AUM;
- "GCMG" are to GCM Grosvenor Inc., which was incorporated in Delaware as a wholly owned subsidiary of Grosvenor Capital Management Holdings, LLLP, formed for the purpose of completing the Transaction. Pursuant to the Transaction, Grosvenor Capital Management Holdings, LLLP cancelled its shares in GCM Grosvenor Inc. no longer making GCM Grosvenor Inc. a wholly owned subsidiary of Grosvenor Capital Management Holdings, LLLP;
- "GCM Grosvenor" are to GCMH, its subsidiaries, and GCM, L.L.C.;
- "GCM V" are to GCM V, LLC, a Delaware limited liability company;
- "GCMH" are to Grosvenor Capital Management Holdings, LLLP, a Delaware limited liability limited partnership;
- "GCM Funds" and "our funds" are to GCM Grosvenor's specialized funds and customized separate accounts;
- "GCMH Equityholders" are to Holdings, Management LLC, Holdings II and GCM Progress Subsidiary, Subsidiary LLC;
- "Grosvenor common units" are to units of partnership interests in GCMH entitling the holder thereof to the distributions, allocations, and other rights accorded to holders of partnership interests in GCMH;
- "Holdings" are to Grosvenor Holdings, L.L.C., an Illinois limited liability company;
- "Holdings II" are to Grosvenor Holdings II, L.L.C., a Delaware limited liability company;
- "IntermediateCo" are to GCM Grosvenor Holdings, LLC (formerly known as CF Finance Intermediate Acquisition, LLC), a Delaware limited liability company;
- "Management LLC" are to GCM Grosvenor Management, LLC, a Delaware limited liability company;

- “NAV” are to net asset value;
- “Progress Subsidiary” are to GCM Progress Subsidiary LLC, a Delaware limited liability company;
- “Transaction” are to the transactions contemplated by the Transaction Agreement;
- “Transaction Agreement” are to the definitive transaction agreement, dated as of August 2, 2020, by and among CFAC, CF Finance Acquisition Corp., a Delaware corporation, IntermediateCo, CF Finance Holdings, LLC, a Delaware limited liability company, GCMH, the GCMH Equityholders, GCMH GP, L.L.C., GCM V and us; and
- “TRA Parties” are to the GCMH LLLP Equityholders, and their successors and assigns with respect to the Tax Receivable Agreement (“TRA”).

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including, but not limited to, statements regarding our future results of operations or financial condition; business strategy and plans; and market opportunity; changes to government regulations and our ability to comply with new or ongoing requirements and global economic conditions opportunity may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “forecasts,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to statements regarding our future results of operations and financial position, industry and business trends, equity compensation, business strategy, plans, market growth and our objectives for future operations.

The forward-looking statements in this Quarterly Report on Form 10-Q are only current expectations and predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the historical performance of GCM Grosvenor’s funds may not be indicative of GCM Grosvenor’s future results; risks related to redemptions and termination of engagements; the variable nature of GCM Grosvenor’s revenues; competition in GCM Grosvenor’s industry; effects of government regulation or compliance failures; market, geopolitical and economic conditions, including rising inflation and interest rates; the potential or actual outbreak of war, international terrorism and conflicts or other hostilities; identification and availability of suitable investment opportunities; risks related to the performance of GCM Grosvenor’s investments; and the other important factors discussed under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022December 31, 2023 and other filings with the Securities and Exchange Commission. The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise. 10-Q.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GCM Grosvenor Inc.
Condensed Consolidated Statements of Financial Condition
(In thousands, except share and per share amounts)

		As of	
		September 30, 2023	December 31, 2022
		(Unaudited)	
		As of	
		March 31, 2024	December 31, 2023
		(Unaudited)	
Assets	Assets		
Assets			
Assets			
	Cash and cash equivalents		
	Cash and cash equivalents		
Cash and cash equivalents	Cash and cash equivalents	\$ 55,354	\$ 85,163

Management fees receivable	Management fees receivable	22,267	18,720
Incentive fees receivable	Incentive fees receivable	20,837	16,478
Due from related parties	Due from related parties	12,536	13,119
Investments	Investments	239,883	223,970
Premises and equipment, net	Premises and equipment, net	4,548	4,620
Lease right-of-use assets	Lease right-of-use assets	40,622	12,479
Intangible assets, net	Intangible assets, net	2,955	3,940
Goodwill	Goodwill	28,959	28,959
Deferred tax assets, net	Deferred tax assets, net	57,533	60,320
Other assets	Other assets	19,227	21,165
Total assets	Total assets	504,721	488,933
Liabilities and Equity (Deficit)	Liabilities and Equity (Deficit)		
Accrued compensation and benefits	Accrued compensation and benefits	52,021	52,997
Employee related obligations		30,520	36,328
Accrued compensation and benefits			
Accrued compensation and benefits			
Debt	Debt	385,451	387,627
Payable to related parties pursuant to the tax receivable agreement	Payable to related parties pursuant to the tax receivable agreement	55,395	55,366
Lease liabilities	Lease liabilities	42,776	15,520
Warrant liabilities	Warrant liabilities	5,538	7,861
Accrued expenses and other liabilities	Accrued expenses and other liabilities	26,708	27,240
Total liabilities	Total liabilities	598,409	582,939
Commitments and contingencies (Note 13)	Commitments and contingencies (Note 13)		
Preferred stock, \$0.0001 par value, 100,000,000 shares authorized, none issued	Preferred stock, \$0.0001 par value, 100,000,000 shares authorized, none issued	—	—

Commitments and contingencies (Note 13)

Class A common stock, \$0.0001 par value, 700,000,000 authorized; 42,980,641 and 41,806,215 issued and outstanding as of September 30, 2023 and December 31, 2022, respectively				4	4
Preferred stock, \$0.0001 par value, 100,000,000 shares authorized, none issued					
Preferred stock, \$0.0001 par value, 100,000,000 shares authorized, none issued					
Class A common stock, \$0.0001 par value, 700,000,000 authorized; 42,996,776 and 42,988,563 issued and outstanding as of March 31, 2024 and December 31, 2023, respectively					
Class B common stock, \$0.0001 par value, 500,000,000 authorized, none issued	Class B common stock, \$0.0001 par value, 500,000,000 authorized, none issued			—	—
Class C common stock, \$0.0001 par value, 300,000,000 authorized; 144,235,246 issued and outstanding as of September 30, 2023 and December 31, 2022				14	14
Class C common stock, \$0.0001 par value, 300,000,000 authorized; 144,235,246 issued and outstanding as of March 31, 2024 and December 31, 2023					
Additional paid-in capital	Additional paid-in capital			1,081	—
Accumulated other comprehensive income	Accumulated other comprehensive income			4,710	4,096
Retained earnings	Retained earnings			(30,527)	(23,934)
Total GCM Grosvenor Inc. deficit	Total GCM Grosvenor Inc. deficit			(24,718)	(19,820)
Noncontrolling interests in subsidiaries	Noncontrolling interests in subsidiaries			64,764	67,900

Noncontrolling interests in GCMH	Noncontrolling interests in GCMH	(133,734)	(142,086)
Total deficit	Total deficit	(93,688)	(94,006)
Total liabilities and equity (deficit)	Total liabilities and equity (deficit)	\$ 504,721	\$488,933

See accompanying notes to Condensed Consolidated Financial Statements.

GCM Grosvenor Inc.
Condensed Consolidated Statements of Income (Loss)
(Unaudited)
(In thousands, except share and per share amounts)

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Revenues					
Revenues					
Revenues	Revenues				
Management fees	Management fees	\$ 94,573	\$ 90,715	\$ 280,382	\$ 275,655
Management fees					
Management fees					
Incentive fees					
Incentive fees					
Incentive fees	Incentive fees	26,073	45,467	44,884	67,964
Other operating income	Other operating income	1,068	1,032	3,177	3,083
Other operating income					
Other operating income					
Total operating revenues					
Total operating revenues					
Total operating revenues	Total operating revenues	121,714	137,214	328,443	346,702
Expenses	Expenses				
Expenses					
Expenses					
Employee compensation and benefits					
Employee compensation and benefits					
Employee compensation and benefits	Employee compensation and benefits	76,413	86,502	277,505	213,836
General, administrative and other	General, administrative and other	21,397	21,982	75,902	66,333
General, administrative and other					
General, administrative and other					

Total operating expenses	Total operating expenses	97,810	108,484	353,407	280,169
Operating income (loss)		23,904	28,730	(24,964)	66,533
Investment income (loss)		2,656	(2,276)	11,089	7,387
Total operating expenses					
Total operating expenses					
Operating loss					
Operating loss					
Operating loss					
Investment income					
Investment income					
Investment income					
Interest expense					
Interest expense					
Interest expense	Interest expense	(5,688)	(5,797)	(18,025)	(16,672)
Other income	Other income	439	87	1,611	88
Other income					
Other income					
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	(352)	(3,790)	2,322	17,872
Net other income (expense)		(2,945)	(11,776)	(3,003)	8,675
Income (loss) before income taxes		20,959	16,954	(27,967)	75,208
Change in fair value of warrant liabilities					
Change in fair value of warrant liabilities					
Net other expense					
Net other expense					
Net other expense					
Loss before income taxes					
Loss before income taxes					
Loss before income taxes					
Provision for income taxes	Provision for income taxes	3,339	2,789	5,811	7,133
Net income (loss)		17,620	14,165	(33,778)	68,075
Provision for income taxes					
Provision for income taxes					
Net loss					
Net loss					
Net loss					
Less: Net income attributable to noncontrolling interests in subsidiaries	Less: Net income attributable to noncontrolling interests in subsidiaries	1,337	1,719	5,506	7,399
Less: Net income (loss) attributable to noncontrolling interests in GCMH		10,385	9,347	(48,800)	45,246
Net income attributable to GCM Grosvenor Inc.		\$ 5,898	\$ 3,099	\$ 9,516	\$ 15,430
Less: Net income attributable to noncontrolling interests in subsidiaries					
Less: Net income attributable to noncontrolling interests in subsidiaries					
Less: Net loss attributable to noncontrolling interests in GCMH					

Less: Net loss attributable to noncontrolling interests in GCMH									
Less: Net loss attributable to noncontrolling interests in GCMH									
Net income (loss) attributable to GCM Grosvenor Inc.									
Net income (loss) attributable to GCM Grosvenor Inc.									
Net income (loss) attributable to GCM Grosvenor Inc.									
Earnings (loss) per share of Class A common stock:									
Earnings (loss) per share of Class A common stock:									
Earnings (loss) per share of Class A common stock:	Earnings (loss) per share of Class A common stock:								
Basic	Basic	\$	0.14	\$	0.07	\$	0.22	\$	0.35
Basic									
Basic									
Diluted									
Diluted									
Diluted	Diluted	\$	0.04	\$	0.02	\$	(0.28)	\$	0.23
Weighted average shares of Class A common stock outstanding:	Weighted average shares of Class A common stock outstanding:								
Weighted average shares of Class A common stock outstanding:									
Weighted average shares of Class A common stock outstanding:									
Basic									
Basic									
Basic	Basic		43,467,609		43,518,580		43,189,001		44,401,559
Diluted	Diluted		187,997,448		187,899,485		187,424,247		188,964,526
Diluted									
Diluted									

See accompanying notes to Condensed Consolidated Financial Statements.

GCM Grosvenor Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 17,620	\$ 14,165	\$ (33,778)	\$ 68,075
Other comprehensive income (loss), net of tax:				
Net change in cash flow hedges	3,029	13,861	3,540	40,375
Foreign currency translation adjustment	(486)	(1,278)	(1,076)	(3,637)
Total other comprehensive income	2,543	12,583	2,464	36,738
Comprehensive income (loss) before noncontrolling interests	20,163	26,748	(31,314)	104,813
Less: Comprehensive income attributable to noncontrolling interests in subsidiaries	1,337	1,719	5,506	7,399

Less: Comprehensive income (loss) attributable to noncontrolling interests in GCMH	12,266	19,065	(46,950)	73,495
Comprehensive income attributable to GCM Grosvenor Inc.	\$ 6,560	\$ 5,964	\$ 10,130	\$ 23,919

	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (18,907)	\$ (15,147)
Other comprehensive income (loss), net of tax:		
Net change in cash flow hedges	3,201	(5,743)
Foreign currency translation adjustment	(678)	(58)
Total other comprehensive income (loss)	2,523	(5,801)
Comprehensive loss before noncontrolling interests	(16,384)	(20,948)
Less: Comprehensive income attributable to noncontrolling interests in subsidiaries	1,302	2,773
Less: Comprehensive loss attributable to noncontrolling interests in GCMH	(20,153)	(21,142)
Comprehensive income (loss) attributable to GCM Grosvenor Inc.	\$ 2,467	\$ (2,579)

See accompanying notes to Condensed Consolidated Financial Statements.

GCM Grosvenor Inc.
Condensed Consolidated Statements of Equity (Deficit)
(Unaudited)
(In thousands)

		Class A	Class C	Additional	Accumulated Other		Noncontrolling		Total
Class A Common		Common	Common	Paid-in	Retained	Comprehensive Income	Interests in	Noncontrolling	Equity
Stock		Stock	Stock	Capital	Earnings	(Loss)	Subsidiaries	Interests in GCMH	(Deficit)
Balance at December 31, 2023									
		Class A	Class C	Additional	Other	Noncontrolling	Noncontrolling		Total
		Common	Common	Paid-in	Retained	Comprehensive	Interests in	Interests in	Equity
		Stock	Stock	Capital	Earnings	Income (Loss)	Subsidiaries	GCMH	(Deficit)
Balance at June 30, 2023		\$ 4	\$ 14	\$ 1,586	\$(30,457)	\$ 4,048	\$ 64,954	\$ (141,032)	\$(100,883)
Capital contributions from noncontrolling interests in subsidiaries									
Capital contributions from noncontrolling interests in subsidiaries									
Capital contributions from noncontrolling interests in subsidiaries	Capital contributions from noncontrolling interests in subsidiaries	—	—	—	—	—	958	—	958
Capital distributions paid to noncontrolling interests	Capital distributions paid to noncontrolling interests	—	—	—	—	—	(2,485)	—	(2,485)
Settlement of equity-based compensation in satisfaction of withholding tax requirements									

Settlement of equity-based compensation in satisfaction of withholding tax requirements									
Settlement of equity-based compensation in satisfaction of withholding tax requirements	Settlement of equity-based compensation in satisfaction of withholding tax requirements	—	—	(1,458)	—	—	—	(4,967)	(6,425)
Partners' distributions	Partners' distributions	—	—	—	—	—	—	(19,571)	(19,571)
Deemed contributions	Deemed contributions	—	—	—	—	—	—	14,958	14,958
Net change in cash flow hedges	Net change in cash flow hedges	—	—	—	—	774	—	2,255	3,029
Translation adjustment	Translation adjustment	—	—	—	—	(112)	—	(374)	(486)
Equity-based compensation		—	—	1,087	—	—	—	3,676	4,763
Equity-based compensation, equity-classified awards									
Declared dividends	Declared dividends	—	—	—	(5,032)	—	—	—	(5,032)
Deferred tax and other tax adjustments	Deferred tax and other tax adjustments	—	—	(134)	—	—	—	—	(134)
Equity reallocation between controlling and non-controlling interests	Equity reallocation between controlling and non-controlling interests	—	—	—	(936)	—	—	936	—
Net income (loss)	Net income (loss)	—	—	—	5,898	—	1,337	10,385	17,620
Balance at September 30, 2023		\$ 4	\$ 14	\$ 1,081	\$(30,527)	\$ 4,710	\$ 64,764	\$ (133,734)	\$ (93,688)
Balance at March 31, 2024									
<div> <div></div> <div> <div>Accumulated</div> <div> <div>Class A</div> <div>Class C</div> <div>Additional</div> <div>Other</div> <div>Noncontrolling</div> <div>Noncontrolling</div> <div>Total</div> </div> </div> <div> <div>Common</div> <div>Common</div> <div>Paid-in</div> <div>Retained</div> <div>Comprehensive</div> <div>Interests in</div> <div>Interests in</div> <div>Equity</div> </div> <div> <div>Stock</div> <div>Stock</div> <div>Capital</div> <div>Earnings</div> <div>Income (Loss)</div> <div>Subsidiaries</div> <div>GCMH</div> <div>(Deficit)</div> </div> </div>									
Balance at December 31, 2022		\$ 4	\$ 14	\$ —	\$(23,934)	\$ 4,096	\$ 67,900	\$ (142,086)	\$ (94,006)
Capital contributions from noncontrolling interests in subsidiaries									
		—	—	—	—	—	1,819	—	1,819
Capital distributions paid to noncontrolling interests									
		—	—	—	—	—	(10,461)	—	(10,461)
Repurchase of Class A common stock									
		—	—	(1,003)	—	—	—	(3,475)	(4,478)
Settlement of equity-based compensation in satisfaction of withholding tax requirements									
		—	—	(2,306)	—	—	—	(7,913)	(10,219)
Partners' distributions									
		—	—	—	—	—	—	(39,018)	(39,018)

Deemed contributions	—	—	—	—	—	—	89,182	89,182
Net change in cash flow hedges	—	—	—	—	859	—	2,681	3,540
Translation adjustment	—	—	—	—	(245)	—	(831)	(1,076)
Equity-based compensation	—	—	4,521	—	—	—	15,583	20,104
Declared dividends	—	—	—	(15,166)	—	—	—	(15,166)
Deferred tax and other tax adjustments	—	—	(131)	—	—	—	—	(131)
Equity reallocation between controlling and non-controlling interests	—	—	—	(943)	—	—	943	—
Net income (loss)	—	—	—	9,516	—	5,506	(48,800)	(33,778)
Balance at September 30, 2023	\$ 4	\$ 14	\$ 1,081	\$(30,527)	\$ 4,710	\$ 64,764	\$ (133,734)	\$ (93,688)

See accompanying notes to Condensed Consolidated Financial Statements.

GCM Grosvenor Inc.
Condensed Consolidated Statements of Equity (Deficit) — (Continued)
(Unaudited)
(In thousands)

Class A Common Stock									
Class A Common Stock									
Class A Common Stock									
Class A Common Stock									
Balance at December 31, 2022									
Balance at December 31, 2022									
Balance at December 31, 2022									
		Class A Common Stock	Class C Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Subsidiaries	Noncontrolling Interests in GCMH	Total Equity (Deficit)
Balance at June 30, 2022		\$ 4	\$ 14	\$ 1,775	\$ (22,400)	\$ 2,984	\$ 82,938	\$ (110,267)	\$ (44,952)
Capital contributions from noncontrolling interests in subsidiaries									
Capital contributions from noncontrolling interests in subsidiaries									
Capital contributions from noncontrolling interests in subsidiaries	Capital contributions from noncontrolling interests in subsidiaries	—	—	—	—	—	395	—	395
Capital distributions paid to noncontrolling interests	Capital distributions paid to noncontrolling interests	—	—	—	—	—	(3,217)	—	(3,217)
Capital distributions paid to noncontrolling interests									
Capital distributions paid to noncontrolling interests									
Repurchase of Class A common stock									
Repurchase of Class A common stock									
Repurchase of Class A common stock	Repurchase of Class A common stock	—	—	(1,746)	(79)	—	—	(6,206)	(8,031)

Settlement of equity-based compensation in satisfaction of withholding tax requirements	Settlement of equity-based compensation in satisfaction of withholding tax requirements	—	—	(1,326)	—	—	—	(4,527)	(5,853)
Partners' distributions		—	—	—	—	—	—	(19,525)	(19,525)
Settlement of equity-based compensation in satisfaction of withholding tax requirements									
Settlement of equity-based compensation in satisfaction of withholding tax requirements									
Deemed contributions									
Deemed contributions	Deemed contributions	—	—	—	—	—	—	7,329	7,329
Net change in cash flow hedges	Net change in cash flow hedges	—	—	—	—	3,157	—	10,704	13,861
Net change in cash flow hedges									
Net change in cash flow hedges									
Translation adjustment	Translation adjustment	—	—	—	—	(292)	—	(986)	(1,278)
Equity-based compensation		—	—	1,238	—	—	—	4,208	5,446
Translation adjustment									
Translation adjustment									
Equity-based compensation, equity-classified awards									
Equity-based compensation, equity-classified awards									
Equity-based compensation, equity-classified awards									
Declared dividends									
Declared dividends	Declared dividends	—	—	—	(4,499)	—	—	—	(4,499)
Deferred tax and other tax adjustments	Deferred tax and other tax adjustments	—	—	59	—	(867)	—	—	(808)
Deferred tax and other tax adjustments									
Deferred tax and other tax adjustments									
Equity reallocation between controlling and non-controlling interests	Equity reallocation between controlling and non-controlling interests	—	—	—	(30)	—	—	30	—
Net income		—	—	—	3,099	—	1,719	9,347	14,165
Balance at September 30, 2022		\$ 4	\$ 14	\$ —	\$ (23,909)	\$ 4,982	\$ 81,835	\$ (109,893)	\$ (46,967)
Equity reallocation between controlling and non-controlling interests									
Equity reallocation between controlling and non-controlling interests									
Net income (loss)									
Net income (loss)									
Net income (loss)									
Balance at March 31, 2023									
Balance at March 31, 2023									

Balance at March 31, 2023								
	Class A Common	Class C Common	Additional	Retained	Accumulated Other	Noncontrolling Interests in	Noncontrolling Interests in	
	Stock	Stock	Paid-in	Earnings	Comprehensive Income	Subsidiaries	GCMH	Total Equity (Deficit)
			Capital		(Loss)			
Balance at December 31, 2021	\$ 4	\$ 14	\$ 1,501	\$ (26,222)	\$ (1,007)	\$ 96,687	\$ (126,778)	\$ (55,801)
Capital contributions from noncontrolling interests in subsidiaries	—	—	—	—	—	1,359	—	1,359
Capital distributions paid to noncontrolling interests	—	—	—	—	—	(23,610)	—	(23,610)
Repurchase of Class A common stock	—	—	(4,623)	(79)	—	—	(15,787)	(20,489)
Settlement of equity-based compensation in satisfaction of withholding tax requirements	—	—	(1,464)	—	—	—	(4,981)	(6,445)
Partners' distributions	—	—	—	—	—	—	(71,664)	(71,664)
Deemed contributions	—	—	—	—	—	—	21,471	21,471
Net change in cash flow hedges	—	—	—	—	9,327	—	31,048	40,375
Translation adjustment	—	—	—	—	(838)	—	(2,799)	(3,637)
Equity-based compensation	—	—	4,583	—	—	—	15,270	19,853
Declared dividends	—	—	—	(13,957)	—	—	—	(13,957)
Deferred tax and other tax adjustments	—	—	3	—	(2,500)	—	—	(2,497)
Equity reallocation between controlling and non-controlling interests	—	—	—	919	—	—	(919)	—
Net income	—	—	—	15,430	—	7,399	45,246	68,075
Balance at September 30, 2022	\$ 4	\$ 14	\$ —	\$ (23,909)	\$ 4,982	\$ 81,835	\$ (109,893)	\$ (46,967)

See accompanying notes to Condensed Consolidated Financial Statements.

GCM Grosvenor Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

		Nine Months Ended September 30,	
		2023	2022
		Three Months Ended March 31,	
		2024	2023
Cash flows from operating activities	Cash flows from operating activities		
Net income (loss)		\$(33,778)	\$ 68,075
Adjustments to reconcile net income to net cash provided by operating activities:			
Net loss			
Net loss			
Net loss			
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization expense	Depreciation and amortization expense	2,054	2,913
Equity-based compensation		20,104	19,853
Deferred tax income expense		2,825	4,405
Depreciation and amortization expense			
Depreciation and amortization expense			

Equity-based compensation, equity-classified awards			
Deferred tax income benefit			
Other non-cash compensation	Other non-cash compensation	915	1,157
Partnership interest-based compensation	Partnership interest-based compensation	89,182	21,471
Amortization of debt issuance costs	Amortization of debt issuance costs	824	832
Amortization of terminated swap	Amortization of terminated swap	(4,792)	4,068
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	(2,322)	(17,872)
Change in fair value of warrant liabilities			
Change in fair value of warrant liabilities			
Change in payable to related parties pursuant to tax receivable agreement	Change in payable to related parties pursuant to tax receivable agreement	29	(53)
Amortization of deferred rent		—	26
Proceeds received from investments			
Proceeds received from investments			
Proceeds received from investments	Proceeds received from investments	6,890	18,701
Non-cash investment income	Non-cash investment income	(11,089)	(7,387)
Non-cash lease expense	Non-cash lease expense	4,815	4,127
Other	Other	393	(82)
Change in assets and liabilities:	Change in assets and liabilities:		
Management fees receivable	Management fees receivable	(3,548)	4,143
Management fees receivable			
Management fees receivable			
Incentive fees receivable	Incentive fees receivable	(4,359)	64,382
Due from related parties	Due from related parties	583	(150)
Other assets	Other assets	3,608	5,866
Accrued compensation and benefits		(6,295)	(29,179)
Accrued compensation and employee related obligations			
Accrued compensation and employee related obligations			
Lease liabilities	Lease liabilities	(5,703)	(5,362)
Employee related obligations		(885)	(122)
Accrued expenses and other liabilities	Accrued expenses and other liabilities	5,938	117
Net cash provided by operating activities		65,389	159,929
Accrued expenses and other liabilities			
Accrued expenses and other liabilities			

Net cash provided by (used in) operating activities			
Cash flows from investing activities	Cash flows from investing activities		
Purchases of premises and equipment			
Purchases of premises and equipment	Purchases of premises and equipment	(1,317)	(1,398)
Contributions/subscriptions to investments	Contributions/subscriptions to investments	(21,065)	(23,164)
Distributions from investments	Distributions from investments	9,351	14,224
Net cash used in investing activities	Net cash used in investing activities	(13,031)	(10,338)
Cash flows from financing activities	Cash flows from financing activities		
Capital contributions received from noncontrolling interests	Capital contributions received from noncontrolling interests	1,819	1,359
Capital contributions received from noncontrolling interests			
Capital contributions received from noncontrolling interests			
Capital distributions paid to partners and member	Capital distributions paid to partners and member	(39,018)	(71,664)
Capital distributions paid to noncontrolling interests	Capital distributions paid to noncontrolling interests	(10,461)	(23,610)
Principal payments on senior loan			
Principal payments on senior loan			
Principal payments on senior loan	Principal payments on senior loan	(3,000)	(3,000)
Payments to repurchase Class A common stock	Payments to repurchase Class A common stock	(4,478)	(20,489)
Payments to repurchase warrants	Payments to repurchase warrants	—	(2,569)
Payments to repurchase Class A common stock			
Payments to repurchase Class A common stock			
Settlement of equity-based compensation in satisfaction of withholding tax requirements			
Settlement of equity-based compensation in satisfaction of withholding tax requirements			
Settlement of equity-based compensation in satisfaction of withholding tax requirements	Settlement of equity-based compensation in satisfaction of withholding tax requirements	(10,219)	(6,445)
Dividends paid	Dividends paid	(15,590)	(13,801)
Net cash used in financing activities	Net cash used in financing activities	(80,947)	(140,219)
Effect of exchange rate changes on cash	Effect of exchange rate changes on cash	(1,220)	(3,982)
Net increase (decrease) in cash and cash equivalents		\$(29,809)	\$ 5,390
Net decrease in cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents		

Notes to Condensed Consolidated Financial Statements
(Unaudited)
(In thousands, except share and per share amounts and where otherwise noted)

1. Organization

GCM Grosvenor Inc. ("GCMG") and its subsidiaries including Grosvenor Capital Management Holdings, LLLP (the "Partnership" or "GCMH" and collectively, the "Company"), provide comprehensive investment solutions to primarily institutional clients who seek allocations to alternative investments such as hedge fund strategies, private equity, real estate, infrastructure and strategic investments. The Company collaborates with its clients to construct investment portfolios across multiple investment strategies in the private and public markets, customized to meet their specific objectives. The Company also offers specialized commingled funds which span the alternatives investing universe that are developed to meet broad market demands for strategies and risk-return objectives.

The Company, through its subsidiaries acts as the investment adviser, general partner or managing member to customized funds and commingled funds (collectively, the "GCM Funds").

GCMG was incorporated on July 27, 2020 under the laws of the State of Delaware for the purpose of consummating the Transaction and merging with CF Finance Acquisition Corp. ("CFAC"), which was incorporated on July 9, 2014 under the laws of the State of Delaware. GCMG owns all of the equity interests of GCM Grosvenor Holdings, LLC ("IntermediateCo"), formerly known as CF Finance Intermediate Acquisition, LLC until November 18, 2020, which is the general partner of GCMH subsequent to the Transaction. GCMG's ownership (through IntermediateCo) of GCMH as of September 30, 2023 each of March 31, 2024 and December 31, 2022 December 31, 2023 was approximately 23.0% and 22.5%, respectively.

GCMH is a holding company operated pursuant to the Fifth Amended and Restated Limited Liability Partnership Agreement (the "Partnership Agreement") dated November 17, 2020, among the limited partners including Grosvenor Holdings, L.L.C. ("Holdings"), Grosvenor Holdings II, L.L.C. ("Holdings II") and GCM Grosvenor Management, LLC ("Management LLC") (collectively, together with GCM Progress Subsidiary LLC, the "GCMH Equityholders").

2. Summary of Significant Accounting Policies

Basis of Presentation

The unaudited Condensed Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for annual financial statements. In the opinion of management, all necessary adjustments (which consists of only normal recurring items) have been made to fairly present the Condensed Consolidated Financial Statements for the interim periods presented. Results of operations for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 December 31, 2024. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, filed with the Securities and Exchange Commission ("SEC").

The Company is an "emerging growth company" ("EGC"), as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), following the consummation of the merger of CFAC and the Company. The Company has elected to use this extended transition period for complying with new or revised accounting standards, pursuant to Section 102(b)(1) of the JOBS Act, that have different effective dates for public and private companies until the earlier of the date that (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition periods provided by the JOBS Act. As result of this election, its consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates. The Company's status as an EGC will terminate on December 31, 2023.

Fair Value Measurements

The Company categorizes its fair value measurements according to a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are defined as follows:

GCM Grosvenor Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)
(In thousands, except share and per share amounts and where otherwise noted)

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and
- Level 3 – Inputs that are unobservable. unobservable and require significant management judgment or estimation.

GCM Grosvenor Inc.
Notes to Condensed Consolidated Financial Statements

(Unaudited)
(In thousands, except share and per share amounts and where otherwise noted)

Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available under the circumstances.

The carrying amounts of cash and cash equivalents and fees receivable approximate fair value due to the immediate or short-term maturity of these financial instruments.

Investments

Investments primarily consist of investments in GCM Funds and other funds the Company does not control, but is deemed to exert significant influence, and are generally accounted for using the equity method of accounting. Under the equity method of accounting, the Company records its share of the underlying income or loss of such entities, which reflects the net asset value of such investments. Management believes the net asset value of the funds is representative of fair value. The resulting gains and losses are included as investment income (loss) in the Condensed Consolidated Statements of Income (Loss).

The Company's equity method investments in the GCM Funds investing in private equity, real estate and infrastructure ("GCM PEREI Funds") are valued based on the most recent available information, which typically has a delay of up to three months due to the timing of financial information received from the investments held by the GCM PEREI Funds. The Company records its share of capital contributions to and distributions from the GCM PEREI Funds within investments in the Condensed Consolidated Statements of Financial Condition during the three-month lag period. To the extent that management is aware of material events that affect the GCM PEREI Funds during the intervening period, the impact of the events would be disclosed in the notes to the Condensed Consolidated Financial Statements.

Certain subsidiaries which hold the general partner capital interest in the GCM Funds are not wholly owned, and as such, the portion of the Company's investments owned by limited partners in those subsidiaries are reflected within noncontrolling interests in the Condensed Consolidated Statements of Financial Condition.

For certain other debt investments, the Company has elected the fair value option. Such election is irrevocable and is made at the investment level at initial recognition. The debt investments are not publicly traded and are a Level 3 fair value measurement. For investments carried at fair value, the Company records the increase or decrease in fair value as investment income in the Condensed Consolidated Statements of Income (Loss). See Note 5 for additional information regarding the Company's other investments.

Recently Issued Accounting Standards

In June 2016, November 2023, the FASB Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, 2023-07, *Financial Instruments — Credit Losses Segment Reporting (Topic 326) Measurement of Credit Losses on Financial Instruments 280): Improvements to Reportable Segment Disclosures*. ASU 2016-13 2023-07 scopes in entities with a single reportable segment and requires an entity those entities to utilize provide all disclosures required in Topic 280, requires that current annual disclosures about a reportable segment's profit or loss and assets also be provided in interim periods and requires other various new impairment model known as disclosures. Enhanced reporting requirements for all entities includes disclosure of (1) significant segment expenses, (2) the current expected credit title and position of the chief operating decision maker (the "CODM") and (3) how the CODM uses disclosed measure(s) of a segment's profit or loss ("CECL") model in assessing segment performance and allocating resources. This guidance is effective for public entities for fiscal years beginning after December 15, 2023 and for interim periods within fiscal years beginning after December 15, 2024. Companies are required to estimate its lifetime "expected credit loss" and record an allowance that presents apply the net amount expected amendments retrospectively to be collected on all prior periods presented in the financial asset. statements and early adoption is permitted. The CECL model Company is expected to evaluating this guidance and currently expects that adoption will result in more timely recognition of credit losses. ASU 2016-13 also requires new disclosures for financial assets measured at amortized cost, loans and available-for-sale debt securities. The Company adopted this standard on January 1, 2023 on a prospective basis. Adoption did not have a material impact on the Consolidated Financial Statements. disclosures.

In March 2020, December 2023, the FASB issued ASU 2020-04, 2023-09, *Reference Rate Reform Income Taxes (Topic 848) 740): Facilitation Improvements to Income Tax Disclosures*. ASU 2023-09 requires enhanced income tax disclosure including disclosures of specific categories in the Effects rate reconciliation and additional information for reconciling items that meet a quantitative threshold, additional disclosures about income taxes paid, and disclosure of Reference Rate Reform pre-tax income or loss from continuing operations disaggregated between domestic and foreign income or loss. This guidance is effective for public business entities for fiscal years beginning after December 15, 2024. Companies should provide the enhanced disclosures on Financial Reporting, which amends current guidance to provide optional practical expedients and a prospective basis, however retrospective application is

GCM Grosvenor Inc.
Notes to Condensed Consolidated Financial Statements
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exceptions, if certain criteria are met, permitted. Early adoption is permitted for applying GAAP to contracts, hedging relationships annual financial statements that have not yet been issued. The Company is evaluating this guidance and other transactions currently expects that are affected by the reference rate reform. Initially the update did not apply to contract modifications or hedging relationships entered into after December 31, 2022, but adoption will result in December 2022, the FASB issued ASU 2022-06, which defers the sunset date for applying reference rate reform relief in ASC 848 to December 31, 2024. This guidance is effective for adoption any time after March 12, 2020, but must be adopted prior to December 31, 2024. The Company's adoption of these ASUs did not have a material impact on the Consolidated Financial Statements. enhanced income tax disclosures.

3. Revenue Revenues

For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, management fees and incentive fees consisted of the following:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,		Three Months Ended March 31,	
		Three Months Ended March 31,		Three Months Ended March 31,	
Management fees					
Management fees					
Management fees	Management fees	2023	2022	2023	2022
Management fees, net	Management fees, net	\$ 90,915	\$ 87,600	\$ 269,583	\$ 267,669
Management fees, net					
Management fees, net					
Fund expense reimbursement revenue					
Fund expense reimbursement revenue					
Fund expense reimbursement revenue	Fund expense reimbursement revenue	3,658	3,115	10,799	7,986
Total management fees	Total management fees	\$ 94,573	\$ 90,715	\$ 280,382	\$ 275,655
Total management fees					
Total management fees					
		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,		Three Months Ended March 31,	
		Three Months Ended March 31,		Three Months Ended March 31,	
Incentive fees					
Incentive fees					
Incentive fees	Incentive fees	2023	2022	2023	2022
Performance fees	Performance fees	\$ 661	\$ 1,006	\$ 1,174	\$ 2,324
Performance fees					
Performance fees					
Carried interest					
Carried interest					
Carried interest	Carried interest	25,412	44,461	43,710	65,640
Total incentive fees	Total incentive fees	\$ 26,073	\$ 45,467	\$ 44,884	\$ 67,964
Total incentive fees					
Total incentive fees					

The Company recognized revenues of \$0.5 million during the three and nine months ended September 30, 2023 and \$0.4 million during the nine months ended September 30, 2022, that were previously received and deferred at the beginning of the respective periods. The Company did not recognize revenue during the three months ended March 31, 2024 and 2023September 30, 2022 that was previously deferred.

4. Investments

Investments consist of the following:

		As of			
		September 30, 2023	December 31, 2022		
		As of		As of	
		March 31, 2024	March 31, 2024	December 31, 2023	
Equity method investments	Equity method investments	\$ 228,637	\$ 213,776		
Other investments	Other investments	11,246	10,194		

Total investments	Total investments		
		\$ 239,883	\$ 223,970

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company held investments of \$239.9 million \$248.4 million and \$224.0 million \$240.2 million, respectively, of which \$59.3 million \$55.5 million and \$64.9 million \$56.1 million were owned by noncontrolling interest holders, respectively. Future net Net income (loss) and cash flow from investments held by noncontrolling interest holders will not be attributable to the Company.

See Note 5 for fair value disclosures of certain investments held within other investments.

5. Fair Value Measurements

The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis and level of inputs used for such measurements as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

GCM Grosvenor Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)
(In thousands, except share and per share amounts and where otherwise noted)

		Fair Value as of September 30, 2023			
		Level 1	Level 2	Level 3	Total
		Fair Value as of March 31, 2024			
		Level 1	Level 2	Level 3	Total
Assets	Assets				
Money market funds	Money market funds	\$12,302	\$ —	\$ —	\$12,302
Money market funds					
Money market funds					
Other investments	Other investments	—	—	11,057	11,057
Interest rate derivatives		—	1,807	—	1,807
Total assets					
Total assets					
Total assets	Total assets	\$12,302	\$1,807	\$11,057	\$25,166
Liabilities	Liabilities				
Liabilities					
Liabilities					
Public warrants					
Public warrants					
Public warrants	Public warrants	\$ 5,203	\$ —	\$ —	\$ 5,203
Private warrants	Private warrants	—	—	335	335
Interest rate derivatives					
Total liabilities	Total liabilities	\$ 5,203	\$ —	\$ 335	\$ 5,538
		Fair Value as of December 31, 2022			
		Level 1	Level 2	Level 3	Total
		Fair Value as of December 31, 2023			
		Level 1	Level 2	Level 3	Total
Assets	Assets				
Money market funds					
Money market funds					

Money market funds	Money market funds	\$36,240	\$ —	\$ —	\$36,240
Other investments	Other investments	—	—	10,007	10,007
Total assets	Total assets	\$36,240	\$ —	\$10,007	\$46,247
Liabilities	Liabilities				
Liabilities	Liabilities				
Public warrants	Public warrants	\$ 7,386	\$ —	\$ —	\$ 7,386
Private warrants	Private warrants	—	—	475	475
Interest rate derivatives	Interest rate derivatives	—	6,473	—	6,473
Total liabilities	Total liabilities	\$ 7,386	\$6,473	\$ 475	\$14,334

Money Market Funds

Money market funds are valued using quoted market prices and are included in cash and cash equivalents in the Condensed Consolidated Statements of Financial Condition.

Interest Rate Derivatives

Management determines the fair value of its interest rate derivative agreement based on the present value of expected future cash flows based on observable future rates applicable to each swap contract using linear interpolation, inclusive of the risk of non-performance, using a discount rate appropriate for the duration. See Note 12 for additional information regarding interest rate derivatives.

Other Investments

Investments in the subordinated notes of a structured alternatives investment solution are not publicly traded and are classified as Level 3. Management determines the fair value of these other investments using a discounted cash flow analysis ("Cash Flow Analysis"), which includes assumptions regarding the expected deployment and realization timing of private investments. The position was classified as Level 3 as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 because of the use of significant unobservable inputs in the Cash Flow Analysis as follows:

GCM Grosvenor Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)
(In thousands, except share and per share amounts and where otherwise noted)

		As of September 30, 2023		As of December 31, 2022		Impact to
		As of March 31, 2024		As of March 31, 2024		Valuation from an
		As of March 31, 2024		As of March 31, 2024		Increase in
		As of March 31, 2024		As of March 31, 2024		Input ⁽²⁾
Significant Unobservable Inputs ⁽¹⁾						
Significant Unobservable Inputs ⁽¹⁾						
Significant Unobservable Inputs ⁽¹⁾	Significant Unobservable Inputs ⁽¹⁾	Range	Weighted Average	Range	Weighted Average	Impact to Valuation from an Increase in Input ⁽²⁾
Discount rate ⁽³⁾	Discount rate ⁽³⁾	26.5% – 27.5%	27.0 %	25.5% - 26.5%	26 %	Increase in Input ⁽²⁾
Expected term (years)		10 – 15	N/A	10 – 15	N/A	Decrease
Discount rate ⁽³⁾						
Discount rate ⁽³⁾						

Expected remaining term (years)								
Expected remaining term (years)								
Expected remaining term (years)								
Expected return – liquid assets ⁽⁴⁾								
Expected return – liquid assets ⁽⁴⁾								
Expected return – liquid assets ⁽⁴⁾	Expected return – liquid assets ⁽⁴⁾	2.0% – 5.0%	4.3	%	2.0% - 6.0%	5.0	%	Increase
Expected total value to paid in capital – private assets ⁽⁵⁾	Expected total value to paid in capital – private assets ⁽⁵⁾	1.24x – 2.76x	1.90x		1.32x – 2.40x	1.85x		Increase
Expected total value to paid in capital – private assets ⁽⁵⁾								
Expected total value to paid in capital – private assets ⁽⁵⁾								

- (1) In determining these inputs, management considers the following factors including, but not limited to: liquidity, estimated yield, capital deployment, diversified multi-strategy appreciation, expected net multiple of investment capital across Private Assets investments, annual operating expenses, as well as investment guidelines such as concentration limits, position size, and investment periods.
- (2) Unless otherwise noted, this column represents the directional change in fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect.
- (3) The discount rate was based on the relevant benchmark rate, spread, and yield migrations on related securitized assets.
- (4) Inputs were weighted based on actual and estimated expected return included in the range.
- (5) Inputs were weighted based on the actual and estimated commitments to the respective private asset investments included in the range.

The resulting fair values of **\$11.1** **\$11.6** million and **\$10.0 million** **\$11.2** million were recorded within investments in the Condensed Consolidated Statements of Financial Condition as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively.

The following table presents changes in Level 3 assets measured at fair value for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022** **2023**:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31, 2024 2024 2024			
Balance at beginning of period					
Balance at beginning of period					
Balance at beginning of period	Balance at beginning of period	\$ 10,690	\$ 9,956	\$ 10,007	\$ 11,010
Change in fair value	Change in fair value	367	(193)	1,050	(1,247)
Change in fair value					
Change in fair value					
Balance at end of period	Balance at end of period	\$ 11,057	\$ 9,763	\$ 11,057	\$ 9,763
Balance at end of period					
Balance at end of period					

Public Warrants

The public warrants are valued using quoted market prices on the Nasdaq Stock Market LLC under the ticker GCMGW.

Private Warrants

The private warrants were classified as Level 3 as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** because of the use of significant unobservable inputs in the valuation, however the overall private warrant valuation and change in fair value are not material to the Condensed Consolidated Financial Statements.

The valuations for the private warrants were determined to be \$0.37 \$0.58 and \$0.53 \$0.43 per unit as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The resulting fair values of \$0.3 million \$0.5 million and \$0.5 million \$0.4 million were recorded within warrant liabilities in the Condensed Consolidated Statements of Financial Condition as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. See Note 7 for additional information regarding the warrant activity.

The following table presents changes in Level 3 liabilities measured at fair value for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

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		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Balance at beginning of period					
Balance at beginning of period					
Balance at beginning of period	Balance at beginning of period	\$ (314)	\$ (408)	\$ (475)	\$ (1,584)
Change in fair value	Change in fair value	(21)	(229)	140	947
Change in fair value					
Change in fair value					
Balance at end of period	Balance at end of period	\$ (335)	\$ (637)	\$ (335)	\$ (637)
Balance at end of period					
Balance at end of period					

6. Equity

Shares of Common Stock Outstanding

The following table shows a rollforward of the common stock outstanding for the three and nine months ended September 30, 2023; March 31, 2024 and 2023:

		Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023		
		Class A common stock	Class B common stock	Class C common stock	Class A common stock	Class B common stock	Class C common stock
		Three Months Ended March 31, 2024					
		Three Months Ended March 31, 2024					
		Three Months Ended March 31, 2024					
		Class A common stock					
		Class A common stock					
		Class A common stock					
Beginning of period							
Beginning of period							
Beginning of period	Beginning of period	41,833,448	—	144,235,246	41,806,215	—	144,235,246

Net shares delivered for vested RSUs	Net shares delivered for vested RSUs	1,147,193	—	—	1,738,615	—	—
Repurchase of Class A Shares		—	—	—	(564,189)	—	—
Net shares delivered for vested RSUs							
Net shares delivered for vested RSUs							
End of period	End of period	42,980,641	—	144,235,246	42,980,641	—	144,235,246
End of period							
End of period							

Three Months Ended March 31, 2023			
	Class A common stock	Class B common stock	Class C common stock
Beginning of period	41,806,215	—	144,235,246
Repurchase of Class A shares	(415,909)	—	—
End of period	41,390,306	—	144,235,246

As of September 30, 2023, 245,780 March 31, 2024, 1,497,510 RSUs were vested, but not yet delivered, and are therefore not yet included in outstanding Class A common stock. The delivery of vested RSUs will be reduced by the number of shares withheld to satisfy statutory withholding tax obligations. See Note 10 for information regarding an additional 2.9 million obligations as well as RSUs that were granted are settled in October 2023, cash.

Dividends

Dividends are reflected in the Condensed Consolidated Statements of Equity (Deficit) when declared by the Board of Directors. The table below summarizes dividends declared to date during 2023, 2024:

Declaration Date	Record Date	Payment Date	Dividend per Common Share
February 9, 2023 8, 2024	March 1, 2023 2024	March 15, 2023 2024	\$0.11
May 9, 2023 6, 2024	June 1, 2023 3, 2024	June 15, 2023 17, 2024	\$0.11

Dividend equivalent payments of \$0.9 million \$1.9 million were accrued for holders of RSUs as of September 30, 2023 March 31, 2024. Distributions to partners represent distributions made to GCMH Equityholders.

Stock Repurchase Plan

On August 6, 2021, GCMG's Board of Directors authorized a stock repurchase plan which may be used to repurchase shares of the Company's outstanding Class A common stock and warrants to purchase shares of Class A common stock. Class A common stock and warrants may be repurchased from time to time in open market transactions, in privately negotiated transactions, including with employees or otherwise, pursuant to the requirements of Rule 10b5-1 and Rule 10b-18 of the Exchange Act, as well as to retire (by cash settlement or the payment of tax withholding amounts upon net settlement) equity-based awards granted under our 2020 Incentive Award Plan, as amended and restated (and any successor plan thereto), with the

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terms and conditions of these repurchases depending on legal requirements, price, market and economic conditions and other factors. The Company is not obligated under the terms of the plan to repurchase any of its Class A common stock or warrants, the program has no expiration date and the Company may suspend or terminate the program at any time without prior notice. Any shares of Class A

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common stock and any warrants repurchased as part of this program will be canceled. GCMG's Board of Directors has made subsequent increases to its original stock repurchase authorization amount for shares and warrants. As of **December 31, 2022** **December 31, 2023**, the total authorization was **\$90.0** **\$115** million, excluding fees and expenses. On **August 8, 2023** **February 8, 2024**, **GCM Grosvenor's** **GCMG's** Board of Directors increased the firm's existing repurchase authorization by \$25 million, from **\$90** **\$115** million to **\$115** **140** million.

During the three **and nine** months ended **September 30, 2023** **March 31, 2024**, the Company **was deemed to have** repurchased 804,046 and 3,289,385 **15,470** shares respectively, for either (1) RSUs that were settled in cash, or (2) including amounts withheld in connection with the payment of tax liabilities on behalf of employees upon the settlement of vested RSUs withholding obligations, for \$6.4 million and \$25.8 million, **\$0.1 million**, or an average of **\$7.99** and **\$7.85** **\$9.66** per share, respectively. See Note 10 for additional information regarding RSUs. During the nine months ended September 30, 2023, the Company also repurchased 564,189 shares of Class A common stock for **\$4.5 million**, or an average of **\$7.94 per share**. Other than the deemed repurchases described above, the Company did not repurchase shares of Class A common stock during the three months ended **September 30, 2023** **March 31, 2024**. As of **September 30, 2023** **March 31, 2024**, the Company had **\$40.2** **\$65.0** million remaining under the stock repurchase plan.

In April 2024, the Company repurchased 3,021,060 shares for RSUs that were settled in cash, including amounts withheld in connection with the payment of tax withholding obligations, for \$28.0 million, or an average of \$9.28 per share. As of April 30, 2024, the Company had \$37.0 million remaining under the stock repurchase plan.

7. Warrants

The public and private warrants meet the definition of a derivative under ASC 815 and the Company records these warrants as liabilities in the Condensed Consolidated Statements of Financial Condition at fair value, with subsequent changes in their respective fair values recorded in the change in fair value of warrant liabilities within the Condensed Consolidated Statements of Income (Loss) at each reporting date.

Each public warrant entitles the registered holder to purchase one share of Class A common stock at a price of \$11.50 per share, subject to adjustment. The warrants expire 5 years after the consummation of the Transaction, or earlier upon redemption or liquidation. The public warrant holders do not have the rights or privileges of holders of Class A common stock and any voting rights until they exercise their warrants and receive shares of Class A common stock. After the issuance of shares of Class A common stock, upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

The private placement warrants (including the Class A common stock issuable upon exercise of the private placement warrants) will not be redeemable by the Company so long as they are held by CF Sponsor, Holdings or their permitted transferees. CF Sponsor, Holdings or their permitted transferees, have the option to exercise the private placement warrants on a cashless basis.

The following table shows public and private **No** warrants outstanding for the three and nine months ended September 30, 2023:

	Public Warrants	Private Warrants	Total
Outstanding	16,784,970	900,000	17,684,970

There were **no warrant exercises exercised** or **repurchases repurchased** during the three **and nine** months ended **September 30, March 31, 2024 and 2023**. The Company had **16,784,970** of public warrants and **900,000** of private warrants outstanding as of each of **March 31, 2024 and December 31, 2023**.

8. Variable Interest Entities

The Company consolidates certain VIEs in which it is determined that the Company is the primary beneficiary.

The Company holds variable interests in certain entities that are VIEs which are not consolidated, as it is determined that the Company is not the primary beneficiary. The Company's involvement with such entities is generally in the form of direct equity interests in, and fee arrangements with, the entities in which it also serves as the general partner or managing member. The Company evaluated its variable interests in the VIEs and determined it is not considered the primary beneficiary of the entities primarily because it does not have interests in the entities that could potentially be significant. No reconsideration events that caused a change in the Company's consolidation conclusions occurred during either the **nine three** months ended **September 30, 2023** **March 31, 2024** or the year ended **December 31, 2022** **December 31, 2023**. As of **September 30, 2023** **March 31, 2024 and December 31, 2022** **December 31, 2023**, the total unfunded commitments from the special limited partner and general partners to the unconsolidated VIEs were **\$40.2 million** **\$41.8 million** and **\$41.1 million** **\$42.1 million**, respectively. These commitments are the primary source of financing for the unconsolidated VIEs.

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The following table sets forth certain information regarding the VIEs in which the Company holds a variable interest but does not consolidate. The assets recognized on the Company's Condensed Consolidated Statements of Financial Condition relate to the Company's interests in and management fees, incentive fees and third party costs receivables from these non-consolidated VIEs. The Company's maximum exposure to loss relating to non-consolidated VIEs as of **September 30, 2023** **March 31, 2024 and December 31, 2022** **December 31, 2023** were as follows:

As of			
	September 30, 2023	December 31, 2022	
As of			As of

March 31, 2024		March 31, 2024		December 31, 2023	
Investments	Investments	\$101,333	\$ 98,712		
Receivables	Receivables	19,835	11,695		
Maximum exposure to loss	Maximum exposure to loss	\$121,168	\$110,407		

The above table includes investments in VIEs which are owned by noncontrolling interest holders of approximately \$32.7 million \$30.5 million and \$36.7 million \$30.9 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

9. Employee Compensation and Benefits

For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, employee compensation and benefits consisted of the following:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Three Months Ended March 31,					
Three Months Ended March 31,					
Three Months Ended March 31,					
2024					
2024					
2024					
Cash-based employee compensation and benefits					
Cash-based employee compensation and benefits					
Cash-based employee compensation and benefits	Cash-based employee compensation and benefits	\$ 39,148	\$ 39,833	\$ 122,292	\$ 121,997
Equity-based compensation	Equity-based compensation	3,437	5,706	33,045	21,191
Equity-based compensation					
Equity-based compensation					
Partnership interest-based compensation					
Partnership interest-based compensation					
Partnership interest-based compensation	Partnership interest-based compensation	14,958	7,329	89,182	21,471
Carried interest compensation	Carried interest compensation	13,777	25,946	24,894	37,840
Carried interest compensation					
Carried interest compensation					
Cash-based incentive fee related compensation					
Cash-based incentive fee related compensation					
Cash-based incentive fee related compensation	Cash-based incentive fee related compensation	4,712	7,367	7,177	10,180
Other non-cash compensation	Other non-cash compensation	381	321	915	1,157
Other non-cash compensation					
Other non-cash compensation					
Total employee compensation and benefits	Total employee compensation and benefits	\$ 76,413	\$ 86,502	\$ 277,505	\$ 213,836
Total employee compensation and benefits					

Total employee compensation and benefits

Partnership Interest in Holdings, Holdings II and Management LLC

Payments and settlements for partnership interest awards to the employees are made by GCMH Equityholders. As a result, the Company records a non-cash profits interest compensation charge and an offsetting deemed contribution to equity (deficit) to reflect the payments or settlements made or owed by the GCMH Equityholders. Since payments or settlements are made by Holdings, Holdings II and Management LLC, the expense that is pushed down to GCMH and the offsetting deemed contribution are each attributed solely to noncontrolling interests in GCMH. Any liability related to the awards is recognized at Holdings, Holdings II or Management LLC as Holdings, Holdings II or Management LLC is the party responsible for satisfying the obligation, and is not shown in the Company's Condensed Consolidated Financial Statements. The Company has recorded deemed contributions to equity (deficit) from Holdings, Holdings II and Management LLC of approximately \$15.0 million \$30.0 million and \$7.3 million \$11.1 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$89.2 million and \$21.5 million for the nine months ended September 30, 2023 and 2022, 2023, respectively, for partnership interest-based compensation expense which was or will ultimately be paid or settled by Holdings, Holdings II or Management LLC.

GCMH Equityholders have modified awards to certain individuals upon their voluntary retirement or intention to retire as employees. These awards generally include a stated target amount that, upon payment, terminates the recipient's rights to future distributions and allows for a lump sum buy-out of the awards, at the discretion of the managing member of Holdings, Holdings II, and Management LLC. The awards are accounted for as partnership interest-based compensation at the fair present value of these expected future payments, in the period the employees accepted the offer. No The Company recognized \$18.5 million in partnership interest-based compensation expense related to award modifications for the three months ended March 31, 2024 and none was recognized for the three and nine months ended September 30, 2023 (other than March 31, 2023).

The liability associated with awards that contain a stated target has been retained by Holdings as of March 31, 2024 and December 31, 2023 and is re-measured at each reporting date, with any corresponding changes in liability being reflected as

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discussed for the Holdings Awards below) and \$1.6 million and \$4.7 million was recognized for the three and nine months ended September 30, 2022.

The liability associated with awards that contain a stated target has been retained by Holdings as of September 30, 2023 and December 31, 2022 and is re-measured at each reporting date, with any corresponding changes in liability being reflected as employee compensation and benefits expense of the Company. No recipients had unvested stated target payments as of September 30, 2023. Certain recipients had unvested stated target payments each of \$1.6 million as of September 30, 2022, which was not reflected as employee compensation March 31, 2024 and benefits expense by the Company as of September 30, 2022 2023. The Company recognized partnership interest-based compensation expense of \$3.7 million \$2.4 million and \$5.6 million \$5.7 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$17.9 million and \$16.6 million for the nine months ended September 30, 2023 and 2022, 2023, respectively, related to profits interest awards that are in substance profit-sharing arrangements.

GCMH Equityholders Awards

In the year ended December 31, 2022, GCMH Equityholders entered into agreements that will transfer equity ownership between certain existing employee members of the GCMH Equityholders ("GCMH Equityholders Awards"). The GCMH Equityholders Awards will entitle recipients to receive Class A common stock upon vesting. The non-cash awards serve to transfer equity ownership from existing GCMH Equityholders to other existing member employees upon vesting. The GCMH Equityholders Awards do not dilute Class A common stockholders and do not impact cash flows of the Company. The GCMH Equityholders Awards are accounted for under ASC 718, *Compensation—Stock Compensation*. The awards generally will vest in May 2025 and do not entitle the recipients to dividends or distributions made on Class A common stock during the vesting period. As such, the fair value of the GCMH Equityholders Awards is based on the closing price of Class A common stock on the accounting grant date less the present value of dividends expected to be paid during the vesting period. GCMH Equityholders can settle the awards upon at various dates after vesting by exchanging outstanding GCMH common units or by otherwise acquiring and delivering Class A common stock, and therefore the vesting of such awards will not dilute Class A common stockholders. The GCMH Equityholders Awards therefore have no economic impact on Class A common stockholders. As such, the expense that is pushed down to GCMH and the offsetting deemed contribution are each attributed solely to noncontrolling interests in GCMH, consistent with the accounting for payments to employees described above. The GCMH Equityholders Awards of 7,169,415 units had an aggregate grant date fair value of \$53.4 million, or an average grant date fair value of \$7.45 per unit. The Company recognized partnership interest-based compensation expense related to the GCMH Equityholders Awards of \$5.5 million and \$16.4 million \$5.4 million for the three and nine three months ended September 30, March 31, 2024 and 2023, respectively. respectively. As of September 30, 2023 March 31, 2024, total unrecognized compensation expense related to unvested GCMH Equityholders Awards was \$34.6 \$23.7 million and is expected to be recognized over the remaining weighted average period of 1.6 1.1 years.

Holdings Awards

On May 9, 2023, Holdings entered into amended and restated participation certificates with existing employee members ("Holdings Awards"). The Holdings Awards entitle recipients to a stated percentage, or minimum allocable share, of distributions from Holdings, as well as a profits interest with respect to net sale proceeds from dispositions of Holdings properties after certain threshold distributions to other members. Pursuant to ASC 505, the Holdings Awards will be recognized as compensation expense with a corresponding deemed contribution and are accounted for under ASC 718, *Compensation—Stock Compensation* as the awards have characteristics that are more akin to the risks and rewards of equity ownership in Holdings. These awards do not dilute Class A common stockholders and therefore have no economic or impact on Class A common stockholders. net cash flows of the Company.

Certain of these existing employee members were previously awarded target amounts that entitled them to a stated percentage, or minimum allocable share, of distributions from Holdings until they received a sum certain. Those target amounts represented by those sums, which were previously recorded as partnership interest-based compensation, were reduced to zero in the amended and restated participation certificates. As a result, target amounts that were previously recorded as partnership interest-based compensation were reversed, while partnership interest-based compensation associated with the amended and restated participation certificates is recorded.

The Holdings Awards had an aggregate grant date fair value of \$155.5 million, million, which was partially offset when recognized in expense by \$80.0 million target amounts reversed during the year ended December 31, 2023. The fair value of the Holdings Awards was determined by a third-party valuation firm utilizing a discounted cash flow analysis for the minimum allocable share and a Monte Carlo simulation valuation model for the profits interest with respect to net sale proceeds from dispositions of Holdings

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properties after the threshold distributions. Significant valuation inputs and assumptions included Holdings projected financial information and distributions, an estimated 10 year holding period, a 15.4% cost of equity, a 13.0% weighted average cost of capital, a 35% volatility assumption, the likelihood of a defined conversion event, a 40% discount for lack of marketability, and the fair value of reference properties that determine the threshold distributions for the profits interest with respect to net sale proceeds. The resulting fair value of the Holdings Awards is pushed down from Holdings to the Company and recorded as compensation expense. A portion of the Holdings Awards were vested upon grant, resulting in immediate expense recognition. The Company recognized partnership interest-based compensation expense related to the Holdings Awards of \$5.8 million and \$54.9 \$3.6 million for the three and nine three months ended September 30, 2023, which is net of \$80.0 million target amounts reversed during the nine months ended September 30, 2023, March 31, 2024. A portion of the Holdings Awards will vest and be

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are being expensed over a requisite service period through December 31, 2024. As of September 30, 2023 March 31, 2024, total unrecognized compensation expense related to unvested Holdings Awards was \$20.6 11.2 million and is expected to be recognized over the remaining weighted average period of 1.0 0.8 years.

Other
Other consists of employee compensation and benefits expense related to deferred compensation programs and other awards that represent investments made in GCM Funds on behalf of the employees.

10. Equity-Based Compensation

In the nine three months ended September 30, 2023 March 31, 2024, the Company granted 1.9 million 2.0 million equity-classified RSUs and 0.9 million 1.5 million liability-classified RSUs with aggregate grant date fair values of \$15.5 million \$16.9 million and \$7.2 million \$13.2 million, respectively, to certain employees. The liability-classified RSUs are either classified as liabilities because they are required to be settled in cash or because the Company has the right to and intends to (as of the grant date or September 30, 2023) March 31, 2024, as applicable) settle the RSUs partially or wholly in cash. In the three months ended March 31, 2024, the Company reclassified 1.5 million RSUs from liability-classified to equity-classified based on management's intent to settle the awards in shares of Class A common stock.

The majority of liability-classified awards outstanding as of December 31, 2022 December 31, 2023 were granted on December 15, 2022 and in October 2023, vested on March 31, 2023 March 1, 2024 and were delivered on April 15, 2024. Of the 1.5 million liability-classified RSUs granted in the three months ended March 31, 2024, 1.0 million vested and delivered on April 15, 2024. Other awards generally vest either (a) one-third at the grant date with the remainder over two years in equal annual installments or (b) over a one to three year period. Upon delivery, the Company may withhold the number of shares to satisfy the statutory withholding tax obligation and deliver the net number of resulting shares vested. In the three and nine months ended September 30, 2023, the Company reclassified 0.3 million and 1.3 million RSUs, respectively, from liability-classified to equity-classified based on management's intent to settle the awards in shares of Class A common stock.

See Note 9 for additional information regarding GCMH Equityholders Awards and Holdings Awards.

A summary of non-vested equity-classified RSU activity for the nine three months ended September 30, 2023 March 31, 2024 is as follows:

	Number of RSUs	Weighted- Average Grant- Date Fair Value Per RSU
Balance as of December 31, 2022	2,240,797	\$ 11.71

Number of RSUs		Number of RSUs	Weighted-Average Grant-Date Fair Value Per RSU
Balance as of December 31, 2023			
Granted	Granted	1,889,274	8.22
Reclassified from liability-classified RSUs	Reclassified from liability-classified RSUs	1,272,839	8.36
Vested	Vested	(3,097,152)	10.53
Forfeited	Forfeited	(95,523)	9.31
Balance as of September 30, 2023		2,210,235	\$ 8.54
Balance as of March 31, 2024			
Balance as of March 31, 2024			
Balance as of March 31, 2024			

A summary of non-vested liability-classified RSU activity for the three months ended March 31, 2024 is as follows:

	Number of RSUs	Weighted-Average Grant-Date Fair Value Per RSU
Balance as of December 31, 2023	3,550,186	\$ 7.73
Granted	1,515,093	8.68
Reclassified to equity-classified RSUs	(1,514,764)	7.94
Vested	(1,897,269)	7.65
Balance as of March 31, 2024	1,653,246	\$ 8.49

The total grant-date fair value of RSUs that vested during the three months ended March 31, 2024 was \$25.7 million. For the three months ended March 31, 2024 and 2023, \$25.5 million and \$25.8 million, respectively, of compensation expense related to RSUs was recorded within employee compensation and benefits in the Condensed Consolidated Statements of

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A summary of non-vested liability-classified RSU activity for the nine months ended September 30, 2023 is as follows:

	Number of RSUs	Weighted-Average Grant-Date Fair Value Per RSU
Balance as of December 31, 2022	3,155,161	\$ 8.41
Granted	902,261	7.93
Reclassified to equity-classified RSUs	(1,272,839)	8.36
Vested	(2,153,025)	8.40
Forfeited	(65,625)	8.38
Balance as of September 30, 2023	565,933	\$ 7.81

The total grant-date fair value of RSUs that vested during the three and nine months ended September 30, 2023 was \$2.4 million and \$50.7 million, respectively. For the three months ended September 30, 2023 and 2022, \$3.4 million and \$5.7 million, respectively, of compensation expense related to RSUs was recorded within employee compensation and benefits in the Condensed Consolidated Statements of Income (Loss). For the nine months ended September 30, 2023 and 2022, \$33.0 million and \$21.2 million, respectively, of compensation expense related to RSUs was recorded within employee compensation and benefits in the Condensed Consolidated Statements of Income (Loss). As of September 30, 2023 March 31, 2024, total unrecognized compensation expense related to unvested RSUs was \$17.9 million \$34.5 million and is expected to be recognized over the remaining weighted average period of 2.8 2.6 years.

The tax benefit related to RSUs that vested and were delivered during the nine three months ended September 30, 2023 was \$2.2 million.

In October 2023, March 31, 2024 will be recognized in the Company granted 2.9 million liability-classified RSUs that vest on March 1, 2024, second and third quarters of 2024 when the cash or Class A common stock is delivered.

11. Debt

The table below summarizes the outstanding debt balance as of September 30, 2023, March 31, 2024 and December 31, 2022 December 31, 2023:

		As of	
		September 30, 2023	December 31, 2022
As of		As of	
March 31, 2024		March 31, 2024	December 31, 2023
Senior loan	Senior loan	\$390,000	\$393,000
Less: debt issuance costs	Less: debt issuance costs	(4,549)	(5,373)
Total debt	Total debt	\$385,451	\$387,627

Maturities of debt for the next five years and thereafter as of March 31, 2024 are as follows:

Year Ended December 31,			
Remainder of 2023		\$	1,000
2024			4,000
Remainder of 2024			
Remainder of 2024			
Remainder of 2024			
Remainder of 2024			
Remainder of 2024			
Remainder of 2024			
Remainder of 2024			
Remainder of 2024			
2025	2025		4,000
2026	2026		4,000
2027	2027		4,000
2028			
Thereafter	Thereafter		373,000
Total	Total	\$	390,000

Senior Loan

On January 2, 2014, the Company entered into a senior secured term loan facility ("Senior Loan"), which was subsequently amended through several debt modifications.

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On February 24, 2021, the Company completed an amendment and extension of its Senior Loan to further extend the maturity ("Amended Credit Agreement"). Approximately \$290.0 million of the aggregate principal amount of the Senior Loan was extended from a maturity date of March 29, 2025 to a maturity date of February 24, 2028. On June 23, 2021, the Company further amended its Senior Loan to increase the aggregate principal amount from \$290.0 million to \$400.0 million (as extended and increased, the "2028 Term Loans"). The Company capitalized \$0.9 million and \$2.2 million of debt issuances costs related to payments to lenders in connection with the amendments and extension of its Senior Loan in February and June 2021, respectively, which were recorded within debt in the Consolidated Statements of Financial Condition.

Since and beginning on June 30, 2021, quarterly principal payments of \$1.0 million are required to be made toward the 2028 Term Loans beginning June 30, 2021 (less any reduction for prior or future voluntary or mandatory prepayments of principal). Through June 30, 2023, the 2028 Term Loans had an interest rate of 2.50% over the LIBOR, subject to a 0.50% LIBOR floor. On June 29, 2023, the Company entered into Amendment No. 7 to the Credit Agreement to incorporate changes for the contemplated transition to the Term Secured Overnight Financing Rate ("Term SOFR"), and on July 1, 2023, in conjunction with a Benchmark Transition Event, the interest rate defaulted to the Term SOFR plus a Benchmark Replacement Adjustment of 0.11% as recommended by the Relevant Governmental Body (all terms as defined in the Amended Credit Agreement).

In addition to the scheduled principal repayments, the Company is required to offer to make prepayments of Consolidated Excess Cash Flow ("Cash Flow Payments") no later than five days following the date the quarterly financial statements are due if the leverage ratio exceeds 2.50x certain thresholds in the Amended Credit Agreement. The Cash Flow Payments

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were calculated as defined in the Senior Loan agreement based on a percentage of calculated excess cash. During the three and nine months ended September 30, 2023 March 31, 2024, the Company did not was required to offer to make any Cash Flow Payments.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, \$390.0 million \$388.0 million and \$393.0 million \$389.0 million of 2028 Term Loans were outstanding, respectively, with weighted average interest rates of 7.47% 7.95% and 3.65% 7.03% for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Under the credit and guaranty agreement governing the terms of the Senior Loan, the Company must maintain certain leverage and interest coverage ratios. The credit and guaranty agreement also contains other covenants that, among other things, restrict the ability of the Company and its subsidiaries to incur debt and restrict the Company and its subsidiaries ability to merge or consolidate, or sell or convey all or substantially all of the Company's assets. As of September 30, 2023 March 31, 2024, the Company was in compliance with all covenants.

GCMH Equityholders and IntermediateCo have executed a pledge agreement ("Pledge Agreement") and security agreement ("Security Agreement") with the lenders of the Senior Loan. Under the Pledge Agreement, GCMH Equityholders and IntermediateCo have agreed to secure the obligations under the Senior Loan by pledging its interests in GCMH as collateral against the repayment of the senior secured notes, Senior Loan, and GCMH has agreed to secure the obligations under the Senior Loan by granting a security interest in and continuing lien on the collateral described in the Security Agreement. The Pledge Agreement and Security Agreement will remain in effect until such time as all obligations relating to the Senior Loan have been fulfilled. fulfilled

Credit Facility

Concurrent with the issuance of the Senior Loan, the Company entered into a \$50.0 million revolving credit facility ("Credit Facility"). The Credit Facility matures on February 24, 2026 and carries an unused commitment fee that is paid quarterly. There were no outstanding borrowings related to the Credit Facility as of each of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

Other

Certain subsidiaries of the Company agree to jointly and severally guarantee, as primary obligors and not merely as surety guarantees the obligations of their parent entity, GCMH.

Amortization of deferred debt issuance costs was \$0.3 million and \$0.2 million for each of the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$0.8 million for each of the nine months ended September 30, 2023 and 2022, respectively. 2023. These amounts were recorded within interest expense in the Condensed Consolidated Statements of Income (Loss).

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The carrying value of the Senior Loan, excluding the unamortized debt issuance costs presented as a reduction to the principal balance, approximated the fair value as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. As the Senior Loan was not accounted for at fair value, it was not included in the Company's fair value hierarchy in Note 5, however had it been included, it would have been classified in Level 2.

12. Interest Rate Derivatives

The Company has entered into various derivative agreements with financial institutions to hedge interest rate risk related to its outstanding debt. The Company had the following interest rate derivative recorded within other assets as of September 30, 2023 and within accrued expenses and other liabilities as of December 31, 2022 March 31, 2024 and December 31, 2023 in the Condensed Consolidated Statements of Financial Condition:

(1) Floating rate received subject to a 0.50% Floor. Refer to Note 11 regarding the interest rate on the outstanding debt for the July 1, 2023 Benchmark Transition Event. The floating rate received under the interest rate swap also defaulted to Term SOFR plus a Benchmark Replacement Adjustment concurrent with the Benchmark Transition Event.

(In thousands, except share and per share amounts and where otherwise noted)

- A rollforward of the amounts in accumulated other comprehensive income (loss) ("AOCI") related to interest rate derivatives designated as cash flow hedges is as follows:

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Less: gain attributable to noncontrolling interests in GCMH					
Less: gain attributable to noncontrolling interests in GCMH					
Less: gain attributable to noncontrolling interests in GCMH	Less: gain attributable to noncontrolling interests in GCMH	26,885	28,090	26,885	28,090
Derivative gain at end of period, net	Derivative gain at end of period, net	\$ 5,785	\$ 8,663	\$ 5,785	\$ 8,663
Derivative gain at end of period, net					
Derivative gain at end of period, net					

- (1) Net of tax provision of \$0.3 million for the three months ended March 31, 2024 and an immaterial tax impact for each of the three and nine months ended September 30, 2023 and 2022, March 31, 2023.

In February 2021, the Company terminated derivative instruments which were entered into in 2017 and 2018. In October 2022, the Company terminated derivative instruments which were entered into in 2021 and received \$40.3 million of cash for the fair market value of the interest rate swaps at termination. The amounts previously recorded as hedges in AOCI will remain in AOCI and will be recorded in interest expense within the Condensed Consolidated Statements of Comprehensive Income (Loss) over the original lives of the derivative instruments.

The Company reclassified \$1.9 million and \$1.4 million \$1.0 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$4.8 million and \$4.1 million for the nine months ended September 30, 2023 and 2022, 2023, respectively, from AOCI to interest expense relating to the derivative instruments terminated that initially qualified for hedge accounting. The net impact of these reclassifications decreased interest expense for each of the three and nine months ended September 30, 2023 March 31, 2024 and increased interest expense for the three and nine months ended September 30, 2022 2023.

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Effective on November 1, 2022, the Company entered into a swap agreement to hedge interest rate risk related to payments made for the 2028 Term Loans that has a notional amount of \$300 million and a fixed rate of 4.37%. The new swap agreement and the 2028 Term Loans had a 0.50% LIBOR floor through June 30, 2023 and defaulted to Term SOFR plus a Benchmark Replacement Adjustment on July 1, 2023 at the Benchmark Transition Event as discussed in Note 11. The swap was determined to be an effective cash flow hedge at inception based on a comparison of critical terms and remained an effective cash flow hedge at and following the Benchmark Transition Event.

The fair values of the interest rate swaps are based on observable market inputs and represent the net amount required to terminate the positions, taking into consideration market rates and non-performance risk. Refer to Note 5 for further details, additional information.

During the next twelve months, the Company expects to reclassify approximately \$10.8 million \$9.7 million from AOCI to interest expense, (which which will decrease interest expense), expense, including the impact of the swap terminations.

13. Commitments and Contingencies

Leases

The Company has entered into operating lease agreements for office space. The Company leases office space in various countries around the world and maintains its headquarters in Chicago, Illinois, where it leases primary office space under a lease agreement expiring September 2026. The leases contain rent escalation clauses based on increases in base rent, real estate taxes and operating expenses.

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(In June 2023, thousands, except share and per share amounts and where otherwise noted)

In January 2024, the Company executed an agreement to lease office space for its New York United Kingdom office. The new space will replace the Company's existing New York United Kingdom office space. The Company gained access to this space in August 2023 January 2024 and established the ROU asset and lease liability. Total future lease payments are expected to be \$65.7 million \$2.7 million over 16.3 5.0 years. The landlord is providing a tenant improvement allowance of up to \$7.0 million for improvements as specified in the lease. The lease contains rent escalation clauses based on increases in base rent, real estate taxes and operating expenses and a 16 10 month rent concession.

The components of operating lease expense recorded within general, administrative and other in the Condensed Consolidated Statements of Income (Loss) were as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Operating lease cost ⁽¹⁾					
Operating lease cost ⁽¹⁾					
Operating lease cost ⁽¹⁾	Operating lease cost ⁽¹⁾	\$ 2,249	\$ 1,888	\$ 6,051	\$ 5,672
Variable lease cost ⁽²⁾	Variable lease cost ⁽²⁾	1,034	870	3,418	3,047
Variable lease cost ⁽²⁾					
Variable lease cost ⁽²⁾					
Less: sublease income					
Less: sublease income					
Less: sublease income	Less: sublease income	49	49	130	145
Total lease cost	Total lease cost	\$ 3,234	\$ 2,709	\$ 9,339	\$ 8,574
Total lease cost					
Total lease cost					

- (1) Includes less than \$0.1 million and \$0.2 million of short term lease expense for each of the three and nine months ended September 30, 2023 March 31, 2024 and 2022, respectively. 2023. For the three months ended March 31, 2024, includes lease cost for two offices in New York due to the build out of new office space.
- (2) Includes common area maintenance charges and other variable costs not included in the measurement of ROU assets and lease liabilities.

The following table summarizes cash flows and other supplemental information related to our operating leases:

		Nine Months Ended September 30,					
		2023	2022			2024	2023
		Three Months Ended March 31,				Three Months Ended March 31,	
		2024				2024	
Cash paid for amounts included in the measurement of operating lease liabilities	Cash paid for amounts included in the measurement of operating lease liabilities	\$ 6,460	\$ 6,547	Cash paid for amounts included in the measurement of operating lease liabilities	\$ 1,979	\$ 2,195	
Non-cash ROU assets obtained in exchange for new and extended operating leases	Non-cash ROU assets obtained in exchange for new and extended operating leases	\$ 34,116	\$ 693	Non-cash ROU assets obtained in exchange for new and extended operating leases	\$ 3,155	\$ 1,351	
Weighted average remaining lease term in years	Weighted average remaining lease term in years	12.8 years	3.0 years	Weighted average remaining lease term in years	12.8 years	2.7 years	

Weighted average discount rate	Weighted average discount rate	6.1	%	3.7	%	Weighted average discount rate	6.1	%	4.9	%
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As of March 31, 2024, the maturities of operating lease liabilities were as follows:

Remainder of 2024	\$	3,168
2025		8,131
2026		6,843
2027		4,959
2028		4,754
Thereafter		49,717
Total lease payments		77,572
Less: minimum future rental payments for which the lease has not commenced		(716)
Total lease payments for which the Company has a right-of-use-asset and corresponding liability		76,856
Less: tenant improvement allowance		(7,049)
Less: imputed interest		(26,610)
Total operating lease liabilities	\$	43,197

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As of September 30, 2023, the maturities of operating lease liabilities were as follows:

Remainder of 2023	\$	2,132
2024		4,336
2025		7,444
2026		5,785
2027		4,001
Thereafter		53,668
Total lease payments		77,366
Less: tenant improvement allowance		(7,048)
Less: imputed interest		(27,542)
Total operating lease liabilities	\$	42,776

Commitments

The Company was required to pay a fixed management fee of \$0.5 million per year for a five year period that commenced in 2019 pursuant to its 12.5% interest in an aircraft. On March 11, 2021, GCMH entered into an agreement to assign 50% of its 12.5% share interest in an aircraft to Holdings, for cash consideration of approximately \$1.3 million. The Company is now required to pay a fixed management fee of \$0.3 million per year.

The Company had \$88.8 million \$86.3 million and \$88.9 million \$85.6 million of unfunded investment commitments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, representing general partner capital funding commitments to several of the GCM Funds.

Litigation

In the normal course of business, the Company may enter into contracts that contain a number of representations and warranties, which may provide for general or specific indemnifications. The Company's exposure under these contracts is not currently known, as any such exposure would be based on future claims, which could be made against the Company. The Company's management is not currently aware of any such pending claims and based on its experience, the Company believes the risk of loss related to these arrangements to be remote.

From time to time, the Company is a defendant in various lawsuits related to its business. The Company's management does not believe that the outcome of any current litigation will have a material effect on the Company's Condensed Consolidated Financial Statements.

Off-Balance Sheet Risks

The Company may be exposed to a risk of loss by virtue of certain subsidiaries serving as the general partner of GCM Funds organized as limited partnerships. As general partner of a GCM Fund organized as a limited partnership, the Company's subsidiaries that serve as the general partner have exposure to risk of loss that is not limited to the amount of its investment in such GCM Fund. The Company cannot predict the amount of loss, if any, which may occur as a result of this exposure; however, historically, the Company has not incurred any significant losses and management believes the likelihood is remote that a material loss will occur.

14. Related Parties

In regard to the following related party disclosures, the Company's management cannot be sure that such transactions or arrangements would be the same to the Company if the parties involved were unrelated and such differences could be material.

The Company provides certain employees partnership interest awards which are paid or settled by Holdings, Holdings II and Management LLC. Refer to Note 9 for further details.

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The Company has a sublease agreement with Holdings. Because the terms of the sublease are identical to the terms of the original lease, there is no impact to net income loss in the Condensed Consolidated Statements of Income (Loss) or Condensed Consolidated Statements of Cash Flows.

The Company incurs certain costs, primarily related to accounting, client reporting, investment-decision making and treasury-related expenditures, for which it receives reimbursement from the GCM Funds in connection with its performance obligations to provide investment management services. The Company also incurs certain costs, primarily related to employee benefits and travel, for which it receives reimbursement from Holdings. Due from related parties in the Condensed Consolidated Statements of Financial Condition includes net receivables from GCM Funds of \$12.5 million \$10.2 million and \$13.0 million \$13.5 million and from Holdings of less than \$0.1 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, paid on behalf of affiliated entities that are reimbursable to the Company.

Our executive officers, senior professionals, and certain current and former employees and their families invest on a discretionary basis in GCM Funds, and such investments are generally not subject to management fees and performance fees. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, such investments and future commitments were \$387.7 million \$405.8 million and \$366.2 million \$377.5 million in aggregate, respectively.

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Certain employees of the Company have an economic interest in an entity that is the owner and landlord of the building in which the principal headquarters of the Company are located.

The Company utilizes the services of an insurance broker to procure insurance coverage, including its general commercial package policy, workers' compensation and professional and management liability coverage for its directors and officers. Certain members of Holdings have an economic interest in, and relatives are employed by, the Company's insurance broker.

From time to time, certain of the Company's executive officers utilize a private business aircraft, including an aircraft wholly owned or controlled by members of Holdings. Additionally, the Company arranges for the use of the private business aircraft through a number of charter services, including entities predominantly or wholly owned or controlled by members of Holdings. The Company paid, net of reimbursements, \$0.5 million and \$0.6 \$1.4 million for the three months ended September 30, 2023 and 2022, respectively, and \$2.0 million for each of the nine months ended September 30, 2023 and 2022, March 31, 2023 to utilize aircraft and charter services wholly owned or controlled by members of Holdings, which is recorded within general, administrative and other in the Condensed Consolidated Statements of Income (Loss). The Company had no such payments for the three months ended March 31, 2024.

In an internal restructuring effective January 1, 2024, GCMH acquired from its general partner, IntermediateCo, the equity interests in GCM, L.L.C. held by IntermediateCo for cash consideration in the amount of approximately \$2.0 million. The transaction was completed in accordance with the terms of a transfer agreement. IntermediateCo, a wholly owned subsidiary of GCM Grosvenor Inc., acquired GCM, L.L.C. in connection with the Transaction for nominal consideration and continues to control GCM, L.L.C. indirectly as general partner of GCMH.

15. Income Taxes

The Company's effective tax rate used for interim periods is based on the tax effect of items recorded discretely in the interim period in which those items occur. The effective tax rate is dependent on many factors, including the estimated amount of income subject to income tax and allocation of tax benefit to noncontrolling interest; therefore, the effective tax rate can vary from period to period. The Company evaluates the realizability of its deferred tax asset on a quarterly basis and adjusts the valuation allowance when it is expected a portion of the deferred tax asset may not be realized.

The Company's effective tax rate was 16% (6)% and (3)% for each of the three months ended September 30, 2023 March 31, 2024 and 2022 and (21)% and 9% for the nine months ended September 30, 2023 and 2022, 2023, respectively. These rates were different than the statutory rate primarily due to the portion of income allocated to the noncontrolling interest holders, a valuation allowance recorded against deferred tax assets and discrete tax adjustments recorded in the periods.

As of **September 30, 2023** **March 31, 2024**, the Company had no unrecognized tax positions and believes there will be no changes to uncertain tax positions within the next 12 months.

On August 16, 2022, the IRA was signed into law. In general, the provisions of the IRA will be effective beginning with the fiscal year 2023, with certain exceptions. The IRA includes a new 15% corporate minimum tax as well as a 1% excise tax on corporate stock repurchases completed after December 31, 2022. As required under the authoritative guidance of ASC 740, *Income Taxes*, the Company reviewed the impact on income taxes due to the change in legislation and concluded there was no impact to the financial statements as of September 30, 2023. The Company is in the process of evaluating the potential future impacts of the IRA, and while we do not expect a material impact from this legislation on our Condensed Consolidated

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Financial Statements, we will continue to review and monitor any additional guidance provided by the Internal Revenue Service.

16. Earnings (Loss) Per Share

The following is a reconciliation of basic and diluted earnings (loss) per share for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022**; **2023**:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Numerator for earnings (loss) per share calculation:	Numerator for earnings (loss) per share calculation:				
Net income attributable to GCM Grosvenor Inc., basic		\$ 5,898	\$ 3,099	\$ 9,516	\$ 15,430
Numerator for earnings (loss) per share calculation:					
Numerator for earnings (loss) per share calculation:					
Net income (loss) attributable to GCM Grosvenor Inc., basic					
Net income (loss) attributable to GCM Grosvenor Inc., basic					
Net income (loss) attributable to GCM Grosvenor Inc., basic					
Exchange of Partnership units	Exchange of Partnership units	1,730	1,289	(62,230)	27,917
Net income (loss) attributable common stockholders, diluted		7,628	4,388	(52,714)	43,347
Exchange of Partnership units					
Exchange of Partnership units					
Net income (loss) attributable to common stockholders, diluted					
Net income (loss) attributable to common stockholders, diluted					
Net income (loss) attributable to common stockholders, diluted					

Denominator for earnings (loss) per share calculation:	Denominator for earnings (loss) per share calculation:							
Denominator for earnings (loss) per share calculation:								
Denominator for earnings (loss) per share calculation:								
Weighted-average shares, basic								
Weighted-average shares, basic								
Weighted-average shares, basic	Weighted-average shares, basic	43,467,609	43,518,580	43,189,001	44,401,559			
Exchange of Partnership units	Exchange of Partnership units	144,235,246	144,235,246	144,235,246	144,235,246			
Assumed vesting of RSUs - incremental shares under the treasury stock method		294,593	145,659	—	327,721			
Exchange of Partnership units								
Exchange of Partnership units								
Weighted-average shares, diluted								
Weighted-average shares, diluted								
Weighted-average shares, diluted	Weighted-average shares, diluted	187,997,448	187,899,485	187,424,247	188,964,526			
Basic EPS	Basic EPS							
Net income attributable to common stockholders, basic	\$	5,898	\$	3,099	\$	9,516	\$	15,430
Basic EPS								
Basic EPS								
Net income (loss) attributable to common stockholders, basic								
Net income (loss) attributable to common stockholders, basic								
Net income (loss) attributable to common stockholders, basic								
Weighted-average shares, basic	Weighted-average shares, basic	43,467,609	43,518,580	43,189,001	44,401,559			
Net income per share attributable to common stockholders, basic	\$	0.14	\$	0.07	\$	0.22	\$	0.35
Weighted-average shares, basic								
Weighted-average shares, basic								
Net income (loss) per share attributable to common stockholders, basic								
Net income (loss) per share attributable to common stockholders, basic								
Net income (loss) per share attributable to common stockholders, basic								
Diluted EPS	Diluted EPS							
Net income (loss) attributable common stockholders, diluted	\$	7,628	\$	4,388	\$	(52,714)	\$	43,347

Diluted EPS				
Diluted EPS				
Net income (loss) attributable to common stockholders, diluted				
Net income (loss) attributable to common stockholders, diluted				
Net income (loss) attributable to common stockholders, diluted				
Weighted-average shares, diluted	Weighted-average shares, diluted	187,997,448	187,899,485	187,424,247
Net income (loss) per share attributable common stockholders, diluted				
		\$ 0.04	\$ 0.02	\$ (0.28)
Weighted-average shares, diluted				
Weighted-average shares, diluted				
Net income (loss) per share attributable to common stockholders, diluted				
Net income (loss) per share attributable to common stockholders, diluted				
Net income (loss) per share attributable to common stockholders, diluted				

When applying the if-converted method to calculate the potential dilutive impact of the exchangeable common units of the Partnership, the earnings (loss) per share numerator adjustment reflects the net income (loss) attributable to noncontrolling interests in GCMH, as reported, adjusted for the hypothetical incremental provision (benefit) for income taxes that would have been recorded by the Company if the units had been converted.

Shares of the Company’s Class C common stock do not participate in the earnings or losses of the Company and are therefore not participating securities. As such, a separate presentation of basic and diluted earnings (loss) per share of Class C common stock under the two-class method has not been presented.

The following outstanding potentially dilutive securities were excluded from the calculations of diluted earnings (loss) per share attributable to common stockholders because their impact would have been antidilutive for the periods presented:

GCM Grosvenor Inc.

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(Unaudited)

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		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Three Months Ended March 31,					
Three Months Ended March 31,					
Three Months Ended March 31,					
2024					
2024					
2024					
Public warrants					
Public warrants					
Public warrants	Public warrants	16,784,970	16,784,970	16,784,970	16,784,970
Private warrants	Private warrants	900,000	900,000	900,000	900,000
Private warrants					
Private warrants					

Unvested RSUs under the treasury stock method	Unvested RSUs under the treasury stock method	—	—	633,208	—
Unvested RSUs under the treasury stock method					
Unvested RSUs under the treasury stock method					

17. Subsequent Events

On November 7, 2023 May 6, 2024, GCM Grosvenor's GCMG's Board of Directors declared a quarterly dividend of \$0.11 per share of Class A common stock to record holders as of the close of business on December 1, 2023 June 3, 2024. The payment date will be December 15, 2023 June 17, 2024.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023. This discussion contains forward-looking statements that reflect our plans, estimates, and beliefs that involve risks and uncertainties. As a result of many factors, such as those set forth under the "Risk Factors" section of Part I, Item 1A in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023, and under the "Forward-Looking Statements" section elsewhere in this Quarterly Report on Form 10-Q, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

We are a leading alternative asset management solutions provider that invests across all major alternative investment strategies. We invest on a primary secondary, co-investment basis and through direct-oriented strategies, which we define as secondaries, co-investments, direct basis, investments and seed investments. We operate customized separate accounts and commingled funds. We collaborate with our clients to invest on their behalf across the private and public markets, either through portfolios customized to meet a client's specific objectives or through specialized commingled funds that are developed to meet broad market demands for strategies and risk-return objectives.

We operate at scale across the full range of private markets and absolute return strategies. Private markets and absolute return strategies are primarily defined by the liquidity of the underlying securities purchased, the length of the client commitment, and the form and timing of incentive fees. For private markets strategies, clients generally commit to invest over a three-year time period and have an expected duration of seven years or more. In private markets strategies, carried interest is typically based on realized gains on liquidation of the investment. For absolute return strategies, the securities tend to be more liquid, clients have the ability to redeem assets more regularly, and performance fees can be earned on an annual basis. We offer the following investment strategies:

- Private Equity
- Infrastructure
- Real Estate
- Absolute Return Strategies
- Alternative Credit
- ESG Sustainable and Impact Strategies Investing

Our clients include large, sophisticated, global institutional investors who rely on our investment expertise and differentiated investment access to navigate the alternatives market, but also include a growing non-institutional individual investor client base. As one of the pioneers of the customized separate account solutions, we are equipped to provide investment services to clients with a wide variety of needs, internal resources and investment objectives, and our client relationships are deep and frequently span decades.

Trends Affecting Our Business

As a global alternative asset manager, our results of operations are impacted by a variety of factors, including conditions in the global financial markets and economic and political environments, particularly in the United States, Europe, Asia-Pacific, Latin America and the Middle East. While economic factors, such as interest rates, can make alternative investments more or less attractive relative to other asset classes, investors have increasingly gravitated towards the returns generated by alternative investments in order to meet their return objectives. In addition, increased equity market volatility can also contribute to increased investor demand for alternative strategies. Finally, the opportunities in private markets continue to expand as firms raise new funds and launch new vehicles and products to access private markets across the globe.

In addition to the trends discussed above, we believe the following factors, among others, will influence our future performance and results of operations:

Our ability to retain existing investors and attract new investors in our funds.

Our ability to retain existing assets under management and attract new investors in our funds is partially dependent on the extent to which investors continue to favorably see the alternative asset management industry relative to traditional publicly listed equity and debt securities. A decline in the pace or the size of our fundraising efforts or investments as a result of increased competition in the private markets investing environment or a shift toward public markets may impact our revenues, which are generated from management fees and incentive fees.

Our ability to expand our business through new lines of business and geographic markets.

Our ability to grow our revenue base is partially dependent upon our ability to offer additional products and services by entering into new lines of business and by entering into, or expanding our presence in, new geographic markets. Entry into certain lines of business or geographic markets or the introduction of new types of products or services may

subject us to the evolving macroeconomic and regulatory environment of the various countries where we operate or in which we invest.

Our ability to realize investments.

Challenging market and economic conditions may adversely affect our ability to exit and realize value from our investments and we may not be able to find suitable investments in which to effectively deploy capital. During periods of adverse economic conditions, such as current geopolitical turmoil abroad and **increasing elevated** inflation and interest rates, our funds may have difficulty accessing financial markets, which could make it more difficult to obtain funding for additional investments and impact our ability to successfully exit positions in a timely manner. A general market downturn, a recession or a specific market dislocation may result in lower investment returns for our funds, which would adversely affect our revenues.

Our ability to identify suitable investment opportunities for our clients.

Our success largely depends on the identification and availability of suitable investment opportunities for our clients, and, in particular, the success of the investment vehicles managed by third-party investment managers in which GCM Funds invest. The availability of investment opportunities is subject to certain factors outside of our control and the control of the investment managers with which we invest for our funds, including the market environment at a given point in time. Although there can be no assurance that we will be able to secure the opportunity to invest on behalf of our clients in all or a substantial portion of the investments we select, or that the size of the investment opportunities available to us will be as large as we would desire, we seek to maintain excellent relationships with investment managers of investment funds, including those in which we have previously made investments for our clients and those in which we may in the future invest, as well as sponsors of investments that might provide co-investment opportunities in portfolio companies alongside the sponsoring fund manager. Our ability to identify attractive investments and execute on those investments is dependent on a number of factors, including the general macroeconomic environment, valuation, transaction size, and expected duration of such investment opportunity.

Our ability to generate **strong competitive returns.**

The ability to attract and retain clients is partially dependent on returns we are able to deliver versus **client objectives, our peers, peers and industry benchmarks**. The capital we are able to attract drives the growth of our assets under management and the management and incentive fees we earn. Similarly, in order to maintain our desired fee structure in a competitive environment, we must be able to continue to provide clients with investment returns and service that incentivize our investors to pay our desired fee rates.

Our ability to comply with increasing and evolving regulatory requirements.

The complex and evolving regulatory and tax environment may have an adverse effect on our business and subject us to additional expenses or capital requirements, as well as restrictions on our business operations.

Operating Segments

We have determined that we operate in a single operating and reportable segment, consistent with how our chief operating decision maker allocates resources and assesses performance.

Components of Results of Operations

Revenues

We generate revenues from management fees and incentive fees, which includes carried interest and performance fees.

Management Fees

Management Fees

We earn management fees from providing investment management services to specialized funds and customized separate account clients. Specialized funds are generally structured as partnerships or companies having multiple investors. Customized separate account clients may be structured using an affiliate-managed entity or may involve an investment management agreement between us and a single client. Certain separate account clients may have us manage assets both with full discretion over investments decisions as well as without discretion over investment decisions and may also receive access to various other advisory services the firm may provide.

Certain of our management fees, typically associated with our private markets strategies, are based on client commitments to those funds during an initial commitment or investment period. During this period fees may be charged on total commitments, on invested capital (capital committed to underlying investments) or on a ratable ramp-in of total commitments, which is meant to mirror typical invested capital pacing. Following the expiration or termination of such period, certain fees continue to be based on client commitments while others are based on invested assets or based on invested capital and unfunded deal commitments less returned capital or based on a fixed ramp down schedule.

Certain of our management fees, typically associated with absolute return strategies, are based on the NAV of those funds. Such GCM Funds either have a set fee for the entire fund or a fee scale through which clients with larger commitments pay a lower fee.

Management fees are determined quarterly and are more commonly billed in advance based on the management fee rate applied to the management fee base at the end of the preceding quarterly period as defined in the respective contractual agreements.

We provided investment management / advisory services on assets of **\$76.0 billion** **\$78.8 billion** and **\$73.7 billion** **\$76.9 billion** as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively.

Fund expense reimbursement revenue

We incur certain costs, primarily related to accounting, client reporting, investment-decision making and treasury-related expenditures, for which we receive reimbursement from the GCM Funds in connection with **its** **our** performance obligations to provide investment management services. We concluded that we control the services provided and resources used before they are transferred to the customer, and therefore we act as a principal. Accordingly, the reimbursement for these costs incurred by us are presented on a

gross basis within management fees. Expense reimbursements are recognized at a point in time, in the periods during which the related expenses are incurred and the reimbursements are contractually earned.

Incentive Fees

Incentive fees are based on the results of our funds, in the form of performance fees and carried interest income, which together comprise incentive fees.

Carried Interest

Carried interest is a performance-based capital allocation from a fund's limited partners earned by us in certain GCM Funds, more commonly in private markets strategies. Carried interest is typically a percentage of the profits calculated in accordance with the terms of fund agreements, certain fees and a preferred return to the fund's limited partners. Carried interest is ultimately realized when underlying investments distribute proceeds or are sold and therefore carried interest is highly susceptible to market factors, judgments, and actions of third parties that are outside of our control.

Agreements generally include a clawback provision that, if triggered, would require us to return up to the cumulative amount of carried interest distributed, typically net of tax, upon liquidation of those funds, if the aggregate amount paid as carried interest exceeds the amount actually due based upon the aggregate performance of each fund. We have defined the portion to be deferred as the amount of carried interest, typically net of tax, that we would be required to return if all remaining investments had no value as of the end of each reporting period. As of **September 30, 2023** **March 31, 2024**, deferred revenue relating to constrained realized carried interest was approximately \$5.6 million.

Assets under management that are subject to carried interest, excluding investments of the firm and our professionals from which we generally do not earn incentive fees, were approximately **\$41.9 billion** **\$43.8 billion** as of **September 30, 2023** **March 31, 2024**.

Performance Fees

We may receive performance fees from certain GCM Funds, more commonly in funds associated with absolute return strategies. Performance fees are typically a fixed percentage of investment gains, subject to loss carryforward provisions that require the recapture of any previous losses before any performance fees can be earned in the current period. Performance fees may or may not be subject to a hurdle or a preferred return, which requires that clients earn a specified minimum return before a performance fee can be assessed. These performance fees are determined based upon investment performance at the end of a specified measurement period, generally the end of the calendar year.

Investment returns are highly susceptible to market factors, judgments, and actions of third parties that are outside of our control. Accordingly, performance fees are variable consideration and are therefore constrained and not recognized until it is probable that a significant reversal will not occur. In the event that a client redeems from one of the GCM Funds prior to the end of a measurement period, any accrued performance fee is ordinarily due and payable by such redeeming client as of the date of the redemption.

Assets under management that are subject to performance fees, excluding investments of the firm and our professionals from which we generally do not earn incentive fees, were approximately **\$12.4 billion** **\$13.4 billion** as of **September 30, 2023** **March 31, 2024**.

Other Operating Income

Other operating income primarily consists of administrative fees from certain private investment vehicles where we perform a full suite of administrative functions but do not manage or advise and have no discretion over the capital.

Expenses

Employee Compensation and Benefits

Employee compensation and benefits primarily consists of (1) cash-based employee compensation and benefits, (2) equity-based compensation, (3) partnership interest-based compensation, (4) carried interest compensation, (5) cash-based incentive fee related compensation and (6) other non-cash compensation. Bonus and incentive fee related compensation is generally determined by our management and is discretionary taking into consideration, among other things, our financial results and the employee's performance. In addition, various individuals, including certain senior professionals have been awarded partnership interests and/or restricted stock units ("RSUs"). These partnership interests grant the recipient the right to certain cash distributions from GCMH Equityholders' profits (to the extent such distributions are authorized) and/or to certain net sale proceeds after threshold distributions, resulting in non-cash profits interest compensation expense. **The Company recognizes compensation expense attributable to the RSUs on a straight-line basis over the requisite service period, which is generally the vesting period.** Certain employees and former employees are also entitled to a portion of the carried interest and performance fees realized from certain GCM Funds, which is payable upon a realization of the carried interest or performance fees. **The Company recognizes compensation expense attributable to the RSUs on a straight-line basis over the requisite service period, which is generally the vesting period.**

General, Administrative and Other

General, administrative and other consists primarily of professional fees, travel and related expenses, **IT operations**, communications and information services, occupancy, fund expenses, depreciation and amortization, and other costs associated with our operations.

Net Other Income (Expense)

Investment Income (Loss)

Investment income (loss) primarily consists of gains and losses arising from our equity method investments.

Interest Expense

Interest expense includes interest paid and accrued on our outstanding debt, along with the amortization of deferred debt issuance costs incurred from debt issued by us, including the Term Loan Facility and the Revolving Credit Facility entered into by us. Interest expense also includes (1) the impact of qualifying effective cash flow hedges and (2) the amortization of realized gains or losses on interest rate swaps that initially qualified for hedge accounting and were subsequently terminated. The

Other Income (Expense)

Change in Fair Value of Warrant Liabilities

Provision (Benefit) for Income Taxes

Net Income (Loss) Attributable to Noncontrolling Interests

Net income (loss) attributable to noncontrolling interests in GCMH represents the economic interests of GCMH Equityholders in GCMH. Profits and losses, other than partnership interest-based compensation, are allocated to the noncontrolling interests in GCMH in proportion to their relative ownership interests regardless of their basis.

The following is a discussion of our consolidated results of operations for the three **and nine** months ended **September 30, 2023**, **March 31, 2024** and **2022**. This information is derived from our accompanying Condensed Consolidated Financial Statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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Other operating income					
Total operating revenues					
Total operating revenues					
Total operating revenues	Total operating revenues	121,714	137,214	328,443	346,702
Expenses	Expenses				
Expenses					
Expenses					
Employee compensation and benefits					
Employee compensation and benefits					
Employee compensation and benefits	Employee compensation and benefits	76,413	86,502	277,505	213,836
General, administrative and other	General, administrative and other	21,397	21,982	75,902	66,333
General, administrative and other					
General, administrative and other					
Total operating expenses	Total operating expenses	97,810	108,484	353,407	280,169
Operating income (loss)		23,904	28,730	(24,964)	66,533
Investment income (loss)		2,656	(2,276)	11,089	7,387
Total operating expenses					
Total operating expenses					
Operating loss					
Operating loss					
Operating loss					
Investment income					
Investment income					
Investment income					
Interest expense					
Interest expense					
Interest expense	Interest expense	(5,688)	(5,797)	(18,025)	(16,672)
Other income	Other income	439	87	1,611	88
Other income					
Other income					
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	(352)	(3,790)	2,322	17,872
Net other income (expense)		(2,945)	(11,776)	(3,003)	8,675
Income (loss) before income taxes		20,959	16,954	(27,967)	75,208
Change in fair value of warrant liabilities					
Change in fair value of warrant liabilities					
Net other expense					
Net other expense					
Net other expense					
Loss before income taxes					
Loss before income taxes					
Loss before income taxes					
Provision for income taxes	Provision for income taxes	3,339	2,789	5,811	7,133
Net income (loss)		17,620	14,165	(33,778)	68,075
Provision for income taxes					

Provision for income taxes					
Net loss					
Net loss					
Net loss					
Less: Net income attributable to noncontrolling interests in subsidiaries	Less: Net income attributable to noncontrolling interests in subsidiaries	1,337	1,719	5,506	7,399
Less: Net income (loss) attributable to noncontrolling interests in GCMH		10,385	9,347	(48,800)	45,246
Net income attributable to GCM Grosvenor Inc.		\$ 5,898	\$ 3,099	\$ 9,516	\$ 15,430
Less: Net income attributable to noncontrolling interests in subsidiaries					
Less: Net income attributable to noncontrolling interests in subsidiaries					
Less: Net loss attributable to noncontrolling interests in GCMH					
Less: Net loss attributable to noncontrolling interests in GCMH					
Less: Net loss attributable to noncontrolling interests in GCMH					
Net income (loss) attributable to GCM Grosvenor Inc.					
Net income (loss) attributable to GCM Grosvenor Inc.					
Net income (loss) attributable to GCM Grosvenor Inc.					

Revenues

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
(in thousands, unaudited)				
Private markets strategies	\$ 54,497	\$ 49,347	\$ 159,277	\$ 146,582
Absolute return strategies	36,418	38,253	110,306	121,087
Fund expense reimbursement revenue	3,658	3,115	10,799	7,986
Total management fees	94,573	90,715	280,382	275,655
Incentive fees	26,073	45,467	44,884	67,964
Administrative fees	899	813	2,650	2,340
Other	169	219	527	743
Total other operating income	1,068	1,032	3,177	3,083
Total operating revenues	\$ 121,714	\$ 137,214	\$ 328,443	\$ 346,702

Three Months Ended September 30, 2023 and September 30, 2022

	Three Months Ended March 31,	
	2024	2023
(in thousands, unaudited)		
Private markets strategies	\$ 55,577	\$ 51,802
Absolute return strategies	36,375	37,136
Fund expense reimbursement revenue	3,933	3,307
Total management fees	95,885	92,245
Incentive fees	10,118	5,815

Administrative fees	942	871
Other	1,921	185
Total other operating income	2,863	1,056
Total operating revenues	\$ 108,866	\$ 99,116

Management fees increased \$3.9 million \$3.6 million, or 4%, to \$94.6 million \$95.9 million for the three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 March 31, 2023. Private markets strategies fees increased \$5.2 million \$3.8 million, or 10% 7%, primarily due to a \$1.6 million increase \$3.5 million increase in private markets market strategies specialized funds fees and a \$1.7 million \$2.2 million increase in private markets strategies customized separate accounts fees, both as a result of capital raising and deployment. Fund expense reimbursement revenue increased \$0.5 million \$0.6 million, or 17% 19%, to \$3.7 million \$3.9 million. These increases were partially offset by a decrease of \$1.8 million \$0.8 million, or 5% 2%, in

absolute return strategies fees primarily driven by lower FPAUM primarily as a result at the beginning of net withdrawals the three months ended March 31, 2024 compared to FPAUM at the beginning of the three months ended March 31, 2023.

Incentive fees consisted of carried interest and performance fees. Carried interest decreased \$19.0 million \$1.4 million, or 43% 26%, to \$25.4 million \$4.1 million for the three months ended September 30, 2023 March 31, 2024, compared to the three months ended September 30, 2022 March 31, 2023, primarily due to lower distributions and lower carry realizations during the three months ended September 30, 2023 March 31, 2024. Performance fees of \$0.7 million increased \$5.7 million to \$6.0 million for the three months ended September 30, 2023 were generally consistent with those in March 31, 2024 compared to the three months ended September 30, 2022.

Nine Months Ended September 30, 2023 and September 30, 2022

Management fees increased \$4.7 million, or 2%, to \$280.4 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. Private markets strategies fees increased \$12.7 million, or 9% March 31, 2023, primarily due to fees earned from one fund with a \$6.4 million increase in fees related to private markets strategies specialized funds and a \$6.2 million increase in private markets strategies customized separate accounts fees, both as a result of capital raising and deployment. Fund expense reimbursement revenue increased \$2.8 million, or 35%, to \$10.8 million. These increases were largely offset by a decrease of \$10.8 million, or 9%, in absolute return strategies fees driven by lower FPAUM as a result of net withdrawals and lower market performance in 2022.

Incentive fees consisted of carried interest and performance fees. Carried interest decreased \$21.9 million, or 33%, to \$43.7 million for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022 primarily due to lower distributions and lower carry realizations during the nine months ended September 30, 2023. Performance fees decreased \$1.2 million, or 50%, to \$1.2 million for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, different fiscal year than us. Performance fees are generally determined at the end of the calendar year and are generally minimal in interim periods.

Expenses

Employee Compensation and Benefits

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands, unaudited)			
Cash-based employee compensation and benefits	\$ 39,148	\$ 39,833	\$ 122,292	\$ 121,997
Equity-based compensation	3,437	5,706	33,045	21,191
Partnership interest-based compensation	14,958	7,329	89,182	21,471
Carried interest compensation	13,777	25,946	24,894	37,840
Cash-based incentive fee related compensation	4,712	7,367	7,177	10,180
Other non-cash compensation	381	321	915	1,157
Total employee compensation and benefits	\$ 76,413	\$ 86,502	\$ 277,505	\$ 213,836

Three Months Ended September 30, 2023 and September 30, 2022

	Three Months Ended March 31,	
	2024	2023
	(in thousands, unaudited)	
Cash-based employee compensation and benefits	\$ 37,273	\$ 44,453
Equity-based compensation	25,470	25,793
Partnership interest-based compensation	30,002	11,097
Carried interest compensation	2,542	3,560
Cash-based incentive fee related compensation	4,189	737
Other non-cash compensation	171	584
Total employee compensation and benefits	\$ 99,647	\$ 86,224

Employee compensation and benefits decreased \$10.1 million increased \$13.4 million, or 12% 16%, for the three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 March 31, 2023. The overall decrease increase was primarily driven by carried interest increases in partnership interest-based compensation and cash-based incentive fee related compensation, which decreased \$12.2 million partially offset by a decrease in cash-based employee compensation and benefits. Partnership interest-based compensation increased \$18.9 million, or 47% 170%, due to award modifications in the first quarter of 2024 and \$2.7 million, amortization of the Holdings Awards that were granted in the second quarter of 2023 (as further described in Note 9 in the Notes to Condensed Consolidated Financial Statements included in Part I, Item 2 of the Quarterly Report on Form 10-Q). These awards do not dilute Class A common stockholders or 36%, respectively, impact net cash flows of the Company. Cash-based incentive fee related compensation increased \$3.5 million for the three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 March 31, 2023, primarily due to higher performance fees during the three months ended March 31, 2024. Cash-based employee compensation and benefits decreased \$7.2 million, or 16%, due to lower employer payroll taxes, severance, and bonus accruals for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. Carried interest compensation decreased \$1.0 million, or 29%, during the three months ended March 31, 2024 compared to the three months ended March 31, 2023, primarily due to lower realized carried interest during the during the three months ended September 30, 2023. Equity-based compensation decreased \$2.3 million, or 40%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022, as the prior year third quarter included amortization of expense for larger awards made in connection with the Transaction that fully vested during the first quarter of 2023. These decreases were partially offset by a

\$7.6 million increase in partnership interest-based compensation during the three months ended September 30, 2023 compared to the three months ended September 30, 2022, primarily due to the amortization of expense for awards granted to employees in the fourth quarter of 2022 and the Holdings Awards, as further described in Note 9 in the notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

Nine Months Ended September 30, 2023 and September 30, 2022

Employee compensation and benefits increased \$63.7 million, or 30%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The overall increase was primarily driven by partnership interest-based compensation, which increased \$67.7 million in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 due to the expense recorded for and subsequent amortization of the Holdings Awards, as further described in Note 9 in the notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q, and the amortization of expense for awards granted to employees in the fourth quarter of 2022. Equity-based compensation increased \$11.9 million, or 56%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily due to the amortization of expense for awards granted in the fourth quarter of 2022 that vested during the first quarter of 2023. Carried interest compensation and cash-based incentive fee related compensation decreased \$12.9 million, or 34%, and \$3.0 million, or 29%, respectively, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily due to lower realized carried interest during the nine months ended September 30, 2023, March 31, 2024.

General, Administrative and Other

Three and Nine Months Ended September 30, 2023 and September 30, 2022

General, administrative and other of \$21.4 million \$25.2 million for the three months ended September 30, 2023 March 31, 2024 was generally consistent with the three months ended September 30, 2022 March 31, 2023.

General, administrative and other increased \$9.6 million, or 14%, to \$75.9 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase was primarily driven by increases in professional fees, IT operations and travel costs.

Net Other Income (Expense)

Three Months Ended September 30, 2023 and September 30, 2022

Investment income was \$2.7 million \$5.7 million for the three months ended September 30, 2023 March 31, 2024 compared to investment loss of \$2.3 million \$6.3 million for the three months ended September 30, 2022 March 31, 2023, primarily due to the change in value of private and public market investments.

Interest expense of was \$5.7 \$5.9 million for the three months ended September 30, 2023 was generally consistent with March 31, 2024 compared to \$6.7 million for the three months ended September 30, 2022 as March 31, 2023. The decrease was primarily driven by a change in the amount of the amortization of realized gains on interest rate swaps that initially qualified for hedge accounting and were subsequently terminated, and partially offset by a higher effective interest rate on the Term Loan Facility principal amount outstanding during the three months ended September 30, 2023 was offset by a change in the amount of March 31, 2024 amortization of realized gains or losses on interest rate swaps that initially qualified for hedge accounting and were subsequently terminated. .

Other income was \$0.4 \$0.6 million for the three months ended September 30, 2023 March 31, 2024 compared to other income of \$0.1 \$0.7 million for the three months ended September 30, 2022. Other income in the three months ended September 30, 2023 March 31, 2023 and consisted primarily of interest income, income in each period.

Change in fair value of warrant liabilities of \$(0.4) \$(2.1) million for the three months ended September 30, 2023 March 31, 2024 was due to an increase in the fair value of the warrants from June 30, 2023 December 31, 2023 to September 30, 2023.

Nine Months Ended September 30, 2023 and September 30, 2022

Investment income was \$11.1 million for the nine months ended September 30, 2023 compared to investment income of \$7.4 million for the nine months ended September 30, 2022, primarily due to the change in value of private and public market investments.

Interest expense increased \$1.4 million, or 8%, to \$18.0 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily due to a higher effective interest rate on the Term Loan Facility principal amount outstanding during the nine months ended September 30, 2023, partially offset by a change in the amount of

the amortization of realized gains or losses on interest rate swaps that initially qualified for hedge accounting and were subsequently terminated.

Other income was \$1.6 million for the nine months ended September 30, 2023 compared to negligible other income for the nine months ended September 30, 2022. Other income in the nine months ended September 30, 2023 consisted primarily of interest income.

Change in fair value of warrant liabilities of \$2.3 million for the nine months ended September 30, 2023 was due to a decrease in the fair value of the warrants from December 31, 2022 to September 30, 2023. March 31, 2024.

Provision for Income Taxes

Three and Nine Months Ended September 30, 2023 and September 30, 2022

Provision for income taxes primarily reflect U.S. federal and state income taxes on our share of taxable income generated by the Company, as well as local and foreign income taxes of certain of the Company's subsidiaries.

The Company's effective tax rate was 16% (6)% and (3)% for each of the three months ended September 30, 2023 March 31, 2024 and 2022 and (21)% and 9% for the nine months ended September 30, 2023, and 2022, respectively. Our overall effective tax rate was less than the statutory rate primarily due to the portion of income allocated to the noncontrolling interest holders, a valuation allowance recorded against deferred tax assets and discrete tax adjustments recorded in the periods.

Net Income (Loss) Attributable to Noncontrolling Interests

Three and Nine Months Ended September 30, 2023 and September 30, 2022

Net income attributable to noncontrolling interests in subsidiaries was \$1.3 million and \$1.7 million \$2.8 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$5.5 million and \$7.4 million 2023, respectively. The decrease for the nine three months ended September 30, 2023 and 2022, respectively. The decreases for the three and nine months ended September 30, 2023, March 31, 2024, as compared to the three and nine months ended September 30, 2022 March 31, 2023, were was primarily attributable to a decrease in income generated by our consolidated subsidiaries not wholly owned by the Company.

Net income (loss) attributable to noncontrolling interests in GCMH was \$10.4 million \$(22.3) million and \$9.3 million \$(16.7) million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$(48.8) million and \$45.2 million for 2023, respectively. The increase in the nine months ended September 30, 2023 and 2022, respectively. The increase net loss for the three months ended September 30, 2023, March 31, 2024, as compared to the three months ended September 30, 2022, was primarily attributable to the underlying performance of GCMH and was partially offset by an increase in partnership-interest based compensation, which was fully allocated to noncontrolling interests in GCMH. The decrease for the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022 March 31, 2023, was primarily attributable to an increase in partnership-interest based compensation as described above, which was fully allocated to noncontrolling interests in GCMH, and partially offset by underlying performance of GCMH . GCMH.

Fee-Paying AUM

FPAUM is a metric we use to measure the assets from which we earn management fees. Our FPAUM comprises the assets in our customized separate accounts and specialized funds from which we derive management fees. We classify customized separate account revenue as management fees if the client is charged an asset-based fee, which includes the vast majority of our discretionary AUM accounts. Our FPAUM for private market strategies typically represents committed, invested or scheduled capital during the investment period and invested capital following the expiration or termination of the investment period. Substantially all of our private markets strategies funds earn fees based on commitments or net invested capital, which are not affected by market appreciation or depreciation. Our FPAUM for our absolute return strategy is based on NAV, which includes impacts of any market appreciation or depreciation.

Our calculations of FPAUM may differ from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers. Our definition of FPAUM is not based on any definition that is set forth in the agreements governing the customized separate accounts or specialized funds that we manage.

Three Months Ended September 30, 2023					Nine Months Ended September 30, 2023		
Three Months Ended March 31, 2024							
Three Months Ended March 31, 2024							
Three Months Ended March 31, 2024							
(in millions, unaudited)							
(in millions, unaudited)							
(in millions, unaudited)	(in millions, unaudited)	Private Markets Strategies	Absolute Return Strategies	Total FPAUM	Private Markets Strategies	Absolute Return Strategies	Total FPAUM
Fee-paying AUM	Fee-paying AUM						
Fee-paying AUM							

Fee-paying AUM													
Balance, beginning of period													
Balance, beginning of period													
Balance, beginning of period	Balance, beginning of period	\$	39,051	\$	21,510	\$	60,561	\$	36,876	\$	21,980	\$	58,856
Contributions	Contributions		762		158		920		3,614		316		3,930
Contributions													
Contributions													
Withdrawals													
Withdrawals													
Withdrawals	Withdrawals		(40)		(513)		(553)		(68)		(1,714)		(1,782)
Distributions	Distributions		(249)		(9)		(258)		(752)		(58)		(810)
Distributions													
Distributions													
Change in market value													
Change in market value													
Change in market value	Change in market value		45		295		340		163		1,048		1,211
Foreign exchange and other	Foreign exchange and other		(15)		(27)		(42)		(279)		(158)		(437)
Foreign exchange and other													
Foreign exchange and other													
Balance, end of period	Balance, end of period	\$	39,554	\$	21,414	\$	60,968	\$	39,554	\$	21,414	\$	60,968
Balance, end of period													
Balance, end of period													

Contracted, not yet fee-paying AUM ("CNYFPAUM") represents limited partner commitments which are expected to be invested and begin charging fees over the ensuing five years.

As of				As of			
As of				As of			
(in millions)	(in millions)	September 30, 2023	December 31, 2022	(in millions)	March 31, 2024	December 31, 2023	
Contracted, not yet Fee-Paying AUM	Contracted, not yet Fee-Paying AUM	\$ 7,056	\$ 7,603				
AUM	AUM	\$ 75,974	\$ 73,667				

Of the \$7.1 billion CNYFPAUM as of **September 30, 2023** **March 31, 2024**, approximately **\$2.5 billion** **\$2.3 billion** is subject to an agreed upon fee ramp in **schedule**. The ramp in **schedule** that will result in management fees being charged on approximately **\$0.1 billion** **\$0.3 billion**, **\$0.8 billion** and **\$1.2 billion** of such amount in the remainder of **2023**, approximately **\$0.9 billion** of such amount **2024**, in **2024**, **2025**, and in **2026** and beyond, respectively. Management fees will be charged on the remaining approximately **\$1.5 billion** in **2025** and beyond. With respect to approximately **\$4.6 billion** **\$4.8 billion** of the **\$7.1 billion**, management fees will be charged **CNYFPAUM** as such capital is invested, which will depend on a number of factors, including the availability of eligible investment opportunities.

Three Months Ended September 30, 2023

FPAUM increased **\$0.4 billion** **\$1.5 billion**, or **1%** **2%**, to **\$61.0 billion** **\$63.2 billion** during the three months ended **September 30, 2023** **March 31, 2024**, primarily due to **\$0.9 billion** **\$1.6 billion** of contributions and a **\$0.3 billion** **\$1.0 billion** increase in market value, partially offset by **\$0.6 billion** **\$0.5 billion** decrease for foreign exchange and other movements and **\$0.3 billion** and **\$0.2 billion** of withdrawals and distributions, respectively.

- Private markets strategies FPAUM increased \$0.5 billion, or 1%, to **\$39.6 billion** **\$40.8 billion** during the three months ended **September 30, 2023** **March 31, 2024**, primarily due to **\$0.8 billion** **\$1.2 billion** of contributions, partially offset by a **\$0.5 billion** decrease for foreign exchange and other movements and **\$0.2 billion** of distributions.
- Absolute return strategies FPAUM decreased **\$0.1 billion** increased **\$1.0 billion** to **\$21.4 billion** **\$22.4 billion** during the three months ended **September 30, 2023** **March 31, 2024**, primarily due to **\$0.5 billion** of withdrawals, partially offset by a **\$0.3 billion** **\$0.9 billion** increase in market value and **\$0.2 billion** **\$0.4 billion** of contributions. contributions, partially offset by **\$0.3 billion** of withdrawals.

Contracted, not yet fee-paying AUM increased \$0.4 billion CNYFPAUM decreased \$0.2 billion, or 5% 3%, to \$7.1 billion during the three months ended September 30, 2023 March 31, 2024 due to the closing of new commitments during the period net of reductions for Contracted, not yet fee-paying AUM that became fee-paying AUM during the period.

Total AUM was relatively flat during the three months ended September 30, 2023 as increases in FPAUM and Contracted, not yet fee-paying AUM were offset by changes in other AUM that includes mark to market, insider capital and non fee-paying AUM.

Nine Months Ended September 30, 2023

FPAUM increased \$2.1 billion, or 4%, to \$61.0 billion during the nine months ended September 30, 2023, primarily due to \$3.9 billion of contributions and a \$1.2 billion increase in market value, partially offset by \$1.8 billion and \$0.8 billion of withdrawals and distributions, respectively.

- Private markets strategies FPAUM increased \$2.7 billion, or 7%, to \$39.6 billion during the nine months ended September 30, 2023, primarily due to \$3.6 billion of contributions, partially offset by \$0.8 billion of distributions.
- Absolute return strategies FPAUM decreased \$0.6 billion, or 3%, to \$21.4 billion during the nine months ended September 30, 2023, primarily due to \$1.7 billion of withdrawals, partially offset by a \$1.0 billion increase in market value.

Contracted, not yet fee-paying AUM decreased \$0.5 billion, or 7%, to \$7.1 billion during the nine months ended September 30, 2023, primarily due to contracted, not yet fee-paying AUM that became fee-paying AUM during the period partially offset by the closing of new commitments.

AUM increased \$2.3 billion, \$1.9 billion, or 3% 2%, to \$76.0 billion \$78.8 billion during the nine three months ended September 30, 2023, March 31, 2024, primarily driven by changes \$1.5 billion increase in FPAUM, and contracted, not yet fee-paying AUM, as well as mark to market changes increases that did do not impact FPAUM.

Non-GAAP Financial Measures

In addition to our results of operations above, we report certain financial measures that are not required by, or presented in accordance with, GAAP. Management uses these non-GAAP measures to assess the performance of our business across reporting periods and believes this information is useful to investors for the same reasons. These non-GAAP measures should not be considered a substitute for the most directly comparable GAAP measures, which are reconciled below. Further, these measures have limitations as analytical tools, and when assessing our operating performance, you should not consider these measurements in isolation or as a substitute for GAAP measures including revenues and net income (loss). We may calculate or present these non-GAAP financial measures differently than other companies who report measures with the same or similar names, and as a result, the non-GAAP measures we report may not be comparable.

Summary of Non-GAAP Financial Measures

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
(in thousands, unaudited)					
Three Months Ended March 31,					
Three Months Ended March 31,					
Three Months Ended March 31,					
2024					
2024					
2024					
(in thousands, unaudited)					
(in thousands, unaudited)					
(in thousands, unaudited)					
Revenues	Revenues				
Private markets strategies	Private markets strategies	\$ 54,497	\$ 49,347	\$ 159,277	\$ 146,582
Private markets strategies					
Private markets strategies					
Absolute return strategies					
Absolute return strategies					
Absolute return strategies	Absolute return strategies	36,418	38,253	110,306	121,087
Management fees, net	Management fees, net				
(1)	(1)	90,915	87,600	269,583	267,669
Management fees, net (1)					
Management fees, net (1)					

Administrative fees and other operating income					
Administrative fees and other operating income					
Administrative fees and other operating income	Administrative fees and other operating income	1,068	1,032	3,177	3,083
Fee-Related Revenue	Fee-Related Revenue	91,983	88,632	272,760	270,752
Fee-Related Revenue					
Fee-Related Revenue					
Less:					
Less:					
Less:	Less:				
Cash-based employee compensation and benefits, net ⁽²⁾	Cash-based employee compensation and benefits, net ⁽²⁾	(38,027)	(39,412)	(116,409)	(120,795)
Cash-based employee compensation and benefits, net ⁽²⁾					
Cash-based employee compensation and benefits, net ⁽²⁾					
General, administrative and other, net ^(1,3)					
General, administrative and other, net ^(1,3)					
General, administrative and other, net ^(1,3)	General, administrative and other, net ^(1,3)	(17,519)	(17,853)	(56,741)	(54,320)
Fee-Related Earnings	Fee-Related Earnings	36,437	31,367	99,610	95,637
Fee-Related Earnings					
Fee-Related Earnings					
Incentive fees:					
Incentive fees:					
Incentive fees:	Incentive fees:				
Performance fees	Performance fees	661	1,006	1,174	2,324
Performance fees					
Performance fees					
Carried interest					
Carried interest					
Carried interest	Carried interest	25,412	44,461	43,710	65,640
Incentive fee related compensation and NCI:	Incentive fee related compensation and NCI:				
Incentive fee related compensation and NCI:					
Incentive fee related compensation and NCI:					
Cash-based incentive fee related compensation					
Cash-based incentive fee related compensation					
Cash-based incentive fee related compensation	Cash-based incentive fee related compensation	(4,712)	(7,367)	(7,177)	(10,180)
Carried interest compensation, net ⁽⁴⁾	Carried interest compensation, net ⁽⁴⁾	(14,216)	(25,468)	(24,931)	(37,751)
Carried interest compensation, net ⁽⁴⁾					
Carried interest compensation, net ⁽⁴⁾					
Carried interest attributable to noncontrolling interests					
Carried interest attributable to noncontrolling interests					

Carried interest attributable to noncontrolling interests	Carried interest attributable to noncontrolling interests	(1,385)	(3,627)	(4,003)	(7,148)
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁽⁵⁾	Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁽⁵⁾	554	526	1,393	3,983
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁽⁵⁾					
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁽⁵⁾					
Interest income					
Interest income					
Interest income	Interest income	433	131	1,516	176
Other (income) expense	Other (income) expense	6	(44)	95	(88)
Other (income) expense					
Other (income) expense					
Depreciation					
Depreciation					
Depreciation	Depreciation	370	382	1,069	1,176
Adjusted EBITDA	Adjusted EBITDA	43,560	41,367	112,456	113,769
Adjusted EBITDA					
Adjusted EBITDA					
Depreciation					
Depreciation					
Depreciation	Depreciation	(370)	(382)	(1,069)	(1,176)
Interest expense	Interest expense	(5,688)	(5,797)	(18,025)	(16,672)
Interest expense					
Interest expense					
Adjusted Pre-Tax Income					
Adjusted Pre-Tax Income					
Adjusted Pre-Tax Income	Adjusted Pre-Tax Income	37,502	35,188	93,362	95,921
Adjusted income taxes ⁽⁶⁾	Adjusted income taxes ⁽⁶⁾	(9,075)	(8,621)	(22,593)	(23,501)
Adjusted income taxes ⁽⁶⁾					
Adjusted income taxes ⁽⁶⁾					
Adjusted Net Income	Adjusted Net Income	\$ 28,427	\$ 26,567	\$ 70,769	\$ 72,420
Adjusted Net Income					
Adjusted Net Income					

- (1) Excludes fund reimbursement revenue of \$3.7 million \$3.9 million and \$3.1 million \$3.3 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$10.8 million and \$8.0 million for the nine months ended September 30, 2023, and 2022, respectively.
- (2) Excludes severance expense of \$1.1 million \$0.3 million and \$0.4 million \$4.6 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$5.9 million and \$1.2 million for the nine months ended September 30, 2023, and 2022, respectively.
- (3) Excludes amortization of intangibles of \$0.3 million and \$0.6 million for each of the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$1.0 million and \$1.7 million for the nine months ended September 30, 2023 and 2022, respectively. 2023. Also excludes contemplated corporate transaction related costs of \$(0.4) million \$0.1 million and \$0.3 million \$2.4 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively and \$6.3 million and \$2.1 million for the nine months ended September 30, 2023

and 2022, respectively. Also excludes non-core expenses of \$0.3 million \$1.2 million and \$0.1 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$1.1 million and \$0.2 million for the nine months ended September 30, 2023, and 2022, respectively. New York Non-core expenses include office relocation costs of \$0.3 million is included in non-core expenses \$0.9 million for the three and nine months ended September 30, 2023, March 31, 2024.

- (4) Excludes the impact of non-cash carried interest compensation of \$0.4 million and \$(0.5) \$(0.3) million for the three months ended September 30, 2023 and 2022, respectively, and \$(0.1) million for the nine months ended September 30, 2022 March 31, 2023. The net non-cash carried interest compensation for the nine three months ended September 30, 2023 March 31, 2024 was de minimis.
- (5) Investment income or loss is generally realized when the Company redeems all or a portion of its investment or when the Company receives or is due cash, such as a from dividends or distributions.
- (6) Represents corporate income taxes at a blended statutory rate of 24.2% 24.7% and 24.5% 24.2% applied to Adjusted Pre-Tax Income for the three and nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The 24.2% 24.7% and 24.5% 24.2% are based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 3.2% 3.7% and 3.5% 3.2%, respectively.

Net Incentive Fees Attributable to GCM Grosvenor

Net incentive fees are used to highlight fees earned from incentive fees that are attributable to GCM Grosvenor. Net incentive fees represent incentive fees excluding (a) incentive fees contractually owed to others and (b) cash-based incentive fee

related compensation. Net incentive fees are used by management in making compensation and capital allocation decisions and we believe that they provide investors useful information regarding the amount that such fees contribute to the Company's earnings.

The following table shows reconciliations of incentive fees to net incentive fees attributable to GCM Grosvenor for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		(in thousands, unaudited)			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
		(in thousands, unaudited)			
		(in thousands, unaudited)			
		(in thousands, unaudited)			
Incentive fees:	Incentive fees:				
Performance fees	Performance fees	\$ 661	\$ 1,006	\$ 1,174	\$ 2,324
Performance fees					
Performance fees					
Carried interest					
Carried interest					
Carried interest	Carried interest	25,412	44,461	43,710	65,640
Less incentive fees contractually owed to others:	Less incentive fees contractually owed to others:				
Less incentive fees contractually owed to others:					
Less incentive fees contractually owed to others:					
Cash carried interest compensation					
Cash carried interest compensation					
Cash carried interest compensation	Cash carried interest compensation	(13,777)	(25,946)	(24,894)	(37,840)
Non-cash carried interest compensation	Non-cash carried interest compensation	(439)	478	(37)	89

Non-cash carried interest compensation					
Non-cash carried interest compensation					
Carried interest attributable to other noncontrolling interest holders					
Carried interest attributable to other noncontrolling interest holders					
Carried interest attributable to other noncontrolling interest holders	Carried interest attributable to other noncontrolling interest holders	(1,385)	(3,627)	(4,003)	(7,148)
Firm share of incentive fees ⁽¹⁾	Firm share of incentive fees ⁽¹⁾	10,472	16,372	15,950	23,065
Firm share of incentive fees ⁽¹⁾					
Firm share of incentive fees ⁽¹⁾					
Less: Cash-based incentive fee related compensation					
Less: Cash-based incentive fee related compensation					
Less: Cash-based incentive fee related compensation	Less: Cash-based incentive fee related compensation	(4,712)	(7,367)	(7,177)	(10,180)
Net Incentive Fees Attributable to GCM Grosvenor	Net Incentive Fees Attributable to GCM Grosvenor	\$ 5,760	\$ 9,005	\$ 8,773	\$ 12,885
Net Incentive Fees Attributable to GCM Grosvenor					
Net Incentive Fees Attributable to GCM Grosvenor					

(1) Firm share represents incentive fees net of contractual obligations but before discretionary cash-based incentive compensation.

Adjusted Pre-Tax Income, Adjusted Net Income and Adjusted EBITDA

Adjusted Pre-Tax Income, Adjusted Net Income and Adjusted EBITDA are non-GAAP measures used to evaluate our profitability.

Adjusted Pre-Tax Income represents net income attributable to GCM Grosvenor Inc. including (a) net income (loss) attributable to GCMH, excluding (b) provision for income taxes, (c) changes in fair value of derivatives and warrant liabilities, (d) amortization expense, (e) partnership interest-based and non-cash compensation, (f) equity-based compensation, including cash-settled equity awards (as we view the cash settlement as a separate capital transaction), (g) unrealized investment income, (h) changes in TRA liability and (i) certain other items that we believe are not indicative of our core performance, including charges related to corporate transactions, employee severance and New York office relocation costs.

Adjusted Net Income represents Adjusted Pre-Tax Income fully taxed at each period's blended statutory tax rate.

Adjusted EBITDA represents Adjusted Net Income excluding (a) adjusted income taxes, (b) depreciation and amortization expense and (c) interest expense on our outstanding debt.

The Company is a holding company with no material assets other than its indirect ownership of equity interests in GCMH and certain deferred tax assets. The GCMH Equityholders may from time to time cause GCMH to redeem any or all of their GCMH common units in exchange, at the Company's election, for either cash (based on the market price for a share of the Class A common stock) or shares of Class A common stock. As such, net income (loss) attributable to noncontrolling interests in GCMH is added back in order to reflect the full economics of the underlying business as if GCMH Equityholders converted their interests to shares of Class A common stock. Other noncontrolling interests do not have the ability to convert those interests into equity interests of the Company, and as such, income (loss) attributable to these noncontrolling interests are not adjusted for in our non-GAAP financial measures.

We believe Adjusted Pre-Tax Income, Adjusted Net Income and Adjusted EBITDA are useful to investors because they provide additional insight into the operating profitability of our core business across reporting periods. These measures (1) present a view of the economics of the underlying business as if GCMH Equityholders converted their interests to shares of Class A common stock and (2) adjust for certain non-cash and other activity in order to provide more comparable results of the core business across reporting periods. These measures are used by management in budgeting, forecasting and evaluating operating results.

The following table shows reconciliations of net income attributable to GCM Grosvenor Inc. and Adjusted Pre-Tax Income, Adjusted Net Income and Adjusted EBITDA for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Three Months Ended September 30,	Nine Months Ended September 30,
----------------------------------	---------------------------------

		2023	2022	2023	2022
		(in thousands, unaudited)			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
		(in thousands, unaudited)			
		(in thousands, unaudited)			
		(in thousands, unaudited)			
Adjusted Pre-Tax Income & Adjusted Net Income	Adjusted Pre-Tax Income & Adjusted Net Income				
Net income attributable to GCM Grosvenor Inc.		\$	5,898	\$	3,099
				\$	9,516
				\$	15,430
Net income (loss) attributable to GCM Grosvenor Inc.					
Net income (loss) attributable to GCM Grosvenor Inc.					
Net income (loss) attributable to GCM Grosvenor Inc.					
Plus:		Plus:			
Net income (loss) attributable to noncontrolling interests in GCMH		10,385	9,347	(48,800)	45,246
Plus:					
Plus:					
Net loss attributable to noncontrolling interests in GCMH					
Net loss attributable to noncontrolling interests in GCMH					
Net loss attributable to noncontrolling interests in GCMH					
Provision for income taxes					
Provision for income taxes					
Provision for income taxes	Provision for income taxes	3,339	2,789	5,811	7,133
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	352	3,790	(2,322)	(17,872)
Change in fair value of warrant liabilities					
Change in fair value of warrant liabilities					
Amortization expense					
Amortization expense					
Amortization expense	Amortization expense	328	579	985	1,737
Severance	Severance	1,121	421	5,883	1,202
Severance					
Severance					
Transaction expenses ⁽¹⁾					
Transaction expenses ⁽¹⁾					
Transaction expenses ⁽¹⁾	Transaction expenses ⁽¹⁾	(441)	346	6,318	2,050

Changes in TRA liability and other ⁽²⁾	Changes in TRA liability and other ⁽²⁾	335	168	803	295
Changes in TRA liability and other ⁽²⁾					
Changes in TRA liability and other ⁽²⁾					
Partnership interest-based compensation					
Partnership interest-based compensation					
Partnership interest-based compensation	Partnership interest-based compensation	14,958	7,329	89,182	21,471
Equity-based compensation	Equity-based compensation	3,437	5,706	33,045	21,191
Equity-based compensation					
Equity-based compensation					
Other non-cash compensation					
Other non-cash compensation					
Other non-cash compensation	Other non-cash compensation	381	321	915	1,157
Less:	Less:				
Unrealized investment (income) loss, net of noncontrolling interests		(2,152)	815	(7,937)	(3,208)
Less:					
Less:					
Unrealized investment income, net of noncontrolling interests					
Unrealized investment income, net of noncontrolling interests					
Unrealized investment income, net of noncontrolling interests					
Non-cash carried interest compensation					
Non-cash carried interest compensation					
Non-cash carried interest compensation	Non-cash carried interest compensation	(439)	478	(37)	89
Adjusted Pre-Tax Income	Adjusted Pre-Tax Income	37,502	35,188	93,362	95,921
Adjusted Pre-Tax Income					
Adjusted Pre-Tax Income					
Less:					
Less:					
Less:	Less:				
Adjusted income taxes ⁽³⁾	Adjusted income taxes ⁽³⁾	(9,075)	(8,621)	(22,593)	(23,501)
Adjusted income taxes ⁽³⁾					
Adjusted income taxes ⁽³⁾					
Adjusted Net Income					
Adjusted Net Income					
Adjusted Net Income	Adjusted Net Income	\$ 28,427	\$ 26,567	\$ 70,769	\$ 72,420
Adjusted EBITDA	Adjusted EBITDA				
Adjusted EBITDA					
Adjusted EBITDA					
Adjusted Net Income					
Adjusted Net Income					
Adjusted Net Income	Adjusted Net Income	\$ 28,427	\$ 26,567	\$ 70,769	\$ 72,420

Plus:	Plus:				
Plus:					
Plus:					
Adjusted income taxes ⁽³⁾					
Adjusted income taxes ⁽³⁾					
Adjusted income taxes ⁽³⁾	Adjusted income taxes ⁽³⁾	9,075	8,621	22,593	23,501
Depreciation expense	Depreciation expense	370	382	1,069	1,176
Depreciation expense					
Depreciation expense					
Interest expense					
Interest expense					
Interest expense	Interest expense	5,688	5,797	18,025	16,672
Adjusted EBITDA	Adjusted EBITDA	\$ 43,560	\$ 41,367	\$ 112,456	\$ 113,769
Adjusted EBITDA					
Adjusted EBITDA					

- (1) Represents 2023 2024 and 2022 2023 expenses related to contemplated corporate transactions.
- (2) For the three and nine months ended September 30, 2023 March 31, 2024, includes \$0.3 million \$0.9 million of New York office relocation costs.
- (3) Represents corporate income taxes at a blended statutory rate of 24.2% 24.7% and 24.5% 24.2% applied to Adjusted Pre-Tax Income for the three and nine three months ended September 30, March 31, 2024 and 2023, and 2022, respectively. The 24.2% 24.7% and 24.5% 24.2% are based on a federal statutory rate of 21.0% and a combined state, local and foreign rate net of federal benefits of 3.2% 3.7% and 3.5% 3.2%, respectively.

Adjusted Net Income Per Share

Adjusted net income per share is a non-GAAP measure that is calculated by dividing Adjusted Net Income by adjusted shares outstanding. Adjusted shares outstanding assumes the hypothetical full exchange of limited partnership interests in GCMH into Class A common stock of GCM Grosvenor Inc., the dilution from outstanding warrants for Class A common stock of GCM Grosvenor Inc. and the dilution from outstanding equity-based compensation. We believe adjusted net income per share is useful to investors because it enables them to better evaluate per-share performance across reporting periods.

The following table shows a reconciliation of diluted weighted-average shares of Class A common stock outstanding to adjusted shares outstanding used in the computation of adjusted net income per share for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,		Three Months Ended March 31,	
		Three Months Ended March 31,		Three Months Ended March 31,	
		Three Months Ended March 31,		Three Months Ended March 31,	
	\$000, except per share amounts	2023	2022	2023	2022
(in thousands, except share and per share amounts; unaudited)					
\$000, except per share amounts					
\$000, except per share amounts					
(in thousands, except share and per share amounts; unaudited)					
(in thousands, except share and per share amounts; unaudited)					
(in thousands, except share and per share amounts; unaudited)					
Adjusted Net Income Per Share	Adjusted Net Income Per Share				
Adjusted Net Income	Adjusted Net Income	\$ 28,427	\$ 26,567	\$ 70,769	\$ 72,420
Adjusted Net Income					
Adjusted Net Income					
Weighted-average shares of Class A common stock outstanding - basic					

Weighted-average shares of Class A common stock outstanding - basic					
Weighted-average shares of Class A common stock outstanding - basic	Weighted-average shares of Class A common stock outstanding - basic	43,467,609	43,518,580	43,189,001	44,401,559
Exchange of partnership units	Exchange of partnership units	144,235,246	144,235,246	144,235,246	144,235,246
Assumed vesting of RSUs - incremental shares under the treasury stock method		294,593	145,659	—	327,721
Exchange of partnership units					
Exchange of partnership units					
Weighted-average shares of Class A common stock outstanding - diluted	Weighted-average shares of Class A common stock outstanding - diluted	187,997,448	187,899,485	187,424,247	188,964,526
Effective RSUs, if antidilutive for GAAP		—	—	633,208	—
Weighted-average shares of Class A common stock outstanding - diluted					
Weighted-average shares of Class A common stock outstanding - diluted					
Effect of RSUs, if antidilutive for GAAP					
Effect of RSUs, if antidilutive for GAAP					
Effect of RSUs, if antidilutive for GAAP					
Adjusted shares - diluted					
Adjusted shares - diluted					
Adjusted shares - diluted	Adjusted shares - diluted	187,997,448	187,899,485	188,057,455	188,964,526
Adjusted Net Income Per Share - Diluted	Adjusted Net Income Per Share - Diluted	\$ 0.15	\$ 0.14	\$ 0.38	\$ 0.38
Adjusted Net Income Per Share - Diluted					
Adjusted Net Income Per Share - Diluted					

Fee-Related Revenue and Fee-Related Earnings

Fee-Related Revenue ("FRR") is a non-GAAP measure used to highlight revenues from recurring management fees and administrative fees. FRR represents total operating revenues less (1) incentive fees and (2) fund reimbursement revenue. We believe FRR is useful to investors because it provides additional insight into our relatively stable management fee base separate from incentive fee revenues, which tend to have greater variability.

Fee-Related Earnings ("FRE") is a non-GAAP metric used to highlight earnings from recurring management fees and administrative fees. FRE represents adjusted EBITDA further adjusted to exclude (a) incentive fees and related compensation and (b) other non-operating income, and to include depreciation expense. We believe FRE is useful to investors because it provides additional insights into the management fee driven operating profitability of our business.

The following table shows reconciliations of Total Operating Revenues to Fee-Related Revenue for the three and nine months ended September 30, 2023, March 31, 2024 and 2022, 2023:

Three Months Ended September 30,	Nine Months Ended September 30,
----------------------------------	---------------------------------

		2023	2022	2023	2022
(in thousands, unaudited)					
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
		(in thousands, unaudited)			
		(in thousands, unaudited)			
		(in thousands, unaudited)			
Fee Related Revenue					
Total Operating Revenues					
Total Operating Revenues					
Total Operating Revenues	Total Operating Revenues	\$ 121,714	\$ 137,214	\$ 328,443	\$ 346,702
Less:	Less:				
Less:					
Less:					
Incentive fees					
Incentive fees					
Incentive fees	Incentive fees	(26,073)	(45,467)	(44,884)	(67,964)
Fund reimbursement revenue	Fund reimbursement revenue	(3,658)	(3,115)	(10,799)	(7,986)
Fund reimbursement revenue					
Fund reimbursement revenue					
Fee-Related Revenue	Fee-Related Revenue	\$ 91,983	\$ 88,632	\$ 272,760	\$ 270,752
Fee-Related Revenue					
Fee-Related Revenue					

The following table shows reconciliations of Adjusted EBITDA to Fee-Related Earnings for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		(in thousands, unaudited)			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
		(in thousands, unaudited)			
		(in thousands, unaudited)			
		(in thousands, unaudited)			
Adjusted EBITDA	Adjusted EBITDA	\$ 43,560	\$ 41,367	\$ 112,456	\$ 113,769
Less:	Less:				
Less:					
Less:					
Incentive fees					
Incentive fees					
Incentive fees	Incentive fees	(26,073)	(45,467)	(44,884)	(67,964)

Depreciation expense	Depreciation expense	(370)	(382)	(1,069)	(1,176)
Other non-operating income		(439)	(87)	(1,611)	(88)
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries		(554)	(526)	(1,393)	(3,983)
Depreciation expense					
Depreciation expense					
Other non-operating expense					
Other non-operating expense					
Other non-operating expense					
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁽¹⁾					
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁽¹⁾					
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁽¹⁾					
Plus:					
Plus:					
Plus:	Plus:				
Incentive fee-related compensation	Incentive fee-related compensation	18,928	32,835	32,108	47,931
Carried interest attributable to other noncontrolling interest holders		1,385	3,627	4,003	7,148
Incentive fee-related compensation					
Incentive fee-related compensation					
Carried interest attributable to other noncontrolling interest holders, net					
Carried interest attributable to other noncontrolling interest holders, net					
Carried interest attributable to other noncontrolling interest holders, net					
Fee-Related Earnings	Fee-Related Earnings	\$ 36,437	\$ 31,367	\$ 99,610	\$ 95,637
Fee-Related Earnings					
Fee-Related Earnings					

(1) Investment income or loss is generally realized when the Company redeems all or a portion of its investment or when the Company receives or is due cash, such as a from dividends or distributions.

Liquidity and Capital Resources

We have historically financed our operations and working capital through net cash provided by operating activities and borrowings under our Term Loan Facility and Revolving Credit Facility (each as defined below). As of **September 30, 2023** **March 31, 2024**, we had **\$55.4 million** **\$41.9 million** of cash and cash equivalents and available borrowing capacity of \$50.0 million under our Revolving Credit Facility. On July 29, 2022, the SEC declared effective our Registration Statement on Form S-3, pursuant to which the Company may issue a combination of securities described in the prospectus in one or more offerings from time to time. Our primary cash needs are to fund working capital requirements, invest in growing our business, make investments in GCM Funds, make scheduled principal payments and interest payments on our outstanding indebtedness, pay dividends to holders of our Class A common stock, and pay tax distributions to members. Additionally, as a result of the Transaction, we need cash to make payments under the Tax Receivable Agreement. We expect that our cash flow from operations, current cash and cash equivalents and available borrowing capacity under our Revolving Credit Facility will be sufficient to fund our operations and planned capital expenditures and to service our debt obligations for the next twelve months and the foreseeable future.

We are required to maintain minimum net capital balances for regulatory purposes for **certain of our Japan, Hong Kong and United Kingdom foreign** subsidiaries as well as our U.S. broker-dealer subsidiary. These net capital requirements are met by retaining cash. As a result, we may be restricted in our ability to transfer cash between different operating entities and jurisdictions. As of **September 30, 2023** **March 31, 2024** we are in compliance with these regulatory requirements.

Cash Flows

- proceeds received from investments of \$6.9 million \$1.9 million and \$18.7 million \$3.0 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Net Cash Used in Investing Activities

Net cash used in investing activities was \$(13.0) \$(8.7) million and \$(10.3) \$(4.7) million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. These investing cash flows were primarily driven by:

- purchases of premises and equipment of \$(4.2) million and \$(0.2) million during the three months ended March 31, 2024 and 2023, respectively;
- contributions/subscriptions to investments of \$(21.1) \$(6.0) million and \$(23.2) \$(8.5) million during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively; partially offset by
- distributions received from investments of \$9.4 million \$1.6 million and \$14.2 million \$4.0 million during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Net Cash Used in Financing Activities

Net cash used in financing activities was \$(80.9) \$(17.2) million and \$(140.2) \$(13.7) million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. These financing cash flows were primarily driven by:

- capital distributions paid to partners and member of \$(39.0) million and \$(71.7) \$(7.9) million during the nine three months ended September 30, 2023 and September 30, 2022, respectively; March 31, 2024;
- capital distributions paid to noncontrolling interest holders of \$(10.5) \$(3.9) million and \$(23.6) \$(5.0) million during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively;
- principal payments on the Term Loan Facility of \$(3.0) \$(1.0) million during each of the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023;
- payments to repurchase Class A common stock of \$(4.5) million and \$(20.5) \$(3.3) million during the nine three months ended September 30, 2023 and 2022, respectively;
- the repurchase of warrants of \$(2.6) million during the nine months ended September 30, 2022 March 31, 2023;
- the settlement of equity-based compensation to satisfy withholding tax requirements of \$(10.2) million and \$(6.4) million during the nine months ended September 30, 2023 and September 30, 2022, respectively; and
- dividends paid of \$(15.6) \$(4.7) million and \$(13.8) \$(4.6) million during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Indebtedness

On January 2, 2014, GCMH entered into a credit agreement (as amended, amended and restated, supplemented or otherwise modified, the "Credit Agreement") that provides GCMH with a senior secured term loan facility (the "Term Loan Facility") and a \$50.0 million revolving credit facility (the "Revolving Credit Facility" and, together with the Term Loan Facility, the "Senior Secured Credit Facilities"). Under the Revolving Credit Facility, \$15.0 million is available for letters of credit and \$10.0 million is available for swingline loans.

On February 24, 2021, we entered into an amended Credit Agreement, which among other things reduced the interest rate margin and extended the maturity dates of our Term Loan Facility. Concurrently with the amendment, we also made a voluntary prepayment on the Term Loan Facility in an aggregate principal amount of \$50.3 million. The maturity date of all of the outstanding borrowings under the Term Loan Facility is February 24, 2028, and the maturity date for the full amount of the Revolving Credit Facility is February 24, 2026.

On June 23, 2021, the Company further amended its Term Loan Facility to increase the aggregate principal amount from \$290.0 million to \$400.0 million. On June 29, 2023, the Company entered into Amendment No. 7 to the Credit Agreement to incorporate changes for the contemplated transition to the Term Secured Overnight Financing Rate ("Term SOFR"), and on July 1, 2023, in conjunction with a Benchmark Transition Event, the interest rate defaulted to the Term SOFR plus a

Benchmark Replacement Adjustment as recommended by the Relevant Governmental Body (all terms as defined in the Amended Credit Agreement). As of September 30, 2023 March 31, 2024, GCMH had borrowings of \$390.0 million \$388.0 million outstanding under the Term Loan Facility and no outstanding balance under the Revolving Credit Facility. As of September 30, 2023 March 31, 2024, we had available borrowing capacity of \$50.0 million under our Revolving Credit Facility.

See Note 11 of our Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q for a summary of our outstanding indebtedness.

The terms of the Company's current debt instruments contain covenants that may restrict the Company and its subsidiaries from paying distributions to its members. As a holding company, we are dependent upon the ability of GCMH to make distributions to its members, including us. However, the ability of GCMH to make such distributions is subject to its operating results, cash requirements and financial condition, restrictive covenants in our debt instruments and applicable Delaware law. These restrictions include restrictions on the payment of distributions whenever the payment of such distributions would cause GCMH to no longer be in compliance with any of its financial covenants under the Term Loan Facility. Absent an event of default under the Credit Agreement governing the terms of the Term Loan Facility, GCMH may make unlimited distributions when the Total Leverage Ratio (as defined in the Credit Agreement) is below 2.75x stated thresholds. As of September 30, 2023 March 31, 2024, the Total Leverage Ratio was below 2.75x such stated thresholds and the Company was in compliance with all financial covenants.

See Note 12 of our Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q for a summary of our interest rate derivatives to hedge interest rate risk related to the Company's outstanding indebtedness. Effective November 1, 2022, the Company terminated the existing interest rate derivatives and received \$40.3 million of cash for the fair market value of the swaps at termination. Also effective on November 1, 2022, the Company entered into a new swap agreement to hedge interest rate risk related the outstanding indebtedness that has a notional amount of \$300 million and a fixed rate of 4.37%.

Dividend Policy

We are a holding company with no material assets other than our indirect ownership of equity interests in GCMH and certain deferred tax assets. As such, we do not have any independent means of generating revenue. However, management of GCM Grosvenor expects to cause GCMH to make distributions to its members, including us, in an amount at least sufficient to allow us to pay all applicable taxes, to make payments under the Tax Receivable Agreement, and to pay our corporate and other overhead expenses. On November 7, 2023 May 6, 2024, we GCMG's Board of Directors declared a quarterly dividend of \$0.11 per share of Class A common stock to record holders as of the close of business on December 1, 2023 June 3, 2024. The payment date will be December 15, 2023 June 17, 2024. The payment of cash dividends on shares of our Class A common stock in the future, in this amount or otherwise, will be within the discretion of GCMG's Board of Directors at such time.

Stock Repurchase Plan

On August 6, 2021, GCMG's Board of Directors authorized a stock repurchase plan which may be used to repurchase the Company's outstanding Class A common stock and warrants to purchase Class A common stock. Our Class A common stock and warrants may be repurchased from time to time in open market transactions, in privately negotiated transactions, including with employees or otherwise, pursuant to the requirements of Rule 10b5-1 and Rule 10b-18 of the Exchange Act, as well as to retire (by cash settlement or the payment of tax withholding amounts upon net settlement) equity-based awards granted under our 2020 Incentive Award Plan, as amended and restated (and any successor plan thereto), with the terms and conditions of these repurchases depending on legal requirements, price, market and economic conditions and other factors. We are not obligated under the terms of the program to repurchase any of our Class A common stock or warrants, the program has no expiration date and we may suspend or terminate the program at any time without prior notice. Any shares of Class A common stock and any warrants repurchased as part of this program will be canceled. GCMG's Board of Directors has made subsequent increases to

its stock repurchase authorization for shares and warrants. As of December 31, 2022 December 31, 2023, the total authorization was \$90.0 \$115.0 million, excluding fees and expenses. On August 8, 2023 February 8, 2024, GCM Grosvenor's GCMG's Board of Directors increased the firm's existing share repurchase authorization by \$25 million, from \$90 \$115 million to \$115 \$140 million.

For the nine three months ended September 30, 2023 March 31, 2024, we spent \$25.8 million \$0.1 million to reduce Class A shares to be issued to employees to satisfy tax obligations in connection with the settlement of RSUs. We also spent \$4.5 million during the nine months ended September 30, 2023 to repurchase No shares of Class A common Stock. No stock or warrants were repurchased during the three and nine three months ended September 30, 2023 March 31, 2024. As of September 30, 2023 March 31, 2024, \$40.2 million \$65.0 million remained available under our stock repurchase plan.

In April 2024, the Company repurchased 3,021,060 shares for RSUs that were settled in cash, including amounts withheld in connection with the payment of tax withholding obligations, for \$28.0 million, or an average of \$9.28 per share. As of April 30, 2024, the Company had \$37.0 million remaining under the stock repurchase plan.

We review our capital return plan on an on-going basis, considering our financial performance and liquidity position, investments required to execute our strategic plans and initiatives, acquisition opportunities, the economic outlook, regulatory changes and other relevant factors. As these factors may change over time, the actual amounts expended on repurchase activity, dividends, and acquisitions, if any, during any particular period cannot be predicted and may fluctuate from time to time.

Tax Receivable Agreement

Exchanges of Grosvenor common units by limited partners of GCMH will result in increases in the tax basis in our share of the assets of GCMH and its subsidiaries that otherwise would not have been available. These increases in tax basis are expected to increase our depreciation and amortization deductions and create other tax benefits, and therefore may reduce the amount of tax that we would otherwise be required to pay in the future. The Tax Receivable Agreement requires us to pay 85% of the amount of these and certain other tax benefits, if any, that we realize (or are deemed to realize in certain circumstances) to the TRA Parties. As of September 30, 2023 March 31, 2024, the amount payable to related parties pursuant to the Tax Receivable Agreement was \$55.4 million \$53.8 million.

Contractual Obligations, Commitments and Contingencies

In June 2023, January 2024, the Company executed an agreement to lease office space for its New York office which will replace the existing New York office United Kingdom space. See Note 13 in the notes to the Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q for a summary of the lease payments. There are no other material changes outside of the ordinary course of business in our contractual obligations, commitments and contingencies from those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023.

Critical Accounting Policies

The preparation of our Condensed Consolidated Financial Statements requires us to make estimates that affect the reported amounts of assets, liabilities, revenue and expenses. We base our judgments on our historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making estimates about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

For a more complete discussion of the accounting judgments and estimates that we have identified as critical in the preparation of our Condensed Consolidated Financial Statements, please refer to Note 2 in the notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

Our critical accounting policies are more fully described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. There have been no material changes to our risk factors since our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Recent Accounting Pronouncements

Information regarding recent accounting developments and their impact on our results can be found in Note 2 in the notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are exposed to a broad range of risks inherent in the financial markets in which we participate, including price risk, interest-rate risk, access to and cost of financing risk, liquidity risk, counterparty risk and foreign exchange-rate risk. Potentially negative effects of these risks may be mitigated to a certain extent by those aspects of our investment approach, investment strategies, fundraising practices or other business activities that are designed to benefit, either in relative or absolute terms, from periods of economic weakness, tighter credit or financial market dislocations.

Our predominant exposure to market risk is related to our role as general partner or investment manager for our funds and the sensitivity to movements in the fair value of their investments, which may adversely affect our investment income, management fees, and incentive fees, as applicable.

There have been no material changes in our market risks during the **nine** **three** months ended **September 30, 2023** **March 31, 2024**. For additional information, refer to our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**.

ITEM 4. CONTROLS AND PROCEDURES

Limitations on effectiveness of controls and procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of disclosure controls and procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of **September 30, 2023** **March 31, 2024**.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended **September 30, 2023** **March 31, 2024** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are a defendant in various lawsuits related to our business. We do not believe that the outcome of any current litigation will have a material effect on our condensed consolidated statements of financial condition or statements of income.

In the normal course of business, we may enter into contracts that contain a number of representations and warranties, which may provide for general or specific indemnifications. The Company's exposure under these contracts is not currently known, as any such exposure would be based on future claims, which could be made against us. We are not currently aware of any such pending claims and based on our experience, we believe the risk of loss related to these arrangements to be remote.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors since our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

The following table represents our purchases **During the three months ended March 31, 2024, we did not purchase any shares of Class A common stock and warrants during** **the three months ended September 30, 2023 for the periods indicated:**

	Total Number of Warrants/Shares Purchased		Average Price		Total Number of Warrants Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Approximate Dollar Value of Shares that May Yet Be Purchased under the Plans or Programs ⁽³⁾
	Warrants ⁽¹⁾	Common Stock	Paid Per Warrant	Average Price Paid Per Share			
July 1-31, 2023	—	—	\$ —	\$ —	—	—	\$ 21,614,687
August 1-31, 2023	—	—	\$ —	\$ —	—	—	\$ 40,190,359
September 1-30, 2023	—	—	\$ —	\$ —	—	—	\$ 40,190,359
Total	—	—			—	—	

- (1) Represents warrants to purchase shares of Class A common stock, purchased pursuant to a stock repurchase plan, as described in note (3) below.
- (2) Excludes 804,046 shares of Class A common stock equivalents purchased for \$6.4 million during the three months ended September 30, 2023 that we are deemed to have been repurchased in conjunction with the payment of tax liabilities in respect of stock delivered to our employees in settlement of vested RSUs.
- (3) On August 6, 2021, GCMG's Board of Directors authorized a stock repurchase plan (the "Repurchase Plan") which may be used to repurchase shares of our outstanding Class A common stock and warrants to purchase shares of our Class A common stock, as well as to retire (by cash settlement or the payment of tax withholding amounts upon net settlement) equity-based awards granted under our 2020 Incentive Award Plan (and any successor equity plan thereto). GCMG's Board of Directors has made subsequent increases to its stock repurchase authorization for shares and warrants. As of December 31, 2022, the total authorization was \$90.0 million, excluding fees and expenses. On August 8, 2023, GCM Grosvenor's Board of Directors increased the firm's existing share repurchase authorization by \$25 million, from \$90 million to \$115 million. The dollar value of shares that may yet be repurchased is reduced for the deemed repurchases of common stock equivalents discussed in note (2) above. plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.

None.

(b) Material changes to the procedures by which security holders may recommend nominees to the board of directors.

None.

(c) Insider Trading Arrangements and Policies.

During the third first quarter of 2023, 2024, none of the Company's directors or executive officers adopted or terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as each term is defined in Item 408(c) of Regulation S-K, except as specified below).

On September 15, 2023, Pamela Bentley, the Company's Chief Financial Officer, adopted a trading plan for the sale of shares of the Company's Class A common stock, which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act. The plan expires on the earlier of (i) March 15, 2024 or (ii) the completion of the sale of the maximum number of shares under the plan. The aggregate number of shares to be sold under the plan is 125,000 shares. S-K.

ITEM 6. EXHIBITS

The following is a list of exhibits filed as part of this Quarterly Report on Form 10-Q.

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed/ Furnished Herewith
		Form	File No.	Exhibit	
2.1†	Transaction Agreement, dated as of August 2, 2020, by and among CF Finance Acquisition Corp., CF Finance Intermediate Acquisition, LLC, CF Finance Holdings, LLC, Grosvenor Holdings, L.L.C., GCM Grosvenor Holdings, LLC, Grosvenor Capital Management Holdings, LLLP, GCM Grosvenor Management, LLC, Grosvenor Holdings II, L.L.C., GCMH GP, L.L.C., GCM V, LLC, and GCM Grosvenor Inc.	8-K/A	001-38759	2.1	08/04/20
3.1	Amended and Restated Certificate of Incorporation of GCM Grosvenor Inc.	8-K	001-39716	3.1	11/20/20

3.2	Amended and Restated Bylaws of GCM Grosvenor Inc.	8-K	001-39716	3.2	11/20/20	
4.1	Warrant Agreement, dated December 12, 2018, between Continental Stock Transfer & Trust Company and CF Finance Acquisition Corp.	8-K	001-38759	4.1	12/17/18	
31.1	Chief Executive Officer Certifications pursuant to Section 302 of the Sarbanes Oxley Act of 2002					*
31.2	Chief Financial Officer Certifications pursuant to Section 302 of the Sarbanes Oxley Act of 2002					*
32.1	Chief Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002					**
32.2	Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002					**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

Exhibit Number	Exhibit Description	Incorporated by Reference			Filing Date	Filed/ Furnished Herewith
		Form	File No.	Exhibit		
2.1†	Transaction Agreement, dated as of August 2, 2020, by and among CF Finance Acquisition Corp., CF Finance Intermediate Acquisition, LLC, CF Finance Holdings, LLC, Grosvenor Holdings, L.L.C., GCM Grosvenor Holdings, LLC, Grosvenor Capital Management Holdings, LLLP, GCM Grosvenor Management, LLC, Grosvenor Holdings II, L.L.C., GCMH GP, L.L.C., GCM V, LLC, and GCM Grosvenor Inc.	8-K/A	001-38759	2.1	08/04/20	
3.1	Amended and Restated Certificate of Incorporation of GCM Grosvenor Inc.	8-K	001-39716	3.1	11/20/20	
3.2	Amended and Restated Bylaws of GCM Grosvenor Inc.	8-K	001-39716	3.2	11/20/20	
4.1	Warrant Agreement, dated December 12, 2018, between Continental Stock Transfer & Trust Company and CF Finance Acquisition Corp.	8-K	001-38759	4.1	12/17/18	
10.1	Acknowledgment and Agreement, effective as of March, 1, 2024, between Frederick E. Pollock and Grosvenor Capital Management, L.P.					*
31.1	Chief Executive Officer Certifications pursuant to Section 302 of the Sarbanes Oxley Act of 2002					*
31.2	Chief Financial Officer Certifications pursuant to Section 302 of the Sarbanes Oxley Act of 2002					*
32.1	Chief Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002					**
32.2	Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002					**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.

** Furnished herewith.

† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 9, 2023 May 8, 2024

GCM GROSVENOR INC.

By: /s/ Michael J. Sacks
Michael J. Sacks
Chief Executive Officer
(Principal Executive Officer)

Date: November 9, 2023 May 8, 2024

GCM GROSVENOR INC.

By: /s/ Pamela L. Bentley
Pamela L. Bentley
Chief Financial Officer
(Principal Financial Officer)

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Exhibit 10.1

ACKNOWLEDGMENT AND AGREEMENT

This ACKNOWLEDGMENT AND AGREEMENT, effective as of March 1, 2024, is between Frederick E. Pollock (“Employee”) and Grosvenor Capital Management, L.P., an Illinois limited partnership (“Employer”).

WHEREAS, Employee and Employer are parties to that certain Second Amended and Restated Employment and Protective Covenants Agreement, effective as of May 9, 2023, pursuant to which Employee currently is employed by Employer (as amended, the “Employment Agreement”); and

WHEREAS, pursuant to §5 of the Employment Agreement, Employee shall be entitled to receive Total Cash Compensation for the Bonus Period in respect of Calendar Year 2023 in an amount equal to \$4,500,000; and

WHEREAS, Employer has granted Employee, as of March 1, 2024, 103,030 restricted stock units issued in connection with the GCM Grosvenor Inc. (“GCMG”) long-term incentive plan that vest on August 15, 2024 and will settle in shares of Class A common stock of GCMG (or, at the election of GCMG, in cash) (the “2024 RSU Grant”) on or about August 15, 2024 (the “Delivery Date”); and

NOW, THEREFORE, Employee and Employer acknowledge and agree that the 2024 RSU Grant shall reduce the Total Cash Compensation for the Bonus Period in respect of Calendar Year 2023 by an amount equal to \$850,000.

All capitalized terms shall have the meaning set forth in the Employment Agreement, unless otherwise indicated.

Except as specifically amended or modified by this Acknowledgement and Agreement, the Employment Agreement shall remain in full force and effect according to its terms.

EMPLOYER

Grosvenor Capital Management, L.P.

By: /s/ Burke J. Montgomery
Burke J. Montgomery

EMPLOYEE

/s/ Frederick E. Pollock

Frederick E. Pollock

Exhibit 31.1

CERTIFICATION

I, Michael J. Sacks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GCM Grosvenor Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023 May 8, 2024

By:

/s/ Michael J. Sacks

Michael J. Sacks

Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION

I, Pamela L. Bentley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GCM Grosvenor Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023 May 8, 2024

By:

/s/ Pamela L. Bentley

Pamela L. Bentley

Chief Financial Officer

(principal financial officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of GCM Grosvenor Inc. (the "Company") for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023 May 8, 2024

By:

/s/ Michael J. Sacks

Michael J. Sacks

Chief Executive Officer

(principal executive officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of GCM Grosvenor Inc. (the "Company") for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023 May 8, 2024

By:

/s/ Pamela L. Bentley

Pamela L. Bentley

Chief Financial Officer

(principal financial officer)

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