

GCM GROSVENOR

LABOR IMPACT FUND, L.P.

2020 LABOR AND ECONOMIC IMPACT REPORT



GCM GROSVENOR

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Overview



Introduction

Labor Impact Fund, L.P.

In 2020, the global pandemic upended everyone’s way of life, and the year proved to be especially challenging for many working families and small business owners in the U.S. and Canada. Against this backdrop, the Labor Impact Fund (LIF) was able to deploy capital in investments that are expected to achieve quality risk-adjusted returns, while producing considerable economic opportunity for working people. And while we continue to face larger challenges associated with the pandemic, it is still rewarding to see the strategy thrive and produce, even at its early stages.

This report illustrates the fund’s impact by reviewing its 2020 investment activities. In doing so, we are able to estimate not only the direct union job creation related to the fund’s investments, but also the substantial indirect economic impact benefitting local, state and federal governments.

As we look forward in 2021 and beyond, the LIF Team is optimistic about the potential return profile of the opportunities in the pipeline, as well as the labor impact associated with them. As we source and execute on these opportunities, we will continue to seek quality risk-adjusted returns, maintain our commitment to the investment strategy, and continue to lead with our Responsible Contractor Policy to enable positive returns and labor impact.



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

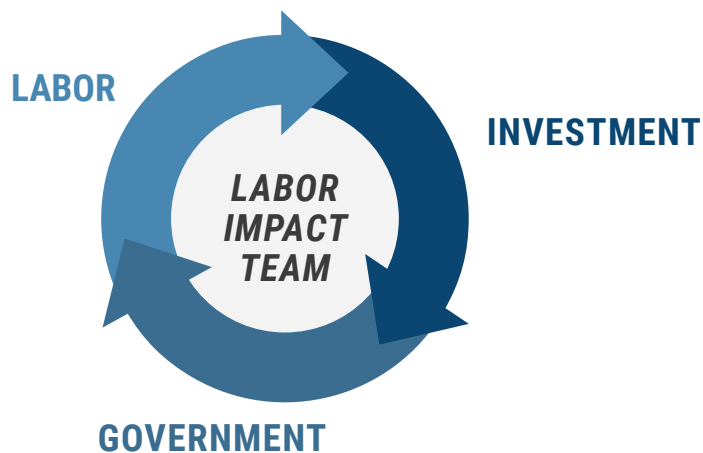
Philosophy and Approach

Labor Impact Fund, L.P.

We believe attractive infrastructure investment opportunities are more likely to be unlocked through close partnership among labor, government, and private capital.

We view this collaboration as a way to support investment returns by ensuring that we have a highly skilled and qualified labor force performing work on infrastructure assets.

LIF believes that we can deliver better results for our investors by utilizing the most skilled workers, which enables us to construct higher quality assets on time and on budget.



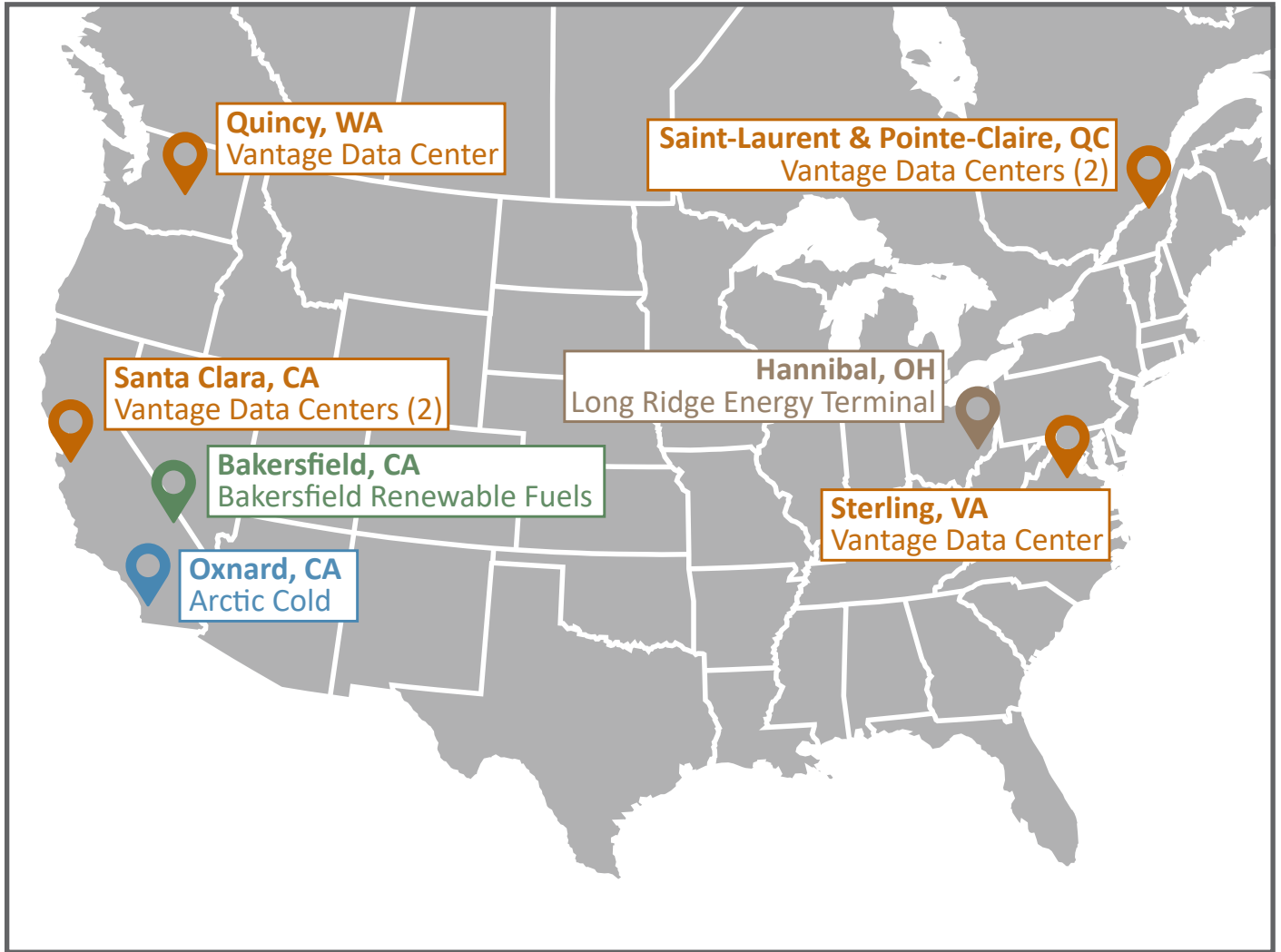
GCM Grosvenor has assembled a dedicated Labor Impact team that integrates investment, labor, and government expertise to source and execute infrastructure investments that align with our investors' priorities.

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

Investment Footprint

Labor Impact Fund, L.P.

To date, the Labor Impact Fund has executed investments across four infrastructure assets, providing significant industry, sector, and geographic diversity.



Responsible Contracting

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

The policy covers project construction, renovation, operation, and maintenance, and is among the strongest in the industry, reflecting its continued collaboration with leaders in the labor community.

Policy Provisions

- + Competitive bidding process
- + Use of signatory/responsible contractors
- + Promoting the use of project labor agreements
- + Recognition of the rights of workers
- + Partners have a demonstrated history of fair labor practices
- + Providing advanced notice to contractors and local building trades organizations



North America's Building Trades Unions

In 2020, NABTU evaluated real estate and infrastructure asset managers on the content and commitment demonstrated in their responsible contractor practices and policies.

We received the second-highest grade among responding managers.

We received a perfect score in 8 of the 10 categories assessed.

“

GCM Grosvenor's Responsible Contractor Policy is as good as any we have seen for workers and communities, if not better.”

– Sean McGarvey, NABTU President

Investment Impact Summaries



Portfolio-wide Impact Summary

Labor Impact Fund, L.P.

Even at their early stages, initial LIF investments have created significant labor and economic impact. The following statistics highlight the projected portfolio-wide impact to date:

1,473,039

Union work-hours created in 2020

2,848,063

Projected union work-hours created during asset development

5,802

Estimated direct, induced and indirect jobs created

\$896,812,826

Total projected wages earned

\$258,134,254

Expected realized tax revenue (local, state, federal)

\$2,193,083,571

Total projected economic impact

In order to determine the economic impacts associated with its investments, LIF utilized the IMPLAN Input-Output model. For more information on IMPLAN, see Appendix.

Data as of December 31, 2020

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Long Ridge Energy Terminal

Labor Impact Fund, L.P. Investment Summary



In 2019, LIF invested \$155 million to partner in the development and construction of the Long Ridge Energy Terminal (LRET).



Long Ridge Energy Terminal	
Location	Hannibal, OH
LIF Investment	\$155 mm
Total Project Cost	\$800 mm
Project Status	Under Construction
Percent Complete	76%

Long Ridge, the Appalachian Basin’s leading multimodal energy terminal, is located on 1,660 acres in Hannibal, Ohio and includes a 485 MW power plant currently under construction, nearly 300 acres of available flat land, several barge docks on the Ohio River, a unit train capable loop track and direct truck access to Ohio Route 7.

Project Highlights

LRET is a unique asset with many attractive attributes. The most significant opportunity at LRET is the 485 MW combined cycle gas-fired power plant currently under construction. The project is scheduled to be completed and operational by November 2021, with estimated construction costs of \$800 million. The plant sells most of its electricity production (currently ~94% of plant’s capacity) under long-term contracts with creditworthy off-takers.

The combination of the plant’s efficient turbine technology and natural gas cost advantage is expected to make it one of the most economical in the region. The LRET project was deemed by Power Risk & Finance as its Conventional Power Deal of the Year Award for 2019.

Responsible Labor Practices

Construction on LRET is being performed by signatory contractors under the NABTU approved National Construction Agreement.

Sustainability Upside

LRET plans to begin providing carbon-free power to customers as early as the end of 2021 by blending hydrogen into the gas stream, and expects to transition the plant to be capable of burning 100% green hydrogen by 2031.

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

Labor Impact

960,000

Projected total union construction work hours created during construction

562,734

Union work hours created in 2020

16+

Number of trade unions involved in the project

Economic Impact

1,974

Estimated direct, induced and indirect jobs created

\$262,770,490

Projected wages generated

\$82,369,898

Expected realized tax revenue (local, state, federal)

\$810,313,774

Total projected economic impact



“

Working with a partner like the Labor Impact Fund that understands the benefits of utilizing union labor has been a real value-add to the project. Leveraging union capital to build a union project like this is a win-win for everyone.”

– Buddy Malone, Business Manager,
Parkersburg-Marietta Building &
Construction Trades Council

Source: IMPLAN 2019 Data Set. See Appendix for more information.

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Arctic Cold

Labor Impact Fund, L.P. Investment Summary



In August 2019, LIF committed an initial \$60 mm in a Joint Venture (JV) to build and operate a portfolio of cold storage assets on the U.S. west coast.



Phase I - Oxnard

Location	Oxnard, CA
LIF Investment	\$60 mm
Total Project Cost	\$125 mm
Project Status	Under Construction
Percent Complete	5%

The JV initially acquired acreage and is developing cold storage facilities in large produce and seafood production areas of California, and is forming a pipeline of new developments and M&A opportunities across the U.S.

Initial Developments

Initial funding was focused on the pre-development of two large facilities in Oxnard, CA and Santa Maria, CA. They are near agriculturally active regions with increasing demand for cold storage services as well as advantageous proximity to ports, rail, and highways.

Phase I construction began on the 550,000 sq.ft. Oxnard facility in late 2020, with expected completion by the end of 2021. The facility is supported by long-term customer contracts that provide significant cashflow visibility. In addition, the Oxnard location will draw some of its power from sustainable sources, helping to reduce its carbon footprint and lower energy costs.

Pre-development continues on Phase II construction of a new ~320,000 sq.ft. facility in Santa Maria. Once work begins, the construction duration is expected to last about 12 months.

Construction costs are estimated at \$80 million - \$100 million per facility.

Responsible Labor Practices

Through advanced notice to signatory contractors and employing a competitive bidding process, LIF's responsible contractor principles are already having a meaningful impact on the development of the Oxnard facility, with hundreds of thousands of union work hours projected to be created during construction.

JV Highlights

Through the joint venture, LIF expects to deploy \$80 mm - \$100 mm to support facility development and M&A. The management team is led by an experienced developer and operator of cold storage assets who built 15 new facilities and acquired six companies in a 20-year career. We believe the JV provides an opportunity to create a cold storage platform with a compelling investment thesis.

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

Labor Impact

200,000

Projected total union construction work hours created during construction

3,170

Union work hours created in 2020

8+

Number of trade unions involved in the project

Economic Impact

555

Estimated direct, induced and indirect jobs created

\$76,795,291

Projected wages generated

\$23,238,063

Expected realized tax revenue (local, state, federal)

\$171,670,968

Total projected economic impact



“

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

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

Source: IMPLAN 2019 Data Set. See Appendix for more information.

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Bakersfield Renewable Fuels

Labor Impact Fund, L.P. Investment Summary



In May 2020, LIF committed \$85 million in debt financing to BKRF for the retrofitting of an existing oil refinery to a renewable diesel bio-refinery.



BKRF	
Location	Bakersfield, CA
LIF Investment	\$85 mm
Total Project Cost	\$380 mm
Project Status	Under Construction
Percent Complete	5%

The 600-acre site has direct access to end-markets in California as well as feedstock, with rail connectivity to BNSF railroad and truck transfer stations and pipeline connectivity to Los Angeles, San Francisco, and Fresno.

Overview

BKRF will repurpose a former fossil fuel refinery, which has been shuttered since 2012, into a renewable diesel (“RD”) bio-refinery that relies on camelina oil as well as traditional biofuel feedstocks such as waste fats, oils, and greases to produce RD and other renewable products.

RD is an established “drop-in replacement” for diesel fuel and, when compared to conventional diesel, is 100% sustainable and can reduce greenhouse gas emissions by up to 80%. The low-carbon RD will be eligible for environmental credits at the federal and state levels.

Responsible Labor Practices

BKRF’s redevelopment of the facility is expected to take 18 to 24 months, with the primary work being conducted by union trades under a Project Labor Agreement. During construction, the project is estimated to generate 340,000 union work hours across several trades.

In addition, the project also has a Maintenance Labor Agreement to ensure that future maintenance and repairs at the facility will be performed by union trades. This additional agreement will provide substantial ongoing union work-hours for years to come.

Project Highlights

The project is supported by a long-term, take-or-pay offtake agreement with ExxonMobil for 80% of the bio-refinery’s output. The agreement features a feedstock price pass-through and a fixed fee per gallon of RD, which is designed to cover the bio-refinery’s operating costs and debt service. There are no “regulatory outs” in the agreement and ExxonMobil assumes all diesel price, environmental credit price and regulatory risk.

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

Labor Impact

340,000

Projected total union construction work hours created during construction

54,072

Union work hours created in 2020

11+

Number of trade unions involved in the project

Economic Impact

1,015

Estimated direct, induced and indirect jobs created

\$122,541,898

Projected wages generated

\$41,644,834

Expected realized tax revenue (local, state, federal)

\$346,932,594

Total projected economic impact



“

When I heard the Labor Impact Fund was involved, I knew the project would be built right and with proper worker protections. The Project Labor Agreement and Maintenance Labor Agreement help ensure the project is on a path to success.”

– Robbie Hunter, President,
State Building and Construction Trades
Council of California

Source: IMPLAN 2019 Data Set. See Appendix for more information.
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Vantage Data Centers

Labor Impact Fund, L.P. Investment Summary



In November 2020, LIF committed \$70 million in equity capital to Vantage Data Centers' newly-established growth platform to develop, construct, and lease data centers.



Vantage's pipeline of data center opportunities focuses on six markets across the U.S. and Canada. Management has leveraged relationships with hyperscale customers in these markets to sign long-term leases for existing supply and to support the build-out of new capacity.

Vantage North America

Locations	Santa Clara, CA Quincy, WA Ashburn, VA Quebec City/Montreal, ON
LIF Investment	\$70 mm
Total Project Cost	\$417 mm
Project Status	Various campuses under development
Percent Complete	Ongoing

Project Highlights

Vantage's portfolio provides a diverse set of quality opportunities and the company maintains a robust pipeline of development and acquisition opportunities with high probabilities of success.

The Vantage business is bolstered by several macroeconomic tailwinds, including projected increases in data consumption and the continuing trend of cloud migration among businesses and units of government. The COVID-19 pandemic has only further highlighted the demand for data center capacity.

Responsible Labor Practices

LIF is pleased to be partnering with a company that appreciates the value that union labor brings to its projects. LIF's investment will enable Vantage to continue to grow their platform, while maintaining the commitment to union labor. Vantage's growth strategy is expected to generate significant labor impact across a variety of trades as its platform expands across the U.S. and Canada.

Vantage and LIF

Vantage's management team has a proven track record of constructing data centers, executing acquisitions, signing long-term leases, and successfully exiting data center assets.

GCM Grosvenor has a long-standing relationship with Vantage and its management team. This institutional knowledge of the company and the industry provided LIF with insights available to few others, ultimately enabling the fund to quickly execute the investment.

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

Labor Impact

495,000

Projected total union construction work hours to be created in 2021

853,063

Union work hours created in 2020

12+

Trade unions involved in the developments

Economic Impact

2,257

Estimated direct, induced and indirect jobs created

\$434,705,145

Projected wages generated

\$110,881,456

Expected realized tax revenue (local, state, federal)

\$864,166,233

Total projected economic impact



“

We share GCM’s view that quality construction and maintenance are some of the most important components of delivering for our customers. It is for this reason we have worked extensively with union labor and contractors on our projects.”

– Sureel Choksi,
CEO, Vantage Data Centers

Source: IMPLAN 2019 Data Set. See Appendix for more information.

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Appendix



IMPLAN

About IMPLAN

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

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

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

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

IMPLAN Glossary

Indirect Jobs

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

Induced Jobs

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

Labor Wages

All forms of Employment income, including Employee Compensation (wages, salaries, and benefits) and Proprietor Income

Direct Jobs

Employment associated with the onsite development of the investment

Total Economic Impact

Sum of Direct, Indirect, and Induced impacts resulting from LIF's investment

Disclaimer

GCM Grosvenor (NASDAQ: GCMG) is a global alternative asset management solutions provider across private equity, infrastructure, real estate, credit, and absolute return investment strategies. **Investments in alternatives are speculative and involve substantial risk, including strategy risks, manager risks, market risks, and structural/operational risks, and may result in the possible loss of your entire investment. Past performance is not necessarily indicative of future results.** All expressions of opinion are subject to change without notice in reaction to shifting market, economic, or political conditions. The investment strategies mentioned are not personalized to your financial circumstances or investment objectives, and differences in account size, the timing of transactions and market conditions prevailing at the time of investment may lead to different results. Certain information included herein may have been provided by parties not affiliated with GCM Grosvenor. GCM Grosvenor has not independently verified such information and makes no representation or warranty as to its accuracy or completeness.

GCM Grosvenor (NASDAQ: GCMG) is a global alternatives investment firm with approximately \$65 billion in assets under management in private equity, infrastructure, real estate, credit, absolute return strategies, and multi-asset class opportunistic investments. We have specialized in alternatives since 1971, and we are dedicated to unlocking value for our clients by leveraging our cross-asset class and flexible investment platform.

Our experienced team of approximately 500 professionals from diverse backgrounds serves a global client base of institutional and high net worth investors. GCM Grosvenor is headquartered in Chicago, with offices in New York, Los Angeles, Toronto, London, Tokyo, Hong Kong, and Seoul.

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