GCM GROSVENOR



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Beyond the Track Record: Identifying the Next Generation of Investment Managers

Emerging investment managers can offer institutional investors access to differentiated strategies, specialized expertise and investment teams early in their development. Identifying promising opportunities, however, requires looking beyond track records to understand the investment discipline and organizational foundations behind independent firms.

GCM Grosvenor draws on extensive experience identifying, evaluating and partnering with emerging managers to help institutional investors access this segment of the alternative investment landscape. With approximately $22 billion in assets under management with small and emerging managers as of June 30, 2026, our approach considers both the investment opportunity and the business behind it.

Approximately

$22 BILLION

in assets under management with small and emerging managers.

As of June 30, 2026.

At GCM Grosvenor's 2026 Small and Emerging Managers (SEM) Consortium in New York City, four managers at different stages of development shared perspectives on launching firms, attracting institutional capital and building for long-term growth during a panel titled Anatomy of the Fundraise.

Their experiences illustrate four characteristics that can distinguish emerging managers as they establish and grow independent investment businesses.

1. Differentiation Extends Beyond the Track Record

A strong track record can be an important starting point for a newly independent team, but a differentiated strategy also depends on investment judgment, sourcing relationships and capabilities that can endure beyond a prior platform.

The decisions a manager chooses not to make can be as revealing as the investments it pursues. Selectivity during uncertain markets may demonstrate the discipline underlying an investment approach.

Nelson Hioe, Co-Founder and Managing Partner of Raith Capital, offered a revealing example of discipline in practice. He described resisting pressure to deploy capital quickly when the investment environment did not support the firm's underwriting. Raith invested only about 5% of its third fund during its first 20 months. As Hioe put it, 'You can define yourself by things you don't do.'

Luke Myers, Co-Founder and Managing Partner of Truelink Capital, described a complementary approach to demonstrating investment capabilities. After launching amid a difficult fundraising market, Truelink used a seeded portfolio to give prospective investors a direct view of its underwriting, diligence and operational work. 'They've seen the track records, the deal list, but they want to see the team in action,' he said.

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>
> **NELSON HIOE**
> RAITH CAPITAL

> "They've seen the track records, the deal list, but they want to see the team in action"
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> **LUKE MYERS**
> TRUELINK CAPITAL



These experiences illustrate how emerging managers can distinguish themselves through a clearly defined investment edge and the ability to demonstrate that approach in practice.

> We're quick to understand the things that we don't know

KIMBERLY REED
TORCH KEY ASSET MANAGEMENT

> Treat people the way you'd want to be treated. When you build a firm around that principle, the benefits compound over time.

NEEL PAREKH
NIGHT SQUARED

2. Building the Foundation for Institutional Growth

Launching an investment firm requires more than investment experience. Founders must establish operations, governance, talent, and culture, often while simultaneously raising their first fund.

Kimberly Reed, Co-Founder and Managing Partner of Torch Key Asset Management, described how she and her longtime investment partner approached that challenge. 'We're quick to understand the things that we don't know,' she said, explaining why they brought in a co-founder with experience building investment firms rather than assuming their dealmaking experience covered every aspect of the business.

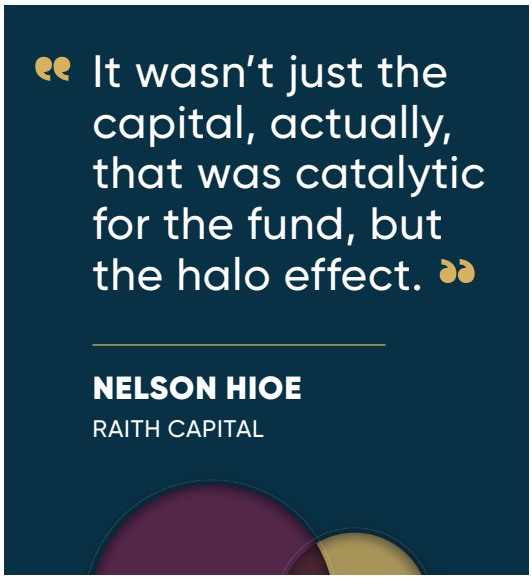
Reed's experience illustrates the value of recognizing where a founding team needs complementary expertise, rather than if investment experience alone equips a team to run an independent business.

Reed also described the role of GCM Grosvenor's Elevate strategy in Torch Key's launch. Beyond anchor capital, the relationship provided support for back-office infrastructure and operational due diligence, helping the firm prepare for institutional expectations while its investment team remained focused on its strategy.

For other founders, independence creates an opportunity to design a different kind of organization. Neel Parekh, Founder and Chief Investment Officer of Night Squared, discussed broad employee equity participation as a way to align the people building the firm. The relevant question for investors is whether such choices support durable incentives and sound decision-making.

Parekh also emphasized that independence allows founders to build an organization around their core values from day one. "For us, it's simple: Treat people the way you'd want to be treated. When you build a firm around that principle, the benefits compound over time—in the team you retain, the trust you build with investors, and the investment decisions you make."

Institutional capabilities develop over time. What matters is whether a firm has the essential infrastructure for its activities and a credible plan to meet increasingly complex requirements as it grows.



For emerging managers, building an enduring firm means combining investment conviction with the organizational discipline to support it.

3. Transparency Reveals Investment Discipline

For emerging managers with limited independent histories, transparency can offer a clearer view of the investment process, particularly how teams interpret results and respond to setbacks.

Parekh described a particularly direct approach to investor access at Night Squared, including opportunities to observe team discussions and review the drivers of difficult periods.

'If there's a down month or a down period, and you are curious to know what's going on, I should be able to pull up a screen and show you the sources of the losses and what's going to be different,' he said.

This approach goes beyond routine investor reporting. It offers a window into how an investment philosophy translates into portfolio construction, risk management and decisions under pressure.

Myers similarly described sharing investment committee memoranda and details of Truelink's sourcing, underwriting and post-acquisition work. Such access helps make a team's investment process more tangible.

Transparency does not eliminate risk or replace results. It can, however, make the reasoning behind investment decisions more visible.

For an emerging firm, that openness can become a defining feature of its relationships with institutional partners.

4. The Value of Long-Term Institutional Partnerships

An early institutional commitment can do more than provide capital. It may also help a newly independent firm build credibility, strengthen operations and develop relationships that support its growth.

Hioe reflected on GCM Grosvenor's early investment in Raith's first fund and the effect it had on subsequent conversations with investors. 'It wasn't just the capital, actually, that was catalytic for the fund, but the halo effect,' he said.



He described how the credibility of an established institutional investor helped prospective limited partners become more comfortable engaging with a newly independent manager. Some investors who initially participated through GCM Grosvenor's emerging manager program later invested directly with Raith.

The relationship also evolves after the first close. Hioe emphasized maintaining direct contact with investors as the firm grows, including candid discussions of investments that have not gone according to plan. Such relationships can be especially important through changing market environments.

TrueLink's experience underscores another dimension of this progression. Myers described how early portfolio activity, detailed investor access and follow-through on the firm's stated plans helped build credibility ahead of subsequent fundraising.

These experiences underscore how the value of an institutional partnership can extend well beyond a first fundraise, supporting a manager's development across fundraising cycles and changing markets.

Accessing the Emerging Manager Opportunity

Emerging managers can provide institutional investors with exposure to specialized strategies and differentiated investment approaches. Accessing those opportunities requires the relationships and experience to identify promising teams and understand the businesses they are building.

The GCM Grosvenor Advantage

GCM Grosvenor's longstanding work with small and emerging managers combines investment research, due diligence and manager relationships to help institutional clients access this evolving opportunity set. Our approach considers not only investment expertise, but also the organizational capabilities and partnerships that can support a firm's development.

The opportunity is not simply to identify talented investment professionals. It is to connect institutional investors with differentiated managers whose investment discipline, organizational foundations and long-term perspective may position them to build enduring firms.

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About GCM Grosvenor

GCM Grosvenor (Nasdaq: GCMG) is a global alternative asset management solutions provider with approximately $98 billion in assets under management across private equity, infrastructure, real estate, credit, and absolute return investment strategies. Specializing in alternatives for more than 55 years, the firm serves a global institutional and individual client base through a team of approximately 570 professionals. GCM Grosvenor is headquartered in Chicago, with offices in New York, Toronto, London, Frankfurt, Tokyo, Hong Kong, Seoul, and Sydney.

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