# GCM Grosvenor 2025 First Quarter Results
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GCM Grosvenor Speakers:

- Stacie Selinger, GCM Grosvenor, Head of Investor Relations
- Michael Sacks, GCM Grosvenor, Chairman and Chief Executive Officer
- Jon Levin, GCM Grosvenor, President
- Pam Bentley, GCM Grosvenor, Chief Financial Officer

## PRESENTATION

**Stacie Selinger:** Thank you.

Good morning and welcome to GCM Grosvenor's First Quarter 2025 Earnings call. Today I am joined by GCM Grosvenor's Chairman and Chief Executive Officer Michael Sacks; President Jon Levin; and Chief Financial Officer Pam Bentley.

Before we discuss this quarter's results, a reminder that all statements made on this call that do not relate to matters of historical fact should be considered forward-looking statements. This includes statements regarding our current expectations for the business, our financial performance and projections.

These statements are neither promises nor guarantees. They involve known and unknown risks, uncertainties, and other important factors that may cause our actual results to differ materially from those indicated by the forward-looking statements on this call. Please refer to the factors in the Risk Factors section of our 10-K, our other filings with the Securities and Exchange Commission and our earnings release, all of which are available on the Public Shareholders Section of our website.

We'll also refer to non-GAAP measures that we view as important in assessing the performance of our business. A reconciliation of non-GAAP metrics to the nearest GAAP metric can be found in our earnings presentation and earnings supplement, both of which are available on our website.

Thank you again for joining us, and with that, I'll turn the call over to Michael to discuss our results.

**Michael Sacks:** Thank you, Stacie.

GCM Grosvenor had very strong results in the first quarter. We beat profitability expectations, enjoyed exceptional fundraising, our portfolio investment performance was solid, and importantly, we made progress on strategic initiatives.

With regards to fundraising, our first quarter total of $2.9 billion is our highest quarterly fundraising level in over two years and second highest level since we began reporting publicly. Approximately half of that total was for infrastructure, including a strong final close of nearly $500 million for our second Infrastructure Advantage Fund. IAF II's final fund size of $1.3 billion was nearly 50% larger than its predecessor fund and is an important part of the success of our broad $16 billion Infrastructure strategy. We launch the next vintage of our global diversified infrastructure fund CIS IV later this year.

Following infrastructure, private equity was the second greatest contributor to first quarter fundraising, with over $720 million raised for the strategy. That included the final close of our private equity co-investment fund GCF III, bringing the fund's total size to approximately $615 million, also a material increase over its predecessor fund, which brought PE co-invest total AUM to $9.6 billion. Within the private equity vertical, the next fund coming to market will be our secondaries fund GSF IV, which we expect to launch later this year.

While the market volatility through April requires no recap, it's worth noting that demand for alternatives, and in particular private markets, remains strong. At this time, outside of certain idiosyncratic pockets, we have not seen investors backing away at all. We came into the year forecasting that 2025 fundraising would exceed 2024's total of $7.1 billion, and despite the volatile conditions we continue to stand by that view.

The strong IAF II final close led to meaningful catch-up fees in the first quarter of $7.6 million. As a result, total private markets management fees for the quarter increased 20% year-over-year. First quarter Fee-Related Revenue grew 12% year-over-year, and Fee-Related Earnings grew 22% year-over-year. First quarter Adjusted EBITDA grew 26% and Adjusted Net Income grew 30% year-over-year. It was a very solid quarter in terms of financial performance

At the end of the day, our ability to fundraise and grow the business is a function of the value proposition we deliver to clients, in large part driven by the risk adjusted returns we deliver over long periods of time and across market cycles. We were pleased with our results in that regard.

Our Absolute Return Strategies business, which delivered relatively flat performance in Q1, was viewed quite positively by our clients given the drop in equity markets over the same period. Our multi-year performance has been strong there, driving increased client interest in the strategy. Our multi-strategy composite has generated a 10.6% annualized gross return over the last 2 years, outperforming industry benchmarks and exceeding our run-rate performance assumptions. Since the start of 2024, we have raised $1.6 billion for Absolute Return Strategies and our late-stage pipeline is stronger now as compared to any time over the past few years.

Similarly, we enjoyed solid investment performance across private markets, and we saw our carried interest balance grew to $865 million, an 11% increase from a year ago and more than double our 2020 balance. The firm's share of carry grew by 12.5% to $415 million as of quarter end. Importantly, realization activity remains muted amidst the ongoing market uncertainty, but our carry, which is particularly diversified in nature, continues to represent strong earnings potential.

We announced two exciting strategic initiatives this quarter, a joint venture called Grove Lane, which is a distribution platform focused on the individual investor, and a strategic partnership in Japan, an important market with exciting growth prospects. Jon will talk about both in a minute, but through both of these initiatives, we are leveraging our core strengths, open architecture investing across the full range of alternative investments and a client-centric approach to developing tailored investment solutions. We believe over time, after an adequate period to ramp up, both of these efforts can be significant contributors to revenue and profit.

Before I hand it over to Jon, it is important to acknowledge that despite the great quarter, the solid fundraising picture, the still strong pipeline, the progress on strategic priorities, we believe that the uncertainty related to trade and tax policy is likely to keep deployment and transaction levels depressed. In addition, while it is still early in the year and anything can happen, the challenging equity markets make it harder to see the ARS business achieving the same level of returns this year as it did last year. Consequently, incentive fee levels for the industry as a whole and for GCM Grosvenor are unlikely to reach the levels experienced last year.

It is important to reiterate that at this time we do not see tariff and tax uncertainty affecting fundraising. Therefore, the FRR and FRE impact of policy uncertainty is thus far limited to the loss of compounding on ARS FPAUM due to the tougher market environment and somewhat slowed private markets deployment of dry powder. As a result, utilizing our standard budgeting with a flat ARS flows assumption we would expect 2025 ARS management fees to be about the same as 2024 ARS management fees. We expect full-year Private Markets fee-related revenue, including catch-up fees, to grow in the mid-single digit 5-8% range compared to 2024. As we mentioned last quarter, we have limited additional catch-up fees anticipated between now and year-end due to the mix of offerings in market.

As always, Pam will speak more specifically to what we see for the second quarter in a few minutes, but I do want to close by saying that our clients value us most in the midst of market volatility. Importantly, we remain confident in our ability to achieve our goal to double FRE from 2023 levels by the end of 2028.

With that, I'll turn the call over to Jon.

**Jon Levin:** Thank you.

As Michael noted, I will dive a bit deeper into the recently announced strategic initiatives. Although the Grove Lane joint venture initiative targets RIA distribution in the US and the partnership in Japan targets investors in Japan, both initiatives reflect our consistent goal to create distribution capabilities that we can grow and that we can leverage. Through these efforts, we can offer our value proposition to more investors and fully harness the strength of our origination and manufacturing platform. As we've highlighted before, our investment engine scales well, and we are long origination and short capital. Put simply, we are highly confident in our ability to deploy additional capital through our existing pipes.

The much talked about individual investor channel represents a massive opportunity. Thus far, our success has been largely in the wirehouse channel, and we have raised $3.5 billion from individual investors since 2020. The Grove Lane joint venture marks an exciting next step in our evolution, enhancing and extending our distribution reach into the RIA and IBD markets, and complementing our individual investor distribution footprint in the US.

We believe our institutional product, our registered product, and our separately managed account capabilities will all be relevant to this market. In particular, we believe our 30 years of experience providing separately managed accounts and related services will be a differentiated offering in this market. And we will continue to launch new products, similar to our seeded and almost fully invested registered, ticker enabled infrastructure interval fund that we launched earlier this year.

We will support Grove Lane as they build out their team and business and have structured our investment to ramp up as the business enjoys success. We also have the option to purchase Grove Lane management's interest in the entity at a future point in time and would likely do so when and if it is accretive.

Before turning to our strategic partnership in Japan, it is important to understand the strength of our brand and business across Japan and the broader Asia-Pacific region. We've built long-standing relationships in Japan and across the Asia Pacific market since the 1990s. Nearly a quarter of our AUM is from Asia-Pacific based clients, and some of our deepest and most involved strategic partnerships are from the region. Case in point, four of our top 10 largest clients are Asia based, and our approximately 50 total clients in the region represent 9 countries. We've seen consistently strong growth across the region, raising over $3 billion from Asia over the last two years alone.

Our non-exclusive partnership in Japan aims to raise at least $1.5 billion in additional by 2030. We expect this growth to come primarily from private markets strategies and to utilize existing separate account capabilities, our franchise of specialized funds, and possibly new products catered to the Japanese market. To underscore their commitment to the partnership, our Japanese partner also purchased approximately $50 million of newly issued shares of GCM Grosvenor Class A common stock at $13.32 per share.

As Michael noted, amidst the daily turmoil and ups and downs, we are content to keep our heads down, delivering for our clients, while growing the business and investing for the future.

And with that, I'll turn it over to Pam.

**Pam Bentley:** Thanks, Jon.

We are pleased with our first-quarter results, which highlight the multiple avenues we have to achieve success and drive growth.

Given our strong fundraising this quarter, Assets Under Management grew to $82 billion and Fee-Paying AUM grew to $66 billion. Our Contracted-Not-Yet-Fee-Paying AUM grew 16% year-over-year to $8.2 billion, providing a foundation for continued organic growth as that capital converts to fee-paying AUM over the next few years.

Private markets again was the key driver of our results in the quarter with private markets management fees increasing 20% over the first quarter of '24, inclusive of $7.6 million of catch-up fees. Given that IAF II reached its final close this quarter, we expect very little in the way of catch-up fees for the remainder of the year. In the 2nd quarter, we expect private markets management fees excluding catch-up fees to increase slightly over the first quarter.

Absolute Return Strategies performed well against the broader market downturn and are providing a key source of stability in many of our clients' portfolios. That said, with flat ARS investment performance and flows in the first quarter, we anticipate that ARS management fees in the second quarter will remain in line with first quarter levels.

Turning to our expenses, our compensation philosophy is to invest in, align and motivate our greatest asset, our talent, through a combination of annual and long-term awards, including FRE-related compensation, incentive fee-related compensation, and equity awards. We remain disciplined in managing compensation expenses and first quarter FRE compensation was $38 million, consistent with our '24 quarterly average. We expect FRE compensation to remain at similar levels in the second quarter. Non-GAAP General and Administrative and other expenses were $21 million in the first quarter, and we expect a consistent level in the second quarter.

Pulling together these factors, our first quarter Fee-Related Earnings grew 22% year-over-year, with a 44% Fee-Related Earnings margin.

Turning to incentive fees, we realized $15 million in the quarter, comprised of $4 million of annual performance fees and $11 million of carried interest. Market conditions are likely to result in muted incentive fee realizations in the near term, but we are well positioned to enjoy significant long-term cash-flow generation from the embedded value of both our carry and performance fees. Our gross unrealized carried interest increased to $865 million as of quarter end, up from $836 million last quarter, which provides significant future earnings potential. Run-rate annual performance fees stand at $31 million as of Q1. As a reminder, we typically retain approximately 40-50% of the firm's share of incentive fees after cash incentive fee compensation. In the first quarter the number was 40%, which is the same as the first quarter of '24.

Our balance sheet is strong, and we are maintaining a healthy, quarterly dividend of 11 cents per share. As of Monday, we had a 3.5% dividend yield, and there is room for future dividend growth as we enjoy positive momentum in our earnings. We are also strategically investing in our long-term growth, such as through our joint venture with Grove Lane.

We continue to repurchase shares under our repurchase authorization plan, and we intend to use the $63 million remaining in our program as of May 1st to largely manage dilution.

Our business is built on a strong foundation and is well-positioned to capitalize on numerous opportunities for growth and scaling. We are excited to continue creating value for our clients and shareholders.

Thank you again for joining us, and we're now happy to take your questions.

**Operator**: Thank you. [Operator instructions]

The first question comes from Crispin Love with Piper Sandler.

**Crispin Love:** Thank you and good morning, everyone.

First, just starting on the 2025 private markets management fee expectations, I believe it's up 5–8%. Can you just discuss some of the puts and takes there? Fundraising has been strong, but what are the key drivers to get you back to the 10% plus range over the longer term, which are levels that you've talked about in the past?

**Michael Sacks:** So, you have a couple of factors that impact that in a short-term timeframe. Longer-term, very good strong picture and feel very good about that. How much of your funds raised in a particular quarter go direct to FPAUM versus CNYFPAUM is a factor. And then deployment from CNYFPAUM is a factor. So, where you have pay on as invested capital, how fast do you invest that is a factor that impacts your revenue within a year.

And so those are the real – those are the factors that affect the timing of revenue realization, the timing of revenue turn on. Or those are the factors I guess I should say that we think have variability to them. And we feel like, as I said at the end of my remarks, our ability to meet our FRE goals by our '28 target remain very strong.

We are actually very pleased with the quarter. The fundraising has been great. The trailing 12-month fundraising has been great. It's a very significant increase from where we were in in '23. It's building on the increase in '24. The pipeline is full. We said we see ourselves beating last year this full year. And it's really just how much of that as it hits is pay on committed versus pay on invested. And then how the deployment works from the CNYFPAUM, which is the pay on invested.

**Crispin Love:** Perfect, Michael. That makes a ton of sense there, especially in this environment.

And then just last question from me, just looking at the last 12 months fundraising, you've continued to expand more and more internationally. If I look at the last 12 months, I think fundraising in the Americas, is it about 58% currently? It's come down from 65% just a couple of quarters ago. If you look at over the intermediate and long term, where do you expect that to trend? Where are the biggest opportunities? Clearly, you're leaning into to Japan and Asia, but just any additional thoughts would be helpful on your opportunity internationally. Thank you.

**Michael Sacks:** The opportunities are significant globally. So, they're significant here in the US. They're significant internationally. We don't really predict how much is going to be from outside North America or inside North America quarter to quarter. It's been, as you said, higher, it's been lower. There have been periods of time where we've had higher international fundraising than we've experienced recently. So that moves around. I think the important thing is that the demand is very strong globally. It's strong in all the investor channels.

And then I would say when you're talking about biggest opportunity, I don't think we segment that really domestic versus international. Jon may want to add something here, but that individual investor opportunity that Jon talked about, we think is a tremendous opportunity, and we're being very deliberate and purposeful in trying to go after that. And that's a tremendous opportunity here in the US. It's also a tremendous opportunity outside of the US, and that's part of what this joint venture in Japan is about. I would argue that could be over a five-year period your biggest opportunity.

**Jon Levin:** Michael, nothing really to add there.

I agree with your point around hard to look at these trends short term. The business has been about 60-ish, 65% Americas from an AUM standpoint, and the balance outside for a very long period of time. And you're seeing a slightly less percentage than that. I would say on the margin, you probably have some higher growth balance sheets or some healthier balance sheets outside the US in terms of allocators to alts, but then you have a massive individual investor opportunity globally, where the biggest part of that market is in the US.

So, I wouldn't expect to see major changes in that pie chart, Crispin in a very short term. I think where you'll see us have success are on the areas where we're making investments – it still takes a lot to move the pie chart, but you'll see that individual investor channel obviously continue to grow for us as it is for the industry as a whole.

**Crispin Love:** Great. Thank you and appreciate all the color.

**Operator:** And the next question will come from Bill Katz with TD Cowen.

**Bill Katz:** Great. Thank you very much. Good morning, and congrats on the two new initiatives.

I want to start with SuMi TRUST. That seems to be intriguing to me. And I guess when I saw the news, I was just surprised that's a relatively nominal level of capital raise over the next few four-plus years. I was wondering if you could talk a little bit about where you see the greatest opportunity. And then related to that, I'm curious, is there an opportunity for the SuMi TRUST to increase their stake in GCMG? Thank you.

**Michael Sacks:** Thanks, Bill.

I think that Sumitomo Trust is obviously a big player in that marketplace, and so the potential for this partnership, as Jon touched on, and the potential opportunity in that market with a partner, and I should mention, it's not an exclusive partnership. We have the ability to enter into partnerships with other distributors there. The potential is obviously much greater than the stated number. I think that there wasn't any particular magic to that number. And so Bill, a long way of saying we'd obviously – our goal is to exceed that number.

In terms of the stock issuance, there are no conversations about increasing that. There are no plans to do that. And frankly, I don't know that we're focused on that at all. So that's not something that was part of conversations, that was part of plans. I think that was just an investment to strengthen what was already a pretty good relationship and a signal about the seriousness of the intent of building this out.

**Bill Katz**: Okay. And then just a follow-up, just coming back to your cautious commentary on deployment so I understand that given the market volatility. However, when I step back, I think about the franchise, one of the strengths of the business is the very strong SMA growth of the business, which I had a sense was much more programmatic in terms of deployment.

So, what has shifted from more that structural opportunity to deploy capital versus the more cautious view here, particularly since a number of your peers have been accelerating some deployment given the market volatility, both in the equity as well as the credit markets? Thank you.

**Michael Sacks:** Yeah. So nothing has shifted substantively, nothing has shifted long term. Everything that took place in the quarter and that's taking place in the business from our perspective is constructive and we feel very good about that. That's just simply was intended to be a comment and a bit of realism. There's less visibility around the investment committee table today in light of the policy volatility around tariff and tax than there has been.

So, if you are sitting around the table and you're looking at an investment and you aren't sure of your cost of goods sold because you don't know quite where the tariff's going to be and you're not sure of where taxes settle, it's just a little harder to have visibility right now. Our hope is certainly that by later in the summer, the visibility will clear up a bit and you'll start to see things moving forward. I think when we started out late last year, early this year, there was quite a bit of enthusiasm with regards to transaction activity levels, and that seems to have dissipated somewhat quickly for now.

And so our comments are really reflecting that short-term impact on visibility. And it's not in any way a substantive comment on the structure of the business – in fact, what we've seen is the opposite. We had a tremendous fundraising quarter. We've seen people continuing with their programs, continuing with their re-ups. It's just inside of those programs in terms of transaction levels, they're down and haven't rebounded in the way that we thought they would.

But all of that capital is sitting there with fees waiting to turn on waiting to be deployed, and there's no structural change whatsoever. And we did not mean to imply that in any way. It was just a visibility comment on the two big areas of policy uncertainty now that I think slows deployment for the short term. And I hope it's truly short term, like the last quarter, this quarter. But we'll have to all see.

**Bill Katz:** Okay. Thank you very much.

**Operator:** The next question will come from Ken Worthington with JP Morgan.

**Ken Worthington:** Hi, good morning.

Maybe following up on Bill's question just here. Do you see the opportunity for [GCM] Grosvenor in the announcements by number of these endowments and the potential for them to meaningfully reduce the size of their PE positions? Does this seem like a big enough opportunity for you to capitalize on somewhere in your private markets businesses?

**Michael Sacks:** Well, there have been a couple of large – so first, I should say that we're pretty insulated to an endowment pullback on private markets commitments. It's a small part of our AUM and that aspect of what you're raising Ken, is not an issue or a concern for us. You could argue it's unfortunate it's not an issue or a concern for us, but it's just a small part of our business.

In terms of capitalizing on what's happening there, obviously, there have been a couple of large publicly announced secondary sales and there likely will be more secondaries activity. And we look at all of that in our secondaries business, and so that is an opportunity to deploy capital there. I think there's a possibility that the mix shift inside the endowments towards alternatives that have more liquidity is a possibility, and that's certainly something that our ARS business can capitalize on.

And so we're going to try to capitalize on all the opportunities we see. I think short term, what we've seen already is an increase in LP-led secondaries out of that space and that's probably likely to continue. And there may be a move towards liquidity and more liquid alts, which is something we're good at.

**Ken Worthington:** Okay. Perfect. Yeah, that was from the opportunity side of the perspective.

Maybe second question just going to slide 26 in your deck. We see the fees from specialized funds experiencing very strong growth, but the separate account fees are essentially flat. Can you talk about the dynamics maybe weighing on this separate account fee growth that we've seen over the last 12 months, and then talk about the outlook that you see maybe for the next 12 months on the separate account side?

**Michael Sacks:** Yeah. I would say – well, Jon, you go ahead. What I was going to say, the first point I was going to say was I think that we do raise money constantly and we raise money that is pay on committed and we raise money that goes into CNYFPAUM. And you've seen a pretty good healthy growth in CNYFPAUM looking back over the last four or five quarters. And so as you see that go up, you've got that growth built in, but the fees haven't started to pay yet and that comes as we roll forward, and that's clearly part of it. Jon, you want to add to that?

**Jon Levin:** Yeah, I was just going to say, Ken, this is actually exactly what we'd expect it to look like. So one of the things we've talked about in the past is some of the mix shift in our business towards more direct-oriented strategies, and that coming at a higher fee. When you look at the types of investment strategies that dominate the specialized funds, it tends to be the more direct-oriented strategies. Whereas inside of the separate accounts, you'll have a much broader mix of allocative strategies and direct-oriented strategies. So the idea that you see the specialized fund rate be higher, but also bounce around a little bit higher as you have more and more direct-oriented strategies makes sense to us.

The other thing that we always talk about is that you have fee discounts for clients that work with you at scale, volume discounts. We've always had that in our business going back in time. As you have more cross-selling and growth with your existing separate account clients, which we view as a great thing, you get more capital, you get more dollars of revenue, but you also recognize that in terms of the fee rate.

And then as you look forward, I would expect stability there in both lines, meaning I wouldn't expect you to see much change with the average fee rate in those two categories. What I do think you'll see is, as what you've seen in the past, is more of the management fees coming from specialized funds over time in private markets, just because we're growing off a still lower base there given the strength and the history of the customized separate account business.

**Ken Worthington:** Okay. Great. Thank you very much.

**Operator**: And moving on to Tyler Mulier with William Blair.

**Tyler Mulier:** Hi, good morning.

I was just curious on the Grove Lane opportunity, what was the rationale behind the JV structure? And then where are the initial efforts going to be focused, understanding it may not be the best environment for individual investors given the equity market sell-off and increased uncertainty?

**Michael Sacks**: Yeah. So let me take the back part of that question first because I think that while the market uncertainty is real for now, it's a lot of volatility, a lot of policy conversations that have led to volatility. That investor universe is significantly under allocated to alternatives, as we know. And while you may have different growth rates depending on different market conditions, there's no work out there that doesn't see that growing at very good rates. So that is a very real opportunity that I think is going to grow – outside of any real major exogenous shock, that's going to grow and it's just going to continue to grow. And I think you're going to see growth there over time.

We've been careful to say it's going to ramp for us and to not get – we shouldn't be getting ahead of ourselves in terms of building in fund sales and fundraising and into our numbers too quickly. But that's a very real opportunity, and I think it's going to continue to power through despite environments ebbing and flowing and being less constructive.

As far as the structure goes, we like the structure a lot. The structure will continue to enable us to attract some very solid talent from real places that wants to be part of building something and can have some ownership in a vehicle and can do what they're good at in that structure. And we've structured that as – there'll be some information on that structure in our [10]Q that you'll see.

But we've structured it in a way where we have the ability to take that joint venture in in the future when it's more mature. But the team can do well for themselves and be properly incented during a reasonable period of time while that is maturing, which I think increases the quality of the team and therefore the results for us intermediate and long term.

**Tyler Mulier:** Thank you.

**Operator**: And the next question will come from Bill Katz with TD Cowen.

**Bill Katz**: Okay. Thanks for taking the extra questions. Just coming back to ARS, that seems like a great opportunity. Can you talk a little bit, maybe quantify how big the pipeline is? I think you mentioned such rather strongly. And then within that, how quickly does it normally translate into fee-paying AUM? And if you have any color on where those allocations are coming from, and then believe it or not, I actually have a follow-up. Thank you.

**Jon Levin**: I was just going to say, Bill, we've already seen it a little bit. So recall last year we raised about $1.2 billion for ARS, which was more than a couple years prior combined. We actually think we're going to have modest net inflows as we sit here right now in the second quarter. Anything can change and show some nice wins and contributions there.

From my travels around the world, which have been numerous over the past several weeks from both me and my partners, one of the things we're hearing a lot is yes, we love our private markets investments. Yes, we're going to continue to allocate, but as Michael noted a little bit earlier in response to one of the questions, it's also nice to be able to generate some alpha and return out of a more liquid part of the portfolio in periods of time when distributions from privates are not as strong.

And that's just been a constant theme, especially when that's been in a category that's generated a nice amount of return and alpha in recent periods of time. And in light of the fact that you might be looking at a more volatile market going forward where the ability to protect capital and down markets and make money throughout market cycles is interesting. So I just think we've seen it already in the numbers. We think we'll see some more activity again in the second quarter and it's just activity levels generally.

**Michael Sacks:** Yeah. And to your question on the fees, that's largely overwhelmingly a pay on committed business. So the fee-related revenues turn on when you execute the SMA or make the fund sale. So, the fees ramp effectively immediately.

**Jon Levin:** Yeah. I agree with what Michael said. I mean, basically, Bill, just think about it this way, there is no distinction between committed and invested because it happens simultaneously effectively.

**Michael Sacks:** And also, as you know Bill, you get the compounding there.

**Bill Katz:** Of course. And then one quick one for Pam and let you guys go. Thank you. The share count maybe pro forma for SuMi Trust as well as the buyback quarter date. Where is that number now? And does that look like a flash number from here based on your comments around the offsetting stock-based comp? Thank you.

**Pam Bentley**: Hi, Bill. Thanks for the question.

Yes, the SuMi [TRUST] transaction was just around 2% dilution and sitting here as of May 1st, relatively modest to little dilution as a result of both the RSU vesting and the Sumitomo issuance.

**Bill Katz:** Thank you.

**Operator:** And that does conclude the question-and-answer session. I'll now turn the conference back over to you for any additional or closing remarks.

**Stacie Selinger:** Thank you.  Thank you, everyone, for joining us today.  We look forward to any follow-up questions and otherwise, I look forward to seeing you next quarter.

**Operator:** Thank you.  Ladies and gentlemen, thank you for participating in today's conference.  This concludes today's program.  We hope everyone has a great day, and you may all disconnect.