

2023 First Quarter Supplemental Financial Data



GCM GROSVENOR

Note: This supplemental financial data should be read in conjunction with GCM Grosvenor's 2023 First Quarter Results Earnings Presentation.

GAAP Statements of Income (loss) by Quarter (unaudited)

\$000, except per share amounts and where otherwise noted	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22	1Q'23
Revenues													
Management fees	\$ 77,701	\$ 75,136	\$ 78,269	\$ 79,639	\$ 82,625	\$ 85,594	\$ 87,796	\$ 95,201	\$ 92,110	\$ 92,830	\$ 90,715	\$ 91,587	\$ 92,245
Incentive fees	3,233	13,041	21,774	73,602	18,214	32,227	29,178	94,234	11,992	10,505	45,467	7,203	5,815
Other operating income	1,683	1,953	1,703	2,247	2,380	1,882	1,101	1,160	1,026	1,025	1,032	1,038	1,056
Total operating revenues	82,617	90,130	101,746	155,488	103,219	119,703	118,075	190,595	105,128	104,360	137,214	99,828	99,116
Expenses													
Employee compensation and benefits	55,477	55,667	75,315	202,006	83,353	75,834	72,867	101,783	65,905	61,429	86,502	63,475	86,224
General, administrative and other	24,596	16,242	17,263	26,530	24,532	21,651	20,131	22,037	21,258	23,093	21,982	22,574	25,779
Total operating expenses	80,073	71,909	92,578	228,536	107,885	97,485	92,998	123,820	87,163	84,522	108,484	86,049	112,003
Operating income (loss)	2,544	18,221	9,168	(73,048)	(4,666)	22,218	25,077	66,775	17,965	19,838	28,730	13,779	(12,887)
Investment income (loss)	3,373	(9,575)	7,902	9,042	13,048	13,459	13,732	12,256	10,860	(1,197)	(2,276)	2,721	6,324
Interest expense	(5,867)	(5,841)	(5,807)	(5,931)	(4,491)	(4,563)	(5,432)	(5,598)	(5,284)	(5,591)	(5,797)	(6,642)	(6,655)
Other income (expense)	(9,733)	(1,350)	446	1,075	1,317	(261)	1,329	1,009	1	—	87	1,348	714
Change in fair value of warrant liabilities	—	—	—	(13,315)	14,057	(6,738)	(9,550)	10,084	2,022	19,640	(3,790)	2,679	(2,221)
Net other income (expense)	(12,227)	(16,766)	2,541	(9,129)	23,931	1,897	79	17,751	7,599	12,852	(11,776)	106	(1,838)
Income (loss) before income taxes	(9,683)	1,455	11,709	(82,177)	19,265	24,115	25,156	84,526	25,564	32,690	16,954	13,885	(14,725)
Provision (benefit) for income taxes	643	526	541	2,796	(663)	2,204	2,450	7,002	2,333	2,011	2,789	2,478	422
Net income (loss)	(10,326)	929	11,168	(84,973)	19,928	21,911	22,706	77,524	23,231	30,679	14,165	11,407	(15,147)
Less: Net income attributable to redeemable noncontrolling interest	2,093	185	3,322	8,469	8,089	11,738	—	—	—	—	—	—	—
Less: Net income (loss) attributable to noncontrolling interests in subsidiaries	2,536	(5,183)	6,520	7,744	8,589	11,708	10,142	6,473	4,836	844	1,719	(576)	2,773
Less: Net income (loss) attributable to noncontrolling interests in GCMH	(14,955)	5,927	1,326	(105,235)	703	(2,191)	8,508	56,828	13,669	22,230	9,347	7,593	(16,690)
Net income (loss) attributable to GCM Grosvenor Inc.	\$ —	\$ —	\$ —	\$ 4,049	\$ 2,547	\$ 656	\$ 4,056	\$ 14,223	\$ 4,726	\$ 7,605	\$ 3,099	\$ 4,390	\$ (1,230)
Earnings (loss) per share of Class A common stock¹:													
Basic	—	—	—	\$ 0.10	\$ 0.06	\$ 0.01	\$ 0.09	\$ 0.32	\$ 0.11	\$ 0.17	\$ 0.07	\$ 0.10	(0.03)
Diluted	—	—	—	(0.58)	(0.05)	(0.02)	0.03	0.29	0.08	0.13	0.02	0.05	(0.10)
Weighted average shares of Class A common stock outstanding (000)¹:													
Basic	—	—	—	39,985	42,084	44,563	44,388	44,040	44,594	45,118	43,519	42,302	42,380
Diluted	—	—	—	184,220	188,872	188,799	188,877	189,060	189,666	189,354	187,899	187,396	186,616

1. There were no shares of Class A common stock outstanding prior to November 17, 2020, therefore no earnings (loss) per share information has been presented for any period prior to that date.

GAAP Statements of Income by Year (audited)

\$000, except per share amounts and where otherwise noted	2020	2021	2022
Revenues			
Management fees	\$ 310,745	\$ 351,216	\$ 367,242
Incentive fees	111,650	173,853	75,167
Other operating income	7,586	6,523	4,121
Total operating revenues	429,981	531,592	446,530
Expenses			
Employee compensation and benefits	388,465	333,837	277,311
General, administrative and other	84,631	88,351	88,907
Total operating expenses	473,096	422,188	366,218
Operating income (loss)	(43,115)	109,404	80,312
Investment income	10,742	52,495	10,108
Interest expense	(23,446)	(20,084)	(23,314)
Other income (expense)	(9,562)	3,394	1,436
Change in fair value of warrant liabilities	(13,315)	7,853	20,551
Net other income (expense)	(35,581)	43,658	8,781
Income (loss) before income taxes	(78,696)	153,062	89,093
Provision for income taxes	4,506	10,993	9,611
Net income (loss)	(83,202)	142,069	79,482
Less: Net income attributable to redeemable noncontrolling interest	14,069	19,827	—
Less: Net income attributable to noncontrolling interests in subsidiaries	11,617	36,912	6,823
Less: Net income (loss) attributable to noncontrolling interests in GCMH	(112,937)	63,848	52,839
Net income attributable to GCM Grosvenor Inc.	\$ 4,049	\$ 21,482	\$ 19,820
Earnings (loss) per share of Class A common stock¹:			
Basic	\$ 0.10	\$ 0.49	\$ 0.45
Diluted	\$ (0.58)	\$ 0.28	\$ 0.28
Weighted average shares of Class A common stock outstanding (000)¹:			
Basic	39,985	43,766	43,872
Diluted	184,220	189,059	188,568

1. For 2020, represents earnings per share of Class A common stock and weighted-average shares of Class A common stock outstanding for the period from November 17, 2020 through December 31, 2020, the period following the Transaction. There were no shares of Class A common stock outstanding prior to November 17, 2020, therefore no earnings (loss) per share information has been presented for any period prior to that date.

Summary of Non-GAAP Financial Measures by Quarter¹

\$000, except per share amount and where otherwise noted	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22	1Q'23
Adjusted EBITDA													
Revenues													
Private markets strategies ²	\$ 36,464	\$ 36,548	\$ 38,588	\$ 38,390	\$ 40,373	\$ 42,360	\$ 43,643	\$ 49,071	\$ 46,841	\$ 50,394	\$ 49,347	\$ 50,685	\$ 51,802
Absolute return strategies	39,263	36,761	37,517	38,808	39,892	40,680	41,878	42,947	42,711	40,123	38,253	38,047	37,136
Management fees, net ³	75,727	73,309	76,105	77,198	80,265	83,040	85,521	92,018	89,552	90,517	87,600	88,732	88,938
Administrative fees and other operating income	1,683	1,953	1,703	2,247	2,380	1,882	1,101	1,160	1,026	1,025	1,032	1,038	1,056
Fee-Related Revenue	77,410	75,262	77,808	79,445	82,645	84,922	86,622	93,178	90,578	91,542	88,632	89,770	89,994
Less:													
Cash-based employee compensation and benefits, net ⁴	(42,022)	(38,332)	(39,373)	(38,467)	(41,192)	(40,255)	(39,200)	(39,144)	(40,863)	(40,520)	(39,412)	(38,080)	(39,890)
General, administrative and other, net ⁵	(17,827)	(11,822)	(12,811)	(14,202)	(16,260)	(17,211)	(16,452)	(17,252)	(18,004)	(18,463)	(17,853)	(18,814)	(19,727)
Fee-Related Earnings	\$ 17,561	\$ 25,108	\$ 25,624	\$ 26,776	\$ 25,193	\$ 27,456	\$ 30,970	\$ 36,782	\$ 31,711	\$ 32,559	\$ 31,367	\$ 32,876	\$ 30,377
Incentive fees:													
Performance fees	\$ 605	\$ 132	\$ 884	\$ 51,105	\$ 6,113	\$ 2,891	\$ 316	\$ 42,627	\$ 1,001	\$ 317	\$ 1,006	\$ 299	\$ 244
Carried interest	2,628	12,909	20,890	22,497	12,101	29,336	28,862	51,607	10,991	10,188	44,461	6,904	5,571
Incentive fee related compensation and NCI:													
Cash-based incentive fee related compensation	—	—	—	(11,454)	(1,833)	(868)	(3,380)	(21,921)	(1,594)	(1,219)	(7,367)	(821)	(737)
Carried interest compensation, net ⁶	(1,201)	(7,819)	(12,155)	(13,795)	(7,503)	(17,967)	(17,022)	(26,587)	(6,191)	(6,092)	(25,468)	(4,117)	(3,217)
Carried interest attributable to noncontrolling interests	(1,333)	(4,773)	(2,219)	(7,764)	(4,430)	(10,561)	(3,187)	(3,126)	(1,815)	(1,706)	(3,627)	(1,263)	(961)
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁷	—	—	—	—	—	—	629	867	2,664	793	526	716	555
Interest income	296	52	19	10	7	4	4	3	3	42	131	611	695
Other (income) expense	118	15	50	(36)	51	13	21	(25)	(2)	(42)	(44)	9	17
Depreciation	696	536	540	542	473	407	408	400	399	395	382	364	347
Adjusted EBITDA	\$ 19,370	\$ 26,160	\$ 33,633	\$ 67,881	\$ 30,172	\$ 30,711	\$ 37,621	\$ 80,627	\$ 37,167	\$ 35,235	\$ 41,367	\$ 35,578	\$ 32,891
Adjusted Net Income Per Share													
Adjusted EBITDA	\$ 19,370	\$ 26,160	\$ 33,633	\$ 67,881	\$ 30,172	\$ 30,711	\$ 37,621	\$ 80,627	\$ 37,167	\$ 35,235	\$ 41,367	\$ 35,578	\$ 32,891
Depreciation	(696)	(536)	(540)	(542)	(473)	(407)	(408)	(400)	(399)	(395)	(382)	(364)	(347)
Interest expense	(5,867)	(5,841)	(5,807)	(5,931)	(4,491)	(4,563)	(5,432)	(5,598)	(5,284)	(5,591)	(5,797)	(6,642)	(6,655)
Adjusted Pre-Tax Income	12,807	19,783	27,286	61,408	25,208	25,741	31,781	74,629	31,484	29,249	35,188	28,572	25,889
Adjusted income taxes ⁸	(3,202)	(4,946)	(6,822)	(15,351)	(6,302)	(6,435)	(7,945)	(17,871)	(7,714)	(7,166)	(8,621)	(6,626)	(6,266)
Adjusted Net Income	\$ 9,605	\$ 14,837	\$ 20,464	\$ 46,057	\$ 18,906	\$ 19,306	\$ 23,836	\$ 56,758	\$ 23,770	\$ 22,083	\$ 26,567	\$ 21,946	\$ 19,623
Adjusted shares outstanding (000) ⁹	185,117	185,117	185,117	185,117	188,872	189,424	188,877	189,060	189,666	189,354	187,899	187,396	188,155
Adjusted Net Income Per Share - diluted	\$ 0.05	\$ 0.08	\$ 0.11	\$ 0.25	\$ 0.10	\$ 0.10	\$ 0.13	\$ 0.30	\$ 0.13	\$ 0.12	\$ 0.14	\$ 0.12	\$ 0.10

1. Adjusted EBITDA and Adjusted Net Income Per Share are Non-GAAP financial measures. See Reconciliation of Non-GAAP Measures to GAAP slides for the reconciliations of our non-GAAP financial measures to the most comparable GAAP metric.

2-9. See Non-GAAP Financial Measure - Notes for definitions of these metrics.

Summary of Non-GAAP Financial Measures by Year¹

\$000, except per share amount and where otherwise noted	2020	2021	2022
Adjusted EBITDA			
Revenues			
Private markets strategies ²	\$ 149,990	\$ 175,447	\$ 197,267
Absolute return strategies	152,349	165,397	159,134
Management fees, net ³	302,339	340,844	356,401
Administrative fees and other operating income	7,586	6,523	4,121
Fee-Related Revenue	309,925	347,367	360,522
Less:			
Cash-based employee compensation and benefits, net ⁴	(158,194)	(159,791)	(158,875)
General, administrative and other, net ⁵	(56,662)	(67,175)	(73,134)
Fee-Related Earnings	\$ 95,069	\$ 120,401	\$ 128,513
Incentive fees:			
Performance fees	\$ 52,726	\$ 51,947	\$ 2,623
Carried interest	58,924	121,906	72,544
Incentive fee related compensation and NCI:			
Cash-based incentive fee related compensation	(11,454)	(28,002)	(11,001)
Carried interest compensation, net ⁶	(34,970)	(69,079)	(41,868)
Carried interest attributable to noncontrolling interests	(16,089)	(21,304)	(8,411)
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁷	—	1,496	4,699
Interest income	377	18	787
Other (income) expense	147	60	(79)
Depreciation	2,314	1,688	1,540
Adjusted EBITDA	\$ 147,044	\$ 179,131	\$ 149,347
Adjusted Net Income Per Share			
Adjusted EBITDA	\$ 147,044	\$ 179,131	\$ 149,347
Depreciation	(2,314)	(1,688)	(1,540)
Interest expense	(23,446)	(20,084)	(23,314)
Adjusted Pre-Tax Income	121,284	157,359	124,493
Adjusted income taxes ⁸	(30,321)	(38,553)	(30,127)
Adjusted Net Income	\$ 90,963	\$ 118,806	\$ 94,366
Adjusted shares outstanding (000) ⁹	185,117	189,059	188,568
Adjusted Net Income Per Share - diluted	\$ 0.49	\$ 0.63	\$ 0.50

1. Adjusted EBITDA and Adjusted Net Income Per Share are Non-GAAP financial measures. See Reconciliation of Non-GAAP Measures to GAAP slides for the reconciliations of our non-GAAP financial measures to the most comparable GAAP metric.
2-9. See Non-GAAP Financial Measure - Notes for definitions of these metrics.

Components of GAAP Expenses by Quarter

\$000	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22	1Q'23
Components of GAAP Employee Compensation and Benefits													
Cash-based employee compensation and benefits, net ⁴	\$ 42,022	\$ 38,332	\$ 39,373	\$ 38,467	\$ 41,192	\$ 40,255	\$ 39,200	\$ 39,144	\$ 40,863	\$ 40,520	\$ 39,412	\$ 38,080	\$ 39,890
Cash-based incentive fee related compensation	—	—	—	11,454	1,833	868	3,380	21,921	1,594	1,219	7,367	821	737
Carried interest compensation, net ⁶	1,201	7,819	12,155	13,795	7,503	17,967	17,022	26,587	6,191	6,092	25,468	4,117	3,217
Partnership interest-based compensation	7,920	8,856	21,605	133,977	4,903	10,026	6,029	6,713	7,115	7,027	7,329	10,340	11,097
Equity-based compensation	—	—	—	—	27,036	5,604	5,878	5,672	9,881	5,604	5,706	9,530	25,793
Severance	2,280	8	760	4,588	588	802	592	1,128	513	268	421	445	4,563
Other non-cash compensation	1,065	1,160	1,135	1,204	941	683	1,080	596	84	752	321	179	584
Non-cash carried interest compensation	989	(508)	287	(1,479)	(643)	(371)	(314)	22	(336)	(53)	478	(37)	343
GAAP Employee Compensation and Benefits	\$ 55,477	\$ 55,667	\$ 75,315	\$ 202,006	\$ 83,353	\$ 75,834	\$ 72,867	\$ 101,783	\$ 65,905	\$ 61,429	\$ 86,502	\$ 63,475	\$ 86,224

4, 6. See Non-GAAP Financial Measure - Notes for definitions of these metrics.

Components of GAAP Expenses by Year

\$000	2020	2021	2022
Components of GAAP Employee Compensation and Benefits			
Cash-based employee compensation and benefits, net ⁴	\$ 158,194	\$ 159,791	\$ 158,875
Cash-based incentive fee related compensation	11,454	28,002	11,001
Carried interest compensation, net ⁶	34,970	69,079	41,868
Partnership interest-based compensation	172,358	27,671	31,811
Equity-based compensation	—	44,190	30,721
Severance	7,636	3,110	1,647
Other non-cash compensation	4,564	3,300	1,336
Non-cash carried interest compensation	(711)	(1,306)	52
GAAP Employee Compensation and Benefits	\$ 388,465	\$ 333,837	\$ 277,311

4, 6. See Non-GAAP Financial Measure - Notes for definitions of these metrics.

Reconciliation of Non-GAAP Measures to GAAP by Quarter

\$000	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22	1Q'23
Net Incentive Fees Attributable to GCM Grosvenor													
Incentive fees:													
Performance fees	\$ 605	\$ 132	\$ 884	\$ 51,105	\$ 6,113	\$ 2,891	\$ 316	\$ 42,627	\$ 1,001	\$ 317	\$ 1,006	\$ 299	\$ 244
Carried interest	2,628	12,909	20,890	22,497	12,101	29,336	28,862	51,607	10,991	10,188	44,461	6,904	5,571
Less incentive fees contractually owed to others:													
Cash carried interest compensation	(2,190)	(7,311)	(12,442)	(12,316)	(6,860)	(17,596)	(16,708)	(26,609)	(5,855)	(6,039)	(25,946)	(4,080)	(3,560)
Non-cash carried interest compensation	989	(508)	287	(1,479)	(643)	(371)	(314)	22	(336)	(53)	478	(37)	343
Carried interest attributable to redeemable noncontrolling interest holder	(865)	(2,804)	369	(4,451)	(1,905)	(6,154)	—	—	—	—	—	—	—
Carried interest attributable to other noncontrolling interest holders	(468)	(1,969)	(2,588)	(3,313)	(2,525)	(4,407)	(3,187)	(3,126)	(1,815)	(1,706)	(3,627)	(1,263)	(961)
Firm share of incentive fees¹⁰	699	449	7,400	52,043	6,281	3,699	8,969	64,521	3,986	2,707	16,372	1,823	1,637
Less: Cash-based incentive fee related compensation	—	—	—	(11,454)	(1,833)	(868)	(3,380)	(21,921)	(1,594)	(1,219)	(7,367)	(821)	(737)
Net Incentive Fees Attributable to GCM Grosvenor	\$ 699	\$ 449	\$ 7,400	\$ 40,589	\$ 4,448	\$ 2,831	\$ 5,589	\$ 42,600	\$ 2,392	\$ 1,488	\$ 9,005	\$ 1,002	\$ 900

10. Firm share represents net of contractual obligations but before discretionary cash based incentive compensation.

Reconciliation of Non-GAAP Measures to GAAP by Quarter (continued)

\$000	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22	1Q'23
Adjusted Pre-Tax Income & Adjusted Net Income													
Net income (loss) attributable to GCM Grosvenor Inc.	\$ —	\$ —	\$ —	\$ 4,049	\$ 2,547	\$ 656	\$ 4,056	\$ 14,223	\$ 4,726	\$ 7,605	\$ 3,099	\$ 4,390	\$ (1,230)
Plus:													
Net income (loss) attributable to noncontrolling interests in GCMH	(14,955)	5,927	1,326	(105,235)	703	(2,191)	8,508	56,828	13,669	22,230	9,347	7,593	(16,690)
Provision (benefit) for income taxes	643	526	541	2,796	(663)	2,204	2,450	7,002	2,333	2,011	2,789	2,478	422
Change in fair value of derivatives	8,634	1,417	(378)	(1,101)	(1,934)	—	—	—	—	—	—	—	—
Change in fair value of warrant liabilities	—	—	—	13,315	(14,057)	6,738	9,550	(10,084)	(2,022)	(19,640)	3,790	(2,679)	2,221
Amortization expense	1,876	1,876	1,876	1,876	583	583	583	583	579	579	579	579	328
Severance	2,280	8	760	4,588	588	802	592	1,128	513	268	421	445	4,563
Transaction expenses ¹	3,355	145	274	7,829	5,300	1,183	744	600	79	1,625	346	1	2,359
Loss on extinguishment of debt	1,032	482	—	—	675	—	—	—	—	—	—	—	—
Changes in tax receivable agreement liability and other ²	—	4	366	10	8	274	(1,097)	(557)	127	—	168	(536)	—
Partnership interest-based compensation	7,920	8,856	21,605	133,977	4,903	10,026	6,029	6,713	7,115	7,027	7,329	10,340	11,097
Equity-based compensation	—	—	—	—	27,036	5,604	5,878	5,672	9,881	5,604	5,706	9,530	25,793
Other non-cash compensation	1,065	1,160	1,135	1,204	941	683	1,080	596	84	752	321	179	584
Less:													
Unrealized investment (income) loss, net of noncontrolling interests	(32)	(110)	(506)	(421)	(779)	(450)	(6,278)	(8,097)	(5,264)	1,241	815	(3,711)	(3,901)
Non-cash carried interest compensation	989	(508)	287	(1,479)	(643)	(371)	(314)	22	(336)	(53)	478	(37)	343
Adjusted Pre-Tax Income	12,807	19,783	27,286	61,408	25,208	25,741	31,781	74,629	31,484	29,249	35,188	28,572	25,889
Less:													
Adjusted income taxes ³	(3,202)	(4,946)	(6,822)	(15,351)	(6,302)	(6,435)	(7,945)	(17,871)	(7,714)	(7,166)	(8,621)	(6,626)	(6,266)
Adjusted Net Income	\$ 9,605	\$ 14,837	\$ 20,464	\$ 46,057	\$ 18,906	\$ 19,306	\$ 23,836	\$ 56,758	\$ 23,770	\$ 22,083	\$ 26,567	\$ 21,946	\$ 19,623
Adjusted EBITDA													
Adjusted Net Income	\$ 9,605	\$ 14,837	\$ 20,464	\$ 46,057	\$ 18,906	\$ 19,306	\$ 23,836	\$ 56,758	\$ 23,770	\$ 22,083	\$ 26,567	\$ 21,946	\$ 19,623
Plus:													
Adjusted income taxes ³	3,202	4,946	6,822	15,351	6,302	6,435	7,945	17,871	7,714	7,166	8,621	6,626	6,266
Depreciation expense	696	536	540	542	473	407	408	400	399	395	382	364	347
Interest expense	5,867	5,841	5,807	5,931	4,491	4,563	5,432	5,598	5,284	5,591	5,797	6,642	6,655
Adjusted EBITDA	\$ 19,370	\$ 26,160	\$ 33,633	\$ 67,881	\$ 30,172	\$ 30,711	\$ 37,621	\$ 80,627	\$ 37,167	\$ 35,235	\$ 41,367	\$ 35,578	\$ 32,891
Fee-Related Earnings													
Adjusted EBITDA	\$ 19,370	\$ 26,160	\$ 33,633	\$ 67,881	\$ 30,172	\$ 30,711	\$ 37,621	\$ 80,627	\$ 37,167	\$ 35,235	\$ 41,367	\$ 35,578	\$ 32,891
Less:													
Incentive fees	(3,233)	(13,041)	(21,774)	(73,602)	(18,214)	(32,227)	(29,178)	(94,234)	(11,992)	(10,505)	(45,467)	(7,203)	(5,815)
Depreciation expense	(696)	(536)	(540)	(542)	(473)	(407)	(408)	(400)	(399)	(395)	(382)	(364)	(347)
Other non-operating (income) expense	(414)	(67)	(69)	26	(58)	(17)	(25)	22	(1)	—	(87)	(620)	(712)
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁴	—	—	—	—	—	—	(629)	(867)	(2,664)	(793)	(526)	(716)	(555)
Plus:													
Incentive fee-related compensation	1,201	7,819	12,155	25,249	9,336	18,835	20,402	48,508	7,785	7,311	32,835	4,938	3,954
Carried interest attributable to redeemable noncontrolling interest holder	865	2,804	(369)	4,451	1,905	6,154	—	—	—	—	—	—	—
Carried interest attributable to other noncontrolling interest holders, net	468	1,969	2,588	3,313	2,525	4,407	3,187	3,126	1,815	1,706	3,627	1,263	961
Fee-Related Earnings	\$ 17,561	\$ 25,108	\$ 25,624	\$ 26,776	\$ 25,193	\$ 27,456	\$ 30,970	\$ 36,782	\$ 31,711	\$ 32,559	\$ 31,367	\$ 32,876	\$ 30,377

1. Represents expenses incurred in 2020 related to the Mosaic transaction and the Transaction, 2021 expenses related to a debt offering, other contemplated corporate transactions, and other public company transition expenses, 2022 expenses related to contemplated corporate transactions, and 2023 expenses related to contemplated corporate transactions.

2. For the three months ended September 30, 2021 includes \$1.3 million that was recognized as other income related to the disgorgement of statutory short-swing "profits" from a holder of our Class A common stock.

3. Reflects a corporate and blended statutory effective tax rate of 24.2% applied to Adjusted Pre-Tax Income for the three months ended March 31, 2023 and for the year ended December 31, 2022, of 24.5% for the year ended December 31, 2021 and of 25.0% for the year ended December 31, 2020. The rate was adjusted from 25.0% to 24.5% in Q4 2021 and from 24.5% to 24.2% in Q4 2022. The 24.2%, 24.5% and 25.0% 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%, 3.5% and 4.0%, respectively.

4. 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. Amounts were *de minimis* for periods prior to the Mosaic repurchase on July 2, 2021.

Reconciliation of Non-GAAP Measures to GAAP by Year

\$000	2020	2021	2022
Net Incentive Fees Attributable to GCM Grosvenor			
Incentive fees:			
Performance fees	\$ 52,726	\$ 51,947	2,623
Carried interest	58,924	121,906	72,544
Less incentive fees contractually owed to others:			
Cash carried interest compensation	(34,259)	(67,773)	(41,920)
Non-cash carried interest compensation	(711)	(1,306)	52
Carried interest attributable to redeemable noncontrolling interest holder	(7,751)	(8,059)	—
Carried interest attributable to other noncontrolling interest holders	(8,338)	(13,245)	(8,411)
Firm share of incentive fees¹⁰	60,591	83,470	24,888
Less: Cash-based incentive fee related compensation	(11,454)	(28,002)	(11,001)
Net Incentive Fees Attributable to GCM Grosvenor	\$ 49,137	\$ 55,468	13,887

10. Firm share represents net of contractual obligations but before discretionary cash based incentive compensation.

Reconciliation of Non-GAAP Measures to GAAP by Year (continued)

\$000	2020	2021	2022
Adjusted Pre-Tax Income & Adjusted Net Income			
Net income attributable to GCM Grosvenor Inc.	\$ 4,049	\$ 21,482	\$ 19,820
Plus:			
Net income (loss) attributable to noncontrolling interests in GCMH	(112,937)	63,848	52,839
Provision for income taxes	4,506	10,993	9,611
Change in fair value of derivatives	8,572	(1,934)	—
Change in fair value of warrant liabilities	13,315	(7,853)	(20,551)
Amortization expense	7,504	2,332	2,316
Severance	7,636	3,110	1,647
Transaction expenses ¹	11,603	7,827	2,051
Loss on extinguishment of debt	1,514	675	—
Changes in tax receivable agreement liability and other ²	380	(1,372)	(241)
Partnership interest-based compensation	172,358	27,671	31,811
Equity-based compensation	—	44,190	30,721
Other non-cash compensation	4,564	3,300	1,336
Less:			
Unrealized investment income, net of noncontrolling interests	(1,069)	(15,604)	(6,919)
Non-cash carried interest compensation	(711)	(1,306)	52
Adjusted Pre-Tax Income	121,284	157,359	124,493
Less:			
Adjusted income taxes ³	(30,321)	(38,553)	(30,127)
Adjusted Net Income	\$ 90,963	\$ 118,806	\$ 94,366
Adjusted EBITDA			
Adjusted Net Income	\$ 90,963	\$ 118,806	\$ 94,366
Plus:			
Adjusted income taxes ³	30,321	38,553	30,127
Depreciation expense	2,314	1,688	1,540
Interest expense	23,446	20,084	23,314
Adjusted EBITDA	\$ 147,044	\$ 179,131	\$ 149,347
Fee-Related Earnings			
Adjusted EBITDA	\$ 147,044	\$ 179,131	\$ 149,347
Less:			
Incentive fees	(111,650)	(173,853)	(75,167)
Depreciation expense	(2,314)	(1,688)	(1,540)
Other non-operating income	(524)	(78)	(708)
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries ⁴	—	(1,496)	(4,699)
Plus:			
Incentive fee-related compensation	46,424	97,081	52,869
Carried interest attributable to redeemable noncontrolling interest holder	7,751	8,059	—
Carried interest attributable to other noncontrolling interest holders, net	8,338	13,245	8,411
Fee-Related Earnings	\$ 95,069	\$ 120,401	\$ 128,513

1. Represents expenses incurred in 2020 related to the Mosaic transaction and the Transaction, 2021 expenses related to a debt offering, other contemplated corporate transactions, and other public company transition expenses and 2022 expenses related to contemplated corporate transactions.

2. For 2021, includes \$1.3 million that was recognized as other income related to the disgorgement of statutory short-swing "profits" from a holder of our Class A common stock.

3. Reflects a corporate and blended statutory effective tax rate of 24.2% applied to Adjusted Pre-Tax Income for the year ended December 31, 2022, of 24.5% for the year ended December 31, 2021 and of 25.0% for the year ended December 31, 2020. The rate was adjusted from 25.0% to 24.5% in Q4 2021 and from 24.5% to 24.2% in Q4 2022. 11
The 24.2%, 24.5% and 25.0% 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%, 3.5% and 4.0%, respectively.

4. 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. Amounts were de *minimis* for periods prior to the Mosaic repurchase on July 2, 2021.

FPAUM and AUM by Quarter - 2020

\$mm	Private Markets Strategies FPAUM	Absolute Return Strategies FPAUM	Total FPAUM	Contracted Not Yet FPAUM	Total AUM
Quarter Ended March 31, 2020					
Beginning of Period (January 1, 2020)	\$ 26,477	\$ 23,556	\$ 50,033	\$ 5,153	\$ 57,746
Contributions from CNYFPAUM	560	87	647		
Contributions from New Capital Raised	248	679	927		
Withdrawals	—	(1,118)	(1,118)		
Distributions	(776)	(3)	(779)		
Change in Market Value	(305)	(1,575)	(1,880)		
Foreign Exchange and Other	(4)	(57)	(61)		
End of Period Balance (March 31, 2020)	\$ 26,200	\$ 21,569	\$ 47,769	\$ 5,395	\$ 55,779
Quarter Ended June 30, 2020					
Beginning of Period (April 1, 2020)	\$ 26,200	\$ 21,569	\$ 47,769	\$ 5,395	\$ 55,779
Contributions from CNYFPAUM	454	124	578		
Contributions from New Capital Raised	439	172	611		
Withdrawals	—	(732)	(732)		
Distributions	(286)	(60)	(346)		
Change in Market Value	126	1,436	1,562		
Foreign Exchange and Other	150	5	155		
End of Period Balance (June 30, 2020)	\$ 27,083	\$ 22,514	\$ 49,597	\$ 5,584	\$ 56,890
Quarter Ended September 30, 2020					
Beginning of Period (July 1, 2020)	\$ 27,083	\$ 22,514	\$ 49,597	\$ 5,584	\$ 56,890
Contributions from CNYFPAUM	347	7	354		
Contributions from New Capital Raised	223	130	353		
Withdrawals	—	(957)	(957)		
Distributions	(450)	(52)	(502)		
Change in Market Value	55	1,198	1,253		
Foreign Exchange and Other	(164)	(44)	(208)		
End of Period Balance (September 30, 2020)	\$ 27,094	\$ 22,796	\$ 49,890	\$ 6,639	\$ 58,551
Quarter Ended December 31, 2020					
Beginning of Period (October 1, 2020)	\$ 27,094	\$ 22,796	\$ 49,890	\$ 6,639	\$ 58,551
Contributions from CNYFPAUM	666	90	756		
Contributions from New Capital Raised	626	325	951		
Withdrawals	—	(583)	(583)		
Distributions	(469)	(147)	(616)		
Change in Market Value	79	1,673	1,752		
Foreign Exchange and Other	(157)	(24)	(181)		
End of Period Balance (December 31, 2020)	\$ 27,839	\$ 24,130	\$ 51,969	\$ 7,057	\$ 61,943

FPAUM and AUM by Quarter - 2021

\$mm	Private Markets Strategies FPAUM	Absolute Return Strategies FPAUM	Total FPAUM	Contracted Not Yet FPAUM	Total AUM
Quarter Ended March 31, 2021					
Beginning of Period (January 1, 2021)	\$ 27,839	\$ 24,130	\$ 51,969	\$ 7,057	\$ 61,943
Contributions from CNYFPAUM	1,163	92	1,255		
Contributions from New Capital Raised	572	567	1,139		
Withdrawals	—	(450)	(450)		
Distributions	(907)	(4)	(911)		
Change in Market Value	223	123	346		
Foreign Exchange and Other	(1)	15	14		
End of Period Balance (March 31, 2021)	\$ 28,889	\$ 24,473	\$ 53,362	\$ 7,454	\$ 64,862
Quarter Ended June 30, 2021					
Beginning of Period (April 1, 2021)	\$ 28,889	\$ 24,473	\$ 53,362	\$ 7,454	\$ 64,862
Contributions from CNYFPAUM	715	12	727		
Contributions from New Capital Raised	807	558	1,365		
Withdrawals	—	(748)	(748)		
Distributions	(740)	(103)	(843)		
Change in Market Value	50	739	789		
Foreign Exchange and Other	391	(43)	348		
End of Period Balance (June 30, 2021)	\$ 30,112	\$ 24,888	\$ 55,000	\$ 7,027	\$ 66,900
Quarter Ended September 30, 2021					
Beginning of Period (July 1, 2021)	\$ 30,112	\$ 24,888	\$ 55,000	\$ 7,027	\$ 66,900
Contributions from CNYFPAUM	526	16	542		
Contributions from New Capital Raised	921	460	1,381		
Withdrawals	(6)	(391)	(397)		
Distributions	(515)	(110)	(625)		
Change in Market Value	77	673	750		
Foreign Exchange and Other	(2)	(31)	(33)		
End of Period Balance (September 30, 2021)	\$ 31,113	\$ 25,505	\$ 56,618	\$ 7,921	\$ 70,485
Quarter Ended December 31, 2021					
Beginning of Period (October 1, 2021)	\$ 31,113	\$ 25,505	\$ 56,618	\$ 7,921	\$ 70,485
Contributions from CNYFPAUM	562	9	571		
Contributions from New Capital Raised	1,749	602	2,351		
Withdrawals	(22)	(548)	(570)		
Distributions	(501)	(102)	(603)		
Change in Market Value	246	111	357		
Foreign Exchange and Other	(67)	(2)	(69)		
End of Period Balance (December 31, 2021)	\$ 33,080	\$ 25,575	\$ 58,655	\$ 7,683	\$ 72,130

FPAUM and AUM by Quarter - 2022

\$mm	Private Markets Strategies FPAUM	Absolute Return Strategies FPAUM	Total FPAUM	Contracted Not Yet FPAUM	Total AUM
Quarter Ended March 31, 2022					
Beginning of Period (January 1, 2022)	\$ 33,080	\$ 25,575	\$ 58,655	\$ 7,683	\$ 72,130
Contributions from CNYFPAUM	1,072	16	1,088		
Contributions from New Capital Raised	374	245	619		
Withdrawals	(9)	(437)	(446)		
Distributions	(543)	(24)	(567)		
Change in Market Value	(100)	(1,325)	(1,425)		
Foreign Exchange and Other	(27)	(38)	(65)		
End of Period Balance (March 31, 2022)	\$ 33,847	\$ 24,012	\$ 57,859	\$ 6,545	\$ 71,338
Quarter Ended June 30, 2022					
Beginning of Period (April 1, 2022)	\$ 33,847	\$ 24,012	\$ 57,859	\$ 6,545	\$ 71,338
Contributions from CNYFPAUM	634	8	642		
Contributions from New Capital Raised	788	75	863		
Withdrawals	(74)	(520)	(594)		
Distributions	(238)	—	(238)		
Change in Market Value	(33)	(796)	(829)		
Foreign Exchange and Other	(151)	(100)	(251)		
End of Period Balance (June 30, 2022)	\$ 34,773	\$ 22,679	\$ 57,452	\$ 6,669	\$ 71,204
Quarter Ended September 30, 2022					
Beginning of Period (July 1, 2022)	\$ 34,773	\$ 22,679	\$ 57,452	\$ 6,669	\$ 71,204
Contributions from CNYFPAUM	956	17	973		
Contributions from New Capital Raised	18	173	191		
Withdrawals	(58)	(580)	(638)		
Distributions	(206)	—	(206)		
Change in Market Value	54	326	380		
Foreign Exchange and Other	(49)	(52)	(101)		
End of Period Balance (September 30, 2022)	\$ 35,488	\$ 22,563	\$ 58,051	\$ 8,042	\$ 72,602
Quarter Ended December 31, 2022					
Beginning of Period (October 1, 2022)	\$ 35,488	\$ 22,563	\$ 58,051	\$ 8,042	\$ 72,602
Contributions from CNYFPAUM	1,125	7	1,132		
Contributions from New Capital Raised	892	30	922		
Withdrawals	(26)	(927)	(953)		
Distributions	(449)	(7)	(456)		
Change in Market Value	(6)	233	227		
Foreign Exchange and Other	(148)	81	(67)		
End of Period Balance (December 31, 2022)	\$ 36,876	\$ 21,980	\$ 58,856	\$ 7,603	\$ 73,667

FPAUM and AUM by Quarter - 2023

\$mm	Private Markets Strategies FPAUM	Absolute Return Strategies FPAUM	Total FPAUM	Contracted Not Yet FPAUM	Total AUM
Quarter Ended March 31, 2023					
Beginning of Period (January 1, 2023)	\$ 36,876	\$ 21,980	\$ 58,856	\$ 7,603	\$ 73,667
Contributions from CNYFPAUM	955	3	958		
Contributions from New Capital Raised	744	113	857		
Withdrawals	(13)	(556)	(569)		
Distributions	(346)	—	(346)		
Change in Market Value	32	307	339		
Foreign Exchange and Other	(218)	(62)	(280)		
End of Period Balance (March 31, 2023)	\$ 38,030	\$ 21,785	\$ 59,815	\$ 6,436	\$ 75,252

FPAUM and AUM by Year - 2020, 2021 and 2022

\$mm	Private Markets Strategies FPAUM	Absolute Return Strategies FPAUM	Total FPAUM	Contracted Not Yet FPAUM	Total AUM
Year Ended December 31, 2020					
Beginning of Period (January 1, 2020)	\$ 26,477	\$ 23,556	\$ 50,033	\$ 5,153	\$ 57,746
Contributions from CNYFPAUM	2,027	308	2,335		
Contributions from New Capital Raised	1,536	1,317	2,853		
Withdrawals	—	(3,386)	(3,386)		
Distributions	(2,022)	(256)	(2,278)		
Change in Market Value	(2)	2,721	2,719		
Foreign Exchange and Other	(177)	(130)	(307)		
End of Period Balance (December 31, 2020)	\$ 27,839	\$ 24,130	\$ 51,969	\$ 7,057	\$ 61,943
Year Ended December 31, 2021					
Beginning of Period (January 1, 2021)	\$ 27,839	\$ 24,130	\$ 51,969	\$ 7,057	\$ 61,943
Contributions from CNYFPAUM	2,966	129	3,095		
Contributions from New Capital Raised	4,049	2,187	6,236		
Withdrawals	(28)	(2,137)	(2,165)		
Distributions	(2,663)	(319)	(2,982)		
Change in Market Value	596	1,646	2,242		
Foreign Exchange and Other	321	(61)	260		
End of Period Balance (December 31, 2021)	\$ 33,080	\$ 25,575	\$ 58,655	\$ 7,683	\$ 72,130
Year Ended December 31, 2022					
Beginning of Period (January 1, 2022)	\$ 33,080	\$ 25,575	\$ 58,655	\$ 7,683	\$ 72,130
Contributions from CNYFPAUM	3,787	48	3,835		
Contributions from New Capital Raised	2,072	523	2,595		
Withdrawals	(167)	(2,464)	(2,631)		
Distributions	(1,436)	(31)	(1,467)		
Change in Market Value	(85)	(1,562)	(1,647)		
Foreign Exchange and Other	(375)	(109)	(484)		
End of Period Balance (December 31, 2022)	\$ 36,876	\$ 21,980	\$ 58,856	\$ 7,603	\$ 73,667

Non-GAAP Financial Measures - Notes

2. Includes catch-up management fees for the following periods (annual excludes intra-year amounts):

\$000	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Three Months Ended				1Q'22	2Q'22	3Q'22	4Q'22	1Q'23	Years Ended		
						2Q'21	3Q'21	4Q'21	2020						2021	2022	
Catch-up management fees	(473)	293	999	357	1,485	2,245	1,702	4,325	1,005	2,274	592	1,592	—	641	6,013	3,646	

3. Excludes fund reimbursement revenue for the following periods:

\$000	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Three Months Ended				1Q'22	2Q'22	3Q'22	4Q'22	1Q'23	Years Ended		
						2Q'21	3Q'21	4Q'21	2020						2021	2022	
Fund reimbursement revenue	1,974	1,827	2,164	2,441	2,360	2,554	2,275	3,183	2,558	2,313	3,115	2,855	3,307	8,406	10,372	10,841	

4. Excludes severance expense for the following periods:

\$000	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Three Months Ended				1Q'22	2Q'22	3Q'22	4Q'22	1Q'23	Years Ended		
						2Q'21	3Q'21	4Q'21	2020						2021	2022	
Severance	2,280	8	760	4,588	588	802	592	1,128	513	268	421	445	4,563	7,636	3,110	1,647	

5. General, administrative and other, net is comprised of the following:

\$000	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Three Months Ended				1Q'22	2Q'22	3Q'22	4Q'22	1Q'23	Years Ended		
						2Q'21	3Q'21	4Q'21	2020						2021	2022	
General, administrative and other	(24,596)	(16,242)	(17,263)	(26,530)	(24,532)	(21,651)	(20,131)	(22,037)	(21,258)	(23,093)	(21,982)	(22,574)	(25,779)	(84,631)	(88,351)	(88,907)	
Plus:																	
Corporate transaction related costs	3,355	145	274	7,829	5,300	1,183	744	600	79	1,625	346	1	2,359	11,603	7,827	2,051	
Fund reimbursement revenue	1,974	1,827	2,164	2,441	2,360	2,554	2,275	3,183	2,558	2,313	3,115	2,855	3,307	8,406	10,372	10,841	
Amortization of intangibles	1,876	1,876	1,876	1,876	583	583	583	583	579	579	579	579	328	7,504	2,332	2,316	
Non-core items	(436)	572	138	182	29	120	77	419	38	113	89	325	58	456	645	565	
Total general, administrative and other, net	(17,827)	(11,822)	(12,811)	(14,202)	(16,260)	(17,211)	(16,452)	(17,252)	(18,004)	(18,463)	(17,853)	(18,814)	(19,727)	(56,662)	(67,175)	(73,134)	

6. Excludes the impact of non-cash carried interest expense for the following periods:

\$000	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Three Months Ended				1Q'22	2Q'22	3Q'22	4Q'22	1Q'23	Years Ended		
						2Q'21	3Q'21	4Q'21	2020						2021	2022	
Non-cash carried interest compensation	(989)	508	(287)	1,479	643	371	314	(22)	336	53	(478)	37	(343)	711	1,306	(52)	

7. 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. Amounts were *de minimis* for periods prior to the Mosaic repurchase on July 2, 2021.

8. Reflects a corporate and blended statutory effective tax rate of 24.2% applied to Adjusted Pre-Tax Income for the three months ended March 31, 2023 and for the year ended December 31, 2022, of 24.5% for the year ended December 31, 2021 and of 25.0% for the year ended December 31, 2020. The rate was adjusted from 25.0% to 24.5% in Q4 2021 and from 24.5% to 24.2% in Q4 2022. The 24.2%, 24.5% and 25.0% 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%, 3.5% and 4.0%, respectively.

9. As Class A common stock did not exist prior to the Transaction, the computation of Adjusted Net Income Per Share assumes the same number of adjusted shares outstanding as of December 31, 2020 for all periods prior to the Transaction.

Certain Definitions and Use of Non-GAAP Financials and Key Performance Indicators

The non-GAAP financial measures contained in this presentation are not GAAP measures of GCM Grosvenor Inc.'s financial performance or liquidity and should not be considered as alternatives to net income (loss) as a measure of financial performance or cash flows from operations as measures of liquidity, or any other performance measure derived in accordance with GAAP. A reconciliation of such non-GAAP measures to their most directly comparable GAAP measure is included elsewhere in this presentation. You are encouraged to evaluate each adjustment to non-GAAP financial measures and the reasons management considers it appropriate for supplemental analysis. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In addition, these measures may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

Adjusted Net Income is a non-GAAP measure that we present on a pre-tax and after-tax basis 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 (benefit) 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 tax receivable agreement liability and (i) certain other items that we believe are not indicative of our core performance, including charges related to corporate transactions and employee severance. We believe Adjusted Pre-Tax Income is useful to investors because it provides additional insight into the operating profitability of our business. **Adjusted Net Income** represents Adjusted Pre-Tax Income fully taxed at each period's blended statutory tax rate.

Adjusted EBITDA is a non-GAAP measure which represents Adjusted Net Income excluding (a) adjusted income taxes, (b) depreciation and amortization expense and (c) interest expense on our outstanding debt. We believe Adjusted EBITDA is useful to investors because it enables them to better evaluate the performance of our core business across reporting periods.

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.

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 (a) incentive fees and (b) fund reimbursement revenue.

Fee-Related Earnings ("FRE") is a non-GAAP measure 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.

New Capital Raised is new limited partner commitments where fees are charged immediately at the initial commitment date.

Net Incentive Fees Attributable to GCM Grosvenor is a non-GAAP measure 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.

Certain Definitions and Use of Non-GAAP Financials and Key Performance Indicators (continued)

Fee-Paying Assets Under Management (“FPAUM” or “Fee-Paying AUM”) is a key performance indicator 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. The FPAUM for our 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 net asset value.

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.

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.

Assets Under Management (“AUM”) reflects the sum of (a) FPAUM, (b) CNYFPAUM and (c) other mark-to-market, insider capital and non-fee-paying assets under management.

GCM Grosvenor refers to the combined accounts of (a) Grosvenor Capital Management Holdings, LLLP (“LLLP” or “GCMH”), an Delaware limited liability limited partnership, and its consolidated subsidiaries and (b) GCM, L.L.C., a Delaware limited liability company.

Transaction refers to the business combination announced August 3, 2020 and completed on November 17, 2020 through which CFAC merged with and into GCM Grosvenor Inc., ceasing the separate corporate existence of CFAC with GCM Grosvenor Inc. becoming the surviving corporation. Following the business combination, the financial statements of GCM Grosvenor Inc. will represent a continuation of the financial statements of GCM Grosvenor with the transaction being treated as the equivalent of GCM Grosvenor issuing stock for the net assets of GCM Grosvenor, Inc., accompanied by a recapitalization.

GCM Grosvenor Inc. 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.