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Investing Beyond the Noise: GCM Grosvenor's Belmont Harbor Strategy

Amid recent volatility in global equity markets, investors are rethinking their exposure to traditional strategies. With macroeconomic uncertainty still high and individual stock performance growing more uneven, there's increasing interest in strategies that can navigate complexity without depending on overall market trends.

"Many of the same conditions that cause investor caution can actually be advantageous for hedge fund strategies," said Keith Friedman, Managing Director, Absolute Return Strategies at GCM Grosvenor. "Especially those focused on generating alpha amid uncertainty."

GCM Grosvenor's Belmont Harbor is one such strategy. It has sought to deliver value during periods when equity markets have struggled, seeking to perform independently of the broader market direction.

At GCM Grosvenor's recent Annual Forum, Friedman shared why the firm's Belmont Harbor Strategy is built precisely for an environment of uncertainty.



Select risks include: macroeconomic risk, sourcing risk, investment selection, portfolio diversification, management risk, execution of value creation plan, risks related to reliance on third parties, and risks related to the sale of investments.

Past performance is not necessarily indicative of future results. No assurance can be given that any investment will achieve its given objectives or avoid losses. Unless apparent from context, all statements herein represent GCM Grosvenor's opinion.

A Market Neutral, Multi-Portfolio Manager Strategy

Belmont Harbor is a market neutral long/short hedge fund strategy that employs a multi-portfolio manager (multi-PM) approach. The strategy seeks to generate alpha through fundamental stock selection, with minimal sensitivity to broader markets, sectors, or factor risks.

"We're not betting on markets going up or down – we're focused on generating alpha through stock selection, while keeping an uncorrelated profile," said Friedman.

Each portfolio manager (PM) within Belmont Harbor is a specialist with deep experience in a defined area of the market. These PMs are hired to trade directly on the strategy's balance sheet within clearly defined mandates and daily risk limits. Trading activity is subject to position-level oversight, with exposures actively monitored and hedged to help maintain the strategy's uncorrelated goal.

Transparency, Control, and Customization

Belmont Harbor's structure is designed to capitalize on transparency and control.

"Transparency, including daily position-level visibility and the ability to manage risk, allows us to take a more active role in making informed decisions," said Friedman.

That visibility is made possible by the strategy's use of separately managed accounts (SMAs), which give investors a clear line of sight into holdings and risk exposures. This transparency is paired with daily oversight of PM positions via a proprietary risk engine.

"We analyze each PM's book every day and mitigate unwanted sensitivities," Friedman explained. "Through the strategy, we seek to deliver fundamental alpha—not market beta, not sector bets, not country tilts, not factor loadings."

Experienced Talent and Rigorous Oversight

Belmont Harbor's edge is further sharpened by its portfolio managers – specialists selected through a rigorous, data-driven process.

"Securing premier, talented PMs is critical for the success of the program," said Friedman. "We dedicate substantial resources and effort to ensuring we have world-class talent."

As of January 2025, GCM Grosvenor maintains an evaluated list of 1,400+ candidates, focusing not just on past performance but on the drivers behind it.

"It's crucial not only to hire PMs that have done well, but to understand why they've done well," he emphasized. The PMs that we've hired bring decades of experience and proven alpha generation.



Flexible Access for Investors

The Belmont Harbor Strategy can be implemented through a range of solutions tailored to institutional objectives, including:

- Fully implemented diversified portfolios, designed to offer streamlined access to multi-manager absolute return strategies.

- Overlay solutions, which can be integrated into a broader investment portfolio as a potential enhancement to existing exposures.

- Customized, private-label solutions, offering institutions the opportunity to build a bespoke multi-manager absolute return strategies portfolio aligned with their unique objectives.

Built for Today's Institutional Needs

Belmont Harbor reflects GCM Grosvenor's longstanding commitment to developing and managing hedge fund strategies that meet the evolving needs of institutional investors. With an emphasis on fundamental alpha, risk discipline, and implementation flexibility, **Belmont Harbor stands out as a distinctive option for those seeking a differentiated and uncorrelated strategy.**



About GCM Grosvenor

GCM Grosvenor (Nasdaq: GCMG) is a global alternative asset management solutions provider with approximately \$82 billion in assets under management across private equity, infrastructure, real estate, credit, and absolute return investment strategies. The firm has specialized in alternatives for more than 50 years and is dedicated to delivering value for clients by leveraging its cross-asset class and flexible investment platform.

GCM Grosvenor's experienced team of approximately 550 professionals serves a global client base of institutional and individual investors. The firm is headquartered in Chicago, with offices in New York, Toronto, London, Frankfurt, Tokyo, Hong Kong, Seoul and Sydney. For more information, visit: www.gcmgrosvenor.com.

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