

# 2022 First Quarter Supplemental Financial Data



GCM GROSVENOR

Note: This supplemental financial data should be read in conjunction with GCM Grosvenor's 2022 First Quarter Results Earnings Presentation.



# GAAP Statements of Income by Quarter (unaudited)

\$000, except per share amounts and where otherwise noted	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22
<b>Revenues</b>													
Management fees	\$ 81,401	\$ 79,470	\$ 82,837	\$ 81,008	\$ 77,701	\$ 75,136	\$ 78,269	\$ 79,639	\$ 82,625	\$ 85,594	\$ 87,796	\$ 95,201	\$ 92,110
Incentive fees	22,703	9,774	33,342	18,346	3,233	13,041	21,774	73,602	18,214	32,227	29,178	94,234	11,992
Other operating income	1,538	1,650	2,383	1,942	1,683	1,953	1,703	2,247	2,380	1,882	1,101	1,160	1,026
Total operating revenues	105,642	90,894	118,562	101,296	82,617	90,130	101,746	155,488	103,219	119,703	118,075	190,595	105,128
<b>Expenses</b>													
Employee compensation and benefits	58,864	53,309	62,311	68,483	55,477	55,667	75,315	202,006	83,353	75,834	72,867	101,783	65,905
General, administrative and other	21,789	22,207	20,641	23,821	24,596	16,242	17,263	26,530	24,532	21,651	20,131	22,037	21,258
Total operating expenses	80,653	75,516	82,952	92,304	80,073	71,909	92,578	228,536	107,885	97,485	92,998	123,820	87,163
Operating income (loss)	24,989	15,378	35,610	8,992	2,544	18,221	9,168	(73,048)	(4,666)	22,218	25,077	66,775	17,965
Investment income (loss)	(286)	3,394	2,962	1,451	3,373	(9,575)	7,902	9,042	13,048	13,459	13,732	12,256	10,860
Interest expense	(6,000)	(6,786)	(6,281)	(6,613)	(5,867)	(5,841)	(5,807)	(5,931)	(4,491)	(4,563)	(5,432)	(5,598)	(5,284)
Other income (expense)	(1,659)	(3,276)	(2,680)	3,121	(9,733)	(1,350)	446	1,075	1,317	(261)	1,329	1,009	1
Change in fair value of warrant liabilities	—	—	—	—	—	—	—	(13,315)	14,057	(6,738)	(9,550)	10,084	2,022
Net other income (expense)	(7,945)	(6,668)	(5,999)	(2,041)	(12,227)	(16,766)	2,541	(9,129)	23,931	1,897	79	17,751	7,599
Income (loss) before income taxes	17,044	8,710	29,611	6,951	(9,683)	1,455	11,709	(82,177)	19,265	24,115	25,156	84,526	25,564
Provision (benefit) for income taxes	661	455	527	675	643	526	541	2,796	(663)	2,204	2,450	7,002	2,333
Net income (loss)	16,383	8,255	29,084	6,276	(10,326)	929	11,168	(84,973)	19,928	21,911	22,706	77,524	23,231
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	3,178	3,920	5,194	929	2,536	(5,183)	6,520	7,744	8,589	11,708	10,142	6,473	4,836
Less: Net income (loss) attributable to noncontrolling interests in GCMH	13,205	4,335	23,890	5,347	(14,955)	5,927	1,326	(105,235)	703	(2,191)	8,508	56,828	13,669
Net income attributable to GCM Grosvenor Inc.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,049	\$ 2,547	\$ 656	\$ 4,056	\$ 14,223	\$ 4,726
<b>Earnings (loss) per share of Class A common stock<sup>1</sup>:</b>													
Basic	—	—	—	—	—	—	—	\$ 0.10	\$ 0.06	\$ 0.01	\$ 0.09	\$ 0.32	\$ 0.11
Diluted	—	—	—	—	—	—	—	\$ (0.58)	\$ (0.05)	\$ (0.02)	\$ 0.03	\$ 0.29	\$ 0.08
<b>Weighted average shares of Class A common stock outstanding (000)<sup>1</sup>:</b>													
Basic	—	—	—	—	—	—	—	39,985	42,084	44,563	44,388	44,040	44,594
Diluted	—	—	—	—	—	—	—	184,220	188,872	188,799	188,877	189,060	189,666

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	2019	2020	2021
<b>Revenues</b>			
Management fees	\$ 324,716	\$ 310,745	\$ 351,216
Incentive fees	84,165	111,650	173,853
Other operating income	7,513	7,586	6,523
<b>Total operating revenues</b>	<b>416,394</b>	<b>429,981</b>	<b>531,592</b>
<b>Expenses</b>			
Employee compensation and benefits	242,967	388,465	333,837
General, administrative and other	88,458	84,631	88,351
<b>Total operating expenses</b>	<b>331,425</b>	<b>473,096</b>	<b>422,188</b>
Operating income (loss)	84,969	(43,115)	109,404
Investment income	7,521	10,742	52,495
Interest expense	(25,680)	(23,446)	(20,084)
Other income (expense)	(4,494)	(9,562)	3,394
Change in fair value of warrant liabilities	—	(13,315)	7,853
<b>Net other income (expense)</b>	<b>(22,653)</b>	<b>(35,581)</b>	<b>43,658</b>
Income (loss) before income taxes	62,316	(78,696)	153,062
Provision for income taxes	2,318	4,506	10,993
<b>Net income (loss)</b>	<b>59,998</b>	<b>(83,202)</b>	<b>142,069</b>
Less: Net income attributable to redeemable noncontrolling interest	—	14,069	19,827
Less: Net income attributable to noncontrolling interests in subsidiaries	13,221	11,617	36,912
Less: Net income (loss) attributable to noncontrolling interests in GCMH	46,777	(112,937)	63,848
<b>Net income attributable to GCM Grosvenor Inc.</b>	<b>\$ —</b>	<b>\$ 4,049</b>	<b>\$ 21,482</b>
<b>Earnings (loss) per share of Class A common stock<sup>1</sup>:</b>			
Basic	— \$	0.10 \$	0.49
Diluted	— \$	(0.58) \$	0.28
<b>Weighted average shares of Class A common stock outstanding (000)<sup>1</sup>:</b>			
Basic	—	39,985	43,766
Diluted	—	184,220	189,059

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 Quarter<sup>1</sup>

\$000, except per share amount and where otherwise noted	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22
<b>Adjusted EBITDA</b>													
Revenues													
Private markets strategies	\$ 35,940	\$ 36,966	\$ 40,122	\$ 37,957	\$ 36,464	\$ 36,548	\$ 38,588	\$ 38,390	\$ 40,373	\$ 42,360	\$ 43,643	\$ 49,071	\$ 46,841
Absolute return strategies	43,999	41,603	41,410	40,011	39,263	36,761	37,517	38,808	39,892	40,680	41,878	42,947	42,711
Management fees, net <sup>2</sup>	79,939	78,569	81,532	77,968	75,727	73,309	76,105	77,198	80,265	83,040	85,521	92,018	89,552
Administrative fees and other operating income	1,538	1,650	2,383	1,942	1,683	1,953	1,703	2,247	2,380	1,882	1,101	1,160	1,026
<b>Fee-Related Revenue</b>	<b>81,477</b>	<b>80,219</b>	<b>83,915</b>	<b>79,910</b>	<b>77,410</b>	<b>75,262</b>	<b>77,808</b>	<b>79,445</b>	<b>82,645</b>	<b>84,922</b>	<b>86,622</b>	<b>93,178</b>	<b>90,578</b>
Less:													
Cash-based employee compensation and benefits, net <sup>3</sup>	(42,053)	(39,442)	(39,835)	(43,882)	(42,022)	(38,332)	(39,373)	(38,467)	(41,192)	(40,255)	(39,200)	(39,144)	(40,863)
General, administrative and other, net <sup>4</sup>	(18,357)	(19,335)	(17,101)	(17,422)	(17,827)	(11,822)	(12,811)	(14,202)	(16,260)	(17,211)	(16,452)	(17,252)	(18,004)
<b>Fee-Related Earnings</b>	<b>\$ 21,067</b>	<b>\$ 21,442</b>	<b>\$ 26,979</b>	<b>\$ 18,606</b>	<b>\$ 17,561</b>	<b>\$ 25,108</b>	<b>\$ 25,624</b>	<b>\$ 26,776</b>	<b>\$ 25,193</b>	<b>\$ 27,456</b>	<b>\$ 30,970</b>	<b>\$ 36,782</b>	<b>\$ 31,711</b>
Incentive fees:													
Performance fees	\$ 63	\$ 20	\$ 3,923	\$ 10,407	\$ 605	\$ 132	\$ 884	\$ 51,105	\$ 6,113	\$ 2,891	\$ 316	\$ 42,627	\$ 1,001
Carried interest	22,640	9,754	29,419	7,939	2,628	12,909	20,890	22,497	12,101	29,336	28,862	51,607	10,991
Incentive fee related compensation and NCI:													
Cash-based incentive fee related compensation	—	—	—	—	—	—	—	(11,454)	(1,833)	(868)	(3,380)	(21,921)	(1,594)
Carried interest compensation, net <sup>5</sup>	(12,006)	(5,051)	(16,185)	(6,318)	(1,201)	(7,819)	(12,155)	(13,795)	(7,503)	(17,967)	(17,022)	(26,587)	(6,191)
Carried interest attributable to noncontrolling interests	(4,861)	(1,922)	(3,484)	(1,077)	(1,333)	(4,773)	(2,219)	(7,764)	(4,430)	(10,561)	(3,187)	(3,126)	(1,815)
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries <sup>6</sup>													
Interest income	190	376	214	284	296	52	19	10	7	4	4	3	3
Other (income) expense	(23)	(58)	(89)	28	118	15	50	(36)	51	13	21	(25)	(2)
Depreciation	655	603	616	670	696	536	540	542	473	407	408	400	399
<b>Adjusted EBITDA</b>	<b>\$ 27,725</b>	<b>\$ 25,164</b>	<b>\$ 41,393</b>	<b>\$ 30,539</b>	<b>\$ 19,370</b>	<b>\$ 26,160</b>	<b>\$ 33,633</b>	<b>\$ 67,881</b>	<b>\$ 30,172</b>	<b>\$ 30,711</b>	<b>\$ 37,621</b>	<b>\$ 80,627</b>	<b>\$ 37,167</b>
<b>Adjusted Net Income Per Share</b>													
<b>Adjusted EBITDA</b>	<b>\$ 27,725</b>	<b>\$ 25,164</b>	<b>\$ 41,393</b>	<b>\$ 30,539</b>	<b>\$ 19,370</b>	<b>\$ 26,160</b>	<b>\$ 33,633</b>	<b>\$ 67,881</b>	<b>\$ 30,172</b>	<b>\$ 30,711</b>	<b>\$ 37,621</b>	<b>\$ 80,627</b>	<b>\$ 37,167</b>
Depreciation	(655)	(603)	(616)	(670)	(696)	(536)	(540)	(542)	(473)	(407)	(408)	(400)	(399)
Interest expense	(6,000)	(6,786)	(6,281)	(6,613)	(5,867)	(5,841)	(5,807)	(5,931)	(4,491)	(4,563)	(5,432)	(5,598)	(5,284)
<b>Adjusted Pre-Tax Income</b>	<b>21,070</b>	<b>17,775</b>	<b>34,496</b>	<b>23,256</b>	<b>12,807</b>	<b>19,783</b>	<b>27,286</b>	<b>61,408</b>	<b>25,208</b>	<b>25,741</b>	<b>31,781</b>	<b>74,629</b>	<b>31,484</b>
Adjusted income taxes <sup>7</sup>	(5,268)	(4,445)	(8,625)	(5,811)	(3,202)	(4,946)	(6,822)	(15,351)	(6,302)	(6,435)	(7,945)	(17,871)	(7,714)
<b>Adjusted Net Income</b>	<b>\$ 15,802</b>	<b>\$ 13,330</b>	<b>\$ 25,871</b>	<b>\$ 17,445</b>	<b>\$ 9,605</b>	<b>\$ 14,837</b>	<b>\$ 20,464</b>	<b>\$ 46,057</b>	<b>\$ 18,906</b>	<b>\$ 19,306</b>	<b>\$ 23,836</b>	<b>\$ 56,758</b>	<b>\$ 23,770</b>
Adjusted shares outstanding (000) <sup>8</sup>													
	185,117	185,117	185,117	185,117	185,117	185,117	185,117	185,117	188,872	189,424	188,877	189,060	189,666
<b>Adjusted Net Income Per Share - diluted</b>	<b>\$ 0.09</b>	<b>\$ 0.07</b>	<b>\$ 0.14</b>	<b>\$ 0.09</b>	<b>\$ 0.05</b>	<b>\$ 0.08</b>	<b>\$ 0.11</b>	<b>\$ 0.25</b>	<b>\$ 0.10</b>	<b>\$ 0.10</b>	<b>\$ 0.13</b>	<b>\$ 0.30</b>	<b>\$ 0.13</b>

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.

2-8. See Non-GAAP Financial Measure - Notes for definitions of these metrics.

# Summary of Non-GAAP Financial Measures by Year<sup>1</sup>

\$000, except per share amount and where otherwise noted	2019	2020	2021
<b>Adjusted EBITDA</b>			
Revenues			
Private markets strategies	\$ 150,985	\$ 149,990	\$ 175,447
Absolute return strategies	167,023	152,349	165,397
Management fees, net <sup>2</sup>	318,008	302,339	340,844
Administrative fees and other operating income	7,513	7,586	6,523
<b>Fee-Related Revenue</b>	<b>325,521</b>	<b>309,925</b>	<b>347,367</b>
Less:			
Cash-based employee compensation and benefits, net <sup>3</sup>	(165,212)	(158,194)	(159,791)
General, administrative and other, net <sup>4</sup>	(72,215)	(56,662)	(67,175)
<b>Fee-Related Earnings</b>	<b>\$ 88,094</b>	<b>\$ 95,069</b>	<b>\$ 120,401</b>
Incentive fees:			
Performance fees	\$ 14,413	\$ 52,726	\$ 51,947
Carried interest	69,752	58,924	121,906
Incentive fee related compensation and NCI:			
Cash-based incentive fee related compensation	—	(11,454)	(28,002)
Carried interest compensation, net <sup>5</sup>	(39,560)	(34,970)	(69,079)
Carried interest attributable to noncontrolling interests	(11,344)	(16,089)	(21,304)
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries <sup>6</sup>	—	—	1,496
Interest income	1,064	377	18
Other (income) expense	(142)	147	60
Depreciation	2,544	2,314	1,688
<b>Adjusted EBITDA</b>	<b>\$ 124,821</b>	<b>\$ 147,044</b>	<b>\$ 179,131</b>
<b>Adjusted Net Income Per Share</b>			
<b>Adjusted EBITDA</b>	<b>\$ 124,821</b>	<b>\$ 147,044</b>	<b>\$ 179,131</b>
Depreciation	(2,544)	(2,314)	(1,688)
Interest expense	(25,680)	(23,446)	(20,084)
<b>Adjusted Pre-Tax Income</b>	<b>96,597</b>	<b>121,284</b>	<b>157,359</b>
Adjusted income taxes <sup>7</sup>	(24,149)	(30,321)	(38,553)
<b>Adjusted Net Income</b>	<b>\$ 72,448</b>	<b>\$ 90,963</b>	<b>\$ 118,806</b>
Adjusted shares outstanding (000) <sup>8</sup>	185,117	185,117	189,059
<b>Adjusted Net Income Per Share - diluted</b>	<b>\$ 0.39</b>	<b>\$ 0.49</b>	<b>\$ 0.63</b>

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.  
2-8. See Non-GAAP Financial Measure - Notes for definitions of these metrics.

# Components of GAAP Expenses by Quarter

\$000	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22
<b>Components of GAAP Employee Compensation and Benefits</b>													
Cash-based employee compensation and benefits, net <sup>3</sup>	\$ 42,053	\$ 39,442	\$ 39,835	\$ 43,882	\$ 42,022	\$ 38,332	\$ 39,373	\$ 38,467	\$ 41,192	\$ 40,255	\$ 39,200	\$ 39,144	\$ 40,863
Cash-based incentive fee related compensation	—	—	—	—	—	—	—	11,454	1,833	868	3,380	21,921	1,594
Carried interest compensation, net <sup>5</sup>	12,006	5,051	16,185	6,318	1,201	7,819	12,155	13,795	7,503	17,967	17,022	26,587	6,191
Partnership interest-based compensation	3,809	4,906	4,365	17,153	7,920	8,856	21,605	133,977	4,903	10,026	6,029	6,713	7,115
Equity-based compensation	—	—	—	—	—	—	—	—	27,036	5,604	5,878	5,672	9,881
Severance	1,095	2,347	979	229	2,280	8	760	4,588	588	802	592	1,128	513
Other non-cash compensation	708	1,048	1,129	1,145	1,065	1,160	1,135	1,204	941	683	1,080	596	84
Non-cash carried interest compensation	(807)	515	(182)	(244)	989	(508)	287	(1,479)	(643)	(371)	(314)	22	(336)
<b>GAAP employee compensation and benefits</b>	<b>\$ 58,864</b>	<b>\$ 53,309</b>	<b>\$ 62,311</b>	<b>\$ 68,483</b>	<b>\$ 55,477</b>	<b>\$ 55,667</b>	<b>\$ 75,315</b>	<b>\$ 202,006</b>	<b>\$ 83,353</b>	<b>\$ 75,834</b>	<b>\$ 72,867</b>	<b>\$ 101,783</b>	<b>\$ 65,905</b>

3, 5. See Non-GAAP Financial Measure - Notes for definitions of these metrics.



# Components of GAAP Expenses by Year

\$000	2019	2020	2021
<b>Components of GAAP Employee Compensation and Benefits</b>			
Cash-based employee compensation and benefits, net <sup>3</sup>	\$ 165,212	\$ 158,194	\$ 159,791
Cash-based incentive fee related compensation	—	11,454	28,002
Carried interest compensation, net <sup>5</sup>	39,560	34,970	69,079
Partnership interest-based compensation	30,233	172,358	27,671
Equity-based compensation	—	—	44,190
Severance	4,650	7,636	3,110
Other non-cash compensation	4,030	4,564	3,300
Non-cash carried interest compensation	(718)	(711)	(1,306)
<b>GAAP employee compensation and benefits</b>	<b>\$ 242,967</b>	<b>\$ 388,465</b>	<b>\$ 333,837</b>

3, 5. See Non-GAAP Financial Measure - Notes for definitions of these metrics.

# Reconciliation of Non-GAAP Measures to GAAP by Quarter

\$000	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22
<b>Net Incentive Fees Attributable to GCM Grosvenor</b>													
Incentive fees:													
Performance fees	\$ 63	\$ 20	\$ 3,923	\$ 10,407	\$ 605	\$ 132	\$ 884	\$ 51,105	\$ 6,113	\$ 2,891	\$ 316	\$ 42,627	\$ 1,001
Carried interest	22,640	9,754	29,419	7,939	2,628	12,909	20,890	22,497	12,101	29,336	28,862	51,607	10,991
Less incentive fees contractually owed to others:													
Cash carried interest compensation	(11,199)	(5,566)	(16,003)	(6,074)	(2,190)	(7,311)	(12,442)	(12,316)	(6,860)	(17,596)	(16,708)	(26,609)	(5,855)
Non-cash carried interest compensation	(807)	515	(182)	(244)	989	(508)	287	(1,479)	(643)	(371)	(314)	22	(336)
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	(4,861)	(1,922)	(3,484)	(1,077)	(468)	(1,969)	(2,588)	(3,313)	(2,525)	(4,407)	(3,187)	(3,126)	(1,815)
<b>Firm share of incentive fees<sup>9</sup></b>	<b>5,836</b>	<b>2,801</b>	<b>13,673</b>	<b>10,951</b>	<b>699</b>	<b>449</b>	<b>7,400</b>	<b>52,043</b>	<b>6,281</b>	<b>3,699</b>	<b>8,969</b>	<b>64,521</b>	<b>3,986</b>
Less: Cash-based incentive fee related compensation	—	—	—	—	—	—	—	(11,454)	(1,833)	(868)	(3,380)	(21,921)	(1,594)
<b>Net Incentive Fees Attributable to GCM Grosvenor</b>	<b>\$ 5,836</b>	<b>\$ 2,801</b>	<b>\$ 13,673</b>	<b>\$ 10,951</b>	<b>\$ 699</b>	<b>\$ 449</b>	<b>\$ 7,400</b>	<b>\$ 40,589</b>	<b>\$ 4,448</b>	<b>\$ 2,831</b>	<b>\$ 5,589</b>	<b>\$ 42,600</b>	<b>\$ 2,392</b>

9. 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'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22
<b>Adjusted Pre-Tax Income &amp; Adjusted Net Income</b>													
<b>Net income attributable to GCM Grosvenor Inc.</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,049	\$ 2,547	\$ 656	\$ 4,056	\$ 14,223	\$ 4,726
Plus:													
Net income (loss) attributable to noncontrolling interests in GCMH	13,205	4,335	23,890	5,347	(14,955)	5,927	1,326	(105,235)	703	(2,191)	8,508	56,828	13,669
Provision (benefit) for income taxes	661	455	527	675	643	526	541	2,796	(663)	2,204	2,450	7,002	2,333
Change in fair value of derivatives	1,820	3,600	2,805	(2,808)	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)
Amortization expense	1,953	1,954	1,953	1,934	1,876	1,876	1,876	1,876	583	583	583	583	579
Severance	1,095	2,347	979	229	2,280	8	760	4,588	588	802	592	1,128	513
Transaction expenses <sup>1</sup>	—	—	—	770	3,355	145	274	7,829	5,300	1,183	744	600	79
Loss on extinguishment of debt	—	—	—	—	1,032	482	—	—	675	—	—	—	—
Changes in tax receivable agreement liability and other <sup>2</sup>	66	24	283	532	—	4	366	10	8	274	(1,097)	(557)	127
Partnership interest-based compensation	3,809	4,906	4,365	17,153	7,920	8,856	21,605	133,977	4,903	10,026	6,029	6,713	7,115
Equity-based compensation	—	—	—	—	—	—	—	—	27,036	5,604	5,878	5,672	9,881
Other non-cash compensation	708	1,048	1,129	1,145	1,065	1,160	1,135	1,204	941	683	1,080	596	84
Less:													
Unrealized investment income, net of noncontrolling interests	(1,440)	(1,409)	(1,253)	(1,477)	(32)	(110)	(506)	(421)	(779)	(450)	(6,278)	(8,097)	(5,264)
Non-cash carried interest compensation	(807)	515	(182)	(244)	989	(508)	287	(1,479)	(643)	(371)	(314)	22	(336)
<b>Adjusted Pre-Tax Income</b>	<b>21,070</b>	<b>17,775</b>	<b>34,496</b>	<b>23,256</b>	<b>12,807</b>	<b>19,783</b>	<b>27,286</b>	<b>61,408</b>	<b>25,208</b>	<b>25,741</b>	<b>31,781</b>	<b>74,629</b>	<b>31,484</b>
Less:													
Adjusted income taxes <sup>3</sup>	(5,268)	(4,445)	(8,625)	(5,811)	(3,202)	(4,946)	(6,822)	(15,351)	(6,302)	(6,435)	(7,945)	(17,871)	(7,714)
<b>Adjusted Net Income</b>	<b>\$ 15,802</b>	<b>\$ 13,330</b>	<b>\$ 25,871</b>	<b>\$ 17,445</b>	<b>\$ 9,605</b>	<b>\$ 14,837</b>	<b>\$ 20,464</b>	<b>\$ 46,057</b>	<b>\$ 18,906</b>	<b>\$ 19,306</b>	<b>\$ 23,836</b>	<b>\$ 56,758</b>	<b>\$ 23,770</b>
<b>Adjusted EBITDA</b>													
<b>Adjusted Net Income</b>	<b>\$ 15,802</b>	<b>\$ 13,330</b>	<b>\$ 25,871</b>	<b>\$ 17,445</b>	<b>\$ 9,605</b>	<b>\$ 14,837</b>	<b>\$ 20,464</b>	<b>\$ 46,057</b>	<b>\$ 18,906</b>	<b>\$ 19,306</b>	<b>\$ 23,836</b>	<b>\$ 56,758</b>	<b>\$ 23,770</b>
Plus:													
Adjusted income taxes <sup>3</sup>	5,268	4,445	8,625	5,811	3,202	4,946	6,822	15,351	6,302	6,435	7,945	17,871	7,714
Depreciation expense	655	603	616	670	696	536	540	542	473	407	408	400	399
Interest expense	6,000	6,786	6,281	6,613	5,867	5,841	5,807	5,931	4,491	4,563	5,432	5,598	5,284
<b>Adjusted EBITDA</b>	<b>\$ 27,725</b>	<b>\$ 25,164</b>	<b>\$ 41,393</b>	<b>\$ 30,539</b>	<b>\$ 19,370</b>	<b>\$ 26,160</b>	<b>\$ 33,633</b>	<b>\$ 67,881</b>	<b>\$ 30,172</b>	<b>\$ 30,711</b>	<b>\$ 37,621</b>	<b>\$ 80,627</b>	<b>\$ 37,167</b>
<b>Fee-Related Earnings</b>													
<b>Adjusted EBITDA</b>	<b>\$ 27,725</b>	<b>\$ 25,164</b>	<b>\$ 41,393</b>	<b>\$ 30,539</b>	<b>\$ 19,370</b>	<b>\$ 26,160</b>	<b>\$ 33,633</b>	<b>\$ 67,881</b>	<b>\$ 30,172</b>	<b>\$ 30,711</b>	<b>\$ 37,621</b>	<b>\$ 80,627</b>	<b>\$ 37,167</b>
Less:													
Incentive fees	(22,703)	(9,774)	(33,342)	(18,346)	(3,233)	(13,041)	(21,774)	(73,602)	(18,214)	(32,227)	(29,178)	(94,234)	(11,992)
Depreciation expense	(655)	(603)	(616)	(670)	(696)	(536)	(540)	(542)	(473)	(407)	(408)	(400)	(399)
Other non-operating (income) expense	(167)	(318)	(125)	(312)	(414)	(67)	(69)	26	(58)	(17)	(25)	22	(1)
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries <sup>4</sup>	—	—	—	—	—	—	—	—	—	—	(629)	(867)	(2,664)
Plus:													
Incentive fee-related compensation	12,006	5,051	16,185	6,318	1,201	7,819	12,155	25,249	9,336	18,835	20,402	48,508	7,785
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	4,861	1,922	3,484	1,077	468	1,969	2,588	3,313	2,525	4,407	3,187	3,126	1,815
<b>Fee-Related Earnings</b>	<b>\$ 21,067</b>	<b>\$ 21,442</b>	<b>\$ 26,979</b>	<b>\$ 18,606</b>	<b>\$ 17,561</b>	<b>\$ 25,108</b>	<b>\$ 25,624</b>	<b>\$ 26,776</b>	<b>\$ 25,193</b>	<b>\$ 27,456</b>	<b>\$ 30,970</b>	<b>\$ 36,782</b>	<b>\$ 31,711</b>

1. Represents expenses incurred in each of 2019 and 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.

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. Represents corporate income taxes at a blended statutory rate of 24.5% applied to Adjusted Pre-Tax Income for 2021 and 2022 (adjusted from 25.0% in Q4 2021) and a 25.0% rate for 2020 and periods prior. The 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 3.5% and 4.0%, respectively. As we were not subject to U.S. federal and state income taxes prior to the Transaction, the blended statutory rate of 25.0% has been applied to periods prior to the Transaction for comparability purposes.

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	2019	2020	2021
<b>Net Incentive Fees Attributable to GCM Grosvenor</b>			
Incentive fees:			
Performance fees	\$ 14,413	\$ 52,726	\$ 51,947
Carried interest	69,752	58,924	121,906
Less incentive fees contractually owed to others:			
Cash carried interest compensation	(38,842)	(34,259)	(67,773)
Non-cash carried interest compensation	(718)	(711)	(1,306)
Carried interest attributable to redeemable noncontrolling interest holder	—	(7,751)	(8,059)
Carried interest attributable to other noncontrolling interest holders, net	(11,344)	(8,338)	(13,245)
<b>Firm share of incentive fees<sup>9</sup></b>	<b>33,261</b>	<b>60,591</b>	<b>83,470</b>
Less: Cash-based incentive fee related compensation	—	(11,454)	(28,002)
<b>Net Incentive Fees Attributable to GCM Grosvenor</b>	<b>\$ 33,261</b>	<b>\$ 49,137</b>	<b>\$ 55,468</b>

9. 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	2019	2020	2021
<b>Adjusted Pre-Tax Income &amp; Adjusted Net Income</b>			
<b>Net income attributable to GCM Grosvenor Inc.</b>	<b>\$ —</b>	<b>\$ 4,049</b>	<b>\$ 21,482</b>
Plus:			
Net income (loss) attributable to noncontrolling interests in GCMH	46,777	(112,937)	63,848
Provision for income taxes	2,318	4,506	10,993
Change in fair value of derivatives	5,417	8,572	(1,934)
Change in fair value of warrant liabilities	—	13,315	(7,853)
Amortization expense	7,794	7,504	2,332
Severance	4,650	7,636	3,110
Transaction expenses <sup>1</sup>	770	11,603	7,827
Loss on extinguishment of debt	—	1,514	675
Changes in tax receivable agreement liability and other <sup>2</sup>	905	380	(1,372)
Partnership interest-based compensation	30,233	172,358	27,671
Equity-based compensation	—	—	44,190
Other non-cash compensation	4,030	4,564	3,300
Less:			
Unrealized investment income, net of noncontrolling interests	(5,579)	(1,069)	(15,604)
Non-cash carried interest compensation	(718)	(711)	(1,306)
<b>Adjusted Pre-Tax Income</b>	<b>96,597</b>	<b>121,284</b>	<b>157,359</b>
Less:			
Adjusted income taxes <sup>3</sup>	(24,149)	(30,321)	(38,553)
<b>Adjusted Net Income</b>	<b>\$ 72,448</b>	<b>\$ 90,963</b>	<b>\$ 118,806</b>
<b>Adjusted EBITDA</b>			
<b>Adjusted Net Income</b>	<b>\$ 72,448</b>	<b>\$ 90,963</b>	<b>\$ 118,806</b>
Plus:			
Adjusted income taxes <sup>3</sup>	24,149	30,321	38,553
Depreciation expense	2,544	2,314	1,688
Interest expense	25,680	23,446	20,084
<b>Adjusted EBITDA</b>	<b>\$ 124,821</b>	<b>\$ 147,044</b>	<b>\$ 179,131</b>
<b>Fee-Related Earnings</b>			
<b>Adjusted EBITDA</b>	<b>\$ 124,821</b>	<b>\$ 147,044</b>	<b>\$ 179,131</b>
Less:			
Incentive fees	(84,165)	(111,650)	(173,853)
Depreciation expense	(2,544)	(2,314)	(1,688)
Other non-operating income	(922)	(524)	(78)
Realized investment income, net of amount attributable to noncontrolling interests in subsidiaries <sup>4</sup>	—	—	(1,496)
Plus:			
Incentive fee-related compensation	39,560	46,424	97,081
Carried interest attributable to redeemable noncontrolling interest holder	—	7,751	8,059
Carried interest attributable to other noncontrolling interest holders, net	11,344	8,338	13,245
<b>Fee-Related Earnings</b>	<b>\$ 88,094</b>	<b>\$ 95,069</b>	<b>\$ 120,401</b>

1. Represents expenses incurred in each of 2019 and 2020 related to the Mosaic transaction and the Transaction and 2021 expenses related to a debt offering, other contemplated corporate transactions, and other public company transition expenses.

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. Represents corporate income taxes at a blended statutory rate of 24.5% applied to Adjusted Pre-Tax Income for 2021 (adjusted from 25.0% in Q4 2021) and a 25.0% rate for 2020 and periods prior. The 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 3.5% and 4.0%, respectively. As we were not subject to U.S. federal and state income taxes prior to the Transaction, the blended statutory rate of 25.0% has been applied to periods prior to the Transaction for comparability purposes.

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
<b>Quarter Ended March 31, 2020</b>					
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
<b>Quarter Ended June 30, 2020</b>					
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
<b>Quarter Ended September 30, 2020</b>					
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
<b>Quarter Ended December 31, 2020</b>					
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
<b>Quarter Ended March 31, 2021</b>					
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
<b>Quarter Ended June 30, 2021</b>					
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
<b>Quarter Ended September 30, 2021</b>					
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
<b>Quarter Ended December 31, 2021</b>					
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
<b>Quarter Ended March 31, 2022</b>					
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



# FPAUM and AUM by Year - 2020 and 2021

\$mm	Private Markets Strategies FPAUM	Absolute Return Strategies FPAUM	Total FPAUM	Contracted Not Yet FPAUM	Total AUM
<b>Year Ended December 31, 2020</b>					
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
<b>Year Ended December 31, 2021</b>					
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

# Non-GAAP Financial Measures - Notes

2. Excludes fund reimbursement revenue for the following periods:

\$000	Three Months Ended													Years Ended		
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2019	2020	2021
Fund reimbursement revenue	1,462	900	1,305	3,041	1,974	1,827	2,164	2,441	2,360	2,554	2,275	3,183	2,558	6,708	8,406	10,372

3. Excludes severance expense for the following periods:

\$000	Three Months Ended													Years Ended		
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2019	2020	2021
Severance	1,095	2,347	979	229	2,280	8	760	4,588	588	802	592	1,128	513	4,650	7,636	3,110

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

\$000	Three Months Ended													Years Ended		
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2019	2020	2021
General, administrative and other	(21,789)	(22,207)	(20,641)	(23,821)	(24,596)	(16,242)	(17,263)	(26,530)	(24,532)	(21,651)	(20,131)	(22,037)	(21,258)	(88,458)	(84,631)	(88,351)
Plus:																
Corporate transaction related costs	—	—	—	770	3,355	145	274	7,829	5,300	1,183	744	600	79	770	11,603	7,827
Fund reimbursement revenue	1,462	900	1,305	3,041	1,974	1,827	2,164	2,441	2,360	2,554	2,275	3,183	2,558	6,708	8,406	10,372
Amortization of intangibles	1,953	1,954	1,953	1,934	1,876	1,876	1,876	1,876	583	583	583	583	579	7,794	7,504	2,332
Non-core items	17	18	282	654	(436)	572	138	182	29	120	77	419	38	971	456	645
<b>Total general, administrative and other, net</b>	<b>(18,357)</b>	<b>(19,335)</b>	<b>(17,101)</b>	<b>(17,422)</b>	<b>(17,827)</b>	<b>(11,822)</b>	<b>(12,811)</b>	<b>(14,202)</b>	<b>(16,260)</b>	<b>(17,211)</b>	<b>(16,452)</b>	<b>(17,252)</b>	<b>(18,004)</b>	<b>(72,215)</b>	<b>(56,662)</b>	<b>(67,175)</b>

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

\$000	Three Months Ended													Years Ended		
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2019	2020	2021
Non-cash carried interest compensation	807	(515)	182	244	(989)	508	(287)	1,479	643	371	314	(22)	336	718	711	1,306

6. 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.

7. Represents corporate income taxes at a blended statutory rate of 24.5% applied to Adjusted Pre-Tax Income for 2022 and 2021 (adjusted from 25.0% in Q4 2021) and a 25.0% rate for 2020 and periods prior. The 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 3.5% and 4.0%, respectively. As we were not subject to U.S. federal and state income taxes prior to the Transaction, the blended statutory rate of 25.0% has been applied to periods prior to the Transaction for comparability purposes.

8. 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

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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 warrants, (d) amortization expense, (e) partnership interest-based and non-cash compensation, (f) equity-based compensation, (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 minus adjusted income taxes, which represents corporate income taxes at a blended statutory rate of 24.5% applied to Adjusted Pre-Tax Income for 2022 and 2021 (adjusted from 25.0% in Q4 2021) and a 25.0% rate for 2020 and periods prior. The 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 3.5% and 4.0%, respectively. As we were not subject to U.S. federal and state income taxes prior to the Transaction, the blended statutory rate of 25.0% has been applied to periods prior to the Transaction for comparability purposes.

**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 full exercise of outstanding warrants for Class A common stock of GCM Grosvenor Inc. and the full vesting of 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)

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**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 during or prior to the initial commitment or investment period where fees are expected to be charged in the future based on invested capital (capital committed to underlying investments) or on a scheduled ramp-in of total commitments.

**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 ("LLLLP" 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.