

San Diego City Employees' Retirement System Private Equity and Infrastructure Program

Annual Review

September 2022

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50+
YEARS
of Investing



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Executive Summary

GCM Grosvenor is pleased to continue its partnership with San Diego City Employees' Retirement System ("SDCERS" or the "System") in implementing its Private Equity and Infrastructure Investment Program (the "Program" or "GCM Grosvenor Pacific")

GCM Grosvenor has prepared the following presentation to provide context and to facilitate a discussion of the Annual Review of the Program's Investment Plan

As part of the discussion, GCM Grosvenor will review the following:

- › [Overview of Private Markets Program Policies](#): Overview of SDCERS' private markets investment program and policies
- › [Annual Program Update](#): Progress toward key investment objectives of the Program since last year
- › [Investment Plan Overview](#): Overview of investment strategy, investment pacing, and risk management framework
- › [Updated Pacing Analysis](#): Revised net asset value forecasts based on recent developments and new commitments
- › [Private Equity and Infrastructure Market Update](#): Macro environment and potential opportunities for the Program
- › [Investment Themes for the Next Year](#): Focus areas and key investment objectives for the Program for the next year
- › [New Investments](#): Summary of investments made since the last annual review
- › [Portfolio Performance Summary](#): Summary of portfolio performance by investment type and realization status
- › [Portfolio Diversification Summary](#): Portfolio diversification by investment type, strategy, vintage year and geography

Overview of Private Markets Program Policies (1/4)

The SDCERS Private Markets Program Policy was established in 2009 to set parameters that SDCERS would adhere to in seeking to achieve its strategic objectives and asset allocation targets

Program Objectives



Increase the risk-adjusted returns of the SDCERS' portfolio



Increase the diversification of total System assets



Seek to take advantage of the illiquidity premium of these asset classes, given the System's long-term nature of liabilities

No assurance can be given that any investment will achieve its objectives or avoid losses.

Overview of Private Markets Program Policies (2/4)

As of March 31, 2021

The SDCERS Board approved an allocation to Private Markets which includes allocations for both Private Equity and Infrastructure. GCM Grosvenor manages half of this allocation

Asset Allocation Targets

Asset Class	 SDCERS <small>San Diego City Employees' Retirement System</small>	 GCM GROSVENOR
 Private Equity	10.0% <i>of SDCERS Total Portfolio Market Value</i>	5.0% <i>of SDCERS Total Portfolio Market Value</i>
 Infrastructure	3.0% <i>of SDCERS Total Portfolio Market Value</i>	1.5% <i>of SDCERS Total Portfolio Market Value</i>

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Overview of Private Markets Program Policies (3/4)

Performance Benchmarks

Private Equity performance is measured against two benchmarks:

- **Peer benchmark:** provides a measure for individual investments across other private equity investments which SDCERS may pursue
- **Public market equivalent:** provides a measure to assess the opportunity cost of an investment by comparing performance against a broader market index

Infrastructure performance is measured via one benchmark:

- **Inflation hedge:** assesses long-term role of infrastructure in portfolio by comparing to an inflation-linked publicly available benchmark

	Private Equity	Infrastructure
Portfolio Focus	Higher absolute returns Portfolio diversification	Inflation hedge Lower volatility returns Yield Generation
Primary / Peer Benchmark	Top 50 th Percentile of Burgiss PrivateIQ Database	n/a
Secondary Benchmark	67% DJ US TSMI / 33% MSCI ACWI ex-US + 3%	Core CPI + 500 bps

No assurance can be given that any investment will achieve its objectives or avoid losses.

Overview of Private Markets Program Policies (4/4)

General Program Policies



Eligible Investments

- Invest in private markets assets and investment strategies (i.e., private equity and infrastructure) globally
- Provide diversification from other SDCERS investment strategies



Discretionary Authority

- Use discretionary advisors as fiduciaries approved by the Board who will manage a private markets program
- Advisors will acquire assets on a discretionary basis, but provide investment plans and performance reports to the Board on a periodic basis



Risk Minimization

- Seek to minimize all risks in a prudent manner, including asset-class risk and operational risks associated with managing the Program



Ethical Standards

- Adhere at all times to the highest ethical principles
- Provide transparency and appropriate disclosures to stakeholders, while maintaining confidentiality of trade secrets pursuant to law
- Seek to avoid and disclose any potential conflicts of interest

No assurance can be given that any investment will achieve its objectives or avoid losses.

Annual Program Update

As of June 30, 2022

Outlined below is a summary of the Program's goals and accomplishments with respect to its strategic investment objectives within the last year



Investment Pace

- Committed \$204 million to 21 new investments: six private equity primaries (incl. one follow-on), one pooled co-investment fund, three secondary investments, and 11 co-investments (incl. one follow-on)
- Overall aggregate commitments of \$364 million across FY 2021- FY 2022 period is well within the target range of \$300 - \$400 million for the two-year period



Opportunistic Approach

- Opportunistic investments represented 65% of commitments made in the last year and included a pooled co-investment fund, 11 co-investments, and three secondary investments
- Focused on executing buyout primary funds with seeded portfolios and co-investments alongside sector specialists in the retail, government services, and healthcare industries



Co-Investments

- Committed \$108 million to ten new co-investments and one follow-on co-investment, representing ~53% of total commitments made since the last annual review



Infrastructure Investments

- Committed \$45 million to four infrastructure co-investments (including one follow-on) and two infrastructure secondaries, opportunistically slightly ahead of planned pacing
- Overall infrastructure exposure remains within SDCERS' asset allocation targets



J-Curve Mitigation

- All private equity co-investment commitments have experienced no J-Curve and the private equity portfolio has experienced no J-Curve since inception
- 28 out of 37 infrastructure commitments made since inception have experienced no J-Curve



Focus on GCM's Competitive Advantages

- 44% of private equity commitments were made alongside diverse investment managers
- Almost 65% of the capital committed since the last annual review was allocated to co-investments and secondaries which are more fee-efficient and can provide J-curve mitigation

Includes investment commitments made between June 30, 2020 and June 30, 2021.

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Summary of Investment Plan

Private Equity and Infrastructure

The investment plan encompasses the investment guidelines for the Program as set forth in the Limited Partnership Agreement and is updated on an annual basis. The plan focuses on three aspects as discussed below:



Investment Strategy

Invest using a “fewer, better investments” philosophy

Focus on high quality investments managed by investors with competitive advantages in their respective areas of focus

Select investments that can help achieve and maintain high performance relative to benchmarks



Investment Pace

Utilize proprietary cash flow model and investment assumptions to project future capital calls and distributions

Determine appropriate investment pace necessary to adhere to asset allocation targets

Focus on J-curve mitigating investment strategies



Risk Management

Identify and mitigate potential risks through due diligence processes and diversified portfolio construction

Seek to avoid risks such as market risk, macroeconomic risk, operational risk, headline risk, and legal risk

Monitor and report status of underlying investments for potential concerns

No assurance can be given that any investment will achieve its objectives or avoid losses. Risk management, diversification, and due diligence processes seek to mitigate, but cannot eliminate risk, nor do they imply low risk.

Investment Strategy Overview

Private Equity and Infrastructure

The Program seeks to generate strong returns on capital for SDCERS from investments in and alongside a diversified portfolio of premier private equity and infrastructure funds across a combination of asset classes and investment types

Investment Asset Classes

Buyouts	An investment using debt and equity to acquire an established company across a range of industries
Venture and Growth Capital	Equity investment in early through late stage companies with high potential for growth
Special Situations	Investment strategies outside typical leveraged buyout and venture capital investing, including distressed investing and turnaround strategies
Mezzanine	Investment in the junior debt of a company, often paying a higher interest rate than senior debt
Infrastructure	Similar to buyout investments, however infrastructure investments often have additional characteristics such as stable long-term cash flows, low volatility, and high barriers to entry

Investment Types

Primary Investments	Investments in commingled private equity funds where a third-party manager has discretion
Seasoned Primary Investments	Primary funds that have held an initial closing and typically have committed up to 50% of the fund size
Secondary Investments	Primary funds which have held a final closing and typically have committed over 50% of the fund size
Co-Investments	Investment in a company made alongside a primary fund or a fundless / independent sponsor

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Overview of Risk Management Framework

Private Equity and Infrastructure

GCM Grosvenor seeks to identify, evaluate and mitigate key investment and portfolio level risks throughout the lifecycle of each investment



Investment Due Diligence

Leverage GCM's large investment team, network of relationships, and prior investment expertise to evaluate the merits of each investment and corresponding industry, management team, and sponsor



Operational Due Diligence

Conduct background investigations, assessment of reputational risk, and evaluation of the operational capabilities and internal control environment of underlying investments and sponsors



Investment Execution

Seek to negotiate preferential economics and terms and secure appropriate legal and/or minority investor protections leveraging GCM's scale as an investor



Portfolio Construction

Evaluate fit for SDCERS' portfolio as well as manage diversification and exposures to industries, sponsors, strategies, investment types, and individual investments through discussions with SDCERS investment staff



Investment Monitoring

Review financial reports from underlying investments and conduct meetings with sponsors to evaluate ongoing performance and any potential areas of concern



Performance Reporting

Deliver comprehensive quarterly and annual performance reports to SDCERS as well as periodic reporting on new investment dealflow, distribution activity, and material portfolio updates

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Overview of Pacing Options

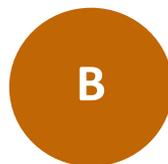
GCM Grosvenor Pacific

Given the significant expected decrease in NAV for the Pacific program (the “Program”) over the next 2 fiscal years from delayed exits, a reduction in FY2023 capital deployment target is expected to result in the Program falling below its 6.5% target exposure by 50-100bps by FY2025.



Flat Case

1. Assumes **\$150 million** of private equity commitments and **\$25 million** in infrastructure commitments
2. Exposure falls to **7.0%** of SDCERS’ plan size in June 2023 and maintains at **~6.5%** thereafter
3. Allows investment pacing and diversification in line with **last two fiscal years** in FY 2023
4. Provides continued **vintage year diversification** and **flexibility to deploy capital opportunistically** in the current market environment



Base Case

1. Assumes **\$125 million** of private equity commitments and **\$25 million** in infrastructure commitments
2. Exposure falls to **6.8%** of SDCERS’ plan size in June 2023 and declines **below target** thereafter
3. Potential **reduction** in total number of investments made by the Program due to lower capital deployment
4. Potentially **reduced flexibility** to take advantage of market conditions and opportunistic investments in a capital constrained environment



Low Case

1. Assumes **\$100 million** of private equity commitments and **\$25 million** in infrastructure commitments
2. Exposure falls to **6.5%** of SDCERS’ plan size in June 2023 and declines **significantly below target** thereafter
3. Potential for more **concentrated portfolio of investments** in current fiscal year relative to portfolio targets
4. Potentially **limited ability to capitalize on market conditions** and investment opportunities arising from broader market dislocation / capital constraints

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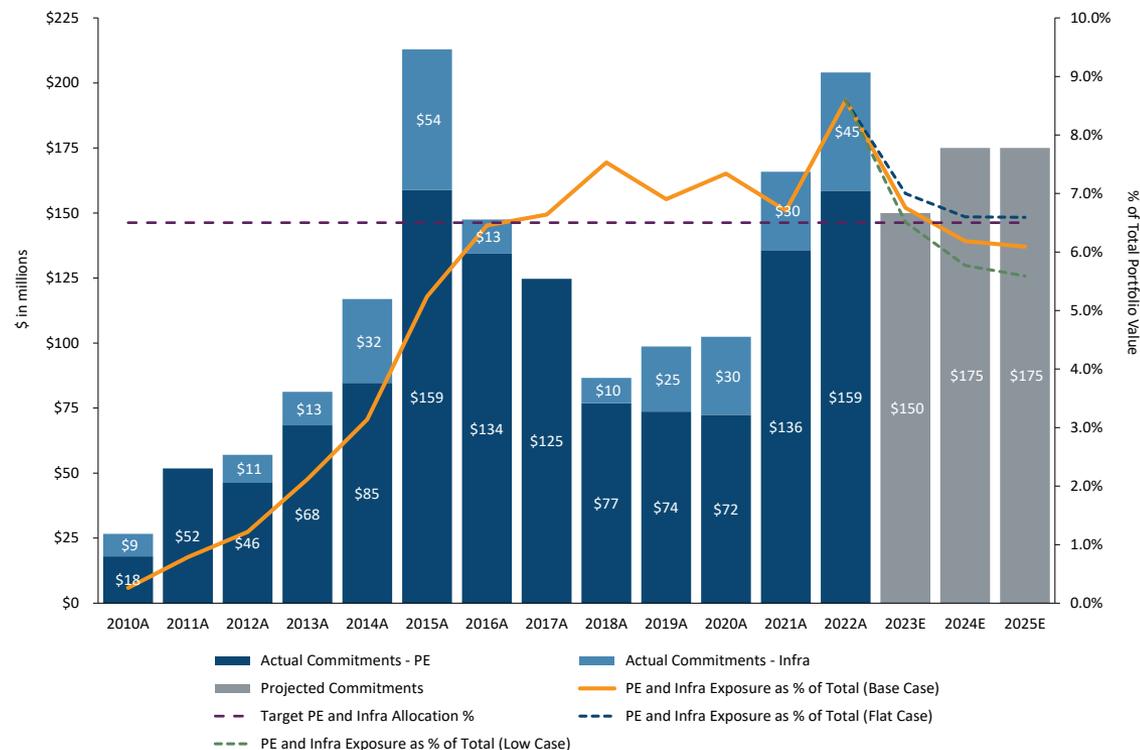
Investment Pacing Analysis

Private Equity and Infrastructure

GCM Grosvenor has revised the portfolio's pacing model to reflect activity since the last annual review and the overall SDCERS portfolio. The results of this analysis are summarized below:

Investment Pacing Summary¹

As of June 30, 2022



Key Investment Pacing Considerations

- Portfolio Exposure:** The Pacific portfolio is currently over-allocated due to strong investment gains, delayed exits resulting from recent market volatility, and a decrease in SDCERS's overall Plan size
- Commitment Plan:** Reduce commitments for FY 2023 by \$25 million relative to prior year's target to a total of \$150 million
- Cash Flow Projections:** Since the last annual review, the Fund has received distributions of \$154M, up 21% from the prior year. We expect significant realizations in FY2023, which are expected to reduce the portfolio exposure relative to the SDCERS' Plan size.
- Number of Investments:** Target commitments to 3-5 funds per vintage year, as well as 5-10 co-investments
- Investment Sizing:** Continue to make highly selective commitments to keeping with our "fewer, better investments" philosophy, while seeking to maintain a diverse portfolio

1 Commitments shown reflect investments made during the period between July 1 of the preceding year and June 30 of the referenced year and are based on actual investment closing dates. Actual historical commitment amounts shown may not match amounts shown in prior years due to variances between expected and actual closing dates of investments.

Past performance is not necessarily indicative of future results. Projected, Model, or Simulated returns ("Projected Returns") are hypothetical in nature and are shown for illustrative, informational purposes only. See the Notes and Disclosures following this report for additional information regarding Projected Returns. No assurance can be given that any investment will achieve its objectives or avoid losses. ACTUAL RESULTS EXPERIENCED BY CLIENTS MAY VARY SIGNIFICANTLY FROM THE PROJECTED RETURNS SHOWN. PROJECTED RETURNS MAY NOT MATERIALIZE

2022 State of the Market

As of June 30, 2022

Private Equity Primaries

- Rising interest rates, inflationary pressures, public market volatility, and geopolitical tensions are driving investor caution
- Wage pressures continue to be felt widely, as are supply chain complexities
- While Covid-19 is less directly impactful than in prior periods, it continues to be a consideration for those looking at certain markets (e.g. China)
- Solid fundamental performance continues to be seen across several sectors, particularly certain areas of healthcare, SaaS and digital education platforms, though investors are watching the evolving macro environment closely
- Many investors are increasingly incorporating ESG factors into investment decisions. The form of reporting of ESG risks and considerations continues to evolve rapidly

Private Equity Co-Investments

- Favorable fundraising market has resulted in significant dry powder looking for deals
- After a banner year of deal activity in 2021, Q1 2022 saw a more muted pace but the pipeline of new deals appears robust
- Industries most impacted by the pandemic (travel, leisure, restaurants, etc.) continue to see recovery of demand
- Technology/Growth deals are being repriced in the market due to the significant decline in public market valuations
- Increased market volatility has led to a more selective IPO market

Private Equity Secondaries

- GP-led deal volume continuing to accelerate as sponsors find ways to return capital to LPs while retaining AUM
- Traditional LP deal volume has continued to recover driven by rebounding sponsor valuations reducing the bid/ask spread
- Market uncertainty favored concentrated transactions in sectors with insulation from COVID impacts, labor shortages and inflation
- Portfolio solutions (i.e. one buyer) were selected more often than mosaic solutions as buyers selectively deployed capital to high-conviction opportunities
- Outlook is encouraging as increased activity is driven by a rebound in secondary pricing

Infrastructure Investments

- While low US unemployment and loosening COVID-19 restrictions have increased consumption, high commodity prices and supply chain disruptions have raised concerns of an economic slowdown
- Large governments are cautious about rising inflation and have initiated interest rate increases to counterbalance.
- The Russian invasion of Ukraine is highlighting the importance of energy security
- COP 26 has put renewed focus on climate change with governments announcing newer, more aggressive sustainability goals.
 - Results in increased capital flowing into renewable energy
- With the increased use of telecommunications across all aspects of our lives, there is an increased focus by governments on data security and underlying need for investment in digital infrastructure.

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2022 Market Outlook

As of June 30, 2022

Private Equity Primaries

- Fundraising continues to be a case of the haves and have-nots, as established managers with strong track records raise funds relatively quickly
- Compression in the fundraising cycle has evolved from what was once a three to five year cycle to what has become a two to four year cycle
- There are signs that this compression is resulting in some investors having to make difficult choices, with fundraising potentially challenging for some
- Traditional secondaries funds are also enjoying a favorable fund raising environment
- Continuation funds are prevalent as they become more mainstream offerings
- Interest rate increases could drive further distressed / turnaround fund raising activity as the year progresses

Private Equity Co-Investments

- Valuations remain elevated, but are starting to adjust downward in certain sectors
- Debt financing remains available at reasonable pricing and terms despite rate hikes and increased geopolitical risk
- Sponsors may continue to prefer partnering with co-investors versus other sponsors on larger deals
- Many limited partners are fully allocated to private equity, potentially reducing the supply of capital for funds and co-investments in the near term

Private Equity Secondaries

- Transaction volume set a yearly record of \$132bn in 2021, up from \$60bn in 2020 and \$88bn in 2019
- GP-led transactions (\$68bn) comprised ~52% of total secondary volume in 2021
- Traditional LP deal volume was \$64bn in 2021, representing a 156% increase over 2020
- Single asset continuation fund transactions represented 48% of GP led transactions in 2021, up from 31% in 2020
- Average high bid for all strategies in 2021 was 92% of NAV, representing a 600 basis point increase from 2020
- Weighted average vintage of all funds sold in 2021 was 2013

Infrastructure Investments

- CY 2021 fundraise totaled ~\$125 billion, a step up from ~\$112 billion raised in CY 2020
 - Q1 2022 fundraising was particularly strong with a record ~\$70 billion raised
- Niche funds continue to represent a growing part of the market, with a focus away from traditional energy funds and towards renewable, energy transition and digital infrastructure strategies. Similar niche strategies in transport, water, and social infrastructure also continue to attract capital. Traditional infrastructure managers are also seeking to raise a broad range of dedicated debt focused funds.
- Cycle tested managers are at a premium, resulting in historically large fund sizes.
- The pace of investment and shorter fundraising cycle are causing LPs to underwrite managers based on more limited performance information.

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2022 Potential Opportunities

As of June 30, 2022

Select risks include: information risk, management risk, risks related to reliance on third parties, and risks related to the sale of investments.

Private Equity Primaries

- Historically, recessionary / post-recessionary periods have generated some of the most attractive vintage years in private equity
- Slowed deal activity and rerating of valuations may present buying opportunities for patient investors
- If approached in a prudent manner, some may be able to create significant value investing in “recovery” focused sectors
- Examples of sectors that could potentially benefit from reopening are travel & leisure and consumer products
- The recent increases in energy and commodities prices may spur investment in those areas
- Interest rate increases may eventually lead to increased defaults. These, in turn, could result in a wave of corporate restructuring activity in multiple geographies and sectors

Private Equity Co-Investments

- Thematic focus on consumer staples, technology, government services and healthcare companies that have resilient demand drivers
- Founder or family-owned companies who are facing succession plans and seeking a partner/buyer
- Corporate carve-outs of non-core business units
- Complex situations that offer compelling entry prices but require specific operating expertise to drive value

Private Equity Secondaries

- We expect GP-led transactions to remain increasingly important as exit horizons are extended and older funds reach the end of their lives
- Strong potential for an undercapitalized secondary market to emerge as the amount of NAV in funds 10+ years old is expected to increase dramatically
- Expect overall volume may stay elevated as LPs continue to rebalance their portfolios and the GP-led opportunity market continues to be strong

Infrastructure Investments

- Energy transition has broadened the scope of infrastructure to include decentralized power distribution, cleaner burning transportation fuels, energy efficiency, energy storage, and the need for new and improved transmission.
- Slower growth has caused GPs to seek longer term capital, exploring secondary sales of some of their highest conviction assets.
- A shift away from fossil fuels and conventional power has created a funding gap for these assets. Distressed and opportunistic managers that are still permitted to invest in these sectors are achieving deep discounts on otherwise performing businesses.
- Increased need for buildout of digital infrastructure, especially in under-penetrated countries across Europe.

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Investment Themes for the Next Year

As of June 30, 2022

Select risks include: information risk, management risk, risks related to reliance on third parties, and risks related to the sale of investments.

Outlined below are focus areas and key investment objectives for the Program for the next year:



Investment Pace

- Opportunistic pacing allows GCM to “lean in” to sectors that are experiencing positive fundamental growth and/or structural changes coming out of the COVID-19 pandemic
- Given the portfolio is currently over-allocated, we expect to reduce our target investment pace to the lower end of the range of \$150 - \$200 million per year, which is \$25 million below our normal target



Opportunistic Approach

- Continue to favor special situations funds, secondaries, seasoned primaries, and co-investments, recognizing they are inherently opportunistic by nature and can potentially provide J-curve mitigation
- Opportunistically consider investment opportunities with higher risk-adjusted return potential, as well as investment opportunities with shorter duration / hold periods at underwriting
- Focus on opportunities to buy undervalued or mispriced assets as motivated sellers come to market



Co-Investments

- Continue to pursue high-quality co-investments and appropriate risk mitigating strategies, seeking to balance total exposure to individual deals on a direct and indirect basis through pooled vehicles
- Pursue co-investments alongside premier managers with relevant prior expertise in target sectors
- Focus on businesses with exposure to defensive sub-sectors and/or uncorrelated end markets



Infrastructure Investments

- Predominantly target secondary transactions and co-investment opportunities which may offer attractive risk-adjusted returns, subject to prevailing market conditions
- Seek to invest in seasoned primaries with seeded portfolios or with preferred economics



J-Curve Mitigation

- Emphasize co-investments and secondaries, which can have J-curve mitigating characteristics
- Continue to target cash yielding opportunities that can provide attractive risk adjusted returns



GCM's Competitive Advantages

- Focus on investment strategies such as small, emerging, and diverse managers, middle-market buyouts, buyout co-investments, special situations, and niche secondaries
- Leverage GCM's strong relationship with sponsors to seek to secure desired allocations for SDCERS

No assurance can be given that any investment will achieve its objectives or avoid losses.

Appendix A: Portfolio Highlights



New Investments for Fiscal Year 2022

As of March 31, 2022

Since the last annual review, the Program has committed \$204.0 million to 21 new investments.

(\$ in millions)

Investment	Vintage Year	Investment Type	Investment Strategy	Total Commitment	Funded Amount	Distributions	Market Value	Total Value
Private Equity Fund Investments								
1 TSG9 L.P.	2022	Primary	Large Buyout	\$20.0	-	-	-	-
2 Define Ventures Opportunities I, L.P. (Follow-On)	2021	Primary	Growth Capital	\$0.9	N/A	N/A	N/A	N/A
3 The Veritas Capital Fund VIII, L.P.	2022	Primary	Large Buyout	20.0	-	-	-	-
Private Equity Fund Investments Subtotal				\$40.9	-	-	-	-
Private Equity Co-Investments								
4 Project Titan	2021	Co-investment	Large Buyout	\$3.5	\$3.4	-	\$3.4	\$3.4
5 Project Global	2021	Co-investment	Large Buyout	10.0	10.0	-	10.0	10.0
6 Project Board	2022	Co-investment	Large Buyout	5.0	4.9	-	4.9	4.9
7 Project Plank	2022	Co-investment	Middle-Market Buyout	5.0	4.5	-	4.5	4.5
Private Equity Co-Investments Subtotal				\$23.5	\$22.8	-	\$22.8	\$22.8
Infrastructure Co-Investments								
8 Project Anne Bronte	2021	Co-investment	Value Add	\$10.0	\$8.4	-	\$9.9	\$9.9
9 Project Apple	2021	Co-investment	Value Add	10.4	10.4	-	10.4	10.4
10 Project Saturn	2021	Co-investment	Value Add	5.0	4.1	-	4.0	4.0
Infrastructure Co-Investments Subtotal				\$25.4	\$22.8	-	\$24.3	\$24.3
Infrastructure Secondary Investments								
11 Barings Transportation Fund LP	2021	Secondary	Value Add	\$10.0	\$8.9	\$0.8	\$11.4	\$12.2
Infrastructure Secondary Investments Subtotal				\$10.0	\$8.9	\$0.8	\$11.4	\$12.2
Total New Investment Activity (Closed)				\$99.8	\$54.5	\$0.8	\$58.5	\$59.3
2Q 2022 Commitments								
Private Equity Investments								
12 WestCap Strategic Operator Fund II, L.P.	2022	Seasoned Primary	Growth Equity	\$10.0				
13 Project Cutter	2022	Co-investment	Buyout	4.1				
14 Project Saturn 2	2022	Co-investment	Buyout	5.0				
15 Project Angel	2022	Secondary	Buyout	10.0				
16 Project DOCS	2022	Co-investment	Buyout	10.0				
17 ICONIQ Strategic Partners VII, L.P.	2022	Primary	Growth Equity	10.0				
18 Webster Equity Partners, LLC	2022	Seasoned Primary	Buyout	10.0				
19 GCM Grosvenor Co-Investment Opportunities Fund III, L.P.	2022	Co-investment	Buyout	35.0				
Infrastructure Investments								
20 Project Golden	2022	Secondary	Value Add	\$5.0				
21 Project Aviator (Follow-On)	2017	Co-investment	Value Add	5.0				
Total 2Q 2022 Commitments				\$104.1				
Total New Investment Activity (including 2Q 2021 Commitments)				\$204.0	\$54.5	\$0.8	\$58.5	\$59.3

First Quarter 2022 Program Performance Summary

As of March 31, 2022

Despite the brief impact of COVID-19 and volatility in the public markets, the Fund's overall performance continues to be strong.

- Since the last annual review, the Fund has distributed \$110.2 million to SDCERS, representing approximately 11% of total distributions since inception.
- The plan has in aggregate distributed 84.5% net to SDCERS since inception.

Investment Type	# of Investments	Committed	Funded	Distributions	Market Value	Total Value	TVM	IRR
Private Equity Secondaries	15	\$ 174,797,225	\$ 121,632,681	\$ 122,570,673	\$ 82,082,608	\$ 204,653,281	1.68x	22.7%
<i>Fully Realized</i>	5	24,347,007	20,392,995	35,316,689	0	35,316,689	1.73	35.2%
<i>Active</i>	10	150,450,217	101,239,686	87,253,984	82,082,608	169,336,592	1.67	20.4%
Private Equity Seasoned Primaries	8	123,529,759	138,862,301	132,147,906	64,151,917	196,299,822	1.41	10.7%
<i>Fully Realized</i>	1	10,000,000	11,766,271	14,011,495	0	14,011,495	1.19	8.0%
<i>Active</i>	7	113,529,759	127,096,030	118,136,410	64,151,917	182,288,327	1.43	10.9%
Private Equity Primaries	30	505,258,728	418,129,427	331,781,098	346,334,445	678,115,542	1.62	18.6%
<i>Fully Realized</i>	3	37,500,001	48,527,805	73,120,326	215,791	73,336,116	1.51	19.3%
<i>Active</i>	27	467,758,727	369,601,622	258,660,772	346,118,654	604,779,426	1.64	18.5%
Private Equity Co-Investments	50	306,474,005	290,999,035	265,415,023	300,038,498	565,453,521	1.94	21.1%
<i>Fully Realized</i>	23	131,899,863	128,700,510	215,902,268	0	215,902,268	1.68	19.4%
<i>Active</i>	27	174,574,141	162,298,525	49,512,755	300,038,498	349,551,253	2.15	22.8%
Total Private Equity Investments	103	\$ 1,110,059,716	\$ 969,623,445	\$ 851,914,699	\$ 792,607,467	\$ 1,644,522,167	1.70x	18.6%
Infrastructure Secondaries	17	\$ 81,545,366	\$ 74,598,351	\$ 97,249,023	\$ 15,420,550	\$ 112,669,574	1.51x	14.7%
<i>Fully Realized</i>	9	50,661,636	46,678,766	71,184,148	0	71,184,148	1.52	13.2%
<i>Active</i>	8	30,883,730	27,919,585	26,064,875	15,420,550	41,485,425	1.49	18.9%
Infrastructure Seasoned Primaries	3	36,000,000	37,512,642	14,351,314	33,897,094	48,248,408	1.29	11.7%
Infrastructure Primaries	3	27,500,000	27,623,780	24,815,641	16,329,287	41,144,928	1.49	11.7%
Infrastructure Co-Investments	13	109,282,546	97,013,013	38,714,189	88,508,023	127,222,212	1.31	12.8%
<i>Fully Realized</i>	3	14,028,604	14,018,934	17,520,279	67,348	17,587,627	1.25	4.7%
<i>Active</i>	10	95,253,941	82,994,078	21,193,910	88,440,675	109,634,585	1.32	20.3%
Total Infrastructure Investments	36	\$ 254,327,912	\$ 236,747,786	\$ 175,130,168	\$ 154,154,954	\$ 329,285,123	1.39x	13.4%
GCM Grosvenor Pacific L.P. Gross Returns	139	\$ 1,364,387,628	\$ 1,206,371,231	\$ 1,027,044,867	\$ 946,762,422	\$ 1,973,807,289	1.64x	17.7%
Other Fund Net Assets/(Liabilities)						(38,877,439)		
Total Partnership Value					\$ 907,884,983	\$ 1,934,929,850		
SDCERS Net Returns			\$ 1,200,717,113	\$ 1,014,654,412	\$ 857,353,728	\$ 1,872,008,139	1.56x	16.2%

Note: Market Values reflect latest available PCAPs/signed-off GCM valuations (for co-investments) for each investment and reflect cash movements through March 31, 2022. **Past performance is not necessarily indicative of future results. No assurance can be given that any investment will achieve its objectives or avoid losses.**

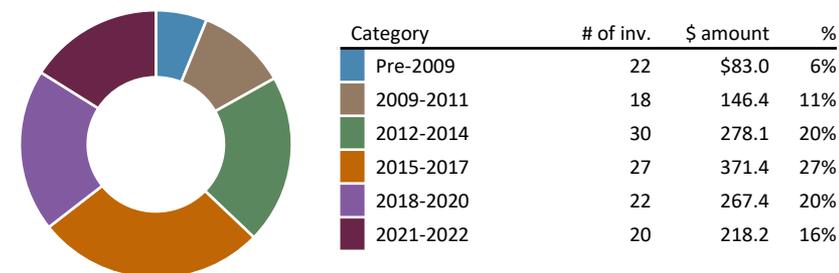
Portfolio Diversification Summary

GCM Grosvenor Pacific, L.P. (as of March 31, 2022)

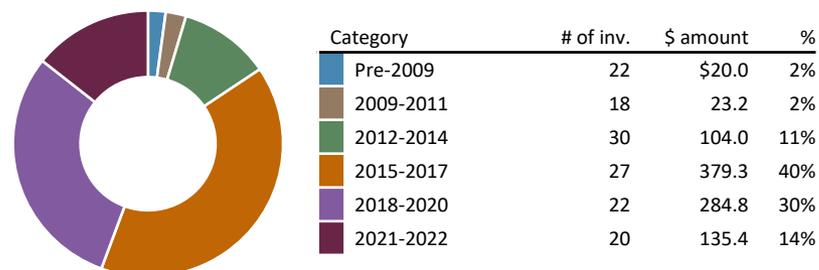
The Fund's portfolio is well diversified across a number of portfolio attributes as of 1Q 2022, including vintage years and investment types

Vintage Year

By commitment

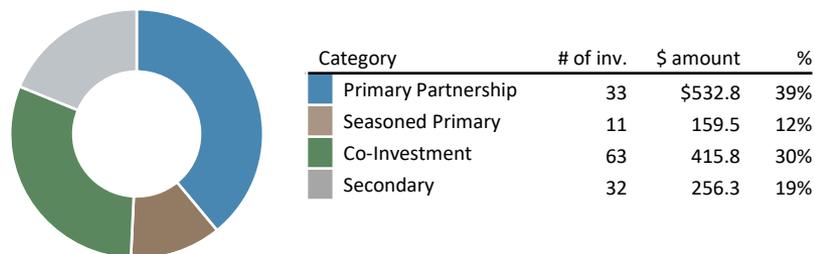


By market value

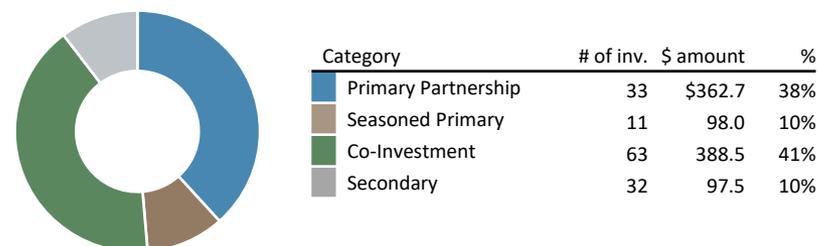


Investment Type

By commitment



By market value



Data may not sum due to rounding. Past performance is not necessarily indicative of future results. No assurance can be given that any investment will achieve its objectives or avoid losses.

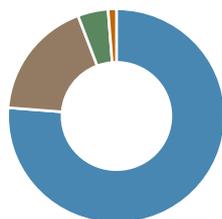
Portfolio Diversification Summary (cont'd)

GCM Grosvenor Pacific, L.P. (as of March 31, 2022)

The Fund's portfolio is also diversified across geographies and investment strategies as of 1Q 2022, but with a bias towards North American and Middle-Market Buyout investments

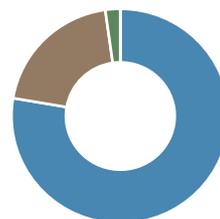
Geography

By commitment



Category	# of inv.	\$ amount	%
North America	115	\$1,040.2	76%
Global	13	245.8	18%
Europe	8	61.5	5%
Asia	3	16.9	1%

By market value



Category	# of inv.	\$ amount	%
North America	115	\$735.4	78%
Global	13	190.4	20%
Europe	8	21.0	2%
Asia	3	0.0	0%

Investment Strategy

By commitment



Category	# of inv.	\$ amount	%
Private Equity Investments	103	\$1,110.1	81%
Middle-Market Buyout	49	406.7	30%
Large Buyout	19	173.6	13%
Distressed	14	177.7	13%
Mezzanine	14	119.6	9%
Growth Capital	2	9.3	1%
Pooled	5	223.2	16%
Infrastructure Investments	36	\$254.3	19%
Core Plus	10	70.2	5%
Value Add	13	96.2	7%
Opportunistic	13	87.9	6%

By market value



Category	# of inv.	\$ amount	%
Private Equity Investments	103	\$792.6	84%
Middle-Market Buyout	49	347.6	37%
Large Buyout	19	119.6	13%
Distressed	14	83.0	9%
Mezzanine	14	49.6	5%
Growth Capital	2	3.6	0%
Pooled	5	189.3	20%
Infrastructure Investments	36	\$154.2	19%
Core Plus	10	29.8	3%
Value Add	13	73.0	8%
Opportunistic	13	51.3	5%

Data may not sum due to rounding. Past performance is not necessarily indicative of future results. No assurance can be given that any investment will achieve its objectives or avoid losses.

Portfolio Diversification Summary (cont'd)

GCM Grosvenor Pacific, L.P. (as of March 31, 2022)

Over 90% of investments are either realized or performing on/ahead of plan, with less than 1% of the portfolio assessed to be high-risk investments.

Current Performance Assessment

By commitment



Category	# of inv.	\$ amount	%
Outperforming	36	\$442.7	32%
Performing	30	341.0	25%
Underperforming	15	129.0	9%
Too Early to Tell	13	178.2	13%
Realized	45	273.5	20%

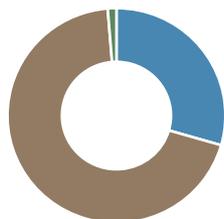
By market value



Category	# of inv.	\$ amount	%
Outperforming	36	\$543.0	57%
Performing	30	268.6	28%
Underperforming	15	52.3	6%
Too Early to Tell	13	82.5	9%
Realized	45	0.3	0%

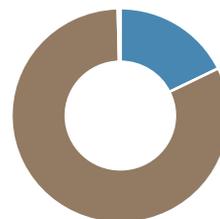
Overall Risk Rating at Investment

By commitment



Category	# of inv.	\$ amount	%
Low	45	\$401.8	29%
Medium	91	945.1	69%
High	3	17.5	1%

By market value



Category	# of inv.	\$ amount	%
Low	45	\$168.2	18%
Medium	91	775.0	82%
High	3	3.6	0%

Data may not sum due to rounding. Past performance is not necessarily indicative of future results. No assurance can be given that any investment will achieve its objectives or avoid losses.

Appendix B: Notes and Disclosures



Summary of Endnotes

Notes and Disclosures (1 of 2)

Universal

- If applicable, Investment Returns (Gross Returns) are presented net of fees and expenses charged at the investment level but do not reflect the fees, expenses, and carried interest charged by the relevant GCM Fund/Program to its investors/participants (i.e., gross/net performance). Unless otherwise indicated, Investment Returns do not take into account the application of leverage. Additional information is available upon request.
- If applicable, Investor Net (Limited Partner “LP” net) Returns are presented net of all fees, expenses, and carried interest (i.e., net/net performance).
- If applicable, pie charts reflecting remaining value are based on the Fund/Program’s percentage of ownership in the investments. Remaining value is by the stated valuation date and is reflected gross of both investment and Fund/Program-related management fees, expenses and carried interest, if applicable.
- If applicable, performance of predecessor investments and/or funds reflected herein may not represent GCM Grosvenor’s returns for such investments/funds. Information regarding predecessor investments and/or funds sourced from reports and/or other materials provided by managers/sponsors.
- If applicable, investments may be held indirectly through special purpose vehicles.
- If applicable, for secondary investments, commitments to the investments represent the purchase price paid plus unfunded commitment at the time of purchase.
- Amounts for any foreign-denominated investments, if applicable, have been converted to the Fund/Program’s currency as of period-end.
- If applicable, GCM Grosvenor’s investment characteristics and related definitions are sourced from IHS Markit via iLevel or by The Burgiss Group. Data from iLevel is sourced by GCM Grosvenor or IHS Markit. Additional information is available upon request.

Fund/Program Summary

- Capital Called from Investor(s) – Includes amounts called for investments, Fund/Program expenses and management fees, if applicable.
- Commitment(s) – The dollar amount the fund has committed to a specific holding or GCM portfolio, if applicable.
- Distributions to Investor(s) – Represents total proceeds returned to investor(s) (including callable and non-callable returns of capital) and withholding taxes paid to taxing authorities on behalf of investor(s), if applicable.
- Distributions/Realized Proceeds – If applicable, represents callable and non-callable proceeds received from the investments. For co-investments, amounts may be inclusive of escrow proceeds receivable, if applicable.
- Fund Size – As of the previous quarter-end or earlier and reflect the aggregate fund size which may include additional investment vehicles to which the Fund/Program may not have commitments, if applicable.
- Funded Amount/Invested Capital/Contributions – Represents amounts funded to the investments plus capitalized expenses paid. A portion of the funded amount may not reduce the Fund/Program’s remaining commitments to the investments, if applicable.

Summary of Endnotes (continued)

Notes and Disclosures (2 of 2)

- Investment IRR/Gross IRR – If applicable, Investment IRR is calculated using all investment-related cash flows through and the reported value of investments as of the stated valuation date. Because GCM Grosvenor management fees, allocable expenses and carried interest, as applicable, are recorded at the Fund/Program level and not at the investment level, such fees and expenses are excluded from the calculation of individual investment returns. The Investment IRR for all performance information with less than 365 days of cash flows has not been annualized. The Investment IRR for all performance information with more than 365 days of cash flows has been annualized. N/A is reflected for Investment IRR if there is no cash flow activity as of the date referenced or earlier. N/M is reflected for Investment IRR if GCM Grosvenor believes the cash flow activity is not meaningful as of the date referenced.
- Investment Multiple/Gross Multiple/Gross MOIC/TVPI – Represents the Total Value divided by the Funded Amount, if applicable.
- Investor Net IRR/LP Net IRR – If applicable, the Investor Net IRR returns are based on the actual cash flows to the investor. The Investor Net IRR includes management fees, allocable expenses and carried interest, if applicable, at the Fund/Program level.
- Investor Net Multiple/LP Net Multiple/LP Net TVPI – If applicable, Investor Net Multiple is calculated as total proceeds distributed to the Investor plus the Investor's ending value divided by the Investor's total contributions. The Investor Net Multiple includes management fees, allocable expenses and carried interest at the Fund/Program level.
- Other Fund Net Assets/(Liabilities) – If applicable, represents all other assets and/or liabilities other than investments, consisting of cash balance, accrued management fees, accrued Fund/Program expenses and/or any other receivable and payables, where applicable, as of the period end.
- Reported Value/Adjusted Value/Net Asset Value "NAV" – Represents the fair value reported by the funds as of the stated valuation date, adjusted for cash flows through period end, where applicable, pursuant to GCM Grosvenor's valuation policy. If applicable, for co-investments, the fair value is determined by the General Partner/Investment Manager as of the stated valuation date pursuant to GCM Grosvenor's valuation policy, if applicable.
- Total Value – Represents the Reported Value plus Distributions, if applicable.
- Valuation Date – If applicable, represents the valuation date of the respective investments reflected herein. If applicable, charts that are inclusive of both co-investments and underlying holdings of fund investments may reflect a co-investment valuation date as of the fund investment valuation date (i.e., on a quarter lag).
- Vintage Year – If applicable, represents the year the specific holding or GCM portfolio made its first commitment or purchased its first asset.

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