

Item 1. Cover Page

The Gores Group, LLC  
Part 2A of Form ADV  
Brochure

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This brochure provides information about the qualifications and business practices of The Gores Group, LLC. If you have any questions about the contents of this brochure, please contact us at (310) 209-3010. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration of an investment adviser does not imply any level of skill or training.

Additional information about The Gores Group, LLC is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2. Material Changes**

This brochure, dated March 21 2024 (“Brochure”), does not contain any material changes from the previous brochure dated March 30, 2023, though it does contain certain routine updates including, but not limited to: (i) updates to Item 5 to reflect new disclosure related to fees and compensation paid by certain investors and additional disclosures related to allocation of expenses, (ii) updates to Item 8 to reflect new and updated material risk factors related to the Adviser’s investment strategy, including such risk factors related to risks of benchmark rates, interest rates, the United Kingdom’s exit from the European Union, the Israel-Hamas War, artificial intelligence, and regulatory developments for private funds, and (iii) updates to Item 11 to reflect new disclosure regarding potential and/or actual conflicts of interest faced by the Adviser related to the allocation of co-investment opportunities, the allocation of investment opportunities among Clients (as defined herein), the Adviser’s ability to engage in follow-on investments, and adjust the Management Fee calculation based on the valuations of investments. In addition, The Gores Group, LLC routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices.

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#### **Item 4. Advisory Business**

The Gores Group, LLC (“Gores”), a Delaware Limited Liability Company was founded in 1987 by its Chairman, Alec Gores. Gores registered with the SEC as an investment adviser in 2012. Gores serves, directly or indirectly, as the investment manager to the investment funds described herein, and affiliates of Gores serve as the general partner of such investment funds (each a “General Partner” and, collectively, “General Partners”). Gores and any affiliated general partners are referred to in this Brochure as “Gores,” “we” or “us.”

Gores is owned and controlled by Alec Gores. Gores manages private investment funds that focus on making private equity investments (the “Partnerships”). For purposes of this Brochure, Gores considers its clients to be the investment partnerships managed by it; the underlying investors in such investment partnerships are referred to in this Brochure as “investors” or “Limited Partners.”

As of December 31, 2023, Gores managed approximately \$311.0 million of assets under management on a discretionary basis. Gores does not manage assets on a non-discretionary basis.

Our investment objective is to generate significant capital appreciation for investors. We will seek to achieve this objective primarily by making private investments in equity, equity-oriented, or debt securities that offer equity-like returns of underperforming companies. We consider a broad range of transactions, including without limitation management and leveraged buyouts, recapitalizations, privately negotiated control and minority investments, consolidations and roll-ups, spin-offs and carve-outs, and growth equity investments. Our advisory services consist of evaluating investment opportunities, structuring, negotiating and making investments, managing and monitoring the performance of portfolio investments of the existing and future Partnerships and disposing of such investments.

We currently provide investment advisory services to various private equity funds and their affiliated parallel investment vehicles. Certain investors will also receive opportunities to co-invest in portfolio companies of particular Partnerships. The decision to open a specific investment to co-investments is in our sole discretion.

We manage the assets of each Partnership in accordance with its particular investment objective and mandate and the terms of the applicable governing documents of each Partnership, including such Partnership’s limited partnership agreement (or analogous organizational document), or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”). Further details concerning each Partnership’s investment objective and mandate are set forth in the offering memorandum applicable to such Partnership (collectively, with any applicable Advisory Agreement, organizational document, side letter and subscription document, a Partnership’s “Governing Documents”). When providing these services to the Partnerships, we direct and manage the investment of each Partnership’s assets, and provide reports to investors, as described below under

“Review of Accounts.” Investment advice is provided directly to each Partnership subject to the discretion and control of the applicable General Partner, and not individually to the investors.

The primary investment periods of all of the current Partnerships have expired as of the date of this brochure. Although none of the current Partnerships may invest in any new portfolio companies, certain of the Partnerships may, to the extent permitted under their Governing Documents, reinvest investment proceeds to make add-on acquisitions. Accordingly, our focus with respect to the current Partnerships is on maximizing the value of the existing portfolio companies, as opposed to sourcing new investments. In the future, we may develop alternative asset vehicles that provide long term capital appreciation, particularly where the timing of liquidation of investments is not constrained by a limited private fund term of existence.

Gores’ clients do not participate in wrap fee programs.

#### **Item 5. Fees and Compensation**

Gores or its affiliates generally receive Management Fees and Incentive Allocations (each as defined below) or similar performance-based remuneration from a Partnership. A Partnership, and/or its portfolio companies also typically reimburse Gores and its affiliates for certain expenses and/or make other payments to Gores or its affiliates for services provided to the Partnership and/or its portfolio companies which, in certain circumstances, reduce the Management Fees payable to Gores. Additionally, consistent with the Governing Documents of a Partnership, the Partnership typically bears certain out-of-pocket expenses incurred by Gores in connection with the services provided to the Partnership and/or the portfolio companies. Details about such fees and expenses are contained in the Governing Documents of a Partnership. Further details about certain common fees and expenses are set forth below.

##### **Management Fees**

We receive compensation in the form of management fees charged to the applicable Partnership based on a percentage of the total capital commitments to such Partnership (“Management Fees”). Management Fees may be reduced during the life of a Partnership. Management Fees paid by Partnership may also be reduced by other fees or compensation received by Gores or its affiliates that relate to such Partnership’s activities and investments, or by certain excess organizational or other expenses borne by such Partnership, as described in more detail below. Management Fees paid by a Partnership are indirectly borne by investors in such Partnership. Management Fees are deducted directly from the account of each Partnership quarterly in advance.

The precise amount of, and the manner and calculation of, the Management Fees for each Partnership are established by Gores and are set forth in such Partnership’s Governing Documents received by each investor prior to investment in such Partnership. The Management Fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by Gores in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which, to the extent permitted by applicable law, may not be disclosed to other investors in the same Partnership. The fee structures described herein may be modified from time to time. Fees may differ from one Partnership to another, as well as among investors in the same Partnership.

Certain investors in the Partnerships that are employees, former employees, business associates and other “friends and family” of Gores or its personnel (including any related entity established by any of the

foregoing, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles) (collectively, “Gores Investors”) will not typically pay Management Fees in connection with their investment in a Partnership. Notwithstanding that Gores Investors will generally not pay Management Fees or Incentive Allocation (as defined below), Gores Investors will pay for their pro rata share of certain Partnership expenses or the pro rata portion of such Gores Investors’ expenses will be allocated to Gores or the General Partner of the applicable Partnership.

The Management Fees paid by a Partnership will generally be reduced by: (1) 100% of the amount of fees paid by such Partnership to persons acting as a placement agent in connection with the offer and sale of interests in such Partnership to certain potential investors, resulting in Gores bearing the full economic burden of any such placement agent fees, (2) 100% of fees incurred by Gores in connection with the organization of such Partnership that exceed a limit specified in such Partnership’s Governing Documents and/or (3) a percentage of certain Other Fees (as defined below) received by Gores or its affiliates as set forth in the Governing Documents of the applicable Partnership. To the extent an Other Fee relates to more than one Partnership, Gores shall allocate the resulting Management Fee reduction among the applicable Partnership(s) in proportion to their interest (or prospective interest) in the portfolio company. Generally, the portion of Other Fees allocable to capital invested by a Partnership, co-investment vehicle or third party investor that does not pay Management Fees will be retained by Gores and such amounts will not offset any Management Fee.

Due to reduced Management Fees and/or the timing of receipt of compensation subject to offsets, Partnership investors may not receive the full benefit of reductions or offsets (e.g., during periods when Gores no longer receives or receives reduced Management Fees and receives compensation that would otherwise be subject to offset), Gores is entitled to retain such compensation without remitting any such amounts to the applicable partnership or its investments.

#### Other Fees

##### *Fees Payable by Portfolio Companies*

Gores performs transaction-related, financial advisory and other services for, and receives fees from such actual or prospective portfolio companies or other investment vehicles of the Partnerships, including fees in connection with structuring investments in such portfolio companies, as well as acquisitions, public offerings, divestments, dispositions, financing and similar transactions (“Transaction Fees”).

Gores also receives “Monitoring Fees” pursuant to monitoring agreements with portfolio companies of the Partnerships governing the advice, consultation and other similar ongoing services provided by Gores to such portfolio companies. The terms of a monitoring agreement may include (among other things) annual automatic renewals and the payment of Monitoring Fees (which may be fixed fees or calculated as a percentage of EBITDA or similar performance metric).

In addition, Gores and its affiliates may receive fees in connection with serving on the board of directors of a portfolio company (“Director Fees”) and in connection with an unconsummated transaction (“Break-Up Fees” and, together with Transaction Fees, Monitoring Fees and Director Fees the “Other Fees”). The amount and timing of Break-Up Fees received by Gores or its affiliates are generally specified in the agreement or other documentation governing the applicable transaction.

The payment of Other Fees by portfolio companies will, in some, but not all, circumstances create a conflict of interest between Gores and its affiliates and the Partnerships and their investors because the amounts of these Other Fees and reimbursements (see “*Expense Reimbursements*” below) are often substantial and the Partnerships and their investors generally do not have a direct interest in these fees and reimbursements. Gores determines the amount of Other Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third-party co-investors in its transactions. The aggregate amount of such fees is disclosed to investors in the Partnerships, but the specific source of such fees and any expense reimbursements are not itemized unless requested by an investor.

In addition, Gores or its managing directors or employees, on behalf of Gores, may receive stock of a portfolio company as an Other Fee due to service of a managing director or employee of Gores on the board of such portfolio company. In the event of such a distribution or receipt of stock, the recipients, or Gores, with respect to stock received as an Other Fee, may act in their own interest with respect to the share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as such recipient, or Gores, shall determine. The ability of such recipients, or Gores, with respect to stock received as an Other Fee, to act in their own interest with respect to such distributed shares creates a conflict of interest between Gores, as an adviser to the Partnership, and its affiliates, on the one hand, and the Partnership on the other hand because the recipient’s interests may not be aligned with those of the Partnerships and the recipient may determine to sell the stock received at a different time, or on different terms, than the Partnership would sell its interest.

In many cases with respect to the implementation of the arrangements described above, there is not always an independent third-party involved on behalf of the relevant portfolio company and therefore such fees are not subject to a market check. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company by virtue of Gores acting on behalf of both parties.

For the avoidance of doubt, any fees paid to Gores or its personnel after a Fund has exited an investment are not considered “Other Fees” and do not reduce the Management Fee.

Any fees that accrue to the benefit of former Gores Personnel (as defined below) or other persons who are or become unaffiliated with Gores (even if such fee is earned during their tenure with Gores) are not considered “Other Fees” and do not reduce the Management Fees. Similarly, any fees that accrue to the benefit of Gores Personnel or other persons who are affiliated with Gores prior to their association with Gores (even if any fee received in kind is realized or otherwise converted to cash during their tenure with Gores) are not considered “Other Fees” and do not reduce the Management Fees.

#### *Allocation of Other Fees and Management Fee Offset*

Although Other Fees are in addition to the Management Fees, Gores will in some circumstances reduce the amount of Management Fees paid by the applicable Partnership in connection with the receipt of such Other Fees in accordance with the Governing Documents of the applicable Partnership. Generally, under the terms of the applicable Governing Documents, for purposes of calculating any Management Fee offset, Other Fees are net of out-of-pocket costs and expenses incurred by Gores in connection with consummated or unconsummated transactions or in connection with generating any such fees. These Other Fees will at times be substantial.

To the extent an Other Fee relates to more than one Partnership participating (or expecting to participate) in an investment, the Other Fee is generally allocated among such Partnerships pro-rata based on the capital commitments of such participating Partnerships (or for an unconsummated investment, the proposed commitments of the Partnerships), or on such other basis that Gores determines to be fair and reasonable in its sole discretion. However, in determining how to allocate an Other Fee among more than one participating Partnership, Gores will also take into account, among other things, the type of transaction (e.g., original acquisition or follow-on), the consideration involved in the transaction (cash or in-kind) and the value of the consideration.

From time to time, Gores agrees to pay a portion of an Other Fee received from an actual or prospective portfolio company to a third-party ("Third Party Fee"), such as a consultant, advisor, finder, broker, investor, and/or investment bank. In such event, the Third Party Fee is not a fee that Gores is entitled to retain and therefore, Gores is not required under the terms of the applicable Governing Documents to share such Third Party Fee with the Partnerships.

#### *Payments Made to Third Parties*

Gores and its affiliates also engage and retain senior advisors, advisers, consultants, and other similar professionals who are not employees or affiliates of Gores and who, from time to time, receive payments from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, the amounts of such fees or other compensation (including equity interests in the Partnerships' portfolio companies) received by such persons are generally retained by such persons and will not be deemed paid to or received by Gores and its affiliates and such amounts will not be subject to the sharing arrangements described above and will not benefit the relevant Partnership or its investors. Payments made by portfolio companies or Partnerships to our affiliated operating partner, Glendon Partners, Inc., also known as Gores Operations Group ("Gores Operations"), as described in "Methods of Analysis, Investment Strategies and Risk of Loss" below, will not be deemed paid to or received by Gores and its affiliates and such amounts will not be subject to the sharing arrangements described above and will not benefit the relevant Partnership or its investors. See "Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading and Conflicts—Providers of Operations Support" below.

#### *Expense Reimbursements*

A portfolio company will typically reimburse Gores for expenses including, without limitation, travel and travel-related expenses, meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with actual or potential portfolio entity management and/or employees, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses (including legal costs associated with reviewing financing documents and agreements, whether on behalf of a portfolio company borrower or a lender) and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by Gores in connection with its performance of services for such portfolio company. Such reimbursed expenses are generally not included in the definition of "Other Fees" under the terms of the applicable Governing Documents, and such reimbursements do not reduce the Management Fee. Because certain expenses are paid for by a Partnership and/or its portfolio companies or, if incurred by Gores, are reimbursed by a Partnership and/or

its portfolio companies, Gores may not necessarily seek out the lowest cost options when incurring (or causing a Partnership or its portfolio companies to incur) such expenses which could result in lower returns to investors. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

In addition, investors indirectly bear certain operating and organizational expenses of the Partnerships. These fees and expenses vary, but typically include expenses such as legal and accounting fees, registration expenses, the cost of directors' and officers' liability insurance, litigation or broken deal expenses and, in the case of organizational expenses, travel-related costs incurred for purposes of marketing the Partnerships. For more information regarding fees and expenses borne by a Partnership, refer to the Governing Documents of the relevant Partnership. As used throughout this brochure, "travel and "travel-related" expenses shall be deemed to include, without limitation, commercial and non-commercial transportation costs (including first class or business class travel and private car travel), lodging and accommodations.

### *Expenses*

#### *Gores Expenses*

To the extent provided in the Governing Documents of the Partnerships, and except as described herein as a Partnership or portfolio company expense, Gores will bear certain expenses and costs associated with the performance of its services, including expenses on account of office space, utilities, office equipment, travel, compensation and expenses of its partners, officers and employees (other than the Incentive Allocation described in Item 6 below) and other normal and routine administrative expenses relating to the services and facilities provided by Gores to the Partnerships.

#### *Partnership Expenses*

Consistent with the Governing Documents of the Partnerships, each Partnership will bear all other expenses relating to it to the extent not borne by its portfolio companies, including the Management Fee, legal, accounting, audit, investment banking, reporting, consulting (including, but not limited to, consulting fees incurred by the applicable Partnership for the benefit of its portfolio company and fees of affiliated consultants), brokerage, sale, fees and expenses paid to third-party valuation agents for valuations, appraisals or pricing services, administration (including maintaining the books and records of a Partnership or external costs for a third-party administrator to maintain and oversee a Partnership's books and records), filing and similar fees paid on behalf of the Partnership, including reimbursements of any fees and expenses to advisers, service providers and other third parties, research and other information (including but not limited to data and information service subscriptions, related systems and services from data providers, data management software, third-party diligence service providers, subject and industry-matter research and experts, brokerage and finders' fees and commissions and discounts incurred in connection with the purchase or sale of securities, custody, hedging, currency conversions, transfer, registration, advisory board meeting expenses (including set-up costs, speaker fees, honoraria, dining, entertainment, travel and travel-related expenses) as well as other advisory board expenses (including legal counsel, accountants, auditors, financial advisors or any other advisors or experts retained to assist the advisory board and other expenses incurred in connection with advisory board action), information technology system expenses (including the costs of acquiring, developing, implementing and maintaining specialty and custom computer software and hardware and other technological systems for the benefit of a Partnership, its investors, or a portfolio investment or potential investment), bridge financing expenses and guarantees, borrowing, financing,



commitment, origination and similar fees and expenses (including the costs and expenses incurred in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowings and commitments and interest arising therefrom), insurance premiums of any director and officer liability, General Partner liability, errors and omissions, or other insurance and extraordinary administrative or operating expenses, including, without limitation, all litigation (including discovery requests), arbitration, settlement and indemnification costs, expenses, judgments and settlements), including insurance of which Gores and its affiliates are beneficiaries, interest, taxes, fees, duties, penalties and other governmental charges levied again a Partnership or payable by a Partnership and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Partnership, expenses incurred in connection with tax preparation and filings, expenses relating to the preparing, printing and distributing of investor reports and notices physically or electronically (including software use to electronically distribute such reports and notices), fees and expenses related to meetings or conferences with one or more investors (including prospective investors during fundraising and current Partnership investors), expenses associated with making capital calls from and distributions to investors, including fees and expenses of information technology used to facilitate all such activities, Operations Expenses (as defined in Item 11 below), risk management assessment expenses, fees, costs and expenses related to the organization, establishment, maintenance and administration of any alternative investment vehicles or any intermediary or special purpose entity used to acquire, hold or dispose of an investment or to otherwise facilitate a Partnership's investment activities, out-of-pocket costs and expenses, if any, associated with any third-party examination or audits (including similar services) of a Partnership or Gores that are attributable to the operation of such Partnership or requested by one or more investors in a Partnership, the costs associated with any amendments, modification, revisions or restatements to the Governing Documents of a Partnership, the costs and expenses of hosting annual or special meetings of the Partnership's investors (including set-up costs, dining, travel and travel-related and other expenses, regardless of whether all investors are invited to participate in or attend such meetings), such Partnership's allocable share of expenses and fees generated in the course of sourcing, evaluating, investigating, diligencing, discovering, developing, and researching potential investments, including investments that are not consummated (including certain advisory, transaction, consulting and other similar fees paid to Gores or Gores affiliates, and legal expenses incurred in connection with claims or disputes related to unconsummated or proposed investments and including fees and expenses that would have been allocable to co-investment vehicles or other co-investors), expenses incurred in connection with the disposition of investments (including closing, execution and other transaction costs), expenses and fees generated in the course of organizing, making, holding, developing, managing, monitoring, refinancing, maintaining, administering, restructuring, structuring, operating, and negotiating joint ventures arrangements and platform investments, including with respect to transactions that are not consummated, expenses associated with a Partnership's compliance with applicable laws and regulations, including regulatory filings as they relate to the Partnership's activities, including all fees and expenses relating to compliance with tax, securities law or other legal or regulatory requirements applicable to a Partnership or its investors (including preparation and filing of Form PF and registration or other compliance obligations related to, or arising as a result of, the offering and sale of interests in a Partnership in any jurisdiction, including any such obligations arising under the Alternative Investment Fund Managers Directive or the securities law of any jurisdiction, or from managing compliance with FATCA or similar regimes), such Partnership's allocable share of expenses and fees incurred in the course of making investments, expenses of dissolving, liquidating or terminating a Partnership, and other similar fees and expenses, any other fees and expenses approved by a Partnership's advisory board, as well as any other fees or expenses incurred by Gores or such Partnership in connection with such Partnership's operations that are not specifically set forth above as being paid by Gores.

Certain Partnerships also bear their allocable portion (as determined by Gores in its good faith discretion) of the compensation (including salary, bonus and benefits), expenses and overhead (including rent, property taxes and utilities allocable to the workspaces) attributable to certain employees of Gores and its affiliates (including Gores Operations), including in-house accountants, administrators, legal, tax, compliance, leveraged purchasing, valuation, ESG (environmental, social and governance) and other professionals whose functions may also include the preparation of financial statements, investor reports (including the costs associated with providing access to a database or other internet forum for distribution of such reports), tax returns, the administration of assets and expenses of the Partnerships (including with respect to co-investment vehicles and feeder funds) and legal and regulatory compliance with applicable laws and regulations. It is expected that the services provided by Gores employees will vary over time. Such allocations require judgments as to methodology that Gores makes in good faith but in its sole discretion. These allocation methodologies may include: requiring personnel to periodically record and allocate their time with respect to the Partnerships and/or the portfolio companies; Gores approximating the portion of time a person has spent with respect to a particular Partnership and/or portfolio company; the assessment of an overall dollar amount (for instance, based on a fixed fee) that Gores believes represents a fair recoupment of expenses and a market rate for such services; and any other similar methodology determined by Gores to be appropriate under the circumstances. Any methodology chosen by Gores involves inherent conflicts of interest and could result in a greater expense to the Partnership and portfolio companies than would be the case if such services were provided by third parties. For additional information regarding the expenses of Gores Operations, please see Item 10 below.

In addition, Gores, from time to time, engages one or more similar service providers to perform certain functions in relation to the Partnerships, which services may include tax elections and filings and certain legal functions. In certain instances, employees of such service providers dedicate substantially all of their time to the Partnerships or spend all or a significant majority of their business time at Gores' offices. These expenses related to such service provider employees are borne by the Partnerships.

From time to time, the General Partner of a Partnership may create certain "special purpose vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors ("SPVs"). In the event the General Partner creates an SPV, consistent with the Governing Documents of the Partnership, the SPV, and indirectly, the investors thereof, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV.

#### *Deal Specific Co-Investment Vehicle Expenses*

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside the Partnership may be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will also generally bear its pro rata portion of expenses incurred in the making of an investment.

Unless Gores determines otherwise in its sole discretion or subject to negotiations with a particular co-investor, in general neither co-investment vehicles nor co-investors will bear any expenses relating to a proposed but not consummated transaction ("Dead Deal Costs"), even if a co-investment vehicle has been formed for the purpose of investing in the proposed transaction or if co-investors have otherwise committed to invest in the proposed transaction. For example, it is possible that a co-investor will not agree to share expenses with a Partnership if a transaction is not consummated. As a result, Dead Deal

Costs are generally borne by the Partnership or Partnerships selected by Gores as proposed investors for such proposed transaction which will result in the Partnership bearing more than its pro rata share of Dead Deal Costs. Similarly, co-investment vehicles (and co-investors) are not typically allocated any share of break-up fees received in connection with such an unconsummated transaction.

Dead Deal Costs may include, among other things, legal, accounting advisory, consulting or other third-party expenses (including amounts payable to Operations Support Providers (as defined in Item 11 below) and other third parties), any travel and travel-related expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment (including commitment fees), any break-up fees, reverse termination fees, topping, termination or other similar fees, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, expenses incurred in connection with any tax audit, investigation, settlement or review of the Partnerships, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated. As used herein, “travel and travel-related” includes all travel expenses for first class or business class travel, black car ground transportation, accommodations, meals, events and entertainment.

To the extent permitted by applicable law, any fees and expenses incurred in connection with the organization of a co-investment vehicle (including fees and expenses related to negotiating the governing documents of such co-investment vehicle as well as fees and expenses described above) that is expected to invest alongside the Partnerships in an investment may be borne by the Partnerships to the extent such co-investment vehicle does not ultimately make such investment, whether or not such investment is consummated by the Partnerships.

In addition, Gores and its affiliates have discretion to (i) receive performance-based compensation, Management Fees or similar fees from co-investors and (ii) collect customary fees in connection with actual or contemplated investments that are the subject to co-investment arrangements.

#### *Allocation of Expenses*

From time to time, Gores will be required to decide whether certain fees, costs and expenses should be borne by a Partnership, on the one hand, or Gores on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Partnerships and/or other parties. Certain expenses may be the obligation of one particular Partnership and may be borne by such Partnership or, expenses may be allocated among multiple Partnerships and entities. In exercising its discretion to allocate investment opportunities and fees and expenses, Gores is faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Partnerships with differing fee, expense and compensation structures, Gores has an incentive to allocate investment opportunities to the Partnerships from which Gores or its related persons derives, directly or indirectly, a higher fee, compensation or other benefit. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

The appropriate allocation between Partnerships, Gores Investors and individuals and entities that are not investors in any Partnerships (“Third Parties”) of Dead Deal Costs, will be determined by Gores and its affiliates in their good faith discretion, consistent with the Governing Documents of the Partnerships, as applicable. If multiple Partnerships evaluate a potential investment that is not consummated, we generally

allocate fees and expenses generated in the course of evaluating such investment among such Partnerships based on the anticipated investment of each Partnership. Such expenses typically are not allocated to co-investment vehicles organized to participate alongside a Partnership in a specific investment. There are occasions when one party (the "Payor Allocable Party") pays an expense common to multiple parties (the "Allocated Parties") (e.g., legal expenses for a transaction in which multiple funds and/or co-investors participate). On such occasions, each Allocated Party will reimburse the Payor Allocable Party for its share (which will not always be pro rata) of such expense, without interest, promptly after the payment is made by the Payor Allocable Party. In addition, there may be occasions where a Partnership procures borrowing through a subscription line or credit facility in order to make an investment, syndicating out a portion of the investment to another Allocable Party. Subject to the Governing Documents, the borrowing Partnership will bear the entire cost of interest from the borrowing, even though the investment may ultimately be made by other Allocable Parties. Furthermore, while highly unlikely, it is possible that one of the Allocated Parties could default on its obligation to reimburse the Payor Allocated Party.

Gores allocates fees, costs, and expenses in accordance with a Partnership's Governing Documents. With respect to allocating other expenses among Partnership(s), co-investment vehicles, Gores Investors and/or other co-investors (including Third Parties), as appropriate, to the extent not addressed in the Governing Documents of a Partnership, we will make any such allocation determination in a fair and reasonable manner using our good faith judgment, notwithstanding its interest (if any) in the allocation. Allocation methodologies may include pro rata allocation based on the respective capital commitments of a Partnership, pro rata allocation based on the respective investment (or anticipated investment) of any such party in any investment, relative benefit received by any such party, or such other fair and equitable method as determined by Gores in its sole discretion. We will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable to ensure allocations are equitable on an overall basis in its good faith judgment. Notwithstanding the foregoing, the portion of an expense allocated to a Partnership for a particular service will not always reflect the relative benefit derived by such Partnership from that service in any particular instance and Gores expects that it will in certain cases determine an allocation of expenses to be fair and equitable even where a Partnership is required to bear more than its proportional share of such fees and expenses relative to other Allocable Parties receiving the same service or participating in the same transaction. In addition, a Partnership will bear more or less of a particular expense based on the methodology used and a Partnership will bear more or less of a particular expense based on the number of Allocable Parties Gores selects to bear the expense in its initial allocation determination. When making expense allocation determinations, Gores generally will allocate an expense to one or more Allocable Parties that are in existence or otherwise identified as such at the time the expense allocation determination is made. Accordingly, it can be expected that in certain cases Allocable Parties that were not in existence or otherwise identified as Allocable Parties at the time an expense is allocated will ultimately benefit from a particular expense, without having borne any portion of such expense, and in such cases Gores will not re-allocate the expense to each such future Allocable Party, and such Allocable Part(ies) will benefit at the expense of other Allocable Parties, including the Partnerships.

Gores, from time to time, enters into arrangements with third-party advisers and consultants who provide services relating to deal-sourcing and investment opportunities, for which such advisers and consultants are paid compensation or other fees and/or are reimbursed for certain expenses. Certain fees and expenses associated with such investment opportunities will be allocated to the applicable Partnership(s), consistent with the allocation process described above.

In the event Gores is making any determination regarding whether an allocation is fair and equitable, Gores will have discretion in such determination, and will typically evaluate facts and circumstances relevant to the particular allocation, which may include consideration of a number of factors that include, without limitation, some or all of the following: timing of the transaction, benefit to a Partnership to have co-investors participate, relative negotiating power, any contractual requirements or limitations, relevant disclosures to the Allocable Parties, whether costs and expenses are incurred for the benefit of one party, and whether costs and expenses are incurred in connection with regulatory, tax, accounting, or similar requirements applicable to a particular party. The application of such considerations is in certain circumstances expected to result in Gores determining that it is fair and equitable for a Partnership bearing more than its pro rata portion of certain fees, costs and expenses (including Dead Deal Costs). Gores' discretion in making such determination creates a potential conflict of interest as Gores may have an incentive to allocate expenses to a particular Partnership over another Partnership or other co-investor.

#### Incentive Allocation Payments

Please see Item 6 below regarding "Incentive Allocations" that each Partnership pays.

#### Brokerage Fees

Although we do not generally utilize the services of broker-dealers to effect portfolio transactions for the Partnerships, in the event that we choose to use a broker-dealer for limited purposes relating to a particular Partnership, such Partnership will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

### **Item 6. Performance-Based Fees and Side-by-Side Management**

The General Partner (which is controlled by Gores) of each Partnership receives performance-based compensation in the form of a carried interest participation in such Partnership (the "Incentive Allocation"). These compensation arrangements, which vary for each Partnership we manage, are described in detail in the Governing Documents applicable to each such Partnership. Incentive Allocations are waived for certain Partnerships in which employees of Gores or Gores Operations invest. See "Fees and Compensation" above. Each General Partner of a Partnership is a related person of Gores. Incentive Allocations paid by a Partnership are indirectly borne by investors in such Partnership. Certain Partnerships and investors in such Partnerships (including Gores Investors) may incur lower or no Incentive Allocation.

An adviser charging performance-based fees to some accounts faces a variety of conflicts because the adviser can potentially receive greater fees from its accounts having a performance-based compensation structure than from those accounts it charges a fee unrelated to performance (e.g., an asset-based fee). As a result, the adviser has an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the account that pays a performance fee. The payment of performance-based fees at varying rates (including varying effective rates based on the past performance of a partnership) creates an incentive for an adviser to disproportionately allocate time, services or functions to partnerships paying performance-based fees or partnerships paying performance-based fees at a higher rate, or to allocate investment opportunities to such partnerships.

Also, the fact that we are compensated based on the profits of the Partnerships we manage creates an incentive for Gores to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation.

## **Item 7. Types of Clients**

We currently provide investment supervisory services to the Partnerships, as described under “Advisory Business” above. Investment advice is provided directly to the Partnerships (subject to the direction and control of the General Partner of each such Partnership, as applicable) and not individually to investors in such Partnership. Each Partnership operates as a private pooled investment vehicle. The minimum capital commitment for a Limited Partner of a Partnership is outlined in such Partnership’s Governing Documents. The General Partner of each Partnership has the ability, in its sole discretion, to permit investments below the minimum amounts set forth in the Governing Documents of such Partnership.

In the applicable subscription documents, investors are required to make certain representations when investing in a Partnership, which determines their suitability and eligibility to participate in such Partnerships. Each investor is furnished with a copy of the Governing Documents for the applicable Partnership.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **Investment Strategy and Analysis**

Gores’ investment strategy is consistent across industries and is focused primarily on control-oriented buyout investments of mature, under-performing businesses and/or where Gores’ operations expertise can unlock incremental value. We seek to invest in companies with a defensible core business of mature products and services, sustainable revenues and established customer relationships that are experiencing operational challenges. Gores has practiced and refined this investment strategy throughout its history and has demonstrated its ability to generate attractive equity returns, return its invested capital and minimize downside risk.

Gores targets companies primarily in technology, telecommunications, industrial, business services, media, healthcare, and security sectors in the U.S. and Europe. Gores has historically focused on these industries and believes these sectors are attractive due to (i) the consistent supply of investment opportunities across market cycles and (ii) the limited competition from strategic and financial buyers for the types of operationally challenged businesses that we target.

Gores targets acquisitions that provide us with the opportunity to use our operating skills to create long-term value. Such target businesses generally exhibit some or all of the following characteristics:

- Financial/balance sheet distress;
- Unfocused and/or poorly executed business strategies;
- Established customer base with sustainable revenue;
- Mature products or services with high switching costs for customers; and
- Under-utilized assets, including working capital, real estate, intellectual property, and brand.

Gores invests in a substantial number of operations-intensive turnarounds and complex carve-out transactions. Thus, when reviewing prospective investments, we are focused on companies that have a path to profitability that can be achieved in a short and foreseeable period of time through the implementation and execution of the agreed-upon business plan.

Gores is an active investor and closely monitors all aspects of each portfolio company's operations. After making an investment, we drive the implementation of operating plans and closely manage the operating performance of all portfolio companies. Our goal is to effect a transformation of the portfolio company, where appropriate, very quickly. Our control-oriented investment strategy emphasizes a "hands-on," partnership approach with senior management to realize full operational value. A control-oriented strategy is important given Gores' proactive investment philosophy as it enables us to make any changes at portfolio companies that we deem necessary. Although each portfolio company is managed autonomously, the management teams report to the boards of directors which consist of Gores' principals and Gores Operations' principals. When it consummates a transaction, Gores works closely with portfolio company management to ensure that the agreed-upon operating plan, which formed the basis of the initial investment decision, is being implemented.

When performing due diligence in connection with potential transactions and following an acquisition during the course of each Partnership's ownership of a portfolio company, we utilize the services of Gores Operations. While Gores Operations is controlled by Gores and as a result of this relationship Gores may benefit from certain economies of scale (e.g., sharing of resources and infrastructure), Gores does not have an economic interest in Gores Operations. Gores Operations consists of seasoned professionals, based in the U.S., who have substantial experience in major corporate disciplines, including without limitation, accounting, finance, information technology, legal, marketing, operations, sales, supply-chain management, insurance/risk management and tax. Gores Operations professionals generally have responsibility for developing the operational blueprint for a new portfolio company, implementing the transformation initiatives and working alongside management throughout the ownership period to maximize the value of the business. On occasion, members of Gores Operations will fill roles in the management of the portfolio company and certain expenses of Gores Operations are paid by such portfolio company. Payments made by the portfolio companies or Partnerships to Gores Operations are not subject to offset of Management Fees. The use of Gores Operations allows Gores and the portfolio companies to leverage Gores Operations' significant, dedicated operating experience and expertise, conduct due diligence rapidly, and reduce our reliance on third-party advisors. Certain employees of Gores Operations also provide services to and serve in officer positions for Gores. For more information on Gores Operations see "Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading and Conflicts—Providers of Operations Support" below.

Gores employs multiple techniques for realizing value from its investments. We typically structure our Partnerships' investments to provide a return of invested capital through distributions or recapitalizations and to monetize their full investments through either sale transactions or other exit alternatives. In addition to sales transactions, Gores occasionally evaluates opportunities to exit through public offerings and other creative opportunities when markets permit. Our mergers and acquisitions professionals actively evaluate exit opportunities for the Partnerships' portfolio companies and enlist the industry knowledge of portfolio company management to identify potential strategic buyers.

### *Risk of Loss*

Acquiring an interest in any Partnership involves a number of risks. An investment in a Partnership should be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Partnership. No guarantee or representation is made that the Partnership will achieve its investment objective or that investors will receive a return of their capital.

All investing involves a risk of loss and the investment strategies we offer could lose money over short or even long periods. Investors in the Partnerships must be prepared to bear the risk of a complete loss of their investments. The description contained below is a brief overview of some of the different material risks related to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Partnerships. A more complete description of applicable risks is available in the offering memorandum for each Partnership.

*General Business and Management Risk.* Investments in portfolio companies subject the Partnerships to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the portfolio company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases Gores monitors portfolio company management, management of each portfolio company has day-to-day responsibility for the operations of such portfolio company.

*Liquidity Issues.* Although portfolio investments may generate current income, the return of capital and the realization of gains, if any, from an investment generally will most likely occur only upon the partial or complete disposition of such investment. While an investment may be disposed of at any time, it generally is expected that the disposition of most of the Partnerships' portfolio investments will not occur for a number of years after such portfolio investments are made. The Partnerships will make investments where there is likely to be no actively traded market. Moreover, many of the Partnerships' investments may be held by relatively few other investors. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer or of the asset, the Partnerships may find it more difficult to sell such instruments when Gores believes it advisable to do so or may be forced to sell them at prices lower than if the instruments were widely held. Thus, the range of disposal strategies available to the Partnerships may be further limited. In addition, investors' investments in the Partnerships we manage are subject to restrictions on transfer and there is no established secondary market for such Partnership interests. An investment in the Partnerships is highly illiquid and an investor may not be able to sell or otherwise dispose of its interest if or when desired. Thus, investors in the Partnerships must be prepared to bear the risks of owning their interests and contributing capital for an extended period of time.

*Disposition of Private Investments.* Most of the Partnerships' portfolio investments will involve private securities. In connection with the disposition of an investment in private securities, the Partnerships may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. The Partnerships also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in the incurrence of contingent liabilities that may ultimately yield funding obligations that must be satisfied by the Limited Partners to the extent of distributions made to such Limited Partner.

*Valuation Risk.* When estimating fair value, Gores applies a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval, and ensuring that portfolio investments are fairly valued is an important focus of Gores. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the



prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Partnership's assets. With respect to the Partnerships, the exercise of discretion in valuation by Gores gives rise to conflicts of interest, valuations (including, for instance, determination of when an investment should be written down or written off) impact Gores' track record and the performance allocation in certain Partnerships is calculated based, in part, on these valuations and such valuations affect performance calculations.

*Unidentified Investments.* Proceeds from commitments made to the Partnerships are intended to be invested in portfolio investments that have not been identified as of the date such commitments are made. Investors in the Partnerships will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding investments by the Partnerships.

*Highly Competitive Market for Investment Opportunities.* The activity of identifying, completing and realizing on attractive portfolio investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that the Partnerships will be able to identify and complete portfolio investments which satisfy its investment objective, or realize the value of such portfolio investments, or that it will be able to invest fully its capital commitments. The Partnerships compete for investment opportunities against various other groups, including industry participants, investment firms and merchant banks.

*Use of Leverage.* The Partnerships' portfolio investments include investments in companies whose capital structures have significant leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. The Partnerships' investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks (as well as particular risks associated with investing in the industries targeted by the Partnerships) may have a more pronounced effect on the profitability or survival of such companies. Moreover, rising interest rates may significantly increase portfolio companies' interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Partnerships may suffer a partial or total loss of capital invested in the portfolio company. In addition, borrowings by the Partnerships may be secured by the investors' capital commitments as well as by the Partnerships' assets.

*Control Position.* The Partnerships generally seek investment opportunities that allow the Partnerships to have significant influence on the management, operations and strategic direction of the portfolio companies in which they invest. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of the Partnerships to claims by such portfolio company, its security holders and its creditors. While the General Partners intend to manage the Partnerships in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

*Board Participation.* The Partnerships are generally represented on the boards of directors of their portfolio companies or may have representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to the Partnerships' investment strategies and may enhance the General Partners' and our ability to manage the portfolio investments, they may also have the effect of impairing the General Partners' ability to sell the related securities when, and upon the terms it may otherwise desire, and may subject the General Partners, Gores and the Partnerships to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities

claims and other director related claims. In general, the Partnerships indemnify the General Partners and Gores from such claims.

*Non-Controlling Investments.* Although the Partnerships generally seek to invest in portfolio companies where it has significant influence on the management, operations and strategic direction of the business, it may not be successful in achieving such influence and such failure could decrease a Partnership's profit potential with regard to that portfolio company. Therefore, there can be no assurance that the Partnerships will be able to realize the value of their investments and distribute proceeds in a timely manner.

Portfolio companies in which the Partnerships make or retain minority equity investments may have economic or business interests or goals that are inconsistent with those of the Partnerships and the Partnerships may not be in a position to limit or otherwise protect the value of their investment in such portfolio companies. The Partnerships' control over the investment policies of such portfolio companies may also be limited. This could result in the Partnership's investments being frozen in minority positions that incur substantial losses.

*Third-Party Involvement.* The Partnerships may co-invest through partnerships, joint ventures or other entities with Third Parties that may have economic or business interests or objectives that are different than or conflict with those of the Partnerships.

*Reliance on Key Personnel.* The success of the Partnerships depends in substantial part upon the skill and expertise of Gores' principals and the other investment professionals who will be providing investment advice with respect to the Partnerships. There can be no assurance that these key investment professionals will continue to be associated with Gores throughout the life of the Partnerships. The loss of key personnel could have a material adverse effect on the Partnerships' ability to realize their investment objectives.

*Portfolio Company Management Risks.* With respect to management at the portfolio company level, many portfolio companies may rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. Although Gores monitors the management teams of each portfolio company, management of each portfolio company has day-to-day responsibility with respect to the business of such portfolio company.

*Concentration of Investments.* The Partnerships each participate in a limited number of investments and, as a consequence, the aggregate return of a Partnership may be affected by the performance of a single investment.

*Non-U.S. Investments.* The Partnerships may invest globally, including in portfolio companies located in emerging markets. Foreign securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (a) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Partnership's non-U.S. investments are denominated, which may result in decreases in the returns of a portfolio company unrelated to the performance of the portfolio company itself; (b) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (c) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; and (d) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. Anti-fraud and anti-insider trading legislation in these countries may be

rudimentary. The legal systems in these countries may offer no effective means for the Partnership to seek to enforce its rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

*Benchmark Rate Risk.* Prior to June 30, 2023, certain bonds and loans held by the Partnerships may have had floating interest rates based on the London Inter Bank Offered Rate (“LIBOR”). LIBOR is an estimate of the interest rates to borrow U.S. dollars, sterling, euros and certain other currencies in the London unsecured interbank market, and was widely used as a reference for setting the interest rate on loans, bonds and derivatives globally. Consistent with prior announcements by the United Kingdom’s Financial Conduct Authority (“FCA”), the representative settings for all Swiss franc, euro, British pound sterling, Japanese yen, and U.S. dollar LIBORs are no longer available as of June 30, 2023, while synthetic 3-month British pound sterling LIBOR and 1-, 3- and 6-month U.S. dollar LIBOR settings are expected to cease at the end of March 2024 and September 2024, respectively.

On March 15, 2022, the United States enacted the Adjustable Interest Rate (LIBOR) Act of 2021 (“LIBOR Act”). The federal LIBOR Act preempts similar state legislation (including that enacted in New York) and provides one national approach for replacing U.S. dollar LIBOR as a reference interest rate in certain contracts, including those with no fallback provisions or with fallback provisions that identify neither a specific replacement rate nor a “determining person” as defined in the legislation, once U.S. dollar LIBOR is no longer published or is no longer representative. The U.S. Federal Reserve (the “Federal Reserve”) has adopted the final rule that implements the LIBOR Act, which established certain Secured Overnight Financing Rate (“SOFR”)-based benchmark replacements for contracts governed by U.S. law that reference overnight and one-, three-, six- and 12-month tenors of U.S. dollar LIBOR that do not have suitable fallback provisions after June 30, 2023.

As a result of the transition away from LIBOR as a benchmark reference for interest rates, certain bonds and loans held by the Partnerships may have floating interest rates based on SOFR or, if otherwise provided in the underlying contracts, other alternative benchmark rates.

*SOFR Risk.* SOFR is a relatively new index rate calculated based on short-term repurchase agreements backed by U.S. Treasury Instruments. While LIBOR is an unsecured rate, SOFR is a secured rate. SOFR, unlike LIBOR, reflects actual market transactions. Accordingly, SOFR is not the economic equivalent of LIBOR. Consequently, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, monetary policy, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events.

Additionally, because SOFR is published by the Federal Reserve Bank of New York (the “New York Fed”) based on data received from other sources, we have no control over its determination, calculation, or publication. There can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the Partnerships. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on SOFR-linked floating rate instruments and the trading prices of such instruments. Additionally, daily changes in SOFR have, on occasion, been more volatile than daily changes in other benchmark or market rates. Although occasional, increased daily volatility in SOFR would not necessarily lead to more volatile interest payments, the return on and value of SOFR-linked floating rate instruments may fluctuate more than floating rate instruments that are linked to less volatile rates. All of the foregoing risks may affect the performance of the applicable bonds and loans in which the Partnerships invest, which in turn may adversely affect the performance of the Partnerships.

*Concentration of Investments in Certain Industries.* Certain of the Partnerships' portfolio companies may be concentrated in one or a limited number of sectors. Such concentration may involve risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns. There is no assurance that products sold or services offered by portfolio companies will not be rendered obsolete or adversely affected by competing products or services or other challenges. To the extent that a Partnership concentrates its investments in an industry, instability, fluctuation or an overall decline within such industry may not be balanced by investments in other industries not so affected. In the event that the industry or industries in which a Partnership concentrates its investments decline, returns to Limited Partners may decrease. In addition, adverse changes in law or regulations can dramatically affect the business environment faced by new, emerging, and established businesses. Regulatory actions could have a material adverse effect on a market or a company in which the Partnerships may have invested and could cause the Partnerships to incur a substantial or total loss of their investments.

*Market and Credit Risks of Debt Securities.* Portfolios with debt securities are subject to credit and interest rate risks. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such security. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable-rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

*Interest Rates.* A Partnership may have exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect a Partnership. Over any defined period of time, a Partnership's interest-bearing assets may be more sensitive to changes in market interest rates than the Partnership's interest-earning liabilities, or vice versa. Factors that may affect market interest rates include, without limitation: inflation, slow or stagnant economic growth or recession, unemployment, money supply and the monetary policies of the Board of Governors of the U.S. Federal Reserve System, international disorders and instability in domestic and non-U.S. financial markets. A Partnership may periodically experience imbalances in the interest rate sensitivities of its assets and liabilities and the relationships of various interest rates to each other. In a changing interest rate environment, a Partnership may not be able to manage this risk effectively. Failure to manage interest rate risk effectively could adversely affect a Partnership's performance.

*Nature of Distressed Investments.* The Partnerships are authorized to invest in the securities and obligations of distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. Such investments generally are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer of those obligations might not make any interest or other payments.

*Nature of Bankruptcy Process.* There are a number of significant risks inherent in the bankruptcy process, including, for example, the deleterious effects of litigation between the creditors and debtor, the duration of the bankruptcy proceeding and various costs to the debtor issuer such as potential adverse effects on personnel, business relationships and operations. In the event of the bankruptcy of a portfolio company, there can be no assurance that these factors can be successfully overcome.

*Fraudulent Conveyance Considerations.* Certain Portfolio Investments may be subject to federal or state laws protecting creditors due to a Partnership's role as a creditor. Under such laws, in certain circumstances, a court could invalidate or subordinate indebtedness and any security interest securing such investment. Certain payments on an investment could also be subject to avoidance as a "preference" if made within a certain period of time before insolvency. There can be no assurance as to what standard a court would apply in determining whether a borrower was insolvent.

*Potential Liability to Creditors; Receipt of Material Non-Public Information.* Certain Gores employees may participate in negotiations with financially troubled companies, but there can be no assurance that such employee would be successful in obtaining results most favorable to a Partnership. Participation in negotiations could expose the Partnership to liability to other creditors, result in significant legal fees and other expenses to a Partnership, and/or limit a Partnership's ability to trade in a company's securities due to exposure to material non-public information.

*Cybersecurity Risk.* Gores, the Partnerships' service providers, and other market participants depend on complex and often interconnected information technology and communications systems to conduct business functions. These systems are subject to a number of different threats and other risks that could adversely affect the Partnerships and their investors, despite the efforts of Gores and the Partnerships' service providers to adopt technologies, processes and procedures intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the security, confidentiality, integrity and availability of information belonging to the Partnership and its investors. For example, unauthorized Third Parties may attempt to improperly access, modify, disrupt the operations of, encrypt or otherwise prevent access to these systems of Gores, the Partnerships' service providers, counterparties or the data stored by these systems, including investor information. Gores and the Partnerships' service providers may be subject to ransomware or other attacks that could cause a substantial business disruption or loss of availability of data that could prevent the Partnerships and Gores from executing its investment strategy or accessing an account, which could lead to financial losses. Third Parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of our systems to disclose sensitive information in order to gain access to our data or that of the Partnerships' investors or to transfer funds to unauthorized third-parties. A successful penetration or circumvention of the security of our systems by unauthorized third-parties could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Partnerships, Gores or their service providers to incur regulatory penalties, reputational damage, additional compliance costs, increased insurance premiums or financial loss. In addition, Gores may incur substantial costs related to investigation and remediation of the cybersecurity incident, increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks.

Similar types of operational and technology risks are also present for the companies in which the Partnerships invest, which could have material adverse consequences for such companies, and may cause the Partnerships' investments to lose value.

*Tax Reform Risks.* Tax law is subject to change and various historic and current legislative proposals could affect the Partnerships and the investors. Under current law, capital gains in respect of a General Partner's right to carried interest will be subject to a three-year "holding period" in order to be classified as "long term capital gains," while the corresponding holding period requirement with respect to capital gains that Partnership investors are allocated is one year. This carried interest holding period requirement could affect investment decisions, including the timing and structure of dispositions and other realization events, and it could adversely impact returns for investors. For example, the holding period requirement may incentivize the General Partner to cause a Partnership to hold an investment for longer than three years in order for the General Partner to obtain a preferential tax rate on carried interest, even if there are attractive realization opportunities prior to that time. Further, there are currently administrative and legislative proposals to further change the tax treatment of "carried interest" in ways that may be adverse to partners in the General Partner. A General Partner and Gores may take these potential adverse consequences into account in their management and operation of the Partnerships and in addressing these adverse consequences, the interests of the General Partner and Gores, on the one hand, may diverge from the interests of the investors, on the other hand.

*Climate Change.* The Partnerships may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Partnerships' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the Partnerships may be vulnerable to the following: risks of property damage to the Partnerships' investments; indirect financial and operational impacts from disruptions to the operations of the Partnerships' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Partnerships' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Partnerships' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

*Custody and Banking Risks.* The Partnerships will maintain funds with one or more banks or other depository institutions ("banking institutions"), which may include U.S. and non-U.S. banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Partnerships, their portfolio companies, the General Partner and/or Gores transact may inhibit the ability of the Partnerships or their portfolio companies to access depository accounts or lines of credit at all or in a timely manner. In such cases, the Partnerships may be forced to delay or forgo investments or to call capital when it is not

desirable to do so, resulting in lower performance for the Partnerships. In the event of such a failure of a banking institution where the Partnership or one or more of its portfolio companies holds depository accounts access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Partnerships and their affected portfolio companies may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution's assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Partnerships or their portfolio companies. One or more investors or a Partnership's General Partner could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, a Partnership's General Partner may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

*Possibility of Fraud and Other Misconduct of Employees and Service Providers.* Misconduct by employees of Gores, service providers to Gores or the Partnerships and/or their respective affiliates could cause significant losses to such Partnerships. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Partnerships, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Partnerships and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Partnerships. Gores has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that Gores will be able to identify or prevent such misconduct.

*Coronavirus Outbreak Risks.* The 2019 novel coronavirus ("COVID-19") has meaningfully disrupted the global economy and markets. COVID-19 has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy. The spread of COVID-19 among Gores' personnel and its service providers would also significantly affect Gores' ability to properly oversee the affairs of the Partnerships (particularly to the extent such impacted personnel include key investment professionals or other members of senior management). The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve.

*Force Majeure.* Gores, its Partnerships, or their investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including an investment or a counterparty to a Partnership) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from an investment, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to an investment or a Partnership of

repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure can have a permanently adverse effect on an investment. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Partnerships would invest. Additionally, major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to the Partnerships, including if such investments are canceled, unwound or acquired (which could be without adequate compensation).

*United Kingdom Exit from the European Union.* The United Kingdom left the European Union on January 31, 2020 (commonly referred to as “Brexit”). During an 11-month transition period, the United Kingdom and the European Union agreed to a Trade and Cooperation Agreement which sets out the agreement for certain parts of the future relationship between the European Union and the United Kingdom from January 1, 2021. The Trade and Cooperation Agreement does not provide the United Kingdom with the same level of rights or access to all goods and services in the European Union as the United Kingdom previously maintained as a member of the European Union and during the transition period. In particular the Trade and Cooperation Agreement does not include an agreement on financial services, which is yet to be agreed. Accordingly, uncertainty remains in certain areas as to the future relationship between the United Kingdom and the European Union.

From January 1, 2021, European Union laws ceased to apply in the United Kingdom. However, many European Union laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Depending on the terms of any future agreement between the European Union and the United Kingdom on financial services, substantial amendments to English law may occur, and it is impossible to predict the consequences on the Partnerships and their investments. Such changes could be materially detrimental to investors.

Although one cannot predict the full effect of Brexit, it could have a significant adverse impact on the United Kingdom, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including companies or assets held or considered for prospective investment by the Partnerships.

The future application of European Union-based legislation to the private fund industry in the United Kingdom and the European Union will ultimately depend on how the United Kingdom renegotiates the regulation of the provision of financial services within and to persons in the European Union. There can be no assurance that any renegotiated terms or regulations will not have an adverse impact on the Partnerships and their portfolio companies, including the ability of the Partnerships to achieve their investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on the ability of Gores to manage, operate and invest the Partnerships and increased legal, regulatory or compliance burden for Gores and/or the Partnerships, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Partnerships.



Areas where the uncertainty created by the United Kingdom's withdrawal from the European Union is relevant include, but are not limited to, trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), industrial policy pursued within European countries, immigration policy pursued within European Union countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally. The volatility and uncertainty caused by the withdrawal may adversely affect the value of the Partnerships' portfolio companies and the ability to achieve the investment objectives of the Partnerships.

*Russian Invasion of Ukraine.* On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People's Republic and Luhansk People's Republic regions) and shortly thereafter commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine. This has led various countries (including the United States) to issue sanctions against Russia and against certain foreign individuals and national leaders who have supported Russia's invasion of Ukraine. Further sanctions may be forthcoming. Russia's invasion of Ukraine, the resulting displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on the economy and business activity globally, and therefore could adversely affect the performance of the Partnerships' investments. Furthermore, given the ongoing and evolving nature of the conflict between the two nations and its ongoing escalation, it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the Partnerships and the performance of their investments or operations, and the ability of the Partnerships to achieve their investment objectives.

*Israel-Hamas War.* On October 7, 2023, the Hamas militant group breached the fences separating Israel and Gaza and carried out a violent terrorist attack. The foregoing attack sparked an armed conflict, which is currently ongoing, between Hamas and other Palestinian militant groups and Israel, known as the 2023 Israel-Hamas war. Although since the establishment of the State of Israel a state of hostility has existed in varying degrees of intensity between various Arab countries and Israel, the current conflict between Israel and Hamas has escalated to a heightened level not seen in recent years and may escalate further. Additionally, while Israel has entered into peace agreements with both Egypt and Jordan, and several other Middle Eastern and North African countries have normalized relations with Israel, the 2023 Israel-Hamas war has created tremendous unrest and uncertainty in the region, which may threaten any such peace agreements. A further expansion of the hostilities between Israel and Palestine could have significant international ramifications. The 2023 Israel-Hamas war could potentially have a significant adverse impact and result in significant losses to the Partnerships, including those described above in "Russian Invasion of Ukraine". The ultimate impact of the Israel-Hamas war and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Partnerships or any particular industry, business or investee country, and the duration and severity of those effects is impossible to predict.

*Recent Regulatory Developments for Private Funds and their Advisers.* In recent years, the SEC has proposed and adopted, and continues to adopt, various changes to the rules relating to private funds and their advisers. On August 23, 2023, the SEC adopted previously proposed new rules and amendments to existing rules (collectively, the "Private Funds Rules") under the Advisers Act (as defined in Item 11 below) specifically related to advisers of private funds.

The Private Funds Rules will impose new and substantial requirements on advisers and the funds they advise, including with respect to quarterly reporting, restricted activities, preferential treatment of investors, audit requirements, adviser-led secondaries and annual compliance reviews. The Private Funds Rules, in addition to any other new rules adopted by the SEC, are expected to significantly impact the business of Gores and its affiliates, a Partnership and/or its investments. As a result of these new rules, Gores will under certain circumstances be restricted or refrain from providing information regarding a Partnership in response to investor requests. Gores will be required to circulate to all investors the material terms of any preferential treatment agreed in connection with investments in a Partnership (i.e., all side letter terms), without regard to any most favored nation provision. This may ultimately impact Gores' decisions with respect to agreeing to certain preferential rights. The Private Funds Rules include certain audit requirements, which may require Gores to select a different auditor or obtain an additional audit, even if Gores does not believe it is in the best interest of a Partnership or its investors to do so. Further, many provisions of the Private Funds Rules require Gores to make a variety of subjective determinations as to whether and how such rules apply to a Partnership and Gores' related obligations. Gores will face conflicts of interest in making such determinations, including for example with respect to whether certain fees and expenses may be charged to a Partnership, whether certain provisions may have a material negative impact on certain investors and whether certain allocations are fair and equitable. Gores' and a Partnership's compliance burdens and associated costs including, without limitation, insurance expenses, are also expected to increase. Gores also will be subject to increased risk of exposure to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance as a result of the Private Funds Rules, and any noncompliance or perceived noncompliance with such rules may negatively impact a Partnership's reputation as well as its investment activities, thereby materially reducing returns to investors.

Several trade groups representing private fund managers have filed a legal challenge to the Private Funds Rules and other legal challenges to the Private Funds Rules may be forthcoming. Regardless of the outcome of these lawsuits, the implementation of these new rules is expected to create additional burdens for advisers to private funds.

*Artificial Intelligence ("AI").* Gores' ability to use, manage and aggregate data may be limited by the effectiveness of its policies, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit Gores' ability to manage current and emerging risks, as well as to manage changing business needs and to adapt to the use of new tools, including AI. While Gores may restrict certain uses of third-party and open source AI tools, such as ChatGPT, the Gores' employees and consultants and a Partnership's portfolio companies may use these tools, which poses additional risks relating to the protection of Gores' and such portfolio companies' proprietary data, including the potential exposure of Gores' or such portfolio companies' confidential information to unauthorized recipients and the misuse of Gores' or third-party intellectual property, which could adversely affect Gores, a Partnership or its portfolio companies. Use of AI tools may result in allegations or claims against Gores, a Partnership or its portfolio companies related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary information and failure to comply with open-source software requirements. Additionally, AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in Gores' and its employees' and consultants' decision-making, portfolio management or other business activities, which could have a negative impact on Gores or on the performance of a Partnership and its portfolio companies. Such AI tools could also be used against Gores, a Partnership or its portfolio companies in criminal or negligent ways. As the use and availability of AI tools has grown, the U.S. Congress and a number of U.S. federal and state agencies have been examining the AI tools and their use in a variety of industries,

including financial services. These agencies have issued proposed or adopted a variety of rules and other guidance regarding the use of AI. AI similarly faces an uncertain regulatory landscape in many foreign jurisdictions. Ongoing and future regulatory actions with respect to AI generally or AI's use in any industry in particular may alter, perhaps to a materially adverse extent, the ability of Gores, a Partnership or its portfolio companies to utilize AI in the manner it has to-date, and may have an adverse impact on the ability of Gores, a Partnership or its portfolio companies to continue to operate as intended.

**The risks described above are not a complete list of all risks associated with Gores' investment strategies. In addition, as Gores' investment program develops over time, an investment in Gores-managed Partnership may be subject to additional and different risk factors. Investors should consider the applicability of all the above-cited risks and refer to the applicable Governing Documents for a more complete description of the risks involved in investing in a Gores-managed Partnership.**

#### **Item 9. Disciplinary Information**

There are no legal or disciplinary events with respect to us or our management that are material to an investor's or prospective investor's evaluation of us or the integrity of our management.

#### **Item 10. Other Financial Industry Activities and Affiliations**

We are affiliated with Gores Capital Advisors II, LLC, Gores Capital Advisors III, L.P., and Gores Small Cap Advisors, L.P., each of which serves as the General Partner of certain of the Partnerships. For a description of material conflicts of interest created by the relationship among Gores and these General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

In addition, as described above under "Methods of Analysis, Investment Strategies and Risk of Loss – Investment Strategy and Analysis," we utilize the services of Gores Operations, which is currently in winddown and ceased operations as of December 31, 2021. While Gores Operations is controlled by Gores and as a result of this relationship Gores may benefit from certain economies of scale (e.g., sharing of resources and infrastructure, including senior management personnel), Gores does not have an economic interest in Gores Operations (as the class of stock of Gores Operations held by Gores has no interest in any dividends or other distributions that might be made by Gores Operations). Gores Operations charged (and for all outstanding amounts due for periods prior to ceasing operations, continues to charge) the Partnerships and their portfolio companies, as applicable, for Gores Operations' services on a fee-per-hour basis at rates that are consistent with market and industry standards, and uses its revenues from fees to cover its operational costs. In addition to the hourly fees charged, certain of Gores Operations' professionals receive equity interests in the Partnerships' portfolio companies in which they are involved. Gores Operations does not receive any payments from portfolio companies or Gores except to the extent that Gores or the applicable portfolio company engages Gores Operations professionals to provide services or for the reimbursement of expenses.

Gores Operations provided consulting services to Gores portfolio companies and assisted Gores with operational due diligence and portfolio company oversight, including with respect to tax, finance, accounting, legal, information technology, marketing, sales, supply-chain management, insurance/risk management and operations. We believe the engagement of Gores Operations has provided a substantial benefit to the Partnerships and their portfolio companies given the expertise of Gores Operations'

professionals and the value provided by their involvement in the due diligence, transformation and ongoing operational stages of portfolio companies. Further information regarding Gores Operations is available in the offering memorandum and financial statements of each Partnership.

#### **Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading and Conflicts**

##### **Code of Ethics/Insider Trading**

We have adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Code establishes guidelines for professional conduct and personal trading procedures and is applicable to all of the Gores principals, officers and employees and other personnel of Gores, as well as officers and employees of its affiliates and certain independent contractors (collectively, “Gores Personnel”).

Gores Personnel who violate the Code may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Gores Personnel are also required to promptly report any violation of the Code of which they become aware. Gores Personnel are required to annually certify compliance with the Code.

Our Code limits our employees’ personal securities trading activity and mandates that all such trading activity comply with the requirements of the Code, including: (1) pre-clearing certain personal securities transactions; (2) reporting personal securities transactions on at least a quarterly basis; and (3) providing us with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest. The Code helps Gores to detect and prevent certain potential conflicts of interest.

A copy of our Code will be provided to any investor or prospective investor upon written request.

##### **Participation or Interest in Client Transactions**

Employees and affiliates of Gores invest in the Partnerships either through the general partners or as direct investors in the Partnerships, and such Partnerships or the general partners, as applicable, generally do not pay Management Fee and/or Incentive Allocations. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Partnership (including purchasers of a Limited Partner’s interests in a secondary transaction) or a co-investment opportunity (see below) ask different questions and request different information, Gores from time to time provides certain information to one or more prospective investors that it does not provide to all of the prospective investors or Limited Partners.

##### **Conflicts of Interest**

Gores and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of multiple investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Partnership conflict with the interests of Gores, other

Partnerships or their respective affiliates. Certain of these conflicts of interest, as well as a description of how Gores addresses such conflicts of interest, can be found below.

Gores will, from time to time, establish certain investment vehicles through which certain employees of Gores or its affiliates, certain employees of Gores Operations, certain business associates, other “friends of the firm,” or other Third Parties will invest alongside one or more Partnerships in one or more investment opportunities. Such vehicles, referred to herein as “co-investment vehicles,” may, in certain circumstances, be contractually required to purchase and sell certain investment opportunities at the same time and on the same terms as the applicable Partnership that is invested in that investment opportunity. Such co-investment vehicles generally do not pay Management Fees or Incentive Allocations.

### *Resolution of Conflicts*

In the case of all conflicts of interest, Gores’ determination as to which factors are relevant, and the resolution of such conflicts, will be made using Gores’ best judgment, but in its sole discretion. In resolving conflicts, Gores generally considers various factors, including the interests of the applicable Partnerships with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below.

In addition, certain provisions of a Partnership’s Governing Documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Partnership and its ability to achieve its investment objectives.

While Gores endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions. There can be no assurance that Gores will identify or resolve all conflicts in a manner that is favorable to the Partnership.

### *Conflicts*

The material conflicts of interest encountered by a Partnership include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Partnership. Other conflicts are disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

### *Allocation of Investment Opportunities Among Clients*

In connection with its investment activities, Gores will encounter situations in which it must determine how to allocate investment opportunities (including follow-on investments) among various clients and other persons, which include, but are not limited to, the following:

- The Partnerships;
- Any co-investors or co-investment vehicles that have been formed to invest side-by-side with one or more Partnerships in particular transactions entered into by such Partnership(s) (the co-investors or investors in such co-investment vehicles which may include Gores Investors and/or Third Parties);
- Gores Investors and/or Third Parties that wish to make direct investments (i.e., not through an

investment vehicle) side-by-side with one or more Partnerships in particular transactions entered into by such Partnership(s); and

- Gores Investors and/or Third Parties acting as “co-sponsors” with Gores with respect to a particular transaction.

Gores makes allocation determinations consistent with the Partnerships’ Governing Documents and in accordance with its written policies and procedures relating to the allocation of investment opportunities and will make allocation determinations consistently therewith.

The Partnerships are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”). Investment Allocation Requirements are typically set forth in the Partnership’s Governing Documents. To the extent the Investment Allocation Requirements of a Partnership do not include specific allocation procedures and/or allow Gores discretion in making allocation decisions among the Partnerships, Gores will follow the process set forth below.

Gores must first determine which Partnerships and/or other parties are eligible to participate in an investment opportunity. Gores assesses whether an investment opportunity is appropriate for a particular Partnership(s), based on the Partnership’s investment objectives, strategies, investment phase, and structure. A Partnership’s investment objectives, strategies and structure typically are reflected in the Partnership’s Governing Documents. Prior to making any allocation to a Partnership of an investment opportunity, Gores determines what additional factors restrict or limit the offering of an investment opportunity to the Partnership(s). Possible restrictions typically include, but are not limited to:

- **Obligation to Offer:** Gores may be required to offer an investment opportunity to one or more Partnerships. This obligation to offer investment opportunities may be set forth in a Partnership’s Governing Documents.
- **Related Investments:** Gores may offer an investment opportunity related to an investment previously made by a Partnership(s) to such Partnership(s) to the exclusion of, or resulting in a limited offering to, other Partnerships.
- **Legal and Regulatory Exclusions:** Gores may determine that certain Partnerships or investors in such Partnerships should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.
- **Partnership Life Cycle:** Gores may determine that certain Partnerships should be excluded from an allocation when such Partnership no longer has the ability to make new or, as applicable, follow-on investments, as provided in the Partnership’s Governing Documents.

Once Gores identifies the Partnerships are eligible to participate in a particular investment, Gores, in its discretion, decides how to allocate such investment opportunity among the identified Partnerships. In allocating such investment opportunity, Gores typically considers some or all of a wide range of factors, which generally include, but are not necessarily limited to, one or more of the following:

- Amount of capital available for investment by each Partnership as well as each Partnership’s projected future capacity for investment (including whether a Partnership is able to invest all capital required to consummate a particular investment opportunity), the current or expected

capital requirements of each Partnership's existing or anticipated portfolio companies, and anticipated co-investment (if any);

- The size, liquidity and duration of the investment;
- Minimum and maximum investment size requirements;
- Each Partnership's investment objectives and investment focus;
- Each Partnership's liquidity and reserves (including whether a Partnership is able to commit to invest all capital required to consummate a particular investment opportunity);
- Each Partnership's diversification (including the actual, relative or potential exposure of a Partnership to the type of investment opportunity in terms of its existing portfolio);
- Lender covenants and other limitations;
- Each Partnership's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- Composition of each Partnership's portfolio and each Partnership's investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage or other similar risk metrics) and the scope of a Partnership's investment mandate including whether mandates are identified as primary or secondary, and whether the mandate is limited or otherwise restricted to specific types of investments/assets;
- The suitability as a follow-on investment for a current portfolio company of a Partnership or to upsize an existing investment;
- Timing expected necessary to execute an investment;
- The use of leverage in the proposed capital structure;
- The availability of other suitable investments for each Partnership;
- Risk considerations;
- Cash flow considerations;
- The likelihood of current income;
- The centrality of an investment to a Partnership's strategy;
- Asset class restrictions;
- The seniority of an investment and other capital structuring criteria;
- Industry and other allocation targets;
- Tax and accounting implications;
- Whether an investment opportunity requires additional consents or authorizations from the Partnership, investors or Third Parties;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the Governing Documents of each Partnership.

The application of the Investment Allocation Requirements and factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Partnership will participate in all investment opportunities that fall within its investment objectives. Gores makes allocation determinations based solely on Gores' expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Partnership in hindsight.

Gores will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Partnership or (ii) the profitability of any Partnership. While Gores determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Partnership's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which Gores is subject, discussed herein, did not exist.

In addition, Gores Personnel invest indirectly in, are permitted to invest directly in, and have a right to Incentive Allocations arising from the performance of the Partnerships and therefore participate indirectly in investments made by the Partnerships in which they invest. Such interests will vary Partnership by Partnership and may create an incentive to allocate particularly attractive investment opportunities to the Partnership in which such personnel hold a greater interest. The existence of these varying circumstances will present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Partnership. For example, additional conflicts could arise to the extent Gores and/or its affiliates, or Gores Personnel, hold an outsized economic position in any of the participating Partnerships. In such cases, Gores could be incentivized to manage such arrangements in a manner that would enhance the returns of the Partnerships in which Gores and/or its related parties hold a substantial portion of the equity, even to the detriment of other Partnerships.

Gores and/or a Partnership from time to time invest in the securities offerings of a portfolio company held by another Partnership (including through initial public offerings), which would result in Gores and/or a Partnership receiving an allocation of portfolio company securities. In addition to conflicts of interest arising from the allocation of such securities, this arrangement also leads to similar conflicts described below under *"Conflicts Related to Purchases and Sales."*

A conflict also arises in allocating an investment opportunity if the potential investment target could be acquired by either a Partnership or a portfolio company of another Partnership. In making such an allocation determination, Gores will consider one or more of the factors set forth above and will make a determination in its good faith discretion.

Certain employees of Gores provide services with respect to investment activities of a Gores' principal and such principal's family members and estate planning vehicles. Such investment activities may be made alongside third-party co-investors. Such services could potentially present a conflict of interest between Gores and a Partnership. However, Gores believes any potential conflicts of interest are substantially mitigated because (i) the Partnerships are no longer making new investments and, while certain Partnerships still have the ability to make follow-on investments, such Partnerships will have priority in allocation of such follow-on investment opportunities and (ii) the investments are reportable and subject to pre-clearance by the applicable Gores principal pursuant to Gores' Code of Ethics.



### *Allocation of Co-Investment Opportunities and Secondary Transactions*

Gores will determine if the amount of an investment opportunity exceeds the amount Gores determines would be appropriate for the Partnerships (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to Gores and/or the Partnerships or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by Gores to be in the best interest of the applicable Partnership), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Partnerships' Governing Documents or, to the extent not addressed in such Partnerships' Governing Documents, in accordance with the following paragraphs. There may be circumstances where Gores determines, for strategic or other reasons, the amount that could have otherwise been invested by a particular Partnership is instead allocated to one or more co-investors.

The amount of Other Fees generated as a result of co-investments in connection with any portfolio company will often not reduce the Management Fees paid by the Partnerships and will therefore be retained by Gores. The allocation of co-investment opportunities has in the past and may in the future also involve a benefit to Gores in addition to the receipt of Other Fees, including the receipt of Management Fees or allocation of Incentive Allocations from the co-investor, and/or capital commitments to Partnerships (including successor Partnerships). As a result of the foregoing, Gores could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement or economic terms.

A Partnership's General Partner and its affiliates are permitted to make capital commitments and/or contributions to co-investment opportunities and co-investment vehicles investing alongside the Partnerships. Such amounts so committed or contributed are permitted, at the option of the applicable Partnership's General Partner, to be deemed part of the amount Gores is otherwise required to contribute to the Partnerships. Any such amounts would be in full or partial satisfaction of amounts that would otherwise be invested in the Partnership in respect of such investment, which could reduce the amount of such co-investment available to the limited partners. In addition, any such amounts invested by a Partnership's General Partner or its affiliates in co-investments alongside the Partnership and deemed part of the amount Gores is otherwise required to contribute will result in the General Partner and/or its affiliates contributing less to the Partnership than Gores' capital commitment to such Partnership would otherwise imply.

In addition, co-investment vehicles are formed from time to time to make investments alongside a Partnership. In such cases, the co-investment vehicle will have a priority right to make co-investments in some or all of the investments made by such partnerships. The existence of such a priority right will significantly reduce or eliminate co-investment opportunities available to other investors.

Subject to any Investment Allocation Requirements or other specific agreements with investors, in general, (i) no investor in a Partnership has a right to participate in any co-investment opportunity and investing in a Partnership does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, and in what amount are made in the sole discretion of Gores or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities typically will be offered to some and not other investors in the Partnerships, in the sole discretion of Gores or its related persons and an investor may be offered fewer co-investment opportunities than other investors in the same Partnership, with the same, larger or smaller capital

commitments to such Partnership, and (iv) certain persons other than investors in the Partnerships (e.g., other Partnerships managed by Gores, consultants, joint venture partners, Gores Investors, persons associated with a portfolio company and other Third Parties), including persons who Gores believes will provide a benefit to a Partnership and/or one or more portfolio companies or who provide a strategic sourcing or similar benefit to Gores, a Partnership, and/or a portfolio company and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise), rather than one or more investors in a Partnership, will from time to time be offered co-investment opportunities, in the sole discretion of Gores or its related persons. Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g. timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require Gores to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, Gores from time to time agrees to give particular investors, Partnerships or other Third Parties priority access to co-investment opportunities. The existence of such priority or other contractual co-investment access rights could affect Gores' decision to offer certain opportunities for co-investment and could limit the ability of Partnerships or their investors to be offered certain co-investment opportunities.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among potential co-investors, Gores will typically consider some or all of a wide range of factors, which generally include, but are not limited to, its own interests and/or one or more of the following:

- Gores' evaluation of the size and financial resources of the potential co-investment party and Gores' perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources or similar synergies) to efficiently and expeditiously participate in the investment opportunity with the relevant Partnership(s) without harming or otherwise prejudicing such Partnership(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);
- Any confidentiality concerns Gores has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- Whether a potential co-investment party has a history of participating in opportunities and Gores' perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by Gores, such party's ability to successfully consummate the proposed transaction and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-

investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company;

- The extent to which a potential co-investment party has been provided a greater amount of co-investment opportunities relative to others;
- Whether the potential co-investment party would require any governance rights that would complicate the transactions (or, alternatively, whether the potential co-investment party would be willing to defer to Gores and assume a passive role in governing a portfolio company);
- Any interests a potential co-investment party has in any competitors of the portfolio company;
- The ability of a potential co-investment party to hold investments for longer periods of time (or indefinitely);
- Gores' perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- Gores' evaluation of whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing;
- Gores' evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Partnerships to take advantage of such opportunity (for example, if the potential co-investment party is involved or has expertise in the same industry as a target company in which a Partnership wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Partnership being able to capitalize on a potential investment opportunity); and
- Whether Gores believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to current or future Partnerships and/or Gores and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Partnerships and/or Gores.

The factors above are not listed in order of importance or priority and Gores is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. Gores' exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Partnerships, potential co-investors, Gores Investors and Third Parties, and in the manner discussed above often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, Gores may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons (including, for example, whether Gores and/or the applicable General Partners are entitled, under arrangements made with certain potential co-investment parties, to additional Management Fees and/or Carried Interest based on the availability of co-investment opportunities offered to such parties). Gores expects that these factors will

lead Gores to favor some potential co-investors over others with respect to the frequency with which Gores offers them co-investment opportunities. Gores also expects to allocate certain co-investors a greater proportion of an investment opportunity than others as a result of these factors.

In the event Gores determines to offer an investment opportunity to co-investors, there can be no assurance that Gores will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Partnership or that expenses incurred by the Partnership with respect to the syndication of the co-investment will not be substantial, and the Partnerships bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Partnership and as a result, may take a different view from Gores as to appropriate strategy for an investment or may be in a position to take a contrary action to a Partnership's investment objective. In the event that Gores is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Partnership will likely consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs, and expenses related to such investment, which could make the Partnership more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Partnership which is not syndicated to co-investors as originally anticipated could significantly reduce the Partnership's overall investment returns. Therefore, it is possible that a Partnership that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

Gores or its affiliates may in the future establish dedicated co-investment vehicles or similar arrangements for specific co-investors in order to facilitate investments by the relevant investors as co-investment parties alongside a Partnership that often have more favorable rights and/or terms than the Partnerships and/or other co-investors. Any such vehicle will be established at Gores or its affiliates' sole discretion and Gores and its affiliates have no obligation to offer a similar opportunity to any other investor.

In addition, to the extent Gores has discretion over a secondary transfer of interests in a Partnership pursuant to such Partnership's Governing Documents, or is asked to identify potential purchasers in a secondary sale or transfer, Gores will do so in its sole discretion, generally taking into account the following factors:

- Gores' evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- Gores' perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate a relationship that may provide indirectly longer-term benefits to current or future Partnerships and/or Gores and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject Gores, the applicable Partnership, or their affiliates to legal regulatory, reporting, public relations, media or other burdens;

- A potential purchaser's investment into another Partnership (including any commitment into a future partnership);
- Requirements in such Partnership's Governing Documents; and
- Such other factors as it deems appropriate under the circumstances in exercising such discretion.

#### *Conflicts Related to Purchases and Sales*

Partnerships from time to time invest in conjunction with an investment being made by other Partnerships, or in a transaction where another Partnership has already made an investment. Conflicts may arise in connection with such investments. Depending on the circumstances, investment opportunities are, from time to time, appropriate for more than one Partnership at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these clients invest in different types of securities in a single portfolio company. Questions could arise as to whether payment obligations and covenants should be enforced, modified or waived, whether payments should be accelerated, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, the terms of any work-out or restructuring or other concessions that may be given in such a situation raise conflicts of interest, and Gores may be incentivized to choose a course of action that benefits one Partnership to the detriment of another Partnership. In the event that one Partnership has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Partnership is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Partnerships that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the Partnerships will occasionally provide such additional capital, and if provided each Partnership will supply such additional capital in such amounts, if any, as determined by Gores. In the event one Partnership is unable to fund its share of additional capital (e.g., in the event such Partnership does not have sufficient available capital), the other Partnership may be obligated to fund more than its share of such amount. In such event, one Partnership will gain greater exposure to such investment than may have been intended and the other Partnership will be diluted in such investment. The returns of each Partnership may be negatively impacted as a result of the foregoing. Investments by more than one client of Gores in a portfolio company will also raise the risk of using assets of a client of Gores to support positions taken by other clients of Gores, or that a client may remain passive in a situation in which it is entitled to vote.

There may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. In addition, where more than one Partnership of Gores (or its affiliates) invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time or on the same terms. For example, because Gores may have an incentive to show realized returns in connection with other fundraising activities (including fundraising

for a successor partnership) and because on Partnership's term may expire before the end of another Partnership's term, such Partnerships may dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Partnership may realize different returns as compared to the same investment held by another Partnership. These variations in timing may be detrimental to a Partnership. At the same time, if Gores determines it is advisable for a Partnership to exit an investment at the same time as another Partnership of Gores, the term of which may expire sooner than the former Partnership's, such Partnership may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments.

The applicable Partnership's Governing Documents and Gores' policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Partnerships in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

Gores Personnel, other related persons of Gores and its affiliates, and senior advisors have made and may make capital investments in or alongside certain Partnerships. These investments are often at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. Such persons therefore have additional conflicting interests in connection with these investments.

By reason of their responsibilities in connection with other activities of Gores, certain Gores Personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Partnerships will not be free to act upon any such information. Due to these restrictions, the Partnerships may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

In addition, Partnerships from time to time invest in securities of companies in which Gores Personnel and other related persons of Gores have previously invested for their own accounts. Furthermore, Gores Personnel and other related persons of Gores and its affiliates from time to time invest for their own accounts in securities of companies in which the Partnerships have previously invested. Such persons may have differing interests from the Partnership with respect to such investments for example, with respect to the availability and timing of liquidity), creating conflicts of interest. There can be no assurance that the return of a Partnership participating in a transaction would be equal to and not less than another Partnership participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Partnerships have in the past and will in the future invest in opportunities that other Partnerships have declined, and likewise, Partnerships have in the past and will in the future decline to invest in opportunities in which other Partnerships have invested.

From time to time Gores may, in its discretion, enter into transactions with investors in one or more Partnerships, prospective investors in a Partnership, co-investors, Gores Investors or Third Parties to dispose of all or a portion of certain investments held by one or more Partnerships. In exercising its discretion to select the purchaser(s) of such investments, Gores will comply with the requirements set forth in the Governing Documents of the applicable Partnership(s), or to the extent not addressed in the Governing Documents of the applicable Partnership(s), Gores may consider some or all of the factors listed above under "*Allocation of Investment Opportunities Among Clients.*" The sales price for such transactions

will be mutually agreed to by Gores and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by Gores. Although Gores is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, which means Gores may not obtain the highest price for the transaction, it will first determine that such transaction is in the best interests of the applicable Partnership(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Partnership(s). Any such transactions will comply with the Governing Documents of the applicable Partnership(s).

Partnerships have in the past and may in the future sell down an interest in their portfolio companies to co-investors. Subject to the applicable Governing Documents, Gores typically charges (but could decide not to charge) a co-investor (such as a Partnership Investor or Third Party) interest costs for the time period between the closing of the applicable Partnership's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

Partnerships will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Partnership agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances Partnerships will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, a Partnership agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity and (b) full guarantee arrangements whereby a Partnership agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. While certain co-investment vehicles with investments contractually tied to Partnerships (including co-investment vehicles through which Gores Personnel participate) are generally obligated to pay their proportionate share of the equity purchase price (whether pursuant to the applicable Partnership's Governing Documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or guarantees. Therefore, in the unlikely event that a co-investment vehicle defaults on an arrangement with the Partnership to pay its proportionate share of the equity purchase price (if any) or such an arrangement does not exist, the Partnership would be held responsible for the entire equity purchase price or other applicable obligations.

The Partnerships, from time to time, co-invest with Third Parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks and conflicts that would not otherwise be present in investments where a Third Party is not involved. Such risks include, among other things, the possibility that the Third Party may have differing economic or business goals than those of the Partnership, or that the Third Party may be in a position to take actions that are inconsistent with the investment objectives of the Partnership. There may also be instances where the Partnerships will be liable for the actions of such Third Party co-investors. There can be no assurance that the return of a Partnership participating in a transaction with a Third Party would be equal to and not less than another Partnership participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

#### *Cross-Transactions*

From time to time, Gores will cause a Partnership to purchase investments from another Partnership, or cause a Partnership to sell investments to another Partnership. Such transactions create conflicts of interest

because, by not exposing such buy and sell transactions to market forces, a Partnership may not receive the best price otherwise possible, or Gores might have an incentive to improve the performance of one Partnership by selling underperforming assets to another Partnership in order, for example, to earn fees. Additionally, in connection with such transactions, Gores, its affiliates and/or their professionals (i) could have significant investments, or intentions to invest, in the Partnership that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). Gores and its affiliates generally receive management or other fees in connection with their management of the relevant Partnerships involved in such a transaction, and are generally entitled to share in the investment profits of the relevant Partnerships. To address these conflicts of interest, in connection with effecting such transactions, Gores will follow the Investment Allocation Requirements of the relevant Partnerships. Specifically, other than for a transaction on a “heads-up basis” where all Partnerships are investing the same amount at the same time in a target company, the Gores Investment Committee of each affected Partnership must approve the transaction and the advisory committee of each affected Partnership must also approve the transaction.

### *Principal Transactions*

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with Gores’ management of the Partnerships, Gores and its affiliates, while not anticipated, may engage in principal transactions. Gores has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Partnership(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the Governing Documents of the Partnerships contain additional restrictions on the ability of the Partnerships or Gores to engage in principal transactions.

### *Management of the Partnerships*

Gores manages a number of Partnerships that have investment objectives similar to each other. Gores is likely to establish one or more additional investment funds in the future with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the current Partnerships. Allocation of available investment opportunities between the Partnerships and any such investment Partnership could give rise to conflicts of interest. See “*Allocation of Investment Opportunities Among Clients*” above. Gores may give advice or take actions with respect to, the investments of one or more Partnership that may not be given or taken with respect to other Partnerships with similar investment programs, objectives or strategies. As a result, Partnerships with similar strategies will not hold the same securities or achieve the same performance. In addition, a Partnership may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Partnership. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that Gores Personnel responsible for managing a particular Partnership will have responsibilities with respect to other Partnerships managed by Gores, including Partnerships that are raised in the future, and to proprietary investments made by Gores and/or its principals (including such principal’s



family members and estate planning vehicles, other co-investors, as described in greater detail under “Allocation of Investment Opportunities Among Clients” above) of the type made by a Partnership. Conflicts of interest arise in allocating time, services or functions of these Gores Personnel. Gores Personnel have an incentive to allocate more time, services or functions to Partnerships from which such personnel derive a higher economic benefit and/or better performing Partnerships.

Gores will, from time to time, consider, and reject an investment opportunity on behalf of one Partnership and, Gores or an affiliate may subsequently determine to have another Partnership make an investment in the same company. A conflict of interest arises because one fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by Gores on behalf of the original Partnership considering the investment. In such circumstances, the benefitting fund or funds will generally be required to reimburse the original Partnership for expenses incurred in connection with researching such investment.

In addition, Gores may consider an investment opportunity for one Partnership and then subsequently determine to have another Partnership or fund advised by Gores affiliates make the investment. In making such reallocation determination, Gores will consider a variety of factors, including those set forth above under “Allocation of Investment Opportunities Among Clients”. Conflicts of interest arise in connection with such a reallocation, including those set forth above under “Allocation of Investment Opportunities Among Clients”. In addition, a conflict of interest exists because the investing Partnership will benefit from the initial evaluation, investigation, and due diligence undertaken by Gores on behalf of the original Partnership for which the investment was initially considered. In certain cases, such reallocation determination can be expected to occur after a significant period of time has passed and the Partnership to which the investment was originally allocated has incurred substantial out-of-pocket expenses in connection with evaluating, investigating and diligencing such investment. The investing Partnership typically will not be required to reimburse the original Partnership for such expenses. In the event that the investing Partnership does reimburse the original Partnership for out-of-pocket expenses incurred in connection with evaluating, investigating, diligencing such investment, the investing Partnership typically will not pay interest on any such amounts reimbursed to the original Partnership. Alternatively, if the investing Partnership does pay interest on such amounts to the initial Partnership, there can be no assurance any such interest will be paid over at the same time as such reimbursement or that the amount of such interest will be sufficient to compensate the original Partnership for the time since it deployed capital to pay such expenses. Gores experiences conflicts of interest in connection with causing one Partnership to incur expenses that may ultimately benefit another Partnership (or fund advised by an affiliate), and similarly experiences conflicts of interest in determining the need for, calculating the amount of, and effecting any such reimbursement, as such arrangements may involve the discharge of liability that one Partnership (or fund of Gores’ affiliate) owes to another Partnership, and in all such cases these determinations, calculations, and terms are not arm’s length arrangements and there can be no assurance that the allocation of such expenses is in the best interest of the Partnerships. There can be no assurance that the amounts reimbursed to the original Partnership will be commensurate with the benefit received by the investing Partnership.

In connection with evaluating a potential investment that is not consummated a Partnership will incur Dead Deal Costs. Such Dead Deal Costs are, from time to time, rolled forward and capitalized into the following subsequent consummated transaction. In such cases, another Partnership and new co-investors may participate with the original Partnership in the subsequent consummated transaction. As a result, the other Partnership (and/or new co-investors) that were not participating in the unconsummated transaction may be responsible for bearing a portion of Dead Deal Costs incurred by the original Partnership.

In addition, Gores receives and generates various kinds of portfolio company data and other information, including related to or created in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, ESG and other metrics, financial information, commercial and transactional information, user data, cost data and related data or information, some of which is sometimes referred to as “big data.” This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of one Partnership’s investment (or prospective investment) in a portfolio company. As a result, Gores is better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of portfolio companies, and otherwise develop investment strategies or identify specific investment or business opportunities. Gores may also utilize such data for purposes of identifying new investments opportunities for the Partnerships. Information from a portfolio company owned by a Partnership may enable Gores to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for Gores and its other activities and other Partnerships that do not own an interest in such portfolio company, without compensation or benefit to such Partnership or its portfolio companies. Further, data is expected to be aggregated across the Partnerships and their respective portfolio companies and, in connection therewith, Gores is expected to serve as the repository for such data, including with ownership, use and distribution rights therein. Gores may also share data from a portfolio company of one Partnership with a portfolio entity of an other Partnership, which may increase a competitive disadvantage for, and indirectly harm, such portfolio company. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to Gores (which expenses are indirectly borne by the Partnerships). Gores may enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of certain of such data. Gores may, in certain instances, use this information in a manner that may provide a material benefit to Gores, its affiliates, or to certain other Partnerships without compensating or otherwise benefitting the Partnership or Partnerships from which such information was obtained. In addition, Gores may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use or distribution, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, Gores is generally free to use data and information from a Partnership’s activities in its sole discretion for the benefit of Gores and other Partnerships. The sharing and use of “big data” and other information present potential conflicts of interest and any benefits received by Gores or its personnel will not be subject to the Management Fee offset provisions or otherwise shared with a Partnership or its investors. Gores will utilize such information to benefit Gores, its Affiliates and/or certain Partnerships in a manner that may otherwise present a conflict of interest resulting from the particular facts and circumstances, but does not intend to specifically disclose such conflicts to the relevant Partnerships.

Gores and its affiliates may enter from time to time into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow Gores, the Partnerships and the Partnerships’ portfolio companies to better discern economic or other trends and developments. Gores believes that all Partnerships benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across Gores’ businesses and the Partnerships’ portfolio companies. However, information sharing may involve conflicts of interest between the Partnerships and/or between the Partnerships and Gores. For example, data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment

decisions by Gores and its affiliates, without the source of the data being directly compensated. It is difficult, if not impossible, to measure exactly the benefits any particular entity receives from these kinds of arrangements, or to provide specific and direct monetary compensation for such information. Therefore, Gores and its affiliates may utilize such data outside of Partnership activities in a manner that may provide a material benefit to Gores, without directly compensating or otherwise benefiting the Partnerships. As a result, Gores may have an incentive to pursue investments (on its own behalf or on behalf of the Partnerships) based on the data that may be accessible as a result of owning such investments, and/or utilize such data in a manner that benefits Gores and/or investments held by other Partnerships.

The Partnerships occasionally enter into borrowing arrangements that require the Partnerships to be jointly and severally liable for the obligations. If one Partnership defaults on such arrangement, the other Partnerships will typically be held responsible for the defaulted amount.

#### *Follow-on Investments*

Investments to finance follow-on acquisitions present conflicts of interest, including the determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Partnership in a portfolio company in which another Partnership has previously invested. In addition, a Partnership will occasionally participate in re-leveraging and recapitalization transactions involving portfolio companies in which another Partnership has already invested or will invest. Conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Additionally, Gores at times will make a follow-on investment in a portfolio investment because such follow-on investment protects the rights given to the investing Partnership (or another Partnership) previously or for reputational or strategic reasons, even when such follow-on investment's valuation has decreased since the original investment. These reputational benefits and protections will, from time to time, benefit and/or accrue to other Partnerships and/or Gores at the expense of the current Partnership(s) investing in such follow-on investment.

#### *Conflicts Relating to the General Partner and Gores*

Gores generally may, in its discretion, contract with any related person of Gores (including but not limited to a portfolio company of a Partnership) to perform services for Gores in connection with its provision of services to the Partnerships. When engaging a related person to provide such services, Gores has an incentive to engage the related person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Gores generally may, in its discretion, recommend to a Partnership or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) Gores or a related person of Gores (including but not limited to a portfolio company of a Partnership) or (ii) an entity with which Gores or its affiliates or a member of their personnel has a relationship or from which Gores or its affiliates or their personnel otherwise derives financial or other benefit. Such relationships may influence decisions that Gores makes with respect to the Partnerships. When making such a recommendation, Gores, because of its financial or other business interest, has an incentive to recommend the related or other

person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Because certain expenses are paid for by a Partnership and/or its portfolio companies or, if incurred by Gores, are reimbursed by a Partnership and/or its portfolio companies, Gores will not have an incentive to seek out the lowest cost options when incurring (or causing a Partnership or its portfolio companies to incur) such expenses.

Gores Personnel may have family members that are actively involved in industries and sectors in which the Partnerships invest or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of the Partnerships or other counterparties of the Partnerships and the portfolio companies. Moreover, in certain instances, the Partnerships or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. The fees for services provided by such service providers may or may not be at the same rate charged by other third-party service providers and Gores is not required to select service providers who may have lower rates (or to engage in any benchmarking of such fees). In most such circumstances, the Partnerships' Governing Documents will not preclude Partnerships from undertaking any of these investment activities or transactions.

From time to time, Gores Personnel may invest in funds or other entities managed by limited partners of a Partnership, which could incentivize such Gores Personnel to afford the limited partner preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with a Partnership for investment opportunities or invest in competing portfolio companies.

### *Fee Structure*

Because the Advisory Fee is payable through liquidation of a Partnership and there is a fixed investment period after which capital from investors in the Partnerships may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of the Partnerships, based upon capital invested by the Partnerships, this fee structure creates an incentive to defer the realization of investments and/or deploy capital when Gores would not otherwise have done so. In addition, the valuation of partially realized or unrealized investments from time to time may be zero or close to zero. Because the Management Fee, at certain times during the life of the Partnerships, payable to Gores is based on capital invested by the Partnerships relative to such investments, in such instances the Management Fee paid with respect to such investment will be higher than if the Management Fee payable were based on the fair value of such investment.

Gores has discretion in determining whether and when an investment has been permanently written down, which impacts the calculation of Management Fees. As provided in the Partnerships' Governing Documents, following the investment period of a Partnership, the Management Fees with respect to such Partnership are typically calculated based on invested capital, which is reduced by any investments that are permanently written down. As a result, a conflict of interests exists because Gores has an incentive to refrain from or delay permanently writing down investments in order to ensure the Management Fee base does not decrease, which would result in higher Management Fees ultimately paid to Gores. In general, Gores evaluates several criteria in determining whether to permanently write down an investment, including, without limitation, how long the investment has been held, length of time the investment has been marked down, materiality or markdown, anticipated holding period of the investment, volatility in valuation, impact of market conditions on valuation, other valuation methodologies showing increased valuations, and anticipated recovery path for the investment. Gores may change these criteria in its sole discretion from time to time and Gores has flexibility in determining the applicability and weight of these factors and has ultimate discretion in determining whether an investment should be permanently written down. As a result, Gores is permitted to determine that even extremely distressed investments should not be permanently written down. There can be no assurance that an investment, in hindsight, should have been permanently written down or should have been permanently written down at an earlier date.

Additionally, as discussed above, the general partners of the Partnerships are entitled to Incentive Allocations under the terms of the Governing Documents of such Partnerships. Such general partners are affiliates of Gores. The existence of the General Partners' Incentive Allocations creates an incentive for the general partners to cause such Partnerships to make more speculative investments than they would otherwise make in the absence of performance-based compensation. However, the investment made by Gores or its affiliates in a Partnership, the clawback obligation of the General Partner (as described below) and the fact that the preferred return is calculated on an aggregate basis reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of Gores' personnel.

Pursuant to the Governing Documents, the General Partner may be required to return excess amounts of Incentive Allocations as a "clawback". This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Partnership if the disposition and/or liquidation would result in a realized loss to the Partnership or would otherwise result in a clawback situation for the General Partner.

In addition, the General Partner is incentivized to hold on to investments that have poor prospective for improvement in order to receive ongoing Management Fees in the interim and, potentially, a more likely or larger Incentive Allocation distribution if such asset's value appreciates in the future. This incentive is increased by the presence of the clawback obligation of the General Partner.

#### *Partnership Level Borrowing*

The Partnerships from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay Partnership expenses and liabilities, to pay management fees, organizational expenses, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Partnership borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Partnership on a pro-rata basis, including the General Partner. The Partnerships have in the past and may in the future also utilize subscription facilities to benefit co-investment parties and joint venture partners. For example, a Partnership will borrow to fund a co-investment party's and joint venture party's pro rata share of an investment or expense related to an investment. While Gores expects that all parties participating in an investment (including the General Partner and any co-investment party and/or joint venture partner) will bear its pro rata share of the interests expenses but not necessarily origination and other costs allocable to the extension of credit, the Partnership will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties.

In addition, credit facilities for certain Partnerships are available to provide borrowed funds directly to the portfolio companies of such Partnerships, in which case such borrowed funds would be guaranteed by such Partnerships. In such instances the Partnerships would bear the sole liability for the borrowed funds in the event of a default, and as a result, such portfolio company and any of its other investors (including direct investments by the General Partner and any co-investor, including employee co-investment vehicles) benefit from the credit risk taken by the Partnership's guarantee.

To the extent the Partnership uses borrowed funds in advance or in lieu of capital contributions, the Partnership's investors generally make correspondingly later capital contributions, but the Partnership will bear the expense of interest on such borrowed funds. As a result, the Partnership's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than it otherwise would be without Partnership -level borrowing as these calculations generally depend on the amount and timing of capital contributions. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Partnership. Thus, while the Partnership will bear the expense of borrowed funds, such borrowings can also increase the Incentive Allocation received by the Partnership's General Partner or will result in the Partnership's General Partner receiving carried interest earlier than it would otherwise have by decreasing the amount of distributions from the Partnership that are required to be made to Partnership investors in satisfaction of any preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings.

Borrowing by the Partnership will generally be secured by capital commitments made by the limited partners to the Partnership and/or by the Partnership's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the

investors may be subordinated to such Partnership-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Partnership may cause the realization of UBTI.

### *Providers of Operations Support*

Gores, the Partnerships and/or the portfolio companies will from time to time retain other companies and individuals (“Operations Support Providers”), including Gores Operations, which may be employees and former employees of Gores or affiliates of Gores and/or the General Partner, employees of such affiliates, portfolio companies of other of Gores’ Partnerships, third-party consultants (including specialized consultants, advisers, industry specialists, external executives, industry advisory roundtable members, and similar professionals), “operating partners” or “senior advisors”.

The Operations Support Providers are engaged to provide operational support, due diligence, research, specialized operations and consulting services and similar or related services to the Partnerships, or in connection with, one or more portfolio companies or prospective portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies and from time to time also provide “front office” functions with respect to a Partnership, such as sourcing or other investment-related functions (such services collectively, “Operations Support Services”). These services may be high level insight or extensive day to day roles, and typically include support to the General Partner on behalf of the Partnerships, or portfolio companies regarding, among other things, the company’s management (including serving in management positions or participating in determining corporate strategy), the company’s supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters and similar operational matters.

The nature of the relationship with each such Operations Support Provider and the time devotion requirements of each such Operations Support Provider vary significantly. Certain Operations Support Providers are subject to contractual obligations to exclusively provide certain services to the Partnerships and/or the portfolio companies. These arrangements are in certain circumstances memorialized in a formal written agreement and in other circumstances are informal and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. In certain cases, Operations Support Providers have attributes of Gores Personnel (for instance, they may have dedicated office space, receive Gores administrative support services, participate in general meetings or events for Gores personnel, have Gores email address or business cards), even though they are not employees, affiliates or personnel of Gores. Operations Support Providers may be offered the ability (or may have a preferred right) to co-invest alongside Partnerships or will under certain circumstances be offered the opportunity directly by the portfolio company to invest in the company, including in investments in which such Operations Support Provider is involved or participates in the management thereof.

Pursuant to the Governing Documents of the Partnerships, fees, compensation, expenses and any attributable overhead associated with Operations Support Services (collectively “Operations Expenses”) are paid and/or reimbursed by Gores, portfolio companies and/or the Partnerships. Operations Expenses (including Operations Expenses incurred in connection with an Operations Support Provider that is an affiliate or employee of Gores or its affiliates) will typically be determined at the discretion of the General Partner taking into account the particular Operations Support Services, generally include reimbursement

of an allocable portion of an affiliated Operations Support Provider's compensation (including, without limitation, salary, bonus, payroll taxes and benefits (including vacation time and sick leave) and overhead (including, without limitation, rent, property taxes and utilities allocable to the workspaces), an annual fee or retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets or milestones, a profits or equity interest in the Partnerships and/or portfolio company or other incentive-based compensation (e.g., Incentive Allocation) to the Operations Support Provider, and will otherwise be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Provider, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such companies. The determination of whether a service is an Operations Support Service will be made by the General Partner, in its good faith discretion. Operations Expenses will generally also be incurred in respect of portfolio companies prior to the closing of the investment. In addition, an Operations Support Provider's benefits described herein will, in certain circumstances, continue after termination of status as an Operations Support Provider. To the extent services may be provided for the benefit of a Partnership, without reference to a particular portfolio company, Operations Expenses incurred in connection with such services are borne by the Partnership and, indirectly, the investors in such Partnership. In the event one or more Operations Support Providers (directly or indirectly) is providing services with respect to the Partnerships, such Operations Expenses will be allocated among the Partnerships as determined by the General Partner or Gores, consistent with the Governing Documents of the applicable Partnership and as described above (see "*Allocation of Expenses*"). To the extent any such Operations Expenses are payable to any affiliated Operations Support Provider by the Partnerships or a portfolio company, such Operations Expenses will be retained by such Operations Support Provider and will not reduce the Management Fees or any other fees otherwise payable to the management company or its affiliates and will not benefit the Partnership or its investors, even if the Operations Expenses paid by a Partnership or portfolio company have the effect of reducing any retainers or minimum amounts otherwise payable by Gores. The determination of whether an Operations Expense is paid by a portfolio company, a Partnership, or Gores will be made by Gores in its sole discretion. The General Partner's good faith determination as to whether a service is an Operations Support Service, the categorization of any fees and expenses (e.g., as Operations Expenses) and the allocation of such fees and expenses shall be binding on the Partnership and its investors. Over time, certain existing and former employees of Gores (including senior personnel) may transition to an Operations Support Provider role, which may shift the burden of compensating such persons from Gores to the applicable Partnership and/or its portfolio companies and any fees received by such persons will not reduce the Management Fee. It may be difficult to distinguish services provided by the Operations Support Providers from the investment advisory services provided to the Partnerships by Gores and its affiliates.

Although the use of Operations Support Providers and allocation of Operations Expenses paid to them may subject Gores and its affiliates to potential conflicts of interest, Gores believes any such potential conflicts of interest are mitigated by the expected savings to the portfolio companies (and, in turn, the relevant Partnership(s)) that will be applied if the cost of the Operations Support Provider is lower than market rates for the services provided, or if the services provided by the Operations Support Providers are consistent with the business strategy Gores has for the relevant portfolio company.

#### *Diverse Membership*

The investors in the Partnerships include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Partnership. The conflicting interests among the investors



typically relate to or arise from, among other things, the nature of investments made by a Partnership, the structuring of the acquisition of investments and the nature and timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by Gores or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Partnership, Gores and its affiliates will consider the investment and tax objectives of the applicable Partnership, not the investment, tax or other objectives of any investor individually.

#### *Business with Portfolio Companies and Investors*

Given the collaborative nature of Gores' business and the portfolio companies in which the Partnerships have invested, there are often situations where Gores is in the position of recommending the services of a portfolio company to other portfolio companies of the Partnerships, which may involve fees, commissions, servicing payments and/or discounts to Gores, an affiliate, or a portfolio company. Gores has a conflict of interest in making such recommendations, in that Gores has an incentive to maintain goodwill between it and the existing and prospective portfolio companies (or other affiliate of the portfolio companies that also invest in the Partnerships) for the Partnerships, such that that they continue to invest in the Partnerships, among other reasons, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Partnerships. The benefits received by a portfolio company providing a service may be greater than those received by the Partnership(s) and its portfolio companies receiving the service.

Gores has an incentive to recommend the products or services of certain investors or prospective investors in the Partnerships, certain Third Parties, or their related businesses to the Partnerships or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Partnerships or the portfolio companies.

Portfolio companies controlled by a Partnership occasionally provide services to Gores, certain Partnership investors or prospective investors. This creates a conflict of interest, as Gores has an incentive to cause the portfolio company to favor itself, or those investors or prospective investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Partnership.

In addition, certain portfolio companies controlled by a Partnership from time to time engage in activities that could adversely affect another Partnership and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Partnership and/or a portfolio company being used to satisfy the obligations or liabilities of another Partnership or its portfolio company.

In certain instances, a Partnership's portfolio company competes with, is a customer of, or is a service provider to, another Partnership's portfolio company. In providing advice to a portfolio company's business, Gores may consider the interests of one portfolio company or Partnership and is not obligated, nor need not take into consideration the interest of other relevant portfolio companies or Partnerships. As

a result, a conflict of interest may arise in these instances because advice and recommendations provided by Gores to a portfolio company may have adverse consequences to a separate portfolio company owned by another Partnership. The performance and operations of a competitor, customer or service provider portfolio company could conflict with, and adversely affect the performance and operations of another portfolio company, or could adversely affect prices, business opportunities or potential acquisition opportunities. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company, withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price, increases its own prices, purchases assets from, or sells assets to, another portfolio company, commence litigation against another portfolio company, or prevent one portfolio company from commencing litigation against another portfolio company.

From time to time a Partnership's portfolio company will be counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of such Partnership or other Partnerships. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the Advisory Fee. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Partnerships and/or Gores or the consent of any advisory committee.

A Partnership's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Partnerships or other investments managed by Gores that, although Gores determines to be consistent with the requirements of such Partnerships' Governing Documents, may not have otherwise been entered into but for the affiliation with Gores, and which may provide economic or other benefits to affiliates of Gores that are not subject to the Management Fee offset provisions described herein. For example, Gores has in the past and may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in fees, better pricing, rebates, servicing payments, commissions or similar payments and/or discounts being paid to Gores, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While Gores may have a conflict of interest because its economic benefit may incentivize Gores to maintain such arrangements, we believe that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and our benefits from such arrangements are reduced because Gores only benefits on at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with Gores will only take actions that are beneficial to, or not opposed to, the interests of a Partnership and its portfolio companies.

In addition, Gores participates in a multi-employer retirement savings plan which includes participants who are not affiliated with Gores (e.g., personnel of current and former portfolio companies) and which may create certain benefits for Gores and the portfolio companies (e.g., in connection with a forfeiture by a plan participant).

Certain members of a Partnership's advisory committee are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in another Partnership. The General Partner of a Partnership will

from time to time utilize the services of investors and their affiliates on an arm's length basis with commercially reasonable terms, as it deems appropriate.

In addition, Gores has in the past, and could in the future cause a Partnership to transact with a portfolio company of the Partnership or another Partnership, including purchasing an asset from, or selling an asset to, a portfolio company. This creates a conflict of interest as the interests of the purchasing or selling Partnership differ from those of the counterparty portfolio company.

Gores and its affiliates have in the past and may, from time to time hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, portfolio company or service provider. Although Gores uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee Gores can control all such conflicts of interest and there may be a continuing appearance of a conflict of interest (including, for instance, preferential hiring practices).

While less common, from time to time a Partnership could hold an investment in a different layer of the capital structure than an investor or another party with which Gores has a material relationship, in which case Gores could have an incentive to cause the Partnership or the portfolio company to offer more favorable terms to such parties (including, for instance, financing arrangements).

#### *Service Providers*

Services required by a Partnership (including some services historically provided by Gores or its affiliates to the Partnerships) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to Third Parties or licensed software, in each case in the discretion of Gores or its affiliates. This can create a conflict of interest because Gores and its affiliates have an incentive to outsource such services at the expense of the Partnerships to, among other things, leverage the use of Gores personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing reviews, accounting, valuation, trading, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur universally for all Partnerships and accordingly, certain costs may be incurred by a Partnership for a third-party service provider that is not incurred for comparable services by other Partnerships. The decision by Gores to initially perform a service for a Partnership in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future and Gores has no obligation to inform such Partnerships or investors of such a change. Such services may also supplement or be performed alongside services performed by Gores. In addition, certain internal service providers (such as internal accountants) may "shadow" or otherwise review the reports of other services provided by such Third Parties. The costs and expenses of any such third-party service providers will be borne by the relevant Partnerships only if permitted by the Governing Documents of a Partnership.

Gores and/or its affiliates may engage certain service providers to provide services to Gores, the Partnerships and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers or their affiliates are, in certain circumstances, investors in a Partnership or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel, pension consultants and/or other investors who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider may be concurrent with an investor's

admission to a Partnership, or during the term of such investor's investment in the Partnership. This creates a conflict of interest, as Gores may give such investor preferred economics or other terms with respect to its investment in a Partnership, enhanced information or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor.

Additionally, Gores Personnel may have ownership, employment, or other interests in such service providers. These relationships that Gores may have with a service provider can influence Gores in determining whether to select, or recommend such service provider to perform services for a Partnership or a portfolio company. Gores has a conflict of interest with the Partnerships in recommending the retention or continuation of a service provider to the Partnerships or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Partnerships or will provide Gores information about markets and industries in which Gores operates or is interested, will provide other services that are beneficial to Gores and/or will provide financial sponsorship of events held by Gores (such as transaction closing dinners or outings, or informational summits or training events for Gores or portfolio company personnel). Although Gores selects service providers that we believe will enhance portfolio company performance (and, in turn, the performance of the relevant Partnership(s)), there is a possibility that Gores, because of financial, business interest, or other reasons, will favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. There will be situations in which Gores receives more favorable service rates or arrangements than the Partnerships or their portfolio companies.

Certain other service providers to Gores, the Partnerships and/or the portfolio companies, or affiliates of such service providers, also provide goods or services to or have business, personal, financial or other relationships with Gores, its affiliates, or their respective portfolio companies. Such service providers (or their employees) may also source of investment opportunities, be co-investors or commercial counterparties or entities in which Gores and/or the Partnerships have an investment, and payments by a Partnership and/or such portfolio companies may indirectly benefit Gores and/or such Partnership.

The Partnerships may, from time to time in the future pay a fee to an investment bank with respect to a particular transaction which fee may, in whole or in part, reflect a payment to the investment bank for finding deals for Gores and the Partnerships in the future. As a result, the Partnership paying the fee to the investment bank may not receive the benefit of the future deals sourced by the investment bank and the other Partnership to which a deal is allocated will not be required to reimburse the paying Partnership for such fee.

Gores or its affiliates and service providers, often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by Gores or its affiliates differ from those required by the Partnerships and/or its portfolio companies, Gores and its affiliates will pay different rates and fees than those paid by the Partnerships and/or its portfolio companies.

In certain circumstances where Gores commits or has committed to seek "market" or "arms-length" rates or terms, Gores will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Gores reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, Gores undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable, or relate specifically to

the assets, services, geographies, or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Gores reserves the right to rely on approximations or estimates of time for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Gores has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. To the extent the Partnerships engage in a long-term or recurring contract with a Gores affiliated service provider, Gores may not seek to benchmark or otherwise renegotiate the original fee arrangement for a significant period of time.

Gores from time to time may cause the Partnerships to bear the full cost and expense of engaging certain third-party service providers on behalf of a portfolio company. In the event a Partnership is not the sole shareholder of the portfolio company, other shareholders will benefit from the costs incurred by such Partnership and will not reimburse the Partnership for their pro rata portion of the cost of any such service provider.

#### *Positions with Portfolio Companies*

Gores Personnel, Gores Operations or their affiliates serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such Gores Personnel's fiduciary duties as a director conflicts with those of the Partnership, it is expected that the interests will be aligned. For instance, such positions could impair the ability of a Partnership to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Partnership. Furthermore, Gores Personnel serving as directors to portfolio companies owe a fiduciary duty to the portfolio companies, on the one hand, and the relevant Partnerships, on the other hand, and such Gores Personnel may be in a position where they must make a decision that is either not in the best interest of the Partnership, or is not in the best interest of the portfolio company. Gores Personnel serving as directors may make decisions for a portfolio company that negatively impact returns received by a Partnership investing in the portfolio company. In addition, to the extent Gores Personnel serves as a director on the board of more than one portfolio company, such Gores Personnel's fiduciary duties among the two portfolio companies may create a conflict of interest. Gores or its employees occasionally receive remuneration or other fees for serving as directors to such portfolio companies ("Directors' Fees"). While the Partnerships and the limited partners do not have any right to receive payment in respect to any portion of Directors' Fees received by Gores or Gores Personnel, such amounts are 100% offset against Management Fees. In addition, Gores Personnel have left the employment of Gores or its affiliates and become an officer or employee of a portfolio company. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies.

In addition, Gores may continue to receive Other Fees from a portfolio company after a Partnership has fully exited its ownership interest (for instance, in respect of consulting arrangements or group purchasing arrangements). In such circumstances, any fees received with respect to such exited investment is not subject to the Management Fee offset described above, or otherwise shared with the Partnerships and/or investors.

Decisions made by a director may subject Gores, its affiliate or a Partnership to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Partnerships will indemnify Gores and Gores Personnel from such claims. Additionally, certain Gores Personnel or Gores affiliates may also be temporarily seconded to

or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. In such instances, the portfolio companies will pay such person's directors' fees, salaries, consultant fees, other cash compensation, stock options, other equity grants or other compensation and incentives and may reimburse Gores or such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. Gores may also advance compensation to seconded Gores Personnel and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by Gores or its affiliates to such persons will typically be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the Management Fee paid or Incentive Allocation distributed by the Partnership to Gores will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by Gores and reimbursed by a portfolio company) will not reduce the Management Fee otherwise payable to Gores or any Incentive Allocation otherwise payable to Gores or its affiliates. All or a portion of any such compensation and incentives will be borne by the Partnership, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be categorized as an Operations Support Provider, an employee of Gores, a former employee of Gores or a seconded employee may not be clear. In such cases, Gores will make a determination in good faith based on an evaluation of the facts and circumstances.

#### *Side Letter Agreements; Advisory Committee Rights*

To the extent permitted under applicable law, Gores enters into certain side letter arrangements with certain investors in a Partnership providing such investors with different or preferential rights or terms, including but not limited to different fee structures and other preferential economic rights, information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, modification of representations, indemnification and/or liability and other obligations, veto rights and liquidity or transfer rights. Except as otherwise agreed with an investor, to the extent permitted under applicable law, Gores is not required to disclose the terms of side letter arrangements with other investors in the same Partnership. Also, investors will have no recourse against a Partnership, the applicable Partnership's general partner, Gores or their respective affiliates in the event that certain investors receive additional or different rights or terms pursuant to such side letters, some of which rights may impact the rights and/or increase the obligations of other investors. In addition, side letter arrangements with certain investors of the Partnerships impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Partnership.

Generally, each Partnership has established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all Limited Partners are permitted to designate a member to the advisory committee because those designating limited partners will, for instance, have greater information rights. The advisory committee may also have the ability to approve conflicts of interests with respect to Gores and the applicable Partnership, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee. Representatives of the advisory committee may have various business and other relationships with Gores, Gores Personnel and its affiliates. These relationships may influence the decisions made by such members of the advisory committee.

In addition, members of one Partnership's advisory committee may also be a member of another Partnership's advisory committee. In such instances, a conflict of interest exists because the Partnerships on which such overlapping advisory committee members may have conflicting interests and such advisory committee members may be asked to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

*Conflicts Relating to Special Purpose Acquisition Companies.* Gores and/or its affiliates have sponsored, and intend in the future to sponsor, one or more special purpose acquisition companies ("SPACs"), which are publicly traded companies formed for the purpose of raising capital through an initial public offering to fund the acquisition, through a business combination of one or more companies. In connection therewith, Gores will receive founder shares and private placement warrants in such SPAC; for the avoidance of doubt, any amounts earned with respect thereto will not reduce the Management Fee or be for the benefit of a Partnership. Based on the typical SPAC's mandate to merge with a private company, such activity will not be subject to the restrictions on the formation of a successor Partnership and will typically fall outside investment activity restrictions set forth in a Partnership's Governing Documents. Conflicts may arise as a result of such activities, including in the event that any such SPAC enters into a transaction with a portfolio company of any Partnership, in the event that any Partnership determines or commits to make an investment in any current or future SPAC, and in allocating expenses, investment opportunities, and Gores personnel time. Gores does not anticipate that any such SPAC would give rise to an allocation conflict, as the investments are generally not otherwise suitable for a Partnership due to the relevant limitations imposed by or conditions set forth in the Governing Documents of each Partnership as well as the current lifecycle position of each Partnership. To the extent the allocation of investment opportunities between any such vehicle and a Partnership did give rise to a conflict of interest (e.g., an opportunity would be appropriate as an add-on investment for a current portfolio company), Gores would follow the allocation process described in "*Allocation of Investment Opportunities Among Clients*" above. Specifically, even though a majority of a Gores SPAC's board will consist of independent directors, Gores or an affiliate will select those independent directors in the first instance and holders of founder shares have the sole authority to elect all directors before any business combination closing. In addition, certain Gores personnel will become officers, serve on a Gores SPAC's board of directors and/or otherwise assist in the Gores SPAC's exploration of potential business combination opportunities. The time spent by such personnel in connection with the Gores SPAC's activities will be substantial and can detract from time spent directly managing a Partnership's investments. Gores will seek to resolve such conflicts in a manner that Gores deems fair and equitable to the extent possible under the prevailing facts and circumstances and that is consistent with the governing documents of the applicable Partnership and of such SPAC.

#### *Other Potential Conflicts*

The Governing Documents of a Partnership establish complex arrangements among the Partnerships, Gores, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Governing Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While Gores will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Partnership or its investors.

Gores and the Partnerships will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Partnerships could be investors in a Partnership and could also represent one or more portfolio companies or investors in a Partnership. In the event of a significant dispute or divergence of interest between Partnerships, Gores and/or its affiliates, the parties will at times engage separate counsel in the sole discretion of Gores and its affiliates, and in litigation and other circumstances separate representation will occasionally be required. Additionally, Gores and the Partnerships and the portfolio companies of the Partnerships will at times engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to Gores, the Partnerships, and/or the portfolio companies. This may result in Gores receiving a more favorable rate on services provided to it by such a common service provider than the rates payable by the Partnerships and/or the portfolio companies, or Gores receiving a discount on services even though the Partnerships and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between Gores, on the one hand, and the Partnerships and portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that Gores will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Partnerships and/or the portfolio companies. The Advisory Fee paid by any Partnership will not be reduced in connection with such favorable rate or discount.

Gores and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Partnership including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Partnership expenses may result in “miles,” “points,” rebates, or credit in loyalty/status programs to Gores and/or its personnel. Such benefits, rewards and/or amounts (whether or not de minimis or difficult to value) will exclusively benefit Gores and/or such personnel even though the cost of the underlying service is being borne by the Partnership, its investors, and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Partnership, its investors and/or the portfolio companies. In addition, airline travel incurred for Gores personnel travelling for appropriate Partnership-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Partnership-related matter) may benefit such Gores personnel to the extent the trip also serves a personal purpose.

Gores has and is permitted to, in its discretion, cause the Partnerships and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of Gores. The Partnerships and/or their portfolio companies will likely bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there will be a conflict of interest between Gores and the Partnerships (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that Gores will favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The Partnerships may create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company (“Holding Company”) would be created that would acquire and manage the companies in the



platform. The investments in the Holding Company may be managed together (including, for example, the use of common service providers, combined and/or otherwise sold together as part of a single transaction or series of related transactions). The Holding Company would be staffed with personnel responsible for sourcing, acquiring and managing companies for the Holding Company. In certain circumstances, such Holding Company employees may include former Gores Personnel, or current or former senior advisors or consultants to Gores and its affiliates. All of the Holding Company's costs and expenses, initial or ongoing and for any purpose, including compensation for its personnel (which compensation may include, among other things, salary, benefits, retainers and the granting of profit participation in certain investments of Holding Company and/or a capital interest in such investments or the underlying assets), overhead expenses (including, without limitation, rent, property taxes and utilities allocable to the workspaces) and all expenses related to sourcing would be borne by the Holding Company (and, therefore, indirectly borne by the Partnership). Such costs and expenses will not offset the Management Fee and are in addition to Management Fees and other compensation (e.g., Incentive Allocation) received by Gores. In addition, as Gores earns Management Fees and the Incentive Allocation from the Partnership, Gores will benefit from the assets, income and gains of Holding Company.

Gores has in the past and may, from time to time in the future, cause one or more Partnerships to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Partnerships, the applicable General Partner, Gores and/or Gores Personnel and their respective agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Partnerships. This may include a portion of any premiums, fees, costs and expenses for one or more "umbrella" or other insurance policies maintained by Gores that cover one or more Partnerships and/or Gores (including Gores Personnel and their respective agents, representatives, members of the advisory committee and other indemnified parties). Gores will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella" or other insurance policies among one or more Partnerships, and/or Gores on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Partnership bearing less (or more) premiums, fees, costs and expenses for insurance policies.

If a Partnership purchases in the secondary market at a discount debt securities of a company in which a Partnership has, for example, a substantial equity interest, (a) a court might require a Partnership to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Partnership might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

The General Partner of certain Partnerships is permitted to cause (but does not anticipate causing) such Partnership to distribute such General Partner's share of securities resulting from an investment disposition by such Partnership to such General Partner or its affiliates (including managing directors and employees) in kind, while disposing of Limited Partners' share of such securities and distributing the net cash proceeds of such sale of securities to the Limited Partners. This ability creates conflicts of interest between the General Partners and the Limited Partners of the applicable Partnership, because the General Partner will have an incentive to cause the Partnership to exit an investment at a time that may result in Limited Partners receiving a lesser return on such investment than would be the case if the General Partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as Limited Partners). The General Partner is particularly incentivized to receive distributions in kind of securities that it expects to increase in value, and in cases

where the increase occurs, if the limited partners received cash distributions instead of in kind distributions, the limited partners will be denied the benefits of that increase had the Partnership retained the securities and the General Partner will receive more value from the securities than it would have had its carried interest been paid in cash. In the event the General Partner, or its affiliates, receive such a distribution, the General Partner will act in its own interest with respect to its share of securities and is permitted to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold on to the distributed securities for such time as the General Partner shall determine. The ability of the General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Partnership, and the Partnership.

The Governing Documents of certain Partnerships permit each such Partnership's General Partner, or its affiliates, to lend money to the applicable Partnership. Such lending arrangements create conflicts of interest between the applicable General Partner or affiliate and the Partnership acting as borrower.

The Governing Documents of certain Partnerships permit each such Partnership's General Partner to withhold information from certain investors in such Partnership in certain circumstances. For instance, certain confidential or sensitive information will be withheld from Limited Partners that are subject to Freedom of Information Act or similar requirements. In addition, the General Partner will elect to withhold certain information to such Limited Partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such Limited Partners of receiving such information.

Gores may, from time to time, require, cause or invite the Partnerships and/or a portfolio company to make contributions to charitable initiatives, or other non-profit organizations that Gores believes could, directly or indirectly, enhance the value of the Partnerships' investments, assist in completing an acquisition of a portfolio company or other transaction (whether or not documented at the time of such acquisition or transaction) or otherwise serve a business purpose for, or be beneficial to, the Partnerships or their portfolio company. Such contributions could be designed to benefit employees of a portfolio company, the community in which a portfolio company operates or a charitable cause essential to, or consistent with, the business purpose of a portfolio company. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of Gores, portfolio company management teams, advisors, service providers, vendors, joint venture partners, and/or other persons or organizations associated with Gores, the Partnerships or the portfolio companies. These relationships could influence Gores' decision whether to require, cause or invite the Partnerships or the portfolio companies to make charitable contributions. Further, from time to time, such charitable contributions by the Partnerships or the portfolio companies could supplement or replace charitable contributions that Gores would have otherwise made. Also, in certain instances, Gores may, from time to time, select a service provider or other counterparty to the Partnerships or their investments based, in part, on the charitable initiatives of such person where Gores believes such charitable initiatives could, directly or indirectly, enhance the value of the Partnerships' investments or otherwise be beneficial to the portfolio companies.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which Gores and its related persons may seek to alleviate conflicts of interest among the Partnerships or other persons.

## **Item 12. Brokerage Practices**

Gores does not make regular use of broker-dealers for the purposes of purchasing or selling securities on behalf of the Partnerships because the securities that it typically purchases or sells on behalf of the Partnerships are acquired and/or disposed of in privately negotiated purchase and sale transactions. From time to time, Gores will use a broker-dealer to effect transactions in public securities resulting from, or in connection with, portfolio investments. To meet its fiduciary duties to the Partnerships, Gores has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities. In those instances, Gores has full discretionary authority with respect to the sale of such investments (including the size of such transactions) and the selection of, and commissions paid to, broker-dealers. If Gores determines to engage a broker-dealer, it will seek “best execution” of the transaction. “Best execution” means obtaining for a Partnership account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. Best execution is not limited solely to the consideration of the best available commission rate.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, Gores takes into account all factors that it deems relevant to the broker’s or dealer’s execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the timing of the transaction taking into account market prices and trend, the range and quality of its brokerage services (including the quality of service rendered by the broker or dealer in other transactions), its execution capability, commission rate, financial responsibility and responsiveness to us, and the value to us of research provided, if any.

In order to minimize execution costs and obtain best execution for all Partnerships, Gores will from time to time aggregate orders for multiple Partnerships, as long as aggregating would be in the best interests of each participating Partnership. Gores does not currently utilize any soft dollar benefits or client referrals from broker-dealers in connection with Partnership transactions, although Gores will from time to time receive research available to other institutional investors.

Gores routinely engages investment banks to advise the Partnerships in connection with the potential sale of, or securities offerings related to, portfolio companies. When engaging an investment bank to provide these services, Gores considers a variety of factors, including without limitation its overall service quality, execution capabilities, experience and knowledge in the particular industry, fees and responsiveness.

## **Item 13. Review of Accounts**

The investment portfolios of the Partnerships are generally private, illiquid and long-term in nature, and accordingly our review of them is not directed toward a short-term decision to dispose of securities. However, investments held by the Partnerships are reviewed on a continuous basis by the applicable Investment Committee. The applicable Investment Committee meets on an as-needed basis to discuss the Partnerships’ portfolios, investment ideas, economic developments, current events, and other issues related to current portfolio holdings and potential investment opportunities. All Partnership investments are reviewed and approved by the applicable Investment Committee, which consists of senior professionals (i.e., our Chairman, senior managing directors and certain managing directors) from various disciplines

within Gores. All acquisitions and dispositions of portfolio companies must also be reviewed and approved by the applicable Investment Committee.

We provide written quarterly and annual reports for each Partnership to such Partnership's investors in accordance with the terms of such Partnership's governing documents. The quarterly report includes investor capital account statements and asset allocation statements, as well as a comprehensive investment letter updating the activity in the applicable Partnership's portfolio that occurred during the quarter. The quarterly report also includes quarterly financial statements. Annual audited financial statements for each Partnership are provided to such Partnership's investors within 120 days of the end of each fiscal year, along with annual capital account statements and year-end tax information.

#### **Item 14. Client Referrals and Other Compensation**

For details regarding economic benefits provided to Gores by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

We do not engage third-party agents to refer advisory clients to us. However, while not a client solicitation arrangement, we pay fees from time to time to placement agents for referring potential investors to the Partnerships. Such fees are paid by the applicable Partnerships and are 100% offset against the Management Fees. See "Fees and Compensation – Other Fees" above.

If we or our employees receive directors' fees, monitoring fees, transaction fees, break-up fees, or other fees relating to Partnership investments or potential transactions, such fees reduce Management Fees paid by investors in the applicable Partnership. See "Fees and Compensation" above.

In addition, Gores and its related persons and the employees of Gores and Gores Operations will, in certain instances, receive discounts on products and services provided by portfolio companies of Partnerships and/or the customers or suppliers of such portfolio companies. In certain cases, these discounts will be greater than those offered to the portfolio companies' employees generally. In addition, Gores will occasionally receive discounts for goods and services purchased by Gores based on the volume of purchases from such providers across the Gores portfolio. Such discounts are consistent with the discounts received on such goods and services by Gores' portfolio companies. In addition, Gores and its related persons will, in certain instances, receive discounts on products and services provided by portfolio companies of Partnerships and/or the customers or suppliers of such portfolio companies.

#### **Item 15. Custody**

Item 15 is not applicable to Gores.

#### **Item 16. Investment Discretion**

The Governing Documents of each Partnership provide that we or an affiliate, as the ultimate General Partner of such Partnership, have exclusive and complete authority and discretion in managing the business and affairs of such Partnership, subject only to specific and express limitations provided therein. Thus, without obtaining specific consent from a Partnership or its investors for each transaction, we have discretionary authority to transact in securities for the Partnerships. Investment advice is provided directly

to the Partnerships, subject to the direction and control of the General Partner of each Partnership, and not individually to the investors in the Partnerships.

#### **Item 17. Voting Client Securities**

We vote proxies on behalf of each of the Partnerships. Our investment and legal teams have the responsibility to identify the proxies upon which we will vote, vote the proxies in the overall interests of the applicable Partnerships and their investors (as described below) and submit the proxies promptly and properly.

In determining the overall interests of the Partnerships and their investors, consideration will be given to both short-term and long-term implications of the proposal to be voted on when considering the optimal vote. In voting proxies, we will seek to avoid material conflicts of interest between our interests, on the one hand, and the interests of the Partnerships and their investors, on the other. If we detect a material conflict of interest in connection with a proxy solicitation, our investment committee will consider the vote under consideration, discuss the perceived conflict of interest, and decide on how to vote the proxy. We will record the decision and then vote the proxy accordingly.

Upon request, we will provide investors in any of the Partnerships with information about how the proxies relevant to such Partnership and investor are voted. Our complete proxy voting policy and procedures are available to investors upon request. Our proxy voting record is also available to investors upon request.

#### **Item 18. Financial Information**

Gores has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

#### **Item 19. Requirements for State-Registered Advisers**

Item 19 is not applicable to Gores.