

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

9800 Wilshire Boulevard
Los Angeles, California 90212
www.gores.com

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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.

Item 2. Material Changes

This brochure dated March 30, 2015 ("Brochure") contains several material changes from the previous brochure dated June 6, 2014, including, but not limited to: (i) more detailed descriptions of certain affiliates, (ii) more information on fees and compensation, and (iii) more information regarding conflicts of interest and risks.

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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 is referred to in this Brochure as “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.”

As of December 31, 2014, we had approximately \$3.3 billion of assets under management on a 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.

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 respective Partnership’s offering memorandum and 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.

Item 5. Fees and Compensation

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 paid by a Partnership are indirectly borne by investors in such Partnership. We also receive monitoring fees and transaction fees from portfolio companies, which offset Management Fees. In addition, 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 offering memorandum and governing documents applicable to each such Partnership. We will, from

time to time, in our discretion, waive all or a portion of the Management Fees or Incentive Allocations in connection with a particular Partnership. Fees are deducted directly from the account of each Partnership.

Other Fees and Partnership Expenses

Gores performs management, advisory, transaction-related, financial advisory and other services ("Related Services") for, and receives fees from such actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with acquisitions, public offerings, dispositions, financing and similar transactions ("Other Fees"). Additionally, portfolio companies reimburse Gores for such expenses (including without limitation meals and entertainment expenses) incurred by Gores in connection with its performance of services for such portfolio company. Generally, under the terms of the applicable organizational documents, these 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. Although these 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 fees. The amount and manner of such reduction is set forth in the Advisory Agreement and/or organizational documents of the applicable Partnership. Any such reduction of a Partnership's management Fees will be limited to the extent of such Partnership's proportionate interest in any such portfolio company. There are also certain circumstances (such as the occurrence of an initial public offering or strategic exit) which will accelerate the payment of such fees. Since the agreements with the portfolio companies providing for such fees often have prolonged terms subject to automatic extensions and renewal, the effect of such acceleration is sometimes substantial, particularly in the event such circumstances occur early in the life of the Fund's investment in such portfolio company. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" below.

From time to time, Gores agrees to pay a portion of a transaction or other fee received from an actual or prospective portfolio company to a third party ("Third Party Fee"), such as a consultant, advisor, finder, broker 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 organizational documents to share such Third Party Fee with the Partnerships.

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.

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, such amounts 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. 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. See “Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading and Conflicts—Providers of Operations Support” 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 Advisory Agreements and other organizational documents of the relevant Partnership. The Partnerships have paid and may in the future pay fees to placement agents for referring investors to the Partnerships. Such fees are paid by the applicable Partnerships and are 100% offset against the Management Fees, resulting in Gores bearing the full economic burden of any such placement agent fees. The offering memorandum and governing documents for each Partnership sets forth the arrangements regarding operating and organizational expenses for such Partnership, including the payment of placement agents and the applicable Management Fee offsets. Investors should review all fees and expenses to be paid by the Partnerships and, indirectly, their limited partners.

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

All Partnerships we advise are subject to an Incentive Allocation as well as Management Fees. However, Incentive Allocations and Management Fees 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.

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, if 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 offering memorandum and 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 offering documents of such Partnership.

In the applicable subscription documents, investors are required to make certain representations when investing in a Partnership. Each investor is furnished with a copy of the governing documents for the applicable Partnership, including the offering memorandum, subscription documents and limited partnership agreement.

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), Gores does not have an economic interest in Gores Operations. Gores Operations consists of seasoned professionals, based in the U.S. and Europe, 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 & 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 may give rise to conflicts of interest, as 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.

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.

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

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, LLC, Gores Capital Advisors II, LLC, Gores Capital Advisors (Alternative) II, L.P., Gores Capital Advisors III, L.P., Gores Capital Advisors (Alternative) III, L.P., Gores Small Cap Advisors, L.P., and Gores Small Cap Advisors (Alternative), 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. 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), Gores does not have an economic interest in Gores Operations. Gores Operations charges 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 small 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 specifically engages Gores Operations professionals to provide services.

Gores Operations provides consulting services to Gores portfolio companies and assists 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 provides 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 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, 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 persons will invest alongside one or more Partnerships in one or more investment

opportunities. Such vehicles, referred to herein as “co-investment vehicles,” generally are contractually required, as a condition of investment, to purchase and sell each investment opportunity 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 will generally consider 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.

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 and Allocation of Co-Investment Opportunities

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

- The Partnerships;
- Any 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 investors in such co-investment vehicles often include business associates of Gores or its personnel; individuals and entities that are also investors in one or more Partnerships (“Gores Investors”); and/or individuals and entities that are not investors in any Partnerships (“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 has adopted 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”), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Partnerships. Investment Allocation Requirements are typically set forth in the instrument under which the Partnership was established (such as a Partnership’s limited partnership agreement or private placement memorandum), or in side letters. 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 will 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 and structure. A Partnership's investment objectives, strategies and structure typically are reflected in the Partnership's offering memoranda and organizational 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 offering documents and/or operating agreement.
- **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.

Once the Partnerships that will participate in a particular investment have been identified, 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 and the current or expected capital requirements of each Partnership's existing or anticipated portfolio companies;
- Minimum and maximum investment size requirements;
- Each Partnership's investment objectives and investment focus;
- Each Partnership's liquidity and reserves;
- Each Partnership's diversification;
- Lender covenants and other limitations;
- Each Partnership's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment;
- Composition of each Partnership's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Partnership;
- The availability of other suitable investments for each Partnership;
- Risk considerations;

- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Tax implications;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the applicable offering and organizational documents of each Partnership.

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.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Partnership has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities 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 may, and typically will, be offered to some and not other investors in the Partnerships, in the sole discretion of Gores or its related persons, and (iv) certain persons other than investors in the Partnerships may be offered co-investment opportunities, in the sole discretion of Gores or its related persons. 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.

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' organizational documents/side letter agreements and as set forth in the following paragraphs.

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, 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) 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;
- Any confidentiality concerns Gores may have 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;

- 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 and such party's ability to successfully consummate the proposed transaction;
- Gores' perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, 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 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 to current or future Partnerships.

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 may not result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While Gores will determine 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 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. 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 exposure in the related investment opportunity than was initially intended, 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.

In addition, to the extent Gores has discretion over a secondary transfer of interests in a Partnership pursuant to such Partnership's organizational documents, Gores will consider some or all of the factors listed above in exercising such discretion. Subject to any restrictions in the organizational documents of the applicable Partnership, Gores or its related persons could, from time to time, be asked to identify a limited number of Gores Investors or Third Parties to potentially acquire the interest being transferred.

The appropriate allocation between Partnerships, Gores Investors and Third Parties of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by Gores and its affiliates in their good faith discretion, consistent with the organizational documents of the Partnerships, as applicable. 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 Partnership (the “Payor Partnership”) pays an expense common to multiple funds (the “Allocated Partnerships”) (e.g., legal expenses for a transaction in which all such funds participate). On such occasions, each Allocated Partnership will reimburse the Payor Partnership for its share (which will not always be pro rata) of such expense, without interest, promptly after the payment is made by the Payor Partnership. While highly unlikely, it is possible that one of the Allocated Partnerships could default on its obligation to reimburse the Payor Partnership.

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 organizational 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.

In addition, principal executive officers and other personnel of Gores 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. 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.

Conflicts Related to Purchases and Sales

From time to time, conflicts will arise when a Partnership makes investments in conjunction with an investment being made by other Partnerships, or in a transaction where another Partnership has already made an investment. Depending on the circumstances, investment opportunities are appropriate for Partnerships at the same, different or overlapping levels of a portfolio company’s capital structure. Conflicts would 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, 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, and the terms of any work-out or restructuring would raise conflicts of interest, particularly in Partnerships that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, 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 addition, a conflict will arise in allocating an investment opportunity if the potential investment target could be acquired by either a Partnership or a portfolio company of another Partnership. 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. Employees and related persons of Gores and its affiliates have made or may make capital investments in or alongside certain Partnerships, and therefore will have additional conflicting interests in

connection with these investments. 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 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 would likely consider some or all of the factors listed above under *“Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities.”* 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, 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 organizational documents of the applicable Partnership(s).

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 offering documents, limited partnership agreements or other organizational documents and related documents relating to 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 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 and Allocation of Co-Investment Opportunities*" above. In addition, it is expected that employees of Gores 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. Conflicts of interest arise in allocating time, services or functions of these officers and employees.

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. The Partnerships will only enter into such joint and several borrowing arrangement when Gores determines it is in the best interests of the Partnerships.

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 leveraging and recapitalization transactions involving portfolio companies in which another Partnership has already invested or will invest. Conflicts of interest will likely 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.

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 may have an incentive to recommend 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. When making such a recommendation, Gores may, because of its financial or other business interest, have 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.

Fee Structure

Because 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 deploy capital when Gores would not otherwise have done so.

Additionally, as discussed above, the General Partners of the Partnerships are entitled to Incentive Allocations under the terms of the limited partnership agreements 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.

Providers of Operations Support

The General Partner and the portfolio companies will from time to time retain other companies and individuals ("Operations Support Providers"), including Gores Operations, which may be affiliates of the General Partner, employees of such affiliates, portfolio companies of other of Gores' funds, third party consultants (including specialized consultants, external executives, and industry advisory roundtable members), "operating partners" or "senior advisors". The Operations Support Providers are engaged to provide operational support, specialized operations and consulting services and similar or related services to, or in connection with, one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies ("Operations Support Services"). These services typically include support to the General Partner 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.

Pursuant to the organizational documents of the Partnerships, fees and expenses associated with Operations Support Services ("Operations Expenses") will generally be paid and/or reimbursed by portfolio

companies and/or the Partnerships. Operations Expenses (including Operations Expenses incurred in connection with an affiliated Operations Support Provider) will typically be determined at the discretion of the General Partner taking into account the particular Operations Support Services, generally include a profits or equity interest in the Partnerships and/or portfolio company or other incentive-based compensation 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 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 manager, as applicable in a fair and equitable manner. 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 not reduce any fees otherwise payable to the management company or its affiliates. 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.

Related Services

As described in "Fees and Compensation" above, Gores and its affiliates will perform Related Services for, and will receive fees from, actual or prospective portfolio companies or other investment vehicles of the Partnerships. Such fees will be in addition to any Management Fees or Incentive Allocations paid by the Partnerships to Gores. Consistent with the Partnerships' partnership agreements or other organizational documents, Gores will incur expenses, and a portfolio company will reimburse Gores for such expenses incurred by Gores in connection with its performance of services for such portfolio company. Such reimbursements are not subject to the sharing arrangements described below. Additionally, since the term of the Advisory Agreement generally exceed ten years (and are often subject to automatic extensions and renewals), there are also certain circumstances (such as the occurrence of an initial public offering or strategic exit) which will accelerate the payment of such fees. These fees are sometimes substantial, particularly in the event such circumstances occur early in the life of the Partnership's investment in such portfolio company. This creates a conflict of interest between Gores and its affiliates and the Partnerships and their investors because the amounts of these fees and reimbursements are often substantial and the Partnerships and their investors generally do not have an interest in these fees and reimbursements. Gores determines the amount of these fees for Related Services 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. Gores and its affiliates will in some circumstances reduce the amount of Management Fees paid by the applicable Partnership in connection with the receipt of the applicable Partnership's share of such fees. The amount and nature of this reduction varies from Partnership to Partnership and is set forth in the Advisory Agreement and/or organizational documents of the applicable Partnership. Entities other than Partnerships that participate in investments alongside the Partnerships (such as entities through which Gores and certain employees and affiliates of Gores invest alongside the Partnerships) often have a right to share in such fees, and Management Fees will generally not be reduced in connection with the receipt of such entities' share of such fees.

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. 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.

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 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 portfolio company services to other portfolio companies. 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 for the Partnerships, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Partnerships.

Gores has an incentive to recommend the products or services of certain 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 certain Partnership investors. Gores has an incentive to cause the portfolio company to favor those 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.

Gores has service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in Partnerships and/or who provide services to businesses that are competitors of Gores. 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 or will provide other services that are beneficial to Gores. There is a possibility that Gores, because of such belief or for other reasons, will favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

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, as it deems appropriate.

Positions with Portfolio Companies

Employees of Gores serve as directors of portfolio companies. 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 its employees, such amounts are 100% offset against Management Fees. In addition, employees of Gores 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.

Side Letter Agreements

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, information rights, co-investment rights, and liquidity or transfer rights.

Other Potential Conflicts

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. 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 such circumstances, there will be 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.

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.

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). Furthermore, the General Partner, or its affiliates, on rare occasion receive distributions in kind from an investment disposition. 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, 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 partnership agreements (or analogous organizational 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 partnership agreements (or analogous organizational documents) of certain Partnerships permit each such Partnership's General Partner to withhold information from certain limited partners or 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.

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. 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 regularly 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 the Adviser 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 and Partnership Expenses" 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 Funds 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.