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# Platform Disclosure Brochure

Form ADV Part 2A – Appendix 1, Wrap Fee Program Brochure

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## ITEM 1 – COVER PAGE

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**AssetMark, Inc.**

Advisor Compliance  
1655 Grant Street, 10th Floor  
Concord, CA 94520-2445  
800-664-5345

This Disclosure Brochure provides information about the qualifications and business practices of AssetMark, Inc. ("AssetMark"). If you have any questions about the contents of this Brochure, please contact AssetMark using the information shown on the left. 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. AssetMark is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

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

**ITEM 2 – MATERIAL CHANGES**

This section provides a summary of material changes that were made to this brochure since the last update. It includes changes to AssetMark's Platform and is intended to help Clients determine if they want to review this brochure in its entirety or contact their Financial Advisor with questions about the changes.

AssetMark may make interim updates to this brochure throughout the year. However, you will receive notice of any material changes, which must also be filed with the SEC. Information about AssetMark is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or at [www.assetmark.com](http://www.assetmark.com). You may also request a copy by contacting us at:

**AssetMark, Inc.**  
**Attention: Adviser Compliance**  
**1655 Grant Street, 10th Floor**  
**Concord, CA 94520**  
**800-664-5345**  
**[advisercompliance@assetmark.com](mailto:advisercompliance@assetmark.com)**

There have been no material changes since the last Form ADV Part 2A Appendix 1 annual update in March 2021, or the last interim update in September 2021.

The following updates were made since the last interim update:

- Item 4 – Service, Fees and Compensation reflects the combining of the Savos and Aris investment divisions under the new AssetMark Investment Management ("AIM") division.
- Exhibit C – Proprietary Mutual Fund Solutions – Conflicts of Interest Disclosures includes additional information related to the Strategies with Proprietary Funds.

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## ITEM 4 – SERVICE, FEES AND COMPENSATION

### WRAP FEE PROGRAM – THE FINANCIAL ADVISORY FIRM AND THE CLIENT SERVICES AGREEMENT

AssetMark, Inc. (“AssetMark”) is the sponsor of the AssetMark Platform (“Platform”) through which it offers its advisory and Platform services to Clients (the “Client”). Representatives of third-party investment adviser firms (these firms are referred to in this brochure as “Financial Advisory Firms” and their representatives are referred to as the “Financial Advisors”) consult with Clients to assess their financial situation and identify their investment objectives in order to implement investment solutions designed to meet the Client’s financial needs.

In order to participate in the Platform, the Client and the Financial Advisory Firm will enter into a Client Services Agreement (“CSA”) that outlines the services to be performed by the Financial Advisory Firm, the authority of the Financial Advisory Firm, the compensation payable by the Client, and other important provisions governing participation in the Platform. The Financial Advisory Firm evaluates the Client’s investment needs and objectives, consults with the Client concerning the Client’s participation in the Platform and is responsible for determining the suitability of various Solution Types (“Solution Types”) for the Client’s investment objectives and financial condition. The Financial Advisory Firm, through its Financial Advisor, not AssetMark, recommends the Strategy to the Client and monitors whether to recommend that the Client remain in the selected Strategy. Each of the Solution Types may be implemented with a number of options, including a range of Risk/Return Profiles (the “Risk/Return Profiles”) and Investment Approaches (the “Investment Approaches”), each described below, so that the Client can customize a strategy by which each of the Client’s accounts under the Platform will be managed or maintained. The specific Solution Type and the components of the strategy selected for the Client’s Account are referred to as the Client’s investment “Strategy.” A Client will establish one or more investment accounts (each an “Account”) through the Platform, and the Client’s Accounts are collectively referred to as the Client’s “Portfolio.”

### ASSETMARK, INC. & ITS OWNERSHIP STRUCTURE

AssetMark is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”) providing various investment advisory and consulting services to other advisors and investment Clients. AssetMark and AssetMark Trust Company (“AssetMark Trust”) are wholly owned subsidiaries of AssetMark Financial Holdings, Inc. AssetMark Financial Holdings, Inc. is an indirect subsidiary of Huatai Securities, Co., Ltd. (“HTSC”). HTSC is a financial services and securities brokerage firm, incorporated in China and listed on the Shanghai, Hong Kong, and London stock exchanges. AssetMark Financial Holdings, Inc., is publicly listed on the New York Stock Exchange (ticker: AMK). AssetMark also has investment divisions known as AssetMark Due Diligence and AssetMark Investment Management (“AIM”). AIM manages Savos, Aris, and AssetMark Strategies.

If the Financial Advisor selects for the Client a Solution Type (or “Solutions,” described below) managed by AIM, AssetMark is responsible for the management of that Solution Type for the Client’s Account (described below). AssetMark also serves as the investment adviser for the following registered investment companies (“Proprietary Funds”) available in certain Solution Types under the Platform:

- 1) GPS I, a series of sub-advised no-load mutual funds that include the GuideMark® Funds;
- 2) GPS II, a series of no-load mutual funds that include GuideMark Funds as well as GuidePath Fund of Funds; and

- 3) the Savos Investments Trust Dynamic Hedging Fund (“Savos DHF”), a registered investment company used by AIM to provide risk mitigation in some Solution Types.

AssetMark is responsible for the management of each of these Proprietary Funds. However, the Client and the Financial Advisor, and not AssetMark, are responsible for selecting the Solution Type that uses these Funds.

AssetMark is not registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity trading advisor, based on its determination that it will rely on certain exemptions from registration provided by the Commodity Exchange Act (“CEA”) and the rules thereunder. The CFTC has not passed upon the availability of these exemptions to AssetMark. AssetMark currently acts as a registered “commodity pool operator” (“CPO”) with respect to the Savos DHF, the GuidePath Managed Futures Strategy Fund and its wholly owned controlled foreign corporation, the GuidePath Managed Futures Strategy Cayman Fund. AssetMark is registered as a CPO under the CEA and the rules of the CFTC.

AIM acts as the Portfolio Strategist (described below) providing Model Portfolios (described below) for a number of Solutions. It is also among the Discretionary Managers (described below) offered on the Platform. With respect to those Strategies in which AssetMark acts as a Discretionary Manager, its obligations are accordingly those of a Discretionary Manager and include the selection of securities for the Account (consistent with the Strategy (described below) selected by the Financial Advisor and Client) and trade execution. A list of Portfolio Strategists/Model Providers and Investment/Discretionary Managers are provided in Exhibit A.

Individual Solutions are available either through third-party Investment Management Firms (described below) or as proprietary Strategies through AssetMark, through AIM. Strategists are also permitted to use AssetMark proprietary investment options as part of a Strategy.

### DESCRIPTION OF PLATFORM SERVICES

Financial Advisory Firms enter into an agreement with AssetMark to access the Platform for their Clients. As part of the Platform services, AssetMark provides Account administration, custody, brokerage and advisory services; the Platform is considered a “wrap program.” AssetMark has developed internet-based software which provides the Financial Advisory Firm with the ability to directly monitor its Clients’ Accounts, download information concerning changes in the Platform, and access current information relating to the Platform.

To establish a Client’s Account on the Platform, the Financial Advisory Firm and Client will enter into a CSA. A Client will typically complete a questionnaire, or otherwise provide information to the Financial Advisory Firm, to enable the Client and the Financial Advisory Firm to identify the Client’s risk tolerance and rate of return objectives. The Client typically will provide the Financial Advisory Firm with information concerning the Client’s investment experience, anticipated need for liquidity, potential timing of the need for retirement funds, and other investment needs and parameters. This information will assist the Client and the Financial Advisory Firm in selecting which of the Risk/Return Profiles (described below) is most closely aligned with the Client’s investment goals. The Financial Advisory Firm remains responsible for monitoring the Solution Types and Risk/Return Profiles and recommending any changes to the Client throughout the duration of the Client’s Account on the Platform, including any custom accounts at third-party Discretionary Managers. AssetMark’s responsibility is to implement the Solution Type and Risk/Return Profile chosen by the Client and the Financial Advisory Firm. AssetMark does not advise the Client about potential changes to the Client’s Solution Type or Risk/Return Profile.

**This must remain with the Client**

## RISK RETURN PROFILES

One of the fundamental elements of the Platform is establishing the Client's appropriate Risk/Return Profile. These Profiles range from most conservative (lowest estimated risk and lowest potential return) to most aggressive (highest estimated risk and highest potential return). Not all Risk/Return Profiles are available for all Solution Types, and some Strategies do not have a Risk/Return Profile.

The investment objectives for each of the six Risk/Return Profiles are listed below:

- *Profile 1 – Conservative:* The profile is designed for an investor who wants to focus on preservation of capital as a primary goal and wishes to minimize downside risk.
- *Profile 2 – Moderate Conservative:* The profile is designed for an investor who seeks to preserve capital but wishes to assume moderate downside risk in order to earn a return sufficient to preserve purchasing power.
- *Profile 3 – Moderate:* The profile is designed for an investor who seeks to balance risk of loss to capital with capital appreciation.
- *Profile 4 – Moderate Growth:* The profile is designed for an investor who seeks enhanced capital appreciation and is willing to accept greater risk of downside loss and volatility of returns.
- *Profile 5 – Growth:* The profile is designed for an investor who seeks significant capital appreciation and is willing to accept a correspondingly greater risk of loss and volatility of returns.
- *Profile 6 – Maximum Growth:* The profile is designed for an investor who seeks the highest level of capital appreciation and is willing to accept the correspondingly greater risk of loss and volatility of returns.

Generally, the percentage allocation to equity securities targeted for each Risk/Return Profile increases for each Profile from Profile 1, Conservative, which would represent the lowest target allocation of equity securities, through Profile 6, Maximum Growth, which would represent the highest target allocation of equity securities.

## INVESTMENT APPROACHES

Another element of establishing the Client's investment objective is to identify the appropriate mix of Investment Approach(es) to manage risk efficiently and meet the Client's return objectives. Each Portfolio Strategist, Investment Manager and/or Solution Type is classified by AssetMark based on their Investment Approach. The Client, with the assistance of their Financial Advisor, can select Solution Types for their Portfolio that represents a blend of different Investment Approaches.

The following Investment Approaches are available:

### Core Markets

- Seek to provide exposure to economic growth through a mix of traditional asset classes like equities and fixed income.

### Tactical Strategies

#### *Enhanced Return Focus*

- Seek to provide consistent exposure to the equity market while aiming to add return over a benchmark by using thematic stock selection, sector or country rotation strategies or other tactical investment strategies.

#### *Limit Loss Focus*

- Seek to limit losses in extreme market downturns while aiming to participate in the equity markets most of the time. These strategies will automatically exit and re-enter equity exposure to allow greater equity participation most of the time and sharply reduce equity exposure when risk of loss is perceived to be high.

## Diversifying Strategies

### Equity Alternatives

- Seek to provide risk diversification benefits through non-correlation to equities and having higher impact to returns, specifically not being significantly dilutive to returns. These strategies will have higher levels of volatility and be heavily invested in managed futures but can also include exposure to other alternative strategies like global macro strategies.

### Bonds and Bond Alternatives

- Seek to provide risk diversification benefits through non-correlation to equities through traditional bond portfolios or bond alternative portfolios with low variability of return. These strategies will have lower levels of volatility and will periodically include non-traditional bond positions, including market neutral strategies, absolute return strategies and low volatility equity strategies.

The Core Markets and Tactical Strategies will be implemented with either a Capital Appreciation objective or a Multi-Asset Income objective. Capital Appreciation objective seeks to maximize total return within the risk selected by the Client. Multi-Asset Income objective seeks to deliver an enhanced level of current income from a range of asset categories. This objective seeks income generation as a primary objective; however, it also considers diversification and risk profile ranges as important components of portfolio construction. Multi-Asset Income strategies will take on risk in pursuit of their objectives as defined by the risk profile to which the objective is being managed.

## SOLUTION TYPES

AssetMark makes available two general "Solution Types" (or "Solutions") on the Platform.

- *Model Portfolios* – Client Accounts are allocated among securities and other investment vehicles on a non-discretionary basis pursuant to Model Portfolios provided by "Portfolio Strategists" (also referred to as "Model Providers"). Model Portfolios include mutual fund and ETF investment strategies and Separately Managed Accounts ("SMA"). SMA Model Portfolios are allocated among securities and other investment vehicles in accordance with the model and are typically selected for a specific asset class. AssetMark will serve as the Overlay Manager with regard to SMA accounts, as described below.
- *Individually Managed Accounts ("IMA")* – The Client Account is managed and individual Client Account trades are implemented on a discretionary basis by a "Discretionary Manager" (also referred to as an "Investment Manager"). For some IMAs, AssetMark serves as the Discretionary Manager; for others, a third-party manager serves as Discretionary Manager and AssetMark has no role in trading for the IMA.

In either Solution Type, a Solution can be implemented with a number of options, including a range of Risk/Return Profiles (the "Risk/Return Profiles") and Investment Approaches (the "Investment Approaches"), each described above, so that the Client can customize a strategy by which each of the Client's Accounts under the Platform will be managed or maintained. The specific Solutions and the components of the strategy selected for the Client's Account are referred to as the Client's investment "Strategy."

Each of the Solution Types can be implemented with a number of features and alternatives, such as:

- a range of Risk/Return Profiles;
- selection of one or more Investment Approaches;
- a group of available Portfolio Strategists or Investment Managers;

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- a variety of account “Mandates”; and
- various individually managed accounts (“IMA”), so that the Client, as advised by the Financial Advisor, can create a Strategy by which each of the Client’s Accounts under the Platform will be managed or maintained.

Some Solution Types are available through third-party Investment Management Firms unaffiliated with AssetMark. Other Solution Types are proprietary Strategies available through AIM, or Individual Mutual Funds as described below. AssetMark makes available fact sheets and other information to assist the Financial Advisor in making an informed decision. More detailed information about the proprietary solutions are provided in Exhibit B – AssetMark Investment Management Solution Types.

### ***Overlay Manager***

For an SMA Investment Solution, the Client, with the assistance of their Financial Advisor, shall select a model provided by a Portfolio Strategist that shall invest in a specified asset class and AssetMark will serve as the “Overlay Manager” (or Investment Manager or Discretionary Manager) for Client Accounts. The Overlay Manager shall provide limited discretionary investment management services to the Account as discussed further below. The Client grants the Overlay Manager the authority to buy and sell securities and investments for the Account, to vote proxies and to effect corporate actions. AssetMark has contracted with Portfolio Strategists to provide recommendations for a specific asset class.

The SMA Model Portfolios have been constructed by Portfolio Strategists engaged by AssetMark using individual securities recommendations. The Overlay Manager will have limited discretionary authority to execute transactions in each Account necessary to (i) track any reallocations, rebalance or other adjustments to the SMA asset allocations constructed by the Portfolio Strategists; (ii) implement changes recommended by the Portfolio Strategists; (iii) effect sale transactions of specified securities as directed by the Client and purchases of replacement securities; and (iv) implement any individual securities restrictions imposed on the Account by the Client.

As Overlay Manager, AssetMark intends to invest the Account consistent with the models provided by the Portfolio Strategist, unless circumstances indicate that modified allocations or investments are appropriate. The Client may specify the initial Portfolio Strategist for the Account and will be given notice of any change to that Portfolio Strategist. AssetMark may remove or replace the Portfolio Strategists on the Account in its discretion.

### ***Individual Mutual Funds***

A Client, with the assistance of their Financial Advisor, can also select from Individual Mutual Fund (“IMF”) Solution Types. The IMF Solution Type is intended to complement other Solution Types available on the AssetMark Platform, as part of the Client’s overall Portfolio. The IMF’s used in this advisory service can consist of Proprietary, or third-party funds and are available in all Investment Approaches. Clients should be aware that the Platform Fees charged by AssetMark for this service can be higher or lower than those charged by others in the industry, or directly from the third-party mutual fund provider, and that it can be possible to obtain the same or similar services from other investment advisers at lower or higher rates. A Prospectus for any individual mutual fund made available under this Solution Type can be obtained upon request from AssetMark or the Client’s Financial Advisor. Clients should review fund prospectuses and consult with their Financial Advisor if they have further questions regarding these IMF Solution Types. The mutual funds selected for use can be no-transaction-fee (“NTF”) funds that

include other administrative service fees, sub-transfer agency fees and/or 12b-1 fees. These other fees are borne by Clients, even if lower-cost share classes of those mutual funds are available. Using NTF funds that include these other fees allows AssetMark to charge Clients a lower Platform Fee than would otherwise be possible. See the Fees & Investment Minimums table at the back of this Disclosure Brochure for Platform Fees charged.

### **Individually Managed Accounts (“IMA”)**

An IMA can be established as:

- Equity/Balanced;
- Fixed Income; and
- Custom High Net Worth

The Investment Manager will provide discretionary investment management services to the Account and the Client grants the Investment Manager the authority to buy and sell securities and investments for the Account, vote proxies for securities held by the Account, to select the broker-dealers or others with which transactions for the Accounts will be effected, and such other actions that are customary or appropriate for an Investment Manager to perform. The Investment Manager is responsible for selecting the securities for Client investment, including the share class if the investment is in mutual funds. Custody fees, if charged, are asset based. Usually, transaction fees are not charged to IMA accounts.

### ***Step Out or Trade Away Trades***

The Investment Manager has the authority to “step-out” or “trade away” a trade and use a brokerage firm other than that usually used with the Client’s selected Custodian, and such trading will result in additional fee(s) from the Platform Custodian, unless such fees are waived (refer to Item 9 under “Brokerage Practices”). If a Discretionary Manager of an IMA determines to “step out” or “trade away” a trade, the Custodians are permitted to assess a fee of \$20.00 per trade. This transaction fee would be in addition to any commission or trading costs. If an Account is invested in fixed income investments, e.g., a Parametric bond ladder IMA, the Client should expect this \$20.00 fee on each security transaction. Commission charges, dealer spreads, markups/downs, and foreign currency conversion rates associated with these transactions may not be visible to you in your program documents.

For Clients selecting an IMA, their Account will be managed by an Investment Manager consistent with the Strategy selected by the Client. The Investment Manager shall provide discretionary investment management services to the Account, and the Client grants the Investment Manager the discretionary authorities discussed above. AssetMark can replace the Investment Manager at its discretion. Certain Custom IMAs are available in the Core Markets Investment Approach and the six Risk/Return Profiles, as described above under Risk/Return Profiles.

In certain IMA Solutions, Clients will receive from the Investment Manager, and will be required to acknowledge receipt of, additional disclosures regarding specific investments, such as alternative investments, the use of the IMA managers mutual funds, or the use of options and/or certain fixed-income solutions.

### ***Use of Mutual Funds Managed by IMA Manager***

IMA Managers can include in the IMA Client accounts they manage mutual funds that they or an affiliate manage. In these situations, the IMA Manager typically receives fees from AssetMark for their management of the Client’s Account, and they or an affiliate typically receive investment adviser or other fees from the funds they or the

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affiliate manage. This is a conflict because it can create an incentive for the IMA Manager to select their own or affiliated funds. These fees can exceed what the IMA Manager would receive for using third-party mutual funds. Clients should discuss this conflict with their Financial Advisor. Clients will also receive the IMA Manager's Form ADV Disclosure Brochure which will disclose all conflicts of interests. The IMA Manager also provides additional disclosures regarding their rebate process in order to avoid collecting two fees on the same assets. In some instances, the IMA Manager will receive fees from AssetMark and rebate the portion of fees received from the funds they or the affiliate manage. In other cases, the IMA Manager will receive their fees from the funds they or the affiliate manages, and rebate the portion of the fees received from AssetMark.

### ***Use of Options***

Options strategies will be used for certain IMA Solutions.

Clients should consider their financial resources, investment objectives and tolerance for risk and should be aware that options trading can be highly speculative and could result in financial losses even though margin borrowing will not be used for the types of options traded by these Client Accounts. Clients will be obligated to deliver the underlying security within the prescribed time for a call option that is exercised. Each of AssetMark and the Investment Manager is authorized to act as the Client's agent to complete the Client's obligations with respect to any options in the Client Account. The Client agrees to assume the financial risks of options transactions. All options transactions are subject to the rules, regulations, customs and practices of The Options Clearing Corporation (OCC) and the securities exchange, association or clearing organization through which the transactions are executed. Expiring options that are valuable (meaning, in the money) are exercised automatically pursuant to the exercise by exception procedure of the OCC. Additional information about the risks, characteristics and features of options is available at: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>.

### ***Custom High Net Worth***

For Custom High Net Worth ("HNW") accounts, the Client, with the assistance of the Client's Financial Advisor, selects an Investment Manager to manage the individual Client Account and to provide discretionary investment management services to the Account. The Client grants the Investment Manager the authority to buy and sell securities and investments for the Account, to re-balance and re-allocate assets within the Account, to vote proxies for securities held by the Account and such other discretionary authorities as determined between the Client, their Financial Advisor and the Investment Manager. As such, the Client's personalized investment objective can go beyond the standard investment objectives listed for each of the six Risk/Return Profiles as described earlier in this section, and as developed by the Investment Manager for the Client. The Investment Manager, in its discretion, will maintain investment decision records with regards to the Client's custom HNW Account. If a Client's investment objective and/or Risk/Return Profile changes, the Financial Advisor is responsible for notifying AssetMark of the change.

## **FINANCIAL ADVISOR – CUSTOM ACCOUNTS**

### **Multiple Strategy Accounts**

Certain Model Solutions discussed above are also available as sleeve-level options within a Multiple Strategy Account. In a Multiple Strategy Account, an Account can be customized with no set allocation limits. The Client, with the assistance of their Financial Advisor, can select from various Portfolio Strategists and Investment Managers,

including AIM, and Proprietary Funds (defined below). In selecting and determining the allocations in each sleeve, a Multiple Strategy Account will be established. The number of sleeves selected can vary from a minimum of two to a maximum of eight selections, to comprise the Multiple Strategy Account. The standard minimum account by sleeve will vary. The fees charged for the Multiple Strategy Account will be based on the single-strategy fee schedule for each Strategist selection and based on the allocation to each sleeve.

### **Custom GPS Select**

GPS Select, as described in Exhibit B – AssetMark Investment Management Solution Types, can be customized within a specific range from the baseline to various Investment Approaches. The Client, with the advice of their Financial Advisor, not AssetMark, can select from various Investment Approaches from Portfolio Strategists and Investment Managers, including AIM, and Proprietary Funds. In doing so, and by selecting within the range of pre-determined allocations, a Custom GPS Select account will be established. Each Portfolio Strategist, Investment Manager or mutual fund selection is referred to as a "sleeve" allocation. If a mutual fund Solution Type is selected, the share class used will be consistent with the underlying single strategy investment Solution. The Financial Advisor is responsible for advising the Client on an ongoing basis whether or not to maintain or change the Investment Approach, the Portfolio Strategist and the Investment Manager for the duration of the account. AssetMark does not advise the Client about the Investment Approach, the Portfolio Strategist or the Investment Manager appropriate for that Client's Account.

AssetMark will make available the specific range of pre-determined allocations, which range will be updated from time to time. The number of sleeves selected can vary from a minimum of three to a maximum of eight sleeve selections, to comprise the entire Custom GPS Select account. The standard minimum account by sleeve varies and AssetMark's revenue will increase or decrease based on the sleeve allocation agreed upon between the Client and Financial Advisor.

### **Savos Custom GMS, PMP, Advisor – Custom, or Personal Portfolios**

***(Refer to Exhibit B – AssetMark Investment Management Solution Types for more detailed information regarding the selection of AIM strategies to be used within these custom accounts.)***

- ***Custom GMS and Privately Managed Portfolios ("PMP")*** - The Client, with the assistance of the Financial Advisor, can request that AIM deviate from standard allocations for the selected GMS or PMP Strategy. Such an Account is considered a Custom GMS or PMP Strategy.
- ***Advisor – Custom Accounts*** - The Client can choose to participate in a program in which their Financial Advisor, in consultation with AIM, can request further customization for their Client's Account ("Advisor – Custom Accounts" or "ACA"). The Financial Advisory Firm will be solely responsible for determining the additional customization and the suitability for the Client. AIM, in its discretion, will determine the implementation of the ACA. The Financial Advisory Firm can request that AIM recommends to the Financial Advisory Firm asset allocations or investment selections for the ACA, but AIM does not provide any individualized investment advice to ACA. The asset allocation classification of the ACA developed by the Financial Advisory Firm may not be consistent with the Investment Approaches or Risk Return Profiles described in this Disclosure Brochure for the GMS or PMP Accounts described in Exhibit B – AssetMark Investment Management Solution Types. The GMS or PMP Platform Fee schedules will be charged to the Client Account, unless otherwise negotiated between the Financial Advisory Firm and AssetMark.

- *Savos Personal Portfolios – Custom* – A Savos Personal Portfolios - Custom Account can be customized within a specific range across equity, fixed-income and tactical allocations. The Client, with the assistance of their Financial Advisor, can select from various Savos strategies. In doing so, and by selecting within the range of pre-determined allocations, a Savos Personal Portfolios - Custom Account will be established. Each equity, fixed-income and tactical allocation is referred to as a “sleeve” allocation.

#### **Advisor As Strategist Program and Advisor Managed Portfolios Program**

A Financial Advisory Firm may participate in the Advisor as Strategist or Advisor Managed Portfolios program (“AAS” or “AMP” program). In these programs, a Discretionary Client Services Agreement is executed by the Client; the Client grants the Financial Advisory Firm discretionary authority to invest and reinvest Account assets and the Advisor manages the “Custom Account” for their client. The Financial Advisory Firm will be solely responsible for determining account assets and giving instructions for trades and rebalances. AssetMark does not provide any investment advice to Custom Accounts, does not have or exercise any discretionary authority with regard to Custom Accounts and does not supervise the Custom Accounts or the Financial Advisory Firm in its management of Custom Accounts.

The asset allocation classification of the Custom Accounts and any models used by the Financial Advisory Firm may not be consistent with the Investment Approaches or Risk Return Profiles described in this Disclosure Brochure for Platform Accounts. The Platform Fee schedules will be charged to the Client Account, unless otherwise negotiated between the Financial Advisory Firm and AssetMark. The Client will receive additional information regarding the Financial Advisory Firm’s management of the Custom Account through the Financial Advisory Firm’s disclosure brochure.

#### **Alternative Investments Solutions**

Alternative Investments are hedge funds, private equity funds, private placements and other securities that do not trade on securities exchanges or over-the-counter markets. iCapital Network, Inc. (“iCapital”) offers a platform that provides advisors and their qualified investors access to Alternative Investments. AssetMark has contracted with iCapital to provide your Financial Advisor with access to Alternative Investments. Your Financial Advisory Firm will need to contract with iCapital or an iCapital affiliate to gain access to the iCapital Platform. Your Financial Advisor will not have access to the full iCapital Platform through the Assetmark Platform but only those funds that have been approved by AssetMark’s Alternative Product Acceptance Committee.

AssetMark does not facilitate transfers, sales, withdrawals, or any other activity related to Alternative Investments. AssetMark, will not act in any capacity in any purchase or sale of Alternative Investments in Client Accounts. AssetMark does not assume responsibility for the Alternative Investments, including, but not limited to, the contents in documentation related to the Alternative Investments, the appropriateness or suitability of the Alternative Investments, restrictions on ownership, rights of transfer, financial statements, or the adequacy of disclosure or compliance with applicable laws, rules, and regulations. Any review performed by AssetMark will solely be for its benefit in determining its ability to provide access and services to select Alternative Investments.

AssetMark has no responsibility or duty to investigate, evaluate, or report any information that AssetMark may possess or may become aware of regarding any Alternative Investments. In the event that funds are wired or transferred to an issuer or sponsor of Alternative Investments, AssetMark will not have any responsibility or liability if

the issuer or sponsor involved does not provide the required receipt or confirmation of the Alternative Investment in a manner that would allow the security to be held in Client Accounts. AssetMark shall have no responsibility for monitoring non-publicly traded, alternative investments to assure compliance with its terms or disclosures, for taking any actions to collect on any amount owed to Client Accounts, or for otherwise enforcing any rights with respect to Alternative Investments held in Client Accounts. AssetMark is under no obligation to take any action should there be a default, bankruptcy, or other impairment associated with Alternative Investments.

Before you invest in an Alternative Investment, your Financial Advisor will review the Alternative Investment and determine that the Alternative Investment is appropriate and suitable for you. You will be provided disclosures through the iCapital Platform that will explain the risks in the Alternative Investment, including, for example, lack of liquidity. Alternative Investments are speculative and involve a substantial degree of risk, including the risk of complete loss. There can be no assurance that Alternative Investments will achieve its investment objective.

There is generally no public or secondary market for non-publicly traded, alternative investments, and the values reported on Account Statements received from the Custodian may not represent market values. It is unlikely that you would be able to sell your interests in the Alternatives Investments or realize the amounts shown on Client Account Statements. It is likely that the actual “resale” value of Alternative Investments may be substantially lower than what is on Account Statements. Values displayed on Account Statements are for convenience purposes only, may be out-of-date, and should not be relied upon as any indication of market value.

Although AssetMark may rely on the values provided by the issuers or sponsors of non-publicly traded, alternative investment securities, AssetMark does not verify or confirm such valuations and makes no representations that the values are reasonable, accurate, or reflect actual holdings. In the event third-party data sources provide valuation of your Alternative Investment, Client Account Statements may display the value provided by a third party or a value derived from the third-party data. Client Account statements may also report the value of Alternative Investments as “N/A” or “Not Available.”

There is a 0.25% flat Platform Fee for Alternative Investments. There is also a custody fee of \$100/year for each position payable to Fidelity Brokerage Services, the only Platform Custodian currently available to custody Alternative Investments. By maintaining an account at Fidelity for Alternative Investments, the Client commits to maintaining sufficient cash in the Account holding the Alternative Investments to pay the custody fees.

iCapital has agreed to compensate AssetMark for AssetMark’s administrative services in supporting access to iCapital’s Platform at the rate of 20% of the management and/or technological fees earned by iCapital. AssetMark services include the selection of funds to be made available to Financial Advisory Firms and their clients. Because iCapital’s compensation can differ between funds, the compensation paid AssetMark is expected to differ between funds, and this creates conflicts of interest for AssetMark. AssetMark addresses these conflicts through disclosures and criteria for fund selection.

### **OTHER SERVICES AND NON-MANAGED ACCOUNTS**

#### **Administrative and General Securities Accounts**

Although options vary depending upon the Custodian selected by the Client, the Client can usually establish an Account at their selected Custodian to hold “non-managed” assets (an “Administrative/Non-Managed Account”), and such Account can include a Cash Account or

**This must remain with the Client**



a General Securities Account. An Administrative/Non-Managed Account is provided as an administrative convenience for the Client. Assets in an Administrative/Non-Managed Account are not managed or advised by AssetMark, and AssetMark is not responsible for their investment or management. The Client will be solely responsible for directing the investments in the Non-Managed Account. Non-Managed assets are subject to the terms of the Client's agreement with their selected Custodian. In addition to reporting by the Client's Custodian, the assets of an Administrative/Non-Managed Account will be included in periodic AssetMark reports that the Financial Advisor can provide to the Client.

If Clients select AssetMark Trust as their Platform Custodian, they will be offered a FDIC-Insured Cash Program for their Administrative Cash account. This option, other cash management services from AssetMark Trust and the conflicts of interest involved in AssetMark affiliate AssetMark Trust offering these services are discussed in Item 9 of this Brochure.

### **Cash Accounts**

Certain custodians will offer cash management services, which are described in more detail in their custodial agreements. For more information about Cash Management Services at AssetMark Trust, refer to Item 9, Additional Information.

### **SERVICES NO LONGER OFFERED**

AssetMark also continues to manage other advisory services which are no longer offered to new Clients. Clients with these services can contact AssetMark for more information.

### **INVESTMENT VEHICLES**

The Solution Types are comprised of: (i) closed-end mutual funds; (ii) open-end mutual funds; (iii) ETFs, alternatives, stocks, fixed income, bonds, options, preferred stocks; and (iv) treasury bonds, bills and notes, bank notes. The asset allocations created by Portfolio Strategists are comprised of: (i) open-end mutual funds; (ii) ETFs, which are baskets of securities, tracking a wide variety of market indexes, that are traded as individual securities on a national exchange, as well as actively managed ETFs; and (iii) individual securities. The Client Accounts managed by Investment or Discretionary Managers are also comprised of: (i) open-end mutual funds; (ii) ETFs; and (iii) individual securities. However, they can also hold options and alternative investments, as advised by the Financial Advisor and the Investment Manager.

The Portfolio Strategists select and monitor the performance of the mutual funds, ETFs, and securities within their asset allocations and will periodically adjust and/or rebalance the asset allocations in accordance with their investment strategies. Each Investment Solution will maintain a 2% target cash allocation for the payment of fees, to cover withdrawals and other fees applicable to the Account. However, Portfolio Strategists and IMA Managers can determine to allocate a higher percentage to cash. AssetMark will reallocate the Account to the cash target when the Account passes certain thresholds (under 1.5% or over 2.5% for most Investment Solutions).

From time to time, AssetMark will add or delete from the Platform:

- a) the mutual funds and ETFs available through the Platform;
- b) the Investment Managers available for the IMA Accounts;
- c) the Portfolio Strategists available on the Platform; and
- d) the other Investment Management Firms providing asset allocations and asset selections for Platform Solution Types.

The Financial Advisor reviews the Portfolio Strategists', Investment Managers' and Investment Management Firms' and the Strategies' performance on behalf of the Client and makes or recommends investment decisions based on such analysis. AssetMark does not recommend specific Portfolio Strategists, Investment Managers or Investment Management Firms to Clients.

### **MUTUAL FUND SOLUTION TYPES**

For Clients selecting a Mutual Fund Account, their Account will be invested in retail NTF funds and/or mutual funds that generally do charge a sales load but where the sales charge has been waived. (Refer to Servicing Fees Received by AssetMark and Share Class Use below). Third-party and AssetMark Proprietary Funds are used. The Account will be invested consistent with allocations provided by a Portfolio Strategist for the Risk/Return Profile selected by the Client based on the advice of the Financial Advisor. Certain Portfolio Strategists compose their mutual fund allocations utilizing only those mutual funds managed by the Portfolio Strategist, Investment Manager or an affiliate of the Portfolio Strategist or Investment Manager. One or more of the Portfolio Strategists will construct their allocations exclusively using Proprietary Funds managed by AssetMark, including the GuideMark and GuidePath Funds. AssetMark does not advise the Client about the Portfolio Strategist or the Risk/Return Profile appropriate for that Client's Account.

Additionally, for some, but not all Mutual Funds, the Client can select a Mandate and/or Investment Style for the Account. The Client can select among Mandates (Standard, Tax-Sensitive or Multi-Asset Income) and/or select one of the investment styles (Domestic, Global or Hedged), each described below. For GPS Fund Strategies, only the Standard Mandate is available.

#### **Mandates**

*Standard.* Consideration generally will not be given to tax-exempt or tax-managed investments or holding periods.

*Tax-Sensitive.* Tax-exempt fixed income investments are held within portfolios and in some cases tax-managed equity investments can also be held. For some Strategies, holding periods and turnover levels will be considered; however, AssetMark cannot guarantee that the portfolios will behave in a tax-sensitive manner over any given time period.

*Multi-Asset Income.* Managed to maximize the realization of current income from a range of asset categories including fixed income, equity and specialty asset classes. Seeks income generation as a primary objective; however, also considers diversification and risk profile ranges as important components of Portfolio construction. Multi-asset income Strategies will take on risk in pursuit of their objectives as defined by the risk profile to which the mandate is being managed.

#### **Investment Styles**

*Domestic.* Strategy allocations are focused on U.S. asset classes.

*Global.* Strategy allocations include a mix of U.S. and international asset classes.

*Hedged.* Strategy allocations include a mix of U.S. and international asset classes. Implementation will include the use of specialty funds designed to have a low correlation to traditional asset classes such as stocks and bonds.

In the Mutual Fund Solution Type, multiple Investment Approaches are available. Information regarding the Investment Solutions and the Portfolio Strategists available for each of the Investment Approaches is available from the Client's Financial Advisor.

**This must remain with the Client**

If a Mutual Fund account is chosen, it can also include non-mutual fund investments. For example, non-mutual fund investments could include cash alternatives and/or ETFs held by the Account, in addition to, depending upon the Custodian chosen, a standard allocation to cash.

Portfolio Strategists select from mutual funds that are AssetMark Proprietary Funds, third-party funds, NTF funds, load-waived, or retail mutual fund share classes that are available on each Custodian's platform. There are no per-trade transaction fees charged to the Client in the mutual fund Solution Types on the AssetMark Platform. See Servicing Fees Received by AssetMark and Share Class Use under Fees and Compensation for more information on indirect fees the Client pays through their investment in mutual funds.

#### **Use of Portfolio Strategist and IMA Manager Proprietary Mutual Funds**

Portfolio Strategists and IMA Managers are permitted to use their funds that they or an affiliate advises in the Model Portfolios or IMA accounts they manage. In these situations, the Portfolio Strategist and the IMA Manager typically receive fees from AssetMark for the Model Portfolio or the management of the Client's IMA Account, and they typically receive investment adviser or other fees from the funds they or an affiliate advise. These fees can exceed what the Portfolio Strategist or IMA Manager would receive for using third-party mutual funds. This is a conflict for the Portfolio Strategist or IMA Manager because it can create a financial incentive for the Portfolio Strategist or IMA Manager to select their own proprietary or affiliated funds. Clients should discuss this conflict with their Financial Advisor. Clients will also receive the IMA Manager's Form ADV Disclosure Brochure in which the IMA Manager is required to disclose all conflicts of interests.

AIM uses Proprietary Funds, including the Savos DHF, in various investment solutions. The Savos DHF is a proprietary registered investment company for which AssetMark serves as investment adviser. Information about the Proprietary Funds, including fees and expenses, are described in more detail in the prospectus for the fund. Certain mutual funds selected for Client Accounts include the Savos DHF from which AssetMark or its affiliates receive additional compensation. AssetMark receives management and other fees for its management of the Savos DHF, in addition to compensation for management of the Savos IMA. However, any net advisory fees received by AssetMark for its management of the Savos DHF will be rebated back to the Client's account.

#### **ETF SOLUTION TYPES**

An ETF is an investment fund traded on stock exchanges and holds assets such as stocks, commodities, or bonds, and can be traded over the course of the trading day. Each investor owns shares, which represent a portion of the holdings of the fund, and ETFs, like mutual funds, have management fees paid to the manager of the ETF. There are no separate share classes for ETFs. ETF Solutions invest in third-party ETFs, which are not advised by AssetMark.

A Client, with the assistance of their Financial Advisor, can also select from ETF Solution Types, and their Account will be invested in ETFs consistent with allocations provided by a Portfolio Strategist for the Risk/Return Profile selected by the Client. A Portfolio Strategist can compose their ETF asset allocations utilizing ETFs managed by the Portfolio Strategist or an affiliate, by unaffiliated investment managers, or a combination of both. ETFs are traded daily at market determined prices on a national exchange in a similar manner to other individual equity securities. ETF Solution Types also invest in exchange-traded notes ("ETNs"), which are senior, unsecured debt securities issued by an underwriting bank. AssetMark is responsible for trading the ETF Solution Types based on the recommendations of Portfolio

Strategists. The ETF trading practices are discussed further in Item 9 under "Brokerage Practices" in the Trade Execution and Brokerage Allocation section.

In the ETF Solution Type, all Investment Approaches are available. Information regarding the Solution Types and the investment providers available for each of the Investment Approaches is available from the Client's Financial Advisor.

The Account is also permitted to include some non-ETF investments or an allocation to proprietary mutual funds managed by the Portfolio Strategist. In addition, the Client retains all indicia of beneficial ownership, including, without limitation, all voting power and other rights as a security holder in each of the funds held for the Client.

Additionally, for some, but not all, ETF Solution Types, the Client can select one of the Mandates for the Account, as described above.

#### **ASSETS UNDER MANAGEMENT**

As of December 31, 2021, the Advisor Model Platform had \$44.1 billion in assets under administration on the AssetMark Platform. This includes investments in proprietary mutual funds and Savos Solution Types, in which Savos is the discretionary manager.

#### **FEES AND COMPENSATION**

The fees applicable to each Account on the Platform can include:

1. Financial Advisor Fee
2. Platform Fee, which includes any Strategist or Manager Supplemental Fee, as applicable, and most custody fees.

Clients should be aware that the fees charged by AssetMark can be higher or lower than those charged by others in the industry and that it can be possible to obtain the same or similar services from other investment advisers and other platform providers at lower or higher rates. A Client can obtain some or all of the types of services available through AssetMark on an "unbundled" basis either through other firms or through single or multiple strategy account selections on the Platform and, depending on the circumstances, the aggregate of any separately paid fees, or bundled fees can be lower or higher than the fees described below in Section C and in the Fees & Investment Minimums schedule at the end of this Disclosure Brochure.

It is important that the Client understands all the fees applicable to their Account and that all fees are subject to negotiation. The Platform Fee schedules and fee rates for the various Investment Solutions are listed in the Fees & Investment Minimums schedule located at the end of this Disclosure. The Fees & Investment Minimums schedule will be updated from time to time, to include the addition of new products and services, to remove any terminated strategies, or to make updates.

#### **FINANCIAL ADVISOR FEE**

The Financial Advisor Fee is paid to the Financial Advisory Firm with which the Client's Financial Advisor is associated and compensates for the advisory and other services provided the Client by the Financial Advisory Firm. These services, pursuant to the CSA, include obtaining information regarding the Client's financial situation and investment objectives, conducting an analysis to make a determination of the suitability of the services to be provided by AssetMark for the Client, providing the Client with AssetMark disclosure documents, assisting the Client with Account paperwork and being reasonably available for ongoing consultations with the Client regarding the Client's investment objectives.

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The Financial Advisor and Client select an annual rate for the Financial Advisor Fee, which is paid to the Financial Advisory Firm, by choosing a flat rate, or a custom tiered rate of up to 1.95% (195 basis points), or a rate as negotiated and agreed between the Client and the Financial Advisor.

## PLATFORM FEE

The Platform Fee includes:

- (i) payment for advisory services (including the Strategist's or Manager's Supplemental Fee, if applicable) and administrative services; and
- (ii) payment for custodial and brokerage services (although additional fees are payable for certain third-party mutual funds, Actively Managed Fixed Income Strategies, Funding Account Strategies, acquired Global Financial Private Capital ("GFPC") Strategies, and Accounts custodied at Schwab with "Charles Schwab & Co.").

The Platform Fee provides compensation to AssetMark for maintaining the Platform and for arranging for advisory, administrative, custodial and brokerage services to the Account. The advisory services include the Model Portfolios provided by the Portfolio Strategists and the account management services provided by the Discretionary Managers.

The administrative services include but are not limited to: arranging for custodial services to be provided by various Platform Custodians pursuant to separate agreement between Client and Custodian; preparation of quarterly performance reports (to complement account statements provided by Custodians); and maintenance and access to electronic or web-based inquiry system that provides detailed information on each Client Account on a daily basis.

The annual rate of the ongoing Platform Fee is based on the amount and type of assets. Each fee schedule is tiered so that, subject to certain exceptions, the first dollar under management receives the highest fee and only those assets over the breakpoints receive the reduced fees. Under certain circumstances, assets held in one Investment Solution Account are considered when determining assets under management for breakpoint purposes relating to another Investment Solution Account held for the benefit of the same or a related person.

Some of AssetMark's Platform Fees are negotiable, and exceptions to the Fees & Investment Minimums schedule are subject to approval. As a standard practice, AssetMark grants exceptions to its fee schedule for accounts of employees and employees of broker-dealer, investment advisory or other firms with whom AssetMark maintains an active agreement, any of which can be offered discounted fees.

## CUSTODIAL AND BROKERAGE SERVICES

The Platform Fee charged Client Accounts includes compensation for custodial and brokerage services. Pursuant to agreements that AssetMark has negotiated with AssetMark Trust (AssetMark's affiliated Custodian) and the third-party Custodians on AssetMark's Platform, AssetMark pays the Custodian for the custodial and brokerage services provided to Client Accounts. (The Custodians also have other income sources.) The Client does not pay transaction fees on trades made in most of the Solution Types available on the Platform. Separate transaction fees will be charged in Fixed Income IMA Solutions and in some equity IMA Solutions. Additionally, AssetMark generally receives more revenue when Clients choose AssetMark Trust as their Custodian. These differences in payments and revenue create conflicts of interest for AssetMark. AssetMark addresses these conflicts by having the same Platform Fee apply regardless of the Custodian chosen and by allowing the Client to choose their own Custodian, which can be AssetMark's affiliated Custodian, AssetMark

Trust. Although the Platform Fee is the same among Custodians, different fees for incidental expenses can apply.

The selected Custodian's full fee schedule will be presented to the Client together with the separate custodial agreement to be executed between the Client and their selected Custodian. Please refer to the Custody Agreement (described below) for specific fees attributable to the Client Account. More information about Custodians are also discussed below in Item 9, Additional Information – Custodial Relationships.

## SUPERVISORY FEE

The Platform Fee will be higher for certain Financial Advisory Firms due to the amounts payable to Financial Advisory Firms with supervisory responsibility over the Financial Advisors. This supervisory fee, of up to 0.20% annually, is deducted from Client Account assets, and paid to certain Financial Advisory Firms, for supervision of the Account. The receipt of a supervisory fee creates an incentive for Financial Advisory Firms to use the AssetMark program versus other programs. Information on participating Financial Advisory Firms is available upon request.

## MINIMUM ACCOUNT PLATFORM FEE

Certain ETF and mutual fund investment solutions are subject to an Annual Minimum Platform Fee of \$350, or \$87.50 per quarter. If the quarter end value of an Account multiplied by the fee rate is less than \$87.50, then the account will be charged at least \$87.50 for the quarter.

**The Platform Fee Schedules and fee rates for the various Investment Solutions are listed in the Fees & Investment Minimums schedule located at the end of this Disclosure Brochure.**

## STRATEGIST'S OR MANAGER'S SUPPLEMENTAL FEE

For an Account invested in a third-party Investment Solution, a supplemental Strategist or Investment Manager Fee can be payable to the Strategist or Discretionary Manager. The Investment Manager Fee provides compensation for services provided by the Discretionary Manager that are customary for a Discretionary Manager to provide, including but not limited to, selecting, buying, selling and replacing securities for the Account and selecting the broker-dealers with which transactions for the Account will be effected.

For certain Solution Types, the Account will be charged a Supplemental Investment Manager Fee payable to the Account's Discretionary Manager. These fees are payable on Account assets at the annual rates set out on the Fees & Investment Minimum fee schedule below.

The Strategist's and Manager's Supplemental Fee can be negotiated at the sole discretion of the Discretionary Managers. Each Discretionary Manager's investment process and philosophy are described in their Form ADV Part 2A Disclosures Brochure, which is provided to the Client when they open an Account. To request another copy, the Client can contact their Financial Advisor or AssetMark's Compliance department at the address on the front cover of this Brochure.

## FEES FOR TERMINATED STRATEGIST OR NO STRATEGIST ACCOUNTS

The Client may be invested in an Account that no longer receives advisory services because the Strategy in which the Account was invested has been terminated from the AssetMark Platform, and the Client has not selected another Strategy for their assets. These Accounts are referred to as "No Strategist" or "Terminated Strategist" Accounts. Neither AssetMark nor any Discretionary Manager will manage or shall be responsible for giving any advice with regard to these assets, but the Account typically remains invested in the investments last

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selected for the Strategy at a Platform Fee that is a reduction from that payable when the Strategy was active on the AssetMark Platform. The Account will continue to receive administrative and custodial services. Any Financial Advisor Fee previously payable shall be payable on No Strategist or Terminated Strategist Accounts unless AssetMark receives instructions not to charge the Financial Advisor Fee. It is up to the Financial Advisor to a Client to recommend a new Strategy to a Client for a No Strategist or Terminated Strategist Account. Platform Fee schedules for No Strategist or Terminated Strategist Accounts are available by contacting AssetMark or the Client's Financial Advisor.

## FINANCIAL PLANNING AND CONSULTING FEES

Financial Advisory Firms that provide financial planning and consulting services are permitted to charge their Financial Planning and Consulting Fees through the Client's Account on the Platform. Client authorization is required to establish or modify the Financial Planning and Consulting Fee, and to elect from which Account the fee will be charged, or establish for payment via Automated Clearing House, or ACH. The Fee can be a one-time fee or a recurring fee. If a Client elects to charge this Fee to an Individual Retirement Account ("IRA") or other qualified account, the Client is responsible for any adverse tax consequences that can arise from fee payments from an IRA.

## FEE BILLING PROCESS

Fees are payable quarterly, in advance. The quarterly Account Fee is calculated by multiplying the market value of all Account assets as of the end of the previous calendar quarter by the "quarterly rate." The quarterly rate is number of calendar days in the quarter, divided by 365 (or 366, as applicable) days in the year, multiplied by the applicable annual Account Fee rate provided for in the Fees & Investment Minimum table. For the initial deposit to the Account and for any subsequent amounts deposited to the Account, the Account Fee shall be payable upon AssetMark's commencement of management of the Account based upon the amount of the deposit multiplied by the quarterly rate (as described above) of the applicable annual rate and charged pro-rata through the end of the calendar quarter. Each of the Fees are calculated on a "tiered" basis so that the first dollar under management receives the highest fee and only those assets over the breakpoints receive the reduced fees.

Unless other arrangements are made, the Custodian will debit these fees from the Account. Additional fees, such as custodian termination fees, are due where applicable, pursuant to a separate agreement with the Custodian ("Custody Agreement"). Upon termination of the

Account, the amount of prepaid Account Fees to be refunded are calculated by multiplying the daily prepaid Account Fee during the final quarter by the number of days remaining in that quarter.

Account values are typically grouped for fee billing purposes. Account fees will be calculated based on the total value of existing Accounts across a Client household. This grouping is usually referred to as "Householding" and often results in a reduction of the overall Portfolio Fees.

The Client will not be assessed or refunded a pro-rata portion of the Platform Fee when an Investment Solution change is made in their Account and is executed intra-quarter between quarterly billing events. The Platform Fee for the new investment Solution will be effective the next quarterly billing cycle following the execution of the Investment Change instruction, typically the third to fifth business day following the end of a calendar quarter.

## SERVICING FEES RECEIVED BY ASSETMARK AND SHARE CLASS USE

Portfolio Strategists select from the mutual funds available on each Custodian's platform to be used in the Mutual Fund Accounts. The Custodian determines and then makes available the universe of mutual funds to be used in the AssetMark Solutions. If a mutual fund is not available, the Portfolio Strategist works with AssetMark and the Custodian to make available the fund, where possible. Mutual fund families offer a variety of funds with varying fee structures and different share classes. The funds available at the Custodians for use with the AssetMark Platform will vary among different mutual fund share classes and will generally fall into these two share class categories.

- *Retail share class* – Retail share class funds charge a 12b-1 fee of 0.25% or less, which is paid to the Custodian. Retail shares also include administrative fees, shareholder servicing and sub-transfer agent fees, which are also paid to the Custodian. There are a range of retail share classes available on the custodial platforms that also charge 12b-1 fees or administrative fees. These share classes are generally known as no-load or service shares (C shares), or load-waived A shares, Investor Shares, or NTF mutual funds, available through NTF programs at various Custodians.
- *Institutional share class* – Institutional share class funds have lower expenses because there are no 12b-1 fee charges. However, some institutional share classes can include administrative fees, shareholder servicing, and/or sub-transfer agent fees paid to the Custodian.

MUTUAL FUND SHARE CLASS CATEGORIES	SHARE CLASS NAMES	12B-1 FEES	ADMINISTRATIVE FEES, INCLUDING SHAREHOLDER SERVICES AND SUB-TRANSFER AGENT FEES
Retail Share Class	No-load, service shares (C shares), load-waived A shares, investor shares, or NTF funds	Yes; typically 0.25% paid by the Client	Yes
Mutual fund fees	Retail or Institutional	12b-1 fees are paid by Client	Administrative and Shareholder Services are paid by Adviser or Adviser's affiliate; sub-transfer agent fees are paid by Client
Institutional Share Class	Institutional shares	No	Yes
Proprietary Funds GuideMark and GuidePath Funds	Investor shares	No	Yes



NTF funds generally pay Custodians, including AssetMark Trust, AssetMark's affiliated custodian, a range of servicing fees from the 12b-1 fees and administrative service fees, which typically include shareholder servicing and sub-transfer agent fees, collected by the mutual funds. See below Administrative Service Fees Received by Affiliate.

AssetMark will use retail share mutual funds and institutional share mutual funds. There are no separate transaction fees charged for any mutual fund investments on the Platform. Some Custodians have available Transaction Fee mutual funds (or share classes), which in some cases have lower ongoing costs for Clients, but AssetMark does not use Transaction Fee mutual funds or share classes on the Platform.

AssetMark's Platform Fee includes custody fees, so the Platform Fee schedule takes into consideration the fund share class used in the mutual fund investment solutions, and the costs for each mutual fund. This creates a conflict because AssetMark does not always use the lowest cost share class, and Retail shares generate more revenue. However, AssetMark addresses these conflicts in the pricing of the products, as described below.

- Generally, when Retail shares are used, where the cost of the mutual fund is higher, the AssetMark Platform Fee is generally lower and the fee paid by AssetMark to Custodians generally lower.
- When Institutional shares are used, where the cost of the mutual fund is lower, the AssetMark Platform Fee is generally higher, and the fee paid by AssetMark to Custodians is generally higher. Products that are based on asset-based pricing will utilize the lowest share class available across all Custodians.

Information about the specific fees charged by mutual funds is described in each fund's prospectus.

#### **INDIRECT INVESTMENT EXPENSES AND MUTUAL FUND FEES PAID BY CLIENT**

Some expenses are inherent within the investments held in Client Accounts. Mutual funds pay management fees to their investment advisers, and certain funds and money market accounts have other types of fees or charges, including 12b-1, administrative, shareholder servicing, bank servicing or certain other fees, which are typically reflected in the net asset value of these mutual funds held in Client Accounts. Such expenses are borne by all investors holding such securities in their Accounts and are separate from AssetMark's fees or charges. As discussed above, retail share classes of mutual funds typically pay 12b-1 fees to Custodians in return for shareholder services performed by those Custodians.

As mentioned above, AssetMark does not seek to minimize or eliminate 12b-1 fees, shareholder services and other fees by using mutual fund institutional or investor share classes, even if these share classes are available. In these instances, the Platform Fees charged are lower than they would otherwise be had institutional share classes been selected. Certain mutual funds selected for Client Accounts include Proprietary Funds from which AssetMark receives compensation as the investment adviser, as described above. AssetMark receives management and other fees for its management of the GuideMark and GuidePath Funds.

Some mutual funds charge short-term redemption fees. Currently, AssetMark seeks to avoid investing Client assets in funds that charge such fees to the extent practicable, but avoidance of these fees cannot be guaranteed.

#### **MUTUAL FUND SHARE CLASS USE IN SAVOS STRATEGIES**

In the AIM Strategies, mutual fund share class is selected on a fund-by-fund basis and seeks to eliminate 12b-1 fees where possible. AssetMark will seek to use institutional classes where these share classes are available and in doing so, the Platform Fee is higher for these Solutions to pay for the administration and servicing of the Accounts that AssetMark performs, as compared to other Solutions that use mutual fund share classes that pay shareholder services fees, sub-transfer agency fees and/or 12b-1 fees. In striving for consistency across all custodial options on the Platform, the AIM Strategies will seek to select the lowest cost share class available across all Custodians. Due to specific custodial or mutual fund company constraints, situations will arise where a specific share class is not consistently available. In those cases, AssetMark will seek to invest Clients in the lowest cost share class that is commonly available across Custodians. In some cases, the lowest share class may be the retail share class. When the Savos DHF is used in AIM's Solutions, AssetMark receives a Platform Fee from Client assets for its management as well as an additional fee through the Savos DHF for that portion of a Client's Account that is invested in that Fund, effectively receiving two fees, under two different management agreements, on the same assets. However, any net advisory fees received by AssetMark for its management of SDHF will be rebated back to the Client's account.

#### **OTHER COMPENSATION DISCLOSURE**

Bank money market accounts and other bank services typically charge separate fees. For more information regarding bank services, refer to Cash Management Services offered by Affiliate.

Each of the mutual funds, ETFs, alternative investments and other funds or pooled investment vehicles available on the Platform bears its own operating expenses, including compensation to the fund or sub-adviser. As an investor in the mutual funds or ETFs, the Client indirectly bears the operating expenses of the mutual funds or ETFs, as these expenses will affect the net asset value (or share price in the case of an ETF) of each mutual fund or ETF. These expenses are in addition to the Financial Advisor Fee paid to the Client's individual Financial Advisory Firm and the Platform Fee payable to AssetMark. The ratios of fund expenses to assets vary from fund to fund according to the actual amounts of expenses incurred and fluctuations in the fund's daily net assets. Information on the specific expenses for each of the mutual funds is set forth in the fund's prospectus and periodic reports provided by the fund to the Client.

The cost of advisory and investment management services provided through the Platform can be more or less than the cost of purchasing similar services separately. For example, direct investment in a mutual fund or ETF could be less expensive than investment in the same securities through the Platform, because the Client would not bear any Platform Fee. All mutual funds included in mutual fund strategies on the Platform will be available for purchase at each fund's net asset value and with no sales charge, so that no sales commissions are incurred in connection with investment in the initial Portfolio and Portfolio rebalancing. While most mutual funds available through the Platform will charge no transaction fees, mutual funds or Custodians charge a Client redemption fees under certain circumstances.

The Platform Fee for related Accounts of any Client on the Platform is negotiable, as are Platform Fees paid by any Financial Advisory Firm, subject to approval. These negotiated fees typically lower the portion of the Platform Fee that AssetMark receives.



## **SPECIAL SERVICE FEES PAID BY CLIENT**

Non-standard service fees incurred as a result of special requests from Clients, such as wiring funds or overnight mailing services, will be an expense of the Client's Account and will typically be deducted by the Custodians at the time of occurrence. An authorized officer of AssetMark or the Custodian must approve exceptions.

## **SECURITY AND SALES-BASED FEES PAID BY CLIENT**

An Account can also incur fees referred to as "Regulatory Transaction Fees," paid to brokerage firms to offset the fees the firms owe to self-regulatory organizations and U.S. securities exchanges to cover fees charged by the SEC for costs related to the government's supervision and regulation of the U.S. securities markets and professionals. In addition, applicable Accounts will also be charged expenses related to custody of foreign securities and foreign taxes. The Client should review the agreement or schedule of fees of their selected Custodian.

## **CASH PAYMENTS TO THIRD PARTIES**

AssetMark makes cash payments to third parties ("Referring Firms") for referrals ("Referral Fees") of Financial Advisory Firms ("Referred Financial Advisory Firms") that enter into Advisor Model Platform arrangements ("Referral Arrangements"). In certain cases, Referral Fees shall be discounted in the event that a Referring Firm receives compensation from a qualified custodian (as defined in Item 9 below under Custodial Relationships) in connection with the referral of a Referred Financial Advisory Firm. Each Referring Firm enters into a written agreement with AssetMark and discloses in writing to each prospective Referred Financial Advisory Firm the existence of the Referral Arrangement. Referral Arrangements will not increase the fees payable by Clients of Referred Financial Advisory Firms under the CSA.

## **FINANCIAL ADVISORY FIRM AND FINANCIAL ADVISOR PROGRAM**

Financial Advisory Firms receive fees for their services and compensation from AssetMark for their advisory services to Clients, as described above under Financial Advisor Fee. Therefore, they have a financial incentive to recommend the AssetMark's wrap fee program over other programs or services, which creates a conflict of interest on the part of the Financial Advisory Firms.

In addition to the Platform Fee and other compensation received by AssetMark, AssetMark enters into other fee arrangements with certain Financial Advisory Firms and/or Financial Advisors as described below. Such arrangements will not increase the Platform Fee payable by the Client. However, Client's should review and understand that these arrangements can be deemed to cause a conflict of interest because they provide Financial Advisory Firms and Financial Advisors with incentives to place and retain Client assets on the AssetMark platform.

### **Advisor Benefits Program for Financial Advisors**

Under AssetMark's Advisor Benefits Program, Financial Advisors are encouraged to utilize AssetMark's advisor-directed tools, templates and best practices, or to engage with AssetMark to provide education and guidance in implementing a growth plan for their businesses. Certain Financial Advisors can receive an allowance or "growth support" for reimbursement of qualified expenses incurred by the Financial Advisor based on their participation in AssetMark sponsored events, marketing initiatives, or use of technology resources and tools. This program creates a financial incentive for Financial Advisors to recommend that Clients invest assets through the AssetMark Platform.

### **Business Development Allowance Program for Financial Advisors – Discontinued**

Under AssetMark's formerly available Business Development Allowance program, certain Financial Advisors received a business

development allowance for reimbursement of qualified marketing and practice development expenses incurred by the Financial Advisor. These allowances were earned based upon initial assets introduced to the AssetMark Platform, if a specific asset minimum is met and/or if the asset minimum was met within the first 12 months of an Advisor's use of the Platform. Additionally, certain Financial Advisors earned quarterly allowances depending on the value of the assets on the AssetMark Platform held by Clients of the Financial Advisor. For the 2021 calendar year, participating Financial Advisors were reimbursed an average of \$3405.16. This program created a financial incentive for Financial Advisors to recommend that Clients invest assets through the AssetMark Platform.

### **Marketing Support for Financial Advisory Firms**

Certain Financial Advisory Firms enter into marketing arrangements with AssetMark whereby the Firms receive compensation and/or allowances in amounts based either upon a percentage of the value of new or existing Account assets of Clients referred to AssetMark by Financial Advisors, or a flat dollar amount. These arrangements provide for the communication of AssetMark's service capabilities to Financial Advisors and their Clients in various venues including participation in meetings, conferences and workshops. AssetMark also provides certain Financial Advisory Firms or its representatives with organizational consulting, education, training and marketing support.

### **Direct and Indirect Support for Financial Advisors**

AssetMark sponsors annual conferences for participating Financial Advisory Firms and/or Financial Advisors designed to facilitate and promote the success of the Financial Advisory Firm and/or Financial Advisor and/or AssetMark advisory services. AssetMark offers Portfolio Strategists, Investment Managers and Investment Management Firms, who in some cases also are Sub-Advisors for the GuideMark and GuidePath Funds, the opportunity to contribute to the costs of AssetMark's annual conferences and be identified as a sponsor. AssetMark covers travel-related expenses for certain Financial Advisors to attend AssetMark's annual conferences, quarterly meetings or to conduct due diligence visits. In addition to, and outside of the Advisor Benefits Program, AssetMark contributes to the costs incurred by Financial Advisors in connection with conferences or other Client events conducted by the Financial Advisor or the Financial Advisory Firm. AssetMark also solicits research from Financial Advisors regarding new products or services that AssetMark is considering for Clients. In exchange for this feedback and guidance, AssetMark can offer an incentive to the Financial Advisor for their attendance at, or participation in, for example, an online survey or an in-person focus group. These programs create financial incentives for Financial Advisors to recommend that Clients invest assets through the AssetMark Platform.

### **Discounted Fees for Financial Advisors**

Financial Advisors may receive discounted pricing or complimentary subscriptions from third-party service providers or from AssetMark or its affiliates for services such as business consulting, practice management, technology, financial planning tools and marketing-related tools and services as a result of their participation in the Platform. In certain cases, AssetMark receives a portion of the subscription fees paid by Financial Advisors to such third-party service providers. Discounted pricing and complimentary subscriptions may be subsidized by AssetMark.

### **Negotiated Fees**

AssetMark is permitted, in its discretion, to negotiate the Platform Fee for Clients of certain Financial Advisors. Certain Financial Advisors with higher aggregate levels of assets on the Platform are eligible for negotiated fees, which are passed through to the Client. The Financial Advisor does not earn additional compensation as a result of these negotiated fees.

**This must remain with the Client**

**Community Inspiration Award**

In order to promote community involvement, AssetMark created the Community Inspiration Award to honor selected Financial Advisors across the United States who have inspired others by supporting charitable organizations in their communities. AssetMark will make a cash donation, subject to the published rules governing the program, to the Financial Advisor's nominated charity in accordance with the following: i) the charitable organization is not a Client or prospective Client of the Financial Advisor, ii) the Financial Advisor will not receive a monetary award and iii) the charitable organization must not have the ability to contribute funds or services to a candidate for public office or to a Political Action Committee. There is no direct compensation paid to an honored Financial Advisor. However, the Financial Advisor has an incentive to place, or retain Client assets on the Platform as a result of AssetMark's contribution to their supported charitable organization.

**ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

Clients on the Platform include but are not limited to individuals, high-net-worth individuals, investment companies, pension and profit-sharing plans, corporations, partnerships, trusts, insurance companies, banks and other investment managers.

If the Client's Account is an Individual Retirement Account ("IRA") or subject to ERISA, the Client and/or their Financial Advisor must inform AssetMark in writing, and the Client agrees to be bound by the terms of the "ERISA and IRA Supplement to AssetMark Investment Management Services Agreement." Unless expressly agreed to in writing, AssetMark does not serve as a trustee or plan administrator for any ERISA plan, and does not advise such plans on issues such as funding, diversification or distribution of plan assets.

For the Guided Income Solutions, the typical Client will be an individual who is either close to retirement or currently in retirement and would like to use a portion of their savings to generate a monthly income stream.

A Client must deposit the Account minimum into their Account, and if multiple deposits are made into such an Account, the Account will not be invested and will not be considered a managed Account until the Account balance reaches the required minimum. A Client's Account will be held by the Custodian in cash or in the assets transferred in-kind until such time as the value of the deposits to the Account reaches the required minimum for investment.

Clients should be aware that a reasonable amount of time will be needed to purchase, redeem and/or transfer assets, and AssetMark will not be held liable for losses due to market value fluctuations during the time taken for these transactions.

**ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION****SELECTION AND REVIEW OF PORTFOLIO STRATEGISTS AND INVESTMENT MANAGEMENT FIRMS****PORTFOLIO STRATEGISTS**

The Portfolio Strategists and Investment Managers used in Model and IMA Solution Types are selected for the Platform by AssetMark in order to make available a wide range of investment options and philosophies to Clients and their Financial Advisors. In constructing their asset allocations, some, but not all of the Portfolio Strategists will utilize the Investment Approaches described earlier in this Disclosure

Brochure. Each of the Portfolio Strategists provides to AssetMark a range of investment allocations that will correspond to some or all of the six Risk/Return Profiles, ranging from most conservative to most aggressive, as discussed above under "RISK/RETURN PROFILES".

The Portfolio Strategists use technical and/or fundamental analysis techniques in formulating their Investment Approaches and some will incorporate strategies with specific income distribution objectives. Although each of the Risk/Return Profiles includes asset allocations developed by several Portfolio Strategists, each of the Portfolio Strategists nevertheless has its own investment style resulting in the use of different asset classes, and mutual fund, ETF, or investment management firm options within their asset allocations. The Investment Approaches will be comprised of a combination of asset classes, represented by mutual funds, ETFs, or individual securities in Accounts, and these asset classes will include, but are not limited to the following:

- *U.S. Equities:* Large-Cap Growth, Large-Cap Value, Mid-Cap Growth, Mid-Cap Value, Small-Cap Growth, Small-Cap Value
- *International Equities:* Developed Markets, Emerging Markets
- *Fixed Income:* U.S. Core, High-Yield, Global, International, Emerging Markets
- *Other:* REITs, Commodities, Absolute Return Strategies, Hedging Strategies and other non-standard sectors including Alternatives
- *Cash.*

The objective is to provide Clients with a variety of asset allocation methods for accomplishing the Client's investment objectives. The Client and their Financial Advisor should review each Portfolio Strategist's investment style prior to selecting the Portfolio Strategist and Asset Allocation Approach for each Client Account on the Platform.

Portfolio Strategists will provide AssetMark with instructions to rebalance (to most recent Model Portfolio allocations) or to reallocate (to new Model Portfolio allocations), either periodically or as they deem appropriate over time, depending on their specific Investment Approach and investment process. These adjustments to the asset allocations will result in transactions in Client accounts. The Financial Advisory Firm or the Client instructs and directs that the Client's account be invested in accordance with all rebalancing and adjustment instructions provided by the Portfolio Strategists unless and until the Client or Financial Advisory Firm expressly terminates the rebalancing and adjustments and/or executes written instructions to change the Strategy in which the account is invested. Client will receive notification of all account transactions in periodic account statements provided by the account Custodian.

The Portfolio Strategists provide allocations based upon the corresponding risk profile determined by the Client and the Advisor, by which AssetMark intends to invest the Account, unless circumstances indicate modified allocations or investments are appropriate. These allocation recommendations are implemented by AssetMark in Client Accounts when they are received from the Portfolio Strategists and will result in transactions in the impacted Accounts. Portfolio Strategists will guide AssetMark with instructions to rebalance portfolios (return back to policy mix) and/or reallocate (change the target mix), either periodically or as they deem appropriate over time, depending on their specific Investment Approach and investment process.

AssetMark Due Diligence oversees the ongoing monitoring of the Portfolio Strategists and presents their insights, including performance information, Strategist due diligence findings and other Strategist-related recommendations quarterly to the Due Diligence Investment Committee and for changes in status to the Investment Oversight

Committee (“IOC”) comprised of AssetMark senior management. AssetMark will from time to time add, remove or replace a Portfolio Strategist at its discretion.

Although some of the Portfolio Strategists creating portfolios comprised of mutual funds consider all of the mutual funds available under the Platform, certain Portfolio Strategists compose their mutual fund allocations utilizing those mutual funds managed by the Portfolio Strategist or an affiliate of the Portfolio Strategist. This creates a conflict of interest for these Portfolio Strategists, as discussed above. In addition, one or more of the Portfolio Strategists will construct their allocations using AssetMark’s Proprietary Funds. A Prospectus for the Proprietary Funds can be obtained upon request from AssetMark or the Financial Advisor. Clients should review prospectuses and consult with their Financial Advisor if they have questions regarding these Funds.

AssetMark makes available to the Financial Advisory Firm and the Financial Advisor written descriptions of each of the Portfolio Strategists, including a brief history of each firm and an overview of the Portfolio Strategists’ key investment management personnel, which the Financial Advisor may share with the Client. The Client and Financial Advisory Firm may select more than one Portfolio Strategist and/or asset allocation for the Client’s Accounts, and, as noted above, the Client and Financial Advisory Firm are free to change Portfolio Strategists, asset allocations or the mutual fund or ETF components of their Portfolios from time to time, though any change by a Client in the components of a specific asset allocation used for a Client’s Account will result in a custom portfolio for that Account which would no longer be automatically rebalanced along with the Portfolio Strategist’s rebalancing of its asset allocation. The Client is free to consult with the Financial Advisory Firm at any time concerning the portfolio, and AssetMark is available to consult with Clients and Financial Advisory Firms concerning the administration of the Platform. It is not anticipated that Clients or Financial Advisory Firms will have the opportunity to consult directly with the Portfolio Strategists concerning their asset allocation Strategies, although the Financial Advisory Firms will be provided with information concerning such Strategies and any updates or revisions to such information. For more information regarding specific Portfolio Strategists’ investment processes and philosophy, or to request a copy of a Portfolio Strategist’s Form ADV Part 2A Disclosure Brochure, a Client should contact their Financial Advisor or AssetMark’s Compliance department at the address on the front cover of this Brochure.

AssetMark negotiates agreements with each Portfolio Strategist separately and the terms of these agreements vary from firm to firm, which creates a potential incentive for AssetMark to favor one Portfolio Strategist over another based on how advantageous that firm’s agreement is for AssetMark. AssetMark makes available to the Financial Advisor and Client written descriptions of each of the Portfolio Strategists, including a brief history of each firm and an overview of the Portfolio Strategists’ key investment management personnel. For more information regarding specific Portfolio Strategists’ investment processes and philosophy, or to request a copy of a Portfolio Strategist’s Form ADV Part 2A Disclosures Brochure, a Client should contact the Financial Advisor or AssetMark’s Compliance department at the address on the front cover of this Brochure.

## INVESTMENT MANAGEMENT FIRMS

AssetMark uses independent investment management firms (referred to as “Investment Managers” or “Discretionary Managers”) in the certain IMAs.

The independent Investment Management Firms acting as Investment Managers or Discretionary Managers in their discretionary management capacity, and acting as the Investment Management

Firms in their advisory capacity, depending on the Solution Type in question, are all referred to below as Investment Management Firms in the discussion of their selection and oversight. AssetMark negotiates agreements with each independent Investment Management Firm separately and the terms of these agreements vary from firm to firm, which creates a potential incentive for AssetMark to choose one independent Investment Management Firm over another based on how advantageous that firm’s agreement is for AssetMark.

*Selection of Investment Management Firms.* In selecting the Investment Management Firms that are made available on the Platform, AssetMark Due Diligence evaluates investment firms based upon investment style, consistency and performance relative to peer groups and appropriate benchmarks. Key elements in this evaluation process include an analysis of investment philosophy and process rigor, competitive advantage, organizational stability, historical results and mandate compatibility.

All investment firms offered on AssetMark’s platform are reviewed by the Due Diligence Investment Committee and approved by the IOC before being offered to Financial Advisors. The Due Diligence team is dedicated only to investment manager due diligence and evaluation. Our policy is that at least two analysts are on every due diligence monitoring call and at least three analysts and the SVP Investment Strategies are involved in the due diligence search meetings.

## SELECTION AND DUE DILIGENCE PROCESS

Each investment manager completes a detailed annual questionnaire (“DDQ”) about their investment process, performance and reporting and risk management, in addition to covering business organization, compliance and ethics, operational framework, and client support. The DDQ is reviewed by AssetMark Due Diligence with compliance and ethics sections also being reviewed by the compliance group. The team conducts an annual due diligence review with all investment managers, including onsite visits. Our due diligence process is deep and thorough and focuses on five key P’s: People, Philosophy, Process, Portfolio Construction and Performance. Consistency in the first four explains performance so we spend most of our time understanding the qualitative and quantitative aspects of a manager and strategy and use performance as the confirmation of our understanding. The team seeks the following in the five key P’s:

1. *People* – stable and tenured teams that have experience managing through different market environments.
2. *Philosophy* – a philosophy that is clearly defined and articulated well. Understanding the foundations to the philosophy and how it has adapted over time is critical.
3. *Process* – a consistent application of the investment process. Demonstrating how investment decisions were made in multiple market environments and tying the decisions back to the philosophy.
4. *Portfolio Construction* – rigor in the risk oversight in building the portfolio. A clear discipline and process that shows how risk management is considered in the investment process.
5. *Performance* – the proof statement and purposefully last. The team’s evaluation of the other P’s builds up their expectations of how the strategy should perform. The actual results are used to confirm expectations and to demonstrate how the manager adds value over time.

Investment managers are also reviewed quarterly via conference calls or in person to discuss, among other things, performance, changes to their investment process and philosophy and any material organizational changes at the firm. For new searches, all findings are reported to the Due Diligence Investment Committee in addition to



being reviewed by the IOC. For ongoing monitoring all findings are reported to the Due Diligence Investment Committee on a quarterly basis, or sooner based on the significance of the findings. In the event of significant news occurring within a quarter, the ISG team is in immediate contact with the investment manager to fully understand the impact of the news. If a change in status is warranted, an interim investment committee will be held and relevant action taken. Any strategists on non-satisfactory status are listed in a report that is available on eWealthManager and are reviewed with the IOC on a quarterly basis.

*Investment Manager Firm Oversight and Replacement.* AssetMark generally employs the same approach in its ongoing oversight of the Investment Management Firms as it does for Portfolio Strategists. AssetMark engages in an ongoing review of Investment Management Firms' personnel, investment mandates, ownership and investment process. Detailed analysis of the portfolio is completed to assess portfolio construction and risk management. AssetMark Due Diligence oversees the ongoing monitoring of the Investment Management Firms who act as Discretionary Managers and present this performance information, due diligence findings, and recommendation quarterly at the Due Diligence Investment Committee and for changes in status to the IOC.

AssetMark can charge a one-time set up fee to a new Strategist or IMA Manager to defray the expenses of adding the Strategist or IMA Manager to the Platform. These expenses to AssetMark include the administrative, operational, legal and compliance, investment and marketing work involved in adding a new Strategist or IMA Manager. This practice creates a conflict of interest for AssetMark because it provides a financial incentive for AssetMark to favor Strategists and IMA Managers who agree to pay the fee in order to participate in the Platform.

## INVESTMENT AND TAX RISKS

Clients should understand that all investments involve risk (the amount of which vary significantly), that investment performance can never be predicted or guaranteed and that the value of their Accounts will fluctuate due to market conditions and other factors. Clients who open Accounts by transferring securities instead of opening an Account with cash, should also understand that all or a portion of their securities will be sold either at the initiation of or during the course of management of their Accounts. The Client is responsible for all of the tax liabilities arising from such transactions and is encouraged to seek the advice of a qualified tax professional. AssetMark does not provide tax advice.

Performance for the asset allocation models by the Portfolio Strategists, are calculated monthly using a time weighted methodology in InvestCloud (fka Tegra118 and Fiserv) APL trading and portfolio management system. Performance results are shown on a net of fees basis. Composite performance is calculated using actual Client Accounts. Generally, investment Solutions move from a model-tracking portfolio to composite performance reporting when at least one Account is under AssetMark's Referral Model and meets the minimum investment amount for the specific strategy at AssetMark in the previous quarter. Performance for IMA Investment Solutions are not calculated or reviewed by AssetMark due to the custom nature of these strategies.

For Client level performance, the InvestCloud APL system is used to calculate a time weighted rate of return. Performance results are displayed to each Client daily, via eWealthManager.com, if selected by the Financial Advisor and more formally quarterly via Clients' Quarterly Performance Review.

## ASSETMARK AS PORTFOLIO STRATEGIST OR INVESTMENT MANAGER

AssetMark also serves as the Portfolio Strategist and Investment Manager for certain Model and IMA Solution Types. Refer to Exhibit B – AssetMark Investment Management Solution Types for more detailed information.

## INVESTMENT DISCRETION

If an IMA Strategy is selected for the Account by the Client and/or Financial Advisor, the Discretionary Manager accepts discretionary authority to manage the assets in the Client's Account. The Client grants the Discretionary Manager the authority to manage the assets in their Account on a fully discretionary basis. The grant of discretionary authority to the Discretionary Manager includes, but is not limited to the authority to:

- take any and all actions on the Client's behalf that the Discretionary Manager determines to be customary or appropriate for a discretionary investment adviser to perform, including the authority to buy, sell, select, remove, replace and vote proxies for securities, including mutual fund shares and including those advised by AssetMark or an affiliate, and other investments, for the Account, and to determine the portion of assets in the Account to be allocated to each investment or asset class and to change such allocations;
- select the broker-dealers or others with which transactions for the Account will be effected; and
- retain and replace, or not, any person providing services to the Discretionary Manager.

## REASONABLE RESTRICTIONS, PLEDGING AND WITHDRAWING SECURITIES

AssetMark allows reasonable investment limitations and restrictions when notified of such by the Financial Advisor or Client.

Clients have the option to place restrictions against investments in specific securities or types of securities for their Account that are reasonable in light of the advisory services being provided under the different Solution Types offered on the Platform, understanding that any restrictions placed on an Account can adversely affect performance. Requests for such restrictions are reviewed by AssetMark to ensure that they are reasonable and will not unduly impair AssetMark's ability to pursue the Solution Type and Strategy selected by the Client. Clients can also pledge the securities in their Account or withdraw securities from their Account (transfer in-kind to another Account or Custodian), but must do so by giving instructions in writing to AssetMark and AssetMark Trust. It is important to note that restrictions cannot be effected in certain investments or due to operational capabilities such as in a mutual funds, or at the sleeve level within a Multiple Strategy Account.

AssetMark does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client) and therefore does not participate in any side-by-side management. Side-by-side management refers to managing Accounts that pay performance fees while at the same time managing Accounts that do not pay performance fees.

Investing in securities involves risk of loss that Clients should be prepared to bear.

## VOTING CLIENT SECURITIES

### *Proxy Voting Policy for Accounts investing in a Discretionary Manager Solution Type*

If the Account is invested in a Solution Type with a Discretionary Manager, the Client designates the applicable Discretionary Manager as its agent to vote proxies on securities in the Account and make all elections in connection with any mergers, acquisitions and tender offers, or similar occurrences that affect the assets in the Account. Client acknowledges that as a result of this voting designation it is also designating the Discretionary Manager as its agent to receive proxies, proxy solicitation materials, annual reports provided in connection with proxy solicitations and other materials provided in connection with the above actions relating to the assets in the Account. However, the Client retains the right to vote proxies and can do so by notifying AssetMark in writing of the desire to vote future proxies. Additionally, this designation of the Discretionary Manager to vote proxies and the Client's right to vote proxies cannot apply to securities that have been loaned pursuant to a securities lending arrangement despite efforts by AssetMark to retrieve loaned securities for purposes of voting material matters. AssetMark will not vote proxies if AIM is the Discretionary Manager for IMAs held in custody at a third-party Custodian. The Client retains the right to vote proxies for Savos IMAs.

If shares of the Savos DHF or Proprietary Funds are held in an Account for which AssetMark acts as Discretionary Manager, AssetMark will vote 100% of the shares over which it has voting authority according to instructions it receives from its Clients, which are the Fund's beneficial shareholders. AssetMark will vote shares with respect to which it does not receive executed proxies, in the same proportion as those shares for which it does receive executed proxies. This is known as "mirror voting" or "echo voting."

### *Proxy Voting Policy for Mutual Funds and ETFs; Proxy Voting for Guided Portfolios*

Clients retain the right to vote proxies. Clients may instruct us how to cast their vote in a particular proxy, or to vote proxies according to their particular criteria. Requests should be made by written notice to AssetMark. Clients that select a Custodian other than AssetMark Trust, i.e., Pershing Advisor Solutions, TD Ameritrade, or Fidelity Brokerage Services, LLC, retains the right to vote proxies for shares held by Accounts invested in a Mutual Fund Solution Type or Guided Portfolios, i.e., GPS Fund Strategies or GPS Select. AssetMark will not vote proxies if the Market Blend ETF Strategy or GPS Select is held in custody at a third-party Custodian. The Client retains the right to vote proxies.

If shares of the Proprietary Funds are held in a Mutual Fund Account or Guided Portfolios, AssetMark will vote 100% of the shares over which it has voting authority according to instructions it receives from its Clients, which are the Fund's beneficial shareholders. AssetMark will vote shares with respect to which it does not receive executed proxies in the same proportion as those shares for which it does receive executed proxies. This is known as "mirror voting" or "echo voting."

### *Proxy Voting for Administrative Accounts*

The Client retains the right to vote proxies if the Account is an Administrative/Non-Managed Account.

### *Class Actions and Similar Actions*

In all instances the Client shall make any and all elections with regard to participation in class actions, notices regarding bankruptcies and similar elections. However, when solicited by the administrator of a certified class, AssetMark will provide Client contact information (last known, if the Client is no longer current) and holdings.

### *Voting Process and Material Conflicts for AssetMark's Proprietary Solutions*

AssetMark has adopted proxy voting policies and procedures designed to fulfill its duties of care and loyalty to its Clients. AssetMark has adopted a set of voting guidelines provided by an unaffiliated third-party firm with which it has contracted to vote proxies on its behalf. These policies, procedures and the voting guidelines provide that votes will be cast in a manner consistent with the best interests of the Client. The specific guidelines address a broad range of issues including board composition, executive and director compensation, capital structure, corporate reorganizations, shareholder rights, and social and environmental issues. AssetMark's proxy voting policies and procedures provide for the identification of potential conflicts of interest that may occur due to business, personal or family relationships, determination of whether the potential conflict is material, and they establish procedures to address material conflicts of interest. To address voting items identified as those in which AssetMark has have a material conflict of interest, AssetMark generally will rely on the third-party firm to vote according to the guidelines. Alternatively, AssetMark can also refer a proposal to the Client and obtain the Client's instruction on how to vote or disclose the conflict to the Client and obtain the Client's consent on its vote. AssetMark is not obligated to vote every proxy; there will be instances when refraining from voting is in the best interests of the Client. Because the interests of Clients may differ, AssetMark can vote the securities of different Clients differently. AssetMark will generally delegate the voting of all proxies by the GuideMark Funds to the sub-advisors engaged to advise the GuideMark Funds.

Clients can obtain a copy of AssetMark's complete proxy voting policies and procedures upon request. Clients can also obtain information from AssetMark about how AssetMark voted any proxies on behalf of their account(s). To obtain proxy voting information, requests should be mailed to:

**AssetMark, Inc.**  
**Attention: Adviser Compliance**  
**1655 Grant Street, 10th Floor**  
**Concord, CA 94520**  
**advisercompliance@assetmark.com**

## ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

If a Client selects an IMA Strategy, the Client's information will be shared with the IMA Manager who has discretionary authority on the Account. Client information will not be shared with Portfolio Strategists who provide asset allocation Strategies and have no discretion over the Account.

## REVIEW OF ACCOUNTS

The Clients and their Financial Advisors may contact AssetMark to arrange for consultations regarding the management of their Accounts. Clients should refer to their Financial Advisors to discuss and assess their current financial situation, investment needs and future requirements in order to implement and monitor investment Portfolios designed to meet the Client's financial needs.

AssetMark makes available periodic reports to Financial Advisory Firms for use with their Clients. These written reports, the Quarterly Performance Report ("QPR"), generally contain a list of assets, investment results, and statistical data related to the Client's Account. We urge Clients to carefully review these reports and compare the statements that they receive from their custodian to the reports.

**This must remain with the Client**



**Management of the Client's Account**

The Financial Advisory Firm provides the specific advice to the Client concerning the Client's investment Strategy for each Account, including the Solution Type, the Portfolio Strategist(s), the particular Investment Approach or sub-strategy to be chosen for the Client, and the Client's appropriate Risk/Return Profile. The Financial Advisory Firm will also advise Clients in Individually Managed Accounts on the Investment Managers to be selected for the Client's Account. The Financial Advisory Firm and/or the client (depending upon the specific form of Client Services Agreement entered into between the Financial Advisory Firm and the Client) retains discretion to choose the Portfolio Strategist(s), the asset allocation(s) and the Investment Managers selected as the components of the Strategy for the Client's Accounts, and will have the opportunity periodically to change the Strategy or its components, including the Solution Type, the choice of Portfolio Strategist(s), the particular asset allocation(s) or sub strategies, the Risk/Return Profile, or the Investment Managers selected for the Accounts.

Clients are provided with periodic custodial reports from a custodian and AssetMark provides the Financial Advisory Firms with QPR's for each of their Client's Accounts. The periodic custodial reports include a listing of all investments in the Client's account, their current valuation, and a listing of all transactions occurring during the period. The QPR's include information concerning the allocation of the assets in each Client Account among various asset classes and the investment performance of the Client's Account during the quarter and billing/fees.

The Client Account review function is performed by the Client's Financial Advisor. AssetMark does not assign Client Accounts directly to specific individuals for investment supervision, and there is no single individual or class of individuals within the organization that can be identified as being solely responsible for implementing a full set of review criteria on any one Client Account. Instead, AssetMark offers a Platform of Solution Types to its Clients, each of which is a Model Portfolio to which the Client's Account is linked. A variety of teams within the organization then have responsibility for reviewing the application of the appropriate investment guidelines to each Account. At the model level, two groups are responsible for ensuring that the investment models to which Client Accounts are linked are consistent with the guidelines and investment Strategy selected by the Client. AssetMark Due Diligence reviews those model recommendations provided by the Portfolio Strategists. AIM reviews on an ongoing basis the performance of the Strategies in the Savos IMAs. The Trade Operations Group monitors account adherence to models provided by Strategists and adherence to models created and maintained by AIM. AssetMark makes available QPR's and a supplemental report is also available for use with Clients in the Guided Income Solutions. These written reports generally contain a list of assets, investment results, and statistical data related to the Client's Account. Clients are urged to carefully review these reports and compare them to statements that they receive from their Custodian.

Clients can contact their Financial Advisors to arrange for consultations regarding the management of their Accounts. Clients should refer to their Financial Advisors to discuss and assess their current financial situation, investment needs and future requirements in order to implement and monitor investment portfolios designed to meet the Client's financial needs.

**ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Together with their Financial Advisor, Clients invested in High Net Worth and IMA Strategies will have direct access to Investment Managers to discuss their Account. On the other hand, Clients who have selected Model Portfolios will not have access to the Model Provider or Portfolio Strategist.

**ITEM 9 – ADDITIONAL INFORMATION****DISCIPLINARY INFORMATION**

On August 25, 2016, the SEC announced a settlement with AssetMark in an order containing findings, which AssetMark neither admitted nor denied, that AssetMark violated Section 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 206(4)-1(a)(5) by allowing its staff, from July 2012 through October 2013, to circulate to prospective Clients who were considering an F-Squared managed account service offered by AssetMark, performance advertisements created by F-Squared relating to a different separately managed account service not offered by AssetMark and which misleadingly described that different service's performance between 2001 and 2008, and that AssetMark violated Section 204(a) of the Advisers Act and Rule 204-2(a)(16) by failing to maintain records substantiating the performance in the advertisements created by F-Squared.

There are no disciplinary items to report for the management of AssetMark.

**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

AssetMark is an indirect subsidiary of AssetMark Financial Holdings, Inc., a publicly traded company (NYSE: AMK). The following companies are under common control with AssetMark. AssetMark does not consider such affiliations to create a material conflict of interest for AssetMark or its Clients. Conflicts do exist though, and those are noted below. The industry activities of these affiliated companies are described in further detail below:

- AssetMark Brokerage, LLC
- AssetMark Retirement Services, Inc.
- AssetMark Trust Company

**AssetMark Brokerage, LLC**

AssetMark Brokerage, LLC ("AssetMark Brokerage") is a broker-dealer registered with the SEC and is a member of FINRA. AssetMark Brokerage is affiliated with AssetMark by common ownership.

**AssetMark Retirement Services, Inc.**

AssetMark Retirement Services, Inc. is a Pennsylvania corporation that provides recordkeeping and administrative services to retirement plans. AssetMark Retirement Services, Inc. is affiliated with AssetMark by common ownership.

**AssetMark Trust Company**

AssetMark Trust Company ("AssetMark Trust" or "ATC") is an Arizona chartered trust company that serves as the Custodian for certain Accounts on the AssetMark Platform. AssetMark Trust is affiliated with AssetMark by common ownership.

**AFFILIATE SERVICES AND CONFLICTS OF INTEREST****Banking Institution - AssetMark Trust**

With the input from their Financial Advisors, the Client chooses a Custodian from among those offered through the Platform. AssetMark Trust, an affiliate of AssetMark, is among the available Platform Custodians. If the Client chooses AssetMark Trust as their Platform Custodian the Client pays AssetMark Trust for custodial and brokerage services provided, pursuant to their Custody Agreement with AssetMark Trust, through the Platform Fee charged their Account and, where applicable, through additional fees. Pursuant to a contract between AssetMark and AssetMark Trust, AssetMark pays AssetMark Trust for services AssetMark Trust provides its custodial Clients. Additionally, AssetMark Trust receives payments from mutual funds, mutual fund service providers and other financial institutions

**This must remain with the Client**

for certain services AssetMark Trust provides related to investments held in Client Accounts. AssetMark Trust handles transfer agency functions, shareholder servicing, sub-accounting and tax reporting functions that these financial institutions would otherwise have to perform. Such payments are made to AssetMark Trust by these financial institutions based on the amount of assets invested in Client Accounts. Any such payments to the Custodian will not reduce the Platform Fee. Some mutual funds, or their service providers, provide compensation in connection with the purchase of shares of the funds, unless prohibited by law or regulation.

#### **Investment Companies - GuideMark Funds, GuidePath Funds and Savos Investments Trust Dynamic Hedging Fund**

The GuidePath Fund of Funds is directly managed by AIM and is invested in shares of the GuideMark Funds, unaffiliated mutual funds and ETFs. AIM manages the GuidePath Funds based on research provided by current Portfolio Strategists in each of the Investment Approaches. AssetMark's Due Diligence team has ongoing oversight over the performance of the Sub-Advisers in the GuideMark and GuidePath Funds and the Portfolio Strategists on the Platform. Because of the conflict between AIM managing the GuidePath Funds, and thereby controlling the allocations to affiliated mutual funds, and potentially receiving the GuideMark Funds' profitability information as a participant in the Fund board meetings, AssetMark has created information barriers to shield AIM personnel from those discussions.

AssetMark serves as the investment adviser to the Savos DHF, a registered investment company used by AIM in risk mitigation strategies in some Solution Types. When the Savos DHF is used in an AssetMark Solution, AssetMark receives an advisory fee from Client assets for its management of a Solution Type as well as an additional fee through the Savos DHF for that portion of a Client's Account that is invested in that Fund, effectively receiving two fees, under two different management agreements, on the same assets. However, any net advisory fees received by AssetMark for its management of SDHF will be rebated back to the Client's account.

#### **AssetMark Brokerage, LLC**

AssetMark Brokerage receives a marketing support payment from an alternative investment Strategist on its Platform, Altegris. AssetMark and Altegris were under common ownership prior to 2014. At that time, as an affiliated proprietary Strategist, AssetMark offered Altegris' mutual fund strategies on its Platform with no Platform Fee. Currently, in lieu of a Platform Fee, Altegris directly pays AssetMark Brokerage for offering its investments on the Platform. The payment is paid on a quarterly basis and is based on the asset level of Altegris funds on the Platform. This payment creates a conflict of interest because it provides a financial incentive for AssetMark to favor Altegris Strategies.

#### **ADMINISTRATIVE SERVICE FEES RECEIVED BY AFFILIATE**

AssetMark selects mutual funds used in their Solution Types and generally the mutual funds selected are institutional share class funds. However, if institutional share class funds are not available and an NTF fund is used, NTF funds pay Custodians Administrative Service Fees ("ASF") for services provided. This creates a conflict because AssetMark Trust is paid a portion of the ASF received, as described below.

AssetMark Trust uses sub-custodians in fulfilling its responsibilities, including National Financial Services Corp., (whose affiliated broker-dealer, Fidelity Brokerage Services, LLC, also provides brokerage and clearing services for Client Accounts), see below, Custodial Relationships. Fidelity operates as a sub-custodian for AssetMark Trust, and as sub-custodian Fidelity receives certain payments from investment companies for certain administrative and recordkeeping services. AssetMark Trust receives payments from Fidelity for the

recordkeeping and other administrative duties performed by AssetMark Trust as Custodian. Because Fidelity operates as a sub-custodian for AssetMark Trust, Fidelity remits approximately 92.25% of such fees collected from these investment companies to AssetMark Trust in exchange for the significant custodial support services AssetMark Trust provides. Below are the types of fees AssetMark Trust receives:

- *12b-1s*: are a cost to the shareholders of the mutual fund. If the prospectus of a mutual fund allows for 12b-1 fees to be paid for either "distribution" or "service," it will be included in the fund's expenses and deducted from the income the mutual fund earns.
- *ASF*: are not an expense to the shareholders of the fund. These are an expense to the mutual fund and are paid to Fidelity per an agreement between the mutual fund company and Fidelity.
- Recordkeeping fees earned on ERISA plan account holdings.
- Transaction-based fees on non-NTF mutual funds, or fixed-income transactions

AssetMark Trust receives ASFs from Fidelity, banks and insurance companies, or from their respective service providers. Any such income received by AssetMark Trust is in payment for administrative services it provides. This amount, in the aggregate, is substantial, based on the substantial services provided by AssetMark Trust to these respective service providers, and varies by mutual fund. These payments are used to offset the annual custody fees that are otherwise payable by IRA Clients and Clients with Accounts subject to the Employee Retirement Income Security Act of 1974 ("ERISA").

#### **CASH MANAGEMENT SERVICES OFFERED BY AFFILIATE**

If Clients select AssetMark Trust as their Platform Custodian, they will be offered the following cash management services: a FDIC-Insured Cash Program; Securities-Backed Lines of Credit; and FDIC-insured checking accounts. AssetMark Trust does not directly provide these services; they are provided to AssetMark Trust Clients through third-party providers, and AssetMark Trust is compensated by the third parties. With the exception of the Insured Cash Deposit Program, to which a portion of each advised Account will be allocated, these services are optional; Clients need not choose to use them. A disclosure document further discussing these cash management services will be provided to Clients who select AssetMark Trust as their Platform Custodian. The following is only a summary of those disclosures.

#### **FDIC-Insured Cash Program**

*Cash Allocation in Accounts Invested in Platform Strategies:* A portion (the "Cash Allocation") of all Client Accounts invested in a Platform Strategy is placed in the Insured Cash Deposit Program. The target Cash Allocation is 2%, and the Account's Cash Allocation is rebalanced quarterly if the allocation falls below 1.5% or is more than 2.5% of total Account assets. In addition to the Cash Allocation, Client Account will also hold cash pending investment or distribution. These cash amounts will be invested in the ICD Program. Additionally, although not yet operational, in the future, amounts in Funding Accounts will be invested in the ICD Program. (A Funding Account is used to receive cash and assets transferred in kind before sale or transfer to an advised Account.)

*Administrative Cash Accounts:* If a Client selects an Administrative Cash Account, all of the Administrative Cash Account will be placed in the ICD Program, unless the amount of the deposit qualifies for, and the Client elects, the High Yield Cash Program, in which the interest rates credited are expected to be higher than those credited ICD Program deposits. There is no Platform Fee and no Custodial Account Fee for Administrative Cash accounts. Any Financial Advisor Fee payable pursuant to a Client Advisory Agreement will be payable on an Administrative Cash Account unless AssetMark receives instructions

not to charge the Financial Advisor Fee. Although there is no Platform Fee for Administrative Cash Accounts with deposits in the FDIC-Insured Cash Program, if the cash is deposited in the ICD Program and not the High Yield Cash Program, then those assets can be aggregated with assets in other Client Accounts with AssetMark for “householding” purposes, which aggregation should result in larger aggregate balances that may reduce the rate(s) of the Platform Fee(s) applicable to other Client Account(s). If the Client has selected a tiered Financial Advisor (or “FA”) Fee, this householding or aggregation of balances can also reduce the rate of the Client’s FA Fee. Deposits in the High Yield Cash Program, however, will not be aggregated with other AssetMark Client Account assets for fee householding purposes.

*Fees on Advised Accounts and Conflicts of Interest:* The Platform Fee is assessed on 100% of the value of Account assets invested in Platform Strategies upon initial investment and, thereafter, at the end of each calendar quarter, even though the Cash Allocation, cash pending investment or distribution portions of the Account do not receive any investment advisory or brokerage services. (They do receive administrative and custodial services.) The Financial Advisor Fee is also assessed on 100% of the value of Account assets. In some low interest-rate environments, the Financial Advisor Fee plus Platform Fee can exceed the amount of interest paid on the Cash Allocation. It is anticipated that, when looked at jointly, AssetMark Trust and AssetMark will receive more compensation on the Cash Allocation and cash pending investment or distribution portions of Accounts invested in the ICD Program than on Account assets invested in the Accounts’ investment Strategy.

Client participation in the FDIC-Insured Cash Program results in financial benefits for AssetMark Trust and its affiliates that create conflicts of interest. AssetMark Trust receives compensation from the Program Banks for the record keeping and administrative services it provides in connection with maintaining the FDIC-Insured Cash Program (the “Program Fee”). The interest rates paid Client Accounts under the FDIC-Insured Cash Program are determined by AssetMark Trust, based on the interest rates paid by the Program Banks, less the Program Fees paid to AssetMark Trust by the Program Banks, which can be up to 4% on an annualized basis as applied to deposits across all Deposit Accounts. The amount of the Program Fee paid to AssetMark Trust and Administrative Fee paid to the third-party Program Administrator reduce the interest rate paid on Client Program Deposits. AssetMark Trust has discretion over the amount of its Program Fee, and AssetMark Trust reserves the right to modify the Program Fees it receives from Program Banks. This discretion in setting the Program Fee creates a conflict of interest on the part of AssetMark Trust; the greater the Program Fee AssetMark Trust receives, the lower the interest rate paid to Clients. In certain interest rate environments, the Program Fee is a substantial source of revenue to AssetMark Trust and, indirectly, to AssetMark Financial Holdings, Inc. AssetMark Trust can reduce its Program Fees and can vary the amount of the reductions between Clients and the amount of interest paid Clients. The gross interest rate paid by each Program Bank, which affects the interest rates paid in the FDIC-Insured Cash Program, do and are expected to vary from Program Bank to Program Bank; this creates a conflict for AssetMark Trust when selecting Program Banks in that it incentivizes AssetMark Trust to select the banks that pay higher Interest rates. No part of the Program Fee is paid to Financial Advisors.

The Program Fees paid to AssetMark Trust can be greater or less than compensation paid to other Platform Custodians with regard to cash sweep vehicles. The interest rate Program Deposits earn with respect to the AssetMark Trust FDIC-Insured Cash Program can be lower than interest rates available to depositors making deposits directly with a Program Bank or with other depository institutions. Program Banks have a conflict of interest with respect to setting interest rates and do not have a duty to provide the highest rates available on the market

and can instead seek to pay a low rate; lower rates are more financially beneficial to a Program Bank. This is in contrast to money market mutual funds, which have a fiduciary duty to seek to maximize the rates they pay investors consistent with the funds’ investment strategies. There is no necessary linkage between the bank rates of interest and other rates available the market, including money market mutual fund rates.

If an Account’s cash is invested in a money market mutual fund (because, for example, the Account is a Section 403(b)(7) custodial account), AssetMark Trust expects to receive service fees from the mutual fund or its service providers. AssetMark Trust expects the Program Fees it receives from Program Banks in the FDIC-Insured Cash Program to be at a higher rate than any service fee it will receive from money market mutual funds or their service providers and that has been its recent experience. This is a conflict of interest for AssetMark Trust in that it expects to receive a higher Program Fee from Program Banks than the service fee from money market mutual funds.

#### **Securities-Backed Lines of Credit (“SBLOC”)**

If Clients select AssetMark Trust to act as their Platform Custodian, they can use the holdings in their non-retirement Account(s) as collateral for a loan. Such loans are usually referred to as Securities-Backed Lines of Credit (“SBLOC”).

*Suitability:* Using an Account as collateral for a loan is not suitable for all Clients. Securities-backed loans involve a number of risks, including the risk of a market downturn, tax implications if pledged securities are liquidated, and the potential increase in interest rates, and other risks. If the value of pledged securities drops below certain levels, the borrower can be required to pay down the loan and/or pledge additional securities. Clients must consider these risks and whether a securities-backed loan is appropriate before applying. Clients should consider these issues and discuss their financial position and objectives and whether using their investments as collateral for a loan is appropriate with their Financial Advisor.

There are two general ways for a Client to apply for a loan using the assets in their non-retirement AssetMark Trust custodial Account(s) as collateral: 1. Apply for a loan through a lender available through AssetMark Trust’s Cash Advantage Lending<sup>SM</sup> service; or 2. Apply for a loan from the lending institution of the Client’s choice.

*AssetMark Trust Company’s Cash Advantage Lending<sup>SM</sup> Service:* AssetMark Trust has established relationships with two separate lenders to which Clients can apply for a line of credit under AssetMark Trust’s Cash Advantage Lending<sup>SM</sup> service. Currently, the two lenders are Supernova Lending, Inc. (“Supernova”) and The Bancorp Bank, an FDIC-insured bank (“Bancorp”). AssetMark’s arrangements with these lenders are designed to streamline the loan application process and provide the lenders access to information about the Accounts that Clients use as collateral for the loans. AssetMark Trust is not affiliated with either Supernova or Bancorp, and each is responsible for its own services. AssetMark Trust does not have the authority to encourage Clients to take a loan and does not have the authority to decide whether one of the lenders in its Cash Advantage Lending<sup>SM</sup> service will offer Clients loans. The interest rate paid for a line of credit can be negotiated.

*Compensation and conflicts of Interest:* AssetMark Trust benefits if a Client takes a loan because the lenders in the Cash Advantage Lending<sup>SM</sup> service pay AssetMark Trust compensation based on outstanding loan balances. AssetMark Trust has discretion to reduce its compensation in order to reduce the interest rate charged a loan. AssetMark Trust has a conflict of interest with respect to the interest rates charged on loans; the higher the compensation AssetMark Trust receives, the more expensive the loans are for Clients.



### **Deposit Accounts Opened through AssetMark Trust Company's Cash Advantage<sup>SM</sup> Service**

If Clients select AssetMark Trust as their Platform Custodian, they can choose to open a deposit (checking) account at Bancorp, the FDIC-insured bank that offers online banking services and debit cards through AssetMark Trust's Cash Advantage<sup>SM</sup> service. Bancorp deposit accounts and AssetMark non-retirement custodial accounts can be linked, so that amounts can be automatically transferred between accounts based upon the minimum and maximum targets set for balances in the Client's Bancorp checking account. AssetMark Trust benefits financially if Clients open accounts at Bancorp because Bancorp pays AssetMark Trust compensation based on the average monthly balances in Clients' deposit accounts.

### **CLASS ACTION SERVICES OFFERED BY AFFILIATE**

AssetMark Trust has contracted with Broadridge Investor Communication Solutions, Inc. ("Broadridge") to provide Class Action Services. Broadridge will be compensated for its Class Action Services to AssetMark Trust clients by retaining 20% of class action proceeds payable to AssetMark Trust clients (who have not opted out of the Class Action Services). AssetMark Trust also uses Broadridge as a service provider for other services. Broadridge is compensated by AssetMark Trust or another party, such as the security issuer, depending on the service. For example, AssetMark Trust pays Broadridge to deliver prospectuses related to the holdings in client accounts to AssetMark Trust clients, but the security issuer pays Broadridge for delivery of proxy materials. Broadridge provides incentives to AssetMark Trust to use Broadridge by providing rebates to AssetMark Trust if multiple services are used. AssetMark Trust receives payments from Broadridge based on the compensation Broadridge receives for delivery of proxy materials to AssetMark Trust clients, and the rate used to calculate these payments will increase if Broadridge Class Action Services are used. The rebate paid by Broadridge to AssetMark Trust (which is based on the compensation Broadridge receives for proxy material delivery from the security issuer) may exceed the amount of fees paid by AssetMark Trust to Broadridge during the year (for prospectus deliveries). This receipt by AssetMark Trust creates a conflict of interest in that it is to AssetMark Trust's advantage to offer Broadridge Class Action Services to its clients. AssetMark Trust addresses this conflict by this disclosure, by making clear to clients that they can opt out of the services and by having a procedure for them to do so. An additional conflict exists as follows. Clients can choose as the Strategy for their Account one managed by AssetMark Trust affiliate, AssetMark, Inc. AssetMark, Inc., would then have the conflict of choosing for its advisory clients securities likely to be involved in class actions, because such could increase the likelihood that AssetMark Trust clients would choose to use Class Action Services. AssetMark Trust and AssetMark, Inc., address this conflict by disclosing it.

### **AFFILIATE FEE INCOME DISCLOSURE**

#### **GPS Fund Strategies and GPS Select**

Client Accounts invested in these Strategies will receive allocations, determined by AssetMark, among mutual funds advised by AssetMark. AssetMark receives fees from the mutual funds in which these Accounts invest. The mutual fund fees differ between funds and the total fees collected will vary depending upon the profile selected by the Client and the fund allocation within each profile. If a Client elects the GPS Fund Strategies, the Client authorizes and instructs that the Account be invested pursuant to the selected profile, acknowledges that fund advisory and other fees collected by AssetMark will vary, and approves of the fee payments to AssetMark. The Client will be given prior notice if these allocations or mutual funds change resulting in fee payments and, unless the Client or the Financial Advisor gives notice to AssetMark, the Client consents to these changes.

If a Client selects GPS Select, the Client authorizes and instructs that the Account be invested pursuant to the selected profile and acknowledges that AssetMark is permitted to modify fund allocations within a range such that fund management fees earned by AssetMark can vary within a range of 0.30% of the assets in the Strategy. Client approves fund allocations within this range and acknowledges Client will not receive prior notice of the fund allocation changes unless such allocations would exceed the 0.30% range.

For more information regarding the fees collected by AssetMark when using these Strategies, refer to the allocation tables provided in Exhibit C at the end of the Disclosure Brochure. For Savos Solutions, AssetMark will credit the net advisory fee earned on the portion of the Accounts invested in a proprietary mutual fund.

### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

The Financial Advisory Firm provides investment advisory services to the client. The following summary describes the Code of Ethics for AssetMark, as the Platform sponsor.

AssetMark has adopted a Code of Ethics (the "Code") that is intended to comply with the provisions of Rule 204A-1 under the Advisers Act, which requires each registered investment adviser to adopt a code of ethics setting forth standards of conduct and requiring compliance with federal securities laws. Additionally, the Code is designed to comply with Section 204A of the Advisers Act, which requires investment advisers to establish, maintain and enforce written policies and procedures reasonably designed, taking into consideration the nature of such investment adviser's business, to prevent the misuse of material, non-public information by any person associated with such investment adviser. AssetMark's Code requires that all "Supervised Persons" (including officers and certain affiliated persons and employees of AssetMark) in carrying out the operations of AssetMark, adhere to certain standards of business conduct. Specifically, the Code requires that these persons: (i) comply with all applicable laws, rules and regulations; (ii) avoid any conflict of interest with regard to AssetMark and its Clients; (iii) avoid serving their personal interests ahead of the interests of AssetMark and its Clients; (iv) avoid taking inappropriate advantage of their position with AssetMark or benefiting personally from any investment decision made; (v) avoid misusing corporate assets; (vi) conduct all of their personal securities transactions in compliance with the Code; and (vii) maintain, as appropriate, the confidentiality of information regarding AssetMark's operations.

The Code contains a number of prohibitions and restrictions on personal securities transactions and trading practices that are designed to protect the interests of AssetMark and its Clients. First, the Code prohibits trading practices that have the potential to harm AssetMark and/or its Clients, including excessive trading or market timing activities in any Account that AssetMark manages, trading on the basis of material non-public information, and trading in any "Reportable Security" when they have knowledge the security is being purchased or sold, or is being considered for purchase or sale by the Accounts managed by AssetMark or any AssetMark-advised mutual funds. Second, the Code mandates the pre-clearance of certain personal securities transactions, including transactions in securities sold in initial public offerings or private placements. The Code also requires the pre-clearance of Reportable Security transactions for certain Access Persons ("Access Persons" is a segment of the Supervised Persons group that have access to AssetMark pre-trade information). Finally, the Code requires Access Persons to submit, and the Chief Compliance Officer (the "CCO") to review initial and annual holdings, and quarterly transaction reports.

AssetMark utilizes StarCompliance to provide enhanced tracking of employee transactions and gives AssetMark the ability to analyze employee trading against certain parameters and transactions in its managed Accounts or any Proprietary Funds. Access Persons also utilize this system to annually certify their receipt of, and compliance with, the Code and pre-clear their Reportable Security transactions, if they are required to do so by the Code.

All Supervised Persons under the Code are responsible for reporting any violations of the Code to the CCO. The Code directs the CCO to submit reports to the Board of Trustees of any AssetMark-advised mutual funds regarding compliance with the Code, and to impose sanctions on violators, as warranted.

AssetMark will provide a copy of the Code to any Client or prospective Client upon request.

## **BROKERAGE PRACTICES**

### **TRADE EXECUTION AND BROKERAGE ALLOCATION**

Trading is directed by and is the responsibility of AssetMark or the Discretionary Manager, if applicable. Subject to the Client's chosen Solution Type and Strategies, AssetMark or the Discretionary Manager gives instructions for the purchase and sale of securities for Client Accounts. AssetMark or the Discretionary Manager selects the broker-dealers or others with which transactions for Client Accounts are effected. There is often an additional charge by the Platform Custodian, if AssetMark or the Discretionary Manager, as applicable, determines to trade away from the selected brokerage firm.

AssetMark or the Discretionary Manager, if applicable, will generally direct most, if not all transactions to the Platform Custodian. Trades are bundled by Custodian in trading blocks and submitted for execution on a pre-determined randomized rotation, or through simultaneous submission to all Custodians. In addition, if the selected Custodian is AssetMark Trust, generally most, if not all transactions will be directed to Fidelity Brokerage Services, LLC, and/or National Financial Services, LLC (collectively and individually "Fidelity") or other broker-dealers selected by AssetMark, and contracted with by AssetMark Trust, in view of their execution capabilities, and because the selected broker-dealer(s) is paid by AssetMark or AssetMark Trust and generally does not charge Client Accounts transaction based fees or commissions for its execution service. In certain circumstances, better execution could be available from broker-dealers other than the broker-dealer(s) generally used by the Client's Custodian. AssetMark, or other Discretionary Manager is permitted to trade outside the selected broker-dealer(s).

For Accounts custodied at AssetMark Trust, AssetMark, or the Discretionary Manager as applicable, may combine purchase and sale transactions for a security into a single brokerage order. By combining the purchase and sale transactions into a single brokerage order, Clients that are buying a security will receive the same average price as Clients that are selling the same security and Clients selling will receive the same average price as Clients that are buying the same security, based on the single net order placed by AssetMark. This aggregation process could be considered to result in a cross transaction among affected Client Accounts.

Clients should be aware that the arrangement that AssetMark Trust has with Fidelity described above creates a financial incentive for AssetMark to utilize that broker-dealer regardless of execution quality, in order to avoid incurring the charges that accompany trading with other broker-dealers. This incentive creates an actual or potential

conflict of interest to the extent that AssetMark utilizes Fidelity to execute trades for Client Accounts when higher quality execution might be available through other broker-dealers. However, in fulfilling its fiduciary obligations, AssetMark evaluates the execution quality received by Clients at their selected Custodians on a periodic basis. Any execution trends over a period of time are researched and discussed at AssetMark's quarterly Execution Review Committee meeting. In addition, some investment solutions that have historically only been available at AssetMark Trust, are now available at other Custodians.

ETFs are traded daily at market determined prices on a national exchange in a similar manner to other individual equity securities. Although ETFs are priced intra-day in the same manner as other equity securities, the actual timing of trade order execution varies, depending upon trade volume, systems limitations and issues beyond AssetMark's control, and the actual fulfillment of trade orders by the broker in the market can take place at different prices and different times throughout the day. AssetMark submits ETF trades for a given day to each broker in a random order, or simultaneously where possible, to provide the most feasibly equivalent execution for all participating Clients. On days with heavy trade volumes, AssetMark can utilize "not held" and/or "limit order" instructions in an attempt to reduce market impact on the price received for the security. When a Portfolio Strategist implements a reallocation adjustment or rebalance to its ETF strategy, and/or in the case of exceptionally high volume requests, AssetMark can utilize an alternate agency broker or an "authorized participant" liquidity provider selected by AssetMark to execute orders for Clients at multiple custodians, and then "step out" those trades to those custodians on a net fee basis. AssetMark also seeks and can rely upon a Portfolio Strategist's recommendation for stepping out to an alternative broker when executing the Portfolio Strategist's reallocation. There are no separate fees charged for ETF trades that are stepped out to an alternate broker, unless in the case of a broker trading on an agency basis, in which case their flat fee will be included in the execution price. On a quarterly basis, AssetMark's Execution Review Committee will review the step out trade activity in the Accounts.

AssetMark receives Model Portfolios or trade recommendations from Strategists on a non-discretionary basis. There can be instances in which the policy of a specific Strategist or Discretionary Manager is to effect trades in the Accounts of their discretionary Clients before delivering Model Portfolios to non-discretionary Clients.

### **ACCOUNT LIQUIDITY RESERVE**

To properly maintain cash flows for Client needs, a portion of all Client Accounts invested in a Strategy is maintained in a short-term investment vehicle. This liquidity reserve or cash allocation is typically 2%, is invested in what is generally referred to as the Custodian's cash "sweep" vehicle and will differ with the Custodian selected by the Client. At AssetMark Trust, it is usually AssetMark Trust's Insured Cash Deposit Program, but it can be a money market mutual fund or other short-term pooled investment vehicle, as determined by Custodian.

### **DELIVERY OF FUND REDEMPTION PROCEEDS**

Mutual funds are included in some Client Accounts. Under certain economic or market conditions or other circumstances, mutual funds pay redemption proceeds by an in-kind distribution of securities in lieu of cash. Mutual funds, broker-dealers or transfer agents can experience delays in processing orders, or suspend redemptions or securities trading under emergency circumstances declared by the SEC, the New York Stock Exchange or other stock exchanges or regulatory agencies.



## RECEIPT OF EXECUTION REPORTS

AssetMark does not utilize soft dollars by directing trades to broker-dealers and accumulating soft dollar credits. AssetMark receives execution reports from vendors such as Abel Noser and Fidelity, which it uses to review best execution of trades on the platform. AssetMark does not pay directly for these reports. The Client's asset-based custody fee does not vary depending on whether AssetMark receives these execution reports or not.

## CUSTODIAL RELATIONSHIPS

AssetMark does not provide custodial services to its Clients. Client assets are held with banks, financial institutions or registered broker-dealers ("Platform Custodians" or "Custodians") that are qualified Custodians under Advisers Act Rule 206(4)-2. Clients will receive custodial account statements directly from their selected Platform Custodian at least quarterly. Clients are urged to carefully review those statements and compare the custodial statements to the QPR's that are available to them. The Client agrees to review all Account Statements, trade confirmations and other notices and confirmations of information and promptly notify AssetMark of any errors within 10 days. AssetMark shall not be liable for any losses due to errors that remain unreported for more than 10 days after receipt of mailed Account Statements, trade confirmations and other notices and confirmations of information or the electronic posting of such documents. Not all Solution Types are offered at all Custodians.

The AssetMark Platform provides access to the following Platform Custodians:

- AssetMark Trust, an Arizona trust company and affiliate of AssetMark, 3200 North Central Avenue, Seventh Floor, Phoenix, Arizona 85012. Its mailing address is P.O. Box 80007, Phoenix, Arizona 85060.
- Pershing Advisor Solutions ("PAS"). One Pershing Plaza, Jersey City, NJ 07399.
- TD Ameritrade ("TDA"). 1005 North Ameritrade Place, Bellevue, NE 68005.
- Fidelity Brokerage Services, LLC ("Fidelity"). 200 Seaport Boulevard, Boston, MA 02210.

On an exception basis, AssetMark may allow for the selection of a Platform Custodian not listed above. The assets of each Client Account are custodied at a Platform Custodian, and each Client must contract separately with their selected Platform Custodian for custodial services. Payment for the custodial and brokerage services provided by the Platform Custodian to the Account are included in the AssetMark Platform Fee. Refer to "Custodial Account Fees and Servicing Costs" below, for more information on what is included in the Platform Fee. The Client authorizes the Custodian to debit Platform Fees from the Account.

All Client Accounts are separately maintained on the records of the Client's selected Custodian. With regard to AssetMark Trust, Client funds and securities are typically held in omnibus accounts at various banks, broker-dealers and mutual fund companies. The holdings of these omnibus accounts reflect book-entry securities, which AssetMark Trust allocates to the individual Client Accounts on its own records. AssetMark Trust uses sub-custodians in fulfilling its responsibilities, including National Financial Services Corp., (whose affiliated broker-dealer, Fidelity Brokerage Services, LLC, also provides brokerage and clearing services for Client Accounts), and JP Morgan Chase (formerly Bank One).

The Client, with the assistance of their Financial Advisor, shall select a Custodian for their Account. The Custodian selected by the Client shall send periodic account statements detailing the Client's individual Account(s), including portfolio holdings and market prices, all transactions (such as trades, cash contributions and withdrawals, in-kind transfers of securities, interest and dividend or capital gains payments) for each individual Client Account, and fee deductions. The Custodian will also provide full year-end tax reporting for taxable accounts and fiscal year-end reporting for Accounts held for tax-qualified entities; and access to electronic or web-based inquiry system that provides detailed information on each Client's Account, on a daily basis. Additionally, Clients can inquire about their current holdings and the value of their Accounts on a daily basis by electronic or web-based access. The Custodian may also send a Transaction Acknowledgement to the Client for all cash contributions, withdrawals and in-kind transfers as they occur. Although Clients usually waive receipt of individual transaction confirmations, a Client can elect, by written request to their Custodian, to receive a confirmation of each security transaction and such confirmations will thereafter be provided.

The Custodians will mail a letter of acknowledgement confirming the establishment of an Account and receipt of assets, to the Account's address of record. Clients are strongly encouraged to review all statements, acknowledgements and correspondence sent by the Custodian.

## CUSTODIAL ACCOUNT FEES AND SERVICING COSTS

The Platform Fee is a "wrap" fee and includes payment for advisory, administrative, custodial and brokerage services. AssetMark pays each Platform Custodian to provide custodial and brokerage services to Client Accounts. Clients do not pay transaction fees on any trades made in the Solution Types available on the Platform, unless described in the separate Custody Agreement with their selected Custodian. There are some Solution Types that do incur additional fees at the Custodian, such as fixed-income solutions or those that hold alternative or option products. Additionally, AssetMark Trust charges an annual Administrative Custody Fee of \$25.00 and reserves the right to waive this fee at its discretion.

Each Client will enter a custodial agreement with their selected Custodian and be provided a fee schedule or schedule of charges. Refer to the Custody Agreement or schedule of charges for specific fees applicable to the Client Account that are not included in AssetMark's Platform Fee. For example, the Custodians can also charge termination fees and various other miscellaneous fees for wires, returned checks and other non-standard activity on an Account such as fees for alternative investments. Custody fees can also apply to Accounts in Solution Types that are either closed or no longer offered to new Clients. All custody fee details are clearly presented in each Custodian's fee schedule and separate custody agreement.

AssetMark has negotiated with each Platform Custodian the compensation that AssetMark will pay the Custodian for providing custodial and brokerage services to Client Accounts. AssetMark provides third-party Platform Custodians significant support services with respect to the custodial services that the Custodians must perform, including, for example, reviewing new Account paperwork and communicating with Financial Advisors to resolve incomplete custodial paperwork. These Services are taken into consideration when AssetMark and each Custodian negotiate the compensation that AssetMark will pay the Custodian for providing custodial and brokerage services to Client Accounts. The amount of the compensation that AssetMark pays differs between Custodians. Additionally, AssetMark generally receives more revenue when

Clients choose AssetMark Trust as their Custodian. These differences in payments and revenue create conflicts of interest for AssetMark. AssetMark addresses these conflicts by having the same Platform Fee apply regardless of the Custodian chosen and by allowing the Client to choose their own Custodian, which can be AssetMark's affiliated Custodian, AssetMark Trust. Although the Platform Fee is the same among Custodians, different fees for incidental expenses can apply. Pursuant to the services agreement between AssetMark and AssetMark Trust, AssetMark reallocates expenses for non-advisory services that AssetMark provides to AssetMark Trust. These services are primarily administrative in nature, all of which are provided by AssetMark for the benefit of all affiliates, including AssetMark Trust.

## **PROSPECTUSES & OTHER INFORMATION**

The Client designates AssetMark, or the applicable Discretionary Manager, as their agent and attorney-in-fact to obtain certain documents related to securities purchased on a discretionary basis for their Account. Clients waive receipt of prospectuses, shareholder reports, proxies and other shareholder documents. This waiver can be rescinded at any time by written notice to AssetMark. Clients that select a Custodian other than AssetMark Trust, i.e., PAS, TDA or Fidelity, automatically rescind this waiver and elect to receive prospectuses, shareholder reports, proxies and other shareholder materials for Accounts invested in a Mutual Fund or Guided Portfolios, i.e., GPS Fund Strategies or GPS Select. The Client is entitled to receive materials related to a Proprietary Fund, or any other mutual fund advised by AssetMark.

## **FINANCIAL INFORMATION**

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. AssetMark has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has never been the subject of a bankruptcy proceeding. AssetMark's parent company, AssetMark Financial Holdings, Inc., files quarterly and annual financial statements with the SEC. These are available through the SEC and on our parent company web site at the following location:

**[www.assetmark.com](http://www.assetmark.com)**

## **ITEM 10 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not applicable to AssetMark as the Platform sponsor.

**EXHIBIT A – SOLUTION TYPES – MODEL PROVIDERS AND INDIVIDUAL MANAGED ACCOUNTS**

ASSETMARK PLATFORM				
INVESTMENT SOLUTIONS	MODEL PORTFOLIOS		INDIVIDUALLY MANAGED ACCOUNTS	
	PROPRIETARY	3RD PARTY	PROPRIETARY	3RD PARTY
	GPS Fund Strategies	Acadian <sup>4</sup>	Aris Custom HNW	City National Rochdale (HNW)
	GPS Select <sup>1</sup>	AlphaSimplex		CIBC (HNW)
	Guided Income Solutions <sup>2</sup>	Altegris <sup>5</sup>		Clark PUMA (HNW)
	Market Blend - Global	AQR3		William Blair (HNW)
	Market Blend - US	Beaumont		Parametric - Custom
	MarketDimensions	BlackRock <sup>4</sup>	Fixed-Income	
	OBS DFA/EFS Portfolios	Capital Group (American Funds) <sup>4</sup>	Savos Fixed Income – Laddered Bonds	Parametric
	WealthBuilder	Dorsey Wright		Clark
	Aris AssetBuilder	DoubleLine <sup>3</sup>		Nuveen
	Aris Personal Values	Edge <sup>4</sup>		
	Aris Income Builder	Franklin Templeton <sup>4</sup>		
	Savos Preservation	Hartford (Wellington) <sup>4</sup>		
	Savos GMS/PMP <sup>1</sup>	JP Morgan <sup>4</sup>		
	Savos USRC	Julex		
	Savos Personal Portfolios <sup>1</sup>	Litman Gregory		
	GuidePath Managed Futures <sup>3</sup>	Logan <sup>4</sup>		
		Model Capital		
		Neuberger Berman <sup>3, 4</sup>		
		PIMCO		
		State Street		
		Westend		
		William Blair <sup>4</sup>		
		Windham		
		William Blair <sup>4</sup>		
		Windham <sup>5</sup>		
FINANCIAL ADVISOR CUSTOM ACCOUNTS <sup>1</sup>				
Multi-Strategy Account (MSA)				
Custom GPS Select				
Custom Savos GMS and PMP				
OTHER SERVICES AND NON-MANAGED ACCOUNTS				
Administrative Accounts				
General Securities Account				
ICD and High Yield Cash				
INVESTMENT VEHICLES				
closed-end mutual funds; open-end mutual funds; ETFs, alternatives, stocks, fixed income, bonds, options, preferred stocks; treasury bonds, bills and notes, bank notes.				

<sup>1</sup> Financial advisor can customize this Model Portfolio to more closely reflect the Client's specific needs or preferences<sup>2</sup> Goal or target-based Solution<sup>3</sup> Individual Mutual Fund or Model Provider offers at least one Individual Mutual Fund solution<sup>4</sup> Offers at least one equity model; used in SMA Program<sup>5</sup> Closed to new business and terminating in 2022

## EXHIBIT B – ASSETMARK INVESTMENT MANAGEMENT SOLUTION TYPES

Through AssetMark Investment Management (“AIM”), AssetMark also serves as the Portfolio Strategist and Investment Manager for the following proprietary Model and IMA Solution Types.

### MODEL PORTFOLIOS

#### Guided Portfolios

- GPS Fund Strategies
- GPS Select

#### Mutual Fund Solution Types

- Market Blend (GuideMark Funds)
- OBS/DFA
- Aris AssetBuilder
- Aris Personal Values
- Aris IncomeBuilder

#### Exchange-Traded Fund (“ETF”) Solution Types

- MarketBlend

#### Mutual Fund/ETF Blend Solution Types

- Wealthbuilder
- MarketDimensions

#### Savos Solution Types

- IMA Accounts, (Equity Balanced, Fixed-Income, and Custom High-Net Worth)
- Savos Preservation Strategy
- Savos GMS Accounts
- Savos PMP Accounts
- Savos US Risk Controlled Strategy, and
- Savos Personal Portfolios

#### Guided Income Solutions

### I. GUIDED PORTFOLIOS

#### GPS Fund Strategies

For GPS Fund Strategies, AssetMark will provide investment allocations across Investment Approaches based on investment objectives, market outlook, risk profile and other preferences. As of the date of this Brochure, the GPS Fund Strategies primarily utilize NTF mutual funds advised by AssetMark, the GuidePath Funds. AssetMark advised mutual funds, including the GuidePath Funds, are collectively known as “Proprietary Funds.”

AssetMark is compensated by the Proprietary Funds for its advisory services to the Proprietary Funds. The Platform Fee for the GPS Fund Strategies is reduced from that charged for strategies with third party funds. The Platform Fee for the GPS Fund Strategies does not include a charge for advisory services but pays for custodial, trading, administrative and other services.

AIM starts with a baseline allocation across Core Markets, Tactical Strategies and Diversifying Strategies; however, these allocations will tilt over time based on their view of the risk environment. In times of heightened risk concentration, they will tilt more toward Diversifying Strategies—Equity Alternatives while, in times of lower risk concentration, they will maintain the baseline allocation. In times of heightened market

risk, they will tilt more towards Diversifying Strategies – Bonds & Bond Alternatives while in times of lower risk they will maintain the baseline allocation. This allocation mix is met with the use of GuidePath Funds and, as needed, GuideMark Funds. GPS Fund Strategies are available with or without an exposure to alternative investment mutual funds. With the assistance of the Financial Advisor, the Client’s selected GPS Fund Strategy will take into account the Client’s investment objective, if the Client is in an accumulation or distribution phase, if the Client seeks to have exposure to alternative investments or not, or seeks to use GPS Fund Strategies as a focused strategy in order to complement other Solution Types selected for the Client Portfolio.

#### *Investment Objective: Accumulation vs. Distribution.*

*Accumulation Objective.* An accumulation objective typically refers to investors who are still working and seeking to build their wealth base. Strategies are allocated with a blended mix of Investment Approaches with an emphasis on growth of capital.

*Distribution Objective.* A distribution objective typically refers to investors who are in or near retirement and seeking to take withdrawals from their asset base over time. Strategies are allocated with a blended mix of Investment Approaches with an emphasis toward providing income through the use of multi-asset income strategies and with a secondary objective of growth of capital.

*Focused GPS Fund Strategies.* Focused GPS Fund Strategies provide a means for Clients to access pre-set strategies based primarily on the Client’s risk profile and their desire for focused exposure to one or more Investment Approach used to complement other Solution Types selected for the Client Portfolio. These include either a Core Markets investment approach, or a specific or combination of Tactical and Diversifying Strategies – Bond Alternatives Investment Approaches.

*Core Markets Focused.* Strategies seek to provide exposure to growth of capital markets and are generally allocated to Core Markets and Diversifying Strategies - Bonds and Bond Alternatives Investment Approaches in a blended mix.

*Tactical Focused.* Strategy seeks to provide flexible exposure to the equity market dependent on risk environment and is allocated solely to Tactical Strategies – Limit Loss Focus.

*Tactical-Low Volatility Focused.* Strategies seek to provide flexible exposure to the equity market alongside flexible bond exposures and are allocated to Tactical Strategies – Limit Loss Focus and Diversifying Strategies – Bonds and Bond Alternatives in a blended mix.

*Low Volatility Focused.* Strategy seeks to provide a low correlation to equities with low volatility experience and is allocated solely to Diversifying Strategies – Bonds and Bond Alternatives.

*Multi-Asset Income Focused.* Seeks to provide a blend of income and growth, and depending on the profile, strategies are allocated to Core Markets Investment Approaches, Tactical Strategies – Limit Loss Focus, or Diversifying Strategies – Bonds and Bond Alternatives. A core position in the GuidePath Multi-Asset Income Fund is held with complementary exposure to GuidePath Growth Allocation, Tactical Allocation and Absolute Return.

#### GPS Select

For GPS Select, AssetMark will provide investment allocations across Investment Approaches based on investment objectives, market outlook, risk profile and other preferences. Additionally, AssetMark will select the mix of Portfolio Strategists and Investment Managers, including AIM Solutions and Proprietary Funds. AIM starts with a

**This must remain with the Client**

baseline allocation across Core Markets, Tactical Strategies and Diversifying Strategies; however, these allocations will tilt over time based on their view of the risk environment. In times of heightened risk concentration, they will tilt more toward Diversifying Strategies – Equity Alternatives while, in times of lower risk concentration, they will maintain the baseline allocation. In times of heightened market risk, they will tilt more towards Diversifying Strategies – Bonds & Bond Alternatives while in times of lower risk they maintain the baseline allocation.

GPS Select will invest in Strategies which include investments in both mutual funds and ETFs. Mutual fund share class is selected on a fund by fund basis and seeks to utilize institutional share classes. Some mutual funds have both institutional share classes, which do not charge fund shareholders 12b-1 fees but which typically do charge fund shareholders for shareholder servicing or sub-transfer agent fees, and retail share classes, which charge fund shareholders 12b-1 fees as well as shareholder servicing fees or sub-transfer agent fees. AssetMark will seek to use institutional classes where these share classes are available. AssetMark does not use mutual funds or mutual fund share classes that do not pay shareholder servicing or sub-transfer agent fees, as a result of which it is necessary to pay transaction fees for every fund transaction. AssetMark has determined that for most Clients, transaction fee mutual funds and share classes would be more expensive than non-transaction fee mutual funds and share classes. When AssetMark uses institutional share class funds, the Platform Fee is higher than if retail share class funds are used. The Platform Fee for these solutions is used to pay for the administration and servicing of the Accounts that AssetMark performs. In striving for consistency across all custodial options on the Platform in GPS Select, AssetMark will seek to select the lowest cost share class available across Custodians and that aligns the stated program Account minimum and allocation weighting of funds held with the fund's prospectus requirements. Due to specific custodial or mutual fund company constraints, the institutional share class is not always consistently available. In those cases, AssetMark will seek to invest Clients in the lowest cost share class that is commonly available across Custodians. In some cases, the lowest share class can be the retail share class. See Servicing Fees Received by AssetMark and Share Class Use in Item 4, Service, Fees and Compensation.

With the assistance of the Financial Advisor, Clients can select from the following GPS Select products:

- *Select Wealth Preservation.* Strategy seeks to preserve capital while keeping up with inflation and is allocated with a blended mix to selected Strategist portfolios within Core Markets, Tactical Strategies and Diversifying Strategies Investment Approaches. This Strategy is designed for wealth preservation and protection from inflation.
- *Select Accumulation.* Strategies seek growth of capital and are allocated with a blended mix to selected Strategist portfolios within Core Markets, Tactical Strategies and Diversifying Strategies Investment Approaches.
- *Select Distribution.* Strategies seek a blend of income and growth of capital and are allocated with a blended mix to selected Strategist portfolios within Core Markets, Tactical Strategies and Diversifying Strategies Investment Approaches. Strategist selection will be focused toward Strategists managing to a multi-asset income mandate or where income is a large component of the Strategy. This Strategy is also designed to provide an enhanced level of income and to control portfolio volatility.

Focused GPS Select are based primarily on the Client's risk profile and desire for focused exposure to one or more Investment Approaches used to complement other Solution Types selected for the Client Portfolio.

- *Select Low Volatility.* Strategy seeks to provide a low correlation to equities with low volatility experience and is allocated with a blended mix to selected Strategist portfolios representing the Diversifying Strategies – Bonds and Bond Alternatives Investment Approach. This focused investment Strategy targets low volatility with a low level of return.
- *Select Tactical.* Strategies seek to provide flexible exposure to the equity market alongside flexible bond exposures and are allocated with a blended mix to selected Strategist portfolios representing the Tactical Strategies – Limit Loss Focus and Diversifying Strategies – Bonds and Bond Alternatives Investment Approaches. This focused investment Strategy seeks to limit participation in extreme market downturns while generally participating in normal markets. Higher risk profiles will hold higher exposure to Tactical Strategies while lower risk profiles will hold higher exposures to Diversifying Strategies.
- *Select Multi-Asset Income.* Strategies seek to provide a blend of income and growth, and are allocated with a blended mix to selected Strategist portfolios representing the Multi-Asset Income Mandate spanning the Core Markets, Tactical Strategies and Diversifying Strategies Investment Approaches. This focused investment Strategy seeks to provide an enhanced level of income across changing markets.

AssetMark manages GPS Select using limited discretionary authority. While AssetMark will exercise limited discretion on the Portfolio asset allocation within portfolio investment sleeves, AssetMark relies upon the third-party Strategists to conduct individual security selection. As discussed above AssetMark will seek to utilize the lowest cost mutual fund share class for Accounts in the GPS Select Solutions, however, because of limitations on the securities available at the Platform Custodians, there will be circumstances where AssetMark is not able to obtain the lowest cost mutual fund share class available, and will have exercised "discretion" in selecting an alternative share class.

Refer to Exhibit C at the back of this Disclosure Brochure for more information.

## MUTUAL FUND SOLUTION TYPES

### Market Blend Mutual Fund Strategies

Market Blend Strategies use Proprietary Funds, and in Market Blend Strategies, AssetMark provides the following strategic asset allocation Strategies. With the assistance of the Financial Advisor, Clients can select from the following Market Blend Mutual Fund Strategies:

- Global GuideMark Market Blend
- US GuideMark Market Blend

These Strategies will provide a strategic asset allocation across seven to 10 core asset classes in an effort to capture broad capital market returns while seeking to balance the pursuit of maximum total return against the control of risk in the portfolio. The Global model will take global exposures while the US model will take domestic exposures. Asset class exposures are reviewed on an ongoing basis for drift against volatility-based targets and relative to the updated model based on new data being available. Where the drift exceeds pre-set criteria, the Account will be rebalanced or reallocated to the revised allocations. The investment vehicles used to implement the Strategy are the proprietary GuideMark Funds that provide exposure to each of the asset classes. AIM manages the Market Blend Strategies and the underlying Proprietary Funds, but the Client, with the advice of the Financial Advisor, chooses whether to invest, or remain invested, in the Market Blend Strategies. AIM does not advise the Client whether to invest, or to remain invested, in the Market Blend Strategies.

**This must remain with the Client**



It is important to note that Client Accounts invested in Market Blend Mutual Fund Strategies will receive allocations, determined by AIM, among the GuideMark Funds. AssetMark will receive advisory fees from the mutual funds in which these Accounts invest. The mutual fund advisory fees differ between funds and the total fund advisory fees collected by AssetMark will vary depending upon the profile selected by the Client and the fund allocation within each profile. If a Client, as advised by the Financial Advisor, selects a Market Blend Mutual Fund Solution, the Client authorizes and instructs that the Account be invested pursuant to the selected profile, acknowledges that the fund advisory fees collected by AssetMark will vary, and approve of the fund advisory fee payments to AssetMark, within the ranges provided in Exhibit C. The Client will be given notice if these ranges or funds change and it results in a higher average weighted fee earned. Unless the Client or Financial Advisor gives notice to AIM, Client consents to these changes. See Exhibit C for more information.

#### **Aris Asset Builder**

AIM provides strategic asset allocation services utilizing mutual funds. Client asset allocations are dependent on the stated risk parameters and investment objectives of the Client. Assets are managed on a discretionary basis. Clients can transfer existing investments to fund the Account; however, all transferred assets will be liquidated and invested to the appropriate asset allocation without regard to any taxable gains or losses that can result. Periodic Account reviews will include Account rebalancing. Rebalancing can be performed without consideration for any realized taxable gains or losses that result. Clients can place reasonable restrictions on Accounts.

#### **Aris Income Builder**

Income Builder is an asset allocation strategy designed to provide a higher level of current yield in comparison to traditionally asset allocated portfolios with a similar risk profile. Income Builder will allocate the portfolio across a variety of fixed income and equity investments: traditional fixed income, high yield fixed income, income and growth and traditional equities. While Income Builder is designed to provide a higher current yield, a higher yield is not guaranteed.

#### **Aris Socially and Faith Based Screened Portfolios (Values Based Portfolios)**

At a Client's request, AIM will offer portfolios managed for various social or faith based considerations ("Personal Values Portfolios"). Such portfolios can be offered under the Asset Builder and the Aris Custom High Net Worth strategies. Personal Values Portfolio allocations are typically constructed from mutual funds, but can also include Separately Managed Accounts, individual securities, closed-end funds and exchange traded funds. Mutual funds utilized in Personal Values Portfolios are selected from a more limited menu of mutual funds than "traditional" allocations. As a result, and though not expected, risk characteristics and returns of Personal Value Portfolios could vary significantly from our traditional Portfolios. Minimum Account sizes for applicable service levels apply and are subject to negotiation.

### **ETF SOLUTION TYPES**

#### **Market Blend ETF Strategies**

With the assistance of the Financial Advisor, Clients can select from the following Market Blend ETF Strategies:

- *Global Market Blend Strategies.* These Strategies will provide a global strategic asset allocation across core asset classes in an effort to capture broad capital market returns while seeking to balance the pursuit of maximum total return against the control of risk in the Portfolio. Asset class exposures are reviewed on an ongoing basis for drift against volatility-based targets and relative to the updated model based on new data being available. Where the drift exceeds pre-set criteria, the Account will be rebalanced or

reallocated to the revised allocations. On at least an annual basis the asset class exposures are reviewed for reallocation of the Strategy. The investment vehicles used to implement the Strategy are ETFs that are representative of the cap-weighted indices for each of the asset classes and lower cost.

- *US Market Blend Strategies.* These Strategies will provide a domestic strategic asset allocation across core asset classes in an effort to capture broad capital market returns while seeking to balance the pursuit of maximum total return against the control of risk in the Portfolio. Asset class exposures are reviewed on an ongoing basis for drift against volatility based targets and relative to the updated model based on new data being available. Where the drift exceeds pre-set criteria, the Account will be rebalanced or reallocated to the revised allocations. On at least an annual basis the asset class exposures are reviewed for reallocation of the Strategy. The investment vehicles used to implement the Strategy are ETFs that are representative of the cap-weighted indices for each of the asset classes and lower cost.

### **MUTUAL FUND AND ETF BLEND SOLUTION TYPES**

#### **MarketDimensions Strategies**

For the MarketDimensions Strategies, AIM will seek to create strategic global portfolios through a combination of multiple asset classes including equities and fixed income. In seeking to maximize total return, these Strategies allocate to a diversified portfolio of domestic and international equity securities, domestic and international fixed income securities, and cash equivalent money market securities indirectly using Dimensional Fund Advisors mutual funds and ETFs (DFA Funds).

With the assistance of the Financial Advisor, Clients can select from the following MarketDimensions Strategies.

- *Standard.* The Global Standard Strategy will represent asset classes selected from the broad universe of DFA Funds.
- *Tax-Sensitive.* The Tax-Sensitive Strategy will represent asset classes seeking to use tax-advantaged DFA Funds where possible.

The Strategy will be reallocated typically one to two times per year. AIM will monitor the Strategies' exposures to the asset classes on an ongoing basis for excessive drift against volatility-based targets and relative to the updated model based on new data being available. Where the drift exceeds pre-set criteria, the Account will be rebalanced or reallocated to the revised allocations.

#### **OBS Strategies**

AIM will seek to create strategic global portfolios through a combination of multiple asset classes including equities and fixed income. In seeking to maximize total return, these Strategies allocate to a diversified portfolio of domestic and international equity Securities, domestic and international fixed income Securities, and cash equivalent money market securities indirectly using Dimensional Fund Advisors mutual funds and ETFs (DFA Funds). These strategies will bias towards the factors favored by Dimensional Fund Advisors.

With the assistance of the Financial Advisor, Clients can select from the following OBS Strategies.

- *AssetMark DFA/EFS.* The Flagship Strategy will represent asset classes selected from the broad universe of DFA Funds.
- *AssetMark DFA/EFS.* Enhanced International. The Enhanced International Strategy will represent asset classes selected from the broad universe of DFA Funds and will tilt exposures more towards international markets.

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The Strategies will be reviewed at least annually for reallocation. AIM will monitor the strategies' exposures to the asset classes on a quarterly basis for excessive drift against volatility-based targets and will rebalance the Strategies if targets are breached.

### **WealthBuilder Strategies**

For WealthBuilder Strategies, AIM will provide strategic investment allocations across Investment Approaches based on investment objectives, market outlook, risk profile and other preferences. AIM combines a Core Market globally focused portfolio of ETFs with three complementary third-party mutual funds that represent Tactical Strategies and Diversifying Strategies. The Strategy will also be comprised of a 2% allocation to cash. For more information regarding the cash allocation, refer to the ICD Program section under Other Financial Industry Activities and Affiliations and Affiliate Conflicts of Interest. The goal of the portfolio is to manage risk efficiently through diversification of Strategy. The Core Market portfolio will provide a strategic asset allocation across seven to ten core asset classes in an effort to capture broad capital market returns while seeking to balance the pursuit of maximum total return against the control of risk in the portfolio. The portfolio is globally diversified with asset class exposures reviewed on a quarterly basis for drift against volatility-based targets. Where the drift exceeds pre-set criteria, the Account will be rebalanced. The mutual funds complement the Core Market portfolio and are selected based upon their representation of the approach. Each Fund undergoes deep due diligence before being used within the Strategy, and institutional shares are used. On an annual basis, the portfolio's exposures are reviewed for reallocation of the Strategy.

*Investment Objective:* Investors who are still working and seeking to build their wealth base. Strategies are allocated with a blended mix of Investment Approaches with an emphasis on growth of capital.

### **SAVOS SOLUTION TYPES**

- Savos Preservation Strategy
- Savos GMS Accounts
- Savos PMP Accounts
- Savos US Risk Controlled Strategy
- Custom Accounts
  - Savos Personal Portfolios
  - Savos Fixed Income Strategies
- Aris Custom High Net Worth

### **Savos Preservation Strategy**

For the - Savos Preservation Strategy, AIM provides discretionary investment management services to the Account, and the Client grants AIM the authority to buy and sell securities and investments for the Account, to vote proxies for securities held by the Account and such other discretionary authorities described in the IMSA.

In the Savos Preservation Strategy, the Client and their Financial Advisor need not make further selections to specify the Strategy for the Account. The Savos Preservation Strategy follows Diversifying Strategies – Bonds and Bond Alternatives Investment Approach and is considered to be Risk/Return Profile 1.

The primary investment objective of the Savos Preservation Strategy is to generate a positive real (after-inflation) return over each 12 month period. A secondary objective is to limit the strategy's sensitivity to changes in interest rates. Intra-year volatility and performance will vary and are independent of the Strategy's primary investment objective. There is no guarantee that the Strategy's primary and secondary

investment objective will be met in all market conditions. The Account will be invested primarily in mutual funds and ETFs.

This Strategy is permitted to invest in, among other things, "opportunistic" or "specialized" asset categories, which can include real estate, commodities, precious metals, energy and other less traditional asset classes, with no geographic restrictions.

Additionally, AIM is permitted to use one or more Proprietary Funds within the Strategy. The Strategy for each Proprietary Fund is described in more detail in the Prospectus for the Fund. All Proprietary Funds utilized are registered investment companies for which AssetMark, either directly or through its AIM division, serves as investment adviser.

### **Savos GMS, PMP, US Risk Controlled and Savos Personal Portfolios**

AIM manages UMAs and is also referred to as Discretionary Manager providing discretionary investment management services. AIM selects securities directly for Client Accounts.

IMA Accounts are permitted to hold investments selected by AIM, and these investments can include, but are not limited to, some or all of the following types of securities: ETFs; closed-end mutual funds; open-end mutual funds; preferred stocks; Treasury bonds, bills and notes; and bank notes. The asset allocation decisions, and security selection decisions will be made solely by AIM at its discretion.

For IMA Accounts, AIM employs comprehensive analysis, including specific mathematical, technical and/or fundamental tools and risk-control criteria in the management of Client Accounts. The focus of AIM as Discretionary Manager is to add value to each Client's Account through: (i) the strategic and tactical determination and implementation of asset allocation levels; (ii) the selection of securities with investment characteristics which AIM believes are appealing; and (iii) the formation of portfolios with risk management options to match the portfolio to the Client's chosen level of risk tolerance.

For GMS and PMP accounts, a risk management strategy is implemented through the use of fixed income strategies. Portfolio allocations for these risk management strategies will vary based on individual Client objectives within target allocations established and monitored by AIM.

### **GMS Accounts**

Clients who select the GMS Account as their Solution Type must deposit at least \$25,000 into their Account, and if multiple deposits are made into such an Account, the Account will not be invested and will not be considered a "Discretionary Account" until the Account balance reaches the required minimum \$25,000. A Client's Account will be held by the Platform Custodian in cash or in any assets transferred in-kind until such time as the value of the deposits to the Account reaches the required \$25,000 minimum for investment. AIM reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

In a GMS Account, the Client authorizes AIM to provide discretionary investment management services to the Account. The Client grants AIM the authority to buy and sell securities and investments for the Account, to vote proxies for securities held by the Account and the other discretionary authorities described in the IMSA. AIM is permitted to invest the Account in individual securities, pooled investment vehicles, such as mutual funds or ETFs or in other securities or investments.

Additionally, AIM is permitted to use one or more proprietary mutual funds within the Strategy. The Strategy for each proprietary mutual fund is described in more detail in the prospectus for the fund. All

Proprietary Funds utilized are registered investment companies for which AssetMark serves as investment adviser.

AIM will adjust the holdings in a GMS Account on an ongoing basis. In some instances, AIM will sell or readjust GMS Account holdings to take advantage of certain opportunities to reduce taxes for the Client.

Additionally, Clients should be aware that a reasonable amount of time will be needed to purchase, redeem and/or transfer assets during the annual adjustment period, and AssetMark will not be held liable for losses due to market value fluctuations during the time taken for these transactions. Such transactions can take three or more business days.

The GMS Account follows the Core Markets Investment Approach. For a GMS Investment Solution, the Client, with the assistance of the Client's Financial Advisor, selects for the management of the Account (1) a Risk/Return Profile; (2) a Mandate; and (3) the type of risk management strategy.

#### ***Risk/Return Profile and Risk Management Strategy***

With the assistance of the Client's Financial Advisor, the Client selects a Risk/Return Profile for the GMS Account. Only Profiles numbered two (2) through six (6), that is Moderate, Moderate Growth, Growth and Maximum Growth, are available for a GMS Account.

When selecting a Risk/Return Profile for a GMS Account, the Client, with the assistance of the Client's Financial Advisor, can select a risk management option from among investment-grade, high-yield and municipal fixed income strategies.

A Client can also select a risk management strategy through the use of the Savos Dynamic Hedging Feature, described in more detail below. Not all GMS mandates and Risk/Return Profiles offer this strategy.

#### ***Mandates***

The Client can choose between the following Mandates for a GMS Account.

*High Dividend.* The Account will primarily be allocated to U.S. stocks, with possible significant allocations to real estate and high dividend-paying stocks.

*Global.* The Account will be allocated to U.S. and international securities (including emerging markets).

#### ***Privately Managed Portfolios ("PMP") Accounts***

A Client who selects a PMP as their Solution Type must deposit at least \$25,000 into their Account, and if multiple deposits are made into such an Account, the Account will not be invested and will not be considered a "Discretionary Account" until the Account balance reaches the required minimum \$25,000. A Client's Account will be held by the Custodian in cash or in the assets transferred in-kind until such time as the value of the deposits to the Account reaches the required \$25,000 minimum for investment. AIM reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

The Client grants AIM the authority to buy and sell securities and investments for the Account, to vote proxies for securities held by the Account and the other discretionary authorities described in the IMSA. AIM is permitted to invest the Account in individual securities, pooled investment vehicles, such as mutual funds or ETFs or in other securities or investments. Additionally, AIM is permitted to use one or more Proprietary Funds within the Strategy. The Strategy for each

Proprietary Fund is described in more detail in the prospectus for the fund. All Proprietary Funds utilized are registered investment company for which AssetMark serves as investment adviser.

Additionally, AIM is permitted to use one or more Proprietary Funds within the Strategy. The Strategy for each Proprietary Fund is described in more detail in the prospectus for the fund. All Proprietary Funds utilized are registered investment company for which AssetMark serves as investment adviser.

AIM retains the authority to allocate across asset classes, in its own discretion. AIM will generally adjust the holdings in a PMP Account on an ongoing basis.

Clients should be aware that a reasonable amount of time will be needed to purchase, redeem and/or transfer assets, and AIM will not be held liable for losses due to market value fluctuations during the time taken for these transactions.

The PMP follows the Core Markets Investment Approach. For a PMP Account, the Client, with the assistance of the Client's Financial Advisor, selects for the management of the PMP Account (1) a Risk/Return Profile; (2) a Mandate; and (3) the type of risk management strategy.

#### ***Risk/Return Profile and Risk Management Strategy***

With the assistance of the Client's Financial Advisor, the Client selects a Risk/Return Profile for a PMP Account. Only Profiles numbered two (2) through six (6), that is Moderate, Moderate Growth, Growth and Maximum Growth, are available for a PMP Account. When selecting a Risk/Return Profile for a PMP Account, the Client, with the assistance of the Client's Financial Advisor, can select a risk management option from among investment-grade, high-yield and municipal fixed income strategies.

#### ***Mandates***

The Client can choose between the following Mandates for a PMP Account.

*Global.* The Account will be allocated to U.S. and international securities (including emerging markets).

*High Dividend Global.* The Account will primarily be allocated to U.S. stocks, with possible significant allocations to real estate and high dividend-paying stocks.

#### **US Risk Controlled Strategy**

Clients who select the US Risk Controlled Strategy as their Solution Type must deposit at least \$25,000 into their account, and if multiple deposits are made into such an Account, the Account will not be invested and will not be considered a "Discretionary Account" until the Account balance reaches the required minimum \$25,000. Discretionary authority includes the authority, without first consulting with the Client to buy, sell, remove and replace securities and to determine the allocations to each investment, select broker-dealers, vote proxies, and take any and all other actions on the Client's behalf that AIM determines is customary or appropriate for a discretionary investment adviser to perform.

A Client's Account will be held by Custodian in cash or in any assets transferred in-kind until such time as the value of the deposits to the Account reaches the required \$25,000 minimum for investment. AIM reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

In the US Risk Controlled Strategy, the Client authorizes AIM to provide discretionary investment management services to the Account. The Client grants AIM the authority to buy and sell securities and investments for the Account, to vote proxies for securities held by the Account and other discretionary authorities. AIM retains the right to allocate across asset classes, which will include such recommended securities, in its own discretion. AIM invests the Account in individual securities and ETFs.

The US Risk Controlled Strategy adjusts equity exposure, seeking to limit losses in extreme market declines while participating in equity market returns most of the time. AIM will adjust the holdings in the US Risk Controlled Strategy based on a proprietary indicator. AIM will sell or readjust holdings where appropriate based on the indicator. During periods of heightened market volatility, AIM will have the ability to adjust the holdings to a non-equity alternative. During periods of low market volatility, AIM will have the ability to adjust the holdings to use a leveraged investment to obtain additional market exposure.

Additionally, Clients should be aware that a reasonable amount of time will be needed to purchase, redeem and/or transfer assets during the adjustment period, and AssetMark will not be held liable for losses due to market value fluctuations during the time taken for these transactions. Such transactions can take three or more business days.

The US Risk Controlled Strategy follows the Tactical Investment Approach. Only Profile six (6), Maximum Growth, is available for a US Risk Controlled Strategy. The Account will be allocated to domestic securities.

#### **Custom and Advisor - Custom Accounts**

The Client, with the assistance of the Financial Advisor, can request that AIM deviate from standard allocations for the selected GMS or PMP Strategy. Such an Account is considered a Custom GMS or PMP Strategy. The Custom GMS and PMP Strategy can be customized (1) based on a tax-managed transition plan, (2) due to a request to reduce net capital gains on an ongoing basis, or (3) due to a request for other customization.

If the Client requests a tax-managed transition, AIM will take commercially reasonable efforts to limit the immediate realization of net gains related to securities transferred in-kind. Clients can also ask that certain securities not be purchased for their Custom account. Clients can request the implementation of social responsible screens, of Global Industry Classification Standard ("GICS") codes or social themes, or the exclusion of specific securities by CUSIP. Requests for restrictions are reviewed by AssetMark to ensure that they are reasonable and will not unduly impair AssetMark's ability to pursue the Strategy selected by the Client. Clients can also request a Custom Account consistent with a proposal or product sheet provided by AIM for the Account. Contact your AssetMark consultant for more information.

Additionally, the Client, can choose to participate in a program in which their Financial Advisor, in consultation with AIM, can request further customization for their Client's Account ("Advisor – Custom Accounts" or "ACA"). The Financial Advisory Firm will be solely responsible for determining the additional customization and the suitability for the Client. AIM, in its discretion, will determine the implementation of the ACA. The Financial Advisory Firm will be solely responsible for determining the additional customization. The Financial Advisory Firm can request that AIM recommend to the Financial Advisory Firm asset allocations or investment selections for the ACA, but AIM does not provide any individualized investment advice to ACA. The asset allocation classification of the custom

models developed by the Financial Advisory Firm may not be consistent with the Investment Approaches or Risk Return Profiles described in this Disclosure Brochure for the GMS or PMP Accounts described below. The GMS or PMP Platform Fee schedules will be charged to the Client Account, unless otherwise negotiated between the Financial Advisory Firm and AIM.

#### **Savos Personal Portfolios**

Clients who select the Savos Personal Portfolios must deposit at least \$250,000 into their Account, and if multiple deposits are made into such an Account, the Account will not be invested and will not be considered a "Discretionary Account" until the Account balance reaches the required minimum \$250,000. A Client's Account will be held by Custodian in cash or in any assets transferred in-kind until such time as the value of the deposits to the Account reaches the required \$250,000 minimum for investment. AIM reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

In Savos Personal Portfolios, the Client authorizes AIM to provide discretionary investment management services to the Account. The Client grants AIM the authority to buy and sell securities and investments for the Account, to vote proxies for securities held by the Account and other discretionary authorities. AIM retains the right to allocate across asset classes, which will include such recommended securities, in its own discretion. AIM invests the Account in individual securities, mutual funds and ETFs.

Savos Personal Portfolios will invest in the Core Market Strategies through a mix of traditional asset classes, mainly equities and fixed income, and a tactical Strategy. Savos Personal Portfolios seeks to provide total return through the combination of multiple asset classes predominantly in equity and fixed income. The tactical sleeve adjusts equity exposure, seeking to limit losses in extreme market declines while participating in equity market returns most of the time. The fixed income holdings will include a combination of ETFs and/or mutual funds selected to maximize the yield of the fixed income sleeve while managing to pre-defined risk limits. The Tax-Sensitive Strategies will offer an optional, personalized tax-managed transition in the Account and will also offer tax-loss harvesting to Clients.

#### **Mandates**

The Client can choose from the following Mandates for a Savos Personal Portfolio.

*Growth and Growth Tax-Sensitive.* The Strategy is managed against the U.S. and international equity market securities (including emerging markets), and targets stocks selected to maximize exposure to equity style factors such as value, momentum, and quality.

*Dividend and Dividend Tax-Sensitive.* The Strategy targets stocks that exhibit positive exposure to equity style factors including dividend yield.

The Savos Personal Portfolios follow the Core Markets Investment Approach. Profiles numbered three (3) through six (6), are available for the Savos Personal Portfolios, and can be customized based on a tax-managed transition plan.

#### **Savos Personal Portfolios - Custom**

A Savos Personal Portfolio - Custom Account can be customized within a specific range across equity, fixed-income and tactical allocations. The Client, with the assistance of their Financial Advisor, can select from various Savos Strategies. In doing so, and by selecting within



the range of pre-determined allocations, a Savos Personal Portfolios - Custom Account will be established. Each equity, fixed-income and tactical allocation is referred to as a “sleeve” allocation.

AIM will make available the specific range of pre-determined allocations, which range will be updated from time to time. The number of sleeves selected can vary from a minimum of one to a maximum of twelve sleeve selections, to comprise the entire Savos Personal Portfolios - Custom Account. There is an investment minimum of \$20,000 in the equity and tactical sleeve, and \$10,000 for the fixed-income sleeve.

The Custom Savos Personal Portfolio Strategy can be customized based on a tax-managed transition plan.

The Financial Advisory Firm and the Financial Advisor will be solely responsible for determining the Risk Return profile, additional customization and the suitability for the Client Account. AIM, in its discretion, will determine the implementation of the AIM Personal Portfolio - Custom. AIM does not provide any individualized investment advice to Savos Personal Portfolios - Custom. The asset allocation classification of the custom models developed by the Financial Advisory Firm may not be consistent with the Investment Approaches or Risk Return Profiles described in this Disclosure Brochure.

Profiles numbered one (1) through six (6), are available for the Savos Personal Portfolios Custom Account.

#### Aris - Custom High Net Worth

The Aris Custom High Net Worth service is available through AIM. The minimum Account size for this Account is \$500,000. AIM uses a number of the Strategies and advisory services in providing discretionary investment management services to the Custom High Net Worth Account. AIM can invest the Account in direct securities, pooled investment vehicles, such as open-end mutual funds, closed end investment companies, including ETFs, or in other securities or investments. AIM retains the right to allocate across asset classes, in its own discretion. Portions of the Account will also be managed by third-party model providers that AIM selects, retains and replaces in its discretion. For the fixed income portion of the Custom High Net Worth Account, AIM will use pooled vehicles or have a third-party Discretionary Manager manage with discretion that portion of the Client's Account. AIM will remove, add or replace the third-party Discretionary Manager in its discretion. The Client grants AIM the authority to buy and sell securities for the Account and to vote proxies for securities held by the Account. When a third-party Discretionary Manager is used, the Client grants that third-party Discretionary Manager the authority to buy and sell securities and investments and to vote proxies for securities held in that portion of the Account it manages.

Clients in the Aris Custom High Net Worth service have the option to place restrictions against investments in specific securities or types of securities for their Account that are reasonable in light of the advisory services being provided. Requests for such restrictions are reviewed by AIM to ensure that they are reasonable and will not unduly impair AIM's ability to pursue the Account's investment objective. As may be limited by the Custodian's policies and procedures, Clients can also pledge the securities in their Account or withdraw securities from their Account (transfer in-kind to another Account or Custodian), but must do so by giving instructions in writing to the Custodian.

#### Savos Fixed Income Strategies

For Savos Fixed Income Accounts, AIM acts as Investment Manager for Client Accounts. The available Mandates for the Savos Fixed Income Accounts are as follows:

- *Laddered Bond Mandates.* These Strategies invest the Account in either U.S. Treasury, U.S. Agency or U.S. Treasury Inflation Protected bonds, with an intermediate effective duration, on a buy and hold basis.
- *Municipal, Duration-based and the High Income Mandates.* These standard Strategies invest the Account in closed-end funds, ETFs or mutual funds to obtain relevant exposure specific to desired asset categories.
- *Custom Fixed Income.* The Client, with the assistance of the Financial Advisor, can request that AIM deviate from standard allocations for the selected Fixed-Income Strategy. Such an Account is considered a Custom Fixed Income Strategy.
- *Advisor - Custom Accounts.* The Client can choose to participate in a program in which their Financial Advisor, in consultation with AIM, can request further customization for their Client's Account (“Advisor – Custom Accounts” or “ACA”). The Financial Advisory Firm will be solely responsible for determining the additional customization and the suitability for the Client. AIM, in its discretion, will determine the implementation of the ACA. The Financial Advisory Firm can request that AIM recommend to the Financial Advisory Firm asset allocations or investment selections for the ACA, but AIM does not provide any individualized investment advice to ACA. The asset allocation classification of the custom models developed by the Financial Advisory Firm may not be consistent with the Investment Approaches or Risk Return Profiles described in this Disclosure Brochure for the Fixed Income strategies described above, and the AIM Fixed Income Platform Fee schedule will be charged to the Client Account, unless otherwise negotiated between the Financial Advisory Firm and AIM..

#### **SAVOS DYNAMIC HEDGING FEATURE**

The Dynamic Hedging feature is offered within certain Solution Types managed by AIM. The primary investment objective of the Dynamic Hedging feature is to mitigate losses resulting from a severe and sustained decline in the broad-based equity markets. AIM will implement the Dynamic Hedging feature by investing in any number of hedging, fixed income or other protective investment vehicles. At the current time, the Dynamic Hedging feature invests primarily in the Savos DHF.

#### Investment Objective

The goal of the Dynamic Hedging feature is to participate in the growth of equity markets while also providing risk management protection during periods of sustained and severe equity market decline. The Dynamic Hedging feature seeks to allow investors to stay invested for the long term by partially offsetting extreme declines in the equity markets while also seeking to provide positive total returns in rising markets.

#### Risks

##### *No Guarantee; Expressed or Implied*

The phrase “risk management protection” or simply “protection” should in no way be regarded as a guarantee against losses or even the mitigation of losses. Similarly, the word “participation” should in no way imply positive gains during periods of rising equity markets. The primary goal of the Dynamic Hedging feature is to provide some degree of mitigation of losses during sustained and severe declines in the broad-based equity markets, (and participation in gains during rising markets), but this is not a guarantee. AIM may or may not be successful in achieving the investment objective in any individual calendar year.

**This must remain with the Client**

The Dynamic Hedging feature should not be expected to mitigate losses occurring over short periods of time, nor should the Dynamic Hedging feature be expected to mitigate losses occurring from market declines that are relatively small or minor.

***Limiting Circumstances for Participation in Upside Equity Market Movements***

Another goal of Dynamic Hedging is to allow growth in the equity portion of a Client's Account to increase the value of the overall Account. This is the "participation" portion of Savos' "participation and protection" objective. Clients who elect Dynamic Hedging should know that the "cost" of the protection is likely to reduce returns when equity markets are increasing in value.

This drag would generally result because (i) the hedging vehicles used by AIM to implement the Dynamic Hedging feature moves inversely to equity markets, and (ii) the cost of the hedging vehicles used in the Dynamic Hedging feature are more likely to increase in declining equity market conditions. As a result, the level of participation and protection of a Client's Account will vary depending upon market environment and the specific path of market returns. Dynamic Hedging can fall while the overall equity market is rising in certain time intervals, and will fall more than the overall equity markets in certain intervals.

***Disclosure of Conflicts of Interest***

AssetMark receives management fees as the investment adviser to the Savos DHF. Such management fees are in addition to the fees AIM receives under the Investment Management Services Agreement for AIM investment Solutions. This creates a conflict because of the receipt of two fees. However, AssetMark addresses this conflict by reimbursing to the Client the portion of the advisory fee for the Savos DHF that is invested in the AIM investment Solution. See Servicing Fees Received by AssetMark and Share Class Use in Item 4, Service, Fees and Compensation.

**ASSETMARK GUIDED INCOME SOLUTIONS<sup>SM</sup>**

The Guided Income Solutions are designed to provide Clients with a regular income stream from their investment Account based on the Client's objectives and specified criteria. In this program, the Financial Advisor provides the Client criteria, such as desired income and frequency. Based on these responses, a Guided Income Solutions portfolio and portfolio risk profile, seeking to generate the targeted level of distributions, will be suggested for the Client. The Financial Advisor can accept that portfolio or amend the Client criteria based on the Client objectives, risk tolerance or other factors before making a final Guided Income Solution portfolio election. Each risk profile is linked to the portfolio's remaining life. A portfolio that is within 10 years of its end date is deemed to be Profile 1, a portfolio that has more than 10 years but less than 20 years until its end date is deemed to be Profile 2, and a portfolio that has more than 20 years until its end date is deemed to be Profile 3. The portfolio will be broadly diversified and seeks to meet the portfolio's stated investment time horizon; however, there is no assurance that the time horizon can be met. On an annual basis, the portfolios will be reviewed and the portfolio risk profiles will be adjusted to reflect the remaining life of the portfolio.

The Guided Income Solutions advisory service will primarily invest in three AssetMark proprietary institutional GuidePath mutual funds. GuidePath Funds do not charge a 12b-1 fee. There is no Platform Fee for the Guided Income Solutions. See Servicing Fees Received by AssetMark and Share Class Use in Fees and Compensation section, and the Fees & Minimum table at the back of this Disclosure Brochure.

Each GuidePath Fund is managed to a stated investment objective as outlined in the Fund prospectus. Please refer to the Fund prospectus for more information, including any fees.

For each Guided Income Solutions portfolio, AssetMark will allocate assets across three "buckets" whereby each bucket will be invested in a specific GuidePath Fund. The allocation across the buckets shift in conjunction with changes in the remaining time horizon, long-term market conditions, or other factors as deemed appropriated by AssetMark.

For Accounts established at Custodian AssetMark Trust, the Financial Advisor can also elect to have the Client's regular income stream adjusted for inflation. For the inflation adjusted models, on an annual basis, AssetMark will adjust the expected income distribution to reflect any increase in the U.S. rate of inflation. The inflation adjustment will begin at the beginning in the year following the Client's participation in the Guided Income Solution Strategy. The annual adjustment will be based on AssetMark's long-term inflation projection.

Clients invested in the Guided Income Solutions should understand that their regular income stream can include principal and the principal balance of the Account can be depleted prior to the portfolio's target end-date and therefore, distributions can end earlier than expected. Income distributions refers to cash distributions of earnings and/or principal.

**EXHIBIT C – PROPRIETARY MUTUAL FUND SOLUTIONS - CONFLICTS OF INTEREST DISCLOSURES****MUTUAL FUNDS FEES RETAINED BY ASSETMARK**

The Accounts of Clients who select a GPS Fund Strategy will be invested in mutual funds advised by AssetMark. This creates a conflict because AssetMark receives Management Fees and Administrative Service Fees from these mutual funds, the Management Fees retained by AssetMark can differ and AssetMark will determine the allocations of Account value among these funds. AssetMark addresses this conflict by providing additional information below regarding the maximum fees AssetMark can retain.

The maximum net Management Fee retained by AssetMark from a fund in GPS Fund Strategies is 0.40% of average daily net assets, and the maximum Administrative Service Fee paid AssetMark is 0.25%. Therefore, the maximum fee that AssetMark can retain from a mutual fund in a GPS Funds Strategies account is 0.65% of average daily net assets.

AssetMark is also compensated by the Platform Fee charged for the GPS Fund Strategies, which is less than that charged for strategies with third party funds and ranges from 0.25% to 0.10% (depending upon Account assets, with the first \$250,000 of Account value always being charged the highest 0.25% fee). The Platform Fee for the GPS Fund Strategies does not include a charge for advisory (or management) services but pays for custodial, trading, administrative and other services.

In selecting a GPS Fund Strategy, the Client agrees to the receipt by AssetMark of the maximum 0.65% Management Fee plus Administrative Fee (paid by the fund) plus the applicable Platform Fee (charged at the Account level) and that this fee is reasonable compensation to AssetMark.

AssetMark's management of a GPS Fund Strategy can result in internal fund fees to AssetMark lower than the 0.65% authorized by the Client. Listed below are the mutual funds advised by AssetMark in which AssetMark can invest GPS Fund Strategy accounts and the maximum fee that AssetMark can retain from each fund as a percentage of average daily net assets of the mutual funds. If a fund has a sub-adviser, the minimum that AssetMark can pay the sub-adviser is deducted in the amount shown as retained by AssetMark. AssetMark can waive part or all of its management fee, and AssetMark can also recoup previously waived fees and assumed expenses, but these possibilities are not considered in the below-reported maximum retained fees. Some funds invest in shares of other funds, including mutual funds advised by AssetMark; the fees paid these underlying funds are not included in the below-reported fees. The Client should refer to the funds' prospectuses and other shareholder materials for information, including fees, regarding the funds. Additional Mutual funds can be added to those that receive allocations. If an added fund results in a fee greater than 0.65% being paid to AssetMark, the Client will be given notice.

MUTUAL FUNDS	MAXIMUM FEES RETAINED BY ASSETMARK
GuidePath Growth Allocation Fund	0.50%
GuidePath Conservative Allocation Fund	0.50%
GuidePath Tactical Allocation Fund	0.60%
GuidePath Absolute Return Fund	0.60%
GuidePath Managed Futures Strategy Fund	0.60%
GuidePath Flexible Income Allocation Fund	0.50%
GuidePath Multi-Asset Income Allocation Fund	0.60%
GuideMark Large Cap Core	0.60%
GuideMark World ex-US Service	0.60%

Since the amount that AssetMark is paid by each mutual fund varies, changes by AssetMark to the allocations of mutual funds in Client Accounts can change what AssetMark receives in fees from the funds. GPS Fund Strategies include strategies with "Accumulation of Wealth," "Distribution of Wealth" and "Focused" investment objectives. AssetMark anticipates making periodic changes to allocations among mutual funds in the Accumulation of Wealth and Distribution of Wealth investment objectives but does not anticipate any material allocation changes for Accounts invested in the Focused investment objectives. Listed below, for each Profile in each Strategy offered in the Accumulation of Wealth and Distribution of Wealth investment objectives is the maximum retained fee and the range of retained fees that AssetMark can receive assuming the possible asset allocations that AssetMark anticipates for that Profile and objective. For the strategies in the Focused investment objectives, only the maximum possible retained fee is listed because AssetMark anticipates that a change, if any, in the allocations will not materially affect the maximum fee. If an allocation change or the addition of a new mutual fund results in a maximum retained fee for a Strategy greater than that listed below, the Client will be given notice. The Maximum Net Revenue for the GuidePath Absolute Return Fund reflects a fee waiver currently in place for the Fund.

GPS FUND STRATEGIES	MAX NET REVENUE	RANGE OF NET REVENUE
<b>GPS ACCUMULATION OF WEALTH</b>		
1	0.59%	0.54% - 0.59%
2	0.59%	0.54% - 0.59%
3	0.58%	0.53% - 0.58%
4	0.57%	0.52% - 0.57%
5	0.58%	0.53% - 0.58%

**GPS DISTRIBUTION OF WEALTH**

2	0.61%	0.56% - 0.61%
3	0.64%	0.59% - 0.64%
4	0.64%	0.59% - 0.64%

GPS FUND STRATEGIES	MAX NET REVENUE
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**GPS ACCUMULATION - NO ALTERNATIVE EXPOSURE**

1	0.54%
2	0.54%
3	0.53%
4	0.52%
5	0.53%

**GPS DISTRIBUTION, NO ALTERNATIVE EXPOSURE**

2	0.57%
3	0.60%
4	0.60%

**GPS FOCUSED TACTICAL**

2	0.55%
3	0.56%
4	0.58%

GPS FUND STRATEGIES	MAX NET REVENUE
---------------------	-----------------

**GPS FOCUSED CORE MARKETS**

1	0.50%
2	0.49%
3	0.49%
4	0.49%
5	0.49%

**GPS FOCUSED LOW VOLATILITY**

1	0.54%
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**GPS FOCUSED TACTICAL**

5	0.59%
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**GPS FOCUSED MULTI-ASSET INCOME**

2	0.55%
3	0.59%
4	0.56%

Mutual funds advised by AIM are available only through the AssetMark Platform and are dependent on the continued vitality of the AssetMark Platform for their commercial viability.

**GPS SELECT*****Part of Platform Fee is credited to Account***

AIM serves as investment manager for GPS Select and will allocate account value across investment Strategies, and among Strategists and investment managers within those investment Strategies. Included within these investment options are strategies managed by AIM and the investment options include allocations to mutual funds advised by AIM. AssetMark pays fees to various strategists and investment managers that it allocates account value to but does not pay such fees to third parties when it allocates account value to Strategies it manages. Further, AssetMark receives compensation from mutual funds they advise.

For GPS Select, the Platform Fee is 0.95%. In selecting GPS Select, the Client agrees to the receipt by AssetMark of this 0.95% fee and that this fee is reasonable compensation to AssetMark. However, an amount of 0.30% is credited back to the Account, resulting in a net Platform Fee of 0.65% for assets invested in GPS Select. The purpose of the 0.30% credit is to ensure that, regardless of the allocation decisions made by AIM, the Client will receive a Platform Fee credit that is at least as much as any additional compensation AssetMark might retain due to the allocations that AssetMark is permitted to make pursuant to the GPS Select investment guidelines.

**MARKET BLEND MUTUAL FUND STRATEGIES*****Mutual Fund Fees retained by AssetMark***

The Accounts of Clients who select a GuideMark Market Blend Mutual Fund Strategy will be invested in mutual funds advised by AIM. AssetMark will receive Management Fees and Administrative Service Fees from these funds, the Management Fees retained by AssetMark can differ and AssetMark will determine the allocations of Account value among these funds. AssetMark addresses this conflict by providing additional information below regarding the maximum fees AssetMark can retain.

The maximum net Management Fee retained by AssetMark from a fund in a GuideMark Market Blend Mutual Fund Strategy is 0.45% of average daily net assets, and the maximum Administrative Service Fee paid to AssetMark is 0.25%. Therefore, the maximum fee that AssetMark can receive from a mutual fund in a GuideMark Market Blend Mutual Fund Strategy is 0.70% of average daily net assets.

AssetMark is also compensated by the Platform Fee charged for the GPS Fund Strategies, which is less than that charged for strategies with third party funds and ranges from 0.25% to 0.10% (depending upon Account assets, with the first \$250,000 of Account value always being charged the highest 0.25% fee). The Platform Fee for the GPS Fund Strategies does not include a charge for advisory (or management) services but pays for custodial, trading, administrative and other services.

**This must remain with the Client**



In selecting a GuideMark Market Blend Mutual Fund Strategy, the Client agrees to the receipt by AssetMark of the maximum 0.70% Management Fee plus Administrative Fee (paid by the fund) plus the applicable Platform Fee (charged at the account level) and that this fee is reasonable compensation to AssetMark.

AIM's management of a GuideMark Market Blend Mutual Fund Strategy can result in internal fund fees to AssetMark lower than the 0.70% authorized by the Client. Listed below are the mutual funds advised by AIM in which AssetMark is permitted to invest GuideMark Market Blend Mutual Fund accounts and the maximum fee that AssetMark can retain from each fund as a percentage of average daily net assets of the mutual funds. If a fund has a sub-adviser, the minimum that AssetMark can pay the sub-adviser is deducted in the amount shown as retained by AssetMark. AssetMark can waive part or all of its management fee, and AssetMark can also recoup previously waived fees and assumed expenses, but these possibilities are not considered in the below-reported maximum retained fees. The Client should refer to the funds' prospectuses and other shareholder materials for information, including fees, regarding the funds. Mutual funds can be added to those that receive allocations. If an added fund results in a fee greater than 0.70% being paid to AssetMark, the Client will be given notice.

MUTUAL FUNDS	MAXIMUM FEES RETAINED BY ASSETMARK
GuideMark Large Cap Core	0.60%
GuideMark Small/Mid Cap Core	0.70%
GuideMark Core Fixed Income	0.60%
GuideMark Emerging Markets	0.61%
GuideMark World ex-US Service	0.60%

Since the amount that AssetMark is paid by each mutual fund varies, changes by AssetMark to the allocations of mutual funds in Client Accounts can change what AssetMark receives in fees from the funds. Listed below, for each Profile in each Strategy offered in Market Blend Mutual Fund Strategies, is the maximum retained fee that AssetMark can receive, assuming the possible asset allocations that AssetMark anticipates for that Profile and objective. If an allocation change or the addition of a new mutual fund results in a maximum retained fee for a Strategy greater than that listed below, the Client will be given notice.

MARKET BLEND STRATEGIES	MAX NET REVENUE
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#### GLOBAL GUIDEMARK MARKET BLEND

2	0.59%
3	0.60%
5	0.60%
6	0.61%

#### US GUIDEMARK MARKET BLEND

2	0.60%
3	0.61%
5	0.61%
6	0.62%

Additionally, if AssetMark Trust is chosen as Custodian, AssetMark Trust will be paid Shareholder Service Fees. The third-party Platform Custodians (Custodians other than AssetMark Trust) also receive service fee payments from the mutual funds in the Market Blend Mutual Fund Strategies.

### GUIDED INCOME SOLUTIONS

The Accounts of Clients who select a Guided Income Solution will be invested in the following mutual funds advised by AssetMark.

MUTUAL FUNDS	MANAGEMENT FEE BY ASSETMARK
GuidePath Conservative Income Fund	0.35%
GuidePath Income Fund	0.45%
GuidePath Growth and Income Fund	0.45%

AssetMark will receive Management Fees and a 0.25% Administrative Service Fee from these mutual funds. There is no Platform Fee for the Guided Income Solutions.

AS OF MARCH 2022

# Fees & Investment Minimums



Strategies	GuideMark <sup>1,6</sup>	Proprietary ETF, MF <sup>5</sup>	Third-Party ETF, Institutional MF <sup>2</sup>
<\$250K	0.25%	0.45%	0.50%
\$250K-\$500K	0.15%	0.40%	0.35%
\$500K-\$1M	0.10%	0.35%	0.30%
\$1M-\$2M	0.10%	0.30%	0.28%
\$2M-\$3M	0.10%	0.20%	0.25%
\$3M-\$5M	0.10%	0.20%	0.20%
\$5M+	0.10%	0.20%	0.10%
<b>Minimum</b>	<b>\$10,000</b>	<b>\$25,000</b>	<b>\$25,000</b>

<b>Supplemental Fee</b>	
AlphaSimplex, Aris AssetBuilder, Aris Personal Values, BlackRock MAI, BlackRock RFI, DoubleLine, JP Morgan Global Flexible, Litman Gregory, State Street	0.10%
New Frontier	0.20%
Dorsey Wright	0.25%
Windham	0.40%
Julex, Model Capital, WestEnd Advisors	0.50%
Beaumont	0.60%

Guided Portfolios			
Guided Income Solutions	GPS Fund Strategies	Clark HTR	GPS Select
0%	0.25%	0.55%	0.65%
0%	0.15%	0.55%	0.65%
0%	0.10%	0.50%	0.60%
0%	0.10%	0.45%	0.55%
0%	0.10%	0.35%	0.45%
0%	0.10%	0.30%	0.40%
0%	0.10%	0.25%	0.35%
<b>\$50,000</b>	<b>\$10,000</b>	<b>\$250,000</b>	<b>\$250,000</b>

<b>Supplemental Fee</b>	
Dorsey Wright, Savos US Risk Controlled	0.10%
Savos GMS, Savos PMP, Windham	0.20%
Julex, Model Capital, WestEnd Advisors	0.30%
Beaumont	0.40%

Custom Individually Managed Accounts <sup>8</sup>			
Parametric Custom Portfolios <sup>3</sup>	CIBC Custom Portfolios	Custom <sup>8</sup>	City National Rochdale
0.75%	1.00%	1.05%	1.10%
0.75%	1.00%	1.05%	1.10%
0.75%	1.00%	0.99%	1.04%
0.70%	0.95%	0.94%	0.99%
0.70%	0.95%	0.90%	0.99%
0.70%	0.90%	0.85%	0.95%
0.60%	0.80%	0.75%	0.90%
<b>\$250K-\$750K</b>	<b>\$1M</b>	<b>\$500K-\$1M</b>	<b>\$1M</b>

<b>Supplemental Fee</b>	
William Blair	0.05%

Separately Managed Accounts (SMAs)	
SMAs	
<\$250K	0.70%
\$250K-\$500K	0.70%
\$500K-\$1M	0.67%
\$1M-\$2M	0.64%
\$2M-\$3M	0.60%
\$3M-\$5M	0.55%
\$5M+	0.50%
<b>Minimum</b>	<b>\$50K-\$100K</b>

<b>Supplemental Fee</b>	
AllianceBernstein, BlackRock, Brown Advisory, Capital Group, Edge, Fiera, Franklin Templeton, Hartford, JP Morgan, Logan, Neuberger Berman	0.05%
Acadian, Principal	0.10%

Individually Managed Accounts—Fixed Income <sup>8</sup>			
Third-Party Laddered Fixed Income <sup>3</sup>	Proprietary Laddered Fixed Income <sup>3,5</sup>	Active Fixed Income <sup>3</sup>	
0.31%	0.20%	0.30%	
0.31%	0.20%	0.30%	
0.31%	0.20%	0.25%	
0.26%	0.15%	0.20%	
0.26%	0.15%	0.20%	
0.26%	0.15%	0.20%	
0.26%	0.15%	0.20%	
<b>\$125K-\$250K</b>	<b>\$25,000</b>	<b>\$25K-\$250K</b>	

<b>Supplemental Manager Fee</b>	
Clark Capital (Tax and Tax-Free)	0.20%
Nuveen	0.35%

Savos			
Preservation	GMS/PMP	US Risk Controlled	Personal Portfolios
0.75%	1.00%	0.90%	0.75%
0.50%	0.80%	0.75%	0.75%
0.50%	0.75%	0.70%	0.75%
0.45%	0.70%	0.65%	0.70%
0.45%	0.70%	0.65%	0.70%
0.40%	0.70%	0.65%	0.70%
0.30%	0.60%	0.55%	0.60%
<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$250,000</b>

Administrative Accts/Individual Third-Party MFs			
General Securities <sup>3</sup> or Custodial Sweep <sup>4</sup>	Individual MFs	Altegris <sup>1</sup>	
0.00%	0.25%	0.00%	
0.00%	0.15%	0.00%	
0.00%	0.10%	0.00%	
0.00%	0.10%	0.00%	
0.00%	0.10%	0.00%	
0.00%	0.10%	0.00%	
0.00%	0.10%	0.00%	
<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	

The fees above are tiered. The first dollar under management receives the highest fee and assets over each breakpoint receive reduced fees as listed.

**Advisor Managed Portfolios (available under the Advisor Model only):**

**Flat Fee: 0.25% - 0.29% and a \$10,000 account minimum.**

For financial advisor use with advisory clients.

Please see next page for important disclosures.

INVESTMENT FIRMS BY CATEGORY

Strategies		Guided Portfolios	Individually Managed Accounts <sup>8</sup>	Separately Managed Accounts (SMAs)	Individually Managed Accounts— Fixed Income <sup>8</sup>		Individual Mutual Funds
GuideMark <sup>1,6</sup>	Proprietary ETF, MF <sup>5</sup>	Third-Party ETF, Institutional MF <sup>2</sup>	Custom GPS Select	Custom	Third-Party Laddered Fixed Income <sup>3</sup>	Proprietary Laddered Fixed Income <sup>3,5</sup>	Active Fixed Income <sup>3</sup>
Litman Gregory GuideMark ACE <sup>7</sup> , New Frontier <sup>7</sup> , Global GuideMark <sup>®</sup> Market Blend <sup>7</sup> , US GuideMark <sup>®</sup> Market Blend <sup>7</sup> , Individual GuidePath <sup>®</sup> Funds, GuideMark <sup>®</sup> Funds	Aris Income Builder, AssetMark MarketDimensions Portfolios, AssetMark OBS DFA/EFS Portfolios, AssetMark WealthBuilder <sup>SM</sup> , Market Blend ETF Portfolios	American Funds, AlphaSimplex, Aris AssetBuilder, Aris Personal Values, BlackRock MAI, BlackRock RFI, Beaumont, Dorsey Wright, Doubleline, JP Morgan Absolute Return, JP Morgan Global Flexible, JP Morgan Global Standard, JP Morgan MAI, Julex, Litman Gregory Global Standard, Model Capital, New Frontier, PIMCO, State Street, WestEnd Advisors, Windham	All strategists (plus Clark Fixed Income Total Return and Savos UMA Strategies) in the Strategies table are available for Custom GPS Select	Aris Custom High Net Worth, Clark Capital Personalized UMA, William Blair	Parametric	Savos	Clark Capital Taxable Fixed Income, Nuveen, Savos
				Acadian, BlackRock, Capital Group, Edge, Fiera Capital, Franklin Templeton, Hartford, JP Morgan, Logan, Neuberger Berman, Principal, William Blair			Altegris, AQR, DoubleLine Shiller, Neuberger Berman

<sup>1</sup> Mutual Funds used within these strategies are primarily comprised of NTF (No Transaction Fee) Funds including A share and retail share classes

<sup>2</sup> Annual Minimum Platform Fee: \$350 (this fee is waived on American Funds, and Multiple Strategy Accounts)

<sup>3</sup> Transaction-based fees, including trade away fees, may be applicable to the account. These fees are typically \$20 per trade.

<sup>4</sup> Custodial sweep or money market fund selected by AssetMark

<sup>5</sup> Proprietary solution types refer to those offered by AssetMark, including through its Savos/Aris divisions. AssetMark OBS models available to certain advisors

<sup>6</sup> AssetMark is the investment adviser to the GuideMark<sup>®</sup> Funds

<sup>7</sup> This strategy contains GuideMark<sup>®</sup> mutual funds

<sup>8</sup> Custom and Fixed Income = Individually Managed Account

Multiple Strategy Account (MSA): The fees charged for an MSA account is based on the above single-strategy fee schedule for each strategist selected and weighted based on the allocation to each sleeve. Proprietary Mutual Fund Solutions: Refer to Exhibit C for important conflicts of interest disclosures on strategies that use AssetMark’s proprietary mutual funds.

For complete information about account minimums, fees and expenses for the various investment solutions, refer to the Disclosure Brochure. To receive a copy, please contact your financial advisor. ▴

AssetMark, Inc.

1655 Grant Street

10th Floor

Concord, CA 94520-2445

800-664-5345

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