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**EFFECTIVE MARCH 25, 2020**

# **Referral Disclosure Brochure**

Form ADV – Part 2A and Appendix 1

SEC File Number – 801 56323

IA Firm CRD Number - 109018

## **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. To request a copy of the most recent disclosure brochure, write to:

**AssetMark, Inc.**  
**Attention: Adviser Compliance**  
**1655 Grant Street, 10th Floor**  
**Concord, CA 94520**  
**800-664-5345**  
**assetmark.com**  
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The following are changes since the last Form ADV Part 2A update in August 2019, as well as updates that will take effect on April 30, 2020.

- Item 4 Advisory Business
  - Addition of AssetMark OBS/DFA mutual fund strategies to be available on or after April 30, 2020.
- Item 5 Fees and Compensation
  - Updated Platform Fee Schedule for certain Third-Party Mutual Fund strategies
  - Elimination of \$150 Platform/Administrative Fee
  - Addition of a \$350 Minimum Account Fee for certain Third-Party Mutual Fund strategies
- Item 10 Other Financial Industry Activities and Affiliations
  - Added a new affiliated company following the acquisition of OBS Financial Services, Inc.

**ITEM 3 – TABLE OF CONTENTS**

<b>ITEM 1</b>	<b>– COVER PAGE</b>	<b>i</b>
<b>ITEM 2</b>	<b>– MATERIAL CHANGES</b>	<b>ii</b>
<b>ITEM 3</b>	<b>– TABLE OF CONTENTS</b>	<b>1</b>
<b>ITEM 4</b>	<b>– ADVISORY BUSINESS</b>	<b>2</b>
<b>ITEM 5</b>	<b>– FEES AND COMPENSATION</b>	<b>14</b>
<b>ITEM 6</b>	<b>– PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT</b>	<b>18</b>
<b>ITEM 7</b>	<b>– TYPES OF CLIENTS</b>	<b>19</b>
<b>ITEM 8</b>	<b>– METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS</b>	<b>19</b>
<b>ITEM 9</b>	<b>– DISCIPLINARY INFORMATION</b>	<b>20</b>
<b>ITEM 10</b>	<b>– OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS</b>	<b>20</b>
<b>ITEM 11</b>	<b>– CODE OF ETHICS</b>	<b>22</b>
<b>ITEM 12</b>	<b>– BROKERAGE PRACTICES</b>	<b>22</b>
<b>ITEM 13</b>	<b>– REVIEW OF ACCOUNTS</b>	<b>23</b>
<b>ITEM 14</b>	<b>– CLIENT REFERRALS AND OTHER COMPENSATION</b>	<b>23</b>
<b>ITEM 15</b>	<b>– CUSTODY</b>	<b>24</b>
<b>ITEM 16</b>	<b>– INVESTMENT DISCRETION</b>	<b>25</b>
<b>ITEM 17</b>	<b>– VOTING CLIENT SECURITIES</b>	<b>25</b>
<b>ITEM 18</b>	<b>– FINANCIAL INFORMATION</b>	<b>26</b>
<b>EXHIBIT A</b>	<b>– MUTUAL FUND SOLUTION TYPE – GPS FUND STRATEGIES, GPS SELECT AND MARKET BLEND MUTUAL FUND STRATEGIES</b>	<b>27</b>
	<b>FEES AND INVESTMENT MINIMUMS</b>	<b>30</b>
	<b>FORM ADV – APPENDIX 1</b>	<b>32</b>

## ITEM 4 – ADVISORY BUSINESS

### THE COMPANY & ITS OWNERSHIP STRUCTURE

AssetMark is the sponsor of the AssetMark Platform (the “Platform”) through which it offers its advisory services to its Clients. AssetMark is an investment adviser registered with the U.S. Securities and Exchange Commission providing various investment advisory services pursuant to the Investment Management Services Agreement (“IMSA”). Its predecessor business began in 1980.

AssetMark and AssetMark Trust Company (“AssetMark Trust”) are wholly-owned indirect 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).

The investment divisions of AssetMark are known as the Investment Strategies Group (“ISG”), and Savos Investments (“Savos”), including Aris.

AssetMark offers various Platform options (“Solution Types”) for the Client’s investment objectives and financial condition. Each of the Solution Types may be implemented with a number of features and alternatives, such as a selection of one or more Investment Approaches, a group of available “Portfolio Strategists” or “Investment Managers,” a variety of account “Mandates” and a range of “Risk/Return Profiles,” and various privately managed accounts, so that the Client can create a strategy by which each of the Client’s accounts under the Platform will be managed or maintained. The specific Solution Type and the above components of the strategy selected for a 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.”

As a manager for certain Privately Managed Accounts or Unified Managed Accounts, Aris and Savos provide services for investment products offered on the AssetMark Platform. AssetMark’s ISG also serves as the Portfolio Strategist for certain Solutions such as Market Dimensions, WealthBuilder, Guided Income Solutions, Market Blend Strategies and the Guided Portfolios, which include GPS Fund Strategies and GPS Select. GPS Fund Strategies shall invest in pre-determined allocations of the GuidePath® Funds and GuideMark Funds, with the option to also include additional investment options such as alternative investments. GPS Select will invest in pre-determined allocations to various Investment Approaches as well as additional investment options and, within each Investment Approach, will make allocations to various Portfolio Strategists and Investment Managers.

AssetMark serves as the investment adviser for the following registered investment companies 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 two GuideMark Funds as well as nine GuidePath Fund of Funds; and
- 3) the Savos Investments Trust Dynamic Hedging Fund (“Savos DHF”), a registered investment company used by Savos to provide risk mitigation in some Solution Types.

AssetMark is not registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity trading advisor, based on its

determination that it may 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 GuideMark Opportunistic Fixed Income Fund, 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.

Representatives of third-party broker-dealer and 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 and Strategies designed to meet the Client’s financial needs. This is described in more detail in Item 14 Client Referrals and Other Compensation.

### DESCRIPTION OF ADVISORY SERVICES

AssetMark offers the following advisory services or Solution Types to Clients. The services discussed in this brochure are:

#### I. Guided Portfolios

- GPS Fund Strategies
- GPS Select
- Custom GPS Select

#### II. Single Strategy Solution Types

- Mutual Fund Accounts
- Exchange-Traded Fund (“ETF”) Accounts
- Mutual Fund/ETF Blend Accounts

#### III. Privately Managed Accounts (“PMA”) or Separately Managed Accounts (SMA), including:

- Individually Managed (“IMA”) Accounts

#### IV. Savos Unified Managed Accounts (“Savos UMA’s”), including:

- Savos Preservation Strategy
- GMS Accounts
- Privately Managed Portfolios (“PMP”) Accounts
- US Risk Controlled Strategy, and
- Savos Personal Portfolios

#### V. Multiple Strategy Accounts

#### VI. Guided Income Solutions

### SERVICES NO LONGER OFFERED

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

### RISK/RETURN PROFILES

In establishing an Account, the Client completes a questionnaire, or otherwise provides information to the Financial Advisor, to enable the Client and the Financial Advisor to identify the Client’s risk tolerance and rate of return objectives. The Client may provide additional information concerning their 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

**This must remain with the Client**

Financial Advisor in selecting which of the Investment Approaches, Solution Types, Risk/Return Profiles and Strategies are most closely aligned with the Client's investment objectives.

One of the fundamental elements of establishing the Client's investment objective is identifying the appropriate Risk/Return Profile for each of the Client's Accounts in their AssetMark Portfolio. These Risk/Return Profiles range from most conservative (lowest estimated risk and lowest potential return) to most aggressive (highest estimated risk and highest potential return). For all Solution Types, other than certain IMAs, the Client, with the assistance of the Client's Financial Advisor, selects a Risk/Return Profile for the management of the Client's Account. Not all Risk/Return Profiles are available for all Solution Types. 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 risks 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.

The percentage exposure to equity securities for each Risk/Return Profile is likely to be higher as the Risk/Return Profiles increase from Profile 1, Conservative through Profile 6, Maximum Growth. The percentage exposure to fixed income is likely to be higher as the Risk/Return Profiles decrease from Maximum Growth to Conservative. Some Solution Types do not offer all Risk/Return Profile levels.

AssetMark establishes, and periodically reviews and confirms or adjusts, guidelines for each of the Risk/Return Profiles. AssetMark provides these guidelines to the independent investment management firms, referred to as the "Portfolio Strategists," that provide allocations for the Mutual Fund, ETF, and Mutual Fund/ETF Blend, Solution Types. Savos and Aris also use these guidelines in the management of their respective Solution Types.

For the Guided Income Solutions, the risk profiles are determined based on a Client's time horizon for their specific income needs. See the Guided Income Solution section below for more information.

## 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 may be classified by AssetMark based on their Investment Approach. Additionally, the Client may select GPS Fund Strategies, which will allocate assets across some or all Investment Approaches. The Client, with the assistance of their Financial Advisor, may 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 may be heavily invested in managed futures but will typically 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.

## ADVISORY SERVICES AND WRAP FEE PROGRAMS

### *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. GPS Fund Strategies primarily utilize NTF funds, or retail share class mutual funds advised by AssetMark. AssetMark advised mutual funds are collectively known as "Proprietary Funds." Because the GPS Fund Strategies invest in Proprietary Funds, there is no Platform Fee charged on those account

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assets. For NTF funds or retail shares, the cost of distributing the funds and shareholder servicing is included in the administrative service fees, sub-transfer agency fees and/or 12b-1 fees the mutual fund company collects from the shareholders and in turn pays to the custodian. The GPS Fund Strategies will not use institutional shares, which are shares that do not charge 12b-1 fees. See Servicing Fees Received by AssetMark and Share Class Use in Item 5, Fees and Compensation.

AssetMark's Investment Strategies Group ("ISG") 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.

*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 are generally allocated to Core Markets and Diversifying Strategies - Bonds and Bond Alternatives Investment Approaches in a blended mix.

*Tactical Focused.* Strategy is allocated solely to Tactical Strategies – Limit Loss Focus.

*Tactical-Low Volatility Focused.* Strategies are allocated to Tactical Strategies – Limit Loss Focus and Diversifying Strategies – Bonds and Bond Alternatives in a blended mix.

*Low Volatility Focused.* Strategy is allocated solely to Diversifying Strategies – Bonds and Bond Alternatives.

*Multi-Asset Income Focused.* 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 Flexible Income.

The standard minimum for a GPS Fund Strategies account is \$10,000. Service share class of the GuidePath Funds are used within the GPS Fund Strategies and pay management fees to AssetMark. The GuidePath Funds pay 12b-1 and service fees to the custodians. Refer to *Indirect Investment Expenses and Mutual Fund Fees Paid by Client in Item 5, Fees and Compensation*, for more information about indirect fees mutual fund shareholders pay.

### 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 Aris and Savos solutions, and including Proprietary Funds. The AssetMark investment team 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 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. AssetMark will seek to use institutional classes where these share classes are available. 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 are 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 may be the retail share class. If AssetMark's Proprietary Funds are used, investment will be in a retail share class which means it will include a shareholder services fees, sub-transfer agency fees and/or 12b-1 fees. However, no Platform Fee is charged on those account assets invested in Proprietary Funds. See *Servicing Fees Received by AssetMark and Share Class Use in Item 5, Fees and Compensation*.

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

- *Select Wealth Preservation.* Strategies are 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 are allocated with a blended mix to selected strategist portfolios within Core Markets, Tactical Strategies and Diversifying Strategies Investment Approaches.
- *Select Distribution.* Strategies 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.

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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.* Strategies are 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 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 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.

The standard minimum investment for the GPS Select ranges from \$50,000 to \$100,000. AssetMark reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

#### Custom GPS Select

GPS Select, as described above, may be customized within a specific range from the baseline to various Investment Approaches. The Client, with the assistance of their Financial Advisor, may select from various Investment Approaches from Portfolio Strategists and Investment Managers, including Savos, 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.

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 may 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 may vary and AssetMark's revenue is likely to increase or decrease based on the sleeve allocation agreed upon between the Client and Financial Advisor.

## **II. SINGLE STRATEGY SOLUTION TYPES**

### ***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. The Account will be invested consistent with allocations provided by a Portfolio Strategist for the Risk/Return Profile selected by the Client. Certain Portfolio Strategists compose their mutual fund allocations utilizing only those mutual funds managed by the Portfolio Strategist or an affiliate of the Portfolio Strategist. One or more of the Portfolio Strategists, will construct their allocations exclusively using Proprietary Funds managed by AssetMark, including the GuideMark and GuidePath Funds.

In the Mutual Fund Solution Type, all 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.

Unless otherwise restricted by the Client in writing and accepted by AssetMark, if a Mutual Fund account is chosen, it may also include non-mutual fund investments. For example, non-mutual fund investments could include cash alternatives held by the Account. The standard minimum investment through the Platform will generally be \$10,000 - \$25,000 for Mutual Fund Accounts.

Portfolio Strategists select from third-party mutual funds that are Proprietary 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. Except for GPS Select discussed above, Portfolio Strategists will not use institutional mutual fund share classes, which are shares with no 12b-1 fees. See Servicing Fees Received by AssetMark and Share Class Use in Item 5, Fees and Compensation for more information on the custodial support payments AssetMark receives from custodians, as well as the indirect fees the Client pays through their investment in mutual funds.

**Important Note: Beginning on April 30, 2020, third-party mutual fund strategies will invest in institutional share classes, which are shares with no 12b-1 fees. When institutional share class funds are used, the Platform is higher than when retail share class funds are used. See Servicing Fees Received by AssetMark and Share Class Use in Item 5, Fees and Compensation for more information on the custodial support payments AssetMark receives from custodians, as well as the indirect fees the Client pays through their investment in mutual funds.**

Additionally, for some, but not all Mutual Funds, the Client may select a Mandate for the Account. The Client can select between the Tax-Sensitive or Standard Mandates described below in Section A and/or select one of the investment styles, Domestic, Global or Hedged, described in Section B. For GPS Fund Strategies, only the Standard Mandate is available.

#### **Section A**

*Tax-Sensitive.* Tax-exempt fixed income investments, tax-managed equity investments, 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.

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

*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.

#### **Section B**

*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.

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**Market Blend Mutual Fund Strategies**

For Market Blend Strategies, AssetMark will provide the following strategic asset allocation strategies. With the assistance of the Financial Advisor, Clients may 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 a quarterly basis for drift against volatility-based targets. Where the drift exceeds pre-set criteria, the Account will be rebalanced. The investment vehicles used to implement the strategy are the proprietary GuideMark Funds that provide exposure to each of the asset classes. Because proprietary funds are used, there is no separate Platform Fee for the Market Blend Mutual Fund strategies.

It is important to note that client accounts invested in Market Blend Mutual Fund strategies will receive allocations, determined by AssetMark, 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 elects a Market Blend Mutual Fund Solution, 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 A. 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 AssetMark, Client consents to these changes. See Exhibit A for more information.

**MarketDimensions Mutual Fund Strategies**

For the MarketDimensions Strategies, AssetMark 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 (DFA Funds).

With the assistance of the Financial Advisor, Clients may select from the following MarketDimensions Mutual Fund 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. AssetMark 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.

**OBS Mutual Fund Strategies (available on or after April 30, 2020)**

AssetMark 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 (DFA Funds). These strategies will bias towards the factors favored by Dimensional Fund Advisors.

With the assistance of the Financial Advisor, Clients may select from the following OBS Mutual Fund 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.

The strategies will be reviewed at least annually for reallocation. AssetMark 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.

**Aris Asset Builder**

Aris 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 may 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 may result. Periodic account reviews will include account rebalancing. Rebalancing may be performed without consideration for any realized taxable gains or losses that result. Clients may 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, Aris will offer portfolios managed for various social or faith based considerations ("Personal Values Portfolios"). Such portfolios can be offered under the Asset Builder and 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.

**Individual Mutual Fund Solution Types**

A Client, with the assistance of their Financial Advisor, may 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 may be higher or lower than those charged by others in the industry,



or directly from the third-party mutual fund provider, and that it may 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 may be obtained upon request from AssetMark or your Financial Advisor. Please review and consult with your Financial Advisor if you have further questions regarding these IMF Solution Types. The mutual funds selected for use will be NTF funds that include administrative service fees, sub-transfer agency fees and/or 12b-1 fees. If proprietary funds are used, there is no Platform Fee. If third party mutual funds are used, there is a Platform Fee in addition to the fees charged by the fund. See the Fees & Minimum table at the back of this Disclosure Brochure.

### **ETFs**

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 but it is not a separate charge to the client. There are no separate share classes for ETFs. ETF solutions will primarily invest in third-party ETFs, and are not advised by AssetMark.

A Client, with the assistance of their Financial Advisor, may 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 may compose their ETF asset allocations utilizing only those ETFs managed by the Portfolio Strategist or an affiliate of the Portfolio Strategist. 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's ETF trading practices are discussed further in Item 12 "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.

Unless otherwise restricted by the Client in writing and accepted by AssetMark, 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.

The standard minimum investment through the Platform will generally be \$25,000 - \$50,000 for ETF Accounts. AssetMark reserves the right, in its sole judgment, to accept certain investments below the standard minimum. Additionally, for some, but not all, ETF Solution Types, the Client may select one of the following Mandates for the Account, as described below.

*Tax-Sensitive.* Tax-exempt fixed income investments, tax-managed equity investments, 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.

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

*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.

### **Market Blend ETF Strategies**

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

#### ***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 a quarterly basis for drift against volatility-based targets. Where the drift exceeds pre-set criteria, the Account will be rebalanced. 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 a quarterly basis for drift against volatility based targets. Where the drift exceeds pre-set criteria, the Account will be rebalanced. 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 Funds/ETF Blend Solution Types**

For Clients selecting a Mutual Fund/ETF Blend Solution Type, their Account will be invested in a blend of mutual funds and ETFs consistent with allocations provided by a Portfolio Strategist for the Risk/Return Profile selected by the Client, and as described in the preceding Mutual Fund and ETF sections.

#### ***WealthBuilder Strategies***

For WealthBuilder Strategies, AssetMark will provide strategic investment allocations across Investment Approaches based on investment objectives, market outlook, risk profile and other preferences. ISG 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 5% allocation to cash. 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.

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*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.

The standard minimum for a WealthBuilder Strategy account is \$25,000. Refer to Item 5 “Fees and Compensation” for more information about indirect fees mutual fund shareholders pay.

### III. PRIVATELY MANAGED ACCOUNTS

A Privately Managed Account (“PMA”) or Separately Managed Account (“SMA”) Solution Type can be established as:

- Individually Managed Account (“IMA”) Equity/Balanced, Fixed Income and Custom High Net Worth,
- Separately Managed Account under Equity/Balanced, Fixed Income or Custom High Net Worth options.

PMA solutions, AssetMark, through its Savos or Aris divisions, acts as the Investment Manager. 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 PMA accounts. However, the Investment Manager has the authority to “step-out” 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 Account Custodian, unless such fees are waived (refer to Item 12 “Brokerage Practices”). If a Discretionary Manager of an IMA determines to “step out” or “trade away” a trade, the Custodian’s may 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., an Eaton Vance bond ladder IMA, the Client should expect this \$20 fee on each security transaction. The Investment Manager is also referred to as a “Discretionary Manager.” In addition, Investment Managers and Portfolio Strategists are collectively referred to as “Investment Solution Providers” in marketing materials.

#### Individually Managed Account (“IMA”)

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 may replace the Investment Manager at its discretion.

The standard minimum for each IMA is generally between \$100,000 and \$1,000,000, although for Savos Fixed Income IMA Accounts, the account minimum ranges from \$25,000 - \$50,000. 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 may be required to acknowledge receipt of, additional disclosures regarding specific investments, such as alternative investments, the use of options and/or certain fixed-income solutions.

Options strategies will be used for certain IMA Solutions. Clients with IMAs that include investment in options 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. 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>.

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 described in the IMSA, and as determined between the Client, their Financial Advisor and the Investment Manager. As such, the Client’s personalized investment objective may go beyond the standards 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.

#### Aris - Custom High Net Worth

Aris offers a Custom High Net Worth service through the AssetMark Platform. The minimum account size for this account is \$500,000. Aris uses a number of the strategies and advisory services in providing discretionary investment management services to the Custom High Net Worth Account. Aris 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. Aris 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 Aris selects, retains and replaces in its discretion. For the fixed income portion of the Custom High Net Worth Account, Aris will use pooled vehicles or have a third-party discretionary manager manage with discretion that portion of the Client’s Account. Aris will remove, add or replace the third-party discretionary manager in its discretion. The Client grants Aris 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 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 Aris to ensure that they are reasonable and will not unduly impair Aris’ ability to pursue the Account’s investment objective. As may be limited by the Custodian’s policies and procedures, Clients may 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 Custodian.

#### Savos Fixed Income Strategies

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

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- *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, may request that Savos 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 may choose to participate in a program in which their Financial Advisor, in consultation with Savos, may 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. Savos, in its discretion, will determine the implementation of the ACA. The Financial Advisory Firm may request that Savos recommend to the Financial Advisory Firm asset allocations or investment selections for the ACA, but Savos 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 Savos Fixed Income Platform Fee schedule will be charged to the Client Account, unless otherwise negotiated between the Financial Advisory Firm and Savos.

#### **IV. SAVOS UNIFIED MANAGED ACCOUNTS ("SAVOS UMAs")**

The Savos UMAs include:

- Preservation Strategy
- GMS Accounts
- Privately Managed Portfolios ("PMP") Accounts
- US Risk Controlled Strategy
- Custom Accounts
- Savos Personal Portfolios

##### **Savos Preservation Strategy**

For the Savos Preservation Strategy, Savos acts as the Investment Manager for the Client Account. Savos shall provide discretionary investment management services to the Account, and the Client grants Savos 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. For Savos Preservation Strategy, the account minimum is \$25,000.

The primary investment objective of the Preservation Strategy is to avoid a calendar-year loss. 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 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 may include real estate, commodities, precious metals, energy and other less traditional asset classes, with no geographic restrictions.

Additionally, Savos 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 Savos division, serves as investment adviser.

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

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

The standard minimum UMA investment, depending on the strategy selected, is between \$25,000 and \$250,000. AssetMark reserves the right, in its sole judgment, to accept certain investments below these standard minimums.

UMAs are permitted to hold investments selected by Savos, and these investments may 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 Savos at its discretion. This discretion includes the selection of securities, the selection of individual securities in certain designated asset classes, and asset allocation and will be in consultation with other investment management firms.

For UMAs, Savos employs comprehensive analysis, including specific mathematical, technical and/or fundamental tools and risk-control criteria in the management of Client Accounts. The focus of Savos 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 Savos believes are appealing; (iii) the formation of portfolios with risk management options to match the portfolio to the Client's chosen level of risk tolerance; and (iv) efficient execution of trade orders resulting from ongoing management of the Client's Account.

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 Savos.

##### **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 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. Savos reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

In a GMS Account, the Client authorizes Savos to provide discretionary investment management services to the Account. The Client grants Savos the authority to buy and sell securities and investments for the Account, to vote proxies for securities held by the Account and the

**This must remain with the Client**

other discretionary authorities described in the IMSA. Savos selects securities for the Account, consistent with recommendations provided to Savos in consultation with investment management firms with regard to security selection and portfolio optimization. Savos retains the right to allocate across asset classes, which will include such recommended securities, in its own discretion. Savos 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, Savos 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, either directly or through its Savos division, serves as investment adviser.

Savos will adjust the holdings in a GMS Account on an ongoing basis. In some instances, Savos 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, may select a risk management option from among investment-grade, high-yield and municipal fixed income strategies.

A Client may 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 may choose between the following Mandates for a GMS Account.

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

*Global.* The Account will be allocated to international securities (including emerging markets), with allocations that also include exposure to large- and small-capitalization U.S. stocks.

#### **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. Savos reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

In a PMP Investment Solution, the Client authorizes Savos to provide discretionary investment management services to the Account. Savos selects securities for the Account, and will invest the Account in a combination of individual securities, pooled investment vehicles, such as open-end mutual funds or ETFs, or other securities or investments.

Additionally, Savos 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, either directly or through its Savos division, serves as investment adviser.

Savos retains the authority to allocate across asset classes, in its own discretion. Savos 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 Savos 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, may select a risk management option from among investment-grade, high-yield and municipal fixed income strategies.

#### ***Mandates***

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

*Global.* The Account will primarily be allocated to large-, mid- and small-capitalized companies domiciled in the United States and other developed countries, with possible significant allocations of exposure to real estate and high dividend-paying stocks.

*High Dividend Global.* The Account will primarily be allocated to large-, mid- and small-capitalization companies domiciled in the United States and other developed countries, with possible significant allocations of exposure to real estate and high dividend-paying stocks. The Account is also permitted to invest, at a conservative level, in one or more specialized asset categories, including, but not limited to, commodities, market neutral strategies, emerging markets, international small-capitalization companies and global bonds.

#### **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.

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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 AssetMark 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. Savos reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

In the US Risk Controlled Strategy, the Client authorizes Savos to provide discretionary investment management services to the Account. The Client grants Savos 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. Savos selects securities for the Account, to a substantial degree, consistent with recommendations provided to or in consultation with investment management firms. Savos retains the right to allocate across asset classes, which will include such recommended securities, in its own discretion. Savos invests the Account in individual securities and ETFs.

Savos will adjust the holdings in the US Risk Controlled Strategy based on a proprietary indicator. Savos will sell or readjust holdings where appropriate based on the indicator. During periods of heightened market volatility, Savos will have the ability to adjust the holdings to a non-equity alternative. During periods of low market volatility, Savos 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, may request that Savos 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 may be customized 1) based on a tax-managed transition plan, 2) through a request for restrictions, 3) due to a request to limit net capital gains, or 4) due to a request for other customization.

If the client requests a tax-managed transition, Savos will take commercially reasonable efforts to limit the immediate realization of net gains related to securities transferred in-kind. Clients may also ask that certain securities not be purchased for their Custom account. Clients may 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 may also request a Custom account consistent with a proposal or product sheet provided by Savos for the Account. See the Request for Savos Customization form for more information.

Additionally, the Client, may choose to participate in a program in which their Financial Advisor, in consultation with Savos, may 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. Savos, 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 may request that Savos recommend to the Financial Advisory Firm asset allocations or investment selections for the ACA, but Savos 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 Savos.

#### **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. Savos reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

In Savos Personal Portfolios, the Client authorizes Savos to provide discretionary investment management services to the Account. The Client grants Savos 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. Savos retains the right to allocate across asset classes, which will include such recommended securities, in its own discretion. Savos 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 account-level tax-loss harvesting to Clients.

#### **Mandates**

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

*Growth and Growth Tax-Sensitive.* The strategy is managed against the global equity market global 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.

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The Savos Personal Portfolios follow the Core Markets Investment Approach. Profile three (3) to six (6), are available for the Savos Personal Portfolios.

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

A Savos Personal Portfolio - Custom Account may be customized within a specific range across equity, fixed-income and tactical allocations. The Client, with the assistance of their Financial Advisor, may 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.

Savos will make available the specific range of pre-determined allocations, which range will be updated from time to time. The number of sleeves selected may 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 may 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. Savos, in its discretion, will determine the implementation of the Savos Personal Portfolio Custom. Savos does not provide any individualized investment advice to Savos Personal Portfolio 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 one (1) to six (6), are available for the Savos Personal Portfolios Custom account.

#### **Savos Wealth Portfolios [Effective March 31, 2020, this investment solution is no longer offered to new investors.]**

SavosWealth Portfolios ("Wealth Portfolios") offer individually-tailored, customized wealth management and portfolio solutions to Clients that reflect their specific personal investment goals and objectives, overall asset allocation, risk tolerance, return expectations, and investment preferences, as communicated by the Clients to their Financial Advisors and Savos. Wealth Portfolios differ from other existing Solution Types offered on the AssetMark Platform primarily due to the maximum flexibility offered through institutional quality and individualized portfolio construction, from the ground up, as compared to selection from a menu of pre-defined Solution Types, mandates, funds and/or risk/return profiles (with limited ability to customize those options under certain circumstances, if at all).

Wealth Portfolios are constructed by Savos in consultation with Financial Advisors and their Clients, through selection of any combination of equity, fixed income and other securities, with an emphasis on individual stocks, bonds, tax-efficient investments and other investments as appropriate (collectively, "Investment Products"), and active risk management. Portfolio construction specifics are derived from factor-based security selections based on Client and Financial Advisor responses to Savos' Client Information Form ("CIF") and other data and inputs gathered from Clients by Financial Advisors and as communicated to Savos. Wealth Portfolios can also include other financial planning support assistance and account administration enhancements, as requested or desired by Financial Advisors and made available by Savos to Financial Advisors for their use in enhancing Client investment results and experience.

Financial Advisors that decide to recommend incorporation of Wealth Portfolios to their end-user Client's portfolio will first work with Savos and the Client to complete the CIF, a questionnaire designed to elicit the relevant data regarding Client financial status, risk tolerance, goals and objectives, as necessary to develop an individually-tailored Wealth Portfolio. Upon completion of the CIF, Savos reviews and works with the Financial Advisor and/or Client to address any further questions or follow-up as to details necessary to obtain an accurate and complete assessment of the Client's financial goals, objectives, return expectations and risk tolerance.

Based on this information, Savos constructs a Wealth Portfolio of recommended Investment Products for review by the Financial Advisor with his/her Client. Upon the Client's agreement to utilize Wealth Portfolios, and approval of the proposal, the Client will execute.

Savos acts as the Investment Manager for the Client's Wealth Portfolio Account and provides discretionary investment management services to the Account. The Client grants Savos the authority to buy and sell securities and investments for the Account, to re-balance and re-allocate assets within the Account (within reasonable parameters or ranges as agreed to by the Client), to vote proxies for securities held by the Account and such other discretionary authorities as described in the IMSA.

For Savos Custom and SavosWealth accounts, the Client, with the assistance of the Client's Financial Advisor, selects Savos to provide discretionary investment management services to the Account. The Client grants Savos 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 described in the IMSA, and as determined between the Client, their Financial Advisor and Savos. As such, the Client's personalized investment objective may go beyond the standards investment objectives listed for each of the six Risk/Return Profiles as described earlier in this section, and as outlined for Savos by Financial Advisor for the Client.

#### **MUTUAL FUND SHARE CLASS USE WITHIN THE SAVOS STRATEGIES**

Some expenses are inherent within the investments held in Client Accounts. Mutual funds pay management fees to their investment advisers, and certain funds have other types of fees or charges, including 12b-1, administrative, shareholder servicing, or certain other fees, which are 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. Bank money market accounts and other bank services typically charge separate fees. For more information, refer to Insured Cash Program Fees by Affiliate in Item 5.

#### **Use of Proprietary Funds**

Savos uses Proprietary Funds in various investment solutions, including the Savos DHF. The Savos DHF is a proprietary registered investment company for which AssetMark, through its Savos division, 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 both its management of the Savos DHF, as well as the fees for a Savos PMA. However, any management fees collected for the portion of the strategies invested in SDHF will be rebated back to the Client.

**This must remain with the Client**

### Share Class Use in Savos Strategies

In the Savos' 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 Savos 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.

### **SAVOS DYNAMIC HEDGING FEATURE**

The Dynamic Hedging feature is offered within certain Solution Types managed by its Savos division. 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. Savos 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. Savos may or may not be successful in achieving the investment objective in any individual calendar year.

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 Savos 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 Savos receives under the Investment Management Services Agreement for Savos 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 Savos investment solution. See *Servicing Fees Received by AssetMark and Share Class Use in Item 5, Fees and Compensation*.

#### **V. MULTIPLE STRATEGY ACCOUNTS**

Certain Single Strategy Solution Types discussed above are also available as sleeve-level options within a Multiple Strategy Account. In a Multiple Strategy Account, an Account may be customized with no set allocation limits. The Client, with the assistance of their Financial Advisor, may select from various Portfolio Strategists and Investment Managers, including Savos, and Proprietary Funds. In selecting and determining the allocations in each sleeve, a Multiple Strategy Account will be established. The number of sleeves selected may 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 weighted based on the allocation to each sleeve.

#### **VI. GUIDED INCOME SOLUTIONS**

The Guided Income Solutions are designed to provide a Client 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 proprietary institutional GuidePath mutual funds. GuidePath Funds are shares that do not charge a 12b-1 fee. Because proprietary funds are used, there is no Platform Fee for the Guided Income Solutions. See *Servicing Fees Received by AssetMark and Share Class Use in Item 5, Fees and Compensation*, and the *Fees & Minimum*

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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 Company, the Financial Advisor may 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 may include principal and the principal balance of the Account may be depleted prior to the portfolio’s target end-date and therefore, distributions may end earlier than expected. Income distributions refers to cash distributions of earnings and/or principal.

#### ADMINISTRATIVE ACCOUNTS

Although options may 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 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.

#### ASSETS UNDER MANAGEMENT

As of December 31, 2019, the Referral Model Platform had \$38.8 billion in assets under management. These assets include investments in proprietary mutual funds and third-party investment managers under the Referral model and are managed on a discretionary basis.

### ITEM 5 – FEES AND COMPENSATION

All fees are subject to negotiation.

#### FEES OVERVIEW

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

1. Financial Advisor Fee
2. Platform Fee, which includes any Strategist or Manager Fee, as applicable, and most custody fees. The Platform fee schedules for the various Investment Solutions are listed in the Fees & Investment Minimum table at the end of this Disclosure.
3. Initial Consulting Fees

The Fees applicable to the Account will be set forth in the Client Billing Authorization. The Financial Advisor Fee and the Platform Fee when combined are referred to as the Account Fee. Other fees for special services are also charged. The Client should consider all applicable fees.

#### 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 consultation and other support services provided by the Financial Advisory Firm through the Financial Advisor. These services 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.

Clients should also be aware that the Financial Advisors recommending these advisory services receive compensation as a result of Clients’ contracting with AssetMark for these services.

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 1.50% (150 basis points), as negotiated and agreed between the Client and the Financial Advisor.

#### PLATFORM FEE

The Platform Fee includes:

- (i) the Platform Fee for advisory services;
- (ii) the Custody Fee except for third-party mutual funds Actively Managed Fixed Income Strategies, Funding Account Strategies, acquired Global Financial Private Capital (GFPC) Strategies, and accounts custodied at Schwab;
- (iii) the Strategist’s or Manager’s Supplemental Fee, if applicable, and
- (iv) an additional fee of \$150 per year for third-party mutual fund solutions at certain custodians.

**Important note:** Beginning April 30, 2020, the additional fee of \$150 per year for third-party mutual fund solutions will no longer be charged. However, a minimum Platform Fee of \$350 per year, or \$87.50/quarter will be applicable to accounts invested in third party mutual fund strategies. At the end of the quarter, if the fees applicable to the Account based on the market value is less than \$87.50, the account will be charged the difference to meet the minimum Platform Fee of \$87.50. Refer to the Fees & Investment Minimum table at the end of this Referral Disclosure Brochure for complete fee details.

The Platform Fee provides compensation to AssetMark for maintaining the Platform and providing advisory and administrative services to the Account. The advisory services include, but are not limited to: selecting, reviewing and replacing, as it deems appropriate, the Portfolio Strategists providing allocations, Investment Management Firms providing securities recommendations, Discretionary and Overlay Managers providing discretionary management services and other Consultants and service providers; review and validation of Portfolio Strategists’ recommendations; and executing trades for mutual fund and ETF shares.

The administrative services include but are not limited to: arranging for custodial services to be provided by various custodians pursuant to separate agreement between Client and Custodian; preparation of quarterly performance reports (to complement Account Statements

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provided by Custodians); 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 under AssetMark management or administration. 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 AssetMark 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 Minimum table are made with the approval of an authorized officer of AssetMark. 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 selling agreement, any of which may be offered discounted fees.

Clients should be aware that the fees charged by AssetMark may be higher or lower than those charged by others in the industry and that it may be possible to obtain the same or similar services from other investment advisers at lower or higher rates. A Client may be able to 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 may be lower or higher than the fees described in the Fees & Investment Minimum table at the end of this Disclosure Brochure.

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 Advisory Firm. 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 platform programs. Information on participating Financial Advisory Firms is available upon request.

The Platform Fee Schedules for the various Investment Solutions, subject to a minimum fee, shall be charged at the rates listed in the Fees & Investment Minimum table at the end of this Disclosure Brochure.

#### ***Custodial Account Fees***

AssetMark has negotiated with AssetMark Trust (AssetMark's affiliate custodian) and the third-party custodians on AssetMark's platform, to allow for the Custody Fees to be included in the Platform Fee. 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.

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 for specific fees attributable to the client account. More information about custodians are also discussed in Item 15, Custody.

AssetMark Trust and Third Party Custodians may charge a Custody Fee of \$150 per year for Accounts invested in Mutual Fund strategies that do not utilize Proprietary Funds. The Custody Fee for Proprietary Mutual Funds is \$0.

**Important Note: After April 30, 2020, AssetMark Trust and Third Party Custodians will no longer charge a Custody Fee of \$150 per year for Accounts invested in Mutual Fund strategies that do not utilize Proprietary Funds (in other words, these would be Accounts invested in third-party mutual funds).**

#### ***Strategist's or Manager's Supplemental Fee***

For an Account invested in a third-party IMA Investment Solution or UMA Investment Solution, a supplemental Investment Manager Fee is payable to the 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, you 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 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 when you open an account. To request another copy, contact your Financial Advisor or AssetMark's Compliance department at the address on the front cover of this Brochure.

#### ***No Strategist or Terminated Strategist Accounts***

AssetMark has accounts that no longer receive advisory services pursuant to the IMSA 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 the 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 selected for the strategy at a Platform Fee that is a reduction from that payable when the strategy was active on the AssetMark Platform. Any Financial Advisor Fee payable pursuant to the IMSA shall be payable on No Strategist or Terminated Strategist Accounts unless AssetMark receives instructions not to charge the Financial Advisor Fee. A separate Custodial Account Fee applies to No Strategist or Terminated Strategist accounts. Please see the Custody agreement for specific fees attributable to the client account. Platform Fee schedules for No Strategist or Terminated Strategist accounts are available by contacting AssetMark, or your Financial Advisor.

#### **INITIAL CONSULTING FEE**

For Financial Advisory Firms that charge an Initial Consulting Fee ("ICF"), an ICF of up to one percent (1.00%) on any cash deposit or in-kind investment transfer of \$2,000 or more to the Account is assessed and paid to the Financial Advisory Firm. The amount of the ICF, if any, will be determined by agreement between the Client and the Client's Financial Advisor.

#### ***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 & Minimum table.

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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.

#### ***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 investment 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. Retail shares also include administrative fees, shareholder servicing, and sub-transfer agent fees. 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 No Transaction Fee (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, they may include administrative fees, shareholder servicing, and/or sub-transfer agent fees.

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
Institutional Share Class	Institutional shares	No	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

NTF Funds generally pay Custodians, including AssetMark Trust Company, 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.

It is important to note that 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.

AssetMark's Platform Fee includes custody fees, therefore, the Platform Fee schedule takes into consideration the fund share class used in the mutual fund investment solutions. This creates a conflict because AssetMark may not always use the lowest share class, and Retail shares generates 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 are 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.

- When Proprietary Funds are used, which are retail share classes, the AssetMark Platform Fee is waived.

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

#### ***Servicing Fees Received by AssetMark***

AssetMark provides third-party Custodians significant services with respect to the custody arrangements including review of new account paperwork and communication with Financial Advisors to resolve incomplete custodial paperwork. Currently, if the Client selects a third-party Custodian, not AssetMark Trust, the selected Custodian will remit a portion of the custody fee it charges the Client or receives from other parties including mutual funds, to AssetMark as compensation for these substantial services. The formula under which AssetMark's compensation will be calculated is prospectively agreed upon by the Custodian and AssetMark and will be a function of agreed upon basis points on the assets under management or custody, or other methodology agreed to by the parties annually. The formula is set for a 12-month period, after which a new formula is renegotiated between AssetMark and the Custodian to take effect on a prospective basis. The payment due under the formula will be calculated and paid quarterly. Further information about the compensation paid AssetMark, including current and historical compensation is available on request. The Client hereby acknowledges and agrees that AssetMark will receive, as

**This must remain with the Client**

reasonable compensation for its services, the sum of (i) the fees applicable to the Account under this Agreement and (ii) the custodial account fees, if applicable, and (iii) amount payable to AssetMark by the third-party Custodian. This amount, in the aggregate, is substantial, based on the substantial services provided by AssetMark, and will vary by Custodian.

#### ***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. Those Custodians in turn share some of these fees with AssetMark in return for the shareholder services it performs for the Custodians. This creates a conflict of interest because AssetMark receives a portion of the higher paying retail share class fees paid to Custodians. AssetMark addresses this conflict by taking the receipt of these fees into account when determining the Platform Fee.

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 retail 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, in addition to fees paid to AssetMark. AssetMark receives management and other fees for its management of the GuideMark and GuidePath Funds. In these cases, no Platform Fee is charged. When the Savos DHF is used in AssetMark's Investment 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 management fees collected for the portion of the strategies invested in Savos DHF will be rebated back to the Client.

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.

#### ***Other Compensation Disclosure***

Each of the mutual funds and ETFs included in the Platform bears its own operating expenses, including compensation to the fund. 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 Advisory 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 may 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. Accounts invested in portfolios that include ETFs are subject to transaction costs, or asset-based pricing fees, based on the fee schedule of the account custodian selected by the Client, and pursuant to a separate agreement between the Client and the account custodian.

The Platform Fee for related accounts of any client on the Platform is negotiable, as are Platform Fees paid by any Financial Advisory Firm, with the approval of an AssetMark senior executive officer. These negotiated fees typically lower the portion of the Platform Fee that AssetMark receives.

#### ***Indirect Platform Fees received on acquired Clark Capital accounts***

In 2015, AssetMark acquired the turnkey asset management program accounts of Clark Capital Management Group. For certain acquired accounts where the Clark advisory fee is paid through a Clark proprietary mutual fund, AssetMark receives a portion of this fee from Clark Capital. While the receipt of this fee creates a conflict, the acquired accounts are were closed to new business at the time of acquisition and remain closed to any new assets.

#### ***Marketing Support Fees Received***

AssetMark receives marketing support payments from IMA Managers based on the amount of assets on the AssetMark Platform. The fee is paid quarterly and is primarily based off of the growth of IMA's assets on the Platform. While AssetMark does not select the investment strategy for the Client, this creates a conflict because AssetMark may offer favorable marketing opportunities to the IMA Manager to support the growth of assets on the Platform, and therefore receive more payments.

#### ***Administrative Service Fees Received by Affiliate***

Both Aris and Savos select mutual funds used in their Solution Types and generally the mutual funds selected are institutional funds. However, it's important to note that if institutional 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 Item 15, Custody. 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 ATC in exchange for the significant custodial support services AssetMark Trust provides. Below are the types of fees ATC receives:

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- *12b-1s*: are a cost to the shareholders of the mutual fund. If the prospectus of a mutual fund allows for 12b-1's 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.
- *Administrative Service Fees ("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"). AssetMark Trust does not seek to minimize or eliminate 12b-1 fees by using mutual fund institutional or investor share classes. Refer to the AssetMark Trust Custody Agreement for more information.

#### *Insured Cash Program Fees by Affiliate*

AssetMark Trust's FDIC-Insured Cash Program includes an "Insured Cash Deposit Program" ("ICD Program") and a "High Yield Cash Program." Accounts invested in strategies on the AssetMark Platform are required, pursuant to their investment strategy or guidelines, to maintain an allocation to cash (the "cash allocation"); this cash allocation is deposited into the ICD Program. For most accounts, the target cash allocation is 2%. For accounts invested in WealthBuilder strategies, the target cash allocation is 5%. In addition to the cash allocation, AssetMark Trust accounts will hold ICD cash pending investment or distribution.

Deposits to a Cash Administrative Account will be invested in the ICD Program unless the account meets and maintains certain minimum deposit requirements and the High Yield Cash Program is selected. The High Yield Cash Program is expected to pay higher interest rate than the ICD Program. There is no Custody Fee and no Platform Fee for Cash Administrative Accounts, but the Financial Advisor Fee will be charged a Cash Administrative Account unless other instructions are received.

AssetMark Trust is paid a Program Fee for record keeping and administrative services it provides the Program by the banks that participate in the Program; this compensation reduces the interest paid deposits, and AssetMark Trust expects to receive a lower Program Fee for deposits in the High Yield Cash Program. "Cash" in accounts not eligible for the FDIC-Insured Cash Program will be invested in shares of money market mutual funds. AssetMark Trust expects to receive service fees from these money market funds or their service providers. AssetMark Trust expects to earn higher fees on cash deposited in the FDIC-Insured Cash Program, especially the ICD Program, than on cash invested in money market funds. This increased compensation on deposits in the ICD Program creates a conflict for AssetMark because it creates an incentive to allocate portions of an account to cash. AssetMark addresses that conflict by disclosure and by systematic quarterly rebalancing of accounts to the target cash allocation. For accounts with a target cash allocation of 2%, and the account's cash allocation will be rebalanced quarterly if it is less than 1.5% or more than 2.5%. For WealthBuilder strategies accounts with the target cash allocation of 5%, the cash allocation will be rebalanced quarterly if it is less than 4% or more than 6%.

#### *Affiliate Fee Income Disclosure*

##### Savos, 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, 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 A at the end of the Disclosure Brochure. For Savos investment solutions, AssetMark will credit the net advisory fee earned on the portion of the accounts invested in a proprietary mutual fund.

#### *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 U.S. Securities and Exchange Commission for costs related to the government's supervision and regulation of the U.S. securities markets and professionals. In addition, Accounts may 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.

#### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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.

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## ITEM 7 – TYPES OF CLIENTS

AssetMark provides various investment management services to registered investment companies and a variety of Clients, including but not limited to individuals, high-net-worth individuals, investment companies, pension and profit-sharing plans, corporations, partnerships, trusts, insurance companies 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.

Account minimums for each investment solution are provided in Item 4 under Advisory Services and on the Fees & Investment Minimums table at the end of this Disclosure Brochure. AssetMark reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

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. AssetMark reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

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 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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

### SELECTION AND REVIEW OF PORTFOLIO STRATEGISTS AND INVESTMENT MANAGEMENT FIRMS

Portfolio Strategists and Investment Managers are collectively referred to as Investment Solution Providers in marketing and other materials.

#### *Portfolio Strategists*

The Portfolio Strategists used in Mutual Fund, ETF, and IMA Solution Types are selected by AssetMark in order to provide a wide range of investment options and philosophies to Clients. AssetMark serves as the Portfolio Strategist for the GPS Fund Strategies. 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" in Item 4.

The Portfolio Strategists generally use either technical or fundamental analysis techniques in formulating their allocations and some will incorporate strategies with specific income distribution objectives. Each of the Portfolio Strategists nevertheless has its own investment style resulting in allocations comprised of a combination of asset classes, represented by mutual funds or ETFs. These asset classes 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.

AssetMark has contracted with Portfolio Strategists, to provide recommended 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's ISG 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 Investment Oversight Committee comprised of senior management. AssetMark will from time to time add, remove or replace a Portfolio Strategist at its discretion. AssetMark will periodically add to or remove from the mutual funds, ETFs and Investment Management Firms available for use in the Portfolio Strategists' allocations.

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. In addition, one or more of the Portfolio Strategists will construct their allocations using Proprietary Funds. A Prospectus for the Proprietary Funds may be obtained upon request from AssetMark or your Financial Advisor. Please review and consult with your Financial Advisor if you have further questions regarding these Funds.

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

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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, contact your 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 PMAs. The Discretionary Manager is also referred to as an Overlay Manager. These Discretionary Managers manage individual Client Accounts on a discretionary basis consistent with the Strategy selected by the Client.

For UMAs, AssetMark also selects and retains independent investment management firms (referred to in the discussions of those Solution Types as the "Investment Management Firms") in an advisory or consulting capacity, to select and recommend to Savos the individual securities in a specific asset class, according to a pre-determined mandate, and to provide Savos with model portfolios of securities.

In IMAs and Savos Solution Types (Savos Preservation Strategy and Savos Fixed Income Accounts), the Discretionary Managers have full discretionary authority to invest the assets in Client Accounts. The Overlay Manager has limited discretionary authority to implement the securities selected by the Investment Management Firms. In UMAs, Savos has full discretionary authority to implement the Investment Management Firm selections, and generally invests Client assets, to a substantial degree, in accordance with these model portfolios, consistent with the allocation appropriate to each Client's Account. For certain asset classes in UMAs, Savos does not utilize the services of an independent Investment Management Firm, and instead selects the portfolio of securities for that asset class itself.

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 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.

*Investment Management 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's

ISG oversees the ongoing monitoring of the Investment Management Firms who act as Discretionary Managers and present this performance information, Manager due diligence findings, recommendation for terminations and any recommendations related to new potential Managers to be added to the Platform at Due Diligence Investment Committee comprised of senior management.

### **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.

### **ITEM 9 – 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 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.

### **ITEM 10 – 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. For those affiliated companies you may interact with in connection with your AssetMark relationship, their industry activities are described in further detail below:

- AssetMark Brokerage, LLC
- AssetMark Retirement Services, Inc.
- AssetMark Trust Company
- Global Financial Private Capital, Inc.
- Global Financial Advisory, LLC
- OBS Financial Services, Inc.

#### **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 and third party administrator for AssetMark's retirement offering.

**AssetMark Trust Company**

AssetMark Trust Company ("AssetMark Trust") 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.

**Global Financial Private Capital, Inc.**

Global Financial Private Capital, Inc. ("GFPC") is an investment adviser registered with the SEC and provides discretionary investment advisory services on a non-wrap fee basis to its clients, which consist of individuals, business entities, trusts, estates, charitable organizations and other entities. GFPC delivers its investment services through model portfolios. The models are provided from unaffiliated third-party managers, subject to oversight by GFPC personnel. The Firm engages various unaffiliated sub-advisers to manage the underlying portfolios in each model.

**Global Financial Private Capital, Inc.**

Global Financial Private Capital, Inc. ("GFPC") is an investment adviser registered with the SEC and provides discretionary investment advisory services on a wrap or non-wrap fee basis to its clients, which consist of individuals, business entities, trusts, estates, charitable organizations and other entities. In addition, the Firm may provide financial planning and/or consulting services on a stand-alone basis. GFPC delivers its investment services either through model portfolios. The models are provided from unaffiliated third-party managers, subject to oversight by GFPC personnel. The Firm engages various unaffiliated sub-advisers to manage the underlying portfolios in each model.

**Global Financial Advisory, LLC**

Global Financial Advisory, LLC is an insurance agency that provides marketing and sales support for non-variable insurance products. The types of products marketed include but are not limited to term life insurance, universal life insurance, whole life insurance, fixed annuities, and long-term care insurance.

**OBS Financial Services, Inc.**

OBS Financial Services, Inc. is registered as an investment advisor with the SEC. OBS Financial provides investment and operations outsourcing services to financial institutions around the country. Our clients include bank Trust departments, retail broker dealer advisors, independent financial advisors, and retirement plan professionals. We offer an array of fee-based investment products and platforms intended to help them grow their business. We do this through our proprietary technology and our highly-experienced team who provides sales, marketing, operations, and technology solutions specifically designed to meet each institution's unique challenges.

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

Clients pay AssetMark Trust for custodial services pursuant to their Custody Agreement with AssetMark Trust. Additionally, pursuant to a contract between AssetMark and AssetMark Trust, AssetMark pays AssetMark Trust for services it provides AssetMark advisory Clients, especially with regard to Savos PMAs and UMAs. Additionally, AssetMark Trust receives payments from mutual funds, mutual fund service providers and other financial institutions 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 to be invested on behalf of 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. Compensation includes financial assistance for conferences, sales or employee training programs. Compensation is also paid for travel and lodging expenses for meetings or seminars of a business nature held at various locations or gifts of nominal value as permitted by applicable rules and regulations.

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

AssetMark receives compensation as the investment adviser of the GuideMark and GuidePath Funds, which are utilized within certain Solution Types. When the GuideMark Funds are used in AssetMark's Investment Solutions, AssetMark waives its Platform Fee on the assets in those accounts. AssetMark is compensated only pursuant to its Investment Advisory Agreement with the GuideMark and GuidePath Funds. Because of the lack of a Platform Fee, some Financial Advisors may be inclined to charge a higher Financial Advisor Fee for an Account invested in the GuideMark and GuidePath Funds than they might for an Account invested in other Investment Solutions.

The GuidePath Fund of Funds is directly managed by AssetMark's ISG and is invested in shares of the GuideMark Funds, unaffiliated mutual funds and ETFs. ISG manages the GuidePath Funds based on research provided by current Portfolio Strategists in each of the Investment Approaches. In addition to the responsibility of managing the GuidePath Funds, ISG has ongoing oversight over the performance of the Sub-Advisers in the GuideMark Funds and the Portfolio Strategists on the Platform. Because of the conflict between ISG 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 ISG personnel from those discussions.

AssetMark serves as the investment adviser to the Savos DHF, a registered investment company used by the Savos division of AssetMark 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.

**AssetMark Brokerage, LLC**

AssetMark Brokerage receives marketing support 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 level of Altegris funds on the Platform.

**ITEM 11 – CODE OF ETHICS**

AssetMark has adopted a Code of Ethics (the “Code”) that is intended to comply with the provisions of Rule 204A-1 under the Investment Advisers Act of 1940 (“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.

**ITEM 12 – 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 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 Account 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 is 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, will normally 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 could create an 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. As well, 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 may 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 may 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 may 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 may be included in 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.

#### ITEM 13 – REVIEW OF ACCOUNTS

AssetMark does not assign Client Accounts directly to specific individuals for investment supervision, and hence there is not a 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. ISG reviews those model recommendations provided by the Portfolio Strategists. The Savos Investment Management Department reviews on an ongoing basis the performance of the Strategies in the Savos PMAs and UMAs. The Trade Operations Group monitors account adherence to models provided by Strategists and adherence to models created and maintained by Savos. AssetMark makes available periodic account statements to its investment advisory Clients in the form of a Quarterly Performance Report. 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. AssetMark urges Clients to carefully review these reports and compare them to statements that they receive from their Custodian.

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.

#### ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

AssetMark receives Client referrals through representatives of broker-dealer firms and 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”). The Financial Advisors consult with Clients to assess their financial situation and identify their investment objectives in order to implement investment solutions and Strategies designed to meet the Client’s financial needs. A Financial Advisor referring a Client to AssetMark for advisory services interviews the Client and makes a determination that a Solution Type is suitable for the Client before making the referral to AssetMark. Working with the Financial Advisor, a Client selects a Solution Type for the Client’s Account, and the components of the Client’s Strategy, including the Client’s desired and appropriate Risk/Return Profile. Financial Advisors are required to contact Clients at least annually regarding the suitability of the Client’s chosen Solution Type(s). AssetMark manages each Client Account according to the Client’s selected Solution Type under the terms of the AssetMark IMSA.

Financial Advisory Firms receive fees for their services and compensation from AssetMark for referrals of Clients, as described previously in Item 5 under Financial Advisor Fee and Initial Consulting Fee.

In addition to the compensation payable under the IMSA, AssetMark enters into other fee arrangements with certain Financial Advisory Firms and/or Financial Advisors in the manner set forth below. Such arrangements will not increase the fees payable under the IMSA by the Client.

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

Under AssetMark’s Business Development Allowance program, certain Financial Advisors receive a business development allowance for reimbursement of qualified marketing/practice development expenses incurred by the Financial Advisor. These allowances are earned based

**This must remain with the Client**

upon initial assets introduced to the AssetMark Platform if a specific asset minimum is met and/or the asset minimum is met within the first 12 months of an Advisor's use of the Platform. Additionally, certain Financial Advisors earn quarterly allowances depending on the value of the assets on the AssetMark Platform held by Clients of the Financial Advisor. For the 2019 calendar year, participating Financial Advisors were reimbursed an average of \$3,312.

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

Additionally, 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 may also be 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 Business Development Allowance program, AssetMark may contribute 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, a survey or focus-group.

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

Financial Advisors can receive discounted pricing from AssetMark for practice management and marketing-related tools and services.

#### ***Negotiated Fees***

AssetMark may, in its discretion, 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.

#### ***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: 1) the charitable organization is not a client or prospective client of the Financial Advisor, 2) the Financial Advisor will not receive a monetary award and 3) 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 may be inclined to place, or retain client assets on the Platform as a result of AssetMark's contribution to their supported charitable organization.

#### **ITEM 15 – CUSTODY**

AssetMark does not provide custodial services to its clients. Client assets are held with banks, financial institutions or registered broker-dealers that are "qualified Custodians." Clients will receive custodial statements directly from the qualified Custodians at least quarterly. We urge clients to carefully review those statements and compare the custodial records to the Quarterly Performance Reports that are available to them. Not all Solution Types are offered at all Custodians.

AssetMark provides access to the following qualified 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

The assets of each Client Account may be custodied at AssetMark Trust or another qualified Custodian, and each Client must contract separately with AssetMark Trust or another qualified Custodian for custodial services. Pursuant to the Custody Agreement, the Client authorizes the Custodian to debit Custodial Account Fees from the Account. These fees are for custodial services to the Account and are separate, and in addition to, other fees that the Custodian may be authorized to deduct from the Account, including the fees under the IMSA. Refer to "Custodial Account Fees" below, for detail on what is included in the Platform Fee.

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 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 may 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 the standard form of IMSA provides that the receipt of individual transaction confirmations is waived by the Client, a Client may elect, by written request to AssetMark or AssetMark Trust, 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*

AssetMark has negotiated with AssetMark Trust (AssetMark's affiliate custodian) and the third-party custodians on AssetMark's platform, to allow for Custody Fees to be included in the Platform Fee. The client does not pay transaction fees on any trades made in the solution types available on the Platform, unless described in the separate Custody Agreement. There are some solution types that incur additional fees at the Custodian, such as fixed-income solutions or those that hold alternative or option products. AssetMark Trust Company charges an annual Administrative Custody Fee of \$25 and reserves the right to waive this fee at its discretion.

The selected Custodian's custodial agreement and fee schedule or schedule of charges is provided to the Client to be executed between the Client and their selected Custodian. Please see the custody agreement or schedule of charges for specific fees applicable to the Client account.

Certain Custodians, including AssetMark Trust charge a Custody Fee of \$150 per year for Accounts invested in third-party Mutual Fund Accounts For Accounts custodied at certain Custodians, including PAS, an additional Platform Fee of \$150 is charged for third-party Mutual Fund Accounts. The Custody Fee for Proprietary Funds is \$0.

**Important Note: After April 30, 2020, AssetMark Trust and Third Party Custodians will no longer charge a Custody Fee of \$150 per year for Accounts invested in Mutual Fund strategies that do not utilize Proprietary Funds (in other words, these would be Accounts invested in third-party mutual funds).**

The Custodians 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 will 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.

#### *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 may 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.

#### **ITEM 16 – INVESTMENT DISCRETION**

AssetMark accepts discretionary authority to manage the assets in the client's account. Pursuant to the IMSA, the Client grants AssetMark the authority to manage the assets in their Accounts on a fully discretionary basis. The grant of discretionary authority to AssetMark includes, but is not limited to the authority to:

- take any and all actions on the Client's behalf that AssetMark 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;
- retain and replace, or not, any person providing investment advice, securities recommendations, model portfolios or other services to AssetMark, including without limitation, Portfolio Strategists giving advice with regard to Mutual Funds, ETFs, and Investment Management Firms giving advice with regard to PMAs and UMAs, as deemed appropriate by AssetMark.

#### **REASONABLE RESTRICTIONS, PLEDGING AND WITHDRAWING SECURITIES**

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

AssetMark 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 may 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.

#### **ITEM 17 – 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 or Overlay Manager, including IMA, or UMA, 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

**This must remain with the Client**

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 may 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 may not 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 the Savos division of AssetMark is the Discretionary Manager for IMAs or UMAs held in custody at a third-party custodian. The Client retains the right to vote proxies.

If shares of the Savos DHF or Proprietary Funds are held in an Account for which AssetMark (including through its Savos Division) 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***

The Client waives the right to vote proxies if the Account is invested in a Mutual Fund or ETF Solution Type or Guided Portfolios. This waiver may 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 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***

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. The policies and procedures provide for the identification of potential conflicts of interest, 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 may have a material conflict of interest, AssetMark will rely on the third party firm to vote according to the guidelines. 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 instances when refraining from voting is in the best interests of the Client. AssetMark may 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 may obtain a copy of AssetMark's complete proxy voting policies and procedures upon request. Clients may 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 18 – 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.

**EXHIBIT A – GPS FUND STRATEGIES*****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. AssetMark will receive Management Fees and Administrative Service Fees from these mutual funds, and AssetMark will determine the allocations of account value among these funds. 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. In selecting a GPS Fund Strategy, the Client agrees to the receipt by AssetMark of this 0.65% fee and that this fee is reasonable compensation to AssetMark.

AssetMark's management of a GPS Fund Strategy can result in a fee 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 may waive part or all of its management fee, and AssetMark may 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, you 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%

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, you will be given notice.

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%
<b>GPS DISTRIBUTION OF WEALTH</b>		
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%

Additionally, if AssetMark Trust is chosen as Custodian, AssetMark Trust will be paid 0.35% in Service (12b-1) Fee and Shareholder Service Fees. The third party Platform Custodians (other than AssetMark Trust) also receive service fee payments from the mutual funds in the GPS Fund Strategies. AssetMark receives payments from the third-party Custodians as compensation for administrative services provided by AssetMark to the Custodian as described in Item 5 under **Servicing Fees Received by AssetMark**.

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

AssetMark 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 AssetMark and the investment options include allocations to mutual funds advised by AssetMark. 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 retains 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 AssetMark, 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 AssetMark. AssetMark will receive Management Fees and Administrative Service Fees from these funds, and AssetMark will determine the allocations of account value among these funds. 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. In selecting a GuideMark Market Blend Mutual Fund strategy, the Client agrees to the receipt by AssetMark of this 0.70% fee and that this fee is reasonable compensation to AssetMark.

AssetMark's management of a GuideMark Market Blend Mutual Fund strategy can result in a fee to AssetMark lower than the 0.70% authorized by the Client. Listed below are the mutual funds advised by AssetMark 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 may waive part or all of its management fee, and AssetMark may 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, you will be given notice.

This must remain with the Client

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 Opportunistic Fixed Inc Svc	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. 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, you will be given notice.

MARKET BLEND STRATEGIES	MAX NET REVENUE
<b>GLOBAL GUIDEMARK MARKET BLEND</b>	
2	0.59%
3	0.60%
5	0.60%
6	0.61%
<b>US GUIDEMARK MARKET BLEND</b>	
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 0.35% in Service (12b-1) Fee and 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. AssetMark receives payments from the third-party Custodians as compensation for administrative services provided by AssetMark to the Custodian as described in Item 5 under **Servicing Fees Received by AssetMark**.

### 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 from these mutual funds. There is no Platform Fee for the Guided Income Solutions.

AS OF NOVEMBER 2020



# Fees & Investment Minimums

Strategies	GuideMark <sup>1,7</sup> / Altegris <sup>8</sup> Mutual Fund		Proprietary ETF, MF <sup>8</sup>	Third-Party ETF, Institutional MF <sup>2</sup>	Guided Portfolios			Custom Separately Managed Accounts <sup>9</sup>				
	0%	0%			0%	GPS Fund Strategies/ Guided Income Solutions	Clark FITR	GPS Select	Custom GPS Select	Parametric Custom Portfolios <sup>4</sup>	CIBC Custom Portfolios	Custom <sup>9</sup>
<\$250K	0%	0.45%	0.50%		0%	0.55%	0.65%	0.65%	0.75%	1.00%	1.05%	1.10%
\$250K-\$500K	0%	0.40%	0.35%		0%	0.55%	0.65%	0.65%	0.75%	1.00%	1.05%	1.10%
\$500K-\$1M	0%	0.35%	0.30%		0%	0.50%	0.60%	0.60%	0.75%	1.00%	0.99%	1.04%
\$1M-\$2M	0%	0.30%	0.28%		0%	0.45%	0.55%	0.55%	0.70%	0.95%	0.94%	0.99%
\$2M-\$3M	0%	0.20%	0.25%		0%	0.35%	0.45%	0.45%	0.70%	0.95%	0.90%	0.99%
\$3M-\$5M	0%	0.20%	0.20%		0%	0.30%	0.40%	0.40%	0.70%	0.90%	0.85%	0.95%
\$5M+	0%	0.20%	0.10%		0%	0.25%	0.35%	0.35%	0.60%	0.80%	0.75%	0.90%
<b>Minimum</b>	<b>\$10,000</b>	<b>\$25,000</b>	<b>\$25,000</b>		<b>\$10K-\$50K</b>	<b>\$250,000</b>	<b>\$50K-\$100K</b>	<b>\$250,000</b>	<b>\$250K-\$750K</b>	<b>\$1M</b>	<b>\$500K-\$1M</b>	<b>\$1M</b>

Supplemental Fee	Supplemental Fee	Supplemental Fee
AlphaSimplex, Aris AssetBuilder, Aris Personal Values, BlackRock MAI, DoubleLine, Eaton Vance, JP Morgan Global Flexible, Litman Gregory, State Street BlackRock RFI, New Frontier	Custom GPS Select	Custom
Dorsey Wright	Dorsey Wright, Savos US Risk Controlled	William Blair
Windham	Savos GMS, Savos PMP, Windham	0.05%
Julex, Model Capital, WestEnd Advisors	Julex, Model Capital, WestEnd Advisors	
Beaumont	Beaumont	

Separately Managed Accounts—Fixed Income <sup>9</sup>	Savos			Administrative Accts/Individual Third-Party MFs					
	Third-Party Laddered Fixed Income <sup>4</sup>	Proprietary Laddered Fixed Income <sup>4,6</sup>	Active Fixed Income <sup>4</sup>	Preservation	GMS/PMP	US Risk Controlled	Personal Portfolios	General Securities <sup>4</sup> or Custodial Sweep <sup>5</sup>	Individual MFs
<\$250K	0.31%	0.20%	0.30%	0.75%	1.00%	0.90%	0.75%	<\$250K	0.25%
\$250K-\$500K	0.31%	0.20%	0.30%	0.50%	0.80%	0.75%	0.75%	\$250K-\$500K	0.15%
\$500K-\$1M	0.31%	0.20%	0.25%	0.50%	0.75%	0.70%	0.75%	\$500K-\$1M	0.10%
\$1M-\$2M	0.26%	0.15%	0.20%	0.45%	0.70%	0.65%	0.70%	\$1M-\$2M	0.10%
\$2M-\$3M	0.26%	0.15%	0.20%	0.45%	0.70%	0.65%	0.70%	\$2M-\$3M	0.10%
\$3M-\$5M	0.26%	0.15%	0.20%	0.40%	0.70%	0.65%	0.70%	\$3M-\$5M	0.10%
\$5M+	0.26%	0.15%	0.20%	0.30%	0.60%	0.55%	0.60%	\$5M+	0.10%
<b>Minimum</b>	<b>\$125K-\$250K</b>	<b>\$25,000</b>	<b>\$25K-\$250K</b>	<b>Minimum</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$250,000</b>	<b>Minimum</b>	<b>\$10,000</b>

Supplemental Manager Fee	Active Fixed Income <sup>4</sup>
Clark Capital (Tax and Tax-Free)	0.20%
Nuveen	0.35%

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 (advisor model only) have a 0.25% flat fee 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	Separately Managed Accounts <sup>9</sup>	Separately Managed Accounts – Fixed Income <sup>9</sup>		Individual Mutual Funds
GuideMark <sup>1,7</sup> / Altegris <sup>1</sup> Mutual Fund	Proprietary ETF, MF <sup>6</sup>	Third-Party ETF, Institutional MF <sup>2</sup>	Custom	Third-Party Laddered Fixed Income <sup>4</sup>	Proprietary Laddered Fixed Income <sup>4,6</sup>	Active Fixed Income <sup>4</sup>
Altegris, Litman Gregory, GuideMark ACE <sup>8</sup> , New Frontier <sup>8</sup> , Global GuideMark <sup>8</sup> , Market Blend <sup>8</sup> , US GuideMark <sup>8</sup> , Market Blend <sup>8</sup> , Individual, GuidePath <sup>8</sup> Funds, GuideMark <sup>8</sup> Funds	Aris Income Builder, AssetMark, MarketDimensions Portfolios, AssetMark OBS DFAFES 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, Eaton Vance, 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	Aris Custom High Net Worth, Clark Capital Personalized UMA, William Blair	Parametric	Savos	Clark Capital Taxable Fixed Income, Nuveen, Savos

<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> GPS Fund Strategies fees waived for proprietary and affiliated mutual funds

<sup>4</sup> Transaction-based fees, including trade away fees, may be applicable to the account. These fees are typically \$20 per trade.

<sup>5</sup> Custodial sweep or money market fund selected by AssetMark

<sup>6</sup> Proprietary solution types refer to those offered by AssetMark, including through its Savos/Aris divisions. AssetMark OBS models available to certain advisors

<sup>7</sup> AssetMark is the investment adviser to the GuideMark<sup>8</sup> Funds

<sup>8</sup> This strategy contains GuideMark<sup>8</sup> mutual funds

<sup>9</sup> Custom and Fixed Income = Individually Managed Account

Important disclosures for the following strategies are provided in Exhibit A of the AssetMark Disclosure Brochure: GPS Fund Strategies, GPS Select, Guided Income Solutions, and Market Blend Mutual Fund Strategies.

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. ▾

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FORM ADV

# Appendix 1

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**ITEM 2 – MATERIAL CHANGES**

This page is cross-referenced with Item 2, Part 2A.

**ITEM 3 – TABLE OF CONTENTS**

Not applicable.

**ITEM 4 – SERVICES, FEES AND COMPENSATION**

This page is cross-referenced with Item 5, Part 2A.

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

This page is cross-referenced with Item 7, Part 2A.

**ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION**

This page is cross-referenced with Item 17, Part 2A.

**ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

This page is cross-referenced with Item 13, Part 2A.

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

This page is cross-referenced with Item 13, Part 2A.

**ITEM 9 – ADDITIONAL INFORMATION**

This page is cross-referenced with Items 9, 10, 11, 13, 14, and 18 of Part 2A.

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

Not applicable.