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EFFECTIVE JUNE 25, 2020

# Platform Disclosure Brochure

Form ADV – Appendix 1

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## ITEM 1 – COVER PAGE

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**AssetMark, Inc.**

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

This Disclosure Brochure provides information about the qualifications and business practices of AssetMark, Inc. (“AssetMark”). If you have any questions about the contents of this Brochure, please contact AssetMark using the information shown on the left. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. AssetMark is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

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

**ITEM 2 – MATERIAL CHANGES**

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

AssetMark may make interim updates to this brochure throughout the year. However, you will receive notice of any material changes, which must also be filed with the SEC. 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**  
**advisercompliance@assetmark.com**

The following are changes since the last Form ADV Part 2A annual update in March 2020:

- Item 9, Additional Information
  - Addition of Advisor Managed Portfolio Program.

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## ITEM 4 – SERVICE, FEES AND COMPENSATION

### WRAP FEE PROGRAM – THE FINANCIAL ADVISORY FIRM

The Platform described in this Disclosure Brochure is offered through registered investment advisers (each, a “Financial Advisory Firm”), serving as the investment advisor for each client (the “Client”) with accounts invested through the Platform. In order to participate in the Platform, the Client and the Financial Advisory Firm will enter into a Client Services Agreement (“CSA”) that outlines the services to be performed by the Financial Advisory Firm, the authority of the Financial Advisory Firm and the Client over transactions in the Client’s account, the compensation payable by the Client and other important provisions governing participation in the Platform. The Financial Advisory Firm evaluates the Client’s investment needs and objectives, consults with the Client concerning the Client’s participation in the Platform and is responsible for determining the suitability of various Platform Solution Types (“Solution Types”) for the Client’s investment objectives and financial condition. Each of the Solution Types may be implemented with a number of options, including a range of Risk/Return Profiles (the “Risk/Return Profiles”) and Investment Approaches (the “Investment Approaches”), each described below, so that the Client can customize a strategy by which each of the Client’s accounts under the Platform will be managed or maintained. The specific Solution Type and the components of the strategy selected for the Client’s Account are referred to as the Client’s investment “Strategy.” A Client will establish one or more investment accounts (each an “Account”) through the Platform, and the Client’s Accounts are collectively referred to as the Client’s “Portfolio.”

Set forth below are descriptions of the components and function of the Platform.

### ASSETMARK, INC. & ITS OWNERSHIP STRUCTURE

AssetMark, Inc. (“AssetMark”) is a registered investment adviser with the Securities and Exchange Commission (SEC) and provides consulting services to other advisors and investment clients. 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 is the sponsor of the Platform, and consults with the Financial Advisory Firms to implement the Platform for their Clients. As part of its services, AssetMark provides Account administration and has developed internet-based software which provides the Financial Advisory Firm with the ability to directly monitor its Client Accounts, download information concerning changes in the Platform, and access current information relating to the Platform. AssetMark also serves as the Portfolio Strategist and Investment Manager for the Market Blend ETF Strategies, Market Dimensions, WealthBuilder, Guided Income Solutions, and the Guided Portfolios which includes the GPS Fund Strategies and GPS Select. GPS Fund Strategies will invest in pre-determined allocations of the GuidePath 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 and within

each Investment Approach, will make allocations to various Portfolio Strategists and Investment Managers.

Additionally, AssetMark also 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 funds 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 certain 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 a “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.

### PLATFORM OVERVIEW

To establish a Client’s Account on the Platform, the Financial Advisory Firm and Client will enter into a CSA. In establishing the Account, the Client may complete a questionnaire, or otherwise provide information to the Financial Advisory Firm, to enable the Client and the Financial Advisory Firm to identify the Client’s risk tolerance and rate of return objectives. The Client may provide information concerning the Client’s investment experience, anticipated need for liquidity, potential timing of the need for retirement funds, and other investment needs and parameters. This information will assist the Client and the Financial Advisory Firm in selecting which of the Risk/Return Profiles, is most closely aligned with the Client’s investment goals.

### RISK/RETURN PROFILES

One of the fundamental elements of the Platform is establishing the Client’s appropriate Risk/Return Profile. These Profiles range from most conservative (lowest estimated risk and lowest potential return) to most aggressive (highest estimated risk and highest potential return).

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.

This must remain with the Client

*Profile 2 – Moderate Conservative*

- The profile is designed for an investor who seeks to preserve capital but wishes to assume moderate downside risk in order to earn a return sufficient to preserve purchasing power.

*Profile 3 – Moderate*

- The profile is designed for an investor who seeks to balance risk of loss to capital with capital appreciation.

*Profile 4 – Moderate Growth*

- The profile is designed for an investor who seeks enhanced capital appreciation and is willing to accept greater risk of downside loss and volatility of returns.

*Profile 5 – Growth*

- The profile is designed for an investor who seeks significant capital appreciation and is willing to accept a correspondingly greater risk of loss and volatility of returns.

*Profile 6 – Maximum Growth*

- The profile is designed for an investor who seeks the highest level of capital appreciation and is willing to accept the correspondingly greater risk of loss and volatility of returns.

Generally, the percentage allocation to equity securities targeted for each Risk/Return Profile increases for each Profile from Profile 1, Conservative, which would represent the lowest target allocation of equity securities, through Profile 6, Maximum Growth, which would represent the highest target allocation of equity securities. Not all Risk/Return Profiles are available for all solutions and some strategies do not have a Risk/Return profile.

**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 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.

**SOLUTION TYPES**

AssetMark makes a number of different Solution Types available to Clients through the Platform. These include:

**I. Guided Portfolios**

- GPS Fund Strategies
- GPS Select
- Custom GPS Select

**II. Single Strategy Solution Types**

- Mutual Fund Accounts (Including Market Blend and Individual Mutual Fund Solution Types)
- Exchange-Traded Fund ("ETF") Accounts (including Market Blend)
- Mutual Fund/ETF Blend Accounts

**III. Privately Managed Accounts ("PMA") or Separately Managed Accounts ("SMA"), including:**

- Individually Managed ("IMA") Accounts, (Equity Balanced, Fixed-Income, and Custom High-Net Worth)

**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****VII. Alternative Investments 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.

The asset allocations created by Portfolio Strategists are comprised of (i) open-end mutual funds, (ii) ETFs, which are baskets of securities, tracking a wide variety of market indexes, that are traded as individual securities on a national exchange, and (iii) individual securities for Consolidated Managed Accounts. Each of these Solution Types is discussed in more detail in separate subsections below.

The Portfolio Strategists select and monitor the performance of the mutual funds, ETFs, mutual fund/ETF blend, and securities within their asset allocations and will periodically adjust and rebalance the asset allocations in accordance with their investment strategies.

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

- a) the mutual funds and ETFs available through the Platform;
- b) the investment managers used in the IMA Accounts;
- c) Portfolio Strategists; and
- d) other investment management firms providing asset allocations and asset selections for Platform Solution Types.

The Financial Advisory Firm reviews the Portfolio Strategists', investment managers' and investment management firms' decisions on behalf of the Client and makes or recommends investment decisions (depending upon the specific form of Client Services Agreement entered into between the Financial Advisory Firm and the Client) based on such analysis.

Additionally, the Client may establish an Account to hold "non-managed" assets (an "Administrative/Non-Managed Account"), including a Cash Alternative Account or a General Securities Account.

## PORTFOLIO STRATEGISTS

AssetMark establishes and will periodically review and confirm or adjust the guidelines provided to the investment management firms, referred to as Portfolio Strategists, who create the asset allocations under each of the Risk/Return Profiles. AssetMark serves as the Portfolio Strategist for the GPS Fund Strategies. Aris, a division of AssetMark, serves as the Portfolio Strategist for the Asset Builder, Personal Values, and Income Builder strategies. These strategies are further described in Exhibit B.

The Portfolio Strategists used in mutual fund, ETF, mutual fund/ETF blend, and IMA Accounts are selected by AssetMark in order to provide a wide range of investment options and philosophies to Financial Advisory Firms and their Clients. In constructing their asset allocations, each of the Portfolio Strategists will generally provide a range of asset allocations that will correspond to one or more of the four Investment Approaches and one or more of the six Risk/Return Profiles, ranging from "Conservative" to "Maximum Growth." The Portfolio Strategists use technical and/or fundamental analysis techniques in formulating their Investment Approaches and some will incorporate strategies with specific income distribution objectives. Although each of the Risk/Return Profiles includes asset allocations developed by several Portfolio Strategists, each of the Portfolio Strategists nevertheless has its own investment style resulting in the use of different asset classes, and mutual fund, ETF, or investment management firm options within their asset allocations. The Investment Approaches will be comprised of a combination of asset classes, represented by mutual funds, ETFs, or individual securities in Accounts, and these asset classes will include, but are not limited to the following:

- *US 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.* US 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 Advisors must review each Portfolio Strategist's investment style prior to making the election of which Portfolio Strategist and Investment Approach to follow for each Client Account under the Platform.

Portfolio Strategists will provide AssetMark with instructions to rebalance (return back to policy mix) and/or reallocate (change the target mix) portfolios, either periodically or as they deem appropriate over time, depending on their specific Investment Approach and investment process. These adjustments to the asset allocations will result in transactions in accounts. The Financial Advisory Firm or the Client (depending on whether the form of Client Services Agreement is Discretionary or Non-Discretionary, respectively) instructs and directs that the Client's account be invested in accordance with all adjustments and rebalancing of the asset allocations identified on the Account Set-Up Form and Application unless and until the Client or Financial Advisory Firm expressly terminates the automatic adjustment and rebalancing and/or executes written instructions to change the Portfolio Strategist or asset allocations in which the account is invested. In this way, the Client's account will be automatically traded to align with all adjustments and rebalancing made by the Portfolio Strategists of the asset allocations currently reflected on the Account Setup Form, unless and until the Client or Financial Advisory Firm (depending on the authority in the Client's Agreement) instructs otherwise. Client will receive notification of all transactions implemented in the account in compliance with the foregoing instructions on a periodic basis in the form of an account statement to be provided by the account Custodian. Upon any portfolio rebalancing by a Portfolio Strategist, change in Portfolio Strategist or asset allocation selection by the Client or Financial Advisory Firm, or any other transaction in the Client's Account, the transactions will be effected automatically through software administered by AssetMark.

AssetMark will from time to time add or remove a Portfolio Strategist in its discretion. As the Portfolio Strategists identify other mutual funds, ETFs or investment management firms suitable for the Platform, AssetMark will periodically add or remove mutual funds, ETFs or investment management firms to those available for use in the Portfolio Strategists' asset allocations.

Although most of the Portfolio Strategists creating asset allocations composed of mutual funds consider all of the mutual funds available under the Platform in designing their asset allocations, certain Portfolio Strategists compose their mutual fund asset allocations utilizing only those mutual funds managed by affiliates of the Portfolio Strategist. These "proprietary" Portfolio Strategists will be identified in factsheets or other descriptive materials provided to Clients and Financial Advisory Firms. In addition, one or more of the Portfolio Strategists will construct their asset allocations using funds managed by AssetMark or an affiliate, including the GuideMark and GuidePath Funds. AssetMark advised mutual funds are known as "Proprietary Funds." The GuideMark and GuidePath Funds are a series of no-load mutual funds that are considered retail No Transaction Fee ("NTF") funds advised by AssetMark and sub-advised by a group of institutional investment managers. AssetMark serves as Portfolio Strategist and

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

## 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 proprietary 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 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 generally do not charge 12b-1 fees. See Servicing Fees Received by AssetMark and Share Class Use in Item 4, Service, Fees and Compensation.

The AssetMark Investment Services 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 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 combination of Core Markets investment approaches, or a specific or combination of Tactical and Diversifying Strategies.

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

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

*Tactical Low Volatility.* 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 Aggressive 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 Item 4, "Service, 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 will maintain the baseline allocation.

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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 the 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 4, Service, Fees and Compensation.

**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 the Platform Fee Updates at the back of this brochure.**

Clients may select from the following GPS Select Solutions:

- *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.

Focused GPS Select are based primarily on the client's risk profile and the Client's 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.

AssetMark manages GPS Select using limited discretionary authority. While AssetMark will exercise limited discretion on the portfolio asset allocation within portfolio investment sleeves, AssetMark relies upon the strategists to conduct security selection. As mentioned above AssetMark will seek to utilize the lowest cost mutual fund for accounts in the GPS Select Solutions, however, there will be circumstances where AssetMark is not able to obtain the lowest cost mutual fund share class available, and will have exercised "discretion" in selecting an alternative share class.

The standard minimum investment for the GPS Select Solutions ranges from \$50,000 to \$250,000. AssetMark reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

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

#### *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 by the Client.

## II. SINGLE STRATEGY SOLUTION TYPES

### *Mutual Fund Solution Types*

Through the Custodian partners, a variety of mutual funds are used as the vehicles for implementing the Portfolio Strategists' asset allocations. These mutual funds include both NTF funds and mutual funds that generally do charge a sales load, but where the sales charge has been waived. The mutual funds available provide the Portfolio Strategists with a diversified range of asset classes and investment objectives from which to select in structuring their asset allocation strategies. The mutual fund families made available for use by the Portfolio Strategists are selected based on a number of criteria, and fund families will be added or removed from the Platform from time to time.



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. These mutual fund share classes are also be known as retail shares classes because the cost for 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 the custodian. There are no per trade transaction fees charged to the client in the mutual fund Solution Types on the AssetMark Platform. Except for the GPS Select solutions discussed above, Portfolio Strategists will not use institutional mutual fund share classes which are shares with no 12b-1 fees.

**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 4, "Service, 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.

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.

In the Mutual Fund Solution Type, all four Investment Approaches are available. Information regarding the Solution Types and the Portfolio Strategists available for each of the Investment Approaches is available from your Financial Advisor.

For a Mutual Fund Solution Type, the Client, with the assistance of the Financial Advisory Firm, selects for the management of the Account: (1) a Risk/Return Profile; (2) an Investment Approach, as represented by the selected Portfolio Strategist; and (3) for some, but not all Mutual Fund solutions, a Mandate. For certain mutual fund strategies where Altegris is the Portfolio Strategist, an Investment Approach is not selected.

All mutual funds purchased for the Client's Portfolio are held by a Custodian selected by the Client and the Financial Advisory Firm. Each of the Client's investments is held by the Custodian in the Client's name in a separate account. The Client is entitled to receive a copy of the Prospectus for each mutual fund, and confirmations of each security purchased and sold for the Client's account (either separately or as part of the periodic custodial statement) and copies of all annual and periodic reports issued by the mutual funds the Client holds, and the Client may be able to delegate receipt of such materials and confirmations to a third party, such as the Client's Financial Advisory Firm, depending on the terms of the custody agreement with the Client's Custodian. 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.

### **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:

#### ***Mutual Fund Strategies***

- Global GuideMark Market Blend
- US GuideMark Market Blend

These strategies will provide a strategic asset allocation across seventeen 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 US 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.

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- *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.

#### **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 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 Funds. 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.

#### **ETF Solution Types**

An ETF is an investment fund traded on stock exchanges and holds assets such as stocks, commodities, or bonds, and can be traded over the course of the trading day. Each investor owns shares, which represent a portion of the holdings of the fund, and ETFs, like mutual funds, have management fees paid to the manager of the ETF 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.

In the ETF Solution Type, all Investment Approaches are available.

For an ETF Solution Type, the Client, with the assistance of the Financial Advisory Firm, selects for the management of the Account: (1) a Risk/Return Profile; (2) an Investment Approach, as represented by the selected Portfolio Strategist; and (3) for some, but not all ETF Solution Types, a Mandate.

For Clients selecting an ETF Solution Type, their Account will be invested in exchange traded funds ("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. Some ETF solutions also invest in exchange traded notes ("ETNs"), which are senior, unsecured debt securities issued by an underwriting bank. In the ETF Solution Type, all four Investment Approaches are available. Unless otherwise restricted by the Client in writing and accepted by AssetMark, the Account can also 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.

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

#### ***ETF Strategies***

- *Global Market Blend Strategies*. These strategies will provide a global strategic asset allocation across seven-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. 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 seven-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. 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.

The standard minimum investment through the Platform will generally be \$25,000 for the Market Blend Strategies.

#### **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.

AssetMark has also developed an administrative structure allowing for the development of portfolios using ETFs, and some ETF solutions also invest in ETNs. Although ETFs are priced intra-day in the same manner as other equity securities, AssetMark typically directs trades for ETFs to the Custodian selected by the Client and the Financial Advisory Firm once daily. The actual timing of trade order execution will vary, depending upon trade volume, systems limitations and issues beyond AssetMark's control, and the actual fulfillment of trade orders by the broker in the market can take place at different prices and different times throughout the day. AssetMark submits ETF trades for a given day to each broker in a random order to provide the most feasibly equivalent execution for all participating Clients. With respect to ETF Accounts which include ETFs for which it may be impracticable to execute transactions in a single day in response to a Portfolio Strategist's adjustments and rebalancing of its ETF asset allocation model, the Client also hereby instructs, authorizes and directs that such Accounts be traded in accordance with instructions on timing and price levels given by AssetMark to the Custodian, which AssetMark will obtain from the Portfolio Strategist to the extent practicable. When a Portfolio Strategist implements a reallocation adjustment or rebalance to its ETF strategy, and/or in the case of exceptionally high volume

requests, the Client and Advisor hereby instruct, authorize and direct that such Accounts be traded in accordance with instructions provided by AssetMark to an alternate broker or “authorized participant” liquidity provider selected by AssetMark with the instruction to “step out” those trades on a net fee basis. 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 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.

All ETFs purchased for the Client’s Portfolio are held by a Custodian selected by the Client and the Financial Advisory Firm. Each of the Client’s investments is held by the Custodian in the Client’s name in a separate account. The Client is entitled to receive a copy of the Prospectus for each ETF, and confirmations of each security purchased and sold for the Client’s account (either separately or as part of the periodic custodial statement) and copies of all annual and periodic reports issued by the ETFs the Client holds, and the Client may be able to delegate receipt of such materials and confirmations to a third party, such as the Client’s Financial Advisory Firm, depending on the terms of the custody agreement with the Client’s Custodian. 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.

### ***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.

*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. PMA 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, or
- Separately Managed Account under Equity/Balanced, Fixed Income or Custom High Net Worth options.

AssetMark has contracted with third party investment management firms to act as “Investment Managers” for client accounts. For certain 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. There are generally no transaction fees charged in the PMA program. 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. 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 be referred to as a “Discretionary Manager.” In addition, Investment Managers and Portfolio Strategists are collectively referred to as “Investment Solution Providers” in marketing materials.

The Investment Manager is also referred to as a “Discretionary Manager” or “Overlay Manager”.

### **IMA Accounts**

Investment Managers will provide discretionary investment management services to IMA Clients in accordance with the stated investment objectives of each Investment Manager and the individual objectives of each Client. AssetMark has contracted with certain consulting firms to provide services for IMAs with respect to the selection and/or on-going monitoring of certain Investment Managers.

Each Client, with the assistance of the Financial Advisory Firm and based on the Client’s individual investment objectives, designates one or more individual Investment Manager(s) and/or a selection of Mutual Funds to comprise the Client’s IMA. There are no Investment Approaches or separate Risk/Return Profiles available for an IMA Account.

In certain IMA Solutions, Clients may receive from the Investment Manager, and be required to acknowledge receipt of additional disclosures, regarding specific investments such as alternative investments.

For a Savos Fixed Income Account Solution Type, the Client, with the assistance of their Financial Advisor, shall select a Mandate for the management of their account. There are no Investment Approaches or separate Risk/Return Profiles available for a Savos Fixed Income Account.

- *Laddered Bond Mandate.* 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.

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

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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 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 investment objectives for each of the six Risk/Return Profiles as described earlier in this section may not apply to a Custom HNW strategy 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.

#### IV. SAVOS UNIFIED MANAGED ACCOUNTS ("SAVOS UMA")

AssetMark manages Savos UMA Solution Types through Savos whereby Savos serves as "Overlay Manager" and are also referred to as "Discretionary Manager." As Overlay Manager for the UMA Solution Types, Savos provides discretionary investment management services and coordinating recommendations of independent Investment Management Firms acting as portfolio advisers to AssetMark. As Overlay Manager for UMAs, Savos also selects securities directly for Client Accounts. Additional information is provided in Exhibit B.

For Savos UMA Solution Types, 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 Overlay Manager is to add value to each Client's account through: (1) the strategic and tactical determination of asset allocation levels; (2) the formation of portfolios with risk management options to match the portfolio to the Client's chosen level of risk tolerance; and (3) efficient execution of trade orders resulting from ongoing management of the Client's Account.

As part of the UMA Discretionary Manager Designation, Client will direct Savos to invest the Client's Account in accordance with a strategy offered by Savos. Savos UMA Solution Types include GMS Accounts ("GMS"). Investments will be made in part by Savos using securities recommendations by individual Investment Management Firms and, in addition, investment selections by Savos that 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, notes and bank notes. The asset allocation decisions, Investment Management Firm selection decisions and additional security selection decisions will all be made solely by Savos in its discretion. This discretion includes the substitution of certain securities included in selected Investment Management Firms' asset allocations in consultation with the Investment Management Firm or otherwise, or the selection of individual securities in certain designated asset classes.

For each UMA, risk management solutions implemented through the use of fixed income strategies Portfolio allocations will vary based on individual Client objectives within target allocations established and monitored by Savos.

Set forth below are brief summaries of the Savos Preservation Strategy, PMP, GMS, Savos Personal Portfolios, US Risk Controlled and Savos Wealth strategies offered under the Platform. The Savos Disclosure Brochure section in Exhibit B of this Brochure includes more detailed information about Solution Types offered through AssetMark's Savos Division.

*Savos Preservation Strategy.* 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 secondary objective is to maximize total return over the long term with no preference to income. This strategy invests in, among other things, "opportunistic" or "specialized asset categories, which include real estate, commodities, precious metals, energy and other less traditional asset classes, with no geographic restrictions. The Savos Preservation Strategy follows Diversifying Strategies - Bonds and Bond Alternatives Investment Approach and is considered to be Risk/Return Profile 1. Additionally, Savos can 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 company for which AssetMark, either directly or through its Savos division, serves as investment adviser.

*PMP.* In the PMP Solution Type, the Client authorizes Savos to provide discretionary investment management services to the Account. Savos invests the Account, to a substantial degree, consistent with recommendations provided by Investment Management Firms. Savos will generally adjust the holdings in a PMP Account on an ongoing basis.

*GMS.* For a GMS Solution Type, the Client, with the assistance of their Financial Advisory Firm, will select a "Mandate," a Risk/Return Profile and a risk management option from among investment grade, high yield and municipal fixed income strategies. In the GMS Solution Type, the Client authorizes Savos to provide discretionary investment management services to the Account. Savos invests the Account, to a substantial degree, consistent with recommendations provided by Investment Management Firms. AssetMark also invests portions of the Account in pooled investment vehicles, such as mutual funds or ETFs, or in other securities or investments. AssetMark will generally not adjust the holdings in a GMS Account on an ongoing basis. Instead, unless a security is subject to a corporate action such as an acquisition, AssetMark will generally only sell or readjust Account holdings after a one-year holding period for each position taken for all GMS Accounts, though during the first year of an individual Client's holding a GMS Account, the holding period for that Client's Account will be less than a full year. However, because of its annual adjustment structure, a GMS Account is less able than a non-GMS Account to react to market events or opportunities, and make changes between adjustment dates.

Additionally, Savos can 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 company for which AssetMark, either directly or through its Savos division, serves as investment adviser.

Savos adjusts the holdings in a GMS Account on an ongoing basis. Savos will sell or readjust Account holdings to take advantage of certain opportunities to reduce taxes for the Client.

*Savos Personal Portfolios.* 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.

*US Risk Controlled Strategy.* For the US Risk Controlled Solution Type, the Client, with the assistance of their Financial Advisory Firm, will select a Risk/Return Profile for the management of their Account.

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 will select securities for the Account, to a substantial degree, consistent with recommendations provided to Savos by Investment Management Firms that AssetMark selects, retains and replaces. Savos retains the right, however, to allocate across asset classes, which will include such recommended securities, in its own discretion. Savos invests the Account in individual securities and ETFs.

## 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 can be customized with no set allocation limits. An account may include sleeve options 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 within a minimum of two and 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. 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 portfolio will be broadly diversified and seek to meet the portfolio's stated investment time horizon; however, there is no assurance that the time horizon can be met.

The Guided Income Solutions advisory service will primarily invest in three proprietary institutional 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 4, Service, Fees and Compensation and the Fee Schedule and Investment Minimums 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.

## VII. ALTERNATIVE INVESTMENTS SOLUTIONS

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

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

AssetMark has no responsibility or duty to investigate, evaluate, or report any information that AssetMark may possess or may become aware of regarding any Alternative Investments. In the event that funds are wired or transferred to an issuer or sponsor of Alternative Investments, AssetMark will not have any responsibility or liability if the issuer or sponsor involved does not provide the required receipt or confirmation of the Alternative Investment in a manner that would

allow the security to be held in Client Accounts. AssetMark shall have no responsibility for monitoring non-publicly traded, alternative investments to assure compliance with its terms or disclosures, for taking any actions to collect on any amount owed to Client Accounts, or for otherwise enforcing any rights with respect to Alternative Investments held in Client Accounts. AssetMark is under no obligation to take any action should there be a default, bankruptcy, or other impairment associated with Alternative Investments.

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

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

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

There is no Platform Fee for Alternative Investments, but there is a custody fee of \$100/year for each position payable to Fidelity Brokerage Services, the only Platform Custodian currently available to custody Alternative Investments. By maintaining an account at Fidelity for Alternative Investment, the Client commits to maintaining sufficient cash in the Account holding the Alternative Investments to pay the custody fees.

## 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 AssetMark had \$26.1 billion in assets under administration on the AssetMark Platform. This includes investments in proprietary mutual funds and Savos Solution Types, in which Savos is the discretionary manager.

## FEES AND COMPENSATION

The fees applicable to each Account on the Platform 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 & 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 advisory services, and the consultation and other support services provided by the Financial Advisory Firm through the Financial Advisor.

### *Platform Fee*

The Platform Fee includes payment for:

- (i) advisory services;
- (ii) administrative services;
- (iii) the Custody Fee except for Actively Managed Fixed Income Strategies, Funding Account Strategies, acquired Global Financial Private Capital (GFPC) Strategies, and accounts custodied at Schwab;
- (iv) the Strategist's or Manager's Supplemental Fee, if applicable, and
- (v) 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 Platform Disclosure Brochure for complete fee details.

The Platform Fee compensates AssetMark for maintaining the Platform and pays for the investment advisory, administrative and custodial and brokerage services provided the Account. Included in the Platform services are: selection and compensation to the Portfolio Strategists providing allocations, the Discretionary and Overlay Managers providing discretionary management services and to the Investment Management Firms and other Consultants and service providers.

The administrative services include, but are not limited to, preparation of quarterly performance reports (to complement Account Statements provided by Custodians), and maintenance and access to electronic or web-based inquiry system that provides detailed information on each Client Account on a daily basis.

The Platform Fee also pays the Custodian selected by the Client, although certain additional fees may be payable pursuant to the separate agreement between Client and Custodian.

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. 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.

Some of AssetMark’s Platform Fees are negotiable, and exceptions to the Fees & Minimum table are made with the approval of an authorized officer of AssetMark. As a standard practice, AssetMark grants exceptions to the fee schedule for accounts of employees and employees of broker-dealer, investment advisory or other firms as approved by AssetMark.

#### ***Initial Consulting Fee***

For Financial Advisory Firms that charge an Initial Consulting Fee (“ICF”), an Account invested in any of the above listed Solution Types will be assessed an Initial Consulting Fee (“ICF”) if the Account is custodied at AssetMark Trust Company (“AssetMark Trust”), an Arizona trust company that is an affiliate of AssetMark. The ICF is payable to the Financial Advisory Firm, up to one percent (1.00%) of any cash deposit or in-kind investment transfer of \$2000 or more.

The Advisory Fee includes the Financial Advisor Fee and the Platform Fee. The Advisory Fee is typically expressed as an annual amount equal to a percentage of assets under management, and may also include an initial consulting fee. The Platform Fee schedules listed at the end of this Disclosure Brochure reflect AssetMark’s standard Platform Fee, calculated as a percentage of the Client’s assets invested in the Platform. This standard Platform Fee schedule does not apply to all Financial Advisory Firms.

The Platform Fee will be higher for certain Financial Advisory Firms based on any amounts payable to broker-dealers with supervisory responsibility over the Financial Advisory Firm. In such cases, the standard Platform Fee payable by the Financial Advisory Firm will be increased and a portion of the Platform Fee otherwise payable to AssetMark is paid to the broker-dealers as compensation for supervisory services provided to the Financial Advisory Firm in connection with the Platform. The Financial Advisory Firm may also pay AssetMark a Quarterly Maintenance Fee in consideration of AssetMark’s performance of services in establishing the Financial Advisory Firm’s participation in the Platform and providing continuing Platform support services. In addition, a portion of the Platform Fee is typically paid as compensation to the Portfolio Strategists based on the assets invested

in their respective asset allocations, as well as to the Overlay Manager and Investment Management Firms for services in connection UMAs.

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 Advisory Fee, any initial consulting fee payable upon opening an Account or upon any additional investment in an Account and any additional Investment Manager fee payable for a Client’s Account will be set forth in the Client Billing Authorization executed with the Client Services Agreement between the Client and Financial Advisory Firm.

Fees are payable quarterly, in advance, for the upcoming calendar quarter, at the annual rates provided for in the Fees & Investment Minimum table and based on the preceding end of quarter market value for all Account assets. The Account Fee shall be calculated based on the end of quarter market value of all such Account assets, multiplied by one quarter (25%) of the applicable annual rate. For the initial deposit to the Account and for any subsequent, additional amounts deposited to the Account, the Account Fee for that deposit shall be payable upon AssetMark’s commencement of management of the account and shall be equal to the amount of the deposit multiplied by one quarter (25%) of the applicable annual rate, pro-rated for the remainder of 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.

As provided in the Agreement and described in this Disclosure Brochure, the Advisory Fee includes the Financial Advisor Fee and the Platform Fee. The client will not be assessed or refunded a pro-rata portion of the Platform Fee when the Solution Type instruction is executed intra-quarter between quarterly billing events. Rather the client account Platform Fee calculation is based on the Solution Type assigned to the account at the point in time the quarterly billing is calculated, typically the third to fifth business day following the end of a calendar quarter.

The fee billing calculations described above may not be applicable to your Account if your Financial Advisory Firm has established a different billing process, as described in their Financial Advisory Firm Disclosure Brochure.

#### **Mutual Fund Accounts Fee Disclosure**

In the event that the Client’s Account is invested in certain Portfolio Strategists’ asset allocations comprised primarily of the GuideMark and GuidePath Funds, AssetMark and AMB will receive compensation

as the Investment Adviser and Distributor, respectively. The Prospectus for the GuideMark and GuidePath Funds, will be provided to each Client invested in such asset allocations or may be obtained by request from the Financial Advisory Firm or AMB. Because of this separate compensation from the GuideMark and GuidePath Funds, AssetMark waives the standard Platform Fee charged to the Financial Advisory Firm for assets invested in the GuideMark and GuidePath Funds.

For Savos Solution Types, AssetMark will credit back to the Client the net advisory fee earned on the portion of the accounts invested in a proprietary mutual fund.

Certain mutual funds selected for Client Accounts include Proprietary Funds and the Savos DHF Fund from which AssetMark or its affiliates receive additional compensation as described here in addition to fees paid to AssetMark under this Agreement. AssetMark receives management and other fees for both its management of these funds as well as the Client Account.

**Service Fees Received by AssetMark and Share Class Use**

The Account Custodians typically receive a shareholder servicing and/or similar fees from mutual funds and/or service providers to the funds held by the Client Accounts. This compensation generally ranges from 0.25% to 0.40% per annum of the amount invested through the Platform in the mutual funds. The Custodians may also receive similar fees with respect to other investments solutions. Generally, fees received by Custodians are lower for asset allocations using a

greater proportion of ETFs compared to asset allocations using a high proportion of mutual funds.

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 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 certain significant services with respect to the custody arrangements including review of new account paperwork and communication with Financial Advisors to resolve incomplete custodial paperwork. If the Client selects a third-party Custodian, not AssetMark Trust, the selected Custodian remits a portion of the fee it charges the Client or receives from other parties including mutual funds and other Solution Types, to AssetMark as compensation for these services. The formula under which AssetMark's compensation will be calculated is prospectively agreed upon by the

**This must remain with the Client**



Custodian and AssetMark, and will be a function of agreed upon basis points on the average daily value of 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, and is substantial given the services provided to Custodians by AssetMark. Further information about the compensation paid AssetMark, including current and historical compensation, is available on request.

The total fees received by AssetMark with respect to a particular Client for a specified amount of assets can vary according to the particular Custodian used by the Client. In addition, a Client's particular asset allocation, including rebalancing based on the recommendations made by the Portfolio Strategist that provides the Client's asset allocation, indirectly contributes to increasing or decreasing the compensation received by AssetMark from a Custodian in future periods.

#### **Other Compensation Disclosure**

Each of the mutual funds, ETFs, Alternative Investments and other funds or pooled investment vehicles included on the Platform bears its own operating expenses, including compensation to the fund or sub-account adviser. As an investor in the mutual funds, ETFs or other fund, the Client indirectly bears the operating expenses of the fund as these expenses will affect the net asset value, share price or unit price of each fund or sub-account. These expenses are in addition to the investment Advisory Fees paid to the Client's individual Financial Advisory Firm, including 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 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 are negotiable, as are Platform Fees paid by any Financial Advisory Firm, with the approval of a senior executive officer. These negotiated fees typically lower the portion of the Platform Fee that AssetMark receives.

#### **AssetMark Affiliate Fee Income Disclosure**

AssetMark and AssetMark Brokerage, LLC., an AssetMark affiliate ("AMB"), receive compensation as the Investment Advisor and Distributor, respectively, of the GuideMark and GuidePath Funds, which are utilized within certain Portfolio Strategists' asset allocations, and AssetMark waives its Platform Fee to the Financial Advisory Firm on Client accounts to the extent they are invested in asset allocations comprised primarily of the GuideMark and GuidePath Funds.

To the extent that a Client establishes a mutual fund Account and selects an asset allocation designed by a "proprietary" Portfolio Strategist (one who includes funds from its affiliated fund family), the Portfolio Strategist will generally derive additional benefit through compensation payable to its affiliates from the funds.

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

AssetMark receives marketing support payments from an IMA Manager 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.

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

- *12b-1s*: are a cost to the shareholders of the mutual fund. If the prospectus of a mutual fund allows for 12b-1'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%.

***AssetMark 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 advisory fees from the mutual funds in which these accounts invest. The mutual fund advisory 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, 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 approves of the fund advisory fee payments to AssetMark. Client will be given notice if these ranges change, resulting in an increase in fee payments, and, unless the Client or Financial Advisor gives notice to AssetMark, Client consents to these changes.

If a Client selects a GPS Select strategy, 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.

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

AssetMark has accounts that no longer receive advisory services because the strategy in which the Account was invested has been terminated from the AssetMark Platform and the Client has not selected another strategy for 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 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 on 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.

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

Under AssetMark's Business Development Allowance program, certain Financial Advisors receive a quarterly business development allowance for reimbursement of qualified marketing/practice development expenses incurred by the Financial Advisor. These allowances may also be paid based 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. These amounts vary 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 the Financial Advisory Firm 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 are also 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 also covers travel-related expenses for certain Financial Advisors to attend AssetMark's annual conferences, quarterly meetings,

or to conduct due diligence visits. In addition and outside of the Business Development Allowance program, AssetMark contributes to the costs incurred by certain 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 may 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***

Certain Financial Advisors 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 US 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 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

The Financial Advisory Firm utilizing the AssetMark Platform will determine the specific account requirements and the types of clients to which it offers its services. Generally, the AssetMark Platform is made available to high net worth individuals and institutional investors, financial institutions, annuity funds, charitable institutions, foundations, municipalities, endowment funds, corporations, corporate pension and profit-sharing plans, and Taft-Hartley plans.

#### **MINIMUM INVESTMENT REQUIREMENTS**

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

##### **Mutual Fund and ETF (including Market Blend Strategies)**

The standard minimum investment through the Platform will generally be \$10,000-50,000 for mutual fund and \$25,000 for ETF accounts.

##### **Guided Portfolios**

The standard minimum investment through the Platform will generally be \$10,000 for GPS Fund Strategies and \$50,000 - 250,000 for GPS Select Solutions. Sleeve level investment minimums within the Custom GPS Select Solutions will vary.

##### **Individually Managed Accounts**

The standard minimum IMA investment per Investment Manager is generally between \$100,000 and \$250,000, and will depend on the Custodian and Investment Manager(s) selected for the Account. Certain Investment Managers require minimum investments greater than \$250,000. The Investment Managers, in their sole judgment may accept investments below the standard minimum.

For strategies in which Savos is the Investment Manager, the minimum investment is \$25,000.

##### **Unified Managed Accounts**

The standard minimum UMA investment, depending on the strategy selected, is between \$25,000 and \$100,000.

##### **Multiple Strategy Accounts**

Sleeve level investment minimums will vary.

##### **Guided Income Solutions**

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.

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

The Platform does not have information applicable to Portfolio Manager Selection and Evaluation. Item 4 describes AssetMark's selection and the roles of the Portfolio Strategists, Investment or Discretionary Managers and Overlay Managers.

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

The Platform does not have information applicable to Client Information Provided to Portfolio Managers. Item 4 describes the relationship and agreement between the Client and the Financial Advisory Firm's including the FA Firm's responsibilities to evaluate the Client's need and objectives and determine the suitability of various Platform options for the Client.

Discretionary Managers may request and are entitled to receive information about a Client.

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

The Platform does not have information applicable to Client Contact with Portfolio Managers. Item 4 describes the relationship and agreement between the Client and the Financial Advisory Firm's and that the Firm may consult with AssetMark regarding the administration of the Platform. Additionally, the Client has the opportunity to consult jointly with the Financial Advisory Firm and the Discretionary Managers concerning the individual management of their account.

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

On August 25, 2016, the SEC announced a settlement with AssetMark in an order containing findings, which AssetMark neither admitted nor denied, that AssetMark violated Section 206(4) of the 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 that misleadingly described that different service's performance between 2001 and 2008, and that AssetMark violated Section 204(a) of the Advisers Act and Rule 204-2(a)(16) by failing to maintain records substantiating the performance in the advertisements created by F-Squared.

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

**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As the platform sponsor, AssetMark has the following financial industry affiliations:

**AFFILIATED COMPANIES**

AssetMark is an indirect subsidiary of AssetMark Financial Holdings, Inc., a publicly traded company (NYSE: AMK). The following companies are under common control with the 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 the AssetMark Platform, 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**

AMB is a broker-dealer registered with the SEC and is a member of FINRA. AMB 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 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, Inc**

Global Financial Advisory, Inc 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.

***ASSETMARK 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 also 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, banks and other financial institutions for services AssetMark Trust provides related to investments held in Client Accounts. AssetMark Trust handles transfer agency functions, shareholder servicing, sub-accounting, administrative services and tax reporting functions that these financial institutions 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 or other formula. 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 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 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 reimburse.

#### 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.

#### **ASSETMARK CONFLICTS OF INTEREST**

Artivest Solutions LLC has contracted to pay AssetMark for AssetMark's administrative services to Artivest in supporting access to Artivest's Platform for Alternative Investments at the rate of up to 0.25% (25 basis points) of assets invested by Clients of Financial Advisory Firms. AssetMark services include the selection of funds to be made available to Financial Advisory Firms and their clients. If certain funds are selected, AssetMark will not be paid the full 25 basis points, and this creates a conflict of interest. AssetMark addresses this conflict through disclosures and criteria to select funds. At the date of this Brochure, all the funds selected resulted in AssetMark being paid less than 25 basis points.

#### **CODE OF ETHICS**

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

AssetMark has adopted a Code of Ethics (the "Code") that is intended to comply with the provisions of Rule 204A-1 under the 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" which 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. Finally, the Code requires employees 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 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.

#### **REVIEW OF ACCOUNTS**

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

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

#### **Management of the Client's Account**

The Financial Advisory Firm provides the specific advice to the Client concerning the Client's investment Strategy for each Account, including the Solution Type, the Portfolio Strategist(s), the particular Investment Approach or sub-strategy to be chosen for the Client, and the Client's appropriate Risk/Return Profile. The Financial Advisory Firm will also advise Clients in Individually Managed Accounts on the Investment Managers to be selected for the Client's Account. The Financial Advisory

Firm and/or the client (depending upon the specific form of Client Services Agreement entered into between the Financial Advisory Firm and the Client) retains discretion to choose the Portfolio Strategist(s), the asset allocation(s) and the Investment Managers selected as the components of the Strategy for the Client's Accounts, and will have the opportunity periodically to change the Strategy or its components, including the Solution Type, the choice of Portfolio Strategist(s), the particular asset allocation(s) or sub strategies, the Risk/Return Profile, or the Investment Managers selected for the Accounts.

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

#### **Management of Privately Managed Accounts**

The Investment Managers managing IMAs, and the Savos UMAs are referred to collectively as the "Discretionary Managers" for these Privately Managed Accounts.

Savos (in Savos UMAs) and certain Portfolio Strategists will incorporate a limited number of mutual funds in certain asset class allocations where they have determined that mutual funds are a more appropriate investment vehicle than using individual Investment Managers or the asset selections by Investment Management Firms. These funds can include both no-load mutual funds and mutual funds which generally do charge a sales load, but which are available through the Platform at the fund's net asset value and without any sales charge. Other third-party funds or ETFs are also utilized for situations in which a Client's assets do not meet the required minimums of an Investment Manager for certain asset classes.

Each Investment Manager and Investment Management Firm has been selected by AssetMark for the Platform to provide investment management services based on one or more specific investment objectives, which are outlined in the Manager Profile for each Investment Manager and Investment Management Firm. For example, certain Investment Managers and Investment Management Firms have been selected to manage U.S. Large Capitalization stocks, while others have been selected to manage International stocks. The Investment Approaches developed by Portfolio Strategists will typically consist of a combination of several Investment Managers/Investment Management Firms (and, in certain cases, mutual funds) representing a number of asset classes, which can include, but are not limited to, U.S. Fixed Income, International Fixed Income, U.S. Large Capitalization and Small/Mid Capitalization stocks, International stocks, Emerging Markets stocks, and Real Estate Investment Trusts (REITs).

All investments are held in custody by a Custodian who maintains the Client's custodial account and effects transactions at the direction of the Client and the Discretionary Manager(s) designated by the Client. Client is responsible for paying the Custodian directly for all expenses related to effecting transactions in the account, pursuant to a separate agreement executed between Client and the Custodian.

Each of the Client's investments is held by the Custodian in the Client's name. Clients will receive confirmations of each security purchased and sold for the Client's account (either separately or as part of the periodic custodial statement). Clients are entitled to receive copies of any materials distributed by the issuers of such securities to all beneficial owners of their securities, as well as the Prospectus and all

annual and periodic reports issued by any mutual funds that the Client holds. 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 securities and funds held for the Client. However, the Client may delegate the right to receive prospectuses and shareholder materials, and to vote proxies on behalf of the Client, to the Discretionary Managers selected by the Client. The Discretionary Manager Designations executed in connection with opening of any Privately Managed Account will include such delegation unless the Client otherwise directs in writing. Client has the opportunity to consult jointly with the Financial Advisory Firm and the Discretionary Managers concerning the individual management of their account.

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

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

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

#### **CUSTODIAL ARRANGEMENTS**

The Client's investments made through the Platform are held in the Client's name by a Custodian selected by the Client, pursuant to a custody agreement directly between the Client and the Custodian. As a custodial client, the Client will receive from the Custodian periodic account statements listing the investments held in the Client custodial account, valuations of the investments and transactions which occurred during the period. The Client will also receive prospectuses and shareholder reports, as well as any proxy statements, applicable to the securities in the Client's custodial account if the Client has invested in a Mutual Fund or ETF account available through the Platform. If the Client has selected a Privately Managed Account, the Client will generally delegate the receipt of these shareholder materials to the Discretionary Manager through the Discretionary Manager Designation executed with the Client Services Agreement, unless the Client otherwise expressly directs that such materials be delivered to the Client. 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.

Several different third party Custodians are available on the Platform for use by Financial Advisory Firms and Clients to provide Client Accounts with custody and trading services. These Custodians, include TD Ameritrade Investment Support Services, Pershing Advisor Solutions, Schwab Institutional, and Fidelity Brokerage Services. In

In addition, AssetMark Trust, is used by Financial Advisory Firms and Clients on the Platform. Except as noted, each Financial Advisory Firm will typically select the Custodian to be used by that Financial Advisory Firm's Clients. The selected Custodian's full fee schedule and separate custody agreement will be presented to the Client, to be executed between the Client and Custodian. In general, each Custodian charges a custody fee based on a tiered fee schedule specific to each Solution Type available on the Platform. Fixed-income Solution Types will be charged based on a per trade basis, as described in the Custodian's fee schedule. AssetMark Trust and Third Party Custodians may charge a custody fee of \$150 per year for Accounts invested in Mutual Fund Accounts that do not utilize Proprietary Funds. For accounts custodied at Pershing, an additional Platform Fee of \$150/year (\$37.50/quarter) is charged by AssetMark for third-party mutual fund solutions. Custody fees do not apply for mutual fund solutions comprised primarily of AssetMark proprietary funds. The Custodians 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 presented in each Custodian's fee schedule and separate custody agreement.

AssetMark Trust and Third Party Custodians may charge a custody fee of \$150 per year for Accounts invested in Mutual Fund Accounts that do not utilize Proprietary Funds. Custody fees do not apply to mutual fund solutions comprised primarily of AssetMark 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).**

The Custodians 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 presented in each Custodian's fee schedule and separate custody agreement.

The Client is responsible for paying the Custodian the fees charged by the Custodian for its additional services and for all expenses related to effecting transactions in the account, pursuant to the agreement between Client and the Custodian, unless the Custody fees are included in the Platform fee, as described above. The Client will therefore bear such Custodian fees and expenses in addition to the fees charged under the Client Services Agreement, discussed above, and the operating expenses incurred by mutual funds or ETFs, and any other pooled investment vehicles held in the Client's account. It should be noted that other custodial arrangements may be available that would involve lower costs to the Client than does this Platform, and the custodian selected by the Client or the Client's Financial Advisory Firm. Custodians may also negotiate custodial fees at their discretion. Clients should consult with their Financial Advisor to ensure they understand the custodial fees applicable to their Account.

## 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. As the wrap program sponsor, AssetMark has no financial commitment that impairs its ability to meet contractual commitments to Financial Advisory Firms or their clients, and has never been the subject of a bankruptcy proceeding.

## ITEM 10 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Not applicable to AssetMark as the Platform sponsor.

**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 Funds 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%

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 Solutions. AssetMark receives payments from the third party Custodians as compensation for administrative services provided by AssetMark to the Custodian. That compensation is not considered here.

**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 to which it allocates account value, 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 a 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 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 OR AFFILIATE
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
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#### GLOBAL GUIDEMARK MARKET BLEND

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

#### US GUIDEMARK MARKET BLEND

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

Additionally, if AssetMark Trust is chosen as Custodian, AssetMark Trust will be paid 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 Solutions. AssetMark receives payments from the third party Custodians as compensation for administrative services provided by AssetMark to the Custodian. That compensation is not considered here.

#### 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.

## EXHIBIT B – SAVOS AND ARIS SOLUTION TYPES

Exhibit B provides Clients with information about the advisory services of the Aris and Savos Investments divisions of AssetMark, Inc. (“AssetMark”). It is included with the AssetMark Advisor Model Platform Disclosure Brochure for those Clients who have selected an Aris or Savos Advisory Service. Fees applicable to these services are included in the Platform Disclosure Brochure.

### DESCRIPTION OF SAVOS ADVISORY SERVICES

Privately Managed Accounts, including:

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

- Savos Fixed Income Strategies

#### Unified Managed Accounts, including:

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

### PRIVATELY MANAGED ACCOUNT INVESTMENT SOLUTIONS

The Savos Investments (“Savos”) division of AssetMark acts as Investment Manager (“Discretionary Manager”) for the Privately Managed Account (“PMA”) Investment Solutions.

Each Client designates, with the assistance of the Financial Advisor and based on the Client’s individual investment objectives, one or more of the PMA solutions available.

#### *Savos Fixed Income Accounts*

For the Savos Fixed Income Accounts Investment Solution, Savos acts as Investment Manager for Client Accounts. 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 CSA.

For a Savos Fixed Income Account Investment Solution, the Client, with the assistance of their Financial Advisor, shall select a Mandate for the management of their account. There are no Asset Allocation Approaches or separate Risk/Return Profiles available for a Savos Fixed Income Account.

The available Mandates for the Savos Fixed Income accounts are as follows:

- *Laddered Bond Mandates.* These Strategies invest the Account in either US Treasury, US Agency, or US Treasury Inflation Protected bonds, with an intermediate effective duration, on a buy and hold basis.
- *Municipal, Duration-based and the High Income Mandates.* These Strategies invest the Account in closed-end funds, exchange traded funds 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.

For Savos Fixed Income Accounts, the account minimum ranges from \$25,000 to \$50,000.

### UNIFIED MANAGED ACCOUNT (“UMA”) INVESTMENT SOLUTIONS

#### *Savos Preservation Strategy*

For the Savos Preservation Strategy Investment Solution, Savos acts as Investment Manager for Client Accounts. 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 CSA.

In the Savos Preservation Strategy Investment Solution, the Client need make no further selections, with the assistance of their Financial Advisor, to specify the Strategy for the Account. The Savos Preservation Strategy follows an Absolute Return Allocation Approach and is considered to be Risk/Return Profile 1.

The primary investment objective of the Preservation Strategy is to avoid a calendar year loss. Intra-year volatility and performance varies and are independent of the Strategy’s primary investment objective. This strategy can invest in, among other things, “opportunistic” or “specialized” asset categories, which includes real estate, commodities, precious metals, energy and other less traditional asset classes, with no geographic restrictions.

Additionally, Savos can 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 company for which AssetMark, either directly or through its Savos division, serves as investment adviser.

For Savos Preservation Strategy, the account minimum is \$25,000.

AssetMark manages UMA Accounts through Savos whereby Savos serves as Overlay Manager and is also referred to as “Discretionary Manager.”

As Overlay Manager for the UMA Investment Solutions, Savos provides discretionary investment management services and coordinates individual security recommendations of independent Investment Management Firms acting as portfolio advisers to AssetMark. As Overlay Manager for UMAs, Savos can also select securities directly for Client Accounts.

The standard minimum UMA investment, depending on the strategy selected, is between \$25,000 and \$100,000. Savos reserves the right, in its sole judgment, to accept certain investments below these standard minimums.

Investments for UMA Investment Solutions will be made in part by Savos using securities recommendations by independent Investment Management Firms. In addition, UMAs can hold investments selected by Savos, and these investments include, but are not limited to, some or all of the following types of securities: exchange traded funds, closed-end mutual funds, open-end mutual funds, preferred stocks, treasury bonds, bills, notes and bank notes. The mutual fund investment can include the Savos Investments Trust Dynamic Hedging Fund (formerly, the Contra Fund), which is advised by AssetMark. The asset allocation decisions, Investment Management Firm selection decisions and additional security selection decisions will all be made solely by Savos in its discretion. This discretion includes the potential substitution of certain securities included in selected Investment Management Firms' asset allocations in consultation with the Investment Management Firm or otherwise, or the selection of individual securities in certain designated asset classes.

For UMA Investment Solutions, 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 Overlay Manager is to add value to each Client's account through: (1) the strategic and tactical determination and implementation of asset allocation levels; (2) the selection of securities characteristics which Savos believes are appealing; (3) the formation of portfolios with risk management options to match the portfolio to the Client's chosen level of risk tolerance; and (4) efficient execution of trade orders resulting from ongoing management of the Client's Account.

For GMS and PMP, a risk management strategy can be 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 Investment Solution 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 Investment Solution, 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 described in your Client Services Agreement. Savos selects securities for the Account, to a substantial degree, consistent with recommendations provided to Savos by Investment Management Firms that AssetMark selects, retains and replaces. Savos retains the right, however, to allocate across asset classes, which will include such recommended securities, in its own discretion. Savos invests the Account in direct securities, pooled investment vehicles, such as mutual funds or ETFs, or in other securities or investments.

Additionally, Savos can 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 company for which AssetMark, either directly or through its Savos division, serves as investment adviser.

Savos adjusts the holdings in a GMS Account on an ongoing basis. Savos may sell or readjust 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.

The GMS Investment Solution follows the Tactical Constrained Asset Allocation 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 for a GMS Account a Risk/Return Profile. 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 US stocks, with possible significant allocations to real estate and high dividend paying stocks.

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

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

A Client who selects the PMP Investment Solution 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, nor will it 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 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, to a substantial degree, consistent with recommendations provided by Investment Management Firms that Savos selects, retains and replaces. Savos invests the Account in individual securities, pooled investment vehicles, such as open end mutual funds or ETFs, or other securities or investments.

Additionally, Savos can 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 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 Investment Solution follows the Tactical Constrained Asset Allocation Approach. For a PMP Investment Solution, 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 for a PMP Account a Risk/Return Profile. Only profiles numbered two (2) through six (6), 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 capitalization companies domiciled in the United States and other developed countries, with possible significant allocations to real estate and high dividend paying stocks.

*High Dividend Global.* The Account will primarily be exposed to large, mid and small capitalization companies domiciled in the United States and other developed countries, with possible significant allocations to real estate and high dividend paying stocks. The Account can also 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-capitalized companies and global bonds.

*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 socially 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 Solution Type and 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.

#### **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.

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.

Profiles one (1) to six (6), are available for the Savos Personal Portfolios Custom account.

### **US Risk Controlled Strategy**

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

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 Savos by Investment Management Firms that AssetMark selects, retains and replaces. Savos retains the right, however, 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 based on the indicator. During periods of heightened market volatility, Savos can adjust the holdings to a non-equity alternative. During periods of low market volatility, Savos can 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 Limit Loss Investment Approach. Only Profile six (6), Maximum Growth, is available for a US Risk Controlled Strategy. The Account will be allocated to domestic securities.

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

Savos 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 strategies, 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 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 may 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 may be 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.

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.

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 or affiliated mutual 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 Dynamic Hedging Fund, as well as the fees for a Savos Privately Managed Account.

**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. Due to specific custodial or mutual fund company constraints, there will be situations 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 Investment Solutions managed by AssetMark's 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 implements 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 Investments Dynamic Hedging Fund ("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.

**This must remain with the Client**

## 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 will likely reduce returns when equity markets are increasing in value.

This drag would generally result because (1) the hedging vehicles used by Savos to implement the Dynamic Hedging feature moves inversely to equity markets, and (2) the cost of the hedging vehicles used in the Dynamic Hedging feature will, from time to time, likely increase, particularly 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 will likely 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 4, Service, Fees and Compensation.

## **DESCRIPTION OF ARIS ADVISORY SERVICES**

### **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.

### **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.

### **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.

### **Social and Faith Based Portfolios (Personal Values 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 traditional portfolios. Minimum account sizes for applicable service levels apply and are subject to negotiation.

### **Investment Risk**

Aris utilizes strategic asset allocation strategies. Strategic asset allocation is subject to market risk and asset class risk. Risks associated with strategic asset allocation would not be considered unique or unusual. However, every type of investment involves a varying degree of risk. We rely upon past and current market



information to perform our analyses. Information utilized in analyses is compiled from sources believed to be reliable, but accuracy cannot be guaranteed. Our recommendations are subject to change based upon market performance and other conditions. We make no assurances that analyses will produce profitable investment returns.

### ***Strategic Asset Allocation***

Aris' investment process begins through the determination of the asset allocation that is appropriate for the Client's risk tolerance. A Client's risk tolerance is predicated upon a variety of Client-specific factors such as the Client's understanding of possible loss scenarios, time horizon, tax considerations, and liquidity needs. Full disclosure is made to Clients that past performance of securities, securities types, market sectors, market benchmarks and indicators are not predictive of future performance.

Strategic asset allocation is backed by the Nobel Prize winning principles of Modern Portfolio Theory (MPT). We incorporate a variety of techniques to develop the optimal investment strategy for each Client, but MPT provides the foundation. We quantitatively evaluate portfolio risk, taking into consideration the correlation of assets within the portfolio. In constructing portfolios, our approach focuses on superior asset selection and allocation and not by excessive risk taking.

Due diligence and analysis are performed on all investment vehicles (mutual funds, separate account managers, ETFs) that are utilized. Recommended investments are monitored on a consistent basis through a combination of quantitative processes, in addition to interviewing investment managers and periodically conducting on-site evaluations. Our selection process includes extensive screening of managers and mutual funds; qualitative review of managers focusing on structure, resources, and fees; detailed fundamental review of a manager's investment process through interviews; quantitative analysis of a manager's historical style and attribution; and operational approval.

### ***Specialty Portfolios***

Strategic asset allocation provides a solid foundation upon which to customize an investment solution for a Client's individual goals. One such customized approach involves the integration of socially responsible criteria into a Client's overall plan. Socially responsible or environment, social and governance (ESG) investing, is a process which attempts to closely align an investor's investment strategy with his/her values. Aris believes it is important to maintain investment integrity while attempting to meet social considerations, however. Our philosophy with regards to building a Social portfolio for a Client is consistent with our overall investment philosophy: select the appropriate asset allocations based on the Client's indicated objectives and risk tolerance and then populate each asset class with managers which pass our due diligence process. To satisfy exposure to each asset class, we select from a pool of managers who incorporate ESG factors as a part of their asset selection process. The general criteria for our Social portfolios emphasize desired characteristics (e.g. companies that manage environmental and social risks better than industry peers) and minimize undesirable characteristics (e.g. companies that do a poor job of managing environmental and social risks versus peers, or those with material exposure to business activities such as tobacco, alcohol, gambling and weapons).

Another customized approach involves the integration of faith-based investments into a Client's overall plan. Faith-based investing is a process which attempts to closely align an investor's investment strategy with his/her faith philosophy. Aris believes it is important to maintain investment integrity while attempting to meet all of the faith-based criteria, however. Our philosophy with regards to building a faith-

based portfolio for a Client is consistent with our overall investment philosophy: select the appropriate asset allocations based on the Client's indicated objectives and risk tolerance and then populate each asset class with managers which pass our due diligence process. To satisfy exposure to each asset class, we select from a pool of managers who incorporate faith-based criteria as a part of their asset selection process. The general criteria for our Faith portfolios emphasize desired characteristics (e.g. companies that are good corporate citizens) and exclude undesirable characteristics (e.g. companies with material exposure to business activities such as alcohol, tobacco, gambling, adult entertainment, abortion, contraceptives and embryonic stem cell research).

Another customized approach involves managing a portfolio to meet inflation-adjusted income requirements. For situations where income needs are paramount, we believe opportunities exist to increase a portfolio's income by integrating investments not traditionally incorporated in a balanced allocation. By expanding the investment opportunity set to include selected income-oriented securities, a portfolio can be better positioned to satisfy ongoing income requirements. Many of these income-oriented securities have the ability to grow income over time, providing a hedge against growing expenses. We recommend taking a diversified approach to income-oriented securities. In addition to traditional stock and bond investments, other asset categories include the following: floating rate bank notes, inflation-protected securities, real estate investment trusts, master limited partnerships, preferred stocks, high yield bonds, international bonds, and business development companies. These income-oriented portfolios exhibit a risk profile that is consistent with that of a conservative-to-moderate investor, and has the potential to generate a higher yield that better equips the portfolio to achieve the Client's individual distribution goals.

Although Aris is predominantly a "manager of managers," in instances where Clients need an additional layer of customization, we do manage portfolios of individual securities (bonds and stocks) for high net-worth Clients.

### **TRADE EXECUTION**

Savos/Aris will generally direct most, if not all, transactions to the Account Custodian. 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, or other broker-dealers selected by Savos/Aris and contracted by AssetMark Trust. If the Account is invested in a Savos/Aris High Net Worth, IMA and/or UMA Investment Solution, the selected broker-dealers will be paid through amounts collected as part of the Platform Fee charged to the Account and, therefore, generally, transaction-based commissions will not be charged to the Account for execution services. In certain circumstances, better execution will be available from broker-dealers other than the broker-dealer(s) generally used by the Client's selected Custodian. Savos/Aris may determine to trade outside the selected broker-dealer(s) and, in such a case, the Account will be charged for the trade execution. Savos/Aris can combine purchase and sale transactions for a security into a single brokerage order. This aggregation process could be considered to result in a cross transaction among affected accounts.

### **PROXY VOTING AND CLASS ACTIONS**

The Client designates Savos/Aris as their agent to vote proxies on securities in the Account and make all elections in connection with any mergers, acquisitions and tender offers, or similar occurrences that affect the assets in the Account. Client acknowledges that as a result of this voting designation they are also designating Savos/Aris

as their 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 Savos/Aris in writing of the desire to vote future proxies. Additionally, this designation of Savos/Aris to vote proxies and the Client's right to vote proxies may not apply to securities that may have been loaned pursuant to a securities lending arrangement despite efforts by Savos/Aris 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 IMA or UMA Solutions held in custody at a third-party custodian. The Client retains the right to vote proxies.

***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.

**SERVICES NO LONGER OFFERED**

Savos and Aris continue to manage other advisory services which are no longer offered to new Clients. Clients with these services may contact AssetMark for more information.



**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>3</sup> , New Frontier <sup>5</sup> , Global GuideMark <sup>8</sup> , Market Blend <sup>6</sup> , US GuideMark <sup>8</sup> , Market Blend <sup>6</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	Eaton Vance	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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