

# Account Agreements and Disclosures



(VERSION 4.19)

# AssetMark Investment Management Services Agreement

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By executing the Account Set-Up and Application (“Account Set-Up”), you, the Account Owner, (“Client”) agree to the terms of this Investment Management Services Agreement (“Agreement” or “IMSA”). You agree to retain AssetMark, Inc. (“AssetMark”) to provide investment advisory services to the “Account” you are establishing. You have been referred to AssetMark by your Financial Advisor (“Financial Advisor,” who is associated with their “Financial Advisory Firm”). The responsibilities of AssetMark, the Financial Advisor and the Client are discussed below.

This Agreement may be used in connection with the opening of more than one Account, but the singular form will be used throughout this Agreement. Any subsequent Account opened by the Client shall be governed by the terms of this Agreement (as it may be amended).

This Agreement establishes an Account on the Platform named in the Account Set-Up Form. AssetMark is the sponsor of the AssetMark Platform (“Platform”) through which it offers its advisory services to Clients. The Platform includes Mutual Fund, Exchange-Traded Fund (“ETF”) and various Privately Managed Account Solution Types (the “Solution Types”), or a blend of these Solution Types, e.g. Multiple Strategy Accounts, each with a number of options that may include a range of Risk/Return Profiles and Investment Approaches to allow the Client to customize a strategy by which each Account will be maintained under this Agreement (the Account’s “Strategy”).

This Agreement describes:

- the available **Service Providers** and **Solution Types**;
- the **Fees** applicable to the Account;
- **AssetMark’s Responsibilities** as the investment adviser to the Account;
- the **Financial Advisor’s Responsibilities**; and
- the **Client’s Agreements, Authorizations and Acknowledgements**

For additional information regarding the services provided by AssetMark, refer to the Disclosure Brochure provided in connection with the opening of your Account.

## SERVICE PROVIDERS

When referred to collectively, Service Providers may be called Providers in marketing collateral and other materials.

### *Portfolio Strategists*

AssetMark has contracted with investment management firms (“Portfolio Strategists”) to provide recommended portfolio allocations by which AssetMark intends to invest the account, unless circumstances indicate that modified allocations or investments are appropriate. The Portfolio Strategists do not provide discretionary investment management services to the Account. The Client may specify the initial Portfolio Strategist for the Account. AssetMark may replace the Portfolio Strategist at its discretion and may give notice of any change to that Portfolio Strategist.

### *Investment Managers*

AssetMark has contracted with investment management firms to act as “Investment Managers” for Client Accounts. 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 and such other

discretionary authorities described later in the Agreement, or otherwise agreed upon by the Client. The Investment Manager may also be referred to as a “Discretionary Manager”.

### *Overlay Managers*

AssetMark has contracted with investment management firms to act as “Overlay Managers” for Client Accounts. The Overlay Manager will provide discretionary investment management services to the Account and the Client grants the Overlay Manager 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 later in this Agreement or otherwise agreed upon by the Client. The Overlay Manager may also be referred to as a “Discretionary Manager”.

### *AssetMark as a Service Provider*

As further disclosed in detail in the AssetMark Disclosure Brochure, AssetMark, and the Aris and Savos Investments (“Savos”) divisions of AssetMark, may also act in the role of Portfolio Strategist, Investment Manager, Discretionary Manager or Overlay Manager within certain available investment strategies.

## INVESTMENT OBJECTIVES

The Client wishes to establish an Account and retain AssetMark to provide investment advisory services. AssetMark’s investment of the Account shall be consistent with the Risk/Return Profile and, where appropriate, the Asset Allocation Approach (both described below) selected by the Client.

## APPROACHES TO INVESTING

### *Risk/Return Profiles*

The Platform provides tools that allow a Client to work with their Financial Advisor to develop the Client’s risk tolerance in combination with their investment objectives (“Risk/Return Profile”). These Risk/Return Profiles range from most conservative (lowest estimated risk and lowest potential return) to most aggressive (highest estimated risk and highest potential return). The Client, with the assistance of their Financial Advisor, selects a Risk/Return Profile for the Account.

### *Investment Approaches*

AssetMark has developed a multi-dimensional approach to investing (“Investment Approaches”).

The Core Markets, Tactical Strategies and Diversifying Strategies Investment Approaches may be implemented with 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.

The Client, with the assistance of their Financial Advisor, may select strategies that employ one or more of the following Investment Approaches for the Account.

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 may 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 may include non-traditional bond positions, including market neutral strategies, absolute return strategies and low volatility equity strategies.

##### **Additional Investment Options**

There are options available that do not use an Asset Allocation Approach. These may include certain alternative investments and socially responsible investing. Additionally, there are options that may include more than one Asset Allocation Approach, such as the Guided Portfolios.

Some Risk/Return Profiles may not be available in some Investment Approaches and some Solution Types (including Individually Managed Accounts) are not categorized into any one of the Risk/Return Profiles.

## **SOLUTION TYPES**

One or more, or a blend of the following "Solution Types," described later in this Agreement, may be available:

- Guided Portfolios
- Mutual Fund accounts;
- ETF accounts;
- Privately Managed Accounts;
- Unified Managed Accounts; and
- Multiple Strategy Accounts

## **GUIDED PORTFOLIOS**

For the Guided Portfolios, AssetMark will provide investment allocations across Investment Approaches, and other investment options, based on investment objectives, market outlook, risk profile and other preferences.

- GPS Fund Strategies
- GPS Select
- Custom GPS Select

For Custom GPS Select, AssetMark will provide a target range of allocations across Investment Approaches, and other investment options. The Client, with the assistance of their Financial Advisor, will determine the specific allocations based on investment objectives, market outlook, risk profile and other preferences.

## **MUTUAL FUNDS**

A mutual fund is an investment vehicle that pools together money from many investors to buy stocks, bonds, short-term money market instruments, and/or other securities. Each investor owns shares, which represent a portion of the holdings of the fund. In the Mutual Fund Type, the Client may choose a solution that primarily invests in shares of:

- funds advised by AssetMark, ("Proprietary Fund"); or
- third-party mutual funds, not advised by AssetMark.

Unless otherwise restricted by the Client in writing and accepted by AssetMark, if a Mutual Fund Solution Type is chosen, the Account may also include some non-mutual fund investments.

## **EXCHANGE TRADED FUNDS**

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. In the ETF Type, the Client may choose a solution that primarily invests in third-party ETFs not advised by AssetMark.

Unless otherwise restricted by the Client in writing and accepted by AssetMark, if an ETF Type is chosen, the Account may also include some non-ETF investments. Additionally, for the Market Blend Strategies, AssetMark will make allocations across seven 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.

A blend of Mutual Fund/ETF Solution Types may also be selected. Unless otherwise restricted by the Client in writing and accepted by AssetMark, if a Mutual Fund/ETF Solution Types is chosen, the Account may include mutual funds, ETFs and some non-ETF investments.

## **PRIVATELY MANAGED ACCOUNT**

Privately Managed Account ("PMA") Solution Types include:

- Individually Managed Accounts,

#### **Individually Managed Accounts ("IMA")**

Individually Managed Accounts provide Clients with access to Investment Managers who may invest their Account in a specifically defined strategy on a discretionary basis, taking full responsibility for securities selection, trading and proxy voting.

**This must remain with the Client**

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

## UNIFIED MANAGED ACCOUNTS ("UMA")

### *Aris*

Aris may serve as a Discretionary Manager for Accounts on the Platform. Aris provides Clients with model and custom portfolios designed to meet a range of Risk/Return Profiles and Investment Approaches, implemented by Aris, coordinates securities selection from multiple investment firms, trading and proxy voting; as well as making broader allocation and diversification decisions across additional types of securities such as mutual funds and ETFs which are integrated into the portfolio and held within a single account.

### *Savos*

Savos provides clients with diversified portfolios designed to meet a range of Risk/Return Profiles and Investment Approaches, implemented by Savos, coordinates securities selections from multiple investment firms, trading and proxy voting; as well as making broader allocation and diversification decisions across additional types of securities such as mutual funds and ETFs which are integrated into the portfolio and held within a single account.

## MULTIPLE STRATEGY ACCOUNTS

Certain Solution Types discussed above are also available as sleeve level options within a Multiple Strategy Account. In a Multiple Strategy Account, an Account may be customized with no set allocation limits. The Client, with the assistance of their Financial Advisor, may select from various Portfolio Strategists and Investment Managers, including Savos, and Proprietary/Affiliated Funds. In selecting and determining the allocations in each sleeve, a Multiple Strategy Account will be established. The number of sleeves selected may vary from a minimum of two to a maximum of eight selections, to comprise the Multiple Strategy Account. The minimum investments by sleeve may vary.

## ADMINISTRATIVE ACCOUNTS

The Client may establish an Account to hold non-managed assets (an "Administrative Account"), and such Account may include a General Securities Account. An Administrative Account is provided by AssetMark as an administrative convenience for the Client and AssetMark will not manage, advise or be responsible for the investment management of the assets in an Administrative Account.

## *General Securities Account*

The Client may access one or more qualified custodians available through AssetMark, which can include AssetMark Trust Company ("AssetMark Trust"), an affiliate of AssetMark (each a "Custodian"). In the General Securities Account, the Client may move to the Account those equity or fixed income securities acceptable to their selected Custodian. The Client will be solely responsible for directing the sale of investments in the Account. Administrative Fees will generally not be charged against the assets of a General Securities Account, but any Administrative Fee or other fees payable will be charged to another Account established under this Agreement or directly to a bank account via the Automated Clearing House (ACH) process.

Further information on approaches to investing is provided in the Disclosure Brochure.

## FEES AND COMPENSATION

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

- Financial Advisor Fee
- Platform Fee, which may include any Strategist or Manager Fee, as applicable, and most custody fees. Refer to the fee table at the end of this agreement or the Referral Disclosure Brochure for complete fee details.
- Initial Consulting Fees

The Financial Advisor Fee and the Platform Fee when combined are referred to as the "Advisory Fee." Other fees for special services may also be charged. The Client should consider all applicable fees.

### FINANCIAL ADVISOR FEE

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

The Financial Advisor and Client select an annual rate for the Financial Advisor Fee, paid to the Financial Advisory Firm by choosing:

- a negotiated rate, a flat rate, or a custom tiered rate of up to 1.50% (150 basis points), as negotiated and agreed between the Client and the Financial Advisor.

### PLATFORM FEE

The Platform Fee shall be charged at the rates listed in the fee table, provided at the end of this Agreement.

The Platform Fee provides compensation to AssetMark for maintaining the Platform and providing advisory and administrative services to the Account. The Platform Fee, may include any Strategist or Manager Fee, as applicable, and most custody fees. The AssetMark advisory services include, but are not limited to: selecting, reviewing and

replacing, as it deems appropriate, the Portfolio Strategists providing allocations, Investment Management Firms providing securities recommendations, Discretionary Managers providing discretionary management services and other Consultants and service providers; review and validation of Portfolio Strategists' recommendations; and executing trades.

The administrative services include, but are not limited to: arranging for custodial services to be provided by various custodians pursuant to a separate agreement between Client and Custodian; coordinating with Custodians regarding delivery of comprehensive Account services; preparation of quarterly performance reports (to complement Account Statements provided by Custodians); and maintenance and access to an electronic or web-based inquiry system that provides detailed information on each Client Account on a daily basis. Effective no earlier than May 31, 2018, for those accounts invested in Third Party Mutual Fund strategies, where the client's custodian does not charge a custody fee of \$37.50/quarter, the account's Platform Fee will include a flat fee of \$37.50/quarter, in addition to the fee listed in the fee schedule that is based on the account's asset value.

The annual rate of the 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 Account may be considered when determining assets under management for breakpoint purposes relating to another Account held for the benefit of the same or a related person. Unless other arrangements are made, the Custodian will debit these fees from the Account. Upon termination of the Account, any prepaid account fees are refunded pro-rata. Additional fees may be due pursuant to a separate agreement with the Custodian. However, for certain Solution Types, a separate custodian fee may not apply.

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 shown at the end of this agreement.

If the Account is invested in a Mutual Fund, ETF, or Third-Party IMA, in addition to the rates described in the table at the end of this agreement, an additional fee of up to 0.20% annually may be deducted from Client Account assets and paid to certain Financial Advisory Firms, for their supervision of the Account.

The Investment Manager Fee may be negotiated at the sole discretion of the Discretionary Managers. For more information about these products refer to the current AssetMark Referral Disclosure Brochure.

#### **INITIAL CONSULTING FEE**

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

#### **ADDITIONAL FEE INFORMATION**

##### ***Special Service Fees***

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

##### ***Security and Sales Based Fees Paid by Client***

The Account may also incur expenses related to the custody of foreign securities, including fees from paying agents of the issuers of foreign securities, such as American Depository Receipts (e.g. "ADR Fees"). ADR Fees may appear as a separate fee on Account statements.

In connection with sales of equity securities, the Account may also incur fees referred to as "Regulatory Transaction Fees." These fees from the Account are paid by brokerage firms to self-regulatory organizations such as U.S. securities exchanges. The fees received by self-regulatory organizations are used to offset fees charged by the U.S. Securities and Exchange Commission for costs related to the government's supervision and regulation of the U.S. securities markets and professionals.

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

Additionally, AssetMark provides the Custodians with certain services with respect to the custody arrangements. If the Client selects a Custodian other than AssetMark Trust, the selected Custodian will remit a portion of the fee it charges the Client or receives from other parties including mutual funds, to AssetMark as compensation for these services. The formula under which AssetMark's compensation will be calculated is prospectively agreed upon by the Custodian and AssetMark, and will be based on the assets under management or custody, or other methodology annually agreed to by the parties. The formula is set for a 12-month period, after which a new formula may be renegotiated between AssetMark and the Custodian. Further information about the compensation paid AssetMark, including current and historical compensation, is available on request. The Client hereby acknowledges and agrees that AssetMark will receive, as reasonable compensation for its services, the sum of (i) the fees applicable to the Account under this Agreement and (ii) the amount payable to AssetMark by the Custodian.

##### ***Indirect Investment Expenses and Mutual Fund Fees Paid by Client***

Some additional expenses are inherent within the investments held in Client Accounts. Mutual Funds and ETFs pay management fees to their investment advisers, and certain funds and bank money market accounts have other types of fees or charges, including 12b-1, administrative or shareholder servicing fees, bank servicing or certain other fees, which may be 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. Certain mutual funds selected for Client Accounts may include Proprietary/Affiliated Funds from which AssetMark or its affiliates may receive additional compensation as described here in addition to fees paid to AssetMark under this Agreement. AssetMark may receive management and other fees for both its management of these funds as well as the Client Account.

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

**This must remain with the Client**

***Administrative Service Fees Received by Affiliates***

Mutual funds and/or their service providers generally pay custodians Administrative Service Fees ("ASF") for services provided. AssetMark Trust, receives ASF from sub-custodian Fidelity Brokerage Services LLC and National Financial Services LLC ("Fidelity") and receives ASF from mutual funds, banks, insurance companies and their respective services providers in payment for administrative services AssetMark Trust provides. These payments may be used to offset the annual custody fees that are otherwise payable by Clients invested in Individual Retirement Accounts ("IRA") or accounts governed by the Employee Retirement Income Security Act of 1974 ("ERISA"). Refer to the AssetMark Trust Custody Agreement for more information.

***Affiliate Fee Income Disclosure*****GPS Fund Strategies, and Market Blend Mutual Fund**

Client accounts invested in these Strategies will receive allocations, determined by AssetMark, among mutual funds advised by AssetMark. AssetMark may receive fees from the mutual funds in which these accounts invest. The mutual fund fees differ between funds and the total fees collected will vary depending upon the profile selected by the Client and the fund allocation within each profile. If a Client elects the GPS Fund Strategies or Market Blend Mutual Fund strategies, the Client authorizes and instructs that the account be invested pursuant to the selected Profile, acknowledges that fund advisory and other fees collected will not exceed the maximum net revenue retained by AssetMark. The Client will be given prior notice if these allocations or mutual funds change and it results in higher weighted average fees earned by AssetMark. Unless the Client or the Financial Advisor gives notice to AssetMark, the Client consents to these changes.

**GPS Select**

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 may modify fund allocations within a range such that fund management fees earned by AssetMark may 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 the variance of the fees earned by AssetMark due to 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.

**Savos DHF**

For Savos investment solutions, AssetMark will credit the net advisory fee earned on the portion of the accounts invested in the Savos DHF.

**ASSETMARK'S RESPONSIBILITIES*****Advisory Services***

AssetMark shall provide investment advisory services to the Account consistent with the Strategy specified by the Client for the selected Solution Type and in accordance with any reasonable restrictions specified by the Client and accepted by AssetMark. Advisory services will not be provided in connection with Administrative Accounts.

***Disclosures and Account Statements***

AssetMark shall provide the Client, either directly or through the Financial Advisor, with disclosure of material information regarding the investment advisory services to be provided under this Agreement, which may include, without limitation, AssetMark's Disclosure Brochure.

The Custodian selected by the Client will send the Client periodic Account Statements, at least quarterly, which shall include valuations of the Account assets and summaries of transactions. These Account Statements may be delivered via hard copy or by electronic delivery (if that method is elected by the Client).

***Proxy Voting and Class Actions***

AssetMark or the applicable Discretionary Manager, if any, shall vote proxies on securities in the Account and make all elections in connection with any mergers, acquisitions and tender offers, or similar occurrences that may affect the assets in the Account (as the Client's agent). Additionally, AssetMark or the applicable Discretionary Manager shall 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. The Client, however, retains the right to vote proxies and may do so by notifying AssetMark in writing. Additionally, this designation of AssetMark or applicable Discretionary Manager 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 AssetMark to retrieve loaned securities for purposes of voting material matters.

AssetMark will not vote proxies if the Savos division of AssetMark is the Discretionary Manager for IMA or UMA Solutions held in custody at a third-party custodian. The Client retains the right to vote proxies.

AssetMark will not vote proxies for Mutual Fund, ETF, or the Market Blend ETF Strategy when held in custody at a third-party Custodian. The Client retains the right to vote proxies.

If shares of Proprietary/Affiliated Funds or any other Mutual Fund or ETF that may be advised by AssetMark or an affiliate, are held in an Account for which AssetMark (including through its Savos division) acts as Discretionary Manager or otherwise has discretionary authority, AssetMark will vote 100% of the shares over which it has voting authority according to instructions it receives from its Clients, which are the Fund's beneficial shareholders. AssetMark will vote shares with respect to which it does not receive executed proxies in the same proportion as those shares for which it does receive executed proxies. This is known as "mirror voting" or "echo voting."

The Client will continue to vote proxies if the Account is an Administrative Account.

In all instances the Client shall make any and all elections with regard to participation in class actions, notices regarding bankruptcies and similar elections.

***Shareholder Materials and Prospectuses***

AssetMark shall receive prospectuses, shareholder reports, proxy statements and all other shareholder materials applicable to securities held in the Account and the Client will not receive these materials unless: either the Client requests in writing to AssetMark to receive these materials; or the materials relate to a Proprietary/Affiliated Fund or any other Mutual Fund or ETF that may be advised by AssetMark or an affiliate.

The Client will continue to receive shareholder materials if the Account is invested in a Mutual Fund, ETF, or Market Blend ETF Strategy, or in an Administrative Account, held at a third-party custodian.

### ***Trade Execution***

AssetMark or the Discretionary Manager, if applicable, will generally direct most, if not all, transactions to the Custodian. If the selected Custodian is AssetMark Trust, generally most, if not all, transactions will be directed to Fidelity, or other broker-dealers selected by AssetMark and contracted by AssetMark Trust. In certain circumstances, better execution prices may be available from broker-dealers other than the broker-dealer(s) generally used by the Client's selected Custodian. For fixed-income transactions, a Custodian may charge a separate transaction fee per trade pursuant to the Custody Agreement. AssetMark, or the Discretionary Manager as applicable, may determine to trade outside the selected broker-dealer(s) and, in such a case, the Account may be charged for the trade execution. AssetMark, or the Discretionary Manager, if applicable, may 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.

## **THE FINANCIAL ADVISOR'S RESPONSIBILITIES**

### ***Suitability and Ongoing Consultations***

Before referring the Client to AssetMark for the selected Solution Type and strategies, the Financial Advisor shall obtain information from the Client regarding the Client's financial situation, investment objective and any reasonable restrictions the Client wishes to place on the investment of the Account. The Financial Advisor shall conduct an analysis and make a determination of the suitability of the services to be provided under this Agreement for the Client. The Financial Advisor agrees to contact the Client at least annually to determine if the Client's financial situation, investment objective or Account restrictions, if any, have changed. The Financial Advisor also agrees to be available during normal business hours for consultation regarding the Client's financial condition, investment objective and the ongoing suitability of AssetMark's services under this Agreement.

### ***Account Application, Forms and Client Disclosures***

The Financial Advisor shall assist the Client with the Account Application and any other applicable forms, exercising best efforts to ensure that they are true and accurate. The forms will then be submitted to AssetMark by the Financial Advisor and they shall participate in the correction or gathering of any additional information from the Client as may be requested. The Financial Advisor shall notify AssetMark of any changes in the Client information provided to AssetMark, and notice to AssetMark Trust shall be considered notice to AssetMark. The Financial Advisor shall accurately communicate Client instructions to AssetMark. The Financial Advisor shall provide the Client with disclosure documents provided by AssetMark for delivery to Clients. These documents may include, without limitation, AssetMark's Disclosure Brochure, AssetMark's Privacy Policy, a completed Financial Advisor's Separate Written Disclosure Statement, and any required disclosure documents regarding their own firm.

### ***Confidential Information***

The Financial Advisor acknowledges that they may acquire confidential, non-public or proprietary information of the Client, AssetMark or others, and the Financial Advisor agrees to keep this information confidential.

### ***ERISA Plans***

The Financial Advisor agrees to inform AssetMark in writing if the Client is subject to ERISA and if so, to ensure that the Client has

received the "AssetMark ERISA and IRA Supplement" (Exhibit A to this Agreement).

### ***Compliance with Advisers Act***

The Financial Advisor represents that, as a condition of referring Clients to AssetMark and receiving referral fees, they, their firm and any persons referring Clients to AssetMark on the firm's behalf, are and shall continue to be qualified to do so under applicable laws, including without limitation, Rule 206(4)-3 of the Investment Advisers Act of 1940 ("Advisers Act"), and that they shall immediately notify AssetMark if this qualification ceases.

## **THE CLIENT'S RESPONSIBILITIES, AUTHORIZATIONS AND ACKNOWLEDGEMENTS**

### ***Discretionary Authority***

The Client hereby grants AssetMark full authority, as the Client's agent and attorney-in-fact, to manage the assets in the Account on a fully discretionary basis. This grant of discretionary authority includes the authority, without first consulting the Client, to:

- buy, sell, select, remove and replace securities, for the account including mutual fund shares and including those of funds advised by AssetMark or an affiliate, and other investments, for the Account, and to determine the portion of assets in the Account that shall be allocated to each investment or asset class and to change such allocations;
- select the broker-dealers or others with which transactions for the account will be effected;
- retain and replace, or not, any person providing investment advice, securities recommendations, model portfolios or other services to AssetMark. This includes, without limitation, Portfolio Strategists giving advice with regard to the Mutual Fund and ETF Solution Types, and Investment Management Firms giving advice with regard to PMA and UMA Solution Types;
- retain and replace any person providing discretionary investment management of the Account (with regard to IMA Solution Types);
- invest a portion of the Account assets, at such times and in such amounts as AssetMark decides at its sole discretion, in one or more registered investment companies for which AssetMark or an affiliate serves as investment adviser (when appropriate to the Solution Types and/or the Risk Management Strategy and/or the Mandate and/or strategy selected by the Client for the Account as defined in the Disclosure Brochure); 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.

If the Client has selected a PMA, the Client grants to the Investment Manager or to the Overlay Manager (whichever is applicable based on the type of account selected) full authority, as the Client's agent and attorney-in-fact, to manage the assets in the Account on a fully discretionary basis. The Client's grant of discretionary authority to a Discretionary Manager includes the authority, without first consulting the Client, to:

- buy, sell, select, remove and replace securities, including mutual fund shares, and other investments, for the Account, and to determine the portion of assets in the Account that shall be allocated to each investment or asset class and to change such allocations;

**This must remain with the Client**

- select the broker-dealers or others with which transactions for the account will be effected; 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.

This grant of authority shall not apply to any Administrative Account.

#### ***Establish Custodial Account***

The Client shall establish a custodial account with a qualified Custodian available through AssetMark, which may include AssetMark Trust, for the custody of the Account assets.

The Client acknowledges that trade-by-trade transaction confirmations will not be provided pursuant to this Agreement and that information regarding securities transactions will instead be provided pursuant to their agreement with their selected Custodian.

The Client represents and warrants that the source of all funds to be invested have been obtained by legitimate and lawful means and do not represent the proceeds of any unlawful activity.

#### ***Client Information***

The Client shall provide their Financial Advisor and AssetMark with all information, and any changes to that information, required or appropriate to open and maintain the Account and provide the services contemplated by this Agreement (including whether the Client is a government entity, as defined by 17 CFR 275.206(4)-5, the "pay to play" rule) and shall inform the Financial Advisor of any material change to their financial situation or investment objective. The Client authorizes the Financial Advisor and AssetMark to provide information, including that regarding the Client and the Account, to those providing services related to the Account and this Agreement, including, without limitation, the Financial Advisor, the Financial Advisory Firm and any Discretionary Manager.

#### ***Receipt of Disclosure Documents***

The Client hereby acknowledges receipt of, and their opportunity to review, this Agreement, AssetMark's Disclosure Brochure (Part 2A, Part 2B and Appendix 1 of Form ADV), AssetMark's Privacy Notice, the Financial Advisor's Separate Written Disclosure Statement, and, if the Client is subject to ERISA, the ERISA Supplement to this Agreement and the Disclosure for ERISA plans.

#### ***Client Rights Regarding Securities***

Upon written request from the Client, the Client may elect to vote the securities in the Account, to impose reasonable restrictions on the securities or the types of securities that may be purchased for the Account and to withdraw securities from the Account, except as may be limited by the issuer of the security.

#### ***Authorization of Financial Advisor***

The Client authorizes their Financial Advisor to submit the Account Application and other appropriate forms and deposits to the Account to AssetMark and/or the Client's selected Custodian. The Client shall review for accuracy any confirmations of information on deposits or withdrawals that they receive.

By so specifying in the Account Set-Up Form, or other form acceptable to AssetMark, the Client authorizes their Financial Advisor to give

AssetMark instructions to begin, change or terminate systematic withdrawals from the Account and to make withdrawals from the Account. Proceeds will be mailed to the Account's address of record and payable to the Client or wired to an account in the Client's name (as permitted by the Custodian's policies and procedures).

Additionally, by so specifying in the Account Set Up and Application, or other form acceptable to AssetMark, the Client may also authorize their Financial Advisor to give AssetMark instructions to:

- make changes with regard to the management of the Account (including changes to the Solution Type, the Strategy, as well as the employment of a hedging strategy, and any restrictions related to the Account) and to harvest investment gains or losses from the Account; and
- transfer amounts or assets to or from an Account managed by AssetMark to an Administrative, if both Accounts are in the name of the Client; and
- open additional Accounts subject to this Agreement and to specify the Solution Type and strategy for each Account, provided that the social security number (or Tax Identification Number) and address of record related to the new Account(s) are the same as those related to the registration of this Account.

#### ***Selection of Solution Type***

With the assistance of their Financial Advisor, the Client shall select an Solution Type and an available strategy for the Account and also specify any desired reasonable restrictions for the management of their Account. The Client understands that any restrictions placed on an Account may adversely affect the Account's performance. The Client shall ensure that they have reviewed the material describing the Account's management, including the selected Solution Type and Strategy and shall notify their Financial Advisor or AssetMark of any desired changes to their Account. These selections and any changes must be in writing in a form acceptable to AssetMark. Not all Solution Types may be available at each Custodian.

#### ***Instructions and Notices***

Instructions and notices to AssetMark regarding the Account must be in writing in a form acceptable to AssetMark. Instructions and notices for AssetMark Accounts held in custody at AssetMark Trust and at all other Custodians shall be delivered to AssetMark at P.O. Box 40018 Lynchburg, VA 24506-4018, if sent through U. S. mail, 1023 Commerce Street, Suite D, Lynchburg, VA 24504, by delivery services which need a street address, or such other address provided. Notices to the Client or the Financial Advisor will be delivered to the (mail or electronic) address last specified on the Account Statement or since provided to and accepted by AssetMark.

AssetMark may rely on such instructions, whether transmitted in hardcopy, electronically or otherwise, and shall have no duty to make any investigation or inquiry with respect to any instruction received from the Client, their Financial Advisor or Financial Advisory Firm.

Any instruction, form or change request received by AssetMark shall be effective only upon acceptance by AssetMark, which may be conditioned on compliance with AssetMark's policies, procedures or safeguards. Until its acceptance of a new instruction, form or change, AssetMark shall be entitled to rely on previously accepted instructions or selections and shall not be liable for inaction on unaccepted or un-executable instructions. AssetMark's records shall be conclusive as to accepted instructions, forms and change requests.

### ***Review of Account Statements and Confirmations***

The Client agrees to review their Account Statements and any confirmations including asset allocation, the Account's strategy and Account activity or information and promptly notify AssetMark, or their Custodian of any errors. AssetMark, the Custodians, the Financial Advisor, the Financial Advisory Firm, any Discretionary Manager and any parent, subsidiaries or affiliates of these parties shall not be liable for any errors or losses that remain unreported for more than 10 days, from receipt of the Account Statement.

### **CLIENT ACKNOWLEDGEMENTS & DISCLOSURES**

#### ***Acknowledgement of Risks***

The Client acknowledges the risks inherent in any investment and acknowledges that their Account will fluctuate in value and may incur losses. Investment returns, particularly over shorter time horizons, are highly dependent on trends in various investment markets. The Client understands that past performance is not predictive of future results. The Client acknowledges that there is no guarantee that the objectives of the strategy selected for the Account will be met. While AssetMark offers advisory services for varying investment needs and risk tolerances, AssetMark's advisory services are suitable only for long-term investors, and do not provide means to engage in short-term trading. The Client should carefully consider whether their selected Solution Type and strategy are suitable for them, including consideration of their financial situation.

#### ***Acknowledgement Regarding Other Advisory Clients***

The Client acknowledges and agrees that AssetMark, any Discretionary Manager, Financial Advisor, Financial Advisory Firm, and/or any Investment Management Firm and any Portfolio Strategist utilized in the selected strategy ("Service Providers"), and/or their affiliates, may perform advisory and/or brokerage services for other various clients and that, when providing services to other clients, these firms may give advice or take actions that differ from that given for this Account or the selected strategy. For example, Service Providers may purchase for this Account, or recommend for the selected strategy, a security which they may sell for the account of another client.

The Client also acknowledges and agrees that Service Providers may have advisory clients for whom they may provide similar advice, management or recommendations with regard to the Account or selected strategy and that purchases or sales of securities in accounts advised by Service Providers may have adverse effects on the price or availability of securities included in the Client's Account. The Client agrees that Service Providers shall not be precluded, by reason of such possible adverse effects, from recommending, advising or effecting such purchases or sales for other accounts. The Client acknowledges that the processes involved in executing trades for their Account may, and in some instances will likely, result in such trades being executed after similar trades have been executed for accounts advised by Service Providers and that such trades for the Account may be at prices which vary from those executed for accounts advised by Service Providers.

#### ***Electronic Delivery of Materials***

AssetMark and the Custodian may offer to provide Account materials, including shareholder materials and any requested transaction confirmations, through electronic delivery, including through web access. The Client acknowledges and agrees that some materials may be available only electronically or only in paper hardcopy and that, for communications available in both formats, an additional fee may

be charged for delivery of paper hardcopies. This excludes the hard copy Account Statements which the Client may receive without additional charge.

#### ***Limitations on Liability, Time Needed for Transactions***

The Client agrees to indemnify and hold harmless Service Providers and Custodians and their officers, employees, employers and associates from all liability for their acts or omissions in connection with any loss of market value, including, without limitation, losses due to market fluctuations that may occur while transactions and changes are being implemented and processed, except for losses resulting from gross negligence, reckless disregard, bad faith or from acts or omissions for which federal and state securities laws impose liability notwithstanding that the party acted in good faith. Nothing in this section or in this Agreement shall eliminate or abridge any substantive right (as opposed to a procedural right, mechanism or forum) that the Client may have under state or federal securities laws or ERISA.

Client acknowledges that a reasonable amount of time will be needed for transactions, including, without limitation, to process new Account Applications and contributions to an existing Account, to invest the Account consistent with the selected Solution Type and strategy and any requested restriction(s), to implement changes to these selections, to apply, modify or remove the Dynamic Hedging feature and to terminate their Account and transfer assets, and that the Account assets will continue to be impacted by the market exposure of the previous investments until each respective change is complete. Client acknowledges that the time periods previously experienced for transactions may not always be available and should not be relied upon. The Account is not a brokerage account and requested changes may not be implemented the next business day and may take five or more business days depending on the strategy.

#### ***Management of the Account and Account Minimums***

The Client acknowledges that there are minimum asset requirements for AssetMark's Solution Types. Any Discretionary Manager, if the Account is invested in a PMA or UMA Solution Type, will generally not begin its management of the Account until the Account has reached the required minimum value. AssetMark may not begin its management of the Account until the Account has reached the required minimum value but will generally invest assets upon receipt to the Account, as practicable. If the value of the Account falls below the applicable minimum due to Client withdrawals (but not due to investment losses), AssetMark may, at its discretion, terminate the Account.

### **ADDITIONAL LEGAL INFORMATION**

#### ***Governing Law***

This Agreement shall be governed by the laws of the State of New York as applied to contracts entered into and completely performed in New York.

#### ***Entire Agreement and Headings***

This Agreement, with a completed Account Set Up and Application and other forms required by AssetMark or the Custodians, shall constitute the entire understanding between the parties regarding AssetMark's services and the related services of the Custodians. The headings in the Agreement, Application and related forms are for

convenience of reference only and shall not affect the meaning or operation of this Agreement.

### **Severability**

In the event that any provision of this Agreement is determined void, voidable, illegal or invalid, all other provisions of this Agreement shall continue in full force and effect, except, as described under Arbitration Paragraph (J), if a court or arbitrator determines in an action between the parties that the class action waiver is unenforceable, the agreement to arbitrate will be void for purposes of that particular action.

### **Amendments**

AssetMark may amend this Agreement, including the fees payable under it, by giving the Client written notice of any amendment a sufficient time in advance of the effective date of such amendment to permit the Client to provide notice of termination of this Agreement.

### **Assignment**

This Agreement cannot be assigned (within the meaning of the Investment Advisers Act of 1940) by AssetMark without the consent of the Client.

### **Termination**

This Agreement shall continue until terminated by AssetMark or the Client by providing written notice of termination to the other. The Client may terminate this Agreement within five business days of entering the contract without penalty; however, any investment activity in the Client's account will be at the sole risk of the Client. The Client will be considered to have entered the Agreement when all legally required elements have been met.

Fees shall be charged until the notice of termination is processed, which will be as soon as reasonably practicable and usually within two business days after receipt of written notice of termination. The Client acknowledges that a reasonable amount of time will be needed to sell and/or transfer assets and to handle record keeping and processing matters related to the closure of the Account and that each is subject to the policies and procedures of the parties involved. Neither AssetMark, nor any Custodian, Discretionary Manager, or the Financial Advisor shall be liable for losses, due to market fluctuations or otherwise, during the time taken for these transactions.

Termination of the participation of the Financial Advisor or any Discretionary Manager in the Agreement shall not terminate the Agreement as between the Client and AssetMark.

## **ARBITRATION**

This Agreement contains a predispute binding agreement to arbitrate all disputes on an individual, non-class basis. All individuals and entities bound by this Agreement agree that this Agreement affects interstate commerce, so that the Federal Arbitration Act and federal arbitration law apply, notwithstanding any choice of law provision in this Agreement or the custody agreement related to an Account. By entering into this Agreement, with its arbitration provision, the Parties to this Agreement agree as follows:

- (A) All Parties to this Agreement are giving up the right to sue each other in court, including waiver of the right to a trial by jury or judge, except as provided by the rules of the designated arbitration forum in which a claim is to be filed, and except as set forth in provision (M) below regarding claims tendered to small claims court.

- (B) Arbitration awards are generally final and binding; a Party's ability to have a court review, reverse or modify an arbitration award is very limited.
- (C) The ability of the Parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- (D) An arbitrator does not have to explain the reason(s) for their award in the same manner as a court.
- (E) An arbitrator may or may not be currently or formerly affiliated with the securities industry.
- (F) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court. The Parties agree that applicable time limits for bringing any claim will be those that apply to the specific federal or state law claims brought by a Party.
- (G) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into the Agreement.
- (H) Any controversy, claim or dispute arising out of, or relating to, this Agreement or the Account with AssetMark, any current or former Discretionary Manager, any current or former Service Provider with regard to this Account, or any of their affiliates or any of the current or former officers, directors, agents and/or employees of these entities or persons or any actions, advice or services of any manner or type that were (or were to be) performed or provided by any of the above persons or entities, including but not limited to any controversy, claim or dispute arising out of or related to the breach, termination, enforcement, interpretation or validity or enforceability of this Agreement and the scope and applicability of this agreement to arbitrate or any aspect thereof, shall be resolved by arbitration before the Judicial Arbitration and Mediation Service ("JAMS").**
- (I) The arbitration shall be administered by JAMS pursuant to the JAMS Comprehensive Arbitration Rules and Procedures. Arbitration will be held at the JAMS office closest to the Client's address of record or such other location as the Parties may agree, before one arbitrator who shall be a retired judicial officer.**
- (J) Class Action Waiver. All disputes will be adjudicated only on an individual basis and not in a class or representative action or as a member of a class, mass, consolidated or representative action, irrespective of the forum in which they are heard. Any claim asserted by a Party shall not be joined, for any purpose, with the claim or claims of any other person or entity, unless all Parties specifically agree to joinder of individual actions. If a court or arbitrator determines in an action between the Parties that this waiver is unenforceable, the Parties' agreement to arbitrate will be void for purposes of that particular action. The Parties do not consent to class arbitration.**
- (K) The arbitration shall be final and binding, and judgment on the award may be entered in any court having jurisdiction. The Parties understand that by agreeing to arbitration, they are waiving all rights to seek remedies in court and waiving any procedural mechanisms that may be available in court. Nothing in this Agreement will be read to eliminate or abridge any substantive legal right (as opposed to a procedural right, mechanism or forum) that the parties may have under federal or state law, including federal and state securities laws and ERISA.**

- (L) An arbitrator may award on an individual basis any relief that would be available in a court, including declaratory or injunctive relief and attorneys' fees where provided for by statute or law, except that, unless prohibited by applicable law, the Parties agree not to pursue any claim for punitive damages. In addition, for claims where less than \$75,000.00 is in dispute, and as to which the Client provided notice and negotiated in good faith prior to initiating arbitration, if the arbitrator finds that the Client is the prevailing party in the arbitration, the Client will be entitled to a recovery of attorneys' fees and costs. Except for claims determined to be frivolous, AssetMark agrees not to seek an award of attorneys' fees in arbitration of any individual claim where less than \$75,000.00 is in dispute, even if an award is otherwise available under applicable law.**
- (M) If a claim qualifies, a Party may choose to pursue its claim by initiating individual proceedings in small claims court. This is an alternative to arbitration for only those cases that qualify under the rules of the small claims court.**
- (N) For claims where less than \$75,000 is in dispute, AssetMark will pay all arbitrator fees. For claims where more than \$75,000 is in dispute, the payment of filing, administration and arbitrator fees will be governed by the JAMS Comprehensive Arbitration Rules and Procedures.**
- (O) Except as may be required by law, neither a Party nor an arbitrator may disclose the existence, content, status or results of any arbitration hereunder without the prior written consent of the other parties in the arbitration.**
- (P) This section and agreement to arbitrate shall survive termination of this Agreement.**

#### **EXHIBIT A – ERISA AND IRA SUPPLEMENT TO ASSETMARK INVESTMENT MANAGEMENT SERVICES AGREEMENT**

This Supplement is part of the AssetMark Investment Management Services Agreement ("Agreement") and shall apply to Clients for which AssetMark acts as an investment manager of any portion of the assets of a plan and related trust governed by the Employee Retirement Income Security Act of 1974 ("ERISA"), (collectively, the "Plan") by the Trustees of the Plan (the "Trustees") or of an Individual Retirement Account ("IRA").

The term "Client" in this Supplement shall include the Trustee(s). If the "named fiduciary" (as defined in ERISA) of the Plan, who is authorized to appoint AssetMark as investment manager, is referred to by a term other than "Trustee," then all references to "Trustee" and "Client" herein shall include such fiduciary. In the event of any inconsistency or conflict between this Supplement and any other terms or provisions of this Agreement, then this Supplement shall control.

1. The Client and/or their Financial Advisor shall notify AssetMark if the Client is subject to ERISA.
2. The Client hereby represents and warrants having full power, authority and capacity to execute this Agreement. If the Agreement is entered into by a Trustee or other fiduciary, including but not limited to someone meeting the definition of "fiduciary" under ERISA, or an employee benefit plan subject to ERISA, such Trustee or other fiduciary represents and warrants that the Client's participation in AssetMark's service is permitted by the relevant governing instrument of such Plan, and that the Client is duly authorized to enter into this Agreement. The Client agrees to furnish such documents or certifications to AssetMark as required

under ERISA or as AssetMark reasonably requests. The Client further agrees to advise AssetMark of any event or circumstance that might affect this authority or the validity of this Agreement. The Client additionally represents and warrants that (i) its governing instrument provides that an "investment manager" as defined in Section 3(38) of ERISA may be appointed and (ii) the person executing and delivering this Agreement on behalf of the Client is a "named fiduciary" as defined under ERISA who has the power under the Plan to appoint an investment manager.

3. AssetMark acknowledges that, in regard to those Clients for which it serves as an "investment manager," it shall be a "fiduciary" as defined in Section 3(21)(A) of ERISA for that portion of the Plan's assets it is managing.
4. While the parties do not acknowledge whether or not such bonding requirements applies to AssetMark, the Client agrees to obtain and maintain, for the period of this Agreement, the bond required for fiduciaries by Section 412 under ERISA and to include AssetMark among those covered by such bond.
5. The Client has read, fully understands and agrees to be bound by the terms and conditions of the Agreement currently in effect and as may be amended from time to time.
6. The Trustee(s) acknowledge that they are responsible for the diversification of the Plan's investments and AssetMark does not have any such responsibility.
7. The Trustee(s) acknowledge that, except with regard to any securities that have been loaned pursuant to any applicable securities lending and fee for holds arrangements or if the Client exercises their right to vote proxies, AssetMark or any Discretionary Manager, if applicable, shall have responsibility to vote proxies for securities held in the Client's Account to the extent provided by this Agreement, and that to the extent AssetMark and any Discretionary Manager, if applicable, vote proxies, they shall do so in accordance with that Discretionary Manager's proxy voting policies and that these foregoing provisions regarding proxy voting are consistent with and allowed by all applicable terms of the Plan.
8. If the Custodian of Account assets is AssetMark's affiliate AssetMark Trust, the Client hereby acknowledges and agrees to a separate custody fee for ERISA Plans and IRAs (the "IRA & ERISA Account Fee") payable pursuant to its Custody Agreement with AssetMark Trust, which provides additional information.



# Fees & Investment Minimums

AS OF APRIL 2018

Strategies	Guided Portfolios				Separately Managed Accounts						
	GuideMark <sup>1,8/</sup> Altegris <sup>1</sup> Mutual Fund	Third-Party MF <sup>1,2</sup>	Proprietary ETF, MF	Clark Fixed Income Total Return (FTR) <sup>3</sup>	Third-Party ETF, Institutional MF <sup>3</sup>	GPS Fund Strategies <sup>4</sup>	Clark FITR	GPS Select	Custom GPS Select	Parametric Custom Portfolios <sup>5</sup>	Custom
<\$250K	0%	0.45%	0.45%	0.55%	0.60%	0%	0.55%	0.65%	0.65%	<\$250K	1.05%
\$250-\$500K	0%	0.40%	0.40%	0.40%	0.45%	\$250-\$500K	0.55%	0.65%	0.65%	\$250-\$500K	1.05%
\$500-\$1M	0%	0.35%	0.35%	0.35%	0.40%	\$500-\$1M	0.50%	0.60%	0.60%	\$500-\$1M	0.99%
\$1-\$2M	0%	0.30%	0.30%	0.33%	0.38%	\$1-\$2M	0.45%	0.55%	0.55%	\$1-\$2M	0.94%
\$2-\$3M	0%	0.20%	0.20%	0.30%	0.35%	\$2-\$3M	0.35%	0.45%	0.45%	\$2-\$3M	0.90%
\$3-\$5M	0%	0.20%	0.20%	0.25%	0.30%	\$3-\$5M	0.30%	0.40%	0.40%	\$3-\$5M	0.85%
\$5M+	0%	0.20%	0.20%	0.15%	0.20%	\$5M+	0.25%	0.35%	0.35%	\$5M+	0.75%
<b>Minimum</b>	<b>\$10,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>Minimum</b>	<b>\$10,000</b>	<b>\$50K-\$100K</b>	<b>\$250,000</b>	<b>Minimum</b>	<b>\$500K-\$1M</b>

Supplemental Strategist Fee	Supplemental Manager Fee
New Frontier, State Street, BlackRock RH	William Blair
Salient ETF, Windham	City National Rochdale
Julex, Model Capital, WestEnd Advisors	
Beaumont	

Separately Managed Accounts—Fixed Income	Savos		Administrative Accts/Individual Third-Party MFs	
	Third-Party Laddered Fixed Income <sup>5</sup>	Proprietary Laddered Fixed Income <sup>5</sup>	General Securities <sup>5</sup> or Custodial Sweep <sup>6</sup>	Individual MFs
<\$250K	0.31%	0.20%	<\$250K	0.25%
\$250-\$500K	0.31%	0.20%	\$250-\$500K	0.15%
\$500-\$1M	0.31%	0.20%	\$500-\$1M	0.10%
\$1-\$2M	0.26%	0.15%	\$1-\$2M	0.10%
\$2-\$3M	0.26%	0.15%	\$2-\$3M	0.10%
\$3-\$5M	0.26%	0.15%	\$3-\$5M	0.10%
\$5M+	0.26%	0.15%	\$5M+	0.10%
<b>Minimum</b>	<b>\$125K-\$250K</b>	<b>\$50,000</b>	<b>Minimum</b>	<b>\$10,000</b>

Supplemental Manager Fee	Active Fixed Income <sup>5</sup>
Clark Capital (Tax and Tax-Free)	0.20%
Nuveen	0.35%

The fees above are tiered. The first dollar under management receives the highest fee and assets over each breakpoint receive reduced fees as listed. Please see next page for important disclosures.

For financial advisor use with advisory clients.

**INVESTMENT FIRMS BY CATEGORY**

Strategies		Third-Party MF <sup>1,2</sup>		Proprietary ETF, MF <sup>7</sup>	Third-Party ETF, Institutional MF <sup>3</sup>	Guided Portfolios	Separately Managed Accounts	Separately Managed Accounts – Fixed Income <sup>10</sup>			Individual Mutual Funds
GuideMark <sup>1,8</sup> / Altegris' Mutual Fund								Third-Party Laddered Fixed Income <sup>5</sup>	Proprietary Laddered Fixed Income <sup>5,7</sup>	Active Fixed Income <sup>5</sup>	
Altegris, Litman Gregory <sup>2</sup> , New Frontier <sup>2</sup> , Global GuideMark <sup>8</sup> Market Blend <sup>9</sup> , US GuideMark <sup>8</sup> Market Blend <sup>9</sup> , Individual GuidePath <sup>8</sup> Funds, GuideMark <sup>8</sup> Funds	Alpha Simplex, DoubleLine, Eaton Vance, JP Morgan Global Standard, Litman Gregory	Aris Asset Builder, Aris Income Builder, Aris Personal Values, Market Blend ETF portfolios	American Funds, Beaumont, BlackRock MAI, BlackRock RFI, Clark Capital FITR, Julex, JP Morgan Global Flexible, Model Capital, New Frontier, Salient ETF, State Street, Windham, WestEnd Advisors			Custom GPS Select  All strategists (plus Savos UMA Strategies) in the Strategies table are available for both Custom GPS Select and Multiple Strategy Accounts	Custom  Aris Custom High Net Worth, City National Rochdale, Clark Capital Personalized UMA, William Blair	Eaton Vance	Savos	Clark Capital Taxable Fixed Income, Nuveen, Savos	AOR, DoubleLine, Neuberger Berman

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

<sup>2</sup> Third-Party Mutual Fund Strategies are also charged \$3750 per quarter. At some custodians, this is charged as a Custody Fee, while at other custodians it is charged as a Platform Fee.

<sup>3</sup> Annual Minimum Platform Fee: \$350 (this fee is waived on American Funds, JP Morgan Global Flexible and Multiple Strategy Accounts)

<sup>4</sup> GPS Fund Strategies fees waived for proprietary and affiliated mutual funds

<sup>5</sup> Transaction-based fees at custodians

<sup>6</sup> Custodial sweep or money market fund selected by AssetMark

<sup>7</sup> Proprietary solution types refer to those offered by AssetMark, Savos or Aris

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

<sup>9</sup> This strategy contains GuideMark<sup>8</sup> mutual funds

<sup>10</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, and Market Blend Mutual Fund Strategies.

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MARCH 2018 (FOR USE WITH IMSA VERSION 4.19)

# Referral Disclosure Packet

With Part 2B Brochure Supplements

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- REFERRAL DISCLOSURE BROCHURE
- PART 2Bs

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EFFECTIVE APRIL 20, 2018

# Referral Disclosure Brochure

Form ADV – Part 2A and Appendix 1

SEC File Number – 801 56323

IA Firm CRD Number - 109018

## ITEM 1 – COVER PAGE

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**AssetMark, Inc.**

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

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

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

**ITEM 2 – MATERIAL CHANGES**

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

This summary may include any change to AssetMark's policies and practices, a change in the management of your account, or additional conflicts of interests for your consideration. Additionally, this summary will also include any product offerings introduced in the last year, product offerings that may no longer be available to new business, or new products to be launched in the near future.

AssetMark may make interim updates to its disclosure brochure throughout the year. We will provide clients with additional information about material changes, as necessary. Information about AssetMark is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To request a copy of the most recent disclosure brochure, contact us at:

**AssetMark, Inc.****Attention: Adviser Compliance****800-664-5345****[assetmark.com](http://assetmark.com)****[advisercompliance@assetmark.com](mailto:advisercompliance@assetmark.com)**

The following are changes since the last Form ADV Part 2A annual update in March 2017.

- Item 4: Removal of closed and terminated solutions. For accounts invested in Third Party Mutual Fund Strategies, fees have included a Platform Fee, of a percentage of the value of account assets, plus a custody fee, of \$37.50/quarter. No earlier than May 31, 2018, for accounts held at certain custodians, the \$37.50/quarter fee will be charged as part of the Platform Fee, not as a fee charged under the account's custody agreement.
- Additional disclosures related to mutual fund share class use and stepped out trades
- Item 5: Fee Schedule Update as of March 2018, to reflect the addition of new strategist and/or new product offerings. This Fee Schedule will be updated throughout the year when investment strategies are added, removed or fee schedules are changed.

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## ITEM 4 – ADVISORY BUSINESS

### THE COMPANY

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

As of October 31, 2016, AssetMark, Inc. (“AssetMark”) and AssetMark Trust Company became a wholly-owned subsidiary of Huatai Securities Company, Ltd.

The investment divisions of AssetMark, are known as Aris (“Aris”) and Savos Investments (“Savos”).

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

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

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

AssetMark is not registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity trading advisor, based on its determination that it may rely on certain exemptions from registration provided by the Commodity Exchange Act 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 Dynamic Hedging Fund, 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 Commodity Exchange Act (“CEA”) and the rules of the CFTC.

### DESCRIPTION OF ADVISORY SERVICES

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

#### I. Guided Portfolios

- GPS Fund Strategies
- GPS Select
- Custom GPS Select

#### II. Single Strategy Solution Types

- Mutual Fund Accounts (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, and
- US Risk Controlled Strategy
- Savos Wealth Custom Portfolios

#### V. Multiple Strategy Accounts

### SERVICES NO LONGER OFFERED

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

### RISK/RETURN PROFILES

In establishing an Account, the Client may complete a questionnaire, or otherwise provide information to the Financial Advisor, to enable the Client and the Financial Advisor to identify the Client’s risk tolerance and rate of return objectives. The Client may provide information concerning their investment experience, anticipated need for liquidity, potential timing of the need for retirement funds, and other investment needs and parameters. This information will assist the Client and the Financial Advisor in selecting which of the Investment Approaches, Solution Types, Risk/Return Profiles and Strategies are most closely aligned with the Client’s investment objectives.

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

**This must remain with the Client**

**Profile 1 – Conservative**

- The profile is designed for an investor who wants to focus on preservation of capital as a primary goal and wishes to minimize downside risk.

**Profile 2 – Moderate Conservative**

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

**Profile 3 – Moderate**

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

**Profile 4 – Moderate Growth**

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

**Profile 5 – Growth**

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

**Profile 6 – Maximum Growth**

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

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

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

**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 may 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 may include non-traditional bond positions, including market neutral strategies, absolute return strategies and low volatility equity strategies.

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

**ADVISORY SERVICES AND WRAP FEE PROGRAMS****I. GUIDED PORTFOLIOS****GPS Fund Strategies**

For GPS Fund Strategies, AssetMark will provide investment allocations across Investment Approaches based on investment objectives, market outlook, risk profile and other preferences. GPS Fund Strategies primarily utilize proprietary no-load mutual funds that are considered retail No Transaction Fee (“NTF”) funds because 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 a shareholder services fees, sub-transfer agency fees and/or 12b-1 fees.

AssetMark’s Investment Strategies Group (“ISG”) starts with a baseline allocation across Core Markets, Tactical Strategies and Diversifying Strategies; however, they may tilt these allocations 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 tilt more toward Core Markets. In times of heightened market risk, they will tilt more towards Diversifying Strategies – Bonds & Bond Alternatives while in times of lower risk they will tilt more towards Tactical Strategies – Enhanced Return. This allocation mix is met with the use of GuidePath Funds and, as needed, GuideMark Funds. GPS Fund Strategies are available with or without an exposure to alternative investment mutual funds. With the assistance of the Financial Advisor, the Client’s selected GPS Fund Strategy will take into account the Client’s investment objective, if the Client is in an accumulation or distribution phase, if

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the Client seeks to have exposure to alternative investments or not, or seeks to use GPS Fund Strategies as a focused strategy in order to complement other Solution Types selected for the Client Portfolio.

*Investment Objective: Accumulation vs. Distribution.*

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

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

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

*Relative Return Focused.* Strategies are generally allocated to Core Markets Investment Approaches in a blended mix.

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

*Unconstrained/Absolute Return Focused.* Strategies are allocated to Tactical Strategies – Limit Loss Focus and Diversifying Strategies – Bonds and Bond Alternatives in a blended mix.

*Absolute Return 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, Inc. The GuidePath Funds pay 12b-1 and service fees to the custodians. Refer to Item 5 "Fees and Compensation" for more information about indirect fees mutual fund shareholders pay.

### GPS Select

For GPS Select, AssetMark will provide investment allocations across Investment Approaches based on investment objectives, market outlook, risk profile and other preferences. Additionally, AssetMark will select the mix of Portfolio Strategists and Investment Managers, including Aris and Savos, and including Proprietary Funds (AssetMark advised mutual funds are collectively known as "Proprietary Funds"). The AssetMark investment team starts with a baseline allocation across Core Markets, Tactical Strategies and Diversifying Strategies; however, they may tilt these allocations 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 tilt more toward Core Markets. In times of heightened market risk, they will tilt more towards Diversifying Strategies – Bonds & Bond Alternatives while in times of lower risk they will tilt more towards Tactical Strategies – Enhanced Return.

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 eliminate 12b-1 fees where possible. AssetMark will seek to use non-retail or 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 in GPS Select, AssetMark will seek to select the lowest cost share class available across custodians and that aligns the stated program account minimum and allocation weighting of funds held with the fund's prospectus requirements. Due to specific custodial or mutual fund company constraints, there may be situations where a specific share class is not consistently available. In those cases, AssetMark will seek to invest clients in the lowest cost non-transaction fee share class that is commonly available across custodians. If Proprietary Funds are used, investment will be in a share class that includes a shareholder services fees, sub-transfer agency fees and/or 12b-1 fees, however, no Platform fee is charged on those assets.

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

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

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

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

**This must remain with the Client**

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

### Custom GPS Select

GPS Select, as described above, may be customized within a specific range from the baseline to various Investment Approaches. The Client, with the assistance of their Financial Advisor, may select from various Investment Approaches from Portfolio Strategists and Investment Managers, including Savos, and Proprietary Funds. In doing so, and by selecting within the range of pre-determined allocations, a Custom GPS Select account will be established. Each Portfolio Strategist, Investment Manager or mutual fund selection is referred to as a "sleeve" allocation. If a mutual fund solution type is selected, the share class used will be consistent with the underlying single strategy investment solution.

AssetMark will make available the specific range of pre-determined allocations, which may 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 may increase or decrease based on the sleeve allocation agreed upon between the Client and Financial Advisor.

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

### ***Mutual Fund Solution Types***

For Clients selecting a Mutual Fund Account, their Account will be invested in retail NTF funds and/or mutual funds that generally do charge a sales load but where the sales charge has been waived. The Account will be invested consistent with allocations provided by a Portfolio Strategist for the Risk/Return Profile selected by the Client. Certain Portfolio Strategists compose their mutual fund allocations utilizing only those mutual funds managed by the Portfolio Strategist or an affiliate of the Portfolio Strategist. One or more of the Portfolio Strategists, will construct their allocations exclusively using funds managed by AssetMark, including the GuideMark and GuidePath Funds.

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

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

Portfolio Strategists select from third-party mutual funds or Proprietary retail NTF funds or load-waived mutual fund share classes that are available on each custodian's platform. There are no per-trade transaction fees charged to the client in the mutual fund Solution Types on the AssetMark Platform. Except for GPS Select discussed above, Portfolio Strategists do not use mutual fund share classes (such as institutional or investor share classes) that seek to minimize or eliminate 12b-1 fees and shareholder service fees or sub-transfer agent fees. Refer to Item 5 "Fees and Compensation" for more information on the custodial support payments AssetMark receives from custodians, as well as the indirect fees the Client pays through their investment in mutual funds.

Additionally, for some, but not all Mutual Funds, the Client may select a Mandate for the Account. The Client can select between

the Tax-Sensitive or Standard Mandates described in Section A and/or select one of the investment styles, Domestic, Global or Hedged, described in Section B. For GPS Fund Strategies, only the Standard Mandate is available.

### Section A

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

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

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

### Section B

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

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

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

### Market Blend Mutual Fund Strategies

For Market Blend Strategies, AssetMark will provide the following strategic asset allocation strategies. With the assistance of the Financial Advisor, Clients may select from the following Market Blend Mutual Fund Strategies:

- Global GuideMark Market Blend
- US GuideMark Market Blend (Closed to new business)

These strategies will provide a strategic asset allocation across seven to 10 core asset classes in an effort to capture broad capital market returns while seeking to balance the pursuit of maximum total return against the control of risk in the portfolio. The Global model will take global exposures while the US model will only take domestic exposures. Asset class exposures are reviewed on a quarterly basis for drift against volatility-based targets, which may trigger a rebalance. On an annual basis the asset class exposures are reviewed for reallocation of the strategy. 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

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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.

### ***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 may be Proprietary, or third-party funds and may be 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 retail No Transaction Fee (“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 Fee Schedule and Investment Minimums at the back of this Disclosure Brochure.

### ***ETFs***

A Client, with the assistance of their Financial Advisor, may also select from ETF Solution Types, and their Account will be invested in ETFs consistent with allocations provided by a Portfolio Strategist for the Risk/Return Profile selected by the Client. A Portfolio Strategist may compose their ETF asset allocations utilizing only those ETFs managed by the Portfolio Strategist or an affiliate of the Portfolio Strategist. ETFs are traded daily at market determined prices on a national exchange in a similar manner to other individual equity securities. Some ETF Solution Types may also invest in exchange-traded notes (“ETNs”), which are senior, unsecured debt securities issued by an underwriting bank. AssetMark’s trading practices are discussed further in Item 12 “Brokerage Practices” in the Trade Execution and Brokerage Allocation section below.

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

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

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

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

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

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

### **Market Blend Strategies**

For Market Blend Strategies, AssetMark will provide the following 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 to 10 core asset classes in an effort to capture broad capital market returns while seeking to balance the pursuit of maximum total return against the control of risk in the portfolio. Asset class exposures are reviewed on a quarterly basis for drift against volatility-based targets, which may trigger a rebalance. On 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 to 10 core asset classes in an effort to capture broad capital market returns while seeking to balance the pursuit of maximum total return against the control of risk in the portfolio. Asset class exposures are reviewed on a quarterly basis for drift against volatility based targets, which may trigger a rebalance. On an annual basis the asset class exposures are reviewed for reallocation of the strategy. The investment vehicles used to implement the strategy are ETFs that are representative of the cap-weighted indices for each of the asset classes and lower cost.

### **Mutual Funds/ETF Blend Solution Types**

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

### ***III. PRIVATELY MANAGED ACCOUNTS***

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

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

A PMA may also be categorized as a SMA 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

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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. There may be situations where the Investment Manager will “step-out” a trade and use a brokerage firm other than that usually used with the Client’s selected Custodian and such trading may result in an additional fee from the Account Custodian (refer to Item 12 “Brokerage Practices”). The Investment Manager may also be referred to as a “Discretionary Manager”. In addition, Investment Managers and Portfolio Strategists may be collectively referred to as “Investment Solution Providers” in marketing materials.

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

For Clients selecting an IMA, their Account will be managed by an Investment Manager consistent with the Strategy selected by the Client. The Investment Manager shall provide discretionary investment management services to the Account, and the Client grants the Investment Manager the discretionary authorities discussed above. AssetMark may replace the Investment Manager at its discretion.

The standard minimum for each IMA is generally between \$100,000 and \$1,000,000, although for Savos Fixed Income IMA Accounts, the account minimum ranges from \$25,000 - \$50,000. With the exception of Custom IMAs, there are no Investment Approaches or separate Risk/Return Profiles available for an IMA. Custom IMAs are available in the Core Markets Investment Approach and the six Risk/Return Profiles, as described above under Risk/Return Profiles.

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

Options strategies may be used for certain IMA Solutions. Clients with IMAs that may include investment in options should be aware that options trading can be highly speculative and could result in financial losses even though margin borrowing will not be used for the types of options traded by these Client Accounts. Options transactions are subject to the rules, regulations, customs and practices of The Options Clearing Corporation (OCC) and the securities exchange, association or clearing organization through which the transactions are executed. Expiring options that are valuable (meaning, in the money) are exercised automatically pursuant to the exercise by exception procedure of the OCC. Additional information about the risks, characteristics and features of options is available at: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>.

#### Savos Fixed Income Strategies

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

- *Laddered Bond Mandates.* These Strategies invest the Account in either U.S. Treasury, U.S. Agency or U.S. Treasury Inflation Protected bonds, with an intermediate effective duration, on a buy and hold basis.
- *Municipal, Duration-based and the High Income Mandates.* These standard Strategies invest the Account in closed-end funds, ETFs or mutual funds to obtain relevant exposure specific to desired asset categories.

- *Custom Fixed Income.* The Client, with the assistance of the Financial Advisor, may request that Savos deviate from standard allocations for the selected Fixed-Income Strategy. Such an account is considered a Custom Fixed Income Strategy.
- *Advisor - Custom Accounts.* The Client may choose to participate in a program in which their Financial Advisor, in consultation with Savos, may request further customization for their client’s account (“Advisor – Custom Accounts” or “ACA”). The Financial Advisory Firm will be solely responsible for determining the additional customization and the suitability for the client. Savos, in its discretion, will determine the implementation of the ACA. The Financial Advisory Firm may request that Savos recommend to the Financial Advisory Firm asset allocations or investment selections for the ACA, but Savos does not provide any individualized investment advice to ACA. The asset allocation classification of the custom models developed by the Financial Advisory Firm may not be consistent with the Investment Approaches or Risk Return Profiles described in this Disclosure Brochure for the Fixed Income strategies described above, and the Savos Fixed Income Platform Fee schedule will be charged to the Client Account, unless otherwise negotiated between the Financial Advisory Firm and Savos.

#### IV. SAVOS UNIFIED MANAGED ACCOUNTS (“SAVOS UMAs”)

The Savos UMAs include:

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

#### Savos Preservation Strategy

For the Savos Preservation Strategy, Savos acts as the Investment Manager for the Client Account. Savos shall provide discretionary investment management services to the Account, and the Client grants Savos the authority to buy and sell securities and investments for the Account, to vote proxies for securities held by the Account and such other discretionary authorities described in the IMSA.

In the Savos Preservation Strategy, the Client and their Financial Advisor need not make further selections to specify the Strategy for the Account. The Savos Preservation Strategy follows Diversifying Strategies – Bonds & Bond Alternatives Investment Approach and is considered to be Risk/Return Profile 1. For Savos Preservation Strategy, the account minimum is \$25,000.

The primary investment objective of the Preservation Strategy is to avoid a calendar-year loss. Intra-year volatility and performance may vary and are independent of the Strategy’s primary investment objective. There is no guarantee that the Strategy’s primary investment objective will be met in all market conditions. The Account will be invested primarily in mutual funds and ETFs.

This strategy may invest in, among other things, “opportunistic” or “specialized” asset categories, which may include real estate, commodities, precious metals, energy and other less traditional asset classes, with no geographic restrictions.

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

**This must remain with the Client**

### Savos GMS, PMP, US Risk Controlled and SavosWealth Strategies

AssetMark manages UMAs through Savos whereby Savos serves as Overlay Manager and may also be referred to as Discretionary Manager. As Overlay Manager for UMAs, Savos provides discretionary investment management services and coordinates recommendations of independent Investment Management Firms acting as portfolio advisers to AssetMark. As Overlay Manager for UMAs, Savos may also select securities directly for Client Accounts.

The standard minimum UMA investment, depending on the strategy selected, is between \$25,000 and \$100,000. AssetMark 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 may hold investments selected by Savos, and these investments may include, but are not limited to, some or all of the following types of securities: ETFs; closed-end mutual funds; open-end mutual funds; preferred stocks; Treasury bonds, bills and notes; and bank notes. The asset allocation decisions, Investment Management Firm selection decisions and additional security selection decisions will all be made solely by Savos at its discretion. This discretion may include 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 UMAs, Savos employs comprehensive analysis, including specific mathematical, technical and/or fundamental tools and risk-control criteria in the management of Client Accounts. The focus of Savos as Overlay Manager is to add value to each Client's account through: (i) the strategic and tactical determination and implementation of asset allocation levels; (ii) the selection of securities with investment characteristics which Savos believes are appealing; (iii) the formation of portfolios with risk management options to match the portfolio to the Client's chosen level of risk tolerance; and (iv) efficient execution of trade orders resulting from ongoing management of the Client's Account.

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

In a GMS Account, the Client authorizes Savos to provide discretionary investment management services to the Account. The Client grants Savos the authority to buy and sell securities and investments for the Account, to vote proxies for securities held by the Account and the other discretionary authorities described in the IMSA. Savos may select securities for the Account, to a substantial degree, consistent with recommendations provided to Savos by Investment Management

Firms that AssetMark selects, retains and may replace. Savos retains the right, however, to allocate across asset classes, which will include such recommended securities, in its own discretion. Savos may invest the Account in individual securities, pooled investment vehicles, such as mutual funds or ETFs, or in other securities or investments.

Additionally, Savos may use one or more proprietary mutual funds within the strategy. The strategy for each proprietary mutual fund is described in more detail in the prospectus for the fund. All proprietary funds utilized are registered investment companies for which AssetMark, either directly or through its Savos division, serves as investment adviser.

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

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

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

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

With the assistance of the Client's Financial Advisor, the Client selects a Risk/Return Profile for the GMS Account. Only Profiles numbered three (3) through six (6), that is Moderate, Moderate Growth, Growth and Maximum Growth, are available for a GMS Account.

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

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

### ***Mandates***

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

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

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

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

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

**This must remain with the Client**

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 may select securities for the Account, to a substantial degree, consistent with recommendations provided by Investment Management Firms that Savos selects, retains and may replace. Savos may invest the Account in individual securities, pooled investment vehicles, such as open-end mutual funds or ETFs, or other securities or investments.

Additionally, Savos may use one or more Proprietary Funds within the strategy. The strategy for each Proprietary Fund is described in more detail in the prospectus for the fund. All Proprietary Funds utilized are registered investment company for which AssetMark, either directly or through its Savos division, serves as investment adviser.

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

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

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

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

With the assistance of the Client's Financial Advisor, the Client selects a Risk/Return Profile for a PMP Account. Only Profiles numbered three (3) through six (6), that is Moderate, Moderate Growth, Growth and Maximum Growth, are available for a PMP Account. When selecting a Risk/Return Profile for a PMP Account, the Client, with the assistance of the Client's Financial Advisor, may select a risk management option from among investment-grade, high-yield and municipal fixed income strategies.

#### ***Mandates***

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

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

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

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

Clients who select the US Risk Controlled Strategy as their Solution Type must deposit at least \$25,000 into their account, and if multiple deposits are made into such an Account, the Account will not be invested and will not be considered a "Discretionary Account" until

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

In the US Risk Controlled Strategy, the Client authorizes Savos to provide discretionary investment management services to the Account. The Client grants Savos the authority to buy and sell securities and investments for the Account, to vote proxies for securities held by the Account and the other discretionary authorities described above in the IMSA. Savos may select securities for the Account, to a substantial degree, consistent with recommendations provided to Savos by Investment Management Firms that AssetMark selects, retains and may replace. Savos retains the right, however, to allocate across asset classes, which will include such recommended securities, in its own discretion. Savos may invest the Account in individual securities and ETFs.

Savos will adjust the holdings in the US Risk Controlled Strategy based on a proprietary indicator. Savos may elect to sell or readjust holdings based on the indicator. During periods of heightened market volatility, Savos may adjust the holdings to a non-equity alternative. During periods of low market volatility, Savos may 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 may not be implemented the next day, and may take three or more business days.

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

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

The Client, with the assistance of the Financial Advisor, may request that Savos deviate from standard allocations for the selected GMS or PMP Strategy. Such an account is considered a Custom GMS or PMP strategy. The Custom GMS and PMP Strategy may be customized 1) based on a tax-managed transition plan, 2) through a request for restrictions, 3) due to a request to limit net capital gains or 4) due to a request for other customization.

If the client requests a tax-managed transition, Savos will take commercially reasonable efforts to limit the immediate realization of net gains related to securities transferred in-kind. Clients may also ask that certain securities not be purchased for their Custom account. Clients may request the implementation of social responsible screens, of Global Industry Classification Standard (GICS) codes or social themes, or the exclusion of specific securities by CUSIP. Requests for restrictions are reviewed by AssetMark to ensure that they are reasonable and will not unduly impair AssetMark's ability to pursue the 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

**This must remain with the Client**

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 CAA, but Savos does not provide any individualized investment advice to CAA. 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.

### SavosWealth Portfolios

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

Wealth Portfolios are constructed by Savos in consultation with Financial Advisors and their Clients, through selection of any combination of equity, fixed income and other securities, with an emphasis on individual stocks, bonds, tax-efficient investments and other investments as appropriate (collectively, “Investment Products”), and active risk management. Portfolio construction specifics are derived from factor-based security selections based on Client and Financial Advisor responses to Savos’ Client Information Form (“CIF”) and other data and inputs gathered from Clients by Financial Advisors and as communicated to Savos. Wealth Portfolios 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. Upon the Client’s agreement to utilize Wealth Portfolios, and approval of the proposal, the Client will execute.

Savos acts as the Investment Manager for the Client’s Wealth Portfolio Account and provides discretionary investment management services to the Account. The Client grants Savos the authority to buy and sell securities and investments for the Account, to re-balance and re-allocate assets within the Account (within reasonable

parameters or ranges as agreed to by the Client), to vote proxies for securities held by the Account and such other discretionary authorities as described in the IMSA.

### **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 and bank money market accounts have other types of fees or charges, including 12b-1, administrative, shareholder servicing, bank servicing or certain other fees, which may be 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.

### Use of Proprietary Funds

Savos may use Proprietary Funds in various investment solutions, including the Savos DHF. The Savos DHF is a proprietary registered investment company for which AssetMark, through its Savos division, serves as investment adviser. Information about the proprietary funds, including fees and expenses, are described in more detail in the prospectus for the fund. Certain mutual funds selected for Client Accounts may include the Savos DHF from which AssetMark or its affiliates may receive additional compensation. AssetMark may receive management and other fees for both its management of the Savos DHF, as well as the fees for a Savos PMA. However, any management fees collected for the portion of the strategies invested in SDHF will be rebated back to the Client.

### 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 non-retail or 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 may be situations where a specific share class is not consistently available. In those cases, AssetMark will seek to invest clients in the lowest cost non-transaction fee share class that is commonly available across custodians.

### **SAVOS DYNAMIC HEDGING FEATURE**

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

### Investment Objective

The goal of the Dynamic Hedging feature is to participate in the growth of equity markets while also providing risk management protection during periods of sustained and severe equity market decline. The Dynamic Hedging feature seeks to allow investors

to stay invested for the long term by partially offsetting extreme declines in the equity markets while also seeking to provide positive total returns in rising markets.

### Risks

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

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

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

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

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

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

#### *Disclosure of Conflicts of Interest*

Savos may receive 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 or the Client Service Agreement, although under certain circumstances they will be rebated to clients.

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

Certain Single Strategy Solution Types discussed above are also available as sleeve-level options within a Multiple Strategy Account. In a Multiple Strategy Account, an Account may be customized with no set allocation limits. The Client, with the assistance of their Financial Advisor, may select from various Portfolio Strategists and Investment Managers, including Savos, and Proprietary Funds. In selecting and determining the allocations in each sleeve, a Multiple Strategy Account will be established. The number of sleeves selected may vary from a minimum of two to a maximum of eight selections, to comprise the Multiple Strategy Account. The standard minimum account by sleeve will vary. The fees charged for the Multiple Strategy Account will be based on the single-strategy fee schedule for each strategist selection, and weighted based on the allocation to each sleeve.

### **ASSETS UNDER MANAGEMENT**

As of December 31, 2017, the Referral Model Platform had \$23.9x billion in assets under management. These assets include investments in proprietary mutual funds and third-party investment managers under the Referral model.

### **ITEM 5 – FEES AND COMPENSATION**

All fees are subject to negotiation.

#### **FEES OVERVIEW**

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

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

Other fees for special services may also be charged. The Fees applicable to the Account will be set forth in the Client Billing Authorization. The Client should consider all applicable Account fees.

#### **FINANCIAL ADVISOR FEE**

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

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

The Financial Advisor and Client select an annual rate for the Financial Advisor Fee, which is paid to the Financial Advisory Firm, by choosing a flat rate, or a custom tiered rate of up to 1.50% (150 basis points), as negotiated and agreed between the Client and the Financial Advisor.

#### **PLATFORM FEE**

The Platform Fee includes (i) the Platform Fee; (ii) the Custody Fee except for third-party mutual funds; and (iii) the Strategist’s or Manager’s Supplemental Fee, if applicable, and (iv) an additional fee of \$150 per year for third-party mutual fund solutions at certain custodians.

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

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

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

Some of AssetMark's Platform Fees are negotiable, and exceptions to the Fee Schedule may be made with the approval of an authorized officer of AssetMark. As a standard practice, AssetMark may grant exceptions to the Fee schedule for accounts of employees and employees of broker-dealer, investment advisory or other firms with whom AssetMark maintains an active selling agreement, any of which may be offered discounted fees. Portfolio Strategists fees.

Clients should be aware that the fees charged by AssetMark may be higher or lower than those charged by others in the industry and that it may be possible to obtain the same or similar services from other investment advisers at lower or higher rates. A Client may be able to obtain some or all of the types of services available through AssetMark on an "unbundled" basis either through other firms or through single or multiple strategy account selections on the Platform and, depending on the circumstances, the aggregate of any separately-paid fees, or bundled fees may be lower or higher than the fees described below.

The Platform Fee may be higher for certain Financial Advisory Firms based on the amounts payable to broker-dealers with supervisory responsibility over the Financial Advisory Firm. This supervisory fee, of up to 0.20% annually, may be deducted from Client Account assets in non-AssetMark Proprietary Products, and paid to certain Financial Advisory Firms, for supervision of the Account.

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

#### ***Custodial Account Fee***

AssetMark has negotiated with AssetMark Trust (AssetMark's affiliate custodian) and the third-party custodians on AssetMark's platform, to allow for the Custody Fees to be included in the Platform Fee. The client does not pay transaction fees on any trades made in the solution types available on the platform, with the exception of most Fixed Income solutions.

The selected custodian's full fee schedule will be presented to the Client together with the separate custodial agreement to be executed between the Client and their selected custodian. Please refer to the Custody agreement for specific fees attributable to the client account.

TD Ameritrade, Fidelity Investment Services and AssetMark Trust charge a Custody Fee of \$150 per year for Accounts invested in Mutual Fund Accounts that do not utilize Proprietary Funds. The Custody Fee for Proprietary Mutual Funds is \$0.

The custodians also charge termination fees and various other miscellaneous fees for wires, returned checks and other non-standard activity on an Account. The details are clearly presented in each custodian's client agreement.

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

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

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

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

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

AssetMark may have accounts that no longer receive advisory services pursuant to the IMSA because the strategy in which the Account was invested has been terminated from the AssetMark Platform and the Client has not selected another strategy for the assets. These Accounts may be 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 may remain invested in the investments last selected for the strategy at a Platform Fee that is a reduction from that payable when the strategy was active on the AssetMark Platform. Any Financial Advisor Fee payable pursuant to the IMSA shall be payable on No Strategist or Terminated Strategist Accounts unless AssetMark receives instructions not to charge the Financial Advisor Fee. A separate Custodial Account Fee may apply 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.

#### **INITIAL CONSULTING FEE**

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

#### ***Fee Billing Process***

Fees are payable quarterly, in advance, for the upcoming calendar quarter, at the annual rates provided above 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

**This must remain with the Client**

for any subsequent, additional amounts deposited to the Account, the Account Fee for that deposit shall be payable upon deposit and shall be equal to the amount of the deposit multiplied by one quarter (25%) of the applicable annual rate, and charged pro-rata through the end of the calendar quarter. Each of the Fees are calculated on a "tiered" basis so that the first dollar under management receives the highest fee and only those assets over the breakpoints receive the reduced fees.

Unless other arrangements are made, the Custodian will debit these fees from the Account. Additional fees, such as custodian termination fees, may be due pursuant to a separate agreement with the Custodian ("Custody Agreement"). Upon termination of the Account, the amount of prepaid Account Fees refunded are calculated by multiplying the daily prepaid Account Fee during the final quarter by the number of days remaining in that quarter. As a result, in certain circumstances, clients terminating their account within 90 days may receive refunded Account Fees based upon a lower daily fee rate than the initial fees paid by the client in the prior partial quarter.

Account values may be grouped for fee billing purposes. Account fees will be calculated based on the total value of existing accounts across a Client household. This grouping may result in a reduction of the overall Portfolio Fees.

#### ***Servicing Fees Received by AssetMark and Share Class Use***

Portfolio Strategists select from the mutual funds available on each Custodian's platform to be used in the Mutual Fund Accounts. The Custodian determines and then makes available the universe of mutual funds to be used in the AssetMark investment solutions. If a mutual fund is not available, the Portfolio Strategist works with AssetMark and the Custodian to make available the fund, where possible. The funds available at the custodians for use with the AssetMark Platform will vary among different mutual fund share classes. NTF Funds generally pay Custodians a range of servicing fees from the 12b-1 fees and administrative service fees, which may include shareholder servicing and sub-transfer agent fees, collected by the mutual funds. In addition to NTF Funds, there are a range of share classes available on the custodial platforms that also charge 12b-1 fees or administrative fees, including what are generally known as no-load or service shares (C shares), or load-waived A shares, (together, "Retail Shares"). Mutual funds that do not charge a 12b-1 fee are called "Institutional Shares." Institutional Shares do not charge a 12b-1 fee or administrative fees, such as shareholder servicing and sub-transfer agent fees.

It is important to note that AssetMark does not make available institutional or investor class mutual fund share classes that seek to minimize or eliminate 12b-1 fees. In addition, there are no separate transaction fees charged for any mutual funds investments on the Platform. AssetMark's Platform Fee includes custody fees, and the Platform Fee schedule will determine the share class of mutual fund shares used in those models. 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, retail share classes are typically used, and the AssetMark Platform Fee is waived.

AssetMark provides the Custodians significant services with respect to the custody arrangements including review of new account paperwork and communication with Financial Advisors to resolve incomplete

custodial paperwork. If the Client selects a Custodian other than AssetMark Trust the selected Custodian will remit a portion of the custody fee it charges the Client or receives from other parties including mutual funds, to AssetMark as compensation for these substantial services. The formula under which AssetMark's compensation will be calculated is prospectively agreed upon by the Custodian and AssetMark, and will be a function of agreed upon basis points on the assets under management or custody, or other methodology agreed to by the parties annually. The formula is set for a 12-month period, after which a new formula may be renegotiated between AssetMark and the Custodian to take effect on a prospective basis. The payment due under the formula will be calculated and paid quarterly. Further information about the compensation paid AssetMark, including current and historical compensation is available on request. The Client hereby acknowledges and agrees that AssetMark will receive, as reasonable compensation for its services, the sum of (i) the fees applicable to the Account under this Agreement and (ii) the custodial account fees, if applicable, and (iii) amount payable to AssetMark by the third-party Custodian. This amount, in the aggregate, may be substantial, based on the substantial services provided by AssetMark, and will vary by Custodian.

#### ***Indirect Investment Expenses and Mutual Fund Fees Paid by Client***

Some expenses are inherent within the investments held in Client Accounts. Mutual funds pay management fees to their investment advisers, and certain funds and money market accounts have other types of fees or charges, including 12b-1, administrative, shareholder servicing, bank servicing or certain other fees, which may be reflected in the net asset value of these mutual funds held in Client Accounts. Such expenses are borne by all investors holding such securities in their Accounts and are separate from AssetMark's fees or charges. As discussed above, retail share classes of mutual funds typically pay 12b-1 fees to Custodians in return for shareholder services performed by those Custodians, and those Custodians in turn share some of these fees with AssetMark in return for the shareholder services it performs for the Custodians. As mentioned above, AssetMark does not seek to minimize or eliminate 12b-1 fees, shareholder services and other fees by using mutual fund institutional or investor share classes, even if these share classes are available. In these instances, the Platform fees charged are lower than they would otherwise be had retail share classes been selected. Certain mutual funds selected for Client Accounts may include Proprietary Funds from which AssetMark receives compensation as the investment adviser, as described above, in addition to fees paid to AssetMark. AssetMark receives management and other fees for its management of the GuideMark and GuidePath Funds. In these cases, no Platform Fee is charged. When the Savos DHF is used in AssetMark's Investment Solutions, AssetMark receives a Platform fee from client assets for its management as well as an additional fee through the Savos DHF for that portion of a Client's Account that is invested in that Fund, effectively receiving two fees, under two different management agreements, on the same assets. However, any management fees collected for the portion of the strategies invested in Savos DHF will be rebated back to the Client.

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

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

Both Aris and Savos select mutual funds used in their Solution Types and generally the mutual funds selected are NTF Funds when available. NTF Funds pay Custodians Administrative Service Fees ("ASF") for services provided.

AssetMark Trust may use sub-custodians in fulfilling its responsibilities, including National Financial Services Corp., (whose affiliated broker-dealer, Fidelity Brokerage Services, LLC, also provides brokerage and clearing services for Client accounts), see Item 15 Custody. 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, may be substantial, based on the substantial services provided by AssetMark Trust to these respective service providers, and varies by mutual fund. These payments may be 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.

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

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

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

#### ***Special Service Fees Paid by Client***

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

#### ***Security and Sales-Based Fees Paid by Client***

In connection with sales of equity securities, the Account may also incur fees referred to as "Regulatory Transaction Fees." These fees from the Account are paid by brokerage firms to self-regulatory organizations such as U.S. securities exchanges. The fees received by self-regulatory organizations are used to offset fees charged by the U.S. Securities and Exchange Commission for costs related to the government's supervision and regulation of the U.S. securities markets and professionals.

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

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

#### **ITEM 7 – TYPES OF CLIENTS**

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

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

Account minimums for each investment solution are provided in Item 4 under Advisory Services. AssetMark reserves the right, in its sole judgment, to accept certain investments below the standard minimum.

#### **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

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

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

#### ***Portfolio Strategists***

The Portfolio Strategists used in Mutual Fund, ETF, and IMA Solution Types are selected by AssetMark in order to provide a wide range of investment options and philosophies to Clients. AssetMark serves as the Portfolio Strategist for the GPS Fund Strategies. In constructing their asset allocations, some, but not all of the Portfolio Strategists will utilize the Investment Approaches described earlier in this Disclosure Brochure. Each of the Portfolio Strategists provides to AssetMark a range of investment allocations that will correspond to some or all of the six Risk/Return Profiles, ranging from most conservative to most aggressive, as discussed above under "RISK/RETURN PROFILES" in Item 4.

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

**This must remain with the Client**

classes, represented by mutual funds or ETFs. These asset classes may include, but are not limited to the following:

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

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

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

AssetMark's ISG oversees the performance of the Portfolio Strategists and presents performance information, Strategist due diligence findings and other Strategist-related recommendations quarterly to the Strategist Investment Oversight Committee comprised of senior management. AssetMark may from time to time add, remove or replace a Portfolio Strategist at its discretion. AssetMark may periodically add to or remove from the mutual funds, ETFs and Investment Management Firms available for use in the Portfolio Strategists' allocations.

Although some of the Portfolio Strategists creating portfolios comprised of mutual funds consider all of the mutual funds available under the Platform, certain Portfolio Strategists compose their mutual fund allocations utilizing those mutual funds managed by the Portfolio Strategist or an affiliate of the Portfolio Strategist. In addition, one or more of the Portfolio Strategists will construct their allocations using Proprietary Funds. A Prospectus for the Proprietary Funds may be obtained upon request from AssetMark or your Financial Advisor. Please review and consult with your Financial Advisor if you have further questions regarding these Funds.

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

### *Investment Management Firms*

AssetMark uses independent investment management firms (referred to as Investment Managers or Discretionary Managers) in the PMAs. The Discretionary Manager is also referred to as an Overlay Manager. These Discretionary Managers manage individual Client Accounts on a discretionary basis consistent with the Strategy selected by the Client.

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

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

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

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

*Investment Management Firm Oversight and Replacement.* AssetMark generally employs both proactive and reactive systems in its ongoing oversight of the Investment Management Firms. The proactive system involves review of three sets of criteria for each Investment Management Firm. AssetMark undertakes holdings analyses for each Investment Management Firm that examines sector exposure versus an appropriate benchmark and the Investment Management Firm's total return versus an appropriate benchmark. AssetMark also evaluates the consistency of the Investment Management Firm's investment style using a variety of analytical tools. Finally, AssetMark engages in an ongoing review of Investment Management Firms' personnel, investment mandates and ownership. AssetMark's ISG oversees the performance of the Investment Management Firms who act as Discretionary Managers and present this information, Manager due diligence findings, and any recommendations related to

new potential Managers to be added to the Platform at the Manager Investment Oversight Committee comprised of senior management.

The reactive system involves periodic submission of Investment Management Firm performance data to a set of statistical procedures designed to identify Investment Management Firms whose performance falls outside of tolerance levels.

In the performance of both its proactive and reactive oversight review of the Investment Management Firms, AssetMark may use the services of external investment management consulting firms ("Consultants"). These Consultants are used to help collect and review both quantitative and qualitative information, not only with regard to the Investment Management Firms currently under contract with AssetMark or with its proprietary mutual funds, but also those prospective Investment Management Firms that might be of use in developing investment recommendations for the Platform, either to replace or to supplement existing Investment Management Firms.

Based on the results of both the proactive and reactive oversight systems, AssetMark's procedures generally involve a three-stage process for addressing concerns regarding specific Investment Management Firms. Stage one includes an internal discussion within AssetMark regarding the results of the proactive and reactive system tests, and continued monitoring of the Investment Management Firm in question. If an issue remains unresolved, additional attribution analysis is performed, and the issue is discussed directly with the Investment Management Firm. If, after additional monitoring, the issue remains unresolved, then the process of replacing the Investment Management Firm is initiated. This process may take place over an extended time period.

## INVESTMENT AND TAX RISKS

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

## ITEM 9 – DISCIPLINARY INFORMATION

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

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

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The following companies are under common control with AssetMark. AssetMark does not consider such affiliations to create a material conflict of interest for AssetMark or its clients. For those affiliated companies you may interact with in connection with your AssetMark relationship, their industry activities are described in further detail below:

- AssetMark Brokerage, LLC
- AssetMark Trust Company

### AssetMark Brokerage, LLC

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

### AssetMark 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.

## 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 may also pay AssetMark Trust for services it provides AssetMark advisory Clients, especially with regard to Savos PMAs and UMAs. Additionally, AssetMark Trust may receive payments from mutual funds, mutual fund service providers 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, and tax reporting functions that these financial institutions may otherwise have to perform. Such payments may be made to AssetMark Trust by these financial institutions based on the amount of assets to be invested on behalf of Client Accounts. Any such payments to the Custodian will not reduce the Platform Fee. Some mutual funds, or their service providers, may provide compensation in connection with the purchase of shares of the funds, unless prohibited by law or regulation. Compensation may include financial assistance for conferences, sales or employee training programs. Compensation may also be paid for travel and lodging expenses for meetings or seminars of a business nature held at various locations or gifts of nominal value as permitted by applicable rules and regulations.

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

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

The GuidePath Fund of Funds is directly managed by AssetMark's ISG and is invested in shares of the GuideMark Funds, unaffiliated mutual funds and ETFs. ISG manages the GuidePath Funds based on research provided by current Portfolio Strategists in each of the Investment Approaches. In addition to the responsibility of managing the GuidePath

This must remain with the Client

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 may receive 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.

## ITEM 11 – CODE OF ETHICS

AssetMark has adopted a Code of Ethics (the "Code") that is intended to comply with the provisions of Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act"), which requires each registered investment adviser to adopt a code of ethics setting forth standards of conduct and requiring compliance with federal securities laws. Additionally, the Code is designed to comply with Section 204A of the Advisers Act, which requires investment advisers to establish, maintain and enforce written policies and procedures reasonably designed, taking into consideration the nature of such investment adviser's business, to prevent the misuse of material, non-public information by any person associated with such investment adviser. AssetMark's Code requires that all "Supervised Persons" (including officers and certain affiliated persons and employees of AssetMark) in carrying out the operations of AssetMark, adhere to certain standards of business conduct. Specifically, the Code requires that these persons: (i) comply with all applicable laws, rules and regulations, (ii) avoid any conflict of interest with regard to AssetMark and its Clients, (iii) avoid serving their personal interests ahead of the interests of AssetMark and its Clients, (iv) avoid taking inappropriate advantage of their position with AssetMark or benefiting personally from any investment decision made, (v) avoid misusing corporate assets, (vi) conduct all of their personal securities transactions in compliance with the Code, and (vii) maintain, as appropriate, the confidentiality of information regarding AssetMark's operations.

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

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

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

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

## ITEM 12 – BROKERAGE PRACTICES

### TRADE EXECUTION AND BROKERAGE ALLOCATION

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

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

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

Clients should be aware that the arrangement that AssetMark Trust has with Fidelity described above may operate as an incentive for AssetMark to utilize that broker-dealer regardless of execution quality, in order to avoid incurring the charges that may accompany trading with other broker-dealers. This incentive may create a conflict of interest to the extent that AssetMark utilizes Fidelity to execute trades for Client accounts when higher quality execution might be available through

**This must remain with the Client**

other broker-dealers. As well, in fulfilling its fiduciary obligations, AssetMark evaluates the execution quality received by Clients at their selected custodians on a periodic basis. Any execution trends over a period of time are researched and discussed at AssetMark's quarterly Execution Review Committee meeting. In addition, some investment solutions that have historically only been available at AssetMark Trust, are now available at other Custodians.

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

AssetMark or the Overlay Manager receives model portfolios or trade recommendations from Strategists on a non-discretionary basis. There may be instances in which the policy of a specific Strategist or Discretionary Manager is to effect trades in the accounts of their discretionary clients before delivering model portfolios to non-discretionary clients.

#### ACCOUNT LIQUIDITY RESERVE

To properly maintain cash flows for Client needs, a portion of all Client accounts is maintained in a short-term investment vehicle. This liquidity reserve may be invested in the Insured Cash Deposit program, a money market mutual fund or other short-term pooled investment vehicle, as determined by Custodian.

#### DELIVERY OF FUND REDEMPTION PROCEEDS

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

#### RECEIPT OF EXECUTION REPORTS

AssetMark does not utilize soft dollars by directing trades to broker-dealers and accumulating soft dollar credits. AssetMark receives execution reports from vendors such as Abel Noser and Fidelity, which

it uses to review best execution of trades on the platform. AssetMark does not pay directly for these reports. The Client's asset-based custody fee does not vary depending on whether AssetMark receives these execution reports or not.

#### ITEM 13 – REVIEW OF ACCOUNTS

AssetMark does not assign Client Accounts directly to specific individuals for investment supervision, and hence there is not a single individual or class of individuals within the organization that can be identified as being solely responsible for implementing a full set of review criteria on any one client account. Instead, AssetMark offers a platform of Solution Types to its clients, each of which is a model portfolio to which the Client's Account is linked. A variety of teams within the organization then have responsibility for reviewing the application of the appropriate investment guidelines to each account. At the model level, two groups are responsible for ensuring that the investment models to which client accounts are linked are consistent with the guidelines and investment strategy selected by the Client. ISG reviews those model recommendations provided by the Portfolio Strategists. The Savos Investment Management Department reviews on an ongoing basis the performance of the Strategies in the Savos PMAs and UMAs. The Trade Operations Group monitors account adherence to models provided by Strategists and adherence to models created and maintained by Savos. AssetMark makes available periodic account statements to its investment advisory Clients in the form of a Quarterly Performance Report. These written reports generally contain a list of assets, investment results, and statistical data related to the client's Account. AssetMark urges Clients to carefully review these reports and compare them to statements that they receive from their Custodian.

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

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

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

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

**This must remain with the Client**

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

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

Under AssetMark's Business Development Allowance program, certain Financial Advisors may receive a business development allowance for reimbursement of qualified marketing/practice development expenses incurred by the Financial Advisor. These allowances may be earned 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. Additionally, certain Financial Advisors may earn quarterly allowances depending on the value of the assets on the AssetMark Platform held by Clients of the Financial Advisor. For the 2017 calendar year, participating Financial Advisors were reimbursed an average of \$2,192.40.

#### ***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 may also agree to provide the Financial Advisory Firm or its representatives with organizational consulting, education, training and marketing support.

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

AssetMark may sponsor 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 may offer Portfolio Strategists, Investment Managers and Investment Management Firms, who may also be Sub-Advisors for the GuideMark and GuidePath Funds, the opportunity to contribute to the costs of AssetMark's annual conferences and be identified as a sponsor. AssetMark may also cover travel-related expenses for certain Financial Advisors to attend AssetMark's annual conferences, quarterly meetings or to conduct due diligence visits. In addition to, and outside of the Business Development Allowance program, AssetMark may contribute to the costs incurred by Financial Advisors in connection with conferences or other Client events conducted by the Financial Advisor or the Financial Advisory Firm. AssetMark may also solicit 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***

Financial Advisors may 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 may be eligible for negotiated fees, which are passed through to the Client. The Financial

Advisor does not earn additional compensation as a result of these negotiated fees.

#### ***Community Inspiration Award***

In order to promote community involvement, AssetMark created the Community Inspiration Award to honor selected Financial Advisors across the United States who have inspired others by supporting charitable organizations in their communities. AssetMark will make a cash donation, subject to the published rules governing the program, to the Financial Advisor's nominated charity in accordance with the following: 1) the charitable organization is not a client or prospective client of the Financial Advisor, 2) the Financial Advisor will not receive a monetary award and 3) the charitable organization must not have the ability to contribute funds or services to a candidate for public office or to a Political Action Committee. There is no direct compensation paid to an honored Financial Advisor. However, the Financial Advisor may be inclined to place, or retain client assets on the Platform as a result of AssetMark's contribution to their supported charitable organization.

### **ITEM 15 – CUSTODY**

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

AssetMark provides access to the following qualified Custodians:

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

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

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

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

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

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

AssetMark has negotiated with AssetMark Trust (AssetMark's affiliate custodian) and the third-party custodians on AssetMark's platform, to allow for Custody Fees to be included in the Platform Fee. The client does not pay transaction fees on any trades made in the solution types available on the Platform, unless described in the separate Custody Agreement. There are some solution types that may incur additional fees at the custodian such as fixed-income solutions or those that hold alternative or option products. Effective no later than May 31, 2018, AssetMark Trust Company charges an annual Administrative Custody Fee of \$20.

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

TDA, Fidelity and AssetMark Trust 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 PAS, an additional Platform Fee of \$150 is charged for Mutual Fund Accounts that do not utilize Proprietary Funds. The Custody Fee for Proprietary Funds is \$0.

The Custodians may also charge termination fees and various other miscellaneous fees for wires, returned checks and other non-standard activity on an Account such as fees for alternative investments. Custody fees will also apply to Accounts in Solution Types that are either closed or no longer offered to new clients. All custody fee details are clearly presented in each Custodian's fee schedule and separate custody agreement.

#### ***Prospectuses & Other Information***

The Client designates AssetMark, or the applicable Discretionary Manager as their agent and attorney-in-fact to obtain certain documents related to securities purchased on a discretionary basis for their account. Clients waive receipt of prospectuses, shareholder reports, proxies and other shareholder documents. This waiver may be rescinded at any time by written notice to AssetMark. Clients

that select a Custodian other than AssetMark Trust, i.e., PAS, TDA or Fidelity, automatically rescind this waiver and elect to receive prospectuses, shareholder reports, proxies and other shareholder materials for accounts invested in a Mutual Fund or Guided Portfolios, i.e., GPS Fund Strategies or GPS Select. The Client is entitled to receive materials related to a Proprietary Fund, or any other mutual fund that may be advised by AssetMark.

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

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

- take any and all actions on the Client's behalf that AssetMark determines to be customary or appropriate for a discretionary investment adviser to perform, including the authority to buy, sell, select, remove, replace and vote proxies for securities, including mutual fund shares and including those advised by AssetMark or an affiliate, and other investments, for the Account, and to determine the portion of assets in the Account to be allocated to each investment or asset class and to change such allocations;
- select the broker-dealers or others with which transactions for the account will be effected;
- retain and replace, or not, any person providing investment advice, securities recommendations, model portfolios or other services to AssetMark, including without limitation, Portfolio Strategists giving advice with regard to Mutual Funds, ETFs, and Investment Management Firms giving advice with regard to PMAs and UMAs, as deemed appropriate by AssetMark.

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

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

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

#### **ITEM 17 – VOTING CLIENT SECURITIES**

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

If the Account is invested in a Solution Type with a Discretionary or Overlay Manager, including IMA, or UMA, the Client designates the

**This must remain with the Client**

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

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

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

The Client waives the right to vote proxies if the Account is invested in a Mutual Fund or ETF Solution Type or Guided Portfolios. This waiver may be rescinded at any time by written notice to AssetMark. Clients that select a Custodian other than AssetMark Trust, i.e., PAS, TDA or Fidelity, automatically rescind this waiver and elect to vote proxies for shares held by accounts invested in a Mutual Fund Solution Type or Guided Portfolios, i.e., GPS Fund Strategies or GPS Select. AssetMark will not vote proxies if the Market Blend ETF Strategy or GPS Select is held in custody at a third-party custodian. The Client retains the right to vote proxies.

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

#### ***Proxy Voting for Administrative Accounts***

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

#### ***Class Actions and Similar Actions***

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

#### ***Voting Process and Material Conflicts***

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

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

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

#### **ITEM 18 – FINANCIAL INFORMATION**

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. AssetMark has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has never been the subject of a bankruptcy proceeding.

**EXHIBIT A – GPS FUND STRATEGIES*****Mutual Funds Fees retained by AssetMark***

The accounts of Clients who select a GPS Fund Strategy will be invested in mutual funds advised by AssetMark. AssetMark will receive Management Fees and Administrative Service Fees from these mutual funds, and AssetMark will determine the allocations of account value among these funds. The maximum net Management Fee retained by AssetMark from a fund in GPS Fund Strategies is 0.40% of average daily net assets, and the maximum Administrative Service Fee paid AssetMark is 0.25%. Therefore, the maximum fee that AssetMark can retain from a mutual fund in a GPS Funds Strategies account is 0.65% of average daily net assets. In selecting a GPS 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 may 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 may 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. Mutual funds may be added to those that receive allocations. If an added fund results in a fee greater than 0.65% being paid to AssetMark, you will be given notice.

MUTUAL FUNDS	MAXIMUM FEES RETAINED BY ASSETMARK
GuidePath Growth Allocation Fund	0.50%
GuidePath Conservative Allocation Fund	0.50%
GuidePath Tactical Allocation Fund	0.60%
GuidePath Absolute Return Fund	0.60%
GuidePath Managed Futures Strategy Fund	0.60%
GuidePath Flexible Income Allocation Fund	0.50%
GuidePath Multi-Asset Income Allocation Fund	0.60%
GuideMark Opportunistic Equity Fund	0.65%
GuideMark Large Cap Core	0.35%

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 ACCUMLATION 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
<b>GPS ACCUMULATION - NO ALTERNATIVE EXPOSURE</b>	
1	0.54%
2	0.54%
3	0.53%
4	0.52%
5	0.53%
<b>GPS DISTRIBUTION, NO ALTERNATIVE EXPOSURE</b>	
2	0.57%
3	0.60%
4	0.60%
<b>GPS FOCUSED TACTICAL</b>	
2	0.55%
3	0.56%
4	0.58%

GPS FUND STRATEGIES	MAX NET REVENUE
<b>GPS FOCUSED CORE MARKETS</b>	
1	0.50%
2	0.49%
3	0.49%
4	0.49%
5	0.49%
<b>GPS FOCUSED LOW VOLATILITY</b>	
1	0.54%
<b>GPS FOCUSED TACTICAL</b>	
5	0.59%
<b>GPS FOCUSED MULTI-ASSET INCOME</b>	
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 as described in Item 5 under **Servicing Fees Received by AssetMark**.

## GPS SELECT

### *Part of Platform Fee is credited to Account*

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

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

## MARKET BLEND MUTUAL FUND STRATEGIES

### *Mutual Fund Fees retained by AssetMark*

The accounts of Clients who select a GuideMark Market Blend Mutual Fund strategy will be invested in mutual funds advised by AssetMark. AssetMark will receive Management Fees and Administrative Service Fees from these funds, and AssetMark will determine the allocations of account value among these funds. The maximum net Management Fee retained by AssetMark from a fund in a GuideMark Market Blend Mutual Fund strategy is 0.45% of average daily net assets, and the maximum Administrative Service Fee paid to AssetMark is 0.25%. Therefore, the maximum fee that AssetMark can receive from a mutual fund in a GuideMark Market Blend Mutual Fund strategy is 0.70% of average daily net assets. In selecting a GuideMark Market Blend Mutual Fund strategy, the Client agrees to the receipt by AssetMark of this 0.70% fee and that this fee is reasonable compensation to AssetMark.

AssetMark's management of a GuideMark Market Blend Mutual Fund strategy may 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 may 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 may 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.

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MUTUAL FUNDS	MAXIMUM FEES RETAINED BY ASSETMARK OR AFFILIATE
GuideMark Opportunistic Equity	0.65%
GuideMark Large Cap Core	0.60%
GuideMark Small/Mid Cap Core	0.70%
GuideMark Core Fixed Income	0.60%
GuideMark Emerging Markets	0.61%
GuideMark Opportunistic Fixed Inc Svc	0.60%
GuideMark World ex-US Service	0.60%

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

MARKET BLEND STRATEGIES	MAX NET REVENUE
<b>GLOBAL GUIDEMARK MARKET BLEND</b>	
2	0.59%
3	0.60%
5	0.60%
6	0.61%
<b>US GUIDEMARK MARKET BLEND</b>	
2	0.60%
3	0.61%
5	0.61%
6	0.62%

Additionally, if AssetMark Trust is chosen as Custodian, AssetMark Trust will be paid 0.35% in Service (12b-1) Fee and Shareholder Service Fees. The third party Platform Custodians (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 as described in Item 5 under **Servicing Fees Received by AssetMark**.

AS OF APRIL 2018



# Fees & Investment Minimums

Strategies		Guided Portfolios					Separately Managed Accounts			
GuideMark <sup>1</sup> /Altegris <sup>1</sup> Mutual Fund	Third-Party MF <sup>12</sup>	Proprietary ETF, MF	Clark Fixed Income Total Return (FTR) <sup>3</sup>	Third-Party ETF, Institutional MF <sup>3</sup>	GPS Fund Strategies <sup>4</sup>	Clark FTR	GPS Select	Custom GPS Select	Parametric Custom Portfolios <sup>5</sup>	Custom
<\$250K	0%	0.45%	0.55%	0.60%	0%	0.55%	0.65%	0.65%	<\$250K	0.75%
\$250-\$500K	0%	0.40%	0.40%	0.45%	\$250-\$500K	0.55%	0.65%	0.65%	\$250-\$500K	0.75%
\$500-\$1M	0%	0.35%	0.35%	0.40%	\$500-\$1M	0.50%	0.60%	0.60%	\$500-\$1M	0.75%
\$1-\$2M	0%	0.30%	0.33%	0.38%	\$1-\$2M	0.45%	0.55%	0.55%	\$1-\$2M	0.70%
\$2-\$3M	0%	0.20%	0.30%	0.35%	\$2-\$3M	0.35%	0.45%	0.45%	\$2-\$3M	0.70%
\$3-\$5M	0%	0.20%	0.25%	0.30%	\$3-\$5M	0.30%	0.40%	0.40%	\$3-\$5M	0.70%
\$5M+	0%	0.20%	0.15%	0.20%	\$5M+	0.25%	0.35%	0.35%	\$5M+	0.60%
<b>Minimum</b>	<b>\$10,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>Minimum</b>	<b>\$250,000</b>	<b>\$50K-\$100K</b>	<b>\$250,000</b>	<b>Minimum</b>	<b>\$250K-\$750K</b>
Supplemental Strategist Fee					Supplemental Strategist Fee		Custom GPS Select		Supplemental Manager Fee	
New Frontier, State Street, BlackRock RFI				0.10%	Savos US Risk Controlled		0.10%		William Blair	
Sallient ETF, Windham				0.30%	Sallient ETF, Savos GMS, Savos PMP, Windham		0.20%		City National Rochdale	
Julex, Model Capital, WestEnd Advisors				0.40%	Julex, Model Capital, WestEnd Advisors		0.30%			
Beaumont				0.55%	Beaumont		0.40%			

Separately Managed Accounts—Fixed Income		Savos	
Third-Party Laddered Fixed Income <sup>5</sup>	Proprietary Laddered Fixed Income <sup>5</sup>	Preservation	US Risk Controlled
<\$250K	0.31%	0.75%	0.90%
\$250-\$500K	0.31%	0.50%	0.75%
\$500-\$1M	0.31%	0.50%	0.70%
\$1-\$2M	0.26%	0.45%	0.65%
\$2-\$3M	0.26%	0.45%	0.65%
\$3-\$5M	0.26%	0.40%	0.65%
\$5M+	0.26%	0.30%	0.55%
<b>Minimum</b>	<b>\$125K-\$250K</b>	<b>\$25,000</b>	<b>\$25,000</b>

Supplemental Manager Fee		Administrative Accts/Individual Third-Party MFs	
Clark Capital (Tax and Tax-Free)	Nuveen	General Securities <sup>5</sup> or Custodial Sweep <sup>6</sup>	Individual MFs
Active Fixed Income <sup>5</sup>	Active Fixed Income <sup>5</sup>	<\$250K	0.00%
0.20%	0.20%	\$250-\$500K	0.00%
0.35%	0.35%	\$500-\$1M	0.00%
		\$1-\$2M	0.00%
		\$2-\$3M	0.00%
		\$3-\$5M	0.00%
		\$5M+	0.00%
		<b>Minimum</b>	<b>\$10,000</b>

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

Please see next page for important disclosures.

For financial advisor use with advisory clients.

**INVESTMENT FIRMS BY CATEGORY**

Strategies		Guided Portfolios	Separately Managed Accounts	Separately Managed Accounts – Fixed Income <sup>10</sup>	Individual Mutual Funds
GuideMark <sup>1,8</sup> / Altegris <sup>9</sup> Mutual Fund	Third-Party MF <sup>1,2</sup>	Proprietary ETF, MF <sup>7</sup>	Third-Party ETF, Institutional MF <sup>3</sup>	Custom GPS Select	
Altegris, Litman Gregory <sup>2</sup> , New Frontier <sup>2</sup> , Global GuideMark <sup>8</sup> , Market Blend <sup>9</sup> , US GuideMark <sup>8</sup> , Market Blend <sup>9</sup> , Individual GuidePath <sup>8</sup> Funds, GuideMark <sup>8</sup> Funds	Alpha Simplex, DoubleLine, Eaton Vance, JP Morgan Global Standard, Litman Gregory	Aris Asset Builder, Aris Income Builder, Aris Personal Values, Market Blend ETF portfolios	American Funds, Beaumont, BlackRock MAI, BlackRock RFI, Clark Capital FITR, Julex, JP Morgan Global Flexible, Model Capital, New Frontier, Sallent ETF, State Street, Windham, WestEnd Advisors	Custom  Aris Custom High Net Worth, City National Rochdale, Clark Capital Personalized UMA, William Blair	AOR, DoubleLine, Neuberger Berman
				Third-Party Laddered Fixed Income <sup>5</sup> Eaton Vance	
				Proprietary Laddered Fixed Income <sup>5,7</sup> Savos	
				Active Fixed Income <sup>5</sup> 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> Third-Party Mutual Fund Strategies are also charged \$3750 per quarter. At some custodians, this is charged as a Custody Fee, while at other custodians it is charged as a Platform Fee.

<sup>3</sup> Annual Minimum Platform Fee: \$350 (this fee is waived on American Funds, JP Morgan Global Flexible and Multiple Strategy Accounts)

<sup>4</sup> GPS Fund Strategies fees waived for proprietary and affiliated mutual funds

<sup>5</sup> Transaction-based fees at custodians

<sup>6</sup> Custodial sweep or money market fund selected by AssetMark

<sup>7</sup> Proprietary solution types refer to those offered by AssetMark, Savos or Aris

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

<sup>9</sup> This strategy contains GuideMark<sup>8</sup> mutual funds

<sup>10</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, 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. If you would like to receive a current copy, please contact your financial advisor** ▾

**AssetMark, Inc.** AssetMark, Inc. is an investment adviser registered with the Securities and Exchange Commission. Aris and Savos Investments are divisions of AssetMark, Inc.  
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 10th Floor 20901 | C31968 | 04/2018 | EXP 3/31/19  
 Concord, CA 94520-2445  
 800-664-5345

For financial advisor use with advisory clients.

FORM ADV

# Appendix 1

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**ITEM 2 – MATERIAL CHANGES**

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

**ITEM 3 – TABLE OF CONTENTS**

Not applicable.

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

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

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

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

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

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

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

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

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

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

**ITEM 9 – ADDITIONAL INFORMATION**

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

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

Not applicable.

# Brochure Supplement

Jeremiah H. Chafkin, Chief Investment Officer

## ITEM 1 - COVER PAGE

Jeremiah H. Chafkin  
1655 Grant Street, 10th Floor, Concord, CA 94520, 800-664-5345

This Brochure Supplement provides information about Jeremiah Chafkin and supplements the AssetMark Disclosure Brochure. You should have received a copy of that Brochure. Please call 800-664-5345 if you did not receive the Disclosure Brochure or if you have any questions about the contents of this supplement.

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

## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Jeremiah H. Chafkin  
Born 1959

### Educational Background

#### Degree/Major/Year/Institution:

- Bachelor's Degree in Economics, 1980, Yale University, New Haven, CT
- M.B.A. in Finance, 1984, Columbia University, New York, NY

### Recent Work Experience

Mr. Chafkin has been with AssetMark since 2014.

#### Employment Dates:

- 2014 to present

#### Positions Held In last Five years:

- Chief Executive, AlphaSimplex Group, Cambridge, MA 2007-2014
- Chief Executive, IXIS Asset Management Group U.S., LP, Boston, MA 2006-2007
- Exec. Vice President, Charles Schwab Corporation, San Francisco, CA 1999-2006

## Professional Designations, Securities and Insurance Licenses

Mr. Chafkin holds the following designations and/or licenses. A description of the minimum requirements for each designation is provided for your reference.

Series 3 - Registered Commodity Representative - This requires passing a 120 multiple choice question examination within 2 hours and 30 minutes testing time. This examination qualifies the individual to act as an Associated Person, a Commodity Trading Advisor, Commodity Pool Operator, Introducing Broker, or futures Commission Merchant.

## ITEM 3 - DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

Mr. Chafkin does not have any information applicable to this Item.

## ITEM 4 - OTHER BUSINESS ACTIVITIES

Mr. Chafkin serves as a Director for Venovate Holdings, an Investment Company that provides a platform for private investment opportunities.

## ITEM 5 - ADDITIONAL COMPENSATION

N/A

## ITEM 6 - SUPERVISION

Mr. Chafkin reports to Charles Goldman, Chief Executive Officer. Mr. Goldman can be reached at 925-521-2600. Mr. Chafkin's activities are also monitored by AssetMark's compliance personnel and supervisory structure.

# Brochure Supplement

Jason T. Thomas, Chief Executive Officer and Chief Investment Officer - Savos Investments, a division of AssetMark, Inc.

## ITEM 1 - COVER PAGE

Jason T. Thomas  
16633 Ventura Blvd., Suite 1400, Encino, CA 91436, 800-664-5345

This Brochure Supplement provides information about Jason T. Thomas and supplements the AssetMark Disclosure Brochure. You should have received a copy of that Brochure. Please call 800-664-5345 if you did not receive the Disclosure Brochure or if you have any questions about the contents of this supplement.

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

## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Jason T. Thomas  
Born 1972

### Educational Background

#### Degree/Major/Year/Institution:

- Bachelor's Degree in Economics, 1994, University of Southern California, Los Angeles, CA
- Master's Degree in Economics, 1994, University of Southern California, Los Angeles, CA
- Ph.D. in Political Economy and Public Policy, 2000, University of Southern California, Los Angeles, CA
- Master's in Business Administration, 2000, Stanford University, Palo Alto, CA

### Recent Work Experience

Dr. Thomas has been with AssetMark since 2014.

#### Employment Dates:

- 2014 to present

#### Positions Held In last Five years:

- Chief Executive, Portfolio Design Labs, Los Angeles, CA 2013-2014
- Chief Investment Officer, Aspiriant (and predecessor firms), Los Angeles, CA 2005-2013

## Professional Designations, Securities and Insurance Licenses

Dr. Thomas earned his Chartered Financial Analyst designation in 2003. A description of the minimum requirements for this designation is provided below.

Chartered Financial Analyst (CFA) – Qualification as a CFA® charter holder requires 1) A bachelor's degree from an accredited institution or equivalent education or work experience, 2) Successful completion of all three exam levels of the CFA program, 3) 48 months of acceptable professional work experience in the investment decision-making process, 4) Fulfillment of local society requirements, which vary by society, and 5) Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by CFA Institute.

## ITEM 3 - DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

Dr. Thomas does not have any information applicable to this Item.

## ITEM 4 - OTHER BUSINESS ACTIVITIES

N/A

## ITEM 5 - ADDITIONAL COMPENSATION

N/A

## ITEM 6 - SUPERVISION

Dr. Thomas reports to Jeremiah Chafkin, Chief Investment Officer. Mr. Chafkin can be reached at 925-521-2649. Dr. Thomas' activities are also monitored by AssetMark's compliance personnel and supervisory structure.

# Brochure Supplement

Zoë Brunson, Senior Vice President, Investment Strategies

## ITEM 1 - COVER PAGE

Zoë Brunson  
1655 Grant Street, 10th Floor, Concord, CA 94520, 800-664-5345

This Brochure Supplement provides information about Zoë Brunson and supplements the AssetMark Disclosure Brochure. You should have received a copy of that Brochure. Please call 800-664-5345 if you did not receive the Disclosure Brochure or if you have any questions about the contents of this supplement.

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

## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Zoë Brunson, CFA  
Born 1972

### Educational Background

#### Degree/Major/Year/Institution:

- Bachelor's Degree in Business Information Technology, 1994, Kingston University, Kingston-upon-Thames, UK

### Recent Work Experience

Ms. Brunson has been with AssetMark since 2007.

#### Employment Dates:

- 2007 to present

#### Positions Held In last Five years:

- Director, Investment Strategy Model Management & Fund Selection, Standard & Poor's Investment Advisory Services LLC, 1998 – 2007

## Professional Designations, Securities and Insurance Licenses

Ms. Brunson earned her Chartered Financial Analyst designation in 2001. A description of the minimum requirements for this designation is provided below.

Chartered Financial Analyst (CFA) – Qualification as a CFA® charter holder requires 1) A bachelor's degree from an accredited institution or equivalent education or work experience, 2) Successful completion of all three exam levels of the CFA program, 3) 48 months of acceptable professional work experience in the investment decision-making process, 4) Fulfillment of local society requirements, which vary by society, and 5) Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by CFA Institute.

## ITEM 3 - DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

Ms. Brunson does not have any information applicable to this Item.

## ITEM 4 - OTHER BUSINESS ACTIVITIES

N/A

## ITEM 5 - ADDITIONAL COMPENSATION

N/A

## ITEM 6 - SUPERVISION

Ms. Brunson reports to Jerry Chafkin, Chief Investment Officer. Mr. Chafkin can be reached at 925-521-2649. Ms. Brunson's activities are also monitored by Assetmark's compliance personnel and supervisory structure.

# Brochure Supplement

Davin A. Gibbins, Senior Vice President - Aris, division of AssetMark, Inc.

## ITEM 1 - COVER PAGE

### Davin A. Gibbins

1960 Old Gatesburg Road, Suite 100, State College, PA 16803,  
800-664-5345

This Brochure Supplement provides information about Davin A. Gibbins and supplements the AssetMark Disclosure Brochure for Aris Retirement Services. You should have received a copy of that Brochure. Please call 800-664-5345 if you did not receive the AssetMark Aris Retirement Services Disclosure Brochure or if you have any questions about the contents of this supplement.

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

## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Davin A. Gibbins, CFA  
Born 1964

### Educational Background

#### Degree/Major/Year/Institution:

- BS, University of Toronto, 1986
- MSC, University of Toronto, 1987

### Recent Work Experience

Mr. Gibbins has been with Aris since 2001.

#### Employment Dates:

- 2001 to present

#### Positions Held In last Five years:

- Chief Investment Officer, Aris, a division of AssetMark, Inc., 2001 to Present

## Professional Designations, Securities and Insurance Licenses

Mr. Gibbins earned his Chartered Financial Analyst designation in 1999 and his Chartered Alternative Investment Analyst designation in 2003. A description of the minimum requirements for this designation is provided below.

Chartered Financial Analyst (CFA) – Qualification as a CFA® charter holder requires 1) A bachelor's degree from an accredited institution or equivalent education or work experience, 2) Successful completion of all three exam levels of the CFA program, 3) 48 months of acceptable professional work experience in the investment decision-making process, 4) Fulfillment of local society requirements, which vary by society, and 5) Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by CFA Institute.

Chartered Alternative Investment Analyst (CAIA) – Qualification as a CAIA® charter holder requires 1) A bachelor's degree from an accredited institution or equivalent education or work experience, 2) Successful completion of both Level I and Level II exams, 3) More than one year of qualifying work experience, 4) Maintain annual membership dues and abide by the membership agreement.

## ITEM 3 - DISCIPLINARY INFORMATION

There are no reportable legal or disciplinary events for the supervised person.

## ITEM 4 - OTHER BUSINESS ACTIVITIES

The supervised person is not actively engaged in any investment-related business or occupation other than as described herein.

## ITEM 5 - ADDITIONAL COMPENSATION

N/A

## ITEM 6 - SUPERVISION

Davin A. Gibbins reports to and is supervised by Jason T. Thomas, Chief Investment Officer - Savos Investment. Mr. Thomas can be reached at 818-528-3777. Mr. Thomas' activities are also monitored by AssetMark's compliance personnel and supervisory structure.

# Brochure Supplement

John Lombardo, Senior Portfolio Manager of Aris, a division of AssetMark, Inc.

## ITEM 1 - COVER PAGE

**John Lombardo**  
1960 Old Gatesburg Road, Suite 100, State College, PA 16803,  
(800) 378-6777

This Brochure Supplement provides information about John Lombardo and supplements the AssetMark Disclosure Brochure for Aris Retirement Services. You should have received a copy of that Brochure. Please call 800-664-5345 if you did not receive the AssetMark Aris Retirement Services Disclosure Brochure or if you have any questions about the contents of this supplement.

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

## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

John Lombardo, CFA  
Born 1966

### Educational Background

#### Degree/Major/Year/Institution:

- Bachelor's Degree in Finance, 1998,  
University of Pennsylvania, Wharton School

### Recent Work Experience

Mr. Lombardo has been with Aris since 2015.

#### Employment Dates:

- 2015 to present

#### Positions Held In last Five years:

- CIO, Blue Water Capital Management – 2007 – 2014

## Professional Designations, Securities and Insurance Licenses

Mr. Lombardo earned his Chartered Financial Analyst designation in 2004. A description of the minimum requirements for this designation is provided below.

Chartered Financial Analyst (CFA) – Qualification as a CFA® charter holder requires 1) A bachelor's degree from an accredited institution or equivalent education or work experience, 2) Successful completion of all three exam levels of the CFA program, 3) 48 months of acceptable professional work experience in the investment decision-making process, 4) Fulfillment of local society requirements, which vary by society, and 5) Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by CFA Institute.

## ITEM 3 - DISCIPLINARY INFORMATION

There are no reportable legal or disciplinary events for the supervised person.

## ITEM 4 - OTHER BUSINESS ACTIVITIES

The supervised person is not actively engaged in any investment-related business or occupation other than as described herein.

## ITEM 5 - ADDITIONAL COMPENSATION

N/A

## ITEM 6 - SUPERVISION

John Lombardo reports to and is supervised by Davin Gibbins, Senior Vice President, Investments. Mr Gibbins can be reached at 814-283-6023. Mr. Gibbins' activities are also monitored by AssetMark's compliance personnel and supervisory structure.

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**ASSETMARK TRUST COMPANY**

# **Custody** Agreement

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**AssetMark Trust Company**

3200 N. Central Ave.  
7th Floor  
Phoenix, AZ 85012-2425  
800-664-5345

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**EXHIBIT B – AGREEMENT REGARDING SECURITIES LENDING AND FEE FOR HOLDS ARRANGEMENTS . . . . . 8**

## TERMS OF AGREEMENT

By executing the AssetMark Trust Company Account Application ("Account Application"), you (the "Client") agree to retain AssetMark Trust Company ("AssetMark Trust") to provide custodial, brokerage and related services on the following terms:

### 1. ACCEPTANCE OF APPLICATION, ESTABLISHMENT OF ACCOUNT

This Custody Agreement ("Agreement"), including its Exhibits, shall be effective upon AssetMark Trust's acceptance of the Client's Account Application. Upon AssetMark Trust's receipt of the Client's assets, in a form acceptable to AssetMark Trust, AssetMark Trust shall establish, in the name of the Client, one or more custodial accounts (each an "Account") for the safekeeping of the Client's assets. A custodial account may include a "Funding Account" that can be used to receive assets transferred in kind, to be sold and/or transferred to a managed account. This Agreement may apply to more than one Account, but the singular form will be used in this Agreement.

The Client represents and warrants that the source of all funds to be contributed to the account by Client have been obtained by legitimate and lawful means and do not represent the proceeds of any unlawful activity.

### 2. AGREEMENT DESIGNED FOR USE WITH ASSETMARK PLATFORM

This Agreement is designed for use with persons who have retained an investment adviser to provide investment advice with regard to Account assets. This Agreement may only be used by persons who: 1. have contracted with a Financial Advisory Firm for investment advice pursuant to a Client Services Agreement ("CSA") in connection with a platform sponsored by AssetMark, Inc. ("AssetMark"); or 2. upon a referral from a Financial Advisory Firm, have retained AssetMark, Inc. ("AssetMark") to provide discretionary investment advice pursuant to an Investment Management Services Agreement ("IMSA") (CSA and IMSA are, collectively, "Client Advisory Agreements").

The individual associated with the Financial Advisory Firm is referred to as the Client's "Financial Advisor." Pursuant to either a CSA or IMSA, the Client may authorize investment managers to manage Account assets, and these managers are referred to as "Discretionary Managers."

### 3. ASSETMARK TRUST MAY RELY UPON INSTRUCTIONS

The Client authorizes AssetMark Trust to accept instructions from the Financial Advisor, the Financial Advisory Firm, any Discretionary Manager and AssetMark. Such instructions may include, but are not limited to, instructions:

- To contribute or transfer assets to the Account;
- To invest Account assets and execute transactions in the Account;
- To pay directly from the Account any fees related to this Agreement, a CSA or an IMSA;
- To distribute or transfer assets from the Account; and
- To take any actions incidental to the foregoing.

AssetMark Trust's acceptance of these instructions may be subject to its policies and procedures. AssetMark Trust may rely on these instructions, whether transmitted in writing, electronically, orally or otherwise, and shall have no duty to make any investigation or inquiry with respect to any instruction received from the Financial Advisor, the Financial Advisory Firm, any Discretionary Manager or AssetMark.

### 4. ACCOUNT STATEMENTS

AssetMark Trust shall periodically, but not less than quarterly, provide the Client with an Account Statement listing the Account's assets, transactions and valuations. AssetMark Trust may also provide access to Account information by electronic or web-based access or by other means.

### 5. CONFIRMATION OF TRANSACTIONS

The Client acknowledges that they may elect to receive trade-by-trade transaction confirmations immediately upon completion of securities transactions. The Client hereby agrees that trade-by-trade transaction confirmation will not be provided pursuant to this Agreement and acknowledges and agrees that information regarding securities transactions will instead be reported in the Account Statements provided to the Client. The Client may, at any time, upon written request to AssetMark Trust, elect to receive trade-by-trade transaction confirmations for all transactions since the date of their most recent Account Statement, as well as for all subsequent transactions.

### 6. ACCOUNT INFORMATION TO AUTHORIZED PERSONS

The Client shall provide AssetMark Trust all information, and any changes to that information, required or appropriate to open and maintain the Account and provide the services contemplated by this Agreement. The Client authorizes AssetMark Trust to provide Account information (including, but not limited to, Account activity and assets) to the Financial Advisor, the Financial Advisory Firm, any Discretionary Manager and AssetMark. Client Account information may also be provided to vendors that provide services to AssetMark Trust regarding the Account and others, consistent with AssetMark Trust's Privacy Policy.

### 7. SHAREHOLDER MATERIALS

Unless AssetMark Trust notifies the Client otherwise, AssetMark Trust shall forward shareholder materials, including prospectuses, shareholder reports and proxies (collectively "Shareholder Materials") received to either the Client or the designated Discretionary Manager consistent with the Client's CSA or IMSA, and any elections made thereunder, as applicable, and consistent with Exhibit B, Agreement Regarding Securities Lending, of this Agreement, including section 5 of Exhibit B regarding Voting Rights with Respect to Loaned Securities. AssetMark Trust shall not be responsible or liable for any action or inaction by Client with regard to Shareholder Materials.

### 8. ELECTRONIC DELIVERY OF MATERIALS

AssetMark Trust may offer to provide materials, including Shareholder Materials and requested trade-by-trade transaction confirmations, through electronic delivery, including through web access. The Client acknowledges that some materials may be available only electronically or only in hardcopy, and that, for those communications available in both formats, an additional fee may be charged for delivery of paper; provided, however, the Client may always receive quarterly Account Statements in paper hardcopy form without additional charge. If the Client elects to receive materials electronically, the Administrative Expense Fee may be waived.

### 9. BROKERAGE

It is anticipated that the Discretionary Manager or Client, consistent with Platform services, as applicable, will direct most, if not all, transactions to Fidelity Brokerage Services LLC and/or National Financial Services LLC ("Fidelity"), or other broker-dealers contracted by AssetMark Trust, because these contracted brokers are compensated pursuant to agreements with AssetMark Trust and

**This must remain with the Client**

generally do not charge transaction-based commissions for their execution services. However, trade execution is in the discretion of the applicable Discretionary Manager and, if the Discretionary Manager determines that better execution may be available at another broker, the Discretionary Manager may direct the trade outside the broker(s) contracted with AssetMark Trust and, in such an instance, the Account may incur a commission or trading costs in addition to the fees specified in this Agreement. These transactions are often referred to as “trade-away” or “stepped-out” transactions and are generally more common for fixed income, as compared to equity securities. Fidelity’s role in any trade-away transaction is limited to acting as custodian and settlement agent in settling the transactions. Fidelity will have no obligation to select, monitor or supervise executing brokers. Trade-away transactions must comply with any applicable rules, regulations and Fidelity’s policies and procedures.

Although AssetMark Trust anticipates that transactions in mutual fund shares will be effected through Fidelity, trades may be effected through the National Securities Clearing Corporation (“NSCC”) or such clearing resources as AssetMark Trust deems appropriate.

Purchase and/or sale transactions may be combined into a single brokerage order. This aggregation process could be considered to result in a cross transaction among affected Client accounts.

## 10. SECURITIES LENDING AND FEE FOR HOLDS ARRANGEMENTS

Securities lending and fee for holds arrangements shall be subject to the provisions set forth in Exhibit B to this Agreement.

## 11. CUSTODIAL ACCOUNT FEES

The Client authorizes AssetMark Trust to debit the following Custodial Account Fees from the Account. These fees are for AssetMark Trust’s custodial services to the Account and are separate, and in addition to, other fees that AssetMark Trust may be authorized to deduct from the Account.

The Custodial Account Fee will differ depending upon the Solution Type chosen for the Account. The names of the Solution Types referenced below are those used in the Client Advisory Agreements. Custodial Account Fees may be negotiated and accepted by AssetMark Trust in its discretion.

### ***No Custodial Account Fee for Proprietary Mutual Fund Solution Types***

If the Account is invested pursuant to a Mutual Funds Solution Type that invests primarily all Account assets in mutual funds advised by AssetMark, Inc., or an affiliate of AssetMark (“Proprietary/Affiliated Funds”), there is no custodial account fee.

### ***Custodial Account Fee for Third-Party Mutual Fund Solutions Types***

If the Account is invested pursuant to a Mutual Funds Solution Type that invests primarily in mutual funds not advised by AssetMark or an affiliate, and if the Account contains assets as of the last business day of any calendar quarter, a Custodial Account Fee of \$37.50 shall be due and debited the Account, at the beginning of the following calendar quarter, in payment of fees for the upcoming calendar quarter. No fees are charged upon receipt of assets to an Account. No fees are prorated or refunded.

### ***No Custodial Account Fee for other Investment Solution Types***

Except as noted below, there is no separate Custodial Account Fee if the Account is invested in other, Non-Mutual Fund Investment Solution Types. Instead, payment for custodial and brokerage or

trading services is included in the Platform Fee paid to AssetMark, and AssetMark pays AssetMark Trust for these services.

The exceptions to no Custodial Account Fees are for Individually Managed Accounts (“IMAs”) and are as follows:

**Alternative Investments** - If an IMA includes an Alternative Investment, in addition to the Platform Fee due to AssetMark, an additional quarterly fee of \$50 shall be due and debited the Account at the beginning of the following calendar quarter in payment of the Custodial Account Fee for the Alternative Investment for the upcoming calendar quarter. No \$50 fee is charged upon investment in an Alternative Investment during a calendar quarter, and no portion of the \$50 fee is prorated or refunded for partial calendar quarter investments.

**Trade-Away Transaction Fee** - If a Discretionary Manager of an IMA determines to “step out” or “trade away” a trade, AssetMark Trust may assess a fee of \$20.00 per trade. This transaction fee would be in addition to any commission or trading costs as discussed in Section 9, Brokerage.

## 12. ADMINISTRATIVE/NON-MANAGED ACCOUNTS

AssetMark Trust may also hold in custody assets that do not receive advisory services pursuant to a CSA or an IMSA. These assets may be referred to as “Administrative/Non-Managed Account” assets. Neither AssetMark Trust, nor AssetMark, nor any Discretionary Manager will manage or is responsible for giving any advice with regard to these assets.

Administrative/Non-Managed Accounts may include a Cash Alternative Account or a General Securities Account.

### ***Cash Alternative Account***

In the Cash Alternative Account, AssetMark Trust may offer a Money Market Fund or Custodian’s cash sweep vehicle. If an Account holds a Cash Alternative investment as of the last business day of any calendar quarter, a Custodial Account Fee of \$37.50 shall be due and debited the Account, at the beginning of the following calendar quarter, in payment of fees for the upcoming calendar quarter. No fees are charged upon receipt of assets to a Cash Alternative Account. No fees are prorated or refunded. Any Financial Advisor Fee payable pursuant to a Client Advisory Agreement shall be payable on Administrative/Non-Managed Accounts unless AssetMark receives instructions not to charge the Financial Advisor Fee.

### ***General Securities Account***

In the General Securities Account, the Client may transfer to the Account those equity or fixed income securities acceptable to AssetMark Trust. No securities may be purchased in this Account. The Client will be responsible for directing the sale of investments in the Account. If assets are to be held in a General Securities Account, AssetMark Trust must receive and accept, executable written instructions, prior to AssetMark Trust’s receipt of the securities.

Any Financial Advisor Fee payable pursuant to a Client Advisory Agreement shall be payable on Administrative/Non-Managed Accounts unless AssetMark receives instructions not to charge the Financial Advisor Fee.

Upon proper written request, AssetMark Trust will arrange for sale of General Securities Account assets, which may be through a sub-custodian or other agent. Such requests shall be processed in a reasonable time and the sale of General Securities Account assets will be at the market price available at time of sale. AssetMark Trust will not accept limit orders on the sale of General Securities Account assets.

**This must remain with the Client**

Separate fees will not be charged for these transactions unless notice is given to Client. AssetMark Trust is authorized to take any actions it deems appropriate to carry out an instruction. Instructions regarding General Securities Account assets must be executable within the normal operations of AssetMark Trust.

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

AssetMark Trust may also hold in custody assets that no longer receive advisory services pursuant to a Client Advisory Agreement 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 may be referred to as "No Strategist" or "Terminated Strategist" Accounts. Neither AssetMark Trust, nor AssetMark, nor any Discretionary Manager will manage or shall be responsible for giving any advice with regard to these assets, but the Account may remain invested in the investments last selected for the strategy at a Platform Fee that is a reduction from that payable when the strategy was active on the AssetMark Platform. Any Financial Advisor Fee payable pursuant to a Client Advisory Agreement shall be payable on No Strategist or Terminated Strategist Accounts unless AssetMark receives instructions not to charge the Financial Advisor Fee. The Custodial Account Fee for No Strategist or Terminated Strategist Accounts will be based on the last active strategy prior to termination on the AssetMark Platform.

### **13. ADDITIONAL ACCOUNT FEES AND EXPENSES**

#### ***Administrative Expense Fee***

Effective no earlier than May 31, 2018, the Account will be assessed an Administrative Expense Fee of \$25 per year.

#### ***Account Termination Fee***

Upon termination, the Account will be assessed a \$95 Account Termination Fee.

This fee will not be assessed on withdrawals from or changes to the Account or if the Client terminates the Account within five days of opening the Account.

#### ***Fees for Additional Services***

AssetMark Trust may charge a fee for delivery of paper communications, such as Shareholder Materials and transactional confirmations, if electronic delivery is available and not elected by Client. AssetMark Trust may also charge additional fees for special services, such as historical document retrieval, overnight delivery, wiring funds or non-standard services.

#### ***Inherent Investment and Transaction Expenses***

The Client should expect and agrees that fees, expenses, costs and taxes inherent in securities transactions or holding an investment shall be passed through to the Account. These fees are due to assessments by third-parties or fees or taxes required by law in connection with the security transaction or the holding of the asset. These fees are separate from, and in addition to, other fees assessed the Account, and are subject to change without notice. Below are examples of such costs that the Account shall bear.

Pooled investment funds, such as mutual funds and exchange-traded funds, pay expenses incurred by the fund, such as management fees, 12b-1 fees and administrative service fees, as well as transaction costs (such as commissions and markups or markdowns) incurred directly by the funds. If invested in such funds, the Account will indirectly pay its share of the fees and expenses paid by these funds, in addition to

any fees paid to AssetMark Trust or as part of the Platform. Additionally, some funds may assess short-term redemption fees that will be paid directly by the Account.

In connection with sales of equity securities and equity-related options, the Account may also incur fees referred to as "Regulatory Transaction Fees" or "Section 31 Fees." These fees are paid to brokerage firms that effect security transactions in your account. These brokerage firms use these amounts to offset the fees they owe to self-regulatory organizations ("SROs") and U.S. national securities exchanges to cover the transaction fees the SROs and exchanges must pay to the U.S. Securities and Exchange Commission ("SEC"). These fees are designed to recover the costs incurred by the government, including the SEC, for supervising and regulating the securities markets and securities professionals. Because these fees may vary, and these variations not immediately known, the Client agrees that AssetMark Trust shall have the right to determine, in its sole discretion, the amount to assess the Account, that the assessment may differ or exceed the actual amount of the fee, and that AssetMark Trust may retain any such excess for its benefit.

The Account may also incur expenses related to the custody of foreign securities, including fees from paying agents of the issuers of foreign securities, such as American Depositary Receipts (e.g., "ADR Fees"). ADR Fees may appear as a separate fee on the Account Statement.

Certain jurisdictions or securities exchanges or markets may impose financial transaction taxes or fees. The Account will incur such fees in connection with transacting in such assets. For example, France levies a securities transaction fee on stock purchases of some publicly traded French companies; this fee shall be passed through to the Account.

### **14. IRA AND ERISA ACCOUNT FEE**

AssetMark Trust or its affiliates may receive fees for advisory, administrative or other services from mutual funds, or their service providers, whose shares may be held by the Account, from banks that may hold deposits of Account assets or from other financial services providers. In the case of IRA and ERISA accounts, such "service fee" income will offset an "IRA & ERISA Account Fee" otherwise chargeable to the Account by AssetMark Trust for the additional custodial and other services provided by AssetMark Trust to IRA and ERISA accounts.

The IRA & ERISA Account Fee is payable quarterly, in advance, for the upcoming calendar quarter, at the annual rate of 0.50%, based on the Account's value (including mutual fund shares) on the last business day of the preceding calendar quarter. The IRA & ERISA Account Fee is in addition to the other fees described in this Agreement. No portion of the fee is charged upon receipt of assets to an Account, and no portion of the fee is prorated or refunded.

At this time, AssetMark Trust intends to waive any portion of this IRA & ERISA Account Fee not offset by the service fee income received by AssetMark Trust or an affiliate. Additionally, the Account will receive a credit to the extent that such service fee income received by AssetMark Trust or an affiliate exceeds the IRA & ERISA Account Fee chargeable to the Account.

### **15. PAYMENTS TO ASSETMARK TRUST FROM THIRD PARTIES; ASSIGNMENT TO ASSETMARK TRUST**

#### ***Payments to AssetMark Trust from Third Parties***

AssetMark Trust and its affiliates may receive 12b-1 fees, revenue sharing payments or administrative service fees from sub-custodian Fidelity, from funds whose shares are held by the Account or the service providers to these funds, from banks that may hold deposits of

**This must remain with the Client**

Account assets, and from other financial services providers. Included in these funds are the GuideMark® Funds, the GuidePath® Funds and the Savos Dynamic Hedging Fund, which are advised by, or receive services from, and pay fees to, AssetMark Trust or an affiliate of AssetMark Trust.

#### ***Assignment to AssetMark Trust***

From time to time, AssetMark Trust will hold amounts that are not in a Client's account. Examples include, but may not be limited to, amounts that represent checks issued by AssetMark Trust that have not been cashed, amounts awaiting trade settlement for a Client account, and tax withholding amounts deducted from distributions but not yet received by the U.S. Internal Revenue Service or another tax authority. These amounts may generate interest, dividends or credits against bank service fees for the benefit of AssetMark Trust. For the sake of clarity, in consideration of the Client's use of AssetMark Trust services, the Client hereby irrevocably transfers and assigns to AssetMark Trust any ownership right that they may have in any interest, dividends or credits that accrue on such amounts, but nothing herein grants AssetMark Trust any ownership right to any other funds or assets AssetMark Trust holds on the Client's behalf.

#### **16. DEDUCTIONS FROM ACCOUNT TO PAY FEES AND PENALTIES**

Unless other arrangements are made, fees payable pursuant to this Agreement and pursuant to the applicable CSA or IMSA shall be paid through deduction by AssetMark Trust of amounts directly from the Account. Without notice to or verification from the Client, AssetMark Trust may rely on, and may pay fees out of the Account, in accordance with any statement from the Financial Advisor, Financial Advisory Firm, applicable Discretionary Manager and AssetMark, to cover fees and expenses, and AssetMark Trust is authorized to liquidate Account assets in order to pay such fees.

#### ***Cashiering and Administrative Service Fees***

Unless other arrangements are made, fees incurred resulting from non-sufficient funds or returned checks or wires shall be deducted directly from the Account.

#### ***Fines and Penalties***

If AssetMark Trust is assessed any fee, fine, penalty or interest by any governmental authority or regulator due to the action or inaction of Client, including but not limited to Client not providing proper identifying information or Taxpayer Identification Number, AssetMark Trust shall have the right to assess the Client's Account for all amounts owed.

#### **17. LIENS ON ACCOUNT**

The Client agrees that all fees, debts and other obligations owed to AssetMark Trust, the Financial Advisor, Financial Advisory Firm, any Discretionary Manager and AssetMark by the Client, including, without limitation, with regard to other custodial accounts maintained by AssetMark Trust, shall be secured by a lien on all assets now or hereafter held or maintained in the Account and in any other present or future account of Client at AssetMark Trust, whether held individually or jointly with others or registered as a trust, IRA or retirement or pension plan of which the Client is the beneficiary, owner or participant.

#### **18. CHECKS**

Checks for deposit to the Account should be made payable to AssetMark Trust Company. Client acknowledges that funds deposited by check may not be available for withdrawal for up to 10 business days to provide for proper check clearance. If a check does not clear in a timely manner, Client will be held liable for any trading losses in Account.

#### **19. ACKNOWLEDGEMENT OF RISKS OF INVESTMENTS AND OF TAX CONSEQUENCES**

The Client acknowledges the risks inherent in any investment, that the Account will fluctuate in value and may incur losses and that transactions in Account assets may have tax consequences for the Client.

#### **20. LIMITATIONS ON ROLE AND LIABILITY OF ASSETMARK TRUST; INDEMNIFICATION BY CLIENT**

- (a) The Client acknowledges and agrees that AssetMark Trust has no duty to supervise or monitor the investment of, or any transactions in, Account assets or the actions of the Client, the Financial Advisor, the Financial Advisory Firm, any Discretionary Manager or AssetMark. AssetMark Trust does not give investment, legal, tax or accounting advice and makes no recommendations concerning the investment of Account assets, the selection or retention of the Financial Advisor, the Financial Advisory Firm, any Discretionary Manager or AssetMark. The Client shall be responsible for the risks associated with the investment of the Account assets and for any tax liability incurred in connection with transactions involving Account assets. An Account may include an Alternative Investment. Alternative Investments generally are not publicly traded and lack a liquid market. The Client acknowledges that the value of an Alternative Investment may be difficult to ascertain and that any value reflected on an Account Statement is for informational purposes only and may not be the current value and may be significantly different than the actual market or the liquidation value of such Alternative Investment. The Client should obtain from the issuer of an Alternative Investment any applicable disclosure documents.
- (b) The Client acknowledges that a reasonable amount of time must be allowed for all account activity and transactions, including without limitation, time needed: (i) to establish the Account, including but not limited to receiving assets from a third-party; (ii) to purchase, sell and/or redeem Account assets or to change the investment objectives or the Strategy of the Account; (iii) to make changes related to the Account, including, but not limited to, address and beneficiary designations; and (iv) to liquidate and settle assets and/or transfer assets from and/or terminate the Account, and that AssetMark Trust shall not be liable for any losses, including, but not limited to, those due to market value fluctuations, tax consequences, or other consequential damages during the time taken for these processes and transactions. This is not a brokerage account and transactions may not be initiated within one or two business days of receipt of the instructions. The Client may not rely upon the time taken for previous changes or transactions.
- (c) The Client agrees to review all Account Statements, any trade confirmations and other notices and confirmations of information and promptly notify AssetMark Trust of any errors and shall not hold AssetMark Trust liable for any errors or losses that remain unreported for more than 10 days after receipt of mailed information or posting of electronic information.
- (d) AssetMark Trust shall not be liable for, and the Client shall indemnify AssetMark Trust, its affiliates and their officers, directors, shareholders, agents and employees against, any losses, damages or expenses resulting from any action or inaction by AssetMark Trust or by any third party, except for losses resulting from AssetMark Trust's gross negligence, reckless disregard, willful misconduct or bad faith. The limitations on AssetMark Trust's liability and the indemnification responsibilities of the Client shall apply, but not be limited to: (i) any losses in Account value and any tax implications with regard to Account assets; (ii) any action or inaction by AssetMark Trust taken in reliance upon any notice or instruction from the Client, the Financial Advisor, the Financial Advisory Firm, any Discretionary Manager or AssetMark, or AssetMark Trust's

**This must remain with the Client**

refusal, on advice of counsel, to act in accordance with such a notice or instruction; and (iii) any action or inaction of the Client, the Financial Advisor, the Financial Advisory Firm, any Discretionary Manager or AssetMark, including, but not limited to, those resulting from transmittal or non-transmittal of information by AssetMark Trust; (iv) AssetMark Trust's failure to execute unclear, poorly worded, or unexecutable instructions or other instructions given after previous instructions are underway. Under no circumstances shall AssetMark Trust be liable for indirect, consequential, special or incidental damages, including, but not limited to, loss of profits, gains, appreciation, revenue or opportunity.

- (e) The Client's indemnification obligation pursuant to this Agreement shall also include the responsibility to reimburse AssetMark Trust for all attorneys' fees and costs incurred by AssetMark Trust in connection with any of the following: (i) responding to threatened claims by any party, including claims by the Client related to acts of AssetMark Trust in the administration of the Account; (ii) defending (whether successfully or not and including on appeal) against asserted claims by any third party, and against unsuccessful claims by the Client, related to actions of AssetMark Trust in the administration of the Account; and (iii) prosecuting (including on appeal) a successful claim or counterclaim against the Client seeking payment under this indemnification obligation.

## 21. ENTIRE AND BINDING AGREEMENT

This Agreement, including its Exhibits, and its Account Application and any supplemental forms, as such may be amended, shall constitute the entire understanding between the Client and AssetMark Trust regarding AssetMark Trust's services to the Account, except that, for an Individual Retirement Account ("IRA") or a Roth Individual Retirement Account ("Roth IRA") Account established pursuant to a AssetMark Trust IRA Custodial Agreement or Roth IRA Custodial Agreement, the applicable AssetMark Trust IRA or Roth IRA Custodial Agreement shall supplement this Agreement.

The Client represents that this Agreement, including those portions applicable to Securities Lending and Fee for Holds Arrangements, constitutes a legal, valid, and binding obligation enforceable against them and that their performance of their obligations under this Agreement shall at all times comply with all applicable laws and regulations.

## 22. MODIFICATION OF AGREEMENT AND INSTRUCTIONS

This Agreement may only be amended in writing. AssetMark Trust may amend this agreement, including the fees payable under it, by giving the Client written notice of any amendment a sufficient time in advance of the effective date of such amendment to permit the Client to provide notice of termination of this Agreement.

Any instruction, form, beneficiary designation or change request received by AssetMark Trust shall be effective only upon acceptance by AssetMark Trust, which may be conditioned on compliance with AssetMark Trust's policies, procedures or safeguards or those of a third party. Until its acceptance of a new instruction, form, designation or change, AssetMark Trust shall be entitled to rely on previously accepted instructions or designations and shall not be liable for inaction on unaccepted or unexecutable instructions. AssetMark Trust's records shall be conclusive as to accepted instructions, forms, designations and change requests. Client acknowledges that, upon termination of an Account, not all assets may be transferrable in kind and that, in such a situation, AssetMark Trust's policies are generally to liquidate such investments and transfer cash.

## 23. NOTICES

Any notice or instruction to AssetMark Trust must be in writing and delivered to AssetMark Trust Company at P.O. Box 40018, Lynchburg, VA 24506-4018 or such other address provided by AssetMark Trust. Communications and notices to Client shall be delivered to the Client's U.S. postal and/or electronic mail, as appropriate, address of record as contained in AssetMark Trust records.

## 24. GOVERNING LAW

This Agreement shall be governed by the laws of the State of New York, as applied to contracts entered into and completely performed in New York.

## 25. NO AGENCY CREATED

The Financial Advisor, the Financial Advisory Firm and any Discretionary Manager and AssetMark are not agents of AssetMark Trust.

## 26. ASSIGNMENT AND SUCCESSORS

AssetMark Trust may assign its rights and duties under this Agreement to any person or entity upon 30 days prior written notice to the Client. The terms and conditions of this Agreement shall be binding upon the heirs, executors, administrators, successors, assigns, and personal representatives of the Client and inure to the benefit of the Custodian and its successors and assigns.

## 27. TERMINATION

The Client may terminate the Account at any time by giving written notice to AssetMark Trust. If there is more than one Client, any one Client, acting alone, shall have authority to terminate the Account. AssetMark Trust may terminate the Account and distribute Account assets to the Client at any time without cause or reason. Upon any termination, Client shall remain liable for any unpaid fees, debts, or other obligations incurred in connection with the Account.

## 28. ARBITRATION AGREEMENT

This Agreement contains a binding agreement to arbitrate all disputes on an individual, non-class basis. All individuals and entities bound by this Agreement agree that this Agreement affects interstate commerce, so that the Federal Arbitration Act and federal arbitration law apply, notwithstanding any choice of law provision in this Agreement or the Investment Management Service Agreement or Client Services Agreement, as applicable, related to an Account. By entering into this Agreement, with its arbitration provision, the Parties agree as follows:

- (a) All Parties to this Agreement are giving up the right to sue each other in court, including waiver of the right to a trial by jury or judge, except as provided by the rules of the designated arbitration forum in which a claim is to be filed, and except as set forth in provision (M) below regarding claims tendered to small claims court.
- (b) Arbitration awards are generally final and binding; a Party's ability to have a court reverse or modify an arbitration award is very limited.
- (c) The ability of the Parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- (d) An arbitrator does not have to explain the reason(s) for their award in the same manner as a court.
- (e) An arbitrator may or may not be currently or formerly affiliated with the securities industry.

- (f) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. The Parties agree that applicable time limits for bringing any claim will be those that apply to the specific federal or state law claims brought by a Party.
- (g) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.
- (h) **Any controversy, claim or dispute arising out of, or relating to, this Agreement or the Account with AssetMark Trust, AssetMark, any current or former Discretionary Manager, any current or former service provider with regard to this Account or any of their affiliates, or any of the current or former officers, directors, agents and/or employees of these entities or persons, or any actions, advice or services of any manner or type that were (or were to be) performed or provided by any of the above entities or persons, including but not limited to any controversy, claim or dispute arising out of or related to the breach, termination, enforcement, interpretation, validity or enforceability of this Agreement and the scope and applicability of this agreement to arbitrate or any aspect thereof, shall be resolved by arbitration before the Judicial Arbitration and Mediation Service (“JAMS”).**
- (i) **The arbitration shall be administered by JAMS pursuant to the JAMS Comprehensive Arbitration Rules and Procedures. Arbitration will be held at the JAMS office closest to the Client’s address of record or such other location as the Parties may agree, before one arbitrator who shall be a retired judicial officer.**
- (j) **Class Action Waiver. All disputes will be adjudicated only on an individual basis and not in a class or representative action or as a member of a class, mass, consolidated or representative action, irrespective of the forum in which they are heard. Any claim asserted by a Party shall not be joined, for any purpose, with the claim or claims of any other person or entity, unless all Parties specifically agree to joinder of individual actions. If a court or arbitrator determines in an action between the Parties that this waiver is unenforceable, the Parties’ agreement to arbitrate will be void for purposes of that particular action. The Parties do not consent to class arbitration.**
- (k) **The arbitration shall be final and binding, and judgment on the award may be entered in any court having jurisdiction. The Parties understand that by agreeing to arbitration, they are waiving all rights to seek remedies in court, and waiving any procedural mechanisms that may be available in court. Nothing in this Agreement will be read to eliminate or abridge any substantive legal right (as opposed to a procedural right, mechanism or forum) that the parties may have under federal or state law, including federal and state securities laws and ERISA.**
- (l) **An arbitrator may award on an individual basis any relief that would be available in a court, including declaratory or injunctive relief and attorneys’ fees where provided for by statute or law, except that, unless prohibited by applicable law, the Parties agree not to pursue any claim for punitive damages. In addition, for claims where less than \$75,000.00 is in dispute, and as to which the Client provided notice and negotiated in good faith prior to initiating arbitration, if the arbitrator finds that the Client is the prevailing party in the arbitration, the Client will be entitled to a recovery of attorneys’ fees and costs. Except for claims determined to be frivolous, AssetMark agrees not to seek an award of attorneys’ fees in arbitration of any individual claim where less than \$75,000.00 is in dispute, even if an award is otherwise available under applicable law.**
- (m) **If a claim qualifies, a Party may choose to pursue its claim by initiating individual proceedings in small claims court. This is an alternative to arbitration for only those cases that qualify under the rules of the small claims court.**
- (n) **For claims where less than \$75,000 is in dispute, AssetMark will pay all arbitrator fees. For claims where more than \$75,000 is in dispute, the payment of filing, administration and arbitrator fees will be governed by the JAMS Comprehensive Arbitration Rules and Procedures.**
- (o) **Except as may be required by law, neither Party nor an arbitrator may disclose the existence, content, status or results of any arbitration hereunder without the prior written consent of the other parties in the arbitration.**
- (p) **This section and agreement to arbitrate shall survive termination of this Agreement.**

#### EXHIBIT A – ERISA AND IRA SUPPLEMENT TO ASSETMARK TRUST CUSTODY AGREEMENT

This Supplement to the AssetMark Trust Custody Agreement shall apply to Clients for which AssetMark Trust holds in custody any portion of the assets: 1. of a plan, and related trust, governed by the Employee Retirement Income Security Act of 1974 (“ERISA”), (collectively, the “Plan”) for the Trustees of the Plan (the “Trustees”) or 2. of an Individual Retirement Account (an “IRA”).

The term “Client” in this Supplement shall include the Plan Trustee(s). If the “named fiduciary” (as defined in ERISA) of the Plan, who is authorized to contract with AssetMark Trust, is referred to by a term other than “Trustee,” then all references to “Trustee” and “Client” herein shall include such fiduciary. In the instance of an IRA, “Client” shall include the individual in whose name the IRA is established.

In the event of any inconsistency or conflict between this Supplement and any other terms or provisions of the AssetMark Trust Custody Agreement, then this Supplement shall control.

1. The Client and/or their Financial Advisor shall notify AssetMark Trust if the Client is subject to ERISA.
2. The Client hereby represents to have full power, authority and capacity to execute the AssetMark Trust Custody Agreement (the “Agreement”). If the Agreement is entered into by a Trustee or other fiduciary, including but not limited to someone meeting the definition of “fiduciary” under ERISA, or an employee benefit plan subject to ERISA, such Trustee or other fiduciary represents and warrants that the Client’s contracting for AssetMark Trust’s services is permitted by the relevant governing instrument of such Plan, and that the Client is duly authorized to enter into this Agreement. The Client agrees to furnish such documents or certifications to AssetMark Trust as required under ERISA or as AssetMark Trust reasonably requests. The Client further agrees to advise AssetMark Trust of any event or circumstance that might affect this authority or the validity of this Agreement. The Client additionally represents and warrants that (i) its governing instrument provides that an “investment manager” (as defined in Section 3(38) of ERISA) may be appointed and (ii) the person executing and delivering this Agreement on behalf of the Client is a “named fiduciary” as defined under ERISA who has the power under the Plan to appoint an investment manager.
3. For any Plan assets, the Client agrees to obtain and maintain, for the period of this Agreement, the bond required for fiduciaries by Section 412 under ERISA and to include AssetMark Trust among those covered by such bond.

This must remain with the Client

4. The Client has read, fully understands and agrees to be bound by the terms and conditions of the Agreement currently in effect, and as may be amended from time to time.
5. The Trustees acknowledge that they are responsible for the diversification of the Plan's investments and AssetMark does not have any such responsibility.
6. The Client hereby acknowledges and agrees to a separate custody fee for ERISA Plans and IRAs (the "IRA & ERISA Account Fee"). The IRA & ERISA Account Fee pays for extensive custodial and related services provided by AssetMark Trust to such IRA and ERISA accounts. The annual rate of this fee 0.50% and is disclosed in the IRA & ERISA Account Fee section of the AssetMark Trust Custody Agreement. The IRA & ERISA Account Fee is offset by fees and income that AssetMark Trust and/or its affiliates, including AssetMark, may receive from Fidelity or other service providers, such as advisers or administrators, in which Account assets are invested, including funds managed by AssetMark or a AssetMark affiliate, from banks or other institutions holding deposits of Account assets or from their services providers. At this time, the AssetMark Trust intends to waive any portion of the IRA & ERISA Account Fee not offset by this income. The Account will receive a credit to the extent that this income paid to AssetMark Trust and its affiliates exceeds the IRA & ERISA Account Fee.

## **EXHIBIT B – AGREEMENT REGARDING SECURITIES LENDING AND FEE FOR HOLDS ARRANGEMENTS**

The Client agrees as follows with respect to securities held in the Account in connection with Securities Lending and Fee for Holds Arrangements.

### **1. DEFINITIONS**

The following definitions apply to the provisions of the Agreement regarding the Client's participation in Securities Lending and Fee for Holds Arrangements:

*Available Securities* means those securities held by AssetMark Trust for Client that may be used in the securities lending or fee for holds programs. Available Securities shall include all Account securities held by AssetMark Trust, except those securities that are specifically identified by written notice, acceptable to AssetMark Trust, as not being Available Securities. Available Securities shall not include those Account securities subject to a lien by a third party pursuant to an agreement (usually called a "control agreement") to which AssetMark Trust has agreed. In the absence of such written notification, AssetMark Trust shall have no responsibility for determining whether any Account securities should be excluded from the definition of Available Securities and excluded from the securities lending program.

*Borrower* means any of the entities to which Available Securities may be loaned under a Securities Loan Agreement.

*Collateral* means collateral delivered by a Borrower to secure its obligations under a Securities Loan Agreement.

*Loan* means a loan of Available Securities to a Borrower.

*Loaned Security* shall mean any "security" which is delivered as a Loan under a Securities Loan Agreement; provided that, if any new or different security shall be exchanged for any Loaned Security by recapitalization, merger, consolidation, or other corporate action, such new or different security shall, effective upon such exchange, be deemed to become a Loaned Security in substitution for the former Loaned Security for which such exchange was made.

*Market Value* of a security means the market value of such security (including, in the case of a Loaned Security that is a debt security, the accrued interest on such security) as determined by the independent pricing service designated by AssetMark Trust, or such other independent sources as may be selected by AssetMark Trust on a reasonable basis.

*Replacement Securities* means securities of the same issuer, class and denomination as Loaned Securities.

*Securities Loan Agreement* means the agreement between a Borrower and AssetMark Trust (on behalf of Client) that governs Loans.

### **2. APPOINTMENT OF ASSETMARK TRUST AS AGENT FOR SECURITIES LENDING AND FEE FOR HOLDS ARRANGEMENTS**

The Client hereby appoints and authorizes AssetMark Trust, its affiliates or subsidiaries, as its agent to lend Available Securities to Borrowers in accordance with the terms of this Agreement and its provisions regarding securities lending. AssetMark Trust shall have the responsibility and authority to do, or cause to be done, all acts that AssetMark Trust shall determine to be desirable, necessary, or appropriate to implement and administer this securities lending program. Client agrees that AssetMark Trust is acting as a fully disclosed agent and not as principal in connection with the securities lending program. AssetMark Trust may take action as agent of Client on an undisclosed or a disclosed basis. AssetMark Trust is also hereby authorized to request a third party to undertake certain custodial functions in connection with holding of the Collateral provided by a Borrower pursuant to the terms hereof. In connection therewith, AssetMark Trust may instruct said third party to establish and maintain a Borrower's account and a AssetMark Trust account wherein all Collateral, including cash, shall be maintained by said third party in accordance with the terms of a form of custodial arrangement which shall also be consistent with the terms hereof. The fee from the Borrower shall be allocated between AssetMark Trust and Account with the Account being credited with 75% of the fee when received and AssetMark Trust retaining 25% of the fee.

The Client also authorizes AssetMark Trust, its affiliates or subsidiaries, as its agent, to enter into "fee for holds arrangements" with respect to certain Available Securities. AssetMark Trust will, in return for a fee from the Borrower, hold and reserve certain Available Securities and to refrain from lending such Available Securities to any third party without the Borrower's permission, provided, however, that the fee for holds arrangements shall not restrict or otherwise affect Client's ownership rights with regard to the Available Securities. The fee from the Borrower shall be allocated between AssetMark Trust and Client's Account with the Account being credited with 75% of the fee when received and AssetMark Trust retaining 25% of the fee.

### **3. SECURITIES LOAN ARRANGEMENTS**

Client authorizes AssetMark Trust to enter into one or more Securities Loan Agreements with such Borrowers as may be selected by AssetMark Trust. AssetMark Trust may, subject to the terms of this Agreement and its provisions regarding Securities Lending and Fee for Holds Arrangements and applicable law, borrow the Available Securities for its own account or loan it to an affiliate and it or its affiliate may have, as a result, a material interest with respect to that transaction. Any such transaction shall be an "arm's length" transaction and shall be made otherwise in compliance with applicable law. Each Securities Loan Agreement shall have such terms and conditions as AssetMark Trust may negotiate with the Borrower. Certain terms of individual Loans, including rebate fees to be paid to the Borrower for the use

of cash Collateral, shall be negotiated at the time a Loan is made and renegotiated from time to time as AssetMark Trust deems appropriate in AssetMark Trust's sole discretion.

#### 4. LOANS OF AVAILABLE SECURITIES

AssetMark Trust shall be responsible for determining whether any Loans shall be made and shall have the authority to terminate any Loan in its discretion, at any time and without prior notice to the Client.

Client acknowledges that AssetMark Trust administers securities lending programs for other Clients of AssetMark Trust. AssetMark Trust shall allocate securities lending opportunities among its Clients, using reasonable and equitable methods established by AssetMark Trust from time to time. AssetMark Trust does not represent or warrant that any amount or percentage of the Client's Available Securities will in fact be loaned to Borrowers. The Client agrees that it shall have no claim against AssetMark Trust and AssetMark Trust shall have no liability based on or relating to loans made for other Clients, or loan opportunities refused hereunder, whether or not AssetMark Trust has made fewer or more loans for any other Client, and whether or not any loan for another Client, or the opportunity refused, could have resulted in loans made under this Agreement and its provisions regarding Securities Lending and Fee for Holds Arrangements.

The Client also acknowledges that, under the applicable Securities Loan Agreements, the Borrowers will not be required to return Loaned Securities immediately upon receipt of notice from AssetMark Trust terminating the applicable Loan, but instead will be required to return such Loaned Securities within such period of time following such notice as is specified in the applicable Securities Loan Agreement and in no event later than the end of the customary settlement period. Upon receiving a notice from Client that Available Securities which have been loaned to a Borrower should no longer be considered Available Securities, AssetMark Trust shall use its reasonable efforts to notify promptly thereafter the Borrower which has borrowed such securities that the Loan of such Available Securities is terminated and that such Available Securities are to be returned within the time specified by the applicable Securities Loan Agreement and in no event later than the end of the customary settlement period.

#### 5. DISTRIBUTIONS ON AND VOTING RIGHTS WITH RESPECT TO LOANED SECURITIES

Client represents and warrants that it is the beneficial owner of all Available Securities, free and clear of all liens, claims, security interests and encumbrances, and that it is entitled to receive all distributions made by the issuer with respect to Loaned Securities. Except as may be provided in the Securities Loan Agreements, all interest, dividends, and other distributions paid with respect to Loaned Securities shall be credited to Client's Account on the payable date and any non-cash distribution on Loaned Securities, which is in the nature of a stock split or a stock dividend, shall be added to the Loan (and shall be considered to constitute Loaned Securities) as of the date such non-cash distribution is received by the Borrower. Client acknowledges that they will not be entitled to participate in any dividend reinvestment program, and that neither they nor their Investment Manager will be able to vote Available Securities that are on loan as of the applicable record date for such Available Securities.

Client also acknowledges that payments of distributions from Borrower to are in substitution for the interest or dividend accrued or paid in respect of Loaned Securities and that the tax and accounting treatment of such payments may differ from the tax and accounting treatment of such interest or dividend. Reports of substitute interest and dividends as well as other distributions will be provided to Client by AssetMark Trust.

#### 6. COLLATERAL TO SECURE OBLIGATIONS OF BORROWERS

(a) Receipt of Collateral. Client hereby authorizes AssetMark Trust, or a third party, to receive and hold Collateral from Borrowers to secure the obligations of Borrowers with respect to any Loan of Available Securities. All investments of cash Collateral shall be for the Account and at the risk of Client. Concurrently with, or prior to the delivery of, the Loaned Securities to the Borrower, AssetMark Trust shall receive from the Borrower Collateral in a form acceptable to AssetMark Trust.

The initial Collateral received shall (1) in the case of Loaned Securities denominated in United States Dollars or whose primary trading market is located in the United States or sovereign debt issued by foreign governments, have a value of 102% of the Market Value of the Loaned Securities, plus accrued interest, if any, on debt securities or (2) in the case of Loaned Securities which are not denominated in United States Dollars or whose primary trading market is not located in the United States, have a value of 105% of the Market Value of the Loaned Securities, plus accrued interest, if any, on debt securities or (3) have such other higher value as may be applicable in the jurisdiction in which such Loaned Securities are customarily traded.

(b) Marking to Market. AssetMark Trust shall value all Loaned Securities on a daily basis in accordance with its customary practice. To the extent any additional Collateral is required, AssetMark Trust shall credit such additional Collateral to AssetMark Trust's Securities Lending Collateral account for the benefit of Client on the day such Collateral is received from the Borrower.

(c) Return of Collateral. The Collateral shall be returned to Borrower at the termination of the Loan upon the return of the Loaned Securities by Borrower to AssetMark Trust in accordance with the applicable Securities Loan Agreement.

(d) Limitations. AssetMark Trust shall exercise reasonable care, skill, diligence and prudence in the investment of Collateral. Subject to the foregoing limits and standard of care, AssetMark Trust does not assume any market or investment risk of loss with respect to the investment of cash Collateral. If the value of the cash Collateral so invested is insufficient to return any and all other amounts due to such Borrower pursuant to the Securities Loan Agreement, Account shall be responsible for such shortfall.

#### 7. INVESTMENT OF CASH COLLATERAL AND COMPENSATION

To the extent that a Loan is secured by cash Collateral, such cash Collateral, including money received with respect to the investment of the same, or upon the maturity, sale, or liquidation of any such investments, shall be invested by AssetMark Trust as agent for the Client. The Client acknowledges and agrees that AssetMark Trust is acting as agent on the Client's behalf in connection with the investment of cash received as Collateral and that neither AssetMark Trust nor any of its affiliates acts as investment adviser to the Client with respect to the investment of the Collateral. The Client understands that the Client bears the risk of investment loss, including any decline in value of the Collateral investments.

In the event the net income generated by any investment made pursuant to the above paragraph does not equal or exceed the amount due the Borrower (the rebate fee for the use of cash Collateral) in accordance with the agreement between Borrower and AssetMark Trust, the rebate fee shall be renegotiated or the Loan(s) shall be terminated and the Loaned Securities recalled by AssetMark Trust.

To the extent that a Loan is secured by non-cash Collateral, the Borrower shall be required to pay a loan premium, the amount of which shall be negotiated by AssetMark Trust. Such loan premium shall be allocated between AssetMark Trust and Client's Account with

**This must remain with the Client**

the Account being credited with 75% of the fee when received and AssetMark Trust retaining 25% of the fee.

Client hereby agrees that it shall reimburse AssetMark Trust for any and all funds advanced by AssetMark Trust on behalf of Client as a consequence of Client's obligations hereunder, including Client's obligation to return cash Collateral to the Borrower and to pay any fees due the Borrower.

## 8. RECORDKEEPING AND REPORTS

AssetMark Trust will establish and maintain such records as are reasonably necessary to account for Loans that are made and the income derived there from. AssetMark Trust will provide Client with a statement describing the Loans made, and the income derived from the Loans, during the period covered by such statement.

## 9. LIMITATIONS ON ASSETMARK TRUST'S LIABILITY AND STANDARD OF CARE

The limitations on AssetMark Trust's liability and the indemnification obligations of the Client Owner set forth in the provisions of this Agreement Regarding Securities Lending and Fee for Holds Arrangements are in addition to, and are intended to supplement, the limitations on AssetMark Trust's liability and the indemnification obligations of the Client otherwise set forth in the Client's AssetMark Trust Custody Agreement.

Subject to the requirements of applicable law, AssetMark Trust shall not be liable for and Account Owner shall indemnify AssetMark Trust, its affiliates and their officers, directors, shareholders, agents and employees against, any losses, damages or expenses resulting from any action or inaction by AssetMark Trust or by any third party, except for losses resulting from AssetMark Trust's gross negligence, reckless disregard, willful misconduct or bad faith. The Client agrees to reimburse and hold AssetMark Trust harmless from and against any liability, loss and expense, including counsel and attorneys' fees, expenses and court costs, arising from or in connection with: (i) any breach of any representation, covenant or agreement of the Client contained in the provisions of this Agreement Regarding Securities Lending and Fee for Holds Arrangements or any Loan; (ii) claims of any third parties, including any Borrower; (iii) all taxes and other governmental charges; and (iv) any out-of-pocket or incidental expenses. AssetMark Trust may, upon notice and with proper supporting documentation, charge any amounts to which it is entitled hereunder against the Client's Account. Without limiting the generality of the foregoing, the Client agrees: (i) that AssetMark Trust shall not be responsible for any statements, representations or warranties which any Borrower makes in connection with any securities loans hereunder, or for the performance by any Borrower of the terms of a Loan, or any agreement related thereto, and shall not be required to ascertain or inquire as to the performance or observance of, or a default under the terms of, a Loan or any agreement related thereto; (ii) that AssetMark Trust shall be fully protected in acting in accordance with the oral or written instructions of any person reasonably believed by AssetMark Trust to be authorized to execute this Agreement on behalf of Client (an "Authorized Person"); (iii) that in the event of a default by a Borrower under a Loan, AssetMark Trust shall be fully protected in acting in its sole discretion in a manner it deems appropriate; (iv) that AssetMark Trust shall not be under any duty or obligation to take action to effect payment by a Borrower of any amounts owed by the Borrower pursuant to the Loan Agreement, provided AssetMark Trust timely advises the Client of the non-payment by the Borrower of any such amount; and (v) that the records of AssetMark Trust shall be presumed to reflect accurately any oral instructions given by an Authorized Person or a person reasonably believed by AssetMark Trust to be an Authorized Person.

The Client acknowledges that, in the event that their participation in securities lending generates income for the Client, AssetMark Trust may be required to withhold tax or may claim such tax as is appropriate in accordance with applicable law.

AssetMark Trust, in determining the Market Value of Securities, including without limitation, Collateral, may rely upon any recognized pricing service and shall not be liable for any errors made by such service.

## 10. INDEMNIFICATION BY ASSETMARK TRUST

- (a) If at the time of a default by a Borrower with respect to a Loan (within the meaning of the applicable Securities Loan Agreement), some or all of the Loaned Securities under such Loan have not been returned by the Borrower, and subject to the terms of this Agreement, AssetMark Trust shall indemnify the Client against the failure of the Borrower as follows. AssetMark Trust shall purchase a number of Replacement Securities equal to the number of such unreturned Loaned Securities, to the extent that such Replacement Securities are available on the open market. Such Replacement Securities shall be purchased by applying the proceeds of the Collateral with respect to such Loan to the purchase of such Replacement Securities. Subject to the Client's obligations hereunder, if and to the extent that such proceeds are insufficient or the Collateral is unavailable, the purchase of such Replacement Securities shall be made at AssetMark Trust's expense.
- (b) If AssetMark Trust is unable to purchase Replacement Securities pursuant to the above provisions (in paragraph (a)), AssetMark Trust shall credit the Client's Account an amount equal to the Market Value of the unreturned Loaned Securities for which Replacement Securities are not so purchased, determined as of (i) the last day the Collateral continues to be successfully marked to market by the Borrower against the unreturned Loaned Securities; or (ii) the next business day following the day referred to in (i) above, if higher.
- (c) In addition to making the purchases or credits required above (by paragraphs (a) and (b)), AssetMark Trust shall credit to Client's Account the value of all distributions on the Loaned Securities (not otherwise credited to Client's Account(s) with AssetMark Trust), for record dates which occur before the date that AssetMark Trust purchases Replacement Securities pursuant to the above provisions (in paragraph (a)) or credits Client's account pursuant to the above provisions (in paragraph (b)).
- (d) Any credits required under the above provisions (in paragraphs (b) and (c)) shall be made by application of the proceeds of the Collateral, if any, that remains after the purchase of Replacement Securities as provided above (pursuant to paragraph (a)), if and to the extent that the Collateral is unavailable or the value of the proceeds of the remaining Collateral is less than the value of the sum of the credits required to be made as provided above (under paragraphs (b) and (c)), such credits shall be made at AssetMark Trust's expense.
- (e) If after application of the above provision (in paragraphs (a) through (d)), additional Collateral remains or any previously unavailable Collateral becomes available or any additional amounts owed by the Borrower with respect to such Loan are received from the Borrower, AssetMark Trust shall apply the proceeds of such Collateral or such additional amounts first to reimburse itself for any amounts expended by AssetMark Trust pursuant to the above provisions (in paragraphs (a) through (d) above), and then to credit to the Client's Account all other amounts owed by the Borrower to the Client with respect to such Loan under the applicable Securities Loan Agreement.
- (f) In the event that AssetMark Trust is required to make any payment and/or incur any loss or expense under this Section, AssetMark Trust shall, to the extent of such payment, loss, or expense, be

**This must remain with the Client**

subrogated to, and succeed to, all of the rights of the Client against the Borrower under the applicable Securities Loan Agreement.

- (g) These provisions shall not apply to losses attributable to war, riot, revolution, acts of government or other causes beyond the reasonable control or apprehension of AssetMark Trust.

#### **11. CONTINUING AGREEMENT AND TERMINATION OF PROVISIONS OF AGREEMENT REGARDING SECURITIES LENDING AND FEE FOR HOLDS ARRANGEMENTS**

It is the intention of the parties hereto that the provisions of Exhibit B of this Agreement, regarding Securities Lending and Fee for Holds Arrangements, shall constitute a continuing agreement in every respect and shall apply to each and every Loan, whether now existing or hereafter made. The Client and AssetMark Trust may each at any time terminate this portion of the Agreement Regarding Securities Lending and Fee for Holds Arrangements, upon five (5) business days' written notice to the other to that effect. The only effects of any such termination of this portion of the Agreement Regarding Securities Lending and Fee for Holds Arrangements, will be that (a) following such termination, no further Loans shall be made hereunder by AssetMark Trust on behalf of the Client, and (b) AssetMark Trust shall, within a reasonable time after termination of this Agreement, terminate any and all outstanding Loans. The provisions hereof shall continue in full force and effect in all other respects until all Loans have been terminated and all obligations satisfied as herein provided. AssetMark Trust does not assume any market or investment risk of loss associated with the Client's change in cash Collateral investment vehicles or termination of, or change in, its participation in this securities lending program and the corresponding liquidation of cash Collateral investments.

#### **12. SECURITIES INVESTORS PROTECTION ACT OF 1970 NOTICE**

THE CLIENT IS HEREBY ADVISED AND ACKNOWLEDGES THAT THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 MAY NOT PROTECT THE CLIENT WITH RESPECT TO THE LOAN OF SECURITIES HEREUNDER AND THAT, THEREFORE, THE COLLATERAL DELIVERED TO ASSETMARK TRUST MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF THE BROKER'S OR DEALER'S OBLIGATION IN THE EVENT THE BROKER OR DEALER FAILS TO RETURN THE SECURITIES.

# Insured Cash Deposit Program Disclosure Statement

You have selected AssetMark Trust Company ("AssetMark Trust") to act as your custodian and hold in safekeeping your investments in one or more custodial accounts. Your account will be invested consistent with the strategy you selected with your Financial Advisor. A portion of each account is invested in cash or a cash alternative investment. For many AssetMark Trust accounts, cash allocations and cash pending investment are deposited in an FDIC-insured program (the "Insured Cash Deposit Program" or "ICD Program"). Under the ICD Program, an account's allocation to cash, including amounts awaiting investment or otherwise held to satisfy account obligations, such as fees, is deposited into interest-bearing deposit accounts (the "Deposit Accounts") at FDIC-insured depository institutions (each a "Program Bank") until the cash is needed or otherwise reallocated. AssetMark Trust's Insured Cash Deposit Program provides up to \$2.5 million cumulative FDIC coverage with deposits held at a network of Program Banks. If you have cash in an administrative or non-managed account, those assets are also deposited through the ICD Program. Cash in strategies managed by AssetMark, Inc., ("AssetMark") is not eligible to participate in the ICD Program at this time, but will be invested in Government Money Market Funds. Exceptions may apply.

This Disclosure Statement tells you more about the ICD Program. Please keep it with your important papers.

**1. Eligibility for ICD Program.** AssetMark Trust client accounts participate in the ICD Program unless they are invested in a strategy managed by AssetMark ("AssetMark Strategies") or are Internal Revenue Code Section 403(b)(7) custodial accounts required to be invested solely in regulated investment company stock, such as money market mutual funds. AssetMark Strategies include those strategies for which AssetMark exercises some level of discretion in the investment management of the strategy, including those managed by its Savos and Aris Divisions. For a complete list of AssetMark Strategies, please visit [www.assetmark.com/cash](http://www.assetmark.com/cash). This list may change periodically. Additionally, AssetMark Trust, in its discretion, may determine that your account, or a particular strategy held in your account, is ineligible to participate in the ICD Program. If your account is invested through an AssetMark Strategy or is otherwise ineligible to participate in the ICD Program, any cash held in that account or strategy will be invested in Government Money Market Fund(s) that seek to maintain a stable \$1.00 per share net asset value (including those commonly referred to as Treasury funds), unless another investment is chosen for your account.

Accounts on the AssetMark Platform are required, pursuant to their investment strategy or guidelines, to maintain an allocation – typically be between 1.5% to 2.5% – to cash or cash alternative investments. That portion of your account will be invested in the ICD Program if your account is eligible for the ICD Program, or in a Government Money Market Fund if your account is not eligible for the ICD Program. More may be invested in a cash investment, for example, if an additional allocation to cash is selected for your account's strategy or if cash is awaiting investment or distribution. Those additional cash investments will be invested in the cash

investment that your account is eligible for – either the ICD Program or Government Money Market Fund(s) – unless another investment is chosen. If you have cash in an administrative or non-managed account, those assets will be deposited through the ICD Program unless another investment is chosen. Your AssetMark Trust account statement will report on the investment of your cash in the ICD Program and/or in one or more Government Money Market Funds. For more information about the ICD Program, please visit [www.assetmark.com/cash](http://www.assetmark.com/cash) or contact your Financial Advisor.

- 2. How AssetMark Trust's ICD Program Works.** AssetMark Trust will act as your agent in establishing and maintaining Deposit Account(s) at each Program Bank. A Deposit Account is established on an omnibus basis at each Program Bank. Records of the beneficial ownership of the amounts in each Deposit Account will be maintained by AssetMark Trust and/or AssetMark Trust's third-party service provider for the ICD Program (the "Program Administrator") and the Program Banks in a manner consistent with applicable FDIC rules governing "pass-through" deposit insurance. Under FDIC rules, FDIC deposit insurance coverage is deemed to "pass through" to you, as a beneficial owner of the Deposit Account, subject to limitations on FDIC insurance.
- 3. FDIC Insurance.** Cash in the Deposit Accounts is insured by the FDIC subject to certain terms and conditions, including those set by the FDIC. The applicable FDIC insurance limit depends on the ownership category in which your account holds the ICD Program deposit, and the relevant limit will be applied to all deposits (including ICD Program deposits and deposits outside the ICD Program) held in the same ownership category at the same Program Bank. Deposits held in different ownership categories, as provided in FDIC rules, are insured separately. Single ownership accounts and each co-owner's share of joint accounts are insured up to \$250,000. For retirement accounts such as IRAs, the limit is typically \$250,000, and is applied separately from the limit applied to amounts held by the IRA owner in their personal capacity. Special rules apply to insurance of trust deposits. These limits are subject to change. Because your funds in the ICD Program can be maintained on deposit at multiple Program Banks, the maximum amount of FDIC deposit insurance coverage under the ICD Program is \$2,500,000 per ownership category. Deposits made by you with a Program Bank outside of the ICD Program will count toward the FDIC limit for the relevant ownership category. For joint accounts, record keeping in the ICD Program towards the FDIC limit is performed only with regard to that co-owner whose social security number is used for tax reporting purposes; if your joint account is not reported under your social security number, you are responsible monitoring your balances in and outside of the ICD Program at Program Banks. You are responsible for monitoring your balances held at all Program Banks to determine what deposit insurance coverage is available to you. AssetMark Trust, its affiliates and service providers do not monitor balances held outside the ICD Program. A list of Program Banks is available through your

Financial Advisor and on [www.assetmark.com/cash](http://www.assetmark.com/cash). If you do not want a particular Program Bank to be eligible to receive deposits through AssetMark Trust's ICD Program, you should inform your Financial Advisor. Please be aware that if you choose to opt out of one or more banks participating in the ICD Program, you may not be eligible for FDIC insurance coverage up to the maximum of \$2,500,000 per capacity. More information about FDIC insurance is available at [www.fdic.gov](http://www.fdic.gov) or by phone at 877.275.3342 (or 800.925.4618 for TDD).

4. **Program Banks.** A list of Program Banks is available through your Financial Advisor and is posted at [www.assetmark.com/cash](http://www.assetmark.com/cash) where changes to the list of Program Banks will also be posted. You should consult this site for the most up-to-date information about Program Bank eligibility for your account deposits. If you do not take any action in response to an addition to or deletion from the list of Program Banks, you are deemed to consent to the change. Because you are responsible for monitoring the total amount of your deposits at each Program Bank in order to determine available FDIC insurance coverage, you should periodically review the current list of Program Banks to determine if a change in Program Banks has an impact on your coverage.
5. **Deposits.** The cash balances in your AssetMark Trust account will be deposited into one or more Deposit Accounts maintained at Program Banks. Once your cash has been deposited at a Program Bank, it is referred to as your "Program Deposit." Each Deposit Account constitutes an obligation of the Program Bank to you and is not, directly or indirectly, an obligation of AssetMark Trust or its affiliates. Nor does AssetMark Trust or any of its affiliates guarantee the financial condition of any Program Bank. You will not have a direct relationship with any Program Bank through the ICD Program. You cannot place deposits directly with Program Banks through the ICD Program. Deposits to the Deposit Accounts will be made by AssetMark Trust on your behalf. Information about the Deposit Accounts and your Program Deposit is available to you from AssetMark Trust, not the Program Banks. No evidence of ownership of your Program Deposits, such as a passbook or certificate, will be issued to you. Your AssetMark Trust client account statement will report your end-of-month cash balance in the Program Bank(s). No separate trade confirmations of sweep transactions will be provided to you.

The allocation of deposits among Program Banks is determined according to a nondiscretionary allocation method, developed and managed by the Program Administrator, and designed, among other things, to maximize FDIC insurance coverage for your Program Deposits. Available cash in your account will be deposited into a Deposit Account at a Program Bank until the balance of your Deposit Account at that Program Bank reaches a maximum deposit amount that is less than the maximum amount of FDIC insurance coverage. The ICD Program will then deposit additional funds at the next eligible Program Bank on the list up to such limit. Once your Deposit Account deposits in the aggregate are at the ICD Program maximum of \$2,500,000 for a particular ownership category, additional amounts will be deposited with a designated Program Bank (the "Excess Bank"). An "Excess Bank" is a bank that will accept deposits above the maximum deposit insurance amount. The ICD Program does not provide for FDIC insurance on Excess Bank deposits. You may not select which of the Program Banks receive such excess deposits of your funds. If you choose to opt out of a bank participating in the ICD Program, that bank may still serve as an Excess Bank for your funds; you may not block Excess Bank deposits.

6. **Settlement Bank.** Deposits to and withdrawals from the Deposit Accounts with the Program Banks will be settled through a deposit account (the "Settlement Account") at an FDIC-insured depository institution (the "Settlement Bank"). Although your cash will be temporarily deposited in the Settlement Account from time to time, it is generally anticipated that there will not be any funds on deposit in the Settlement Account overnight. Nevertheless, in the event of the failure of the Settlement Bank, there could be a circumstance in which your account has a deposit with the Settlement Bank at the time the Settlement Bank is closed. In such case, your account funds that are in the Settlement Account at that time will be eligible for FDIC insurance up to the maximum applicable deposit insurance amount only for each separately covered ownership category. The cumulative coverage of \$2,500,000 available once funds are allocated among the Program Banks is not available when funds are on deposit with the Settlement Bank.
7. **Withdrawals.** If the cash in your Program Deposit is needed, AssetMark Trust, as your agent, will withdraw funds from the Deposit Account(s) maintained at one or more Program Banks. Federal banking regulations require Program Banks to reserve the right to require written notice seven days before permitting transfers or withdrawals from the Deposit Accounts, although the Program Banks may not require this notice. No withdrawal requests will be accepted directly from you by the Program Banks.
8. **Interest Rates.** Interest rates paid by each Program Bank under the ICD Program are determined by that Program Bank and change from time to time. Your Program Deposit will earn the same rate of interest regardless of the Program Bank(s) with which your Program Deposit is held. Interest accrues daily and is payable monthly. Interest paid by the Program Banks will be credited to your Program Deposit after payment of fees to the Program Administrator and AssetMark Trust for their services in connection with the ICD Program, as described below. The interest rates paid to clients on their Program Deposit will vary over time. Your interest rate may be based on a tier determined by the balance of your Program Deposits and the current interest rate environment. Interest rates may also vary based on type of account. A current interest rate schedule is available through your Financial Advisor and on [www.assetmark.com/cash](http://www.assetmark.com/cash).

Over any given period, the interest rates on the Program Deposits may be lower than the rate of return on other investments which are not FDIC insured or on bank account deposits offered outside of the ICD Program. Program Banks do not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds. By comparison, money market mutual funds may seek to achieve higher rates of return consistent with their investment objectives, which can be found in their prospectuses. The ICD Program is not intended to be a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, please contact your Financial Advisor to discuss investment options that may be available outside of the ICD Program that may be better suited to your goals. You should compare the terms, interest rates, required minimum amounts, and other features of the ICD Program with other accounts and alternative investments.

9. **Program Fees and Conflicts of Interest.** The ICD Program may create financial benefits for AssetMark Trust, AssetMark and their affiliates and for the Program Banks. AssetMark Trust is paid Custodial Account Fees pursuant to the terms of your Custody Agreement with AssetMark Trust and the advisory agreement you have with your Financial Advisory Firm or AssetMark. AssetMark Trust will also receive compensation from the Program Banks for the record keeping and administrative services it provides in connection with maintaining the ICD Program (the "Program Fee"). AssetMark Trust may receive service fees from the Government Money Market Funds, or their service providers, whose shares may be held by accounts that are not eligible for the ICD Program. AssetMark Trust may earn higher fees on cash deposited in the ICD Program than on cash invested in Government Money Market Funds. These are conflicts of interest for AssetMark Trust.

The interest rate payable under the ICD Program is based on the amounts paid by the Program Banks, less the Program Fees paid to AssetMark Trust by the Program Banks, which may be up to 4% on an annualized basis as applied across all Deposit Accounts. Additionally, the Program Administrator is paid a formula-based fee (an "Administrative Fee") based primarily on the gross interest rate paid by the Program Banks. The amount of the Administrative Fees and Program Fees will affect the interest rate paid to you. The current interest rate schedule payable on your Program Deposits is available on [www.assetmark.com/cash](http://www.assetmark.com/cash). This compensation to AssetMark Trust may be greater or less than that paid to other custodians with regard to cash sweep vehicles. In its discretion, AssetMark Trust may reduce its fees and may vary the amount of the reductions between clients. The Program Fee may vary from Program Bank to Program Bank. The amount of the Program Fees paid to AssetMark Trust will affect the interest rate paid on your Program Deposits. No part of the Program Fee is paid to your Financial Advisor. AssetMark Trust reserves the right to modify the Program Fees it receives from Program Banks.

The amounts paid by each Program Bank to participate in the ICD Program (and used, in part, to determine your interest rate) may vary for various reasons, including reasons that may benefit AssetMark. The interest rate your Program Deposit earns with respect to the ICD Program may be lower than interest rates available to depositors making deposits directly with a Program Bank or with other depository institutions. Program Banks do not have a duty to provide the highest rates available and may instead seek to pay a low rate; lower rates may be more financially beneficial to a Program Bank. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates.

**IRA & ERISA Account Fee:** In the case of an IRA or ERISA account that is invested in an AssetMark Strategy or is subject to an Investment Management Services Agreement with AssetMark, the Program Fee earned by AssetMark Trust in connection with the ICD Program and the service fee income earned by AssetMark Trust with regard to Government Money Market Funds will offset an "IRA & ERISA Account Fee" otherwise chargeable to the account by AssetMark Trust. The IRA & ERISA Account Fee is charged for the additional custodial and other services provided by AssetMark Trust to IRA and ERISA accounts. The IRA & ERISA Account Fee is payable quarterly, in advance, for the upcoming calendar quarter, at the annual rate of 0.50%, based on the Account's value (including mutual fund shares) on the last business day of the preceding calendar quarter. The IRA & ERISA Account Fee is in addition to other fees payable by the account. No portion of the fee is charged upon receipt of assets to an account, and no portion of the fee is prorated or refunded. At this time, AssetMark

Trust intends to waive any portion of this IRA & ERISA Account Fee not offset by the Program Fees received by AssetMark Trust through the ICD Program, the service fees earned from Government Money Market Funds by AssetMark Trust or an affiliate, and any other fee income received by AssetMark Trust or an affiliate from the investments of the account. Additionally, the account will receive a credit to the extent that the aggregate amount of such service fee income received by AssetMark Trust or an affiliate exceeds the IRA & ERISA Account Fee chargeable to the account. Since AssetMark Trust receives the Program Fee, which may be a maximum of 4%, on only a portion of account assets, and the IRA & ERISA Account Fee is on all account assets, the Program Fee is likely to be less than the IRA & ERISA Account Fee.

In the case of an IRA or ERISA account that is managed by a third-party manager unaffiliated with AssetMark Trust and AssetMark and subject to a Client Services Agreement with the client's Financial Advisory Firm, the Program Fee will not offset the IRA & ERISA Account Fee.

10. **Information and Changes Regarding the Terms of the ICD Program.** Information regarding the ICD Program will be posted at [www.assetmark.com/cash](http://www.assetmark.com/cash), and you should consult this site for the most up-to-date information about the ICD Program. Generally, you will also receive notification in advance of important changes to the ICD Program. That notification may direct you to your Financial Advisor or to the web address listed above for specific information on the change. Changes may include changes to the list of Program Banks, to the interest rates payable to your account, to the fees received by the Program Administrator and AssetMark Trust for the services provided in connection with the ICD Program, and to the maximum amount of FDIC insurance coverage for your deposits. You should direct any questions you may have about any changes or proposed changes to your Financial Advisor. Note that, while AssetMark Trust will endeavor to provide advance notice of changes, AssetMark Trust may be unable to do so in some cases, in which case AssetMark Trust will provide you with notice of the changes as soon as is reasonably practicable. It is your obligation to monitor your account(s), your FDIC coverage and your FDIC insurance eligibility. If you do not agree to any changes, you should contact your Financial Advisor to discuss transferring your account to another provider. If you do not take any action in response to a change, you are deemed to consent to the change to the ICD Program.

11. **Closing Accounts.** AssetMark Trust or a Program Bank may close Deposit Accounts at any time. If a Deposit Account is closed, you may be able to establish a direct depository relationship with the Program Bank, subject to its rules with respect to maintaining deposit accounts. Establishing a deposit account in your name at a Program Bank will separate your deposit account from your AssetMark Trust custodial account. Your non-ICD Program deposit account balance will not be reflected in your AssetMark Trust account statement, and AssetMark Trust and its affiliates will have no further responsibility concerning your deposit account. If you do not establish a direct depository relationship with a Program Bank when a Deposit Account is closed, your Program Deposit will be transferred to your AssetMark Trust custodial account. If you close your AssetMark Trust custodial account, your Program Deposit accounts will also be closed and the funds distributed to you according to the conditions of your Custody Agreement.

12. **No SIPC Protection on ICD Program Deposits.** AssetMark Trust generally uses Fidelity Brokerage Services LLC and National Financial Services LLC (collectively, "Fidelity") as sub-custodians for securities, including mutual fund shares. Fidelity is a member of Securities Investor Protection Corporation ("SIPC") and

maintains reasonable levels of excess SIPC coverage for the protection of cash and securities, including shares of Government Money Market Funds, held on behalf of AssetMark Trust's clients. SIPC coverage protects against the loss (e.g., theft) of the securities, not against a decline in their market value. Fidelity will not provide sub-custodial services for assets in the ICD Program, and your Program Deposit is not eligible for SIPC coverage.

13. **Tax Reporting.** For most non-retirement accounts, interest earned from your Program Deposit will be taxed as ordinary income in the year it is received, and a Form 1099 will be sent to you by AssetMark Trust. This information is not legal or tax advice.

14. **AssetMark Trust Custody Agreement.** This Disclosure Statement supplements the terms of your existing Custody Agreement with AssetMark Trust. If any provision of the Custody Agreement conflicts with provisions of this Disclosure Statement, the Custody Agreement shall govern.

YOU AGREE TO CAREFULLY READ, UNDERSTAND AND ACCEPT THE TERMS AND CONDITIONS OF THIS DISCLOSURE STATEMENT. YOU UNDERSTAND THAT BY CONTINUING TO MAINTAIN YOUR ACCOUNT AT ASSETMARK TRUST, YOU ACCEPT AND ARE LEGALLY BOUND BY THE PROVISIONS OF THIS DOCUMENT AND CONSENT TO ANY CONFLICT OF INTEREST OF ASSETMARK TRUST DISCLOSED HEREIN.

**AssetMark Trust Company**

3200 N. Central Ave.  
7th Floor  
Phoenix, AZ 85012-2425

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**ASSETMARK TRUST COMPANY**

# **IRA Trust Agreement and Disclosure**

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**AssetMark Trust Company**

3200 N. Central Ave.  
7th Floor  
Phoenix, AZ 85012-2425  
800-664-5345

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**ASSETMARK TRUST COMPANY IRA TRUST AGREEMENT****FORM 5305 UNDER SECTION 408(A) OF THE INTERNAL REVENUE CODE**

- The Grantor, the Account Holder whose name appears on the attached Application, is establishing a traditional Individual Retirement Account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.
- The Trustee, Custodian AssetMark Trust Company, named on the attached Application, has given the Grantor the disclosure statement required under Regulations Section 1.408-6.
- The Grantor has assigned to the Trust Account the sum indicated on the Application.
- The Grantor and the Trustee make the following agreement.

**ARTICLE I**

Except in the case of a rollover contribution described in Section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employee contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the Trustee will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the taxable year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

**ARTICLE II**

The Grantor's interest in the balance in the Trust Account is non forfeitable.

**ARTICLE III**

1. No part of the Trust Account funds may be invested in life insurance contracts, nor may the assets of the Trust Account be commingled with other property except in a common trust fund or common investment fund (within the meaning of Section 408(a)(5)).
2. No part of the Trust Account funds may be invested in collectibles (within the meaning of Section 408(m)) except as otherwise permitted by Section 408(m)(3) which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

**ARTICLE IV**

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the Grantor's interest in the Trust Account shall be made in accordance with the following requirements and shall otherwise comply with Section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The Grantor's entire interest in the Trust Account must be, or begin to be, distributed not later than the Grantor's required beginning date, April 1 following the calendar year in which the Grantor reaches age 70½. By that date, the Grantor may elect, in a manner acceptable to the Trustee, to have the balance in the Trust Account distributed in:
  - (a) A single sum or

- (b) Payments over a period not longer than the life of the Grantor or the joint lives of the Grantor and his or her designated beneficiary.
3. If the Grantor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
    - (a) If the Grantor dies on or after the required beginning date and:
      - (i) the designated beneficiary is the Grantor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
      - (ii) the designated beneficiary is not the Grantor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Grantor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
      - (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Grantor as determined in the year of the Grantor's death and reduced by 1 for each subsequent year.
    - (b) if the Grantor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accord with (ii) below:
      - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Grantor's death. If, however, the designated beneficiary is the Grantor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Grantor would have reached age 70½. But, in such case, if the Grantor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.
      - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Grantor's death.
  4. If the Grantor dies before his or her entire interest has been distributed and if the designated beneficiary is not the Grantor's surviving spouse, no additional contributions may be accepted in the account.
  5. The minimum amount that must be distributed each year, beginning with the year containing the Grantor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
    - (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Grantor reaches age 70½, is the Grantor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section

1.401(a)(9)-9. However, if the Grantor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Grantor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.409(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Grantor's (or, if applicable, the Grantor and spouse's) attained age (or ages) in the year.

- (b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Grantor's death (or the year the Grantor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
- (c) The required minimum distribution for the year the Grantor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

- 6. The owner of two or more traditional IRAs may satisfy the minimum distribution requirements described above by taking from one traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

#### ARTICLE V

- 1. The Grantor agrees to provide the Trustee with information necessary for the Trustee to prepare any reports required under Section 408(l) and Regulations Sections 1.408-5 and 1.408-6.
- 2. The Trustee agrees to submit reports to the Internal Revenue Service and the Grantor as prescribed by the Internal Revenue Service.

#### ARTICLE VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles that are not consistent with section 408(a) and related regulations will be invalid.

#### ARTICLE VII

This Agreement will be amended from time to time to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the application.

#### ARTICLE VIII

##### 1. *IRA Trust Agreement supplements AssetMark Trust Company Custody Agreement*

This IRA Trust Agreement supplements and is supplemented by the AssetMark Trust Company Custody Agreement, and the terms of the AssetMark Trust Company Custody Agreement shall also apply to this IRA Trust Account, to the extent they do not conflict with the terms of this IRA Trust Agreement.

##### 2. *Definitions and section references:*

The words "you" and "your" mean the "Grantor." The "Grantor" is referred to as the "Account Owner" in the AssetMark Trust Company Trust Account Agreement. The words "we," "us," and "our" mean the Trustee, AssetMark Trust Company, which is referred to as

AssetMark Trust Company in the AssetMark Trust Company Trust Account Agreement. "Trust Account" is the Individual Retirement Accounts or IRA, established by this Agreement. "Code" means the Internal Revenue Code. Other capitalized terms not defined in this IRA Trust Agreement shall be given their meanings as set forth in the Custody Agreement. Section references are to the Code unless otherwise noted.

##### 3. *Contributions made by deposit of tax refund*

In addition to the contribution types referenced in Article I, we will also accept the deposit of federal income tax refunds, as provided in Section 830 of the Pension Protection Act of 2006, as the equivalent of cash contributions to your IRA.

##### 4. *Increase In contribution limits*

For 2017, and 2018, the contribution limits stated in Article I are increased as follows: The contribution limit is increased to \$5500. However, for individuals who have reached the age of 50 before the close of the calendar year, the contribution limit is increased to \$6500.

##### 5. *Investment of amounts in the IRA*

- (a) You shall have exclusive responsibility for the investment of your IRA.
- (b) Trustee AssetMark Trust Company ("AssetMark Trust") shall have no responsibility for the investment of your IRA. Trustee AssetMark Trust shall have no discretion to direct any investment in your IRA. AssetMark Trust assumes no responsibility for rendering investment advice with respect to your IRA, nor will AssetMark Trust offer any opinion or judgment to you on matters concerning the advisability or suitability of any investment or proposed investment for your IRA.
- (c) You may delegate your investment responsibility for your IRA to another party acceptable to us, such as to an advisor pursuant to a Client Advisory Agreement available on the AssetMark Platform. To the extent that the assets of the IRA are subject to an investment advisory arrangement, such as a Client Advisory Agreement, the terms of that arrangement or Client Advisory Agreement shall apply to the investment of those assets. Trustee has no responsibility to review or question, nor shall we be responsible for, the directions of an investment adviser to the IRA. To the extent that there exist assets in the IRA that are not subject to an investment advisory arrangement, you shall remain exclusively responsible for the investment of those assets.

##### 6. *Beneficiaries*

If you die before you receive all of the amounts in your IRA, payments from your IRA shall be made to your beneficiaries. You may designate one or more person(s) or entity as beneficiary of your IRA. This designation can only be made on a form acceptable by us and it shall only be effective when it is filed with and accepted by us during your lifetime. Each beneficiary designation accepted by us shall cancel any previous designation. The designation of a beneficiary shall have no effect until your death. The consent of a beneficiary shall not be required for you to revoke a beneficiary designation. If you do not designate a beneficiary or if in the case of a trust or other entity designated as a beneficiary, it has been dissolved or otherwise ceased to exist prior to your death, then your estate shall be your beneficiary.

Upon your death, your designated beneficiary(ies) may elect to

receive distributions over their life expectancy(ies) and may elect to designate their own beneficiary(ies) to receive any remaining IRA amounts upon the designated beneficiary's death.

If the beneficiary payment election described in Article IV, Section 3(b) of this Agreement is not made by December 31 of the year following the year of your death, however, then the payment described in Section 3(b)(ii) shall be deemed elected (that is the remaining interest shall be distributed by the end of the calendar year containing the fifth anniversary of your death). If your designated beneficiary is your spouse, however, then distributions over your spouse's life expectancy need not commence until December 31 of the year you would have attained age 70½, if later.

The following paragraph applies if you do not specify "per stirpes" when designating beneficiaries: Unless you specify "per stirpes," the "per capita" method of beneficiary designation shall be used and a beneficiary's rights shall end with that beneficiary's death. Your IRA shall pass to all the primary beneficiaries who survive you, in equal shares, unless you have designated other proportions. If any of the primary beneficiaries should predecease you, then your IRA shall pass only to the surviving primary beneficiaries with the deceased primary beneficiary's share being divided among the surviving primary beneficiaries in proportion to the percentages specified for the remaining primary beneficiaries. If none of the primary beneficiaries survive you, then your IRA shall pass to those designated as contingent beneficiaries who survive you, in equal shares, unless other proportions are designated. If you have named more than one primary or contingent beneficiary and specified percentages do not total 100%, the unallocated portion of your IRA account shall be shared equally among the beneficiaries. Only beneficiaries identified by name shall share in the IRA assets with a Beneficiary Designation that does not include per stirpes, and a predeceased beneficiary's estate shall have no claim to or interest in the IRA.

The following paragraph applies if you specify "per stirpes" when designating beneficiaries: The term "per stirpes" (or "by branch") means that if any primary beneficiary dies before you, but has descendants, that beneficiary's share will be paid to such descendants (in the generation nearest the deceased beneficiary) equally. For example, if you designate your three children as beneficiaries per stirpes (with equal shares) and, at the time of your death, one child, who has two living children (your grandchildren), has predeceased you, then each of your two living children will receive one third of the IRA assets and your two grandchildren of your deceased child will each receive one half of the one third share of the IRA (one sixth each). In this example, if you have a third grandchild with a living parent (your child), they will not receive any portion of your IRA but your child will receive what you have allocated to him or her as a beneficiary. If your deceased child has a living spouse (who is not designated as a beneficiary), that spouse will not receive any portion of your IRA but that deceased child's portion will be divided equally among his or her children (among those in the generation nearest your child). For purposes of this per stirpes beneficiary designation, the number of branches is determined by reference to your children, even if all have predeceased you, regardless of what state you may be a resident of or what state law may be applicable to your estate.

The following paragraphs apply to all beneficiary designations.

Upon your death, AssetMark is authorized, at its discretion, to look to the executor of your estate for information and instructions regarding the distribution of your IRA. AssetMark may rely upon the instructions of your estate executor and shall not be liable for any payments made at such executor's direction.

If a beneficiary survives you, but is not alive at the time of the transfer of the IRA assets, then the assets will become part of that beneficiary's estate. If it cannot be determined that a beneficiary has survived you by 120 hours, then the beneficiary will be deemed not to have survived.

If any beneficiary is or becomes married to you, then a dissolution of that marriage shall have no effect on any designation of that former spouse as beneficiary, unless that beneficiary designation is revoked.

In the event that any securities or other property in your IRA account cannot, for any reason, be partitioned and transferred to accounts for the beneficiaries, AssetMark shall, to the extent necessary, liquidate those securities or other property and transfer the proceeds of that sale.

AssetMark Trust has no obligation: (i) to locate beneficiaries; (ii) to question or investigate the circumstances of your death as it is reported to it; (iii) to determine the age or any other facts about a beneficiary; (iv) to appoint, if applicable, a custodian or guardian for any minor beneficiary; (v) to locate or notify any spouse(s), children or other heirs upon your death; (vi) to verify the legality of any distribution or any part of this Agreement under the probate, estate, inheritance, community property, transfer on death or other laws of any state, including the state where this Agreement is made; or (vii) to determine which state's law is applicable to any place and transfer, payment, distribution or any term or provision of this Agreement.

In connection with AssetMark Trust acting in compliance with this Agreement and your beneficiary designation, you agree to indemnify and hold AssetMark, its affiliates, directors, officers, agents and employees, and their successors and assigns, harmless from any liability to any person or entity, including but not limited to the beneficiary(ies) and your estate, personal representatives, heirs, assigns, agents, children, descendants, successors, and spouse(s) and/or any other person, for any actions taken in opening and maintaining your IRA and making the distributions upon receipt of notice of your death.

## 7. Termination

Either Party may terminate this Agreement at any time by giving written notice to the other. AssetMark Trust can resign as Trustee at any time effective 30 days after written notice of our resignation is mailed to you. Upon receipt of that notice, you shall make arrangements to transfer your IRA to another financial organization or accept payment of the balance of your IRA. If you do not complete a transfer of your IRA within 30 days from the date we mail the notice to you, we have the right to transfer your IRA assets to a successor IRA custodian or trustee that we choose in our sole discretion or we may pay your IRA to you in a single sum. AssetMark Trust shall not be liable for any actions or failure to act on your part or on the part of any successor custodian or trustee nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this Section. If this agreement is terminated, we may hold back from your IRA a reasonable amount of money that we believe is necessary to cover any one or more of the following:

- any fees, expenses or taxes chargeable against your IRA;
- any penalties associated with the early withdrawal of any savings instrument or other investment in your IRA.

If our organization is merged with another organization (or comes under the control of any Federal or State agency), or if our entire organization (or any portion that holds your IRA) is

**This must remain with the Client**

bought by another organization, that organization (or agency) shall automatically become the Trustee or Custodian of your IRA, but only if it is the type of organization authorized to serve as an IRA trustee or custodian..

#### **8. Effectiveness and amendments**

Your IRA is established after you have executed the application and AssetMark Trust has accepted the account. This account must be created in the United States for the exclusive benefit of you and your beneficiaries. Contributions to an IRA trust account for a non-working spouse must be made to a separate IRA trust account established by the non-working spouse.

We have the right to amend this Agreement at any time. Any amendment we make to comply with the Code and related regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, you notify us in writing that you do not consent.

#### **9. Withdrawals**

All requests for withdrawals shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Any withdrawals shall be subject to all applicable tax and other laws and regulations including possible early withdrawal penalties and withholding requirements.

#### **10. Required minimum distributions**

We will not be liable for any penalties or taxes related to your failure to take a distribution.

#### **11. Transfers from other plans:**

We can receive amounts transferred to this IRA from the custodian or trustee of another IRA. In addition, we can accept direct rollovers of eligible distributions from employer plans as permitted by the Code. We reserve the right not to accept any transfer or direct rollover.

#### **12. Liquidation of assets**

We have the right to liquidate assets in your IRA if necessary to make distributions or to pay fees, expenses or taxes properly chargeable against your IRA. If you fail to tell us which assets to liquidate, we will decide at our complete and sole discretion and you agree not to hold us liable for any adverse consequences that result from our decision.

#### **13. Restrictions on the IRA**

Neither you nor any beneficiary may sell, transfer or pledge any interest in your IRA in any manner whatsoever, except as provided by law or this Agreement. The assets in your IRA shall not be responsible for debts, contracts or torts of any person entitled to distributions by law or this Agreement.

#### **14. Governing law, severability**

This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any governing law to interpret and administer this Agreement, the law of the State of New York, as applied to contracts entered into and completely performed in New York, shall govern. If any part of this Agreement is held to be illegal or invalid, the remaining parts shall not be

affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

### **ASSETMARK TRUST COMPANY IRA DISCLOSURE STATEMENT**

#### **RIGHT TO REVOKE YOUR IRA**

If you receive this Disclosure Statement at the time you establish your IRA, you have the right to revoke your IRA within seven (7) days of its establishment. If revoked, you are entitled to a full return of the contribution you made to your IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to AssetMark Trust at the address listed on the attached Application.

If you send your notice by first class mail, your revocation will be deemed mailed as of the date of the postmark.

If you have any questions about the procedure for revoking your IRA, please call AssetMark Trust at the telephone number listed on the attached Application.

#### **REQUIREMENTS OF AN IRA**

##### **A. Eligibility**

If you have not yet reached the year in which you will attain age 70½ and you earned income from services rendered, you may make a contribution to your IRA, subject to certain limitations described in this Disclosure Statement.

##### **B. Cash contributions**

Your contribution must be in cash, unless it is a rollover contribution. You may direct the Internal Revenue Service to deposit all or a portion of any federal income tax refund you would otherwise receive in your IRA. We will treat any such deposit as a cash contribution subject to the IRA rules, including rules on timing and deductibility of contributions, described below.

##### **C. Carryback contributions**

A contribution is deemed to have been made on the last day of the preceding taxable year if you make a contribution by the deadline for filing your income tax return (not including extensions), and you designate that contribution as a contribution for the preceding taxable year. For example, if you are a calendar year taxpayer and you make your IRA contribution on or before your tax filing deadline (generally April 15), your contribution is considered to have been made for the previous tax year if you designated it as such.

##### **D. Maximum contribution**

The total amount you may contribute to an IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$5500 (\$6500 if you will turn age 50 or older during the calendar year) for 2017 and 2018 with possible cost-of-living adjustments after 2018. If you also maintain a Roth IRA, the maximum contribution to your traditional IRAs [i.e., IRAs subject to Internal Revenue Code (IRC) Sections 408(a) or 408(b)] is reduced by any contributions you make to your Roth IRA. Your total contribution to all traditional IRAs and Roth IRAs cannot exceed the lesser of the applicable limit mentioned previously or 100 percent of your compensation.

**E. Compensation**

Compensation includes wages, salaries, tips, professional fees, bonuses, and other amounts received for providing personal services. It also includes commissions, self-employment income, and taxable alimony and separate maintenance payments.

**F. Nontaxable Combat Pay**

If you were a member of the U.S. Armed Forces, compensation includes any nontaxable combat pay you received. This amount should be reported in box 12 of your 2017 Form W-2 with code Q.

**G. Rollover contributions**

You may make rollover or direct transfer contributions to your IRA without regard to any of the contribution limits described in this Disclosure Statement. See "Portability of IRA Assets" for more information.

**H. Kay Bailey Hutchison Spousal IRA contributions**

For 2017 and 2018, if you file a joint return and your taxable compensation is less than that of your spouse, the most that can be contributed for the year to your IRA is the smaller of the following two amounts:

1. \$5,500 (\$6,500 if you will turn age 50 or older during the calendar year), or
2. The total compensation includible in the gross income of both you and your spouse for the year, reduced by the following two amounts.
  - (a) Your spouse's IRA contribution for the year to a traditional IRA.
  - (b) Any contributions for the year to a ROTH IRA on behalf of your spouse.

This means that the total combined contributions that can be made for the year to your IRA and your spouse's IRA can be as much as \$11,000 (\$12,000 if only one of you will turn age 50 or older during the calendar year or \$13,000 if both of you will turn age 50 or older during the calendar year).

**Example** - Kristin, a full-time student with no taxable compensation, marries Carl during the year. Neither was age 50 by the end of 2015. For the year, Carl has taxable compensation of \$30,000. He plans to contribute (and deduct) \$5,500 to a traditional IRA. If he and Kristin file a joint return, each can contribute \$5,500 to a traditional IRA. This is because Kristin, who has no compensation, can add Carl's compensation, reduced by the amount of his IRA contribution, (\$30,000 - \$5,500 = \$24,500) to her own compensation (-0-) to figure her maximum contribution to a traditional IRA. In her case, \$5,500 is her contribution limit, because \$5,500 is less than \$24,500 (her compensation for purposes of figuring her contribution limit).

**I. Non-forfeiture**

Your interest in your IRA is non forfeitable.

**J. Eligible**

The custodian of your IRA must be a bank, savings and loan association, credit union, or a person approved by the Secretary of the Treasury. AssetMark Trust is treated as a bank for purposes of this rule.

**K. Commingling assets**

The assets of your IRA cannot be commingled with other property except in a common trust fund or common investment fund.

**L. Life Insurance**

No portion of your IRA may be invested in life insurance contracts.

**M. Collectibles**

You may not invest the assets of your IRA in collectibles (within the meaning of Internal Revenue Code (IRC) Section 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the Internal Revenue Service. Specially minted United States platinum, gold, and silver bullion coins, palladium bullion and certain state-issued coins are permissible IRA investments.

**N. Required minimum distribution calculations**

You are required to take minimum distributions from your IRA at a certain time in accordance with Treasury Regulations Sections 1.408-8. Failure to take required minimum distributions from your IRA may subject you to an Excess Accumulation penalty, described later in this Disclosure Statement under Federal Tax Penalties. Below is a summary of the IRA distribution rules.

1. You are required to take a minimum distribution from your IRA for the year in which you reach age 70½ and each year thereafter. You must take your first payout by your required beginning date, April 1 of the year following the year you attain age 70½. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.
2. The applicable divisor is generally determined using the Uniform Lifetime Table. The table assumes a beneficiary exactly 10 years younger than you regardless of who is the named beneficiary.

If your spouse is your sole beneficiary and is more than 10 years younger than you, the required minimum distribution may be calculated using the actual joint life expectancy of you and your spouse from the Joint Life and Last Survivor Expectancy Table, rather than the life expectancy divisor from the Uniform Lifetime Table.

We reserve the right to make no payment until you give us a proper payout request.

3. Your designated beneficiary is determined based on the beneficiary(ies) designated as of the date of your death and who remains your beneficiary(ies) as of September 30 of the year following the year of your death. If you die,
  - (a) On or after your required beginning date, distributions must be made to your beneficiary or beneficiaries over the longer of the single life expectancy of your designated beneficiary or beneficiaries, or your remaining life expectancy. If there is no designated beneficiary as of September 30 of the year following the year of death, the required minimum distribution is based on the life expectancy corresponding to your age as of the birthday in your year of death, and reduced by one for each subsequent year.

- (b) Before your required beginning date, the entire amount remaining in your account will, at the election of your beneficiary or beneficiaries, either
  - (i) Be distributed by December 31 of the year containing the fifth anniversary of your death, or
  - (ii) Be distributed in equal or substantially equal payments over the life or life expectancy of your designated beneficiary or beneficiaries.

Your beneficiary or beneficiaries must elect either option (i) or (ii) by December 31 of the year following the year of your death. If no election is made, distribution will be made in accordance with (i). In the case of distributions under (ii), distributions must commence by December 31 of the year following the death. If your spouse is the beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a beneficiary(ies) other than an individual or qualified trust as defined by the Regulations is named, you will be treated as having no designated beneficiary(ies) of your IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, the entire IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire IRA may elect to redesignate your IRA as his or her own. Alternatively, the sole spouse beneficiary will be deemed to elect to treat your IRA as his or her own by either (1) making contributions to your IRA or (2) failing to timely remove a required minimum distribution from your IRA. Regardless of whether or not your spouse is the sole beneficiary of your IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own IRA.

- 4. A Qualified Charitable Distribution, described below, will count towards satisfying applicable minimum required distributions.
- 5. These transactions are often complex. If you have any questions regarding required minimum distributions, please see a competent tax advisor.

**INCOME TAX CONSEQUENCES OF ESTABLISHING AN IRA**

**A. IRA deductibility calculations**

If you have not yet reached the year in which you attain age 70½ and have earned income from services rendered, you may make an IRA contribution of the lesser of 100 percent of compensation or \$5500 (\$6500 if you will turn age 50 or older during the calendar year) for 2017 and 2018 with possible cost-of-living adjustments after 2016. However, the amount of the contribution for which you may take a tax deduction will depend upon whether you (or, in some cases, your spouse) are an active participant in an employer-maintained retirement plan. If you (and your spouse, if married) are not an active participant, your IRA contribution will be totally deductible. If you are an active participant (or are married to an active participant), the deductibility of your contribution will depend on your modified adjusted gross income (MAGI) for the tax year for which the contribution was made. MAGI is determined on your tax return using your adjusted gross income but disregarding any deductible IRA contribution.

*Definition of Active Participant.* Generally, you will be an active participant if you are covered by one or more of the following employer-maintained retirement plans:

- 1. a qualified pension, profit sharing, 401(k), or stock bonus plan;
- 2. a qualified annuity plan of an employer;
- 3. a simplified employee pension (SEP) plan;

- 4. a retirement plan established by the Federal government,
- 5. a State, or a political subdivision (except certain unfunded deferred compensation plans under IRC Section 457);
- 6. a tax sheltered annuity for employees of certain tax-exempt organizations or public schools;
- 7. a plan meeting the requirements of IRC Section 501(c)(18);
- 8. a qualified plan for self-employed individuals (H.R. 10 or Keogh Plan); and
- 9. a SIMPLE IRA plan or a SIMPLE 401(k) plan.

If you do not know whether your employer maintains one of these plans or whether you are an active participant in it, check with your employer and your tax advisor. Also, the Form W-2 (Wage and Tax Statement) that you receive at the end of the year from your employer will indicate whether you are an active participant. If you are an active participant and are single, the deductible amount of your contribution is determined as follows: (1) take the Phase-out Maximum for the applicable year (specified below) and subtract your MAGI, (2) divide this total by the difference between the Phase-out Maximum and Phase-out Minimum (the maximum and minimum phase-out limits, as specified below), (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are 50 or older.

In the following table, for each filing type (Married Filing Joint Return or Single Filer) the left entry in the column is the Phase-Out Minimum and the right entry is the Phase-Out Maximum.

2009-2018 IRA DEDUCTIBILITY THRESHOLD LEVELS FOR ACTIVE PARTICIPANTS		
TAX YEAR	MARRIED FILING A JOINT RETURN	SINGLE FILER
2009	\$89,000-\$109,000	\$55,000-\$65,000
2010	\$89,000-\$109,000	\$56,000-\$66,000
2011	\$90,000-\$110,000	\$56,000-\$66,000
2012	\$92,000-\$112,000	\$58,000-\$68,000
2013	\$95,000-\$115,000	\$59,000-\$69,000
2014	\$96,000-\$116,000	\$60,000-\$70,000
2015	\$98,000-\$118,000	\$61,000-\$71,000
2016	\$98,000-\$118,000	\$61,000-\$71,000
2017	\$99,000-\$119,000	\$62,000-\$72,000
2018	\$101,000-\$121,000	\$63,000-\$73,000

The resulting figure will be the maximum IRA deduction you may take. You must round the resulting number to the next highest \$10 if the number is not a multiple of 10. For example, if you are age 30 with MAGI of \$62,000 in 2015, your maximum deductible contribution is \$4,950 (the 2015 Phase-out Maximum of \$71,000 minus your MAGI of \$62,000, divided by the difference between the maximum and minimum phase-out limits of \$10,000 and multiplied by the contribution limit of \$5,500.)

If you are an active participant, are married and you file a joint tax return, the deductible amount of your contributions is determined as follows: (1) take the Phase-out Maximum for the applicable year (specified above) and subtract your MAGI, (2) divide this total by the difference between the phase-out maximum and minimum, (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you will turn age 50 or older during the calendar year. The resulting figure will be the maximum IRA deduction you may take. For example,

if you are age 30 with MAGI of \$100,000 in 2015, your maximum deductible contribution is \$4,950 (the 2015 Phase-out Maximum of \$118,000 minus your MAGI of \$100,000, divided by the difference between the maximum and minimum phase-out limits of \$20,000 and multiplied by the contribution limit of \$5,500.) You must round the resulting number to the next highest \$10 if the number is not a multiple of 10.

If you are married filing jointly and are not an active participant in an employer-maintained retirement plan, but are married to someone who is an active participant, your maximum deductible contribution is determined by taking: (1) \$193,000 for 2015 (\$194,000 for 2016) minus your MAGI; (2) divide this total by \$10,000; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you will turn age 50 or older during the calendar year. The resulting figure will be the maximum IRA deduction you may take.

If your MAGI exceeds \$193,000 for 2015 (\$194,000 for 2016) you cannot take a deduction.

If you are an active participant, are married and you file a separate income tax return, your MAGI phase-out range is generally \$0 - \$10,000. However, if you lived apart from your spouse for the entire tax year, you are treated as a single filer.

Note that the Phase-out Maximums and Phase-out Minimums stated above may be increased by a possible cost-of-living increase annually.

#### B. *Tax-deferred earnings*

The investment earnings of your IRA are not subject to federal income tax until distributions are made (or, in certain circumstances, when distributions are deemed to be made).

#### C. *Nondeductible contributions*

You may make nondeductible contributions to your IRA to the extent that deductible contributions are not allowed. The sum of your deductible and nondeductible IRA contributions cannot exceed your contribution limit (the lesser of the contribution limits previously described or 100 percent of compensation). You may elect to treat deductible IRA contributions as nondeductible contributions.

Although your deduction for IRA contributions may be reduced or eliminated, contributions can be made to your IRA of up to the general limit or, if it applies, the spousal IRA limit. The difference between your total permitted contributions and your IRA deduction, if any, is your nondeductible contribution.

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution on your federal income tax return (using IRS Form 8606). If you overstate the amount of designated nondeductible contributions for any taxable year, you are subject to a \$100 penalty unless reasonable cause for an overstatement can be shown.

#### D. *Taxation of distributions*

The taxation of IRA distributions depends on whether or not you have ever made nondeductible IRA contributions. If you have only made deductible contributions, any IRA distribution will be fully included in income.

If you have ever made nondeductible contributions to any IRA, the following formula must be used to determine the amount of any IRA distribution excluded from income:  $(\text{Aggregate Nondeductible Contributions}) \times (\text{Amount Withdrawn}) / (\text{Aggregate IRA Balance}) = \text{Amount Excluded From Income}$

NOTE: Aggregate nondeductible contributions include all nondeductible contributions made by you through the end of the year of the distribution (which have not previously been withdrawn and excluded from income). Also note that aggregate IRA balance includes the total balance of all of your IRAs as of the end of the year of distribution and any distributions occurring during the year.

#### E. *Recognizing losses on investments*

If you have a loss on your traditional IRA investment, you can recognize (include) the loss on your income tax return, but only when all the amounts in all your traditional IRA accounts have been distributed to you and the total distributions are less than your unrecovered basis, if any.

Your basis is the total amount of the nondeductible contributions in your traditional IRAs. You claim the loss as a miscellaneous itemized deduction, subject to the 2%-of-adjusted-gross-income limit that applies to certain miscellaneous itemized deductions on Schedule A, Form 1040. Any such losses are added back to taxable income for purposes of calculating the alternative minimum tax.

#### F. *Qualified Charitable Distributions*

The provision that excludes up to \$100,000 of qualified charitable distributions (QCD) from income has been extended permanently. A QCD is generally a nontaxable distribution made directly by the trustee of your IRA (other than a SEP or SIMPLE IRA) to an organization eligible to receive tax-deductible contributions. You must be at least age 70½ when the distribution was made. Also, you must have the same type of acknowledgement of your contribution that you would need to claim a deduction for a charitable contribution. See Records To Keep in Publication 526, Charitable Contributions. The maximum annual exclusion for QCDs is \$100,000. Any QCD in excess of the \$100,000 exclusion limit is included in income as any other distribution. If you file a joint return, your spouse can also have a QCD and exclude up to \$100,000. The amount of the QCD is limited to the amount of the distribution that would otherwise be included in income. If your IRA includes nondeductible contributions, the distribution is first considered to be paid out of otherwise taxable income.

A QCD will count towards your required minimum distribution.

You cannot claim a charitable contribution deduction for any QCD not included in your income.

*Ordinary income.* Distributions from traditional IRAs that you include in income are taxed as ordinary income.

*No special treatment.* In figuring your tax, you cannot use the 10-year tax option or capital gain treatment that applies to lump-sum distributions from qualified retirement plans.

#### G. *Portability of IRA assets*

Your IRA may be directly transferred to another IRA of yours. A transfer of a traditional IRA to a Roth IRA is considered a conversion discussed in item 5 below. Your IRA may be rolled over to an IRA of yours, may receive rollover contributions, and may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your IRA from another IRA, or from your employer's Qualified Retirement Plan, Tax Sheltered Annuity, or 457(b) deferred compensation plan. SIMPLE IRA funds may not be rolled to your IRA during the first two years you participate in your employer's SIMPLE IRA plan. Required minimum distributions are not eligible for rollover. The

rollover rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover, please see a competent tax advisor.

1. *Traditional IRA to traditional IRA rollovers.* Funds distributed from your IRA may be rolled over to any IRA of yours if the requirements of IRC section 408(d)(3) are met. A proper IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another IRA to IRA rollover from any IRA (including a SIMPLE IRA) or Roth IRA during the 12 months preceding the date you receive the distribution. Further you may roll the same dollars or assets only once every 12 months.
2. *SIMPLE IRA to traditional IRA rollovers.* Funds may be distributed from your SIMPLE IRA and rolled over to your IRA without IRS penalty, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with traditional IRA to traditional IRA rollovers, the requirements of IRC section 408(d)(3) must be met. A proper SIMPLE IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to IRA or SIMPLE IRA to SIMPLE IRA rollover from any IRA (including a SIMPLE IRA) or Roth IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.
3. *Employer-sponsored retirement plans to IRA rollovers.* You may roll over directly or indirectly, any eligible rollover distribution. An eligible rollover distribution is defined generally as any distribution from a qualified plan, tax-sheltered annuity, or 457(b) deferred compensation plan (other than distributions to non-spouse beneficiaries) unless it is part of certain series of substantially equal periodic payments, a required minimum distribution, or a hardship distribution. A direct transfer from a deceased employee's qualified pension, profit-sharing or stock bonus plan, annuity plan, tax-sheltered annuity (section 403(b)) plan, or governmental deferred compensation (section 457) plan to an IRA set up to receive the distribution on your behalf can be treated as an eligible rollover distribution if you are the designated beneficiary of the plan and not the employee's spouse. The IRA is treated as an inherited IRA.

If you elect to receive your rollover distribution prior to placing it in an IRA, thereby conducting an indirect rollover, your plan administrator will generally be required to withhold 20 percent of your distribution as a prepayment of income taxes. When completing the rollover, you may make up the amount withheld, out of pocket, and rollover the full amount distributed from your qualified plan balance, if you so choose. To qualify as a rollover, your eligible rollover distribution must be rolled over to your IRA not later than 60 days after you receive it. Alternatively, you may claim the withheld amount as income and pay the applicable income tax and, if you are under age 59½, the 10 percent early distribution additional tax (unless an exception to the additional tax applies).

As an alternative to the indirect rollover, your employer generally must give you the option of directly rolling your qualified plan balance over to an IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the IRA (or other qualified plan) that you designate. The direct rollover option must generally also be made available to your beneficiary after your death. The 20 percent withholding requirements do not apply to direct rollovers.

4. *Traditional IRA to employer-sponsored retirement plans.* You may roll over, directly or indirectly, any eligible rollover distribution from an IRA to an employer's qualified retirement plan, tax-sheltered annuity, or 457(b) deferred compensation plan. An eligible rollover distribution is defined as any taxable distribution from an IRA that is not a part of a required minimum distribution. The IRA does not have to be maintained as a conduit IRA in order to be eligible to roll over to an employer-sponsored retirement plan.
5. *Traditional IRA to Roth IRA rollovers.* You are eligible to roll over (or convert) all or any portion of your existing traditional IRA(s) into your Roth IRA(s). The amount of the rollover from your traditional IRA to your Roth IRA shall be treated as a distribution for income tax purposes and is includible in your gross income (except for any nondeductible contributions). Although the rollover amount is generally included in income, the 10 percent early distribution penalty shall not apply to rollovers or conversions from a traditional IRA to a Roth IRA regardless of whether you qualify for any exceptions to the 10 percent penalty.
6. *Qualified health savings account (HSA) funding distribution.* Beginning in 2007, if you are covered by a high deductible health plan (HDHP), you may be able to make a nontaxable HSA funding distribution from your IRA (other than a SEP or SIMPLE IRA) that would otherwise be included in income.
7. *Recharacterizations.* You may be able to treat a contribution made to one type of IRA as having been made to a different type of IRA. This is called recharacterizing the contribution.

To recharacterize a contribution, you generally must have the contribution transferred from the first IRA (the one to which it was made) to the second IRA in a trustee-to-trustee transfer. If the transfer is made by the due date (including extensions) for your tax return for the year during which the contribution was made, you can elect to treat the contribution as having been originally made to the second IRA instead of to the First IRA. If you recharacterized your contribution, you must do all three of the following:

- Include in the transfer any net income allocable to the contribution. If there was a loss, the net income you transfer must be a negative amount.
- Report the recharacterization on your tax return for the year during which the contribution was made.
- Treat the contribution as having been made to the second IRA on the date that it was actually made to the first IRA.

Beginning in 2018, you cannot recharacterize a traditional IRA to a Roth IRA conversion. If you converted an amount from a traditional IRA to a Roth IRA during 2017, however, you have until October 15, 2018 to recharacterize it.

*No deduction allowed.* You cannot deduct the contribution to the First IRA. Any net income you transfer with the recharacterized contribution is treated as earned in the second IRA. The contribution will not be treated as having been made to the second IRA to the extent any deduction was allowed for the contribution to the first IRA.

*Written election.* At the time you make a proper rollover to an IRA, you must designate to the Trustee/Custodian, in writing, your election to classify that contribution as a rollover. Once made, the rollover election is irrevocable.

## LIMITATIONS AND RESTRICTIONS

### A. *SEP plans*

Under a Simplified Employee Pension (SEP) Plan that meets the requirements of IRC Section 408(k), your employer may make contributions to your IRA. Your employer is required to provide you with information which describes the terms of your employer's SEP Plan.

### B. *Deduction of rollovers and transfers*

A deduction is not allowed for rollover or transfer contributions.

### C. *Gift tax*

Transfers of your IRA assets to a named beneficiary made during your life and at your request or because of your failure to instruct otherwise, may be subject to federal gift tax under IRC Section 2501.

### D. *No special tax treatment*

Capital gains treatment and the favorable five or ten year forward averaging tax authorized by IRC Section 402 do not apply to IRA distributions.

### E. *Income tax withholding*

Any withdrawal from your IRA, except a direct transfer, is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

### F. *Prohibited transactions*

If you or your beneficiary engage in a prohibited transaction with your IRA, as described in IRC Section 4975, your IRA will lose its tax-exempt status and you must include the value of your account in your gross income for that taxable year. The following transactions are a nonexclusive list of examples of transactions that can be prohibited transactions with your IRA: (1) taking a loan from your IRA; (2) buying property for personal reasons; or (3) receiving certain bonuses or premiums because of your IRA.

### G. *Pledging*

If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year. The pledge is a prohibited transaction that will cause your IRA to lose its tax-exempt status.

## FEDERAL TAX PENALTIES

### A. *Excess contribution penalty*

An excise tax of six percent is imposed upon any excess contribution you make to your IRA. This tax will apply each year in which an excess remains in your IRA. An excess contribution is any contribution amount that exceeds the maximum annual contribution, explained above, excluding rollover and direct transfer amounts.

Rules for withdrawing excess contributions are discussed under Early Distribution Penalty Exceptions below.

### B. *Excess accumulation penalty*

A penalty of 50% is imposed with respect to any minimum required distribution not taken when required. The IRS may abate the penalty if you establish that you had reasonable cause for this failure.

### C. *Early distribution additional tax*

If you are under age 59½ and receive an IRA distribution, an additional tax of 10 percent will apply unless you qualify for any exception listed below. This additional tax will apply only to the portion of a distribution that is includible in your income.

### D. *Early distribution additional tax exceptions*

*Death.* Payments are made to your beneficiary after your death.

*Disability.* You are disabled (unable to do any substantial gainful activity due to a physical or mental condition expected to result in your death or be of long, continued, and indefinite duration.)

*Substantially equal payments.* The distributions are part of a series of substantially equal payments over your life (or your life expectancy) or over the lives (or the joint life expectancies) of you and your beneficiary. You must use an IRS-approved distribution method and you must take at least one distribution annually for this exception to apply. The "required minimum distribution" method is described in Publication 590. Note that this method calculates the exact amount required to be distributed, not the minimum amount. Other IRS-approved methods are described in Revenue Ruling 2002-62 in Internal Revenue Bulletin 2002-42. These methods are complex and generally require professional assistance to implement.

Substantially equal payments must generally continue until at least 5 years after the date of the first payment or until you reach age 59½, whichever is later. If a change from an approved distribution method is made before the end of the appropriate period, any payments you receive before you reach age 59½ will be subject to the 10% additional tax. This is true even if the change is made after you reach age 59½. The payments will not be subject to the 10% additional tax if another exception applies or if the change is made because of your death or disability.

If you are receiving a series of substantially equal periodic payments, you can make a one-time switch to the required minimum distribution method at any time without incurring the additional tax. Once a change is made, you must follow the required minimum distribution method in all subsequent years.

*Levy.* The distribution is due to the IRS levy of the Roth IRA assets.

*Health insurance.* Distribution taken by an IRA holder who received federal or state unemployment compensation for 12 consecutive weeks and who is using the distribution(s) to pay for health insurance is not subject to the 10% early distribution additional tax. The distribution must be taken in the year that the unemployment was received or in the year following. In addition, the distribution cannot be taken more than 60 days after the IRA holder is reemployed.

*Medical expenses.* Distributions used for unreimbursed deductible medical expenses are not subject to the 10% early distribution additional tax.

*Higher education expenses.* Under this exception to the 10 percent early distribution additional tax, an IRA holder may take distributions

from his or her IRA to the extent that such distributions do not exceed the qualified higher education expenses of the taxpayer or his or her dependents for the taxable year. (IRC Sec. 72(t)(2)(E)). Generally, penalty-free distributions may be taken to pay for the qualified higher education expenses of the IRA holder, the IRA holder's spouse, and any child or grandchild of the taxpayer or the taxpayer's spouse at an eligible education institution.

Higher education expenses are defined as tuition, books, fees, supplies and equipment applied to education at an eligible educational institution.

*First-time home purchase expenses.* Distributions from IRAs to pay for qualified first-time home purchase expenses may be taken without incurring the 10 percent early distribution additional tax (IRC Sec. 72(t)(2)(F)). A qualified first-time home purchase expense distribution is defined as any distribution received by an individual to the extent that the distribution is used by the IRA holder before the close of the 120th day after the day on which the distribution is received. The distribution may be taken to pay the qualified acquisition costs with respect to a principal residence of a first-time homebuyer who is the IRA holder, the IRA holder's spouse, or the IRA holder's child, grandchild or ancestor of the IRA holder or his or her spouse. The aggregate amount of IRA distributions taken by an IRA holder that may be treated as qualified first-time home purchase expenses cannot exceed a lifetime limit of \$10,000. Under IRC Sec. 72(t)(8)(D)(i), a first-time homebuyer is defined as an individual (and, if married, the individual's spouse) that had no present ownership interest in a principal residence during the two-year period ending on the date of acquisition of the principal residence.

*Federally-recognized disasters.* Under special laws and conforming relief granted by the Internal Revenue Service, victims of certain storms and other disasters were eligible to receive up to \$100,000 in IRA distributions that are not subject to the 10 percent additional tax. The federal government may provide similar relief to the victims of future disasters.

*Return of excess contributions.* Distributions from IRAs that timely return to you excess contributions, as defined above, are not subject to the early distribution additional tax. Note that the earnings on the returned excess contributions will be subject to the 10% additional tax unless another exception applies. The return of excess contributions and related earnings for a tax year is timely if made before the due date of your federal income tax return (plus filing extensions) for that year. If you have filed your tax return on time, a special rule allows you up to 6 months from the original due date (usually April 15) to withdraw the excess contributions, without penalty.

#### E. *Penalty reporting.*

You must file Form 5329 with the Internal Revenue Service to report and remit any penalties or excise taxes.

### OTHER

#### A. *IRS plan approval*

The form of agreement used to establish this IRA has been approved by the Internal Revenue Service. The Internal Revenue Service approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.

#### B. *Additional information*

You may obtain further information on IRAs from the Internal Revenue Service. In particular, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements and IRS Publication 590-B, Distributions from Individual Retirement Arrangements. All references made to Tables and Schedules in Publication 590-A and Publication 590-B in this Disclosure Statement are to the 2016 editions.

### ASSETMARK TRUST COMPANY ROTH IRA TRUST AGREEMENT

#### FORM 5305-R UNDER SECTION 408A OF THE INTERNAL REVENUE CODE

- The Grantor, the Account Holder whose name appears on the attached Application, is establishing a Roth Individual Retirement Account under Section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.
- The Trustee, Custodian AssetMark Trust Company, named on the attached Application has given the Grantor the disclosure statement required under Regulations Section 1.408-6.
- The Grantor has assigned to the Trust Account the sum indicated on the Application.
- The Grantor and the Trustee make the following agreement.

#### ARTICLE I

Except in the case of a rollover contribution described in Section 408A(e), a recharacterized contribution described in Section 408A(d)(6), or an IRA Conversion Contribution, the Trustee will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

#### ARTICLE II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a single grantor, the annual contribution is phased out between adjusted gross income (AGI) of \$120,000 and \$135,000; for a married grantor filing jointly, between AGI of \$189,000 and \$199,000; and for a married grantor filing separately, between AGI of \$0 and \$10,000. In the case of a conversion, the Trustee will not accept IRA Conversion Contributions in a tax year if the Grantor's AGI for the tax year the funds were distributed from the other IRA exceeds \$100,000 or if the Grantor is married and files a separate return. Adjusted gross income is defined in section 408A(c)(3) and does not include IRA Conversion Contributions.
2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the grantor and his or her spouse.

#### ARTICLE III

The Grantor's interest in the balance in the Trust Account is non forfeitable.

**ARTICLE IV**

1. No part of the Trust Account funds may be invested in life insurance contracts, nor may the assets of the Trust Account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the Trust Account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

**ARTICLE V**

1. If the Grantor dies before his or her entire interest is distributed to him or her and the Grantor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below:
  - (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the Grantor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the Grantor.
  - (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Grantor's death.
2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the Grantor's death and subtracting 1 from the divisor for each subsequent year.
3. If the Grantor's surviving spouse is the designated beneficiary, such spouse will then be treated as the Grantor.

**ARTICLE VI**

1. The Grantor agrees to provide the Trustee with all information necessary to prepare any reports required by Sections 408(i) and 408A(d)(3)(E), Regulations Sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).
2. The Trustee agrees to submit to the IRS and Grantor the reports prescribed by the IRS.

**ARTICLE VII**

Notwithstanding any other articles that may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

**ARTICLE VIII**

This Agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the application.

**ARTICLE IX****1. Roth IRA Trust Agreement supplements AssetMark Trust Company Custody Agreement**

This Roth IRA Trust Agreement supplements and is supplemented by the AssetMark Trust Company Custody Agreement, and the terms of the AssetMark Trust Company Custody Agreement shall also apply to this Roth IRA Trust Account, to the extent they do not conflict with the terms of this Roth IRA Trust Agreement.

**2. Definitions and section references**

The words "you" and "your" mean the "Grantor." The "Grantor" is referred to as the "Account Holder" in the AssetMark Trust Company Account Application. The words "we," "us," and "our" mean the Trustee, Custodian AssetMark Trust Company. "Trust Account" is the Roth Individual Retirement Account, or Roth IRA, established by this agreement. IRA Conversion Contributions are amounts rolled over, transferred, or considered transferred from a non-Roth IRA to a Roth IRA. A non-Roth IRA is an individual retirement account or annuity described in section 408(a) or 408(b), other than a Roth IRA. "Code" means the Internal Revenue Code. Other capitalized terms not defined in this IRA Trust Agreement shall be given their meanings as set forth in the Custody Agreement. Section references are to the Code unless otherwise noted.

**3. Contributions made by deposit of tax refunds**

In addition to the contribution types referenced in Article 1, we will accept the deposit of federal income tax refunds, as provided in Section 830 of the Pension Protection Act of 2006, as the equivalent of cash contributions to your Roth IRA.

**4. Increase in contribution limits**

For 2017 - 2018, the contribution limits stated in Article I are increased as follows: The contribution limit is increased to \$5500. For individuals who have reached the age of 50 before the close of the calendar year, the contribution limit is increased to \$6500.

**5. Investment of amounts in your Roth IRA**

- (a) You shall have exclusive responsibility for the investment of your Roth IRA.
- (b) Trustee AssetMark Trust shall have no responsibility for the investment of your Roth IRA. Trustee AssetMark Trust shall have no discretion to direct any investment in your Roth IRA. AssetMark Trust assumes no responsibility for rendering investment advice with respect to your Roth IRA, nor will AssetMark Trust offer any opinion or judgment to you on matters concerning the advisability or suitability of any investment or proposed investment for your Roth IRA.
- (c) You may delegate your investment responsibility for your Roth IRA to another party acceptable to us, such as to an advisor pursuant to a Client Advisory Agreement available on the AssetMark Platform. To the extent that the assets of your Roth IRA are subject to an investment advisory arrangement, such as a Client Advisory Agreement, the terms of that arrangement or Client Advisory Agreement shall apply to the investment of those assets. Trustee AssetMark Trust has no responsibility to review or question, nor shall AssetMark Trust be responsible for, the directions of an investment adviser to your Roth IRA. To the extent that there exist assets in your Roth IRA that are not subject to an investment advisory arrangement, you shall remain exclusively responsible for the investment of those assets.

**This must remain with the Client**

## 6. *Beneficiaries*

If you die before you receive all of the amounts in your Roth IRA, payments from your Roth IRA shall be made to your beneficiaries. You may designate one or more person(s) or entity as beneficiary of your Roth IRA. This designation can only be made on a form acceptable to us, and it shall only be effective when it is filed with and accepted by us during your lifetime. Each beneficiary designation accepted by us shall cancel any previous designation. The designation of a beneficiary shall have no effect until your death. The consent of a beneficiary shall not be required for you to revoke a beneficiary designation. If you do not designate a beneficiary, or if in the case of a trust or other entity designated as a beneficiary, it has been dissolved or otherwise ceased to exist prior to your death, then your estate shall be your beneficiary.

Upon your death, your designated beneficiary(ies) may elect to receive distributions over their life expectancy and may elect to designate their own beneficiary(ies) to receive any remaining Roth IRA amounts upon the designated beneficiary's death.

If the beneficiary payment election described in Article V, Section 1 of this Agreement is not made by December 31 of the year following the year of your death, however, then the payment described in Section 1(b) shall be deemed elected (that is the remaining interest shall be distributed by the end of the calendar year containing the fifth anniversary of your death). If your designated beneficiary is your spouse, however, then distributions over your spouse's life expectancy need not commence until December 31 of the year you would have attained age 70½, if later. Notwithstanding Article V, Section 1(b), instead of assuming the IRA, a surviving spouse may elect to take the distributions as a non-spouse beneficiary.

The following paragraph applies if you do not specify "per stirpes" when designating beneficiaries: Unless you specify "per stirpes," the "per capita" method of beneficiary designation shall be used and a beneficiary's rights shall end with that beneficiary's death. Your Roth IRA shall pass to all the primary beneficiaries who survive you, in equal shares, unless you have designated other proportions. If any of the primary beneficiaries should predecease you, then your Roth IRA shall pass only to the surviving primary beneficiaries with the deceased primary beneficiary's share being divided among the surviving primary beneficiaries in proportion to the percentages specified for the remaining primary beneficiaries. If none of the primary beneficiaries survive you, then your Roth IRA shall pass to those designated as contingent beneficiaries who survive you, in equal shares, unless other proportions are designated. If you have named more than one primary or contingent beneficiary and specified percentages do not total 100%, the unallocated portion of your Roth IRA account shall be shared equally among the beneficiaries. Only beneficiaries identified by name shall share in the Roth IRA assets with a Beneficiary Designation that does not include per stirpes, and a predeceased beneficiary's estate shall have no claim to or interest in the Roth IRA.

The following paragraph applies if you specify "per stirpes" when designating beneficiaries: The term "per stirpes" (or "by branch") means that if any primary beneficiary dies before you, but has descendants, that beneficiary's share will be paid to such descendants (in the generation nearest the deceased beneficiary) equally. For example, if you designate your three children as beneficiaries per stirpes (with equal shares) and, at the time of your death, one child, who has two living children (your grandchildren), has predeceased you, then each of your two living children will receive one third of the Roth IRA assets and your two grandchildren of your deceased child will each receive one half of the one third

share of the Roth IRA (one sixth each). In this example, if you have a third grandchild with a living parent (your child), they will not receive any portion of your account but your child will receive what you have allocated to him or her as a beneficiary. If your deceased child has a living spouse (who is not designated as a beneficiary), that spouse will not receive any portion of your Roth IRA but that deceased child's portion will be divided equally among his or her children (among those in the generation nearest your child). For purposes of this per stirpes beneficiary designation, the number of branches is determined by reference to your children, even if all have predeceased you, regardless of what state you may be a resident of or what state law may be applicable to your estate.

The following paragraphs apply to all beneficiary designations.

Upon your death, AssetMark is authorized, at its discretion, to look to the executor of your estate for information and instructions regarding the distribution of your Roth IRA. AssetMark may rely upon the instructions of your estate executor and shall not be liable for any payments made at their direction.

If a beneficiary survives you, but is not alive at the time of the transfer of the IRA assets, then the assets will become part of that beneficiary's estate. If it cannot be determined that a beneficiary has survived you by 120 hours, then the beneficiary will be deemed not to have survived.

If any beneficiary is or becomes married to you, then a dissolution of that marriage shall have no effect on any designation of that former spouse as beneficiary, unless that beneficiary designation is revoked.

In the event that any securities or other property in your Roth IRA cannot, for any reason, be partitioned and transferred to accounts for the beneficiaries, AssetMark shall, to the extent necessary, liquidate those securities or other property and transfer the proceeds of that sale.

AssetMark Trust has no obligation: (i) to locate beneficiaries; (ii) to question or investigate the circumstances of your death as it is reported to it; (iii) to determine the age or any other facts about a beneficiary; (iv) to appoint, if applicable, a custodian or guardian for any minor beneficiary; (v) to locate or notify any spouse(s), children or other heirs upon your death; (vi) to verify the legality of any distribution or any part of this Agreement under the probate, estate, inheritance, community property, transfer on death or other laws of any state, including the state where this Agreement is made; or (vii) to determine which state's law is applicable to any place and transfer, payment, distribution or any term or provision of this Agreement.

In connection with AssetMark Trust acting in compliance with this Agreement and your beneficiary designation, you agree to indemnify and hold AssetMark, its affiliates, directors, officers, agents and employees, and their successors and assigns, harmless from any liability to any person or entity, including but not limited to the beneficiary(ies) and your estate, personal representatives, heirs, assigns, agents, children, descendants, successors, and spouse(s) and/or any other person, for any actions taken in opening and maintaining your Roth IRA and making the distributions upon receipt of notice of your death.

## 7. *Termination*

Either Party may terminate this Agreement at any time by giving written notice to the other. AssetMark Trust can resign as

Trustee at any time effective 30 days after written notice of our resignation is mailed to you. Upon receipt of that notice, you shall make arrangements to transfer your Roth IRA to another financial organization or accept payment of the balance of your Roth IRA. If you do not complete a transfer of your Roth IRA within 30 days from the date we mail the notice to you, AssetMark Trust has the right to transfer your Roth IRA assets to a successor Roth IRA custodian or trustee that we choose in our sole discretion or we may pay your Roth IRA to you in a single sum. We shall not be liable for any actions or failure to act on your part or on the part of any successor custodian or trustee nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this Section.

If this agreement is terminated, we may hold back from your Roth IRA a reasonable amount of money that we believe is necessary to cover any one or more of the following:

- any fees, expenses or taxes chargeable against your Roth IRA;
- any penalties associated with the early withdrawal of any savings instrument or other investment in your IRA.

If our organization is merged with another organization (or comes under the control of any Federal or State agency), or if our entire organization (or any portion that holds your Roth IRA) is bought by another organization, that organization (or agency) shall automatically become the Trustee or Custodian of your Roth IRA, but only if it is the type of organization authorized to serve as an Roth IRA trustee or custodian.

## 8. *Amendments and effectiveness*

Your Roth IRA is established after you have executed the application and AssetMark Trust has accepted the account. This account must be created in the United States for the exclusive benefit of you and your beneficiaries. We have the right to amend this agreement at any time. Any amendment we make to comply with the Code and related regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, you notify us in writing that you do not consent.

## 9. *Withdrawals*

All requests for withdrawals shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution.

Any withdrawals shall be subject to all applicable tax and other laws and regulations including possible early withdrawal penalties and withholding requirements.

## 10. *Transfers from other plans*

We can receive amounts transferred to this Roth IRA from the custodian or trustee of another Roth IRA. We reserve the right not to accept any transfer.

## 11. *Liquidation of assets*

We have the right to liquidate assets in your Roth IRA if necessary to make distributions or to pay fees, expenses or taxes properly chargeable against your Roth IRA. If you fail to tell us which assets to liquidate, we will decide at our complete and sole discretion and you agree not to hold us liable for any adverse consequences that result from our decision.

## 12. *Restrictions on the Roth IRA*

Neither you nor any beneficiary may sell, transfer or pledge any interest in your Roth IRA in any manner whatsoever, except as provided by law or this agreement.

The assets in your Roth IRA shall not be responsible for debts, contracts or torts of any person entitled to distributions by law or this agreement.

## 13. *Governing law; severability*

This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of the State of New York, as applied to contracts entered into and completely performed in New York, shall govern.

If any part of this agreement is held to be illegal or invalid, the remaining parts shall not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this agreement shall be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

## **ASSETMARK TRUST COMPANY ROTH IRA DISCLOSURE STATEMENT**

### **RIGHT TO REVOKE YOUR ROTH IRA**

If you receive this Disclosure Statement at the time you establish your Roth IRA, you have the right to revoke your Roth IRA within seven (7) days of its establishment. If revoked, you are entitled to a full return of the contribution you made to your Roth IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to AssetMark Trust at the address listed on the attached Application.

If you send your notice by first class mail, your revocation will be deemed mailed as of the date of the postmark.

If you have any questions about the procedure for revoking your Roth IRA, please call AssetMark Trust at the telephone number listed on the attached Application.

### **REQUIREMENTS OF A ROTH IRA**

#### **A. *Cash contributions***

Your contribution must be in cash, unless it is a rollover contribution, including a conversion. The Pension Protection Act of 2006 authorizes you to direct the Internal Revenue Service to deposit all or a portion of any federal income tax refund you would otherwise receive in your Roth IRA. We will treat any such deposit as a cash contribution subject to the Roth IRA rules, including rules on timing of contributions, described below.

*Carryback contributions.* A contribution is deemed to have been made on the last day of the preceding taxable year if you make a contribution by the deadline for filing your income tax return (not including extensions), and you designate that contribution as a contribution for the preceding taxable year. For example, if you are a calendar year taxpayer and you make your Roth IRA contribution on or before your tax-filing deadline (generally April 15), your contribution is considered to have been made for the previous tax year if you designated it as such.

*Conversion methods.* You can convert amounts from a traditional IRA (i.e., an IRA subject to Internal Revenue Code (IRC) Sections 408(a) or 408(b)) to a Roth IRA in any of the following three ways:

- Rollover. You can receive a distribution from a traditional IRA and roll it over (contribute it) to a Roth IRA within 60 days after the distribution.
- Trustee-to-trustee transfer. You can direct the trustee of the traditional IRA to transfer an amount from the traditional IRA to the trustee of the Roth IRA.
- Same trustee transfer. If the trustee of the traditional IRA also maintains the Roth IRA, you can direct the trustee to transfer an amount from the traditional IRA to the Roth IRA. Conversions made with the same trustee can be made by redesignating the traditional IRA as a Roth IRA, rather than opening a new account.

*Failed Conversions.* You cannot convert and reconvert an amount during the same tax year. If you reconvert during this period, it will be a failed conversion. Beginning In 2018, you cannot recharacterize a conversion to a Roth IRA. If you converted an amount from a traditional IRA to a Roth IRA during 2017, however, you have until October 15, 2018 to recharacterize it.

## B. Maximum contributions

The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation up to \$5,500 or \$6500 if you will turn age 50 or older during 2018, with possible cost-of-living adjustments after 2018. If you also maintain a traditional IRA the maximum contribution to your Roth IRAs is reduced by any contributions you make to your traditional IRA during the year. Your total contribution to all traditional IRAs and Roth IRAs cannot exceed the lesser of the applicable limit mentioned previously or 100 percent of your compensation.

However, if your modified AGI is above a certain amount, your maximum contribution may be reduced. Generally, you can contribute to a Roth IRA if you have taxable compensation and your modified AGI is less than:

### For 2018 –

- \$120,000 for married filing jointly or qualifying widow(er)
- \$10,000 for married filing separately and you lived with your spouse at any time during the year; and
- \$135,000 for single, head of household, or married filing separately and you did not live with your spouse at any time during the year.

### For 2017 –

- \$196,000 for married filing jointly or qualifying widow(er)
- \$10,000 for married filing separately and you lived with your spouse at any time during the year; and
- \$133,000 for single, head of household, or married filing separately and you did not live with your spouse at any time during the year.

*Modified AGI.* Your Modified AGI for Roth IRA purposes is your adjusted gross income (AGI) as shown on your federal income tax return modified as follows:

1. Subtract conversion income. This is any income resulting from the conversion of an IRA (other than a Roth IRA) to a Roth IRA. Conversions are discussed below.

2. Add the following deductions and exclusions:

- (a) Traditional IRA deduction
- (b) Student loan interest deduction
- (c) Tuition and fees deduction
- (d) Foreign earned income exclusion
- (e) Domestic production activities deduction
- (f) Foreign housing exclusion or deduction
- (g) Exclusion of qualified bond interest shown on IRS Form 8815, and
- (h) Exclusion of employer-provided adoption benefits shown on IRS Form 8839.

You can use Worksheet 2-1 Modified Adjusted Gross Income for Roth IRA Purposes in IRS Publication 590-A to figure your modified AGI.

*Compensation.* Compensation includes wages, salaries, tips, professional fees, bonuses, and other amounts received for providing personal services. It also includes commissions, self-employment income, and taxable alimony and separate maintenance payments.

*Contribution limit reduced.* If your modified AGI is above a certain amount, your contribution limit is gradually reduced. If the amount you can contribute must be reduced, figure your reduced contribution limit as follows:

1. Start with your modified AGI.
2. Subtract from the amount in (1):
  - (a) \$183,000 for 2015 if filing a joint return or qualifying widow(er),
  - (b) \$0- if married filing a separate return, and you lived with your spouse at any time during the year, or
  - (c) \$116,000 for 2015 for all other individuals.
3. Divide the result in (2) by \$15,000 (\$10,000 if filing a joint return, qualifying widow(er), or married filing a separate return and you lived with your spouse at any time during the year),
4. Multiply the maximum contribution limit (before reduction by this adjustment and before reduction for any contributions to traditional IRAs) by the result in (3).
5. Subtract the result in (4) from the maximum contribution limit before this reduction. The result is your reduced contribution limit.

You can use Worksheet 2-2 Determining Your Reduced Roth IRA Contribution Limit in Publication 590-A to figure the reduction.

*Example.* You are a 45-year old, single individual with taxable compensation of \$122,000. You want to make the maximum allowable contribution to your Roth IRA for 2015. Your modified AGI for 2015 is \$122,000. You have not contributed to any traditional IRA, so the maximum contribution limit before the modified AGI reduction is \$5,500. Using the steps described earlier, you figure your reduced Roth IRA contribution of \$3,300.

*Spousal ROTH IRA contributions.* If you file a joint return and your taxable compensation is less than that of your spouse, the most that can be contributed for the year to your Roth IRA is the greater of following two amounts:

1. For 2017 and 2018, \$5500 (\$6500 if you will turn age 50 or older during the calendar year) or

2. The total compensation includible in the gross income of both you and your spouse for the year, reduced by the following two amounts.
  - (a) Your spouse's IRA contribution for the year to a Roth IRA.
  - (b) Any contributions for the year to a traditional IRA on behalf of your spouse.

This means that for 2017 or 2018 the total combined contributions that can be made for the year to your Roth IRA and your spouse's Roth IRA can be as much as \$11,000 (\$12,000 if only one of you will turn age 50 or older during the calendar year or \$13,000 if both of you will turn age 50 or older during the calendar year).

*Example.* Kristin, a full-time student with no taxable compensation, marries Carl during the year. Neither was age 50 by the end of 2015. For the year, Carl has taxable compensation of \$30,000. He plans to contribute \$5,500 to a Roth IRA. If he and Kristin file a joint return, each can contribute \$5,500 to a Roth IRA. This is because Kristin, who has no compensation, can add Carl's compensation, reduced by the amount of his IRA contribution, (\$30,000 – \$5,500 = \$24,500) to her own compensation (-0-) to figure her maximum contribution to a Roth IRA. In her case, \$5,500 is her contribution limit, because \$5,500 is less than \$24,500 (her compensation for purposes of figuring her contribution limit).

#### C. *Non-Forfeatability*

Your interest in your Roth IRA is nonforfeitable.

#### D. *Eligible custodians*

The custodian of your Roth IRA must be a bank, savings and loan association, credit union, or a person approved by the Secretary of the Treasury. AssetMark Trust is treated as a bank for purposes of this rule. To be a Roth IRA, the account must be designated as a Roth IRA when it is set up.

#### E. *Commingling assets*

The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.

#### F. *Life insurance*

No portion of your Roth IRA may be invested in life insurance contracts.

#### G. *Collectibles*

You may not invest the assets of your Roth IRA in collectibles (within the meaning of Internal Revenue Code (IRC) Section 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the Internal Revenue Service. Specially minted United States platinum, gold, and silver bullion coins, palladium bullion and certain state-issued coins are permissible Roth IRA investments.

#### H. *Required minimum distributions calculations*

You are not required to take minimum distributions from your Roth IRA during your lifetime. Below is a summary of the Roth IRA distribution rules applicable to your beneficiary(ies) under Treasury Regulations Section 1.408-8 after your death.

1. Your designated beneficiary is determined based on the

beneficiary(ies) designated as of the date of your death and who remains your beneficiary(ies) as of September 30 of the year following the year of your death. If you die, the entire amount remaining in your account will, at the election of your beneficiary or beneficiaries, either

- (i) Be distributed by December 31 of the year containing the fifth anniversary of your death, or
- (ii) Be distributed in equal or substantially equal payments over the life or life expectancy of your designated beneficiary or beneficiaries.

Your beneficiary or beneficiaries must elect either option (i) or (ii) by December 31 of the year following the year of your death. If no election is made, distribution will be made in accordance with (i). In the case of distributions under (ii), distributions must commence by December 31 of the year following the death. If your spouse is the beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a beneficiary(ies) other than an individual or qualified trust as defined by the Regulations is named, you will be treated as having no designated beneficiary(ies) of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire Roth IRA may elect to redesignate your Roth IRA as his or her own. Alternatively, the sole spouse beneficiary will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not your spouse is the sole beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

2. These transactions are often complex. If you have any questions regarding required minimum distributions, please see a competent tax advisor.

### INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

#### A. *Tax-deferred earnings*

The investment earnings of your Roth IRA are not subject to federal income tax unless and until taxable distributions are made (or, in certain circumstances, when taxable distributions are deemed to be made).

#### B. *Nondeductible contributions*

All contributions to your Roth IRA are nondeductible.

#### C. *Taxation of distributions*

You do not include in your gross income qualified distributions or distributions that are a return of your regular contributions from your Roth IRA(s). You also do not include distributions from your Roth IRA that you roll over tax free into another Roth IRA. You may have to include part of other distributions in your income. You report Roth IRA distributions that are not qualified distributions on IRS Form 8606, attached to your federal income tax return.

*What are qualified distributions?* A qualified distribution is any payment or distribution from your Roth IRA that meets the following requirements:

1. It is made after the 5-year period beginning with the first taxable year for which a contribution was made to a Roth IRA set up for your benefit, and
2. The payment or distribution is:
  - (a) Made on or after the date you reach age 59½,
  - (b) Made because you are disabled,
  - (c) Made to a beneficiary or to your estate after your death, or
3. One that meets the requirements listed under first-time home purchase expenses under early distribution penalty expectations below (up to a \$10,000 lifetime limit).

Publication 590-B summarizes these rules in a flowchart, Figure 2-1, Is the Distribution from Your Roth IRA a Qualified Distribution?

*Ordering rules for distributions.* If you receive a distribution from your Roth IRA that is not a qualified distribution, part of it may be taxable. There is a set order in which contributions (including conversion contributions) and earnings are considered to be distributed from your Roth IRA. For these purposes, disregard the withdrawal of excess contributions and earnings on them (discussed later). The distributions are ordered as follows:

1. Regular contributions
2. Conversion contributions, on a first-in-first-out basis (generally, total conversions form the earliest year first). See Aggregation (grouping and adding) rules, later. Take these conversion contributions into account as follows:
  - (a) Taxable portion (the amount required to be included in gross income because of conversion) first, and then the
  - (b) Non-taxable portion.
3. Earnings on contributions.

Disregard rollover contributions from other Roth IRAs for this purpose.

*Aggregation (grouping and adding) rules.* Determine the taxable amounts distributed (withdrawn), distributions, and contributions by grouping and adding them together as follows:

- Add all distributions from all your Roth IRAs during the year together.
- Add all regular contributions made for the year after the close of the year, but before the due date of your return) together. Add this total to the total undistributed regular contributions made in prior years.
- Add all conversion contributions made during the year together. For purposes of the ordering rules, in the case of any conversion in which the conversion distribution is made in 2009 and the conversion contribution is made in 2010, treat the conversion contribution as contributed before any other conversion contributions.

Add any recharacterized contributions that end up in a Roth IRA to the appropriate contribution group for the year that the original contribution would have been taken into account if it had been made directly to the Roth IRA.

Disregard any recharacterized contribution that ends up in an IRA other than a Roth IRA for the purpose of grouping (aggregating) both contributions and distributions. Also disregard any amount withdrawn to correct an excess contribution (including the earnings withdrawn) for this purpose.

*Example.* On October 15, 2006, Justin converted all \$80,000 in his traditional IRA to his Roth IRA. His Forms 8606 from prior years show that \$20,000 of the amount converted is his basis. Justin included \$60,000 (\$80,000 – \$20,000) in his gross income. On February 23, 2015, Justin made a regular contribution of \$5,500 to a Roth IRA. On November 8, 2015, at age 60, Justin took a \$7,000 distribution from his Roth IRA. The first \$5,500 of the distribution is a return of Justin's regular contribution and is not includible in his income. The next \$1,500 of the distribution is not includible in income because it was included previously.

*Distributions to beneficiaries.* Generally, the entire interest in the Roth IRA must be distributed by the end of the fifth calendar year after the year of the owner's death unless the interest is payable to a designated beneficiary over the life or life expectancy of the designated beneficiary. (See When Must You Withdraw Assets? (Required Minimum Distributions) in chapter 1 of Publication 590-B.)

If paid as an annuity, the entire interest must be payable over a period not greater than the designated beneficiary's life expectancy and distributions must begin before the end of the calendar year following the year of the grantor's death. Distributions from another Roth IRA cannot be substituted for these distributions unless the other Roth IRA was inherited from the same decedent.

If the sole beneficiary is the spouse, he or she can either delay distributions until the decedent would have reached age 70½ or treat the Roth IRA as his or her own.

*Combining with other Roth IRAs.* A beneficiary can combine an inherited Roth IRA with another Roth IRA maintained by the beneficiary only if the beneficiary either:

- Inherited the other Roth IRA from the same decedent, or
- Was the spouse of the decedent and the sole beneficiary of the Roth IRA and elects to treat it as his or her own Roth IRA.

*Distributions that are not qualified distributions.* If a distribution to a beneficiary is not a qualified distribution, it is generally includible in the beneficiary's gross income in the same manner as it would have been included in the owner's income had it been distributed to the IRA owner when he or she was alive.

If the owner of a Roth IRA dies before the end of:

- The 5-year period beginning with the first taxable year for which a contribution was made to a Roth IRA set up for the owner's benefit, or
- The 5-year period starting with the year of a conversion contribution from a traditional IRA or a rollover from a qualified retirement plan to a Roth IRA, each type of contribution is divided among multiple beneficiaries according to the pro-rata share of each. See Ordering Rules for Distributions, above.

*Example.* When Ms. Hibbard died in 2015, her Roth IRA contained regular contributions of \$4,000, a conversion contribution of \$10,000 that was made in 2006, and earnings of \$2,000. No distributions had been made from her IRA. She had no basis in the conversion contribution in 2006.

When she established her Roth IRA, she named each of her 4 children as equal beneficiaries. Each child will receive one-fourth of each type of contribution and one-fourth of the earnings. An immediate distribution of \$4,000 to each child will be treated as \$1,000 from regular contributions, \$2,500 from conversion contributions, and \$500 from earnings.

In this case, because the distributions are made before the end of the applicable 5-year period for a qualified distribution, each beneficiary includes \$500 in income for 2015. The 10% additional tax on early distributions does not apply because the distribution was made to the beneficiaries as a result of the death of the IRA owner.

*Recognizing Losses on Investments.* If you have a loss on your Roth IRA investment, you can recognize the loss on your income tax return, but only when all the amounts in all of your Roth IRA accounts have been distributed to you and the total distributions are less than your unrecovered basis. Your basis is the total amount of contributions in your Roth IRAs. You claim the loss as a miscellaneous itemized deduction, subject to the 2%-of-adjusted-gross-income limit that applies to certain miscellaneous itemized deductions on Schedule A, Form 1040. Any such losses are added back to taxable income for purposes of calculating the alternative minimum tax.

#### D. Portability of your ROTH IRA assets

Your Roth IRA may be directly transferred to another Roth IRA of yours, your Roth IRA may be rolled over to a Roth IRA of yours and may receive rollover contributions, provided that all of the applicable rollover rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your Roth IRA from another Roth IRA, or in a conversion, from a traditional IRA or SIMPLE IRA. SIMPLE IRA funds may not be rolled to your Roth IRA in a conversion during the first two years you participate in your employer's SIMPLE IRA plan. The rollover rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover, please see a competent tax advisor.

1. *Roth IRA to Roth IRA rollovers.* Funds distributed from your Roth IRA may be rolled over to any Roth IRA of yours if the requirements of IRC section 408(d)(3) are met. A proper Roth IRA to Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another IRA or Roth IRA rollover from any IRA (including a SIMPLE IRA) or Roth IRA during the 12 months preceding the date you receive the distribution. Further you may roll the same dollars or assets only once every 12 months.
2. *Traditional IRA to Roth IRA rollovers.* You are eligible to roll over (or convert) all or any portion of your existing traditional IRA(s) into your Roth IRA(s). The amount of the rollover from your traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes and is includible in your gross income (except for any nondeductible contributions). Although the rollover amount is generally included in income, the 10 percent early distribution additional tax will not apply to rollovers or conversions from a traditional IRA to a Roth IRA regardless of whether you qualify for any exceptions to the 10 percent additional tax.
3. *Simple IRA to Roth IRA rollovers.* Funds may be distributed from your SIMPLE IRA and rolled over to your Roth IRA in a conversion without IRS penalty, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. A proper SIMPLE IRA to Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another IRA or Roth rollover from any IRA (including a SIMPLE IRA) or Roth IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.

4. *Employer-sponsored retirement plans to Roth IRA rollovers.* You can rollover amounts from the following employer-sponsored plans into a Roth IRA.

- A qualified pension, profit-sharing or stock bonus plan (including a 401(k) plan),
- An annuity plan,
- A tax-sheltered annuity plan (section 403(b) plan),
- A deferred compensation plan of a state or local government (section 457 plan).

Any amount rolled over is subject to the same rules for converting a traditional IRA into a Roth IRA. See Traditional IRA to Roth IRA rollovers earlier in this document. Also, the rollover contribution must meet the rollover requirements that apply to the specific type of retirement plan.

*Special rules for 2010 rollovers from qualified retirement plans into Roth IRAs.* If in 2010 you rolled over an amount from a qualified retirement plan to a Roth IRA, any amount you were required to include in income as a result of the rollover can generally be included in equal amounts over a 2-year period, beginning in 2011. This means you include one half of the amount in income in 2011 and the other half in income in 2012. You must file Form 8606 to report a rollover from a qualified retirement plan to a Roth IRA.

*Election not to use 2-year period.* You could elect to include the total amount of the rollover in income in 2010 rather than in equal amounts over the 2-year period (2011 and 2012). You make this election on Form 8606. If you make this election, you cannot change it after the due date (including extensions) for your 2010 tax return.

#### E. Designated Roth account to Roth IRA

You may roll over, directly or indirectly, a distribution from a Designated Roth Account to a Roth IRA. A Designated Roth Account is an account established in a qualified plan, such as a 401(k) or 403(b) plan, to hold nondeductible elected deferrals made pursuant to a qualified Roth contribution program.

#### F. Roth IRA to employer sponsored retirement plans

You may not roll over any distribution from a Roth IRA to an employer's qualified retirement plan, tax-sheltered annuity, or 457(b) deferred compensation plan.

*Written election.* At the time you make a proper rollover to a Roth IRA, you must designate to the Trustee/Custodian, in writing, your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

### LIMITATIONS AND RESTRICTIONS

#### A. Special tax treatment

Capital gains treatment and the favorable five or ten year forward averaging tax authorized by IRC Section 402 do not apply to taxable Roth IRA distributions.

#### B. Income tax treatment

Any taxable withdrawal from your Roth IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

### C. *Prohibited transactions*

If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in IRC Section 4975, your Roth IRA will lose its tax-exempt status and you must include the value of your account in your gross income for that taxable year. The following transactions are a non exclusive list of examples of transactions that can be prohibited transactions with your Roth IRA: (1) taking a loan from your Roth IRA; (2) buying property for personal reasons; or (3) receiving certain bonuses or premiums because of your Roth IRA.

### D. *Pledging*

If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

## FEDERAL TAX PENALTIES

### A. *Excess contribution penalty*

An excise tax of six percent is imposed upon any excess contribution you make to your Roth IRA. This tax will apply each year in which an excess remains in your Roth IRA. An excess contribution is any contribution amount which exceeds the maximum contribution, explained above, excluding rollover (including properly converted) and direct transfer amounts. Rules for withdrawing excess contributions are discussed under Early Distribution Penalty Exceptions below.

### B. *Early distribution penalty*

If you receive a distribution that is not a qualified distribution, you may have to pay the 10% additional tax on early distributions as explained in the following paragraphs.

Distributions of conversion contributions within 5-year period. If, within the 5-year period starting with the first day of your tax year in which you convert an amount from a traditional IRA to a Roth IRA, you take a distribution from a Roth IRA, you may have to pay the 10% additional tax on early distributions. You generally must pay the 10% additional tax on any amount attributable to the part of the amount converted (the conversion contribution) that you had to include in income. A separate 5-year period applies to each conversion. See Ordering rules for distributions, above, to determine the amount, if any, of the distribution that is attributable to the part of the conversion contribution that you had to include in gross income.

The 5-year period used for determining whether the 10% early distribution tax applies to a distribution from a conversion contribution is separately determined for each conversion, and is not necessarily the same as the 5-year period used for determining whether a distribution is a qualified distribution.

*Example.* If a calendar year taxpayer makes a conversion contribution on February 25, 2009, and makes a regular contribution for 2008 on the same date, the 5-year period for the conversion begins January 1, 2009, while the 5-year period for the regular contribution begins on January 1, 2008.

Unless one of the exceptions listed later applies, you must pay the additional tax on the portion of the distribution attributable to the part of the conversion contribution that you had to include in income because of the conversion.

You must pay the 10% additional tax in the year of the distribution, even if you had included the conversion contribution in an earlier year. You also must pay the additional tax on any portion of the distribution attributable to earnings on contributions.

Other early distributions - Unless one of the exceptions listed below applies, you must pay the 10% additional tax on the taxable part of any distributions that are not qualified distributions.

### C. *Early distribution additional tax exceptions*

*You have reached age 59½.* Keep in mind, however, that the distribution may not be a qualified distribution if it has not been at least 5 years from the beginning of the year in which you first set up and contributed to a Roth IRA.

*Death.* Payments are made to your beneficiary after your death

*Disability.* You are disabled (unable to do any substantial gainful activity due to a physical or mental condition expected to result in your death or be of long, continued, and indefinite duration).

*Substantially equal payments.* The distributions are part of a series of substantially equal payments over your life (or your life expectancy) or over the lives (or the joint life expectancies) of you and your beneficiary. You must use an IRS-approved distribution method and you must take at least one distribution annually for this exception to apply. The "required minimum distribution" method is described in Publication 590. Note that this method calculates the exact amount required to be distributed, not the minimum amount. Other IRS-approved methods are described in Revenue Ruling 2002-62 in Internal Revenue Bulletin 2002-42. These methods are complex and generally require professional assistance to implement.

Substantially equal payments must generally continue until at least 5 years after the date of the first payment or until you reach age 59½, whichever is later. If a change from an approved distribution method is made before the end of the appropriate period, any payments you receive before you reach age 59½ will be subject to the 10% additional tax. This is true even if the change is made after you reach age 59½. The payments will not be subject to the 10% additional tax if another exception applies or if the change is made because of your death or disability.

If you are receiving a series of substantially equal periodic payments, you can make a one-time switch to the required minimum distribution method at any time without incurring the additional tax. Once a change is made, you must follow the required minimum distribution method in all subsequent years.

*Levy.* The distribution is due to the IRS levy of the Roth IRA assets.

*Health insurance.* Distribution taken by an Roth IRA holder who received federal or state unemployment compensation for 12 consecutive weeks and who is using the distribution(s) to pay for health insurance is not subject to the 10% early distribution additional tax. The distribution must be taken in the year that the unemployment was received or in the year following. In addition, the distribution cannot be taken more than 60 days after the Roth IRA holder is reemployed.

*Medical expenses.* Distributions used for unreimbursed deductible medical expenses are not subject to the 10% early distribution additional tax.

*Higher education expenses.* Under this exception to the 10 percent early distribution additional tax, a Roth IRA holder may take distributions from his or her Roth IRA to the extent that such distributions do not exceed the qualified higher education expenses of the taxpayer or his or her dependents for the taxable year. (IRC Sec. 72(t)(2)(E)). Generally, these distributions may be taken to pay for the qualified higher education expenses of the Roth IRA holder, the Roth IRA holder's spouse, and any child or grandchild of the taxpayer or the taxpayer's spouse at an eligible education institution.

Higher education expenses are defined as tuition, books, fees, supplies and equipment applied to education at an eligible educational institution.

*First-time home purchase expenses.* Distributions from Roth IRAs to pay for qualified first-time home purchase expenses may be taken without incurring the 10 percent additional tax (IRC Sec. 72(t)(2)(F)). A qualified first-time home purchase expense distribution is defined as any distribution received by an individual to the extent that the distribution is used by the Roth IRA holder before the close of the 120th day after the day on which the distribution is received. The distribution may be taken to pay the qualified acquisition costs with respect to a principal residence of a first-time home buyer who is the Roth IRA holder, the Roth IRA holder's spouse, or the Roth IRA holder's child, grandchild or ancestor of the Roth IRA holder or his or her spouse.

The aggregate amount of Roth IRA distributions taken by an Roth IRA holder that may be treated as qualified first-time home purchase expenses can not exceed a lifetime limit of \$10,000.

Under IRC Sec. 72(t)(8)(D)(i), a first-time home buyer is defined as an individual (and, if married, the individual's spouse) that had no present ownership interest in a principal residence during the two-year period ending on the date of acquisition of the principal residence.

*Federally-recognized disasters.* Under special laws and conforming relief granted by the Internal Revenue Service, victims of certain storms and other disasters were eligible to receive up to \$100,000 in Roth IRA distributions without incurring an 10 percent additional tax for early distributions. The federal government may provide similar relief to the victims of future disasters.

*Return of excess contributions.* Distributions from Roth IRAs that timely return to you excess contributions, as defined above, are not subject to the early distribution additional tax. Note that the earnings on the returned excess contributions will be subject to the 10% additional tax unless another exception applies. The return of excess contributions and related earnings for a tax year is timely if made before the due date of your federal income tax return (plus filing extensions) for that year. If you have filed your tax return on time, a special rule allows you up to 6 months from the original due date (usually April 15) to withdraw the excess contributions, without penalty.

#### **D. Additional tax reporting**

You must file Form 5329 with the Internal Revenue Service to report and remit any penalties or excise taxes.

## **OTHER**

### **A. IRS plan approval**

The Agreement used to establish this Roth IRA has been approved by the Internal Revenue Service. The Internal Revenue Service approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.

### **B. Additional information**

You may obtain further information on Roth IRAs from your District Office of the Internal Revenue Service. In particular, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements and IRS Publication 590-B, Distributions from Individual Retirement Arrangements. All references made to Tables and Schedules in Publication 590-A and Publication 590-B in this Disclosure Statement are to the 2016 editions.

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- Accounts at other institutions
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