



# DISCLOSURE BROCHURE FOR ASSETMARK RETIREMENT SERVICES

**Form ADV – Part 2A**

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## **ITEM 1 – COVER PAGE**

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*This AssetMark 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 above information. 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, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.*

**AssetMark, Inc.**  
1655 Grant Street  
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Concord, CA 94520  
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*Additional information about AssetMark also is 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 annual 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 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**

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The following are changes since the last Form ADV Part 2A update in September 2016.

- Item 4: On October 31, 2016 Huatai Securities Co., Ltd. completed the purchase of AssetMark, Inc.
- Item 9: Disciplinary Information
- Item 10: Other Financial Industry Activities and Affiliations

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## ITEM 4 – ADVISORY BUSINESS

A. This disclosure brochure describes the advisory services offered by AssetMark, Inc. (“AssetMark”) to retirement plans through its Retirement Services division and to Internal Revenue Code (“IRC”) 403(b) Client Plans (“Client” or “Client Plans”) through its Aris division.

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.

In April 2016, Aquiline Capital Partners and Genstar Capital, private equity firms that invest in the financial services industry, announced the sale of AssetMark, Inc. (“AssetMark”) and AssetMark Trust Company to Huatai Securities Company, Ltd. The sale was completed on October 31, 2016.

Effective October 1, 2015, Aris was merged into AssetMark, Inc. Aris and AssetMark had been under common control and ownership. Aris is now an investment division of AssetMark, Inc. Aris serves financial advisors with wealth and retirement service solutions for individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, businesses, partnerships, limited partnerships, limited liability companies and investment clubs.

### B. I. Retirement Services Advisory Services (available through Investment Management Services Agreements)

Through its Retirement Services division and pursuant to Investment Management Services Agreements (“IMSAs” or “Client Agreements”) with Client Plans, AssetMark provides advisory services to defined contribution retirement plans intended to be qualified under IRC Section 401(a) that maintain individual accounts (“Accounts”) for their Participants (generally IRC 401(k) plans). Pursuant to the Client Agreements, AssetMark acknowledges that it is providing investment advice to the Plan and is a “fiduciary” (within the meaning of section 3(21) of the Employee Retirement Income Security Act of 1974), and accepts appointment as an “investment manager” (within the meaning of Section 3(38) of ERISA) with discretion, in all instances, to the extent it provides investment advisory services to Plan assets pursuant to the Client Agreements.

On behalf of the Plans, AssetMark develops and maintains Investment Alternatives for use by the Plans’ Participants. These Investment Alternatives may include individual mutual funds and/or exchange traded funds (“ETFs”) (collectively, “Individual Funds”) and Managed Accounts. AssetMark provides the investment advisory services in accordance with any reasonable investment restrictions as specified by the Client Plan and accepted by AssetMark.

AssetMark may manage the Managed Accounts through the maintenance of “Asset Allocation Models,” which specify the percentage of specific securities to be held by each Account. AssetMark has contracted with investment management firms (“Portfolio Strategists”) to provide to AssetMark Asset Allocation Models of recommended portfolio allocations by which AssetMark intends to invest Accounts, unless circumstances indicate that modified allocations or investments are appropriate. The Portfolio Strategists do not provide discretionary investment management services to Accounts. The Client may specify the initial Portfolio Strategist for the Account. AssetMark may replace the Portfolio

Strategist at its discretion. AssetMark has the authority to select, remove and replace securities, including mutual fund and ETF shares, and other investments, as Investment Alternatives and in Plan Accounts and, with regard to the Managed Accounts, to determine the portion of assets in the Managed Account that shall be allocated to each fund share, security, investment or asset class and to change such allocations. AssetMark may delete an Individual Fund or Managed Account as an Investment Alternative, including but not limited to a Qualified Default Investment Alternative (“QDIA”) and, at its discretion, direct, or not, that Plan assets invested in the deleted Investment Alternative be moved to another (existing or new) replacement Investment Alternative.

AssetMark does not provide Participants and beneficiaries individualized investment advice. AssetMark does not know the individual investment objectives of Plan Participants and beneficiaries and AssetMark has no responsibility for determining whether any Investment Alternative is suitable for any particular Plan Participant. AssetMark is responsible for determining whether the Investment Alternatives are generally suitable to be investments for the Plan.

### Screened Portfolios (Values Based Portfolios)

At a Client’s request, AssetMark may offer portfolios screened for various social or faith based considerations (“Screened Portfolios”) under client IRC 401(k) plans. Screened Portfolio allocations are typically constructed from mutual funds, but may also include Managed Accounts, individual securities, closed-end funds and exchange traded funds. Mutual funds utilized in Screened Portfolios are selected from a more limited menu of mutual funds than non-screened allocations offered by us. As a result, risk characteristics and returns of Screened Portfolios could vary significantly from our non-screened portfolios. Minimum account sizes for applicable services apply and are subject to negotiation.

### II. IRC 403(b) Advisory Services

Through its Aris division and pursuant to Client Services Agreements (“CSAs” or “Client Agreements”) with Client Plans, AssetMark provides advisory services to plans intended to be qualified under IRC Section 403(b) that maintain individual accounts (“Accounts”) for their Participants. Pursuant to the Client Agreements, AssetMark acknowledges that it is providing investment advice to the Plan and is a “fiduciary” (within the meaning of section 3(21) of ERISA) and accepts appointment as an “investment manager” (within the meaning of Section 3(38) of ERISA) with discretion for ERISA, in all instances, to the extent it provides investment advisory services to Plan assets pursuant to the Client Agreements.

### Fidelity 403(b) Portfolios (available through an Aris Client Services Agreement)

Aris offers asset allocation services to participants of 403(b) plans where Fidelity Institutional Wealth Services (“Fidelity”) is an authorized provider under the participant’s plan. We may provide asset allocation services to participants based upon investment choices made available through the plan or through Brokerage Link, if available. Mutual fund options for the Fidelity 403(b) portfolios generally do not include all mutual funds offered by Fidelity, and in most cases, are limited to only certain Fidelity family mutual funds. As a result, risk characteristics and returns of Fidelity 403(b) portfolios could vary significantly from our non-Fidelity 403(b) portfolios. Minimum account size is \$15,000 and is subject to negotiation.

**TIAA CREF – 403(b) (available through an Aris Client Services Agreement)**

Aris offers asset allocation services to participants of 403(b) plans where TIAA CREF is an authorized provider under the participant's plan. We may provide asset allocation services to participants based upon investment choices made available through the plan. Mutual fund options for the TIAA CREF portfolios generally include all or most mutual funds offered by TIAA CREF. Minimum account size is \$50,000 and subject to negotiation.

**Asset Builder**

Aris provides strategic asset allocation services utilizing mutual funds. Asset Builder may be utilized in Fidelity 403(b) and TIAA CREF 403(b) portfolios. Client asset allocations are dependent on the stated risk parameters and investment objectives of the Client. Assets are managed on a discretionary basis. Clients may transfer existing investments to fund the account; however, all transferred assets will be liquidated and invested to the appropriate asset allocation without regard to any taxable gains or losses that may result. Dollar-cost-averaging can be utilized upon request for accounts greater than \$100,000. Periodic account reviews may include account rebalancing. Rebalancing will be performed without consideration for any realized taxable gains or losses that may result. Minimum account size is \$50,000 and subject to negotiation.

**Screened Portfolios (Values Based Portfolios)**

At a Client's request, Aris may offer portfolios screened for various social or faith based considerations ("Screened Portfolios") offered under the Aris Fidelity 403(b) and TIAA CREF 403(b) Asset Builder portfolios. Screened Portfolio allocations are typically constructed from mutual funds, but may also include Managed Accounts, individual securities, closed-end funds and exchange traded funds. Mutual funds utilized in Screened Portfolios are selected from a more limited menu of mutual funds than non-screened allocations offered by us. As a result, risk characteristics and returns of Screened Portfolios could vary significantly from our non-screened portfolios. Minimum account sizes for applicable services apply and are subject to negotiation.

**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.

- C. AssetMark, on behalf of IRC 401(k) plans, develops and maintains Investment Alternatives for use by the Plans' Participants. These Investment Alternatives may include individual mutual funds and/or exchange traded funds ("ETFs") (collectively, "Individual Funds") and Managed Accounts. AssetMark provides the investment advisory services in accordance with any reasonable investment restrictions as specified by the Client Plan and accepted by AssetMark.

Aris offers asset allocation services to participants of 403(b) plans where Fidelity Institutional Wealth Services ("Fidelity") is an authorized provider under the participant's plan. We may provide asset allocation services to participants based upon investment choices made available through the plan or through Brokerage Link if available. Mutual fund options for the Fidelity

403(b) portfolios generally do not include all mutual funds offered by Fidelity, and in most cases, are limited to only certain Fidelity family mutual funds. As a result, risk characteristics and returns of Fidelity 403(b) portfolios could vary significantly from our non-Fidelity 403(b) portfolios. Aris provides the investment advisory services in accordance with any reasonable investment restrictions as specified by the Client Plan and accepted by Aris.

- D. AssetMark does not participate in a Wrap Fee program under the Retirement Services and 403(b) programs.
- E. As of December 31, 2016, AssetMark had \$479.9 million in assets under management under the Retirement Services and 403(b) programs.

**ITEM 5 – FEES AND COMPENSATION**

The fees described here are for products and advisory services received direct through AssetMark Retirement Services or Aris 403(b) services. If a Client engages AssetMark Retirement Services or Aris to provide discretionary and/or non-discretionary investment advisory services, Client agrees to pay AssetMark an account fee based upon a percentage of all assets in the account(s), including assets for which we do not exercise investment discretion or investment oversight, in accordance with the agreed upon fee schedule. Account fees are billed quarterly in advance based upon the previous quarter-end account values. Tiers for investments not managed by separate account managers are determined by including the value of assets managed by each separate account manager. For some services, fees may be blended together with fees for other service and an overall ladder-based or fixed-fee is charged. Such fee would not exceed the aggregation, or total fee, of individual fees for such services. Fees billed by us or any third party retained by us for Clients will be deducted from account assets. The initial fee is based on the amount of the initial deposit to the account and is pro-rated to the end of the quarter. Should a Client terminate prior to the end of a quarter, we will make a prorated refund to the Client. Fee percentages and minimum fees are subject to negotiation. Annual fees do not include fees for non-standard services, Managed Accounts, transaction costs for individual securities or other services offered by us. AssetMark Retirement Services and Aris, by written provision within its advisory agreements, may impose certain administrative charges for research, re-titling, check writing, other administrative services and time spent complying and implementing Client requests or restrictions in all services.

Account fees are determined based upon investment vehicles utilized and can be on a cumulative or ladder basis unless specified.

**RETIREMENT SERVICES PLANS**

MINIMUM ANNUAL FEE NEGOTIABLE. ACCOUNT FEES ARE LADDER-BASED.	
PORTFOLIO ASSETS	MAXIMUM FEE
\$0 - \$2,500,000	1.65%
\$2,500,001 - \$5,000,000	1.60%
\$5,000,001 - \$10,000,000	1.55%
\$10,000,001+	Negotiable

**FIDELITY 403(B) PORTFOLIOS**

MINIMUM ANNUAL FEE OF \$275 APPLIED UPTO \$50,000 ACCOUNT SIZE	
PORTFOLIO ASSETS	MAXIMUM FEE
\$0 - \$1,000,000	2.00%
\$1,000,001 - \$3,000,000	1.75%
\$3,000,001+	Negotiable

**TIAA-CREF – 403(B)**

MINIMUM ANNUAL FEE OF \$250	
PORTFOLIO ASSETS	MAXIMUM FEE
\$0 - \$1,000,000	2.00%
\$1,000,001 - \$3,000,000	1.75%
\$3,000,001+	Negotiable

**ASSET BUILDER**

MINIMUM ANNUAL FEE OF \$175	
PORTFOLIO ASSETS	MAXIMUM FEE
\$0 - \$1,000,000	2.00%
\$1,000,001 - \$3,000,000	1.75%
\$3,000,001+	Negotiable

**Screened Portfolios (Values Based Portfolios)**

As described in Item 4B, Screened Portfolios are offered under Retirement and 403(b) advisory services. When Screened Portfolios are used under 403(b) advisory services in conjunction with the Asset Builder service, the minimum fee is \$225 and the remainder of the Asset Builder fee schedule applies. When Screened Portfolios are utilized under any other advisory service, the applicable minimums and maximums apply.

**Other**

Generally, most mutual fund transactions ordered by AssetMark in discretionary accounts are done on a no commission basis. For individual securities trades, where a commission would be charged by the executing broker dealer, that broker is chosen by us based upon: cost to Client; pre-existing brokerage arrangements of the Client; where the Client assets are currently held; and other available services provided by the broker. Those services considered by us are research, reporting, reinvestment capabilities and ability to timely report trades and valuations for Client reporting purposes.

Aris utilizes Fidelity Institutional Wealth Services ("Fidelity") for the purchase and resale of securities and mutual funds, except as noted below. For mutual fund transactions, we primarily purchase non-transaction fee ("NTF") mutual funds. We receive service fees from Fidelity for various custodial support services we provide, which are based upon the amount of NTF funds and total Client assets held in custody by Fidelity. When support service fees are generated by retirement plan assets, we offset these fees against the account fee payable by the retirement plan.

For IRS 401(k) Plans, AssetMark may process transactions through the Mid Atlantic Trust Company.

Fees charged by custodians, including, but not limited to, customary brokerage and transaction fees and commissions, odd lot differentials, transfer taxes, transfer fees, exchange fees, termination fees and any other charges imposed by law with regard to Client assets will be deducted from Client portfolio assets.

AssetMark may pay a portion of its advisory fees to certain solicitor firms that solicit Clients on their behalf. The Client is not required to pay any additional amounts to us as a result of this solicitor arrangement. AssetMark maintains a written agreement with each solicitor firm which sets forth the terms and conditions of the arrangement. AssetMark also provides a written disclosure to each Client referred by such solicitor firm which indicates the relationship, if any, between solicitor and AssetMark and the approximate percentage of the advisory fee that will be paid by AssetMark to the solicitor firm. AssetMark may also pay or reimburse solicitor firms for expenses incurred in marketing the products and services of AssetMark to their Clients, including expenses incurred for the preparation and distribution of marketing materials, training and educational seminars and various entertainment events.

**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 which pay performance fees while at the same time managing accounts that do not pay performance fees.

**ITEM 7 – TYPES OF CLIENTS**

Although this disclosure brochure only describes the advisory services offered by AssetMark to retirement plans (through its Retirement Services division) and to IRC Internal Revenue Code ("IRC") 403(b) plans (through its Aris division), AssetMark provides advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, businesses, partnerships, limited partnerships, limited liability companies and registered investment companies. Where applicable, account value minimums are listed for each advisory service in Item 4.B. We, at our sole discretion, may reduce or waive the account minimum and/or reduce the management fee for any specified account or account relationship.

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

AssetMark utilizes strategic asset allocation strategies. Strategic asset allocation is subject to market risk and asset class risk. Risks associated with strategic asset allocation would not be considered unique or unusual. However, every type of investment involves a varying degree of risk. AssetMark relies upon past and current market information to perform analyses. Information utilized in analyses is compiled from sources believed to be reliable, but accuracy cannot be guaranteed. AssetMark's recommendations are subject to change based upon

market performance and other conditions. AssetMark makes no assurances that analyses will produce profitable investment returns.

## STRATEGIC ASSET ALLOCATION

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

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

Due diligence and analysis is performed on all investment vehicles (NTF mutual funds, separate account managers, ETFs) that are utilized. AssetMark's investment professionals perform detailed research to narrow the universe of available assets and to further analyze those managers passing our initial requirements. Recommended investments are monitored on a consistent basis through a combination of quantitative processes, in addition to interviewing investment managers and periodically conducting on-site evaluations. Our selection process includes: extensive screening of managers and mutual funds using Morningstar®; qualitative review of managers focusing on structure, resources, and fees; detailed fundamental review of a manager's investment process through interviews; quantitative analysis of a manager's historical style; correlation analysis to determine how managers fit together within asset classes; and operational approval, which may include an on-site visit, prior to investment.

## SPECIALTY PORTFOLIOS

Strategic asset allocation provides a solid foundation upon which to customize an investment solution for a Client's individual goals. One such customized approach involves the integration of socially responsible investments into a Client's overall plan. Socially responsible investing (SRI) is a process which attempts to closely align an investor's social philosophy with their investment strategy. We also believe it is important to maintain investment integrity while attempting to meet all of the social criteria. Our philosophy with regards to building an SRI portfolio for a Client is consistent with our overall investment philosophy: select the appropriate asset allocations based on the Client's indicated objectives and risk tolerance and then populate each asset class with managers which pass our due diligence process. To satisfy exposure to each asset class, we select from a pool of managers who employ socially responsible factors as a part of their asset selection process. Factors considered for our socially responsible portfolios includes both desired characteristics (e.g. companies who are good corporate citizens, companies which promote environmentally friendly and minimally disruptive products and use processes which are not damaging to the natural environment) and exclusions (e.g. companies meaningfully involved in tobacco products, alcoholic beverages, gambling devices and activities and any corporation who creates, produces, or maintains weapons of war).

Another customized approach involves the integration of faith based investments into a Client's overall plan. Faith based investing

is a process which attempts to closely align an investor's personal faith philosophy with their investment strategy. We also believe it is important to maintain investment integrity while attempting to meet all of the faith based criteria. Our philosophy with regards to building a faith based portfolio for a Client is consistent with our overall investment philosophy: select the appropriate asset allocations based on the Client's indicated objectives and risk tolerance and then populate each asset class with managers which pass our due diligence process. To satisfy exposure to each asset class, we select from a pool of managers who employ faith based factors as a part of their asset selection process. Factors considered for our faith based portfolios includes both desired characteristics (e.g. companies who are good corporate citizens, companies which promote environmentally friendly and minimally disruptive products and use processes which are not damaging to the natural environment) and exclusions (e.g. companies associated with the production, manufacturing, or distribution of products which are illegal in the United States of America, abortion products and services, pornography, companies meaningfully involved in tobacco products, alcoholic beverages, gambling devices and activities and embryonic stem cell research).

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

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

## 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 that misleadingly described that different service's performance between 2001 and 2008, and that AssetMark violated Section 204(a) of the Advisers Act and Rule 204-2(a)(16) by failing to maintain records substantiating the performance in the advertisements created by F-Squared.

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

## 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 U.S. Securities and Exchange Commission and has applied for membership with the Financial Industry Regulatory Authority (“FINRA”) and 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.

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

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 AssetMark-advised 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

Pursuant to a separate agreement, the Retirement Services Plan’s Custodian will provide custodial account and brokerage services to the Client. The Plan’s Custodian and/or other service provider to the Plan other than AssetMark shall be responsible for all trading, including the application of any asset allocation models to the Accounts by purchasing and/or selling securities for the Accounts. AssetMark shall not effect transactions in securities for Accounts and shall not be responsible for the selection of brokers and dealers and the execution of transactions for the Accounts. AssetMark makes no representation regarding, and shall not be responsible for, any trading expenses associated with the Accounts or Investment Alternatives.

Retirement Services Client Plan Accounts may be monitored for excessive and other forms of abusive trading and may be subject to administrative procedures and/or restrictions developed by the funds in which the Accounts are invested or by such funds’ service providers and implemented by the funds or their service providers at the direction of funds. These policies may take the form of redemption fees and/or purchase block or other trade restrictions. AssetMark makes no representation regarding policies and procedures of the funds included as Investment Alternatives. For further information on redemption fees or trade restrictions, including whether one will be applicable to an individual Investment Alternative for the Plan, please consult the individual fund prospectuses or other Investment Alternative disclosure material.

## RESEARCH AND SOFT DOLLAR PRACTICES

AssetMark generally utilizes Fidelity and Mid Atlantic Trust Company for various institutional platform services which assist AssetMark in managing and administering applicable Client Plan accounts and include, among other things, brokerage, custody and other related services. AssetMark may utilize Mid Atlantic Trust Company. Specifically, these services: (i) provide access to Client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple



Client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from Clients' accounts; and (v) assist with back-office functions, recordkeeping and Client reporting.

Fidelity and Mid Atlantic also offers other services intended to help AssetMark manage and further develop advisory practices. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom AssetMark may contract directly.

For mutual fund transactions, AssetMark primarily purchases NTF mutual funds. In most cases, mutual funds recommended by AssetMark have expense ratios lower than their category averages. For individual securities trades, where a commission would be charged by the executing broker dealer, that broker is chosen by AssetMark based upon: cost-to-Client, pre-existing brokerage arrangements of the Client, where the Client assets are currently held, and other available services provided by the broker. Those services considered by AssetMark are research, reporting, reinvestment capabilities and ability to timely report trades and valuations for Client reporting purposes.

Fidelity generally does not charge its adviser Clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Fidelity is providing AssetMark with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

Although AssetMark may receive Clients from referrals made by broker-dealers, they do not recommend or select any broker-dealer based upon any Client referrals from such broker-dealers. In addition, we do not receive Client referrals from Fidelity or any other custodian.

#### **DIRECTED BROKERAGE**

AssetMark and Aris do not allow directed Brokerage.

#### **TRADE AGGREGATION**

Where AssetMark provides investment management services to its Clients under certain Separately Managed Accounts, transactions for multiple Client accounts, when there is the ability to do so, generally will be affected together, or batched, on a best efforts basis, but is not obligated to do so. This process of batching orders can sometimes assist in obtaining more favorable commission rates or to allocate equitably among Clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. When orders are batched, prices will be averaged and can be allocated among Client accounts in proportion to the purchase and/or sales placed on a specific day.

### **ITEM 13 – REVIEW OF ACCOUNTS**

- A. For Client accounts where AssetMark provides investment advisory services, Client relationships and/or portfolios are reviewed on a quarterly basis or other periodic basis by the investment team that is responsible for such accounts. Client accounts may also be reviewed through random audit selection by designated supervisors, management personnel or the compliance department.
- B. AssetMark may also conduct account reviews based off events that trigger account activity. Examples of these events could be a Client request for deposit or withdrawal, Client notification of a change in financial condition, significant economic events or change in market conditions or a change in allocation or security selection.
- C. 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.

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

Pursuant to a written referral agreement between AssetMark and unaffiliated broker-dealers, investment advisers and other parties (collectively, "Solicitors"), Solicitors agree to refer prospective Clients to AssetMark to participate in AssetMark or Aris investment management programs. AssetMark, under the written referral agreement between Solicitor and Adviser, pays Solicitor an annual fee for each Client accepted for participation in AssetMark programs. This fee varies by Client and is disclosed to the Client on the Solicitors Disclosure Statement, which is presented at the time a Client enters into an Investment Management Services Agreement with AssetMark Retirement Services, or a Clients Services Agreement with Aris. This fee compensates Solicitor for referring Clients to AssetMark, assisting in the enrollment of Clients for participation in AssetMark programs, and facilitating communication between AssetMark and Clients. The total advisory fee charged to the Client by AssetMark (as set forth in Item 5) will include the referral fee, thus resulting in a differential in the total advisory fees charged by AssetMark for accounts for which AssetMark pays a referral fee and those for which AssetMark does not pay a referral fee. The differential in advisory fees is equal to the amount of the referral fee. Except for this differential, no additional charges or costs will be incurred by Client as a result of this referral arrangement.

### **ITEM 15 – CUSTODY**

For Retirement Services Client Plan accounts, in order to access the advisory services of AssetMark, the Plan shall establish a relationship with an "Administrator," for the provision of participant recordkeeping and plan administrative services, and a relationship with a qualified "Custodian," to hold custody of Plan assets and provide related services. Although AssetMark is not recommending any Administrator, Custodian or other service provider, the Parties anticipate that AssetMark Retirement Services, Inc., and Mid Atlantic Trust Company will act as Administrator and Custodian, respectively, unless Plan establishes relationships with other parties that have established the systems links needed for AssetMark to provide the advisory services contemplated by this Agreement

All assets in Client accounts identified as securities are deposited with a qualified custodian ("Custodian") chosen by AssetMark. Any Custodian chosen for Clients shall execute securities and other investment transactions on behalf of Clients as directed by AssetMark. Clients receive monthly or quarterly account statements from their Custodian showing account activity for that period, as well as all positions held in the account at period end. Client may also receive confirmations of transactions that occur within the account.

AssetMark maintains disbursement accounts in connection with its retirement plan Clients, at Fidelity and at Clearfield Bank and Trust Company, primarily to process disbursements from retirement plans to or for the benefit of their plan participants. These disbursement accounts are maintained in conjunction with the Client accounts at these custodians and enable Client requests to be processed by AssetMark Retirement Services, an affiliate of AssetMark, Inc, that provides administrative services to retirement plans. All transfers from Client accounts to disbursement accounts are reflected in account statements sent by Fidelity and Clearfield Bank and Trust Company to the retirement plan Clients.

A reasonable amount of time is needed to process requests and for transactions, and account assets may continue to be impacted by market exposure until each change is complete. Time periods experienced for previous requests may not be available and should not be relied upon.

AssetMark also sends quarterly reports to Clients. Clients are urged to carefully review these statements and reports, and compare any statements or reports provided by Aris with the statements provided by the Custodian to ensure account transactions, including fee deductions, are accurate.

Fidelity's address is 82 Devonshire St., Boston, MA 02109. Clearfield Bank and Trust Company's address is 11 North Second Street, P.O. Box 171, Clearfield, PA 16830. Mid Atlantic Trust Company's address is 1251 Waterfront Place, Suite 510, Pittsburgh, PA 15222.

## ITEM 16 – INVESTMENT DISCRETION

Client may grant to AssetMark the following power and authority with respect to Client's portfolios, subject at all times to Client's authority to revoke or amend such authority upon delivery of ten (10) days' prior written notice to AssetMark:

- (a) *Investment Discretion.* AssetMark will supervise, manage and direct the investment of the Client's portfolios, subject to such limitations and investment objectives as Client may impose in writing from time to time. AssetMark may, without prior consultation with Client, buy, sell, exchange, convert, and otherwise trade in any securities, including money market instruments, in the Client's portfolios and place orders for the execution of such transactions with or through such brokers, dealers or issuers as AssetMark may select.
- (b) *Retain Other Advisers.* AssetMark will select from available managers dependent upon the portfolio of the Client, the qualification of the managers and the investment objectives of Client. These other managers will have sole investment discretion regarding the Clients' assets which have been assigned to them.

- (c) *Other Services Provided by AssetMark.* AssetMark may also, but are not required to, provide various administrative and custodial services in respect of Client's portfolios, including, but not limited to, the following: (i) processing deposits or contributions; (ii) instructing custodians to distribute cash or securities from Client's accounts to Client or to any third party regardless of the tax consequences of such distributions;; (iv) provide allocation advice with respect to Client's portfolio assets, including assets for which AssetMark does not exercise discretion; (vi) make specific recommendations with respect to portfolio assets for which AssetMark does not exercise investment discretion; (vii) provide at least quarterly a written inventory of the assets in the Client's portfolio and a report of the performance of portfolio assets; and (viii) at Clients' written direction hold assets in custody without providing management oversight. This authorization is contained in the Client agreement signed by Client.

## ITEM 17 – VOTING CLIENT SECURITIES

- A. AssetMark will not vote proxies except for services offered by or through certain Separately Managed Accounts and where otherwise expressly stated. For these accounts, in the absence of specific voting guidelines from the Client, proxies will be voted in the best interest of each particular Client. Material conflicts of interest will be communicated to the Client and we may give Client the option to vote that particular proxy or will use other voting objectives. Client may receive a copy of how a specific proxy was voted for that Client's account and a copy of our Proxy Voting policy by writing a letter to AssetMark at the address on the front cover.
- B. For Client accounts that AssetMark does not vote proxies, Client will receive their proxies or other solicitations directly from the custodian.

## 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.