



4Q19 Earnings Presentation

February 26, 2020

Forward looking statements and non-GAAP financial measures

Forward-Looking Statements

This presentation contains forward-looking statements, including statements regarding our future financial and operating performance, which involve risks and uncertainties. Actual results may differ materially from the results predicted, and reported within the meaning of the Private Securities Litigation Act of 1995, results should not be considered as an indication of future performance. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “intends,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology that conveys uncertainty of future events or outcomes. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual results to differ materially from statements made in this presentation, including in relation to our ability to attract and retain advisors, competition in the industry in which we operate, the interest rate environment, shifting investor preferences, our financial performance, investments in new products, services and capabilities, our ability to execute strategic transactions, legal and regulatory developments and general market, political, economic and business conditions. Other potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, those risks and uncertainties included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in in our most recent Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, which is on file with the Securities and Exchange Commission and available on our investor relations website at ir.assetmark.com. Additional information will also be set forth in our Annual Report on Form 10-K for the year ended December 31, 2019. All information provided in this presentation is based on information available to us as of the date of this presentation and any forward-looking statements contained herein are based on assumptions that we believe are reasonable as of this date. Undue reliance should not be placed on the forward-looking statements in this presentation, which are inherently uncertain. We undertake no duty to update this information unless required by law.

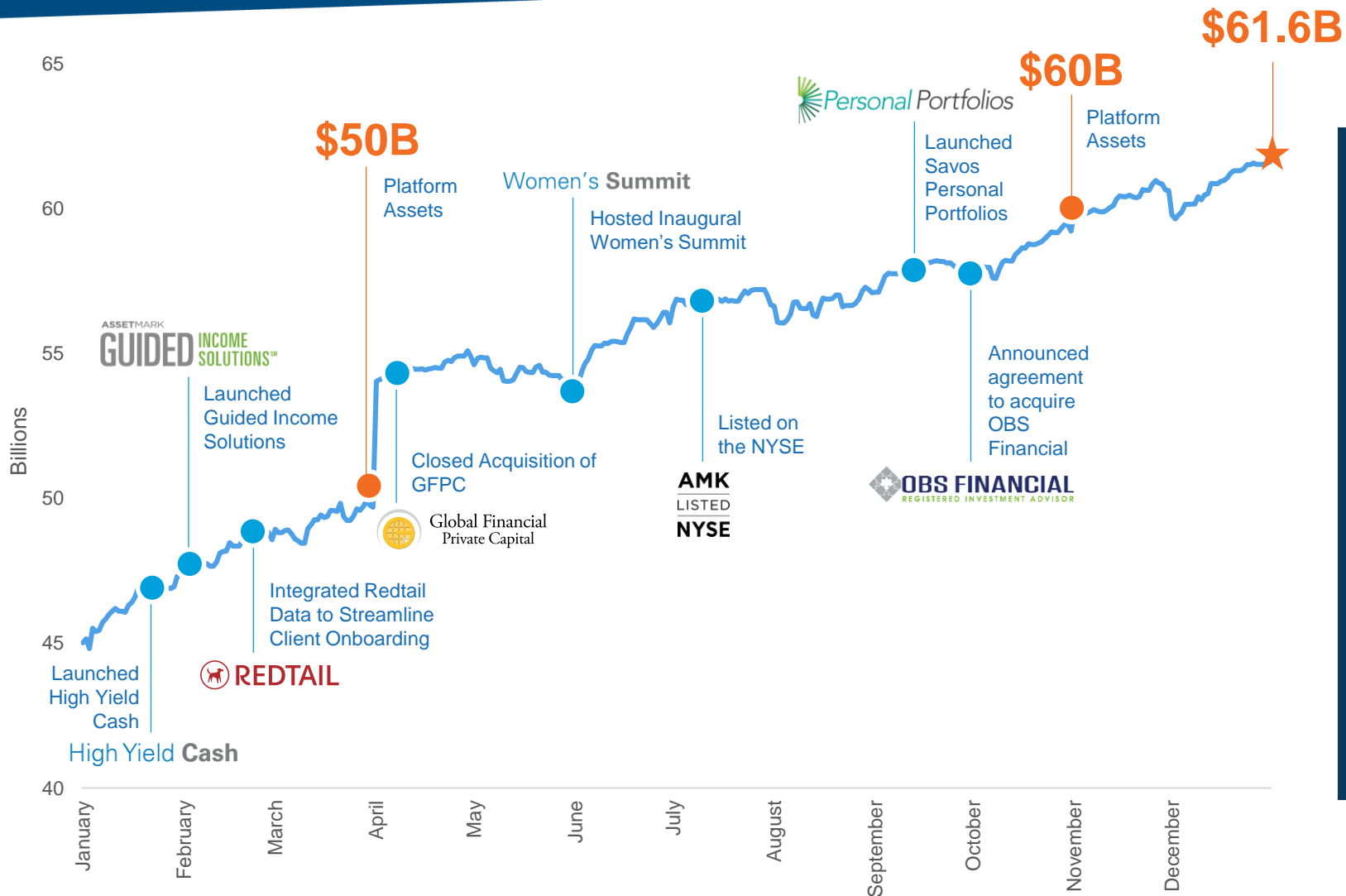
Use of Non-GAAP Financial Information

To supplement our financial information, which is prepared and presented in accordance with generally accepted accounting principles in the United States of America, or GAAP, we use non-GAAP financial measures: adjusted EBITDA, adjusted EBITDA margin and adjusted net income. The presentation of these non-GAAP financial metrics is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We believe that the presentation of non-GAAP financial information provides important supplemental information to management and investors regarding financial and business trends relating to our financial condition and results of operations. For further information regarding these non-GAAP measures, including the limitations thereof and reconciliations of each non-GAAP financial measure to its most directly comparable GAAP financial measure, please refer to our earnings release and Form 10-Q.

Key messages for today

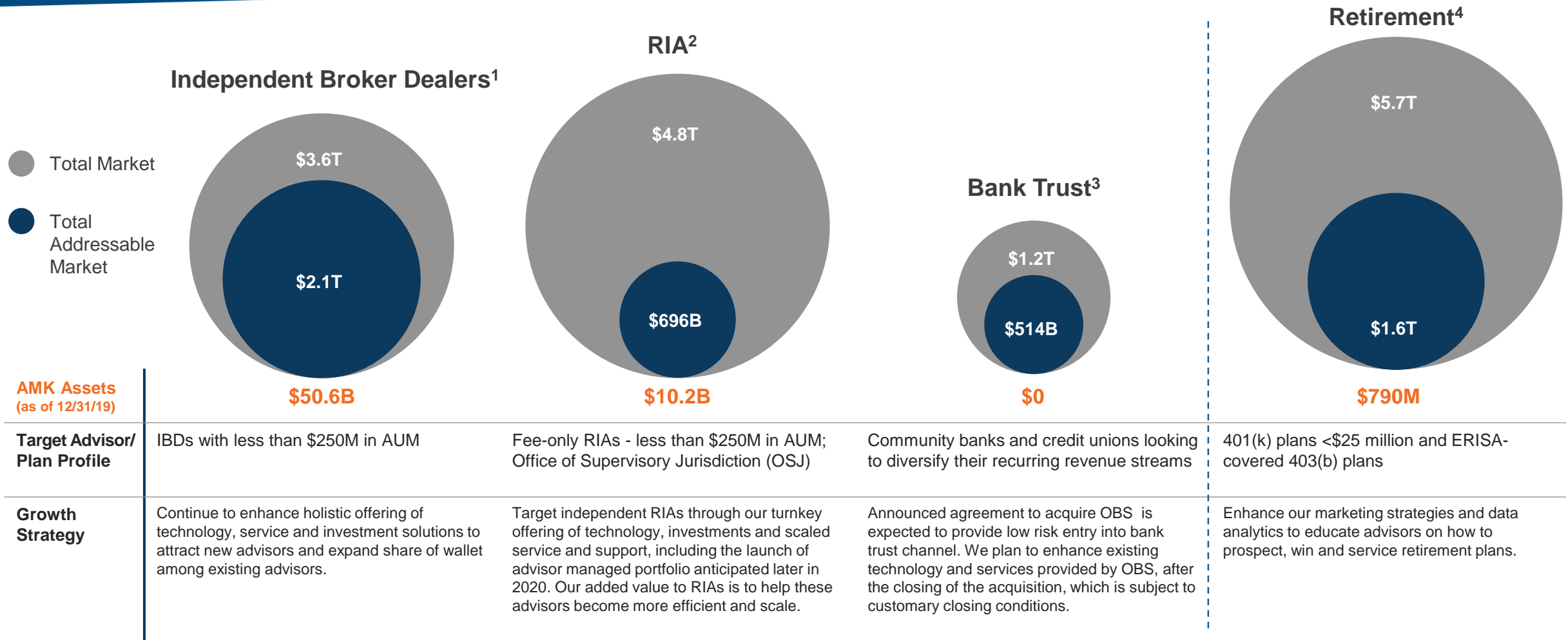
- 1 2019 was a **momentous year** for AssetMark, highlighted by **new product launches**, **two acquisitions**, **listing on the NYSE** and **tremendous growth**.
- 2 **Long runway for growth** – AssetMark has only scratched the surface and is **well positioned to gain market share** across multiple channels.
- 3 **Strong organic growth** – 2019 net flows of \$5.4B or **12.0% as a percentage of beginning of year platform assets**.
- 4 Client cash balances held at AssetMark Trust Company continue robust growth, **bolstering spread-based revenue** despite declining interest rates.
- 5 4Q19 y/y financial results highlighted by **double digit growth** in **revenue**, **adjusted EBITDA** and **adjusted net income**.

2019 was a momentous year for AssetMark...



+16.8B in platform assets
+894 new producing advisors
+393 engaged advisors
+28,278 households
+180 bps adj. EBITDA margin

... But we are just scratching the surface



Source: Cerulli, 2019 U.S. Broker/Dealer Marketplace Annual; Cerulli, 2019 U.S. RIA Marketplace Annual; Cerulli, U.S. Retirement Markets 2019 and internal estimates.

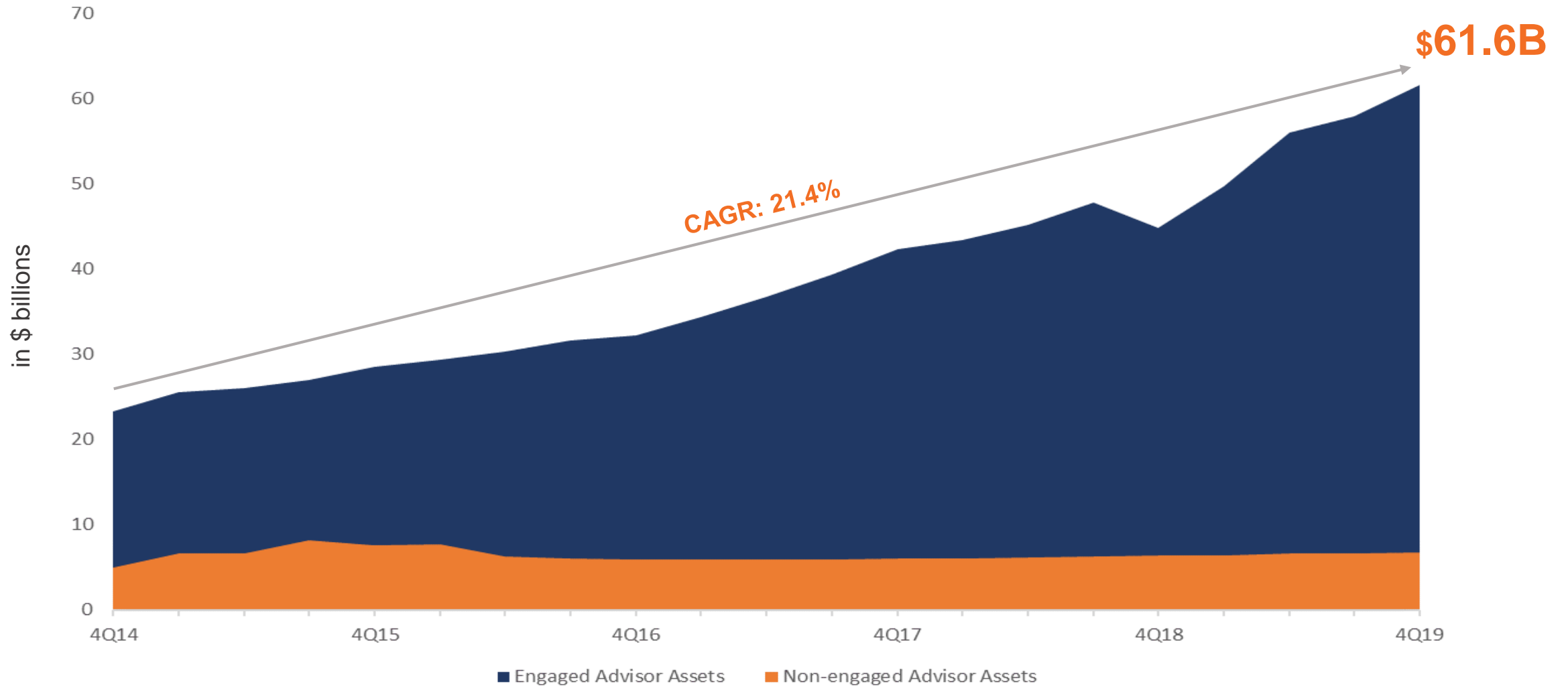
¹ Total market includes Independent Broker Dealers and Insurance Broker Dealers of all sizes; TAM includes Independent Broker Dealers with <\$250M in asset and Insurance Broker Dealers of all sizes.

² Total market includes Independent RIAs and Hybrid RIAs of all sizes; TAM includes Independent RIAs and Hybrid RIAs below \$250 million.

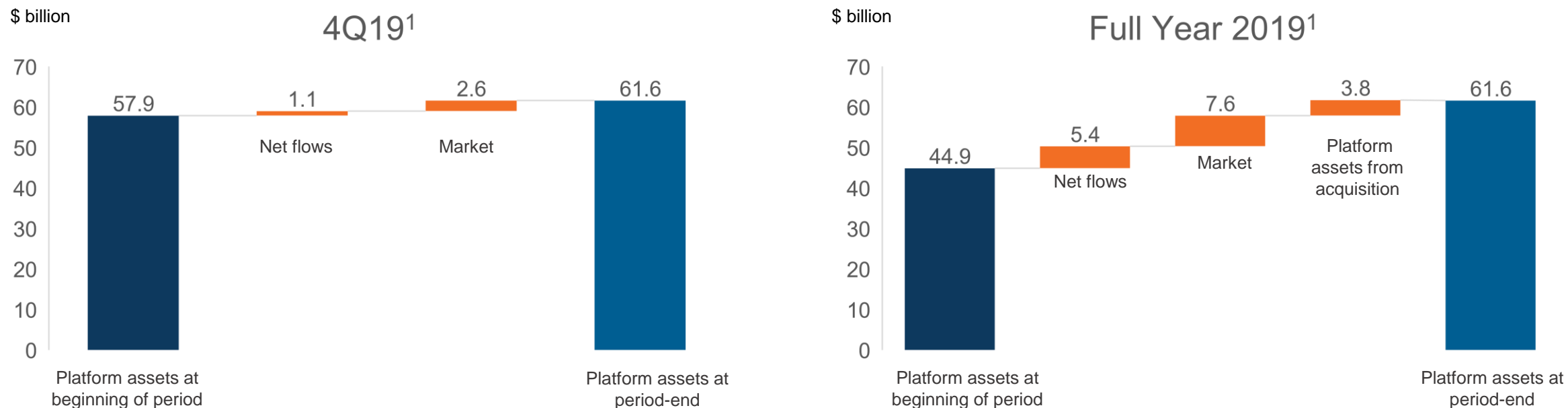
³ Total market includes Superregional, Regional and Community bank trusts assets. TAM only includes Regional and Community Bank trust assets.

⁴ Total market includes, all 401(k) plan assets and ERISA-covered 403(b) plans; TAM includes all 401(k) plans below \$25 million and all ERISA-covered 403(b) plans. Overlaps total market and TAM for IBD, RIA and bank trust if the advisor is working with retail clients. No overlap if advisor is working directly with plan sponsor.

We have experienced strong platform asset growth over the past five years



Platform assets – 4Q19 and Full Year 2019



12.0% Net Flows as a % of Beginning-of-Period Platform Assets²

AssetMark targets annual net flows of **10%** of beginning-of-period platform assets

¹As of December 31, 2019.

²Calculated as total net flows of \$5.4B for the year ended December 31, 2019, divided by beginning-of-period platform assets of \$44.9B as of January 1, 2019.

Fourth quarter results highlighted by strong top and bottom line growth

| <i>(dollars in millions, except per share data)</i> | 4Q19 | 4Q18 | VPY |
|---|----------------|---------------|--------------|
| Total revenue | \$111.0 | \$97.4 | 14.0% |
| Asset-based | 101.2 | 89.2 | 13.4% |
| Spread-based | 8.6 | 6.5 | 31.8% |
| Revenue less cost of revenue | \$76.9 | \$65.3 | 17.8% |
| Asset-based | 68.4 | 57.5 | 19.0% |
| Spread-based | 7.2 | 6.1 | 18.6% |
| Adjusted EBITDA | \$29.3 | \$22.0 | 33.1% |
| <i>Adjusted EBITDA margin</i> | 26.4% | 22.6% | 380 bps |
| Adjusted net income | \$19.7 | \$14.2 | 38.0% |
| <i>Adjusted EPS¹</i> | \$0.27 | \$0.22 | 22.7% |

¹Calculated using weighted average number of common shares outstanding, diluted of 72,393,387

2020 expectations

| | TTM Y/Y ¹ | 2020 Growth Outlook | Commentary |
|-------------------------------------|----------------------|---------------------|---|
| Platform assets | 37% | Mid teens | <ul style="list-style-type: none"> • Net flows as 10% plus of beginning of period platform assets • 3.5% market assumption • Does not include OBS transaction |
| Revenue less cost of revenue | 17% | Low teens | |
| Asset-based | 14% | High teens | <ul style="list-style-type: none"> • Normal 1-2 bps annual yield compression forecast due to mix shift • Additional yield compression due to accelerated shift out of higher cost mutual funds |
| Spread-based | 58% | -5% to -10% | <ul style="list-style-type: none"> • Lower yields outpace increasing cash volumes • Assumes no additional Fed rate cuts through 2020 |
| Adjusted expense | 14% | 9-10% | <ul style="list-style-type: none"> • Moderate investment in 2020 • Utilize human capital capacity in 2020 created by 25% head count growth in 2019 • Focused on investment in back office technology and scalability |
| Adjusted EBITDA | 24% | 15-20% | <ul style="list-style-type: none"> • If revenue grows at a stronger rate due to market appreciation or other factors, some will go to EBITDA or we may invest in future growth as needed. • If revenue is affected by a down market or other factors, we will look to manage expenses to maintain margin expansion. |

Based on growth outlook above, we expect **100 bps** adjusted EBITDA margin expansion in 2020

¹ Growth for platform assets represents y/y change in platform assets from December 31, 2018 to December 31, 2019. For other metrics, y/y growth is based on annual total ending 12/31/2018 and 12/31/2019

Appendix

4Q19 net yield calculation

| <i>(dollars in millions)</i> | 4Q19 | 4Q18 |
|------------------------------|---------------|---------------|
| Revenue less cost of revenue | | |
| Asset-based | \$68.4 | \$57.5 |
| Spread-based | \$7.2 | \$6.1 |
| Other income | \$1.2 | \$1.7 |
| Total | \$76.9 | \$65.3 |
| Billable assets ¹ | \$57,902 | \$47,868 |
| Annualized net yield | 53 bps | 55 bps |

The y/y decline of 2 bps was driven solely by the addition of lower-yield GFPC assets as the yield on the core business remained flat y/y.

¹ Billable assets for the quarter represent prior quarter's ending assets.

Adjusted expense reconciliation

| <i>(dollars in millions)</i> | 4Q19 | | | 4Q18 | | | Adj. Expense VPY |
|----------------------------------|----------------|----------------------|---------------------|---------------|----------------------|---------------------|---------------------|
| | Expense | Total Adjustments | Adjusted Expense | Expense | Total Adjustments | Adjusted Expense | |
| Asset-based expenses | \$32.7 | - | \$32.7 | \$31.7 | - | \$31.7 | 3.2% |
| Spread-based expenses | \$1.4 | - | \$1.4 | \$0.4 | - | \$0.4 | 212.6% |
| Employee compensation | \$45.6 | (\$16.0) | \$29.6 | \$28.2 | (\$2.4) | \$25.7 | 14.9% |
| SG&A ¹ | \$20.1 | (\$2.3) | \$17.8 | \$16.4 | (\$0.1) | \$16.3 | 9.0% |
| Interest expense | \$1.7 | - | \$1.7 | \$1.9 | - | \$1.9 | (11.4%) |
| Depreciation and amortization | \$8.3 | (\$5.1) | \$3.2 | \$6.8 | (\$5.1) | \$1.7 | 89.5% |
| Total | \$109.8 | (\$23.4) | \$86.4 | \$85.4 | (\$7.6) | \$77.8 | 11.0% |

Note: Percentage variance based on actual numbers, not rounded results. Does not include \$1.1 million of other expenses related to Deferred Compensation Plan (VIE) which is offset by other income

¹Includes general and operating expenses and professional fees.