



1Q20 Earnings Presentation

May 5, 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, general market, political, economic and business conditions and the impacts of the COVID-19 pandemic on our operations, demand from our customers and end investors and our operating results. 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 our Annual Report on Form 10-K for the year ended December 31, 2019, which is on file with the Securities and Exchange Commission and available on our investor website at ir.assetmark.com. Additional information will also be set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, which is expected to be filled the week of March 11, 2020. 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.

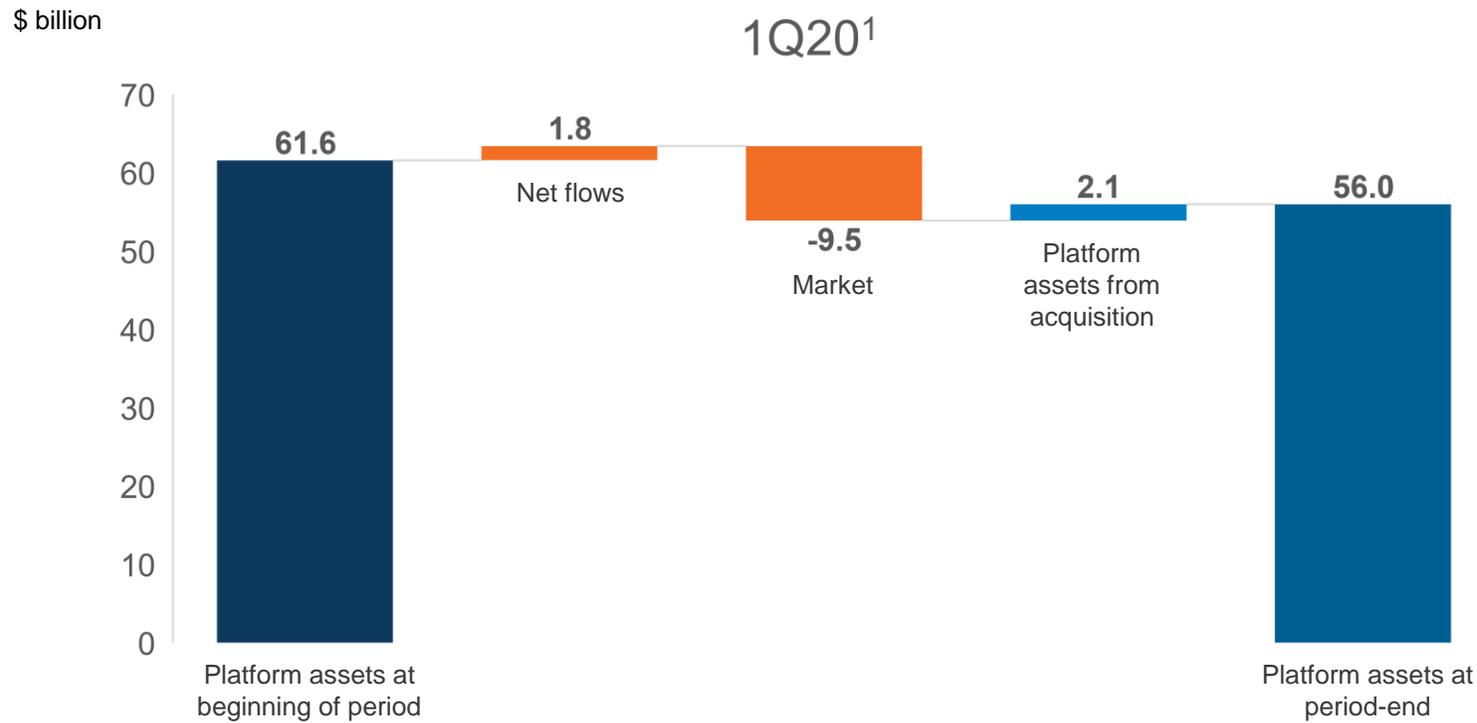
Use of Non-GAAP Financial Information

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 Results highlighted by **strong top and bottom-line** growth, **record net flows of \$1.8B** for the quarter
- 2 Our platform is **built for uncertain times**. During the crisis, **we continue to make a difference in the lives of our advisors and their clients**.
- 3 AssetMark **entered this crisis in a position of financial strength**, and we remain well capitalized with a **resilient balance sheet**, **low net debt ratio**, **strong cash flow generation** and **high liquidity**.
- 4 Advisor and investor **behavior will change**, understanding these potential range of changes and **how we can meet new and changing needs will be a necessity and an opportunity**.
- 5 We believe the **short-term environment will be challenging**, but the proactive actions we are taking will **position the company for long-term growth**.

Platform assets – 1Q20



11.9% Net Flows as a % of Beginning-of-Period Platform Assets²

¹As of March 31, 2020.

²Calculated as annualized net flows of \$1.8 billion divided by beginning-of-period platform assets of \$61.6 billion as of January 1, 2020.

First quarter results highlighted by strong top and bottom line growth

<i>(dollars in millions, except per share data)</i>	1Q20	1Q19	VPY
Total revenue	\$114.9	\$92.3	24.5%
Asset-based	105.7	83.1	27.2%
Spread-based	8.0	7.6	5.3%
Revenue less cost of revenue	\$78.6	\$63.7	23.3%
Asset-based	70.6	55.0	28.5%
Spread-based	6.7	7.1	(5.8%)
Adjusted EBITDA	\$28.4	\$22.7	24.8%
<i>Adjusted EBITDA margin</i>	24.7%	24.6%	10 bps
Adjusted net income	\$17.7	\$12.7	39.2%
<i>Adjusted EPS¹</i>	\$0.24	\$0.19	26.3%

¹Calculated using weighted average number of common shares outstanding, diluted of 72,501,000.

In February, AssetMark closed its acquisition of OBS Financial Services, Inc. (OBS)

Deal highlights

- Acquired \$2B+ of platform assets across four distribution channels
- Added close to 500 new financial advisor relationships and 21 banks that serve 6,500 investors
- \$20M acquisition price with ~6x multiple to post-synergy annualized EBITDA
- Significant operating infrastructure cost reduction, providing ample synergy opportunities
- Consistent profile with three previous consolidation deals, which our team has experience in integrating and creating value

About OBS

- Founded in 2000
- Located in Perrysburg, OH
- Independent Registered Investment Advisor (RIA) that provides investment and operations outsourcing services to financial institutions and advisors
- Clients include bank trust departments, retail broker-dealer advisors, independent financial advisors, and retirement plan professionals
- Utilizes Dimensional Funds in the construction of their model portfolios

OBS Impact on Key Operating Metrics

	OBS Impact
Operational Metrics:	
Platform assets (at period-end) (in \$M)	1,793
Net flows (in \$M)	(21)
Market impact net of fees (in \$M)	(247)
Advisors (at period-end)	499
Engaged advisors (at period-end)	67
Assets from engaged advisors (at period-end) (in \$M)	1,303
Households (at period-end)	9,557
Financial Metrics:	
Total revenue (in \$M)	0.4
Non-GAAP financial metrics:	
Adjusted EBITDA ¹ (in \$M)	0.1
Adjusted net income ² (in \$M)	0.1

¹ Adjusted EBITDA is defined by us as EBITDA (net income plus interest expense, income tax expense, depreciation and amortization), less interest income, further adjusted to exclude certain non-cash charges and other adjustments such as non-recurring items; EBITDA margin calculated using total revenue

² Adjusted net income is defined by us as net income before: (a) share-based compensation expense, (b) amortization of acquisition-related intangible assets, (c) acquisition and related integration expenses, (d) restructuring and conversion costs and (e) certain other non-recurring expenses

Making a Difference... When it Matters Most



Fully-integrated compelling technology



Portfolio construction and analysis tool assists advisors in building and monitoring portfolios



Streamlined account opening solution reduces the time to onboard new accounts to our platform



Goals based investor portal acts as a hub for communication between advisor and client



Personalized and scalable service

Even in the midst of increased volumes...

- In 2020, we've averaged 212K accounts trading per month for strategist-driven changes or rebalances, with a record month of 438K accounts traded in the month of March. That total represents 341% of our average volume in 2019.
- Inbound calls up 21% in March vs. January and February.

... AMK continues to deliver best-in-class service.

- Increased our outbound calls by 23% and outbound e-mails by 22% to proactively support our clients.
- Leveraged webinars to connect with our advisors. Hosted over 125 webinars with 7,100 attendees since early March.



Curated investment platform

\$2.8B¹

Platform transfers between strategies in 1Q20 vs. \$6.7B in transfers for full year 2019

11.5%

1Q20 redemption rate, when excluding GFPC and OBS vs. 1Q19 redemption rate of 12.7%²

¹ As of March 31, 2020

² 1Q20 redemption rate was 12.6%, excluding GFPC and OBS provides a more accurate year over year comparison as GFPC and OBS were not part of AssetMark in 1Q19

AssetMark entered the crisis in a position of strength

\$80.2

Million of cash on the balance sheet

1.1x

Debt to 2019 Adjusted EBITDA leverage ratio

Strong Cash Flow

Cash and liquidity needs will continue to be met by cash generated from ongoing operations

99%

Of total revenue is recurring in nature

Note: All data as of March 31, 2020

Appendix

1Q20 net yield calculation

(dollars in millions)

Revenue less cost of revenue

Asset-based

Spread-based

Other income

Total

Billable assets¹

Average assets²

Annualized net yield

1Q20

1Q19

\$70.6

\$55.0

\$6.7

\$7.1

\$1.3

\$1.7

\$78.6

\$63.7

\$61,608

\$44,855

\$62,294

\$44,855

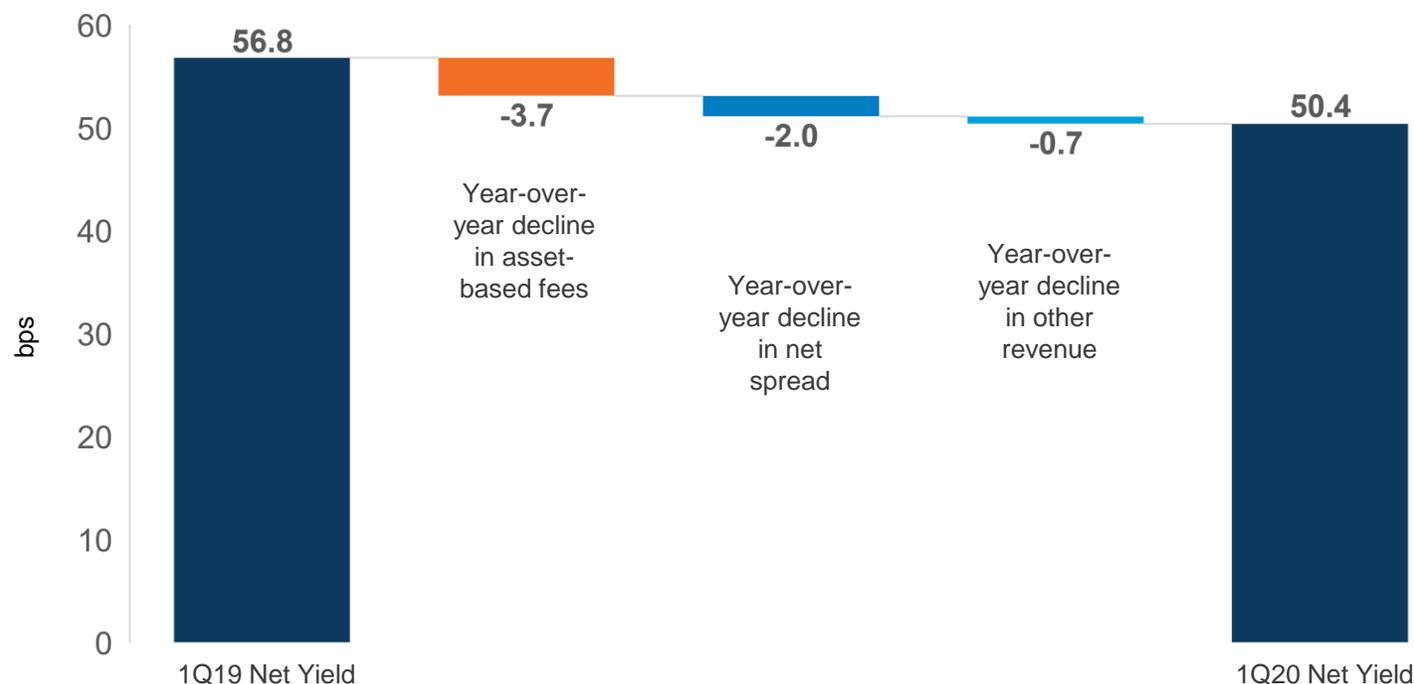
50 bps

57 bps

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

² Includes pro-rated impact of OBS Financial, which closed on February 29th, 2020

Annualized net yield on assets – 1Q19 vs. 1Q20



Asset-based fees: Down 3.7 bps y/y driven by addition of GFPC and OBS, which have a lower yield on assets compared to AssetMark's core business (1.3 bps); platform fee compression (2.4 bps)

Net-spread: Down 2 bps y/y as a result of lower spread due to lower rates and a higher platform asset denominator

Other revenue: Consists primarily of interest earned on operating cash, down 0.7 bps due to the declining rate environment

Adjusted expense reconciliation

<i>(dollars in millions)</i>	1Q20			1Q19			Adj. Expense VPY
	Expense	Total Adjustments	Adjusted Expense	Expense	Total Adjustments	Adjusted Expense	
Asset-based expenses	\$35.0	-	\$35.0	\$28.1	-	\$28.1	24.6%
Spread-based expenses	\$1.3	-	\$1.3	\$0.5	-	\$0.5	169.7%
Employee compensation	\$43.5	(\$14.5)	\$29.0	\$31.9	(\$5.8)	\$26.1	11.0%
SG&A ¹	\$23.2	(\$2.4)	\$20.8	\$14.7	(\$0.7)	\$12.9	48.1%
Interest expense	\$1.6	-	\$1.6	\$4.0	-	\$4.0	(59.6%)
Depreciation and amortization	\$8.4	(\$5.1)	\$3.3	\$6.9	(\$5.1)	\$1.8	84.7%
Total	\$113.1	(\$22.1)	\$91.0	\$86.1	(\$11.6)	\$74.5	22.1%

¹Includes general and operating expenses and professional fees