



2Q20 Earnings Presentation

August 4, 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 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, 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 June 30, 2020, which is expected to be filled the week of August 10, 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 **AssetMark is growing. Financial performance remains strong**, despite the slowdown in growth caused by COVID-19.
- 2 The **world is changing**, and **we will change with it**, in order to continue **to make a difference in the lives of our advisors and their clients**.
- 3 **AssetMark is committed to win in this new environment**. We are **making proactive decisions** now that will help us **weather these times** and **emerge stronger** when COVID-19 ends.
- 4 2Q20 results **in line with expectations**, strong market impact and **net flows of \$907 million** in the quarter sets up for **higher 3Q20 revenue**.

AssetMark continues to grow, despite challenging times

\$907M

Net flows

\$63.2B

Platform assets,
an all-time high

178

NPAs, despite zero
in-person meetings in
April and May

\$13.4M

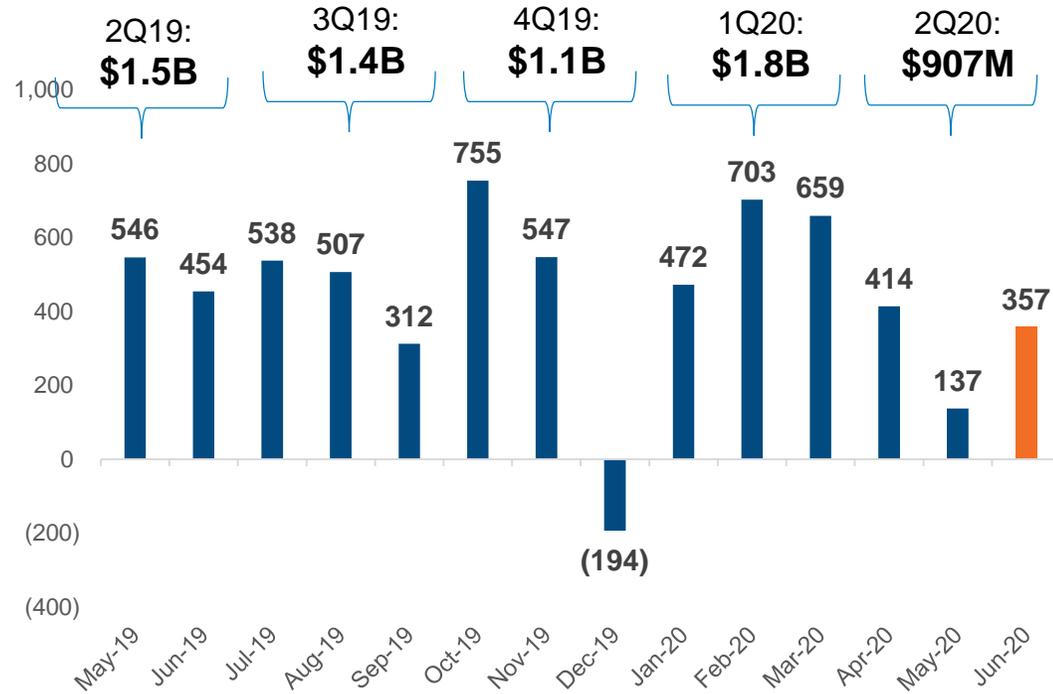
q/q growth in cash on
balance sheet

Note: All data as of June 30, 2020

We are growing at a slower pace than prior to the pandemic

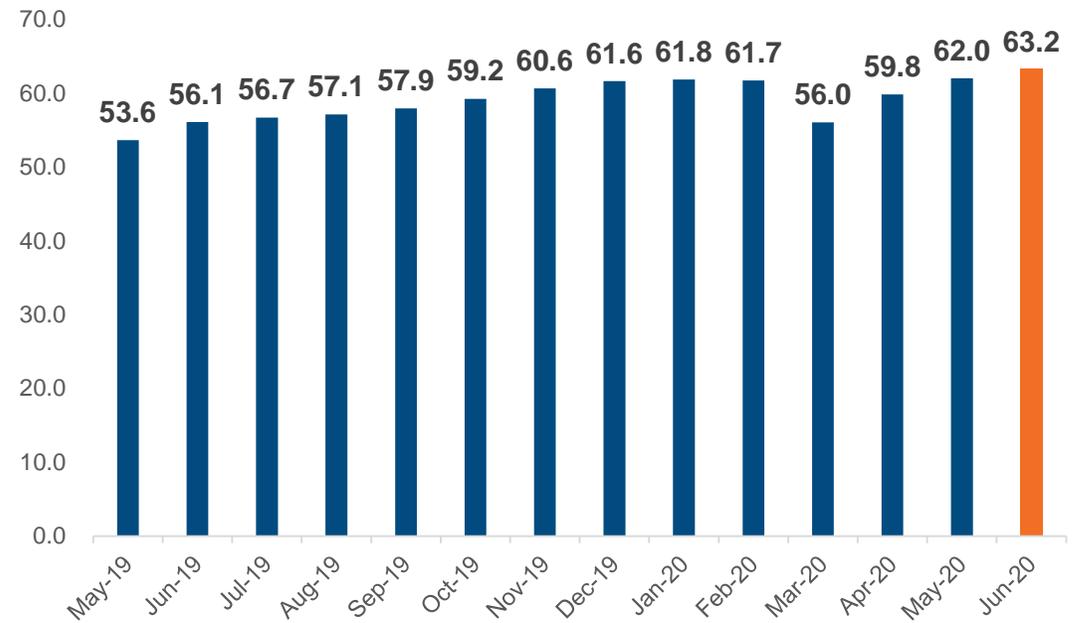
Net Flows (May 2019-June 2020)

\$ millions



Platform Assets (May 2019-June 2020)

\$ billions



We expect to see changes in all parts of our business

Investor

Investor behavior and preferences are changing and becoming more complex.

- Greater demand for holistic planning
- Better understanding of real-time portfolio characteristics and connecting to needs
- Willingness to pay for clear, explicit value and specific portfolio needs
- Need for technology solutions that simplify interactions

Advisor

Advisor value proposition and business model evolve to accommodate investor needs.

- Value shifts to comprehensive planning and advice
- Increasing reliance on technology. Integrated or open architecture technology solutions that are integrated
- Greater demand for outsourcing value added services
- Continued shift to fees and independence

Industry Participants

Economics will be increasingly challenged. Enhanced service models will emerge for scaled players.

- Shift to low cost continues, increasing price pressure
- Scaled players expand across various value chain components
- Consolidation continues, particularly for smaller, niche players
- Shift in portfolio management to account for individualized needs and market dislocations.

Regulators

Regulation will focus on investor protection and conflicts of interests.

- Reg BI and 40 Act will increase bringing a fiduciary standard to retail investors
- Increased focus on implicit fees and revenues
- Increased scrutiny on high cost investment products

Changing needs, evolving business models, and economic pressures heighten competition and highlight the importance of scale and ability to innovate.

Given these changes, we will stay focused on our strategy...



Fully integrated technology platform

In April, we rolled out Zoom for our top advisors. These advisors have conducted over **11,600 meetings, 200 plus webinars**, while reaching over **46,000 investors**.



Personalized and scalable service

Our sales team had **78,000 interactions** with our advisors in 2Q20, **up 30% q/q**.

In 1H20, we hosted over **320 webinars** with a satisfaction score of **4.3 out of 5.0**.



Curated investment solutions



2020 NPS was 64,
5 points higher than last year and **2 points** from AssetMark's all-time high.

Source: NPS from 2020 NPS Survey conducted June 15th-July 20th, 2020. Margin of error = 4.6.
Commissioned study: Impact of Outsourcing, 2019

...and accelerate our investment in Financial Wellness

Financial Wellness

Investment solutions

Personalized portfolios based on needs and risk tolerance

- Goal-based solutions: tax efficient / aware solutions, low-cost, ESG / impact, income
- Flexible portfolio construction: advisor-selected versus turnkey and customizable portfolios
- Clear view of how investments match client needs, objectives, and risk

Comfort: risk management

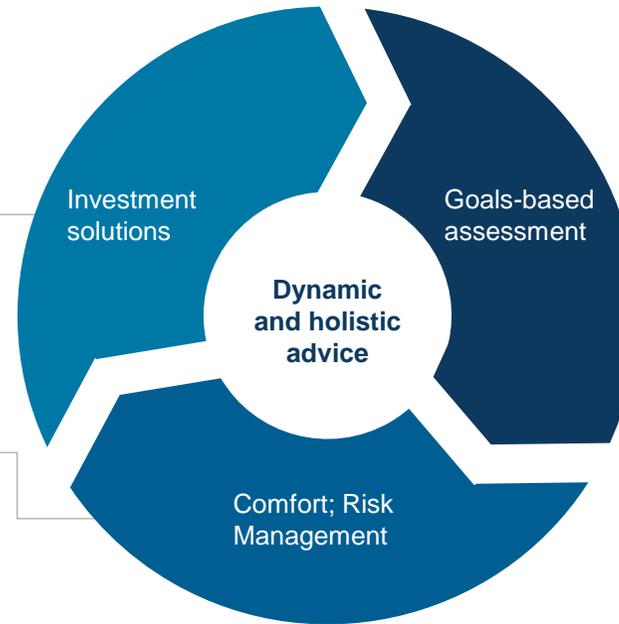
Dynamic tools with customizable assumptions and scenarios

- Risk tolerance
- Risk capacity
- Risk need

Goals-based assessment

Integrated advisor workflow that enables goals-based dialogue

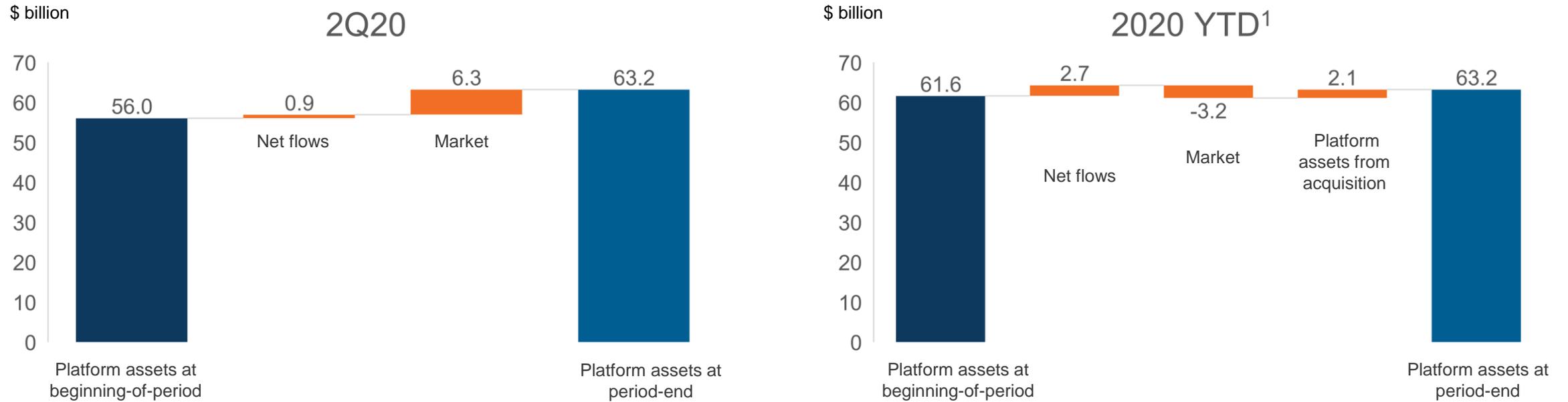
- Goals-based proposal generation
- Real-time progress-to-goal tracking
- Visually appealing and easy-to-understand scenario-based (what-if) analysis
- Aggregate account view
- Cash flow management and income planning



Dynamic and holistic advice

- Integrated and personalized solutions that provide advisors and their clients a real-time, complete view of wealth – consolidating assets, liabilities and investments in one place – to address investor goals
- Automated interaction triggered by events and account activities to reassure and engage investors, deepening advisor and client relationship
- Customized investment solutions based on investor's unique needs and preferences

Platform assets – 2Q20 and 2020 YTD



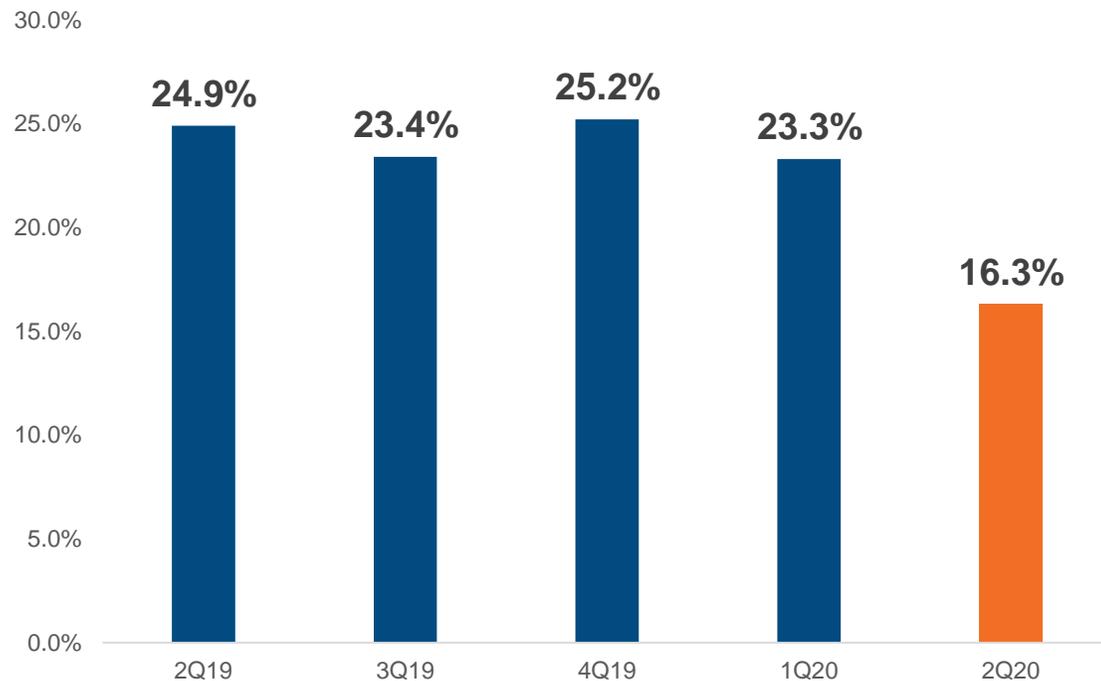
8.9% Net Flows as a % of Beginning-of-Period Platform Assets²

¹As of June 30, 2020.

²Calculated as annualized net flows of \$2.7 billion divided by beginning-of-period platform assets of \$61.6 billion as of January 1, 2020.

Production lift from existing advisors

Production lift from existing advisors (2Q19-2Q20)



2Q20 Commentary

- Production lift from existing advisors is 16.3%, strong given current environment.
- Production lift from existing advisors is about 30% below recent trend line, driven by the fact that gross production is off ~20% from 1Q20 levels.
- Redemption rate remains flat quarter-over-quarter.

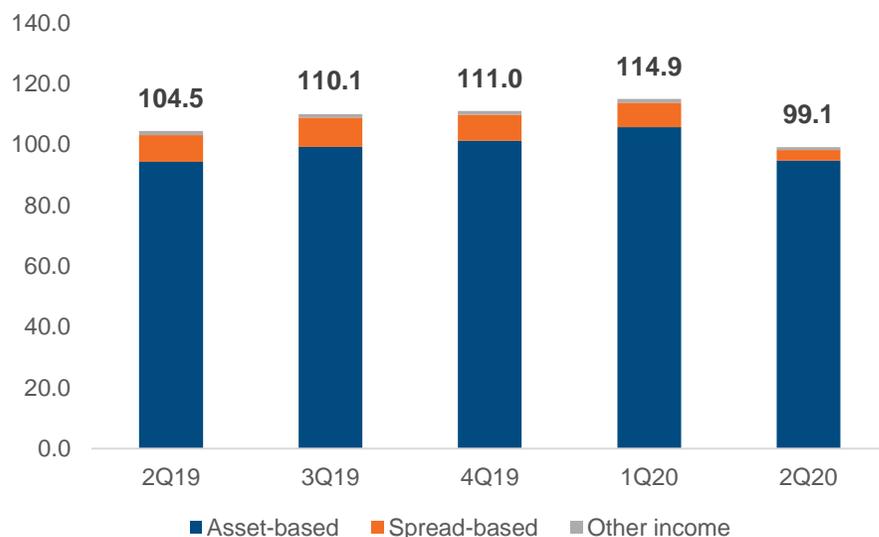
3Q20 and Beyond Commentary

- Through July, this trend is continuing as money movement continues to be slow.
- We feel positive about our advisor engagement and as areas of the country open up, it is likely that we will see advisor activity ramp up.
- Long-term, we expect our production lift to be north of 20%.

Second quarter results highlighted by strong top line numbers

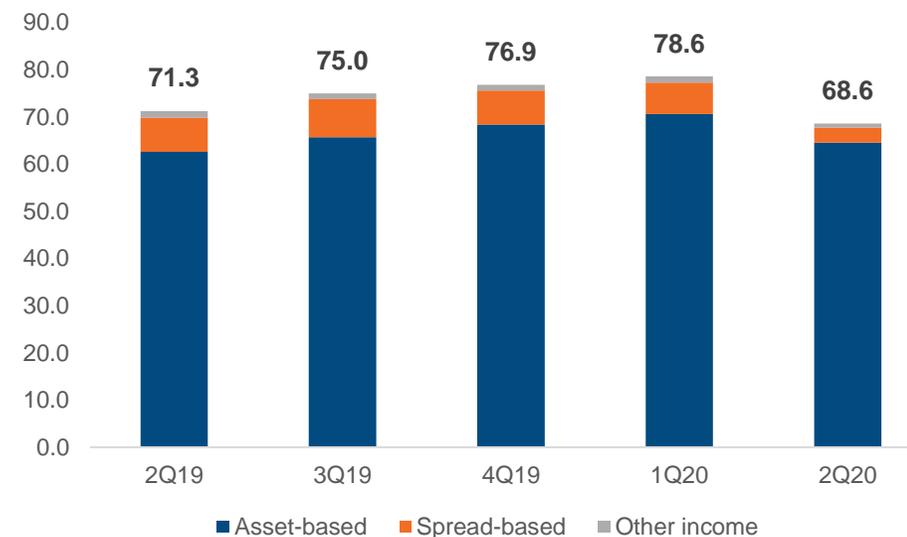
Total revenue (2Q19-2Q20)

\$ million



Net revenue (2Q19-2Q20)

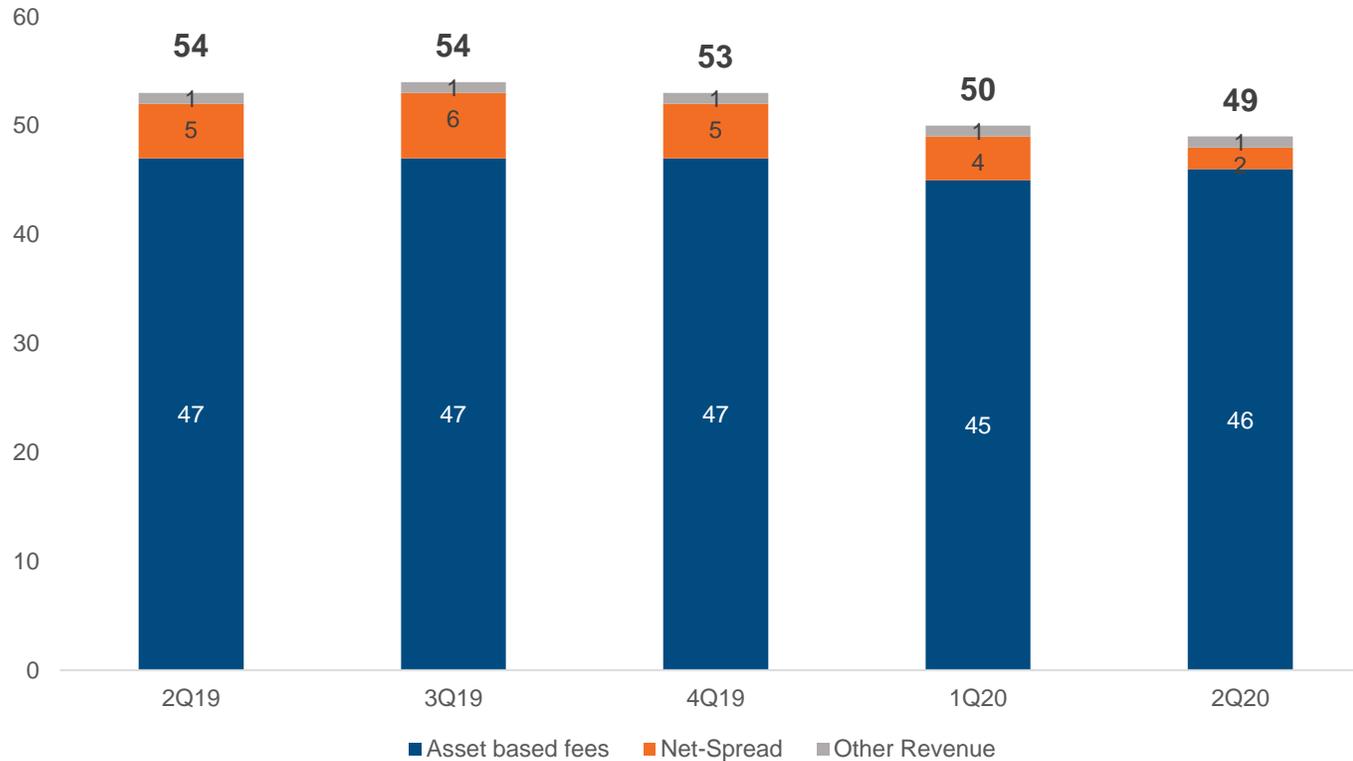
\$ million



(dollars in millions)

	2Q20	2Q19	VPY
Total revenue	\$99.1	\$104.5	(5.1%)
Asset-based	94.7	94.3	0.5%
Spread-based	3.5	8.8	(59.7%)
Revenue less cost of revenue	\$68.6	\$71.3	(3.7%)
Asset-based	64.6	62.6	3.2%
Spread-based	3.1	7.2	(56.8%)

Net yield trend analysis (2Q19-2Q20)



Note: Total may not add up due to rounding.

Net Yield Commentary

- Net spread yield lower as a result of a lower interest rate environment causing AssetMark to earn less revenue on the cash held at ATC.
- 2Q action to transition all open 3rd party retail mutual funds to institutional class will cause a decline in asset-based fees by ~2 bps starting in 3Q20.
- Looking ahead, continue to expect a regular decline in asset-based fee yield of 1 bp per year as a result of mix-shift.

Adjusted expenses down q/q driven by expense management

<i>(dollars in millions)</i>	<u>Reported Expenses</u>		<u>Adjusted Expenses</u>			
	2Q20	2Q19	2Q20	2Q19	VPY (\$)	VPY (%)
Asset-based expenses	\$30.1	\$31.6	\$30.1	\$31.6	(\$1.5)	(4.9%)
Spread-based expenses	\$0.4	\$1.6	\$0.4	\$1.6	(\$1.2)	(72.9%)
Employee compensation	\$45.4	\$35.5	\$28.1	\$28.0	\$0.1	0.3%
SG&A ¹	\$16.5	\$17.6	\$15.0	\$13.9	\$1.0	7.2%
Interest expense	\$1.5	\$4.0	\$1.5	\$4.0	(\$2.6)	(63.4%)
Depreciation and amortization	\$8.7	\$7.6	\$3.6	\$2.5	\$1.1	45.3%
Total	\$102.6	\$98.0	\$78.7	\$81.7	(\$3.0)	(3.7%)

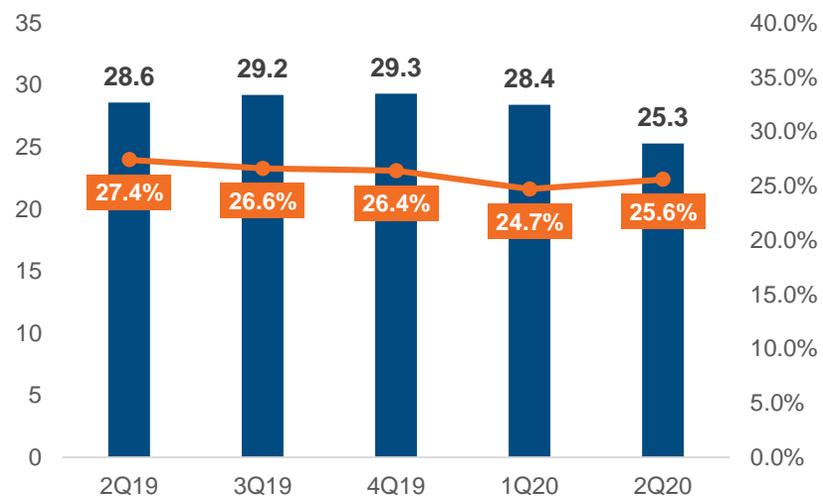
- Employee compensation was flat year-over-year, headcount grew 3.7% over this time
- SG&A is up \$1.0 million year-over-year, primarily driven by the cost of being a public company

¹Includes general and operating expenses and professional fees

Bottom line results in line with expectations

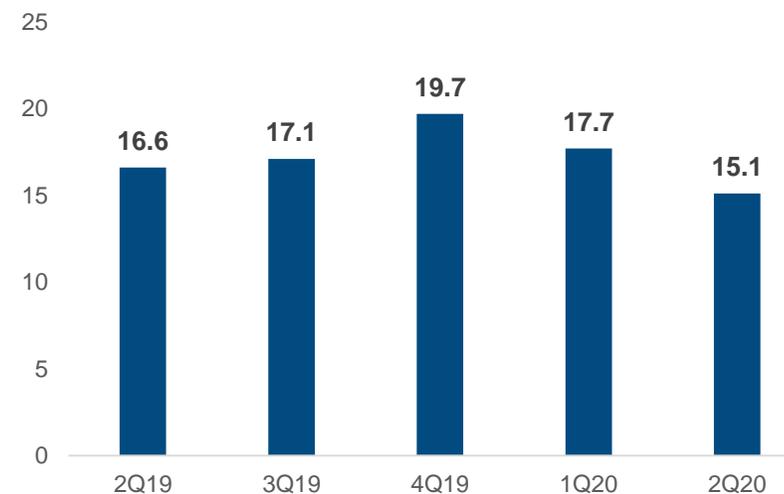
Adjusted EBITDA and Adjusted EBITDA Margin (2Q19-2Q20)

\$ million and %



Adjusted Net Income (2Q19-2Q20)

\$ million



(dollars in millions, except per share data)

	2Q20	2Q19	VPY
Adjusted EBITDA	\$25.3	\$28.6	(11.4%)
Adjusted EBITDA margin	25.6%	27.4%	(180 bps)
Adjusted net income	\$15.1	\$16.6	(8.9%)
Adjusted EPS ¹	\$0.21	\$0.25	(16.0%)

¹Calculated using weighted average number of common shares outstanding, diluted of 72,602,000.

Outlook for the remainder of 2020

<i>(dollars in millions, except per share data)</i>	2019	1H2020	2020 Outlook	y/y growth at midpoint
Revenue less cost of revenue	\$286.9	\$147.2	\$286-\$293	flat
Adjusted EBITDA	\$109.9	\$53.7	\$107-\$113	flat
<i>Adjusted EBITDA margin</i>	26.3%	25.1%	~25%	~(100 bps)
Adjusted net income	\$66.1	\$32.9	\$63-\$69	flat

2020 revenue outlook reflects the range of outcomes if the market is down 5% vs. up 5% in the third quarter. The fourth quarter market will have very little impact on our 2020 results due to our advance billing.

Appendix

2Q20 net yield calculation

<i>(dollars in millions)</i>	2Q20	2Q19
Revenue less cost of revenue		
Asset-based	\$64.6	\$62.6
Spread-based	\$3.1	\$7.2
Other income	\$0.9	\$1.4
Total	\$68.6	\$71.3
Billable assets ¹	\$56,025	\$49,695
Average assets ²	\$56,025	\$52,853
Annualized net yield	49 bps	54 bps

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

² 2Q19 average asset number Includes pro-rated impact of GFPC, which closed on April 17th, 2019

Adjusted expense reconciliation

<i>(dollars in millions)</i>	2Q20			2Q19			Adj. Expense VPY
	Expense	Total Adjustments	Adjusted Expense	Expense	Total Adjustments	Adjusted Expense	
Asset-based expenses	\$30.1	-	\$30.1	\$31.6	-	\$31.6	(4.9%)
Spread-based expenses	\$0.4	-	\$0.4	\$1.6	-	\$1.6	(72.9%)
Employee compensation	\$45.4	(\$17.3)	\$28.1	\$35.5	(\$7.5)	\$28.0	0.3%
SG&A ¹	\$16.5	(\$1.6)	\$15.0	\$17.6	(\$3.7)	\$13.9	7.2%
Interest expense	\$1.5	-	\$1.5	\$4.0	-	\$4.0	(63.4%)
Depreciation and amortization	\$8.7	(\$5.1)	\$3.6	\$7.6	(\$5.1)	\$2.5	45.3%
Total	\$102.6	(\$24.0)	\$78.7	\$98.0	(\$16.3)	\$81.7	(3.7%)

¹Includes general and operating expenses and professional fees