

# FDIC-Insured Cash Program Disclosure Statement

AssetMark Trust Company

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. Depending on your selections, a portion or all of your account will be deposited in one or more interest-bearing deposit accounts at one or more FDIC-insured banks as part of AssetMark Trust's "FDIC-Insured Cash Program." AssetMark Trust's FDIC-Insured Cash Program includes an "Insured Cash Deposit Program" ("ICD Program") and a "High Yield Cash Program." If your account is invested in an investment strategy, a portion of your account will be deposited in the ICD Program. If you select an Administrative Cash account, all of your account will be deposited in the ICD Program unless your deposit qualifies for, and you select, the High Yield Cash Program. This Disclosure Statement tells you more about AssetMark Trust's FDIC-Insured Cash Program. Please read it and keep it with your important papers. You may have more than one account with deposits in AssetMark Trust's FDIC-Insured Cash Program, but the singular form is used in this Disclosure.

**1. ICD Program as part of an Account Invested in a "Strategy" -** AssetMark Trust acts as custodian for persons who have retained an investment adviser to provide advice with regard to their account assets. Your account will be invested consistent with the investment strategy you select with your Financial Advisor. Accounts invested in strategies on the AssetMark Platform are required, pursuant to their investment strategy or guidelines, to maintain an allocation to cash (the "cash allocation"). For most accounts, the target cash allocation is 2%, and the account's cash allocation will be rebalanced quarterly if it is less than 1.5% or more than 2.5%. For accounts invested in WealthBuilder strategies, the target cash allocation is 5%, with quarterly rebalancing if cash is less than 4% or more than 6%. In addition to the cash allocation, your account may also hold cash pending investment or distribution. These cash amounts will be invested in the ICD Program. (If your account is an Internal Revenue Code Section 403(b)(7) custodial account required to be invested solely in regulated investment company stock, cash will be invested in shares of money market mutual fund(s).) Your account may also hold cash or a cash alternative investment because of an investment decision, and that investment decision will determine the type of cash investment. Deposits in the ICD Program may be referred to as "Custodial Sweep" on your account statements.

**2. FDIC-Insured Cash Program for Administrative Cash Accounts -** AssetMark Trust may also hold in custody assets that do not receive advisory services in an "Administrative" account. If you select "Cash" for your Administrative account, your assets will be deposited in the FDIC-Insured Cash Program. Clients whose cash deposits meet and maintain certain minimum balance requirements may select AssetMark Trust's High Yield Cash Program, in which the interest rates credited are expected to be higher than those credited ICD Program deposits. Amounts in a dollar cost averaging program will be invested in the ICD Program. There is no Custody Fee and no Platform Fee for Administrative Cash accounts. Any Financial Advisor

Fee payable pursuant to a Client Advisory Agreement will be payable on an Administrative Cash Account unless AssetMark receives instructions not to charge the Financial Advisor Fee. Although there is no Platform Fee for Administrative Cash accounts with deposits in the FDIC-Insured Cash Program, if the cash is deposited in the ICD Program and not the High Yield Cash Program, then those assets can be aggregated with assets in your other accounts with AssetMark for "householding" purposes which should result in larger aggregate balances that may reduce the rate(s) of your Platform Fee(s). If you have selected a tiered Financial Advisor (or "FA") Fee, this householding or aggregation of balances may reduce the rate of your FA Fee. Deposits in the High Yield Cash Program, however, will not be aggregated with other AssetMark account assets for fee householding purposes. Deposits in Administrative Cash accounts may be referred to as "Custodial Sweep" on your account statements.

**3. How AssetMark Trust's FDIC-Insured Program Works -** Cash in AssetMark Trust's FDIC-Insured Cash Program is deposited into interest-bearing deposit accounts (the "Deposit Accounts") at FDIC-insured depository institutions (each a "Program Bank"). The FDIC-Insured Cash Program provides up to \$2.5 million cumulative FDIC coverage with deposits held at a network of Program Banks. 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 FDIC-Insured Cash 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.

**4. 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 FDIC-Insured Cash Program deposit, and the relevant limit will be applied to all deposits (including FDIC-Insured Cash Program deposits and deposits outside the 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 Individual Retirement Accounts ("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 (non-IRA) capacity. Special rules apply to insurance of trust deposits. These limits are subject to change. Because your funds in the FDIC-Insured Cash Program can be maintained on deposit at multiple Program Banks, you will have the benefit of FDIC deposit

insurance coverage under the FDIC-Insured Cash Program up to \$2,500,000 per ownership category. Deposits made by you with a Program Bank outside of the FDIC-Insured Cash Program that also holds your funds in a Deposit Account will count toward the FDIC limit for the relevant ownership category. For joint accounts, records of their participation in the FDIC-Insured Cash Program are maintained only with regard to the co-owner whose social security number is used on that account for tax reporting purposes; if your joint account is not reported under your social security number, you remain responsible for monitoring your balances in and outside of the FDIC-Insured Cash Program at Program Banks. More generally, 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 FDIC-Insured Cash Program. If you do not want a particular Program Bank to be eligible to receive deposits through AssetMark Trust's FDIC-Insured Cash 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 FDIC-Insured Cash Program, you may not be eligible for FDIC insurance coverage up to the FDIC-Insured Cash Program maximum of \$2,500,000 per capacity. This is not intended to be a complete and accurate summary of FDIC deposit insurance requirements applicable to different types of deposit accounts; 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).

5. **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.
6. **Deposits** - The cash balances in your AssetMark Trust account that participates in the FDIC-Insured Cash Program 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 FDIC-Insured Cash Program. You cannot place deposits directly with Program Banks through the FDIC-Insured Cash 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 or 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 statutory maximum amount of FDIC insurance coverage (currently \$250,000 for each account owned in the same right and capacity). The FDIC-Insured Cash Program will then deposit additional funds at the next eligible Program Bank on the list up to the same coverage limit. Once your aggregate Deposit Account deposits in the FDIC-Insured Cash Program reach the 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 FDIC-Insured Cash Program does not provide for FDIC insurance on Excess Bank deposits that exceed the statutory maximum amount of FDIC insurance coverage. You cannot 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 FDIC-Insured Cash Program, that bank can still serve as an Excess Bank for your funds; you cannot block Excess Bank deposits.

7. **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 statutory maximum applicable deposit insurance amount only for each separately covered ownership category. The cumulative FDIC-Insured Cash Program coverage of \$2,500,000 that is available once funds are allocated among the Program Banks is not available when funds are on deposit with the Settlement Bank.
8. **Withdrawals** - If you need the cash in your Program Deposit, you can instruct AssetMark Trust, as your agent, to withdraw funds from your Program Deposits at 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 in fact not require this notice. No withdrawal requests will be accepted directly from you by the Program Banks.
9. **Interest Rates** - Interest rates paid by each Program Bank are determined by that Program Bank and change from time to time. Your Program Deposit will earn the rate of interest determined by AssetMark Trust for those clients in the general ICD Program or the High Yield Cash Program, whichever is applicable, 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 AssetMark Trust clients on their Program Deposits will vary over time. Your interest rate may also be based on the total balances of your Program Deposits and the current interest rate environment, in accordance with a balance-based tiered formula. 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 can be lower than the rate of return on other investments which are not FDIC insured or on bank account deposits offered outside of AssetMark Trust's FDIC-Insured Cash 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 FDIC-Insured Cash 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 FDIC-Insured Cash Program that may be better suited to your goals. You should compare the terms, interest rates, required minimum amounts, and other features of the FDIC-Insured Cash Program with other accounts and alternative investments.

**10. Program Fees and Conflicts of Interest** - The FDIC-Insured Cash Program may create financial benefits for AssetMark Trust, AssetMark, Inc., 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, Inc. AssetMark Trust will also receive compensation from the Program Banks for the record keeping and administrative services it provides in connection with maintaining the FDIC-Insured Cash 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 FDIC-Insured Cash Program. AssetMark Trust may earn higher fees on cash deposited in the FDIC-Insured Cash Program than on cash invested in Government Money Market Funds. These are conflicts of interest for AssetMark Trust.

The interest rates payable under the FDIC-Insured Cash Program are 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 FDIC-Insured Cash 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 FDIC-Insured Cash 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 employee benefit plan account that is subject to the Employee Retirement Income Security Act of 1974 ("ERISA") 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 FDIC-Insured Cash 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 FDIC-Insured Cash 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 IRA and ERISA account assets, and the IRA & ERISA Account Fee is calculated 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 be used to reduce or offset the IRA & ERISA Account Fee.

**11. Information and Changes Regarding the Terms of the FDIC-Insured Cash Program** - Information regarding the FDIC-Insured Cash 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 FDIC-Insured Cash Program. Generally, you will also receive notification in advance of important changes to the FDIC-Insured Cash 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 FDIC-Insured Cash 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 FDIC-Insured Cash Program.

**12. Closing Accounts** - AssetMark Trust or a Program Bank, in its sole discretion, 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-FDIC-Insured Cash 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. Upon your termination of all your accounts with AssetMark Trust, pursuant to your Custody Agreement, an Account Termination Fee will be charged.

**13. No SIPC Protection on FDIC-Insured Cash 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 FDIC-Insured Cash Program, and your Program Deposit is not eligible for SIPC coverage.

**14. 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.

**15. 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**

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