

Risk Factors Comparison 2024-03-14 to 2023-03-14 Form: 10-K

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Our business is subject to numerous risks and uncertainties, any one of which could materially adversely affect our results of operations, financial condition or business. These risks include, but are not limited to, those listed below. This list is not complete and should be read together with the section titled “ Risk Factors ” in this Annual Report on Form 10- K, as well as the other information in this Annual Report on Form 10- K and the other filings that we make with the U. S. Securities and Exchange Commission (the “ SEC ”). • Our revenue may fluctuate from period to period, which could cause our share price to fluctuate. • We operate in an intensely competitive industry, with many firms competing for business from financial advisers on the basis of the quality and breadth of investment solutions and services, ability to innovate, reputation and the prices of services, among other factors, and this competition could hurt our financial performance. • We derive nearly all of our revenue from the delivery of investment solutions and services to clients in the financial advisory industry and our revenue could suffer if that industry experiences a downturn. • Investors that pay us asset- based fees may seek to negotiate lower fees, choose to use lower- revenue products or cease using our services, which could limit the growth of our revenue or cause our revenue to decrease. • Investors may redeem or withdraw their investment assets generally at any time. Significant changes in investing patterns or large- scale withdrawal of investment funds could have a material adverse effect on our results of operations, financial condition or business. • Changes in market and economic conditions (including as a result of geopolitical conditions or events) could lower the value of assets on which we earn revenue, **thereby negatively impacting our revenue,** and could decrease the demand for our investment solutions and services. • We may be subject to liability for losses that result from a breach of our or a third party’ s fiduciary duties. • We **rely on our executive officers and other key personnel.** • We are exposed to data and cybersecurity risks that could result in data breaches, service interruptions, harm to our reputation, protracted and costly litigation or significant liability. • **We utilize artificial intelligence (" AI"), which could expose us to liability or adversely affect our business.** • Our controlling stockholder is subject to supervision by regulatory authorities in the People’ s Republic of China (“ PRC ”) and must comply with certain PRC laws and regulations that may influence our controlling stockholder’ s decisions relating to our business. • We are subject to extensive government regulation in the United States, and our failure or inability to comply with these regulations or regulatory action against us could adversely affect our results of operations, financial condition or business. • Failure to properly disclose conflicts of interest could harm our reputation, results of operations or business. • Control by our principal stockholder could adversely affect our other stockholders. • **The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business, particularly after we are no longer an “ emerging growth company.”** PART I Item 1. Business Overview AssetMark ~~is offers~~ a wealth management platform that powers independent financial advisers and their clients. Our ~~ecosystem suite~~ **ecosystem suite** of solutions equips advisers of all sizes and models with services and capabilities that would otherwise require significant investments of time and money, which ultimately enables them to deliver better investor outcomes and enhance their productivity, profitability and client satisfaction. Our open architecture platform delivers flexibility and choice to advisers across the spectrum of profiles and outsourcing preferences, including end- to- end solutions for those who prefer to fully outsource, as well as modular solutions for those who prefer to handle some or all components of advice delivery themselves. Features of the platform include: • **Integrated and intuitive intuitive** technology that champions client engagement and drives efficiency from prospecting and financial planning to ongoing servicing and administration. • A ~~curated suite holistic offering of well- researched- compelling wealth solutions~~ and ~~consistently monitored investment solutions for~~ **strategies that meets the evolving needs of** investors across the wealth spectrum. • A growing suite of consultative services and customized turnkey programs that ~~empower~~ **enable** advisers to focus their limited time on activities that drive the most value for their clients and their business. • **We are a mission- driven company and our nearly 1, 000 employees come to work every day to advance our purpose of making a difference in the lives of advisers and their clients.** We believe that community- based financial advisers have a unique opportunity to level the playing field for investors of all sizes by providing them with access to highly personalized and trusted financial guidance that is in their best interest. AssetMark serves these independent advisers with growth- enabling outsourced solutions so that their independence doesn’ t inhibit their ability to achieve entrepreneurial success for themselves and financial wellness for their clients. The compelling value of our tools for advisers and their clients has facilitated our rapid growth. From December 31, ~~2019-2020~~ **2022-2023**, our platform assets (1) grew from \$ ~~61-74. 6-5~~ billion to \$ ~~91-108. 5-9~~ billion, representing a compounded annual growth rate (“ CAGR ”) of ~~14-13. 1-5~~ %. As of December 31, ~~2022-2023~~, our platform served over ~~241-254~~, 000 investor Households (as defined in the section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Key Operating Metrics ”) through our approximately 9, ~~200-300~~ adviser relationships. Our platform provides advisers with an integrated suite of products and services that facilitates growth, streamlines workflows and provides scale to advisers’ businesses so they can better serve their clients, who are investors of all sizes. Highlights of our platform include: • **Flexible Fully integrated** technology platform: Our integrated, open- architecture platform is built for advisers and can be tailored to support each adviser’ s distinct objectives. Advisers have access to a broad range of highly automated tools and capabilities that help them differentiate the client experience, including new account opening, portfolio construction, streamlined financial planning, customer billing, investor reporting, progress -to - goal analysis, and client activity tracking. Our dual focus on technology utility and design has resulted in ~~a- an expansive~~ platform that is **easy- to- use,** accessible, **and seamlessly** integrates industry- leading solutions, ~~and is easy- to- use, intuitive and expansive.~~ • Personalized and scalable

adviser service: We surround our advisers with highly experienced consulting and service support. We provide a full spectrum of services for many aspects of the adviser's firm. These services include including high-value day-to-day business support from field professionals, operations and service support teams, and specialty teams including business management consultants, investment specialists and retirement consultants. Our offering is guided by extensive intellectual capital and well-established business performance benchmarking tools and responsive back- and middle-office outsourcing support from highly tenured service and operations professionals. We aim for every adviser to feel that their AssetMark service and consulting team is an integral part of their business. **1 We define platform assets as all assets on the AssetMark platform, whether these are assets for which we provide advisory services, referred to as assets under management, or non-advisory assets under administration, assets held in cash accounts or assets otherwise not managed.**

- Curated investment platform: We provide independent advisers with a curated set of thoroughly vetted specialty and leading third-party asset managers, in addition to our proprietary investment providers. Our due diligence team narrows the universe of potential investment solutions to a select group of time-tested and innovative investment choices. In effect, we equip each adviser with a team of skilled investment professionals that who act as a virtual extension of their investment staff, who and deliver our solutions through an array of technology-enabled tools that assist in the creation and monitoring of goal-based portfolios. Further, the flexibility and breadth of our platform allows- allow us to offer custom portfolios designed to meet the unique needs of investors.
- Financial planning technology: Our integrated financial planning tools facilitate holistic wealth management and enable advisers to help investors achieve their individual goals. Our proprietary planning solution offers dynamic capabilities to enable advisers across the globe and their diverse clients to collaborate towards a better, more secure financial future. **1 We define platform assets as all assets on the AssetMark platform, whether these are assets for which we provide advisory services, referred to as assets under management, or non-advisory assets under administration, assets held in cash accounts or assets otherwise not managed.** through ongoing, comprehensive support across varying life goals – from retirement savings to legacy planning. We believe that our innovative planning technology will allow advisers to further deepen their relationships with clients. Our offering's distinctive combination of a compelling technology platform, extensive and scalable value-added services and curated investment solutions has been a key driver of our market share expansion from 10% to 11% from December 31, 2018 to September 30, 2022. We define our market share based on assets managed by third-party vendors as calculated by Cerulli Associates ("Cerulli"), excluding non-advisory assets managed by Schwab's Marketplace and Fidelity's Separate Account Network, for SEI Investments, including only assets reported in Advisor Network, their third-party asset management segment, and, for AssetMark, adding our cash assets to the managed assets as reported by Cerulli. We have not made similar adjustments for other third-party vendors analyzed by Cerulli. Given that our platform and services are tightly integrated into our advisers' businesses, we believe that we have engendered and will continue to engender deep loyalty from our advisers. Our revenue model is largely almost entirely composed of fees that are recurring in nature, providing which provides a high level of visibility into our near-term financial performance. The main-key components of our revenue are asset-based revenue and spread-based revenue. We generate asset-based revenue from fees billed to investors on a bundled basis in advance of each quarter, which. The quarterly nature of our asset-based revenue provides significant us with visibility into near-term revenue and helps minimize unexpected revenue fluctuations stemming from caused by market volatility. Our spread-based revenue is driven by interest rates on the cash assets held by investors at our proprietary custodian, AssetMark Trust Trust company Company ("ATC"). In the year ended December 31, 2022-2023, we generated \$ 534-553. 2-5 million in asset-based revenue and \$ 63-120. 4-3 million in spread-based revenue. In the year ended December 31, 2022-2023, we generated total revenue of \$ 618-708. 3-5 million, net income of \$ 103-123. 3-1 million, adjusted EBITDA of \$ 199-249. 7-5 million, and adjusted net income of \$ 130-170. 5-9 million. In the year ended December 31, 2021-2022, we generated total revenue of \$ 530-611. 7 million, net income of \$ 103. 3 million, net income of \$ 25. 7 million, adjusted EBITDA of \$ 157-199. 2-7 million and adjusted net income of \$ 103-130. 3-5 million. From January 1, 2020-2021 to December 31, 2022-2023, our total revenue has grown at a CAGR of 12-10. 7-1%. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Operating Metrics — Non-GAAP Financial Metrics" for the definitions of adjusted EBITDA and adjusted net income as well as reconciliations of net income to adjusted EBITDA and net income to adjusted net income. We were incorporated in the State of Delaware in 2013. Market Opportunity We serve fee-based, independent advisers who provide wealth management advice to U.S. investors. Our proprietary financial planning solution is available to advisers globally. Despite ongoing facing some near-term uncertainties uncertainty in related to the economy and financial markets, the U.S. wealth management industry continues to grow at a strong rate and AssetMark is a growth well-positioned to capitalize on secular tailwinds and industry trends. According to Cerulli Associates ("Cerulli"), as of 2021-year-end 2022, approximately 289-291,000 financial advisers managed \$ 30-26. 7-8 trillion in total retail wealth assets, compared to \$ 25. Cerulli research found that although 7 trillion as of December 31, 2020, an increase of roughly 19%, and total industry adviser-managed assets grew at a CAGR of 11. under management ("AUM") decreased year-over-year, adviser AUM has increased 6. 2% over the last five years ended December 31. According to the Investment Adviser Association, investor demand for asset management services continued to grow in 2021-2022, with the number of clients increasing by 2. 5% to a record high of 54. 3 million. Further, financial planning has continued its accelerated acceleration globally over the last several years, as the industry has migrated towards comprehensive advice to meet investor demand. According to Cerulli, 72 the number of financial planning practices across all adviser channels grew at a 5. 3% five-year CAGR from 2015 to 2020, and as of 2021-year-end, the number of Certified Financial Planning professionals worldwide had grown to over 203,000. Cerulli expects advisers to increase their planning offerings over the next year and projects that by 2023, 82% of advisers' clients will receive-received some kind of financial planning services (either comprehensive and ongoing or targeted to a specific client need) in 2023, and advisers expect that proportion to grow to 77% by 2025. The We believe the following favorable industry trends position us well to help financial advisers and their investor clients. • Consistently growing investor

investor demand for financial and reliance on advisers advisory services continues to grow. According to the Federal Reserve Economic Database and calculations by The New York Times, U. S. household wealth has tripled since 1989 when it was about \$ 38 trillion (adjusted for inflation), to reach \$ 142 trillion at the end of the third quarter in 2023. As household wealth has grown market volatility and uncertainty rises, so too has the demand for professional financial advice particularly during times and financial planning has steadily increased. The Bureau of Labor Statistics economic volatility. According to Cerulli, total adviser- managed assets have grown at a CAGR of 7. 3 % over the last 10 years ending December 31, 2022. Furthermore, Cerulli and MarketCast's Global Wealth Monitor Survey found the percentage of affluent investors (defined by the " BLS ") expects employment of personal financial advisers to grow 15 % from 2021 to 2031, much faster than the average across all occupations. The BLS attributes this growth to increasing demand for financial planning services related primarily to an aging population and longer lifespans, creating a need for retirement- related planning advice. According to Cerulli, the need for financial advice has as grown from 34 % to 44 % from 2018 to the second quarter of 2022, measured by the percentage of affluent and near- affluent investor households (affluent households defined as those with more than \$ 250, 000 in investable assets and near- affluent households those with more than \$ 125, 000 in annual household income) surveyed receiving assistance or direction who rely on advisers grew to 43 % in the second quarter of 2023, up from 36 financial advisers relative to investor households self- managing their financial affairs. 41 % of at the same time group surveyed agreed that they need more financial and investment advice than they have in 2022 the past. • Continuous Advisers continue to transition to advisory- focused fee- based models: As commission Advisers across the industry continue to migrate toward fee- based pricing structures and away from transactional brokerage businesses, due to a number of factors including client preference, the appeal of recurring revenue fades, and firms continue to focus on holistic financial planning the growth of the independent channel. Cerulli found that since 2012, the percent of fee- based adviser- managed assets has increased by more than 50 %, growing at a 10- year CAGR of 11. 9 %. At the end of 2022, fee- based managed accounts have grown rapidly. According to Cerulli, fee- based managed accounts now make up 55 % more than half of all adviser- managed assets and 93 % of advisers across all channels anticipate that at least half of their revenue will be fee- based by 2023. • The Growth of the independent RIA channel continues to grow outpace other adviser channels: Advisers continue to be attracted to the flexibility and versatility offered by the independent Registered Investment Advisory (" RIA ") model, shifting away from the " traditional " model that includes national and regional broker- dealers, bank broker- dealers and wirehouse advisers. In 2022, RIAs achieved their greatest growth in both headcount and firm count during the last decade. According to McKinsey Cerulli, the total firm count of retail- focused RIAs grew by 11 % in 2022, primarily driven by new independent RIAs (12. 3 %). Total RIA firms represent the fastest growing category in U. S. wealth management since 2016; during the ten years leading up to 2020, RIAs' headcount grew 8 market share increased eight percentage points, reaching 23. 6 % of, and the channel now controls 27 % of the industry's total headcount and 26. 6 % of total retail adviser industry in 2020- managed assets. Cerulli projects that by year- end 2025-2027, independent and hybrid RIAs will account for 26-30. 42 % of total adviser headcount and control nearly a third (32-30. 6 %) of retail financial adviser- managed assets. • Advisers are using increasingly reliant on technology to remain price more than ever: As advisers expand the wealth management services they offer clients and simultaneously maintain a compliant and competitive business, and achieve scale while serving evolving client needs: Investment advisers are increasingly viewing technology as has imperative become essential to growth and their ability to operate successfully meet investor demand for personalization. According to the Cerulli, more than 90 % of all advisers utilize four core front- office technologies in 2022 and plan to increase their usage InvestmentNews Adviser Technology Study, 86 % of them over the next two years: e- signature, investment research advisers believe technology will play a significant role in their growth. The study also found that in 2021, annual technology spending rose nearly 15 % from 2020 to an average of \$ 135, 000 per investment adviser. That level of spending represents an all- time high and marks the greatest growth in technology spending since 2018. • Advisers are rapidly expanding their use of model portfolios: Advisers are increasingly choosing to outsource key components of the asset management aspect of their role as financial advisers, including the choice of investment manager, to scale their businesses and free up time to attend to clients. According to Cerulli, model portfolio use can reduce the portion of time spent by advisers on investment management (defined by Cerulli as " either customizing portfolios on a client portal and video conferencing by- client basis or using practice- level resources to build a series of custom models ") from 18. Our Strategic Offering and Business 5 %- 29. 5 % to less than 10 %. As such, the use of model Model portfolios (which we define as mutual fund advisory, ETF advisory, unified managed account and separate account assets) among financial advisers grew at a CAGR of 15. 0 % from 2015 to 2020, based on data from Cerulli and internal estimates. Our offering is strategically built around to empower independent advisers- adviser need for growth by delivering the technology, investment solutions and expert support they need, which positions us to benefit from U- run their businesses today. S. Our flexible, integrated technology champions client engagement and global drives efficiency. Our compelling suite of investment strategies and wealth trends solutions enables advisers to serve evolving investor needs across the spectrum of affluence. Combined with our scalable, fee- based Our experienced service and consulting teams provide customized platform support and services that help advisers build practices put investors' needs first, we believe that these favorable industry trends will enable us to continue to gain market share. To date, our gains in market share are sustainable attributed to our steady focus on organic growth, as well as inorganic growth through strategic mergers and acquisitions. Our Offering and Business Model AssetMark's purpose Our nearly 1, 000 employees come to work focused on our mission: to make a difference in the lives of our advisers and the investors they serve. Our mission is guided by a singular focus on successful outcomes for those investors. We strive to execute our mission through our stated corporate values of heart, integrity, excellence and respect, in everything that we do. The AssetMark offering to advisers and the investors they serve We provide independent financial advisers with an array of tools and services designed to streamline their workflow, help them develop and expand their businesses and provide goal- oriented investment solutions. We

believe that the quality of our offering, coupled with our deep relationships with our advisers, has generated significant **consistently driven** adviser satisfaction, as measured by our exceptional, **record-high** Net Promoter Score (“NPS”) of **67-72** as of **August June 30, 2022-2023**. **Our We believe the key pillars of our** offering is defined by solutions in, **detailed further below, position us to benefit from U. S. and global wealth trends and we continue to gain market share through four-our steady** focus areas: **on organic and inorganic growth.**

- Fully integrated technology platform: Independent financial advisers and their teams are faced with a multitude of marketing, administrative and business management tasks. We offer a compelling technology suite that fully integrates leading third- party technology solutions into our core proprietary technology and helps advisers perform these tasks. Our solution helps advisers streamline their operations while providing a superior experience for their staff and clients. The combined capabilities of our technology platform support advisers throughout the investor life cycle, from initial prospecting and onboarding through ongoing service and reporting and replace a complex array of technologies with a single, streamlined solution. With less time spent navigating multiple systems and technologies, advisers **can are able to** focus on enhancing productivity. As advisers come to rely on our integrated platform, it becomes integral to their daily practices. This reliance, in conjunction with high adviser satisfaction due to our platform’s ability to optimize adviser workflow, has contributed to our strong growth in assets **and net flows**.
- (2) We are dedicated to innovation and strive to continually improve our **offering offerings** through the development of new tools and services. From January 1, **2020-2021** to December 31, **2022-2023**, we invested over \$ **191-228.2** million in technology development and our dedicated technology team, and we have a proven track record of delivering innovative, **timely** solutions that **deepen our champion client engagement while helping** advisers **scale** offerings to their **businesses**. **In 2023, for example, we launched the AssetMark Mobile App in response to growing** investor clients while also enhancing **demand for access to investment information at their fingertips via their smartphones**. As advisers’ **scale**, recent innovations include a new **are increasingly expected to be able to provide account and portfolio information** construction and analysis tool that assists advisers in creating and monitoring investor portfolios, a streamlined account opening solution that reduces the time to onboard new accounts on our platform, a goals-based investor portal that serves as a hub for communications between advisers and their clients **in real-time**, **the AssetMark Mobile App enables them to increase client engagement** and **ultimately deepen their relationship** a fully automated digital advice tool that connects our advisers with their clients.
- Personalized and scalable adviser service **and consulting**: Providing advisers access to high- quality service is a critical component of our value proposition. We develop deep, multi- level relationships with advisers **and their teams**’ firms, helping to ensure that **they**, at all levels, advisers and their teams are connected with AssetMark **at all levels**. We tailor our services to the size of the adviser, allowing us to **meet the needs of** provide high service levels to a wide **range of adviser** business sizes while also maintaining our operating leverage. The “Regional Consultant” is the centerpiece of an adviser’s relationship with AssetMark, **servicing as a single point of contact and trusted partner who they can go to with any need or question**. Our highly experienced Regional Consultants ensure that advisers can draw from a wide array of resources and institutional knowledge as they build and grow their businesses. These professionals are the single point of contact for the adviser and bring in expertise to help the adviser grow and compete. As of December 31, **2022-2023**, our Regional Consultants **in the field and phone-based consultants** served approximately 9, **200-300** advisers. Depending on the adviser’s business needs, our **Regional consultants Consultants** introduce advisers to investment experts, business development professionals, retirement consultants, **and business consultants other specialized experts** who can help the adviser reach his or her goals. For example, investment experts provide advisers with insights into portfolio construction and how specific investments help investors reach their goals, and our team of business consultants helps advisers build more efficient and scalable businesses. This relationship model provides each adviser with a trusted colleague whom the adviser can contact with questions and who can provide access to an array of specialty resources. The value our clients place on our sales **relationship** model is reflected in our **record** high Sales NPS of **67-72** as of **August June 30, 2022-2023**. The “Relationship Manager” is at the heart of **an adviser** the back-office professional’s **back-office** relationship with us. Our Relationship Managers work to ensure operational activity is accurately executed **executes smoothly** and seek to **efficiently and** promptly resolve any issues investors may encounter. We feature **Our dedicated teams are committed to** high- touch, accurate, and rapid client servicing from dedicated teams who strive to enhance the responsiveness of the **an adviser’s** back office. **The** In addition, our Relationship Managers provide **leverage their deep industry experience to implement** productivity and client- service best practices **and**, gained through deep industry experience, to the adviser’s back office teams. Like our Regional Consultants, our Relationship Managers are **the** go- to resources for our advisers and their offices. Depending on the size of the office, we offer a range of service models. Our largest advisers receive support from a dedicated Relationship Manager, while smaller offices are served by a centralized team of professionals. Our service model is highly valued by advisers of all sizes, as demonstrated by our **all-time** high Service NPS of **67-72** as of **August June 30, 2022-2023**.
- Curated investment **Compelling wealth** solutions: **Since 1996, we have helped advisers deliver Financial-financial planning well- being to clients across the wealth spectrum through industry- leading investment strategies. Over 60 % of our investment team are CFA charter holders and collectively offer 162 years of combined experience. The team** is the core competency **backed by expansive data and research resources** value proposition for most wealth managers. The various investment management functions that compose this role, **including AssetMark’s world- class Due** such as formulating capital market assumptions, conducting manager due diligence **Diligence team. Leveraging our deep**, constructing portfolios and monitoring **time- tested knowledge of financial** markets, managers **we aim to maximize upside potential and minimize downside risk** portfolios, can take time away from advisers’ ability to help their investors stay **invested for the long term with a steady eye** on track to reach their goals **and ready to weather**. As a result, many **any market environment** advisers outsource these activities to independent platforms like AssetMark.
- 2) We offer define net flows for a **wide range** period as production (the amount of new assets **proprietary and third- party investment strategies** that **address a variety of** are added to existing and new-client **needs** accounts in the period) minus redemptions (the amount of assets that are terminated or

withdrawn from client accounts in the period), excluding the impact of changes in the market value of investments held in client accounts and fees charged to advisers and end-investors. We perform this challenging work for the adviser through our dedicated team of investment professionals who assess markets, conduct due diligence on asset managers and construct model portfolios for advisers to offer to their clients. We deliver these capabilities through a portfolio construction methodology that can be broadly described in three categories:

- Core markets: Strategies that provide exposure to growth in domestic and global economies.
- Tactical strategies: Supplemental equity strategies that can augment core performance or provide risk mitigation in periods of market decline.
- Diversifying strategies: Equity alternative or bond and bond alternative strategies that offer lower volatility or lower correlation to help smooth portfolio performance or allow for greater equity exposure.

Our portfolios feature a **variety wide range** of investment vehicles including ETFs, mutual funds, equities, individual bonds and options strategies. In addition, we provide turnkey solutions for advisers who would prefer to fully outsource the selection of investments, and portfolio components and construction tools for advisers who would prefer to build or customize portfolios themselves using our curated list of strategists. In **2022-2023**, we **kicked off the pilot phase of our Tax Management Services offering, which officially** launched a holistic values-driven investment program to **all enable our advisers to address the growing in January 2024. Driven by advisers' strong** demand for environmental **a top-tier tax management solution**, social **AssetMark developed a comprehensive suite of services, including tax transition, tax-efficient rebalancing, tax loss harvesting,** and governance (“ESG”) focused **client-directed activity. The intuitive digital platform enables advisers to personalize plans to each client's unique needs, including tax sensitivities, risk tolerance, realized capital gains budget and** investment strategies **preferences**, including a diverse set of investment products ranging from ETFs and mutual funds to model portfolios and bespoke separately managed account options. We have curated these solutions based on extensive research into the strategies that can **an ongoing basis. It also provide provides** investors with strong **comprehensive reporting, allowing advisers to regularly quantify and reinforce their positive impact and** value as well as clear and transparent goals related to and measurement of ESG impact. In addition to our investment solutions, advisers also have access to a robust suite of ESG resources to help them better educate themselves and their clients and create a better client experience. These resources include an investor questionnaire, tools for client discovery, due diligence resources, ESG / impact reporting tools and educational materials.

- Financial planning technology: As advisers continue to evolve their roles from investment managers to holistic wealth planners, we believe demand for financial planning technology will continue to increase. Flexibility and choice are critical for independent financial advisers. Accordingly, we offer an open-architecture solution leveraging both proprietary and third-party planning software. Our integrated planning technology is highly customizable and interactive, enabling meaningful, goals-based conversations between advisers and investors. The product suite visualizes complex scenarios and focuses on collaborative adviser planning, on-demand access and an intuitive user interface. Its modular solution allows for flexibility and the application is configured to optimize a diverse range of individual financial plans. Our dynamic tool combines cash-flow planning with goals-based planning into a single timeline for clients, letting advisers show how changes to income can affect the probability of achieving a goal, or how altering a goal can impact an investor's plan. We believe that the road to financial wellness and a better financial future begins with advisers providing investors with dynamic, personalized and comprehensive advice. The AssetMark business model To achieve our mission, we have built a business model that allows us to reinvest in our advisers' and their clients' success. Our business model has delivered a track record of attractive revenue growth and adjusted EBITDA margin expansion, both driven by strong fundamentals including:

- Steady asset growth: We have experienced (1) platform asset growth from existing clients of approximately 9% from December 31, **2019-2020** to December 31, **2022-2023**, (2) \$ **15-18**. 6 billion in assets attracted from new advisers representing **52-54%** growth to the platform over the same period and (3) \$ **6.9-0** billion in assets added to our platform through acquisitions **of competitors** over the same period, measured at the date of acquisition.
- Recurring and resilient revenue model: In the year ended December 31, **2022-2023**, **96-95.7-1%** of our total revenue was recurring in nature (based on revenue generated from assets that are under contract and not dependent on trading activity) and derived from either asset-based revenue or spread-based revenue from investor cash held at our proprietary custodian. In the year ended December 31, **2022-2023**, **86-78.4-1%** of our total revenue was derived from asset-based revenue, and **10-17.3-0%** of our total revenue was derived from spread-based revenue. Since asset-based revenue is influenced by sector, asset class and market returns, while spread-based revenue is influenced by Federal Reserve movements and the amount of cash investors hold, our two **core** sources of revenue are relatively uncorrelated, **providing which has established** a foundation for a resilient revenue model through various market fluctuations.
- Attractive margin profile driven by a mix of proprietary and third-party solutions: Our open-architecture technology, investment solutions and custodial platform offer choice and superior capabilities for advisers. In addition, since we offer a balance of third-party and proprietary solutions, we capture incremental economics, which has led to enhanced margins. By offering proprietary solutions alongside third-party technology, asset management and custody solutions, we foster competition across our **offering offerings**. This competition drives participants (including us) to improve their offerings or risk losing favor with advisers. Each solution competes on its own value proposition and merits, and we do not promote or advantage our proprietary offerings above those of third parties. Our trust company held approximately **72-73.7%** of our platform assets, and our proprietary strategists served **26-27%** of our platform assets, as of December 31, **2022-2023**, evidencing the strength of our proprietary offerings.
- **Consistent net flows growth:** Because our platform offers an array of solutions to advisers and our technology is deeply integrated into advisers' businesses, our net flows grew from \$ 5.4 billion in 2019 to \$ 5.6 billion in 2022, helping to offset some of the impact of **market declines**.
- Significant operating leverage: Our purpose-built platform and upfront investments in our business have positioned us to benefit from upside growth and continued scale with meaningful operating leverage, while continuing to deliver enhanced platform capabilities and solutions to advisers. Our net income margin increased from 4.8% for the year ended December 31, 2021 to **16-17.7-4%** for the year ended December 31, **2022-2023**, primarily driven by increased spread-based revenue. The power of the operating leverage in our model is most apparent from our ability to expand our adjusted **EBITDA**

net income margin (defined as adjusted **EBITDA** net income divided by total revenue), which expanded from **19-29**, **5-6** % for the year ended December 31, 2021 to **21-35**, **+2** % for the year ended December 31, **2022-2023**. Our strengths for more than **20-25** years, we have focused on providing solutions that enhance and simplify the lives of our advisers and the investors they serve. We believe that this approach distinguishes us from many of our competitors. The following strengths underpin our competitive advantage:

- Our mission- driven, client- focused culture: We believe that our exceptional client- centric culture has driven our historical performance. The AssetMark team is dedicated to its mission of making a difference in the lives of advisers and investors through a culture that rests on our core pillars of heart, integrity, excellence and respect. We are also committed to helping advisers and the communities they serve. Through our **annual Summer of Service event to support non- profit organizations** and Community Inspiration Awards, **which honor advisers who are committed to supporting their communities and non- profit organizations**, we seek to ensure that our firm’ s and our advisers’ communities benefit from our charitable contributions. We believe that our focus on doing the right thing while also running a great business not only results in higher adviser loyalty and referrals, but also increases our employee tenure.
- A deep understanding of fee- based, independent advisers: Our frequent, value- added interactions with our diverse group of advisers help us tailor offerings to meet their needs, at scale and in the context of their business opportunities and challenges. We also benefit from tracking and evaluating advisers’ extensive activity in our ecosystem. This allows us to create responsive service models, operational processes and solutions that help advisers reduce the time associated with administrative tasks. In addition, members of our community of advisers have access to each other’ s best practices as well as data about their specific business activity, which helps our advisers grow their businesses and drives our extensive best practices library.
- Proven ability to execute superior outsource solutions facilitated by a leading technology offering: We create outsource solutions that transform advisers’ businesses. We believe the transformation that we enable for the advisers on our platform is the result of our deeply integrated service model and robust, user- friendly technology, which together help advisers improve responsiveness to investors. Collectively, our outsource offerings optimize advisers’ time and, as a result, help improve investor outcomes.
- We are a scale provider: We are an established leader as an outsource service provider for independent, fee- based financial advisers. Our scale and access enable us to establish favorable partnerships with technology and asset management institutions and provide attractive pricing for our advisers’ clients. In addition, scale allows us to consistently invest in our core offering of a fully integrated technology platform, personalized and scalable adviser service, curated investment solutions, and financial planning technology to address the evolving needs of investors and advisers. Our feature- rich technology solution scales to serve a broad range of business sizes, from solo practices to ensemble firms. The scope and scale of our offering has made us an essential part of our advisers’ businesses.
- We are a disciplined acquirer: Growth through acquisition **of small, sub-scale, outsource providers** is a core competency of our business. Our value creation through acquisition is generated by purchase price discipline and our ability to grow relationships formed through these acquisitions. In 2014 and 2015, respectively, we acquired the platform assets of two firms that collectively added \$ 3. 5 billion in assets to our platform at the time of acquisition. On average, three years post- acquisition, these acquired assets had grown by 17 % compounded annually. Subsequently, from 2019 through 2022, AssetMark **has** completed four additional acquisitions: • 2019 acquisition of Global Financial Private Capital, Inc. (“ GFPC ”), adding \$ 3. 8 billion in platform assets; • 2020 acquisition of OBS Financial Services, Inc. (“ OBS ”), adding \$ 2. 1 billion in platform assets; • 2021 acquisition of Voyant, Inc. (“ Voyant ”), a leading global provider of **software as a service (“ SaaS -”) based financial planning solutions**; and • 2022 acquisition of Adhesion Wealth **Advisor Solutions, Inc.** (“ Adhesion **22. Wealth”**), a leading provider of wealth management technology solutions to RIAs, RIA enterprises, turnkey asset management programs (“ TAMPs ”) and asset managers, adding \$ 6. 9 billion in platform assets.

Our Growth Strategy We are focused on five key areas of growth to deliver platform enhancements and solutions that are core to our advisers’ businesses and enable us to increase our adviser base and expand our business with existing clients.

- Meet advisers where they are: We are focused on introducing new products and enhancing services and capabilities to further expand our reach into the RIA market, retirement services, bank trusts and the high- net- worth segment. We believe that these solutions will enhance our offering to existing advisers while also deepening and extending our relationships with high- growth segments of advisers.
- Deliver a holistic, differentiated experience: Our open- architecture integrated platform is designed to maximize adviser efficiency and scale. While we continue to focus on adviser workflows, we also strive to build deeper adviser- investor relationships through meaningful conversations that connect investors’ financial goals, concerns and dreams with their portfolios. We aim to build a comprehensive wellness program that empowers advisers with enhanced capabilities to serve the specific needs of their clients.
- Enable advisers to serve more investors: Our set of curated investment solutions is designed to help advisers serve evolving needs of investors across the wealth spectrum. We consistently add new products and features to allow for greater personalization and introduce capabilities to help advisers deepen their relationships with investors.
- Help advisers grow and scale their businesses: Our holistic platform and adviser engagement model are designed to help advisers grow and build sustainable businesses. We plan to continue to help advisers grow through our deep business consulting engagements, comprehensive platform support and turnkey business programs.
- Continue to pursue strategic transactions: We expect to continue to selectively pursue acquisitions that we believe will enhance the scale and operating leverage of our business. In addition, we may pursue acquisitions that expand the appeal of our offering to independent, fee- based advisers and the investors they serve.

Competition We compete with a broad range of wealth management firms that offer services to independent investment advisers. The principal factors on which participants in our industry compete are: 1) technological capabilities, 2) consulting and back- office servicing and 3) investment solutions. We believe that we compete favorably on each of these factors. Our competitors offer a variety of products and services that compete with one or more of the investment solutions and services provided through our platform. Our principal competitors include:

- Other turnkey asset management platform providers: Most providers of turnkey asset management platforms typically provide financial advisers with one or more types of products and services and vary in the number of choices offered in terms of custodians, technology features, investments and

quality of service. • Independent broker- dealer proprietary wealth platforms: Many broker- dealers provide integrated proprietary wealth management platforms that offer an array of asset management solutions to their affiliated financial advisers. • Providers of specific service applications: Several of our competitors provide financial advisers with a product or service designed to address one or a limited number of specific needs, such as financial planning or performance reporting. • Adviser-built solutions: Some financial advisers have developed in- house solutions that overlap with some or all of the technology or services that we currently provide, including portfolio construction, portfolio analytics and model management. While we anticipate that we will see increased competition and experience fee pressure, we believe that our technology platform, along with our personalized service and curated investment solutions, will continue to drive revenue expansion. Human Capital As of December 31, **2022-2023**, we had **980-990** employees. Our human capital resources objective is to foster community among our employees by identifying, recruiting, retaining, incentivizing and integrating our existing and new employees. Our talent management activities team provides consultation and support for employee engagement, while our human resources team ensures that benefit programs meet employee needs. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of **stock share**- based compensation awards. We also provide additional incentives to our employees, including a health and wellness stipend and technology reimbursements. None of our employees is represented by a labor union, and we consider our employee relations to be good. Our workforce strategy ~~moved towards~~ **continued with** a hybrid work model in **2022-2023**, with a number of our staff continuing to operate fully remotely. Across all of our offices, certain health and safety precautions remain in place, including nightly cleaning, higher cubicle walls and sanitizer stations at key access and high traffic points. To help support and engage our employees as they returned to the office, we continued to expand our programs to include meditation sessions, charitable step challenges, onsite social and charitable events and wellness- focused education sessions on topics including stress, nutrition and financial management. Employee Engagement We measure our employee engagement annually through a survey of all associates. We believe the results of our **2022-2023** engagement survey and our employee engagement efforts illustrate our commitment to our mission, values and culture in action. We are especially proud of the feedback and commitment our team members have provided as we moved forward from the unprecedented global health crisis and its impact on market volatility. Diversity, Equity & Inclusion As of December 31, **2022-2023**, our diversity by gender was **57-56** % male and **43-44** % female. Our diversity by race / ethnicity was **67-66** % white, and underrepresented minorities (Hispanic, African American and other races / ethnicities) made up **19-20** % of our employee population. Our commitment to diversity and inclusion is centered on the following pillars: Education, Representation, Development and Community. In **2022-2023**, we continued to enhance our formal diversity and inclusion program, Respect at AssetMark —, aligned with our core value of respect. The goals of our Respect at AssetMark program are to bring new diverse talent into the financial services industry through our internship program and to focus on recruiting and developing the talent that we already have within our organization to enable our **associates-employees** to meet their fullest potential. Our continued and focused efforts have resulted in an increase in women in leadership within our organization. **Corporate Social Responsibility** In **2022-2023**, we **reaffirmed-upheld our commitment to operating as a responsible corporate citizen. We continued to focus on delivering societal value as well as shareholder value by conducting our business ethically and transparently, with our mission rooted at the center. As a part of** our commitment to corporate social responsibility —~~We launched a values-driven investment program, which includes tailored ESG investment solutions as well as educational and operational resources that advisers can leverage to serve their clients. In tandem with our new ESG investment solutions~~, we released our first ESG **2022 Environmental, Social and Governance** report **Report in May 2023** to demonstrate our commitment to corporate citizenship. Prepared in accordance with the accounting standards published by the Sustainability Accounting Standards Board, the report highlights our current sustainability initiatives, practices, and objectives. **Our mission of making a difference pushes us to achieve excellence and make a difference for those who rely on our financial stewardship, investment expertise, and client- focused approach for their financial advice and decision- making.** We also **believe putting purpose at the** ~~entered--~~ **center** into the ESG Amendment to our 2022 Credit Agreement (in each case, as defined in the section titled “Management’s Discussion and Analysis of **everything we do will create long- term value for** Financial Condition and Results of Operations — Liquidity and Capital Resources — 2022 Credit Agreement”) to incorporate key performance indicators and ESG pricing provisions into our **stakeholders** 2022 Credit Agreement, in **achieve sustainable business success, an and ultimately improve** effort to transparently align our ESG goals with our financing plans. The ESG Amendment introduced a margin adjustment incentive mechanism tied to three — **the health** of our Sustainability Accounting Standards Board- aligned ESG objectives: • increasing the **communities in which we operate** proportion of diverse new hires; • providing ESG training to advisers using our platform; and • expanding the number of ESG investment strategies offered on our platform. Information About Our Executive Officers The following table sets forth information regarding our executive officers as of March 14, **2023-2024**:

Name	Age	Position
Michael Kim	54	Chief Executive Officer
Natalie Wolfson		Chief Executive Officer
Michael Kim		Director
Gary Zyla	52	EVP
Carrie Hansen	53	EVP
David McNatt	49	EVP
Mukesh Mehta	57	EVP
Esi Mintz	51	EVP
Angus	53	EVP

Product Solutions There is no family relationship between any of our executive officers and any of our other executive officers or directors. **Natalie Wolfson-Michael Kim** — Chief Executive Officer, **President** and Director **Ms-Mr. Wolfson-Kim joined our company in 2010 and** has served as our Chief Executive Officer **since September 2023** and **President** as a member of our Board of Directors since March 2021. **Ms-Mr. Wolfson** previously **Kim also** served as our Chief **Solutions-Client** Officer from January 2018 to **March-September** **2021-2023**, prior to which she served as our Chief Commercialization Officer from May 2014 to December 2017. **Mr** Prior to joining our company, Ms. Wolfson served as head of Marketing and Product Development for First Eagle Investment Management, an investment management company, from 2011 to 2014. From 2009 to

2011, Ms. Wolfson served as head of Product Management and Development for Pershing LLC. From 1999 to 2009, Ms. Wolfson held numerous roles with The Charles Schwab Corporation, including Senior Marketing Manager (1999–2000), Senior Manager and Director of Technology (2000–2001), Director of Segment Management (2002–2004), Vice President of Strategy (2004–2007), Vice President of Product Management and Development (2007–2008) and Vice President of Equity Product Management and Development (2008–2009). Ms. Wolfson holds a B. A. in Political Science from the University of California, Berkeley and an M. B. A. from the University of California, Los Angeles. Michael Kim – President, Chief Client Officer Mr. Kim has served as our President since March 2021 and our Chief Client Officer since January 2018. Mr. Kim joined our company in 2010 and previously served as our National Sales Leader from January 2018 to March 2021. Prior to becoming our Chief Client Officer and National Sales Leader, Mr. Kim served as our National Sales Manager from 2014 to 2018, and Head of our RIA Channel from 2010 to 2014. Prior to joining our company, Mr. Kim spent over twelve years with Fidelity Investments, Inc., including as a Senior Vice President from 1998 to 2010. From 1995 to 1998, Mr. Kim served as Senior Vice President at Transamerica, and from 1991 to 1995, Mr. Kim was a Senior Associate at Coopers & Lybrand Consulting. Mr. Kim holds a B. A. in Economics from the University of California, Los Angeles. Gary Zyla – EVP, Chief Financial Officer Mr. Zyla has served as our Chief Financial Officer since 2011. From 2004 to 2011, Mr. Zyla served in the Corporate and Retirement and Protection segments at Genworth Financial, Inc., where he led the Capital Management team and served as Vice President of Financial Planning & Analysis. Mr. Zyla holds a B. S. in Computer Science- Mathematics and a B. A. in History from the State University of New York- Binghamton and an M. B. A. in Finance from the University of Maryland. Ted Angus – EVP, General Counsel Mr. Angus has served as our General Counsel since joining us in 2013. From 2010 to 2013, Mr. Angus served as the General Counsel at Genworth Financial Wealth Management, and from 2000 to 2010 he served in various roles at The Charles Schwab Corporation, including as Vice President and Associate General Counsel. From 1998 to 2000, Mr. Angus was an Associate in the securities litigation group at the law firm Brobeck, Phleger & Harrison LLP, and from 1995 to 1998, he was an Associate at Keesal, Young & Logan. Mr. Angus holds a B. A. in both History and Economics from the University of California, Los Angeles and a J. D. from the University of California College of Law, San Francisco. Carrie Hansen – EVP, Chief Operating Officer Ms. Hansen joined our company in 2000 and has served as our Chief Operating Officer since 2008 and as President of our Mutual Funds division since 2007. Prior to becoming our Chief Operating Officer, Ms. Hansen served as our Chief Financial Officer (2003–2006) and Chief Compliance Officer (2004–2008). From 1998 to 2000, Ms. Hansen served as head of the Investment Operations Group in the Tokyo office of Barclays Global Investors, prior to which she spent over four years at Coopers & Lybrand Consulting, finishing her career there as an Audit Manager. Ms. Hansen holds a B. S. in Business Administration from the University of California, Berkeley. David McNatt – EVP, Investment Solutions Mr. McNatt has served as our Executive Vice President of Investment solutions Solutions since April 2021. Mr. McNatt previously served as our Senior Vice President of Product Management and Development from April 2018 to April 2021, prior to which he served as our Vice President of Affluent Product Strategy from October 2017 to April 2018. Mr. McNatt has also held the roles of Vice President of Corporate Strategy and Vice President of Proprietary Product Development during his tenure at AssetMark. Prior to joining AssetMark, Mr. McNatt was with Russell Investments, responsible for the smart beta index product business. Mr. McNatt also spent more than 8 years at The Charles Schwab Corporation in various leadership roles where he was responsible for developing new business lines and investment products, including the launch and growth of the Schwab ETF business. Mr. McNatt received his B. A. in Finance with a minor in Economics from the University of South Florida and is a member of the CFA Institute and CFA Society of San Francisco. Mukesh Mehta – EVP, Chief Information Officer Mr. Mehta has served as our Chief Information Officer since joining our company in 2017. From 2014 to 2017, Mr. Mehta served as the Chief Information and Technology Officer at Cetera Financial Group, a shared services organization serving a family of affiliated independent broker-dealers. From 2010 to 2013, Mr. Mehta served as Chief Information Officer at TD Ameritrade, a brokerage firm, where he also served as a Managing Director in Business Technologies from 2009 to 2010. From 2002 to 2008, Mr. Mehta served as Senior Vice President and Chief Information Officer at Schwab Institutional, Platform Development & Technology, prior to which he served as a Vice President of Finance & Corporate Administration Technology at The Charles Schwab Corporation from 1999 to 2002. Mr. Mehta has also held positions with Bankers Trust (Vice President, Defined Contribution & Participant Services, 1995–1999), Kwasha Lipton (Pension Design & Systems Consultant, 1987–1994), ER Keller & Co. (Investment Account Manager, 1987) and Bell Communications Research (Analyst, 1984–1987). Mr. Mehta holds a B. A. in Mathematics & Economics from Rutgers University and is a graduate of the Stanford University Graduate School of Business Executive Program. Esi Minta- Jacobs – EVP, Human Resources and Program Management Digital Product Solutions Ms. Minta- Jacobs joined our company in 2015 and Ms. Minta- Jacobs has served as our head of Digital Product Solutions since November 2023 and as our head of Human Resources and Program Management since March 2020, prior to which she served as our head of Program Management from March 2020 to November 2023 and as our Project Management Office Leader from 2015 to March 2020. Prior to joining our company, Ms. Minta- Jacobs served as Senior Vice President at Wells Fargo & Company (2003–2015), overseeing international operations project delivery, and as Partner Integration Manager at PeopleSoft, Inc. (1999–2003). She previously held management consulting roles at Grant Thornton International and PricewaterhouseCoopers (formerly Coopers & Lybrand) (1995–1999). Ms. Minta- Jacobs holds a B. S. in Business Administration with a concentration in Accounting and Management Information Systems from Northeastern University. Available Information We make our annual reports on Form 10- K, quarterly reports on Form 10- Q and current reports on Form 8- K, as well as amendments to those reports, available free of charge at our corporate website as soon as reasonably practicable after they have been filed with the SEC. Our corporate website address is ir.assetmark.com. Information on or available through our website is not incorporated by reference into nor does it form a part of this Annual Report on Form 10- K, and our reference to the URL for our website is intended to be an inactive textual reference only. The SEC maintains a website that contains the materials we file with the SEC at www.sec.gov. Item 1A. Risk Factors Risks Related to Our Business and Operations Our revenue may fluctuate from period

to period in the future due to a variety of factors, many of which are beyond our control. Factors relating to our business that may contribute to these fluctuations include the following events, as well as other factors described elsewhere in this Annual Report on Form 10-K: • a continued decline or slowdown in growth of the value of financial market assets or changes in the mix of assets on our platform, which may reduce the value of our platform assets and therefore our revenue and cash flows; • fluctuations in interest rates, which have a direct and proportionate impact on our spread-based revenue; • significant fluctuations in securities prices affecting the value of assets on our platform, including as a result of macroeconomic factors, inflation, geopolitics or public health concerns; • negative public perception and reputation of the financial services industry, which could reduce demand for our investment solutions and services; • acceleration of client investment preferences to lower-fee options; • downward pressure on fees we charge our investor clients, which would reduce our revenue; • changes in laws or regulations that could impact our ability to offer investment solutions and services, including any laws or regulations implicated by our controlling stockholder's ultimate parent being a PRC company; • announcements regarding regulatory actions or litigation that are adverse to us or our business, including the payment of fines; • failure to obtain new clients or retain existing clients on our platform, or changes in the mix of clients on our platform; • failure of our financial adviser clients to obtain new investor clients or retain their existing investor clients; • failure to adequately protect our proprietary technology and intellectual property rights; • reduction in the suite of investment solutions and services made available by third-party providers to existing clients; • reduction in fee percentage or total fees for future periods, which may have a delayed impact on our results given that our asset-based fees are billed to advisers in advance of each quarter; • changes in our pricing policies or the pricing policies of our competitors to which we have to adapt; or • general domestic and international economic and political conditions that may decrease investor demand for financial advisers or investment services. As a result of these and other factors, our results of operations for any quarterly or annual period may differ materially from our results of operations for any prior or future quarterly or annual period and should not be relied upon as indications of our future performance. We compete with many different types of wealth management companies that vary in size and scope. In addition, some of our adviser clients have developed or may develop the in-house capability to provide the technology or investment advisory services they have retained us to perform, obviating the need to hire us. These clients may also offer similar services to third-party financial advisers or financial institutions, thereby competing directly with us for that business. **There has also been a trend toward online internet financial services and financial services that are based on mobile applications or automated processes as clients increasingly seek to manage their investment portfolios digitally. Other industry changes, such as zero-commission securities trading, may amplify this trend to increased utilization of "robo" adviser platforms, which may increase our competitive risks and could have a material adverse effect on our results of operations, financial condition or business.**

Some of our competitors have greater name recognition or greater resources than we do, and may offer a broader range of services across more markets. These resources may allow our competitors to respond more quickly to new technologies or changes in demand for investment solutions and services, devote greater resources to developing and promoting their services and make more attractive offers to potential clients and strategic partners, which could hurt our financial performance. Further, some of our competitors operate in a different regulatory environment than we do, which may give them certain competitive advantages in the services they offer. We compete on a number of bases including the performance of our technology, the level of fees charged, the quality of our services, our reputation and position in the industry, our ability to adapt to technological developments or unforeseen market entrants and our ability to address the complex and changing needs of our clients. Our failure to successfully compete on the basis of any of these factors could result in a significant decline in market share, revenue and net income. Furthermore, certain clients or potential clients may prefer not to work with a company, such as us, that is controlled by a PRC company in light of continued or increased tension in U.S.-PRC relations or any deterioration in political or trade relations between the United States and the PRC. We derive nearly all of our revenue from the delivery of investment solutions and services to clients in the financial advisory industry and we are therefore subject to the risks affecting that industry. A decline or lack of growth in demand for financial advisory services would adversely affect the financial advisers who work with us and, in turn, our results of operations, financial condition or business. For example, the availability of free or low-cost investment information and resources, including research and information relating to publicly traded companies and mutual funds available on the Internet or on company websites, could lead to lower demand by investors for the services provided by financial advisers. In addition, demand for our investment solutions and services among financial advisers could decline for many reasons. Consolidation or limited growth in the financial advisory industry could reduce the number of financial advisers and their potential clients. Events that adversely affect financial advisers' businesses, rates of growth or the numbers of customers they serve, including decreased demand for their products and services, adverse conditions in the markets or adverse economic conditions generally, could decrease demand for our investment solutions and services and thereby decrease our revenue. Any of the foregoing could have a material adverse effect on our results of operations, financial condition or business. We derive a significant portion of our revenue from asset-based fees. Individual advisers or their clients may seek to negotiate lower asset-based fees. In particular, recent trends in the broker-dealer industry towards zero-commission trading may make self-directed brokerage services comparatively less expensive and, therefore, more attractive to investors as compared to investment advisory services, which could prompt our financial adviser clients to attempt to renegotiate the fees they pay to us. In addition, clients may elect to use products that generate lower revenue, which may result in lower total fees being paid to us. **For example, in addition, in the past, one of our broker-dealer clients have decided to limit access to certain of our retail share class strategies, resulting in a partial shift to lower-revenue products on our platform. If other -- the broker-dealer clients similarly past and may in the future limit access to certain of our strategies such that advisers shift to our lower-revenue products, we may be required to shift our service offering towards lower-revenue products, which has led and** would lead to a decline in asset-based revenue. In addition, clients have in the past and may in the future choose to invest in lower cost products on our platform or otherwise negotiate changes in pricing for these products, which has negatively impacted and would

negatively impact our revenue and net income. Further, as competition among financial advisers increases, financial advisers may be required to lower the fees they charge to their end investors, which could cause them to seek lower fee options on our platform or to more aggressively negotiate the fees we charge. Any reduction in asset-based fees could persist beyond the near term given the recurring quarterly nature of our asset-based fee arrangements. Any of these factors could result in a fluctuation or decline in our asset-based revenue, which would have a material adverse effect on our results of operations, financial condition or business. The clients of our financial advisers are generally free to change financial advisers, forgo the advice and other services provided by financial advisers or withdraw the funds they have invested with financial advisers. These clients of financial advisers may elect to change their investment strategies, including by withdrawing all or a portion of their assets from their accounts to avoid securities markets-related risks. These actions by investors are outside of our control and could materially adversely affect the market value of our platform assets, which would materially adversely affect the asset-based revenue we receive. ~~Changes in market and economic conditions (including as a result of geopolitical conditions or events) could lower the value of assets on which we earn revenue, thereby negatively impacting our revenue, and could decrease the demand for our investment solutions and services.~~ Asset-based revenue makes up a significant portion of our revenue, representing 86-78% and 97-87% of our total revenue for the years ended December 31, 2023 and 2022 and 2021, respectively. In addition, given our fee-based model, we expect that asset-based revenue will continue to account for a significant percentage of our total revenue in the future. Significant fluctuations in securities prices have materially affected and will materially affect the value of the assets managed by our clients, and any decrease in the value of assets managed by our clients has and will continue to negatively impact our asset-based revenue. Spread-based revenue accounted for 10-17% and 29% of our total revenue for the years ended December 31, 2023 and 2022 and 2021, respectively. Fluctuations in interest rates have had and future fluctuations in interest rates will have a direct impact on our spread-based revenue. Changes in interest rates, inflation and other economic indicators may also influence financial adviser and investor decisions regarding whether to invest in, or maintain an investment in, one or more of our investment solutions. Inflation and other economic factors may also impact the cost of running our business including the cost of personnel, operations, travel and other expenses. If such fluctuations in securities prices, interest rates or inflation were to lead to decreased investment in the securities markets, our revenue and earnings derived from asset-based and spread-based revenue could be simultaneously materially adversely affected. We provide our investment solutions and services to the financial services industry. The financial markets, and in turn the financial services industry, are affected by many factors, such as U. S. and foreign economic and geopolitical conditions and general trends in business and finance that are beyond our control, and could be adversely affected by changes in the equity or debt marketplaces, unanticipated changes in currency exchange rates, interest rates, inflation rates, the yield curve, financial crises, war, terrorism, natural disasters, pandemics and outbreaks of disease or similar public health concerns and other factors that are difficult to predict. During periods of severe or prolonged downturns or market volatility, investments may lose value and investors may choose to withdraw assets from financial advisers and use the assets to pay expenses or transfer them to investments that they perceive to be more secure, such as bank deposits and Treasury securities. Any prolonged downturn in financial markets, or increased levels of asset withdrawals could have a material adverse effect on our results of operations, financial condition or business. We must continue to introduce new investment solutions and services, and enhancements thereon, to address our clients' changing needs, market changes and technological developments, and a failure to do so could have a material adverse effect on our results of operations, financial condition or business. The market for our investment solutions and services is characterized by shifting client demands, evolving market practices and, for many of our investment solutions and services, rapid technological change, including an increased use of and reliance on web and social network properties. Changing client demands (including increased reliance on technology), new market practices or new technologies can render existing investment solutions and services obsolete and unmarketable. As a result, our future success will continue to depend upon our ability to develop, enhance and market investment solutions and services that address the future needs of our target markets and respond to technological and market changes. We may not be able to accurately estimate the impact of new investment solutions and services on our business or how their benefits will be perceived by our clients. Further, we may not be successful in developing, introducing and marketing our new investment solutions or services or enhancements on a timely and cost effective basis, or at all, our financial adviser clients may not allow certain investment solutions and services to be marketed through them, and any new investment solutions and services and enhancements may not adequately meet the requirements of the marketplace or achieve market acceptance. In addition, clients may delay purchases in anticipation of new investment solutions or services or enhancements. Any of these factors could materially adversely affect our results of operations, financial condition or business. We could face liability or incur costs to remediate operational errors or to address possible customer dissatisfaction. Operational risk generally refers to the risk of loss resulting from our operations, including, but not limited to, improper or unauthorized execution and processing of transactions, deficiencies in our operating systems, business disruptions and inadequacies or breaches in our internal control processes. Operational risk may also result from our hybrid in-person / remote work model. We operate in diverse markets and are reliant on the ability of our employees and systems to process large volumes of transactions often within short time frames. In the event of a breakdown or improper operation of systems (including due to extreme market volumes or volatility or the failure or delay of systems supporting our hybrid work model), human error or improper action by employees, we could suffer financial loss, regulatory sanctions or damage to our reputation. In addition, there may be circumstances when our customers are dissatisfied with our investment solutions and services, even in the absence of an operational error. In such circumstances, we may elect to make payments or otherwise incur increased costs or lower revenue to maintain customer relationships. In any of the forgoing circumstances, our results of operations, financial condition or business could be materially adversely affected. We may make future acquisitions which may be difficult to integrate, divert management resources, result in unanticipated costs or dilute our stockholders. We have in the past, and may in the future, choose to grow our business in part through acquisitions, which could pose a number of risks to our operations. We may not be

able to complete acquisitions, or integrate the operations, products, technologies or personnel gained through any such acquisition, such as our recent ~~acquisitions-~~ **acquisition** of Voyant and Adhesion Wealth, without a material adverse effect on our results of operations, financial condition or business. Assimilating the acquired businesses may divert significant management attention and financial resources from our other operations and could disrupt our ongoing business. We may have difficulty integrating the acquired operations, products, technologies or personnel, and may incur substantial unanticipated integration costs. Financing an acquisition could result in dilution from issuing equity securities or a weaker balance sheet from using cash or incurring debt. Any debt securities that we issue or credit agreements into which we enter to finance an acquisition may contain covenants that would restrict our operations, impair our ability to pay dividends or limit our ability to take advantage of other strategic opportunities. Further, we may fail to realize the potential cost savings or other financial benefits of the acquisition. In addition, acquisitions, including our recent ~~acquisitions-~~ **acquisition** of Voyant and Adhesion Wealth, may result in the loss of key employees or customers, particularly those of the acquired operations. Acquisitions, including our recent ~~acquisitions-~~ **acquisition** of Voyant and Adhesion Wealth, could further adversely affect our existing business relationships with third parties and / or cause us to incur regulatory, legal or other liabilities from the acquired businesses, including claims for infringement of intellectual property rights, for which we may not be indemnified in full or at all. Certain of our investment advisory services involve fiduciary obligations that require us to act in the best interests of our clients, and we may face legal proceedings, liabilities, regulatory investigations or enforcement actions for actual or claimed breaches of our fiduciary duties. Because we provide investment advisory services with respect to substantial assets, we could face substantial liability to our clients if it is determined that we have breached our fiduciary duties. In certain circumstances, which generally depend on the types of investment solutions and services we are providing, we may enter into client agreements jointly with advisers and retain third- party investment money managers and strategists on behalf of clients. In many instances, we are responsible for conducting due diligence on the investment solutions and strategies offered by such third parties with whom we contract, and a failure to adequately conduct due diligence or to adequately disclose material conflicts of interest could subject us to liability for alleged inadequate due diligence or for misstatements or omissions contained in disclosures, marketing materials and other materials describing the investment solutions and strategies offered by such third parties to our investor clients. As such, we may be included as a defendant in lawsuits against financial advisers, strategists and third- party investment money managers that involve claims of breaches of the duties of such persons, and we may face liabilities for the improper actions or omissions of such advisers and third- party investment money managers and strategists. In addition, we may face claims based on the results of our investment advisory services, even in the absence of a breach of our fiduciary duty. Such claims and liabilities could therefore have a material adverse effect on our results of operations, financial condition or business. If our reputation is harmed, our results of operations, financial condition or business could be materially adversely affected. Our reputation, which depends on earning and maintaining the trust and confidence of our clients, is critical to our business. Our reputation is vulnerable to many threats that can be difficult or impossible to control, and costly or impossible to remediate. Regulatory inquiries or investigations, lawsuits initiated by our clients, employee misconduct, perceptions of conflicts of interest and rumors concerning us or our third- party service providers, among other developments, could substantially damage our reputation, even if they are baseless or satisfactorily addressed. Potential, perceived and actual conflicts of interest are inherent in our business activities and could give rise to client dissatisfaction or litigation. In particular, we offer both proprietary and third- party mutual funds, portfolios of mutual funds and custodial services on our platform, and financial advisers or their clients could conclude that we favor our proprietary investment products or services over those of third parties. In addition, any perception that the quality of our investment solutions and services may not be the same or better than that of other providers can also damage our reputation. Further, continued or increased tension in U. S.- PRC relations or any deterioration in political or trade relations between the United States and the PRC may lead to negative investor and / or client sentiment towards us given that Huatai Securities Co., Ltd. (“ HTSC ”), a PRC company, is the ultimate parent of our controlling stockholder. Any damage to our reputation or that of our third- party service providers could harm our ability to attract and retain clients, which could materially adversely affect our results of operations, financial condition or business. If our investment solutions and services fail to perform properly due to undetected errors or similar problems, our results of operations, financial condition or business could be materially adversely affected. Investment solutions and services we develop or maintain may contain undetected errors or defects despite testing. Such errors can exist at any point in the life cycle of our investment solutions or services, but are typically found after introduction of new investment solutions and services or enhancements to existing investment solutions or services. We continually introduce new investment solutions and services and new versions of existing solutions and services. Our third- party providers, including asset managers whose products our clients access through our platform, could fail to detect errors or defects in the offered products that our clients use. Despite internal testing and testing by current and prospective clients, our current and future investment solutions and services may contain serious defects or malfunctions. If we detect any errors before release, we might be required to delay the release of the investment solution or service for an extended period of time while we address the problem. We might not discover errors that affect our new or current investment solutions, services or enhancements until after they are deployed, and we may need to provide enhancements to correct such errors. Errors may occur that could result in harm to our reputation, lost sales, delays in commercial release, third- party claims, contractual disputes, contract terminations or renegotiations or unexpected expenses and diversion of management and other resources to remedy errors. In addition, negative public perception and reputational damage caused by such claims would adversely affect our client relationships and our ability to enter into new contracts. Any of these problems could have a material adverse effect on our results of operations, financial condition or business. Our failure to successfully execute the conversion of our clients’ assets from their existing platform to our platform in a timely and accurate manner could have a material adverse effect on our results of operations, financial condition or business. When we begin working with a new client or acquire new client assets through an acquisition or other transaction, we may be required to convert or transfer the new assets from the clients’ existing platform to

our platform. These conversions sometimes present significant technological and operational challenges, can be time-consuming, may result in the loss of the target company's clients and may divert management's attention from other operational matters. If we fail to successfully complete our conversions in a timely and accurate manner, we may be required to expend more time and resources than anticipated, which could erode the profitability of the client relationship. In addition, any such failure may harm our reputation and may cause financial advisers or their clients to move their assets off of our platform or make it less likely that prospective clients will commit to working with us. Any of these risks could materially adversely affect our results of operations, financial condition or business. Our business relies heavily on computer equipment, electronic delivery systems and the Internet. Any failures, disruptions or other adverse impacts could result in reduced revenue and the loss of customers. The success of our business depends on our ability to deliver time-sensitive, up-to-date data and information. Our business relies heavily on computer equipment (including servers), electronic delivery systems and the Internet, but these technologies are vulnerable to disruptions, failures or slowdowns caused by fire, earthquake, power loss, telecommunications failure, terrorist attacks, wars, Internet failures, cyber-attacks and other events beyond our control. In addition to such vulnerabilities, there can be no assurance that the Internet's infrastructure will continue to be able to support the demands placed on it by sustained growth in the number of users and amount of traffic, in particular as employers shift to or make permanent remote or hybrid work models involving workforces relying largely on home broadband and Internet access. To the extent that the Internet's infrastructure is unable to support the demands placed on it, our business will be negatively impacted. Furthermore, we rely on agreements with our suppliers, such as our current data hosting and service providers, to provide us with access to certain computer equipment, electronic delivery systems and the Internet. We are unable to predict whether a future contractual dispute may arise with one of our suppliers that could cause a disruption in service, or whether our agreements with our suppliers can be obtained or renewed on acceptable terms, or at all. An unanticipated disruption, failure or slowdown affecting our key technologies or facilities may have significant ramifications, such as data loss, data corruption, damaged software codes or inaccurate processing of transactions. We maintain off-site back-up facilities for our electronic information and computer equipment, but these facilities could be subject to the same interruptions that may affect our primary facilities. Any significant disruptions, failures, slowdowns, data loss or data corruption could have a material adverse effect on our results of operations, financial condition or business and result in the loss of customers. If government regulation of the Internet changes, or if consumer attitudes towards the Internet change, we may need to change the manner in which we conduct our business or incur greater operating expenses. We rely heavily on the Internet in conducting our business, and are subject to general business regulations and laws as well as federal and state regulations and laws specifically governing the Internet. The adoption, modification or interpretation of laws or regulations relating to the Internet could impede the growth of the Internet or other online services or increase the cost of providing online services, which could adversely affect the manner in which we conduct our business. Such laws and regulations may cover sales practices, taxes, user privacy, data protection, pricing, content, copyrights, distribution, electronic contracts, consumer protection, broadband residential Internet access and the characteristics and quality of services. If we are required to comply with new regulations or legislation or new interpretations of existing regulations or legislation, we may be required to incur additional expenses or alter our business model, either of which could have a material adverse effect on our results of operations, financial condition or business. Likewise, any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation and brand, a loss in business, and proceedings or actions against us by governmental entities or others, which could adversely affect our results of operations, financial condition or business. Inadequacy or disruption of our disaster recovery plans and procedures in the event of a catastrophe could adversely affect our business. We have made a significant investment in our infrastructure, and our operations are dependent on our ability to protect the continuity of our infrastructure against damage from catastrophe or natural disaster, breach of security, cyber-attack, loss of power, telecommunications failure or other natural or man-made events, including regional or global health events. Such a catastrophic event could have a direct negative impact on us by adversely affecting financial advisers, our employees or facilities and our ability to serve clients using a hybrid workforce, or an indirect impact on us by adversely affecting the financial markets or the overall economy. While we have implemented business continuity and disaster recovery plans and maintain business interruption insurance, it is impossible to fully anticipate and protect against all potential catastrophes, in particular those affecting a dispersed workforce. If our business continuity and disaster recovery plans and procedures were disrupted, inadequate or unsuccessful in the event of a catastrophe, we could experience a material adverse interruption of our operations. We serve financial advisers and their clients using third-party data centers and cloud services. While we have electronic access to the infrastructure and components of our platform that are hosted by third parties, we do not control the operation of these facilities. Consequently, we may be subject to service disruptions as well as failures to provide adequate support for reasons that are outside of our direct control. These data centers and cloud services are vulnerable to damage or interruption from a variety of sources, including earthquakes, floods, fires, power loss, system failures, cyber-attacks, physical or electronic break-ins, human error or interference (including by employees, former employees or contractors), and other catastrophic events, including regional or global health events. Our data centers may also be subject to local administrative actions, changes to legal or permitting requirements and litigation to stop, limit or delay operations. Despite precautions taken at these facilities, such as disaster recovery and business continuity arrangements, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in interruptions or delays in our services, impede our ability to scale our operations or have other adverse impacts on our business. We are reliant on our relationships with certain broker-dealers, strategists and enterprise clients, the loss of which could adversely affect our results of operations, financial condition or business. We maintain relationships with certain broker-dealers and financial advisers that serve clients on our platform. The loss of these relationships would likely result in a loss of adviser and investor clients. Likewise, we engage strategists who offer certain investment products on our platform. The loss of certain strategists and their investment products could cause our

investor clients to leave our platform to follow such strategists and investment products to our competitors or otherwise. We also maintain direct relationships with certain enterprise customers, the loss of which could have a material impact on our business. Further, the engagement contracts governing our relationships with broker- dealers, financial advisers and strategists are terminable by either us or the broker- dealer, financial adviser or strategist, as applicable, upon short- notice with or without cause. Further, broker- dealers and financial advisers may substantially reduce their use of our platform without terminating their agreements with us. Loss of our investor and enterprise clients, whether due to termination of a significant number of engagement contracts or otherwise, may have a material adverse effect on our financial condition and result in harm to our results of operations, financial condition or business. We are dependent on third- party service providers in our operations. We utilize numerous third- party service providers in our operations, including for the development of new product offerings, the provision of custodial, strategy and other services and the maintenance of our proprietary systems. A failure by a third- party service provider could expose us to an inability to provide contractual services to our clients in a timely manner. Additionally, if a third- party service provider is unable to provide these services, we may incur significant costs to either internalize some of these services or find a suitable alternative. We serve as the investment adviser for several of the products offered through our investment management programs and utilize the services of investment sub- advisers to manage many of these assets. A failure in the performance of our due diligence processes and controls related to the supervision and oversight of these firms in detecting and addressing conflicts of interest, fraudulent activity, data breaches and cyber- attacks or noncompliance with relevant securities and other laws could cause us to suffer financial loss, regulatory sanctions or damage to our reputation. We are dependent on third- party pricing services for the valuation of securities invested in our investment products. The majority of the securities held by our investment products are valued using quoted prices from active markets gathered by external third- party pricing services. We are dependent on such services for those valuations and their failure to accurately price those securities may result in inaccurate valuation of securities in our systems. In addition, in rare cases where market prices are not readily available, securities are valued in accordance with procedures applicable to that investment product. These procedures may utilize unobservable inputs that are not gathered from any active markets and involve considerable judgment. If these valuations prove to be inaccurate, our revenue and earnings from platform assets could be adversely affected. We ~~rely on our executive officers and other key personnel.~~ We depend on the efforts of our executive officers, other management team members and key employees. Our executive officers, in particular, play an important role in the stability and growth of our business, and our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. The loss of any key personnel **, such as the recent departure of our former Chief Executive Officer,** could have a material adverse effect on our results of operations, financial condition or business. Executive officer, employee or third- party provider misconduct could expose us to significant legal liability and reputational harm. We are vulnerable to reputational harm because we and our financial adviser clients operate in an industry in which personal relationships, integrity and the confidence of clients are of critical importance. Our executive officers and employees, as well as the executive officers and employees at our financial adviser clients or our third- party service providers, could engage in misconduct that adversely affects our business. For example, if a member of management or an employee were to engage in illegal or suspicious activities, we or our financial adviser clients could be subject to regulatory sanctions and we could suffer serious harm to our reputation (as a consequence of the negative perception ~~resulting~~ **resulted** from such activities), our financial position or financial advisers' client relationships and ability to attract new clients. In addition, certain of our third- party providers may engage in illegal activities, or may be accused of engaging in such activities, which could result in disruptions to our platform or solutions, subject us to liability, fines, penalties, regulatory orders or reputational harm or require us to be involved in regulatory investigations. Specifically, we have in the past been and may in the future be made aware of SEC investigations involving the actions of third- party financial advisers (or their employees) on our platform, which could cause us to experience any of the aforementioned consequences. Further, our business and that of our financial adviser clients often require that we deal with confidential information, personal information and other sensitive data. If executive officers, employees or third- party providers were to improperly use or disclose this information, even if inadvertently, we or our financial adviser clients could be subject to legal or regulatory investigations or action and suffer serious harm to our reputation, financial position and current and future business relationships or those of our financial adviser clients. It is not always possible to deter misconduct, and the precautions we take to detect and prevent this activity may not always be effective. Misconduct by executive officers, employees or third- party providers, or even unsubstantiated allegations of misconduct, could result in an adverse effect on our reputation and our business. We may become subject to liability based on the use of our investment solutions and services by our clients. Our investment solutions and services support the investment processes of our clients, which, in the aggregate, advise billions of dollars of assets. Our client agreements have provisions designed to limit our exposure to potential liability claims brought by our adviser clients, their clients or other third parties based on the use of our investment solutions and services. However, these provisions have certain exceptions and could be invalidated by unfavorable judicial decisions or by federal, state, foreign or local laws. Use of our products as part of the investment process creates the risk that clients, or the parties whose assets are managed by our clients, may pursue claims against us for significant dollar amounts. Any such claim, even if the outcome were to be ultimately favorable to us, would involve a significant commitment of our management, personnel, financial and other resources and could have a negative impact on our reputation. Such claims and lawsuits could therefore have a material adverse effect on our results of operations, financial condition or business. Furthermore, our clients may use our investment solutions and services together with software, data or products from other companies. As a result, when problems occur, it might be difficult to identify the source of the problem. Even when our investment solutions and services do not cause these problems, the existence of these errors might cause us to incur significant costs and divert the attention of our management and technical personnel, any of which could materially adversely affect our results of operations, financial condition or business. Lack of liquidity or access to capital could impair our business and financial condition. We expend significant resources investing in our business, particularly with

respect to our technology and service platforms. In addition, we must maintain certain levels of required capital. As a result, reduced levels of liquidity could have a significant negative effect on us. Some potential conditions that could negatively affect our liquidity include diminished access to debt or capital markets, unforeseen or increased cash or capital requirements, adverse legal settlements or judgments or illiquid or volatile markets. The capital and credit markets continue to experience varying degrees of volatility and disruption and can be particularly sensitive in times of uncertainty. In some cases, the markets have exerted downward pressure on availability of liquidity and credit capacity for businesses similar to ours. Such market conditions may limit our ability to satisfy statutory capital requirements, generate fee and other market-related revenue to meet liquidity needs and access the capital necessary to grow our business. As such, we may be forced to delay raising capital, issue different types of capital than we would otherwise, less effectively deploy such capital or bear an unattractive cost of capital, which could decrease our profitability and significantly reduce our financial flexibility. In the event that our current resources are insufficient to satisfy our needs, we may need to rely on financing sources such as bank debt. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, our credit ratings and credit capacity and the possibility that our stockholders, advisers or lenders could develop a negative perception of our long- or short-term financial prospects if the level of our business activity decreases due to a market downturn. Similarly, our access to funds may be impaired if regulatory authorities or rating organizations take negative actions against us. We may not be able to generate sufficient cash to service our indebtedness and may be forced to take other actions to satisfy our obligations under our 2022 Credit Agreement, which may not be successful. As of December 31, ~~2022~~ **2023**, we had total indebtedness of \$ ~~119.94~~ million. Our ability to make scheduled payments on or to refinance our indebtedness depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flow from operating activities sufficient to permit us to pay the principal and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay acquisitions and capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. Our ability to restructure or refinance indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis could harm our ability to incur additional indebtedness. In the absence of sufficient cash flows and capital resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our 2022 Credit Agreement (as defined in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources”) currently restricts our ability to dispose of assets and our use of the proceeds from such disposition. We may not be able to consummate those dispositions, and the proceeds of any such disposition may not be adequate to meet any debt service obligations then due. Any of these circumstances could adversely affect our results of operations, financial condition or business. Restrictions in our existing and future debt agreements could limit our growth and our ability to engage in certain activities. Our 2022 Credit Agreement contains a number of covenants that impose operating and financial restrictions on us, including restrictions on our ability to incur additional indebtedness, create liens, make acquisitions, dispose of assets and make restricted payments, among others. In addition, our 2022 Credit Agreement requires us to maintain certain financial ratios. These restrictions may limit our ability to obtain future financings, to withstand a future downturn in our business or the economy in general, or to otherwise conduct necessary corporate activities. We may also be prevented from taking advantage of acquisitions or other business opportunities that arise because of the limitations that the restrictive covenants under our 2022 Credit Agreement impose on us. A breach of any covenant in our 2022 Credit Agreement would result in a default under the applicable agreement after any applicable grace periods. A default, if not waived, could result in acceleration of the indebtedness outstanding under the 2022 Credit Agreement and our inability to borrow thereunder. The accelerated indebtedness would become immediately due and payable. If that occurs, we may not be able to make all of the required payments or borrow on short notice sufficient funds to refinance such indebtedness. Even if new financing were available at that time, it may not be on terms that are acceptable to us. We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to meet our debt service and other obligations. We have no direct operations and derive all of our cash flow from our subsidiaries. Because we conduct our operations through our subsidiaries, we depend on those entities for dividends and other payments or distributions to meet any existing or future debt service and other obligations. The deterioration of the earnings from, or other available assets of, our subsidiaries for any reason could limit or impair their ability to pay dividends or other distributions to us. In addition, SEC and Financial Industry Regulatory Authority (“FINRA”) regulations **and Arizona law applicable to trust companies** may under certain circumstances restrict the payment of dividends by a registered broker-dealer **or a trust company licensed by the Arizona Department of Insurance and Financial Institutions, respectively**. Compliance with this regulation may impede our ability to receive dividends from our subsidiary AssetMark Brokerage, LLC (“AMB”) **or AssetMark Trust Company (“ATC”), respectively**. Our controls and procedures may fail or be circumvented, our risk management policies and procedures may be inadequate and operational risks could adversely affect our reputation and financial condition. We have adopted policies and procedures to identify, monitor and manage our operational risk. These policies and procedures, however, may not be fully effective. Some of our risk evaluation methods depend upon information provided by others and public information regarding markets, clients or other matters that are otherwise accessible by us. If our policies and procedures are not fully effective or we are not successful in capturing all risks to which we are or may be exposed, we may suffer harm to our reputation or be subject to litigation or regulatory actions that could have a material adverse effect on our results of operations, financial condition or business. Risks Related to Intellectual Property,

Data Privacy and Cybersecurity We could face liability related to our storage of personal information about our users. We store extensive amounts of personal investment and financial information for consumers, including portfolio holdings, on our systems. We could be subject to liability if we were to inappropriately disclose any personal information or if third parties were able to penetrate our network security or otherwise access or misappropriate any personally identifiable information or portfolio holdings. Any such disclosure, security incident or breach could subject us to regulatory investigations and enforcement actions, the imposition of fines or other significant penalties and significant remediation costs, as well as claims for financial loss, impersonation or other similar fraud claims, claims under data protection laws, claims for other misuses of personal information, such as unauthorized marketing or unauthorized access to personal portfolio information, or indemnity claims by our clients for fines, penalties or other assessments arising from third- party claims. Further, any real or perceived defects, errors or vulnerabilities in our security systems could harm our reputation or otherwise adversely impact our results of operations, financial condition or business. While we have taken extensive precautions to protect personal information, these risks and threats are heightened due to some of our workforce working remotely. We could face liability for certain information we provide, including information based on data we obtain from other parties. We may be subject to claims for securities law violations, negligence, breach of fiduciary duties or other claims relating to the information we provide. For example, individuals may take legal action against us if they rely on information we have provided and it contains an error. In addition, we could be subject to claims based upon content that is accessible from our website through links to other websites. Moreover, we could face liability based on inaccurate information provided to us by others. Defending any such claims could be expensive and time- consuming, and any such claim could materially adversely affect our results of operations, financial condition or business. In connection with the products and services that we provide, we collect, use, store, transmit and otherwise process certain confidential, proprietary and sensitive information, including the personal information of end- users, third- party service providers and employees. We rely on the efficient, uninterrupted and secure operation of complex information technology systems and networks to operate our business and securely store, transmit and otherwise process such information. In the normal course of business, we also share information with our service providers and other third parties. A failure to safeguard the integrity, confidentiality, availability and authenticity of personal information, client data and our proprietary data from cyber- attacks, unauthorized access, fraudulent activity (e. g., check “ kiting ” or fraud, wire fraud or other dishonest acts), data breaches and other security incidents that we, our third- party service providers or our clients may experience may lead to modification, destruction, loss of availability or theft of critical and sensitive data pertaining to us, our clients or other third parties. While we have taken extensive precautions to protect such confidential, proprietary and sensitive information, including personal information, these risks and threats are heightened due to some of our workforce working remotely. We have established a strategy designed to protect against threats and vulnerabilities containing preventive and detective controls including, but not limited to, firewalls, intrusion detection systems, computer forensics, vulnerability scanning, server hardening, penetration testing, anti- virus software, data leak prevention, encryption and centralized event correlation monitoring. All such protective measures, as well as additional measures that may be required to comply with rapidly evolving data privacy and security standards and protocols imposed by law, regulation, industry standards or contractual obligations, have and will continue to cause us to incur substantial expenses. Failure to timely upgrade or maintain computer systems, software and networks as necessary could also make us or our third- party service providers susceptible to breaches and unauthorized access and misuse. We may be required to expend significant additional resources to modify, investigate or remediate vulnerabilities or other exposures arising from data and cybersecurity risks. Improper access to our or our third- party service providers’ systems or databases could result in the theft, publication, deletion or modification of confidential, proprietary or sensitive information, including personal information. Any actual or perceived breach of our security systems or those of our third- party service providers may require notification under applicable data privacy regulations or contractual obligations. The accidental or unauthorized access to or disclosure, loss, destruction, disablement, corruption or encryption of, use or misuse of or modification of our, our clients’ or other third parties’ confidential, proprietary or sensitive information, including personal information, by us or our third- party service providers could result in significant fines, penalties, orders, sanctions and proceedings or actions against us by governmental bodies and other regulatory authorities, customers or third parties, which could materially and adversely affect our results of operations, financial condition or business. Any such proceeding or action, and any related indemnification obligations, could damage our reputation, force us to incur significant expenses in defense of such proceeding or action, distract our management, increase our costs of doing business or result in the imposition of financial liability. Despite our efforts to ensure the integrity, confidentiality, availability and authenticity of our proprietary systems and information, it is possible that we may not be able to anticipate or implement effective preventive measures against all cyber threats. No security solution, strategy, or measures can address all possible security threats or block all methods of penetrating a network or otherwise perpetrating a security incident. The risk of unauthorized circumvention of our security measures or those of our third- party providers, clients and partners has been heightened by advances in computer and software capabilities and the increasing sophistication of hackers, including those operating on behalf of nation- state actors, who employ complex techniques involving the theft or misuse of personal and financial information, counterfeiting, “ phishing ” or social engineering incidents, account takeover attacks, denial or degradation of service attacks, malware, fraudulent payment and identity theft. Because the techniques used by hackers change frequently and are increasingly complex and sophisticated, and new technologies may not be identified until they are launched against a target, we and our third- party service providers may be unable to anticipate these techniques or detect an incident, assess its severity or impact, react or appropriately respond in a timely manner or implement adequate preventative measures. Our systems are also subject to compromise from internal threats, such as theft, misuse, unauthorized access or other improper actions by employees, service providers and other third parties with otherwise legitimate access to our systems or databases. The latency of a compromise is often measured in months, but could be years, and we may not be able to detect a compromise in a timely manner. Due to applicable laws and regulations or contractual obligations, we

may also be held responsible for any failure or cybersecurity breaches attributed to our third- party service providers as they relate to the information we share with them. Although we generally have agreements relating to data privacy and security in place with our third- party service providers, they are limited in nature and we cannot guarantee that such agreements will prevent the accidental or unauthorized access to or disclosure, loss, destruction, disablement, corruption or encryption of, use or misuse of or modification of confidential, proprietary or sensitive information, including personal information, or enable us to obtain reimbursement from third- party service providers in the event we should suffer incidents resulting in accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of confidential, proprietary or sensitive information, including personal information. In addition, because we do not control our third- party service providers and our ability to monitor their data security is limited, we cannot ensure the security measures they take will be sufficient to protect confidential, proprietary or sensitive information (including personal information). Regardless of whether a security incident or act of fraud involving our solutions is attributable to us or our third- party service providers, such an incident could, among other things, result in improper disclosure of information, harm our reputation and brand, reduce the demand for our products and services, lead to loss of client business or confidence in the effectiveness of our security measures, disrupt normal business operations or result in our systems or products and services being unavailable. In addition, such incidents may require us to spend material resources to investigate or correct the incident and to prevent future security incidents, expose us to uninsured liability, increase our risk of regulatory scrutiny, expose us to protracted and costly litigation, trigger indemnity obligations, result in damages for contract breach, divert the attention of management from the operation of our business and otherwise cause us to incur significant costs or liabilities, any of which could affect our results of operations, financial condition and reputation. Moreover, there could be public announcements regarding any such incidents and any steps we take to respond to or remediate such incidents, and if securities analysts or investors perceive these announcements to be negative, it could, among other things, have a substantial adverse effect on the price of our common stock. In addition, our remediation efforts may not be successful. Further, any adverse findings in security audits or examinations could result in reputational damage to us, which could reduce the use and acceptance of our solutions, cause our customers to cease doing business with us or have a significant adverse impact on our revenue and future growth prospects. Furthermore, even if not directed at us specifically, attacks on other financial institutions could disrupt the overall functioning of the financial system or lead to additional regulation and oversight by federal and state agencies, which could impose new and costly compliance obligations. If we are not able to satisfy data protection, security, privacy and other government- and industry- specific requirements or regulations, our results of operations, financial condition or business could be harmed. Personal privacy, data protection, information security and other regulations are significant in the United States and abroad. We are subject to a variety of laws and regulations that apply to our collection, use, retention, protection, disclosure, transfer and other processing of personal information, ~~and our handling of personal data is regulated by federal, state and international governmental authorities and regulatory agencies~~, including those imposed pursuant to our National Security Agreements with the Committee on Foreign Investment in the United States (“CFIUS”), **and our handling of personal data is regulated by federal, state and international governmental authorities and regulatory agencies**. In addition to such laws and regulations, we may be subject to self- regulatory standards or other rules pertaining to information security and data protection proposed by privacy advocates, industry groups, other self- regulatory bodies or other information security or data protection- related organizations. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards. Further, our contractual arrangements may impose additional, or more stringent, obligations upon us relating to our collection, use, retention, protection, disclosure, transfer and other processing of personal, financial and other data. The data protection landscape is rapidly evolving, and we expect that there will continue to be new proposed laws, regulations and industry standards, and changes to and in the interpretation of existing laws, regulations and standards, concerning privacy, data protection, information security and telecommunications services. Interpretation and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact such future laws, regulations and standards, or changes to and in the interpretation of existing laws, regulations and standards, may have on our business, but they may result in greater public scrutiny and escalated levels of enforcement and sanctions, increased compliance costs, increased liabilities, restrictions on our operations or other adverse impacts upon our business. For example, evolving and changing definitions of personal information and personal data, especially related to the classification of IP addresses, machine identification, location data and other information, may limit or inhibit our ability to operate or expand our business, including limiting the sharing of data. Recently, the most rapid development in U. S. data privacy and security laws has been at the state level. For example, on June 28, 2018, California enacted the California Consumer Privacy Act (the “CCPA”), which took effect on January 1, 2020. The CCPA increased privacy rights for California residents and imposes obligations on companies that process their personal information, including an obligation to provide certain disclosures to such residents. Specifically, among other things, the CCPA created new consumer rights, and imposes corresponding obligations on covered businesses, relating to the access to, deletion of and sharing of personal information collected by covered businesses, including California residents’ right to access and delete their personal information, opt out of certain sharing and sales of their personal information and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, data breach litigation. The CCPA has already been amended several times, and further amendments may be enacted. Although interpretive guidance through enforcement cases brought by the California Office of the Attorney General is becoming available, even in its current form, it remains unclear how various provisions of the CCPA will be interpreted and enforced. Additionally, on November 3, 2020, California voters approved a further amendment to the CCPA, the California Privacy Rights Act (the “CPRA”), which took effect in most material respects on January 1, 2023. The CPRA significantly modified the CCPA, including by expanding consumers’ rights with respect to certain personal

information and creating a new state agency to oversee implementation and enforcement efforts, which has resulted in further uncertainty and has caused us to incur additional costs and expenses related to our compliance efforts. It remains unclear how various provisions of the CCPA and CPRA will be interpreted and enforced. Numerous other states, including Virginia, Utah, Connecticut and Colorado, have also enacted or are in the process of enacting or considering comprehensive state-level data privacy and security laws, rules and regulations. Compliance with these state laws may require us to modify our data processing practices and policies and may increase our compliance costs and potential liability. There is also discussion in Congress of a new comprehensive federal data protection and privacy law to which we likely would be subject if it is enacted. Additionally, in February 2022, the SEC proposed rules regarding cybersecurity that would require financial advisers, and investment companies and public companies to adopt and implement formal cybersecurity policies, report significant cybersecurity incidents to the SEC and provide enhanced disclosure of cybersecurity risks and incidents to investors. The These proposed rules are subject to a comment period, which was reopened in March 2023, and the final rules adopted by the SEC may differ significantly from the proposed rules. Moreover, in July 2023, the SEC adopted new rules requiring public companies to provide enhanced disclosure of cybersecurity risks and incidents to investors. The new rules for public companies, and, if adopted as proposed, the proposed rules for financial advisers and investment companies, are expected to increase the cost of operating our business and will likely require additional time and resources dedicated to reporting and compliance matters. Many statutory requirements include obligations for companies to notify individuals of security breaches involving certain personal information, which could result from breaches experienced by us or our third-party service providers. For example, laws in all 50 U. S. states require businesses to provide notice to customers whose personal information has been disclosed as a result of a data breach. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements. In addition, we may be contractually required to notify clients, end-investors or other counterparties of a security breach. Although we may have contractual protections with our third-party service providers, any security breach, or actual or perceived non-compliance with privacy or security laws, regulations, standards, policies or contractual obligations, could harm our reputation and brand, expose us to potential liability and require us to expend significant resources on data security and in responding to any such incident or actual or perceived non-compliance. Any contractual protections we may have from our third-party service providers may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections. We make public statements about our use and disclosure of personal information through our privacy policy, information provided on our website and press statements. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policy and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices. In addition, from time to time, concerns may be expressed about whether our products and services compromise the privacy of clients and others. Even the perception, whether or not valid, of privacy concerns or any failure by us to comply with our posted privacy policies or with any legal or regulatory requirements, standards, certifications or orders or other privacy or consumer protection-related laws and regulations applicable to us may harm our reputation, inhibit adoption of our products by current and future customers or adversely impact our ability to attract and retain workforce talent. Internationally, many jurisdictions have established their own data security and privacy legal frameworks with which we may need to comply. For example, the European Union (the “EU”) has adopted the General Data Protection Regulation (the “GDPR”), which went into effect in May 2018 and contains numerous requirements and changes from previously existing EU law, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs. The GDPR requires data controllers to implement more stringent operational requirements for processors and controllers of personal data, including, for example, transparent and expanded disclosure to data subjects about how their personal information is to be used, limitations on retention of information, mandatory data breach notification requirements, and higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. The GDPR also imposes strict rules on the transfer of personal data to countries outside the European Economic Area (the “EEA”), including the United States. Fines for noncompliance with the GDPR are significant and can be up to the greater of € 20 million or 4 % of annual global turnover. The GDPR also provides that EU member states may introduce further conditions, including limitations, which could limit our ability to collect, use and share EU data, and could cause our compliance costs to increase, ultimately having an adverse impact on our results of operations, financial condition or business. In July 2020, the Court of Justice of the European Union (the “CJEU”) ruled the EU- U. S. Privacy Shield Framework, one of the primary safeguards that allowed U. S. companies to import personal data from the EU to the U. S., was invalid. The CJEU’s decision also raised questions about whether the most commonly used mechanism for cross-border transfers of personal data out of the EEA, namely, the European Commission’s Standard Contractual Clauses, can lawfully be used for personal data transfers from the EU to the United States or other countries the European Commission has determined do not provide adequate data protections under their laws. On June 4, 2021, the European Commission adopted new Standard Contractual Clauses, which impose on companies additional obligations relating to data transfers, including the obligation to conduct a transfer impact assessment and, depending on a party’s role in the transfer, to implement additional security measures and to update internal privacy practices. As of September 27, 2021, companies must use the new Standard Contractual Clauses to govern data transfers made absent an adequacy determination or appropriate safeguards, and as of December 27, 2022, companies must replace existing Standard Contractual Clauses to govern current processing operations. On July 10, 2023, the European Commission adopted an adequacy decision concluding that the U. S. ensures an adequate level of protection for personal data transferred from the EEA to the U. S. under the EU- U. S. Data Privacy Framework, which is intended to replace the EU- U. S. Privacy Shield Framework. However, the adequacy

decision does not foreclose, and is likely to face, future legal challenges resulting in ongoing legal uncertainty. If we are unable to implement a valid mechanism for personal data transfers from the EU, we will face increased exposure to regulatory actions, substantial fines and injunctions against processing personal data from the EU. Similar challenges could also arise in other jurisdictions that adopt regulatory frameworks of equivalent complexity. Further, the United Kingdom's vote in favor of exiting the EU, often referred to as "Brexit," and ongoing developments in the United Kingdom have created uncertainty with regard to data protection regulation in the United Kingdom. As of January 1, 2021, following the expiry of transitional arrangements agreed to between the United Kingdom and the EU, data processing in the United Kingdom is governed by a United Kingdom version of the GDPR (combining the GDPR and the United Kingdom's Data Protection Act 2018), exposing us to two parallel regimes, each of which authorizes similar fines and other potentially divergent enforcement actions for certain violations. On June 28, 2021, the European Commission adopted an adequacy decision in favor of the United Kingdom, enabling data transfers from EU member states to the United Kingdom without additional safeguards. However, the United Kingdom adequacy decision will automatically expire in June 2025 unless the European Commission re-assesses and renews or extends that decision. **On October 12, 2023, the United Kingdom adopted an adequacy decision concluding that the U. S. ensures an adequate level of protection for personal data transferred from the United Kingdom to the U. S. pursuant to the United Kingdom extension to the EU- U. S. Data Privacy Framework (also known as the U. K.- U. S. data bridge). As above, the adequacy decision does not foreclose, and may face, future legal challenges resulting in ongoing legal uncertainty.** Given the complexity of operationalizing data privacy and security laws and regulations to which we are subject, the maturity level of proposed compliance frameworks and the relative lack of guidance in the interpretation of the numerous requirements of the data privacy and security laws and regulations to which we are subject, we may not be able to respond quickly or effectively to regulatory, legislative and other developments, and these changes may in turn impair our ability to offer our existing or planned products and services or increase our cost of doing business. Although we work to comply with applicable laws and regulations, industry standards, contractual obligations and other legal obligations, such laws, regulations, standards and obligations are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another. In addition, they may conflict with other requirements or legal obligations that apply to our business or the features and services that our adviser clients and their investor clients expect from our products and services. As such, we cannot assure ongoing compliance with all such laws, regulations, standards and obligations. Any failure, or perceived failure, by us to adequately address privacy and security concerns, even if unfounded, or to comply with applicable laws, regulations and standards, or with employee, client and other data privacy and data security requirements pursuant to contract and our stated privacy notice (s), could result in investigations or proceedings against us by data protection authorities, governmental entities or others, including class action privacy litigation in certain jurisdictions, which could subject us to fines, civil or criminal liability, public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill (in relation to both existing and prospective clients), or we could be required to fundamentally change our business activities and practices, which may not be possible in a commercially reasonable manner, or at all. Any or all of these consequences could have a material adverse effect on our results of operations, financial condition or business. If third parties infringe upon our intellectual property or if we were to infringe upon the intellectual property of third parties, we may expend significant resources enforcing or defending our rights or suffer competitive injury. Our success depends in part on our proprietary technology. We rely on a combination of copyright, trademark and trade secret laws, confidentiality, nondisclosure, non-interference and invention assignment agreements and other contractual and technical security measures to establish and protect our intellectual property and proprietary rights. If we fail to successfully obtain, maintain, enforce, monitor, police or defend our intellectual property rights, or if we were to infringe, misappropriate or violate the intellectual property rights of others, our competitive position, operations, financial condition or business could suffer. We license certain trademark and web domain rights from third parties and may be subject to claims of infringement if such parties do not possess the necessary intellectual property rights. In addition, we may face risk of infringement or misappropriation claims if we hire an employee who possesses third-party proprietary information who decides to use such information in connection with our investment solutions, services or business processes without such third party's authorization. Furthermore, third parties may in the future assert intellectual property infringement claims against our customers, which, in certain circumstances, we have agreed to indemnify. In some instances, litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that we have infringed, misappropriated or violated their intellectual property rights. Any litigation or claims brought by or against us, whether with or without merit, could result in substantial costs to us and divert the attention of our management, which could harm our results of operations, financial condition or business. In addition, any intellectual property litigation or claims against us could result in the loss or compromise of our intellectual property and proprietary rights, subject us to significant liabilities or require us to seek licenses on unfavorable terms or make changes to the investment services and solutions we offer, any of which could harm our results of operations, financial condition or business. Confidentiality agreements with employees, consultants and others may not adequately prevent disclosure of trade secrets and other proprietary information. We have devoted substantial resources to the development of our proprietary technologies, investment solutions and services. To protect our proprietary rights, we enter into confidentiality, nondisclosure, non-interference and invention assignment agreements with our employees, consultants and independent contractors. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our trade secrets and proprietary know-how. Further, these agreements may not effectively prevent unauthorized disclosure of confidential information or unauthorized parties from copying aspects of our technologies, investment solutions or products or obtaining and using information that we regard as proprietary. Moreover, these agreements may not provide an adequate remedy in the event of such unauthorized disclosures of confidential information and we cannot assure you that our rights under such agreements will be enforceable. In addition, others may independently discover trade

secrets and proprietary information, and in such cases we could not assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could reduce any competitive advantage we have developed and cause us to lose customers or otherwise harm our business. The use of “open source code” in investment solutions may expose us to additional risks and harm our intellectual property rights. We rely on code and software licensed under so-called “open source licenses” to some extent to develop our investment solutions and support our internal systems and infrastructure. While we monitor our use of open source code to attempt to avoid subjecting our investment solutions to conditions we do not intend, such use could occur. Many of the risks associated with the usage of open source software cannot be eliminated, and could, if not properly addressed, negatively impact our business. In the event that portions of our proprietary software are determined to be subject to an open source license that requires that we make available source code for modifications or derivative works we create based upon the open source software, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our technologies or otherwise be limited in the licensing of our technologies, any of which could reduce or eliminate the value of our technologies and solutions. Additionally, if a third-party software provider has incorporated certain types of open source code into software we license from such third party for our investment solutions, we could, under certain circumstances, be required to disclose the source code for our investment solutions. This could harm our intellectual property position and have a material adverse effect on our results of operations, financial condition or business. **We have integrated, or are in the process of integrating, artificial intelligence (“AI”) into various aspects of our business operations. These include, but are not limited to, customer service automation, data analytics, supply chain management, and predictive maintenance. We evaluate and adapt our AI strategies to optimize operational efficiency and enhance customer experiences. We have made and expect to continue to make significant investments in AI, including software acquisitions, development of proprietary algorithms, and talent recruitment. These investments are expected to drive innovation, improve operational efficiencies, and contribute to long-term growth. While AI presents substantial opportunities, it also poses certain risks. These include reliance on complex algorithms, potential biases in AI decision-making, cybersecurity threats, and regulatory changes. If the AI tools that we use are deficient, inaccurate or controversial, we could incur operational inefficiencies, competitive harm, legal liability, brand or reputational harm, or other adverse impacts on our business and financial results. If we do not have sufficient rights to use the data or other material or content on which the AI tools we use rely, we also may incur liability through the violation of applicable laws and regulations, third-party intellectual property, privacy or other rights, or contracts to which we are a party. We seek to mitigate these risks through regular audits, risk assessments, review of privacy standards, security protocols, monitoring, and adaptive AI models. The integration of AI technologies has also led to changes in workforce requirements. We invest in employee training and development to adapt to AI-driven changes. While AI automates certain tasks, it also creates new roles and opportunities within our organization. We anticipate that AI will play an increasingly significant role in our operations and strategy. Ongoing investments and research in AI are expected to yield new capabilities and efficiencies, aligning with our long-term vision for innovation and growth. In addition, regulation of AI is rapidly evolving worldwide as legislators and regulators are increasingly focused on these powerful emerging technologies. The technologies underlying AI and its uses are subject to a variety of laws and regulations, including intellectual property, data privacy and security, consumer protection, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. AI is the subject of ongoing review by various U. S. governmental and regulatory agencies, and various U. S. states and other foreign jurisdictions are applying, or are considering applying, their platform moderation, cybersecurity, and data protection laws and regulations to AI or are considering general legal frameworks for AI. We may not be able to anticipate how to respond to these rapidly evolving frameworks, and we may need to expend resources to adjust our operations or offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. Furthermore, because AI technology itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to the use of AI.**

Risks Related to Our Controlling Stockholder’s Ultimate Parent Being a PRC Company with Stock Listed in Hong Kong and Shanghai. Our controlling stockholder is subject to supervision by regulatory authorities in the PRC and must comply with certain PRC laws and regulations that may influence our controlling stockholder’s decisions relating to our business. As a Delaware corporation with no revenue from or operations within the PRC, we are not subject to regulation by PRC authorities. However, because HTSC, the ultimate parent company of our controlling stockholder, is an enterprise incorporated under the laws of the PRC, our controlling stockholder and HTSC are subject to and must comply with PRC laws and regulations promulgated by PRC governmental authorities. Such regulations may influence the decisions of our controlling stockholder, as well as those of its director appointees serving on our board of directors, regarding our business and operations. Certain of these regulations require our controlling stockholder to approve specific corporate actions taken by us, including any amendment to our **amended and restated** certificate of incorporation, **as amended by the certificate of amendment thereto (“Certificate of Incorporation”)**; certain mergers, acquisitions, asset sales and divestments that we may seek to undertake; and certain related-party transactions in which we are involved. In addition, certain PRC regulations require our controlling stockholder to file with or obtain approval from various PRC regulators before approving certain of our corporate actions, including: • obtaining approval from or filing with the China National Development and Reform Commission (the “NDRC”), for certain debt issuances by us, or certain investments we seek to make involving a sensitive industry, country or region, as defined by the NDRC; and • filing with the China Securities Regulatory Commission (the “CSRC”), and registering with the State Administration of Foreign Exchange, to provide us with financing or to guarantee our obligations. In addition, PRC regulations require our controlling stockholder to ensure that our business focuses on securities, futures, asset management, broker-dealer services, financial information services,

financial information technology system services, back-office support services for specific financial businesses or products or other financial-related businesses. A failure by our controlling stockholder to comply with these or other existing or future PRC laws or regulations could result in the imposition of administrative or financial sanctions against our controlling stockholder by PRC authorities. These laws and regulations could cause our controlling stockholder and its director appointees serving on our board of directors to act in a manner that may not be perceived to be in the best interests of our other stockholders. Likewise, any failure by our controlling stockholder to obtain certain approvals, make requisite filings or otherwise comply with PRC laws and regulations could materially limit our ability to raise debt financing or make certain investments, any of which could have a material adverse effect on our results of operations, financial condition or business. Our controlling stockholder is required by the stock exchanges on which its shares are listed to disclose and obtain approval from its board of directors or shareholders for certain corporate actions that we undertake. HTSC is listed on The Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited, and is therefore subject to the Rules Governing the Listing of Stocks on The Shanghai Stock Exchange (the “SSE Listing Rules”), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HKEx Listing Rules”). Under the SSE Listing Rules and the HKEx Listing Rules, HTSC must obtain approval from its board of directors and / or shareholders for certain major transactions in which we, as a subsidiary of HTSC, engage, **including such as** the purchase or sale of assets, mergers and acquisitions, lending, leasing of assets, donation or acceptance of assets, debt restructuring, license agreements, research and development joint ventures, and related-party transactions, the value of which exceeds certain financial thresholds established by the applicable listing rules. In addition, the HKEx Listing Rules require our controlling stockholder to obtain shareholder approval for **certain corporate actions that we undertake, such as** (i) any issuance of shares by us that results in a reduction of HTSC’s equity interest in us in excess of a specified dilution threshold, (ii) the implementation of a share option scheme involving the issuance of new shares by us and (iii) any issuance of debt by us outside the ordinary course of our business. There can be no assurance that HTSC will obtain the requisite approvals if we desire to enter into any of the ~~above~~ transactions **as required under the applicable listing rules**, and a failure to do so would restrict our ability to engage in such transactions. Furthermore, regulators including the CSRC, The Shanghai Stock Exchange or, ~~The~~ **Stock Exchange of Hong Kong Limited or the Securities and Futures Commission of Hong Kong** could impose additional restrictions or approval requirements that could impact our ability to undertake certain corporate actions. We cannot guarantee that our controlling stockholder will be able to successfully or timely obtain any of the approvals needed to permit us to undertake any of the corporate actions ~~described above~~ **as required under the applicable listing rules**, and the failure to do so may have a material adverse effect on our results of operations, financial condition or business. The Committee on Foreign Investment in the United States (“CFIUS”) may modify, delay or prevent our future acquisition or investment activities. For so long as HTSC retains a material ownership interest in us, we will be deemed a “foreign person” under the regulations relating to CFIUS. As such, acquisitions of or investments in U. S. businesses or foreign businesses with U. S. subsidiaries that we may wish to pursue may be subject to CFIUS review ~~; the scope of which was expanded by the Foreign Investment Risk Review Modernization Act of 2018 (“FIRRMA”) to include certain non-passive, non-controlling investments (including certain investments in entities that hold or process personal information about U. S. nationals), certain acquisitions of real estate even with no underlying U. S. business, transactions the structure of which is designed or intended to evade or circumvent CFIUS jurisdiction and any transaction resulting in a “change in the rights” of a foreign person in a U. S. business if that change could result in either control of the business or a covered non-controlling investment. FIRRMA also subjects certain categories of investments to mandatory filings~~. If a particular proposed acquisition or investment by us in a U. S. business falls within CFIUS’ s jurisdiction, we may determine that we are required to make a mandatory filing or that we will submit to CFIUS review on a voluntary basis, or ~~to we may~~ proceed with the transaction without submitting to CFIUS and risk CFIUS intervention, before or after closing the transaction. CFIUS may decide to block or delay an acquisition or investment by us, impose conditions with respect to such acquisition or investment or order us to divest all or a portion of a U. S. business that we acquired or in which we invested without first obtaining CFIUS approval, which may limit the attractiveness of or prevent us from pursuing certain acquisitions or investments that we believe would otherwise be beneficial to us and our stockholders. These risks ~~are~~ **have increased and may continue to increase** due to geopolitical, policy or regulatory developments, particularly with regard to U. S.- PRC relations. Changes in relations between the United States and the PRC, or in U. S. regulations concerning the PRC, may adversely impact our results of operations, financial condition or business, our ability to raise capital or the market price of our common stock. The U. S. government, including the SEC, has made statements and taken certain actions that have led to, and may in the future make statements or take actions that would lead to, changes in relations between the United States and the PRC, which statements and actions could impact companies, including us, with connections to the PRC. In particular, the United States has imposed sanctions and restrictions on the PRC, and may in the future impose policies on or increase scrutiny of companies in the PRC (such as HTSC) or in the United States with significant PRC ownership (such as us) that could restrict or negatively impact our business or our ability to access the U. S. capital markets. More broadly, changes in political conditions in the PRC and changes in the state of PRC- U. S. relations, including any tensions relating to potential military conflict between the PRC and Taiwan, are difficult to predict and could lead to policies or regulations that adversely affect our results of operations or financial condition on account of our controlling stockholder’s ties to the PRC. ~~The~~ **We believe the** foregoing ~~also has impacted and may continue to impact~~ **impacts** decisions by certain clients regarding whether they will remain on our platform, ~~or and~~ decisions by potential clients as to whether they will do business on our platform. Furthermore, continued or increased tension in U. S.- PRC relations or any deterioration in political or trade relations between the United States and the PRC may lead to negative investor sentiment towards companies with significant PRC ownership, which could make our common stock less attractive to U. S. investors and depress the market price of our common stock, which in turn would make it difficult for us to access the U. S. capital markets. Risks Related to Regulation and Litigation The financial services industry is among the most extensively regulated industries in

the United States. We operate investment advisory, broker- dealer, mutual fund and custodial businesses in the United States, each of which is subject to a specific and extensive regulatory scheme. In addition, we are subject to numerous state and federal laws and regulations of general application. It is very difficult to predict the future impact of the legislative and regulatory requirements affecting our business and our clients' businesses. AssetMark, Inc. (" AMI ") and Atria Investments, Inc. (doing business as Adhesion Wealth), our investment adviser subsidiaries, are registered with the SEC under the Investment Advisers Act of 1940 (as amended, the " Advisers Act ") and are regulated thereunder. Many of our investment advisory services are conducted pursuant to the nonexclusive safe harbor from the definition of an " investment company " provided under Rule 3a- 4 under the Investment Company Act of 1940 (as amended, the " 1940 Act "). If Rule 3a- 4 were to cease to be available, or if the SEC were to modify the rule or its interpretation of how the rule is applied, our business could be adversely affected. In addition, AMI provides advice to certain mutual fund clients. Mutual funds are registered as " investment companies " under the 1940 Act. The Advisers Act and the 1940 Act, together with related regulations and interpretations of the SEC, impose numerous obligations and restrictions on investment advisers and mutual funds, including requirements relating to the safekeeping of client funds and securities, limitations on advertising **(including requirements with respect to the use of hypothetical performance, time periods for performance, testimonials and endorsements in advertising)**; disclosure and reporting obligations ; prohibitions on fraudulent activities, restrictions on transactions between an adviser and its clients, and between a mutual fund and its advisers and affiliates, and other detailed operating requirements, as well as general fiduciary obligations. AMI is also a commodity pool operator (" CPO ") registered with the Commodity Futures Trading Commission (" CFTC "), and is a member of the National Futures Association (the " NFA "). As such, it is subject to regulatory requirements under the Commodity Exchange Act (the " CEA "), CFTC regulations and NFA by- laws and rules. Registration as a CPO imposes additional compliance obligations on AMI, ~~which generate compliance costs and may affect our operations and financial performance.~~ **These obligations include including** disclosure and reporting requirements, restrictions on advertising, registration and licensing of certain personnel and conduct and anti- fraud requirements, among others. AMI is not registered with the CFTC as a commodity trading ~~adviser~~ **adviser**, based on its determination that it can rely on certain exemptions from registration provided by the CEA and the rules thereunder. If applicable exemptions cease to be available to AMI, it may become subject to additional compliance obligations as a commodity trading ~~adviser~~ **adviser**, ~~which could further increase our compliance costs.~~ AMB, our limited purpose broker- dealer subsidiary, is subject to regulatory restrictions and requirements imposed by applicable statutes, regulations and policies in the jurisdictions in which we operate. U. S. government agencies and self- regulatory organizations, including U. S. state securities commissions, are empowered to enforce the regulatory restrictions and requirements applicable to AMB and conduct administrative proceedings that can result in censure, fine, the issuance of cease- and- desist orders or the suspension or expulsion of a broker- dealer from registration or membership. AMB is registered with the SEC and with all 53 U. S. states and jurisdictions as a limited purpose broker- dealer providing mutual fund distribution and underwriting, and is a member of FINRA, a securities industry self- regulatory organization that supervises and regulates the conduct and activities of its members. As a registered broker- dealer, AMB is subject to periodic examinations and investigations by FINRA. ~~Further, While AMB is a limited purpose broker- dealers- dealer are that does not facilitate retail business and exists solely to~~ **underwrite and distribute the proprietary mutual funds of its affiliated adviser, AMI, it is still** subject to regulations that cover all applicable aspects of their business, which may include sales practices, anti- money laundering, handling of material non- public information, safeguarding data, recordkeeping, reporting and the conduct and qualifications of directors, officers, employees, representatives and other associated persons. Additionally, in June 2020, certain SEC rulemakings and interpretations went into effect that (i) require broker- dealers to act in the " best interest " of retail customers when making a recommendation, without placing the financial or other interests of the broker- dealer ahead of the interest of the retail customer (" Regulation Best Interest "), (ii) require that broker- dealers and investment advisers deliver to retail investors a short- form disclosure document describing the firm' s relationship with and duties to the customer (" Form CRS "), (iii) clarify the scope of the " solely incidental " exception to Advisers Act registration by brokers when providing investment advice and (iv) clarify the SEC' s views on the fiduciary duty that investment advisers owe to their clients. Compliance with " Regulation Best Interest " and Form CRS disclosure remains an area of focus for the SEC and FINRA. Our subsidiary AssetMark Trust Company (" ATC ") is a trust company licensed with, and subject to supervision, periodic examination, and regulation by, the Arizona Department of Insurance and Financial Institutions. ATC is one of several custodians on our platform that offers integrated custodial, brokerage and related services to clients of our adviser clients. Further, ATC and AMB are subject to the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, and the implementing regulations thereunder, which require financial institutions, including broker- dealers, to establish anti- money laundering compliance programs, file suspicious activity and other reports with the U. S. government and maintain certain records. Broker- dealers, including AMB and mutual funds must also implement related customer identification ~~procedures~~ **program** and customer due diligence procedures, including beneficial ownership identification ~~and verification~~ **procedures**. **The U. S. Treasury Department' s Office of Foreign Assets Control (" OFAC ") administers and enforces economic and trade sanctions against targeted foreign countries and regimes, under authority of various laws, including designated foreign countries, nationals and others. OFAC publishes lists of specially designated targets and issues regulations and implements executive orders that restrict dealings with certain countries and territories. We are responsible for, among other things, blocking accounts of, and transactions with, such targets and countries, prohibiting unlicensed trade and financial transactions with them and reporting blocked transactions after their occurrence. Failure to comply with these sanctions could have serious legal and reputational consequences.** All of the foregoing laws and regulations are complex, evolving, unclear and inconsistent across various jurisdictions, and we are required to expend significant resources to monitor and maintain our compliance with such laws and regulations. The costs of compliance, including potentially the loss of our ability to conduct certain operations, with any newly applicable laws or regulations could have a material adverse effect on our results of operations, financial condition or business. Further, we

frequently develop improvements to our existing products and services, as well as new products and services. Many of these improvements or new products and services may implicate regulations to which we may not already be subject or with which we may not have experience. Any failure on our part to comply with applicable laws and regulations could result in regulatory fines, suspensions of personnel or other sanctions, including revocation of our registration or that of our subsidiaries as an investment adviser, broker-dealer, CPO or trust company, as the case may be, which could, among other things, require changes to our business practices and scope of operations or harm our reputation, which, in turn could have a material adverse effect on our results of operations, financial condition or business. We also rely on exemptions from various regulatory regimes. These exemptions are sometimes highly complex and may in certain circumstances depend on compliance by third parties whom we do not control. If for any reason these exemptions were to become unavailable to us, we could become subject to regulatory action, or third-party claims or additional compliance costs, and our results of operations, financial condition or business could be materially and adversely affected. Changes to the laws or regulations applicable to us or to our financial adviser clients could adversely affect our results of operations, financial condition or business. We may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, CFTC, Arizona Department of Insurance and Financial Institutions or other U. S. or foreign governmental regulatory authorities or self-regulatory organizations that supervise the financial markets around the world. In addition, we may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. For example, ~~in December 2020, the SEC adopted reforms under the Advisers Act to modernize the rules that govern investment adviser advertisements and payments to solicitors. The compliance date to adopt the reforms under the Advisers Act was November 4, 2022. Additionally,~~ on October 26, 2022, the SEC proposed a new rule and rule amendments under the Advisers Act to prohibit registered investment advisers from outsourcing certain services and functions without conducting due diligence and monitoring of the service providers. **Additionally, in February 2023, the SEC proposed a new rule intended to address how investment advisers safeguard client assets.** Many investment advisers, including us, ~~are re-evaluate~~ **evaluating** their business models in light of these and other similar regulatory changes, and any ultimate change to their business models may affect their desire or ability to use our services and may therefore adversely affect our business. Legislative or regulatory actions and any required changes to our business operations resulting from such legislation and regulations, as well as any deficiencies in our compliance with such legislation and regulation, could result in significant loss of revenue, limit our ability to pursue business opportunities in which we might otherwise consider engaging or otherwise adversely affect our businesses. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any current proposals will become law, and it is difficult to predict how any changes or potential changes could affect our business. Changes to laws or regulations could increase our potential liability in connection with the investment solutions and services that we provide. The introduction of any new laws or regulations could make our ability to comply with applicable laws and regulations more difficult and expensive. Any of the foregoing could have a material adverse effect on our results of operations, financial condition or business. If we experience material weaknesses or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock. A material weakness is a deficiency, or combination of deficiencies, in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. Until such time as we are no longer an "emerging growth company," our independent registered public accounting firm will not be required to attest as to our internal controls over financial reporting. When we lose our status as an "emerging growth company," ~~in which we expect to occur no later than December 31, 2024,~~ our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting **commencing with our Annual Report on Form 10-K for the year ended December 31, 2024.** The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. In this regard, we will continue to dedicate internal resources, engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. This process is and will continue to be time-consuming, costly and complicated. If we fail to identify or remediate any material weaknesses in our internal controls over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, if we are unable to conclude that our internal controls over financial reporting are effective or if, once required, our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. As a result of any such failures, we could also become subject to stockholder or other third-party litigation, as well as investigations by the New York Stock Exchange (the "NYSE"), the SEC or other regulatory authorities, which could result in fines, trading suspensions or other remedies, harm our reputation and financial condition and divert financial and management resources from our regular business activities. Failure to comply with ERISA and Internal Revenue Code regulations could result in penalties against us. We are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Sections 4975 (c) (1) (A), (B), (C) and (D) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") and to regulations promulgated thereunder, insofar as we act as a "fiduciary" under ERISA with respect to certain benefit plan clients or otherwise deal with benefit plan clients. ERISA and applicable provisions of the Internal Revenue Code impose duties on persons who are fiduciaries under ERISA, prohibit specified transactions involving ERISA plan clients (including, without limitation, employee benefit plans (as defined in Section 3 (3) of ERISA), individual retirement accounts and Keogh plans) and impose monetary penalties for violations of these prohibitions.

Our failure to comply with these requirements could result in significant penalties against us that could have a material adverse effect on our business (or, at worst, severely limit the extent to which we could act as a fiduciary for any plans under ERISA). We are subject to litigation and regulatory examinations and investigations. The financial services industry faces substantial regulatory enforcement risks and litigation. Like many firms operating within the financial services industry, we are experiencing a difficult regulatory environment across our markets. Our current scale and reach as a provider to the financial services industry, the increased regulatory oversight of the financial services industry generally, the increase in speed of proposing and adopting new laws, rules and regulations, ever-changing regulatory interpretations of existing laws and regulations and the retroactive imposition of new interpretations through enforcement actions have made this an increasingly challenging and costly regulatory environment in which to operate. In particular, the SEC over the past several years has undertaken an aggressive rulemaking agenda covering a broad array of topics, including securities market structure and settlement, regulatory reporting and recordkeeping, investor disclosures, the scope of various registration requirements, cybersecurity and money market funds, among others. Regulatory examinations or investigations could result in the identification of matters that may require remediation activities or enforcement proceedings by regulators. For example, ~~as previously disclosed, we are currently under investigation by~~ **recently entered into a settlement with** the SEC's Division of Enforcement concerning disclosure practices with respect to potential conflicts of interest among our subsidiaries, **without admitting or denying the** ~~which we believe is part of a broader SEC initiative examining disclosure's findings (the "SEC Settlement"). We agreed to pay a civil penalty of potential conflicts of \$ 9.5 million and disgorgement and prejudgment interest of \$ 8.8 million in the investment advisory industry~~ **connection with such settlement**. The direct and indirect costs of responding to these **SEC settlements and any other** examinations **that we may face**, or of defending ourselves in any litigation could be significant, and the outcome of examinations, litigation or regulatory action is inherently difficult to predict and could have an adverse effect on our ability to offer some of our products and services. Additionally, actions brought against us may result in settlements, awards, injunctions, fines and penalties, **such as the penalty we agreed to pay in connection with the SEC Settlement discussed above,** which **have and** could negatively impact our results of operations, financial condition, business and reputation. We are party to certain compensation arrangements pursuant to which we receive payments based on client assets invested in certain investment products, including ETFs, proprietary mutual funds and third-party mutual funds. In certain circumstances, such arrangements allow us to receive payments from multiple parties based on the same client asset. Further, we operate as a registered investment adviser, our status as which subjects us to a legal obligation to operate under the fiduciary standard. The SEC and other regulators have increased their scrutiny of potential conflicts of interest, and we have implemented policies and procedures to mitigate such conflicts of interest. However, if we fail to fully disclose or adequately mitigate conflicts of interest, become subject to retroactive determinations that past disclosures or mitigation efforts were not sufficient or if our policies and procedures are not effective, we could face reputational damage, litigation or regulatory proceedings or penalties, any of which may adversely affect our reputation, results of operations or business. In the event of a change of control of our Company, we may be required to obtain **FINRA regulatory** approval and the consent of our advisory clients to the change of control, and any failure to obtain these consents could adversely affect our results of operations, financial condition or business. As required by the Advisers Act, the investment advisory agreements entered into by AMI provide that an "assignment" of the agreement may not be made without the client's consent. Under the 1940 Act, advisory agreements with registered funds provide that they terminate automatically upon "assignment" and the board of directors and the shareholders of the registered funds must approve a new agreement for advisory services to continue. Under both the Advisers Act and the 1940 Act, a change of ownership may constitute such an "assignment" if it is a change of control. For example, under certain circumstances, an assignment may be deemed to occur if a controlling block of voting securities is transferred, if any party acquires control, or, in certain circumstances, if a controlling party gives up control. Under the 1940 Act, a 25% voting interest is presumed to constitute control. HTSC, through its indirect subsidiary Huatai International Investment Holdings Limited ("HIIHL"), held a ~~68.94%~~ **68.94%** voting interest in us as of December 31, ~~2022~~ **2023**. An assignment or a change of control could be deemed to occur in the future if we, or one of our investment adviser subsidiaries, were to gain or lose a controlling person, or in other situations that may depend significantly on the facts and circumstances. In any such case, we would seek to obtain the consent of our advisory clients, including any funds, to the assignment. Further, our U. S. broker-dealer subsidiary, AMB, is a member of FINRA and subject to FINRA rules, which could impede or delay a change of control. FINRA Rule 1017 generally provides that FINRA approval must be obtained in connection with any transaction resulting in a single person or entity acquiring or controlling, directly or indirectly, 25% or more of a FINRA member's or its parent company's equity. **In addition, we would be required to obtain approvals or non-objections from certain state financial regulators prior to a direct or indirect change of control of certain of our subsidiaries.** If we fail to obtain such consents or approval, our results of operations, financial condition or business could be adversely affected. Risks Related to Ownership of Our Common Stock HTSC, through its indirect subsidiary HIIHL, owned approximately 68.9% of our outstanding shares of common stock as of December 31, ~~2022~~ **2023**, and controls our management and affairs, including determining the outcome of matters requiring stockholder approval. So long as HTSC continues to own a significant amount of the outstanding shares of our common stock, even if such amount is less than a majority, HTSC will continue to be able to strongly influence or effectively control our decisions, including matters requiring approval by our stockholders (including the election of directors and the approval of mergers or other extraordinary transactions), regardless of whether or not other stockholders believe that the transaction is in their own best interests. Such concentration of voting power could also have the effect of delaying, deterring or preventing a change of control or other business combination that might otherwise be beneficial to our stockholders, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our Company and might ultimately affect the market price of our common stock. Further, HTSC and its affiliates engage in a broad spectrum of activities, including investments in the financial services industry in particular. In the ordinary course of their businesses, HTSC

and its affiliates may engage in activities where their interests conflict with our interests or those of our other stockholders. In addition, HTSC or an affiliate may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. Further, although we are a stand-alone public company, HTSC, as our controlling stockholder, may from time to time make strategic decisions that may be different from the decisions that we would have made on our own. HTSC's decisions with respect to us or our business may be resolved in ways that favor HTSC and therefore HTSC's own shareholders, which may not coincide with the interests of our other stockholders. Although our Audit and Risk Committee reviews and approves all proposed related party transactions, including any transactions between us and HTSC, we may not be able to resolve certain conflicts of interest, or the resolution may be less favorable to us and our other stockholders. Our stock price may be volatile, and the value of our common stock may decline. The market price of our common stock may be highly volatile and may fluctuate or decline substantially as a result of a number of factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. In addition, the limited public float of our common stock tends to increase the volatility of its trading price, in particular during times of high volatility in the broader stock market. Factors that could cause fluctuations in the market price of our common stock include the following: • market conditions in the broader stock market in general, or in our industry in particular; • changes in the interest rate environment; • actual or anticipated fluctuations in our quarterly financial and operating results; • introduction of new products and services by us or our competitors; • issuance of new or changed securities analysts' reports or recommendations; • sales of large blocks of our stock by our employees or controlling stockholder or the perception that our employees or controlling stockholder will sell our stock; • additions or departures of key personnel; • regulatory developments, litigation and governmental investigations ; • rumors and market speculation involving us or other companies in our industry ; and • economic, political and geopolitical conditions or events, including public health concerns. These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of our common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have often instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial defense costs. Such a lawsuit could also divert the time and attention of our management from our business. An active market for our common stock may not be sustained, which may inhibit the ability of our stockholders to sell shares of our common stock. Although our common stock is listed on the NYSE under the symbol "AMK," we cannot assure you that an active trading market for our common stock will continue on that exchange or elsewhere. The majority of AMK's shares of common stock are not available for sale in the public market. Accordingly, we cannot assure you of the likelihood of your ability to sell your shares of our common stock when desired, the prices that you may be able to obtain for your shares or the liquidity of any trading market. Future sales of a substantial number of shares of our common stock in the public market could cause the price of our common stock to decline. Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that sales may have on the prevailing price of our common stock. Specifically, HIIHL, the holder of 50, 873, 799 shares of our common stock as of December 31, 2022-2023, has the right, subject to certain exceptions and conditions, to require us to register its shares of common stock under the Securities Act and to participate in future registrations of securities by us. Registration of any of these outstanding shares of common stock would result in such shares becoming freely tradable without compliance with Rule 144 upon effectiveness of the applicable registration statement. Further, the president of the United States has threatened to limit Chinese ownership in U. S. technology companies; if, as a result of new laws or regulations limiting such ownership, HIIHL is required to divest some or all of its shares of our common stock, such sales could cause the price of our common stock to decline, particularly if HIIHL is required to sell shares in a short amount of time. In addition, the shares of our common stock already issued to employees or reserved for future issuance under our 2019 Equity Incentive Plan will become eligible for sale in the public market once such shares are issued, subject to various vesting arrangements and Rule 144, as applicable. A total of 4, 887, 691 shares of common stock have been reserved for issuance under our 2019 Equity Incentive Plan. The market price of shares of our common stock may drop significantly if HIIHL exercises its registration rights or is forced to sell some or all of its shares, or if the market perceives that such exercise or sell down is likely to occur. A decline in the price of shares of our common stock might impede our ability to raise capital through the issuance of additional shares of our common stock or other equity securities. We have in the past and may in the future issue our securities in connection with investments or acquisitions, and such issuances could constitute a material portion of the then-outstanding shares of our common stock. Any such issuance of additional securities may result in additional dilution to our stockholders. We are a "controlled company" within the meaning of the NYSE listing standards and, as a result, qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements. HTSC, through its indirect subsidiary HIIHL, controls a majority of the voting power of our common stock. As a result, we are a "controlled company" within the meaning of the NYSE listing standards. Under these rules, a company of which more than 50 % of the voting power is held by an individual, a group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements of the NYSE, including (1) the requirement that a majority of the board of directors consist of independent directors, (2) the requirement that we have a nominating, and corporate governance and compliance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (3) the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities. We rely on some or all of these exemptions. As a result, we do not have a majority of independent directors and our compensation and nominating, and corporate governance and compliance committees do not consist entirely

of independent directors. Accordingly, our stockholders do not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. We are an “emerging growth company” and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies has or will make our common stock less attractive to investors. We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and we have elected to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, as well as exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict whether investors have or will find our common stock less attractive because we rely on these exemptions. If some investors find our common stock less attractive as a result of our reliance on these exemptions, there may be a less active trading market for our common stock and our stock price may be more volatile. ~~The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business, particularly after we are no longer an “emerging growth company.”~~ As a public company, we are required to comply with various regulatory and reporting requirements, including those required by the SEC. Complying with these reporting and other regulatory requirements is time- consuming and may result in increased costs to us and could have a negative effect on our results of operations, financial condition or business. We are subject to the reporting requirements of the Exchange Act and the requirements of the Sarbanes- Oxley Act, as well as the corporate governance requirements of the NYSE. Expenses incurred by public companies for reporting and governance purposes have generally been increasing and may continue to increase, and these requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes- Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To comply with our periodic reporting requirements and to maintain and improve the effectiveness of our disclosure controls and procedures, we have committed and will continue to commit significant resources, hire additional staff and provide additional management oversight. We have implemented and will continue to implement additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. Sustaining our growth will also require us to commit additional management, operational and financial resources to identify new professionals to join our Company and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management’s attention from other business concerns, which could have a material adverse effect on our results of operations, financial condition or business. As an “emerging growth company” as defined in the JOBS Act, we have elected to take advantage of certain temporary exemptions from various reporting requirements including, but not limited to, the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act and certain disclosure obligations regarding executive compensation in our periodic reports and proxy statements, as well as exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. In addition, we have and may continue to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies, as permitted by the JOBS Act. When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with applicable regulatory and reporting requirements. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives, and we expect that these initiatives will substantially increase our legal and financial compliance costs. Such increased costs may require us to reduce costs in other areas of our business or increase the prices of our services. We cannot predict or estimate the amount of additional costs we may incur as a result of losing our “emerging growth company” status or the precise timing of such costs. We ~~will expect to lose our “emerging growth company” status~~ **no later than on the earliest of: (i) December 31, 2024 ; (ii) the last day of the fiscal year in which we have total annual gross revenue of at least \$ 1. 235 billion; (iii) the last day of the fiscal year in which we are deemed to be a “ large accelerated filer ” as defined in Rule 12b- 2 under the Exchange Act; or (iv) the date on which we have issued more than \$ 1. 0 billion in non- convertible debt securities during the prior three- year period**. Some provisions of Delaware law and our ~~certificate of incorporation~~ **Certificate of Incorporation** and bylaws may deter third parties from acquiring us. Our ~~amended and restated certificate of incorporation~~ **Certificate of Incorporation** and our amended and restated bylaws provide for, among other things: • a staggered board and restrictions on the ability of our stockholders to fill a vacancy on the board of directors; • the authorization of undesignated preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval; • advance notice requirements for stockholder proposals; • certain limitations on convening special stockholder meetings; and • the amendment of certain provisions of our ~~certificate of incorporation~~ **Certificate of Incorporation** and bylaws only by the affirmative vote of the holders of at least two- thirds in voting power of all outstanding shares of our stock entitled to vote thereon, voting together as a single class. These anti- takeover defenses could discourage, delay or prevent a transaction involving a change in control of our Company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take other corporate actions than you desire. Delaware law may delay or prevent a change in control, and may discourage bids for our common stock at a premium over its market price. We are subject to the provisions of Section 203 of the Delaware General Corporation Law (the “DGCL”). These provisions prohibit large stockholders, in particular a stockholder owning 15 % or more of the outstanding voting stock, from consummating a merger or combination with a corporation unless such stockholder receives board approval for the transaction or 66 2 / 3 % of the shares of voting stock not owned by such stockholder approve the transaction. These provisions of Delaware law may have the effect of delaying, deferring or preventing a change in control, and may discourage bids for our common stock at a premium over its market price.

Our ~~amended and restated certificate of incorporation~~ **Certificate of Incorporation** designates the Court of Chancery of the State of Delaware and the federal district courts of the United States as the sole and exclusive forums for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents. Our ~~amended and restated certificate of incorporation~~ **Certificate of Incorporation** provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is, to the fullest extent permitted by applicable law, the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees, agents or trustees to us or our stockholders, (iii) any action asserting a claim against us or any director or officer or other employee of ours arising pursuant to any provision of the DGCL, our ~~amended and restated certificate of incorporation~~ **Certificate of Incorporation** or our amended and restated bylaws or (iv) any action asserting a claim against us or any director or officer or other employee of ours that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. This provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U. S. federal courts have exclusive jurisdiction. Our ~~amended and restated certificate of incorporation~~ **Certificate of Incorporation** provides that, to the fullest extent permitted by law, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States are the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the federal securities laws of the United States. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our ~~amended and restated certificate of incorporation~~ **Certificate of Incorporation** described in the preceding sentences. These exclusive- forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. If any court of competent jurisdiction were to find either exclusive- forum provision in our ~~amended and restated certificate of incorporation~~ **Certificate of Incorporation** to be inapplicable or unenforceable, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our results of operations or financial condition. General Risk Factors Our insurance coverage may be inadequate or expensive. We maintain voluntary and required insurance coverage, including, among others, general liability, property, director and officer, errors and omissions, network cybersecurity and privacy, employee practices liability, fidelity bond and fiduciary liability insurance and insurance required under ERISA. Recently in the insurance industry, premiums and deductible costs associated with certain insurance coverage have increased, and the number of insurers has decreased. If such trends continue, our insurance costs may increase, which may affect our financial condition. Further, while we endeavor to purchase coverage that is appropriate to our assessment of our risk, we are unable to predict with certainty the frequency, nature or magnitude of claims for direct or consequential damages. Our business may be negatively affected if in the future our insurance proves to be inadequate or unavailable. In addition, insurance claims may harm our reputation or divert management resources away from operating our business. If securities or industry analysts do not publish research or reports about our business, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline. The trading market for our common stock may be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us downgrade our stock or describe us or our business in a negative manner, our stock price would likely decline. If one or more of these analysts cease coverage of our Company or fails to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. In addition, if we fail to meet the expectations and forecasts for our business provided by securities analysts, our stock price could decline.