



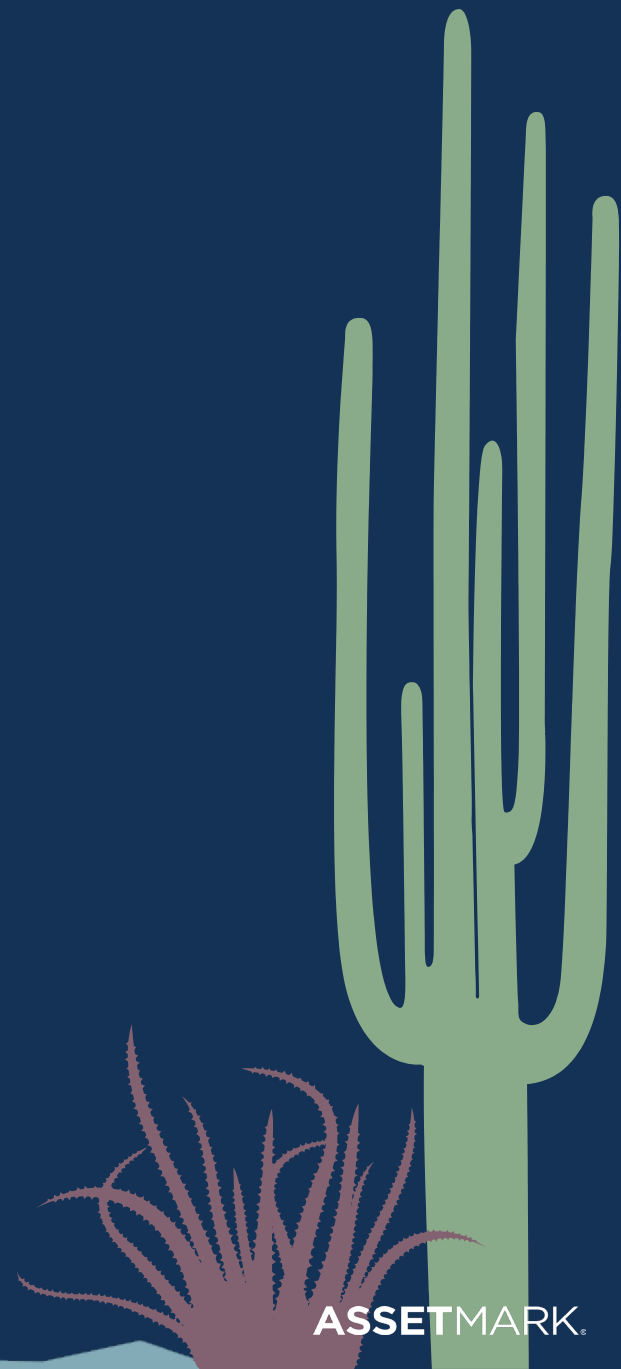
GOLDFORUM
LIMITLESS



Advisors in Motion

Mergers, Acquisition, Succession

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ASSETMARK.

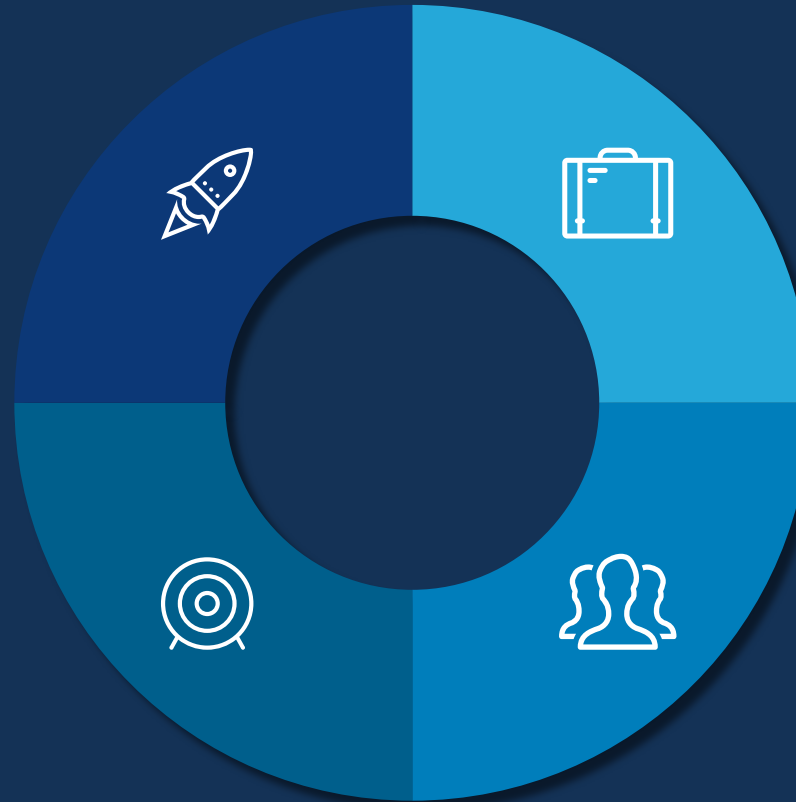
Supporting your Firm's Vision of Success

Marketing Your Business

- Value Proposition
- Target Client Profile
- Marketing Plan
- Referral Management
- Center of Influence Process

Client Experience & Operations

- Segmentation
- Client Services Checklist
- Sample Service Model
- Client Opportunity Review
- Technology Self Assessment
- Technology & Outsourcing Resources



Business Strategy & Planning

- Business Assessment Tool
- Economic Modeling
- Creating a Powerful Strategic Plan
- Value Maximization Plan
- Goal Planning
- Monitoring & Tracking Progress

Empowering Your Team

- Sample Compensation Plan
- Compensation Strategy and Structure
- Sample Job Descriptions
- Career Ladders
- Performance Reviews
- Hiring and On-Boarding

In the next 10 years,
37% of advisors
who collectively control
\$10.4 TRILLION or 40%
of total industry assets
expect to retire

25% of advisors
are unsure of their
succession plan

Advisor succession/transition challenges

73% Emotional aspect of transferring clients

55% Finding a qualified buyer

52% Valuing a practice accurately and fairly

52% Transferring clients to the buyer

41% Negotiating with prospective buyers

Source: Cerulli 2022 US Advisor Metrics Report

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Successors

INTERNAL



BENEFITS

High degree of continuity for clients & staff, owner can maintain a limited role if desired, control and ability to control your legacy.



CHALLENGES

The best leader for the firm may not exist internally, internal buyers often lack capital, firm valuation, advisor alignment.

EXTERNAL



BENEFITS

Provides a full liquidity, fastest and simplest option for owners who want to fully retire



CHALLENGES

Could be highly disruptive to clients & staff, valuation is usually less than expected, increased risk for each party, tax considerations, advisor alignment, “earnouts”.

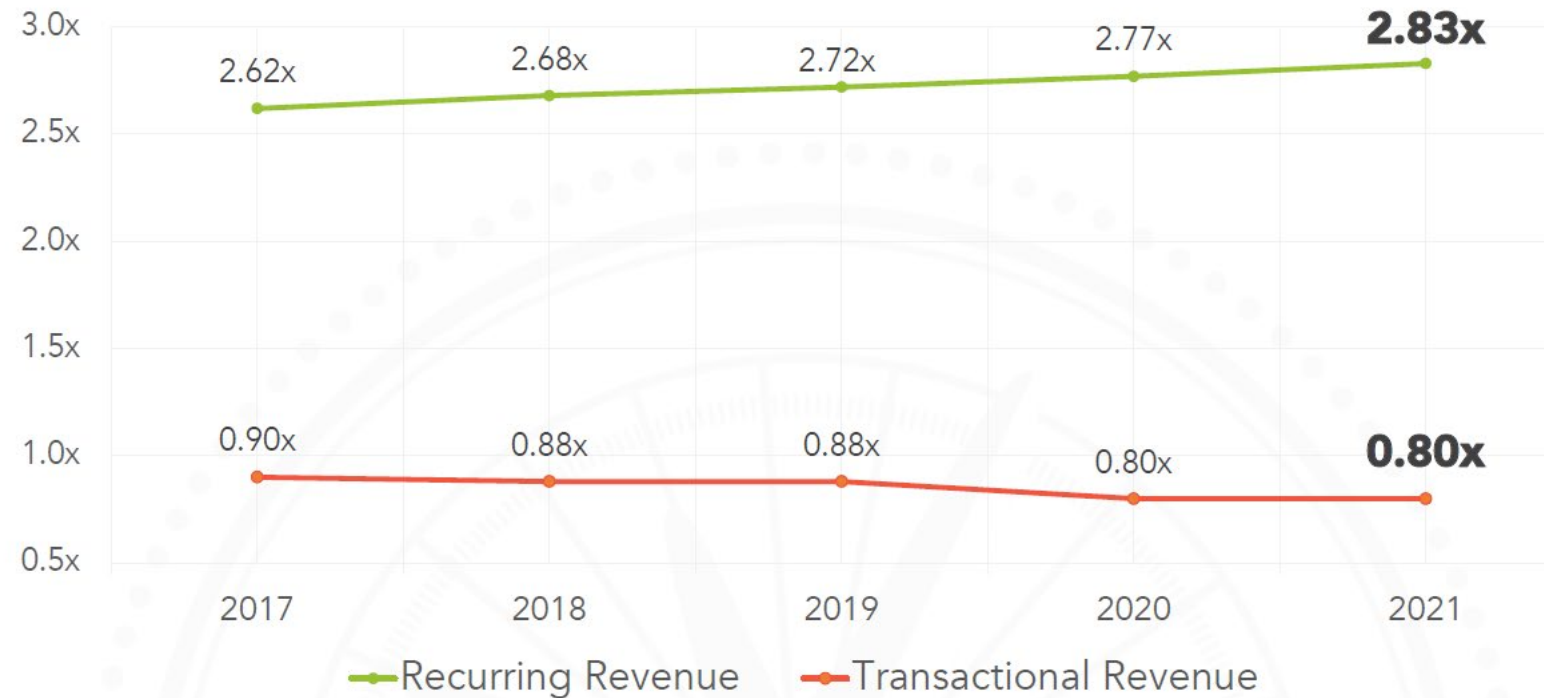
Various methods used to estimate value

MARKET COMPARABLES	DISCOUNTED CASH FLOW	MULTIPLE OF REVENUE
<ul style="list-style-type: none"> • Extrapolate value, based on recent sales • Based on current market conditions 	<ul style="list-style-type: none"> • Value determined by PV of future cash flows • Increases accuracy, especially large firms 	<ul style="list-style-type: none"> • Simple • Easy to compute • Easy to understand and communicate
<ul style="list-style-type: none"> • Lack of sales volume • Lack of practice consistency • Subjective 	<ul style="list-style-type: none"> • Less common • More complicated • Best for acquisition of business 	<ul style="list-style-type: none"> • Buyers buy profit, not revenue • Does not account for expenses • High buyer risk • Product effect

Advisory-focused businesses yield higher valuation multiples



Multiples Update

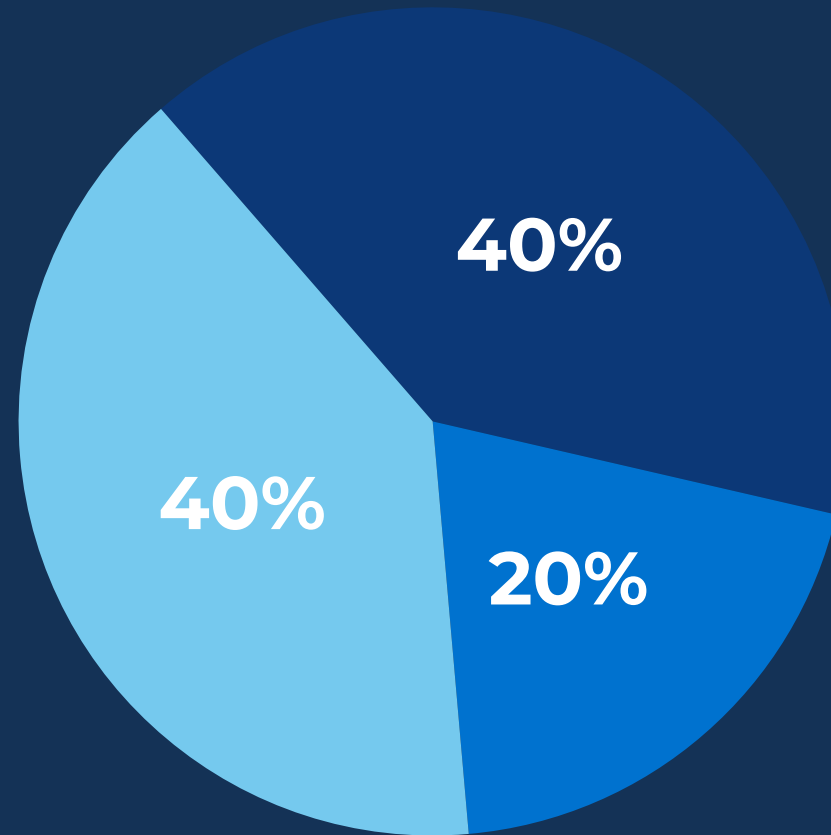


Does a merger make sense, to share expenses & resources?

Example for a Firm with \$800,000 Annual Revenue

Direct Expenses

Advisor Compensation
\$320,000



Indirect Expenses

Staff Compensation
\$160,000
All Other Expenses
\$160,000

Operating Profit

\$160,000



IMPORTANT INFORMATION

This is for informational purposes only, is not a solicitation, and should not be considered investment, legal, or tax advice. The information has been drawn from sources believed to be reliable, but its accuracy is not guaranteed, and is subject to change.

Investing involves risk, including the possible loss of principal. Past performance does not guarantee future results.

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