

# Q3 2020 Historical Information

LPL Financial Holdings Inc.

Q3 2020 Earnings

October 29, 2020

## LPL Financial Holdings Inc. - Historical Management's Statements of Operations

As of September 30, 2020

| (End of Period \$ in thousands, unless noted)                        | Q3 2020           | Q2 2020           | Q1 2020           | Q4 2019           | Q3 2019           | Q2 2019           | Q1 2019           | Q4 2018           | Q3 2018           |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Gross Profit*</b>   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Sales-based commissions  | \$ 180,357        | \$ 159,512        | \$ 228,391        | \$ 193,980        | \$ 194,342        | \$ 203,531        | \$ 190,999        | \$ 199,468        | \$ 193,545        |
| Trailing commissions   | 292,286           | 267,941           | 275,053           | 282,940           | 280,651           | 275,604           | 270,360           | 270,455           | 293,330           |
| Advisory   | 586,941           | 523,370           | 579,027           | 533,259           | 514,363           | 481,309           | 453,938           | 474,102           | 458,087           |
| Commission and advisory fees   | 1,059,584         | 950,823           | 1,082,471         | 1,010,179         | 989,356           | 960,444           | 915,297           | 944,025           | 944,962           |
| Production based payout  | (917,831)         | (819,953)         | (920,835)         | (876,654)         | (857,384)         | (831,178)         | (777,889)         | (818,382)         | (817,211)         |
| Commission and advisory fees, net of payout                          | 141,753           | 130,870           | 161,636           | 133,525           | 131,972           | 129,266           | 137,408           | 125,643           | 127,751           |
| Client cash  | 108,705           | 116,266           | 151,398           | 155,322           | 162,517           | 161,815           | 173,139           | 147,774           | 127,174           |
| Other asset-based  | 144,846           | 130,801           | 134,108           | 133,603           | 129,623           | 126,736           | 123,224           | 117,907           | 121,721           |
| Transaction and fee  | 119,747           | 119,478           | 137,096           | 118,291           | 121,222           | 118,335           | 122,480           | 119,254           | 118,941           |
| Interest income and other, net                                       | 8,484             | 9,397             | 8,364             | 13,323            | 13,556            | 15,583            | 15,730            | 13,154            | 13,460            |
| <b>Total net commission and advisory fees and attachment revenue</b> | <b>523,535</b>    | <b>506,812</b>    | <b>592,602</b>    | <b>554,064</b>    | <b>558,890</b>    | <b>551,735</b>    | <b>571,981</b>    | <b>523,732</b>    | <b>509,047</b>    |
| Brokerage, clearing, and exchange expense                            | (17,834)          | (18,565)          | (17,024)          | (15,927)          | (16,380)          | (15,994)          | (16,144)          | (16,000)          | (15,844)          |
| <b>Gross Profit*</b>   | <b>505,701</b>    | <b>488,246</b>    | <b>575,578</b>    | <b>538,137</b>    | <b>542,510</b>    | <b>535,741</b>    | <b>555,837</b>    | <b>507,732</b>    | <b>493,203</b>    |
| <b>G&amp;A Expense</b>   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Core G&A*  | 227,099           | 222,406           | 223,211           | 230,182           | 215,198           | 210,514           | 212,520           | 216,185           | 209,244           |
| Regulatory charges   | 8,326             | 6,115             | 6,157             | 7,893             | 7,905             | 8,632             | 7,873             | 9,593             | 7,421             |
| Promotional  | 57,970            | 44,540            | 57,398            | 51,050            | 61,715            | 41,423            | 51,349            | 45,141            | 52,628            |
| Employee share-based comp.   | 7,420             | 8,040             | 8,648             | 7,179             | 7,414             | 7,306             | 7,967             | 5,045             | 6,332             |
| <b>Total G&amp;A</b>   | <b>300,815</b>    | <b>281,101</b>    | <b>295,414</b>    | <b>296,304</b>    | <b>292,232</b>    | <b>267,875</b>    | <b>279,709</b>    | <b>275,964</b>    | <b>275,625</b>    |
| <b>EBITDA*</b>   | <b>204,886</b>    | <b>207,146</b>    | <b>280,164</b>    | <b>241,833</b>    | <b>250,278</b>    | <b>267,866</b>    | <b>276,128</b>    | <b>231,768</b>    | <b>217,578</b>    |
| Depreciation and amortization  | 27,548            | 26,890            | 26,644            | 25,663            | 24,062            | 22,584            | 23,470            | 21,897            | 22,838            |
| Amortization of intangible assets                                    | 16,829            | 16,689            | 16,570            | 16,631            | 16,286            | 16,249            | 16,168            | 15,672            | 15,676            |
| Non-operating interest expense                                       | 25,179            | 26,289            | 29,318            | 31,384            | 31,944            | 33,957            | 32,716            | 31,756            | 31,705            |
| Loss on extinguishment of debt and other                             | -                 | -                 | -                 | 3,156             | -                 | -                 | -                 | -                 | -                 |
| <b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>                      | <b>135,330</b>    | <b>137,278</b>    | <b>207,632</b>    | <b>164,999</b>    | <b>177,986</b>    | <b>195,076</b>    | <b>203,774</b>    | <b>162,443</b>    | <b>147,359</b>    |
| PROVISION FOR INCOME TAXES   | 31,541            | 35,616            | 51,991            | 38,323            | 46,272            | 48,984            | 48,376            | 42,145            | 40,494            |
| <b>NET INCOME</b>  | <b>\$ 103,789</b> | <b>\$ 101,662</b> | <b>\$ 155,641</b> | <b>\$ 126,676</b> | <b>\$ 131,714</b> | <b>\$ 146,092</b> | <b>\$ 155,398</b> | <b>\$ 120,298</b> | <b>\$ 106,865</b> |
| Earnings per share, diluted  | \$ 1.29           | \$ 1.27           | \$ 1.92           | \$ 1.53           | \$ 1.57           | \$ 1.71           | \$ 1.79           | \$ 1.36           | \$ 1.19           |
| Weighted-average shares outstanding, diluted                         | 80,550            | 80,127            | 81,166            | 82,695            | 83,844            | 85,350            | 86,742            | 88,163            | 89,878            |
| EPS Prior to Amortization of Intangible Assets                       | \$ 1.44           | \$ 1.42           | \$ 2.06           | \$ 1.68           | \$ 1.71           | \$ 1.85           | \$ 1.93           | \$ 1.49           | \$ 1.32           |

## \*Notice to Investors: Non-GAAP Financial Measures

Gross profit, Core G&A and EBITDA are non-GAAP financial measures. Management believes that presenting certain non-GAAP financial measures by excluding or including certain items can be helpful to investors and analysts who may wish to use some or all of this information to analyze the Company's current performance, prospects and valuation. Management uses this non-GAAP information internally to evaluate operating performance and in formulating the budget for future periods. Management believes that the non-GAAP financial measures and metrics discussed herein are appropriate for evaluating the performance of the Company.

Gross Profit is calculated as net revenues, which were \$1,460 million for the three months ended September 30, 2020, less commission and advisory expenses and brokerage, clearing and exchange fees, which were \$937 million and \$18 million, respectively, for the three months ended September 30, 2020. All other expense categories, including depreciation and amortization of fixed assets and amortization of intangible assets, are considered general and administrative in nature. Because the Company's Gross Profit amounts do not include any depreciation and amortization expense, the Company considers its Gross Profit amounts to be non-GAAP financial measures that may not be comparable to those of others in its industry. Management believes that Gross Profit can provide investors with useful insight into the Company's core operating performance before indirect costs that are general and administrative in nature. For a calculation of Gross Profit, please see the prior page.

Core G&A consists of total operating expenses, excluding the following expenses: commission and advisory, regulatory charges, promotional, employee share-based compensation, depreciation and amortization, amortization of intangible assets, and brokerage, clearing and exchange. Management presents Core G&A because it believes Core G&A reflects the corporate operating expense categories over which management can generally exercise a measure of control, compared with expense items over which management either cannot exercise control, such as commission and advisory expenses, or which management views as promotional expense necessary to support advisor growth and retention including conferences and transition assistance. Core G&A is not a measure of the Company's total operating expenses as calculated in accordance with GAAP. For a reconciliation of Core G&A to the Company's total operating expenses, please see below.

EBITDA is defined as net income plus interest and other expense, income tax expense, depreciation and amortization, amortization of intangible assets and loss on extinguishment of debt. The Company presents EBITDA because management believes that it can be a useful financial metric in understanding the Company's earnings from operations. EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity. In addition, the Company's EBITDA can differ significantly from EBITDA calculated by other companies, depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. For a reconciliation of EBITDA to net income, please see the prior page.

| \$ in millions                    | Q3 2020        | Q2 2020        | Q1 2020        | Q4 2019        | Q3 2019        | Q2 2019        | Q1 2019        | Q4 2018        | Q3 2018        |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Core G&A                          | \$227          | \$222          | \$223          | \$230          | \$215          | \$211          | \$213          | \$216          | \$209          |
| Regulatory charges                | 8              | 6              | 6              | 8              | 8              | 9              | 8              | 10             | 7              |
| Promotional                       | 58             | 45             | 57             | 51             | 62             | 41             | 51             | 45             | 53             |
| Employee share-based compensation | 7              | 8              | 9              | 7              | 7              | 7              | 8              | 5              | 6              |
| <b>Total G&amp;A</b>              | <b>301</b>     | <b>281</b>     | <b>295</b>     | <b>296</b>     | <b>292</b>     | <b>268</b>     | <b>280</b>     | <b>276</b>     | <b>276</b>     |
| Commissions and advisory          | 937            | 860            | 871            | 894            | 857            | 838            | 800            | 793            | 822            |
| Depreciation & amortization       | 28             | 27             | 27             | 26             | 24             | 23             | 23             | 22             | 23             |
| Amortization of intangible assets | 17             | 17             | 17             | 17             | 16             | 16             | 16             | 16             | 16             |
| Brokerage, clearing and exchange  | 18             | 19             | 17             | 16             | 16             | 16             | 16             | 16             | 16             |
| <b>Total operating expense</b>    | <b>\$1,300</b> | <b>\$1,203</b> | <b>\$1,226</b> | <b>\$1,248</b> | <b>\$1,205</b> | <b>\$1,161</b> | <b>\$1,135</b> | <b>\$1,123</b> | <b>\$1,152</b> |

|  | Q3 2020          | Q2 2020          | Q1 2020          | Q4 2019          | Q3 2019          | Q2 2019          | Q1 2019          | Q4 2018          | Q3 2018          |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Production based payout                | \$917,831        | \$819,953        | \$920,835        | \$876,654        | \$857,384        | \$831,178        | \$777,889        | \$818,382        | \$817,211        |
| Advisor deferred compensaton expense   | 18,935           | 39,894           | (50,040)         | 17,177           | (749)            | 6,844            | 21,809           | (25,072)         | 4,739            |
| <b>Commission and advisory expense</b> | <b>\$936,766</b> | <b>\$859,847</b> | <b>\$870,795</b> | <b>\$893,831</b> | <b>\$856,635</b> | <b>\$838,022</b> | <b>\$799,698</b> | <b>\$793,310</b> | <b>\$821,950</b> |

|   | Q3 2020        | Q2 2020        | Q1 2020        | Q4 2019         | Q3 2019         | Q2 2019         | Q1 2019         | Q4 2018         | Q3 2018         |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Interest income, net of interest expense    | \$6,623        | \$6,540        | \$9,542        | \$10,966        | \$11,531        | \$11,690        | \$12,321        | \$11,784        | \$10,512        |
| Plus: Other Revenue                         | 20,796         | 42,751         | (51,218)       | 19,534          | 1,276           | 10,737          | 25,218          | (23,702)        | 7,687           |
| Less: Advisor deferred compensation expense | (18,935)       | (39,894)       | 50,040         | (17,177)        | 749             | (6,844)         | (21,809)        | 25,072          | (4,739)         |
| <b>Interest income and other, net</b>       | <b>\$8,484</b> | <b>\$9,397</b> | <b>\$8,364</b> | <b>\$13,323</b> | <b>\$13,556</b> | <b>\$15,583</b> | <b>\$15,730</b> | <b>\$13,154</b> | <b>\$13,460</b> |

Note: Totals may not foot due to rounding.

## LPL Financial Holdings Inc. - Historical Quarterly Activity

As of September 30, 2020

| (End of Period \$ in billions, unless noted)                        | Q3<br>2020   | Q2<br>2020   | Q1<br>2020   | Q4<br>2019   | Q3<br>2019   | Q2<br>2019   | Q1<br>2019   | Q4<br>2018   | Q3<br>2018   |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Assets</b>   |              |              |              |              |              |              |              |              |              |
| Advisory Assets <sup>(1)</sup>                                      | 405.9        | 375.3        | 322.3        | 365.8        | 338.0        | 327.3        | 311.9        | 282.0        | 306.1        |
| Brokerage Assets <sup>(2)</sup>                                     | 404.4        | 386.4        | 347.6        | 398.6        | 381.3        | 378.7        | 372.1        | 346.0        | 374.9        |
| <b>Total Advisory and Brokerage Assets</b>                          | <b>810.4</b> | <b>761.7</b> | <b>669.9</b> | <b>764.4</b> | <b>719.3</b> | <b>706.0</b> | <b>684.0</b> | <b>628.1</b> | <b>681.0</b> |
| Centrally Managed Assets <sup>(3)</sup>                             | 59.0         | 54.4         | 46.9         | 52.4         | 47.8         | 45.7         | 42.9         | 38.5         | 40.8         |
| <b>Asset Inflows minus Outflows</b>                                 |              |              |              |              |              |              |              |              |              |
| Advisory Asset Inflows minus Outflows <sup>(4)</sup>                | 9.7          | 9.4          | 12.5         | 9.6          | 9.2*         | 6.6          | 4.6          | 5.0          | 5.1          |
| Brokerage Asset Inflows minus Outflows <sup>(5)</sup>               | (0.3)        | 1.6          | 0.0          | (0.8)        | 0.6*         | (2.6)        | (0.7)        | 0.9          | (0.8)        |
| <b>Total Asset Inflows minus Outflows</b>                           | <b>9.5</b>   | <b>11.0</b>  | <b>12.5</b>  | <b>8.8</b>   | <b>9.9*</b>  | <b>4.0</b>   | <b>4.0</b>   | <b>5.9</b>   | <b>4.4</b>   |
| <b>Dividends plus Interest minus Advisory Fees</b>                  |              |              |              |              |              |              |              |              |              |
| Advisory Dividends plus Interest minus Advisory Fees <sup>(6)</sup> | 0.6          | 0.8          | 0.7          | 1.9          | 0.8*         | 0.9          | 0.7          | 1.7          | 0.6          |
| Brokerage Dividends plus Interest <sup>(7)</sup>                    | 1.0          | 1.2          | 1.2          | 1.8          | 1.2*         | 1.3          | 1.1          | 1.6          | 1.1          |
| <b>Total Dividends plus Interest minus Advisory Fees</b>            | <b>1.6</b>   | <b>2.0</b>   | <b>1.8</b>   | <b>3.7</b>   | <b>2.0*</b>  | <b>2.2</b>   | <b>1.8</b>   | <b>3.3</b>   | <b>1.8</b>   |
| <b>Total Net New Assets</b>   |              |              |              |              |              |              |              |              |              |
| Net New Advisory Assets <sup>(8)</sup>                              | 10.4         | 10.2         | 13.2         | 11.5         | 10.1*        | 7.5          | 5.3          | 6.6          | 5.8          |
| Net New Brokerage Assets <sup>(9)</sup>                             | 0.7          | 2.8          | 1.2          | 1.0          | 1.8*         | (1.3)        | 0.5          | 2.6          | 0.4          |
| <b>Total Net New Assets</b>   | <b>11.1</b>  | <b>13.0</b>  | <b>14.3</b>  | <b>12.5</b>  | <b>11.9*</b> | <b>6.2</b>   | <b>5.8</b>   | <b>9.2</b>   | <b>6.2</b>   |
| Net Brokerage to Advisory Conversions <sup>(10)</sup>               | 2.0          | 1.6          | 2.4          | 1.9          | 1.7          | 1.8          | 1.4          | 1.4          | 1.7          |
| Corporate Platform Net New Advisory Assets                          | 7.8          | 6.2          | 7.8          | 8.7          | 7.1*         | 5.7          | 4.6          | 6.1          | 6.3          |
| Hybrid Platform Net New Advisory Assets                             | 2.6          | 4.0          | 5.4          | 2.9          | 2.9*         | 1.8          | 0.6          | 0.5          | (0.5)        |
| <b>Total Net New Advisory Assets</b>                                | <b>10.4</b>  | <b>10.2</b>  | <b>13.2</b>  | <b>11.5</b>  | <b>10.1*</b> | <b>7.5</b>   | <b>5.3</b>   | <b>6.6</b>   | <b>5.8</b>   |
| Centrally Managed Net New Advisory Assets <sup>(11)</sup>           | 1.9          | 1.3          | 2.2          | 2.3          | 2.0*         | 1.3          | 1.1          | 1.6          | 1.8          |
| <b>Client Cash Balances</b>   |              |              |              |              |              |              |              |              |              |
| Insured Cash Account Balances                                       | 34.7         | 33.1         | 34.5         | 24.4         | 22.2         | 21.3         | 21.7         | 24.8         | 21.0         |
| Deposit Cash Account Balances                                       | 8.0          | 7.7          | 8.7          | 5.0          | 4.6          | 4.3          | 4.3          | 5.1          | 3.9          |
| <b>Total Insured Sweep Balances</b>                                 | <b>42.7</b>  | <b>40.8</b>  | <b>43.2</b>  | <b>29.4</b>  | <b>26.8</b>  | <b>25.6</b>  | <b>25.9</b>  | <b>29.9</b>  | <b>24.9</b>  |
| Money Market Account Cash Balances                                  | 1.5          | 1.6          | 1.8          | 1.9          | 2.6          | 3.5          | 4.8          | 4.9          | 3.3          |
| Purchased Money Market Funds  | 2.3          | 2.8          | 2.8          | 2.4          | 1.8          | 1.0          | n/a          | n/a          | n/a          |
| <b>Total Money Market Balances</b>                                  | <b>3.9</b>   | <b>4.5</b>   | <b>4.6</b>   | <b>4.3</b>   | <b>4.4</b>   | <b>4.5</b>   | <b>4.8</b>   | <b>4.9</b>   | <b>3.3</b>   |
| <b>Total Client Cash Balances</b>                                   | <b>46.6</b>  | <b>45.3</b>  | <b>47.8</b>  | <b>33.7</b>  | <b>31.2</b>  | <b>30.1</b>  | <b>30.7</b>  | <b>34.9</b>  | <b>28.2</b>  |
| Net Buy (Sell) Activity <sup>(12)</sup>                             | 9.3          | 12.5         | 0.2          | 9.8          | 9.0          | 9.7          | 12.9         | 2.3          | 9.2          |
| <b>Market Indices</b>   |              |              |              |              |              |              |              |              |              |
| S&P 500 (end of period)   | 3,363        | 3,100        | 2,585        | 3,231        | 2,977        | 2,942        | 2,834        | 2,507        | 2,914        |
| Fed Funds Effective Rate (average bps)                              | 9            | 6            | 123          | 165          | 220          | 240          | 240          | 222          | 192          |

\*Note: the Company's Q3 2019 results included \$2.9 billion of Total Advisory and Brokerage Assets from the acquisition of Allen & Company of Florida, LLC ("Allen & Company"), of which \$1.8 billion were brokerage assets and \$1.0 billion were advisory assets.

(1) Consists of total advisory assets under custody at the Company's broker-dealer subsidiary, LPL Financial LLC ("LPL Financial"). Q3 2019 and Q4 2019 also included advisory assets serviced by investment advisor representatives of Allen & Company that were onboarded to LPL Financial's custodied platform in Q4 2019.

(2) Consists of brokerage assets serviced by advisors licensed with LPL Financial. Results from Q3 2019 and Q4 2019 also included brokerage assets serviced by advisors licensed with Allen & Company that onboarded to LPL Financial's custodied platform in Q4 2019.

(3) Represents those advisory assets in LPL Financial's Model Wealth Portfolios, Optimum Market Portfolios, Personal Wealth Portfolios and Guided Wealth Portfolios platforms.

(4) Consists of total client deposits into advisory accounts less total client withdrawals from advisory accounts. The Company considers conversions from and to brokerage accounts as deposits and withdrawals, respectively, but does not consider dividends and interest as client deposits, or advisory fees as client withdrawals, in calculating this amount.

(5) Consists of total client deposits into brokerage accounts less total client withdrawals from brokerage accounts. The Company considers conversions from and to advisory accounts as deposits and withdrawals, respectively, but does not consider dividends and interest as client deposits in calculating this amount.

(6) Consists of total dividends and interest deposited into advisory accounts less total advisory fees withdrawn from advisory accounts.

(7) Consists of total dividends and interest deposited into brokerage accounts.

(8) Consists of Advisory Asset Inflows minus Outflows (FN 4) plus Advisory Dividends plus Interest minus Advisory Fees (FN 6).

(9) Consists of Brokerage Asset Inflows minus Outflows (FN 5) plus Brokerage Dividends plus Interest (FN 7).

(10) Consists of existing custodied accounts that converted from brokerage to advisory, less existing custodied assets that converted from advisory to brokerage.

(11) Consists of total client deposits into Centrally Managed Assets accounts (FN 3) less total client withdrawals from Centrally Managed Assets accounts.

(12) Represents the amount of securities purchased less the amount of securities sold in client accounts custodied with LPL Financial. Reported activity does not include any other cash activity, such as deposits, withdrawals, dividends received or fees paid.

**LPL Financial Holdings Inc. - Historical Monthly Activity Through September 2020**

As of September 30, 2020

| (End of Period \$ in billions, unless noted)                        | Sep 2020     | Aug 2020     | Jul 2020     | Jun 2020     | May 2020     | Apr 2020     | Mar 2020     | Feb 2020     | Jan 2020     | Dec 2019     | Nov 2019     | Oct 2019     | Sep 2019     |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Assets</b>   |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Advisory Assets <sup>(1)</sup>                                      | 405.9        | 410.4        | 392.7        | 375.3        | 364.9        | 348.9        | 322.3        | 355.7        | 369.2        | 365.8        | 354.9        | 345.3        | 338.0        |
| Brokerage Assets <sup>(2)</sup>                                     | 404.4        | 412.2        | 399.2        | 386.4        | 381.0        | 369.1        | 347.6        | 380.9        | 397.7        | 398.6        | 392.9        | 386.5        | 381.3        |
| <b>Total Advisory and Brokerage Assets</b>                          | <b>810.4</b> | <b>822.7</b> | <b>791.9</b> | <b>761.7</b> | <b>745.9</b> | <b>718.0</b> | <b>669.9</b> | <b>736.6</b> | <b>767.0</b> | <b>764.4</b> | <b>747.8</b> | <b>731.7</b> | <b>719.3</b> |
| <b>Asset Inflows minus Outflows</b>                                 |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Advisory Asset Inflows minus Outflows <sup>(3)</sup>                | 3.7          | 2.9          | 3.1          | 3.6          | 2.9          | 2.9          | 4.1          | 4.3          | 4.0          | 3.8          | 2.9          | 3.0          | 2.2          |
| Brokerage Asset Inflows minus Outflows <sup>(4)</sup>               | 0.2          | (0.2)        | (0.2)        | 0.5          | 0.8          | 0.3          | 0.2          | 0.4          | (0.6)        | (0.9)        | (0.3)        | 0.3          | (0.4)        |
| <b>Total Asset Inflows minus Outflows</b>                           | <b>4.0</b>   | <b>2.6</b>   | <b>2.9</b>   | <b>4.1</b>   | <b>3.7</b>   | <b>3.2</b>   | <b>4.3</b>   | <b>4.8</b>   | <b>3.4</b>   | <b>2.9</b>   | <b>2.6</b>   | <b>3.3</b>   | <b>1.8</b>   |
| <b>Dividends plus Interest minus Advisory Fees</b>                  |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Advisory Dividends plus Interest minus Advisory Fees <sup>(5)</sup> | 0.7          | 0.2          | (0.2)        | 0.8          | 0.2          | (0.1)        | 0.7          | 0.2          | (0.2)        | 1.8          | 0.2          | (0.2)        | 0.7          |
| Brokerage Dividends plus Interest <sup>(6)</sup>                    | 0.5          | 0.3          | 0.3          | 0.6          | 0.3          | 0.3          | 0.6          | 0.3          | 0.4          | 1.2          | 0.3          | 0.3          | 0.6          |
| <b>Total Dividends plus Interest minus Advisory Fees</b>            | <b>1.1</b>   | <b>0.5</b>   | <b>0.0</b>   | <b>1.3</b>   | <b>0.5</b>   | <b>0.2</b>   | <b>1.2</b>   | <b>0.5</b>   | <b>0.1</b>   | <b>3.0</b>   | <b>0.5</b>   | <b>0.2</b>   | <b>1.3</b>   |
| <b>Total Net New Assets</b>   |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Net New Advisory Assets <sup>(7)</sup>                              | 4.4          | 3.1          | 2.9          | 4.3          | 3.1          | 2.8          | 4.8          | 4.6          | 3.8          | 5.6          | 3.1          | 2.8          | 2.9          |
| Net New Brokerage Assets <sup>(8)</sup>                             | 0.7          | 0.0          | 0.0          | 1.0          | 1.1          | 0.7          | 0.8          | 0.7          | (0.3)        | 0.3          | 0.0          | 0.6          | 0.2          |
| <b>Total Net New Assets</b>   | <b>5.1</b>   | <b>3.1</b>   | <b>2.9</b>   | <b>5.4</b>   | <b>4.2</b>   | <b>3.4</b>   | <b>5.6</b>   | <b>5.3</b>   | <b>3.5</b>   | <b>5.9</b>   | <b>3.1</b>   | <b>3.4</b>   | <b>3.1</b>   |
| Net Brokerage to Advisory Conversions <sup>(9)</sup>                | 0.7          | 0.6          | 0.7          | 0.7          | 0.4          | 0.5          | 0.6          | 0.8          | 0.9          | 0.6          | 0.7          | 0.6          | 0.5          |
| <b>Client Cash Balances</b>   |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Insured Cash Account Balances                                       | 34.7         | 33.4         | 33.2         | 33.1         | 33.5         | 33.9         | 34.5         | 24.8         | 24.4         | 24.4         | 22.9         | 22.6         | 22.2         |
| Deposit Cash Account Balances                                       | 8.0          | 7.6          | 7.6          | 7.7          | 8.0          | 8.5          | 8.7          | 5.2          | 4.8          | 5.0          | 4.6          | 4.6          | 4.6          |
| <b>Total Insured Sweep Balances</b>                                 | <b>42.7</b>  | <b>41.0</b>  | <b>40.8</b>  | <b>40.8</b>  | <b>41.5</b>  | <b>42.4</b>  | <b>43.2</b>  | <b>30.0</b>  | <b>29.2</b>  | <b>29.4</b>  | <b>27.5</b>  | <b>27.2</b>  | <b>26.8</b>  |
| Money Market Sweep Balances   | 1.5          | 1.5          | 1.6          | 1.6          | 1.7          | 1.7          | 1.8          | 1.6          | 1.7          | 1.9          | 2.0          | 2.3          | 2.6          |
| Purchased Money Market Funds  | 2.3          | 2.6          | 2.8          | 2.8          | 2.9          | 2.9          | 2.8          | 2.6          | 2.5          | 2.4          | 2.2          | 2.1          | 1.8          |
| <b>Total Money Market Balances</b>                                  | <b>3.9</b>   | <b>4.1</b>   | <b>4.4</b>   | <b>4.5</b>   | <b>4.6</b>   | <b>4.6</b>   | <b>4.6</b>   | <b>4.3</b>   | <b>4.2</b>   | <b>4.3</b>   | <b>4.3</b>   | <b>4.4</b>   | <b>4.4</b>   |
| <b>Total Client Cash Balances</b>                                   | <b>46.6</b>  | <b>45.1</b>  | <b>45.1</b>  | <b>45.3</b>  | <b>46.2</b>  | <b>47.0</b>  | <b>47.8</b>  | <b>34.2</b>  | <b>33.5</b>  | <b>33.7</b>  | <b>31.8</b>  | <b>31.6</b>  | <b>31.2</b>  |
| Net Buy (Sell) Activity <sup>(10)</sup>                             | 2.9          | 3.6          | 2.9          | 4.5          | 3.9          | 4.1          | (8.2)        | 3.9          | 4.5          | 3.2          | 3.3          | 3.3          | 2.9          |
| <b>Market Indices</b>   |              |              |              |              |              |              |              |              |              |              |              |              |              |
| S&P 500 (end of period)   | 3,363        | 3,500        | 3,271        | 3,100        | 3,044        | 2,912        | 2,585        | 2,954        | 3,226        | 3,231        | 3,141        | 3,038        | 2,977        |
| Fed Funds Effective Rate (average bps)                              | 9            | 9            | 9            | 8            | 5            | 5            | 63           | 158          | 155          | 155          | 155          | 183          | 205          |

(1) Consists of total advisory assets under custody at the Company's broker-dealer subsidiary, LPL Financial LLC ("LPL Financial"). Results for August 2019 to November 2019 also included advisory assets serviced by investment advisor representatives of Allen & Company of Florida, LLC ("Allen & Company") that were onboarded to LPL Financial's custodied platform in November 2019.

(2) Consists of brokerage assets serviced by advisors licensed with LPL Financial. Results for August 2019 to November 2019 also include brokerage assets serviced by advisors licensed with Allen & Company that onboarded to LPL Financial's custodied platform in November 2019.

(3) Consists of total client deposits into advisory accounts less total client withdrawals from advisory accounts. The Company considers conversions from and to brokerage accounts as deposits and withdrawals, respectively, but does not consider dividends and interest as client deposits, or advisory fees as client withdrawals, in calculating this amount.

(4) Consists of total client deposits into brokerage accounts less total client withdrawals from brokerage accounts. The Company considers conversions from and to advisory accounts as deposits and withdrawals, respectively, but does not consider dividends and interest as client deposits in calculating this amount.

(5) Consists of total dividends and interest deposited into advisory accounts less total advisory fees withdrawn from advisory accounts.

(6) Consists of total dividends and interest deposited into brokerage accounts.

(7) Consists of Advisory Asset Inflows minus Outflows (FN 3) plus Advisory Dividends plus Interest minus Advisory Fees (FN 5).

(8) Consists of Brokerage Asset Inflows minus Outflows (FN 4) plus Brokerage Dividends plus Interest (FN 6).

(9) Consists of existing custodied assets that converted from brokerage to advisory, less existing custodied assets that converted from advisory to brokerage.

(10) Represents the amount of securities purchased less the amount of securities sold in client accounts custodied with LPL Financial. Reported activity does not include any other cash activity, such as deposits, withdrawals, dividends received or fees paid.