

# Q2 2020 Historical Information

LPL Financial Holdings Inc.

Q2 2020 Earnings

July 30, 2020

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

As of June 30, 2020

(End of Period \$ in thousands, unless noted)	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
<b>Gross Profit*</b>									
Sales-based commissions	\$ 159,512	\$ 228,391	\$ 193,980	\$ 194,342	\$ 203,531	\$ 190,999	\$ 199,468	\$ 193,545	\$ 196,530
Trailing commissions	267,941	275,053	282,940	280,651	275,604	270,360	270,455	293,330	291,555
Advisory	523,370	579,027	533,259	514,363	481,309	453,938	474,102	458,087	438,917
Commission and advisory fees	950,823	1,082,471	1,010,179	989,356	960,444	915,297	944,025	944,962	927,002
Production based payout	(819,953)	(920,835)	(876,654)	(857,384)	(831,178)	(777,889)	(818,382)	(817,211)	(797,785)
Commission and advisory fees, net of payout	130,871	161,636	133,525	131,972	129,266	137,408	125,643	127,751	129,217
Client cash	116,266	151,398	155,322	162,517	161,815	173,139	147,774	127,174	121,386
Other asset-based	130,801	134,108	133,603	129,623	126,736	123,224	117,907	121,721	117,217
Transaction and fee	119,478	137,096	118,291	121,222	118,335	122,480	119,254	118,941	116,455
Interest income and other, net	9,397	8,364	13,323	13,556	15,583	15,730	13,154	13,460	13,910
<b>Total net commission and advisory fees and attachment revenue</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>	<b>498,185</b>
Brokerage, clearing, and exchange expense	(18,565)	(17,024)	(15,927)	(16,380)	(15,994)	(16,144)	(16,000)	(15,844)	(15,433)
<b>Gross Profit*</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>482,752</b>
<b>G&amp;A Expense</b>									
Core G&A*	222,406	223,211	230,182	215,198	210,514	212,520	216,185	209,244	192,148
Regulatory charges	6,115	6,157	7,893	7,905	8,632	7,873	9,593	7,421	8,321
Promotional	44,540	57,398	51,050	61,715	41,423	51,349	45,141	52,628	43,407
Employee share-based comp.	8,040	8,648	7,179	7,414	7,306	7,967	5,045	6,332	6,125
<b>Total G&amp;A</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>250,001</b>
<b>EBITDA*</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>	<b>232,751</b>
Depreciation and amortization	26,890	26,644	25,663	24,062	22,584	23,470	21,897	22,838	22,220
Amortization of intangible assets	16,689	16,570	16,631	16,286	16,249	16,168	15,672	15,676	15,682
Non-operating interest expense	26,289	29,318	31,384	31,944	33,957	32,716	31,756	31,705	31,940
Loss on extinguishment of debt and other	-	-	3,156	-	-	-	-	-	-
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</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>	<b>162,909</b>
PROVISION FOR INCOME TAXES	35,616	51,991	38,323	46,272	48,984	48,376	42,145	40,494	44,143
<b>NET INCOME</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>	<b>\$ 118,766</b>
Earnings per share, diluted	\$ 1.27	\$ 1.92	\$ 1.53	\$ 1.57	\$ 1.71	\$ 1.79	\$ 1.36	\$ 1.19	\$ 1.30
Weighted-average shares outstanding, diluted	80,127	81,166	82,695	83,844	85,350	86,742	88,163	89,878	91,684
EPS Prior to Amortization of Intangible Assets	\$ 1.42	\$ 2.06	\$ 1.68	\$ 1.71	\$ 1.85	\$ 1.93	\$ 1.49	\$ 1.32	\$ 1.42

## \*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 \$1,367 million for the three months ended June 30, 2020, less commission and advisory expenses and brokerage, clearing, and exchange fees, which were \$860 million and \$19 million, respectively, for the three months ended June 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	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Core G&A	\$222	\$223	\$230	\$215	\$211	\$213	\$216	\$209	\$192
Regulatory charges	6	6	8	8	9	8	10	7	8
Promotional	45	57	51	62	41	51	45	53	43
Employee share-based compensation	8	9	7	7	7	8	5	6	6
<b>Total G&amp;A</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>	<b>250</b>
Commissions and advisory	860	871	894	857	838	800	793	822	801
Depreciation & amortization	27	27	26	24	23	23	22	23	22
Amortization of intangible assets	17	17	17	16	16	16	16	16	16
Brokerage, clearing and exchange	19	17	16	16	16	16	16	16	15
<b>Total operating expense</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>	<b>\$1,104</b>
	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Production based payout	\$819,953	\$920,835	\$876,654	\$857,384	\$831,178	\$777,889	\$818,382	\$817,211	\$797,785
Advisor deferred compensation expense	39,895	(50,040)	17,177	(749)	6,844	21,809	(25,072)	4,739	2,834
<b>Commission and advisory expense</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>	<b>\$800,619</b>
	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Interest income, net of interest expense	\$6,540	\$9,542	\$10,966	\$11,531	\$11,690	\$12,321	\$11,784	\$10,512	\$10,133
Plus: Other Revenue	42,751	(51,218)	19,534	1,276	10,737	25,218	(23,702)	7,687	6,611
Less: Advisor deferred compensation expense	(39,894)	50,040	(17,177)	749	(6,844)	(21,809)	25,072	(4,739)	(2,834)
<b>Interest income and other, net</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>	<b>\$13,910</b>

Note: Certain numbers may not foot due to rounding

## LPL Financial Holdings Inc. - Historical Quarterly Activity

As of June 30, 2020

(End of Period \$ in billions, unless noted)	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
<b>Assets</b>									
Advisory Assets <sup>(1)</sup>	375.3	322.3	365.8	338.0	327.3	311.9	282.0	306.1	291.5
Brokerage Assets <sup>(2)</sup>	386.4	347.6	398.6	381.3	378.7	372.1	346.0	374.9	367.5
<b>Total Brokerage and Advisory Assets</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>	<b>659.1</b>
Centrally Managed Assets <sup>(3)</sup>	54.4	46.9	52.4	47.8	45.7	42.9	38.5	40.8	37.9
<b>Asset Inflows minus Outflows</b>									
Advisory Asset Inflows minus Outflows <sup>(4)</sup>	9.4	12.5	9.6	9.2*	6.6	4.6	5.0	5.1	4.3**
Brokerage Asset Inflows minus Outflows <sup>(5)</sup>	1.6	0.0	(0.8)	0.6*	(2.6)	(0.7)	0.9	(0.8)	(1.9)**
<b>Total Asset Inflows minus Outflows</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>2.5**</b>
<b>Dividends plus Interest minus Advisory Fees</b>									
Advisory Dividends plus Interest minus Advisory Fees <sup>(6)</sup>	0.8	0.7	1.9	0.8*	0.9	0.7	1.7	0.6	0.7**
Brokerage Dividends plus Interest <sup>(7)</sup>	1.2	1.2	1.8	1.2*	1.3	1.1	1.6	1.1	1.1**
<b>Total Dividends plus Interest minus Advisory Fees</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>1.8**</b>
<b>Total Net New Assets</b>									
Net New Advisory Assets <sup>(8)</sup>	10.2	13.2	11.5	10.1*	7.5	5.3	6.6	5.8	5.0**
Net New Brokerage Assets <sup>(9)</sup>	2.8	1.2	1.0	1.8*	(1.3)	0.5	2.6	0.4	(0.7)**
<b>Total Net New Assets</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>	<b>4.3**</b>
Net Brokerage to Advisory Conversions <sup>(10)</sup>	1.6	2.4	1.9	1.7	1.8	1.4	1.4	1.7	1.8
Corporate Platform Net New Advisory Assets	6.2	7.8	8.7	7.1*	5.7	4.6	6.1	6.3	4.1**
Hybrid Platform Net New Advisory Assets	4.0	5.4	2.9	2.9*	1.8	0.6	0.5	(0.5)	0.9**
<b>Total Net New Advisory Assets</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>	<b>5.0**</b>
Centrally Managed Net New Advisory Assets <sup>(11)</sup>	1.3	2.2	2.3	2.0*	1.3	1.1	1.6	1.8	1.8**
<b>Client Cash Balances</b>									
Insured Cash Account Balances	33.1	34.5	24.4	22.2	21.3	21.7	24.8	21.0	21.7
Deposit Cash Account Balances	7.7	8.7	5.0	4.6	4.3	4.3	5.1	3.9	4.0
<b>Total Insured Sweep Balances</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>	<b>25.7</b>
Money Market Account Cash Balances	1.6	1.8	1.9	2.6	3.5	4.8	4.9	3.3	2.9
Purchased Money Market Funds	2.8	2.8	2.4	1.8	1.0	n/a	n/a	n/a	n/a
<b>Total Money Market Balances</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>2.9</b>
<b>Total Client Cash Balances</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>	<b>28.6</b>
Net Buy (Sell) Activity <sup>(12)</sup>	12.5	0.2	9.8	9.0	9.7	12.9	2.3	9.2	8.5
<b>Market Indices</b>									
S&P 500 (end of period)	3,100	2,585	3,231	2,977	2,942	2,834	2,507	2,914	2,718
Fed Funds Effective Rate (average bps)	6	123	165	220	240	240	222	192	174

\*Note: the Company's Q3 2019 results included \$2.9 billion of total brokerage and advisory 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.

\*\*Note: the Company's Q2 2019 results included \$1.5 billion of total brokerage and advisory assets from the acquisition of National Planning Holdings, Inc. ("NPH").

(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 June 2020**

As of June 30, 2020

(End of Period \$ in billions, unless noted)	Jun 2020	May 2020	Apr 2020	Mar 2020	Feb 2020	Jan 2020	Dec 2019	Nov 2019	Oct 2019	Sep 2019	Aug 2019	Jul 2019	Jun 2019
<b>Assets</b>													
Advisory Assets <sup>(1)</sup>	375.3	364.9	348.9	322.3	355.7	369.2	365.8	354.9	345.3	338.0	333.0	332.1	327.3
Brokerage Assets <sup>(2)</sup>	386.4	381.0	369.1	347.6	380.9	397.7	398.6	392.9	386.5	381.3	378.7	381.3	378.7
<b>Total Brokerage and Advisory Assets</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>711.7</b>	<b>713.4</b>	<b>706.0</b>
<b>Asset Inflows minus Outflows</b>													
Advisory Asset Inflows minus Outflows <sup>(3)</sup>	3.6	2.9	2.9	4.1	4.3	4.0	3.8	2.9	3.0	2.2	4.0*	2.9	2.4
Brokerage Asset Inflows minus Outflows <sup>(4)</sup>	0.5	0.8	0.3	0.2	0.4	(0.6)	(0.9)	(0.3)	0.3	(0.4)	1.3*	(0.2)	(0.5)
<b>Total Asset Inflows minus Outflows</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>5.3*</b>	<b>2.7</b>	<b>1.9</b>
<b>Dividends plus Interest minus Advisory Fees</b>													
Advisory Dividends plus Interest minus Advisory Fees <sup>(5)</sup>	0.8	0.2	(0.1)	0.7	0.2	(0.2)	1.8	0.2	(0.2)	0.7	0.2*	(0.1)	0.8
Brokerage Dividends plus Interest <sup>(6)</sup>	0.6	0.3	0.3	0.6	0.3	0.4	1.2	0.3	0.3	0.6	0.3*	0.3	0.6
<b>Total Dividends plus Interest minus Advisory Fees</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>0.5*</b>	<b>0.2</b>	<b>1.4</b>
<b>Total Net New Assets</b>													
Net New Advisory Assets <sup>(7)</sup>	4.3	3.1	2.8	4.8	4.6	3.8	5.6	3.1	2.8	2.9	4.3*	2.8	3.2
Net New Brokerage Assets <sup>(8)</sup>	1.0	1.1	0.7	0.8	0.7	(0.3)	0.3	0.0	0.6	0.2	1.6*	0.1	0.1
<b>Total Net New Assets</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>	<b>5.9*</b>	<b>2.9</b>	<b>3.3</b>
Net Brokerage to Advisory Conversions <sup>(9)</sup>	0.7	0.4	0.5	0.6	0.8	0.9	0.6	0.7	0.6	0.5	0.5	0.6	0.4
<b>Client Cash Balances</b>													
Insured Cash Account Balances	33.1	33.5	33.9	34.5	24.8	24.4	24.4	22.9	22.6	22.2	22.0	21.3	21.3
Deposit Cash Account Balances	7.7	8.0	8.5	8.7	5.2	4.8	5.0	4.6	4.6	4.6	4.5	4.2	4.3
<b>Total Insured Sweep Balances</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>	<b>26.5</b>	<b>25.5</b>	<b>25.5</b>
Money Market Sweep Balances	1.6	1.7	1.7	1.8	1.6	1.7	1.9	2.0	2.3	2.6	2.8	3.0	3.5
Purchased Money Market Funds	2.8	2.9	2.9	2.8	2.6	2.5	2.4	2.2	2.1	1.8	1.7	1.3	1.0
<b>Total Money Market Balances</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>4.5</b>	<b>4.3</b>	<b>4.5</b>
<b>Total Client Cash Balances</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>	<b>31.0</b>	<b>29.9</b>	<b>30.1</b>
Net Buy (Sell) Activity <sup>(10)</sup>	4.5	3.9	4.1	(8.2)	3.9	4.5	3.2	3.3	3.3	2.9	2.8	3.3	2.8
<b>Market Indices</b>													
S&P 500 (end of period)	3,100	3,044	2,912	2,585	2,954	3,226	3,231	3,141	3,038	2,977	2,926	2,980	2,942
Fed Funds Effective Rate (average bps)	8	5	5	63	158	155	155	155	183	205	213	240	238

\*Note: the Company's August 2019 results included \$2.9 billion of total brokerage and advisory 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.

Prior to that, total net new assets were \$2.5 billion, of which \$3.0 billion were net new advisory assets and \$(0.5) billion were net new brokerage assets.

(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 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.