



LPL FINANCIAL HOLDINGS INC. Q2 2022 HISTORICAL INFORMATION

August 2, 2022

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

For the quarter ending June 30, 2022

(\$ in thousands, unless noted)	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Gross Profit*									
Advisory	\$ 1,001,851	\$ 1,047,097	\$ 997,338	\$ 959,733	\$ 846,313	\$ 722,046	\$ 638,181	\$ 586,941	\$ 523,370
Sales-based commissions	252,493	240,331	248,382	239,804	249,596	236,273	202,504	180,357	159,512
Trailing commissions	320,883	345,194	364,455	370,580	348,637	320,956	300,516	292,286	267,941
Advisory fees and commissions	1,575,227	1,632,622	1,610,175	1,570,117	1,444,546	1,279,275	1,141,201	1,059,584	950,823
Production based payout	(1,370,046)	(1,405,698)	(1,410,458)	(1,368,348)	(1,247,321)	(1,095,377)	(987,882)	(917,831)	(819,953)
Advisory fees and commissions, net of payout	205,181	226,924	199,717	201,769	197,225	183,898	153,319	141,753	130,870
Client cash	156,219	84,721	82,455	90,941	90,344	97,203	104,878	107,906	114,895
Other asset-based	208,489	211,991	219,927	211,050	189,576	167,973	154,052	146,179	132,756
Service and fee	112,802	112,812	110,385	105,079	99,473	96,824	94,218	87,846	84,348
Transaction	44,416	46,726	39,306	35,283	37,627	44,120	35,532	31,901	35,130
Interest income and other, net	7,358	8,385	11,245	9,809	10,811	8,700	9,545	7,950	8,813
Total net advisory fees and commissions and attachment revenue	734,465	691,559	663,035	653,931	625,056	598,718	551,544	523,535	506,812
Brokerage, clearing, and exchange expense	(23,362)	(22,600)	(20,372)	(22,828)	(23,459)	(19,364)	(17,762)	(17,834)	(18,565)
Gross Profit*	711,103	668,959	642,663	631,103	601,597	579,354	533,782	505,701	488,246
G&A Expense									
Core G&A*	285,973	280,907	299,401	270,865	251,679	236,263	252,391	227,099	222,406
Regulatory charges	8,069	7,323	8,442	5,976	7,416	7,595	8,775	8,326	6,115
Promotional (ongoing)	83,791	87,411	86,071	83,630	64,135	54,181	48,342	57,970	44,540
Acquisition costs	8,909	13,323	14,291	35,887	23,782	2,429	-	-	-
Employee share-based compensation	13,664	12,755	9,589	9,763	11,136	11,356	7,542	7,420	8,040
Total G&A	400,406	401,719	417,794	406,121	358,148	311,823	317,050	300,815	281,101
Loss on extinguishment of debt	-	-	-	-	-	24,400	-	-	-
EBITDA*	310,697	267,240	224,869	224,982	243,449	243,131	216,732	204,886	207,146
Depreciation and amortization	48,453	45,454	40,816	38,409	36,704	35,499	28,650	27,548	26,890
Amortization of other intangibles	21,168	21,196	20,373	21,531	19,925	17,431	17,270	16,829	16,689
Interest expense on borrowings	28,755	27,211	27,121	27,063	25,171	25,059	24,979	25,179	26,289
INCOME BEFORE PROVISION FOR INCOME TAXES	212,321	173,379	136,559	137,979	161,649	165,142	145,833	135,330	137,278
PROVISION FOR INCOME TAXES	51,776	39,635	28,478	34,915	42,548	35,522	34,285	31,541	35,616
NET INCOME	\$ 160,545	\$ 133,744	\$ 108,081	\$ 103,064	\$ 119,101	\$ 129,620	\$ 111,548	\$ 103,789	\$ 101,662
Earnings per share, diluted	\$ 1.97	\$ 1.64	\$ 1.32	\$ 1.26	\$ 1.46	\$ 1.59	\$ 1.38	\$ 1.29	\$ 1.27
Weighted-average shares outstanding, diluted	81,410	81,572	81,744	81,849	81,728	81,622	80,904	80,550	80,127
EPS prior to amortization of intangible assets and acquisition costs*	\$ 2.24	\$ 1.95	\$ 1.63	\$ 1.77	\$ 1.85	\$ 1.77	\$ 1.53	\$ 1.44	\$ 1.42

Note: Totals may not foot due to rounding.

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

EPS prior to amortization of intangible assets and acquisition costs, adjusted net income, 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 total revenue less advisory and commission expense and brokerage, clearing and exchange expense. All other expense categories, including depreciation and amortization of property and equipment and amortization of other intangibles, 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 gross profit to be a non-GAAP financial measure that may not be comparable to similar measures used by 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 below.

EPS prior to amortization of intangible assets and acquisition costs is defined as adjusted net income, a non-GAAP measure defined as net income plus the after-tax impact of amortization of other intangibles and acquisition costs, divided by the weighted average number of diluted shares outstanding for the applicable period. The Company presents adjusted net income and EPS prior to amortization of intangible assets and acquisition costs because management believes that these metrics can provide investors with useful insight into the Company's core operating performance by excluding non-cash items and acquisition costs that management does not believe impact the Company's ongoing operations. Adjusted net income and EPS prior to amortization of intangible assets and acquisition costs are not measures of the Company's financial performance under GAAP and should not be considered as alternatives to net income, earnings per diluted share or any other performance measure derived in accordance with GAAP. For a reconciliation of net income and earnings per diluted share to adjusted net income and EPS prior to amortization of intangible assets and acquisition costs, please see below.

Core G&A consists of total expense less the following expenses: advisory and commission; depreciation and amortization; amortization of other intangibles; brokerage, clearing and exchange; interest expense on borrowings; loss on extinguishment of debt; promotional; acquisition costs; employee share-based compensation; and regulatory charges. Management presents core G&A because it believes core G&A reflects the corporate 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 advisory and commission, 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 expense as calculated in accordance with GAAP. For a reconciliation of core G&A to the Company's total expense, please see below. The Company does not provide an outlook for its total expense because it contains expense components, such as advisory and commission, that are market-driven and over which the Company cannot exercise control. Accordingly a reconciliation of the Company's outlook for core G&A to an outlook for total expense cannot be made available without unreasonable effort.

EBITDA is defined as net income plus interest expense on borrowings, provision for income taxes, depreciation and amortization, and amortization of other intangibles. 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. For a reconciliation of EBITDA to net income, please see the prior page.

\$ in millions	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	
Total revenue	\$2,039	\$2,066	\$2,094	\$2,021	\$1,898	\$1,708	\$1,581	\$1,460	\$1,367	
Advisory and commission expense	1,304	1,374	1,431	1,367	1,273	1,109	1,030	937	860	
Brokerage, clearing and exchange expense	23	23	20	23	23	19	18	18	19	
Gross Profit	\$711	\$669	\$643	\$631	\$602	\$579	\$534	\$506	\$488	
	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	
Advisory and commission expense	\$1,304	\$1,374	\$1,431	\$1,367	\$1,273	\$1,109	\$1,030	\$937	\$860	
Plus (Less): Advisor deferred compensation expense	66	32	(21)	2	(26)	(14)	(42)	(19)	(40)	
Production-based payout	\$1,370	\$1,406	\$1,410	\$1,368	\$1,247	\$1,095	\$988	\$918	\$820	
	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	
Interest income	\$10	\$8	\$8	\$7	\$7	\$7	\$7	\$7	\$7	
(Less) Plus: Other revenue	(67)	(31)	25	1	30	16	45	21	43	
Plus (Less): Advisor deferred compensation expense	66	32	(21)	2	(26)	(14)	(42)	(19)	(40)	
(Less): Interest income on cash segregated under federal or other regulations	(1)	0	0	0	0	0	(1)	(1)	(1)	
Interest income and other, net	\$7	\$8	\$11	\$10	\$11	\$9	\$10	\$8	\$9	
	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	
Total expense	\$1,827	\$1,892	\$1,958	\$1,883	\$1,736	\$1,542	\$1,435	\$1,325	\$1,229	
Advisory and commission	1,304	1,374	1,431	1,367	1,273	1,109	1,030	937	860	
Depreciation and amortization	48	45	41	38	37	35	29	28	27	
Interest expense on borrowings	29	27	27	27	25	25	25	25	26	
Brokerage, clearing and exchange	23	23	20	23	23	19	18	18	19	
Amortization of other intangibles	21	21	20	22	20	17	17	17	17	
Loss on extinguishment of debt	-	-	-	-	-	24	-	-	-	
Total G&A	\$400	\$402	\$418	\$406	\$358	\$312	\$317	\$301	\$281	
Promotional (ongoing)	\$84	\$87	\$86	\$84	\$64	\$54	\$48	\$58	\$45	
Acquisition costs	9	13	14	36	24	2	-	-	-	
Employee share-based compensation	14	13	10	10	11	11	8	7	8	
Regulatory charges	8	7	8	6	7	8	9	8	6	
Core G&A	\$286	\$281	\$299	\$271	\$252	\$236	\$252	\$227	\$222	
	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net income / earnings per diluted share	\$161	\$1.97	\$134	\$1.64	\$108	\$1.32	\$103	\$1.26	\$119	\$1.46
Amortization of other intangibles	21	0.26	21	0.26	20	0.25	22	0.26	20	0.24
Acquisition costs	9	0.11	13	0.16	14	0.17	36	0.44	24	0.29
Tax benefit	(8)	(0.10)	(9)	(0.11)	(9)	(0.11)	(15)	(0.19)	(12)	(0.14)
Adjusted net income / EPS prior to amortization of intangible assets and acquisition costs	\$183	\$2.24	\$159	\$1.95	\$133	\$1.63	\$145	\$1.77	\$151	\$1.85
Diluted share count	81	82	82	82	82	82	81	81	80	

Note: Totals may not foot due to rounding.

LPL Financial Holdings Inc. - Historical Quarterly Activity

As of June 30, 2022

(End of period \$ in billions, unless noted)	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Assets									
Advisory assets ⁽¹⁾	558.6	624.3	643.2	594.0	577.6	496.7	461.2	405.9	375.3
Brokerage assets ⁽²⁾	506.0	538.8	563.2	538.6	534.7	461.6	441.9	404.4	386.4
Total Advisory and Brokerage Assets	1,064.6	1,163.1	1,206.4	1,132.6	1,112.3	958.3	903.1	810.4	761.7
Centrally managed assets ⁽³⁾	85.6	93.8	96.1	88.6	84.7	77.0	67.1	59.0	54.4
Total Net New Assets	37.2	17.6	26.2	29.0	106.0	28.9	21.8	11.1	13.0
Total Organic Net New Assets⁽⁶⁾⁽⁷⁾	37.2	17.6	26.2	26.7	37.1	28.9	17.8	11.1	13.0
Organic net new advisory assets	11.4	17.4	24.2	21.1	21.4	22.7	15.9	10.4	10.2
Organic net new brokerage assets	25.8	0.2	2.0	5.6	15.6	6.2	1.9	0.7	2.8
Net brokerage to advisory conversions ⁽⁸⁾	1.8	2.9	3.4	3.1	3.2	3.3	2.6	2.0	1.6
Corporate platform net new advisory assets	8.3	10.6	17.0	15.2	49.0	17.1	15.0	7.8	6.2
Hybrid platform net new advisory assets	3.1	6.8	7.2	6.5	6.0	5.6	3.3	2.6	4.0
Total Net New Advisory Assets	11.4	17.4	24.2	21.7	54.9	22.7	18.4	10.4	10.2
Centrally managed net new advisory assets ⁽⁹⁾	3.2	3.3	4.4	3.9	4.0	7.8	2.5	1.9	1.3
Client Cash Balances⁽¹⁰⁾	69.6	61.7	57.1	50.5	48.2	48.1	48.5	45.6	43.7
Insured cash account sweep	40.8	32.6	30.0	30.5	34.1	37.4	37.3	34.7	33.1
Deposit cash account sweep	12.3	9.4	9.3	8.6	7.6	7.9	8.2	8.0	7.7
Total Bank Sweep	53.1	42.0	39.3	39.0	41.7	45.3	45.5	42.7	40.8
Money market sweep	15.0	18.2	16.1	9.9	5.0	1.3	1.5	1.5	1.6
Total Client Cash Sweep Held by Third Parties	68.1	60.2	55.4	48.9	46.7	46.6	47.0	44.2	42.4
Client cash account	1.5	1.6	1.7	1.6	1.5	1.4	1.5	1.3	1.2
Total Client Cash Balances	69.6	61.7	57.1	50.5	48.2	48.1	48.5	45.6	43.7
Net buy (sell) activity ⁽¹¹⁾	5.3	11.0	16.0	17.6	18.1	17.4	12.2	9.3	12.5
Services Group									
Services Group subscriptions ⁽¹²⁾									
Professional Services	1,377	1,328	1,235	1,099	897	805	753	703	632
Business Optimizers	2,425	2,138	1,787	1,499	1,188	910	657	516	323
Planning & Advice	69	63	-	-	-	-	-	-	-
Total Services Group subscriptions	3,871	3,529	3,022	2,598	2,085	1,715	1,410	1,219	955
Total Services Group annualized revenue	~\$32M	~\$30M	~\$28M	~\$25M	~\$20M	~\$19M	~\$17M	~\$15M	~\$13M
Market Drivers									
S&P 500 Index (end of period)	3,785	4,530	4,766	4,308	4,298	3,973	3,756	3,363	3,100
Russell 2000 Index (end of period)	1,708	2,070	2,245	2,204	2,311	2,221	1,975	1,508	1,441
Fed Funds daily effective rate (average bps)	73	12	8	9	7	8	9	9	6

Note: Totals may not foot due to rounding.

Note: The Company's Q3 2021 assets included \$71.0 billion of total brokerage and advisory assets from Waddell & Reed, LLC ("Waddell & Reed"), of which \$35.1 billion was brokerage assets and \$35.8 billion was advisory assets. The Company's Q2 2021 assets included \$70.0 billion of total brokerage and advisory assets from Waddell & Reed, of which \$35.7 billion was brokerage assets and \$34.3 billion was advisory assets. As of June 30, 2022, there were no assets under custody at Waddell & Reed.

(1) Consists of total advisory assets under custody at the Company's broker-dealer subsidiary, LPL Financial LLC ("LPL Financial"), and Waddell & Reed. Assets for Q4 2020 also included advisory assets related to the onboarding of E.K. Riley Investments, LLC ("E.K. Riley") and Lucia Securities, LLC ("Lucia").

(2) Consists of total brokerage assets under custody at the Company's broker-dealer subsidiary, LPL Financial, and Waddell & Reed. As of June 30, 2022, there were no assets under custody at Waddell & Reed.

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

(4) Consists of advisory asset inflows minus outflows, plus advisory dividends, plus interest, minus advisory fees.

(5) Consists of brokerage asset inflows minus outflows, plus brokerage dividends, plus interest.

(6) Consists of net new assets excluding assets acquired from Waddell & Reed, Lucia and E.K. Riley. Acquired assets include \$2.3 billion and \$68.9 billion of net new assets from Waddell & Reed in Q3 2021 and Q2 2021, respectively, \$2.5 billion of net new assets from E.K. Riley in Q4 2020, and \$1.5 billion of net new assets from Lucia in Q4 2020.

(7) Organic Net New Assets from Large Financial Institutions	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Net new organic advisory assets	1.3	0.0	0.0	0.0	3.1	5.0	0.0	0.0	0.0
Net new organic brokerage assets	24.0	0.0	0.0	4.5	15.6	6.8	0.0	0.0	0.0
Total Organic Net New Assets from Large Financial Institutions	25.3	0.0	0.0	4.5	18.7	11.8	0.0	0.0	0.0

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

(9) Consists of total client deposits into centrally managed assets accounts less total client withdrawals from centrally managed assets accounts plus dividends, plus interest, minus advisory fees.

(10) During the second quarter of 2022, the Company updated its definition of client cash balances to include client cash accounts and exclude purchased money market funds. Client cash accounts include cash that clients have deposited with LPL Financial that is included in client payables in the condensed consolidated balance sheets. Prior period disclosures have been updated to reflect this change as applicable. The following table presents the Company's purchased money market funds for the periods presented:

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Purchased Money Market Funds	1.9	1.6	1.9	1.8	1.7	1.6	1.9	2.3	2.8

(11) Represents the amount of securities purchased less the amount of securities sold in client accounts custodied with LPL Financial.

(12) Refers to active subscriptions related to professional services offerings (Business Strategy Services (formerly CFO Solutions), Marketing Solutions, and Admin Solutions) and business optimizer offerings (M&A Solutions, Digital Office, Resilience Plans, and Assurance Plans), as well as planning and advice services (Paraplanning) for which subscriptions are the number of advisors using the service.

LPL Financial Holdings Inc. - Historical Monthly Activity

As of June 30, 2022

(End of period \$ in billions, unless noted)	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021
Assets													
Advisory assets ⁽¹⁾	558.6	591.8	586.3	624.3	612.9	619.6	643.2	620.1	623.3	594.0	604.6	588.4	577.6
Brokerage assets ⁽²⁾	506.0	528.6	509.5	538.8	531.9	538.2	563.2	550.7	557.2	538.6	552.3	541.4	534.7
Total Advisory and Brokerage Assets	1,064.6	1,120.4	1,095.8	1,163.1	1,144.8	1,157.8	1,206.4	1,170.8	1,180.5	1,132.6	1,156.9	1,129.9	1,112.3
Total Net New Assets													
Net new advisory assets ⁽³⁾	4.1	5.1	2.2	6.0	5.4	5.9	10.5	7.1	6.6	9.6	6.4	5.7	11.2
Net new brokerage assets ⁽⁴⁾	6.5	19.6	(0.3)	0.3	(0.2)	0.1	1.6	(0.3)	0.7	1.8	1.2	4.3	14.8
Total Net New Assets	10.5	24.8	1.9	6.3	5.2	6.1	12.1	6.9	7.2	11.4	7.6	10.0	26.0
Total Organic Net New Assets ⁽⁵⁾⁽⁶⁾													
Net new organic advisory assets	4.1	5.1	2.2	6.0	5.4	5.9	10.5	7.1	6.6	9.0	6.4	5.7	10.4
Net new organic brokerage assets	6.5	19.6	(0.3)	0.3	(0.2)	0.1	1.6	(0.3)	0.7	0.1	1.2	4.3	13.9
Total Organic Net New Assets	10.5	24.8	1.9	6.3	5.2	6.1	12.1	6.9	7.2	9.1	7.6	10.0	24.2
Net brokerage to advisory conversions ⁽⁷⁾	0.5	0.6	0.7	0.9	0.9	1.2	1.1	1.2	1.1	1.1	1.2	0.8	0.9
Client Cash Balances ⁽⁸⁾													
Insured cash account sweep	40.8	37.3	34.1	32.6	29.9	29.6	30.0	29.9	29.3	30.5	33.2	34.4	34.1
Deposit cash account sweep	12.3	11.0	9.2	9.4	10.5	9.7	9.3	8.5	8.5	8.6	8.2	7.9	7.6
Total Bank Sweep	53.1	48.3	43.3	42.0	40.4	39.4	39.3	38.4	37.8	39.0	41.4	42.2	41.7
Money market sweep	15.0	17.1	16.9	18.2	18.4	17.3	16.1	11.6	11.3	9.9	6.3	4.3	5.0
Total Client Cash Sweep Held by Third Parties	68.1	65.4	60.2	60.2	58.8	56.7	55.4	50.0	49.1	48.9	47.7	46.6	46.7
Client cash account	1.5	1.8	1.4	1.6	1.7	1.8	1.7	1.7	1.4	1.6	1.5	1.3	1.5
Total Client Cash Balances	69.6	67.2	61.7	61.7	60.4	58.4	57.1	51.7	50.5	50.5	49.2	47.9	48.2
Net buy (sell) activity ⁽⁹⁾	2.0	0.2	3.1	3.5	4.0	3.5	4.7	5.5	5.8	5.5	5.6	6.5	6.0
Market Drivers													
S&P 500 Index (end of period)	3,785	4,132	4,132	4,530	4,374	4,516	4,766	4,567	4,605	4,308	4,523	4,395	4,298
Russell 2000 Index (end of period)	1,708	1,864	1,864	2,070	2,048	2,028	2,245	2,199	2,297	2,204	2,274	2,226	2,311
Fed Funds daily effective rate (average bps)	119	76	33	20	8	8	8	8	8	8	9	10	8

Note: Totals may not foot due to rounding.

Note: The Company's September 2021 and June 2021 assets included \$2.3 billion and \$1.8 billion of net new brokerage and advisory assets from Waddell & Reed, LLC ("Waddell & Reed"), respectively. As of June 30, 2022, there were no assets under custody at Waddell & Reed.

(1) Consists of total advisory assets under custody at the Company's broker-dealer subsidiary, LPL Financial LLC ("LPL Financial"), and Waddell & Reed. September 2021 and June 2021 assets included \$0.6 billion and \$0.9 billion of net new advisory assets from Waddell & Reed, respectively. As of June 30, 2022, there were no assets under custody at Waddell & Reed.

(2) Consists of total brokerage assets under custody at the Company's broker-dealer subsidiary, LPL Financial, and Waddell & Reed. September 2021 and June 2021 assets included \$1.7 billion and \$0.9 billion of net new brokerage assets from Waddell & Reed, respectively. As of June 30, 2022, there were no assets under custody at Waddell & Reed.

(3) Consists of advisory asset inflows minus outflows, plus advisory dividends, plus interest, minus advisory fees.

(4) Consists of brokerage asset inflows minus outflows, plus brokerage dividends, plus interest.

(5) Consists of net new assets excluding the acquisition of Waddell & Reed. Acquired assets include \$2.3 billion and \$1.8 billion of net new assets from Waddell & Reed in September 2021 and June 2021, respectively.

(6) Organic Net New Assets from Large Financial Institutions

	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021
Net new organic advisory assets	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1
Net new organic brokerage assets	5.8	18.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	1.3	3.0	13.1
Total Organic Net New Assets from Large Financial Institutions	5.8	19.5	0.0	0.2	1.3	3.0	16.2						

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

(8) During the second quarter of 2022, the Company updated its definition of client cash balances to include client cash accounts and exclude purchased money market funds. Client cash accounts include cash that clients have deposited with LPL Financial that is included in client payables in the condensed consolidated balance sheets. Prior period disclosures have been updated to reflect this change as applicable. The following table presents the Company's purchased money market funds for the periods presented:

	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021
Purchased Money Market Funds	1.9	1.7	1.6	1.6	1.8	1.7	1.9	1.9	1.8	1.8	1.9	1.9	1.7

(9) Represents the amount of securities purchased less the amount of securities sold in client accounts custodied with LPL Financial.

LPL Financial Holdings Inc. - Productivity Metrics

For the quarter ending June 30, 2022

(Average bps, unless noted)	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Average Total Brokerage & Advisory Assets (\$ in billions)	\$1,144	\$1,135	\$1,079	\$998	\$915	\$835	\$784	\$756	\$732
Gross Profit (bps)									
Net advisory fees and commissions	7.3	7.3	7.3	7.4	7.4	7.3	7.5	7.5	7.6
Other asset-based	7.4	7.3	7.3	7.2	7.2	7.2	7.2	7.2	7.2
Service and fee	3.9	3.8	3.8	4.0	4.1	4.3	4.6	4.7	4.9
Client cash	3.6	3.1	3.3	3.8	4.4	5.1	6.1	7.0	8.0
Transaction, net of BC&E	0.7	0.6	0.7	0.7	0.8	0.9	1.0	1.0	1.0
Interest income and other, net	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.6
Gross Profit ROA (bps)	23.2 bps	22.4 bps	22.7 bps	23.5 bps	24.3 bps	25.2 bps	26.8 bps	27.9 bps	29.3 bps
Operating Expenses (bps)									
Core G&A	9.9	9.7	9.8	10.1	10.6	11.2	11.8	11.9	12.2
Promotional	3.0	2.8	2.7	2.5	2.5	2.5	2.7	2.8	2.9
Regulatory	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Employee share-based compensation	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
D&A expense (ex. amortization of other intangibles)	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Amortization of other intangibles	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9
Operating Expense ROA (bps)	15.8 bps	15.3 bps	15.3 bps	15.5 bps	16.0 bps	16.7 bps	17.5 bps	17.8 bps	18.2 bps
EBIT ROA (bps)	7.4 bps	7.1 bps	7.4 bps	8.0 bps	8.3 bps	8.5 bps	9.3 bps	10.1 bps	11.1 bps
Advisory revenue as a % of corporate advisory assets ⁽¹⁾	0.99%	0.99%	1.00%	1.00%	1.00%	1.01%	1.02%	1.02%	1.02%

Note: Totals may not foot due to rounding. All periods are based on the trailing twelve months.

(1) Represents advisory revenue as a percentage of Corporate Platform Advisory Assets for the trailing twelve-month period.