LPL Financial

LPL Financial Holdings Inc.
Q3 2024 Investor Presentation

October 30, 2024

Notice to Investors: Safe Harbor Statement

Statements in this presentation regarding LPL Financial Holdings Inc.'s (together with its subsidiaries, the "Company") future financial and operating results, growth, plans, priorities, business strategies, capabilities, and outlook, including forecasts and statements relating to the Company's future advisory and brokerage asset levels and mix, organic asset growth, market share, deposit betas, core G&A* expenses (including outlook for 2024) and expenses associated with the Company's strategic relationship with Prudential Financial, Inc. ("Prudential") and acquisition of Atria Wealth Solutions, Inc. ("Atria"), service offerings, operating margin, Gross Profit* benefits, EBITDA* benefits, target leverage ratio, client cash balances and yields, service and fee revenue, investments, acquisitions (including Liquidity & Succession transactions), capital returns, planned share repurchases, if any, the anticipated closing of pending transactions, and the amount and timing of the onboarding of acquired, recruited or transitioned brokerage and advisory assets, as well as any other statements that are not related to present facts or current conditions or that are not purely historical, constitute forward-looking statements. They reflect the Company's expectations and objectives as of October 30, 2024 and are not guarantees that the expectations or objectives expressed or implied will be achieved. The achievement of such expectations and objectives involves risks and uncertainties that may cause actual results, levels of activity or the timing of events to differ materially from those expressed or implied by forward-looking statements. Important factors that could cause or contribute to such differences include: the failure to satisfy the closing conditions applicable to the Company's pending transactions, including with Prudential; difficulties and delays in onboarding the assets of acquired or recruited advisors, including the receipt and timing of regulatory approvals that may be required; disruptions in the businesses of the Company that could make it more difficult to maintain relationships with advisors and their clients; the choice by clients of acquired or recruited advisors not to open brokerage and/or advisory accounts at the Company; changes in general economic and financial market conditions, including retail investor sentiment; changes in interest rates and fees payable by banks participating in the Company's client cash programs, including the Company's success in negotiating agreements with current or additional counterparties; the Company's strategy and success in managing client cash program fees; changes in the growth and profitability of the Company's fee-based offerings; fluctuations in the levels of advisory and brokerage assets, including net new assets, and the related impact on revenue; effects of competition in the financial services industry and the success of the Company in attracting and retaining financial advisors and institutions, and their ability to provide financial products and services effectively; whether the retail investors served by newly-recruited advisors choose to move their respective assets to new accounts at the Company; the effect of current, pending and future legislation, regulation and regulatory actions, including disciplinary actions imposed by federal and state regulators and self-regulatory organizations; the cost of defending, settling and remediating issues related to regulatory matters or legal proceedings, including civil monetary penalties or actual costs of reimbursing customers for losses in excess of our reserves or insurance; changes made to the Company's services and pricing, including in response to competitive developments and current, pending and future legislation, regulation and regulatory actions, and the effect that such changes may have on the Company's Gross Profit* streams and costs; execution of the Company's capital management plans, including its compliance with the terms of the Company's amended and restated credit agreement, the committed revolving credit facility and LPL Financial's committed revolving credit facility, and the indentures governing the Company's senior unsecured notes; strategic acquisitions and investments, including pursuant to the Company's liquidity and succession solution, and the effect that such acquisitions and investments may have on the Company's capital management plans and liquidity; the price, availability and trading volumes of shares of the Company's common stock, which will affect the timing and size of future share repurchases by the Company, if any; whether advisors affiliated with Prudential will transition registration to the Company and whether assets reported as serviced by such financial advisors will translate into assets of the Company; the failure to satisfy the closing conditions applicable to the strategic relationship agreement between the Company and Prudential, including regulatory approval; the execution of the Company's plans and its success in realizing the synergies, expense savings, service improvements or efficiencies expected to result from its investments, initiatives and acquisitions, expense plans and technology initiatives; the performance of third-party service providers to which business processes have been transitioned; the Company's ability to control operating risks, information technology systems risks, cybersecurity risks and sourcing risks; and the other factors set forth in the Company's most recent Annual Report on Form 10-K, as may be amended or updated in the Company's Quarterly Reports on Form 10-Q or other filings with the Securities and Exchange Commission. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after October 30, 2024 and you should not rely on statements contained herein as representing the Company's view as of any date subsequent October 30, 2024.

THIS PRESENTATION INCLUDES DATA AS OF SEPTEMBER 30, 2024, UNLESS OTHERWISE INDICATED

Notice to Investors: 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 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. **Specific Non-GAAP financial measures have been marked with an asterisk (*) within this presentation. Reconciliations and calculations of such measures can be found in the appendix of this presentation.**

Adjusted EPS is defined as adjusted net income, a non-GAAP measure defined as net income plus the after-tax impact of amortization of other intangibles, acquisition costs and certain regulatory charges, divided by the weighted average number of diluted shares outstanding for the applicable period. The Company presents adjusted net income and adjusted EPS because management believes that these metrics can provide investors with useful insight into the Company's core operating performance by excluding non-cash items, acquisition costs and certain regulatory charges that management does not believe impact the Company's ongoing operations. Adjusted net income and adjusted EPS 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 adjusted EPS, please see the appendix of this presentation.

Gross profit is calculated as total revenue less advisory and commission expense; brokerage, clearing and exchange expense; and market fluctuations on employee deferred compensation. 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 the appendix of this presentation.

Core G&A consists of total expense less the following expenses: advisory and commission; depreciation and amortization; interest expense on borrowings; brokerage, clearing and exchange; amortization of other intangibles; market fluctuations on employee deferred compensation; loss on extinguishment of debt; promotional (ongoing); employee share-based compensation; regulatory charges; and acquisition costs. 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 the Company's total expense to core G&A, please see the appendix of this presentation. 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 total expense to an outlook for core G&A 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. Adjusted EBITDA is defined as EBTIDA, a non-GAAP measure, plus acquisition costs and certain regulatory. The Company presents EBITDA and adjusted EBITDA because management believes that they can be useful financial metrics in understanding the Company's earnings from operations. EBITDA and adjusted EBITDA are not measures of the Company's financial performance under GAAP and should not be considered as alternatives to net income or any other performance measure derived in accordance with GAAP. For a reconciliation of net income to EBITDA and adjusted EBITDA, please see the appendix of this presentation.

Credit Agreement EBITDA is defined in, and calculated by management in accordance with, the Company's amended and restated credit agreement ("Credit Agreement") as "Consolidated EBITDA," which is consolidated net income (as defined in the Credit Agreement) plus interest expense on borrowings, provision for income taxes, depreciation and amortization, and amortization of other intangibles, and is further adjusted to exclude certain non-cash charges and other adjustments, and to include future expected cost savings, operating expense reductions or other synergies from certain transactions. The Company presents Credit Agreement EBITDA because management believes that it can be a useful financial metric in understanding the Company's debt capacity and covenant compliance under its Credit Agreement. Credit Agreement 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 net income to Credit Agreement EBITDA, please see the appendix of this presentation.

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LPL investment highlights

1. Industry leader in the advisor-mediated marketplace with scale and structural tailwinds
2. Horizontal expansion strategy with a goal of meeting all ~300,000† advisors where they are
3. Vertical integration strategy, with significant capacity to invest in capabilities that enhance the advisor value proposition and drive growth
4. Resilient business model with natural hedges to market volatility
5. Disciplined expense management, enabling operating leverage
6. Capital-light business model with flexible allocation framework

† 2023 Cerulli Broker-Dealer Marketplace

LPL overview

Who we are

- We serve the advisor-mediated marketplace as the largest independent broker-dealer in the U.S.† and a top custodian
- We provide advisors with the front-, middle- and back-office support they need to serve the large and growing market for comprehensive financial advice

#1 Independent Broker-Dealer
Financial Planning Magazine

Top RIA Custodian
Cerulli Associates

Fortune 500 Company

Who we serve

~23,700 Advisors

- Independent Advisors: ~13,800
- Independent RIA: ~6,200 (~580 firms)
- Institution Services: ~3,700 (~1,000 institutions)

~$1.6T Assets

- Advisor channel: ~$1,220B
- Institution channel: ~$370B

What we do

- **We serve advisors and institutions so they can...**
  - Help their clients achieve life's goals and dreams
  - Run thriving businesses
- **We deliver...**
  - Value-added capabilities that help advisors and institutions provide differentiated experiences for their clients
  - Personalized solutions from flexible and compelling affiliation models to services that help advisors and institutions run extraordinary businesses
  - Liquidity & Succession capabilities for advisors seeking to transition their business

Our mission and vision

Mission

We take care of our advisors and institutions so they can take care of their clients

Vision

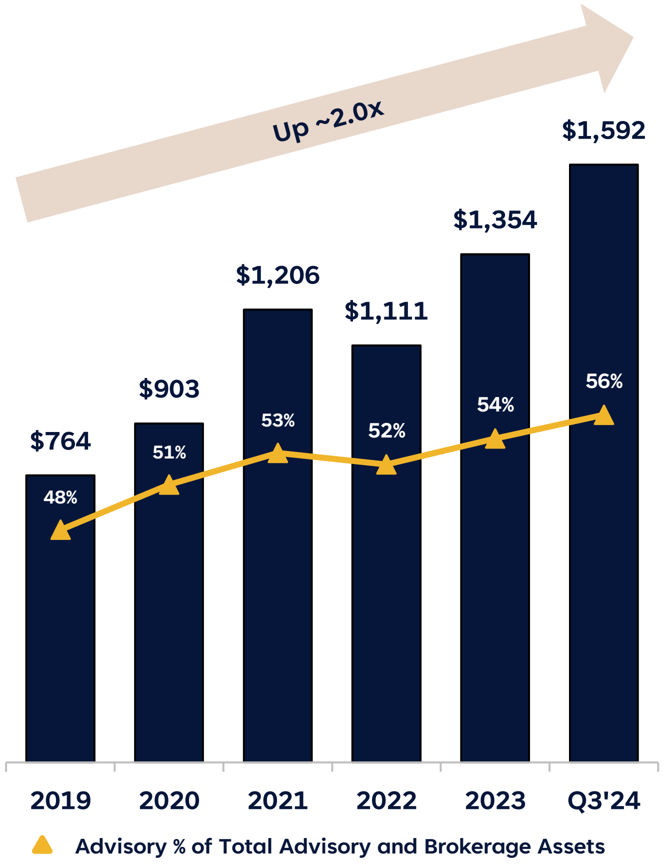
Become the leader across the advisor-mediated marketplace

† Based on total revenues

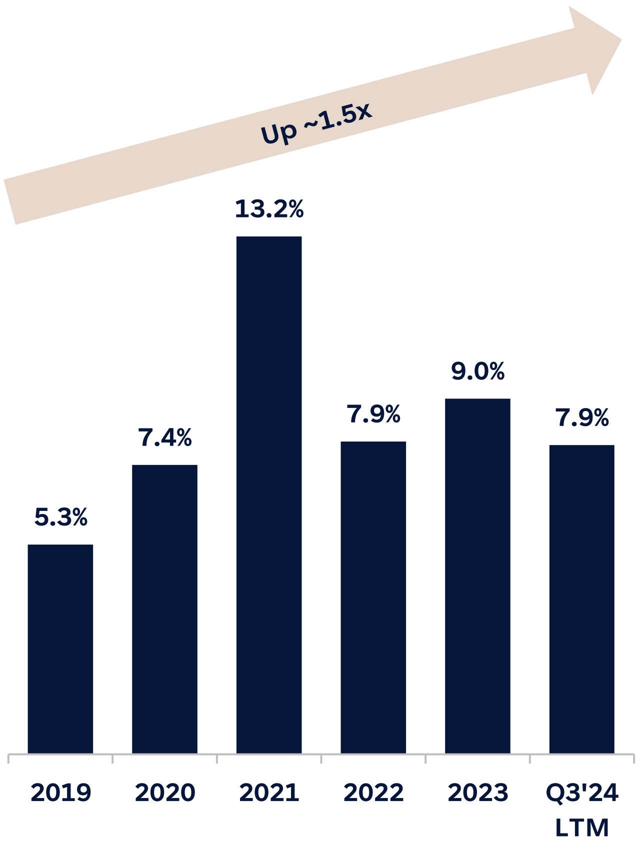
LPL by the numbers

Industry-leading scale

Total Advisory and Brokerage Assets ($B)
(end of period)



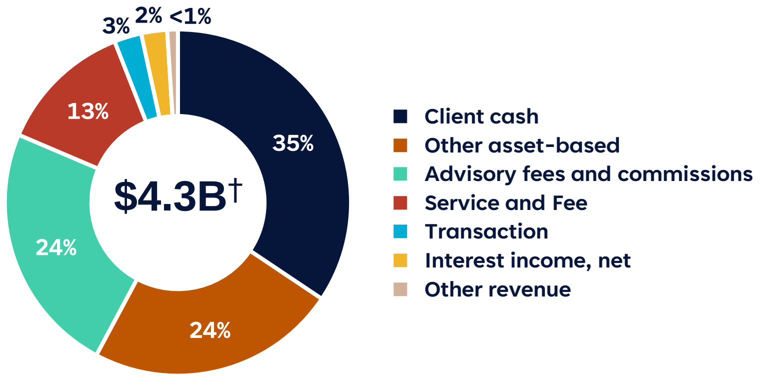
Total Organic Net New Assets "NNA" Annualized Growth(1)



Incl. dividends and interest, less advisory fees. Prior to Q4 2021, excludes the assets of Waddell & Reed.

Financial Highlights

Gross Profit* Contribution



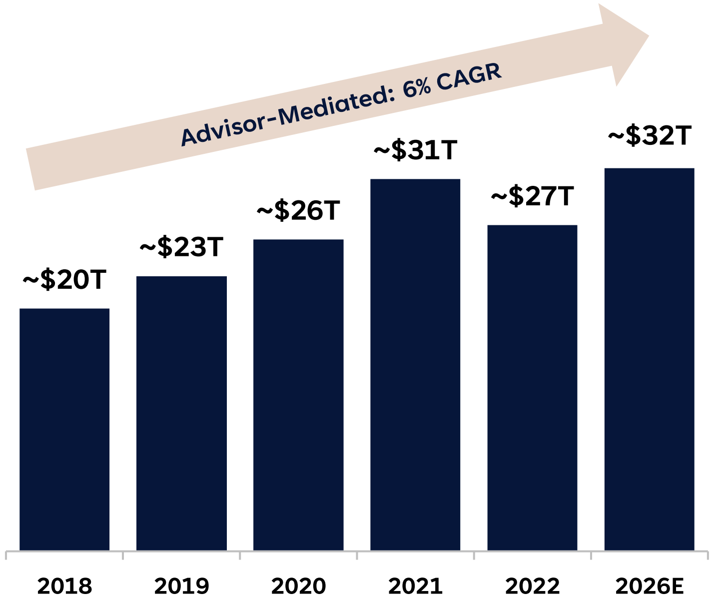
49%	Adjusted operating margin*(2)†
$15.76	Adjusted EPS*†
1.61x	Leverage ratio(3)‡

Note: Totals may not foot due to rounding
† Represents LTM results through September 30, 2024
‡ As of September 30, 2024

We are a market leader with scale advantages and structural tailwinds

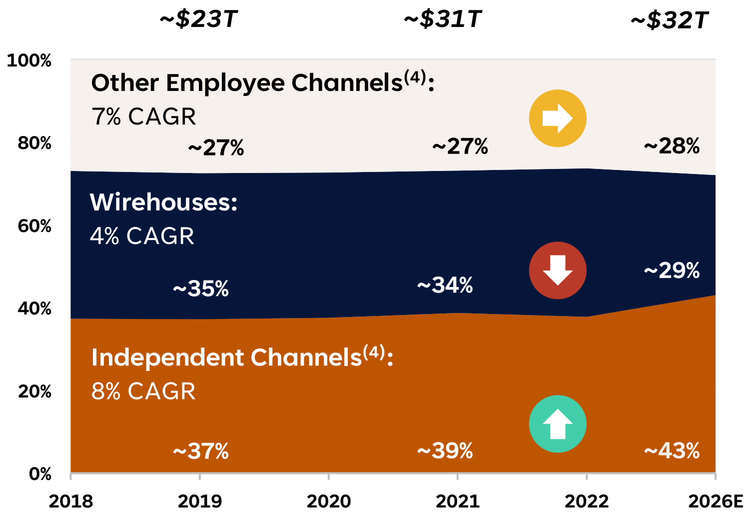
Growing demand for advice

Projected Growth in U.S. Retail Advisor-Mediated Market‡§

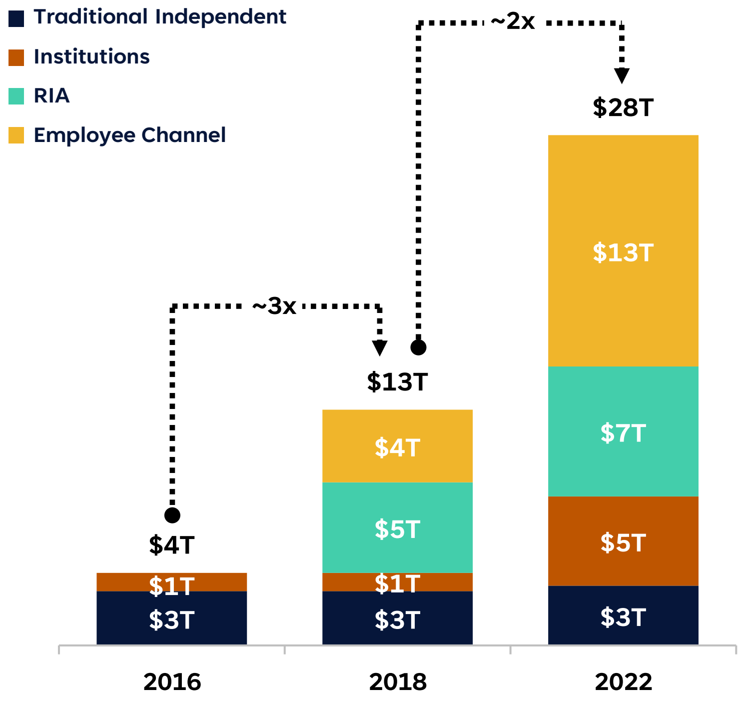


Independent channel gaining share

Total U.S. Retail Advisor-Mediated Assets†‡



Market leader, with expanded addressable markets‡§



Note: Totals may not foot due to rounding.

† 2023 Cerulli U.S. Retail and Institutional Asset Management Report and Cerulli Lodestar projections. Excludes self-directed market

‡ Estimated market sizing based on 2023 Cerulli reports. See endnote (5) for additional detail

§ Figures presented reflect total assets

We are providing value-added capabilities that drive our market expansion

Horizontal expansion strategy

Meet advisors and institutions where they are in the evolution of their business by providing flexible solutions to help them design the perfect offering for their clients

Expand the addressable market through multiple affiliation models, positioning LPL to serve all ~300,000† advisors in the advisor-mediated marketplace

Flexibility

Vertical integration strategy

Deliver advisors and institutions end-to-end solutions that are higher quality, better integrated, easier to use, and more cost-efficient

Provide value-added capabilities that empower advisors and institutions to:

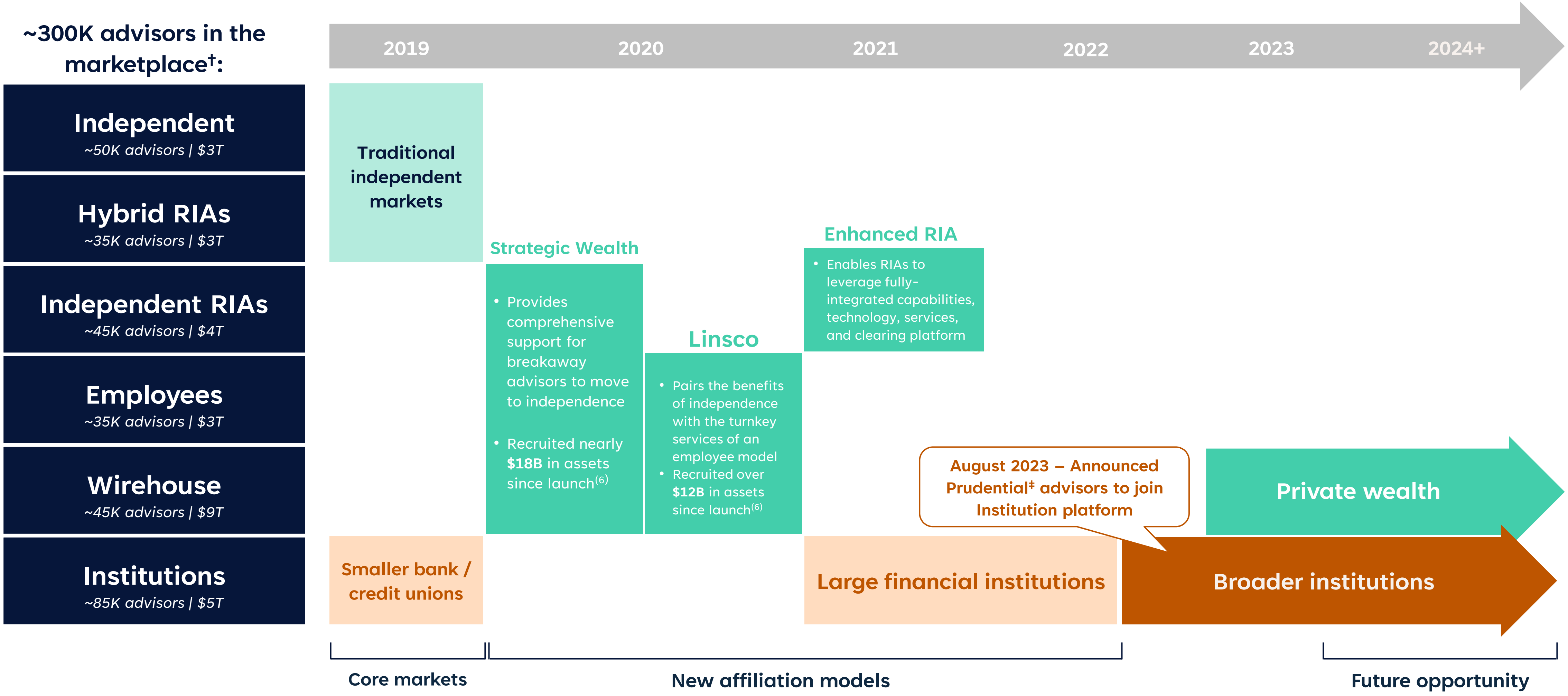
- Give great advice to differentiate & win
- Run high-performing businesses

Capabilities

Foundation: *Infrastructure that supports scalability, flexibility, and resiliency is core to our value proposition*

† 2023 Cerulli Broker-Dealer Marketplace

Our horizontal expansion strategy enables us to meet all ~300,000† advisors where they are



† 2023 Cerulli Broker-Dealer Marketplace
‡ Prudential Financial, Inc. ("Prudential")

We are a market leader in the independent advisor channels, with a growing opportunity in the employee channel

Growing advisor opportunity

- Initially, we served advisors in the independent market, where advisors own and operate their businesses
  - We expand our market leadership through continued enhancements to capabilities and competitive pricing
- By building on what we already do well, we've unlocked the ability to support a broader set of advisors: Strategic Wealth, Independent Employee and Enhanced RIA
  - To power these new models, we embedded a new layer of services that extends our vertical integration, while also enhancing the overall client experience
- This combination has expanded our opportunity to serve all segments of the advisor-mediated market

Value proposition

Flexible Models	• Traditional Independent Model • Strategic Wealth • Independent Employee • Enhanced RIA
Differentiated Economics	• Compelling ongoing economics • Transition assistance • Lower technology costs and fees
Complete Book Ownership	• Advisors have complete ownership of their practice
Value-added Capabilities	• Technology and operating platform • Integrated products and solutions • Compliance and risk management
Business Services	• Portfolio of services to help advisors run thriving businesses • Solve the most compelling problems facing advisors

Organic Net New Assets "NNA" has driven the majority of advisor asset growth

We provide a compelling value proposition for institutions to outsource their wealth business

Growing institution opportunity

- Initially, we focused on depository financial institutions as our primary opportunity for outsourced wealth management
- As we onboarded several financial institutions in recent years, we've built a number of new capabilities and continue to innovate based on learnings from those onboardings
- In doing so, we've exposed new opportunities to serve **broader institutions, expanding our addressable market from $1T to $5T**
- Prudential Advisors is a recent example of our opportunity with broader institutions, expanding our presence into the insurance broker-dealer market
- To capitalize on this opportunity, there are additional capabilities we are building
- Our value proposition resonates for institutions outsourcing for the first time or looking to upgrade their existing provider

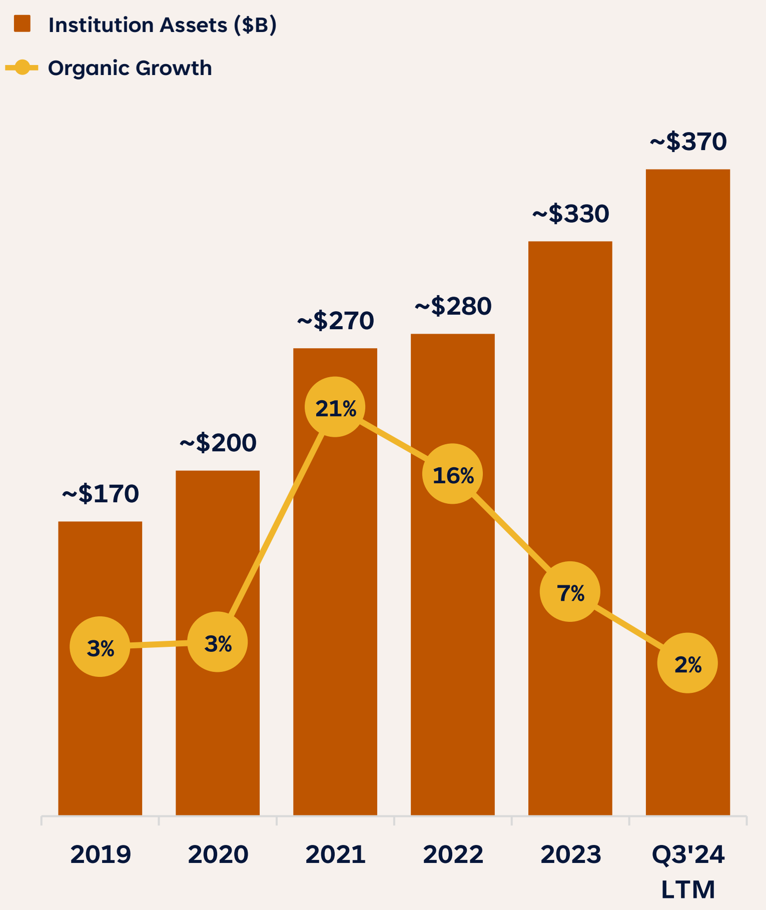
Value proposition

Accelerate Growth	• Enhanced client experience • Attract new advisors • Improved capacity to invest in the business
Reduce Cost and Risk	• **Operational efficiency and technology**: outsourced back- and middle-office support - Can lead to ~10 point improvement in operating margin† • **Regulatory and risk reduction**: transferred regulatory and compliance risk
Seamless Conversion Process	• Minimize business disruption through integration and operational support • Dedicated onboarding team with experience transitioning several large institutions to our platform

Institution economics

Attractive Margins	• Due to size and asset mix, Gross Profit* ROA for Large Institutions is typically ~15 bps+ • The lower ROA is factored into our TA underwriting process • Given our scale, there is also **lower cost to serve institutions** • Overall, new institution partnerships are **in-line with our broader margins**

Organic NNA has driven the majority of institution asset growth



Recent and pending institution joins

TruStage‡	People's United	Commerce Bank	Bank of the West	Prudential	Wintrust
Q2'22	Q3'22	Q3'23	Q3'23	Q4'24	Q1'25
~$27B of assets	~$4B of assets	~$4B of assets	~$7B of assets	~$60B of assets	~$16B of assets
~560 advisors	~40 advisors	~30 advisors	~90 advisors	~2,600 advisors	~85 advisors

† 2021 Kehrer Bielan Research & Consulting Report
‡ TruStage, formerly CUNA Mutual Group

We are extending our vertical integration by solving for the needs of advisors at every state of their practice

Life cycle of an advisor

Value-added partner across entire life cycle

Entry

Original focus

Move to independence

Support advisors with the transition to independence by providing them leading capabilities and services

Provide the **flexibility** to enter independence through a **differentiated affiliation model**

Advisor Institute

Provide training and curriculum to **help new advisors enter the industry**

Growth and expansion

LPL Services

Offer portfolio of services to drive growth

- e.g., Paraplanning, Marketing Solutions, M&A Solutions, etc.

Practice optimization

Affiliation models

Meet advisors where they are in the evolution of their practice

- Strategic Wealth
- Independent Employee
- Enhanced RIA

LPL Services

Offer portfolio of services to better support advisors

- e.g., Admin Solutions, Bookkeeping, CFO Solutions, etc.

Sunsetting and transition

Liquidity & Succession

- Enable advisors to **transition their business** without disruption
- Offer a **market-competitive liquidity event**
- Facilitate a **successful transition for all stakeholders**: current and succeeding advisors, their clients and their office staff

Opportunity to re-generate life cycle

Our operating platform delivers industry-leading flexibility and integrated workflows

Lead with choice and flexibility

- Promote optionality by integrating a broad array of third-party tools
- Design and deliver proprietary capabilities as needed

Guide advisors to best-fit solutions

- Leverage unique expertise to match advisors to the right capabilities
- Guide advisors and institutions to solutions optimized for cost

Streamline integrated workflows

- Make it easy for advisors to execute seamlessly across our ecosystem
- Provide access to practice management insights to drive advisor growth

ClientWorks for advisors

*Establishing an **integrated ecosystem of core capabilities, journeys, and deep connectivity with a curated set of third-party providers** so that our advisors can achieve scale and optimize their business management processes*

Digital client onboarding & servicing
- New account opening
- Money movement & account transfers
- Built-in CRM and third-party integration

Investment & model management
- Trading
- Model creation
- ClientWorks Rebalancer

Performance reporting
- Custom benchmarking
- Client-facing reports
- Personalized branding

Planning & proposal generation
- LPL Proposal Tool
- Client Goals (proprietary planning tool)
- Integration with third-parties

Practice insights
- Track asset flows
- AUM insights
- Advisor peer benchmarking

Compliance
- Manage state registrations
- Proactive advisory surveillance
- Correspondence review

AccountView for their end-clients

*Delivering a **digital end-client experience** with the flexibility for advisors and institutions to personalize on behalf of their clients, complementing their personal relationships*

Customization and branding
- Practice logo
- Office contacts
- Link to social media

Investment performance tracking
- Value over time
- Asset allocation
- Position performance

Self-service
- Self-enrollment
- ACH and check deposits
- Beneficiary management

Paperless documents
- Statements
- Trade confirmations
- Tax documents

Advisor collaboration
- Secure messaging
- Document sharing
- WealthVision integration

Our Services Group is an innovation engine and driver of organic growth…

Deepening our vertical integration

- Asset Management
- Clearing / Custody
- Technology, Service, Risk
- Investment / Advisory Trading and Performance Reporting
- Operating and Growing a Practice
- Client Engagement

Traditional Focus of LPL
(B/Ds, Custodians, TAMPs)

Focus of Services Portfolio

Helping advisors and institutions deliver on their value proposition

Be A Great Advisor
Comprehensive advice, prospect engagement

Run a Thriving Wealth Practice
Sales & Marketing, Client Service, Acquisition & Transition

Operate a Successful Business
Finance & Accounting, Compliance & Risk, Technology & Data

Driving Organic Growth

New Store Sales
- Enabling **$40B** in Recruited AUM[6] since launch
- Expanding our addressable markets by supporting new affiliation models
- Attracting new advisor and institution profiles

Same Store Sales
- **~2x** faster growth among users of our Services Group vs. those that don't
- Supporting advisors and institutions to acquire more new end-clients
- Giving advisors and institutions the tools to deepen relationships with existing clients

Retention
- **~1.5x** higher NPS scores among users of our Services Group vs. those that don't
- Increasing client asset retention
- More likely to recommend LPL

…and has grown to ~6,400 subscriptions, with broad adoption across our diverse services

Planning & Advice Services

- **Digital and employee-powered solutions** that help advisors and institutions expand the breadth and depth of their advice
- Helps advisors and institutions increase marketplace differentiation while limiting additional complexity and risk
- **Current Portfolio:** Paraplanning, Tax Planning, and High Net Worth Services
- **In Development:** Outsourced Chief Investment Officer

Business Services

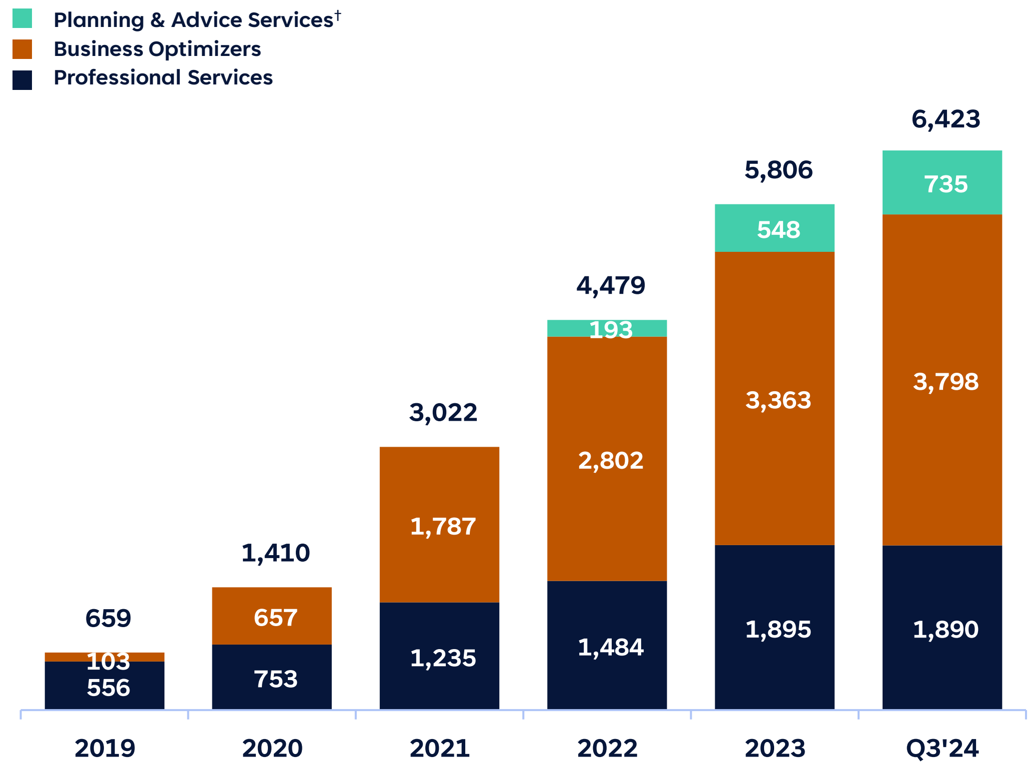
Business Optimizers

- **Digital and employee-powered solutions** that provide risk mitigation and business continuity services to support business operations and succession planning
- Lower revenue and lower cost since they **deliver digital capabilities**
- **Current Portfolio:** M&A Solutions, Digital Office, Resilience Plan and Assurance Plan

Professional Services

- **Digital and employee-powered solutions** that provide expertise to increase business-level growth and operational efficiency
- Higher revenue and higher cost due to **full support from an LPL team**
- **Current Portfolio**: CFO Solutions, Marketing Solutions, Admin Solutions, Advisor Institute, Bookkeeping, Partial Book Sales and CFO Essentials
- **Recently Launched:** Digital Marketing
- **In Development:** Payroll Services, HR Solutions, Brand Solutions

Services Group Subscriptions (end of period)



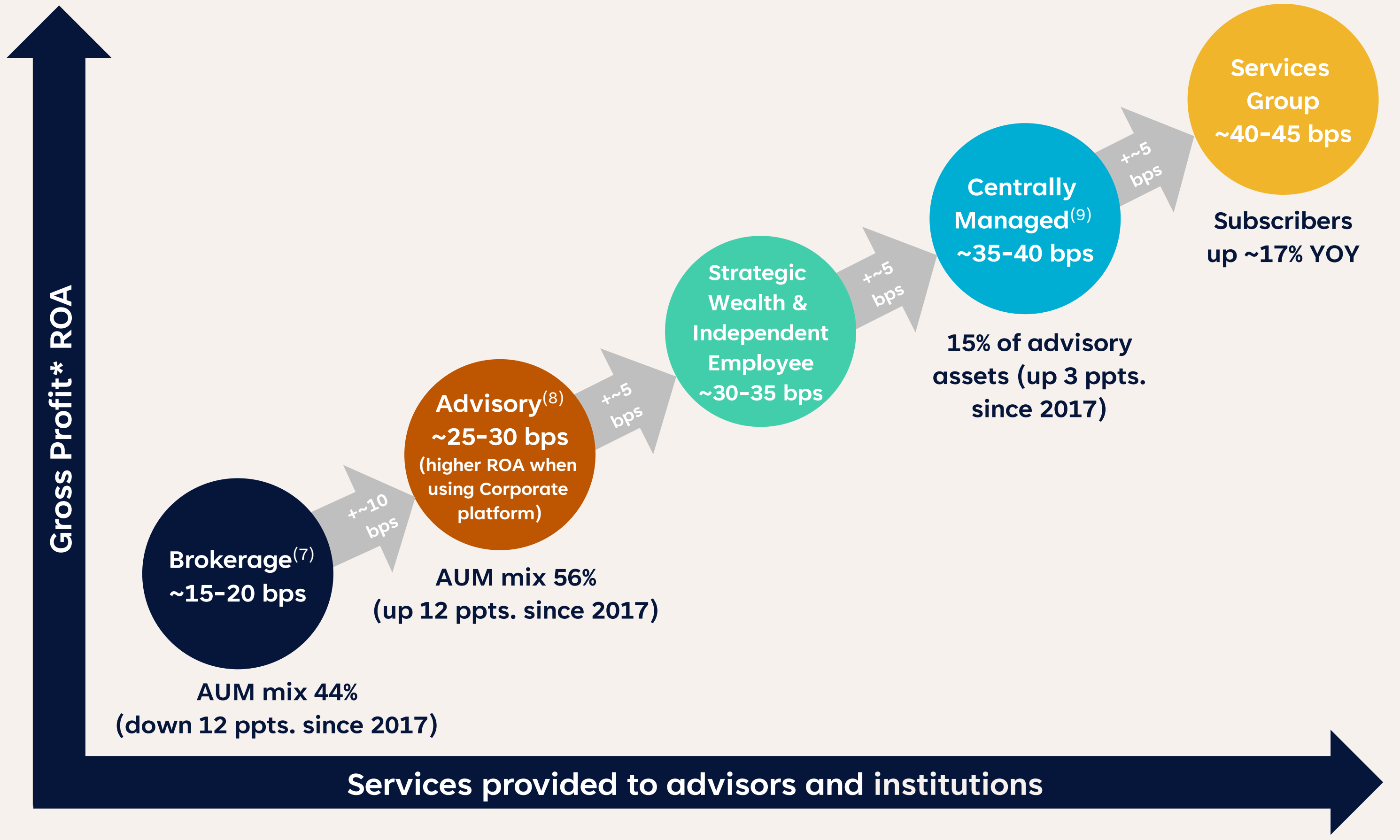
Services Group Advisor Count (end of period)

485	1,167	2,266	3,039	3,850	4,340

† Subscriptions are the number of advisors using the service

We provide a range of services to advisors and institutions, strengthening their business while enhancing our returns

We have seen a favorable mix shift in our platforms



Key points

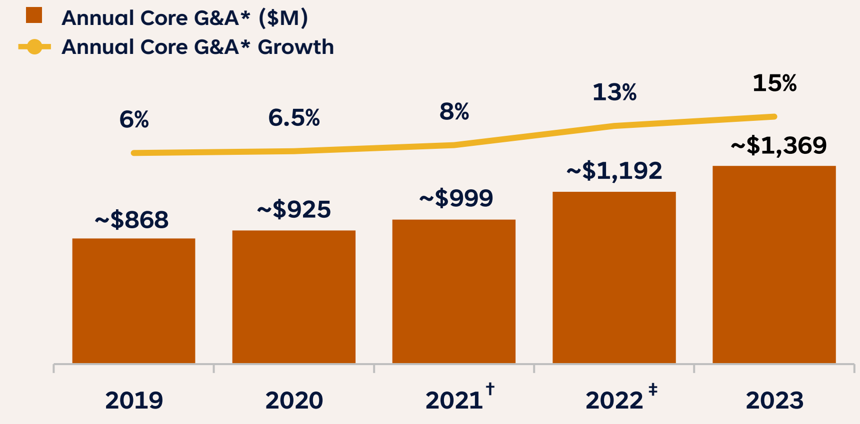
- **Brokerage:** Asset growth is driven by institutions, where asset mix is primarily brokerage
- **Advisory:** Assets are shifting from brokerage to advisory, as end-clients seek greater levels of support from advisors
  - Prior to institutions, we are shifting towards advisory at ~2%+ per year
  - Over 75% of new client flows are in advisory
- **New Models:** Strategic Wealth & Independent Employee models increase support for advisors and expand our addressable market
- **Centrally Managed:** Platforms can create additional value within advisory
  - Outsourcing portfolio design and management can free up advisors' time to serve clients and grow their business
- **Services Group:** Support advisors and institutions through an expanded set of offerings and a subscription model

We are advancing our capabilities to enhance our value proposition and drive growth

Investment areas of focus

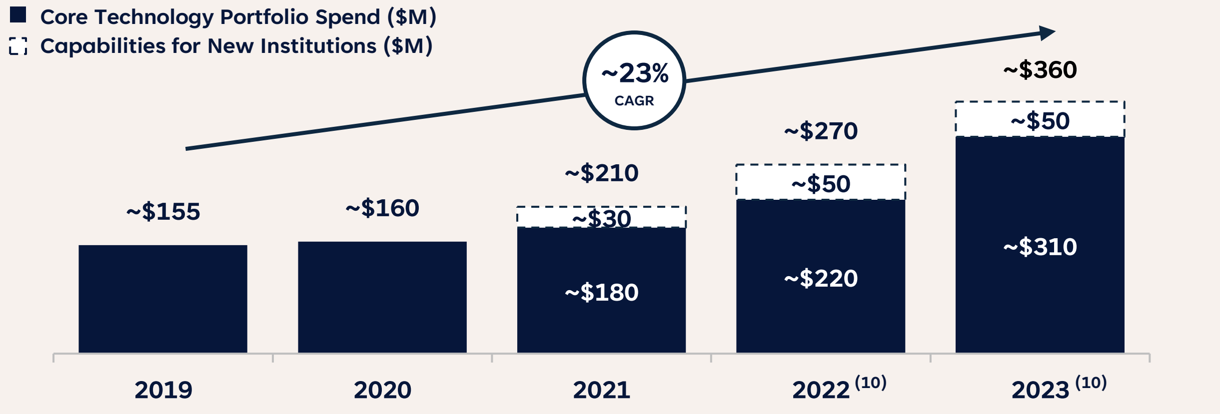
Accelerate Growth Initiatives	Invest in key growth initiatives to drive **market expansion** and **market share**
Enhance Advisor and Institution Experience	Invest in **key moments** of the advisor and institution experience to help them provide **great advice** and **run thriving businesses**
Expand Services Portfolio	Invest in **incubating, accelerating and launching** new services that address advisors' and institutions' most pressing needs
Strengthen Foundational Infrastructure	Invest in **people, technology and data** to strengthen our foundation and support our growth
Reduce Cost to Serve	Invest in **automation**, **digitization** and workflow **optimization** to drive operational efficiencies

We are making investments to drive organic growth...



In 2024, we continue to prioritize investments to drive organic growth, but given the evolving environment, and ongoing efficiency improvements, we expect Core G&A* growth to slow to +7.5% to +8.5%§

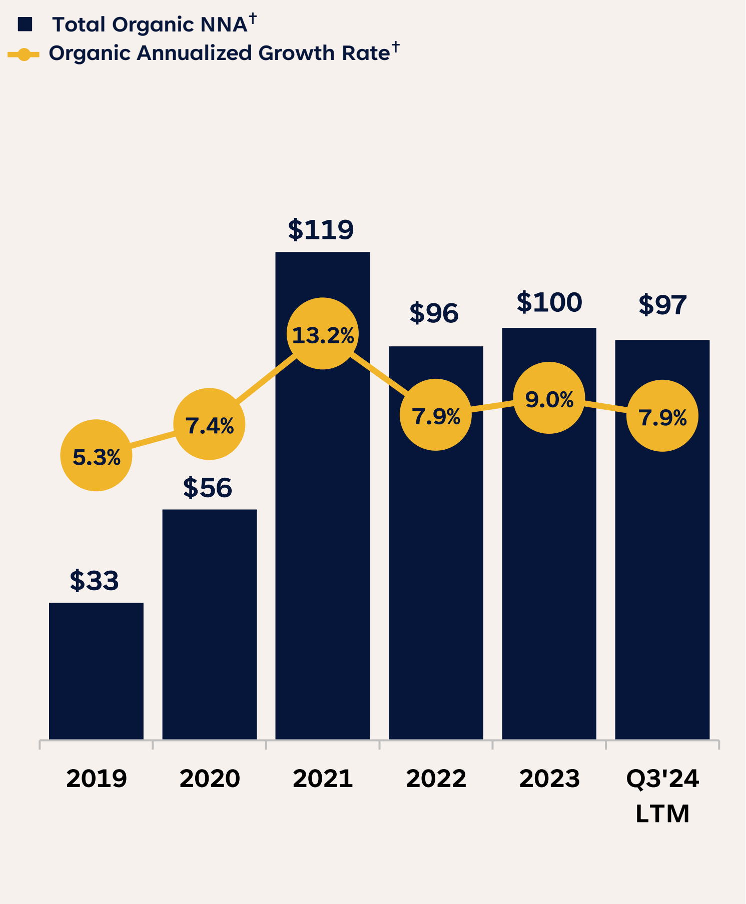
...with a focus on Technology



† Prior to Waddell & Reed
‡ 2022 Core G&A* growth is based on the Company's total 2021 Core G&A*
§ Prior to Prudential and Atria

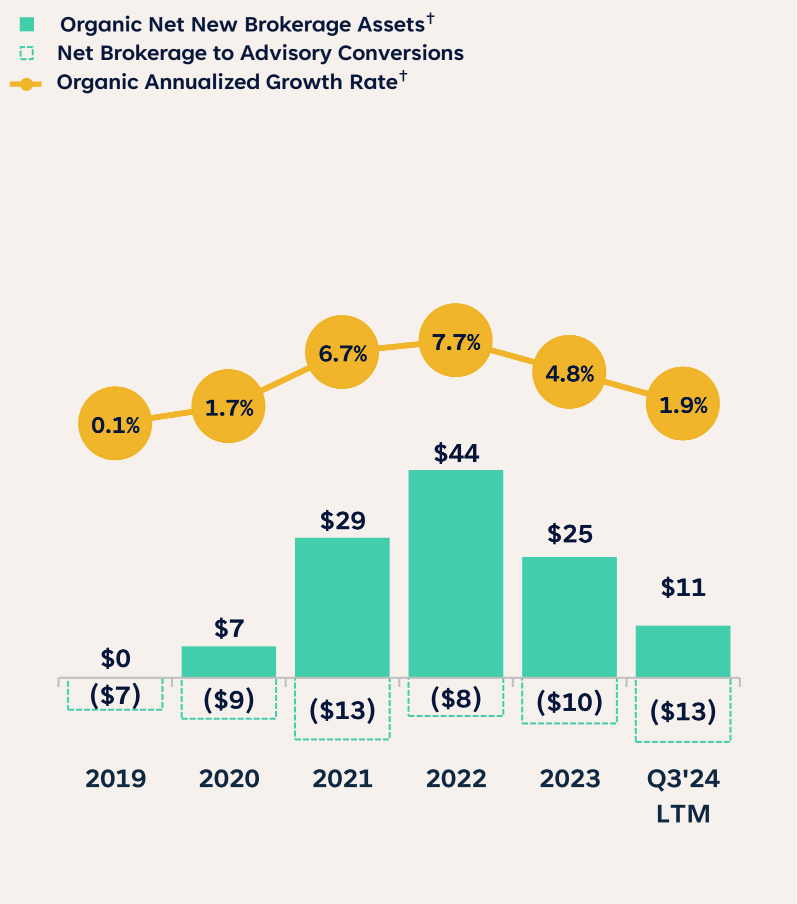
We continued to drive solid organic growth with a net new asset growth rate of ~8% over the past year

Total Organic Net New Assets(11)(12) ($B)



Organic Net New Advisory Assets(13) ($B)

Organic Net New Brokerage Assets(13) ($B)



† Prior to Q4 2021, net new assets and net new assets growth rates exclude the assets of Waddell & Reed

We benefit from rising market levels and interest rates, and our business model has natural hedges to market volatility

Annual Gross Profit* Impact

Macro benefits

Market Levels (S&P 500)

Rising market levels drive growth in assets and related revenues including advisory fees, trailing commissions and sponsor revenues

~$15M(14)
Per 1% change in market levels

Interest Rates

Rising interest rates benefit our client cash yields

~$35M(15)
Per 25 bps change in short-term rates

Natural offsets to market declines

Cash Sweep Balance

Increased risk and volatility in the market drives higher cash sweep balances

As equity markets declined in 1H 2022, cash balances increased by ~$13B, which translates to a **~$550M benefit annually**(16)

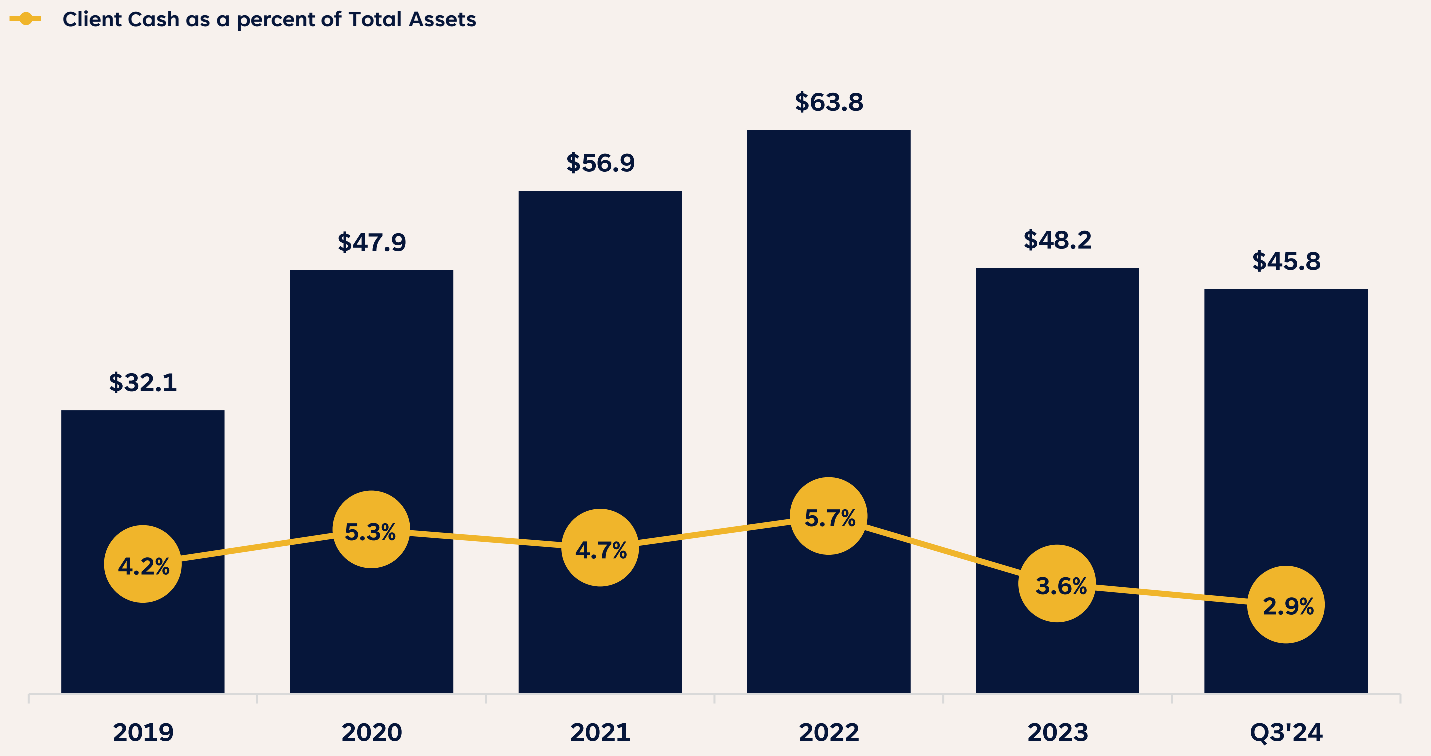
Transaction Volume

Increased risk and volatility in the market drives additional portfolio rebalancing activity and higher transaction volumes

Transaction revenue increased **~$7M** sequentially in Q1 2022

Our client cash balances are largely operational and as a percent of client assets, have been stable across rate cycles

Client Cash Balances[17] (end of period, $B)



Fed Funds target (EOP, lower limit in bps):

150	0	0	425	525	475

We generate economics on client cash through a third-party bank network

- By establishing sweep relationships across our Insured Cash Account "ICA" and "DCA" programs, we can leverage the balance sheets of our third-party bank partners
- We do this through a combination of fixed and floating rate deposit agreements

Client cash as a % of assets has averaged ~5%†

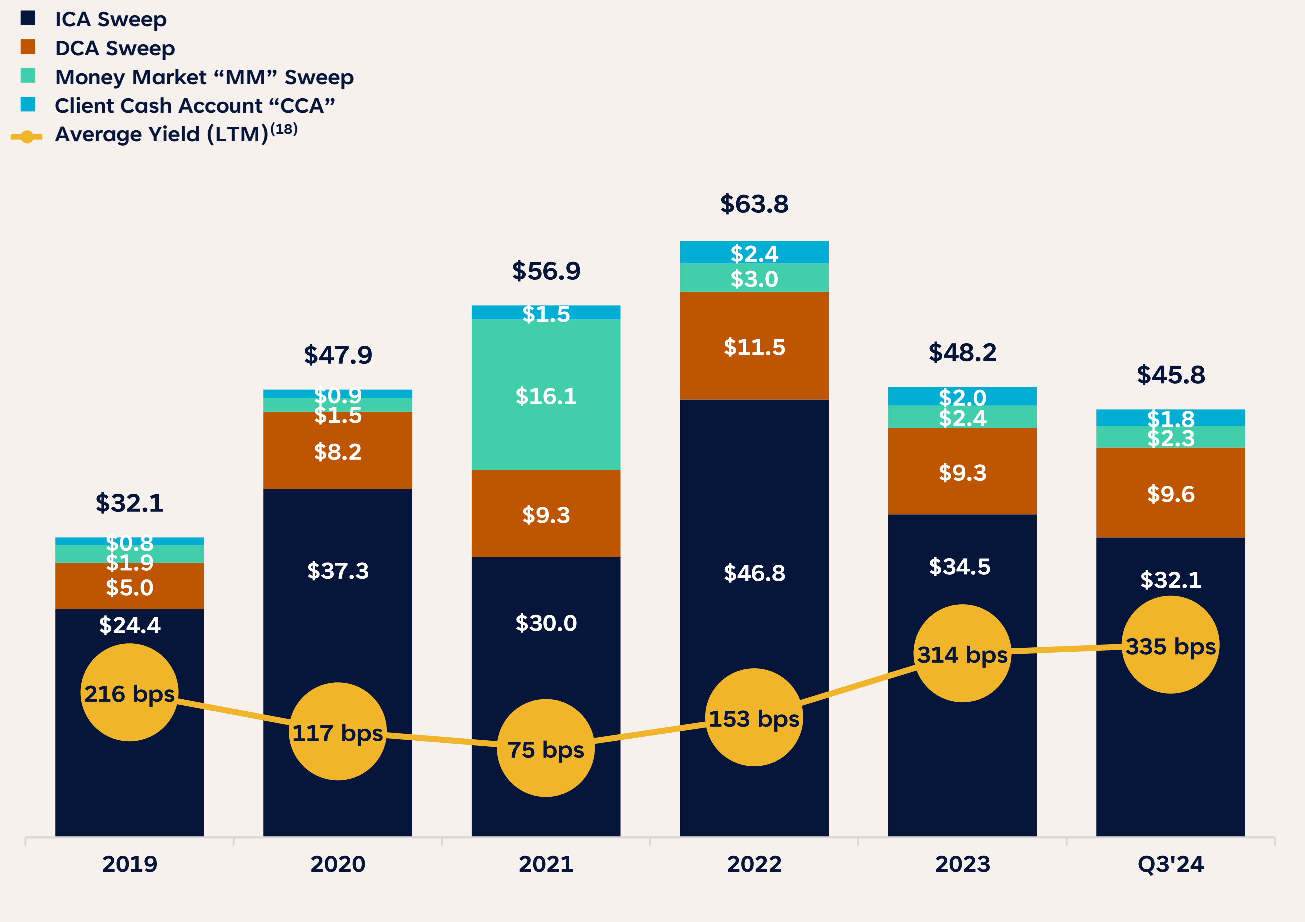
- Our client cash balances are largely operational
  - Typically small balances used for rebalancing, paying advisory fees and customer withdrawals
  - This is reflected in the low client cash balances, which average ~5% or ~$7K per account
- We believe the primary factor that moves that % of client cash up or down is market sentiment rather than rate seeking behavior
  - When clients are fully deployed in the markets, the ratio has gone as low as ~3%
- In Q3 2024, cash was 2.9% of client assets
  - Cash balances increased in the quarter, driven by organic growth

Note: Totals may not foot due to rounding

† Since the start of the previous interest rate cycle in Q4'16

We generate compelling economics on client cash balances

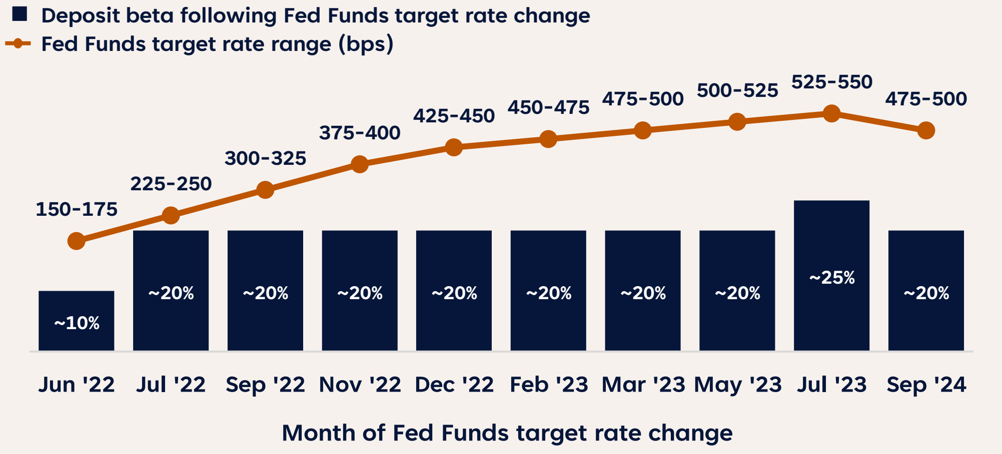
Client Cash Balances[17] (end of period, $B)



Interest Rate Impact

- Since Q1 2022, as the Fed increased interest rates, our deposit beta averaged ~15%
  - Deposit betas averaged ~2.5% over the first 4 hikes, and ~20% on subsequent hikes, including a peak of ~25% on the final hike
- In Q3 2024, following the first 50 bps cut, our deposit beta was ~20%
- Applying historical deposit betas to our current cash balances would yield:
  - ~$35M of Annual Gross Profit* per subsequent 25 bps rate adjustment, at a ~20% deposit beta

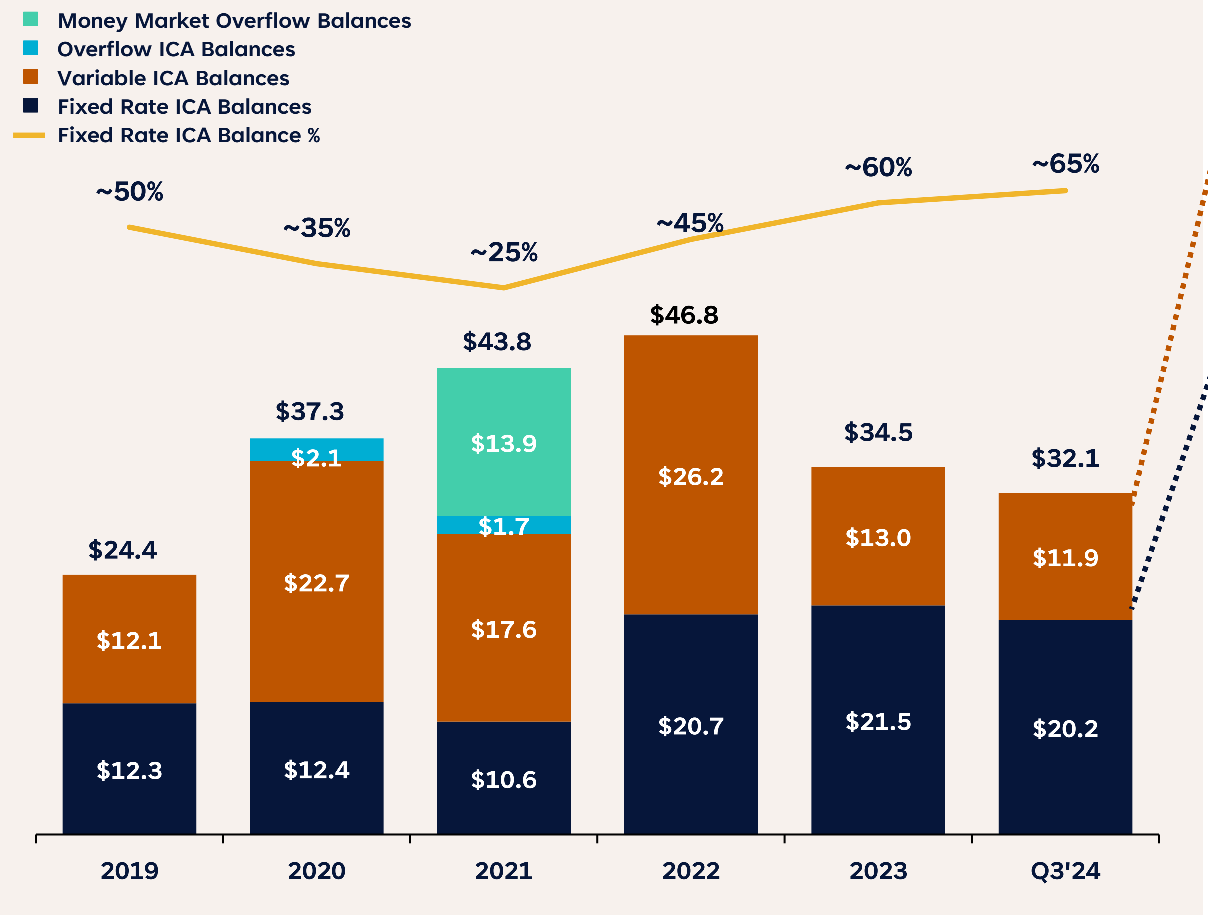
Deposit betas on recent Fed Funds rate changes



Note: Totals may not foot due to rounding

Fixed rate balances make up ~65% of the ICA portfolio, reducing our sensitivity to movement in short-term interest rates

ICA Balances, including Overflow (end of period, $B)

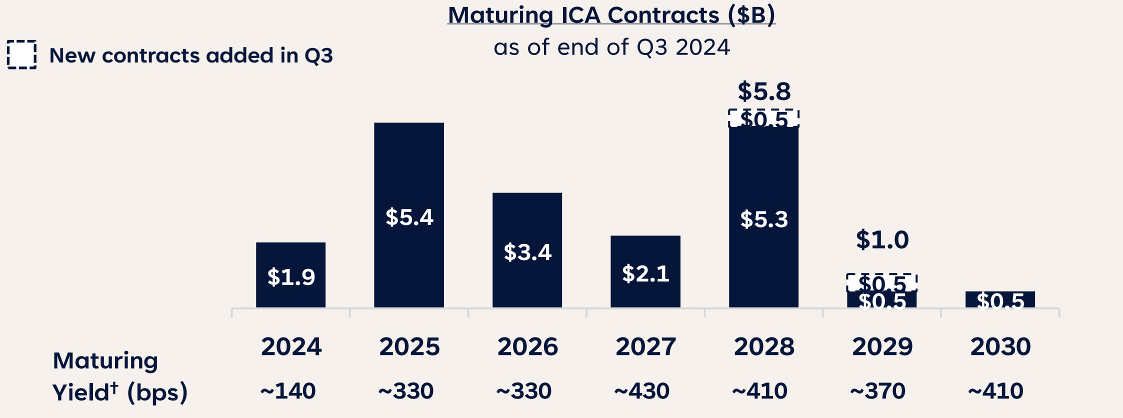


Variable balances are primarily indexed to Fed Funds

- Our variable ICA balances increased in Q3’24, driven by organic growth
- Most variable balances are indexed to Fed Funds + a spread (~10 to ~15 bps)
- Currently, new variable contracts are averaging Fed Funds plus 20 to 30 bps

Fixed rate ICA balances are ~65% of the ICA portfolio

- Management target range for the ICA portfolio is 50-75% fixed rate contracts
- In Q3’24, there were $2.0B of fixed rate balances that matured. We renewed $1.0B into new fixed rate contacts at ~335 bps



† *Weighted average yield across ladder is ~350 bps*

Note: Yields shown on this page are prior to client deposit rates (~83 bps) and administrator fees (~4 bps). Money market sweep balances are not subject to these costs. Given improved bank deposit demand and the launch of CCA, we no longer have any money market overflow balances

We remain focused on investing to drive organic growth while delivering long-term operating leverage in our core business

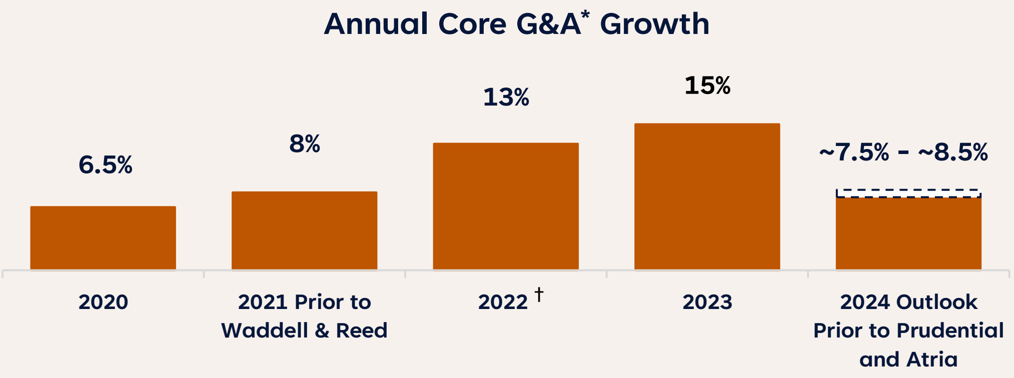
Long-term cost strategy

- Deliver operating leverage in core business
- Prioritize investments that drive additional growth
- Drive productivity and efficiency
- Adapt cost trajectory as environment evolves

2024 Core G&A* Context

- Our initial 2024 Core G&A* plans were for ~6.25% to ~8.75% year-over-year growth or $1,455M to $1,490M prior to Prudential and Atria
- While there are variable costs associated with supporting our strong levels of organic growth, given our ongoing focus on efficiency, we are tightening our 2024 Core G&A* outlook to a range of $1,475 million to $1,485 million
- Additionally, now that we have closed our acquisition of Atria, and expect to onboard Prudential by the end of the year, we are including those costs in our overall Core G&A* outlook. We expect Prudential and Atria to add $35 million to $40 million of Core G&A* in 2024
- As a result, our new Core G&A* outlook range is $1,510 million to $1,525 million

Recent expense trajectory, prior to acquisitions



Core G&A* outlook

2024 Outlook Prior to Prudential and Atria	**$1,475M to $1,485M**
Prudential and Atria	**$35M to $40M**
2024 Outlook Including Prudential and Atria	**$1,510M to $1,525M**

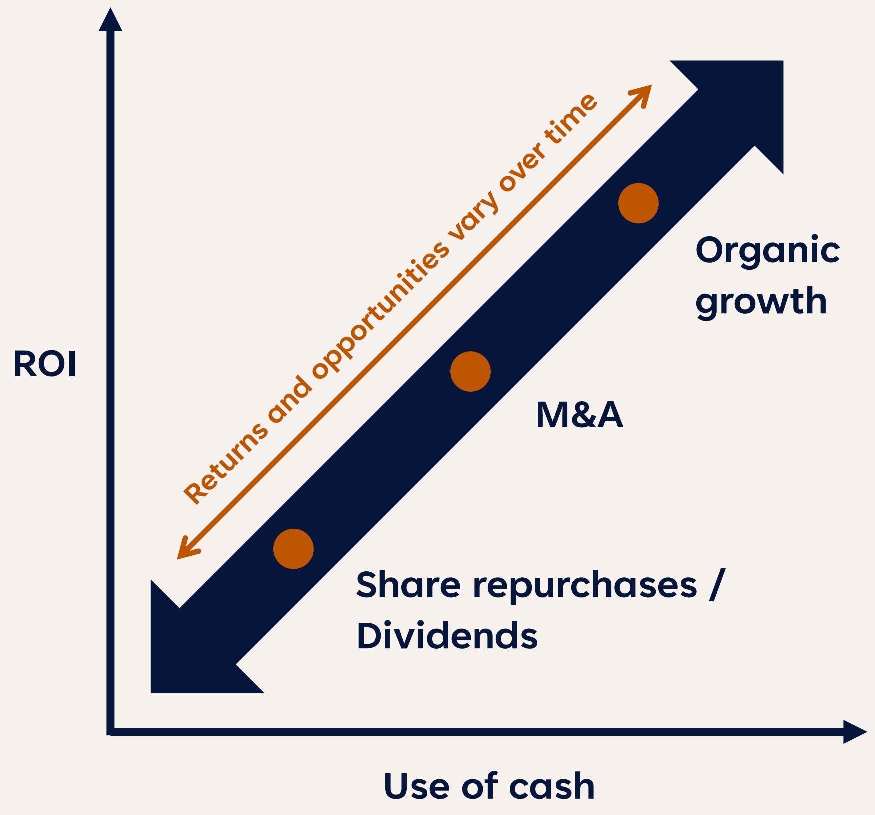
† 2022 Core G&A* growth is based on the Company's total 2021 Core G&A*

Our capital management strategy is focused on driving growth and maximizing shareholder value

Our capital management principles

- **Disciplined capital management to drive long-term shareholder value**
- **Maintain a strong and flexible balance sheet**
  - Flexible debt structure to support capital allocation
- **Prioritize investments to support and drive organic growth**
  - Recruiting to drive net new assets
  - Capital to support advisor and institution growth and advisor M&A
  - Investments in capabilities to attract new assets, advisors and institutions
- **Capitalize on opportunistic M&A**
  - Remain prepared for attractive opportunities
  - Facilitate advisor monetization and transitions through Liquidity & Succession solutions
- **Return excess capital to shareholders**
  - Share repurchases
  - Dividends

Dynamic capital allocation framework

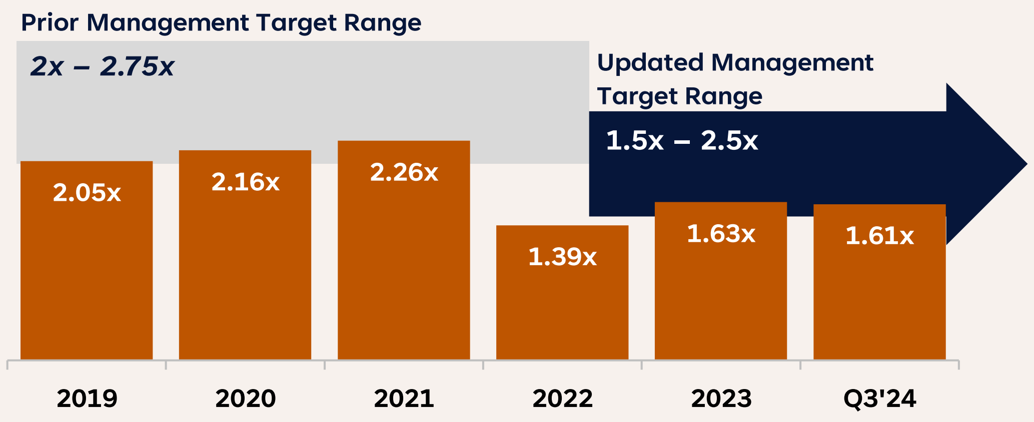


Maintaining a strong balance sheet is critical to our strategy and a key consideration for advisors and institutions

Balance Sheet Principles

- Maintain a strong balance sheet that can absorb market volatility while having the capacity to invest for growth
- **A long-term target leverage ratio[3] range of 1.5x to 2.5x** positions our balance sheet well over a range of economic cycles and strikes the right balance between preserving balance sheet strength and investing for growth
  - In order to do so, we plan to periodically incur debt when necessary, utilizing our parent revolver for near-term needs, replacing with long-term debt as conditions warrant
- We are willing to operate temporarily above or below our target range if conditions warrant
- At the top end of our target leverage range, we have the capacity to deploy up to ~$3.6B[19] of additional capital
- We maintain a management target of $200 million in Corporate Cash[20][21]

Leverage Ratio[3]



Credit Ratings†

- Maintaining a strong balance sheet is critical to our strategy and a key consideration for advisors
- We are committed to maintaining our investment grade rating and continuing to improve our positioning

Moody's **Baa3 | Stable‡**

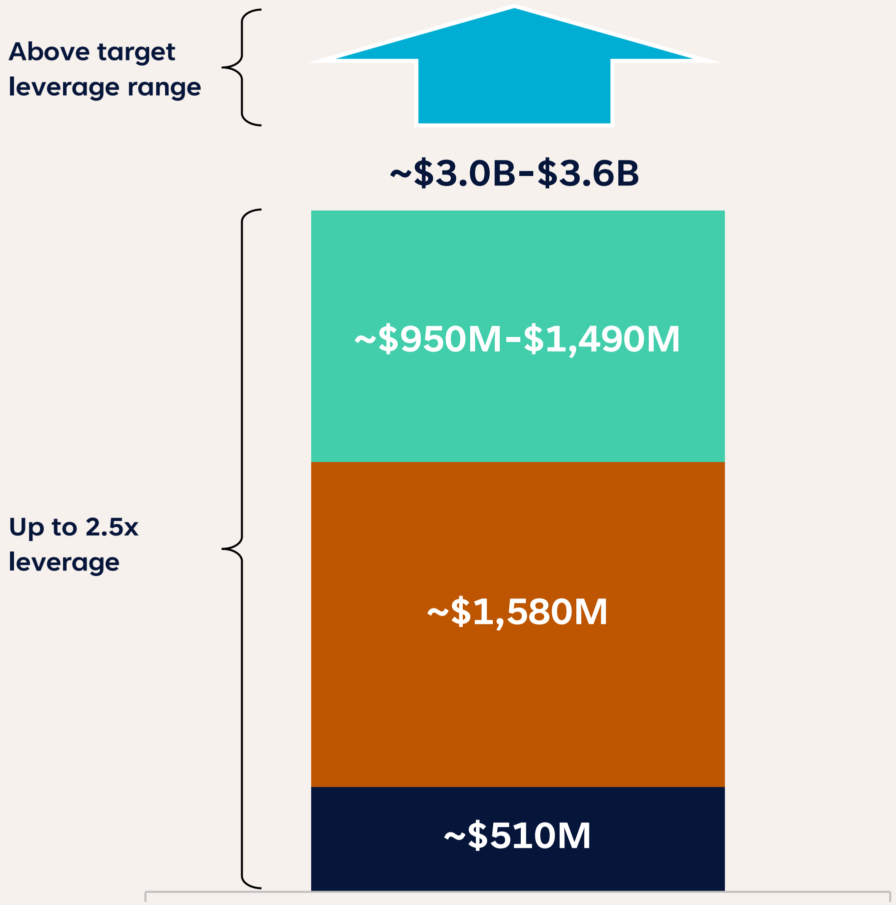
S&P Global Ratings **BBB- | Stable‡**

† Represents Moody's senior secured and senior unsecured credit ratings and S&P Issuer Credit Rating. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at anytime.

‡ The senior unsecured rating of LPL Holdings, Inc. was upgraded to investment grade (Baa3) on November 14, 2022 by Moody's; upgraded to investment grade (BBB-) on April 5, 2023 by S&P

We have significant capital deployment capacity…

Capital Deployment Capacity



Capital Deployment Capacity Estimate as of Q3 2024

4 Potential M&A capacity above our target range
Willing to temporarily go above our target leverage range for attractive M&A opportunities

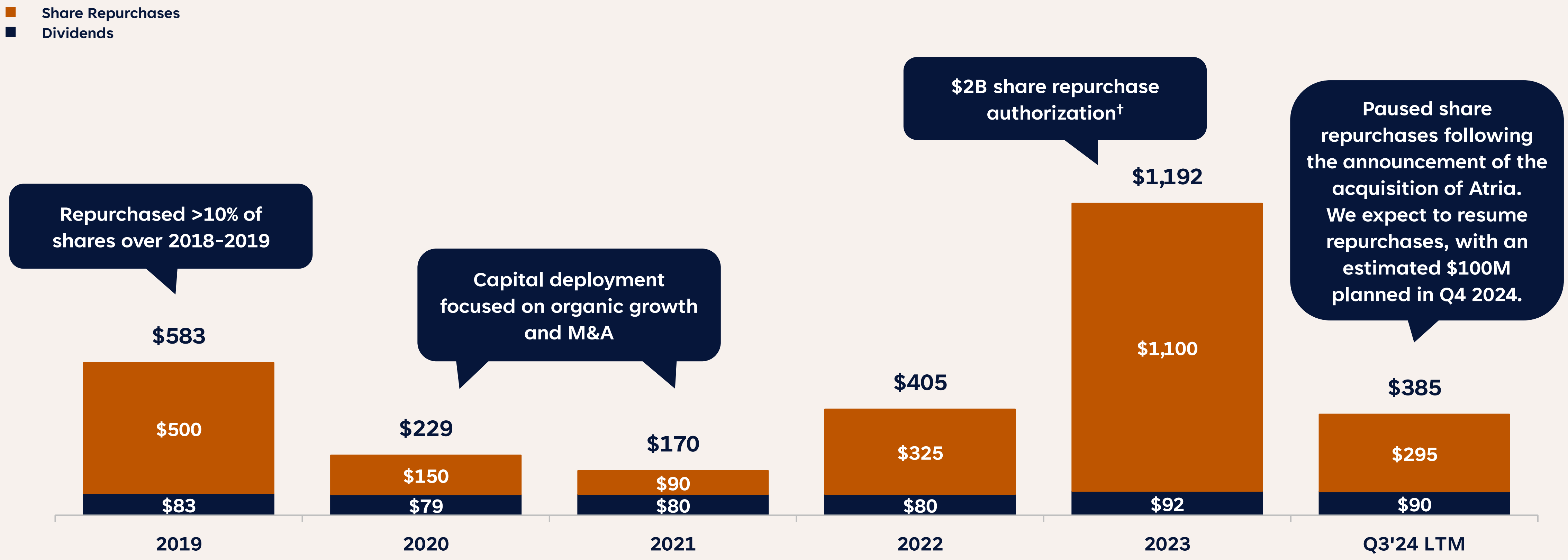
3 Incremental M&A leverage capacity within our target range
Incremental capital accessible if all other capacity were deployed for M&A at a 6-8x purchase multiple[22]

2 Additional leverage capacity
Capital available to deploy up to 2.5x leverage

1 Discretionary cash
Corporate cash available to use above ~$200M management target as of Q3 2024

…And we have continued to return capital to shareholders

Share Repurchases and Dividends ($M)

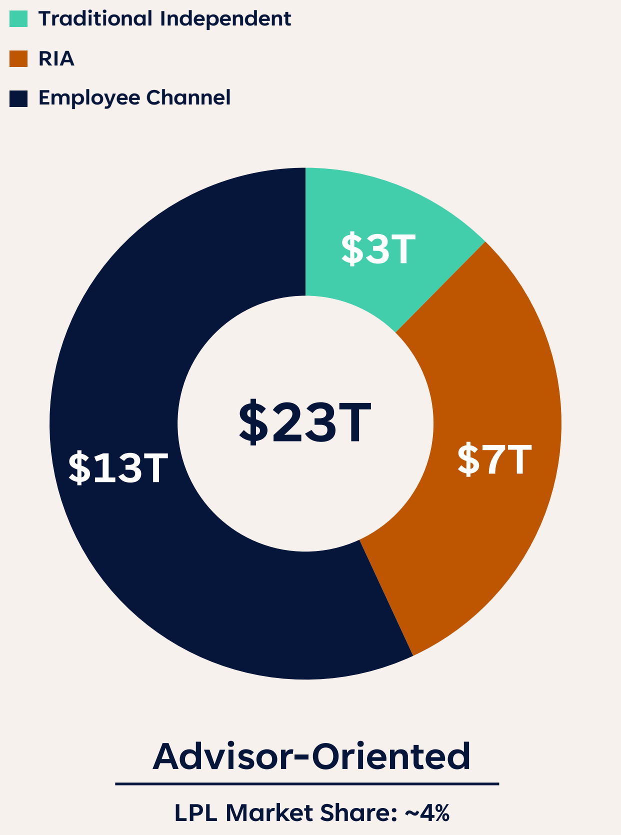


	2019	2020	2021	2022	2023	Q3'24 LTM
Average Diluted Share Count (M):	84.6	80.7	81.7	81.3	77.9	75.7

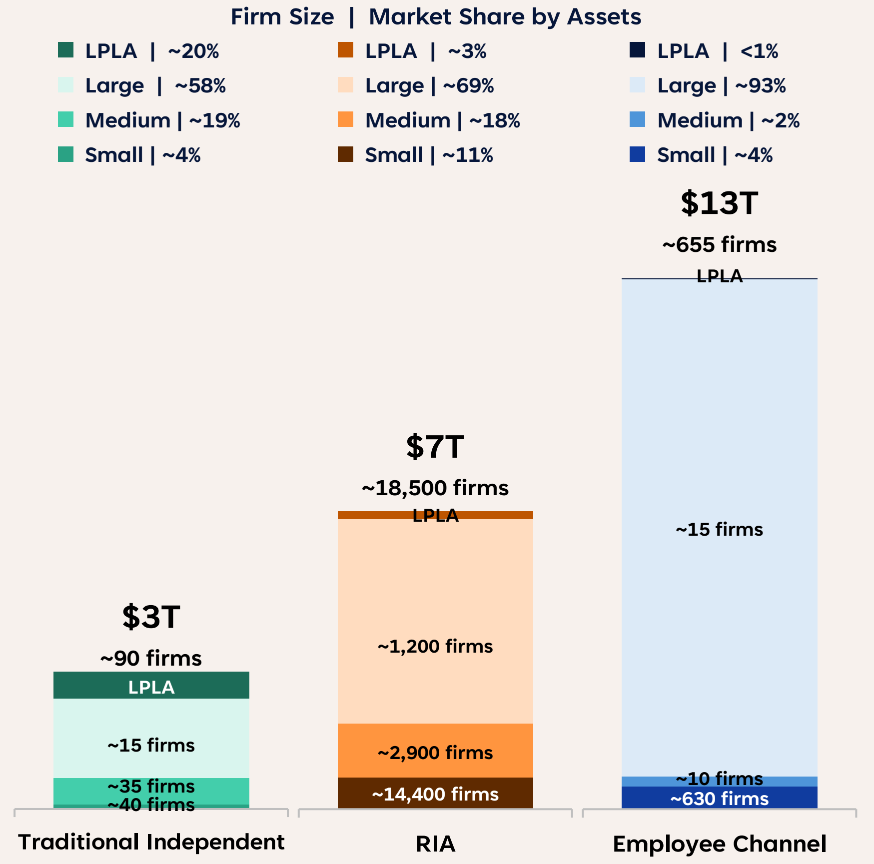
† Increased share repurchase authorization by $2.0B as of 09/21/2022, which we started to utilize in 2023

We see potential for consolidation given fragmented markets

Addressable markets for advisor channel†



Highly fragmented markets create opportunity for additional consolidation†



Growth potential from consolidation

- Our scale, capabilities and economics give us **competitive advantages in M&A** in independent markets and employee channels
- The **independent markets are fragmented** with consolidation opportunities
- Rising cost and complexity is making it **harder for smaller players** to compete
- **We believe consolidation can drive value** by adding scale, increasing our capacity to invest in capabilities, and creating shareholder value

Note: Totals may not foot due to rounding.

† Estimated market sizing based on 2023 Cerulli reports. See endnote (5) for additional detail

‡ Traditional Independent and Employee Channel sizing: Small (<$10B); Medium ($10B - <$50B); Large (>$50B)

§ RIA sizing: Small (<$250M); Medium ($250M - <$1B); Large (>$1B)

Recent acquisitions† have added scale in our traditional markets, accelerated our expansion into new markets, and added new capabilities

Traditional Markets				New Markets	Capabilities
The Investment Center, Inc.	ATRIA Wealth Solutions	Crown Capital Securities, L.P.	Financial Resources Group Investment Services	Boenning & Scattergood Established 1914	BlazePortfolio
2024‡	2024§	2023††	2023	2023	2020
~$9B of assets / ~240 advisors	~$110B of assets / ~2,200 advisors	~$5B of assets / ~125 advisors	~$40B of assets / ~800 advisors	~$4B of assets / ~30 advisors	~$12M purchase price
Leading independent broker-dealer	*Leading provider of wealth management solutions for advisors and institutions*	*Leading California practice*	*Leading provider of managed programs for financial institutions*	*Leading Pennsylvania practice, affiliated under employee model*	*Advanced trading and rebalancing capabilities*

Traditional Markets				New Markets	Capabilities
Waddell & Reed Financial, Inc.	Lucia Securities	E.K. Riley Investments, LLC	National Planning Holdings, Inc.	Allen & Company Est. 1932	AdvisoryWorld Financial Technology
2021	2020	2020	2017	2019	2018
~$74B of assets / ~900 advisors	~$1.5B of assets / ~20 advisors	~$2B of assets / ~30 advisors	~$70B of assets / ~1,900 advisors	~$3B of assets / ~30 advisors	~$28M purchase price
Large independent broker-dealer network	*Leading San Diego practice*	*Leading Seattle practice*	*Large independent broker-dealer network*	*Leading Florida practice, affiliated under employee model*	*Proposal generation tools*

† Includes both closed and pending acquisitions
‡ Expected to close in the first half of 2025
§ Closed in October 2024. Assets and Advisors as of 9/30/2024, assuming 100% retention.
†† Closed in April 2024

We're delivering liquidity and succession capabilities for advisors seeking to transition

Background: Solving a need in the marketplace

- **~1/3** of advisors are expected to retire or leave the industry over the next decade – representing **$8.5T** of AUM†
- Historically, advisors' options were limited:
  - Sell to a larger aggregator that may pay an enhanced price, but take control from the advisor
  - Transact with a local advisor, but often at a below-market price

Our response: Liquidity & Succession solutions

LPL can buy practices from advisors seeking a pathway to retirement, looking to free themselves from entrepreneurial burdens, and / or looking for monetization

✓ **Economics** – Allows advisor to monetize their business through a market-competitive transaction

✓ **Support** – Empowers advisors through a fully dedicated support model, allowing advisors to rededicate their time and energy to client service

✓ **Transition** – Transitions ownership of the business to successor advisors over time

Direct acquisition lifecycle example

Advisor looking to sunset over 2-5 years
- Practice in slower-growth mode; risk of sale away from LPL

LPL buys advisor's practice
- Advisor onboarded to employee channel

LPL oversees the practice
- LPL supports advisor with industry-leading capabilities and a transition glidepath to succeeding advisor
- Practice positioned for improved growth within LPL

LPL supports the transition to a succeeding advisor
- LPL trains and fosters the succeeding advisor – positioning them to run a great practice, leveraging the best of LPL
- Succeeding advisor(s) assume(s) oversight of practice, with ~10-year path to full control of asset

Succeeding advisor takes over practice
- LPL support of practice extended for ~20 years

Cycle continues

Building foothold in marketplace with strong initial returns

- Enhancing strategic value – by training successor advisors, **deepening the connection with LPL** – and reorienting the practice towards growth
- To date, we have deployed approximately **~$500 million** of capital to close **39 deals**
  - We have a pipeline of three additional deals expected to close later this year, including one external practice
  - When ramped, we expect the capacity to execute ~30-40 deals per year
- Good use of capital – purchase multiples consistent with our M&A framework **~6-8x EBITDA***
- Based on closed transactions and our pipeline, **average deal size of ~$10-20M**

† 2020 Cerulli Report U.S. Advisor Metrics

As we continue to invest and increase our scale, we enhance our ability to drive further growth

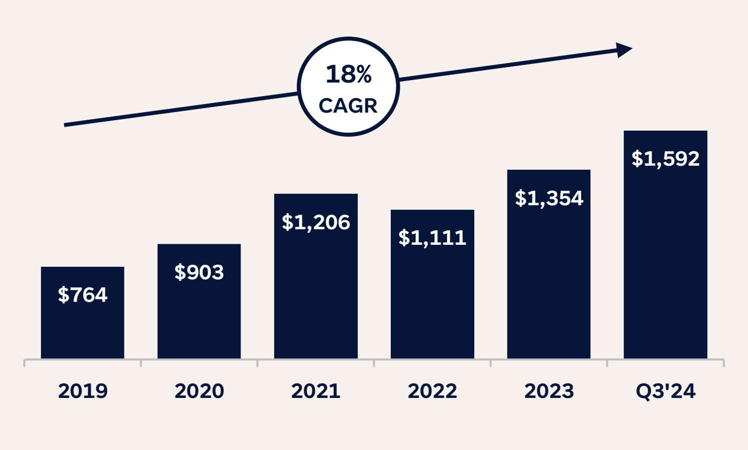
Invest in differentiated capabilities and a unique advisor and institution experience

Attract advisors and institutions, and benefit from greater use of our services

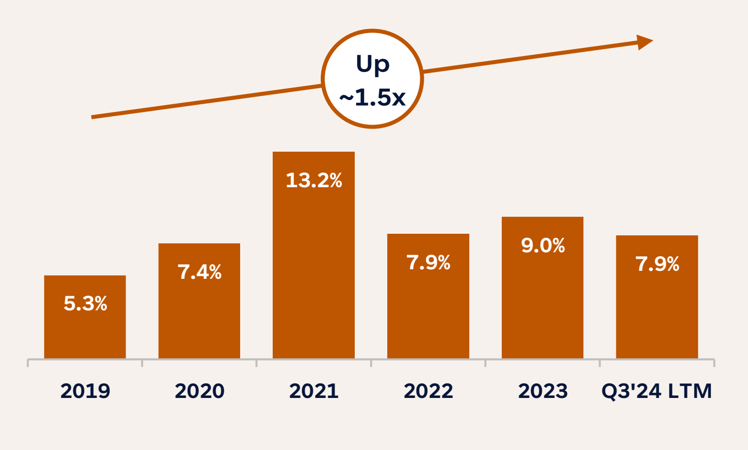
Remain disciplined on expenses and return capital to shareholders

We are focused on executing our strategy and delivering results

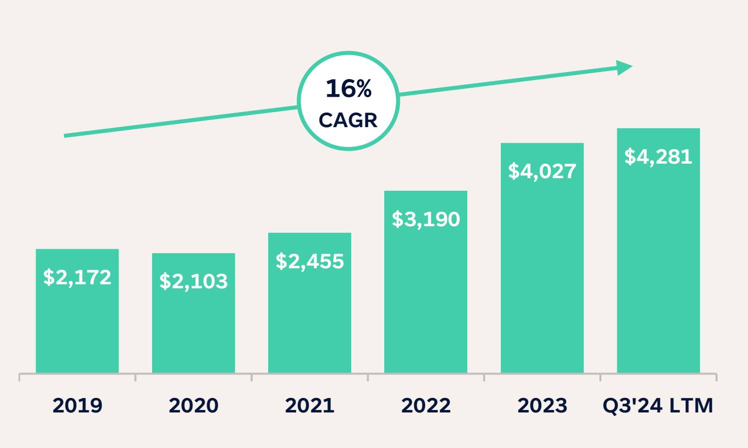
Total Advisory and Brokerage Assets[23] ($B)



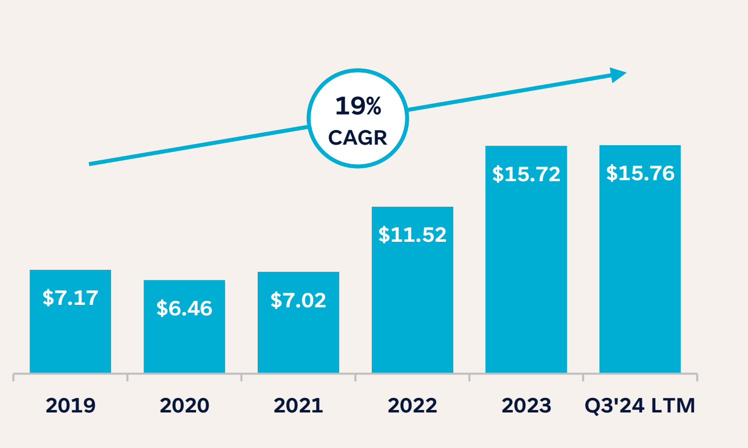
Total Organic Net New Asset Growth



Gross Profit* ($M)



Adjusted EPS*



Key Earnings Growth Drivers

Enhanced Value Proposition
(Capabilities, Technology, Service)

Increased Organic NNA
(Opportunities in Traditional Markets)

New Affiliation Models
(Institutions, Strategic Wealth Services, Independent Employee, Enhanced RIA)

Greater Use of our Services
(Advisory, Corporate, Centrally Managed, Business, Planning & Advice Services, Advisor Capital Solutions)

Drive Operating Leverage in Core Business while Investing for Additional Growth

Increased Scale and Capabilities through M&A

Excess Capital Deployment
(Technology, Advisor Capital, Returning Capital to Shareholders)

Appendix

Update on our Strategic Relationship with Prudential Financial

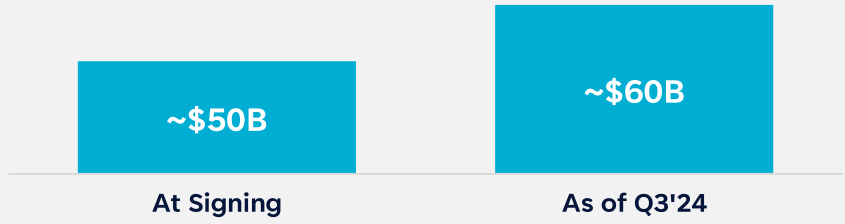
Announcement Details and Timing

- On August 24, 2023, we signed a strategic relationship agreement to provide retail brokerage and investment advisory services to Prudential for its Prudential Advisors business.
- Prudential advisors are expected to onboard in the **fourth quarter of 2024.**

Assets and Advisors[†]

- ➢ **~2,600** advisors, serving **~$60B** in client assets
- ➢ **~30%** advisory and **~70%** brokerage
- ➢ Client cash sweep balances of **~$1.5B**

Prudential client assets increased by ~$10B



Estimated Financial Impacts

- ➢ Run-rate EBITDA* of **~$70M[‡]**
- ➢ Onboarding and integration costs of **~$125M**
- ➢ Technology spend of **~$200M** capitalized and amortized over time

Run-rate EBITDA*

† Prudential assets and advisors as of 9/30/2024

‡ Estimated run-rate EBITDA* accretion of $70M+ based on Prudential Advisors' assets as of 9/30/2024

Update on our Acquisition of Atria Wealth Solutions

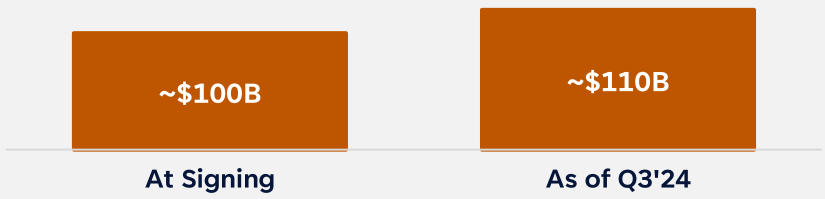
Transaction Details and Timing

- On February 12, 2024, we signed an agreement to acquire 100% of the equity of Atria Wealth Solutions as an equity purchase with an upfront price of **~$805M.** Potential earn-outs of **~$0M to ~$230M** are based on retention ranging from 80% to 100%.
- On October 1, 2024 we closed the acquisition of Atria, with the advisors expected to onboard in **mid-2025.** Based on recruiting to-date, we are on track to meet our retention target of ~80% of client assets.

Assets and Advisors†

- **~2,200** advisors, serving **~$110B** in client assets
- **~25%** advisory and **~75%** brokerage
- **~$70B** advisor channel and **~$40B** institution channel
- Client cash sweep balances of **~$2.3B**

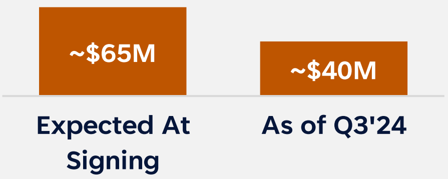
Atria client assets have increased by ~$10B



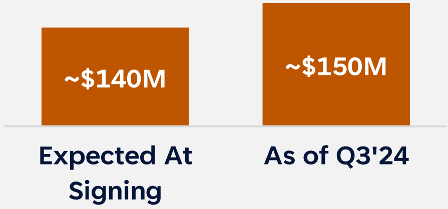
Estimated Financial Impacts

- Onboarding and integration costs of **~$300M to ~$350M**
- Baseline EBITDA* at closing of **~$40M‡**
- Following completion of onboarding and integration, revenue and expense synergies are expected to result in run-rate EBITDA* of **~$150M‡**

Baseline EBITDA* at closing



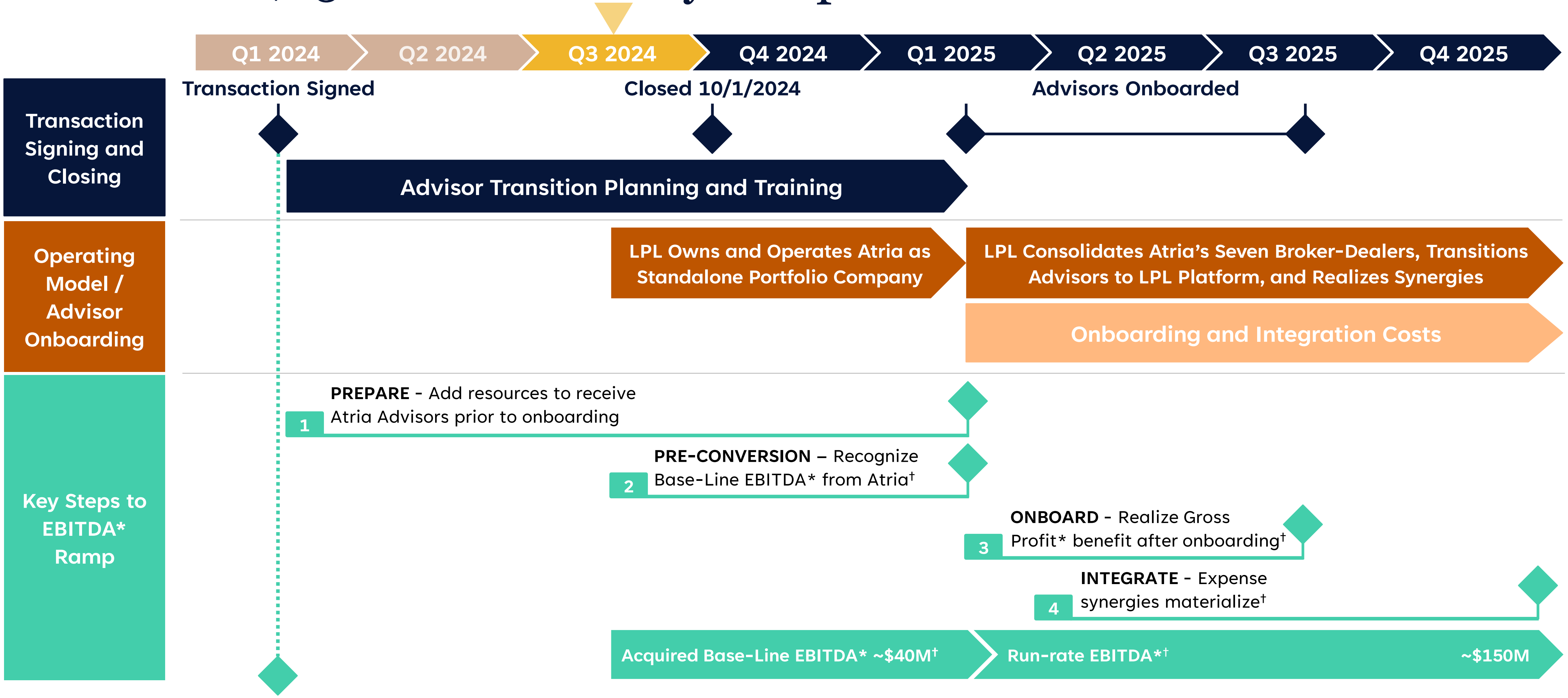
Run-rate EBITDA*



† Atria assets and advisors as of 9/30/2024

‡ Acquired base-line EBITDA* of ~$40M and estimated run-rate EBITDA* accretion of ~$150M are based on Atria Advisors' assets as of 9/30/2024 and ~80% retention; increases with higher levels of asset retention; and is burdened by amortization from transition assistance loans.

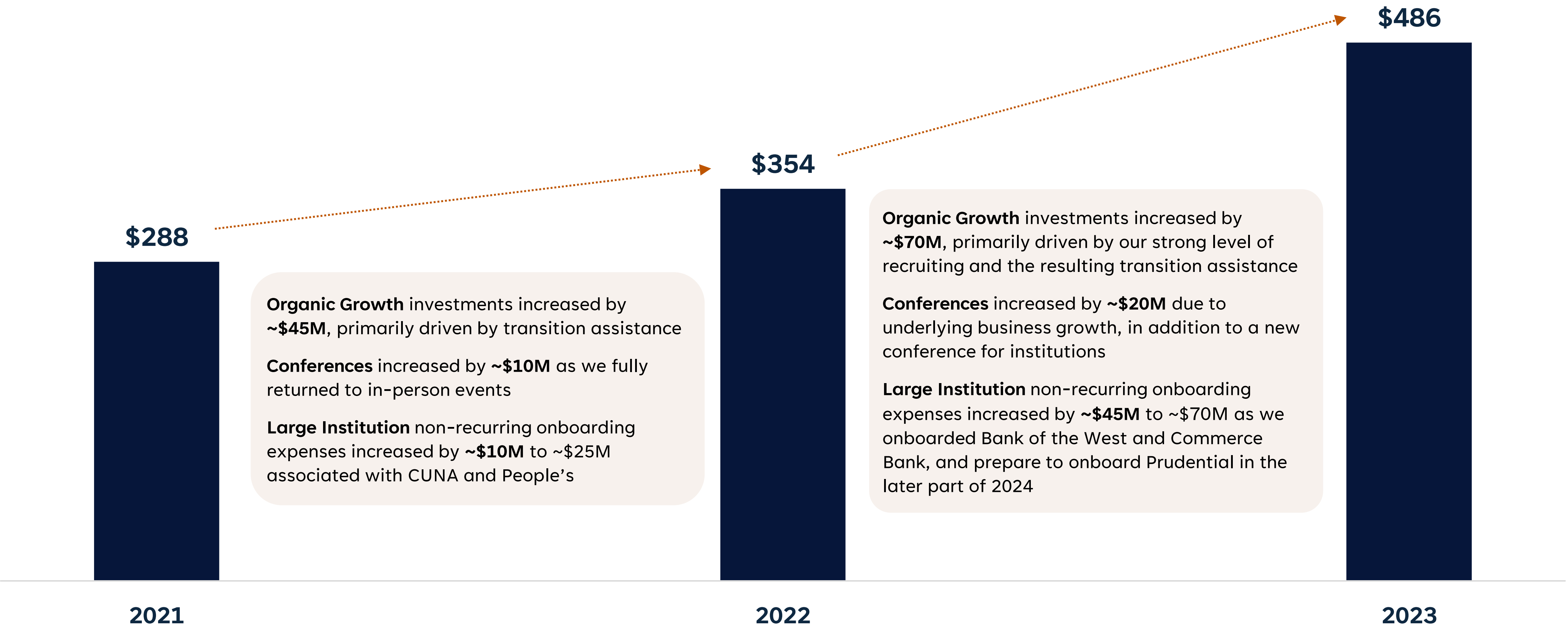
Atria Wealth Solutions: We estimate reaching an annual EBITDA* benefit of $150M+ when fully ramped



† Acquired base-line EBITDA* is expected to be ~$40M. Following completion of onboarding and integration of Atria, revenue and expense synergies are expected to result in run-rate EBITDA* of ~$150M.

Key drivers of promotional expense growth

Promotional Expense ($M)



Organic Growth investments increased by **~$45M**, primarily driven by transition assistance

Conferences increased by **~$10M** as we fully returned to in-person events

Large Institution non-recurring onboarding expenses increased by **~$10M** to ~$25M associated with CUNA and People's

Organic Growth investments increased by **~$70M**, primarily driven by our strong level of recruiting and the resulting transition assistance

Conferences increased by **~$20M** due to underlying business growth, in addition to a new conference for institutions

Large Institution non-recurring onboarding expenses increased by **~$45M** to ~$70M as we onboarded Bank of the West and Commerce Bank, and prepare to onboard Prudential in the later part of 2024

Reconciliation

Gross Profit*

Gross profit* is a non-GAAP financial measure. Please see a description of gross profit* under "Non-GAAP Financial Measures" on page 3 of this presentation for additional information. Below is a calculation of gross profit* for the periods presented herein:

$ in millions	Q3'24 LTM	2023	2022	2021	2020	2019
Total revenue	**$11,517**	**$10,053**	**$8,601**	**$7,721**	**$5,872**	**$5,625**
Advisory and commission expense	7,109	5,916	5,325	5,180	3,697	3,388
Brokerage, clearing and exchange expense	119	106	86	86	71	64
Employee deferred compensation(24)	8	4	-	-	-	-
Gross Profit	**$4,281**	**$4,027**	**$3,190**	**$2,455**	**$2,103**	**$2,172**

Adjusted EPS* and Adjusted Net Income*

Adjusted EPS* and adjusted net income* are non-GAAP financial measures. Please see a description of adjusted EPS* and adjusted net income* under "Non-GAAP Financial Measures" on page 3 of this presentation for additional information. Below are reconciliations of net income and earnings per diluted share to adjusted net income* and adjusted EPS* for the periods presented herein:

	Q3'24 LTM		2023		2022		2021		2020		2019	
$ in millions, except per share data	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net income / earnings per diluted share	**$1,005**	**$13.30**	**$1,066**	**$13.69**	**$846**	**$10.40**	**$460**	**$5.63**	**$473**	**$5.86**	**$560**	**$6.62**
Amortization of other intangibles	121	1.61	107	1.38	88	1.08	79	0.97	67	0.83	65	0.76
Acquisition costs(25)	104	1.37	48	0.62	36	0.44	76	0.93	-	0.00	-	0.00
Regulatory charges(26)	18	0.24	40	0.52	-	0.00	-	0.00	-	0.00	-	0.00
Tax benefit	(57)	(0.75)	(37)	(0.48)	(33)	(0.40)	(41)	(0.51)	(19)	(0.23)	(18)	(0.21)
Adjusted net income / adjusted EPS	**$1,192**	**$15.76**	**$1,224**	**$15.72**	**$937**	**$11.52**	**$574**	**$7.02**	**$521**	**$6.46**	**$607**	**$7.17**
Average diluted share count	75.7		77.9		81.3		81.7		80.9		85.0	

Note: Totals may not foot due to rounding

Reconciliation

Net Income to EBITDA*, Adjusted EBITDA* and Credit Agreement EBITDA*

EBITDA*, Adjusted EBITDA* and Credit Agreement EBITDA* are non-GAAP financial measures. Please see a description of EBITDA*, Adjusted EBITDA* and Credit Agreement EBITDA* under "Non-GAAP Financial Measures" on page 3 of this presentation for additional information. Below are reconciliations of the Company's net income to EBITDA*, Adjusted EBITDA* and Credit Agreement EBITDA* for the periods presented herein:

$ in millions	Q3'24 LTM	2023	2022	2021	2020	2019
Net income	**$1,005**	**$1,066**	**$846**	**$460**	**$473**	**$560**
Interest expense on borrowings	247	187	126	104	106	130
Provision for income taxes	340	379	266	141	153	182
Depreciation and amortization	284	247	200	151	110	96
Amortization of other intangibles	121	107	88	79	67	65
EBITDA	**$1,998**	**$1,986**	**$1,525**	**$936**	**$909**	**$1,033**
Acquisition costs[25]	104	48	36	76	-	-
Regulatory charges[26]	18	40	-	-	-	-
Adjusted EBITDA	**$2,119**	**$2,074**	**$1,561**	**$1,012**	**$909**	**$1,033**

	Q3'24 LTM	2023	2022	2021	2020	2019
EBITDA	**$1,998**	**$1,986**	**$1,525**	**$936**	**$909**	**$1,033**
Credit Agreement Adjustments:						
Acquisition costs and other[25][26]	236	110	51	92	18	12
Employee share-based compensation	78	66	50	42	32	30
M&A accretion[27]	26	30	11	54	-	-
Advisor share-based compensation	3	3	3	2	2	3
Loss on extinguishment of debt	-	-	-	24	-	3
Credit Agreement EBITDA	**$2,341**	**$2,195**	**$1,639**	**$1,151**	**$961**	**$1,081**
Total debt	4,469	3,757	2,738	2,839	2,359	2,415
Total corporate cash	708	184	459	237	280	204
Credit Agreement Net Debt	**$3,761**	**$3,574**	**$2,279**	**$2,602**	**$2,079**	**$2,211**
Leverage Ratio	**1.61x**	**1.63x**	**1.39x**	**2.26x**	**2.16x**	**2.05x**

Note: Totals may not foot due to rounding

Reconciliation

Core G&A* to Total expense

Core G&A* is a non-GAAP financial measure. Please see a description of Core G&A* under "Non-GAAP Financial Measures" on page 3 of this presentation for additional information. Below is a reconciliation of total expense to Core G&A* and of Core G&A, prior to the impact of the acquisitions of Waddell & Reed in 2021:

$ in millions	Q3'24 LTM	2023	2022	2021	2020	2019
Total expense	**$10,171**	**$8,608**	**$7,489**	**$7,120**	**$5,246**	**$4,882**
Advisory and commission	7,108	5,916	5,325	5,180	3,697	3,388
Depreciation and amortization	284	247	200	151	110	96
Interest expense on borrowings	246	187	126	104	106	130
Brokerage, clearing and exchange	120	106	86	86	71	64
Amortization of other intangibles	122	107	88	79	67	65
Employee deferred compensation(24)	9	4	-	-	-	-
Loss on extinguishment of debt	-	-	-	24	-	3
Total G&A	**$2,282**	**$2,041**	**$1,665**	**$1,494**	**$1,194**	**$1,136**
Promotional (ongoing)(25)	594	486	354	288	208	206
Acquisition costs(25)	104	48	36	76	-	-
Employee share-based compensation	79	66	50	42	32	30
Regulatory charges	49	71	33	29	29	32
Core G&A	**$1,458**	**$1,369**	**$1,192**	**$1,058**	**$925**	**$868**

$ in millions	2021
Core G&A	**$1,059**
Waddell & Reed-related Core G&A	59
Total Core G&A prior to acquisitions	**$999**

Note: Totals may not foot due to rounding

Endnotes

(1) Calculated as annualized current period organic net new assets divided by preceding period assets in their respective categories of advisory assets or total advisory and brokerage assets.
(2) Calculated by dividing adjusted EBITDA* for the period by Gross Profit* for the period.
(3) The Company calculates its leverage ratio as total debt less total corporate cash, divided by Credit Agreement EBITDA* for the trailing twelve months.
(4) Other employee channels include National & Regional B/D, Insurance B/D and Retail bank B/D channels. Independent channels include independent B/D, Hybrid RIA and Independent RIA channels.
(5) Estimated market sizing based on 2023 Cerulli reports, unless otherwise noted. Below are reconciliations of each market:

Traditional Market	RIA Market	Employee Channel	Institution Channel
Independent B/D	Hybrid RIA	National & Regional B/D	Insurance B/D
	Independent RIA	Wirehouse	Bank Trust
		(-) Adj. to avoid double-counting Boutique B/D	Product Manufacturers*
			Boutique B/D*
			Retail bank B/D
			(-) Adj. to Retail bank B/D: Chase & Wells Fargo

* Estimated market sizing based on LPL estimates. Product Manufacturers defined as fund companies with an adjacent traditional wealth management business serving individuals. Boutique B/D defined as National & Regional B/Ds with less than $50B AUM, which we view as an Institution market opportunity

(6) Represents the estimated total advisory and brokerage assets expected to transition to the Company's primary broker-dealer subsidiary, LPL Financial LLC ("LPL Financial"), associated with advisors who transferred their licenses to LPL Financial during the period. The estimate is based on prior business reported by the advisors, which has not been independently and fully verified by LPL Financial. The actual transition of assets to LPL Financial generally occurs over several quarters and the actual amount transitioned may vary from the estimate.
(7) Consists of brokerage assets serviced by advisors licensed with LPL Financial.
(8) Consists of total assets on LPL Financial's corporate advisory platform serviced by investment advisor representatives of LPL Financial and total assets on LPL Financial's independent advisory platform serviced by investment advisor representatives of separate investment advisor firms ("Independent RIAs"), rather than of LPL Financial.
(9) Consists of advisory assets in LPL Financial's Model Wealth Portfolios, Optimum Market Portfolios, Personal Wealth Portfolios, and Guided Wealth Portfolios platforms.
(10) 2022 and 2023 are prior to M&A- and institution-related onboarding spend in technology.
(11) Organic Net New Assets include assets from Large Institutions. Below are Net New Assets from Large Institutions for the periods presented:

$ in billions	Q3'24 LTM	2023	2022	2021	2020	2019
Net new organic advisory assets	**$0.0**	$2.3	$1.5	$8.1	$0.0	$0.0
Net new organic brokerage assets	0.3	8.8	29.8	26.8	0.0	0.0
Total Organic Net New Assets from Large Institutions	**$0.3**	**$11.1**	**$31.3**	**$35.0**	**$0.0**	**$0.0**

(12) In April 2020, the Company updated its definition of net new assets to include dividends plus interest, minus advisory fees. Unless otherwise noted, net new assets figures for periods prior to Q2 2020 appearing in this presentation have been recast using the updated definition.
(13) Consists of total client deposits into advisory or brokerage accounts less total client withdrawals from advisory or brokerage accounts, plus dividends, plus interest, minus advisory fees. The Company considers conversions from and to brokerage or advisory accounts as deposits and withdrawals, respectively. Annualized growth is calculated as the current period organic net new advisory or brokerage assets divided by preceding period total advisory or brokerage assets.
(14) Calculated as a one percent change in total assets multiplied by a market correlation factor multiplied by total Gross Profit* return on assets.
(15) Assumes change based on Q3 2024 end of period ICA balances, presented on page 22.

Note: Totals may not foot due to rounding

Endnotes

(16) Annual benefit measured in total revenue. Based on variable client cash balances indexed to Fed Funds.

(17) 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. During the first quarter of 2024, the company updated its definition of the client cash account balances to exclude other client payables. Prior period disclosures have been updated to reflect these changes as applicable.

(18) Calculated by dividing revenue for the period by the average balance during the period.

(19) Calculated using the summation of the following components: (1) corporate cash available to use above $200M management target range, (2) the additional leverage capacity above current leverage times trailing twelve-month Credit Agreement EBITDA, and (3) the additional leverage capacity from an M&A opportunity at a 6x purchase multiple for which capital was deployed up to 2.5x leverage.

(20) Management's corporate cash target reflects a level sufficient to meet our near-term corporate debt obligations.

(21) Corporate cash, a component of cash and equivalents, includes the sum of cash and equivalents from the following: (1) cash and equivalents held at LPL Holdings, Inc., (2) cash and equivalents held at regulated subsidiaries as defined by the Company's Credit Agreement, which include LPL Financial LLC and The Private Trust Company, N.A., in excess of the capital requirements of the Company's Credit Agreement, which, in the case of LPL Financial LLC, is net capital in excess of 10% of its aggregate debits, or five times the net capital required in accordance with the Uniform Net Capital Rule, and (3) cash and equivalents held at non-regulated subsidiaries.

(22) Additional leverage capacity is assumed to be generated by acquired EBITDA* from an M&A opportunity at a 6-8x purchase multiple for which capital was deployed up to 2.5x leverage.

(23) Consists of total advisory and brokerage assets under custody at LPL Financial and Waddell & Reed, LLC. As of September 30, 2024, there were no assets under custody at Waddell & Reed.

(24) During the first quarter of 2023, the Company updated its presentation of employee deferred compensation to be consistent with its presentation of advisor deferred compensation. As a result, gains or losses related to market fluctuations on advisor and employee deferred compensation plans are presented in the same line item as the related increase or decrease in compensation expense for purposes of Management's Statements of Operations. This change has not been applied retroactively as the impact on prior periods was not material.

(25) Acquisition costs include the costs to setup, onboard and integrate acquired entities and other costs that were incurred as a result of the acquisitions. The below table summarizes the primary components of acquisition costs for the periods presented:

$ in millions	Q3'24 LTM	2023	2022	2021
Fair value mark on contingent consideration[(28)]	$57.2	$26.7	-	-
Professional services	17.2	10.0	12.0	18.7
Compensation and benefits	21.9	6.1	20.6	36.4
Promotional	5.6	3.6	2.3	14.3
Other	1.7	1.7	1.3	7.0
Acquisition costs	**$103.6**	**$48.1**	**$36.2**	**$76.4**

(26) Regulatory charges for the three months ended September 30, 2024 include charges related to a potential settlement with the SEC to resolve the Company's civil investigation of certain elements of the Company's Anti-Money Laundering ("AML") compliance program. Under the SEC's proposed resolution, the Company would pay an $18.0 million civil monetary penalty, and the Company has recorded an $18.0 million charge for the quarter ended September 30, 2024. Regulatory charges for the three months ended September 30, 2023 include a $40.0 million charge to reflect the amount of the penalty related to the SEC's civil investigation of the Company's compliance with records preservation requirements for business-related electronic communications that was not covered by the Company's captive insurance subsidiary. The Company reached a settlement with the staff of the SEC and paid the civil monetary penalty of $50.0 million in August 2024.

(27) M&A accretion is an adjustment to reflect the annualized expected run rate EBITDA of an acquisition as permitted by the Credit Agreement for up to eight fiscal quarters following the close of the transaction.

(28) Represents a fair value adjustment to our contingent consideration liabilities that is reflected in other expense in the condensed consolidated statements of income.

Note: Totals may not foot due to rounding