
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

December 2, 2020
Date of report (date of earliest event reported)

LPL Financial Holdings Inc.
(Exact name of registrant as specified in its charter)

Delaware
**(State or other jurisdictions of
incorporation or organization)**

001-34963
**(Commission
File Number)**

20-3717839
**(I.R.S. Employer
Identification Nos.)**

4707 Executive Drive
San Diego, CA 92121
(Address of principal executive offices) (Zip Code)

(800) 877-7210
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock - par value \$0.001 per share	LPLA	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On December 2, 2020, LPL Financial Holdings Inc. (together with its subsidiaries, including LPL Financial LLC, the “Company” or “LPL Financial”) issued a press release announcing the Company’s intent to acquire the wealth management business of Waddell & Reed Financial, Inc. (“Waddell & Reed”) and enter into a long-term partnership with Macquarie Management Holdings, Inc., the asset management division of Macquarie Group, following Macquarie Management Holdings, Inc.’s acquisition of all of the outstanding shares of Waddell & Reed. A copy of the Company’s press release is attached as Exhibit 99.1 to this Current Report on Form 8-K. Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

In addition, on December 2, 2020, the Company posted an investor presentation to the Company’s website titled “LPL Financial Acquisition of Waddell & Reed’s Wealth Management Business,” which can be found at <https://www.lpl.com/content/dam/lpl-www/documents/purchase-of-waddell-reed-wealth-management.pdf>.

Item 8.01 Other Events.

On December 2, 2020, LPL Holdings, Inc., a Massachusetts corporation and wholly owned subsidiary of the Company (“LPL Holdings”), entered into a stock and asset purchase agreement (the “Agreement”) with Macquarie Management Holdings, Inc. (“Seller”). Pursuant to the Agreement, immediately after the completion of Seller’s acquisition of all of the issued and outstanding shares of common stock of Waddell & Reed (the “Merger”) pursuant to that certain Merger Agreement dated December 2, 2020 by and among Waddell & Reed, Seller and certain other parties thereto (the “Merger Agreement”), Seller will sell to LPL Holdings, and LPL Holdings will acquire from Seller, Waddell & Reed’s wealth management business (the “Wealth Management Business”). As part of the acquisition of the Wealth Management Business, LPL Holdings will acquire all of the equity interests in the entities comprising the Wealth Management Business, including Waddell & Reed, Inc., a broker-dealer and registered investment advisor, and certain of its subsidiaries, as well as certain other assets and rights of Waddell & Reed and its subsidiaries. In consideration for this acquisition, LPL Holdings will pay to the Seller a cash purchase price of \$300 million (subject to customary net capital adjustments) and assume certain liabilities related to the Wealth Management Business. The transactions contemplated by the Agreement are subject to conditions to closing, including the completion of the Merger, approval from the Financial Industry Regulatory Authority, expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, Waddell & Reed stockholder approval and certain asset retention levels, among other conditions. The acquisition of the Wealth Management Business is expected to be consummated in the middle of 2021, substantially concurrently with the Seller’s acquisition of Waddell & Reed.

In connection with the Agreement, LPL Holdings has also agreed to enter into marketing support agreements with an Affiliate of Seller to provide for servicing and marketing support program participation.

Forward-Looking Statements

Statements in this Current Report on Form 8-K regarding the expected completion of the transactions contemplated by the Agreement and the Merger Agreement, 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. These forward-looking statements are based on the historical performance of the Company and Waddell & Reed and the Company’s plans, estimates and expectations as of December 2, 2020. The words “potential,” “anticipates,” “intends,” “believes,” “expects,” “may,” “plans,” “predicts,” “will,” “look forward” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are not guarantees that the future results, plans, intentions or expectations expressed or implied by the Company will be achieved. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, legislative, regulatory, competitive and other factors, which may cause levels of assets serviced, actual financial or operating results, levels of activity or the timing of events to be materially different than those expressed or implied by forward-looking statements. In particular, the Company can provide no assurance that the transactions contemplated by the Agreement and the Merger Agreement will be consummated within the timeframes specified, if at all. Important factors that could cause or contribute to such differences include: failure of the parties to satisfy the closing conditions in the Agreement or the Merger Agreement in a timely manner or at all, including the completion of the acquisition of Waddell & Reed by Macquarie Group, obtaining the required stockholder and regulatory approvals and the retention by Waddell & Reed of minimum assets prior to closing; disruptions to the parties’ businesses as a result of the announcement and pendency of the Merger, difficulties and delays in recruiting Waddell & Reed financial advisors or onboarding the clients or businesses of Waddell & Reed financial advisors; the inability by the Company to sustain revenue and earnings growth or to fully realize revenue or expense synergies or the other expected benefits of the transaction, which depend in part on the Company’s success in onboarding assets currently served by Waddell & Reed financial advisors; disruptions to the parties’ businesses as a result of the announcement and pendency of the transactions; disruptions of the Company’s

or Waddell & Reed's business due to transaction-related uncertainty or other factors making it more difficult to maintain relationships with its financial advisors and their clients, employees, other business partners or governmental entities; changes in general economic and financial market conditions, including retail investor sentiment; fluctuations in the value of assets under custody; effects of competition in the financial services industry, including competitors' success in recruiting Waddell & Reed financial advisors; and the other factors set forth in Part I, "Item 1A. Risk Factors" in the Company's 2019 Annual Report on Form 10-K and any subsequent SEC filing. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after the date of this press release, even if its estimates change, and you should not rely on those statements as representing the Company's views as of any date subsequent to the date of December 2, 2020.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

- 99.1 [Press Release dated December 2, 2020 \("LPL Financial to Acquire Waddell & Reed's Wealth Management Business and Enter into Long-Term Partnership with Macquarie"\)](#)
- 104 The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LPL FINANCIAL HOLDINGS INC.

By: /s/ Matthew J. Audette
Name: Matthew J. Audette
Title: Chief Financial Officer

Dated: December 2, 2020

**LPL FINANCIAL TO ACQUIRE WADDELL & REED'S
WEALTH MANAGEMENT BUSINESS AND
ENTER INTO LONG-TERM PARTNERSHIP WITH MACQUARIE**

*Macquarie to acquire Waddell & Reed Financial, Inc. and upon closing sell
Waddell & Reed's wealth management business to LPL Financial for \$300 million
Long-term partnership between LPL Financial and Macquarie will provide existing
Waddell & Reed advisors and clients with continuity, as well as longer-term opportunities through partnership with a leading international asset
manager*

SAN DIEGO – Dec. 2, 2020 – LPL Financial Holdings Inc. (Nasdaq: LPLA) (“LPL Financial” or “LPL”), a leading U.S. retail investment advisory firm, independent broker-dealer, and registered investment advisor (RIA) custodian, today announced it has entered into an agreement with Macquarie Asset Management (“Macquarie”), the asset management division of Macquarie Group (ASX: MQG; ADR: MQBKY), to acquire the wealth management business of Waddell & Reed Financial, Inc. (NYSE: WDR) (“Waddell & Reed”), upon completion of Macquarie’s acquisition of all of the issued and outstanding common shares of Waddell & Reed. Additionally, LPL and Macquarie have agreed to enter into a long-term partnership, with Macquarie becoming one of LPL’s top tier strategic asset management partners.

Through its subsidiaries, Waddell & Reed has provided investment management and wealth management services to clients throughout the U.S. since 1937. Today, investment products are distributed under the Ivy Investments® brand, as well as through independent financial advisors associated with Waddell & Reed, Inc. As of September 30, 2020, Waddell & Reed’s wealth management business had assets under administration of approximately \$63 billion, up 10% year-over-year.

Dan Arnold, President and Chief Executive Officer of LPL Financial said: “Waddell & Reed advisors are highly experienced and well-respected throughout the industry. They are a terrific fit both culturally and strategically, and we welcome them to the LPL family. Looking ahead, we expect our capabilities and resources will benefit their practices and help them unlock additional value and growth. Additionally, we look forward to deepening our long-term partnership with Macquarie, which will help us preserve unique aspects of the Waddell & Reed advisor experience while also positioning us to explore additional long-term opportunities together.”

Philip J. Sanders, Chief Executive Officer of Waddell & Reed, said: “Over the past few years, we have been focused on leveraging our strong heritage as the foundation for transforming our firm into a more diversified and growth-oriented financial services enterprise. The long-term partnership between LPL and Macquarie as part of this transaction accelerates that transformation and ultimately will benefit our clients and independent financial advisors while delivering significant value to our stockholders.”

Martin Stanley, Head of Macquarie Asset Management, said: “The addition of Waddell & Reed Financial and our enhanced partnership with LPL will significantly increase our ability to grow and invest in our combined business for the benefit of our clients. Ivy Investments’ complementary investment capabilities will provide diversification to Macquarie Asset Management’s capabilities and client base. The consideration offered reflects the quality of Waddell & Reed’s business and the future benefits of our partnership with LPL.”

Shawn Lytle, President of Delaware Funds by Macquarie and Head of Macquarie Group in the Americas, added: “This transaction is an important step forward in our growth strategy for Delaware Funds by Macquarie. The acquisition of Waddell & Reed’s asset management business and our partnership with LPL significantly strengthens our position as a top 25⁽¹⁾ US actively managed, long-term, open-ended mutual fund manager across equities, fixed income and multi asset solutions.”

The transaction has been approved by the Boards of Directors of LPL Financial, Macquarie Group, and Waddell & Reed and is expected to close in the middle of 2021, subject to regulatory approvals, Waddell & Reed stockholder approval, and other customary closing conditions.

LPL Financial posted an investor presentation with an overview of the transaction on its Investor Relations page at investor.lpl.com.

Centerview Partners LLC served as exclusive financial advisor and Ropes & Gray LLP served as exclusive legal advisor to LPL in connection with the transaction.

About LPL Financial

LPL Financial (<https://www.lpl.com>) is a leader in the retail financial advice market, the nation's largest independent broker/dealer⁽⁺⁾ and a leading custodian (or provider of custodial services) to RIAs. We serve independent financial advisors and financial institutions, providing them with the technology, research, clearing and compliance services, and practice management programs they need to create and grow thriving practices. LPL enables them to provide objective guidance to millions of American families seeking wealth management, retirement planning, financial planning and asset management solutions.

(+) Based on total revenues, *Financial Planning* magazine June 1996-2020.

Securities and Advisory Services offered through LPL Financial LLC, a Registered Investment Advisor. Member FINRA/SIPC. We routinely disclose information that may be important to shareholders in the "Investor Relations" or "Press Releases" section of our website.

About Waddell & Reed Financial

Through its subsidiaries, Waddell & Reed Financial, Inc. has provided investment management and wealth management services to clients throughout the United States since 1937. Today, Waddell & Reed Financial distributes its investment products through the unaffiliated channel under the Ivy Investments[®] brand (encompassing broker/dealer, retirement, and registered investment advisors), its wealth management channel (through independent financial advisors associated with Waddell & Reed, Inc.), and its institutional channel (including defined benefit plans, pension plans, endowments and subadvisory relationships). For more information, visit ir.waddell.com.

About Macquarie Asset Management

Macquarie Asset Management (MAM) is Macquarie's asset management business. MAM is a full-service asset manager, providing investment solutions to clients across a range of capabilities including infrastructure & renewables, real estate, agriculture, transportation finance, private credit, equities, fixed income, and multi-asset solutions. As of September 30, 2020, MAM had \$A554.9 billion of assets under management. MAM has over 1,900 staff operating across 20 markets in Australia, the Americas, Europe and Asia. MAM has been managing assets for institutional and retail investors since 1980 in Australia and 1929 in the US, through a predecessor firm, formerly known as Delaware Investments.

(1) Source: Assets under management as of Sept. 30 - Based on data represented in Strategic Insight and Morningstar. Data includes ICI Method of Sales: Salesforce, Institutional and Retirement. Data excludes Variable Insurance Products, Closed End Funds, ETFs, passive mutual funds, Money Market Funds, Delaware Pooled Trusts, and Optimum Funds.

Forward-Looking Statements

Statements in this press release regarding LPL Financial Holdings Inc. (together with its subsidiaries, including LPL Financial LLC, the "Company" or "LPL Financial") and its potential growth, business strategy and plans, (including the expected benefits of Macquarie Group's acquisition of Waddell & Reed Financial, Inc. (together with its subsidiaries,

“Waddell & Reed”) and LPL Financial’s acquisition of Waddell & Reed’s wealth management business and partnership with Macquarie Group, 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. These forward-looking statements are based on the historical performance of the Company and Waddell & Reed and the Company’s plans, estimates and expectations as of December 2, 2020. Forward-looking statements are not guarantees that the future results, plans, intentions or expectations expressed or implied by the Company will be achieved. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, legislative, regulatory, competitive and other factors, which may cause levels of assets serviced, actual financial or operating results, levels of activity or the timing of events to be materially different than those expressed or implied by forward-looking statements. In particular, the Company can provide no assurance that the assets reported as serviced by financial advisors affiliated with Waddell & Reed (“Waddell & Reed Advisors”) will translate into assets serviced by LPL Financial, that Waddell & Reed Advisors will join LPL Financial, or that the benefits that are expected to accrue to LPL Financial, Waddell & Reed, Macquarie Group and their respective advisors and stockholders as a result of the transactions described herein will materialize. Important factors that could cause or contribute to such differences include: failure of the parties to satisfy the closing conditions applicable to the acquisitions described herein in a timely manner or at all, including the completion of the acquisition of Waddell & Reed by Macquarie Group, obtaining the required stockholder and regulatory approvals, and the retention by Waddell & Reed of minimum assets prior to closing; disruptions to the parties’ businesses as a result of the announcement and pendency of the transactions, difficulties and delays in recruiting Waddell & Reed Advisors or onboarding the clients or businesses of Waddell & Reed Advisors; the inability by the Company to sustain revenue and earnings growth or to fully realize revenue or expense synergies or the other expected benefits of the transactions, which depend in part on the Company’s success in onboarding assets currently served by Waddell & Reed Advisors; disruptions of the Company’s or Waddell & Reed’s business due to transaction-related uncertainty or other factors making it more difficult to maintain relationships with its financial advisors and their clients, employees, other business partners or governmental entities; the inability to implement onboarding plans and other consequences associated with acquisitions; the choice by clients of Waddell & Reed Advisors not to open brokerage and/or advisory accounts at LPL Financial or move their assets from Waddell & Reed to LPL Financial; unforeseen liabilities arising from the acquisition of Waddell & Reed’s wealth management subsidiaries; changes in general economic and financial market conditions, including retail investor sentiment; fluctuations in the value of assets under custody; effects of competition in the financial services industry, including competitors’ success in recruiting Waddell & Reed Advisors; and the other factors set forth in Part I, “Item 1A. Risk Factors” in the Company’s 2019 Annual Report on Form 10-K and any subsequent SEC filing. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after the date of this press release, even if its estimates change, and you should not rely on those statements as representing the Company’s views as of any date subsequent to the date of December 2, 2020.

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