LPL Financial

For Immediate Release

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LPL FINANCIAL REPORTS MONTHLY ACTIVITY FOR NOVEMBER 2019

SAN DIEGO –**December 17, 2019** – Leading retail investment advisory firm and independent broker-dealer LPL Financial LLC, a wholly owned subsidiary of LPL Financial Holdings Inc. (Nasdaq: LPLA), today released its monthly activity report for November 2019.

Total brokerage and advisory assets served at the end of November were approximately $748 billion, a $16 billion increase, or 2.2%, compared to the end of October 2019.

Total net new assets for November were an inflow of $2.6 billion*, translating to a 4.3% annualized growth rate. Total net new advisory assets were $2.9 billion, translating to a 10.1% annualized growth rate.

As a reminder, in August the Company closed its acquisition of Allen & Company**, at which point $2.9 billion of net new assets were included in its total brokerage and advisory assets. In November, the Company completed the onboarding of those assets onto its clearing platform, positioning it to realize the expected approximately $5 million of annual run-rate EBITDA*** accretion in early 2020.

Total client cash balances at the end of November were $31.8 billion, a $0.2 billion increase compared to October 2019. Net buying in November was $3.3 billion.

Additionally, in November the Company shifted $3 billion of its Insured Cash Account ("ICA") balances from floating to fixed interest rates, bringing its total fixed rate ICA balances to $12 billion, just above 50% of its total ICA portfolio. The $3 billion of new ICA fixed rate balances have an average duration of approximately 5 years. This shift did not change the Company's Q4 2019 ICA yield outlook, which is in the low 220 basis point range.

(End of Period $ in billions, unless noted)	November 2019	October 2019	Change M/M	November 2018	Change Y/Y
Assets Served					
Advisory Assets	354.9	345.3	2.8%	297.0	19.5%
Brokerage Assets	392.9	386.5	1.7%	362.7	8.3%
Total Brokerage and Advisory Assets	**747.8**	**731.7**	**2.2%**	**659.7**	**13.4%**
Net New Assets					
Net New Advisory Assets	2.9	3.0	n/m	2.0	n/m
Net New Brokerage Assets	(0.3)	0.3	n/m	1.0	n/m
Total Net New Assets	**2.6**	**3.3**	**n/m**	**2.9**	**n/m**
Net Brokerage to Advisory Conversions	0.7	0.6	n/m	0.5	n/m

Client Cash Balances					
Insured Cash Account Balances	22.9	22.6	1.3%	21.8	5.0%
Deposit Cash Account Balances	4.6	4.6	0.0%	4.3	7.0%
Total Insured Sweep Balances	**27.5**	**27.2**	**1.1%**	**26.1**	**5.8%**
Money Market Sweep Accounts	2.0	2.3	(13.0)%	3.9	(48.7)%
Purchased Money Market Funds	2.2	2.1	4.8%	n/a	n/a
Total Money Market Balances	**4.3**	**4.4**	**(2.3)%**	**3.9**	**10.3%**
Total Client Cash Balances	**31.8**	**31.6**	**0.6%**	**29.9**	**6.4%**
Net Buy (Sell) Activity	3.3	3.3	n/m	1.8	n/m
Market Indices					
S&P 500 (end of period)	3,141	3,038	3.4%	2,760	13.8%
Fed Funds Effective Rate (average bps)	155	183	(15.3)%	220	(29.5)%

For additional information regarding these and other LPL Financial business metrics, please refer to the Company's most recent earnings announcement, which is available in the quarterly results section of investor.lpl.com.

* This included $0.1 billion of outflows related to a hybrid firm that set up its own broker/dealer and departed. Prior to these outflows, total net new assets for November were an inflow of $2.7 billion.

** Allen & Company of Florida, LLC ("Allen & Company")

About LPL Financial
LPL Financial (https://www.lpl.com) is a leader in the retail financial advice market and the nation's largest independent broker/dealer(+). 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 1996-2019.

Forward-Looking Statements

Statements in this press release regarding the Company's future financial and operating results and plans, including its ICA yield outlook and future run-rate EBITDA*** accretion from Allen & Company asset onboarding, 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 Allen & Company and the Company's plans, estimates and expectations as of December 17, 2019. Forward-looking statements are not guarantees that the 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 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. Important factors that could cause or contribute to such differences include: the choice by clients of Allen & Company's advisors to terminate their accounts at the Company; the Company's success in implementing its employee affiliation model; changes in general economic and financial market conditions, including retail investor sentiment and short-term interest rates; fluctuations in the value of assets under custody; effects of competition in the financial services industry, including competitors' success in recruiting Allen & Company's advisors and their clients; and the other factors set forth in Part I, "Item 1A. Risk Factors" in the Company's 2018 Annual Report on Form 10-K and any subsequent SEC filings. 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 December 17, 2019.

***Non-GAAP Financial Measure

Management believes that presenting certain non-GAAP 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 measure discussed below is appropriate for evaluating the performance of the Company.

Run-rate EBITDA accretion is defined as incremental run-rate EBITDA (net income plus interest and other expense, income tax expense, depreciation and amortization, and amortization of intangible assets) derived by the Company from the acquisition of Allen & Company. The Company presents run-rate EBITDA accretion because management believes that it can be a useful financial metric in understanding the Company's expected run-rate earnings from Allen & Company's operations following the acquisition. Run-rate EBITDA accretion is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity. In addition, the Company's run-rate EBITDA can differ significantly from EBITDA calculated by other companies, depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, and capital investments. The Company does not provide an outlook for run-rate EBITDA because it contains certain components, such as taxes, over which the Company cannot exercise control. Because an outlook for run-rate EBITDA cannot be made available without unreasonable effort by the Company, a reconciliation of the Company's outlook for run-rate EBITDA to its outlook for net income also cannot be made available without unreasonable effort.