

# PLANNING FOR YOUR FUTURE

We take care of our advisors,  
so they can take care of you.



When your financial professional works with LPL, you get a unique combination for managing your financial situation: a dedicated professional who understands your challenges and goals, paired with the stability and strength of a leading financial services provider.





# GROUNDING IN PARTNERSHIP

Your financial professional is your partner. And at LPL, we're here to support that relationship. We've been in business for over 30 years, and currently support more than 7 million client accounts, with over \$1 trillion in assets custodied.<sup>1</sup> That means we're able to provide security and stability for our financial professionals and their practices—and assurance for you that your accounts are in good hands.

But numbers aside, we're a values-driven company at heart. And we believe that a better investment experience begins with independent, personalized advice. That means that when your financial professional works with LPL, they have the freedom to focus solely on your objectives and financial goals. They're free to build their own personal relationships with their clients. Free to choose the business model and practices that work best for them. And free to recommend only the investment strategies that they believe will best serve their clients.

LPL is also a leading retail investment advisory firm—and for over 25 consecutive years, we have been the number one firm providing independent financial professionals with the support they need to serve their clients' accounts.<sup>2</sup> We bring strength, stability, and integrity in servicing assets for the long term. Our experience and legacy of industry leadership enable us to support financial professionals serving a spectrum of clients and institutions, including high-net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities, and institutional organizations.

To make sure you're on the path for pursuing your goals and realizing your financial aspirations, you need the right partner standing behind you, creating the unique plan that will be the foundation for your tomorrow. That's your financial professional.

And behind every great financial professional, is LPL.

<sup>1</sup> As of 8/2/22

<sup>2</sup> LPL is the number one independent broker-dealer, as reported by *Financial Planning* magazine, June 1996-2022, based on total revenue.

# OUR PHILOSOPHY AND FOUNDATIONAL VALUES

Formed in 1989 through the merger of two small brokerage firms, Linsco and Private Ledger, LPL was designed as an alternative to traditional Wall Street firms.



The founders' revolutionary vision was centered around helping financial professionals build competitive businesses while they served their clients' best interests—treating them like people, not accounts. That remains true of LPL today.

## **A history that informs our vision for the future**

At a time when few paid attention to the concept of financial planning, Private Ledger founder Bob Ritzman sought to offer a large group of mutual funds and securities to financial professionals—without pushing a particular product. And when Todd Robinson purchased Linsco in 1985, he was anticipating the growing desire for owning and running independent

practices—which proved true during the aftermath of the stock market crash in October 1987. It was in the midst of this rapidly changing industry environment that LPL was formed. The entrepreneurial visions of Linsco and Private Ledger were fused to form a guiding principle that supported the best interests of its financial professionals and their clients.

More than 30 years later, this guiding principle remains—but has expanded far beyond the investment services offered. Alongside the constant pace of change in the financial services industry and the world around us, LPL has evolved its technology, operations, risk management, professional services, and business consulting—while continuing to innovate its investment management services and platforms.

## **Independence and the investor experience**

While this constant evolution will continue, what will never change is our belief that a better investment experience for investors begins with independent, personalized advice. That's why we make sure our financial professionals have the freedom to serve their clients, their way. They are never pressured to sell certain investments, and they're never obligated to meet quotas. They'll serve only your goals.

# THE STRENGTH OF OUR BUSINESS MODEL



**Our financial stability can be attributed to our independent business model, differentiated technology and capabilities, and the dedication of our financial professionals.**

Historically, one of our business model's distinguishing characteristics is the ability to consistently generate significant, free cash flow. LPL does not provide investment banking or other alternative financial services. We don't engage in market-making activities or speculative trading for our own account. Our trading activities are focused solely on facilitating trades for the clients of our financial professionals.

In addition, we have no direct exposure to mortgage-related investments or securities, nor do we provide loans to hedge funds or other speculators, which lowers our credit risk.

Our purpose is to help independent financial professionals, registered investment advisors, and financial institutions thrive. They are our clients. And when we take care of our clients, they can focus on taking care of you.

## **Keeping you protected**

Our team of more than 800 risk and compliance professionals consider it their duty to protect you and your accounts. We're subject to the federal securities laws and the rules of industry self-regulatory organizations, and we practice the utmost care and scrupulously adhere to financial protection rules.

## **More capital to invest in innovation**

Because we do not provide banking services, our capital on hand isn't subject to banking regulations. As a result, we're able to use that capital to invest in ways that benefit the professionals and institutions we serve. We continuously invest in products and services to support and protect our financial professionals and their clients. In 2021, alone, we invested \$180 million in technology to deliver enhanced capabilities and better advisor support, and we have a dedicated annual budget of \$40 million to spend on cybersecurity and data privacy oversight and protection. From new and upgraded technology to more employee support, our goal is to make sure your financial professional is backed by the best the industry can offer.



## **HOW WE SUPPORT FINANCIAL PROFESSIONALS**

We provide services, support, and resources to financial professionals and institutions across the nation, in the form of:

- Brokerage and advisory services
- A broad range of investment solutions
- Innovative technology and cybersecurity platforms
- Market research from a team of analysts, economists, and investment strategists
- Operational support
- Compliance oversight for financial professionals and their clients
- Consulting, educational conferences, and training opportunities

# HOW WE HELP YOUR FINANCIAL PROFESSIONAL SUCCEED

We provide technology, research, compliance, operations, and consulting support to help financial professionals run their businesses.



## **Tools and technologies to help make your experience better**

Part of supporting our financial professionals means developing the tools and technology that help them deliver an amazing experience for their investors. From simplifying client statements, to enabling better communication between you and your financial professional, to building a mobile app that allows you to access your account wherever you are—we're always thinking about new ways we can help financial professionals deliver a better experience. We're committed to providing them with the best, because that's what investors deserve.

## **Investment options for every client**

To help you pursue your goals, your financial professional has access to a breadth of investment solutions—from mutual funds to bonds to alternative investments—that have been carefully vetted.

Models on our platform are built on a consistent, disciplined process and managed by a team of experienced professionals. Your financial professional can leverage these models to craft a customized portfolio that fits your risk tolerance, timeline, and goals.

# WHAT WE STAND FOR

We've shared our mission, the history of our philosophy, and the myriad ways we're here to serve financial professionals and their clients. That encompasses who we are, and what we do. But a big part of knowing LPL is knowing what we stand for. For us, how we conduct business is as important as the business we conduct.

## Diversity, equity, and inclusion

LPL actively works to be one of the most diverse and inclusive places to do business in the industry. From recruitment and training to strengthening our culture of inclusiveness, we focus on attracting, developing, and collaborating with a diverse range of financial professionals.

We believe that diverse teams, when managed in a culture of inclusion, are more creative, more productive, and better at problem-solving. With this understanding, inclusion is one of our top priorities, and we're continuously looking for more ways to drive greater diversity among our employees and financial professionals.

## Corporate and social responsibility

Along with our commitment to diversity and inclusion, corporate social responsibility is integral to who we are as a company. It guides how we interact with each other, our communities, and our planet, as well as how we conduct business. We apply an environmental, social, and governance (commonly known as ESG) lens to all of our business priorities.

Our offices in San Diego, CA; Fort Mill, SC; and Boston, MA, are all LEED-certified. LPL employees and financial professionals actively work to better their local communities through volunteerism, charitable contributions, and civic activation. The dedicated LPL Financial Foundation supports initiatives and programs that focus on increasing access to career pathways for under-resourced teens and young adults.

Recognizing that many investors prefer to incorporate a values-based approach to their portfolios, we offer access to sustainable investing options, including more than 220 mutual funds and 82 exchange-traded funds.





# KEEPING YOUR ACCOUNTS PROTECTED

When you invest with an advisor who affiliates with LPL, your accounts are protected with multiple levels of security:

- Our Securities Investor Protection Corporation (SIPC) membership provides account protection up to a maximum of \$500,000 per customer, of which \$250,000 may be claims for cash.\*\*
- In addition to SIPC protection, LPL purchases Excess of SIPC protection with an aggregate limit of \$600 million.



Through our multi-bank sweep solutions, clients will receive the benefits of FDIC insurance, including:

- Accounts eligible for the Insured Cash Account (ICA) will receive up to \$2.5 million in coverage for single account holders and \$5 million for joint accounts.
- Accounts eligible for the Deposit Cash Account (DCA) will receive up to \$2 million in coverage for single account holders.
- ICA and DCA deposits are FDIC-insured to a maximum amount of \$250,000 (including principal and accrued interest) per bank, per legal capacity, and are aggregated with all other deposits held by you in the same recognized legal capacity at the same bank. Other investment holdings are subject to loss.

Regardless of investment type or size, we ensure your accounts are well protected. If you'd like more information on our SIPC membership, please visit [www.sipc.org](http://www.sipc.org) for a brochure. For FDIC insurance coverage information, log on to [www.fdic.gov](http://www.fdic.gov).

## About LPL Financial

LPL Financial (Nasdaq: LPLA) was founded on the principle that the firm should work for the advisor, and not the other way around. Today, LPL is a leader\* in the markets we serve, supporting more than 20,000 financial advisors, 800 institution-based investment programs and 450 independent RIA firms nationwide. We are steadfast in our commitment to the advisor-centered model and the belief that Americans deserve access to personalized guidance from a financial advisor. At LPL, independence means that advisors have the freedom they deserve to choose the business model, services, and technology resources that allow them to run their perfect practice. And they have the freedom to manage their client relationships, because they know their clients best. Simply put, we take care of our advisors, so they can take care of their clients.

\* Top RIA custodian (Cerulli Associates, 2021 U.S. RIA Marketplace Report); No. 1 Independent Broker-Dealer in the U.S. (Based on total revenues, *Financial Planning* magazine June 1996-2022); Among third-party providers of brokerage services to banks and credit unions, No. 1 in AUM Growth from Financial Institutions; No. 1 in Market Share of AUM from Financial Institutions; No. 1 in Market Share of Revenue from Financial Institutions; No. 1 on Financial Institution Market Share; No. 1 on Share of Advisors. (2021-2022 Kehler Bielan Research & Consulting Annual TPM Report).

\*\* The account protection applies when an SIPC member firm fails financially and is unable to meet obligations to securities clients, but it does not protect against losses from the rise and fall in the market value of investments.

Investing involves risks including possible loss of principal. No investment strategy or risk management technique can guarantee return or eliminate risk in all market environments.

This material has been prepared by LPL Financial, LLC.

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<b>Not Insured by FDIC/NCUA or Any Other Government Agency</b>	<b>Not Bank/Credit Union Guaranteed</b>	<b>Not Bank/Credit Union Deposits or Obligations</b>	<b>May Lose Value</b>
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