

Blucora, Inc.  
Supplemental Information  
September 30, 2018

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## Blucora Consolidated Financial Results <sup>(1)</sup>

(in thousands except %s and per share amounts, rounding differences may exist)	2016	2017				2018			
	FY 12/31	1Q	2Q	3Q	4Q	FY 12/31	1Q	2Q	3Q
Segment revenue:									
Wealth Management <sup>(1)</sup>	\$ 316,546	\$ 82,667	\$ 85,296	\$ 86,809	\$ 93,848	\$ 348,620	\$ 92,082	\$ 92,015	\$ 91,887
Tax Preparation <sup>(2)</sup>	139,365	99,708	53,866	3,362	4,001	160,937	113,883	65,833	3,498
Total	\$ 455,911	\$ 182,375	\$ 139,162	\$ 90,171	\$ 97,849	\$ 509,557	\$ 205,965	\$ 157,848	\$ 95,385
Segment income (loss): <sup>(3)</sup>									
Wealth Management <sup>(1)</sup>	\$ 46,296	\$ 11,853	\$ 12,406	\$ 12,425	\$ 14,232	\$ 50,916	\$ 13,075	\$ 12,954	\$ 12,891
Tax Preparation <sup>(2)</sup>	66,897	53,133	36,515	(6,238)	(10,489)	72,921	58,806	44,121	(6,936)
Total	\$ 113,193	\$ 64,986	\$ 48,921	\$ 6,187	\$ 3,743	\$ 123,837	\$ 71,881	\$ 57,075	\$ 5,955
Segment income (loss) % of revenue:									
Wealth Management <sup>(1)</sup>	15%	14%	15%	14%	15%	15%	14%	14%	14%
Tax Preparation <sup>(2)</sup>	48%	53%	68%	(186)%	(262)%	45%	52%	67%	(198)%
Total	25%	36%	35%	7%	4%	24%	35%	36%	6%
Unallocated corporate operating expenses <sup>(3)</sup>	\$ 18,999	\$ 6,773	\$ 6,463	\$ 4,587	\$ 5,084	\$ 22,907	\$ 5,541	\$ 4,238	\$ 4,572
Adjusted EBITDA	\$ 94,194	\$ 58,213	\$ 42,458	\$ 1,600	\$ (1,341)	\$ 100,930	\$ 66,340	\$ 52,837	\$ 1,383
Other unallocated operating expenses: <sup>(3)</sup>									
Stock-based compensation <sup>(4)</sup>	\$ 14,128	\$ 2,565	\$ 2,737	\$ 3,132	\$ 3,219	\$ 11,653	\$ 2,955	\$ 3,730	\$ 2,874
Acquisition-related costs	391	—	—	—	—	—	—	—	—
Depreciation	4,545	1,134	1,059	1,023	921	4,137	2,002	1,124	930
Amortization of acquired intangible assets <sup>(4)</sup>	34,143	8,336	8,336	8,665	8,665	34,002	8,357	8,855	8,271
Restructuring	3,870	2,289	331	106	375	3,101	289	2	—
Operating income (loss)	\$ 37,117	\$ 43,889	\$ 29,995	\$ (11,326)	\$ (14,521)	\$ 48,037	\$ 52,737	\$ 39,126	\$ (10,692)
Unallocated other income/loss: <sup>(3)</sup>									
Interest income	\$ (81)	\$ (20)	\$ (25)	\$ (31)	\$ (34)	\$ (110)	\$ (40)	\$ (58)	\$ (119)
Interest expense <sup>(5)</sup>	32,424	6,436	5,529	4,781	4,465	21,211	4,181	3,847	3,744
Amortization of debt issuance costs <sup>(5)</sup>	1,840	387	327	177	198	1,089	203	284	172
Accretion of debt discounts <sup>(5)</sup>	4,690	1,085	755	53	54	1,947	47	40	38
Loss on debt extinguishment and modification expense <sup>(6)</sup>	1,036	1,780	17,801	183	681	20,445	776	758	—
Other (income) loss, net	(128)	40	(187)	78	38	(31)	61	(2,112)	28
Total	\$ 39,781	\$ 9,708	\$ 24,200	\$ 5,241	\$ 5,402	\$ 44,551	\$ 5,228	\$ 2,759	\$ 3,863
Income (loss) from continuing operations before income taxes	\$ (2,664)	\$ 34,181	\$ 5,795	\$ (16,567)	\$ (19,923)	\$ 3,486	\$ 47,509	\$ 36,367	\$ (14,555)
Income tax (benefit) expense: <sup>(3)</sup>									
Cash	\$ 2,517	\$ 311	\$ (626)	\$ (58)	\$ 1,336	\$ 963	\$ 565	\$ 325	\$ 515
Non-cash <sup>(7)</sup>	(3,802)	3,160	2,941	224	(33,178)	(26,853)	1,398	582	(1,333)
Total	\$ (1,285)	\$ 3,471	\$ 2,315	\$ 166	\$ (31,842)	\$ (25,890)	\$ 1,963	\$ 907	\$ (818)
GAAP income (loss) from continuing operations <sup>(8)</sup>	\$ (1,379)	\$ 30,710	\$ 3,480	\$ (16,733)	\$ 11,919	\$ 29,376	\$ 45,546	\$ 35,460	\$ (13,737)
GAAP income (loss) from continuing operations per share - diluted	\$ (0.05)	\$ 0.67	\$ 0.07	\$ (0.37)	\$ 0.21	\$ 0.57	\$ 0.93	\$ 0.71	\$ (0.37)
GAAP discontinued operations, net of income taxes <sup>(9)</sup>	\$ (63,121)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
GAAP impact of noncontrolling interests <sup>(8)</sup>	(658)	(126)	(176)	(164)	(1,871)	(2,337)	(205)	(222)	(227)
GAAP net income (loss) attributable to Blucora, Inc.	\$ (65,158)	\$ 30,584	\$ 3,304	\$ (16,897)	\$ 10,048	\$ 27,039	\$ 45,341	\$ 35,238	\$ (13,964)
Non-GAAP net income (loss)	\$ 45,096	\$ 47,407	\$ 32,947	\$ (5,534)	\$ (5,672)	\$ 69,148	\$ 58,232	\$ 47,726	\$ (4,430)
Non-GAAP net income (loss) per share - diluted	\$ 1.06 <sup>(10)</sup>	\$ 1.04	\$ 0.70	\$ (0.12)	\$ (0.12)	\$ 1.46 <sup>(11)</sup>	\$ 1.20	\$ 0.97	\$ (0.09)
Outstanding Shares	41,845	42,635	44,681	46,077	46,366	46,366	46,828	47,816	47,816
Basic shares - GAAP	41,494	42,145	43,644	45,459	46,231	44,370	46,641	47,221	47,712
Diluted shares - GAAP	41,494	45,428	46,937	45,459	48,406	47,211	48,665	49,434	47,712

Notes to Consolidated Financial Results on next page

## Notes to Consolidated Financial Results

- (1) On October 14, 2015, we announced the acquisition of HD Vest, which closed on December 31, 2015. As part of our announcement, we also stated our plans to divest the Search and Content and E-Commerce businesses in order to focus more strategically on the technology-enabled financial solutions market. The pro forma information represents the combination of HD Vest, TaxAct, and corporate expenses as if the acquisition closed on January 1, 2014. The Company believes that this presentation most accurately reflects the financial performance of the Company on a go-forward basis.
- (2) As a highly seasonal business, almost all of the Tax Preparation revenue is generated in the first four months of the calendar year.
- (3) We do not allocate certain general and administrative costs (including personnel and overhead costs), stock-based compensation, acquisition-related costs, depreciation, amortization of acquired intangible assets, restructuring, other income/loss, or income taxes to the reportable segments. The general and administrative costs are included in "Unallocated corporate operating expenses."
- (4) Includes stock-based compensation for Blucora share-based award grants to HD Vest employees and amortization of the definite-lived intangible assets identified in the HD Vest acquisition.
- (5) Excludes interest expense and amortization of debt-related costs associated with the TaxAct 2013 credit facility and HD Vest's previous debt facility, both of which were paid off at the acquisition date, and includes similar expenses associated with the TaxAct - HD Vest 2015 credit facility that was used to finance the HD Vest acquisition.
- (6) 1Q16 gain on debt extinguishment related to the repurchase of a portion of our previously outstanding Notes below par value, offset by a loss on debt extinguishment related to the prepayment of a portion of the TaxAct - HD Vest 2015 credit facility, which resulted in the acceleration of a portion of the unamortized discount and debt issuance costs. 2Q16, 3Q16, 4Q16, 1Q17, and 2Q17 loss on debt extinguishment related to the prepayment of a portion of the TaxAct - HD Vest 2015 credit facility during each of those quarters. 2Q17 loss on debt extinguishment also related to the redemption of all of the Convertible Senior Notes and pay-off of the remaining TaxAct - HD Vest 2015 credit facility, resulting in the write-off of the remaining unamortized debt discount and issuance costs.
- (7) Amounts represent the non-cash portion of income taxes from continuing operations. We exclude the non-cash portion of income taxes because of our ability to offset a substantial portion of our cash tax liabilities by using deferred tax assets, which primarily consist of U.S. federal net operating losses. The majority of these net operating losses will expire, if unutilized, between 2020 and 2024.
- (8) GAAP income (loss) from continuing operations excludes the impact of noncontrolling interests associated with former HD Vest management rollover equity ownership of 4.48%. The impact of noncontrolling interests is recorded separately and after GAAP income (loss) from continuing operations.
- (9) On October 14, 2015, Blucora announced plans to divest of the Search and Content and E-Commerce businesses. Accordingly, our financial condition, results of operations, and cash flows reflect the Search and Content and E-Commerce businesses as discontinued operations for all periods presented. On August 9, 2016, we closed on an agreement with OpenMail, under which OpenMail acquired substantially all of the assets and assumed certain specified liabilities of the Search and Content business for \$45.2 million. On November 17, 2016, we closed on an agreement with YFC, under which YFC acquired the E-Commerce business for \$40.5 million. As a result, we recognized a combined loss on sale of discontinued operations before income taxes of \$73.8 million in FY 2016.
- (10) Calculation in FY 2016 used 42,686,000 diluted shares due to non-GAAP net income.
- (11) Calculation in FY 2017 used 47,211,000 diluted shares due to non-GAAP net income.

## Blucora Reconciliation of Non-GAAP Financial Measures <sup>(1)(2)</sup>

	2016		2017				2018		
	FY 12/31	1Q	2Q	3Q	4Q	FY 12/31	1Q	2Q	3Q
<i>(in thousands except per share amounts, rounding differences may exist)</i>									
<b>Adjusted EBITDA</b>									
Net income (loss) attributable to Blucora, Inc. <sup>(1)(2)(3)</sup>	\$ (65,158)	\$ 30,584	\$ 3,304	\$ (16,897)	\$ 10,048	\$ 27,039	\$ 45,341	\$ 35,238	\$ (13,964)
Stock-based compensation	14,128	2,565	2,737	3,132	3,219	11,653	2,955	3,730	2,874
Depreciation and amortization of acquired intangible assets	38,688	9,470	9,395	9,688	9,586	38,139	10,359	9,979	9,201
Restructuring	3,870	2,289	331	106	375	3,101	289	2	\$ —
Other loss, net	39,781	9,708	24,200	5,241	5,402	44,551	5,228	2,759	3,863
Net income attributable to noncontrolling interests	658	126	176	164	1,871	2,337	205	222	227
Income tax (benefit) expense	(1,285)	3,471	2,315	166	(31,842)	(25,890)	1,963	907	(818)
Discontinued operations, net of income taxes	63,121	—	—	—	—	—	—	—	—
Acquisition-related costs	391	—	—	—	—	—	—	—	—
Adjusted EBITDA	<u>\$ 94,194</u>	<u>\$ 58,213</u>	<u>\$ 42,458</u>	<u>\$ 1,600</u>	<u>\$ (1,341)</u>	<u>\$ 100,930</u>	<u>\$ 66,340</u>	<u>\$ 52,837</u>	<u>\$ 1,383</u>
<b>Non-GAAP Net Income (Loss)</b>									
Net income (loss) attributable to Blucora, Inc. <sup>(1)(2)(3)</sup>	\$ (65,158)	\$ 30,584	\$ 3,304	\$ (16,897)	\$ 10,048	\$ 27,039	\$ 45,341	\$ 35,238	\$ (13,964)
Discontinued operations, net of income taxes	63,121	—	—	—	—	—	—	—	—
Stock-based compensation	14,128	2,565	2,737	3,132	3,219	11,653	2,955	3,730	2,874
Amortization of acquired intangible assets	34,143	8,336	8,336	8,665	8,665	34,002	8,357	8,855	8,271
Accretion of debt discount on Convertible Senior Notes	3,666	934	633	—	—	1,567	—	—	—
Accelerated accretion of debt discount on Convertible Senior Notes repurchased	1,628	—	—	—	—	—	—	—	—
Gain on Convertible Senior Notes repurchased	(7,724)	—	—	—	—	—	—	—	—
Write-off of debt discount and debt issuance costs on terminated Convertible Senior Notes	—	—	6,715	—	—	6,715	—	—	—
Write-off of debt discount and debt issuance costs on closed TaxAct - HD Vest 2015 credit facility	—	—	9,593	—	—	9,593	—	—	—
Acquisition-related costs	391	—	—	—	—	—	—	—	—
Restructuring	3,870	2,289	331	106	375	3,101	289	2	—
Impact of noncontrolling interests	658	126	176	164	1,871	2,337	205	222	227
Cash tax impact of adjustments to GAAP net income	175	(587)	(1,819)	(928)	3,328	(6)	(313)	(903)	(505)
Non-cash income tax (benefit) expense	(3,802)	3,160	2,941	224	(33,178)	(26,853)	1,398	582	(1,333)
Non-GAAP net income (loss)	<u>\$ 45,096</u>	<u>\$ 47,407</u>	<u>\$ 32,947</u>	<u>\$ (5,534)</u>	<u>\$ (5,672)</u>	<u>\$ 69,148</u>	<u>\$ 58,232</u>	<u>\$ 47,726</u>	<u>\$ (4,430)</u>
Non-GAAP net income (loss) per share	\$ 1.06	\$ 1.04	\$ 0.70	\$ (0.12)	\$ (0.12)	\$ 1.46	\$ 1.20	\$ 0.97	\$ (0.09)
Diluted shares	42,686	45,428	46,937	45,459	46,231	47,211	48,665	49,434	47,712

<sup>(1)</sup> On October 14, 2015, Blucora announced the acquisition of HD Vest, which closed on December 31, 2015. As part of that announcement, we also stated our plans to divest the Search and Content and E-Commerce businesses in order to focus more strategically on the technology-enabled financial solutions market. The pro forma information represents the combination of HD Vest, TaxAct, and corporate expenses as if the acquisition closed on January 1, 2014. The Company believes that this presentation most accurately reflects the financial performance of the Company on a go-forward basis.

## Notes to Reconciliations of Non-GAAP Financial Measures to the Nearest Comparable GAAP Measures

<sup>(2)</sup> We define Adjusted EBITDA as net income (loss) attributable to Blucora, Inc., determined in accordance with GAAP, excluding the effects of stock-based compensation, depreciation and amortization of acquired intangible assets (including acquired technology), restructuring, other loss, net, the impact of noncontrolling interests, income tax (benefit) expense, discontinued operations, net of income taxes, and acquisition-related costs. Restructuring costs relate to the relocation of our corporate headquarters during 2017. The aforementioned items are only included in Adjusted EBITDA in the periods they occurred.

We believe that Adjusted EBITDA provides meaningful supplemental information regarding our performance. We use this non-GAAP financial measure for internal management and compensation purposes, when publicly providing guidance on possible future results, and as a means to evaluate period-to-period comparisons. We believe that Adjusted EBITDA is a common measure used by investors and analysts to evaluate our performance, that it provides a more complete understanding of the results of operations and trends affecting our business when viewed together with GAAP results, and that management and investors benefit from referring to this non-GAAP financial measure. Items excluded from Adjusted EBITDA are significant and necessary components to the operations of our business and, therefore, Adjusted EBITDA should be considered as a supplement to, and not as a substitute for or superior to, GAAP net income. Other companies may calculate Adjusted EBITDA differently and, therefore, our Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

We define non-GAAP net income (loss) as net income (loss) attributable to Blucora, Inc., determined in accordance with GAAP, excluding the effects of discontinued operations, net of income taxes, stock-based compensation, amortization of acquired intangible assets (including acquired technology), accretion of debt discount and accelerated accretion of debt discount on our Convertible Senior Notes that were outstanding for a portion of 2017 (the "*Notes*"), gain on those Convertible Senior Notes, write-off of debt discount and debt issuance costs on terminated Notes and the terminated TaxAct - HD Vest 2015 credit facility, acquisition-related costs, restructuring costs (described further under *Adjusted EBITDA* above), the impact of noncontrolling interests, the related cash tax impact of those adjustments, and non-cash income taxes. We exclude the non-cash portion of income taxes because of our ability to offset a substantial portion of our cash tax liabilities by using deferred tax assets, which primarily consist of U.S. federal net operating losses. The majority of these net operating losses will expire, if unutilized, between 2020 and 2024. The aforementioned items are only included in non-GAAP net income (loss) in the periods they occurred.

We believe that non-GAAP net income (loss) and non-GAAP net income (loss) per share provide meaningful supplemental information to management, investors, and analysts regarding our performance and the valuation of our business by excluding items in the statement of operations that we do not consider part of our ongoing operations or have not been, or are not expected to be, settled in cash. Additionally, we believe that non-GAAP net income (loss) and non-GAAP net income (loss) per share are common measures used by investors and analysts to evaluate our performance and the valuation of our business. Non-GAAP net income (loss) and non-GAAP net income per share should be evaluated in light of our financial results prepared in accordance with GAAP and should be considered as a supplement to, and not as a substitute for or superior to, GAAP net income (loss) and net income per share. Other companies may calculate non-GAAP net income (loss) and non-GAAP net income (loss) per share differently, and, therefore, our non-GAAP net income (loss) and non-GAAP net income (loss) per share may not be comparable to similarly titled measures of other companies.

<sup>(3)</sup> As presented in the Blucora Consolidated Financial Results (unaudited) on page 2.

## **Blucora Net Leverage Ratio**

	<b>2016</b>		<b>2017</b>				<b>2018</b>		
<i>(in thousands except ratio, rounding differences may exist)</i>	<b>FY 12/31</b>	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>4Q</b>	<b>FY 12/31</b>	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>
<b>CASH:</b>									
Cash and cash equivalents	\$ 51,713	\$ 74,609	\$ 78,312	\$ 78,558	\$ 59,965	\$ 59,965	\$ 77,107	\$ 89,840	\$ 88,274
Available-for-sale investments	7,101	160	—	—	—	—	—	—	—
	<u>\$ 58,814</u>	<u>\$ 74,769</u>	<u>\$ 78,312</u>	<u>\$ 78,558</u>	<u>\$ 59,965</u>	<u>\$ 59,965</u>	<u>\$ 77,107</u>	<u>\$ 89,840</u>	<u>\$ 88,274</u>
<b>DEBT:</b>									
Senior secured credit facility	\$ —	\$ —	\$ 360,000	\$ 350,000	\$ 345,000	\$ 345,000	\$ 305,000	\$ 265,000	\$ 265,000
TaxAct - HD Vest 2015 credit facility	260,000	222,000	—	—	—	—	—	—	\$ —
Convertible Senior Notes	172,859	172,859	—	—	—	—	—	—	—
Note payable, related party	3,200	3,200	3,200	3,200	—	—	—	—	—
	<u>\$ 436,059</u>	<u>\$ 398,059</u>	<u>\$ 363,200</u>	<u>\$ 353,200</u>	<u>\$ 345,000</u>	<u>\$ 345,000</u>	<u>\$ 305,000</u>	<u>\$ 265,000</u>	<u>\$ 265,000</u>
<b>NET DEBT</b>	<b>\$ (377,245)</b>	<b>\$ (323,290)</b>	<b>\$ (284,888)</b>	<b>\$ (274,642)</b>	<b>\$ (285,035)</b>	<b>\$ (285,035)</b>	<b>\$ (227,893)</b>	<b>\$ (175,160)</b>	<b>\$ (176,726)</b>
Last twelve months:									
<b>SEGMENT INCOME:</b>									
Wealth Management	\$ 46,296	\$ 47,243	\$ 49,725	\$ 50,522	\$ 50,916	\$ 50,916	\$ 52,138	\$ 52,686	\$ 53,152
Tax Preparation	66,897	72,457	79,176	77,320	72,921	72,921	78,594	86,200	85,502
	<u>113,193</u>	<u>119,700</u>	<u>128,901</u>	<u>127,842</u>	<u>123,837</u>	<u>123,837</u>	<u>130,732</u>	<u>138,886</u>	<u>138,654</u>
Unallocated corporate operating expenses	<u>(18,999)</u>	<u>(21,073)</u>	<u>(23,076)</u>	<u>(22,756)</u>	<u>(22,907)</u>	<u>(22,907)</u>	<u>(21,675)</u>	<u>(19,450)</u>	<u>(19,435)</u>
<b>ADJUSTED EBITDA</b>	<b>\$ 94,194</b>	<b>\$ 98,627</b>	<b>\$ 105,825</b>	<b>\$ 105,086</b>	<b>\$ 100,930</b>	<b>\$ 100,930</b>	<b>\$ 109,057</b>	<b>\$ 119,436</b>	<b>\$ 119,219</b>
<b>LEVERAGE RATIO</b>	<b>4.0 x</b>	<b>3.3 x</b>	<b>2.7 x</b>	<b>2.6 x</b>	<b>2.8 x</b>	<b>2.8 x</b>	<b>2.1 x</b>	<b>1.5 x</b>	<b>1.5 x</b>

## **Blucora Reconciliation of Operating Free Cash Flow from Continuing Operations** <sup>(1)</sup>

*(in thousands, rounding differences may exist)*

	2016		2017				2018		
	FY 12/31	1Q	2Q	3Q	4Q	FY 12/31	1Q	2Q	3Q
Net cash provided (used) by operating activities from continuing operations	\$ 85,970	\$ 52,900	\$ 28,236	\$ (1,906)	\$ (6,384)	\$ 72,846	\$ 57,450	\$ 49,107	\$ (974)
Purchases of property and equipment	(3,812)	(1,165)	(746)	(1,898)	(1,230)	(5,039)	(940)	(1,662)	(2,738)
Operating free cash flow from continuing operations	<u>\$ 82,158</u>	<u>\$ 51,735</u>	<u>\$ 27,490</u>	<u>\$ (3,804)</u>	<u>\$ (7,614)</u>	<u>\$ 67,807</u>	<u>\$ 56,510</u>	<u>\$ 47,445</u>	<u>\$ (3,712)</u>

- <sup>(1)</sup> We define operating free cash flow from continuing operations as net cash provided by operating activities from continuing operations less purchases of property and equipment. We believe operating free cash flow is an important liquidity measure that reflects the cash generated by the continuing businesses, after the purchases of property and equipment, that can then be used for, among other things, strategic acquisitions and investments in the businesses, stock repurchases, and funding ongoing operations.

## Blucora Operating Metrics - Wealth Management

(in thousands except %, rounding differences may exist)

	2016	2017				2018			
	FY 12/31	1Q	2Q	3Q	4Q	FY 12/31	1Q	2Q	3Q
Segment revenue	\$316,546	\$ 82,667	\$ 85,296	\$ 86,809	\$ 93,848	\$ 348,620	\$ 92,082	\$ 92,015	\$ 91,887
Segment net revenue <sup>(1)</sup>	\$102,550	\$ 26,793	\$ 28,394	\$ 27,591	\$ 30,639	\$ 113,417	\$ 29,256	\$ 29,822	\$ 29,994
Segment income <sup>(2)</sup>	\$ 46,296	\$ 11,853	\$ 12,406	\$ 12,425	\$ 14,232	\$ 50,916	\$ 13,075	\$ 12,954	\$ 12,891
Segment income % of revenue	15%	14%	15%	14%	15%	15%	14%	14%	14%
Segment income % of net revenue	45%	44%	44%	45%	46%	45%	45%	43%	43%

(in thousands except %, rounding differences may exist)

	Sources of Revenue	Primary Drivers	2016	2017				2018			
			FY 12/31	1Q	2Q	3Q	4Q	FY 12/31	1Q	2Q	3Q
Advisor-driven	Commission	- Transactions - Asset levels	\$150,125	\$ 39,595	\$ 38,154	\$ 39,432	\$ 43,060	\$ 160,241	\$ 42,870	\$ 40,384	\$ 41,015
	Advisory	- Advisory asset levels	129,417	33,576	35,914	37,588	38,616	145,694	39,301	40,058	41,443
Other revenue	Asset-based	- Cash balances - Interest rates - Number of accounts - Client asset levels	22,653	5,966	6,784	6,526	7,021	26,297	7,172	7,306	6,979
	Transaction and fee	- Account activity - Number of clients - Number of advisors - Number of accounts	14,351	3,530	4,444	3,263	5,151	16,388	2,739	4,267	2,450
	Total revenue		\$316,546	\$ 82,667	\$ 85,296	\$ 86,809	\$ 93,848	\$ 348,620	\$ 92,082	\$ 92,015	\$ 91,887
	Total recurring revenue <sup>(3)</sup>		\$249,130	\$ 63,907	\$ 68,971	\$ 70,539	\$ 74,129	\$ 277,546	\$ 72,962	\$ 75,369	\$ 74,228
	Recurring revenue rate <sup>(3)</sup>		78.7%	77.3%	80.9%	81.3%	79.0%	79.6%	79.2%	81.9%	80.8%

(in thousands except %s and as otherwise indicated, rounding differences may exist)

	2016	2017				2018			
	FY 12/31	1Q	2Q	3Q	4Q	FY 12/31	1Q	2Q	3Q
Total Client Assets <sup>(4)</sup>	\$38,663,595	\$40,424,515	\$41,427,028	\$42,696,862	\$44,178,710	\$44,178,710	\$44,383,024	\$45,016,993	\$46,413,409
Brokerage Assets <sup>(5)</sup>	\$28,266,524	\$29,333,748	\$29,875,740	\$30,712,542	\$31,648,545	\$31,648,545	\$31,665,899	\$32,069,800	\$32,897,081
Advisory Assets <sup>(6)</sup>	\$10,397,071	\$11,090,767	\$11,551,288	\$11,984,320	\$12,530,165	\$12,530,165	\$12,717,125	\$12,947,193	\$13,516,328
% of total Total Client Assets	26.9%	27.4%	27.9%	28.1%	28.4%	28.4%	28.7%	28.8%	29.1%
Number of advisors (in ones)	4,472	4,427	4,426	4,392	3,999	3,999	3,920	3,709	3,687
Adviser-driven revenue per adviser	\$ 16.3	\$ 16.5	\$ 16.7	\$ 17.5	\$ 20.4	\$ 20.4	\$ 21.0	\$ 21.7	\$ 22.4

(1) Amount represents segment revenue less advisor commission payout.

(2) Excludes expenses associated with non-recurring projects.

(3) Recurring revenue consists of trailing commissions, advisory fees, fees from cash sweep programs, and certain transaction and fee revenue.

(4) Total client assets replaces the previously used term assets under administration.

(5) Brokerage assets represents the difference between total client assets and advisory assets.

(6) Advisory assets replaces the previously used term assets under management.