LPL Financial

LPL Financial Enhances Award-Winning Model Wealth Portfolios Platform with Addition of AlphaSimplex Group, J.P. Morgan Asset Management and Morningstar Investment Services

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BOSTON, July 11, 2012 /PRNewswire/ -- LPL Financial LLC, the nation's largest independent broker-dealer* and a wholly-owned subsidiary of LPL Financial Holdings Inc. (NASDAQ: LPLA), today announced that it has added the offerings of three top-tier, third-party strategic portfolio management firms to its award-winning Model Wealth Portfolios (MWP) platform. At the same time, the company has lowered account minimums for participation in the platform to $25,000 compared to $100,000 when the platform was first launched, an action driven by the combination of an increase in demand from financial advisors and innovation on the part of strategists participating in the platform in managing smaller accounts. These changes will expand the platform's flexibility and accessibility, while enabling LPL Financial advisors to create a greater range of customized solutions to help achieve their clients' specific financial goals.

MWP is a centrally managed, fee-based platform available to LPL Financial advisors to provide client-centric, theme-based investment portfolios for a broad range of investors. Offering an array of mutual fund and exchange-traded fund strategies in an efficient, easy-to-manage format, MWP was named the Advisory Product Solution of the Year in 2010 by the Money Management Institute (MMI), the leading national organization for the advisory solutions industry.

Each of the newly added portfolio strategists —AlphaSimplex Group, J.P. Morgan Asset Management and Morningstar Investment Services — brings unique investment philosophies, knowledge and experience to the MWP platform, furthering its capabilities in such areas as asset allocation, risk management, absolute return, and other desirable investment objectives. Importantly, this platform expansion will also include a number of new portfolio models developed by LPL Financial Research. Including the new portfolio models developed by LPL Financial Research, this platform expansion brings the total number of companies providing strategies on the Model Wealth Portfolios to eight.

John Moninger, LPL Financial Executive Vice President of Advisory and Brokerage Consulting Services, said, "LPL Financial is continually searching for new ways to give our financial advisors the best tools and resources to provide their clients with superior solutions to meet their complex, changing investment goals. These leading strategists, and the expanded model choices they offer, are an excellent complement to MWP's existing line-up of managers and strategies, and to the other solutions and research products we bring to our advisors."

Specifically, the platform expansion encompasses the following:

- LPL Financial Research — Absolute Return Diversified Plus, Tactical Opportunities Diversified Plus, Strategic Exchange-Traded Product (ETP) Portfolios
- AlphaSimplex Group — Risk Efficient Portfolios
- BlackRock — Tactical Mutual Fund Model
- J.P. Morgan Asset Management — Global Asset Allocation, Tax Sensitive, Absolute Return Portfolios
- Morningstar Investment Services —Mutual Fund and Exchange-Traded Fund Managed Portfolios, including tax-conscious mutual fund options and Absolute Return Model

Reflecting the robust growth of the platform, as of March 31, 2012, MWP assets under management totaled $8.7 billion, an increase of 72.8% over the prior year and an increase of 13,345.6% since inception in February 2008. (MWP assets under management stood at $64,762,932 shortly after the platform was first launched as of March 31, 2008.)

Jerry Chafkin, CEO of AlphaSimplex Group, said, "We are excited by this opportunity to bring AlphaSimplex's active risk management principles to the portfolios that LPL Financial advisors construct and manage for their individual investor clients."

Jed Laskowitz, J.P. Morgan Funds Head of Distribution, said, "We are pleased that LPL Financial has elected to include J.P. Morgan's asset allocation capabilities and our proven investment management skill in its Model Wealth Portfolio program."

Jeffrey Ptak, President and Chief Investment Officer of Morningstar Investment Services, said, "We are honored to be included in the MWP platform and are especially excited to make our time-tested Absolute Return portfolio, which aims to generate equity-like returns without the associated volatility and downside risk, available to LPL Financial advisors for the first time."

Burt White, Managing Director and Chief Investment Officer of LPL Financial, concluded, "Since the formation of our Model Wealth Portfolio platform in 2008, we have continued to augment it with some of the finest investment managers and strategists in the industry. This has been instrumental in MWP's extraordinary success, both for our financial advisors and for their clients."

About LPL Financial

LPL Financial, a wholly owned subsidiary of LPL Financial Holdings Inc. (NASDAQ: LPLA), is the nation's largest independent broker-dealer (based on total revenues, Financial Planning magazine, June 1996-2012), a top RIA custodian, and a leading independent consultant to retirement plans. LPL Financial offers proprietary technology, comprehensive clearing and compliance services, practice management programs and training, and independent research to over 12,900 financial advisors and approximately 680 financial institutions. In addition, LPL Financial supports over 4,400 financial advisors licensed with insurance companies by providing customized clearing, advisory platforms and technology solutions. LPL Financial and its affiliates have approximately 2,700 employees with headquarters in Boston, Charlotte, and San Diego. For more information, please visit www.lpl.com.

Securities offered through LPL Financial. Member FINRA/SIPC

*Based on total revenues, Financial Planning magazine, June 1996-2012

About AlphaSimplex Group

AlphaSimplex Group (ASG) specializes in absolute return strategies, including global macro and dynamic asset allocation. The firm's first mutual fund, Natixis ASG Global Alternatives Fund (GAFAX), was launched in September 2008. ASG was founded in 1999 by Dr. Andrew W. Lo, AlphaSimplex's Chief Investment Strategist. Dr. Lo is also a professor of finance at the MIT Sloan School of Management and a recognized thought leader in the fields of behavioral finance and risk management. Dr. Lo has published numerous articles in finance and economics journals, and is author of *The Econometrics of Financial Markets, A Non-Random Walk Down Wall Street* and *Hedge Funds: An Analytic Perspective.* For more information, please visit http://www.alphasimplex.com/.

About J.P. Morgan Asset Management

J.P. Morgan Asset Management, with assets under supervision of $2.0 trillion and assets under management of $1.4 trillion (as of 1/31/2012), is a global leader in investment management. J.P. Morgan Asset Management's clients include institutions, retail investors and high-net worth individuals in every major market throughout the world. J.P. Morgan Asset Management offers global investment management in equities, fixed income, real estate, hedge funds, private equity and liquidity. JPMorgan Chase & Co. (NYSE: JPM), the parent company of J.P. Morgan Asset Management, is a leading global financial services firm with assets of $2.2 trillion and operations in more than 60 countries. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.

J.P. Morgan Asset Management is the marketing name for the asset management businesses of JPMorgan Chase & Co., and its affiliates worldwide.

About Morningstar Investment Services

Morningstar Investment Services, Inc. is a registered investment advisor and a wholly owned subsidiary of Morningstar, Inc. It provides independent investment management services to financial advisors through financial institutions and its turnkey, fee-based discretionary investment management program, Morningstar® Managed Portfolios(SM). Morningstar Investment Services, along with Morningstar's other investment advisory subsidiaries, comprise the Morningstar Investment Management division. This division provides independent investment management and consulting services to institutions and advisors and has approximately $193 billion in assets under advisement and management as of March 31, 2012. For more information, please visit http://corporate.morningstar.com/mis.

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