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June 2014

The LPL Financial Opportunity

Safe Harbor Disclosure and Non-GAAP Financial Measures

Statements in this presentation regarding LPL Financial Holdings Inc.'s (the “Company”) future financial and operating results, plans, strategies, future market position, ability, plans to repurchase shares and pay dividends in the future, and goals, including statements relating to future efficiency gains, scale and projected expenses and savings as a result of the Service Value Commitment (the “SVC”) or other initiatives, ability and plans to deliver technology functionality, features or upgrades, future growth, market share and insured cash account portfolio, including the statements on the slides entitled “Positioned to capitalize on favorable industry trends”, “Strengthening the financial model”, “Focusing on operational efficiency positions the company to generate outsize earnings growth”, “Capital-light model supports opportunities to reinvest to growth the business and return capital to shareholders”, “Operational Update” and “Additional benefit from anticipated normalized interest rates and growth in cash sweep balances”, 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 Company's historical performance and its plans, estimates and expectations as June 10, 2014. 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 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: 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; changes in the number of the Company's financial advisors and institutions, their ability to market effectively financial products and services, and the success of the Company’s initiatives designed to engage them; changes in interest rates and fees payable by banks participating in the Company's cash sweep program, including the Company's success in negotiating agreements with current or additional counterparties; finalization and execution of the Company’s plans related to the SVC, including the Company’s ability to successfully transform and transition business processes to third party service providers; the Company’s success in negotiating and developing commercial arrangements with third party service providers that will enable the Company to realize the service improvements and efficiencies expected to result from the SVC or other initiatives; the performance of third party service providers to which business processes are transitioned from the Company; finalization and execution of the Company’s plans related to technology, including the Company’s ability to successfully integrate technology from third party technology providers; the Company’s success in negotiating and developing commercial arrangements with third party technology providers that will enable the Company to realize the improvements and efficiencies expected to result from such technology, including with respect to supervision and oversight of advisor activities; the Company’s ability to control operating risks, information technology systems risks and sourcing risks; the Company's success in integrating the operations of acquired businesses; the effect of current, pending and future legislation, regulation and regulatory actions, including disciplinary actions imposed by self-regulatory organizations; and the other factors set forth in Part I, “Item 1A. Risk Factors” in the Company's 2013 Annual Report on Form 10-K as may be amended or updated in its quarterly reports on Form 10-Q. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of future developments, even if its estimates change, and you should not rely on those statements as representing the Company's views after June 10, 2014.

Adjusted EBITDA is defined as EBITDA (net income plus interest expense, income tax expense, depreciation and amortization), further adjusted to exclude certain non-cash charges and other adjustments. The Company presents Adjusted EBITDA because the Company considers it a useful financial metric in assessing the Company's operating performance from period to period by excluding certain items that the Company believes are not representative of its core business, such as certain material non-cash items and other adjustments that are outside the control of management. Adjusted EBITDA 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, Adjusted EBITDA can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. A reconciliation of Adjusted EBITDA to non-GAAP measures, along with an explanation of these metrics, is set forth in the Appendix to this presentation.

Clear opportunity to extend market leadership and promote earnings growth

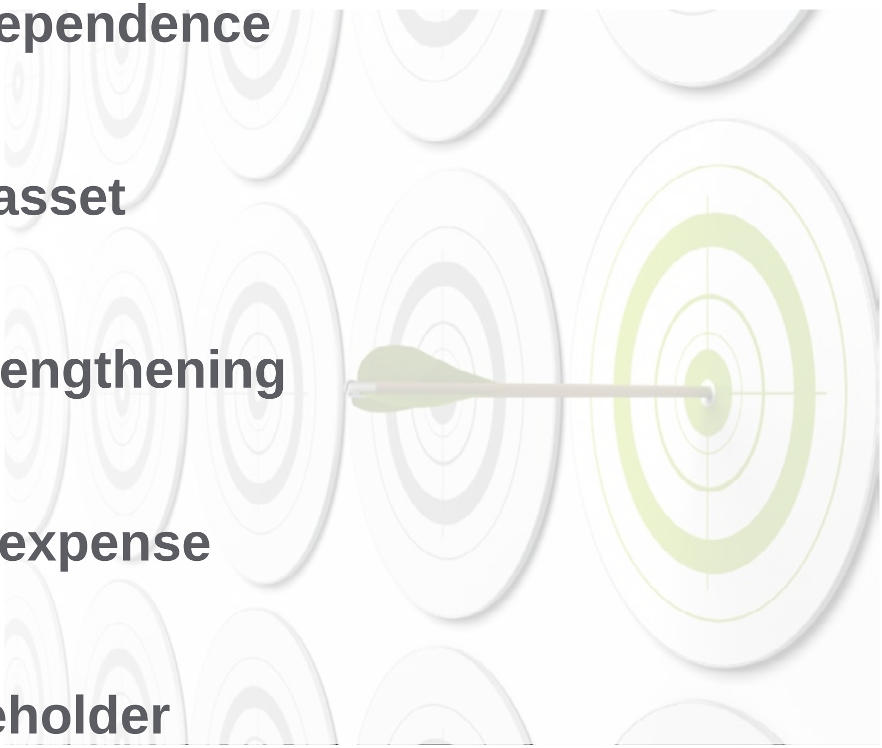
Capitalizing on industry move to independence with disruptive business model

Increasing advisor productivity and asset gathering

Unlocking embedded growth and strengthening our financial model

Driving operational efficiency in our expense structure

Unique capital-light model and shareholder friendly approach to capital allocation



Disruptive business model promotes industry leadership

Disruptive model	LPL	Custodian	Employee	Independent
Enables independence	✓	✓	✗	✓
Focused business model	✓	✗	✗	✓
Robust technology and service support	✓	✓	✓	✗
Integrated brokerage and RIA advisory platform	✓	✗	✗	✗
Supports an array of advisor practices	✓	✗	✗	✗
Superior economics	✓	✓	✗	✗

Established industry leader

- **#1 independent B/D** with 13,726 advisors[1]
- **4th largest** brokerage firm[2]
- **$447 billion** in advisory & brokerage assets
- **$99 billion** in additional retirement plan assets

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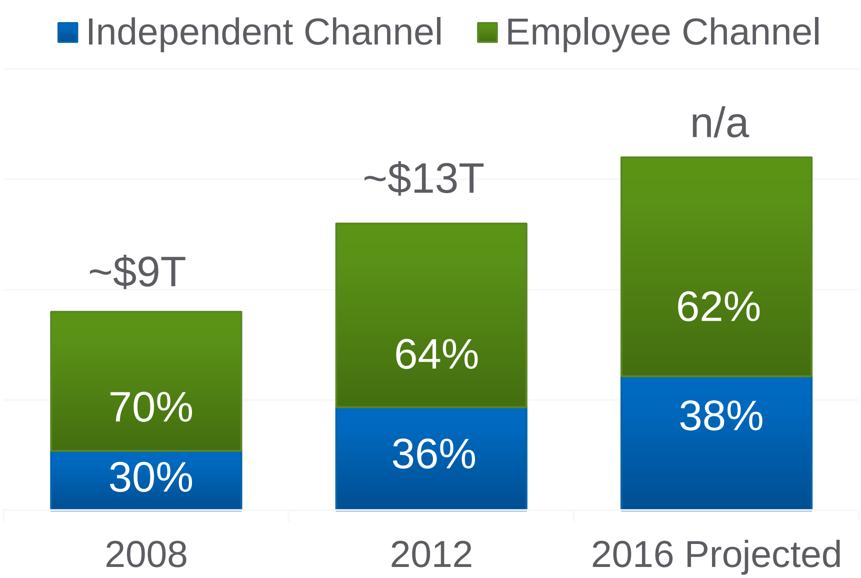
[1] Based on number of advisors reported by Financial Planning Magazine June 2013

[2] Based on number of advisors reported from publicly disclosed information as of December 31, 2013

Positioned to capitalize on favorable industry trends

Growing retail assets and march to independence[1]



LPL is also positioned to capture assets from an additional ~$6 trillion in advisor intermediated retirement plan assets

Track record of increasing market share

- LPL is the **#1 destination** for advisors looking to move[2]
- Over the past three years, LPL has **led the industry in cumulative net new advisor growth**[3]
- **~97% production retention** in 2013
- LPL has **expanded market share** of retail advisors from 1.4% to 4.3% over the last 8 years[1]

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[1] Cerulli Quantitative Update: Intermediary Distribution 2012
[2] Cogent 2013 Advisor Migration Trends
[3] Based on LPL Financial analysis of externally available data and Discovery Database 2012 Rep Movement Study

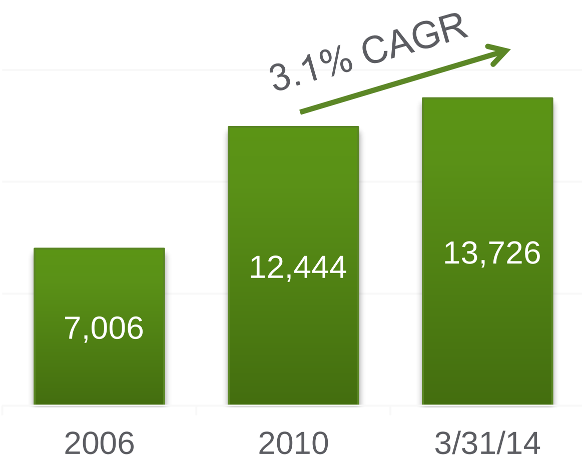
Strategic focus on expanding leadership within existing footprint

Focusing on chosen markets		Unlocking embedded growth
Independent Advisor Services Over 8,800 advisors $270 bn assets served	**Institution Services** 735 banks & credit unions $107 bn assets served	**World class service experience**
LPL Financial		**Industry leading technology**
RIA 265 firms $70 bn assets served	**Retirement Partners** >35,000 plans $99 bn AUM[1]	**Pioneering practice management**

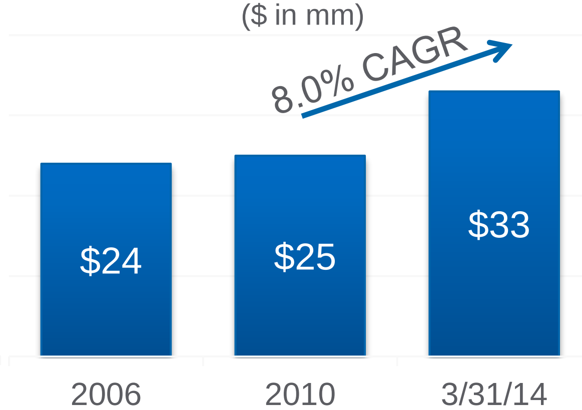
[1] Retirement plan assets are held in retirement plans that are supported by advisors licensed with LPL Financial. Such assets are custodied with third party providers. The $99 bn in assets is in addition to LPL Financial's $447 bn in advisory and brokerage assets under management in its Independent Advisor Services, RIA and Institution Services channels.

Delivering sustained growth across market cycles

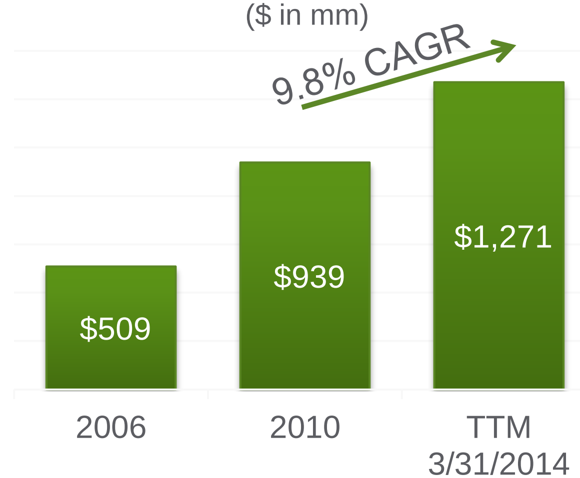
Growth in advisors + **Increasing productivity and market appreciation** = **Gross margin growth**



AUM per advisor
($ in mm)



($ in mm)

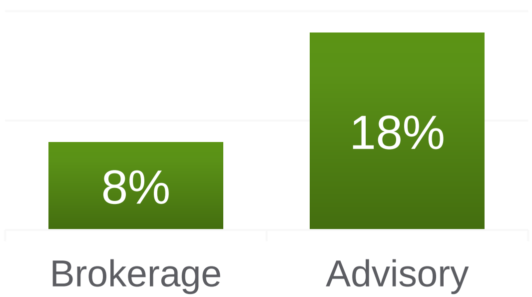


Gross margin growth was achieved during period of interest rate headwinds

Strengthening the financial model

Advancing trend to fee-based business

AUM CAGR
2010 – 3/31/14



- Advisory AUM is 35% of overall AUM but represents over 50% of new sales
- Gross margin ROA on advisory assets is ~35 bps, ~1.4x greater than brokerage assets

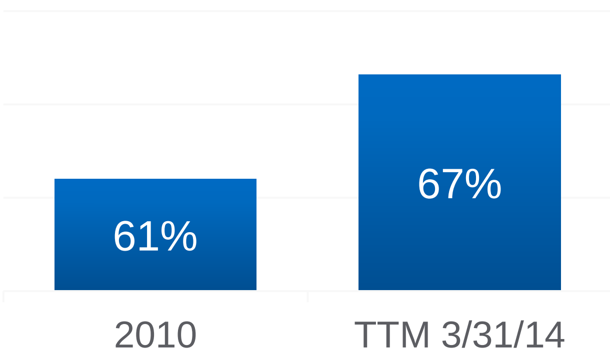
Benefit from normalized interest rates[1]

Incremental EBITDA

$255 mm

- The incremental benefit would add ~5% to the Adjusted EBITDA margin
- Estimate approximately $220 million in pre-tax earnings, or $1.28 in EPS[2]

Increasing recurring revenue



- Driven by growth in fee-based business and expansion of value-added services to advisors and manufacturers

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[1] Maximum fees in the Company's cash sweep program are achieved when the Federal Funds Effective Rate (FFER) is ~260 bps.
[2] Factors in rising interest expense related to floating rate on Company debt

Focus on operational efficiency positions the company to generate outsized earnings growth

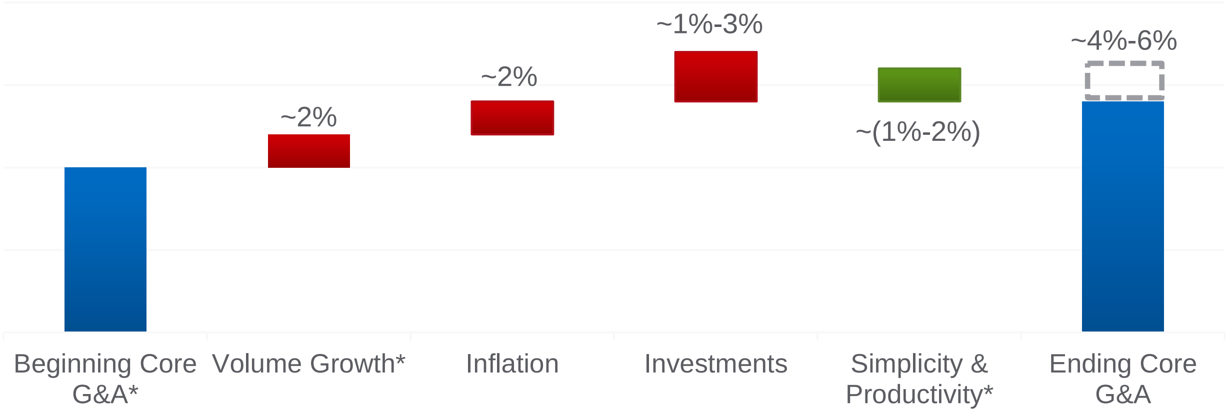

Illustration: Scalability of the business model	Low growth scenario	Higher growth scenario
Revenue / gross margin growth	8%	12%
Total adjusted expense growth[1]	5%	6%
Adjusted EPS growth	14%	23%
Annual Margin expansion (bps)	50	95

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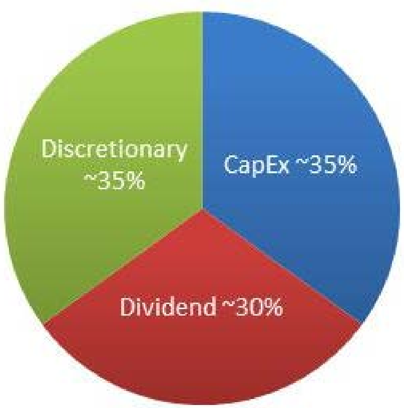
*Illustration represents components of Core G&A. Core G&A is defined as compensation and G&A expenses excluding promotional expense, D&A and items excluded in our determination of Adjusted Earnings, which is a non-GAAP measure. Volume-related G&A growth may elevate when revenue growth exceeds 10%. Simplicity and productivity savings are anticipated from initiatives such as procurement and outsourcing.
[1] Total adjusted expense growth includes potential Core G&A growth, as well as promotional, adjusted D&A and interest expense growth.

Operational update

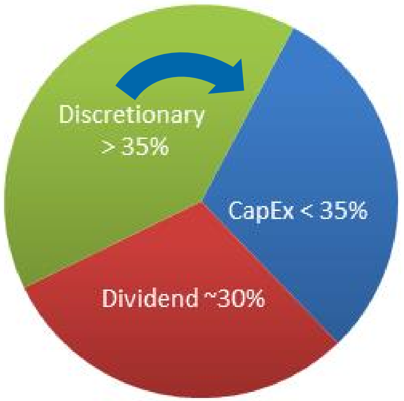
	Q2'14 outlook through May 30, 2014
Net new advisors	• Improving net new advisor growth over Q1 • After a slow start to recruiting in Q2 we have seen the pace accelerate this quarter • Experiencing normal levels of attrition • The pipeline is strong for Q3
Advisor productivity	• Investors remain engaged • Continued strength in fee-based business • Consistent with prior interest rate cycles, the downward trend in long-term interest rates is causing a shift in product use creating headwinds to annuity sales • Non-traded REIT activity appears to be normalizing to historical levels in Q2, as the elevated activity related to product liquidity events is expected to be pushed out to Q3 and Q4
Core G&A	• Related to our prior messaging, an increase in regulatory spend has elevated our outlook for Core G&A growth to ~5.5% for the year • As a result, we will incur approximately $4 mm of elevated regulatory expense in Q2 • We do not expect future regulatory expense to persist at Q2 levels • We anticipate improving YoY Core G&A growth comparisons in the latter half of 2014

Capital-light model supports opportunity to reinvest in the business and return capital to shareholders

Approximate Current Use of Cash from Operations



Potential Future Use of Cash from Operations



$ in mm	2014 to date	2013	Since IPO
Dividends	$48	$68	$365
Share Repurchases	$100	$219	$607
Total	$148	$287	$972

- Cash from operations[1] is approximately 50% of Adjusted EBITDA
- 2x-3x leverage maintains optimal cost of capital

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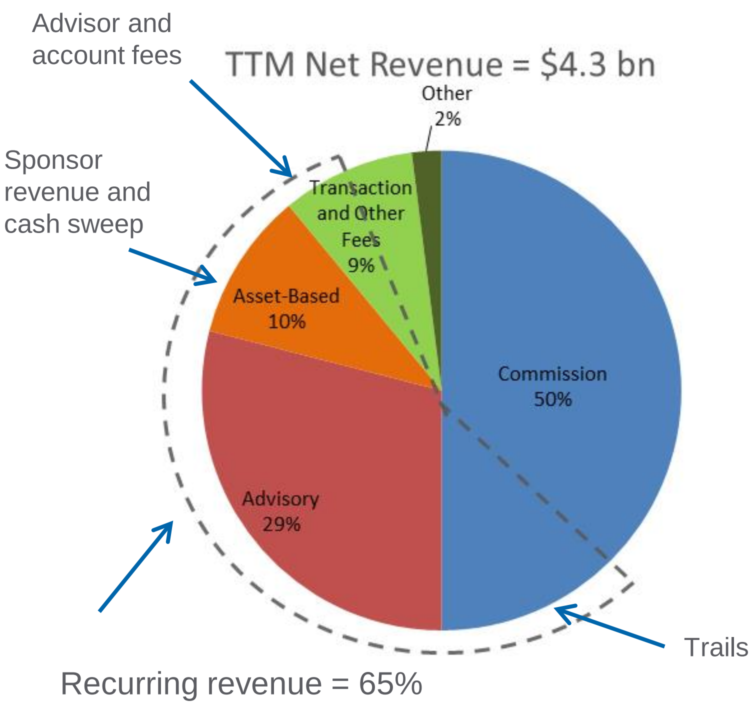
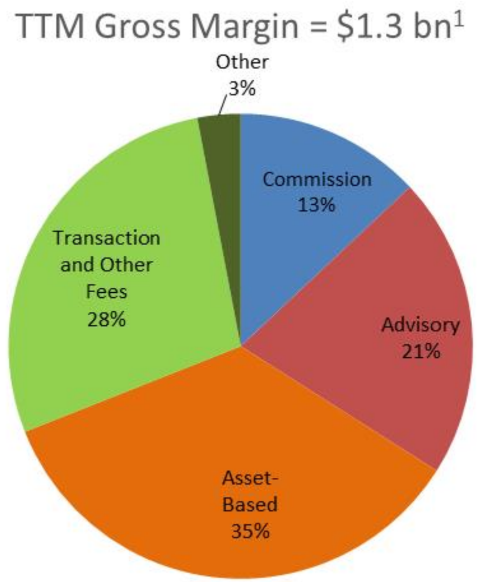
[1] Adjusted EBITDA is a non-GAAP measure. Cash from operations defined as change in cash available for corporate use before cash from investing and financing activities.

Appendix

Diverse and recurring revenue streams

2013 Results





- **Increased attachment revenue**, ex-cash sweep revenue, grew as a percent of advisor production from 19% in 2006 to 23% in 2013
- Adjusted EBITDA as a percent of Gross Margin is 41%

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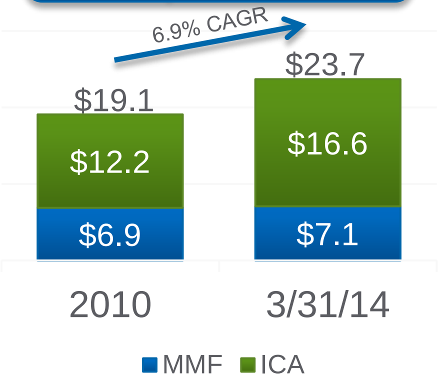
[1] Gross Margin is a non-GAAP measure, defined as net revenues less production expenses

Additional benefit from anticipated normalized interest rates and growth in cash sweep balances

	ICA[2]	MMF[2]	Total
Assets[1] ($ in bn)	$17.0	$7.3	$24.3
Current fee (bps)	54	7	40
Max fee (bps)	185	53	145
Annualized incremental EBITDA ($ in mm)	$222	$33	$255

Growth in ICA cash sweep balances[3]



- Maximum fees are achieved when Federal Funds Effective rate (FFER) is ~260 bps
  - Based on current balances and contracts; if maximum bank spread fee compression occurs, the minimum FFER rate to maximize fees could increase up to approximately 350 bps
- ICA upside from FFER recognized incrementally and immediately as FFER improves
- Cash balances have typically remained within a range of 5-6% of total AUM, and therefore may generate additional economics as asset levels grow

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[1] Based on average balances in 2014
[2] "ICA" refers to the Company's Insured Cash Account program. "MMF" refers to money market funds.
[3] Based on end of period balances

Adjusted EBITDA reconciliation

The reconciliation from net income to Adjusted EBITDA, a non-GAAP measure, for the periods presented is as follows (in thousands):

	TTM March 2014	2010	2006
		(unaudited)	
Net income (loss)	$180,275	($56,862)	$33,642
Interest expense	52,126	90,407	125,103
Income tax expense (benefit)	108,024	(31,987)	21,224
Amortization of intangible assets(a)	38,946	43,658	49,220
Depreciation and amortization of fixed assets	47,064	42,379	16,128
EBITDA	426,435	87,595	245,317
EBITDA Adjustments:			
Employee share-based compensation expense(b)	16,583	10,429	2,878
Acquisition and integration related expenses(c)	19,805	12,569	1,237
Restructuring and conversion costs(d)	31,820	22,835	-
Debt amendment and extinguishment costs(e)	7,968	38,633	-
Equity issuance and related offering costs(f)	-	240,902	-
Other	14,384	150	(1,520)
Total EBITDA Adjustments	90,560	325,518	2,595
Adjusted EBITDA	$516,995	$413,113	$247,912

(a) Represents amortization of intangible assets as a result of our purchase accounting adjustments from our merger transaction in 2005 and various acquisitions.

(b) Represents share-based compensation expense for equity awards granted to employees, officers and directors. Such awards are measured based on the grant date fair value and recognized over the requisite service period of the individual awards, which generally equals the vesting period.

(c) Represents acquisition and integration costs resulting from various acquisitions, including changes in the estimated fair value of future payments, or contingent consideration, required to be made to former shareholders of certain acquired entities.

(d) Represents organizational restructuring charges, conversion and other related costs incurred resulting from the expansion of our Service Value Commitment, the 2011 consolidation of UVEST Financial Services Group, Inc. and the 2009 consolidation of Mutual Service Corporation, Associated Financial Group, Inc., Associated Planners Investment Advisory, Inc. and Waterstone Financial Group.

(e) Represents expenses incurred resulting from the early extinguishment, amending, restating, and repayment of amounts outstanding under our credit agreements.

(f) Represents equity issuance and offering costs for our IPO, which was completed in the fourth quarter of 2010.