LPL Financial

March 6, 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, goals, future market position, ability and plans to repurchase shares and pay dividends in the future, 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 “Shift to advisory drives growth and creates margin opportunities”, “Normalized interest rates will bring financial benefits”, “Investment in technology and Service Value Commitment position us for future efficiency”, “Operational Update” and “Capital-light model generates significant free cash flow, expanding discretionary capital”, 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 of the date of this presentation set forth on the cover page hereof. 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: 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; 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 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 our 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 the date of this presentation set forth on the cover page hereof.

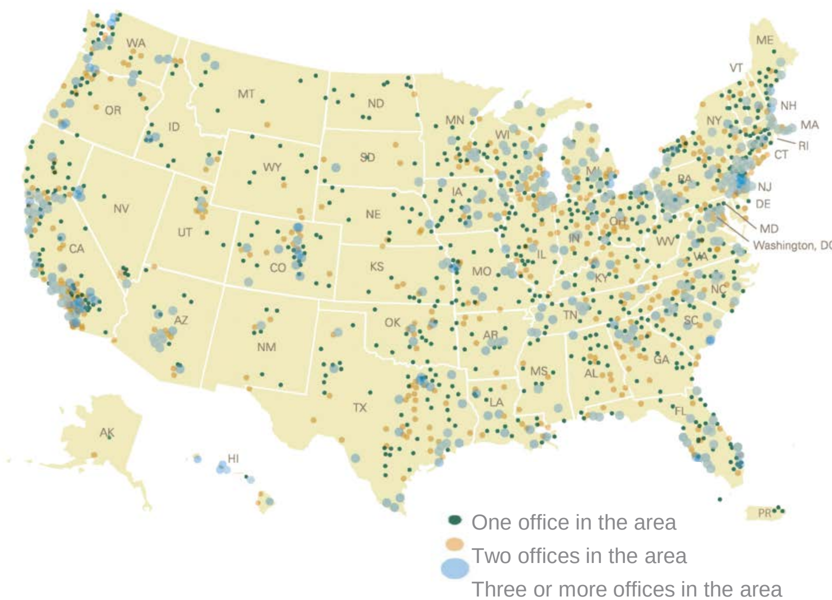
Adjusted EBITDA is defined as EBITDA (net income plus interest expense, income tax expense, depreciation and amortization), further adjusted to exclude certain non-cash charges and other adjustments. The Company presents Adjusted EBITDA because the Company considers it a useful financial metric in assessing 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.

LPL Financial is an established industry leader

Our Mission

We believe that objective financial advice is a fundamental need for everyone. We enable our clients to focus on what they do best – create the personal, long-term relationships that are the foundation for turning life's aspirations into financial realities.

- **13,673** advisors
- **4th largest** brokerage firm[1] and largest independent broker-dealer
- **$438 billion** in advisory & brokerage assets including **$63 billion** in hybrid RIA assets
- **$99 billion in incremental retirement plan assets** with over 35,000 retirement plans



[1] Based on number of advisors reported from publicly disclosed information as of September 30, 2013

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Value proposition reinforces attracting, growing and retaining advisors

Value Proposition	Differentiators from Peers
Enable independence	**Versatile capabilities** support array of business owners as they mature and evolve their businesses
Focused business model	**No product manufacturing**, market making or discount brokerage, lower-conflict business model
Robust technology and service support	**Open architecture**, independent research, centrally managed platforms, compliance support, dedicated business consulting, succession planning
Integrated brokerage and advisory platform	**Increased advisor efficiency**, self-clearing leads to better economics and service, **unique integrated hybrid RIA platform** in the industry
Superior economics	**Advisors earn 1.5x more** than employee model[1]; build equity in their business

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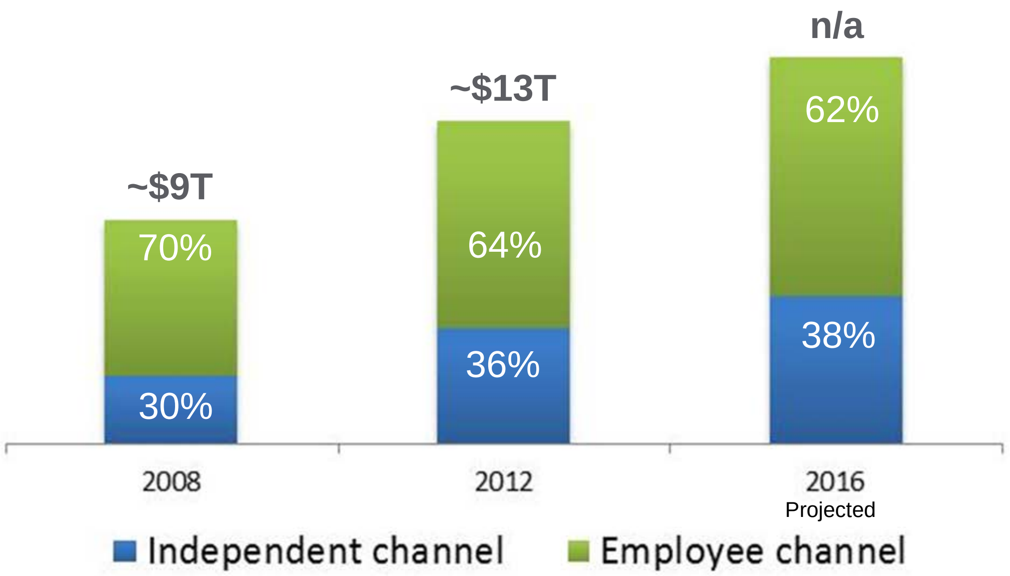
[1] 2010 Study Commissioned by LPL and conducted by PricewaterhouseCoopers

Uniquely positioned in large, fast-growing market trending toward independence

Investable Retail Assets Receiving Professional Investment Advice[1]



LPL is the #1 destination for advisors looking to move[2]

- **23% of advisors** are open to the idea of moving to a new firm[2]
- **49% percent** of respondents said they would likely consider LPL Financial[2]
- **LPL led the industry** in new advisor growth in 2012[3]

[1] Cerulli Quantitative Update: Intermediary Distribution 2012
[2] Cogent 2013 Advisor Migration Trends
[3] Discover Database Rep Movement Study 2012

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We are building a smarter, simpler, more personal LPL

Focusing on our footprint

Capitalize on continuing secular trend toward independent advice with a broad array of advisors serving the vast majority of investors

Unlocking advisor productivity

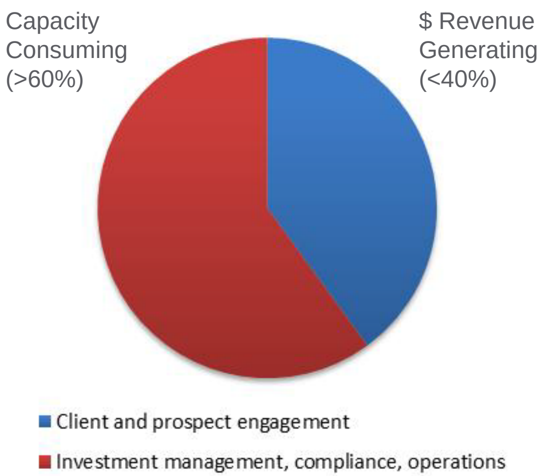
Deliver a growing array of support functions and capabilities, enabling advisors to win more business and enhance client satisfaction

Driving to simplicity

Combine technology, automation and process simplification to improve efficiency in our advisors' businesses and our own

We are unlocking additional value for advisors

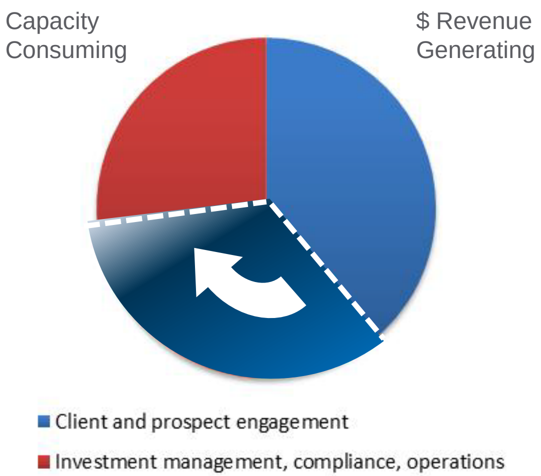
Current Advisor Time Spend



Key Ingredients

1. Consultative practice management
2. Scalable investment platforms
3. Integrated technology
4. Robust service & compliance

Increased Productivity



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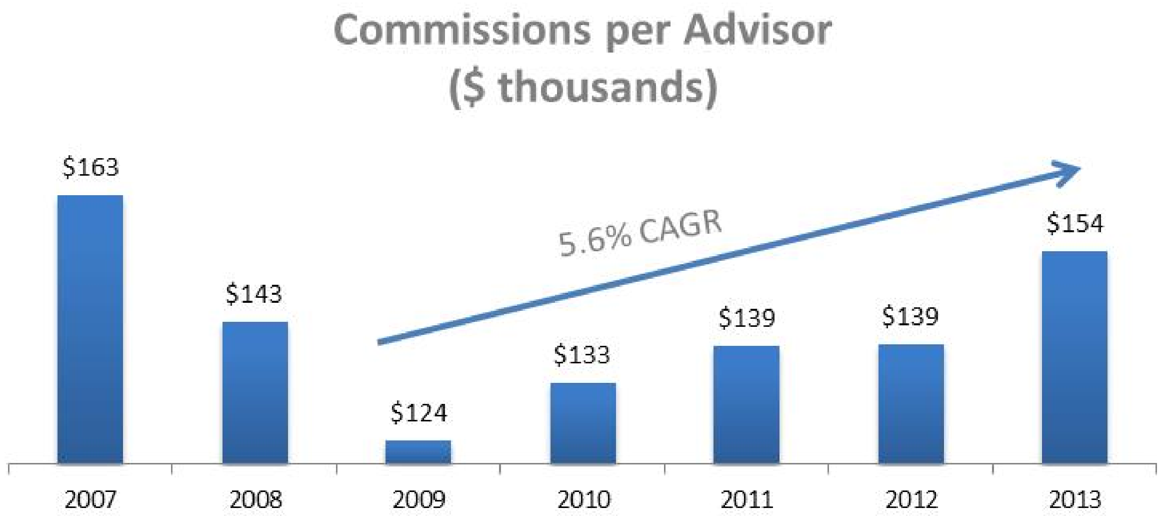
Source: Internal LPL Financial study

Investor engagement and improving advisor efficiency leads to greater productivity



- Q4 2013 annualized **commissions per advisor was $163k**
- An incremental annualized $5k in commissions per advisor would result in **$7 mm in incremental gross margin** based on current advisor count

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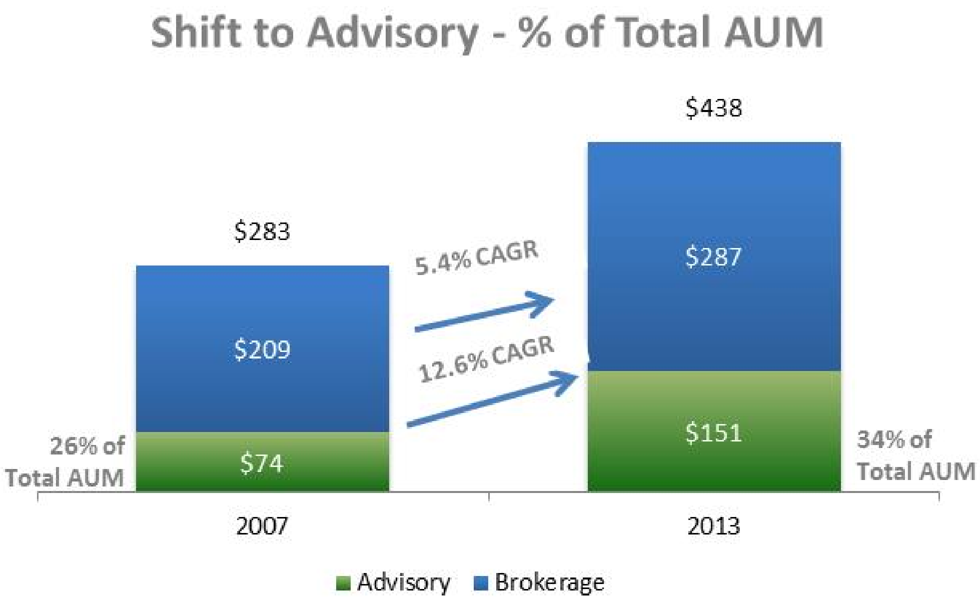
Shift to advisory drives growth and creates margin opportunities



- Advisory AUM growth is over **2x faster** than brokerage, climbing from 26% to **34% of total assets**
- The gross margin ROA on advisory assets is ~35 bps, **1.4x greater** than brokerage AUM
- **A 5% shift** from brokerage AUM to advisory AUM would generate an **additional $22 million** in recurring gross margin

Note: Advisory gross margin ROA represents revenue from both advisory fees after production expense, and associated asset-based and transaction and other fees directly attributable to the Corporate and Independent RIA offerings. The Advisory gross margin ROA is based on the weighted average of the Corporate and Independent RIA assets. In the current interest-rate environment the Independent RIA gross margin ROA is less than the Corporate RIA gross margin ROA due to the higher concentration of ICA based assets. The weighted average Advisory gross margin ROA and the gross margin upside from a 5% shift to advisory are based on current asset levels.

Normalized interest rates will bring financial benefits

	ICA	MMF	Total
Assets ($ in bn)	$17.4	$7.5	$24.9
Current fee (bps)	62	6	45
Max fee (bps)	185	53	145[1]
Annualized incremental pre-tax income ($ in mm)	$214	$35	$249

- EPS impact of ~**$1.45**
- Maximum fees are achieved when Federal Funds Effective rate (FFER) is **~260 bps**[2]
- ICA upside from FFER recognized incrementally and immediately as FFER improves
- Additional benefits are realized as asset levels grow; asset levels have grown historically from $19 billion in 2010 to $25 billion as of year-end

[1] Based on current balances
[2] Based on current balances and contracts; if maximum bank spread fee compression occurs, the minimum FFER rate to maximize fees would increase up to approximately 350 bps

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Investments in technology and Service Value Commitment position us for future efficiency

Target long-term Core G&A growth of 4% to 6%

Note: Core G&A is defined as compensation and G&A expenses excluding promotional expense, depreciation and amortization and items excluded in our determination of Adjusted Earnings, which is a non-GAAP measure.

Operational update

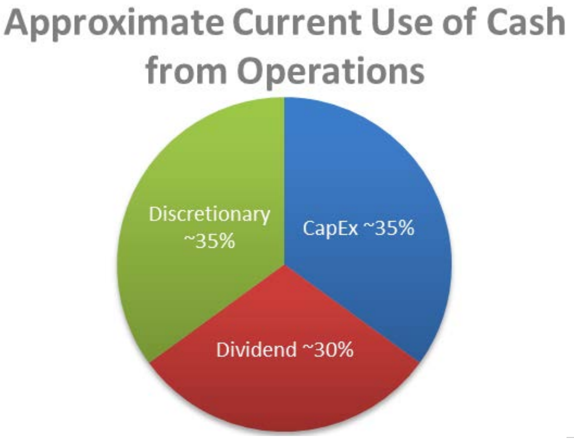
Drivers	Q1'13	Q4'13	Q1'14 Outlook
Net New Advisors	25	110	• Advisor pipeline for 2014 remains healthy but Q1 momentum slowed in part due to disruptive weather • Net new advisor growth influenced by the departure of a bank with ~40 advisors
Annualized Commissions per Advisor ($ in 000's)	$145	$163	• Through February 28, investors have remained engaged and baseline advisor productivity remains strong • The elevated levels of alternative investment sales are trending down as expected compared to the prior two quarters
Annualized Advisory Net New Flows	9%	10%	• 7%-12%
GDC Related Payout Rate[1]	85.6%	87.4%	• The GDC related payout rate resets in Q1 each year and we expect the GDC related payout in Q1 2014 to be similar with prior year results
S&P 500	1,569	1,848	• 1,859 as of 2/28/14
Core G&A ($ in mm)	$145	$167	• Maintain forecast of $157 mm +/- $5 mm
ICA Fee (bps)	78	62	• Consistent with prior guidance we expect 7 bp compression anticipated throughout 2014[2] • Cash sweep balances are effectively flat to begin the year as investors remain engaged
Fed Funds Effective Rate	14	9	• Through 2/28/14 the fed funds effective rate has averaged 7 bps

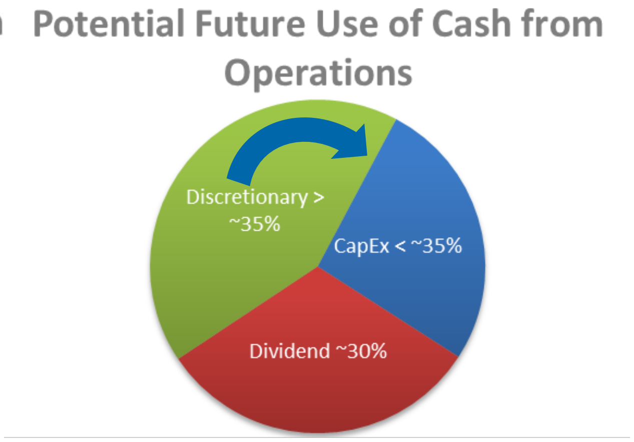
[1] The non-GDC payout rate can vary, as it includes share-based compensation expense from equity awards granted to advisors and financial institutions, which is marked-to-market each reporting period based on the sequential change in the closing price of LPLA stock. The closing price of LPLA stock on 12/31/13 was $47.05. Every $1.00 change in LPLA stock price impacts non-GDC payout expense by ~$250k. As of 2/28/14 our share price was $53.68.

[2] Compression occurs from Q4 2013 to Q4 2014, assuming the fed funds effective rate (FFER) and current balances as of Q4 2013 remain flat. Rising balances or declining FFER may create additional fee pressure

Capital-light model generates significant free cash flow, expanding discretionary capital

- Cash from operations is approximately 50% of Adjusted EBITDA
- 2x-3x leverage maintains optimal cost of capital
- Have returned significant capital to shareholders on a sustained basis





$ in mm	2014 to date	2013	Since IPO
Dividends	$24	$68	$341
Share Repurchases	$100	$219	$607
Total	$124	$287	$948

Note: Adjusted EBITDA is a non-GAAP measure. Cash from operations defined as change in cash available for corporate use before capital expenditures, dividends and share repurchases

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Compelling investment thesis

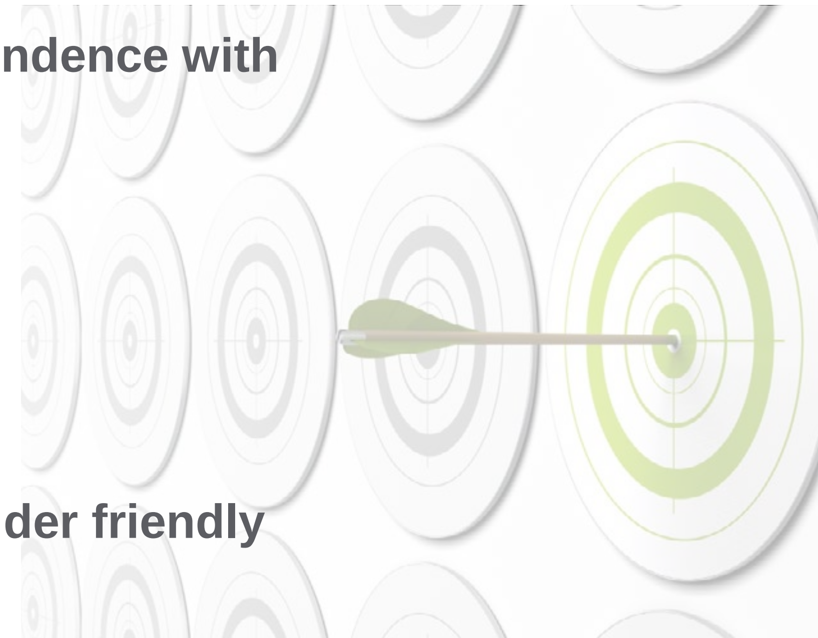
Capitalizing on industry move to independence with differentiated business model

Increasing advisor productivity

Unlocking embedded growth

Driving operational efficiency

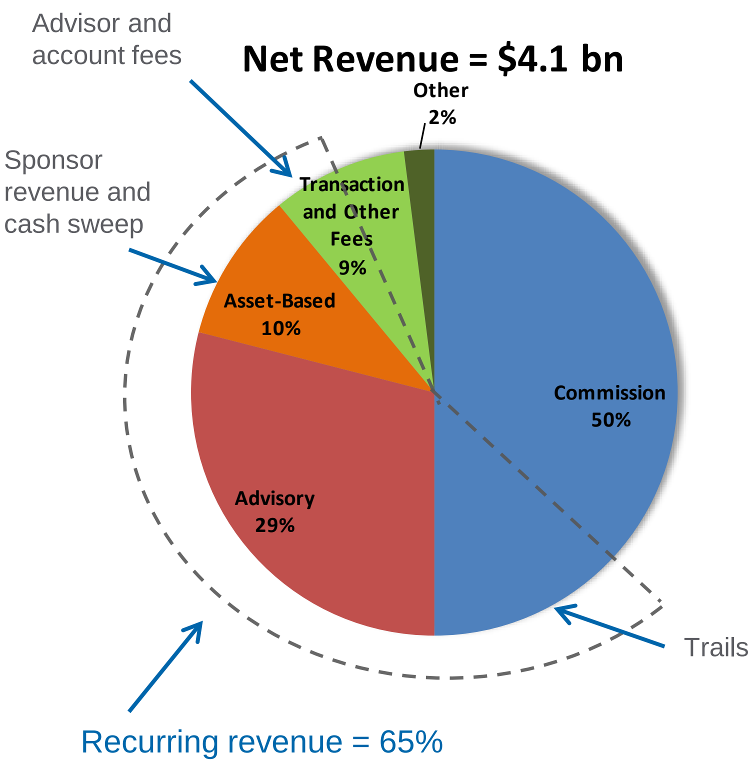
Unique capital-light model and shareholder friendly approach to capital allocation

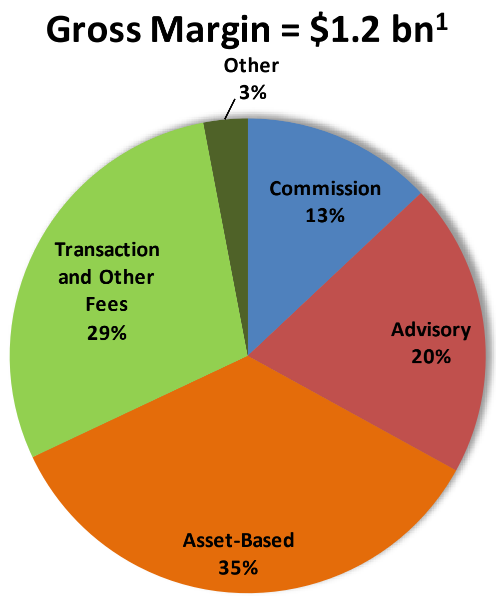


Appendix

Diverse and recurring revenue streams

2013 Results





- **97% production retention** over the last seven years
- **Increased recurring revenue** as a percent of production from 57% in 2007 to 65% today
- **Increased attachment revenue**, ex-cash, as a percent of advisor production from 17% in 2007 to 23% today
- **Adjusted EBITDA as a percent of Gross Margin is 41%** (gross margin defined as revenue excluding advisor production expense)

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

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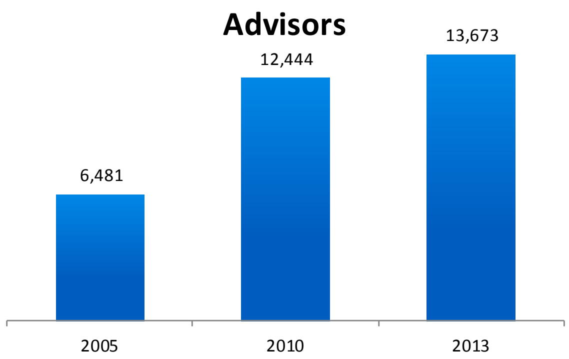
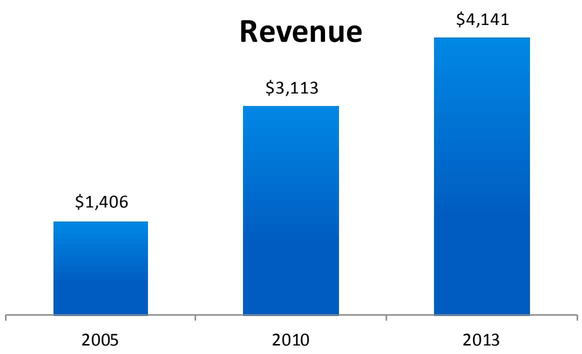
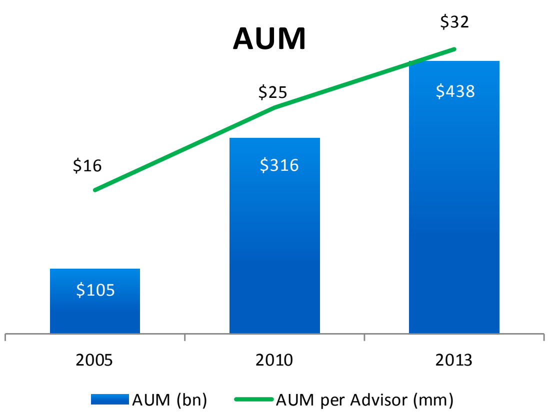
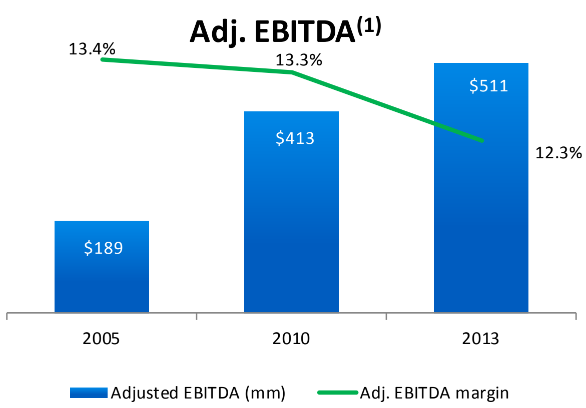
Building upon a track record of growth









- **Revenue per advisor has grown** from $217k in 2005 to $306k in 2013
- Adjusted EBITDA margins have been negatively impacted by low interest rate environment; based upon the benefit from normalized interest rates, **2013 Adjusted EBITDA margin would be ~17%**

[1] Adjusted EBITDA is a non-GAAP measure

Adjusted EBITDA reconciliation

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

	2013	**2010**	**2005**
		(unaudited)	
Net income (loss)	$181,857	($56,862)	$43,089
Loss from discontinued operations	-	-	26,200
Interest expense	51,446	90,407	1,388
Income tax expense (benefit)	109,446	(31,987)	46,461
Amortization of intangible assets(a)	39,006	43,658	2,079
Depreciation and amortization of fixed assets	44,497	42,379	15,775
EBITDA	426,252	87,595	134,992
EBITDA Adjustments:			
Employee share-based compensation expense(b)	15,434	10,429	8,354
Acquisition and integration related expenses(c)	19,890	12,569	33,741
Restructuring and conversion costs(d)	30,812	22,835	-
Debt amendment and extinguishment costs(e)	7,968	38,633	-
Equity issuance and related offering costs(f)	-	240,902	-
Other	11,082	150	11,830
Total EBITDA Adjustments	85,186	325,518	53,925
Adjusted EBITDA	$511,438	$413,113	$188,917

(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 and the 2009 consolidation of the Affiliated Entities.

(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.