



Delivering Growth

June 2012

 LPL Financial

Member FINRA/SIPC

Safe harbor disclosure



The following information contains forward-looking statements. Forward-looking statements include statements regarding the Company's future financial position, business strategy, budgets, projected costs, plans and objectives of management for future operations and ability and plans to pay quarterly cash dividends. These forward-looking statements are based on the Company's current expectations and beliefs, as well as a number of assumptions concerning future events. These statements are subject to risks, uncertainties, assumptions and other important factors, many of which are outside the Company's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. For example, we may be unable to successfully integrate the systems and operations of Fortigent, LLC and realize the expected synergies from the transactions, and our board of directors may not approve the payment of quarterly cash dividends or may authorize quarterly cash dividends of a different amount than previously considered or specified. Other factors include, but are not limited to, risks and uncertainties associated with changes in general economic and financial market conditions, fluctuations in the value of assets under management, effects of competition in the financial services industry, changes in the number of the Company's advisors and their ability to effectively market financial products and services, the effect of current, pending and future legislation and regulation and regulatory actions. In particular, you should consider the numerous risks included in or incorporated into the Company's registration statement on Form S-3 filed with the U.S. Securities and Exchange Commission, including those described in the "Risk Factors" section of the registration statement and the documents incorporated by reference therein. You are cautioned not to place undue reliance on such forward-looking statements because actual results may vary materially from those expressed or implied. All forward-looking statements are based on information available to the Company on this date and the Company assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition, the following information contains non-GAAP measures such as Adjusted EBITDA and Adjusted Earnings, which have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP. Please refer to the reconciliation in the Appendix for non-GAAP measures.

Overview of LPL Financial



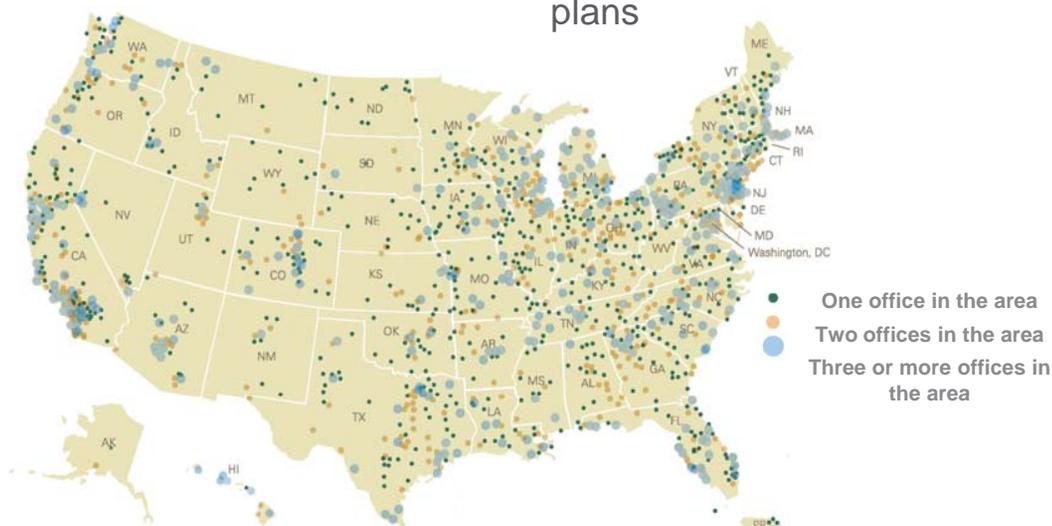
We provide over 17,000 US based financial advisors with the most versatile and cost effective business platform for delivering personal, conflict-free financial advice to a range of clients from the mass market to high-net-worth individuals

What we do

- Open architecture platform offering 10,000 products from over 575 manufacturers
- Support over \$350 billion in assets, including over \$110 billion in advisory assets, with ~63% recurring revenues and production retention in excess of 96%

Who we serve

- #1 independent broker-dealer for 16 years ⁽¹⁾
- #1 provider of investment services to banks and credit unions ⁽²⁾
- Leading independent defined contribution retirement plan consultant, serving > 25,000 plans



(1) Source: As reported in Financial Planning magazine 1996-2011, based on total revenues.
(2) Source: Based on number of financial institutions served as reported in a 2010 Kenneth Kehrer study.



Serving Advisors through a conflict-free business model

	No Proprietary Products	No Investment Banking	No Market Making	No Direct-to-Consumer Business	Supports Independent Financial Advisors	Fully Open Architecture	Integrated RIA & Brokerage Platform
LPL Financial	✓	✓	✓	✓	✓	✓	✓
MorganStanley SmithBarney	✗	✗	✗	✗	✗	✗	✗
BankofAmerica Merrill Lynch	✗	✗	✗	✗	✗	✗	✗
WELLS FARGO	✗	✗	✗	✗	✓	✗	✗
Edward Jones	✓	✓	✓	✓	✗	✗	✗
Ameriprise Financial	✗	✓	✓	✗	✗	✗	✗
UBS	✗	✗	✗	✗	✗	✗	✗
Northwestern Mutual	✗	✓	✓	✗	✗	✗	✗
RAYMOND JAMES	✗	✗	✗	✗	✓	✗	✗
charles SCHWAB	✗	✓	✓	✗	✓	✓	✗
TD AMERITRADE	✗	✓	✓	✗	✓	✓	✗

LPL is a unique growth opportunity



Highly attractive secular growth trends

Industry leader with scale and growing share

Distinct value proposition to our advisors

Proven track record with multiple levers to drive future growth

Attractive financial model with strong cash generation and return of capital

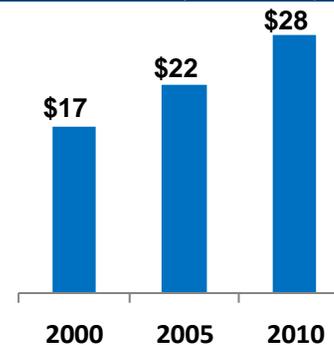
Experienced and committed management team and Board



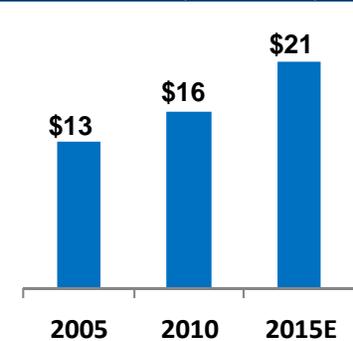
Highly attractive secular growth trends

- Rising needs of retail investors
 - Expanding household investable assets
 - Growth in retirement savings
 - Increasing demand for independent advice
 - Mass-affluent market is largest wealth tier and remains underserved
- Evolving industry landscape favors the independent channel
 - Continues to take market share
 - Fragmented industry that is consolidating
 - Favorable regulatory trends

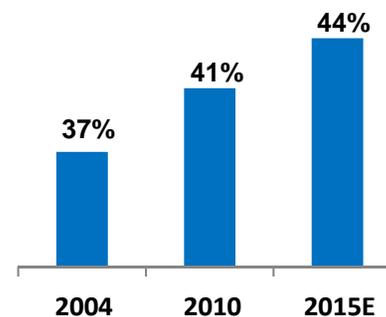
Growth in Addressable Assets⁽¹⁾ (\$ trillions)



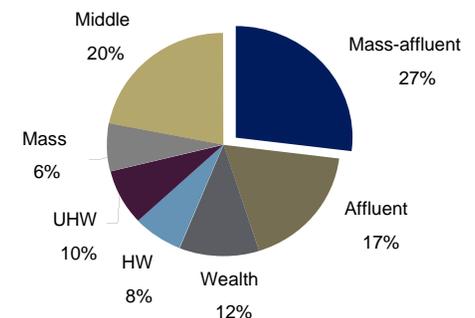
Growth in Retirement Assets⁽²⁾ (\$ trillions)



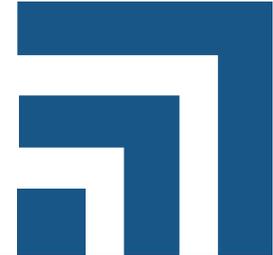
Independent and RIA Market Share⁽³⁾



Large Core Market⁽⁴⁾

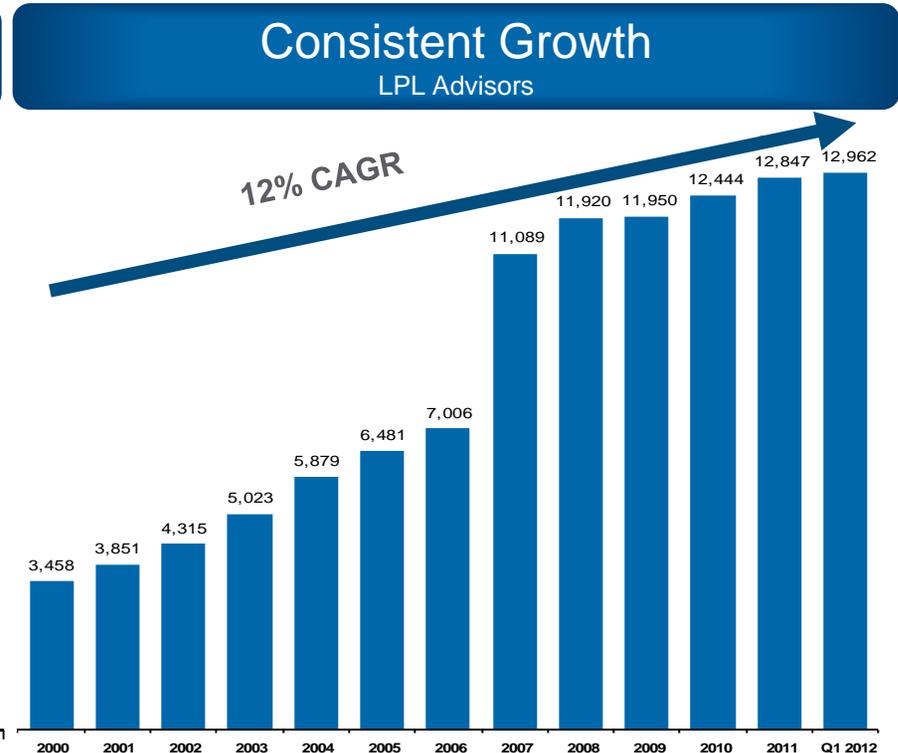
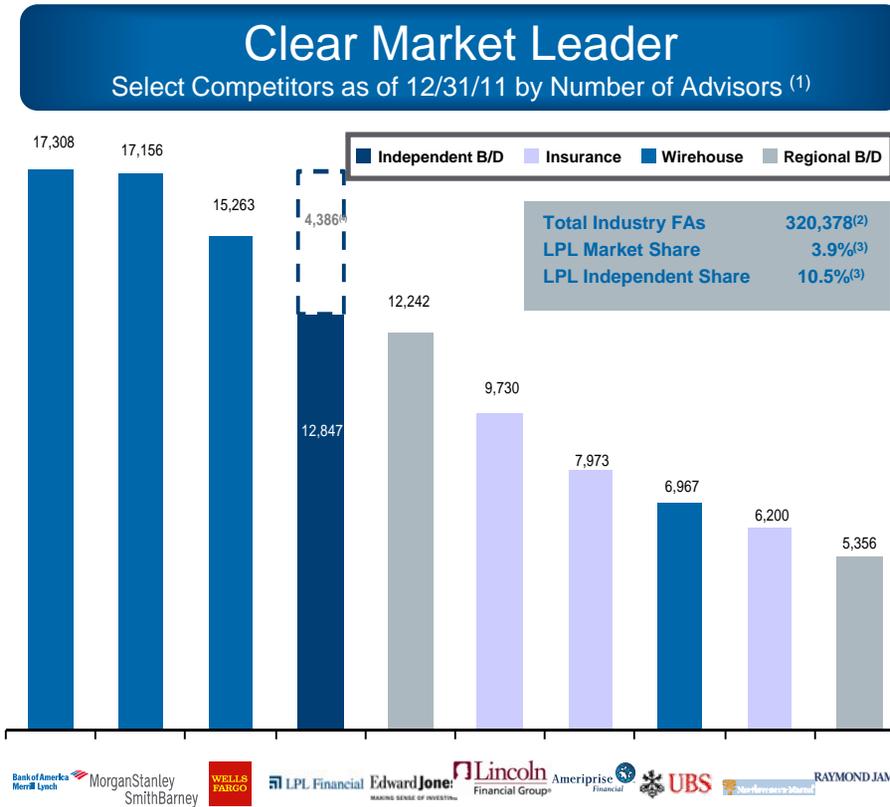


(1) Cerulli Quantitative Update – The State of U.S. Retail and Institutional Asset Management, 2011
(2) Cerulli Quantitative Update – Retirement Markets, 2011
(3) As measured by advisor headcount - Cerulli Quantitative Update – Intermediary Distribution 2011
(4) As measured by investable assets - Cerulli Quantitative Update – Retail Investor Product Usage 2011



Industry leader with scale and growing share

- LPL recruits across all channels – wirehouses, independent B/Ds, regionals, banks and insurance
- Market share increase from 1.7% in 2004 to 3.9% in 2010



(1) Source: Company Financials; based on most recently available figures as of 12/31/11. Northwestern Mutual and Lincoln Financial figures are based on most recently available data in 2011
 (2) Source: Cerulli and Company Financials; based on most recently available figures as of 12/31/2010
 (3) LPL market share as of 12/31/2010 to coincide with most recent industry data
 (4) LPL provides support to additional financial advisors who are affiliated and licensed with insurance companies

Distinct value proposition to our advisors



LPL's Value Proposition

- Provide consulting, training, service and technology that helps advisors grow their business

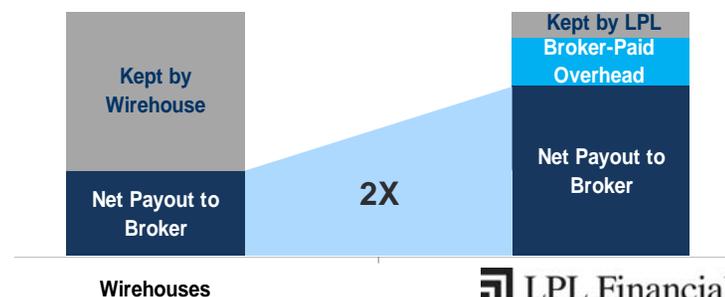


- Enable broad advisor base:
 - Including Mass-Affluent, RIAs, High-Net-Worth and Retirement

- High advisor and investor satisfaction
 - Advisor Net Promoter Score = 54%⁽¹⁾
 - #2 in JD Power “Customer Satisfaction: Investment Advisor” ⁽²⁾

Competitive Advantage

- Superior economic and build equity



- Differentiated from other independents
 - Self-clearing capability allows superior economics and ability to integrate services
 - Positioned to manage regulatory complexity

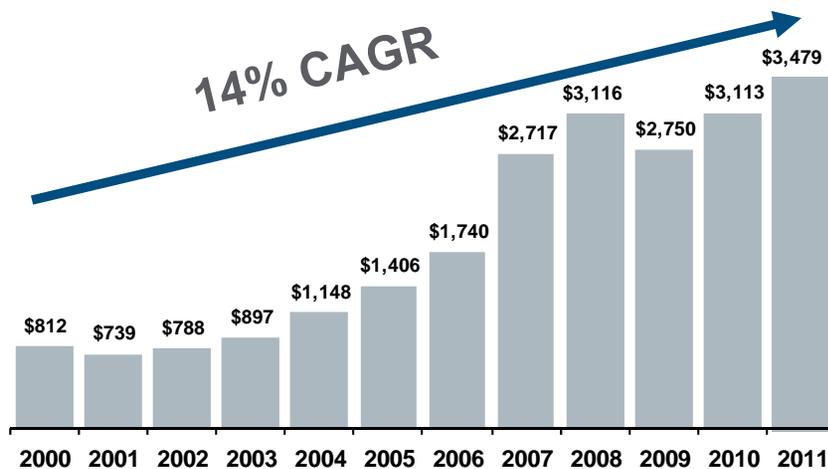
- LPL affiliated advisors are 18% more profitable than other independent advisors⁽³⁾

(1) 3rd party survey measures how likely an LPL advisor would be to recommend LPL to a colleague by totaling the “promoters” and subtracting the “detractors”
 (2) Source: J.D. Power and Associates, 2011 Full Service Investor Satisfaction Study; Ranked #4 in “Overall Customer Satisfaction”
 (3) Source: 2010 study commissioned by LPL and conducted by PwC



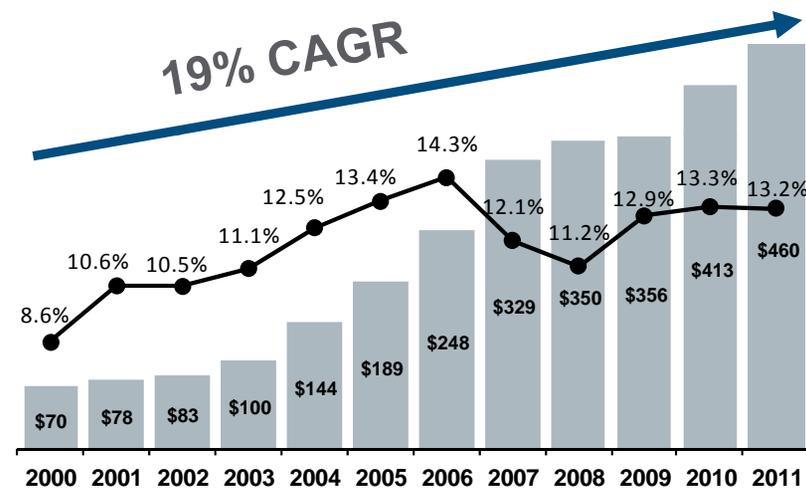
Proven track record...

Net Revenue, \$ in millions



Adjusted EBITDA, \$ in millions

Adjusted EBITDA Margin %

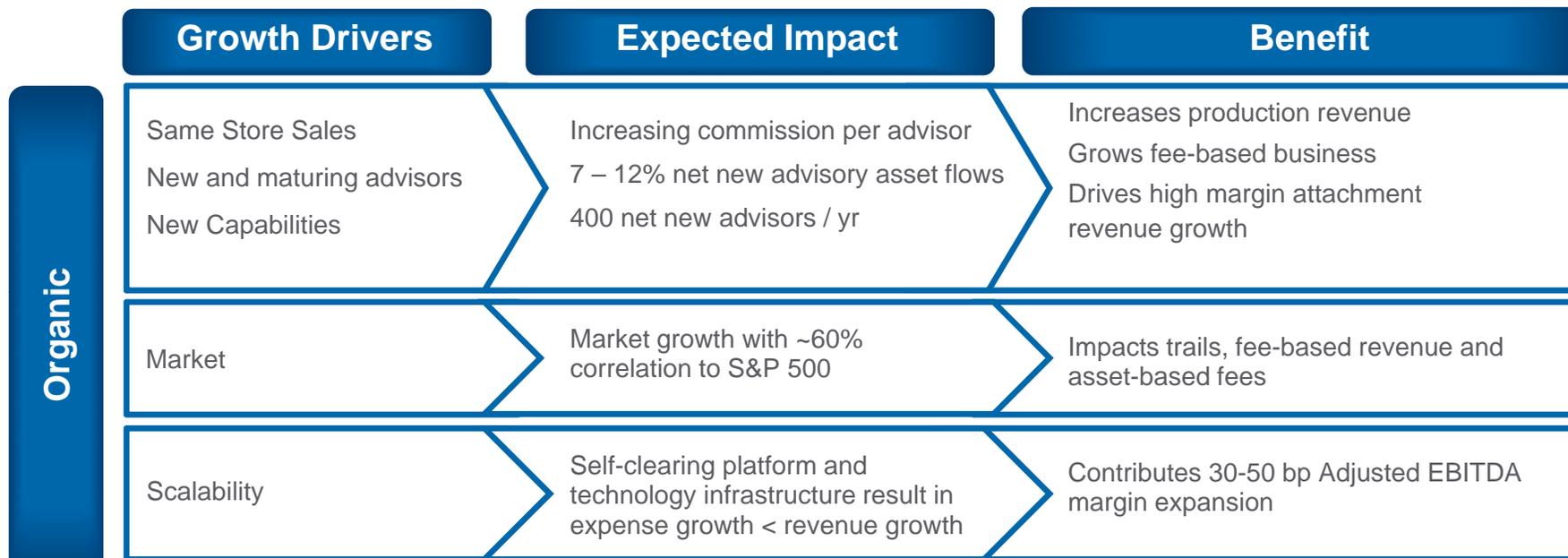


- Adjusted EBITDA as a percent of net revenue has expanded from 8.6% in 2000 to 13.2% in 2011
- Average margin expansion ~40 bps a year⁽¹⁾

(1) Since 2000



...with multiple levers to drive future growth



Targets represent annual average growth estimates over the next three to five years, excluding interest rate sensitivity

M&A

- LPL also continues to target selective M&A opportunities to complement organic growth
- Recent transactions: Fortigent (2012), Concord (2011), National Retirement Partners (2010)

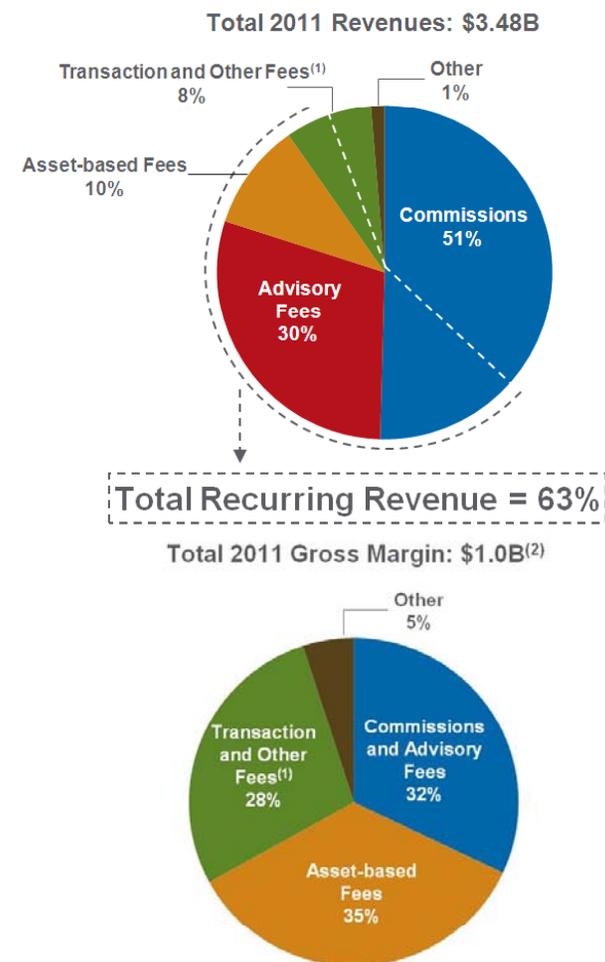
Interest Rates

- Interest rates currently at all-time low levels
- Earning depressed yield on cash balances as a result



Attractive financial model...

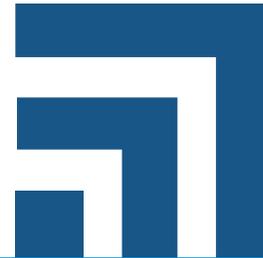
- Diverse revenue sources with embedded growth
 - 96%+ retention
 - No advisor concentration greater than 3%
 - Recurring revenue of 63%
 - High margin attachment revenue driven by self-clearing capability
- Expenses are primarily variable (~80% of the cost base)
 - Production expense provides growth incentive and protection in down markets
 - Scalable infrastructure
- Expanding Adjusted EBITDA as a percent of net revenue in excess of 13%
 - 40+% Adjusted EBITDA as a percent of Gross Margin (excludes advisor production expense)



(1) Other fees include individual advisor and account fees

(2) Gross Margin is a non-GAAP calculated as net revenues less production expenses

...with strong cash generation and return of capital focus



- Strong cash flow generation
 - Not capital intensive
 - Modest capital expenditures relative to operating cash flow
- Modest financial leverage
 - Net Debt / Adjusted EBITDA of 2.3x has declined significantly over time
 - Recent debt refinancing
 - Extended maturity profile to 2017 / 2019
 - Expected annual interest savings of ~\$10 million
- Committed to returning capital to shareholders
 - Special dividend (\$2.00/share) announced
 - Plan to initiate quarterly dividend of up to \$0.12/share in 2H'12 ⁽¹⁾
 - Significant share repurchases completed - \$126 million through March 31, 2012
 - Announced additional \$75 million share repurchase plan May 29, 2012
- Substantial cash still available post-capital management to fund growth by reinvesting in the business and pursuing acquisitions
 - LPL utilized \$42 million for acquisitions in 2011 and \$37 million to date in 2012

(1) The payment of any dividends permitted under our credit facilities will be subject to approval by the Company's Board of Directors, including both timing and amount

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