LPL Investor & Analyst Day

November 8, 2017

LPL Financial

Welcome & Agenda

MATT AUDETTE

Chief Financial Officer

Meeting Agenda

9:00 a.m.	Matt Audette	Welcome & Agenda
9:10 a.m.	Dan Arnold	Strategy & Core Business Growth Followed by Q&A
9:50 a.m.	Break	
10:00 a.m.	Andy Kalbaugh	Advisor Panel
10:30 a.m.	Break	
10:40 a.m.	Burt White, Scott Seese, & Tom Gooley	Advisor Experience: Capabilities, Technology, & Service Followed by Q&A
11:40 a.m.	Break	
11:50 a.m.	Matt Audette	Operating Leverage & Shareholder Value Followed by Q&A
12:25 p.m.	Matt Audette	Closing Remarks
12:30 p.m.	Lunch Available	

Notice to Investors: Safe Harbor

Statements in this presentation regarding LPL Financial Holdings Inc.’s (together with its subsidiaries, the Company”) future financial and operating results, outlook, growth, prospects, business strategies, future market position, future operating environment, and goals, including forecasts and statements relating to the Company’s future expenses, revenues, asset levels, capital plans, usage levels of advisory services and platforms, future enhancements to the retail investor experience, including related technology, and success in recruiting and onboarding advisors from the broker/dealer network of National Planning Holdings, Inc. (“NPH”), 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 November 8, 2017. The words “anticipates”, “believes”, “expects”, “may”, “plans”, “will”, and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. 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 advisory and brokerage assets; fluctuations in levels of net new assets and the related impact on revenue; fluctuations in the number of retail investors served by the Company; effects of competition in the financial services industry and the success of the Company in attracting and retaining financial advisors and institutions; changes in the number of the Company's financial advisors and institutions, and their ability to market effectively financial products and services; whether retail investors served by newly-recruited advisors choose to open brokerage and/or advisory accounts and/or move their respective assets to a new account at the Company; 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; the Company's strategy in managing cash sweep program fees; changes in the growth and profitability of the Company's fee-based business; the effect of current, pending and future legislation, regulation and regulatory actions, including the U.S. Department of Labor's final rule ("DOL Rule") and disciplinary actions imposed by federal and state securities regulators and self-regulatory organizations; the costs of settling and remediating issues related to pending or future regulatory matters or legal proceedings; execution of the Company's capital management plans, including its compliance with the terms of its existing credit agreement and the indenture governing its senior notes; the price, the availability of shares, and trading volumes of the Company's common stock, which will affect the timing and size of any future share repurchases by the Company; changes made to the Company’s offerings and services in response to the current, pending and future legislation, regulation and regulatory actions, including the DOL Rule, and the effect that such changes may have on the Company’s gross profit streams and costs; execution of the Company's plans and its success in realizing the expense savings and service improvements and efficiencies expected to result from its initiatives and programs, particularly its expense plans and technological initiatives; the Company's success in negotiating and developing commercial arrangements with third-party services providers; the performance of third-party service providers to which business processes are transitioned; the Company's ability to control operating risks, information technology systems risks, cybersecurity risks, and sourcing risks; and the other factors set forth in Part I, “Item 1A. Risk Factors” in the Company's 2016 Annual Report on Form 10-K, as may be amended or updated in the Company's Quarterly Reports on Form 10-Q or subsequent filings with the SEC. In particular, the Company can provide no assurance that the assets reported as serviced by NPH financial advisors will translate into assets serviced at the Company or that such financial advisors will join the Company or remain at the Company. Important factors that could cause or contribute to such differences include: difficulties and delays in recruiting or transferring the licenses of NPH’s advisors and/or onboarding the clients or businesses of NPH’s advisors; disruptions of the Company’s business due to transaction-related uncertainty or other factors making it more difficult to maintain relationships with its financial advisors and their clients, employees, other business partners or governmental entities; the choice by clients of NPH’s advisors not to open brokerage and/or advisory accounts at the Company and/or move their respective assets from NPH to a new account at the Company; and effects of competition in the financial services industry, including competitors’ success in recruiting NPH’s advisors. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after November 8, 2017, even if its estimates change, and you should not rely on statements contained herein as representing the Company's views as of any date subsequent to November 8, 2017.

THIS PRESENTATION PRESENTS DATA AS OF SEPTEMBER 30, 2017, UNLESS OTHERWISE INDICATED.

*Notice to Investors: Non-GAAP Financial Measures

Management believes that presenting certain non-GAAP financial measures by excluding or including certain items can be helpful to investors and analysts who may wish to use some or all of this information to analyze the Company’s current performance, prospects, and valuation. Management uses this non-GAAP information internally to evaluate operating performance and in formulating the budget for future periods. Management believes that the non-GAAP measures and metrics discussed herein are appropriate for evaluating the performance of the Company. **Specific Non-GAAP financial measures have been marked with an * (asterisk) within this presentation.**

Gross profit is calculated as net revenues, which were $4,172 million for the twelve months ended September 30, 2017, less commission and advisory expenses and brokerage, clearing, and exchange fees, which were $2,618 million and $56 million, respectively, for the twelve months ended September 30, 2017. All other operating expense categories, including depreciation and amortization of fixed assets and amortization of intangible assets, are considered general and administrative in nature. Because the Company’s gross profit amounts do not include any depreciation and amortization expense, the Company considers its gross profit amounts to be non-GAAP measures that may not be comparable to those of others in its industry. Management believes that gross profit amounts can be useful to investors because it shows the Company’s core operating performance before indirect costs that are general and administrative in nature.

Core G&A consists of total operating expenses excluding the following expenses: commission and advisory, regulatory charges, promotional, employee share-based compensation, depreciation and amortization, amortization of intangible assets, and brokerage, clearing, and exchange (“BC&E”). Management presents Core G&A because it believes Core G&A reflects the corporate operating expense categories over which management can generally exercise a measure of control, compared with expense items over which management either cannot exercise control, such as commission and advisory expenses, or which management views as promotional expense necessary to support advisor growth and retention including conferences and transition assistance. Core G&A is not a measure of the Company’s total operating expenses as calculated in accordance with GAAP. For a reconciliation of Core G&A against the Company’s total operating expenses, please see page 89 of this presentation. Prior to 2016, the Company calculated Core G&A as consisting of total operating expenses, excluding the items described above, as well as excluding other items that primarily consisted of acquisition and integration costs resulting from various acquisitions and organizational restructuring and conversion costs. Beginning with results reported for the quarter ended March 31, 2016, Core G&A was presented as including these items that were historically adjusted out, and for periods prior to March 31, 2016, reflects those items in employee share-based compensation and other historical adjustments for comparative purposes.

EBITDA is defined as net income plus interest expense, income tax expense, depreciation, and amortization. The Company presents EBITDA because management believes that it can be a useful financial metric in understanding the Company’s earnings from operations. 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. For a reconciliation of EBITDA to net income, please see page 87 of this presentation. In addition, the Company’s EBITDA can differ significantly from EBITDA calculated by other companies, depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, and capital investments.

Credit Agreement EBITDA is defined in, and calculated by management in accordance with, the Company's credit agreement (the “Credit Agreement”) as “Consolidated EBITDA,” which is Consolidated Net Income (as defined in the Credit Agreement) plus interest expense, tax expense, depreciation and amortization and further adjusted to exclude certain non-cash charges and other adjustments, including unusual or non-recurring charges and gains. The Company presents Credit Agreement EBITDA because management believes that it can be a useful financial metric in understanding the Company’s debt capacity and covenant compliance under its Credit Agreement. Credit Agreement 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. For a reconciliation of Credit Agreement EBITDA to net income, please see page 88 of this presentation. In addition, the Company’s Credit Agreement EBITDA can differ significantly from adjusted EBITDA calculated by other companies, depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, and capital investments.

EPS Prior to Amortization of Intangibles is defined as EPS plus Amortization of Intangible Assets expense, net of applicable tax benefit, divided by the number of shares outstanding for the applicable period. The Company presents EPS Prior to Amortization of Intangibles because management believes that it can be a useful financial metric to investors because it provides greater insight into the Company’s core operating performance by excluding non-cash items that management does not believe impact the Company’s ongoing operations. EPS, Prior to Amortization of Intangibles is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to GAAP EPS or any other performance measure derived in accordance with GAAP. For a reconciliation of EPS, Prior to Amortization of Intangibles to net income, please see page 90 of this presentation.

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LPL Overview

About Us

We are a leader in the retail financial advice market and the nation's largest independent broker-dealer. (1)

We enable independence by providing advisors the capabilities, technology, and service they need, so they can focus on serving their clients.

Our services include advisory and brokerage platforms, portfolio construction, integrated technology and services, comprehensive clearing and compliance services, practice management programs and training, and independent research.

Key Markets and Services

$560B+ Retail Assets:

- **Brokerage:** $310B
- **Corporate Advisory**: $145B
- **Hybrid Advisory**: $105B

14K+ advisors:

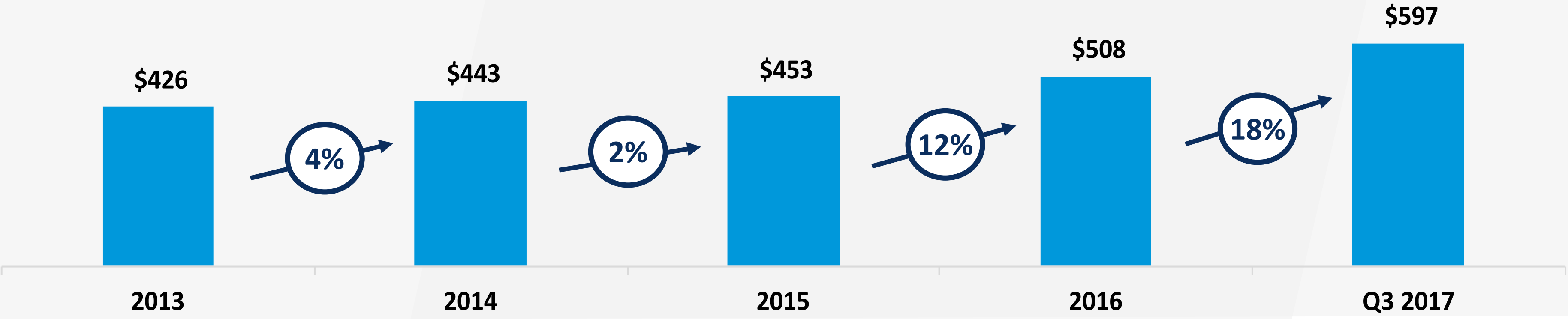
- **Independent Advisors:** 7,000+
- **Hybrid RIA:** 5,000+ (420+ firms)
- **Institutional Services:** 2,100+ (700+ banks, credit unions, and clearing clients)

Q3 2017 Metrics

Q3 Business Metrics		LTM Financial Metrics	
Assets:	$560B	Average Assets:	$535B
Advisors:	14,253	Gross Profit*:	$1.5B
Accounts:	4.7M	EBITDA*:	$597M
Employees:	3,564	EPS:	$2.35

Q3 Debt Metrics		Ratings & Outlooks	
Credit Agr. EBITDA*:	$655M	S&P Rating:	BB-
Total Debt:	$2.4B	S&P Outlook:	Stable
Cost of Debt:	4.44%	Moody's Rating:	Ba3
Net Leverage Ratio:(2)	3.21x	Moody's Outlook:	Stable
Interest Coverage Ratio:	6.88		

LTM EBITDA* History ($MM)



We remain focused on growth and execution to create long-term shareholder value

Grow our Core Business

+ Leverage the strength of our markets and model
  - Capitalize on secular trends
  - Expand leadership positions

+ Enhance advisor experience and capabilities
  - Deliver best-in-class service, compliance, and technology
  - Expand advisory, custodial, research, and retail investor solutions

+ Drive organic asset and gross profit growth
  - Increase advisor recruiting, productivity, and retention
  - Leverage scale to expand gross profit

+ Benefit from rising rates and markets
  - Capture cash sweep upside from rising rates
  - Grow assets as market levels rise

= Asset and gross profit growth

Execute with Excellence

+ Drive greater efficiency and productivity
  - Continuously improve over time
  - Prioritize growth investments opportunities

+ Embed quality and innovation in our operations
  - Create extraordinary service and technology outcomes
  - Ongoing improvements in our operations over time

+ Balance financial strength and flexibility
  - Keep capital structure strong and flexible for changes to environment and strategic opportunities
  - Allocate capital to create long-term shareholder value

+ Increase investor understanding and confidence
  - Expand and clarify key disclosures
  - Deliver strong results

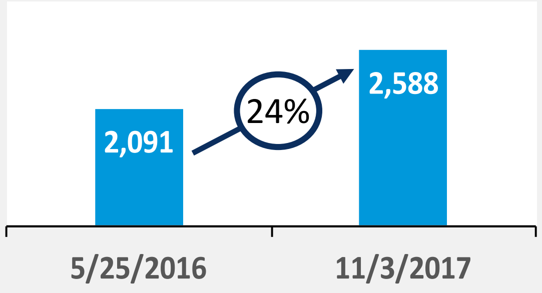
= Operating leverage and capital allocation

Create Long-Term Shareholder Value

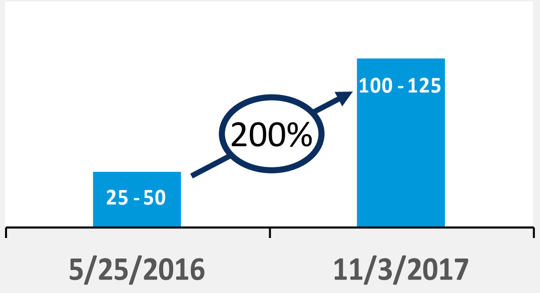
Since our last Investor Day, we have been focused on executing our strategy

Market

S&P 500

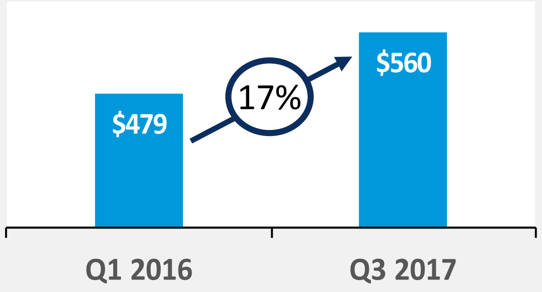


Fed Funds Target Rate

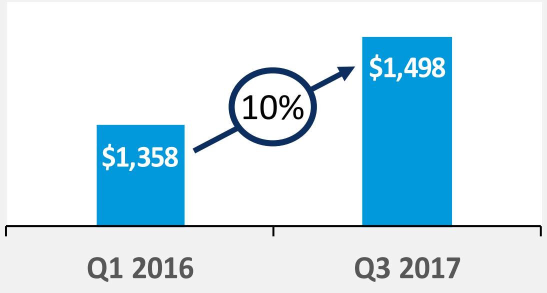


LPL Results

Total Assets (billions)

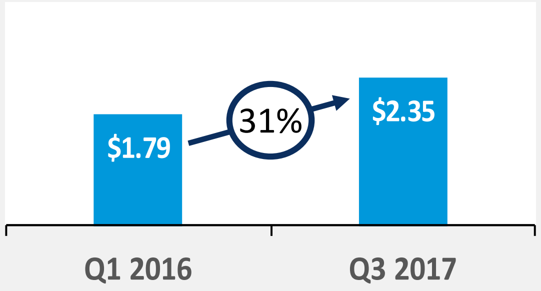


LTM Gross Profit*

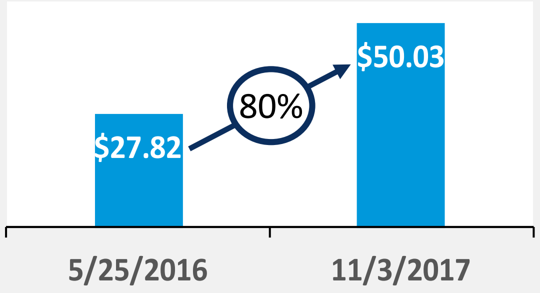


Shareholder Value

LTM EPS(3)



Share Price (closing price)



LPL Investment Highlights: Significant opportunities to grow and create long-term shareholder value

1. **Attractive market with secular industry tailwinds**
2. **Established market leader with scale advantages**
3. **Organic growth opportunities through net new assets and ROA**
4. **Positively levered to rising interest rates and equity markets**
5. **Disciplined expense management driving operating leverage**
6. **Capital light business model with significant capacity to deploy**
7. **Opportunity to consolidate fragmented core markets through M&A**

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Strategy and Core Business Growth

DAN ARNOLD

President and Chief Executive Officer

LPL's Strategic Framework

Driving growth

LEVERAGE
the strengths of our model and capitalize on market opportunity

+

ENHANCE
our strategic capabilities

Focused execution

+

EXECUTE
with excellence

=

Achieving outcomes

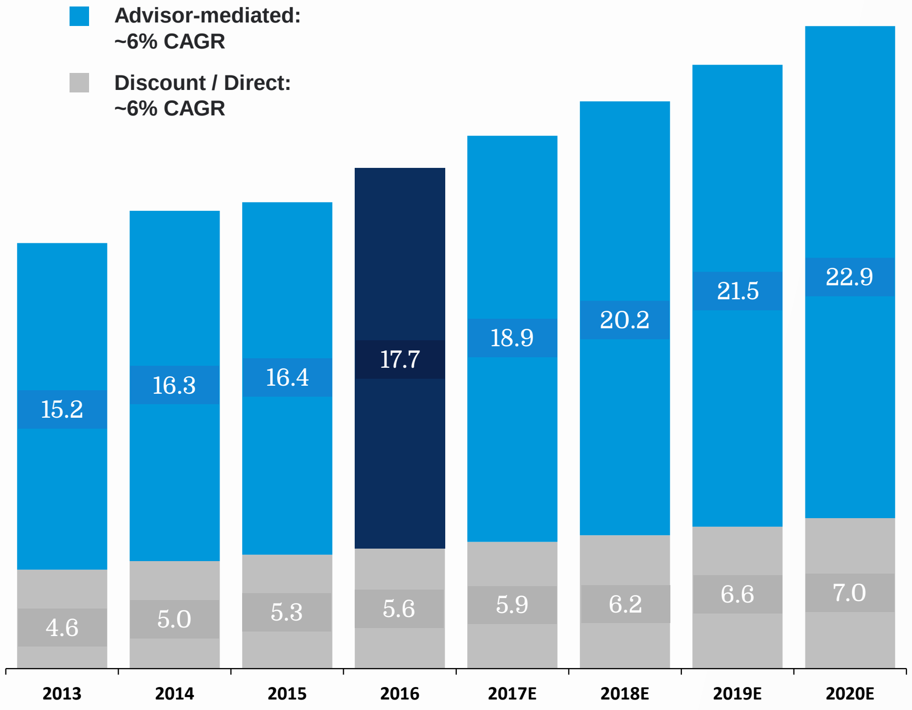
DRIVE
share gain in our core markets

IBD
HYBRID/RIA
INSTITUTIONS
(Banks / Credit Unions)

We have a large market opportunity with growing demand for financial advice

Growing demand for advice

Projected Growth in US Retail Investment Market ($T)



Demand up across segments

Across age groups, investors indicate strong demand for financial advice

	Willingness to pay for advice		*Avg. household size*
Retirees / Decumulators (65+)	44% (up from 39% in 2012)	↑	~$500k
Peak Accumulators (50-64)	47% (up from 34% in 2012)	↑	~$400k
Millennials and Gen X (19-49)	66% (up from 41% in 2012)	↑	~$100k

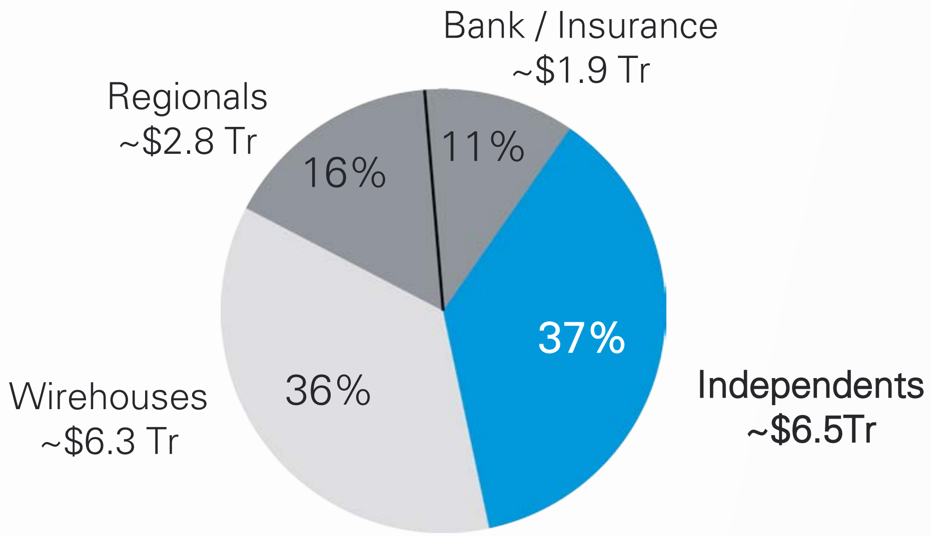
Willingness to pay for advice has risen 5-15% across age groups over the past 5 years

Source: Cerulli Intermediary Lodestar 2017 and Cerulli Retail Investor Lodestar 2017

We serve the fastest growing segment of the market

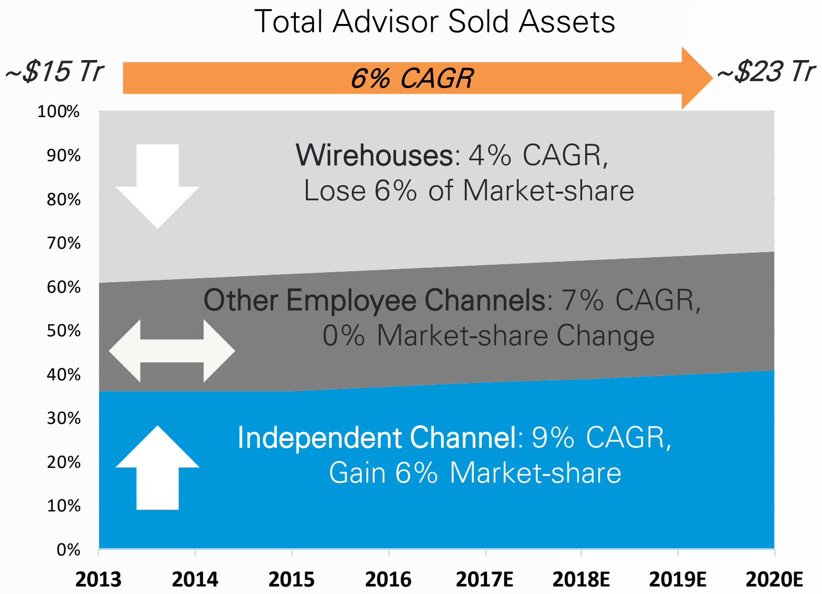
Independents have the largest share of market

Structure of the US advisor-intermediated Retail Investment Market



Trend towards independence expected to continue

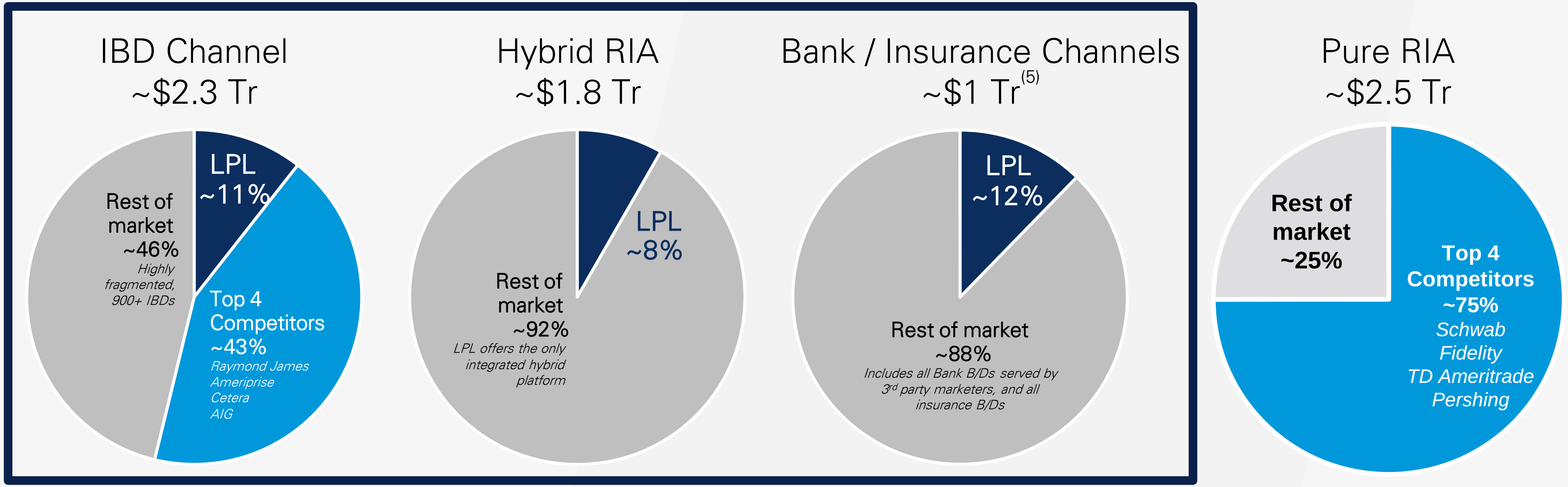
The Independent channel continues to gain share versus employee models



Source: Cerulli Intermediary Lodestar 2017 and Cerulli Retail Investor Lodestar 2017

We are a leader in our core markets and have room to grow

Our Core Markets (4)



5-year Historical Industry CAGR:	~8%	~12%	~7%	~12%

Source: All data is estimated using internal LPL metrics, Cerulli Lodestar 2017, Cerulli US Managed Accounts 2017, Cerulli Advisor 2016 AUM estimates, and Cerulli RIA Marketplace 2016

Our differentiated model positions us to capitalize on the market opportunity

Differentiators	Competitive advantages
Singular focus on advisors	We do not manufacture proprietary products or compete with advisors through a direct-to-consumer channel
Vertical integration	Our integrated B/D, advisory platform, and self-clearing capability creates more seamless processes for advisors and gives us economic advantages vs competitors
Scale	Our scale enables competitive pricing and investment advantages not available to smaller players
Versatility of model	The scope of our model appeals to a broad profile of independent advisors and offers value-added capabilities unique in the marketplace

We are focused on delivering on our strategy

LEVERAGE
the strengths of our model and capitalize on market opportunity

- Adding advisors through organic growth and M&A
- Differentiating in advisory solutions while maintaining choice
- Scale-enabled investment in regulatory solutions and the advisor experience

+

ENHANCE
our strategic capabilities

- Positioning advisors to win in the future

+

EXECUTE
with excellence

- Pairing a good strategy with great execution through our Management System

=

DRIVE
share gain in our core markets

IBD

HYBRID/RIA

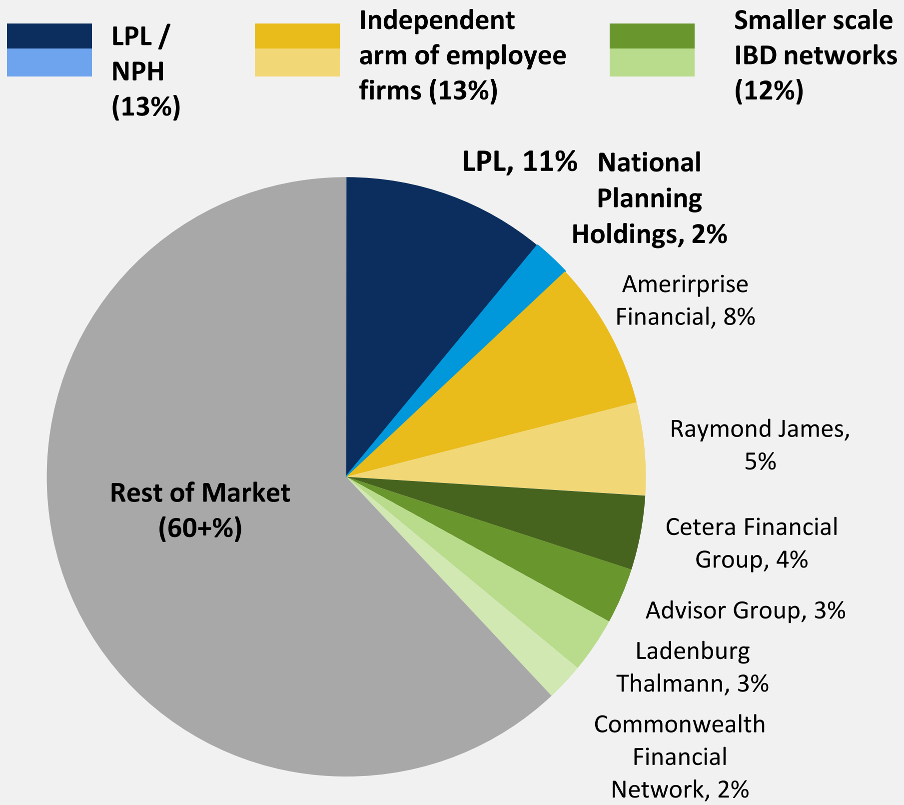
INSTITUTIONS

(Banks / Credit Unions)

Our core markets are fragmented, with potential for consolidation

Fragmented core markets[6]

Share of Core Markets[7]



Growth potential from consolidation

- Our scale, capabilities, and economics give us **competitive advantages in M&A**
- Our **core markets are fragmented**, with the top ~8 players comprising ~40% of the market
- **Rising cost and complexity** is making it **harder for smaller players** to compete
- Therefore, **we believe consolidation can drive value** by adding scale, increasing our capacity to invest in capabilities, and creating shareholder value
- NPH is a good example of the **potential for future accretive M&A**, so we plan to remain positioned for opportunities that may arise

Recap of NPH Acquisition

Business Overview	• Independent broker/dealer network with ~3,200 advisors serving ~$120B of client assets(8) • Client asset mix: ~75% brokerage / ~25% advisory, with ~$3B of client cash sweep balances(8)
Strategic Rationale	• Adds to LPL's size and scale and expands our leadership in core markets • LPL's scale, self-clearing, and broader capabilities can add value to NPH client assets • Creates additional resources to invest to drive growth and return to shareholders
Terms	• Transaction structured as an asset purchase • Initial purchase price of $325M and contingent payment of $0 to $123M based on production transferred ranging from 72% to 93.5% respectively • LPL will onboard NPH advisors and client assets onto its platform in two waves in Q4 2017 and Q1 2018
Shareholder Value Creation	• Estimated run-rate EPS accretion of $0.25-0.40 by end of 2018 • Estimated run-rate EBITDA* accretion of $75-100M by end of 2018

Based on recruiting to date, we estimate Wave 1 production transfer rate of ~70%, with EBITDA* equivalent to production transfer of ~80%

Disciplined Approach

- **Wave 1 includes approximately half of NPH's business** and is scheduled to transfer in early December
- As we recruited advisors, **we applied our standard financial and risk criteria**

Anticipated Wave 1 production transfer of ~70%

- Advisors who we expect to join us are a **good fit and value the capabilities we provide**
- In particular, we have heard NPH advisors appreciate our **differentiated advisory platforms, self-clearing capabilities, and technology**

Wave 1 EBITDA* equivalent to production transfer of ~80%

- We expect Wave 1 advisors joining us to **use our capabilities and services to a greater extent than we had initially assumed**
- These advisors can generate **better economics** for us than the average NPH advisor

Combination translates to a better purchase multiple than we had assumed

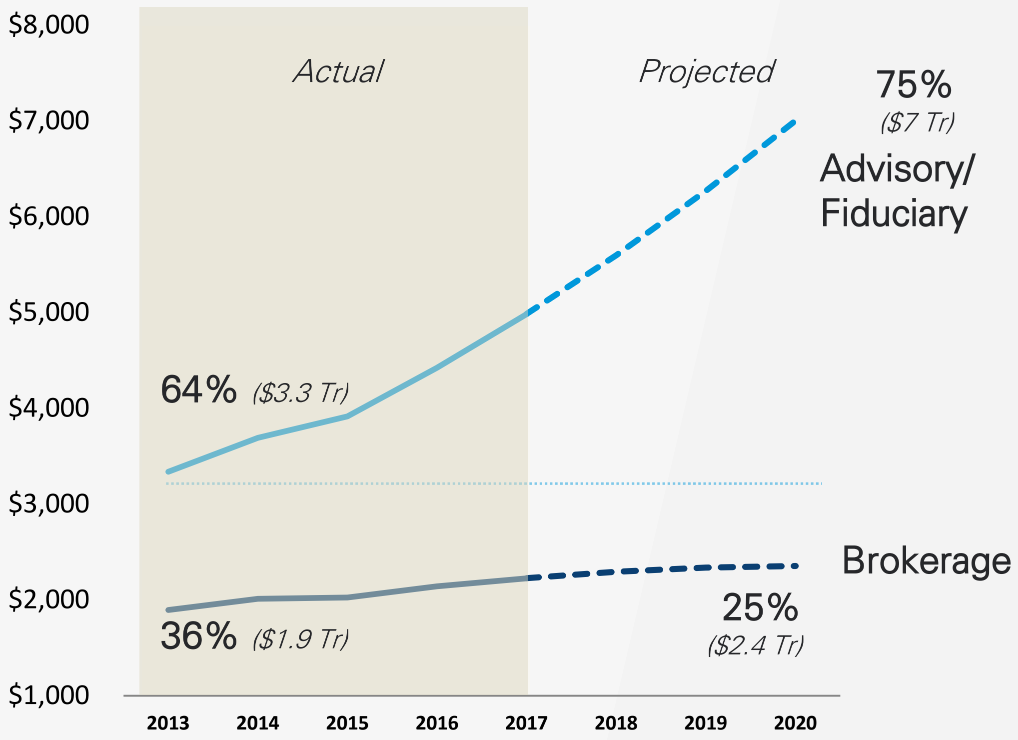
- The anticipated Wave 1 production transfer rate **implies NPH-related costs at the low end of the range**
- This compares to an **EBITDA outlook in the middle of the range**
- If this combination continues for NPH overall, the **resulting purchase multiple could be lower than we assumed**

Notes: As shown on page 86 in the appendix, ~80% production transfer corresponds to run-rate EBITDA of $85M for all of NPH; Page reflects initial estimates as of 11/8/17. Wave 1 onboarding completed early December 2017, and Wave 2 onboarding completed mid-February 2018. Actual results may be better or worse than these initial estimates.

Advisory assets continue to gain share in the independent channel

Shift from brokerage to advisory assets in the independent market is expected to continue

Independent Channels Assets ($M)



LPL's strategic objectives

- **Leverage our scale to differentiate and grow our advisory platforms** via capabilities, innovation, and price
- **Capitalize on the market opportunity** by continuing to enhance the versatility of our advisory platforms
- **Enable advisors to grow their assets** by delivering compelling solutions at a competitive price

Source: Projections are based on Managed Accounts and Independent Channel data from Cerulli Lodestar 2017. Excludes third-party bank and insurance B/Ds.

We leverage our scale to differentiate and grow our advisory platforms

	Corporate RIA Platform	Hybrid RIA Platform
Investment management approach:	Advisor-directed Centrally Managed Separately Managed	
Investment products:	Spectrum of actively managed funds, individual securities, and passively managed products	
Positioning:	▪ Positioned for advisors **of any size who prefer to outsource risk management** and operations of their business	▪ Positioned for advisors with **>$50M in advisory assets who prefer to underwrite risk management** and operations of their business
Planned investments:	▪ Ongoing workflow, content, and capability enhancements ▪ **Lower the cost of our advisor-directed portfolios by a third** (~$3M gross profit* reduction per quarter)	▪ Ongoing workflow, content, and capability enhancements

Desired outcomes

- Continue to **attract advisors to both platforms**
- **Enable advisors to achieve increased growth** via our advisory solutions
- Leverage our scale and automation benefits to **increase the attractiveness of outsourcing investment and risk management**

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We turn key changes in the environment into opportunities for advisors and LPL

Shift to advisory

Growth in fee-based assets across channels

Regulatory changes

Regulatory activity and scrutiny facing advisors is increasing

Key Industry Trends

Digitization and personalization

Technology enables more personalized and digitized wealth management solutions

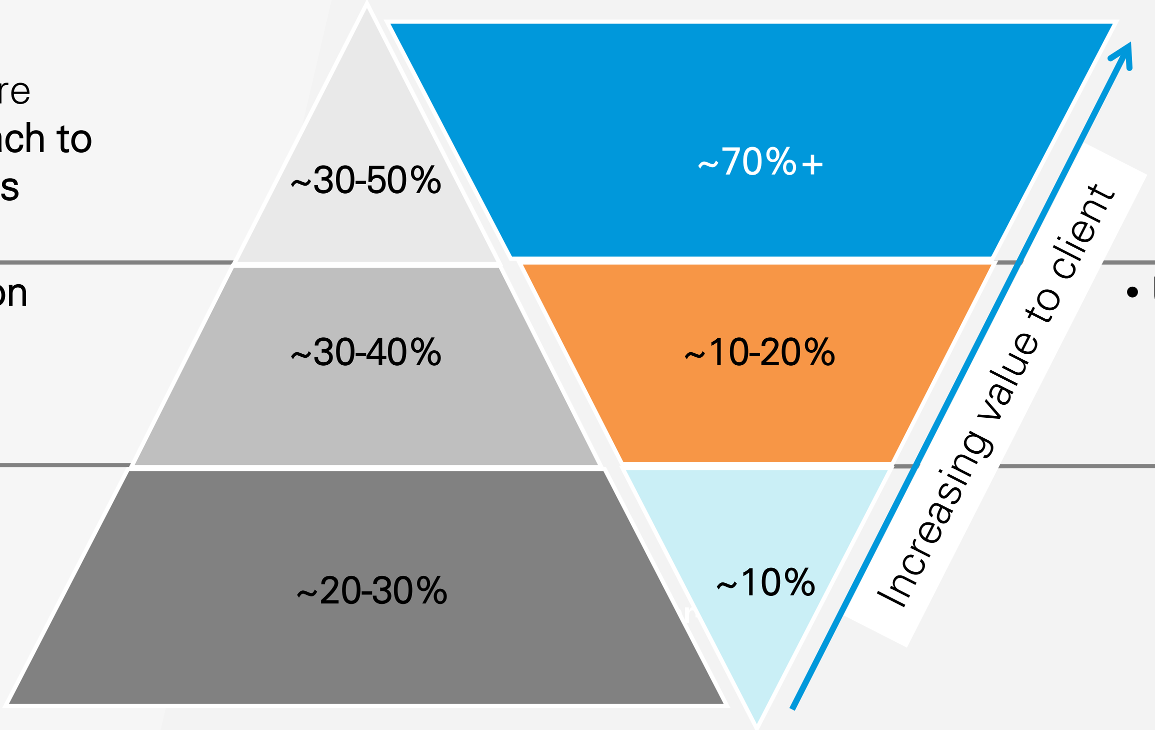
Cost sensitivity across the value chain

Cost sensitivity is influencing the mix of investment management choices

We expect evolution in the future profile of winning advisor practices

Today: Advisor as wealth manager

Tomorrow: Advisor as personal CFO



Client management

- Advisors have a more **standardized approach to solving clients needs**
- **Personalized approach centered on complex problem solving** and emotional management

Investment management

- **Portfolio construction is core element** of advisor value proposition
- Using holistic client data, advisor can focus on **customized outcome-based goals** and planning

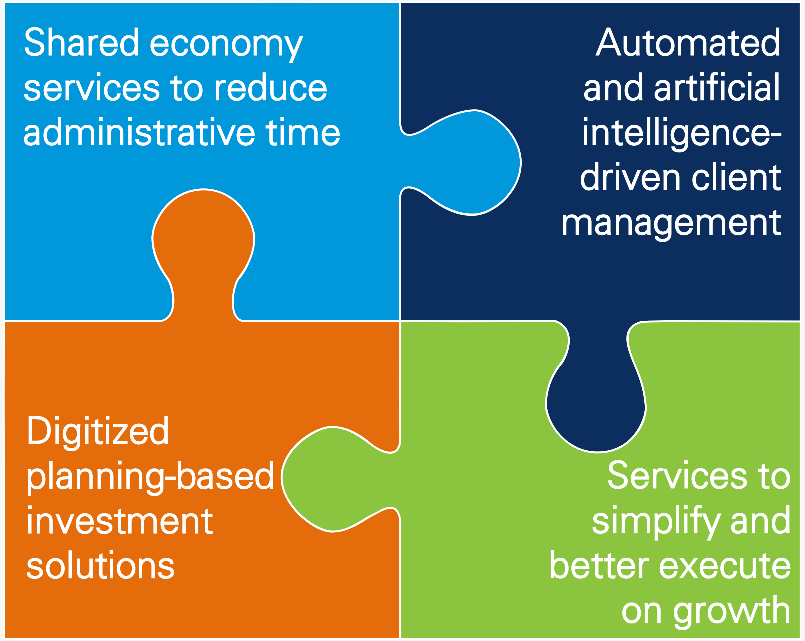
Practice management

- **Do-it-themselves, hire staff** and / or leverage fragmented third parties
- **Outsources** to partners with scale and / or **leverage the benefits of a shared economy**

Illustrative allocation of advisors' time

Innovation in our core model will enable the winning advisor of the future and enhance our organic growth

Package of offering



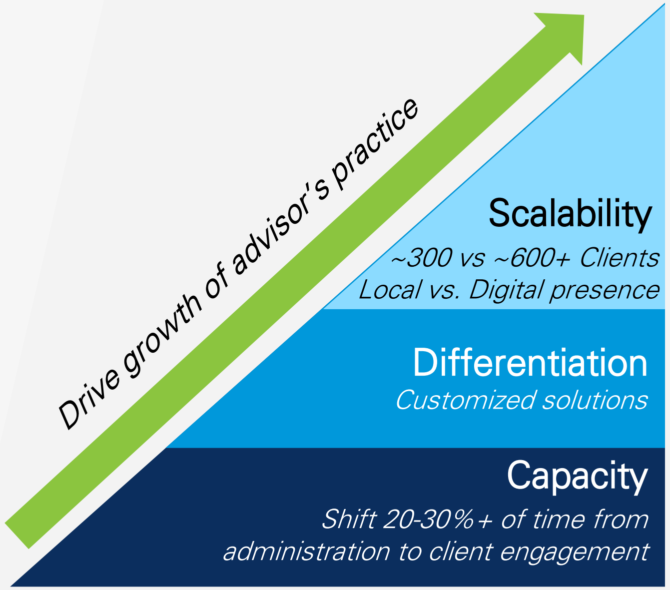
Shared economy services to reduce administrative time

Automated and artificial intelligence-driven client management

Digitized planning-based investment solutions

Services to simplify and better execute on growth

Benefits to Advisors



Drive growth of advisor's practice

Scalability
~300 vs ~600+ Clients
Local vs. Digital presence

Differentiation
Customized solutions

Capacity
Shift 20-30%+ of time from administration to client engagement

Expected Outcomes for LPL

- New services which create new revenue streams
- Higher productivity of our advisors' practices
- Increased differentiation of our model
- Stickier relationships with our advisors

We are focused on delivering on our strategy

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the strengths of our model and capitalize on market opportunity

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our strategic capabilities

- Positioning advisors to win in the future

+

EXECUTE
with excellence

- Pairing a good strategy with great execution through our Management System

=

DRIVE
share gain in our core markets

IBD

HYBRID/RIA

INSTITUTIONS

(Banks / Credit Unions)

Executing with excellence delivers continuous improvement for our advisors and growth for our business

Strategic Intent

- Systematically we improve how we execute
- Define the cultural principles by which we will:
  - Focus our execution
  - Guide our decision-making
  - Deliver outcomes

Key Principles	Outcomes
Deliver QUALITY	▪ Create consistency and excellence in our solutions for advisors, end-investors, and employees ▪ Establish trust in our brand: do what we say we will do
Drive INNOVATION	▪ Enable continuous improvement to grow our market leadership positioning ▪ Anticipate the future to position ourselves for growth in a changing environment
Gain EFFICIENCY	▪ Drive operating leverage in order to respond to industry change from a place of strength

We are focused on delivering on our strategy

LEVERAGE
the strengths of our model and capitalize on market opportunity

+

ENHANCE
our strategic capabilities

+

EXECUTE
with excellence

=

DRIVE
share gain in our core markets

IBD

HYBRID/RIA

INSTITUTIONS
(Banks / Credit Unions)

The overall objective of our strategy remains driving share gain in our core markets and creating long-term shareholder value by:

- Capitalizing on our leadership position in a growing market
- Delivering innovation in our capabilities to position advisors and their investors for the future of advice
- Combining a solid strategy with excellence in our execution

QUESTIONS & ANSWERS

Please wait for a microphone

Meeting Agenda

9:00 a.m.	Matt Audette	Welcome & Agenda
9:10 a.m.	Dan Arnold	Strategy & Core Business Growth Followed by Q&A
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10:00 a.m.	Andy Kalbaugh	Advisor Panel
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10:40 a.m.	Burt White, Scott Seese, & Tom Gooley	Advisor Experience: Capabilities, Technology, & Service Followed by Q&A
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11:50 a.m.	Matt Audette	Operating Leverage & Shareholder Value Followed by Q&A
12:25 p.m.	Matt Audette	Closing Remarks
12:30 p.m.	Lunch Available	

BREAK

Please Return by 10:00am

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Advisor Panel

ANDY KALBAUGH

Managing Director, Divisional President,
National Sales and Consulting

LPL Advisor Panel

Name	Kenneth Van Leeuwen	Judy VanArsdale	John Brooks
Firm	Van Leeuwen & Company, LLC	Lakeview Wealth Management	Resource One Advisors
Location	Princeton, NJ	Chicago, IL	Saint Albans, MO
Experience	34 years	14 years	39 years
Years at LPL	22 years	14 years	n/a
Practice type	OSJ	Solo	OSJ
Affiliation	LPL – Hybrid RIA	LPL – Corporate RIA	Joining from NPH
Total Assets Served	~$200MM	~$300MM	~$600MM

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Advisor and Investor Capabilities

BURT WHITE

Managing Director, Investor and Investment Solutions,
Chief Investment Officer

We are focused on delivering on our strategy

LEVERAGE

the strengths of our markets and model

+

ENHANCE

our strategic capabilities

- Expanding our Product and Platform Solutions
- Digitizing the Retail Investor Experience
- Developing New Solutions to Transform Front Office Performance

+

EXECUTE

with excellence

=

DRIVE

share gain in our core markets

IBD

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INSTITUTIONS

(Banks / Credit Unions)

Our premise for a winning advisor practice of the future shapes our new capabilities and innovation

Illustrative advisor of the future

	Today	Future
Relationship expected to be primarily advisory	Mostly Brokerage with some fee-based advisory	Mostly Advisory
Source of client value proposition shifting to personalized, goals-based orientation	• Portfolio construction • Outperforming market • Basic portfolio reporting	• Meeting customized goals, using personalized data • Client trust and emotional management • Complex problem solving
Increasing # of Clients	A few hundred	Several hundred
Increasing time spent on client / prospect engagement	50-60%+	80-90%+
Practice staff requirements	• Hire staff as practice grows	• Outsourced to scaled providers
Availability	• Brick and mortar office is source of trust	• Digital presence is critical

Primary areas of capability and innovation development to drive organic growth

Key Objectives:

Expanding our Product & Platform Solutions

- **Capitalize on the shift from brokerage to advisory**, while keeping brokerage relevant
- **Drive growth to our centrally managed platforms**, where we earn additional economics vs other advisory platforms
- Develop **planning and goals-based solutions**

Digitizing the Retail Investor Experience

- **Bring a B2C experience** to the local practice level
- **Create modern and compelling retail investor experiences**
- Enable **digital solutions that complement our advice platform**

Developing New Solutions to Transform Front Office Performance

- **Create greater scale at a practice level**, through outsourcing of administrative and non-growth services
- Utilize LPL's scale and data to **deliver new growth solutions to advisors**

Product and platform solutions: Lowering advisory costs, enabling greater outsourcing, and creating more customized solutions

Growth of LPL's investment platforms

Expansion of investment content

- Expanded investment product menu
- Launched centrally managed portfolios: portfolio management run by LPL Research

Pre-2016

Lowering costs, more seamless workflows, and new solutions

- Platform pricing changes
- Centralized trading services (third-party managers and LPL advisors)
- Digital advice solution for Advisors: Guided Wealth Portfolios

2016 - 2018

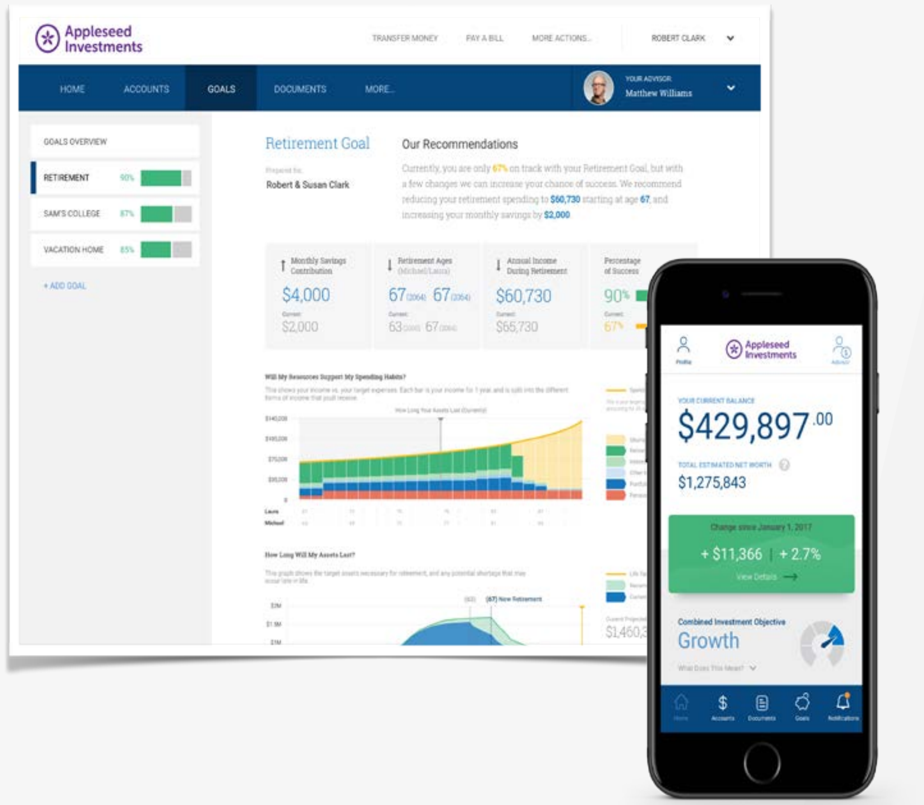
Leveraging data to enable customized planning, at scale

- Goals-based planning solutions
- Data aggregation solutions
- Wider breadth of financial planning solutions integrated into platforms

Future

Retail investor experience: Creating more modern and compelling solutions, to drive retention and same store sales growth

Illustration of planned offerings for retail investors



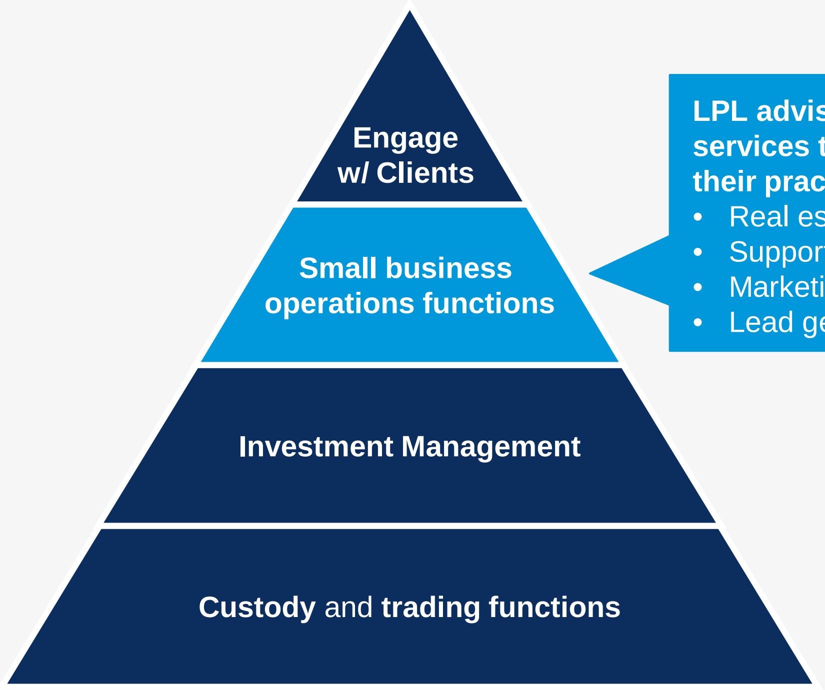
Currently, you are only 67% on track with your Retirement Goal, but with a few changes we can increase your chance of success. We recommend reducing your retirement spending to $60,730 starting at age 67, and increasing your monthly savings by $2,000

Benefits include:

- More personalized information and advice
- Simplified communications
- Aggregated views of the investors' holdings and performance to goals
- Advisor-enabled branding to maintain local-level feel

New solutions: We are leveraging technology and our scale to bring innovation and enhanced performance to the front office

Development of New LPL Front Office Services


Engage w/ Clients

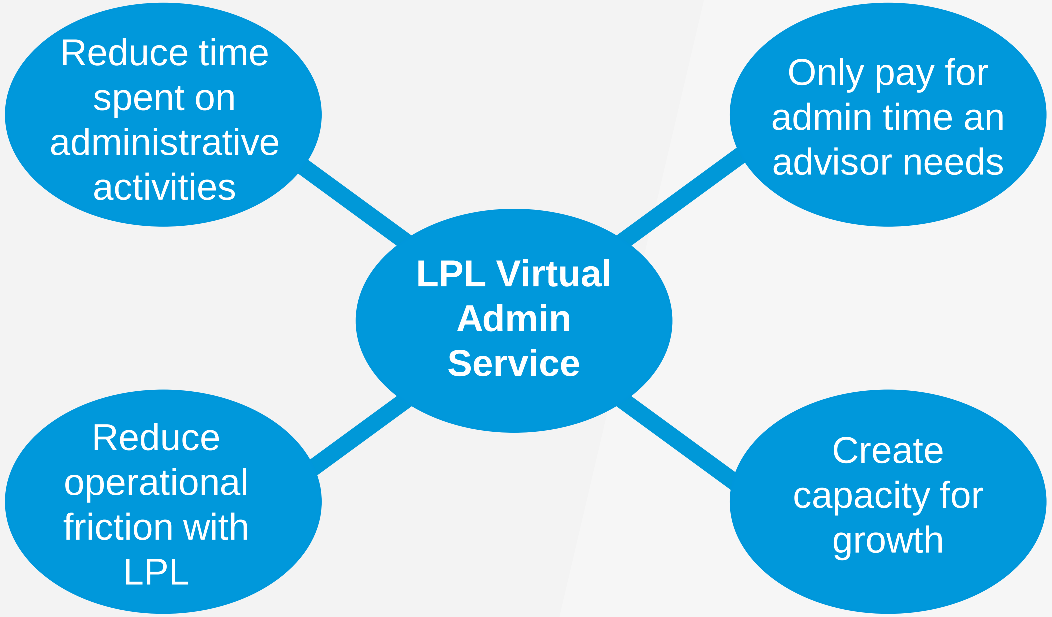
Small business operations functions

Investment Management

Custody and **trading functions**

LPL advisors spend ~$1B on services that help them run their practice
- Real estate and office set-up
- Support staff
- Marketing and growth
- Lead generation

Example:
LPL Virtual Admin Service launched in 2017


LPL Virtual Admin Service

Reduce time spent on administrative activities

Only pay for admin time an advisor needs

Reduce operational friction with LPL

Create capacity for growth

Advisor and investor capabilities summary

- We continue to develop new strategic capabilities to support the winning advisor of the future and drive enhanced organic growth

- Our focus areas are:
  - Expanding our product & platform solutions
  - Digitizing the retail investor experience
  - Developing New Solutions to Transform Front Office Performance

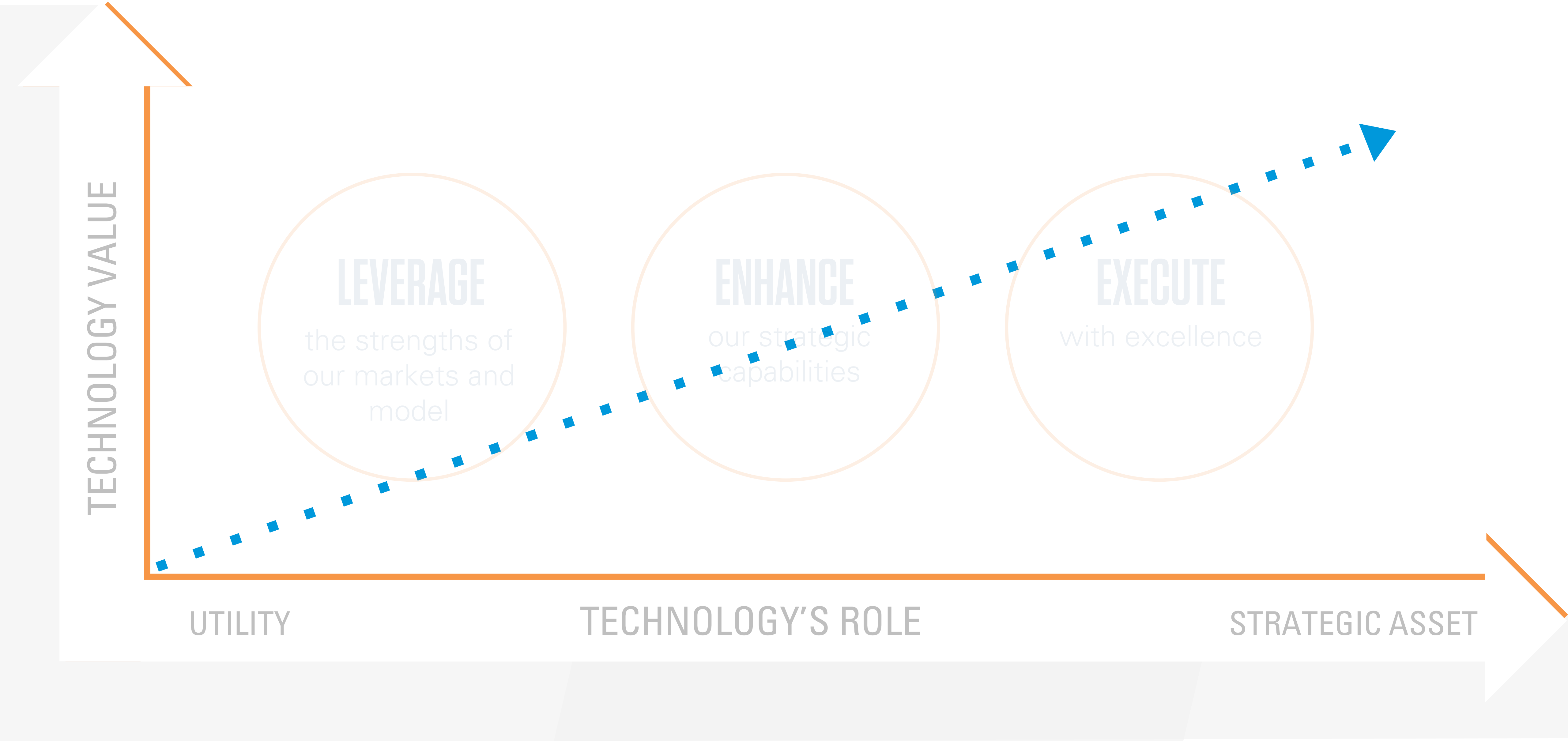
- These capabilities position us to help our advisors drive lower costs, increased scalability, and higher growth

Advisor Experience: Technology

SCOTT SEESE

Managing Director, Chief Information Officer

Our vision is to take technology from a utility to a strategic asset



LPL Financial

Through execution with excellence, we are now delivering

Now Live

(advisors using end-to-end tools)

Platform Capabilities

- Account opening
- Cash management
- Trading
- Performance reporting
- Client statements
- Digital advice solutions (Guided Wealth Portfolios)

ClientWorks is now our core platform

(and turning off BranchNet)

LPL Financial

Advisors fully transitioning now

National Planning HOLDINGS, INC.

Advisors onboarding straight to

ClientWorks

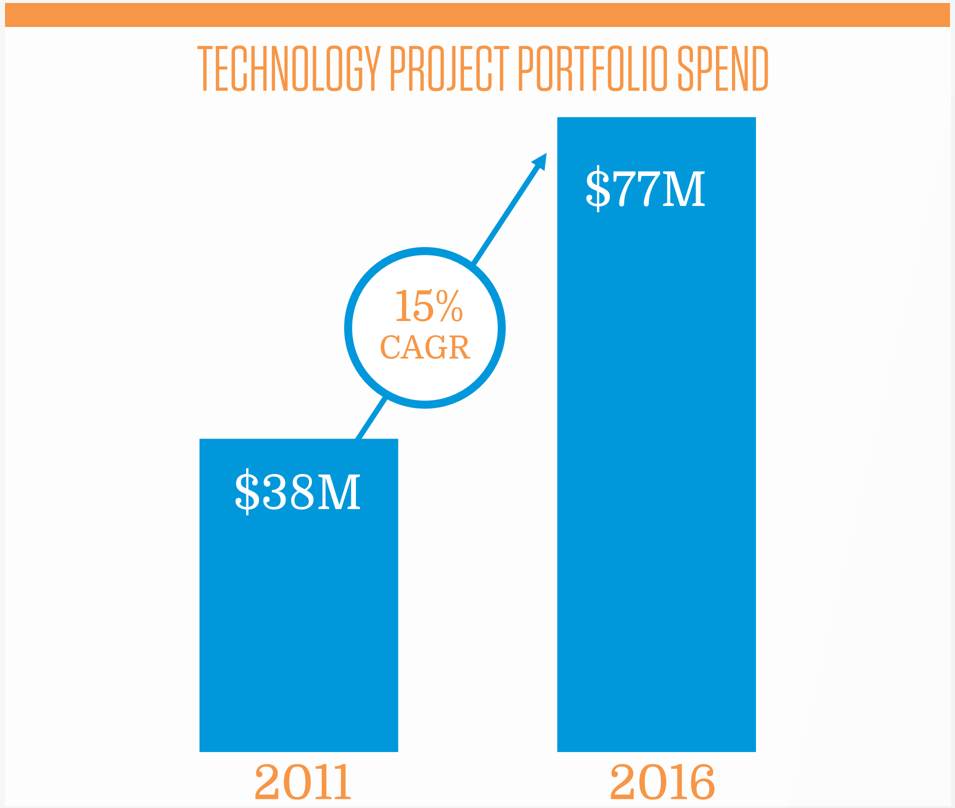
We are enhancing the advisor and investor experience by extending the platform

ClientWorks

1. Mutual Fund Only Platform
2. Mobile and Portals
3. ServiceWorks Enhancements
4. Retirement and Goals-based Planning Tools

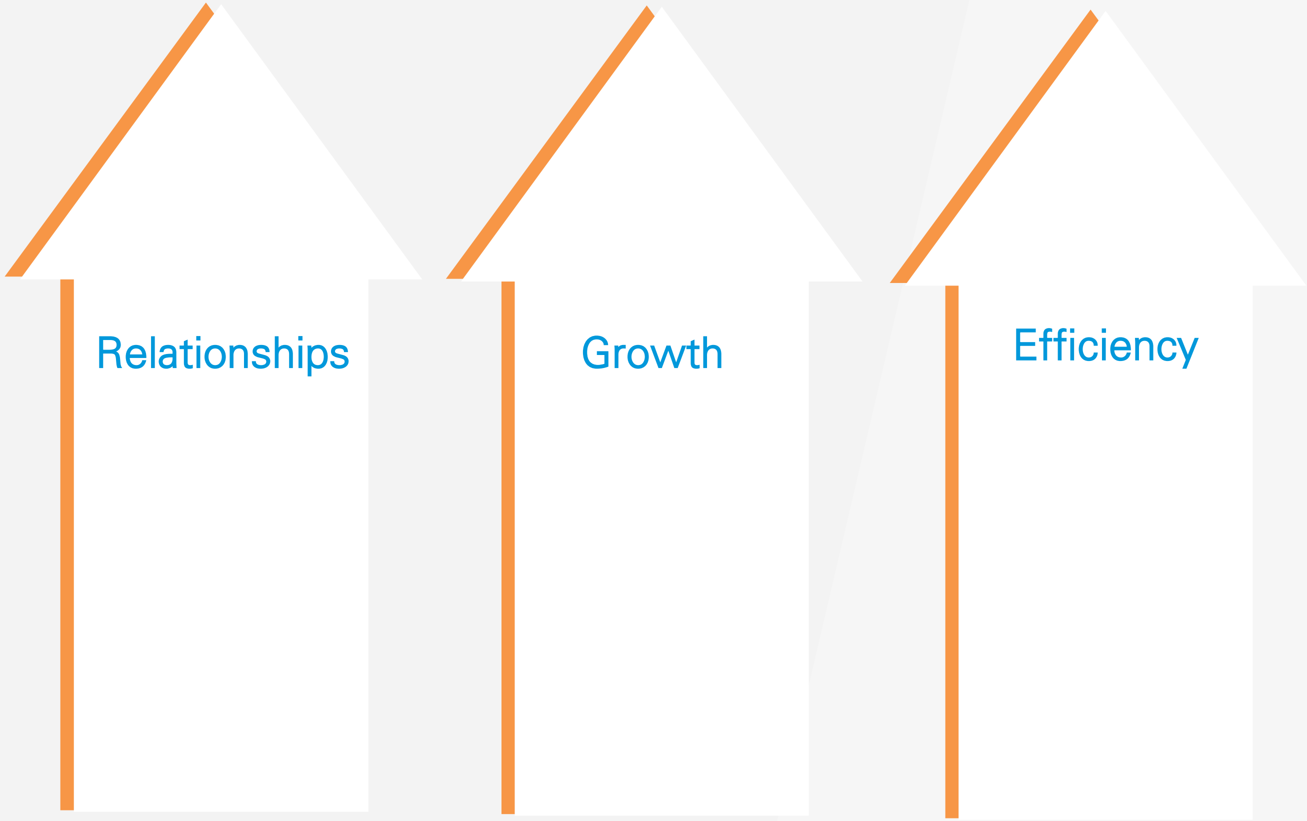
We are leveraging our scale to drive growth and accelerate technology value

Increasing technology investment…



We anticipate continuing to grow our technology investments

…and enabling improvement of key business outcomes



We aim to use technology to strengthen relationships, drive growth, and increase efficiency

Technology Summary

- Our vision is to take technology from a utility to a strategic asset
- Through execution with excellence, we are now delivering

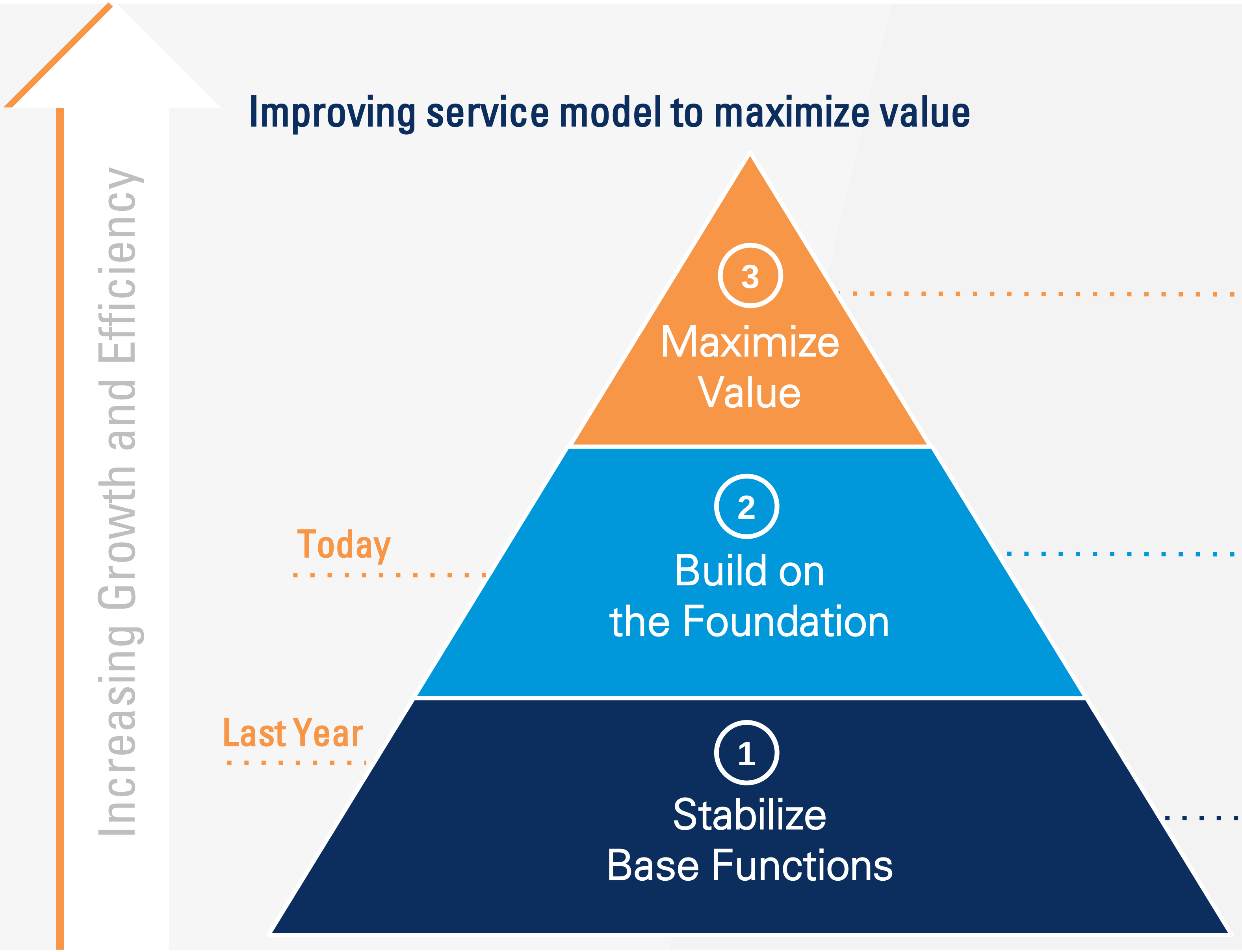
- We are enhancing the advisor and investor experience by extending the platform
- We are leveraging our scale to drive growth and accelerate technology value

Advisor Experience: Service

TOM GOOLEY

Managing Director
Service, Trading, and Operations

We are evolving our service model to drive growth and efficiency



Increasing Growth and Efficiency

Improving service model to maximize value

③ Maximize Value

② Build on the Foundation

Today

① Stabilize Base Functions

Last Year

Description

- Proactive, consultative service model
- Enhanced data analytics and business intelligence

- Enhanced systems and processes
- Increased efficiency and automation

- Improved service
- Reduced inefficiencies

We have stabilized base functions and are now building on the foundation

① Stabilize Base Functions

IMPROVED SERVICE

- Increased service center capacity
- Enhanced service training program
- Implemented specialized service teams for complex requests

REDUCED INEFFICIENCIES

- Improved performance and reporting metrics
- Reduced not-in-good-order (NIGO) rates
- Optimized seasonal support

② Build on the Foundation

ENHANCE SYSTEMS AND PROCESSES

- Launch ServiceWorks –service dashboard and tools
- Integrate service enhancements within ClientWorks

INCREASE EFFICIENCY AND AUTOMATION

- Integrate and automate routine work within ClientWorks
- Improve advisor information access
- Faster resolution processes

③ Maximize Value

PROACTIVE SERVICE MODEL

- Shift organizational design to proactive consultative support
- Increase self-service capabilities for advisors and their clients

ENHANCED DATA ANALYTICS AND BUSINESS INTELLIGENCE

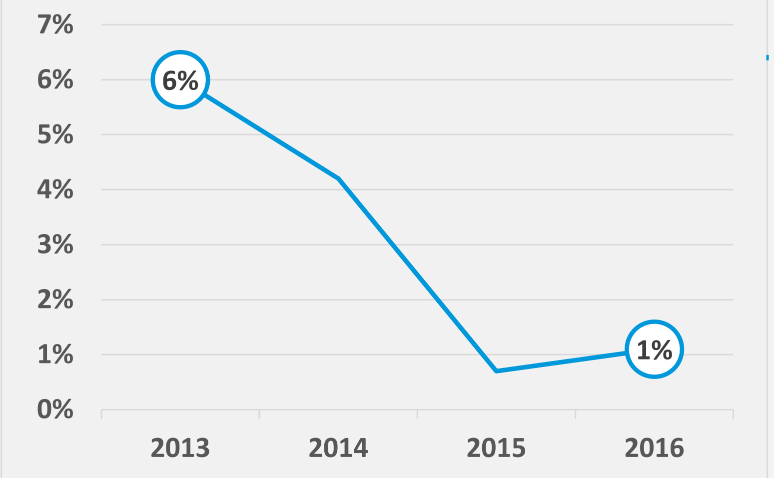
- Enhanced speech analytics
- Faster identification and implementation of improvements

We are managing key service metrics

Lowered error rate

NIGO Rates

Tax Form Correction Rate

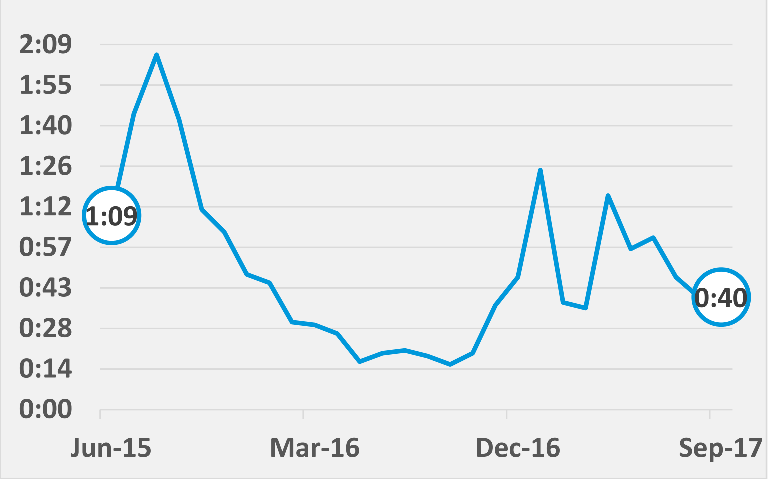


Lowered tax form correction rate

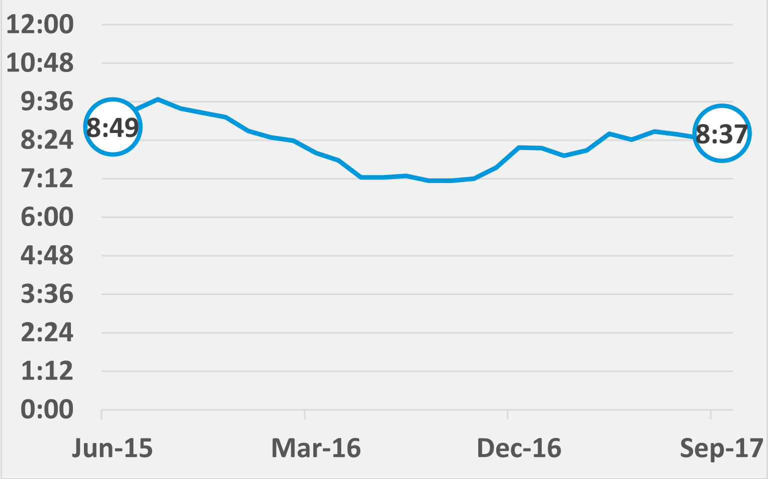
Improved speed to answer

Managing recent increased investor engagement

Avg. Speed to Answer



Avg. Handle Time



Reduced handle time

Managing recent increased complexity

Our service improvements benefit advisors and LPL

	ADVISOR BENEFITS	LPL BENEFITS
GROWTH	Improved investor experience and advisor resources	Better advisor experience supports recruiting and retention
EFFICIENCY	Less time spent on operations frees up capacity to grow their practices	Advisor asset growth and improved profitability

Service, Trading, and Operations Summary

- We are evolving our service model to drive growth and efficiency
- We are shifting to proactive, consultative service
- We are developing enhanced data analytics and business intelligence capabilities
- Our service improvements will help maximize the value of our model for our advisors and LPL

QUESTIONS & ANSWERS

Please wait for a microphone

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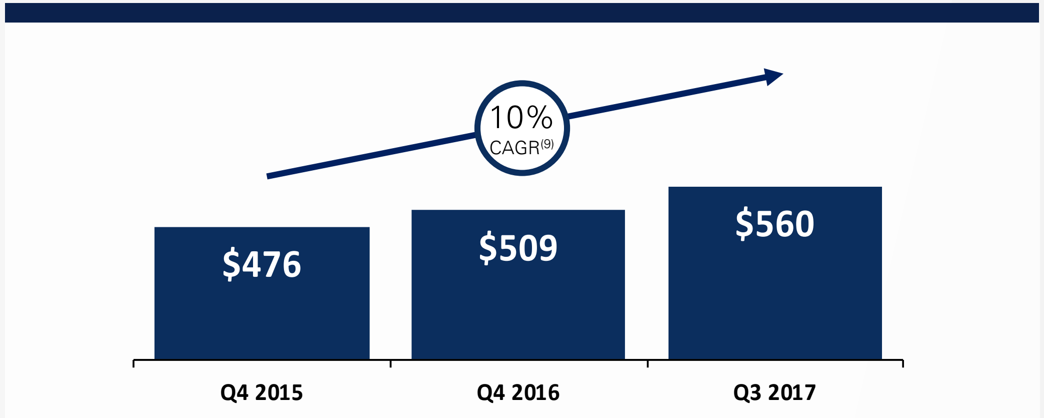
Operating Leverage & Shareholder Value

MATT AUDETTE

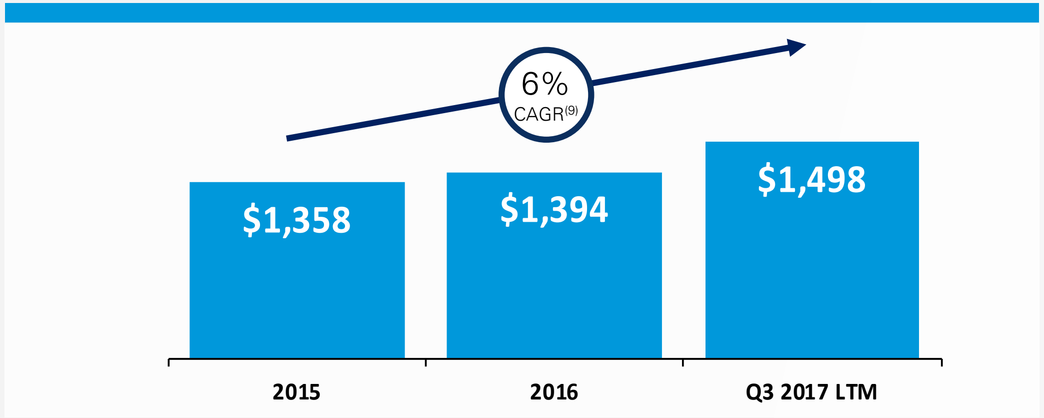
Chief Financial Officer

Performance has steadily improved on four key metrics

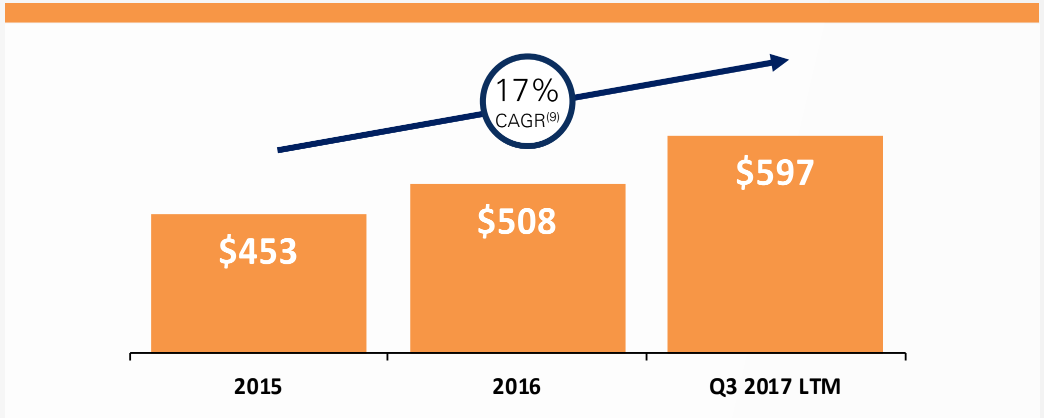
Total Brokerage & Advisory Assets ($ billions)



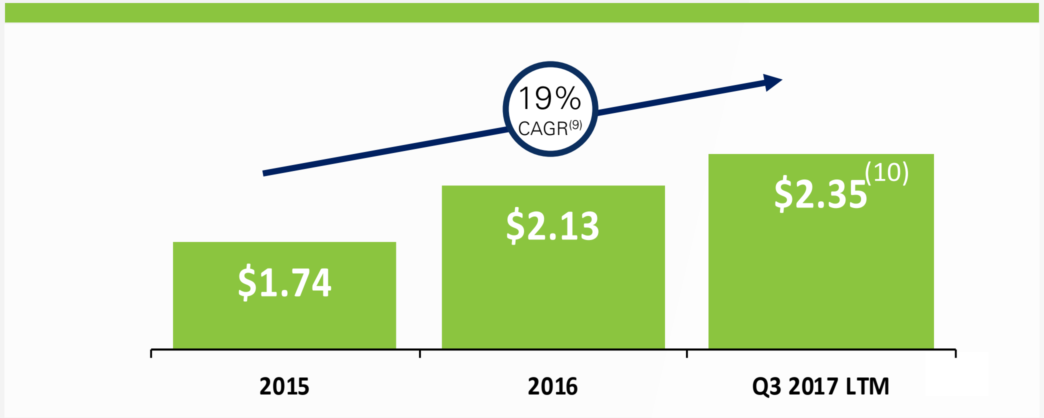
Gross Profit* ($ millions)



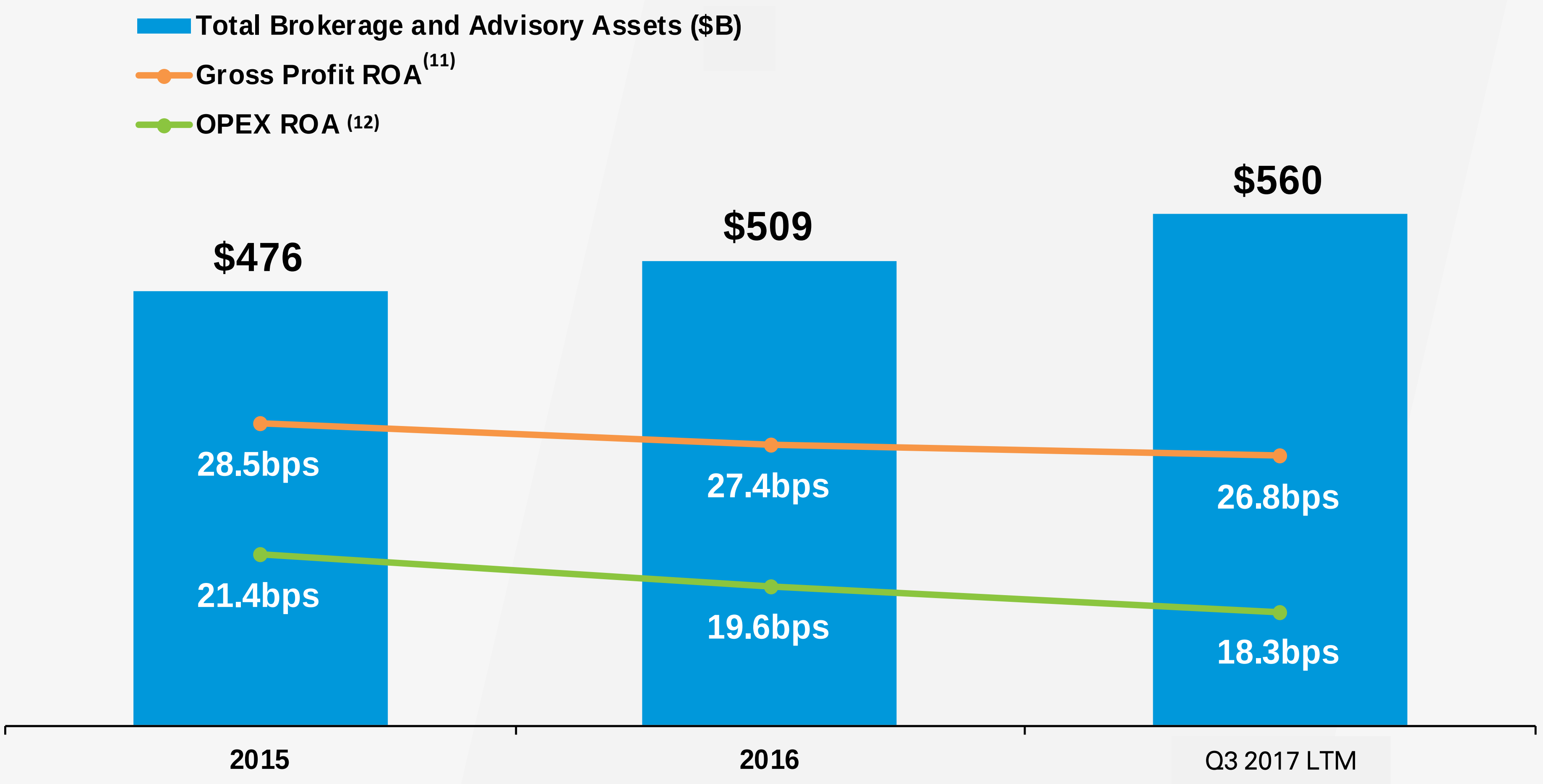
EBITDA* ($ millions)



Earnings per Share, Diluted ($)



Operating leverage has been a key driver of our financial progress



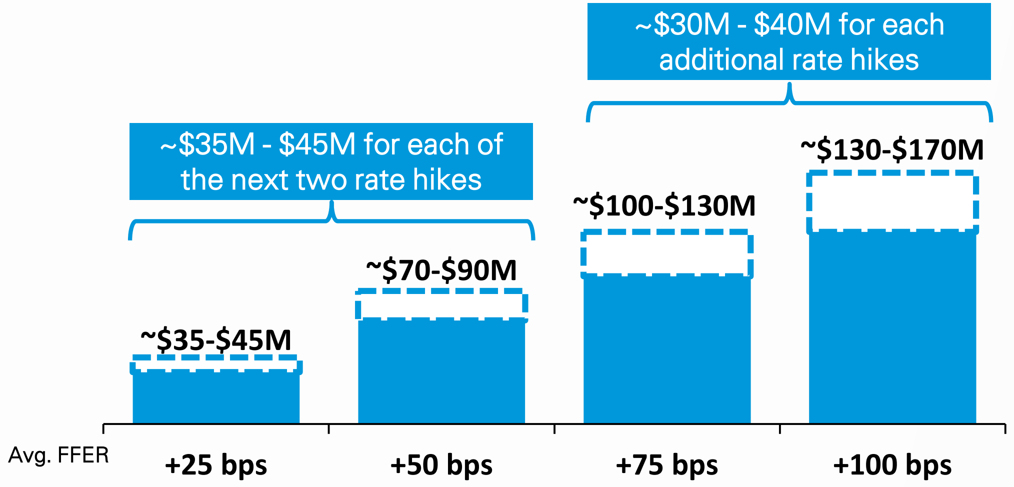
EBIT ROA: (13)	7.2 bps	7.7 bps	8.5 bps

We drive financial outcomes with seven key levers

	Key Financial Levers
Market Growth	① Interest Rates
	② Market Levels
Organic Growth	③ Net New Assets
	④ Organic Gross Profit ROA
Earnings per Share Growth	⑤ Operating Leverage
	⑥ Capital Management
M&A	⑦ M&A

We benefit from rising interest rates and market levels

Annual potential Gross Profit* benefit from rising interest rates

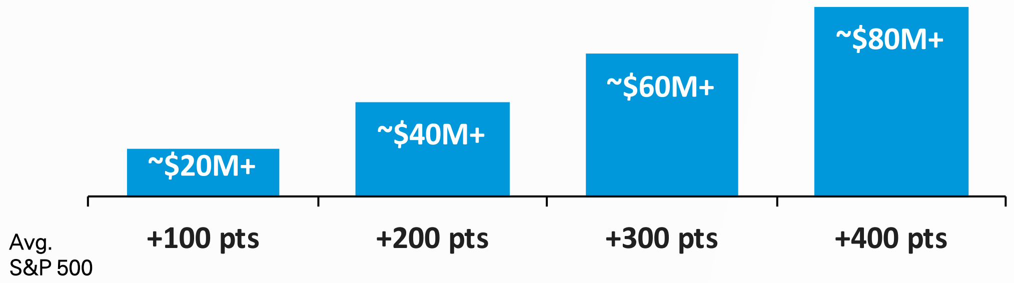


Key Points

- We estimate 25 to 50% deposit betas on our cash sweep balances, as they are typically small cash balances per account in transitional cash and therefore tend not to be rate-sensitive
- The rates on these balances are primarily indexed to short-term interest rates, primarily the Fed Funds Effective Rate (FFER)

Key Assumptions:
- Cash sweep balances: ~$28B in total including ICA (~$22B), DCA (~$4B), and MMK (~$2B)
- Deposit betas: ICA (25-50% for future rate hikes), DCA (50% for next two anticipated rate hikes, then 0% after reaches the program fee cap), and MMK (0% as it is already at max yield)

Annual potential Gross Profit* benefit from rising markets



Key Points

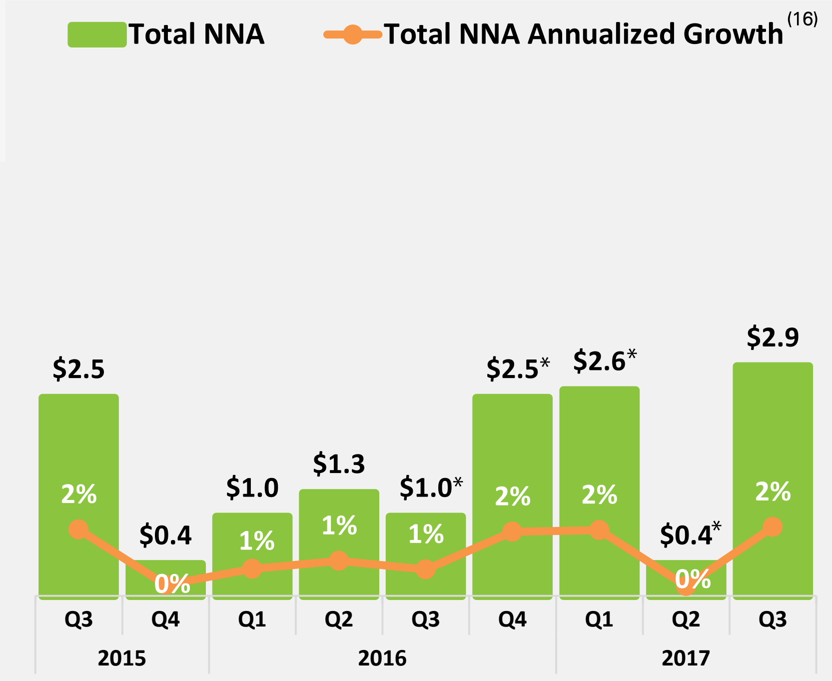
- We had ~$560B of total brokerage and advisory assets at end of Q3 2017 invested in a mix of investment products
- The product mix can lead to lower volatility than overall equity markets
- About half of our current gross profit is equity market-sensitive, the rest is driven by interest rates, trading, and other capabilities

Key Assumptions:
- Total brokerage and advisory assets: ~$560B
- S&P 500 correlation: ~60%
- S&P 500 change for 100 pts: ~4-5%
- Average gross profit ROA: ~27 bps
- Market-sensitive gross profit: ~50%

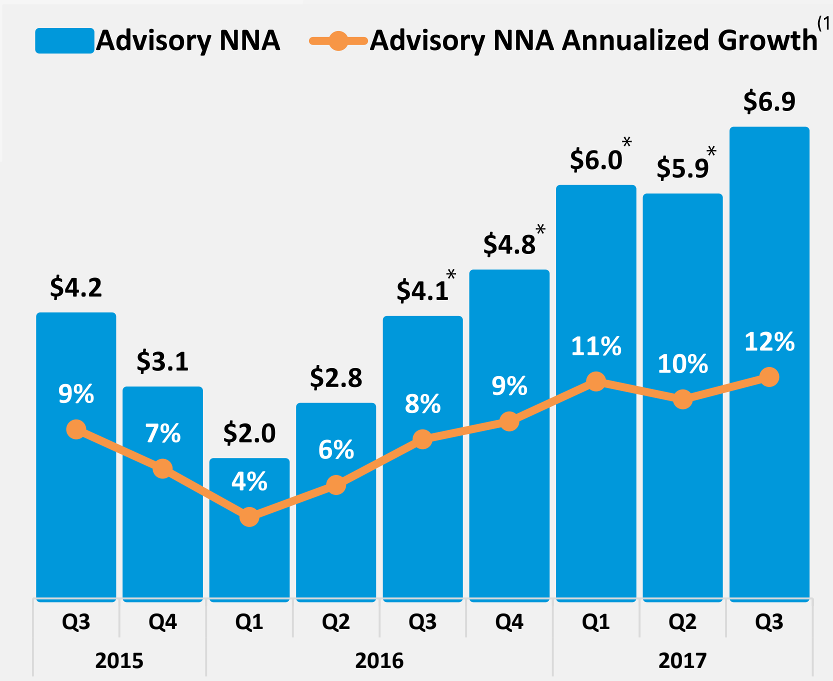
① Interest Rates ② Market Levels

Our business is growing organically and shifting toward advisory

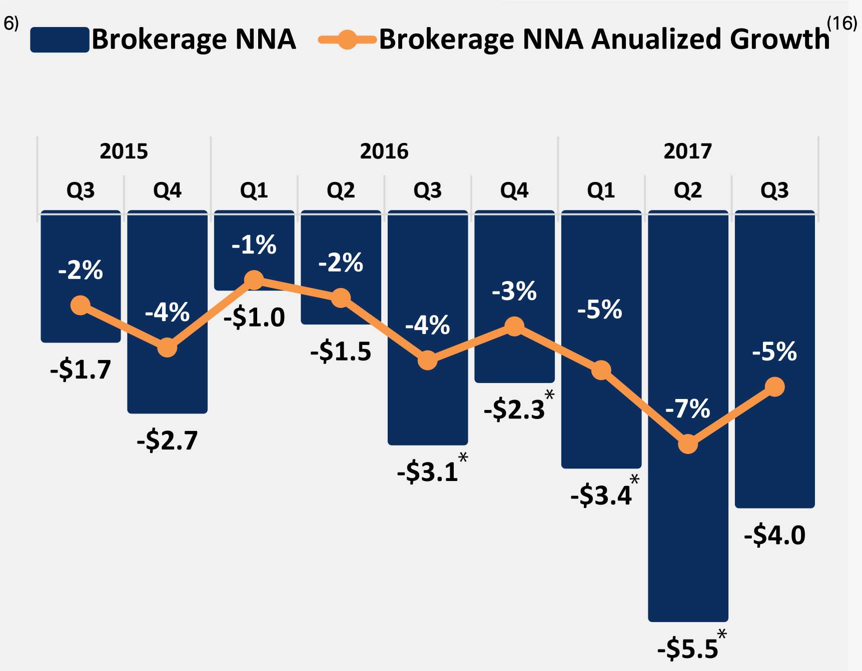
Total Net New Assets ($ billions)



Net New Advisory Assets ($ billions) (14)



Net New Brokerage Assets ($ billions) (15)



Net Brokerage to Advisory Conversions (billions) (17): $1.0 $0.8 $1.0 $1.4 $1.3 $1.7 $2.3 $2.0 $1.9

Results excluding previously announced departures:	NNA:	$3.2B	$4.9B	$6.5B	$2.1B	$4.7B	$4.8B	$7.1B	$6.1B	-$1.5B	$0.1B	-$0.6B	-$4.0B
	Annualized Growth:	3%	4%	5%	2%	10%	9%	13%	11%	-2%	0%	-1%	-5%

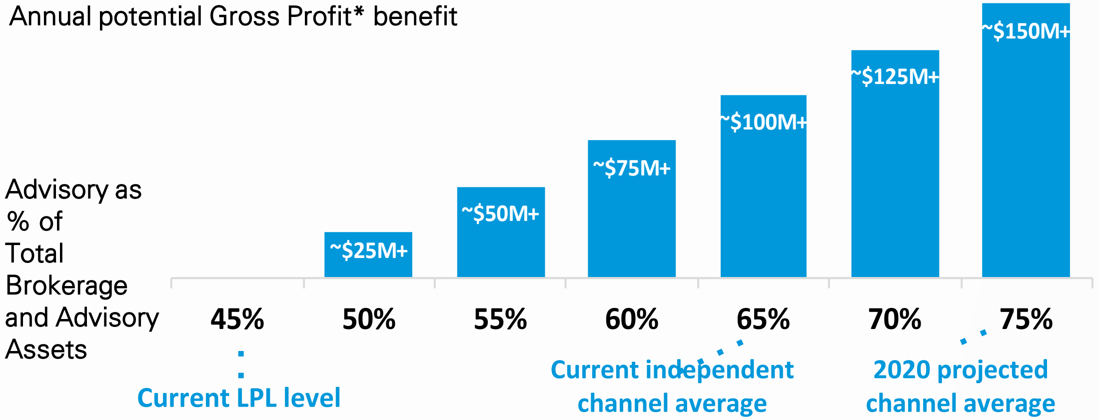
③ Net New Assets

Note: The Company announced anticipated client departures on both its Q3 2016 and Q4 2016 earnings calls. The impact in Q2 2017 of the announced client departures was $1.7B ($0.2B of advisory assets and $1.5B of brokerage assets) and in Q1 2017 it was $3.9B ($1.1B of advisory assets and $2.8B of brokerage assets). The impact of the departure of an institutional client that was announced on the Q3 2016 earnings call was $2.2B of assets in Q3 2016 ($0.6B of advisory and $1.6B of brokerage) and $2.4B of assets in Q4 2016 (all brokerage).

We benefit from greater use of advisory and centrally managed platforms

Greater use of advisory services could drive value…

Annual potential Gross Profit* benefit



Current LPL level
(as of Q3 2017)

Current independent channel average

2020 projected channel average

Key Points

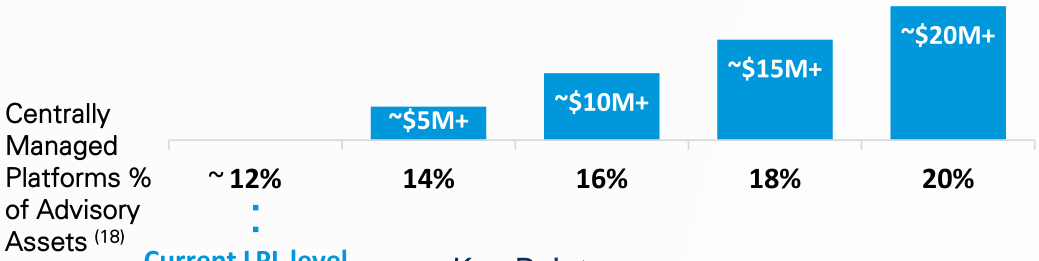
- Our business has been shifting from brokerage to advisory, consistent with secular industry trends
- While the pace of our mix shift has doubled to ~4% annually, our average is still below industry levels

Key Assumptions:

- Total brokerage and advisory assets: ~$560B
- Advisory asset increase from ~5% shift: ~$25B+
- Advisory ROA is ~10 bps higher than Brokerage ROA

…as could greater use of centrally managed platforms

Annual potential Gross Profit* benefit



Current LPL level

Key Points

- Centrally managed platforms enable our advisors to outsource portfolio construction and trading to us, which can free up time to serve clients and grow their practices
- We earn additional economics in return
- Inflows have been increasing following strategic pricing changes, and in 2017, represent a ~2% annual increase as a percentage of total advisory assets

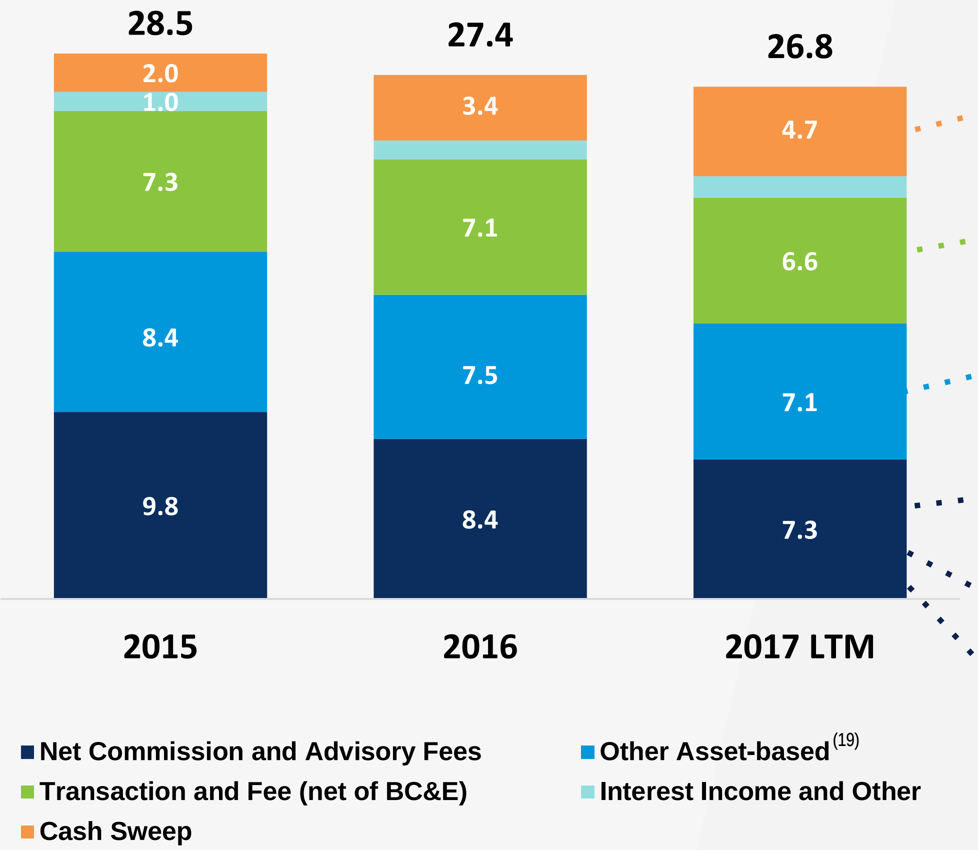
Key Assumptions:

- Total advisory assets: ~$250B
- Centrally managed platform ROA ~10 bps higher than Advisory overall
- Centrally managed assets: ~$30B
- Centrally managed asset increase from ~2% shift: ~$5B

④ Organic Gross Profit ROA

We are optimizing Gross Profit ROA beyond cash sweep

While our Gross Profit ROA[11] has declined…



…Our strategy is to drive growth in several areas

Cash Sweep Offerings
(e.g. DCA, ICA offering for business accounts)

New Solutions to Transform Front Office Performance
(e.g. Virtual Admin, Virtual C-suite)

Asset Custody
(e.g. Mutual Fund Only platform, Centrally Managed Platforms)

Advisory Services
(e.g. secular brokerage to advisory trend, streamlined conversion process)

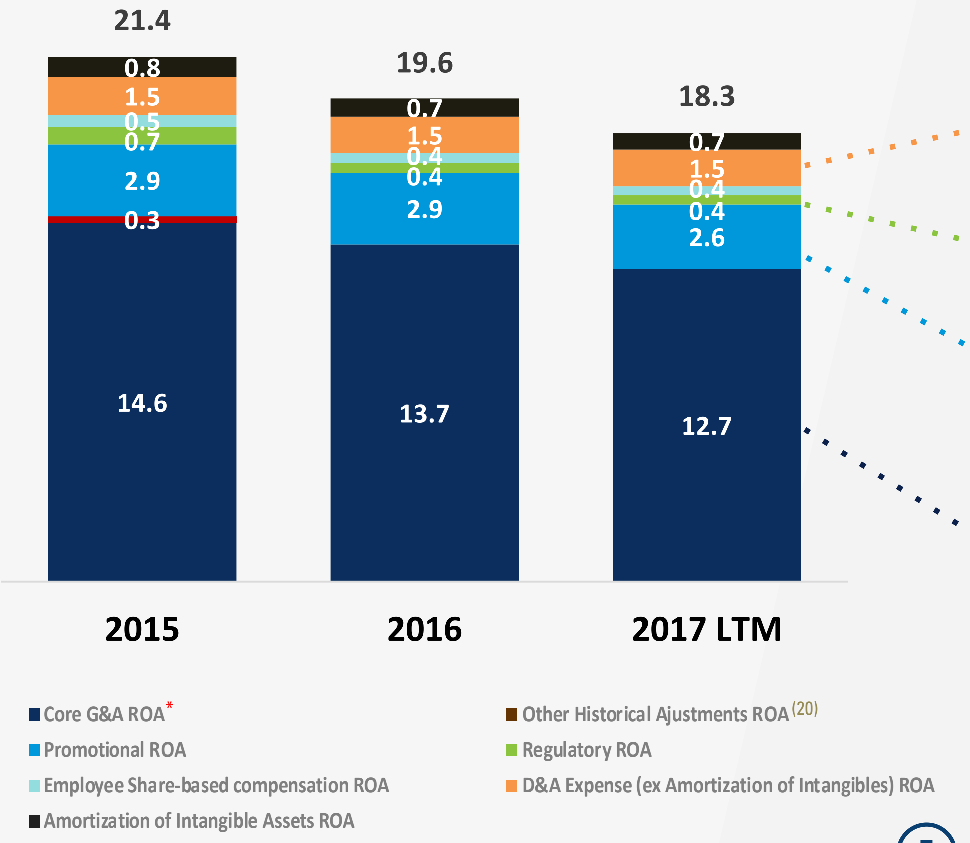
Portfolio Construction
(e.g. centrally managed, Separately managed, Guided Wealth Portfolios)

Risk Management
(e.g. Aligning Corporate and Hybrid platforms with the marketplace)

④ Organic Gross Profit ROA

Our expense discipline is driving OPEX ROA lower

We have reduced our OPEX ROA(12)…



…While investing to support growth

Depreciation & Amortization
(e.g. continuing to increase technology capex to drive growth)

Regulatory Costs
(e.g. benefiting from expanded risk and compliance capabilities)

Promotional Expenses
(e.g. investing for organic growth, aligning transition assistance with our economics)

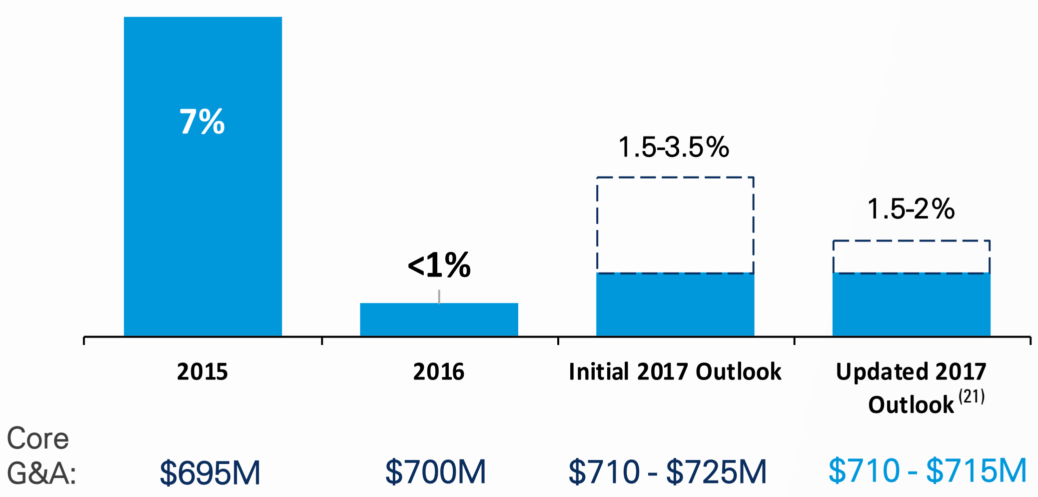
Core G&A*
(e.g. prioritizing expenses based on long-term value, driving productivity and efficiency in our work)

5 Operating Leverage

We are executing with greater cost discipline and efficiency

Lower recent expense trajectory

Annual Core G&A* Growth



Long-term cost strategy

- Focus on delivering operating leverage
- Prioritize investments based on long-term value
- Drive productivity and efficiency
- Adapt cost trajectory as environment evolves

Implications for 2018 Core G&A outlook

- Still developing our outlook, given NPH acquisition
- Planning to have a view at Q4 2017 earnings
- Delivering operating leverage remains our guiding principle

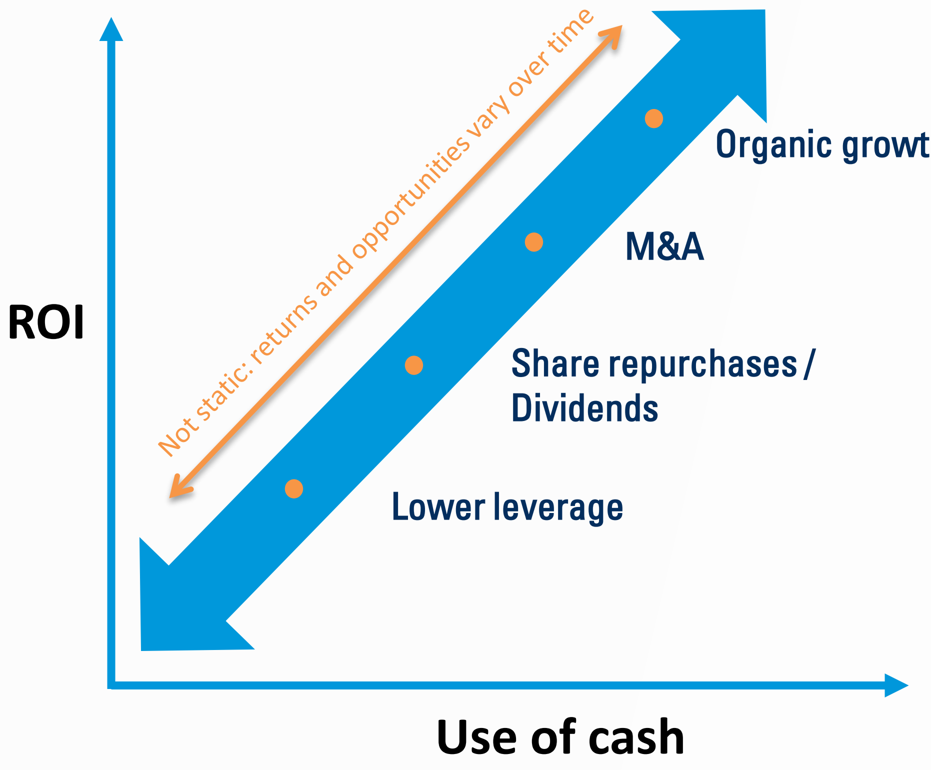
⑤ Operating Leverage

Our capital management strategy is focused on driving growth and maximizing shareholder value

Our capital management principles

- **Disciplined capital management to drive long-term shareholder value**
- **Maintain a strong and flexible balance sheet**
  - Current management target net leverage range is 3.25x to 3.5x
  - Debt structure was refinanced to be more flexible and support growth
- **Prioritize investments that drive organic growth**
  - Recruiting to drive net new assets
  - Capability investments to add net new assets and drive ROA
- **Position ourselves to take advantage of M&A**
  - Potential to consolidate fragmented core market
  - Stay prepared for attractive opportunities
- **Return excess capital to shareholders**
  - Share repurchases
  - Dividends

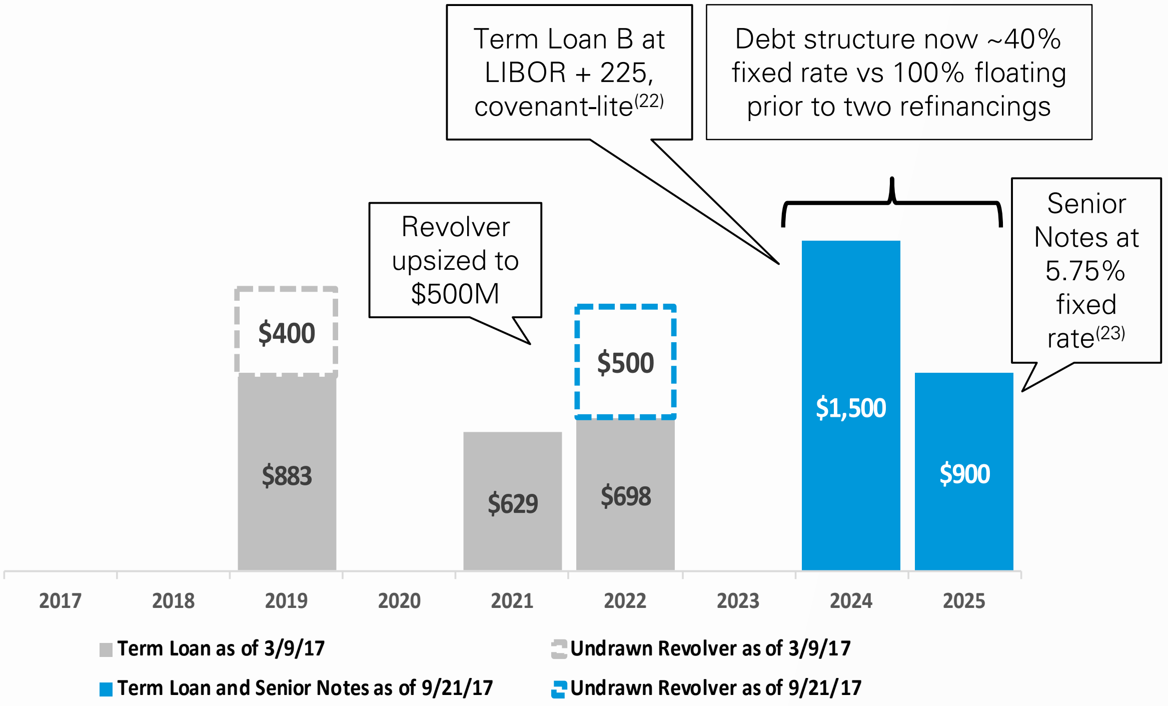
Dynamic capital allocation across options



⑥ Capital Management

We have positioned our balance sheet to be a source of strength

Refinancings position balance sheet to support growth


Term Loan B at LIBOR + 225, covenant-lite[22]

Debt structure now ~40% fixed rate vs 100% floating prior to two refinancings

Revolver upsized to $500M

Senior Notes at 5.75% fixed rate[23]

We have been building capacity

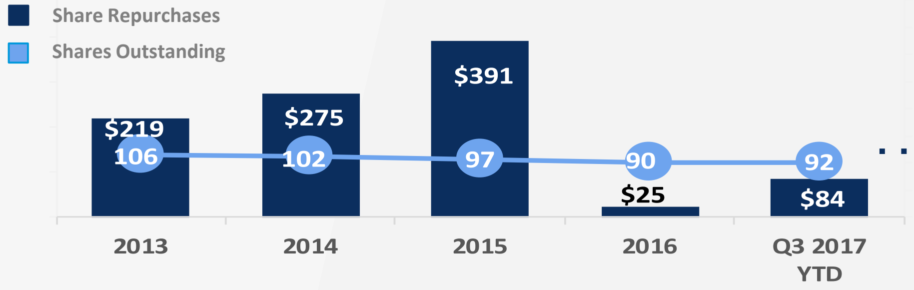
Credit Agreement Net Leverage Ratio

6 Capital Management

We have consistently deployed capital to growth and shareholder returns

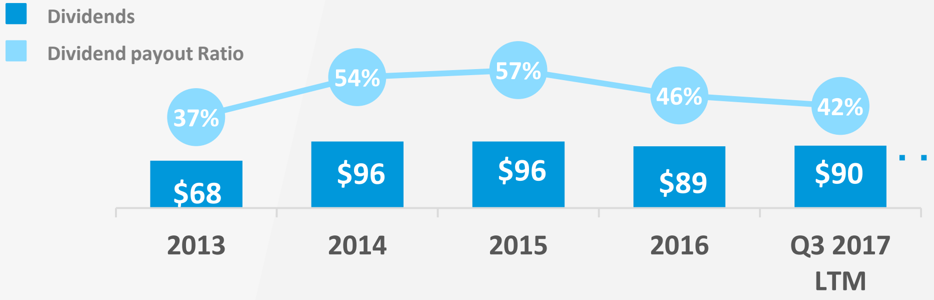
We have allocated capital across potential options

Share Repurchases



Since 2011, we have returned ~$1.3B through share repurchases and reduced our share count by ~20%

Dividends



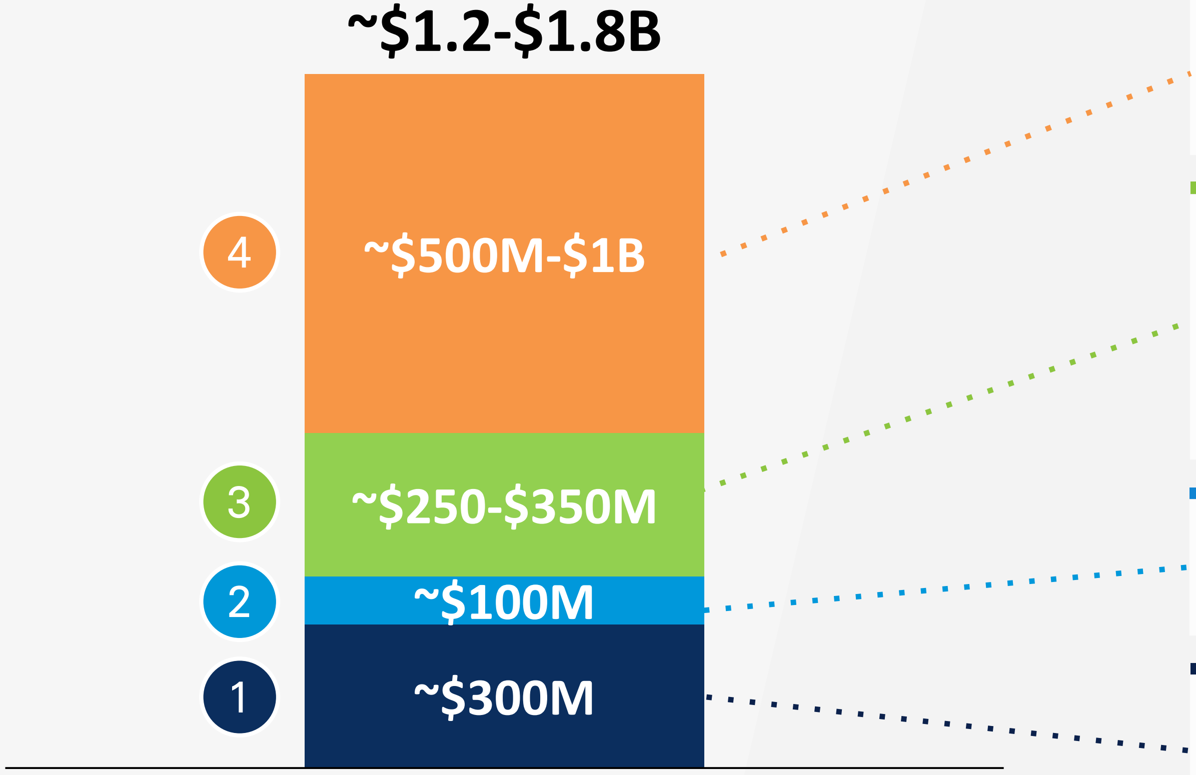
Since 2011, we have paid ~$700M in dividends

Payout ratio ~2x S&P Fins average

M&A

NPH includes $325M initial purchase price. Additional capital deployment to come in Q4 2017 and Q1 2018

We have a significant amount of capital deployment capacity



Capital Deployment Capacity
(Estimate as of Q3 2017)

Incremental M&A Leverage Capacity
Incremental capital accessible if all other capacity were deployed for M&A at a 6-8x purchase multiple(25)

NPH EBITDA* Benefit
Additional leverage capacity up to 3.5X net leverage generated by an estimated incremental $75-$100M of NPH Run-rate EBITDA onboarding in two waves in Q4 2017 and Q1 2018(26)

Additional Leverage Capacity
Capital available to deploy up to 3.5X net leverage

Excess Cash
Cash available for corporate use above ~$200M management target as of Q3 2017

⑥ Capital Management

We are improving the clarity and transparency of our results

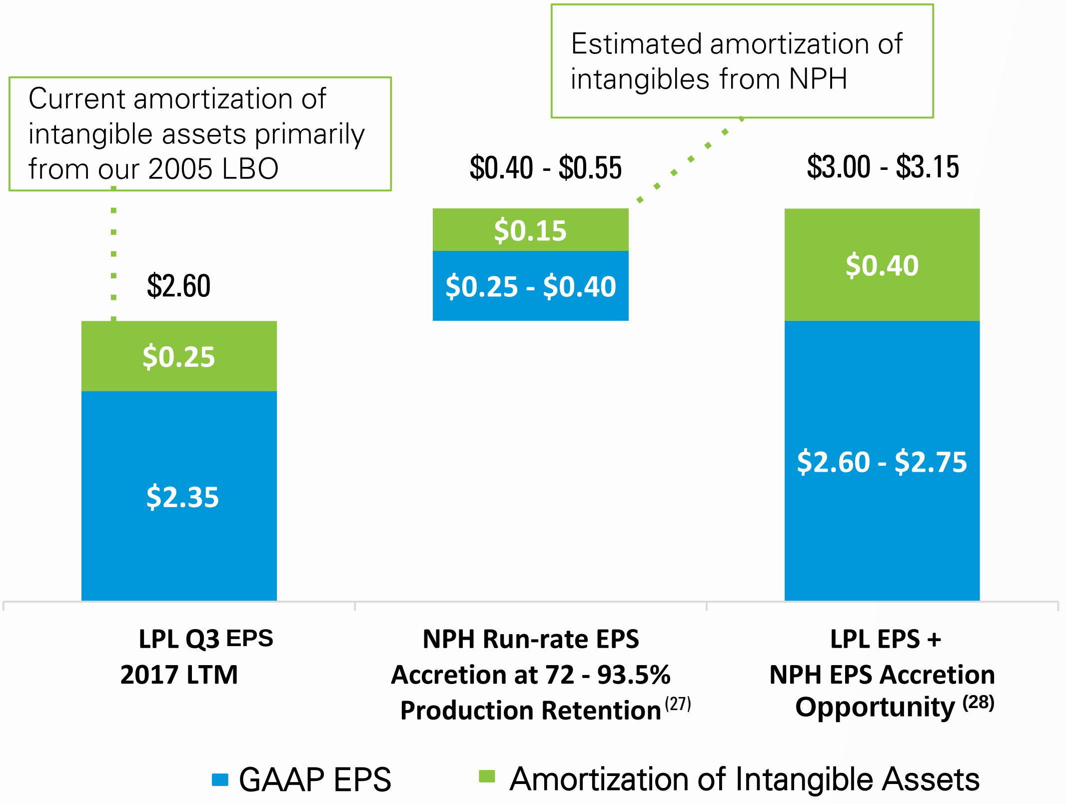
We made progress last year

- Ended Adjusted Earnings
- Started Monthly Metrics
- Simplified Earnings Release
- Added Management P&L

Which we have continued this year

- Added Brokerage Net New Assets and Brokerage to Advisory Conversions
- Expanded Monthly Metrics
- Started quarterly Key Metrics and Investor Presentations
- Updated IR website and added debt page
- *Today's topic → EPS prior to Amortization of Intangible Assets*

EPS prior to amortization of intangible assets is becoming a more relevant measure of our core operating performance



- Our GAAP EPS includes amortization of intangible assets which has primarily been from our 2005 LBO
- Our acquisition of NPH will increase our amortization of intangible assets
- These are non-cash expenses
- We therefore think EPS prior to amortization of intangible assets is a helpful supporting metric to provide more insight into our core operating performance
- We plan to add this metric to our financial reporting beginning next quarter

We remain focused on growth and execution to create long-term shareholder value

Grow our Core Business

+ Leverage the strength of our markets and model
  - Capitalize on secular trends
  - Expand leadership positions

+ Enhance advisor experience and capabilities
  - Deliver best-in-class service, compliance, and technology
  - Expand advisory, custodial, research, and retail investor solutions

+ Drive organic asset and gross profit growth
  - Increase advisor recruiting, productivity, and retention
  - Leverage scale to expand gross profit

+ Benefit from rising rates and markets
  - Capture cash sweep upside from rising rates
  - Grow assets as market levels rise

= Asset and gross profit growth

Execute with Excellence

+ Drive greater efficiency and productivity
  - Continuously improve over time
  - Prioritize growth investments opportunities

+ Embed quality and innovation in our operations
  - Create extraordinary service and technology outcomes
  - Ongoing improvements in our operations over time

+ Balance financial strength and flexibility
  - Keep capital structure strong and flexible for changes to environment and strategic opportunities
  - Allocate capital to create long-term shareholder value

+ Increase investor understanding and confidence
  - Expand and clarify key disclosures
  - Deliver strong results

= Operating leverage and capital allocation

Create Long-Term Shareholder Value

QUESTIONS & ANSWERS

Please wait for a microphone

Meeting Agenda

9:00 a.m.	Matt Audette	Welcome & Agenda
9:10 a.m.	Dan Arnold	Strategy & Core Business Growth Followed by Q&A
9:50 a.m.	Break	
10:00 a.m.	Andy Kalbaugh	Advisor Panel
10:30 a.m.	Break	
10:40 a.m.	Burt White, Scott Seese, & Tom Gooley	Advisor Experience: Capabilities, Technology, & Service Followed by Q&A
11:40 a.m.	Break	
11:50 a.m.	Matt Audette	Operating Leverage & Shareholder Value Followed by Q&A
12:25 p.m.	Matt Audette	Closing Remarks
12:30 p.m.	Lunch Available	

LPL Investment Highlights: Significant opportunities to grow and create long-term shareholder value

1. **Attractive market with secular industry tailwinds**
2. **Established market leader with scale advantages**
3. **Organic growth opportunities through net new assets and ROA**
4. **Positively levered to rising interest rates and equity markets**
5. **Disciplined expense management driving operating leverage**
6. **Capital light business model with significant capacity to deploy**
7. **Opportunity to consolidate fragmented core markets through M&A**

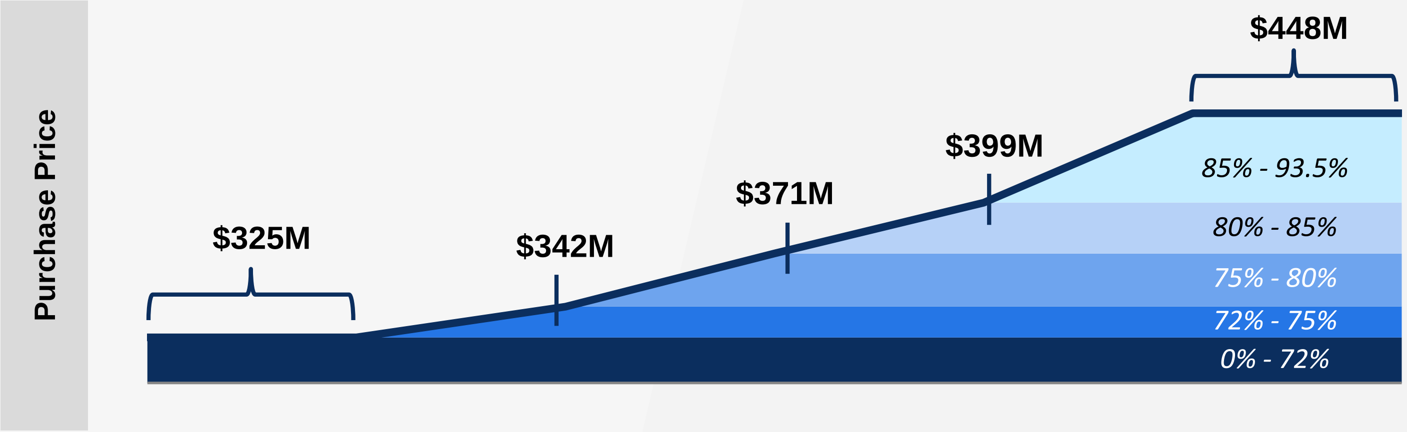
THANK YOU

Meeting Agenda

9:00 a.m.	Matt Audette	Welcome & Agenda
9:10 a.m.	Dan Arnold	Strategy & Core Business Growth Followed by Q&A
9:50 a.m.	Break	
10:00 a.m.	Andy Kalbaugh	Advisor Panel
10:30 a.m.	Break	
10:40 a.m.	Burt White, Scott Seese, & Tom Gooley	Advisor Experience: Capabilities, Technology, & Service Followed by Q&A
11:40 a.m.	Break	
11:50 a.m.	Matt Audette	Operating Leverage & Shareholder Value Followed by Q&A
12:25 p.m.	Matt Audette	Closing Remarks
12:30 p.m.	Lunch Available	

Appendix

Transaction multiple estimated to be ~5X run-rate EBITDA accretion
(Page from August 15th 2017 NPH Acquisition Investor Presentation)



Transfer rate(1):	**72%**	**75%**	**80%**	**85%**	**93.5%**
Total Purchase Price (2)	$325M	$342M	$371M	$399M	$448M
Estimated On-boarding Costs(3)	$40M	$45M	$50M	$55M	$60M
Total Consideration	$365M	$387M	$421M	$454M	$508M
Run-rate EBITDA Accretion(3)	$75M	$80M	$85M	$90M	$100M
Run-rate EPS (ex. Intangible Amortization) (4)	$0.40	$0.44	$0.47	$0.50	$0.55
Run-rate EPS Accretion(4)(5)	$0.25 / 11%	$0.29 / 13%	$0.32 / 14%	$0.35 / 15%	$0.40 / 17%
Run-Rate EBITDA Accretion multiple	4.9x	4.8x	5.0x	5.0x	5.1x

- Contingent payment varies with transfer rate(1) – aligning incentives and providing downside purchase price protection
- Run-rate EBITDA accretion multiple estimated to be in the range of ~5X as transfer rate(1) varies
- This analysis assumes no change in S&P 500 or target Fed Funds Effective Rate and run-rate EBITDA accretion only varies based on transfer rate(1)
- Other factors could also impact results (e.g. level of synergies, S&P 500, or FFER levels)

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(1) "Transfer rate" is share of NPH advisor production transferred to LPL's platform; contingent payment amount increases on an interpolated basis based on transfer rate between 72% and 93.5%
(2) Includes both the $325M fixed price as well as the applicable contingent payment based on transfer rate (see footnote 1)
(3) Onboarding costs do not include amortization for advisor onboarding assistance loans; Run-Rate EBITDA Accretion is calculated including the amortization expense of advisor onboarding assistance loans and ranges on this page from low-end based on a 72% transfer rate and high-end based on a 93.5% transfer rate
(4) All scenarios include interest expense on incremental debt of $200M, although at the lower ends the Company may not issue additional debt
(5) Run-rate EPS Accretion percentage calculated on the Company's Q2 2017 LTM EPS

Reconciliation of Net Income to EBITDA

EBITDA is a non-GAAP financial measure. Please see a description of EBITDA under “Non-GAAP Financial Measures” on page 5 of this presentation for additional information.

Set forth below is a reconciliation from the Company’s net income to EBITDA for the periods presented:

$ in millions	2013	2014	2015	2016	2017 LTM
NET INCOME	**$182**	**$178**	**$169**	**$192**	**$217**
Non-operating interest expense	51	52	59	96	103
Provision for Income Taxes	109	117	114	106	133
Depreciation and amortization	44	58	73	76	84
Amortization of intangible assets	39	39	38	38	38
Loss on Extinguishment of debt	-	-	-	-	22
EBITDA	**$426**	**$443**	**$453**	**$508**	**$597**

Reconciliation of Net Income to Credit Agreement EBITDA

Credit Agreement EBITDA is a non-GAAP financial measure. Please see a description of Credit Agreement EBITDA under "Non-GAAP Financial Measures" on page 5 of this presentation for additional information.

Set forth below is a reconciliation from the Company's net income to Credit Agreement EBITDA for the three months ended September 30, 2017:

$ in millions	2013	2014	2015	2016	2017 LTM
NET INCOME	**$182**	**$178**	**$169**	**$192**	**$217**
Non-operating interest expense	51	52	59	96	103
Provision for Income Taxes	109	117	114	106	133
Depreciation and amortization	44	58	73	76	84
Amortization of intangible assets	39	39	38	38	38
Loss on Extinguishment of debt	-	-	-	-	22
EBITDA	**$426**	**$443**	**$453**	**$508**	**$597**
Credit Agreement Adjustments	103	85	57	44	58
Credit Agreement EBITDA	**$529**	**$528**	**$510**	**$552**	**$655**

Credit Agreement Adjustments include:

(1) Employee share-based compensation expense, which represents share-based compensation 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

(2) Advisor share-based compensation expense, which represents share-based compensation for equity awards granted to advisors and financial institutions based on the fair value of the awards at each reporting period

(3) Other, which represents items that are adjustable in accordance with the Credit Agreement to calculate Credit Agreement EBITDA, including employee severance costs, employee signing costs, employee retention or completion bonuses, and other non-recurring costs

Note: Under the Credit Agreement, management calculates Credit Agreement EBITDA for a four-quarter period at the end of each fiscal quarter, and in so doing may make further adjustments to prior quarters.

Reconciliation of Core G&A to OPEX

Core G&A is a non-GAAP financial measure. Please see a description of Core G&A under “Non-GAAP Financial Measures” on page 5 of this release for additional information.

Below is a reconciliation of Core G&A against the Company’s total operating expenses for the periods presented:

$ in millions	2013	2014	2015	2016	2017 LTM
Core G&A	$615	$648	$695	$700	$713
Regulatory charges	8	36	34	17	21
Promotional	111	125	139	149	147
Employee share-based compensation	15	21	23	20	20
Other historical adjustments	64	48	13	-	-
Total G&A	**813**	**879**	**904**	**886**	**902**
Commissions and advisory	2,848	2,999	2,865	2,601	2,618
Depreciation & amortization	44	58	73	76	83
Amortization of intangible assets	39	39	38	38	38
Brokerage, clearing and exchange	45	49	53	55	56
Total operating expense	**$3,790**	**$4,023**	**$3,933**	**$3,655**	**$3,697**

Reconciliation of EPS, Prior to Amortization of Intangible Assets to GAAP EPS

EPS, Prior to Amortization of Intangible Assets is a non-GAAP financial measure. Please see a description of EPS, Prior to Amortization of Intangible Assets under "Non-GAAP Financial Measures" on page 5 of this release for additional information.

Below is a reconciliation of EPS, Prior to Amortization of Intangible Assets to GAAP EPS for the periods presented:

	2017 LTM
EPS	$2.35
Amortization Net of Tax Benefit ($ in millions)	$23
Diluted Share Count (in millions)	92
EPS Impact	$0.25
EPS, Prior to Amortization of Intangible Assets	$2.60

Endnotes

The information presented herein is presented as reviewed by the Company's management and includes information derived from the Company's Unaudited Condensed Consolidated Statements of Income, non-GAAP financial measures, and operational and performance metrics. For information on non-GAAP financial measures, please see the section titled "Non-GAAP Financial Measures" that begins on page 5 of this presentation. References below to specific non-GAAP financial measures have been marked with an * (asterisk).

(1) Based on total revenues, Financial Planning magazine June 1996-2017

(2) The Company calculates Credit Agreement EBITDA and its Net Leverage Ratio in accordance with its credit agreement. Please see the description of Credit Agreement EBITDA under "Notice to Investors – Non-GAAP Financial Measures" on page 5 of this presentation for additional information

(3) Q3 2017 LTM EPS includes a Q1 2017 $0.14 charge related to the Company's March debt refinancing and Q3 2017 items of $0.02 related to the Company's NPH acquisition and $0.01 related to the Company's September debt refinancing. Prior to those items, Q3 2017 LTM EPS was $2.52.

(4) The Company's market share was calculated excluding ~$137 B+ of Retirement Plan assets that LPL advisors advise.

(5) ~$1.0 Tr does not include $1 Tr of assets custodied with proprietary bank B/Ds (e.g. Wells Fargo, JP Morgan Chase, etc.)

(6) Core markets include ~$5.1T of 2016 assets in IBD, Hybrid RIA, and Bank channels as defined by Cerrulli Associates. Individual company share excludes assets in employee channel (e.g. Raymond James, Ameriprise).

(7) NPH run-rate assumes a range of 72-93.5% transfer rate. Transfer rate is share of NPH advisor production transferred to LPL's platform; contingent payment amount increases on an interpolated basis based on transfer rate between 72% and 93.5% "Transfer rate" is share of NPH advisor production transferred to LPL's platform; contingent payment amount increases on an interpolated basis based on transfer rate between 72% and 93.5%.

(8) Advisor headcount and asset numbers are as of June 30th, 2017, and were reported by NPH based on prior business, and have not been independently and fully verified by LPL Financial.

(9) "CAGR" is calculated from year end 2015 to Q3 2017.

(10) Q3 2017 LTM EPS includes a Q1 2017 $0.14 charge related to the Company's March debt refinancing and Q3 2017 items of $0.02 related to the Company's NPH acquisition and $0.01 related to the Company's September debt refinancing. Prior to those items, Q3 2017 LTM EPS was $2.52.

(11) Represents annualized Gross Profit* for the period, divided by Total Brokerage and Advisory Assets at the end of the period.

(12) Represents annualized operating expenses for the period, excluding production-related expense, divided by Total Brokerage and Advisory Assets at the end of the period. Production-related expense includes commissions and advisory expense and brokerage, clearing and exchange expense. For purposes of this metric, operating expenses includes include Core G&A*, Regulatory, Promotional, Employee Share Based Compensation, Depreciation & Amortization, and Amortization of Intangible Assets.

(13) Defined as Gross Profit ROA less OPEX ROA.

(14) Consists of total client deposits into advisory accounts less total client withdrawals from advisory accounts. The Company considers conversions from and to brokerage accounts as deposits and withdrawals respectively.

(15) Consists of total client deposits into brokerage accounts less total client withdrawals from brokerage accounts. The Company considers conversions from and to advisory accounts as deposits and withdrawals respectively.

(16) Calculated as annualized current period net new assets dividend by preceding period assets in their respective categories of advisory assets or total brokerage and advisory assets.

(17) Consists of existing custodied assets that converted from brokerage to advisory, less existing custodied assets that converted from advisory to brokerage.

(18) Centrally Managed Assets represents those advisory assets in LPL Financial's Model Wealth Portfolios, Optimum Market Portfolios, Personal Wealth Portfolios, and Guided Wealth Portfolios platforms.

(19) Other asset-based revenues consist of revenues from the Company's sponsorship programs with financial product manufactures and omnibus processing and networking services, but not including fees from cash sweep programs. Other asset-based revenues are a component of asset-based revenues and are derived from the Company's Unaudited Condensed Consolidated Statements of Income.

(20) Primarily consists of acquisition and integration costs resulting from various acquisitions and organizational restructuring and conversion costs. Beginning in Q1 2016, these items have been included in Core G&A expenses.

(21) Management updated the Company's 2017 Core G&A* range at its Q3 2017 earnings call on October 26, 2017.
(22) The Company no longer has financial maintenance covenants on its Term Loan B as of March 10, 2017
(23) Initial $500M of senior notes issued in March 2017 at 5.75%; Add-on $400M senior notes issued in September 2017 above par with yield to worst of 5.115% and coupon rate at 5.75%
(24) Represents our Q3 2017 net leverage ratio, plus estimated incremental EBITDA (as defined on page 5) that we forecast to be provided by the acquisition of NPH, based on a production transfer range of 72-93.5% and associated economics as summarized on page 86.

(25) Additional leverage capacity is assumed to be generated by acquired EBITDA from an M&A opportunity at a 6-8x purchase multiple for which capital was deployed up to 3.5x net leverage.

(26) Represents estimated incremental EBITDA* that we forecast to be provided by our acquisition of NPH, based on production transfer ranges of 72-93.5% and associated economics as summarized on page 86.
(27) Reflects incremental EPS associated with NPH-related economics as summarized on page 86.
(28) Represents LPL Q3 GAAP EPS LTM, plus estimated run-rate EPS that we forecast to be provided by our acquisition of NPH, based on production transfer ranges of 72-95%, and associated economics as summarized on page 86.

THIS PRESENTATION PRESENTS DATA AS OF SEPTEMBER 30, 2017, UNLESS OTHERWISE INDICATED.