LPL Financial

2022 INVESTOR & ANALYST DAY

November 16, 2022

WELCOME & AGENDA

Matt Audette
Chief Financial Officer

Meeting Agenda

Time	Presenter	Topics
9:00 a.m.	Matt Audette	Welcome & Agenda
9:10 a.m.	Dan Arnold	Overall Strategy Followed by Q&A
9:55 a.m.	Break	
10:05 a.m.	Rich Steinmeier Kabir Sethi	Business Development Advisor & End-Client Solutions Followed by Q&A
11:05 a.m.	Break	
11:15 a.m.	Aneri Jambusaria	LPL Services Group Followed by Q&A
11:45 a.m.	Break	
11:50 a.m.	Matt Audette	Shareholder Value Creation Followed by Q&A
12:25 p.m.	Matt Audette	Closing Remarks
12:30 p.m.	Lunch Available	

Notice to Investors: Safe Harbor Statement

Statements in this presentation regarding LPL Financial Holdings Inc.'s (together with its subsidiaries, the "Company") future financial and operating results, growth, priorities, business strategies, capabilities, and outlook, including forecasts and statements relating to the Company's future advisory and brokerage asset levels and mix, organic asset growth, market share, deposit betas, core G&A* expenses (including outlook for 2022 and 2023), service offerings, operating margin, Gross Profit* benefits, EBITDA* benefits, target leverage ratio, client cash balances and yields, service and fee revenue, investments, acquisitions (including liquidity and succession transactions), capital returns, planned share repurchases, and the amount and timing of the onboarding of acquired or recruited brokerage and advisory assets, 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. They reflect the Company's expectations and objectives as of November 16, 2022 and are not guarantees that the expectations or objectives expressed or implied will be achieved. The achievement of such expectations and objectives involves risks and uncertainties that may cause actual results, levels of activity or the timing of events to differ materially from the expressed or implied expectations of the forward-looking statements. Important factors that could cause or contribute to such differences include: difficulties and delays in onboarding acquired or recruited assets; changes in general economic and financial market conditions, including retail investor sentiment; changes in interest rates and fees payable by banks participating in the Company's client cash programs, including the Company's strategy and success in managing client cash program fees; changes in the growth and profitability of the Company's fee-based offerings; fluctuations in the levels of advisory and brokerage assets, including net new assets, and the related impact on revenues; effects of competition in the financial services industry and the success of the Company in attracting and retaining financial advisors and enterprises; whether the retail investors served by newly-recruited advisors choose to move their respective assets to new accounts at the Company; the effect of current, pending and future legislation, regulation and regulatory actions, including disciplinary actions imposed by federal and state regulators and self-regulatory organizations; the costs of settling and remediating issues related to regulatory matters or legal proceedings, including actual costs of reimbursing customers for losses in excess of our reserves; changes made to the Company's services and pricing, and the effect that such changes may have on the Company's Gross Profit* streams and costs; the execution of the Company's plans and its success in realizing the synergies, expense savings, service improvements and efficiencies expected to results from its initiatives, acquisitions and programs; the effect of the COVID-19 pandemic, including efforts to contain it; and the other factors set forth in the Company's most recent Annual Report on Form 10-K, as may be amended or updated in the Company's Quarterly Reports on Form 10-Q or other filings with the Securities and Exchange Commission. 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 16, 2022 and you should not rely on statements contained herein as representing the Company's view as of any date subsequent to November 16, 2022.

THIS PRESENTATION INCLUDES DATA AS OF SEPTEMBER 30, 2022, 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 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 financial 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. Reconciliations and calculations of such measures can be found in the appendix of this presentation.**

EPS prior to amortization of intangible assets and acquisition costs is defined as adjusted net income, a non-GAAP measure defined as net income plus the after-tax impact of amortization of other intangibles and acquisition costs, divided by the weighted average number of diluted shares outstanding for the applicable period. The Company presents adjusted net income and EPS prior to amortization of intangible assets and acquisition costs because management believes that these metrics can provide investors with useful insight into the Company’s core operating performance by excluding non-cash items and acquisition costs that management does not believe impact the Company’s ongoing operations. Adjusted net income and EPS prior to amortization of intangible assets and acquisition costs are not measures of the Company's financial performance under GAAP and should not be considered as alternatives to net income, earnings per diluted share or any other performance measure derived in accordance with GAAP. For a reconciliation of net income and earnings per diluted share to adjusted net income and EPS prior to amortization of intangible assets and acquisition costs, please see the appendix of this presentation.

Gross profit is calculated as total revenue less advisory and commission expense and brokerage, clearing and exchange expense (“BC&E”). All other expense categories, including depreciation and amortization of property and equipment and amortization of other intangibles, 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 gross profit to be a non-GAAP financial measure that may not be comparable to similar measures used by others in its industry. Management believes that gross profit can provide investors with useful insight into the Company’s core operating performance before indirect costs that are general and administrative in nature. For a calculation of gross profit, please see the appendix of this presentation.

Core G&A consists of total expense less the following expenses: advisory and commission; depreciation and amortization; amortization of other intangibles; BC&E; interest expense on borrowings; loss on extinguishment of debt; promotional; acquisition costs; employee share-based compensation; and regulatory charges. Management presents core G&A because it believes core G&A reflects the corporate 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 advisory and commission, 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 expense as calculated in accordance with GAAP. For a reconciliation of the Company’s total expense to core G&A, please see the appendix of this presentation. The Company does not provide an outlook for its total expense because it contains expense components, such as advisory and commission, that are market-driven and over which the Company cannot exercise control. Accordingly, a reconciliation of the Company’s outlook for core G&A to an outlook for total expense cannot be made available without unreasonable effort.

EBITDA is defined as net income plus interest expense on borrowings, provision for income taxes, depreciation and amortization, and amortization of other intangibles. 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. For a reconciliation of net income to EBITDA, please see the appendix of this presentation.

Credit Agreement EBITDA is defined in, and calculated by management in accordance with, the Company's amended and restated credit agreement (“Credit Agreement”) as “Consolidated EBITDA,” which is consolidated net income (as defined in the Credit Agreement) plus interest expense on borrowings, provision for income taxes, depreciation and amortization, and amortization of other intangibles, and is further adjusted to exclude certain non-cash charges and other adjustments, including unusual or non-recurring charges and gains, and to include future expected cost savings, operating expense reductions or other synergies from certain transactions. 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. For a reconciliation of net income to Credit Agreement EBITDA, please see the appendix of this presentation.

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LPL Overview

Mission

We take care of our advisors so they can take care of their clients

Vision

Become the leader across the advisor-centered marketplace

Purpose

Serve advisors so they can…

- Help their clients achieve life's goals and dreams
- Be great entrepreneurs and run thriving businesses

Strategy

To bring our vision to life, we will deliver…

- Capabilities and services that help advisors provide differentiated experiences for their clients
- Personalized solutions – from flexible and compelling affiliation models, to services to help run extraordinary practices

Key Markets and Services

$1.0T+ Client Assets:

- Advisory: $543B
- Brokerage: $496B

21,000+ Advisors:

- Independent Advisors: 11,800+
- Independent RIA: 5,700+ (~500 firms)
- Institutional Services: 3,500+ (~1,100 institutions)

Key Metrics

Q3 2022 Business Metrics

Client Assets (end of period):	$1.0T
Organic Net New Assets:	$19.9B
Organic Annualized Growth:	7%
Recruited Assets[1]:	$13B
Advisors (end of period):	21,044
Accounts (end of period):	7.8M

Q3 2022 LTM Financial Metrics

Average Client Assets:	$1.1T
Organic Net New Assets:	$101B
Organic Annualized Growth:	9%
Recruited Assets[1]:	$84B
Gross Profit*:	$2.9B
EBITDA*:	$1,217M
EPS Prior to Amort. of Intangible Assets and Acquisition Costs*:	$8.95

Q3 2022 Debt Metrics

Credit Agreement EBITDA* (LTM):	$1.3B
Total Debt:	$2.7B
Leverage Ratio[2]:	1.72x
Cost of Debt:	4.27%

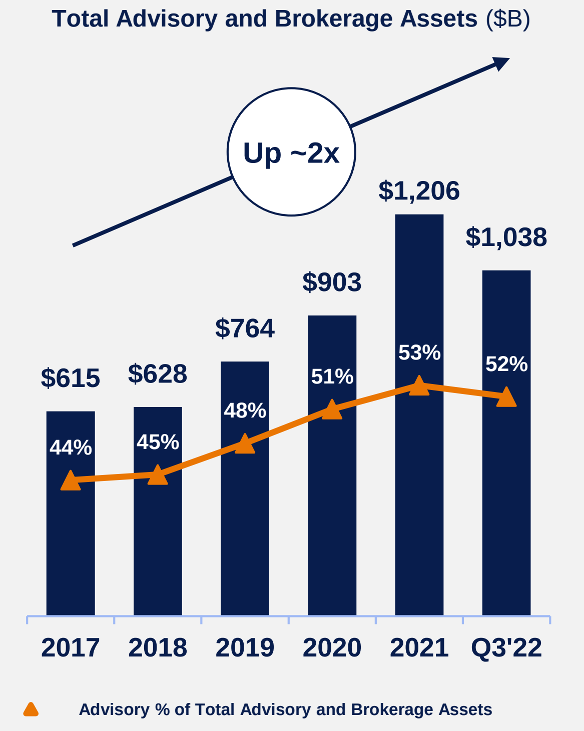
Debt Ratings[3] | Outlook

Moody's Rating:	Baa3 | Stable†
S&P Rating:	BB+ | Positive

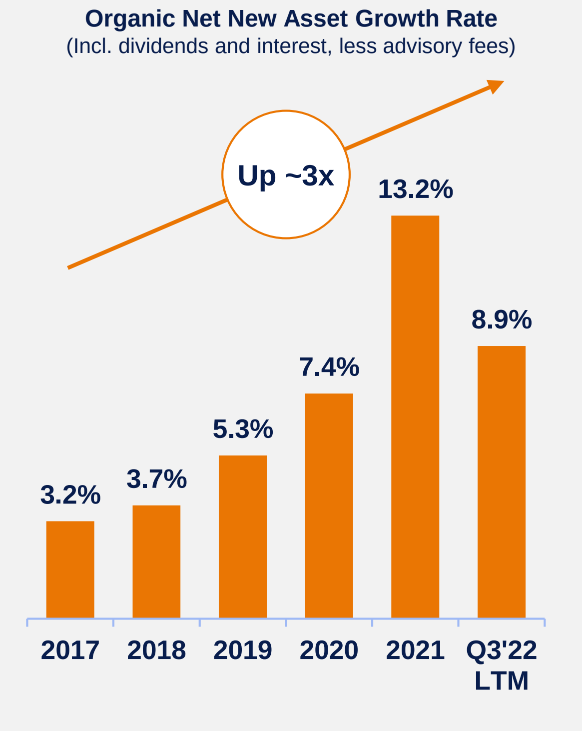
† Upgraded to investment grade (Baa3) on November 14, 2022

We continue to drive business and financial growth

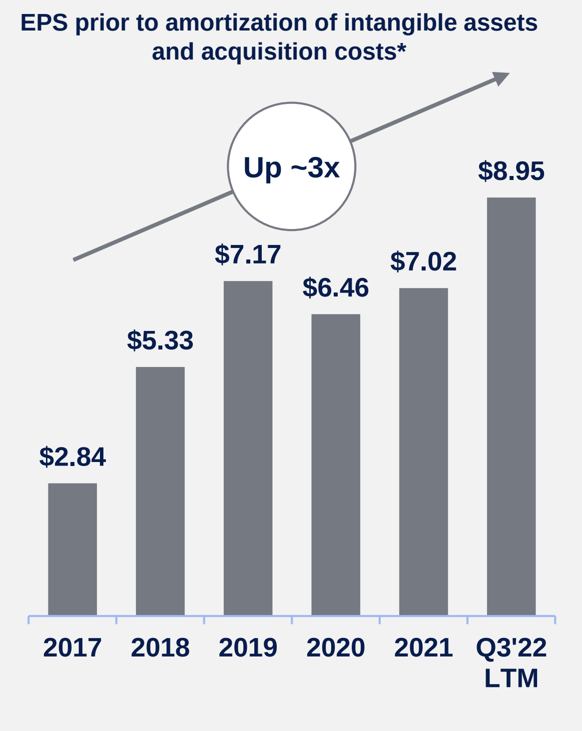
Total assets have nearly doubled



Organic asset growth has increased ~3x



EPS prior to amortization of intangible assets and acquisition costs* has increased ~3x



Share price has increased ~5x

LPL investment highlights: significant opportunities to grow and create long-term shareholder value

1	Industry leader with scale, structural tailwinds, and expanded addressable markets
2	Investing to enhance the advisor value proposition and drive organic growth
3	Resilient business model with natural hedges to market volatility
4	Disciplined expense management, enabling operating leverage
5	Capital-light business model with flexible allocation framework

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OVERALL STRATEGY

Dan Arnold
President & Chief Executive Officer

LPL's framework for driving outperformance

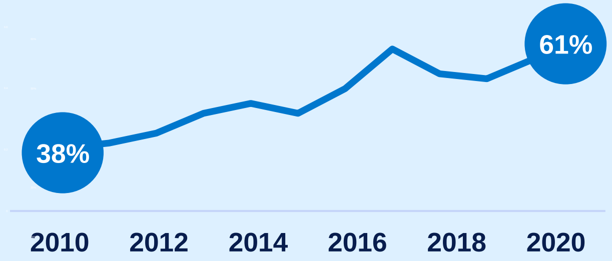
Key structural trends continue to expand our market opportunity

Growing demand for financial advice…
…with market volatility reinforcing the value of advisors

Projected Growth in US Advisor-Mediated Market ($T)†

Large and growing market

Growing appeal for receiving advice from a financial professional



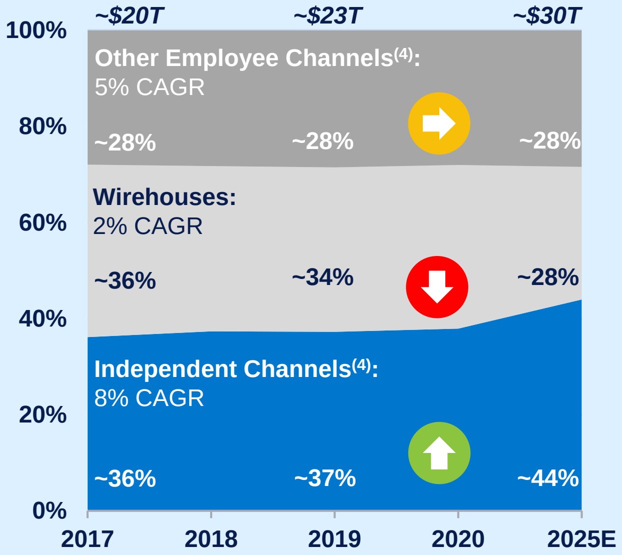
Sustained momentum in investor willingness to pay for financial advice‡

- Investors prefer human-delivered advice: advisors' unique combination of wisdom and insight coupled with empathy and understanding—IQ meets EQ
- Advisors are expanding their value to offer more comprehensive financial advice
- Investors show record-high satisfaction (84%) with their financial advisor

Preference for a financial professional

Structural trend toward Independent Model

Total Advisor-Mediated Assets†



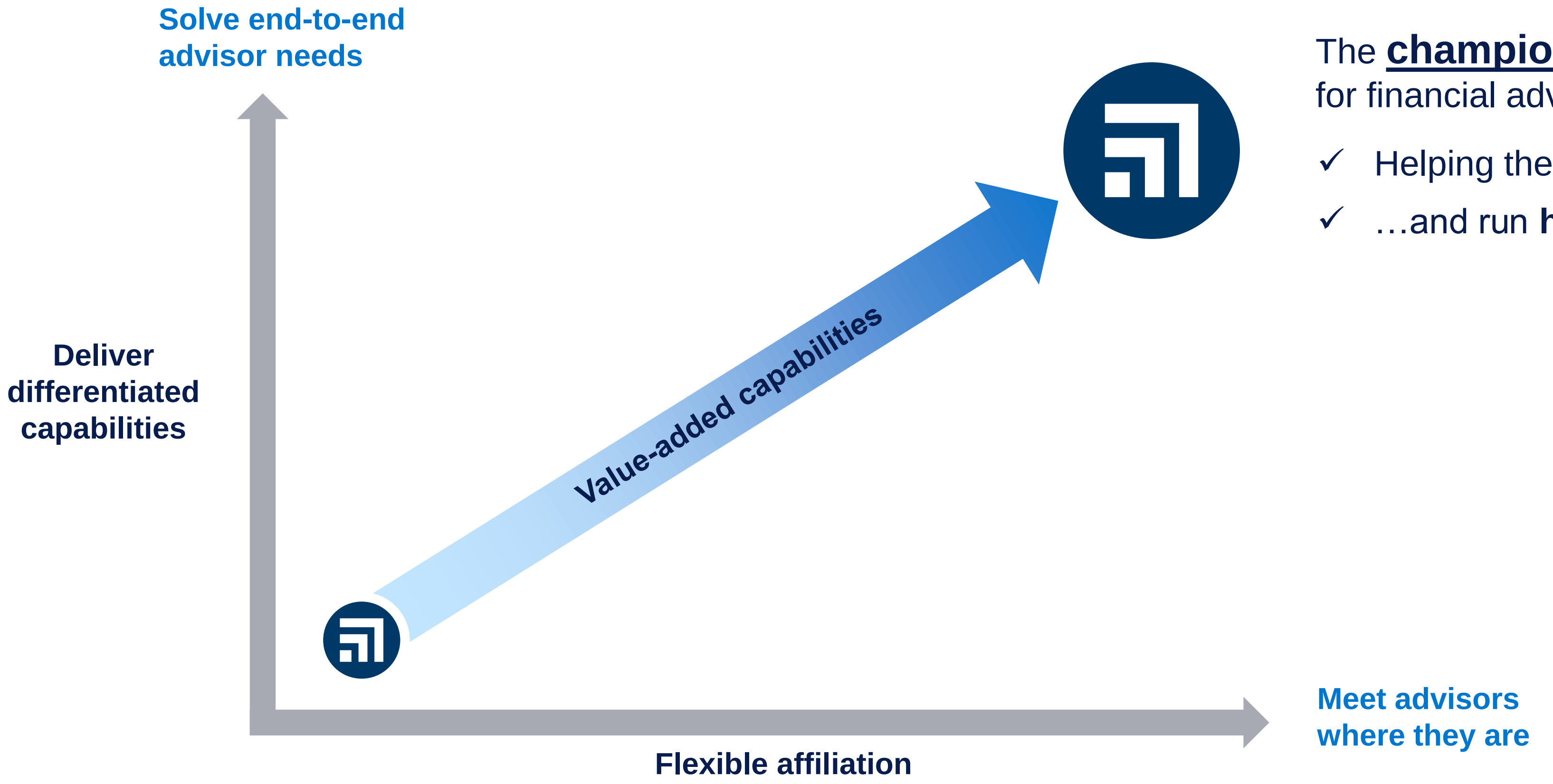
Ongoing appeal of independence

† 2021 Cerulli U.S. Retail and Institutional Asset Management Report and Cerulli Lodestar projections. Excludes self-directed market.
‡ 2021 Cerulli Retail Investor Advice Relationships

LPL is uniquely positioned to capitalize on the opportunity in the marketplace

Singular, advisor-centric focus	Industry-leading model	Robust, appealing platform	Capacity and commitment to invest
• Singularly focused on enriching and enabling our advisors' value proposition	• Reputation and awareness as a leader in the independent and enterprise space	• Integrated and flexible platform to meet advisors' needs	• Scaled to enable investments to deliver leading offerings and capabilities

We are redefining the independent model to create the most appealing option in the marketplace



The **champion in the marketplace** for financial advisors and enterprises:

- ✓ Helping them be **great advisors**…
- ✓ …and run **high-performing practices**

Value-added capabilities to help solve our advisors' end-to-end needs, leading to sustained differentiation and market share growth

We are providing value-added capabilities that drive our market expansion

Horizontal expansion strategy

Meet advisors where they are in their practice by providing flexible solutions to help them design the perfect practice for their clients

Expand the addressable market through multiple affiliation models, positioning LPL to serve all 300,000 advisors in the advisor-mediated marketplace

Flexibility

Vertical integration strategy

Deliver advisors end-to-end solutions that are higher quality, better integrated, easier to use, and more cost-efficient

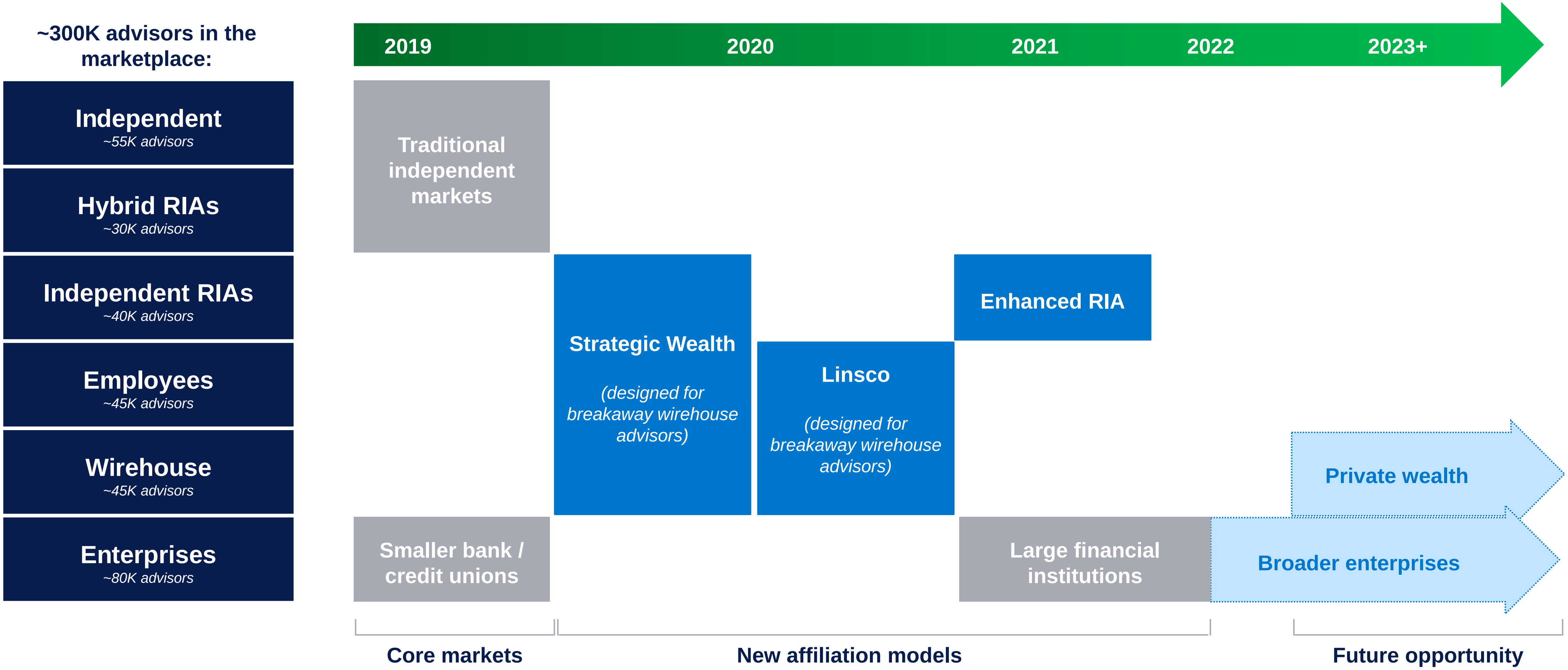
Provide value-added capabilities that empower advisors to:

- Give great advice to differentiate & win
- Operate and run high-performing businesses

Capabilities

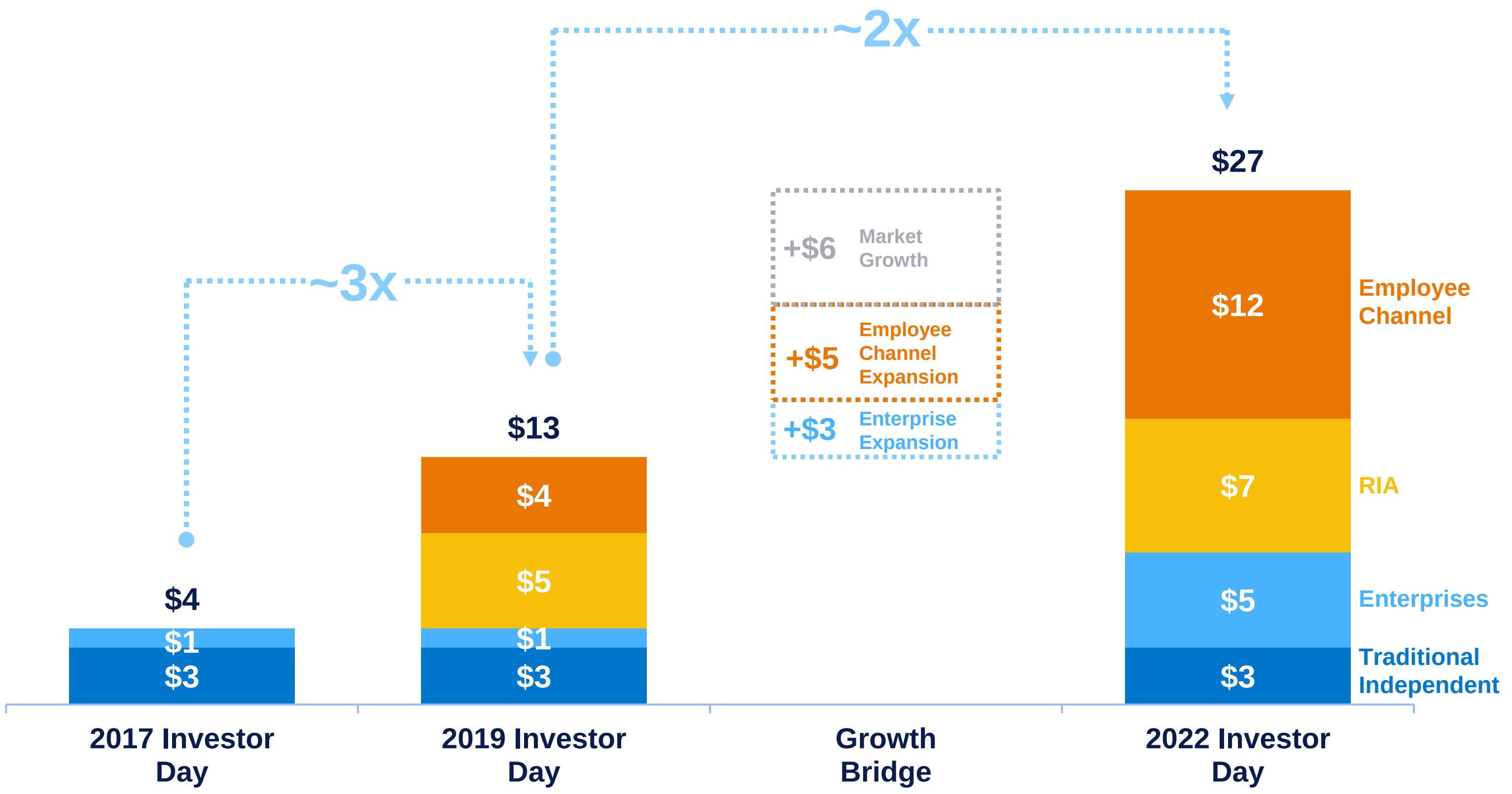
Foundation: *Infrastructure that supports scalability, flexibility, and resiliency is core to our value proposition*

Our horizontal expansion strategy enables us to meet all 300,000 advisors where they are



We have unlocked the ability to compete in broader markets

Expansion of our addressable markets ($T)†



Employee Channel:

- As we improve our understanding of the marketplace, we have added capabilities and now believe we can compete for the full market

RIA:

- We have enhanced our corporate and independent RIA advisory platforms to better serve all RIAs

Enterprises:

- We have built capabilities to expand into broader markets, including Insurance, Bank Trust, and other adjacent segments

Traditional Independent:

- We continue to invest in differentiated capabilities, technology, and service to enhance our core offering

† Estimated market sizing based on 2021 Cerulli reports. See endnote 5 for additional detail.

Transforming the outsourced marketplace for enterprise wealth management

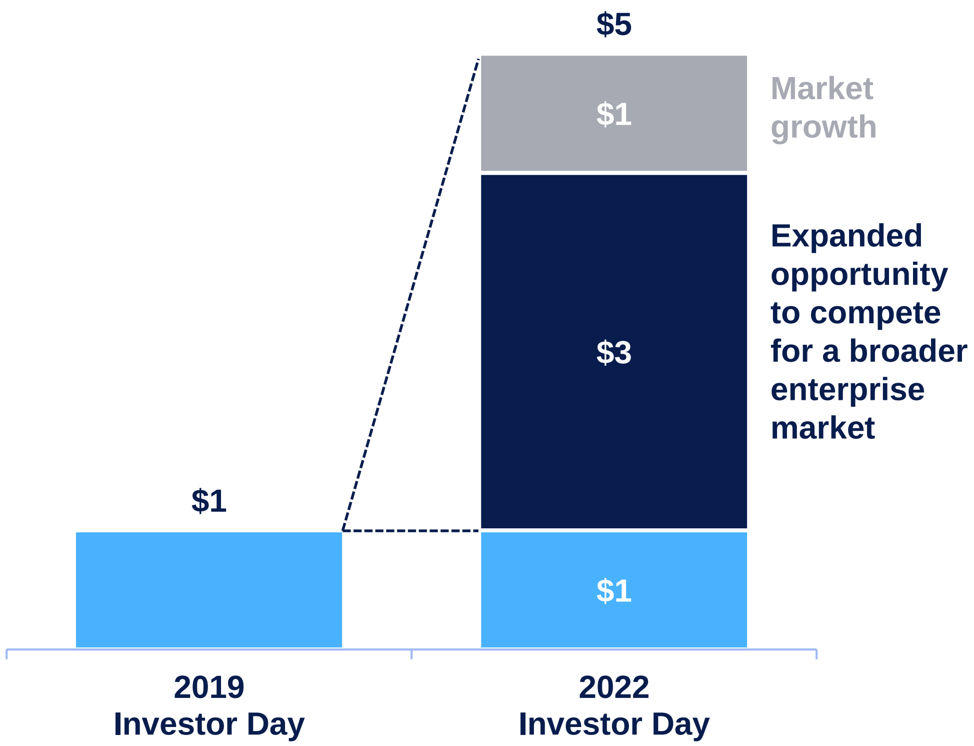
Compelling value proposition…

Improved risk profile	**Better operational efficiency**	**Improved financial outcomes**
Enhanced client experience	**Elevated market positioning**	**Accelerated growth**

…driving expansion in our target market

- Initially, we focused on **credit unions and smaller banks**, which had traditionally outsourced their wealth management programs
- With the development of our capabilities, we expanded to **large financial institutions**, which did not historically outsource their wealth offerings
- As we become an established **leader in the outsourced wealth space**, we are expanding our focus to **broader enterprise markets,** including insurance companies and bank trust providers…with future opportunity to expand into adjacent segments
- Based on our ~$70B in wins over the last 2 years + our expanding capability set, we are growing increasingly confident in the durability of this channel

Our growing enterprise opportunity ($T)†



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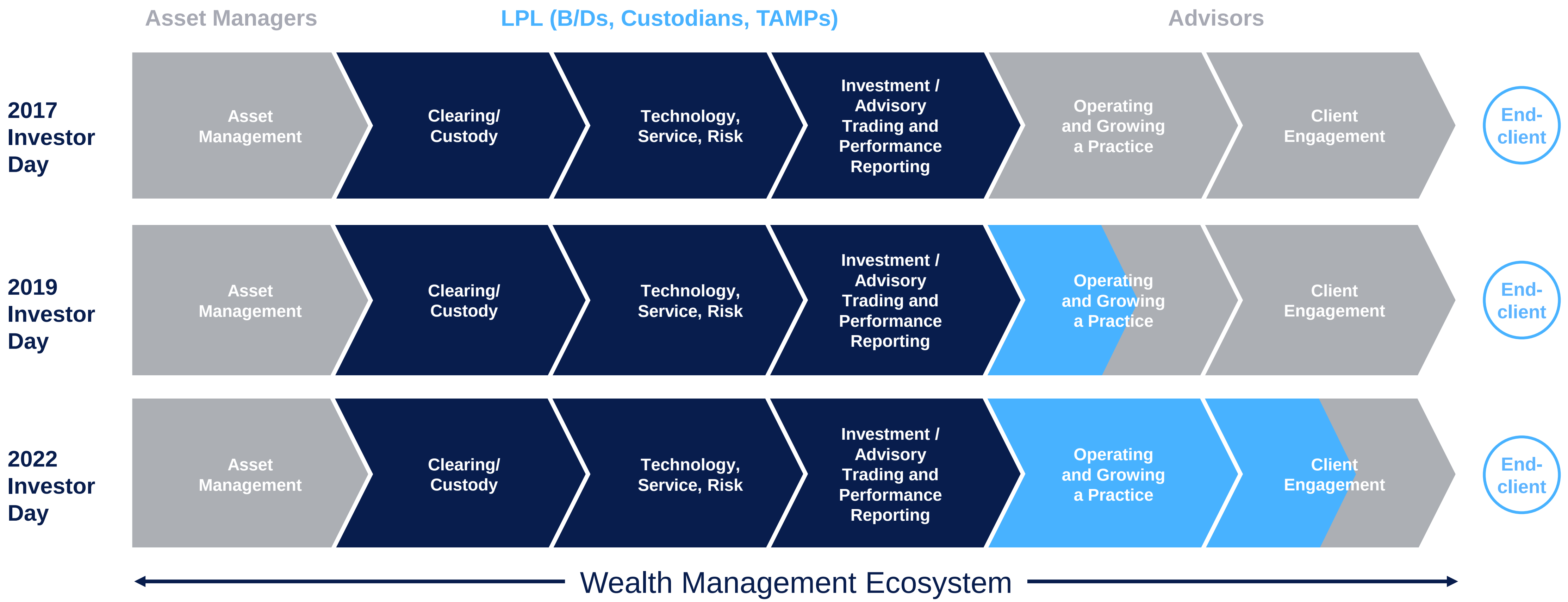
Extending our vertical integration by solving for a broad spectrum of advisor needs

- Innovating on compelling problems historically left to advisors to solve
- Position advisors to deliver differentiated advice to their clients
- Helping advisors run thriving businesses



Liquidity & Succession: Our newest vertically-integrated capability for current and prospective LPL advisors

Market dynamics

- Roughly **1/3** of advisors are projected to retire from the industry over the next decade, which equates to ~**100K** advisors and **~$8.5T** in AUM expected to transition†‡
- That dynamic creates **liquidity needs** for advisors, as well as **transition challenges**—for them… their clients… and their teams
- Given this, the pace of M&A in the wealth management space has **increased**… with transactions primarily solving for **near-term liquidity needs**
- As an alternative to current options in the market… **we are creating a compelling portfolio of solutions** that deliver optimal outcomes for **current and prospective** advisors and their stakeholders… and **preserve the principles of independence**

Our solutions for liquidity & succession

2020 We purpose-built the supporting infrastructure to seamlessly onboard, support, and enhance acquired practices…

…Combining Linsco value-added capabilities, with local-level administrative and field management support

2021 Created our **M&A Solution**, which is focused on helping advisors find another independent owner in our ecosystem to serve as their successor

2022 Piloted a new **liquidity & succession solution** where we will buy practices, leveraging the value-added capabilities inside of Linsco — providing an avenue for advisors looking to sunset; and acting as a bridge to their successor

2023+ Will extend the solution to the external marketplace for independent advisors and RIAs

† 2020 Cerulli Report U.S. Advisor Metrics
‡ 2021 Echelon Partners RIA M&A Deal Report

Solving for the needs of advisors at every stage of their practice

Life cycle of an advisor

Value-added partner across entire life cycle

Original focus

Entry

Move to independence

Support advisors with the transition to independence by providing them leading capabilities and services

Provide the **flexibility** to enter independence through the **best possible affiliation model**

Advisor Institute

Provide training and curriculum to **help new advisors enter the industry**

Growth and expansion

LPL Services

Offer portfolio of services to drive growth

- e.g., Paraplanning, Marketing Solutions, M&A Solutions, etc.

Practice optimization

Affiliation models

Meet advisors where they are in the evolution of their practice

- Strategic Wealth
- Independent Employee
- Enhanced RIA

LPL Services

Offer portfolio of Services to better support advisors

- e.g., Admin Solutions, Bookkeeping, CFO Solutions, etc.

Sunsetting and transition

Liquidity & Succession

- Enable advisors to **transition their business** without disruption
- Offer a **market-competitive liquidity event**
- Facilitate a **successful transition for all stakeholders**: current and succeeding advisors, their clients and their office staff

Latest capability

Opportunity to re-generate life cycle

Key takeaways

1	Differentiation in the advisor-mediated market – as the **champion for advisors and enterprises**
2	Leveraging our **horizontal and vertical expansion strategy**, to provide the most appealing model and offerings in the marketplace – thereby doubling our addressable market
3	Delivering a **compelling value proposition to enterprises** – expanding the opportunity set of firms that can outsource their wealth business
4	Continued innovation, developing differentiated capabilities to serve advisors over their professional lifecycle – the most recent example being **liquidity and succession capabilities**

Expanding leadership and market share in the advisor-mediated marketplace; driving long-term shareholder value

QUESTION & ANSWERS

Please wait for a microphone

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BREAK

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LPL Financial

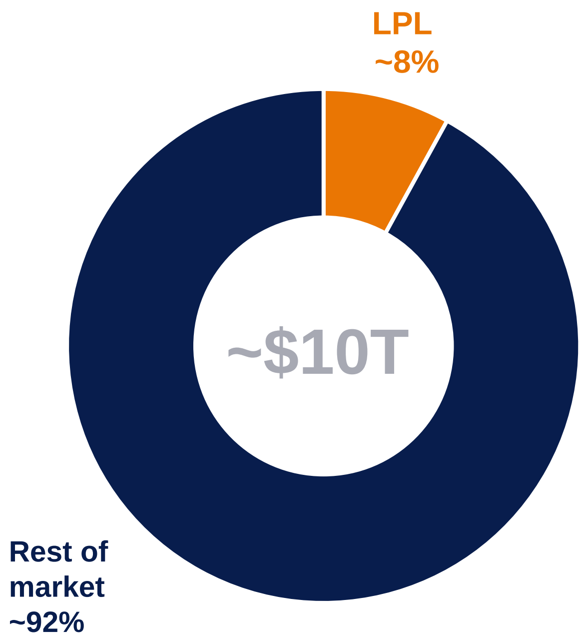
BUSINESS DEVELOPMENT

Rich Steinmeier
Managing Director & Divisional President,
Business Development

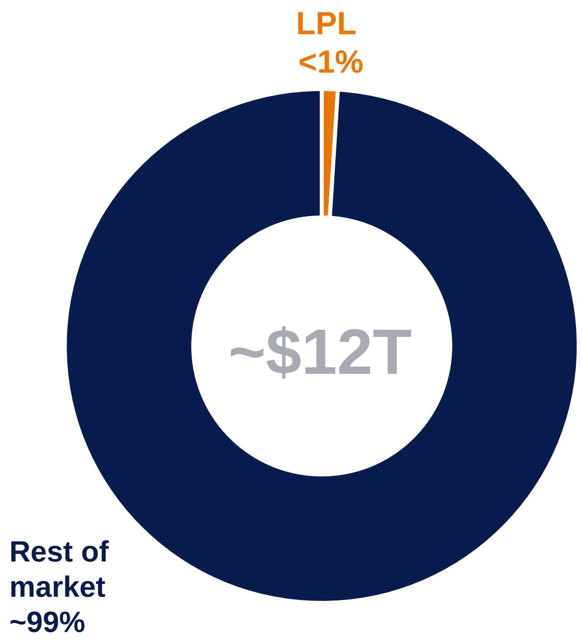
We have opportunities to grow across our addressable markets

$27 Trillion Market Opportunity†

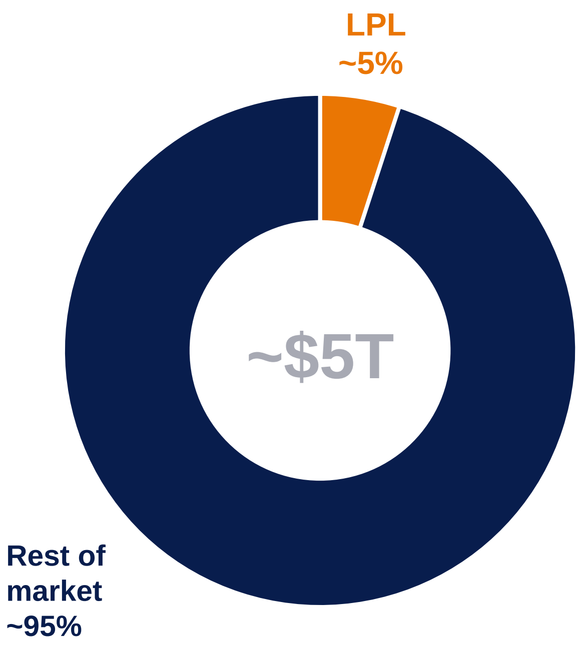
Independent channel



Employee channel



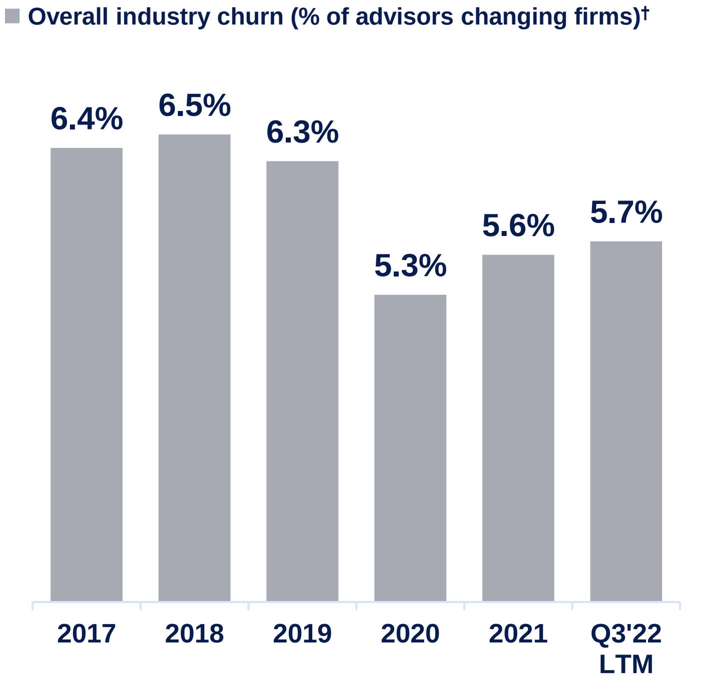
Enterprise channel



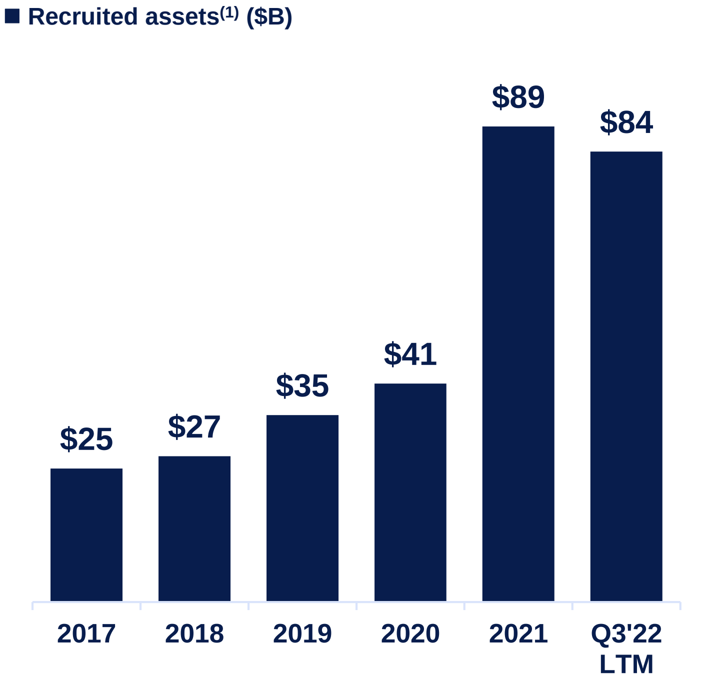
† Estimated market sizing based on 2021 Cerulli reports. See endnote 5 for additional detail.

While advisors' movement has slowed, our value proposition is resonating, resulting in increased recruiting

Industry churn has declined



At the same time, our pace of recruiting has increased



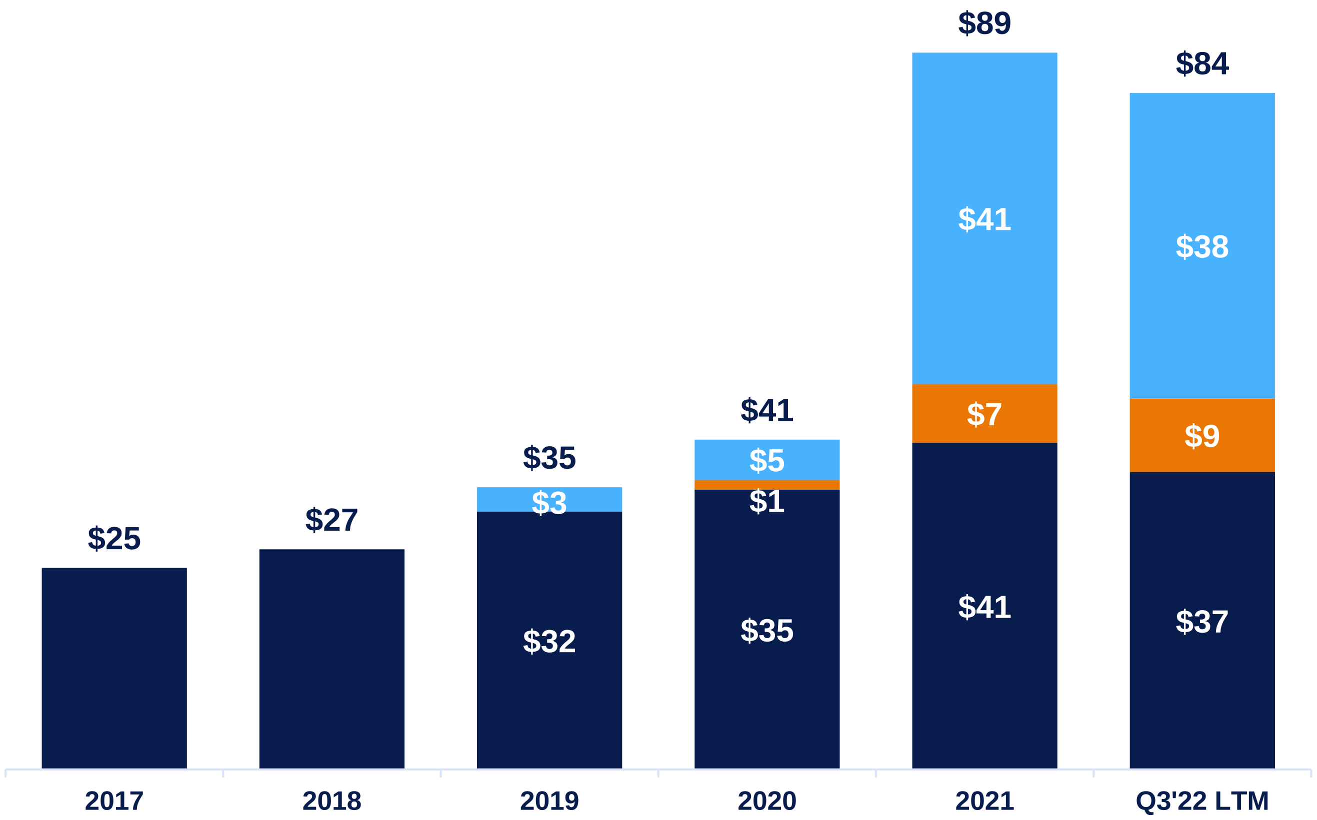
Key growth drivers

- Improved efficacy of our business development team
- Successful expansion of our addressable markets
- Increased advisor advocacy driving referrals

† LPL estimates based on Discovery Data

Recruiting has roughly tripled

Recruited AUM[1] by channel ($B)



Enterprises:

- Provides access to an array of investment solutions and wealth management platforms to enhance and scale their business
- With LPL, enterprises can provide retail clients with enhanced capabilities, grow their business faster, increase profitability, and lower regulatory risk

New Affiliation Models:

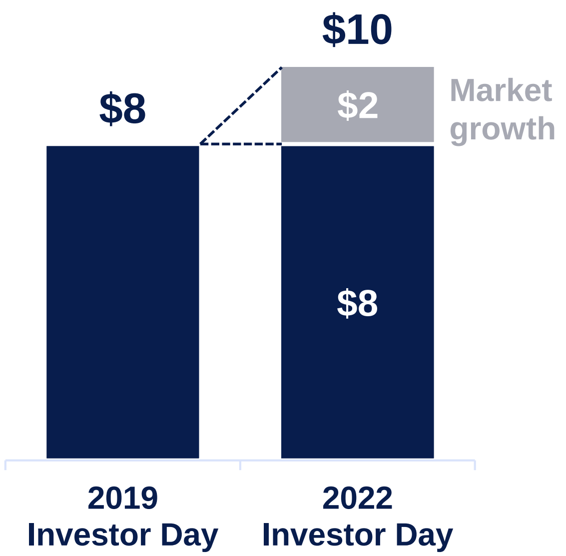
- **Strategic Wealth:** Provides comprehensive support for “breakaway advisors” to move to independence
- **Independent Employee:** Pairs the benefits of independence with the turnkey services of an employee model
- **Enhanced RIA:** Enables RIAs to leverage fully-integrated capabilities, technology, services, and clearing platform

Traditional Markets:

- In the independent market, advisors own and operate their businesses
- We leverage our market leadership through continued enhancements to capabilities and competitive pricing
- Our traditional markets are highly fragmented

We are a value-added partner to advisors in the independent channel

Independent channel ($T)†



Our opportunity

- Highly fragmented market, with continued opportunity to capture share
- Macro volatility reinforces the value of balance sheet strength and the ability to invest through cycles
- Change in ownership or M&A, driving advisors to revisit their relationships
- RIAs with custody-only solutions seeking fully-integrated capabilities, technology, services, and clearing

How we win

Traditional independent market: ~$3T

Raise the bar for the independent channel

- Continue investing in differentiated capabilities, technology, and service

Make LPL the easiest firm to join

- Simplify and digitize the onboarding process

Win more advisors in motion

- Personalize and digitize advisors' recruiting experience
- Empower our team with analytics

RIA market: ~$7T

Enhance corporate RIA and independent RIA advisory platforms

- Provide greater flexibility and simplified pricing

Bring new capabilities to fee-only advisors

- Integrate our Services Group and provide dedicated support teams

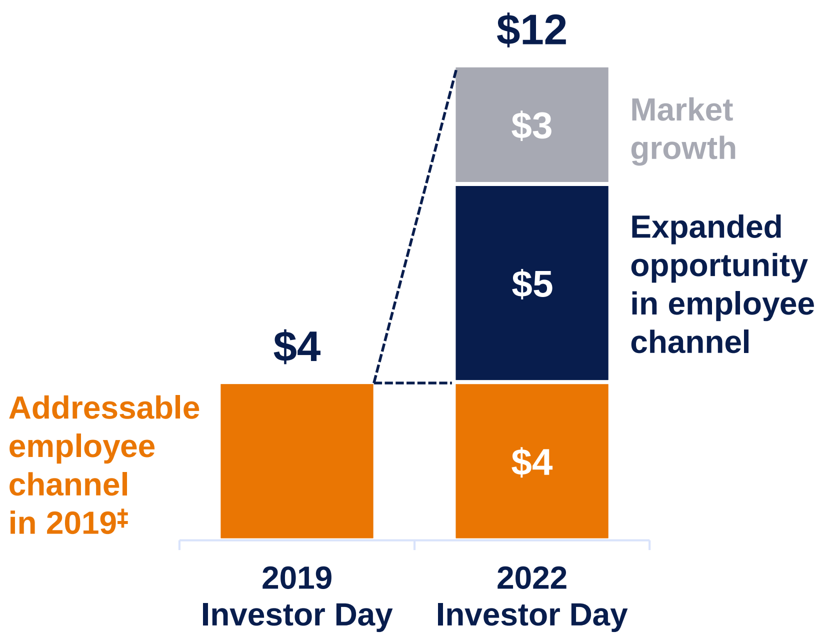
Drive total cost of ownership down

- Lower technology cost and fees

† Estimated market sizing based on 2021 Cerulli reports. See endnote 5 for additional detail.

Our opportunity in the employee channel has grown

Employee channel ($T)†



How our opportunity is evolving

- Elevated market position with larger, more sophisticated advisors
- Enhanced capabilities to serve high-net-worth-oriented advisors
- Expanded geographic presence and physical footprint
- Well-seasoned offering building credibility in the marketplace

How we win

Flexible models to support employee advisors

- Supported independence model
- Independent employee model

Differentiated economics

- Compelling combination of ongoing economics and transition assistance

Complete book ownership

- Advisors have complete ownership of their practice

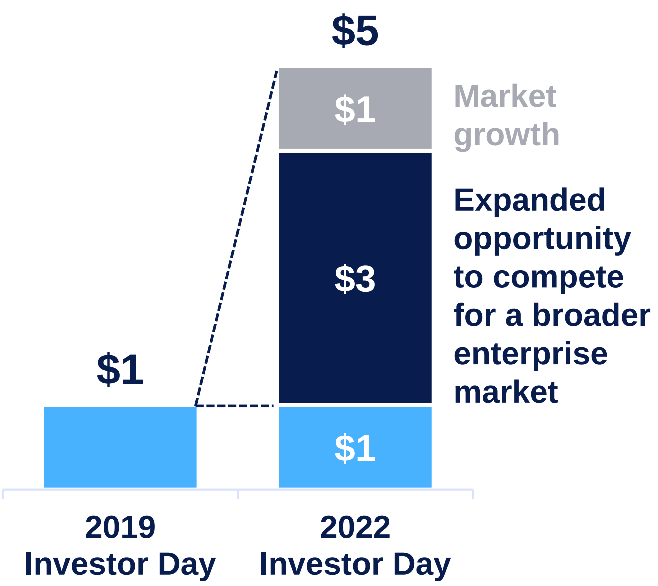
Full-service support

- Including real estate, administrative support, and competitive benefits

† Estimated market sizing based on 2021 Cerulli reports. See endnote 5 for additional detail.
‡ Previously only included the portion of the employee model that preferred independence

Our opportunity in the enterprise channel has grown

Enterprise channel ($T)†



How our opportunity is evolving

- Developed capabilities to serve a broader segment of enterprises
- Built sales team to educate firms in adjacent markets
- Continued demand driving a strong pipeline

How we win

Partner to propel strategy

- Offer innovative capabilities to assist enterprises in creating a unified wealth experience

Drive accelerated growth

- Provide industry-leading tools to improve advisor and end-client experience

Minimize cost and risk

- Improve operational efficiency and tech capabilities
- Transferred regulatory and compliance risk, minimizing overall risk profile

† Estimated market sizing based on 2021 Cerulli reports. See endnote 5 for additional detail.

We provide a compelling value prop for enterprises to outsource their wealth business

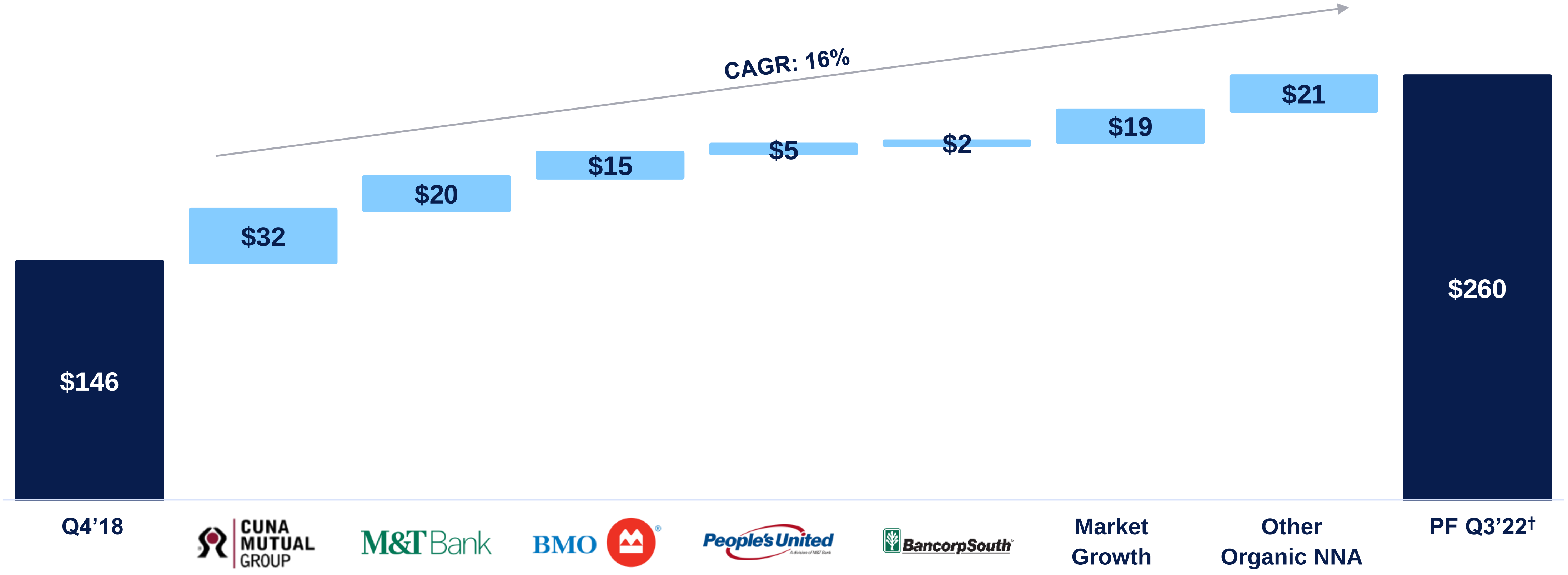
What enterprises are looking for:

Drive accelerated growth	**Advisor success**	▪ Industry-leading tools and value-add services to improve the advisor experience
	Client experience	▪ Industry-leading tools to improve advisor-investor interactions and the investor experience, and increase investor control over their assets and goals
Partner to propel strategy	**Strategic Wealth partnership**	▪ Innovative capabilities and consulting to assist enterprises in organizational alignment and execution of a unified wealth experience
	Contribution to overall organization	▪ Data-driven tools that enable wealth organizations to improve their contribution to overall objectives and outcomes
Minimize cost and risk	**Operational efficiency and tech capabilities**	▪ Outsource back and middle office support, simplify vendor management, and eliminate incremental investment required to stay current ▪ Can lead to ~10 point improvement in operating margin† ▪ It is challenging for enterprises to sufficiently invest in their wealth business (LPL plans to invest $260M in technology in 2022, compared to an estimated $3-30M for enterprises‡)
	Regulatory & risk reduction	▪ Transferred regulatory and compliance risk, minimizing the enterprise's risk profile and eliminating the need for incremental investments to remain compliant

† 2021 Kehrer Bielan Research & Consulting Report
‡ Calculations based on Celent Wealth Management IT Spending Outlook, 2021 Cerulli Broker-Dealer Marketplace

We are the leading third-party provider to enterprises

Enterprise client assets ($B)



† Pro-forma for BancorpSouth, which is expected to onboard in Q4'22

Key learnings from recent enterprise momentum

Recent wins have surfaced insights that will impact how we evolve to capture and serve this market in the future

Key Learning	LPL Solution
Interactions are longer, more formal and have more stakeholders Engaging with enterprises is more complex than with independent advisors – resulting in longer lead-times, a need for deeper expertise, and holistic solutions-based selling	**Improve how to win in the marketplace** Reach enterprises where they are, with messaging and a value proposition that resonate while also supporting them in their decision to outsource
Expectation of a robust engagement model Enterprises expect minimal business interruption during conversion and expect dedicated teams of highly specialized experts proactively working to address their needs for transparency and personalization throughout the relationship	**Optimize how we deliver a seamless conversion process** We have a dedicated group that aims to create a frictionless and value-added conversion experience that puts enterprises in a position to thrive before, during, and after the conversion
Enterprises tend to be underpenetrated in key success drivers Enterprises are typically underpenetrated in key market trends, representing additional growth opportunities	**Expand how to partner in driving business success** Provide enterprises the capabilities, solutions, and experiences they need to run a thriving wealth business and realize their broader strategic goals

We’ve developed a compelling new capability for advisors seeking liquidity and / or succession

Expanding market opportunity

- ~**1/3** of advisors are expected to retire or leave the industry over 10yrs†
- ~**100K** advisors and **~$8.5T** in AUM expected to transition over 10yrs‡

Market activity

- The pace of M&A in the wealth management space continues to increase
- Landscape of acquirers has evolved
- 2021 was a record-breaking year with **307** deals completed representing **~$576B** in AUM‡

Our Liquidity & Succession capability…

- We’re purpose-building the supporting infrastructure to seamlessly onboard, support, and enhance acquired practices
- By combining Linsco value-added capabilities, with local-level support, LPL has created an unrivaled experience

…and value proposition

- New LPL capability to buy practices from advisors seeking a pathway to retirement, as well as those looking to free themselves from entrepreneurial burdens, and those looking for monetization
- Enables advisors to transition their business without disruption
- Advisors can achieve a market-competitive liquidity event and transition their practice to a succeeding advisor of their choice, or look to LPL to place a successor
- Our solutions preserve the independent model, while advisors maintain control of their **brand, operating model, portfolio management, and end-client experience**

“I looked at multiple deals from financial institutions to private equity firms, and besides LPL, none of them could offer me an opportunity in the best interest of my clients, my staff, and my business”

- Marc Freedman, LPL advisor since 1991

† 2020 Cerulli Report U.S. Advisor Metrics
‡ 2021 Echelon Partners RIA M&A Deal Report

Our Liquidity & Succession capability is in market, and can enhance organic growth

A powerful tool to retain and attract assets

Retention and transition to the next generation

- Positioned for LPL advisors planning to sunset or seeking liquidity
- Enables LPL to secure assets that may depart – as owners exit the business
- Meaningfully extends the lifetime and value of the practice

Growth channel

- Ability to extend offering outside of LPL
- Differentiated capability to attract new advisors – through direct acquisition and in recruiting next gen advisors
- Poised for growth as practices are transitioned to growth-oriented advisors

Direct acquisition lifecycle example

Advisor looking to sunset over 2-5 years

- Practice in slower-growth mode; risk of sale away from LPL

LPL buys advisor's practice

- Advisor onboarded to Linsco channel

LPL oversees the practice

- LPL supports advisor with industry-leading capabilities and a transition glidepath to succeeding advisor
- Practice positioned for improved growth within LPL

LPL supports the transition to a succeeding advisor

- LPL trains and fosters the succeeding advisor – positioning them to run a great practice, leveraging the best of LPL
- Succeeding advisor(s) assume(s) oversight of practice, with ~10-year path to full control of asset

Succeeding advisor completes purchase of practice

- LPL support of practice extended for ~20 years

Cycle continues

Key takeaways

1	While advisors' movement has slowed, our value proposition is resonating, resulting in **increased recruiting**
2	We continue to **scale our employee channel**, as new capabilities have expanded our opportunity to serve a broader set of advisors, including the Private Wealth markets
3	Providing a **compelling value proposition for enterprises** – including minimizing cost and risk, while supporting accelerated growth – has significantly expanded our opportunity set
4	**Liquidity and succession capabilities** enable current and prospective advisors to transition their business without disruption, creating opportunities to improve retention and new store sales

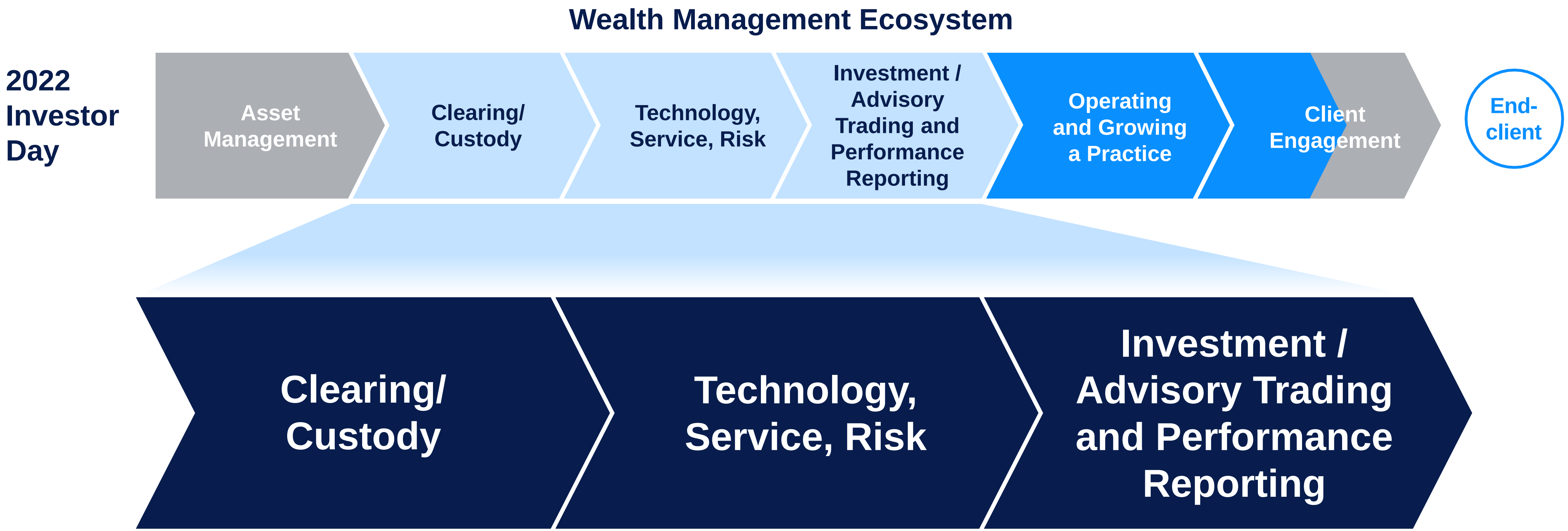
This combination enables us to drive recruiting even higher

LPL Financial

ADVISOR & END-CLIENT SOLUTIONS

Kabir Sethi
Managing Director & Chief Product Officer

We are extending our vertical integration by solving for a broad spectrum of advisor needs



We continue to invest in our industry-leading platform to deliver a deep, integrated set of capabilities

Advisor and enterprises must navigate a wide range of solutions

- **Clearing & Custody**
- **Broker Dealer & RIA**
- **Operational and Risk Mgmt. Platform**
- **Wealth Mgmt. Platform**
- **Financial Consultant Workstation**
- **Performance Reporting**
- **End-client Portal**
- **Proposal Generation**
- **Financial Planning Tools**
- **CRM**

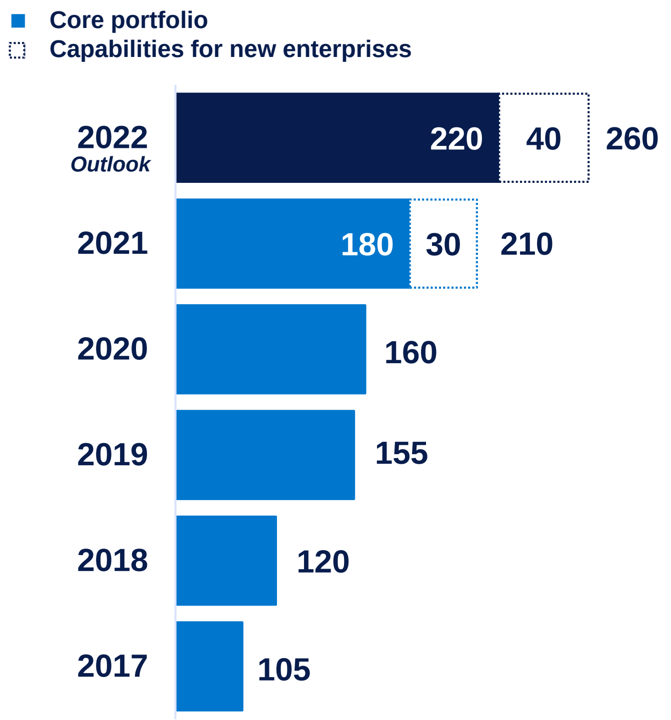
We empower operational excellence through simplicity and personalization…

LPL Financial

Integrations between LPL and third-parties

…and we continue to invest meaningfully to evolve our platform

Technology portfolio spend ($M)



Our strategy is to provide value-added capabilities that solve for advisors' needs and drive their success

We are focused on helping our advisors…	…so that we can
Differentiate and win in the marketplace	Attract new advisors
Achieve scalability to serve more clients	Retain existing advisors
Operate more efficiently	Drive our advisors' growth
Enable the best client experience	

We are focused on the areas that matter most to our advisors

Operating Platform

- **Flexibility** of choice across curated set of industry-leading solutions
- Guidance to implement and **optimize solutions** based on data and expertise
- **Integrated workflows** that minimize friction across the ecosystem

Wealth Management Solutions

- **Expanding options and enabling curation** across a competitive investment product menu
- **Packaging unique investment capabilities** with advisory platforms
- **Developing connected workflows** to make the advisory business scalable

Banking & Lending Capabilities

- Help advisors **expand wallet share** with integrated banking offering
- **Support deeper advisor relationships** by capturing both sides of end-client balance sheets

End-Client Experience

- **Drive advisor productivity** through end-client self-service capabilities
- **Strengthen advisor relationships** by expanding collaboration options
- **Enrich digital experience** with research content and personalized insights

WHAT WE ARE SOLVING FOR:

Operating Platform	Wealth Management Solutions	Banking & Lending Capabilities	End-Client Experience
Efficiency & scalability in advisor operations	**Relevant, modern solutions to meet advisor needs**	**Broader platform to enable comprehensive advice**	**Digital experience with advisor at the center**

Our operating platform delivers industry-leading flexibility and integrated workflows

Lead with choice and flexibility

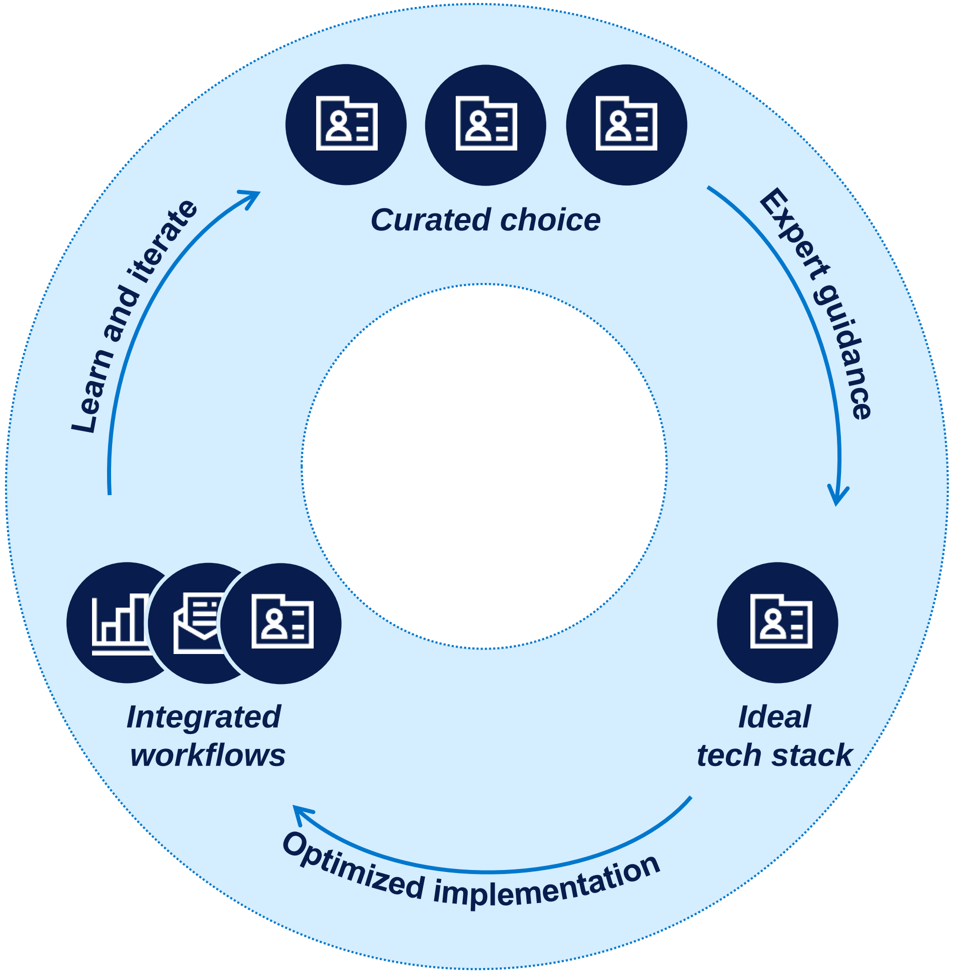
- Promote optionality by integrating a broad array of third-party tools
- Design and deliver proprietary capabilities as needed

Guide advisors to best-fit solutions

- Leverage unique expertise to match advisors to the right capabilities
- Guide advisors and enterprises to solutions optimized for cost

Streamline integrated workflows

- Make it easy for advisors to execute seamlessly across our ecosystem
- Provide access to practice management insights to drive advisor growth



Wealth management solutions empower advisors with a rapidly expanding suite of investment capabilities

Deliver personalized solutions to end-clients

- **Expand SMA menu** within our UMA to give advisors and their end-clients an all-in-one solution
- **Enable advisors to customize** SMA exposures aligned with investor preferences
- **Deliver more value** with proactive tax management solutions

Simplify management of end-clients and portfolios

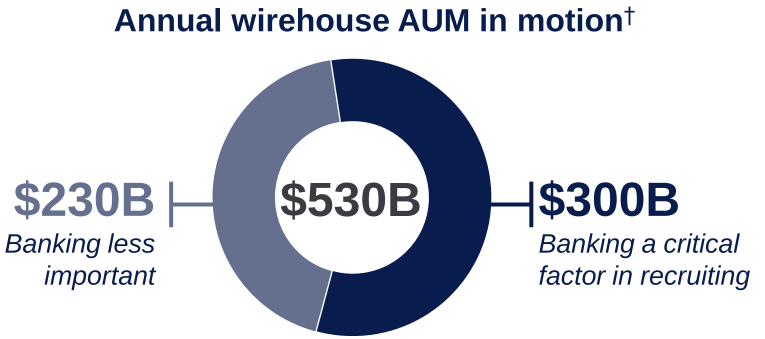
- Help advisors build and **grow models-based practices** by evolving tools and analytics
- Evolve our trading capabilities to **make it easier to scale** model management
- **Build connected workflows** that help scale the advisory and planning businesses

Expand breadth and depth of product set for advisors

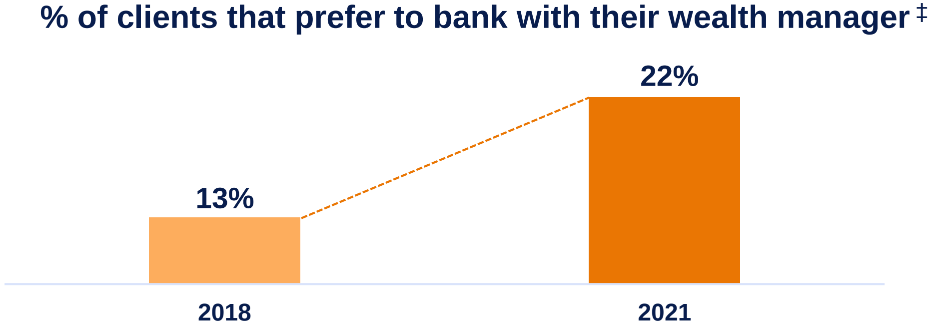
- **Evolve the purchasing process** for annuities, structured products and alternatives
- Develop a deeper layer of **integration of insurance products** within our platforms
- Expand **alternative investment product menu** to support high net worth investors

Banking and lending capabilities expand advisors' ability to deliver a comprehensive set of solutions

Banking functionality is a key consideration for wirehouse advisors…



…and end-clients see value in integrated wealth management and banking capabilities



We continue to invest in banking partnerships to grow advisor wallet share

Credit capabilities enable advisors to manage both sides of the balance sheet

- *Securities-based lending solutions attract and retain investment assets*

Cash management and banking drive consolidated wealth relationships

- *Banking features attract operational cash (e.g., Checking, debit cards)*

Continued focus on integrating Banking and Wealth Management

† Cerulli 2021 Broker Dealer Marketplace Report
‡ McKinsey, US Wealth Management: A Growth Agenda for the Coming Decade: 2022

End client experience places advisors at the center of the digital channel

Allow end-clients to self-serve

Improve advisor productivity by empowering end-clients to perform tasks better suited to self-service

- Onboarding
- Account Management
- Move Money

Surface personalized insights

Enrich advice conversations and create opportunities by offering education, context and transparency to end-clients

- Saving & Investing Content
- Account Aggregation
- Performance

Enable collaboration at scale between advisors and end-clients

Promote the value of advice by providing a channel for end-clients to engage with advisors on-demand

- Messaging
- Document Sharing & eSignature
- Planning

Outcomes

- Improve efficiency
- Recruiting differentiator
- Asset acquisition
- Increase advisor and end-client satisfaction

LPL Research enriches the quality of advice that advisors can provide to their end-clients

Increase breadth and depth of expertise to bring research closer to the advisor, end-client relationship

- **Expanded capacity to connect advisors and their end-clients** to research experts through events and conferences
- **Broader subject-matter expertise** across products and asset classes (e.g., alternatives)

Enable advisors to seamlessly distribute content to differentiate themselves and add value for their end-client

- **Support end-client engagement** with rich content to deepen relationships
- **Enable advisors to differentiate themselves at scale** by empowering them with thought leadership and market context

Embed insights across our digital ecosystem allowing advisors to share relevant content with end-client at key moments

- **Surface relevant content** directly in advisor workflows to enrich end-client interactions
- **Make it easy for advisors** to integrate research expertise into their practice

How we will win

- **Fully integrate custody, banking, brokerage, and advisory capabilities** to help our advisors operate more effectively and differentiate and win with their clients
- **Provide industry-leading flexibility and personalized workflows** to drive optimal efficiency and scalability in advisors' practices
- **Deliver an end-client experience that deepens advisor relationships** through digital engagement and subject matter expertise

MAKE IT EASIER

MAKE IT SMARTER

MAKE IT PERSONAL

QUESTION & ANSWERS

Please wait for a microphone

Meeting Agenda

Time	Presenter	Topics
9:00 a.m.	Matt Audette	Welcome & Agenda
9:10 a.m.	Dan Arnold	Overall Strategy Followed by Q&A
9:55 a.m.	Break	
10:05 a.m.	Rich Steinmeier Kabir Sethi	Business Development Advisor & End-Client Solutions Followed by Q&A
11:05 a.m.	Break	
11:15 a.m.	Aneri Jambusaria	LPL Services Group Followed by Q&A
11:45 a.m.	Break	
11:50 a.m.	Matt Audette	Shareholder Value Creation Followed by Q&A
12:25 p.m.	Matt Audette	Closing Remarks
12:30 p.m.	Lunch Available	

BREAK

Please return by 11:15 a.m.

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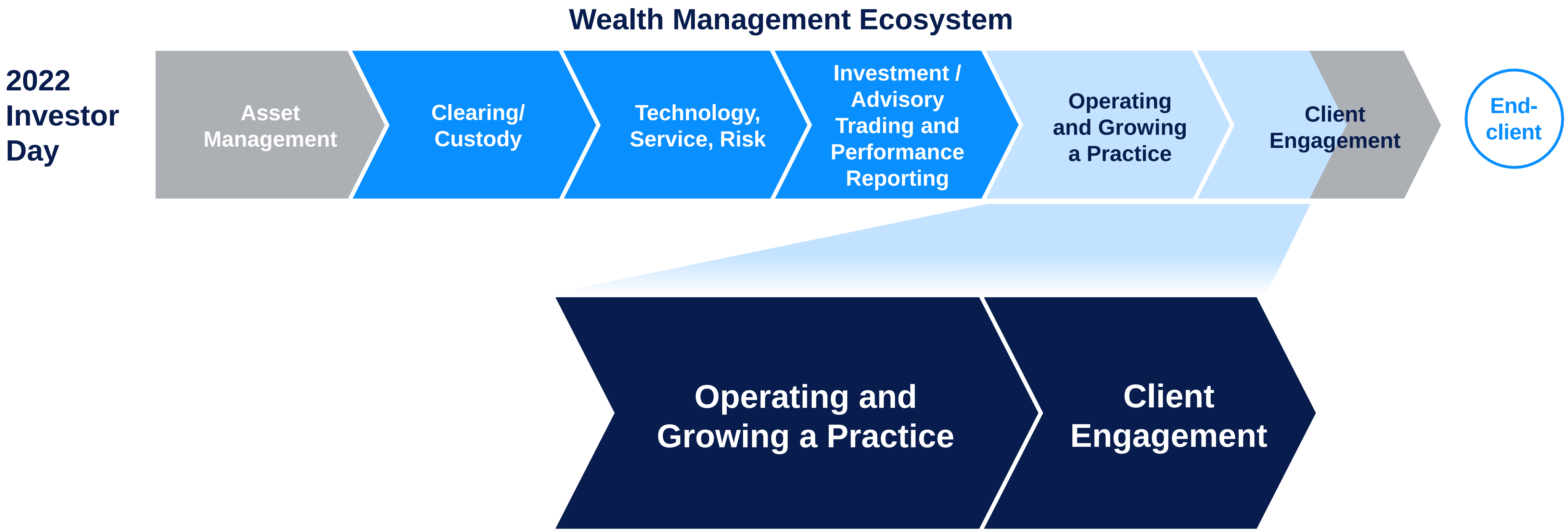
LPL SERVICES GROUP

Aneri Jambusaria
Executive Vice President
Head of LPL Services Group

Continuing our vertical integration journey



The LPL Services Group helps advisors & enterprises execute on their biggest opportunities

Deepening vertical integration

Adding “last mile” support for advisors and enterprises

Human-led, tech enabled services

Making the most out of leading wealth technology

Focused on...

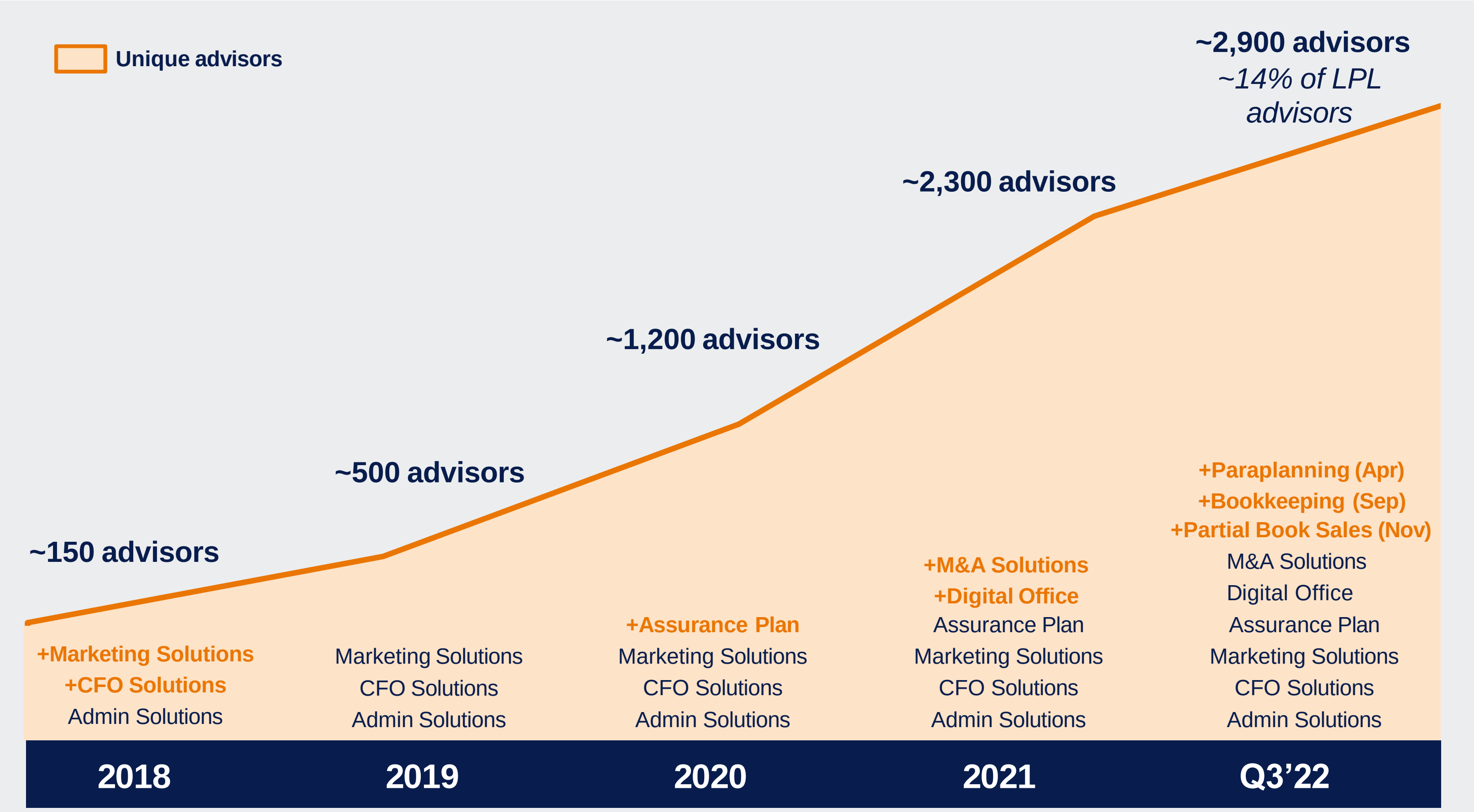
Delivering great advice

Running thriving businesses

From experiment to driver of organic growth

Supporting a growing number of advisors…

…through an expanded set of offerings



Subscriptions

2018	2019	2020	2021	Q3’22
~150	~650	~1,400	~3,000	~4,200

LPL SERVICES TODAY

~4,200 subscriptions

~1.4 subscriptions per advisor

9 services in market

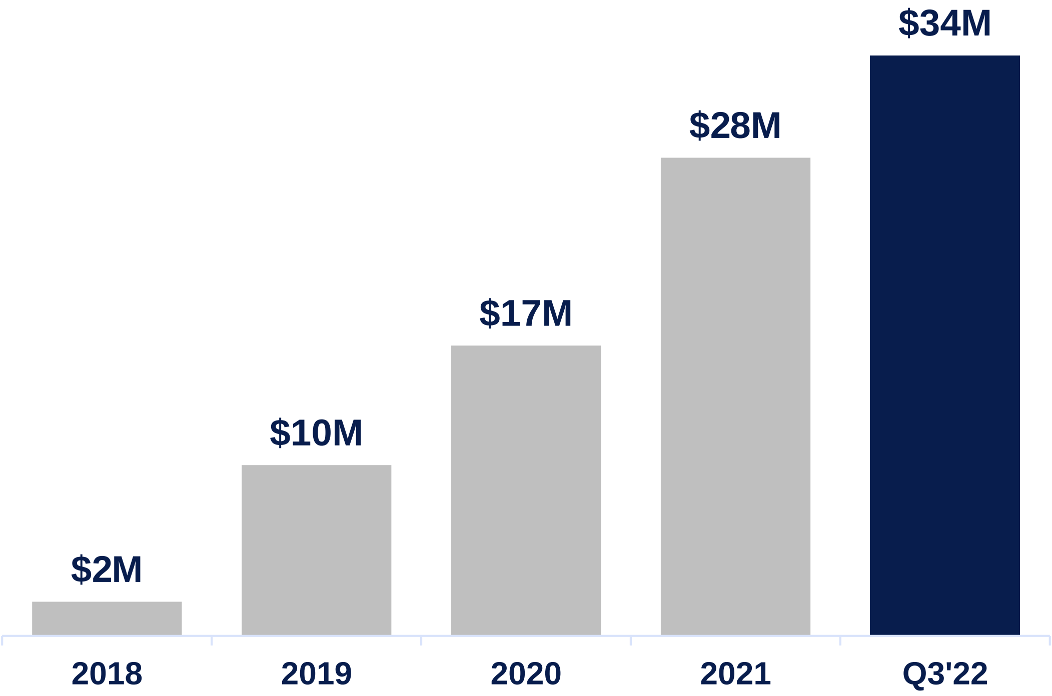
† 2021 Kehrer Bielan Research & Consulting Report
‡ Share of Third-Party Financial Institutions market

Services continue to present a significant opportunity

A big market for practice support with long-term growth potential

Growing our opportunity capture

LPL Services Group Revenue Run-rate‡



† Based on LPL estimate
‡ Annualized, excluding affiliation model support

A structured approach to developing new services

Problem Discovery

What are the most compelling problems our advisors and enterprises face?

Solution Development

Can we address this opportunity through a service that is desirable, feasible, and viable?

Pilot

What can we learn from our customers and teams about how to deliver the service?

Acceleration & Evolution

How can we grow adoption and continuously improve this service?

2022 new services spotlight

	Paraplanning Services	Bookkeeping Services	Partial Book Sales
Our customers need to…	***… expand their financial planning offering but not their payroll***	***… streamline decisions with accurate and timely financial reports***	***… create capacity by right-sizing their practice***
The service we offer	▪ **Outsourced Financial Planning** – enabling advisor productivity and potential for a new revenue stream ▪ **Powered by Planning Software Experts** – who can show advisors how to use the latest features	▪ **Professional Bookkeepers** – who are well-versed in LPL and wealth management best practices ▪ **Up-to-date reporting** – enabling better business decisions and more time for clients	▪ **Purchase of Accounts** – generally smaller (<$100K) at 1.5x recurring revenue ▪ **Transitions to LPL's in-house financial professionals** – where end-clients continue to receive professional advice and service

Benefits to LPL's organic growth beyond incremental revenue

Expanding the TAM

Enabling new affiliation models

LPL Financial
Strategic Wealth Services

Linsco by
LPL Financial

- ✓ New advisor profiles
- ✓ Higher value teams
- ✓ Differentiated value proposition

Higher Performing Advisors

28% Faster growth among subscribers vs. peers

- ✓ Acquiring more new end-clients
- ✓ Deeper relationships with existing clients

Partners for the Long-Term

22% More likely to recommend LPL to fellow financial advisors

10% LPL AUM covered by the Assurance Plan

- ✓ Higher asset retention
- ✓ Increased overall stickiness with LPL

Strategic priorities for 2023

- Growing customers
- Launching new services & evolving existing ones
- Generating deep, durable relationships

LPL Financial

QUESTION & ANSWERS

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LPL Financial

SHAREHOLDER VALUE CREATION

Matt Audette
Chief Financial Officer

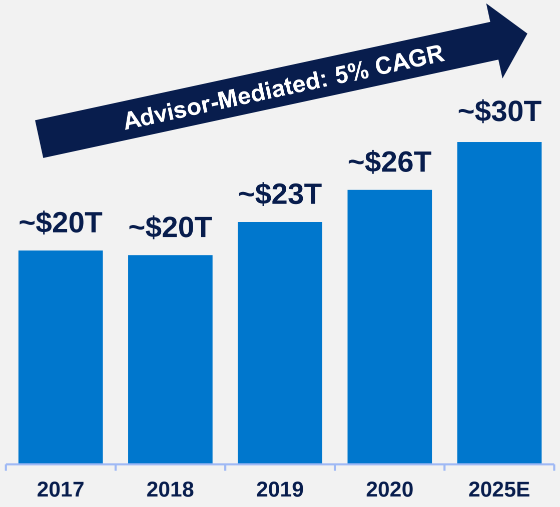
LPL investment highlights: significant opportunities to grow and create long-term shareholder value

1	Industry leader with scale, structural tailwinds, and expanded addressable markets
2	Investing to enhance the advisor value proposition and drive organic growth
3	Resilient business model with natural hedges to market volatility
4	Disciplined expense management, enabling operating leverage
5	Capital-light business model with flexible allocation framework

We are a market leader with scale advantages and industry tailwinds

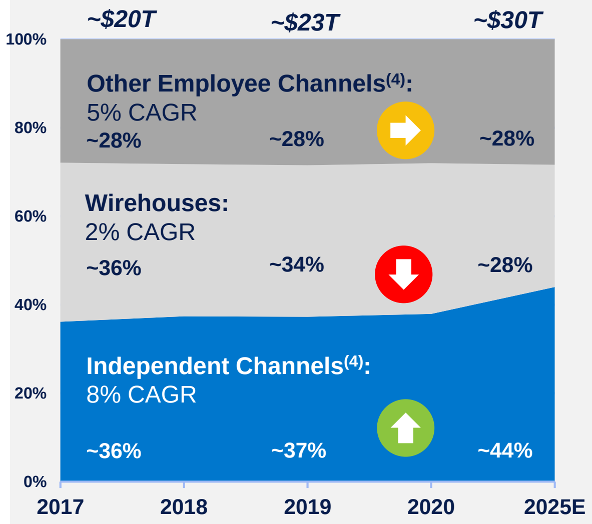
Growing Demand for Advice

Projected Growth in US Retail Advisor-Mediated Market†



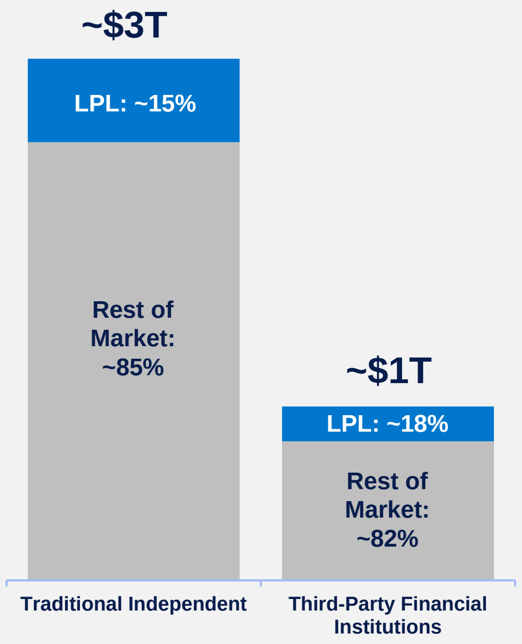
Independent Channel Gaining Share

Total U.S. Retail Advisor-Mediated Assets

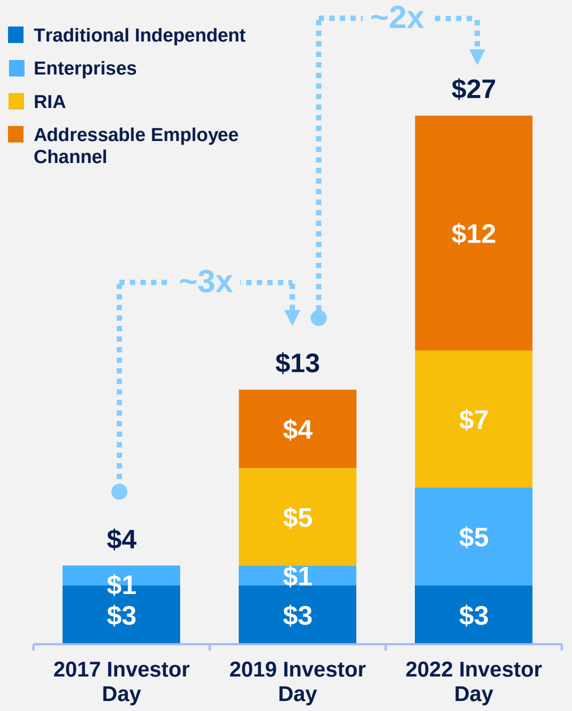


Leading Share in Traditional Markets

Traditional Markets‡



Expanding our Addressable Markets‡ ($T)



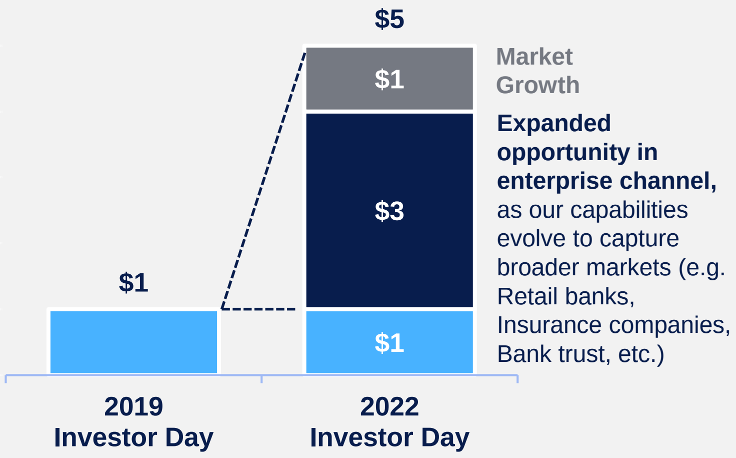
† 2021 Cerulli U.S. Retail and Institutional Asset Management Report and Cerulli Lodestar projections. Excludes self-directed market.
‡ Estimated market sizing based on 2021 Cerulli reports. Third-Party Financial Institutions market share is pro-forma for recent Enterprise wins. See endnote 5 for additional detail.

We continue to expand in the Enterprise market

Our growing enterprise opportunity

- Initially, we focused on **financial institutions** as our primary opportunity for outsourced wealth management
- As we onboarded several financial institutions in recent years, we've built a number of **new capabilities** and continue to innovate based on learnings from those onboardings
- In doing so, we've exposed new opportunities to expand our model to **broader enterprise markets**
- To capitalize on this opportunity, there are **additional capabilities** we are building

Enterprise Channel ($T)§



Our value drivers

Help Drive Accelerated Growth

- Enhanced client experience
- Attract higher-quality advisors
- Improved capacity to invest in the business

Minimize Enterprise Cost and Risk

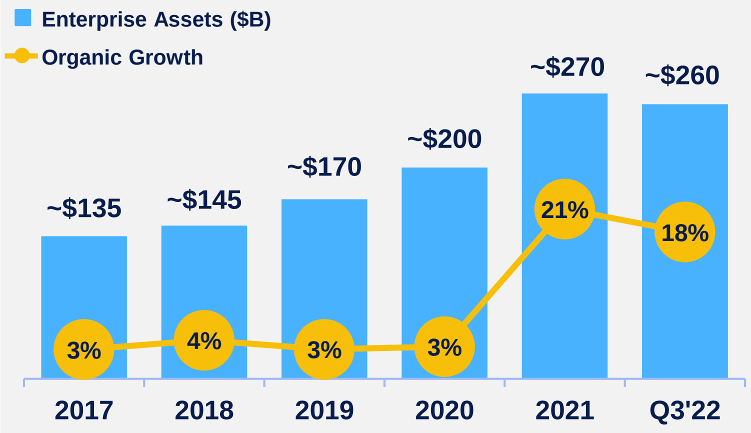
- **Operational efficiency and technology**: outsourced back and middle office support
  - Can lead to ~10 point improvement in operating margin†
- **Regulatory and risk reduction**: transferred regulatory and compliance risk

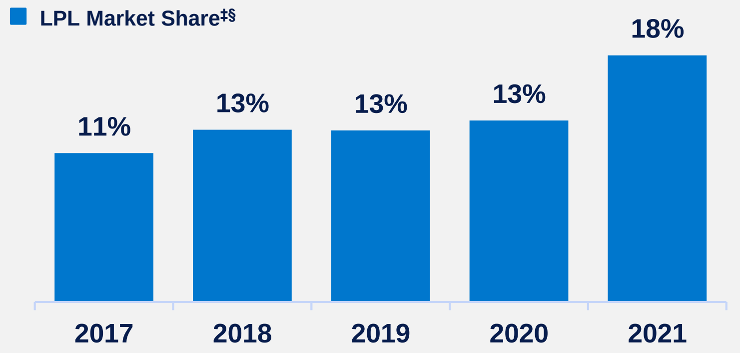
Enterprise economics

Attractive Margins

- Due to size and asset mix, Gross Profit ROA for Enterprises is typically ~15 bps+
- The lower ROA is factored into our TA underwriting process
- Given our scale, there is also a **lower cost to serve** Enterprises
- So, overall new Enterprise partnerships are **margin accretive**

Organic NNA has driven the majority of Enterprise asset growth





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‡ Share of Third-Party Financial Institutions market. Third-Party Financial Institutions market share is pro-forma for recent Enterprise wins.
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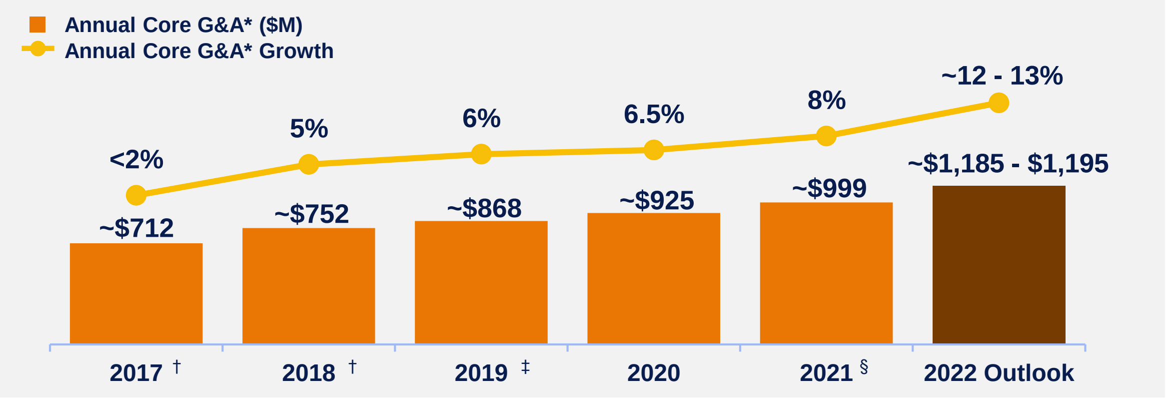
We are advancing our capabilities to enhance our advisor value proposition and drive growth

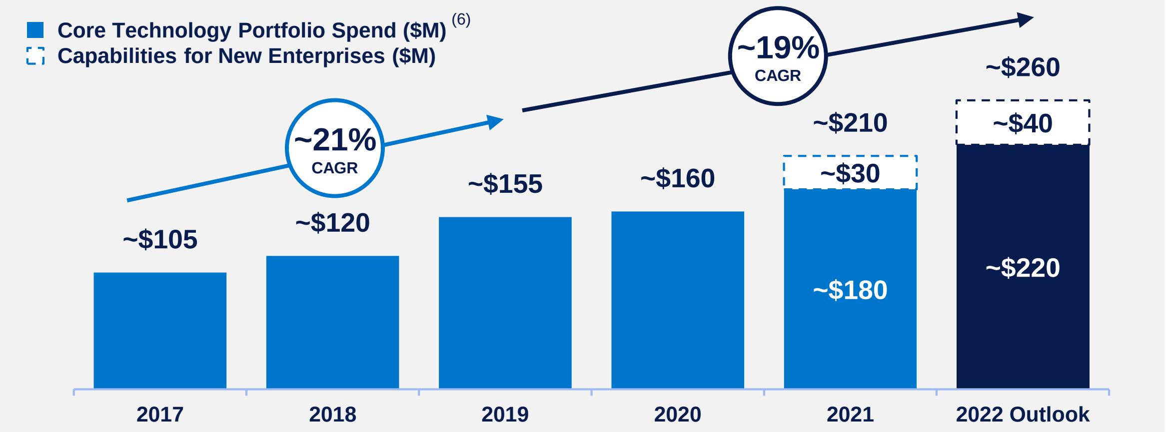
Investment areas of focus

Accelerate Growth Initiatives	Invest in key growth initiatives to drive **market expansion** and **market share**
Enhance Advisor Experience	Invest in **key moments** of the advisor experience to help them provide **great advice** and **run thriving businesses**
Expand Services Portfolio	Invest in **incubating, accelerating and launching** new services that address advisors' most pressing needs
Strengthen Foundational Infrastructure	Invest in **people, technology and data** to strengthen our foundation and support our growth
Reduce Cost to Serve	Invest in **automation**, **digitization** and workflow **optimization** to drive operational efficiencies

Increasing overall investment levels to drive organic growth…



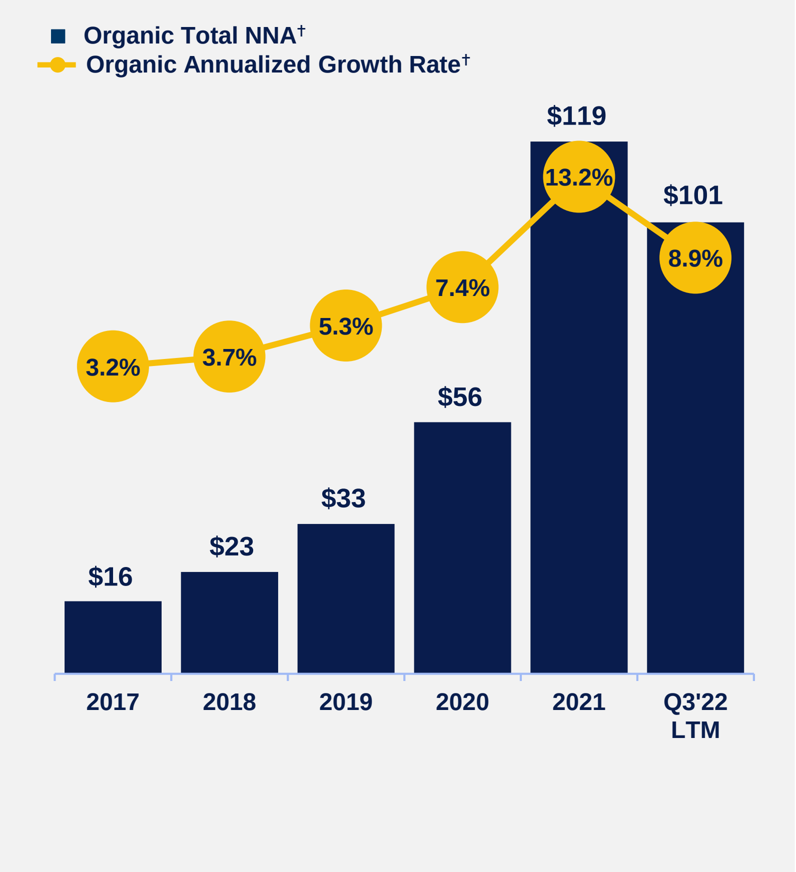
…with a focus on Technology



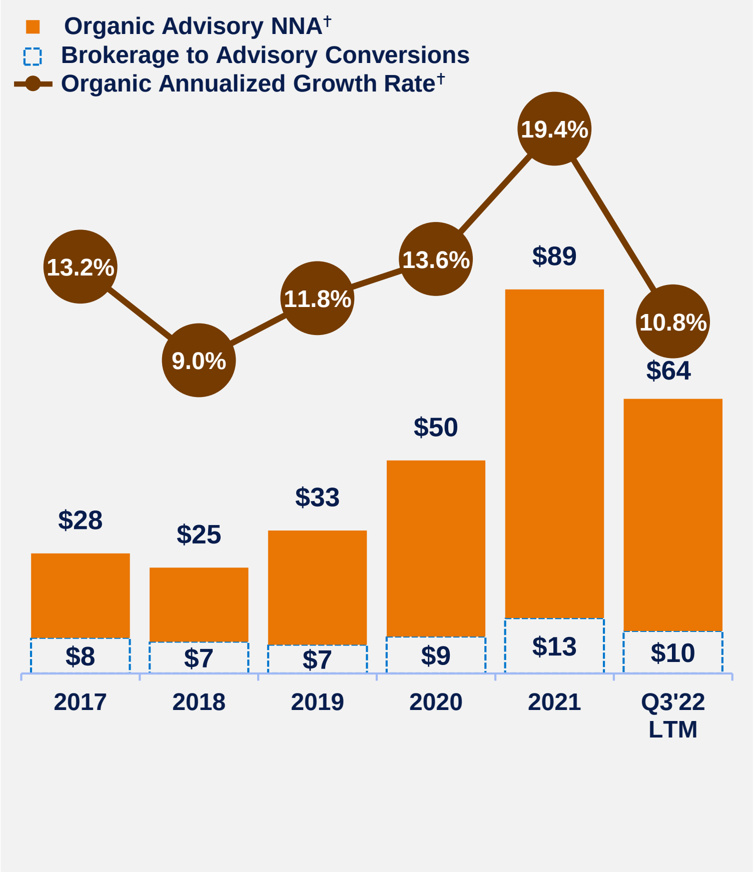
† Prior to NPH and AdvisoryWorld
‡ 2019 Core G&A* growth is based on the Company's total 2018 Core G&A*
§ Prior to Waddell & Reed

We continued to drive solid organic growth with a net new asset growth rate of ~9% for the past year

Total Organic Net New Assets(7) ($B)



Organic Net New Advisory Assets(8) ($B)

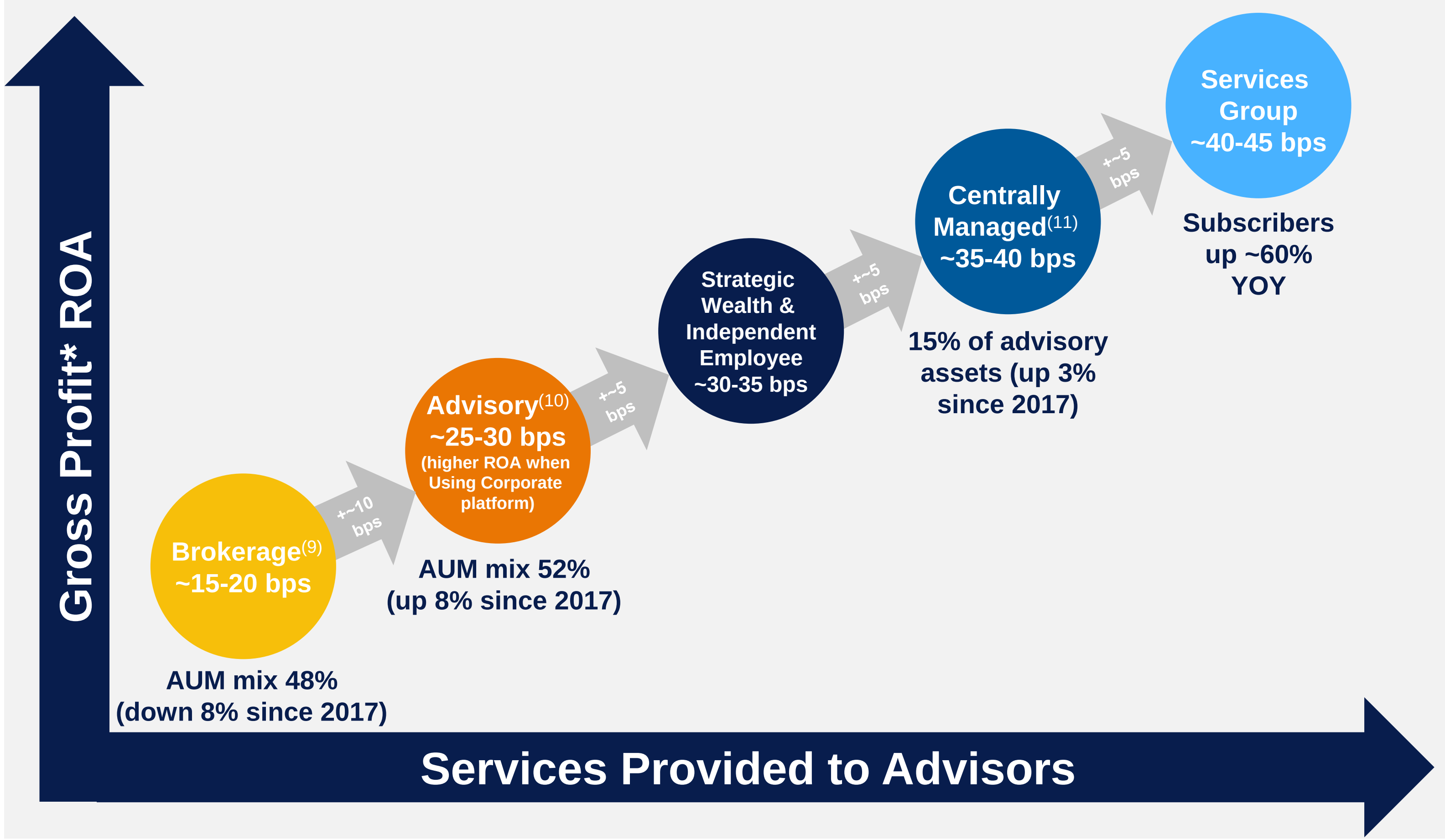


Organic Net New Brokerage Assets(8) ($B)

† Prior to Q4 2021, net new assets and net new assets growth rates exclude the assets of Waddell & Reed

We provide a range of services to advisors, strengthening their business while enhancing our returns

We have seen a favorable mix shift in our platforms



Key points

- **Brokerage:** Asset growth is driven by Enterprises, where asset mix is primarily brokerage
- **Advisory:** Assets are shifting from brokerage to advisory, as end-clients seek greater levels of support from advisors
  - Prior to enterprises, we are shifting towards advisory at ~2%+ per year
  - ~70% of new client flows are in advisory
- **New Models:** Strategic Wealth & Independent Employee models increase support for advisors and expand our addressable market
- **Centrally Managed:** Platforms can create additional value within advisory
  - Outsourcing portfolio design and management can free up advisors’ time to serve clients and grow their practices
- **Services Group:** Support advisors through an expanded set of offerings and a subscription model

We benefit from rising market levels and interest rates, and our business model has natural hedges to market volatility

Annual Gross Profit* Impact

Macro benefits

Market Levels (S&P 500)

Rising market levels drive growth in assets and related revenues including advisory fees, trailing commissions, and sponsor revenues

~$10M
Per 1% increase in market levels

Interest Rates

Rising interest rates benefit our client cash yields

~$1,175M(12)
Over first +375 bps of rate hikes

Natural offsets to market declines

Cash Sweep Balance

Increased risk and volatility in the market drives higher cash sweep balances

As equity markets declined in 1H 2022, cash balances increased by ~$13B, which translates to a **~$485M benefit annually**(13)

Transaction Volume

Increased risk and volatility in the market drives additional portfolio rebalancing activity and higher transaction volumes

Transaction revenue increased **~$7M** sequentially in Q1 2022

Our cash sweep program remains strong, further supported by the introduction of CCA overflow

Our client cash balances are largely operational

- Typically small balances used for rebalancing, paying advisory fees, and customer withdrawals
  - The primary factor that moves that % of client cash up or down is **market sentiment rather than rate seeking behavior**

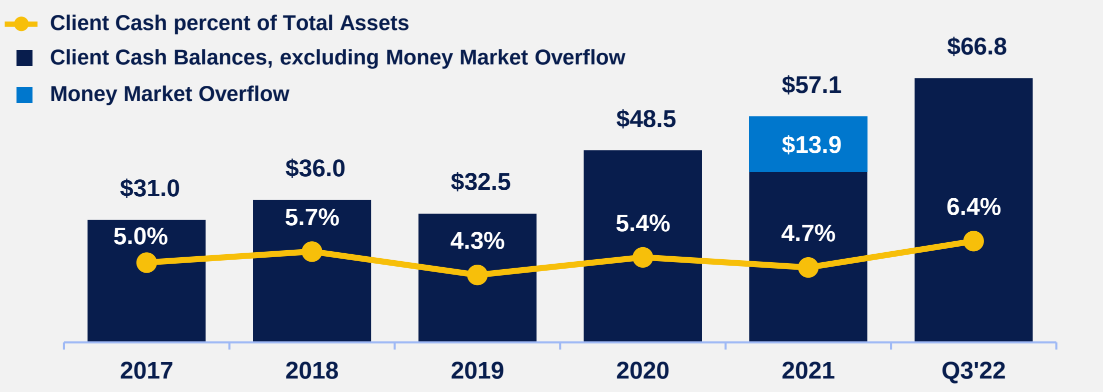
CCA insulates us from fluctuating bank deposit demand

- **CCA overflow** provides excess capacity when balances spike
  - We recently implemented the **CCA** as our primary overflow vehicle—a brokerage cash account that enables us to invest in short-term UST, **insulating us from the impact of fluctuating bank deposit demand**
- CCA allows us to capture **enhanced returns on client cash** compared to money market overflow, which is capped

Demand for fixed-rate balances has returned

- **Fixed-rate ICA contracts** reduce our sensitivity to movements in short-term rates
  - Management target range for the ICA portfolio is 50-75% fixed rate contracts
- In recent quarters, bank **demand for fixed rate contracts** started to return

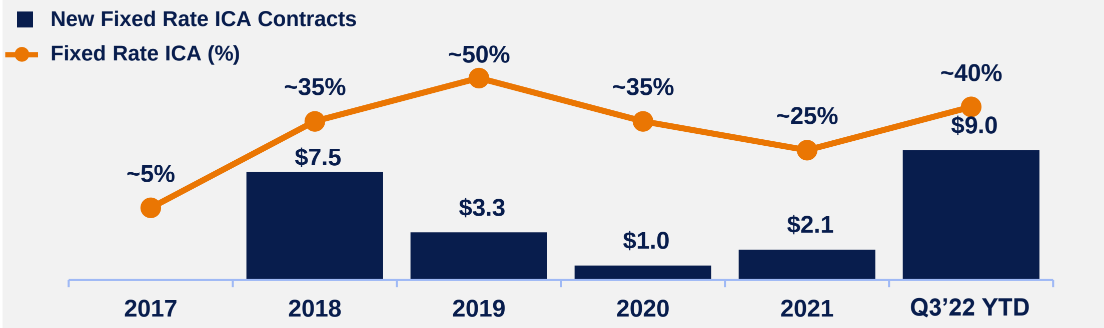
Client Cash Balances[14] ($B)



Fed Funds Target Rate (EOP):

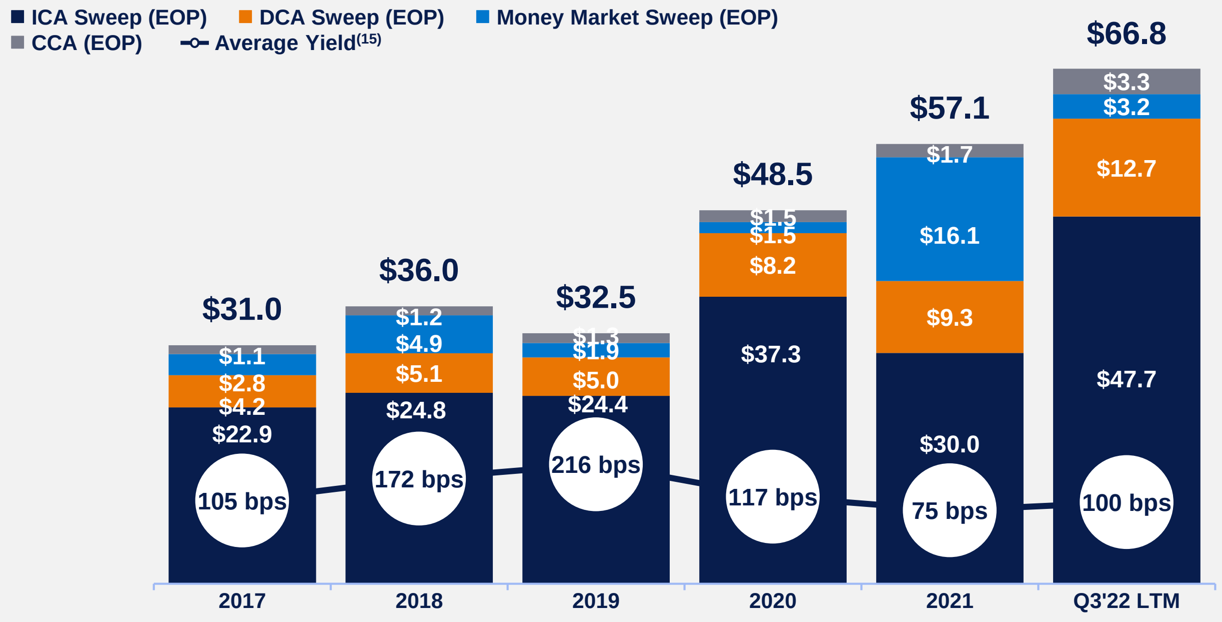
2017	2018	2019	2020	2021	Q3'22
125 bps	225 bps	150 bps	0 bps	0 bps	300 bps

Fixed ICA Balances ($B)



We are well positioned to benefit from rising interest rates

Client Cash Balances[14] ($B)



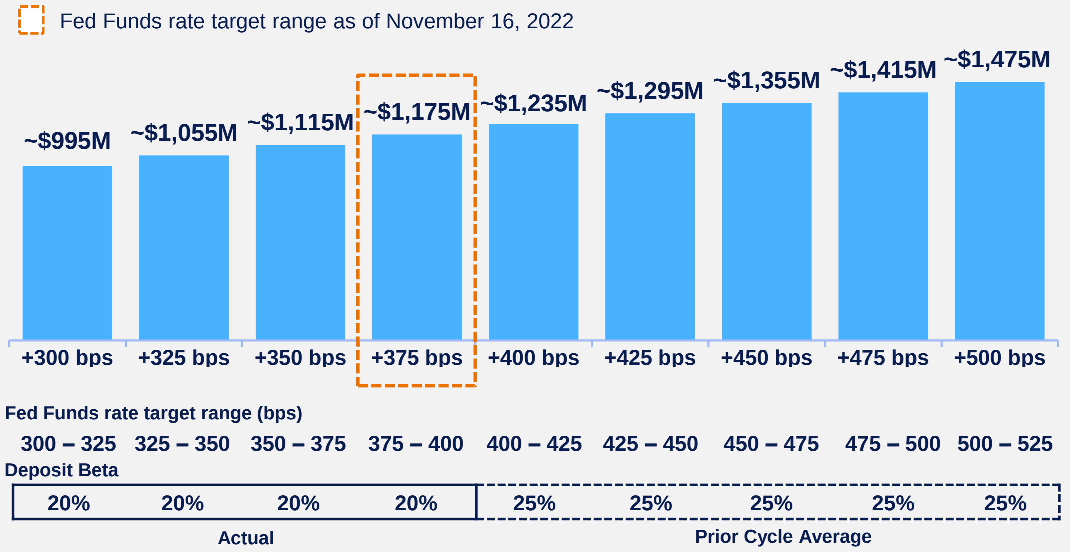
Average Yields (in bps)

ICA Sweep	113	184	240	133	100	137
DCA Sweep	90	183	211	53	24	66
MM Sweep	64	73	73	22	3	23
CCA[16]	84	188	208	56	15	71
Average	105	172	216	117	75	100
Client Cash % of Total Assets	5.0%	5.7%	4.3%	5.4%	4.7%	6.4%

Annual potential Gross Profit* benefit from rising interest rates

- Over the last interest rate cycle, our deposit beta averaged ~15%
  - Deposit betas averaged ~2.5% over the first 4 hikes, after that betas averaged ~25%
- This cycle, deposit betas were consistent on the first 100 bps, and favorable on subsequent hikes
  - This cycle to-date, our deposit betas have averaged ~10%
- Applying historical deposit betas to our current cash balances would yield:
  - ~$60M of Annual Gross Profit* per subsequent rate hike, at a ~25% deposit beta

Estimated Interest Rate Sensitivity based on current balances †



Note: Totals may not foot due to rounding

† Assumes change based on Q3 2022 end of period cash balances. Gross Profit* benefit is measured relative to a Fed Funds target range of 0 to 25 bps.

As we look ahead to 2023, the environment is creating an opportunity to accelerate investments to advance our strategic priorities

Our long-term cost strategy is unchanged

- Deliver operating leverage in core business
- Prioritize investments that drive additional growth
- Drive productivity and efficiency
- Adapt cost trajectory as environment evolves

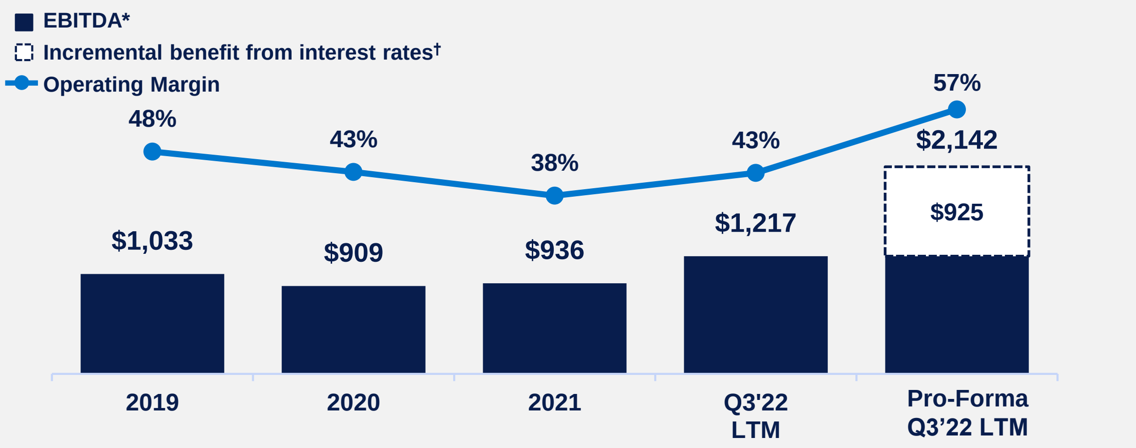
Initial 2023 Core G&A* considerations

- Our 2022 Core G&A* plan is for growth of 12% to 13% year-over-year
- As we look ahead to 2023, we see further opportunity to invest in our business as operating margins continue to grow
- This could result in potential Core G&A* growth of ~15% for 2023, slightly above our growth in 2022
- We will finalize our plans through year-end and share an update on our Q4 earnings call

2023 Core G&A* Context

- Rising interest rates are expected to result in >$1B of incremental Gross Profit*
- This creates an opportunity to accelerate investments that advance our strategy, while improving operating margins
- Investment examples:
  - Investing in people, technology & data
  - Expansion of our new models
  - Enhanced advisor experience
  - Incubating and launching new services

EBITDA* and Operating Margin ($M)



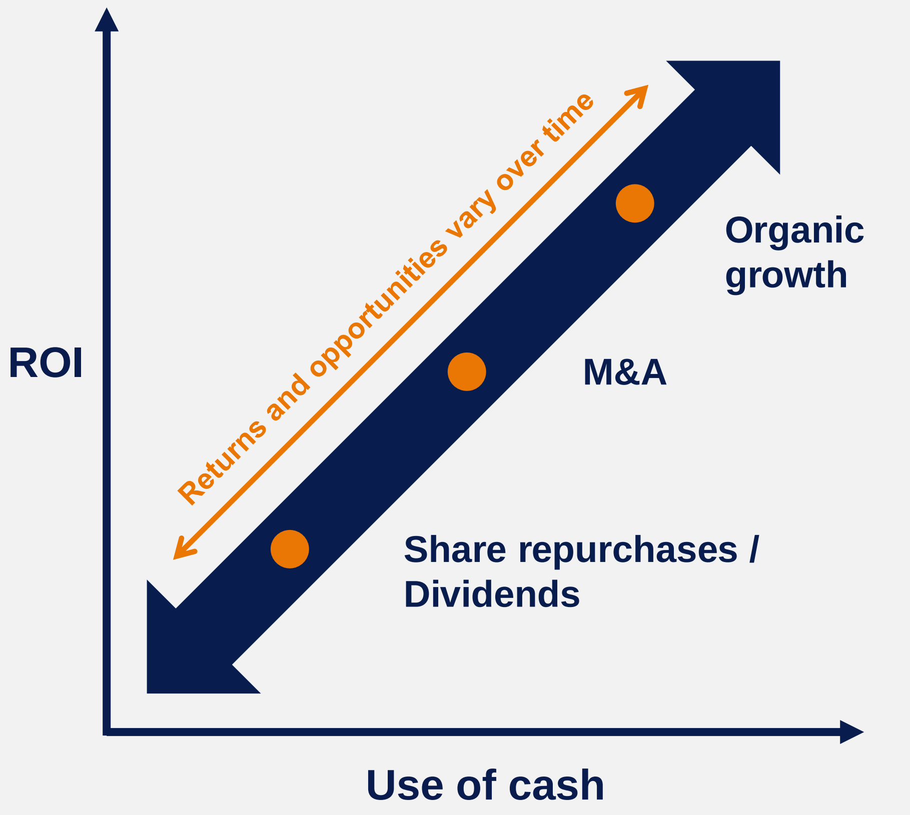
† Incremental benefit of $925M is prior to reinvestment and is calculated by taking ~$1,175M of expected annual Gross Profit* benefit from a Fed Funds target range of 375 – 400 bps, less ~$250M of Gross Profit* benefit already captured in Q3'22 LTM results

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**
  - Flexible debt structure to support capital allocation
- **Prioritize investments to support and drive organic growth**
  - Recruiting to drive net new assets
  - Capital to support advisor growth and advisor M&A
  - Investments in capabilities to attract new advisors and assets
- **Capitalize on opportunistic M&A**
  - Remain prepared for attractive opportunities
  - Facilitate advisor monetization and transitions through liquidity and succession solutions
- **Return excess capital to shareholders**
  - Share repurchases
  - Dividends

Dynamic capital allocation framework



We're delivering new liquidity and succession capabilities for advisors seeking to transition

Background: Solving a need in the marketplace

- **~1/3** of advisors are expected to retire or leave the industry over the next decade – representing **$8.5T** of AUM†
- Historically, advisors' options were limited:
  - Sell to a larger aggregator that may pay an enhanced price, but take control from the advisor
  - Transact with a local advisor, but often at a below-market price

Building foothold in marketplace…

- We're **purpose-building the supporting infrastructure** to seamlessly onboard, support, and enhance acquired practices – combining Linsco value-added capabilities with local level field management
- We have **assembled the team** to bring our liquidity and succession offering to market
- To date, we have completed **2 deals** as part of our pilot, with **4** additional expected to close by early 2023

Our response: New Liquidity & Succession solutions

New LPL capability to buy practices from advisors seeking a pathway to retirement, looking to free themselves from entrepreneurial burdens, and / or looking for monetization

✓ **Economics** – Allows advisor to monetize their business through a market-competitive transaction

✓ **Support** – Empowers advisors through a fully dedicated support model, allowing advisors to rededicate their time and energy to client service

✓ **Transition** – Transitions ownership of the business to successor advisors over time

…With strong initial returns

- Enhancing strategic value – by training successor advisors, **deepening the connection with LPL** – and reorienting the practice towards growth
- Positive early results — roughly **doubling gross profit ROA** for the books we purchase
- Good use of capital — purchase multiples consistent with our M&A framework **~6-8x EBITDA**
- Based on closed transactions and our pipeline, **average deal size of ~$10-20M**

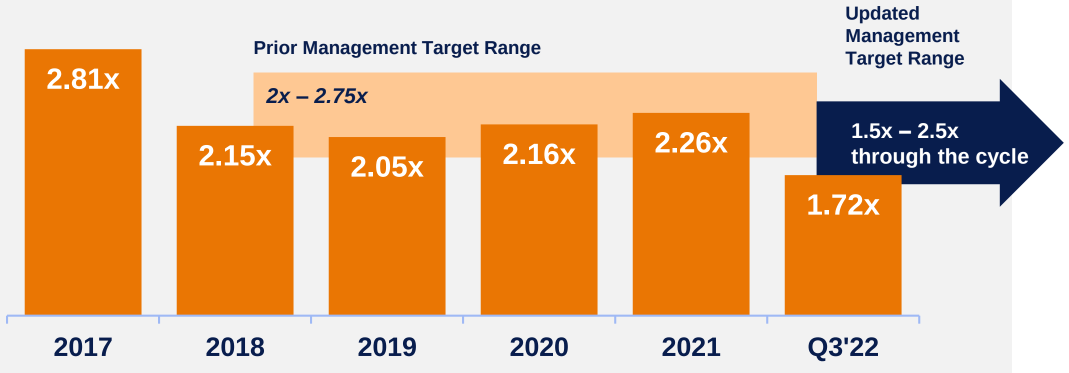
† 2020 Cerulli Report U.S. Advisor Metrics

Due to our improved earnings profile, we lowered our target leverage range

Repositioning due to improved earnings profile

- Continued growth, combined with an improved interest rate environment, meaningfully improved our earnings power – driving down our leverage ratio
- Accordingly, we lowered our target leverage ratio to a range of 1.5 to 2.5 times
- This new range positions us well to operate over a range of economic cycles and **strikes the right balance between preserving balance sheet strength and investing for growth**

Leverage Ratio(2)

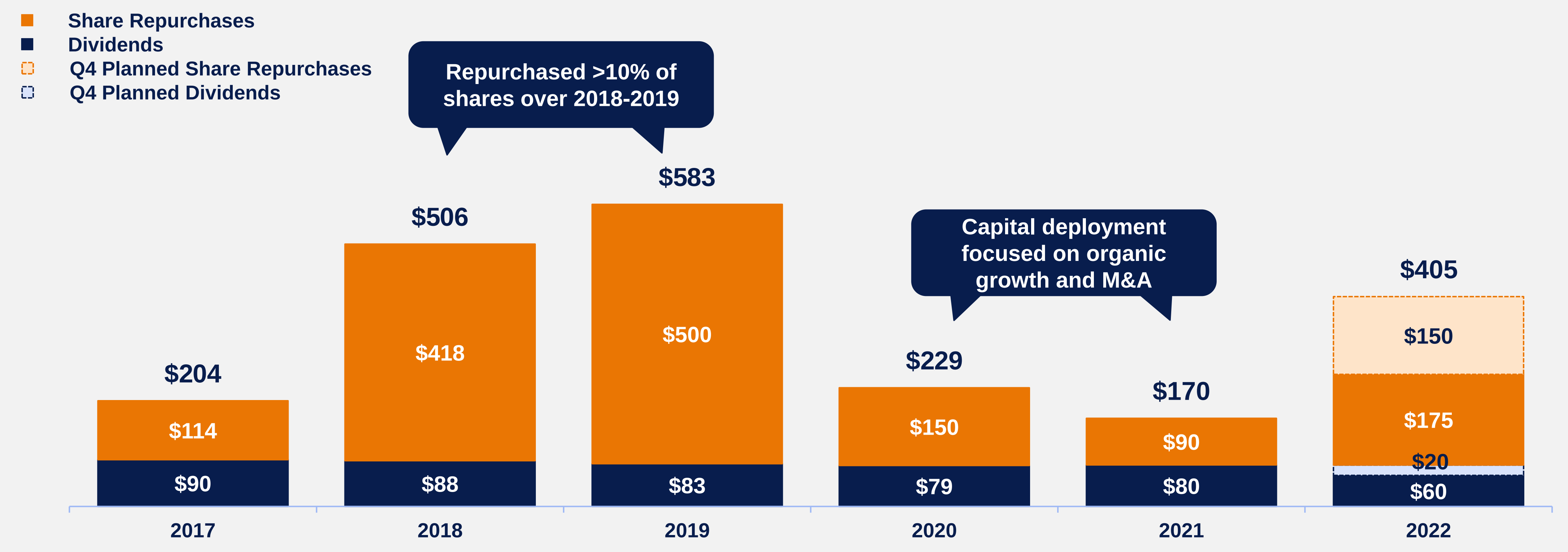


Balance Sheet Principles

- **Balance sheet strategy is unchanged** – maintain a strong balance sheet that can absorb market volatility while having the capacity to invest for growth
- A **long-term target leverage range of 1.5x to 2.5x** positions our balance sheet well over a range of cycles
- We are willing to operate temporarily above our target range if attractive M&A opportunities arise
- At the top end of our target leverage range, we have the capacity to deploy up to ~$1.8B of additional capital
- We maintain a management target of at least $200 million in Corporate Cash(17)(18)

We have continued to return capital to shareholders

Share Repurchases and Dividends ($M)

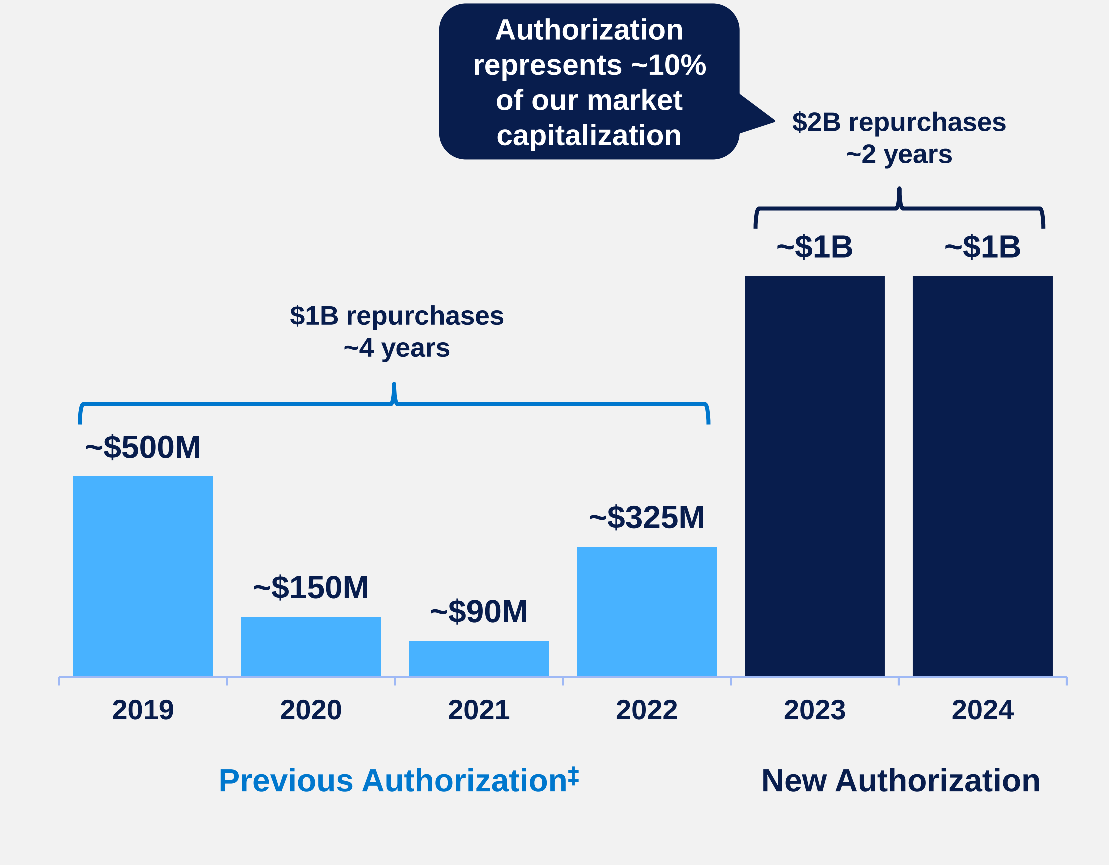


Diluted Share Count (M):	92.1	90.6	84.6	80.7	81.7	81.4 ‡

† Increased share repurchase authorization by $2B as of 09/21/2022, which we plan to begin to utilize in 2023, following $150M of planned share repurchases in Q4’22.
‡ Reflects diluted share count as of 09/30/2022

We recently announced a new $2 billion share repurchase authorization to be completed over ~2 years

Share Repurchases



Key commentary

Repurchase Authorization

- We recently announced a new share repurchase authorization for a total of **$2 billion**†
- We plan to complete the repurchases over **roughly two years**
- The pace **could vary from quarter to quarter** depending on significant changes in the marketplace and other capital allocation opportunities

Factors that could cause us to accelerate

- If **interest rates are elevated** for an extended period, leading to greater cash generation; or
- If there are **fewer opportunities** for capital deployment towards organic growth or M&A, leading to excess cash available for share repurchases

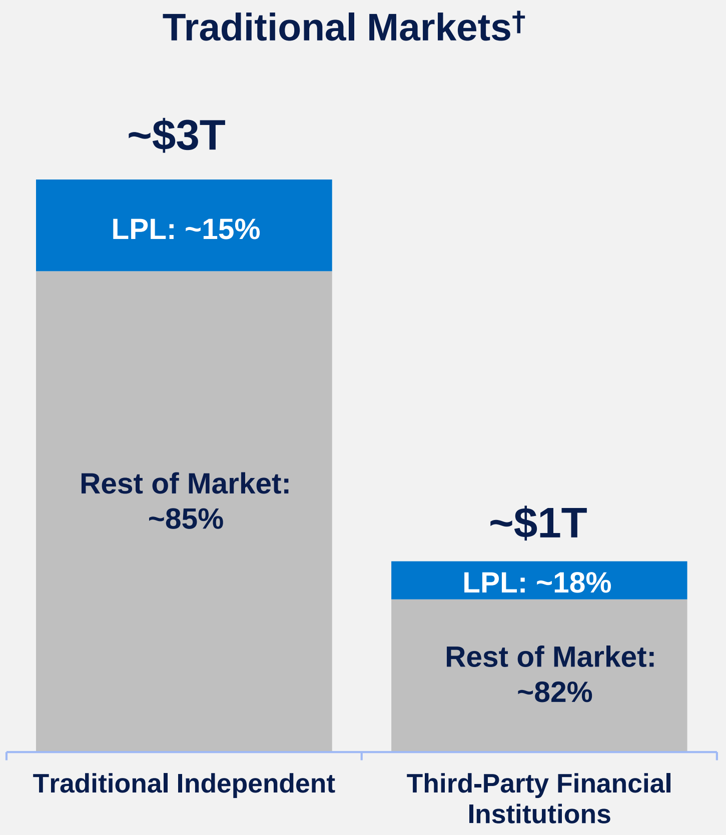
Factors that could cause us to decelerate

- If **interest rates decrease**, leading to less cash generation; or
- If there are **more opportunities** for capital deployment towards organic growth or M&A, leading to less cash available for share repurchases

† Increased share repurchase authorization by $2B as of 09/21/2022, which will begin following $150M of planned share repurchases in Q4'22
‡ Announced $1B repurchase authorization on 12/4/2018

We see potential for consolidation given fragmented markets

Addressable markets



Growth potential from consolidation

- Our scale, capabilities, and economics give us **competitive advantages in M&A** in independent markets and employee channels
- The **independent markets are fragmented** with consolidation opportunities
- Rising cost and complexity is making it **harder for smaller players** to compete
- **We believe consolidation can drive value** by adding scale, increasing our capacity to invest in capabilities, and creating shareholder value
- Our **value proposition is driving momentum in recruiting** wins in the enterprise channel

† Estimated market sizing based on 2021 Cerulli reports. Third-Party Financial Institutions market share is pro-forma for recent Enterprise wins. See endnote 5 for additional detail.

Recent acquisitions† have added scale in our traditional markets, accelerated our expansion into new markets, and added new capabilities

Traditional Markets

Waddell & Reed Financial, Inc.

2021
~$74B of assets transferred

- Transaction closed on April 30, 2021 for a purchase price of $300M
- Large independent broker-dealer network
- Added to our scale and leadership position
- Increases our scale and capacity to invest in capabilities, technology, and service to help existing advisors serve their clients and differentiate in the marketplace

Lucia Securities

2020
~$1.5B assets

- Leading San Diego practice with approximately 20 advisors

E.K. Riley Investments, LLC

2020
~$2B assets

- Leading Seattle practice with approximately 35 advisors

National Planning Holdings, Inc.

2017
~$70B assets transferred

- Large independent broker-dealer network
- Added to our scale and leadership position

New Markets

Allen & Company, Est. 1932

2019
~$3B assets transferred

- Leading Florida practice
- Affiliated under our employee model

Boenning & Scattergood, Established 1914

2022
~$5B of assets as of June 2022

- Leading Pennsylvania practice with approximately 40 advisors
- Affiliated under our employee model
- Expected to close in early 2023

Financial Resources Group Investment Services

2022
~$40B assets

- Existing LPL branch office with approximately 800 advisors and 85 financial institutions
- Leading provider of managed programs for financial institutions, a strategic complement to our existing institutional offering

Capabilities

BlazePortfolio

2020
Industry-leading capabilities
~$12M purchase price

- Innovative trading and rebalancing capabilities to drive efficiency and scale in advisors' practices

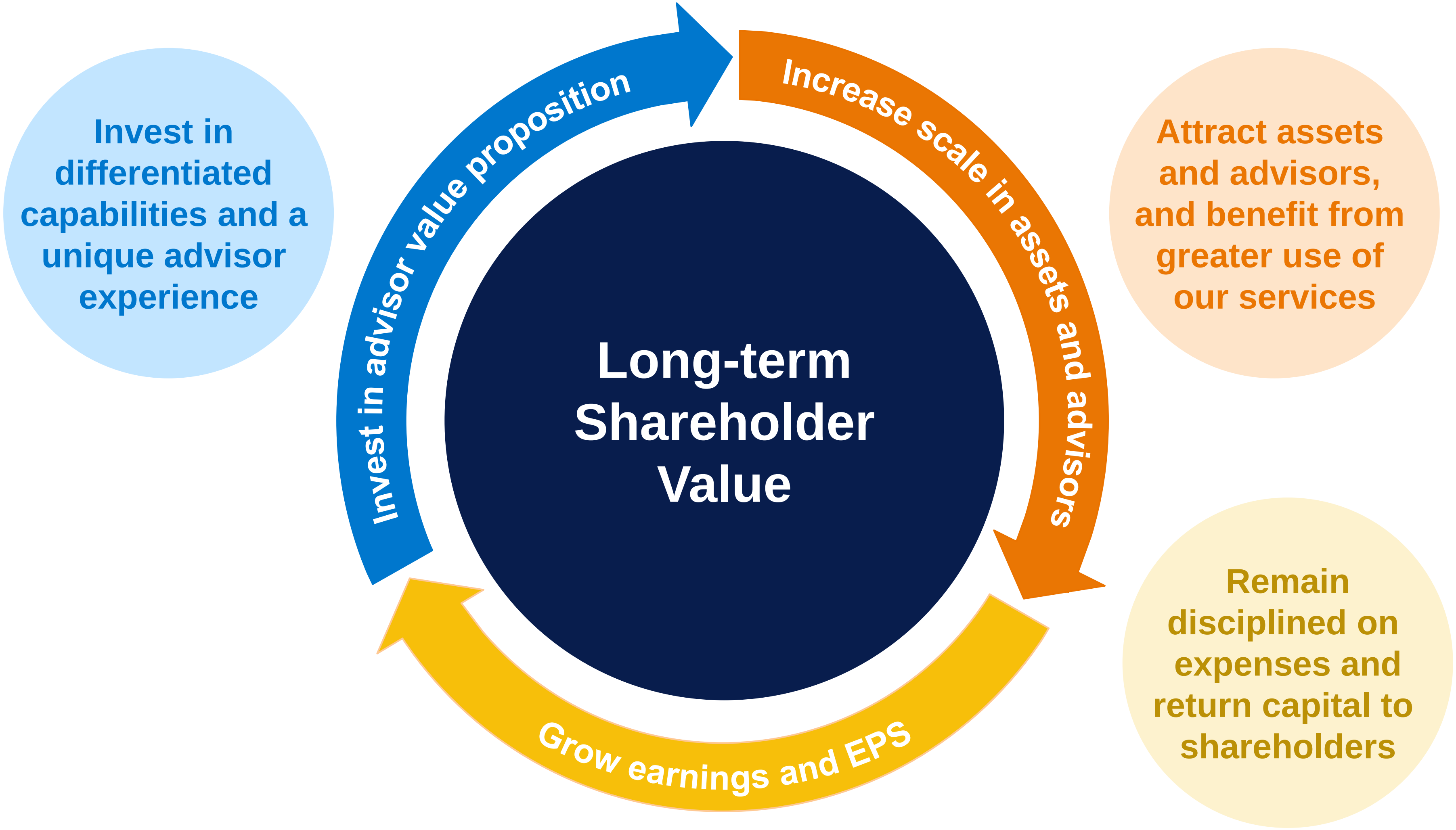
AdvisoryWorld Financial Technology

2018
Industry-leading capabilities
~$28M purchase price

- Leading provider of digital tools for advisors that serves more than 30,000 U.S. financial advisors and institutions

† Includes both closed and pending acquisitions

As we continue to invest and increase our scale, we enhance our ability to drive further growth



We remain well positioned to drive shareholder value

1	Our **addressable markets have roughly doubled** since last Investor Day
2	We have **expanded the enterprise opportunity**, creating a new market for enterprises to outsource their wealth management offering
3	We have introduced **liquidity and succession capabilities** for advisors seeking to transition
4	**LPL Services Group** is an innovation engine and driver of organic growth
5	The environment is creating an **opportunity to accelerate investments** to advance our strategic priorities **while still growing our operating margin**
6	We plan to repurchase ~$2 billion over the next two years, the **fastest pace of capital return to shareholders** in our history

LPL Financial

QUESTION & ANSWERS

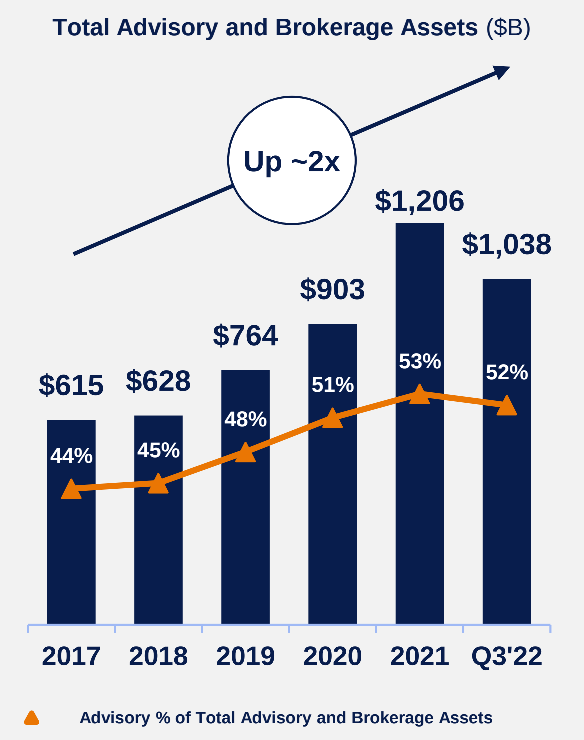
Please wait for a microphone

CLOSING REMARKS

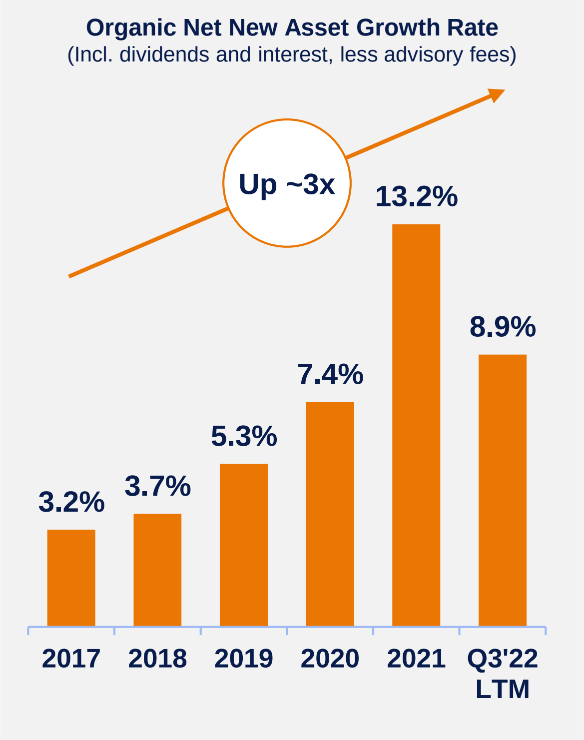
Matt Audette
Chief Financial Officer

Our financial strength has reached new heights as we continue to execute on our strategy

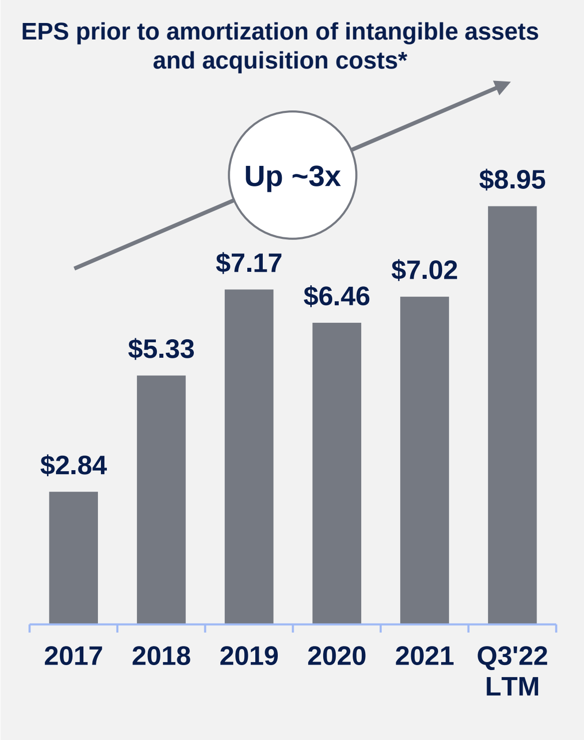
Total assets have nearly doubled



Organic asset growth has increased ~3x



EPS prior to amortization of intangible assets and acquisition costs* has increased ~3x



Share price has increased ~5x

THANK YOU

APPENDIX

Reconciliation

Gross Profit*

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

Below is a calculation of gross profit* for the periods presented herein:

$ in millions	Q3'22 LTM	2021	2020	2019	2018	2017
Total revenue	**$8,362**	**$7,721**	**$5,872**	**$5,625**	**$5,188**	**$4,281**
Advisory and commission expense	5,414	5,180	3,697	3,388	3,178	2,670
Brokerage, clearing and exchange expense	87	86	71	64	63	57
Gross Profit	**$2,860**	**$2,455**	**$2,103**	**$2,172**	**$1,948**	**$1,555**

Net Income to EBITDA* and Credit Agreement EBITDA*

EBITDA* and Credit Agreement EBITDA* are non-GAAP financial measures. Please see a description of EBITDA* and Credit Agreement EBITDA* under “Non-GAAP Financial Measures” on page 5 of this presentation for additional information.

Below are reconciliations of the Company’s net income to EBITDA* and Credit Agreement EBITDA* for the periods presented herein:

$ in millions	Q3'22 LTM	2021	2020	2019	2018	2017
Net income	**$635**	**$460**	**$473**	**$560**	**$439**	**$239**
Interest expense on borrowings	116	104	106	130	125	107
Provision for income taxes	194	141	153	182	153	126
Depreciation and amortization	186	151	110	96	88	84
Amortization of other intangibles	85	79	67	65	60	38
EBITDA	**$1,217**	**$936**	**$909**	**$1,033**	**$866**	**$594**
Credit Agreement adjustments	127	214	52	48	103	151
Credit Agreement EBITDA	**$1,345**	**$1,151**	**$961**	**$1,081**	**$969**	**$745**
Total debt	2,741	2,839	2,359	2,415	2,381	2,396
Total corporate cash	424	237	280	204	300	300
Credit Agreement Net Debt	**$2,316**	**$2,602**	**$2,079**	**$2,211**	**$2,081**	**$2,096**
Leverage Ratio	**1.72x**	**2.26x**	**2.16x**	**2.05x**	**2.15x**	**2.81x**

Note: During the third quarter of 2021, the Company changed its definition of EBITDA to include the loss on extinguishment of debt and has updated prior period disclosures to reflect this change as applicable.

Note: Totals may not foot due to rounding

Reconciliation

EPS prior to amortization of intangible assets and acquisition costs* and Adjusted Net Income*

EPS prior to amortization of intangible assets and acquisition costs* and adjusted net income* are non-GAAP financial measures. Please see a description of EPS prior to amortization of intangible assets and acquisition costs* and adjusted net income* under "Non-GAAP Financial Measures" on page 5 of this presentation for additional information.

Below are the following reconciliations of net income and earnings per diluted share to adjusted net income and EPS prior to amortization of intangible assets and acquisition costs for the periods presented herein:

	Q3'22 LTM		2021		2020		2019		2018		2017	
$ in millions, except per share data	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net income / earnings per diluted share	**$635**	**$7.79**	**$460**	**$5.63**	**$473**	**$5.86**	**$560**	**$6.62**	**$439**	**$4.85**	**$239**	**$2.59**
Amortization of other intangibles	85	1.05	79	0.97	67	0.83	65	0.76	60	0.66	38	0.41
Acquisition costs	44	0.53	76	0.93	-	0.00	-	0.00	-	0.00	-	0.00
Tax benefit	(34)	(0.42)	(41)	(0.51)	(19)	(0.23)	(18)	(0.21)	(17)	(0.19)	(15)	(0.16)
Adjusted net income / EPS prior to amortization of intangible assets and acquisition costs	**$730**	**$8.95**	**$574**	**$7.02**	**$521**	**$6.46**	**$607**	**$7.17**	**$482**	**$5.33**	**$262**	**$2.84**
Diluted share count	81.5		81.7		80.9		85.0		91.0		92.0	

Note: Totals may not foot due to rounding

Reconciliation

Core G&A* to Total expense
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 presentation for additional information.

Below is a reconciliation of total expense to Core G&A* and of Core G&A, prior to the impact of the acquisitions of Waddell & Reed, NPH, and AdvisoryWorld for the periods presented herein:

$ in millions	Q3'22 LTM	2021	2020	2019	2018	2017
Total expense	**$7,533**	**$7,120**	**$5,246**	**$4,882**	**$4,597**	**$3,893**
Advisory and commission	5,414	5,180	3,697	3,388	3,178	2,670
Depreciation and amortization	186	151	110	96	88	84
Interest expense on borrowings	116	104	106	130	126	106
Brokerage, clearing and exchange	87	86	71	64	63	57
Amortization of other intangibles	85	79	67	65	60	38
Loss on extinguishment of debt	-	24	-	3	-	-
Total G&A	**$1,643**	**$1,494**	**$1,194**	**$1,136**	**$1,082**	**$938**
Promotional (ongoing)	356	288	208	206	209	172
Acquisition costs	44	76	-	-	-	-
Employee share-based compensation	47	42	32	30	23	19
Regulatory charges	32	29	29	32	32	21
Core G&A	**$1,164**	**$1,058**	**$925**	**$868**	**$819**	**$727**

$ in millions	2021	2018	2017
Core G&A	**$1,058**	**$819**	**$727**
NPH-related Core G&A	-	65	15
AdvisoryWorld-related Core G&A	-	2	-
Waddell & Reed-related Core G&A	59	-	-
Total Core G&A prior to acquisitions	**$999**	**$752**	**$712**

Note: Totals may not foot due to rounding

Endnotes

(1) Represents the estimated total advisory and brokerage assets expected to transition to the Company’s broker-dealer subsidiary, LPL Financial LLC (“LPL Financial”), associated with advisors who transferred their licenses to LPL Financial during the period. The estimate is based on prior business reported by the advisors, which has not been independently and fully verified by LPL Financial. The actual transition of assets to LPL Financial generally occurs over several quarters and the actual amount transitioned may vary from the estimate.
(2) The Company calculates its leverage ratio as total debt less total corporate cash, divided by Credit Agreement EBITDA for the trailing twelve months.
(3) Represents Moody's senior secured and senior unsecured debt ratings and S&P Issuer Credit Rating.
(4) Independent channels include independent B/D, Hybrid RIA, and Independent RIA channels. Other employee channels include National & Regional B/D, Insurance B/D, and Retail bank B/D channels.
(5) Estimated market sizing based on 2021 Cerulli reports, unless otherwise noted. Below are reconciliations of each market:

Traditional Market	RIA Market	Employee Channel	Enterprise Channel
Independent B/D	Hybrid RIA	National & Regional B/D	Insurance B/D
	Independent RIA	Wirehouse	Bank Trust
		(-) Adj. to avoid double-counting Boutique B/D	Product Manufacturers*
			Boutique B/D*
			Retail bank B/D
			(-) Adj. to Retail bank B/D: Chase & Wells Fargo

* Estimated market sizing based on LPL estimates. Product Manufacturers defined as fund companies with an adjacent traditional wealth management business serving individuals. Boutique B/D defined as National & Regional B/Ds with less than $50B AUM, which we view as an Enterprise market opportunity

(6) 2022 outlook is prior to M&A- and large bank-related onboarding spend in technology.
(7) In April 2020, the Company updated its definition of net new assets to include dividends plus interest, minus advisory fees. Unless otherwise noted, net new assets figures for periods prior to Q2 2020 appearing in this presentation have been recast using the updated definition.
(8) Consists of total client deposits into advisory or brokerage accounts (including advisory or brokerage accounts serviced by Allen & Company of Florida, LLC (“Allen & Company”) advisors) less total client withdrawals from advisory or brokerage accounts, plus dividends, plus interest, minus advisory fees. The Company considers conversions from and to brokerage or advisory accounts as deposits and withdrawals, respectively. Annualized growth is calculated as the current period organic net new advisory or brokerage assets divided by preceding period total advisory or brokerage assets, multiplied by four.
(9) Consists of brokerage assets serviced by advisors licensed with LPL Financial.
(10) Consists of total assets on LPL Financial's corporate advisory platform serviced by investment advisor representatives of LPL Financial or Allen & Company and total assets on LPL Financial’s independent advisory platform serviced by investment advisor representatives of separate investment advisor firms (“Independent RIAs”), rather than of LPL Financial.
(11) Consists of advisory assets in LPL Financial’s Model Wealth Portfolios, Optimum Market Portfolios, Personal Wealth Portfolios, and Guided Wealth Portfolios platforms.
(12) Assumes change based on Q3 2022 end of period ICA balances, presented on page 77. Additionally, as money market overflow balances shift back into ICA, there would be an additional upside of ~$20M per rate hike at a ~10% deposit beta.
(13) Based on variable client cash balances indexed to Fed Funds.
(14) During the second quarter of 2022, the Company updated its definition of client cash balances to include client cash accounts and exclude purchased money market funds. Client cash accounts include cash that clients have deposited with LPL Financial that is included in Client payables in the condensed consolidated balance sheets. Prior period disclosures have been updated to reflect this change as applicable.
(15) Calculated by dividing revenue for the period by the average balance during the period.
(16) Calculated by dividing interest income earned on cash held in the CCA for the period by the average CCA balance, excluding cash held in CCA that has been used to fund margin lending, during the period. The remaining cash is primarily held in cash segregated under federal or other regulations in the condensed consolidated balance sheets.
(17) Management’s corporate cash target covers approximately 18 months of principal and interest due on corporate debt.
(18) Corporate cash, a component of cash and equivalents, is the sum of cash and equivalents from the following: (1) cash and equivalents held at LPL Holdings, Inc., (2) cash and equivalents held at regulated subsidiaries, as defined by the Company's Credit Agreement, which include LPL Financial and The Private Trust Company, N.A., in excess of the capital requirements of the Company's Credit Agreement (which, in the case of LPL Financial, is net capital in excess of 10% of its aggregate debits, or five times the net capital required in accordance with Exchange Act Rule 15c3-1), and (3) cash and equivalents held at non-regulated subsidiaries.