



Q2 Investor Presentation

June 2013

 LPL Financial

Member FINRA/SIPC



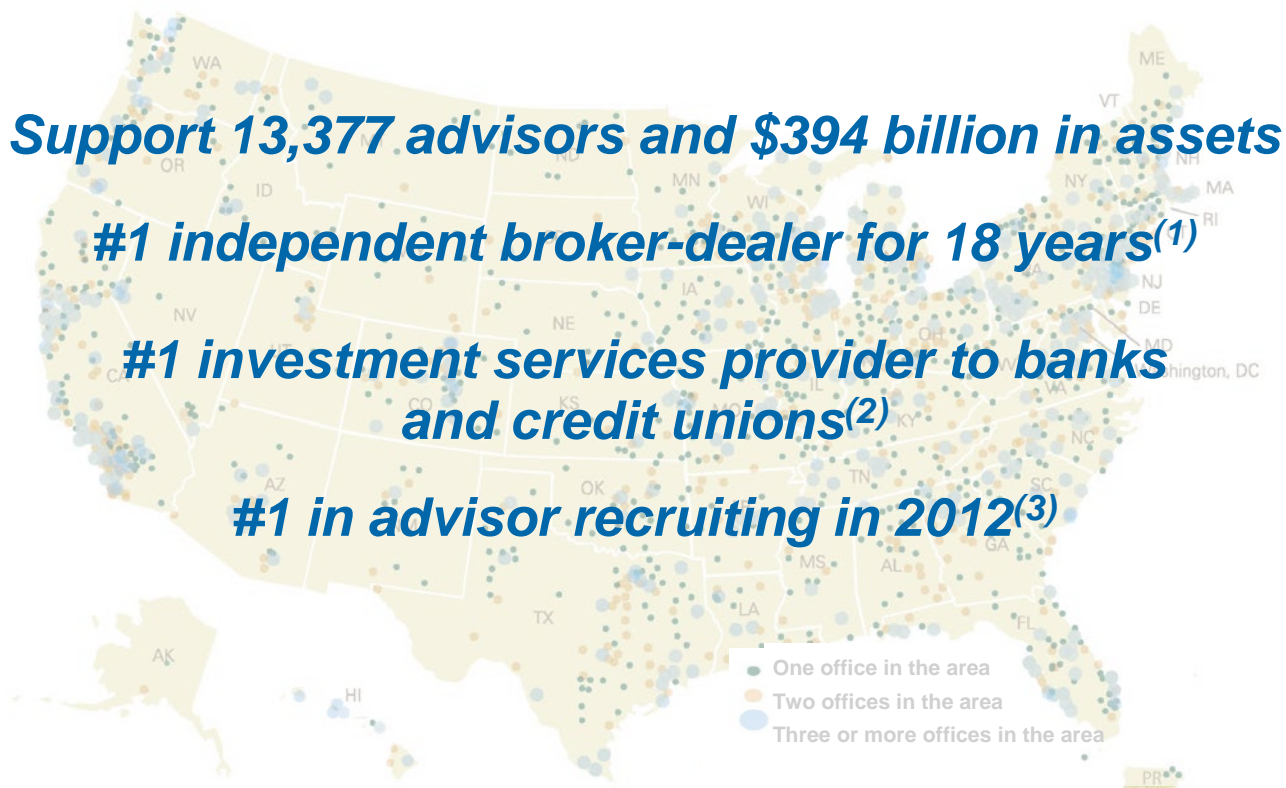
Safe harbor disclosure

Statements in this presentation regarding the Company's future financial and operating results, plans, strategies, goals, future market position, Service Value Commitment (SVC), future growth, future shareholder returns and insured cash account portfolio and future fees, including the statements on slide 9 captioned "Q2'13 Outlook", as well as any other statements 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 June 11, 2013. Forward-looking statements are not guarantees that the future results, plans, intentions or expectations expressed or implied by the Company will be achieved. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, legislative, regulatory, competitive and other factors, which may cause actual financial or operating results, levels of activity, or the timing of events, to be materially different than those expressed or implied by forward-looking statements. Important factors that could cause or contribute to such differences include: finalization and execution of the Company's plans related to the SVC, including the Company's ability to successfully transform and transition business processes to third party service providers; the Company's success in negotiating and developing commercial arrangements with third party service providers that will enable the Company to realize the service improvements and efficiencies expected to result from the SVC; the performance of third party service providers to which business processes are transitioned from the Company; the Company's ability to control operating risks, information technology systems risks and sourcing risks; changes in general economic and financial market conditions, including retail investor sentiment; fluctuations in the value of assets under custody; effects of competition in the financial services industry; changes in the number of the Company's financial advisors and institutions, and their ability to market effectively financial products and services; 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 success in integrating the operations of acquired businesses; the effect of current, pending and future legislation, regulation and regulatory actions, including disciplinary actions imposed by self-regulatory organizations; and the other factors set forth in Part I, "Item 1A. Risk Factors" in the Company's 2012 Annual Report on Form 10-K. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of future developments, even if its estimates change, and you should not rely on those statements as representing the Company's views as of any date after June 11, 2013.



An established leader...

Our mission is to make independent advice available to every American by providing a leading business platform to independent financial advisors



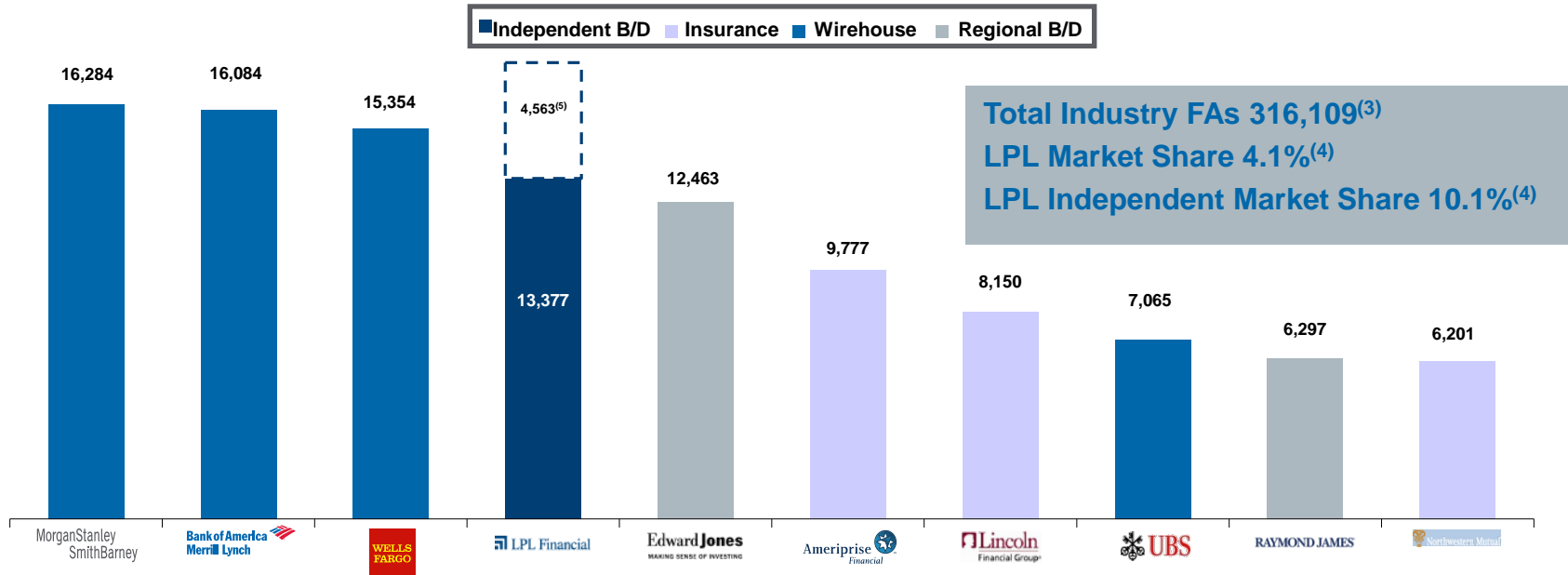
(1) Source: Financial Planning magazine 1996-2013, based on total revenues
(2) Source: 2012 Kehler, Saltzman and Associates based on number of financial institutions served
(3) Source: Public company filings as of 12/31/12

...with scale and growing share

Ranked #1 as leading destination for advisors,
with 43% indicating they would consider LPL Financial⁽¹⁾

Top 4 Broker-Dealer in the Industry

Select Competitors as of 03/31/13 by Number of Advisors⁽²⁾



(1) Source: Cogent Research - 2012 Advisor Channel Migration Trends Study

(2) Source: Company Financials based on most recently available figures

(3) Source: Cerulli and Company Financials; based on most recently available figures as of 03/31/2013. Edward Jones data is as of 12/31/12

(4) LPL market share as of 12/31/2011 to coincide with most recent industry data

(5) LPL provides support to additional financial advisors who are affiliated and licensed with insurance companies



Serving advisors through an independent model

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

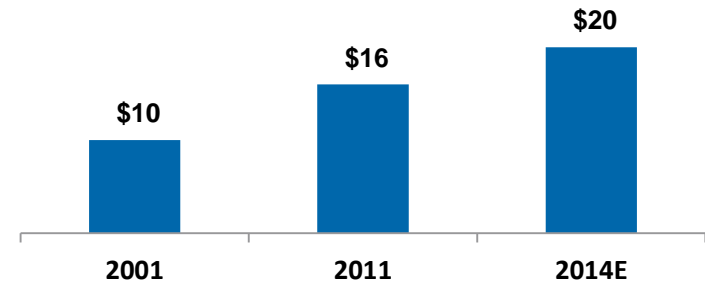
Positioned to capitalize on favorable industry trends

Key Trends⁽¹⁾

- Over \$27 trillion in addressable retail assets
- Strong growth in fee based assets – 19% CAGR from 2008 through 2011
- More than 10,000 baby boomers retiring daily
- Wirehouses are expected to cede 7% of asset market share by 2014
- 22% of advisors are considering a move to a new firm in the next two years
- RIA fastest growing channel, forecasted to add 5% market share by 2016

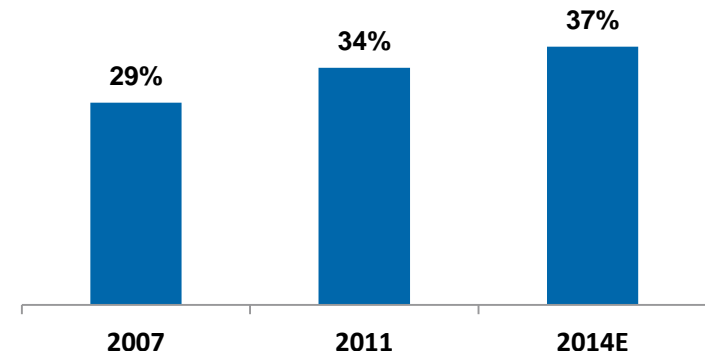
Boom in Retirement Assets⁽²⁾

(\$ trillions)



Secular Shift to Independence

Independent Channels' Market Share by Assets⁽³⁾



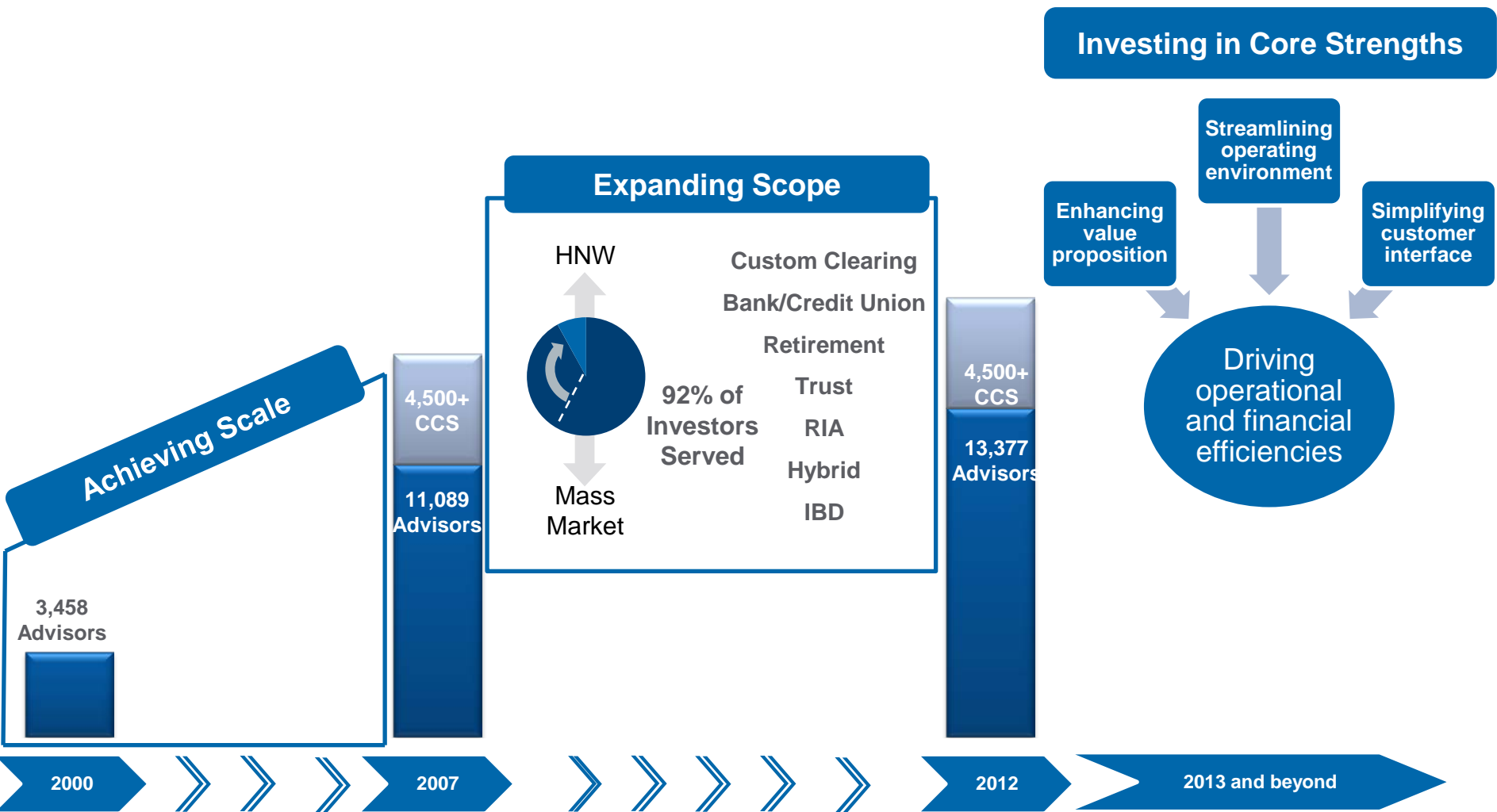
(1) Key trend sources are: Cerulli Quantitative Update – The State of U.S. Retail and Institutional Asset Management, 2012 PewResearchCenter.org, Cerulli Quantitative Update – Advisors Metrics 2012 and Cogent Research 2012 Advisor Channel Migration Trends Study

(2) Cerulli Quantitative Update – Retirement Markets, 2012

(3) As measured by assets in the independent and RIA channels - Cerulli Quantitative Update – Intermediary Distribution 2012



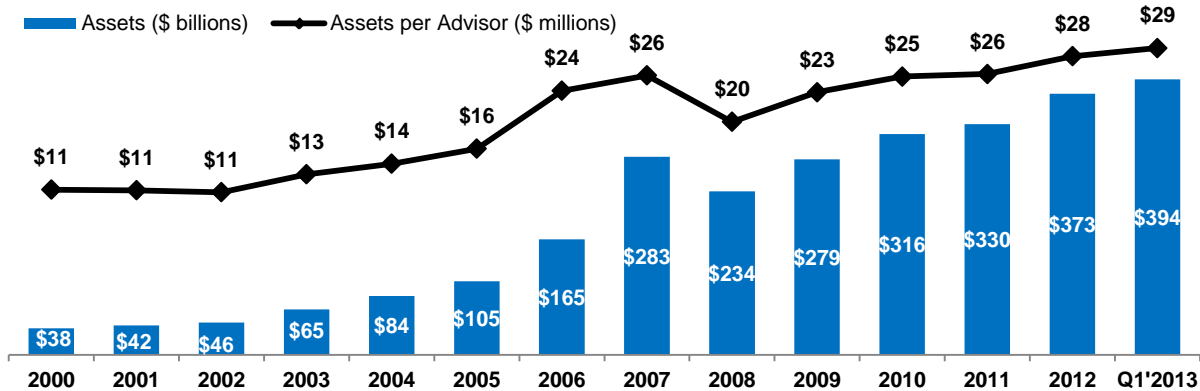
Strategy focuses on leveraging scale and scope to deliver additional value



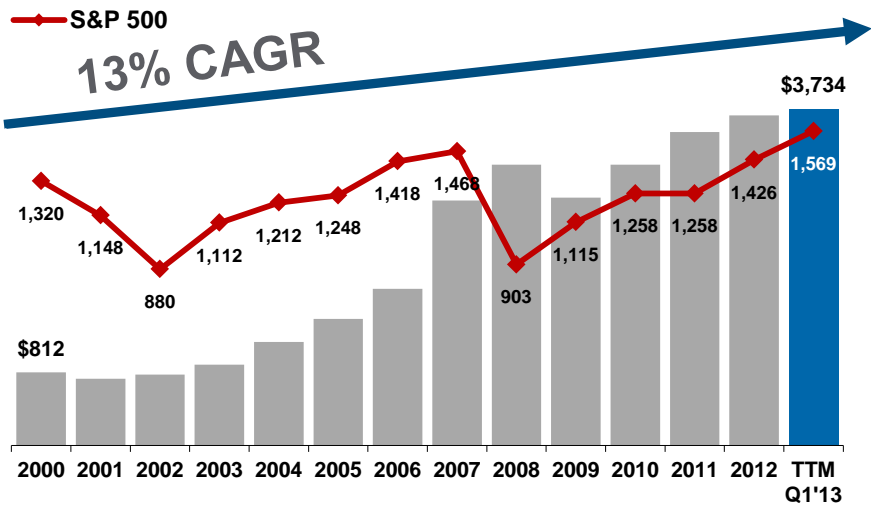


Proven track record across market cycles

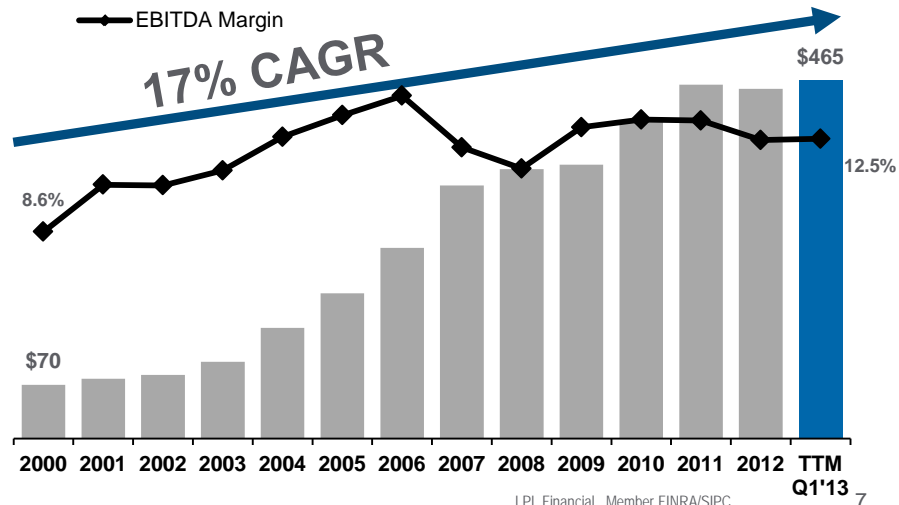
Total Brokerage and Advisory Assets



Net Revenue, \$ in millions



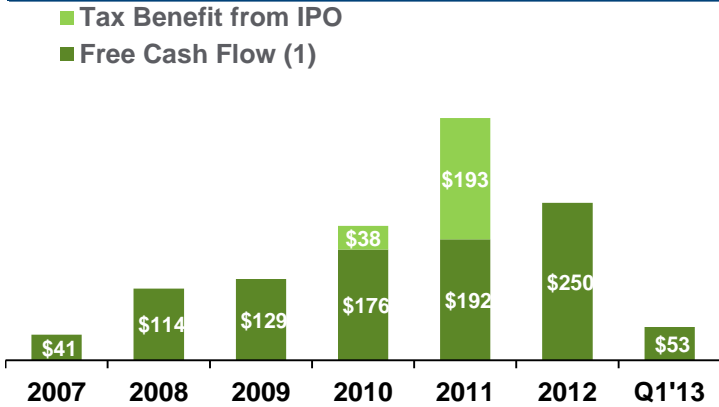
Adjusted EBITDA, \$ in millions



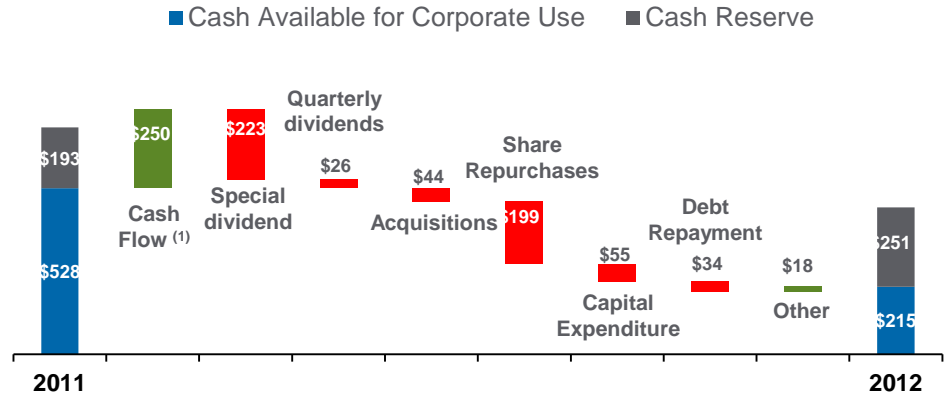


Strong cash generation and shareholder returns

Strong Free Cash Flow Generation



Capital Deployment in 2012



Investments to grow our business

- Acquisitions, technology and compliance investments

Dividends

- \$263 million since IPO through March 31, 2013, inclusive of a special dividend of \$2.00/share
- Increased quarterly dividend by 12.5% to \$0.135 in February 2013

Share buybacks

- Significant share repurchases - \$293 million since IPO through March 31, 2013
- \$282 million remaining in authorized capacity as of May 28, 2013

(1) Defined as change in cash available for corporate use per debt agreement, before capital expenditures, acquisitions, dividends, debt repayment and share repurchases

Operational update



- Continued year-over-year improvement in advisor productivity
- Inflection in market improvement and investor engagement lead to an extended business development sales cycles
- Long-term net new advisor outlook remains positive as industry trends remain intact and our pipeline is strong

Drivers	Q4'12	Q1'13	Q2'13 Outlook
Net New Advisors	182	25	Similar conditions to Q1'13
Annualized Commissions per Advisor	\$140	\$145	Continued year-over-year improvement
Annualized Advisory Net New Flows	9%	9%	7-12%
Payout Rate	87.7%	86.0%	Pace of increase in line with expectations
Operational Expense ⁽¹⁾	\$141	\$146	\$3-\$5 mm sequential growth
S&P 500	1,426	1,569	1,622 to date ⁽²⁾
ICA Fee	87	78	10-12 bp compression across year ⁽³⁾ ; decline in Fed Funds rate may lead to further compression beyond guidance

(1) Operational expenses exclude production payout, D&A, adjustments and promotional expense; promotional expenses includes transition assistance and conference spend

(2) Market data is as of 6/06/13

(3) Assuming flat fed funds rate, which was compressed by 2 basis points in Q1'13



LPL is a unique investment opportunity

Near-term catalysts

- Improving advisor productivity and market appreciation
- Normalization of expense growth
- Capital management and share repurchases

Long-term catalysts

- Normalized interest rates
- Maturation of investments
- Service Value Commitment

Fundamental Investment Attributes

- Industry leader
- Highly attractive secular growth trends
- Evolving growth strategy
- Proven track record across market cycles
- Strong cash generation and return of capital