Morgan Stanley Financials Conference

February 1, 2011

Mark Casady, Chairman and CEO

LPL Financial

Safe Harbor Statement

Certain statements made in this presentation should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about the Company's future results of operations. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ, including those discussed in the Company's third quarter 2010 press release, our Quarterly Reports on Form 10-Q, our 2009 Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission. We assume no obligation to update this presentation, which speaks as of today's date.

The company uses a number of non-GAAP financial measures that management believes are useful to investors because they illustrate the performance of the company's normal, ongoing operations which is important in understanding and evaluating the company's financial condition and results of operations. While such measures are also consistent with measures utilized by investors to evaluate performance, they are not a substitute for U.S. GAAP financial measures. Therefore, in the back of the handouts, the company has provided reconciliations of the non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure.

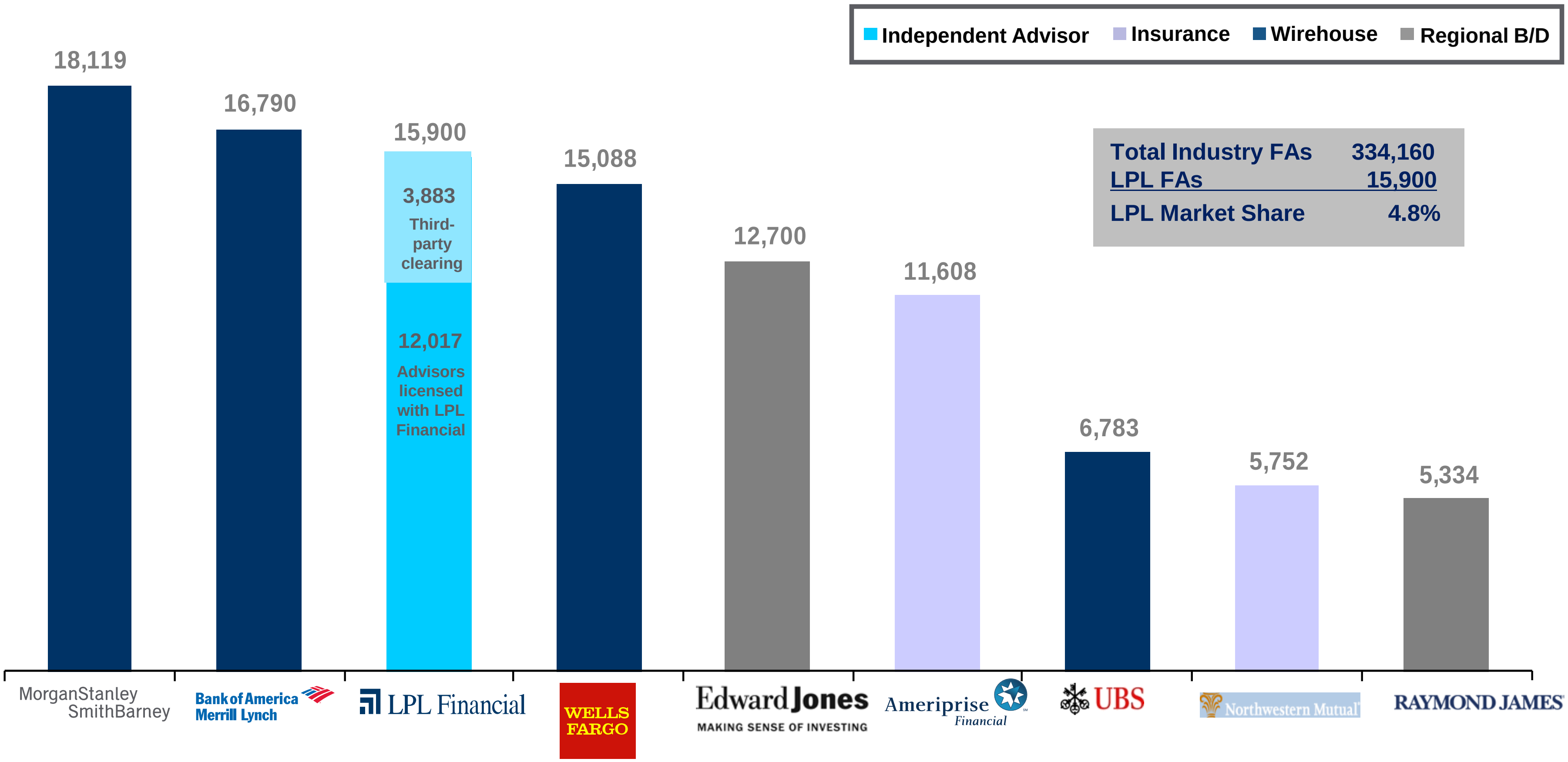
Overview of LPL Financial

- Leading provider of integrated technology and services, serving nearly 16,000 independent financial advisors - #1 independent broker-dealer for 14 years
- Unbiased, conflict free business model is unique among leading financial services firms and is a significant competitive advantage
- Offer the only integrated platform that can support both fee and commission based advisors, including those with their own RIA
- Attractive financial model – 60% recurring revenues
- More than 20 years of growth achieving 15% net revenue and 20% adjusted EBITDA CAGR since 2000

Targeting 20%+ long-term Adjusted EPS growth

Established Leader with Scale

Broker Dealers by Number of Financial Advisors*

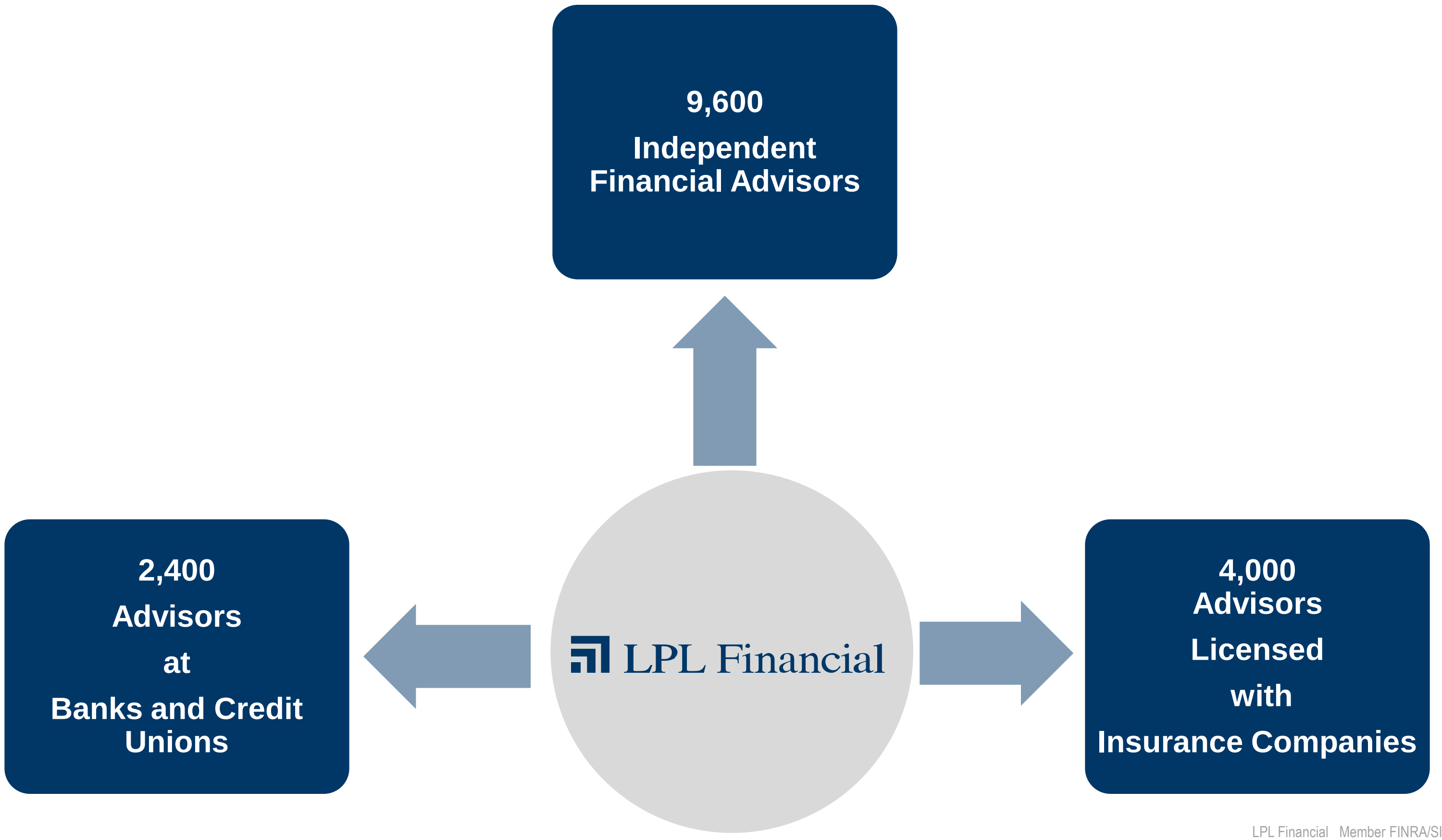


Total Industry FAs	334,160
LPL FAs	15,900
LPL Market Share	4.8%

** Source: Company financials; based on most recently available figures as of 9/30/10 and Cerulli Associates' data as of 12/31/09.*

Serve Three Primary Customer Groups

- The financial advisors that we support provide impartial financial advice; they are not connected with any financial institution and are not committed to the products of any one company

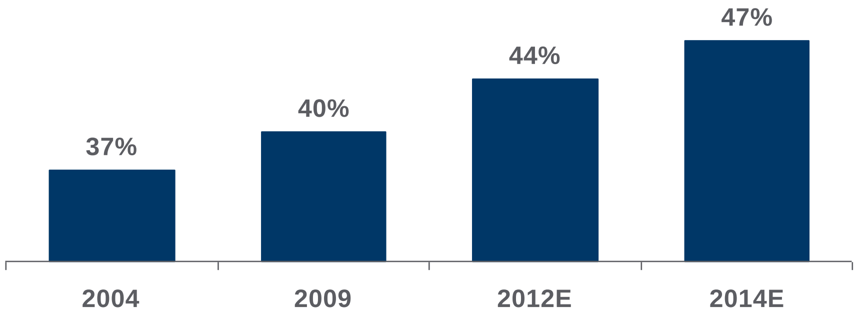


Highly Attractive Industry Dynamics and Market Position

Large and Growing Market

- Brokerage Industry moving to independence
- Regulatory trends are favorable to the independent model, and even more so to LPL's business model
- LPL enjoys a dominant and sustainable market leading position

Market Share of Independent Advisors
(% of total financial advisor headcount)*



Favorable Regulatory Trends

- 12b-1 reform
- Fiduciary standard for brokers
- Harmonization of RIA and broker standards / oversight

Net positive for LPL Financial

** Source: Cerulli Associates*

Unmatched Ability to Support Multiple Advisor Practice Types

- Unique ability to recruit across a broad array of channels, business models and practice sizes

** Advisors by Channel in 2009, as a % by Headcount. Source: Cerulli Associates.*

Business Model is Unbiased and Conflict Free

Proprietary Products

Investment Banking

Market Making

Direct to the Consumer

…distribution strength in:

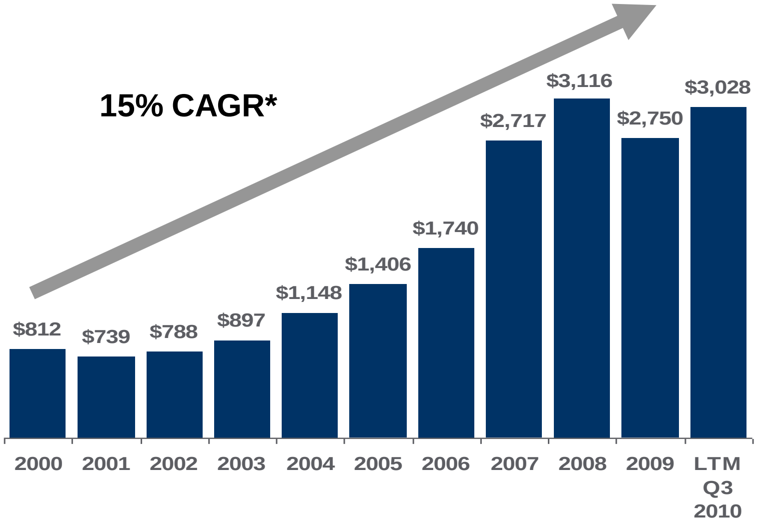
- Fixed Annuity sales ~ $4 billion
- Variable Annuity sales > $8 billion
- Brokerage Mutual Fund sales > $10 billion
- Advisory sales of new assets > $27 billion

…from over 400 manufacturers with over 8,500 products

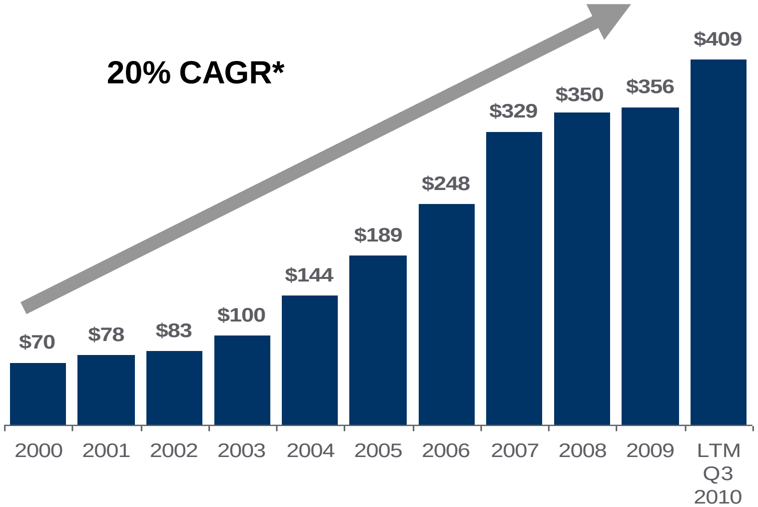
Compelling Track Record of Growth

- Revenue fueled from diverse sources with embedded growth - substantial portion is recurring and predictable
- Expenses are primarily variable - core G&A can be actively managed
- Strong cash flow generation supports financial flexibility

Net Revenue, $ in millions



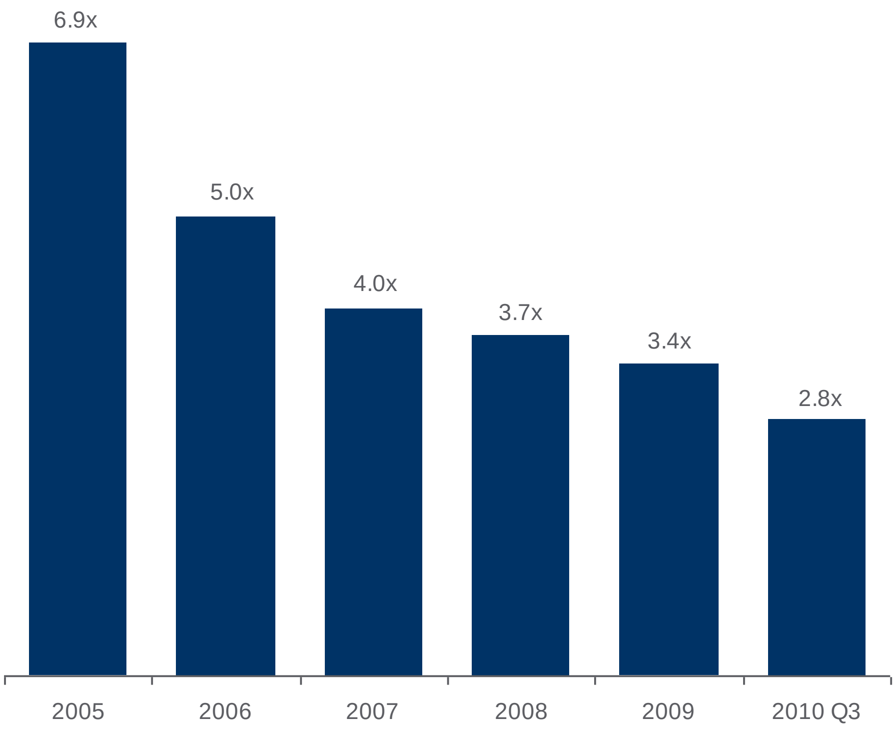
Adjusted EBITDA, $ in millions



** CAGR from 2000 to 2009.*

Limited Balance Sheet Risk

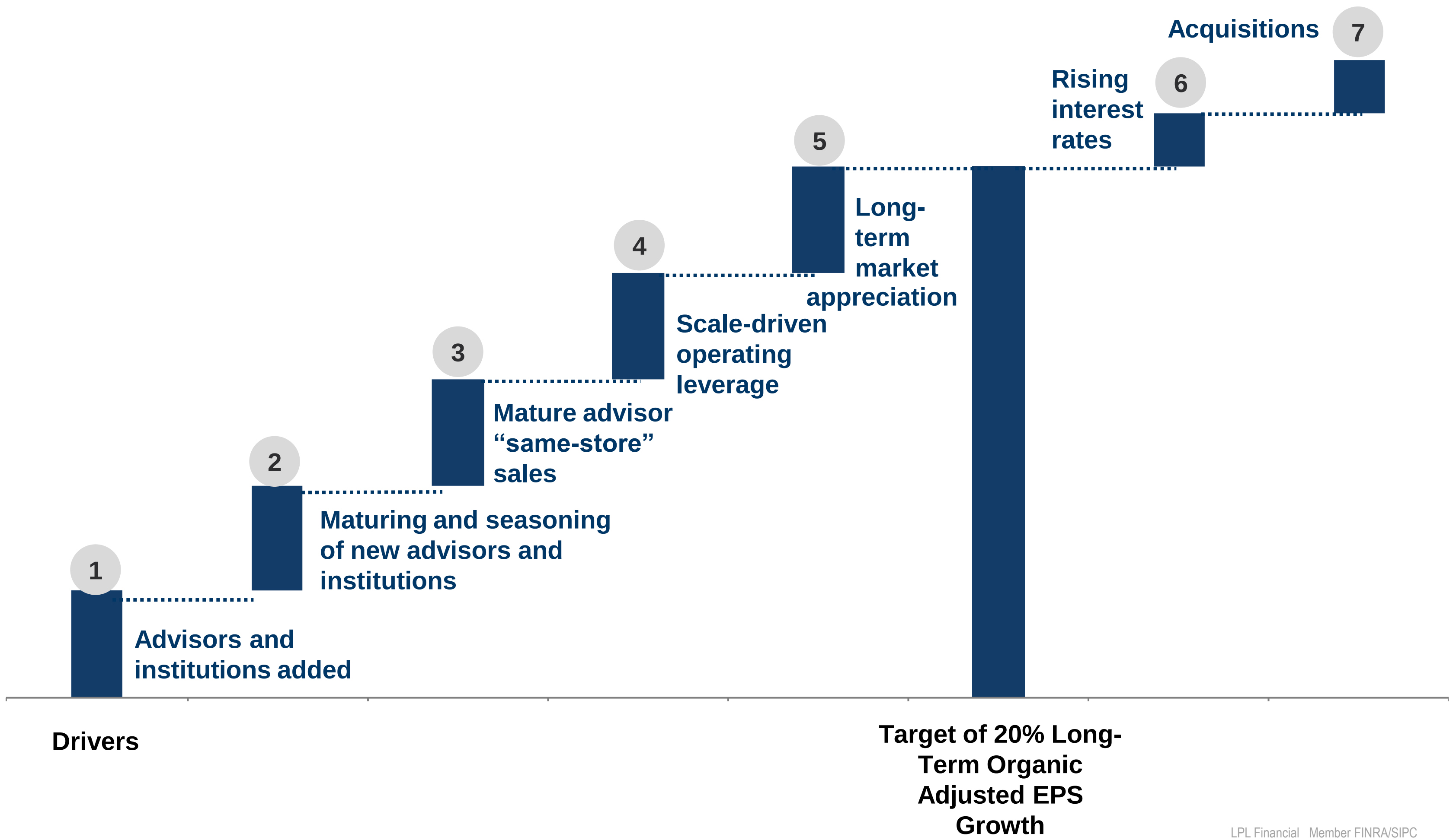
De-Leveraging Profile, Net Debt / Adj. EBITDA



- Rapidly de-leveraging profile
- Minimal required capital
- Not ratings sensitive
- Limited-to-no asset / credit risk
  - No credit-sensitive assets

Multiple Drivers of Growth for Adjusted EPS

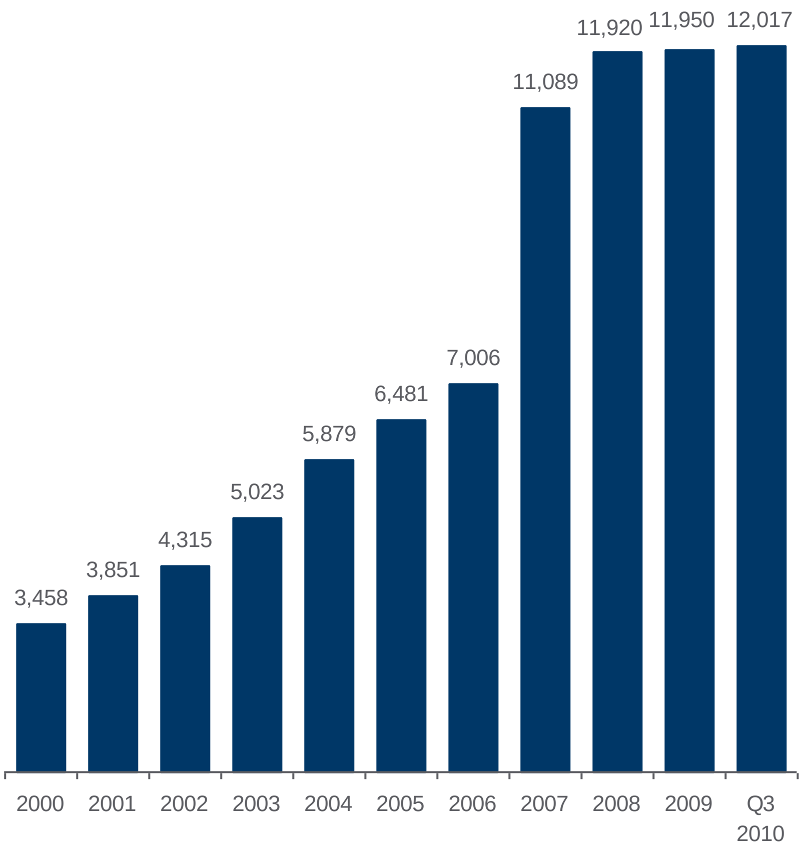
Drivers of Earnings Growth



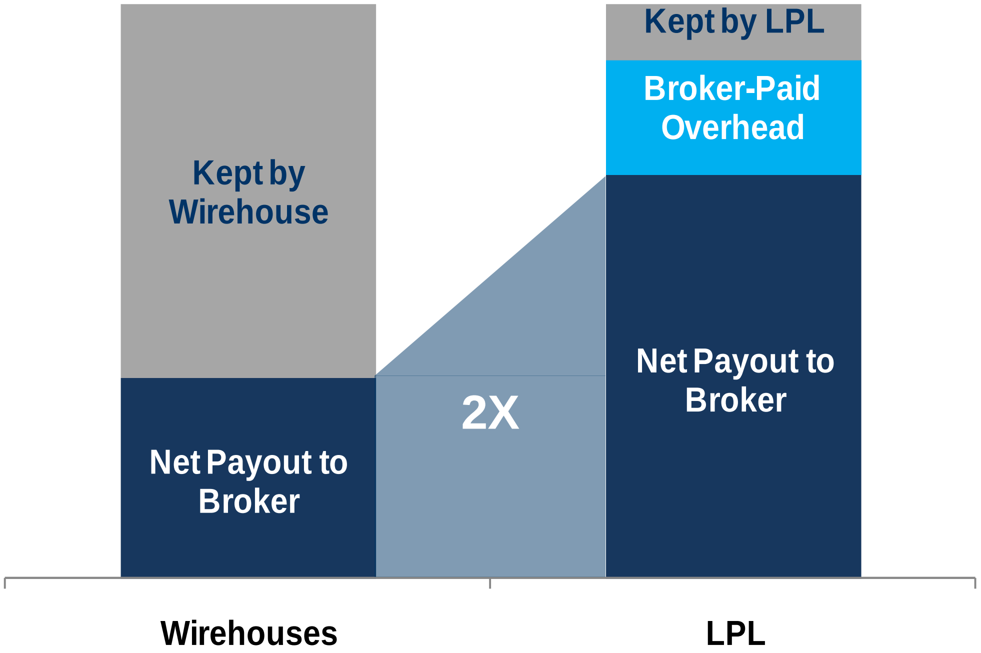
1 Consistent Growth of Advisor Base

- Industry leader in business development with over 50 staff
  - Organized by advisor practice type and institution type
  - Dedicated team adding advisors to existing branches

Number of LPL Advisors



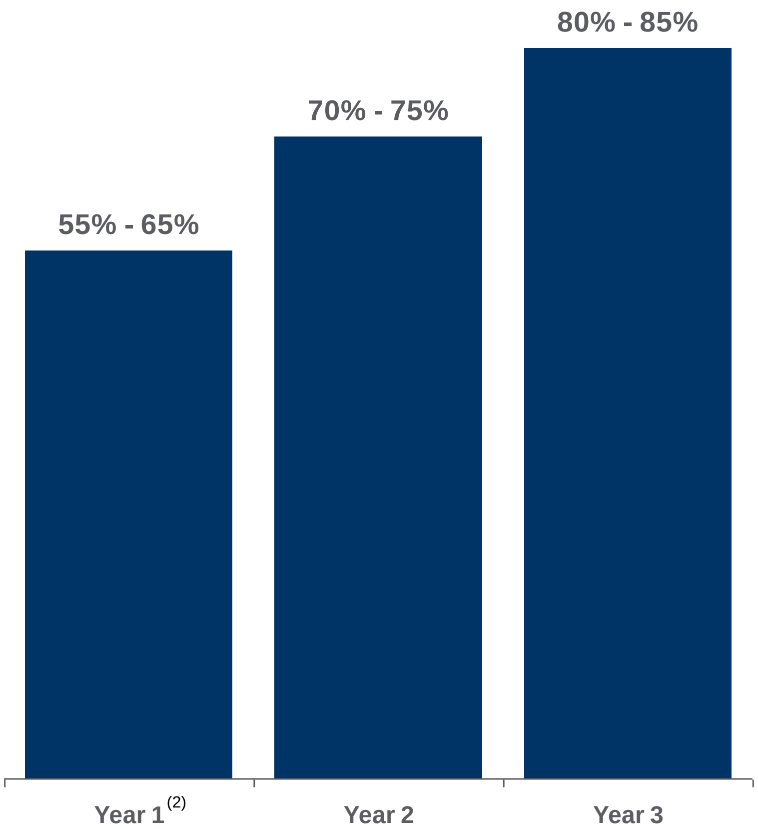
Provide Superior Economics to Advisors



2 Growth from Ramp-Up of Recent Advisors

- Advisors come with their own books of business
- Classes ramp in a predictable way providing ability to forecast revenues with accuracy

Illustrative Ramp Profile, % of Revenue at Time of Joining LPL, as a % (1)



(1) For illustrative purposes only. Ramp profile will vary by type of advisor (independent vs. RIA vs. institution);
(2) Ramping represents an individual advisor over successive twelve month periods; due to continual business development an annual advisor class ramps 30 – 35% in the first calendar year.

3 Mature Advisor Sales Growth

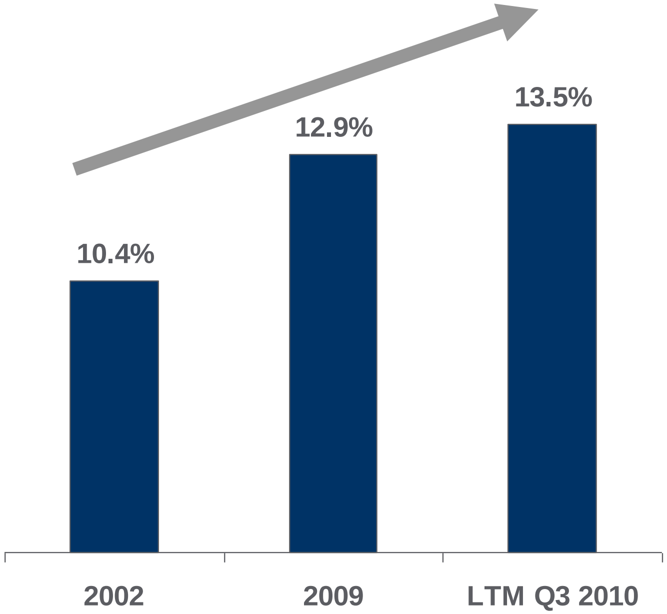
- Significant movement to advisory based solutions
  - For example, fee based ETF offering
- Expansion of service and support to monetize more of advisor’s activities
  - For example, health insurance
- Supported by superior service
  - Net promoter score at top of industry

Profit growth from scale-driven operating leverage

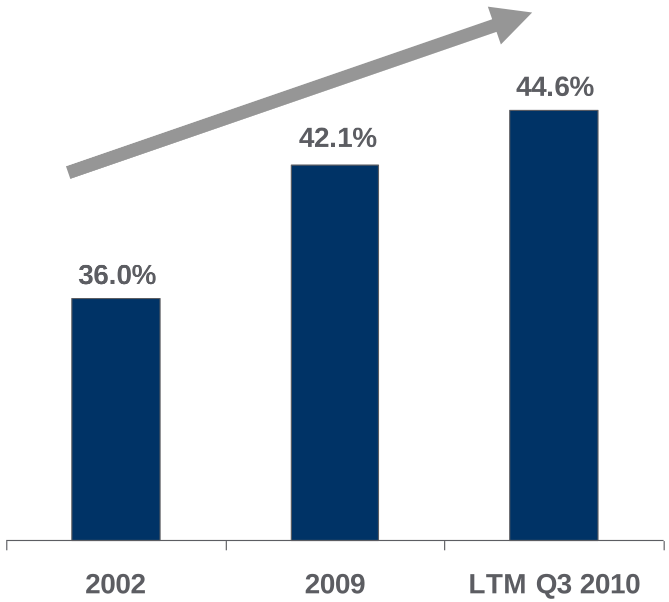
4

- Substantial investments already made in our internet based, server technology
- Process improvements targeted annually to drive down costs
- Service Value Chain is our unique approach to improving service while lowering cost

Adjusted EBITDA Margin, as a % net revenue



Adjusted EBITDA Margin, as a % of gross margin*



** Gross margin is defined as net revenue less production expenses*

Long-term market appreciation and rising interest rates

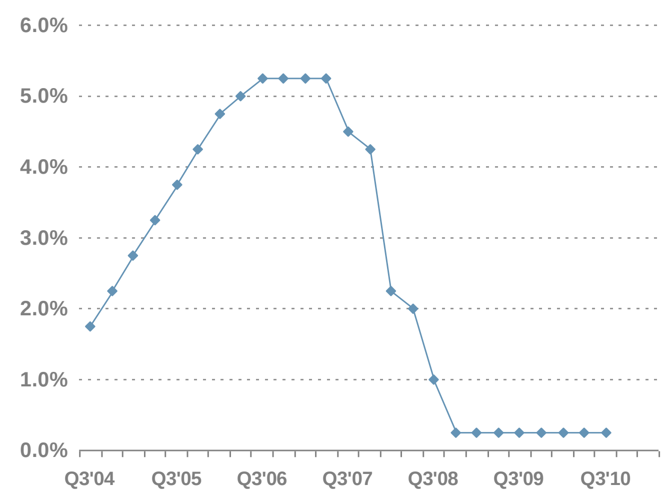
5 Long-Term Market Appreciation

- Diversified portfolio of client assets
- Long-term market returns of ~5%
  - Equities
  - Fixed income

6 Rising Interest Rates

- LPL will benefit from rising interest rates through cash deposits of $15 – 20bn
- For every 25 bps increase in the Fed Funds rate up to 125 bps, LPL will generate $14M in incremental profits
- For every 25 bps increase in the Fed Funds rate from 125 bps up to 275 bps, LPL will generate $7M in incremental profits

Historical Fed Funds Rate (*)



** Source: Bloomberg*

7 Upside in earnings growth from acquisitions

- Transactions have been successful, fully integrated, and executed on attractive financial terms
- Highly disciplined approach to evaluation of acquisition opportunities
- Industry remains fragmented

Recent Transactions

Target	Advisors	Announced
NRP National Retirement Partners – The Retirement Experts	206	2010
Independent Financial / Sun Life Financial	450	2007
Pacific Life	1,750	2007
UVEST Financial Services	800	2006
Phoenix	360	2004

LPL is often viewed as partner of choice for acquisitions

Summary

☑ Leading provider to independent financial advisors

☑ Exciting industry and macroeconomic trends

☑ Attractive financial model

☑ Track record of performance and growth

Well positioned to achieve target 20%+ long-term Adjusted EPS Growth

Appendix

Non-GAAP Financial Measures

Adjusted EBITDA is defined as EBITDA (net income plus interest expense, income tax expense, depreciation and amortization), further adjusted to exclude certain non-cash charges and other adjustments. The Company presents Adjusted EBITDA because the Company considers it a useful financial metric in assessing the Company's operating performance from period to period by excluding certain items that the Company believes are not representative of its core business, such as certain material non-cash items and other items that are outside the control of management. Adjusted EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity.

Summary Financial Results, FY ended Dec. 31

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	LTM Q3 2010
Net Income	$30	$38	$36	$16	$35	$43	$34	$61	$45	$48	$78
Loss From Discontinued Operations	-	-	-	-	-	26	-	-	-	-	-
Interest Expense	-	-	-	-	-	1	125	123	116	101	96
Income Tax Expense	23	26	23	27	33	46	21	47	47	25	41
Depreciation and Amortization	3	4	8	12	16	18	65	79	100	108	94
EBITDA	**56**	**68**	**67**	**55**	**84**	**135**	**245**	**309**	**309**	**282**	**309**
EBITDA Adjustments											
Share Based Compensation Expense	-	-	-	-	-	8	3	2	4	6	10
Acquisition & Integration Related Expenses	-	-	-	-	-	34	1	16	18	3	10
Restructuring / Conversion	-	-	-	-	-	-	-	-	15	65	37
Debt Ammendment & Extinguishment Costs	-	-	-	-	-	-	-	-	-	-	39
Equity Issuance & IPO Costs	-	-	-	-	-	-	-	-	-	-	3
Other *	15	9	16	45	61	12	(2)	1	4	0	0
Adjusted EBITDA	**$70**	**$78**	**$83**	**$100**	**$144**	**$189**	**$248**	**$329**	**$350**	**$356**	**$409**

** Prior to 2005, EBITDA adjustments related to a loss on equity impairment, discontinued operations accounting treatment ,and certain founder related costs.*