LPL Financial

Credit Suisse 19th Annual Financial Services Forum

February 13, 2018

LPL Financial

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, outlook, growth, prospects, business strategies, future market position, future operating environment, and goals, including forecasts and statements relating to the Company's future expenses, gross profit, revenues, asset levels, capital plans, usage levels of advisory services and programs, enhancements to and/for future technology offerings, future effective tax rate, and success in recruiting and onboarding advisors from the broker/dealer network of National Planning Holdings, Inc. ("NPH"), as well as any other statements that are not related to present facts or current conditions or that are not purely historical, constitute forward-looking statements. These forward-looking statements are based on the Company's historical performance and its plans, estimates, and expectations as of February 1, 2018. The words "estimates", "believes", "expects", "may", "plans", "will", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are not guarantees that the future results, plans, intentions, or expectations expressed or implied by the Company will be achieved. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, legislative, regulatory, competitive, and other factors, which may cause actual financial or operating results, levels of activity, or the timing of events, to be materially different than those expressed or implied by forward-looking statements. Important factors that could cause or contribute to such differences include: changes in general economic and financial market conditions, including retail investor sentiment; fluctuations in the usage levels of advisory services, including the Company's centrally managed advisory platform; fluctuations in the value of advisory and brokerage assets; fluctuations in levels of net new assets and the related impact on revenue; fluctuations in the number of retail investors served by the Company; effects of competition in the financial services industry and the success of the Company in attracting and retaining financial advisors and institutions; changes in the number of the Company's financial advisors and institutions, and their ability to market effectively financial products and services; whether retail investors served by newly-recruited advisors choose to open accounts and/or move their respective assets to a new account at the Company; changes in interest rates and fees payable by banks participating in the Company's cash sweep program; the Company's success and strategy in managing cash sweep program fees; changes in the growth and profitability of the Company's fee-based business; the effect of current, pending and future legislation, regulation and regulatory actions, including changes in the retail retirement savings area, and disciplinary actions imposed by federal and state securities regulators and self-regulatory organizations; the costs of settling and remediating issues related to pending or future regulatory matters or legal proceedings; execution of the Company's capital management plans, including its compliance with the terms of its existing credit agreement and the indenture governing its senior notes; the price, the availability of shares, and trading volumes of the Company's common stock, which will affect the timing and size of any future share repurchases by the Company; changes made to the Company's offerings and services, and the effect that such changes may have on the Company's gross profit streams and costs; execution of the Company's plans and its success in realizing the expense savings, service improvements and efficiencies expected to result from its initiatives and/or programs; the Company's success in negotiating and developing commercial arrangements with third-party services providers; the performance of third-party service providers to which business processes are transitioned; the Company's ability to control operating risks, information technology systems risks, cybersecurity risks, and sourcing risks; and the other factors set forth in Part I, "Item 1A. Risk Factors" in the Company's 2016 Annual Report on Form 10-K, as may be amended or updated in the Company's Quarterly Reports on Form 10-Q or subsequent filings with the SEC. In particular, the Company can provide no assurance that the assets reported as serviced by NPH financial advisors will translate into assets serviced at the Company or that such financial advisors will join the Company or remain at the Company. Important factors that could cause or contribute to such differences include: difficulties and delays in recruiting or transferring the licenses of NPH's advisors and/or onboarding the clients or businesses of NPH's advisors; disruptions of the Company's business due to transaction-related uncertainty or other factors making it more difficult to maintain relationships with its financial advisors and their clients, employees, other business partners or governmental entities; the choice by clients of NPH's advisors not to open accounts at the Company and/or move their respective assets from NPH to a new account at the Company; and effects of competition in the financial services industry, including competitors' success in recruiting NPH's advisors. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after February 13, 2018, even if its estimates change, and statements contained herein are not to be relied upon as representing the Company's views as of any date subsequent to February 13, 2018.

THIS PRESENTATION PRESENTS DATA AS OF DECEMBER 31, 2017, UNLESS OTHERWISE INDICATED.

*Notice to Investors: Non-GAAP Financial Measures

Management believes that presenting certain non-GAAP financial measures by excluding or including certain items can be helpful to investors and analysts who may wish to use some or all of this information to analyze the Company’s current performance, prospects, and valuation. Management uses this non-GAAP information internally to evaluate operating performance and in formulating the budget for future periods. Management believes that the non-GAAP measures and metrics discussed herein are appropriate for evaluating the performance of the Company. **Specific Non-GAAP financial measures have been marked with an * (asterisk) within this presentation. Management has also presented certain non-GAAP financial measures further adjusted to reflect the impact of the Company’s acquisition of NPH. Reconciliations of all such measures can be found on pages 31-35.**

EPS Prior to Amortization of Intangibles is defined as GAAP EPS plus Amortization of Intangible Assets expense, net of applicable tax benefit, divided by the number of shares outstanding for the applicable period. The Company presents EPS Prior to Amortization of Intangible Assets because management believes that it can be a useful financial metric to investors because it provides greater insight into the Company’s core operating performance by excluding non-cash items that management does not believe impact the Company’s ongoing operations. EPS Prior to Amortization of Intangible Assets is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to GAAP EPS or any other performance measure derived in accordance with GAAP. For a reconciliation of EPS Prior to Amortization of Intangible Assets to net income, please see page 35 of this presentation.

Gross profit is calculated as net revenues, which were $4,281 million for the twelve months ended December 31, 2017, less commission and advisory expenses and brokerage, clearing, and exchange fees, which were $2,670 million and $57 million, respectively, for the twelve months ended December 31, 2017. All other operating expense categories, including depreciation and amortization of fixed assets and amortization of intangible assets, are considered general and administrative in nature. Because the Company’s gross profit amounts do not include any depreciation and amortization expense, the Company considers its gross profit amounts to be non-GAAP measures that may not be comparable to those of others in its industry. Management believes that gross profit amounts can be useful to investors because it shows the Company’s core operating performance before indirect costs that are general and administrative in nature.

Core G&A consists of total operating expenses, excluding the following expenses: commission and advisory, regulatory charges, promotional, employee share-based compensation, depreciation and amortization, amortization of intangible assets, and brokerage, clearing, and exchange. Management presents Core G&A because it believes Core G&A reflects the corporate operating expense categories over which management can generally exercise a measure of control, compared with expense items over which management either cannot exercise control, such as commission and advisory expenses, or which management views as promotional expense necessary to support advisor growth and retention including conferences and transition assistance. Core G&A is not a measure of the Company’s total operating expenses as calculated in accordance with GAAP. For a reconciliation of Core G&A against the Company’s total operating expenses, please see page 32 of this presentation. The Company does not provide an outlook for its total operating expenses because it contains expense components, such as commission and advisory expenses, 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 operating expenses cannot be made available without unreasonable effort. Prior to 2016, the Company calculated Core G&A as consisting of total operating expenses, excluding the items described above, as well as excluding other items that primarily consisted of acquisition and integration costs resulting from various acquisitions and organizational restructuring and conversion costs. Beginning with results reported for Q1 2016, Core G&A was presented as including these items that were historically adjusted out.

EBITDA is defined as net income plus interest expense, income tax expense, depreciation, and amortization. The Company presents EBITDA because management believes that it can be a useful financial metric in understanding the Company’s earnings from operations. EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity. For a reconciliation of EBITDA to net income, please see page 33 of this presentation. In addition, the Company’s EBITDA can differ significantly from EBITDA calculated by other companies, depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, and capital investments.

Credit Agreement EBITDA is defined in, and calculated by management in accordance with, the Company's credit agreement (the “Credit Agreement”) as “Consolidated EBITDA,” which is Consolidated Net Income (as defined in the Credit Agreement) plus interest expense, tax expense, depreciation and amortization and further adjusted to exclude certain non-cash charges and other adjustments, including unusual or non-recurring charges and gains and to include future expected cost savings, operating expense reductions or other synergies from certain transactions, including the NPH acquisition. The Company presents Credit Agreement EBITDA because management believes that it can be a useful financial metric in understanding the Company’s debt capacity and covenant compliance under its Credit Agreement. Credit Agreement EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity. For a reconciliation of Credit Agreement EBITDA to net income, please see page 34 of this presentation. In addition, the Company’s Credit Agreement EBITDA can differ significantly from adjusted EBITDA calculated by other companies, depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, capital investments, and types of adjustments made by such companies.

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LPL Overview

About Us

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

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

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

Key Markets and Services

$600B+ Retail Assets:

- **Brokerage:** $342B
- **Corporate Advisory**: $160B
- **Hybrid Advisory**: $113B

15K+ advisors:

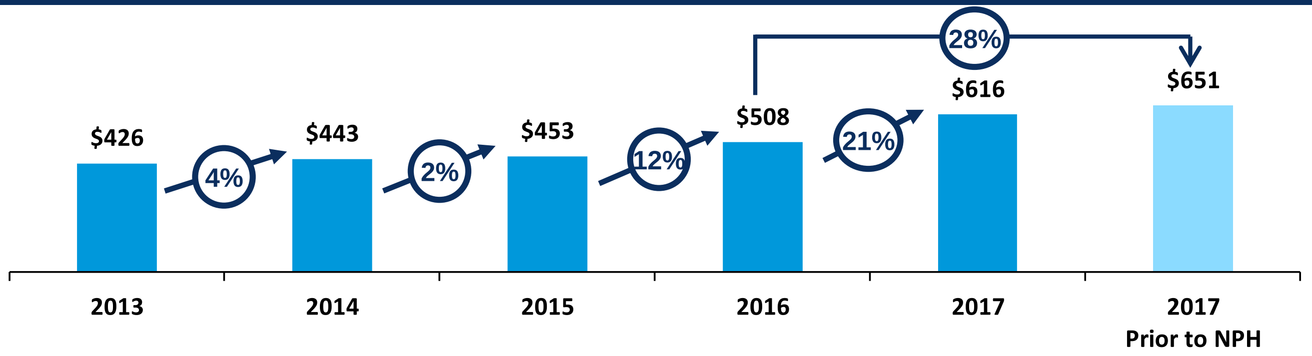
- **Independent Advisors:** 7,600+
- **Hybrid RIA:** 5,200+ (420+ firms)
- **Institutional Services:** 2,200+ (740+ banks, credit unions, and clearing clients)

Q4 2017 Metrics

Q4 Business Metrics		LTM Financial Metrics	
Assets:	$615B	Average Assets:	$551B
Advisors:	15,210	Gross Profit*:	$1.6B
Accounts:	4.8M	EBITDA*:	$616M
Employees:	3,736	EPS:	$2.59

Q4 Debt Metrics		Ratings & Outlooks	
Credit Agr. EBITDA*:	$745M	S&P Rating:	BB-
Total Debt:	$2.5B	S&P Outlook:	Stable
Cost of Debt:	4.54%	Moody's Rating:	Ba3
Net Leverage Ratio[2]:	2.81x	Moody's Outlook:	Stable
Interest Coverage Ratio:	7.50x		

LTM EBITDA* History ($MM)



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

Grow our Core Business

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

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

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

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

= Asset and gross profit* growth

Execute with Excellence

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

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

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

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

= Operating leverage and capital allocation

Create Long-Term Shareholder Value

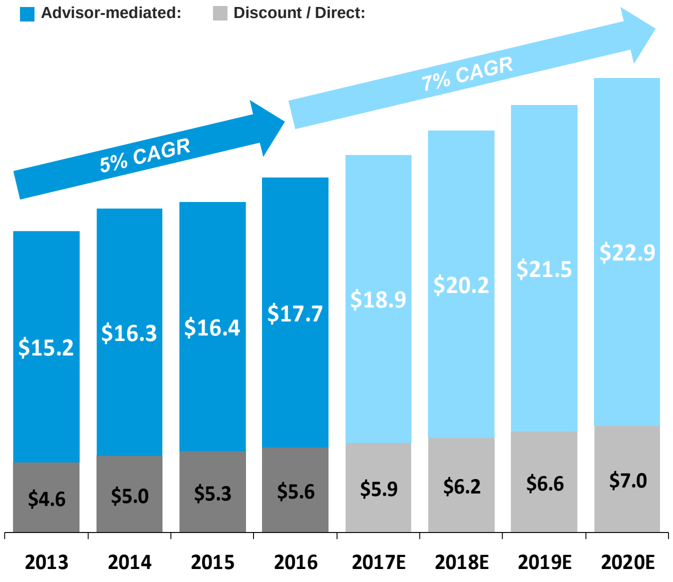
LPL Investment Highlights: Significant opportunities to grow and create long-term shareholder value

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

Demand for financial advice is growing, and the independent channel is gaining share

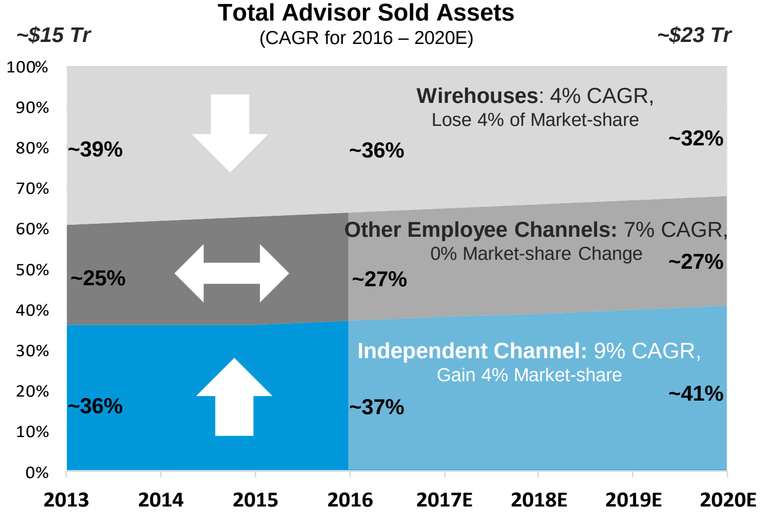
Growing demand for advice

Projected Growth in US Retail Investment Market ($T)



Trend towards independence expected to continue

The Independent channel continues to gain share versus employee models

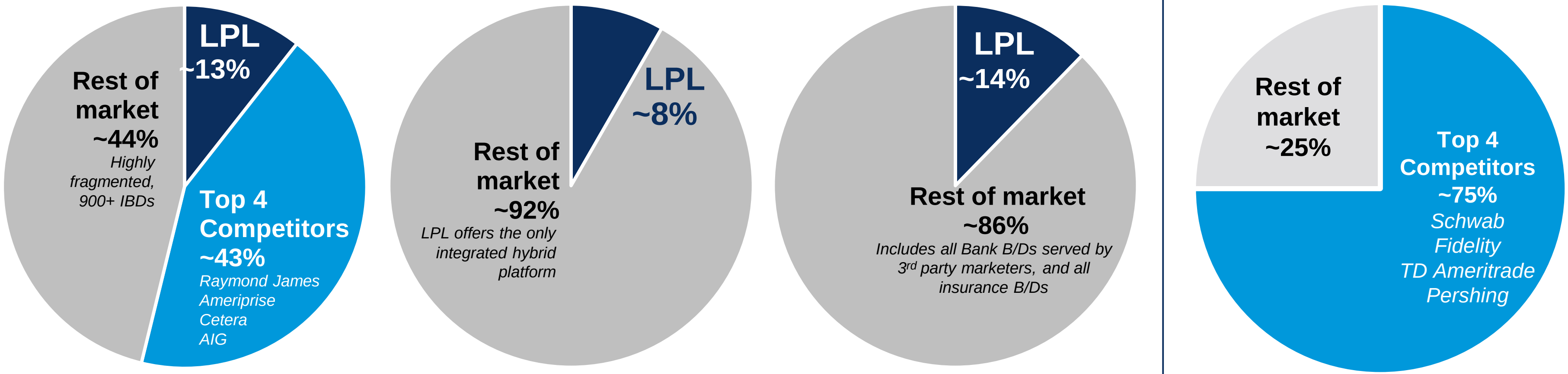


Source: Cerulli Intermediary Lodestar 2017 and Cerulli Retail Investor Lodestar 2017

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

Our Core Markets[3]

IBD Channel ~$2.3 Tr | **Hybrid RIA ~$1.8 Tr** | **Bank / Insurance Channels ~$1 Tr[4]** | **Pure RIA ~$2.5 Tr**

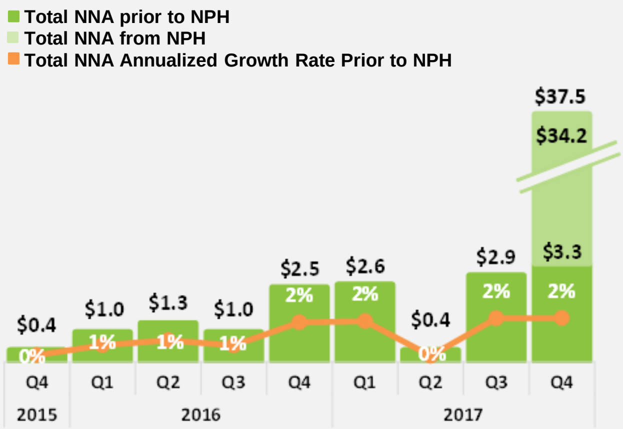


5-year Historical Industry CAGR:	IBD Channel	Hybrid RIA	Bank / Insurance Channels	Pure RIA
	~8%	~12%	~7%	~12%

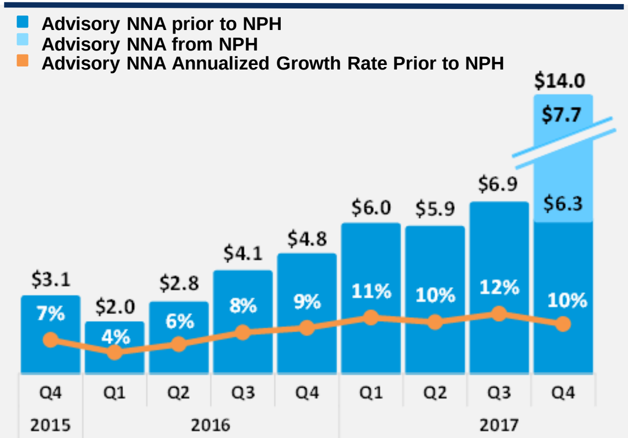
Source: All data is estimated using internal LPL metrics, Cerulli Lodestar 2017, Cerulli US Managed Accounts 2017, Cerulli Advisor 2016 AUM estimates, and Cerulli RIA Marketplace 2016; For purposes of this slide, LPL's market shares has been calculated with the inclusion of the estimated total NPH assets that are expected to onboard (~$70-75B), allocated pro rata across the IBD and Bank/Insurance channels.

Total Net New Assets continued to grow in 2017, both from organic new assets and NPH

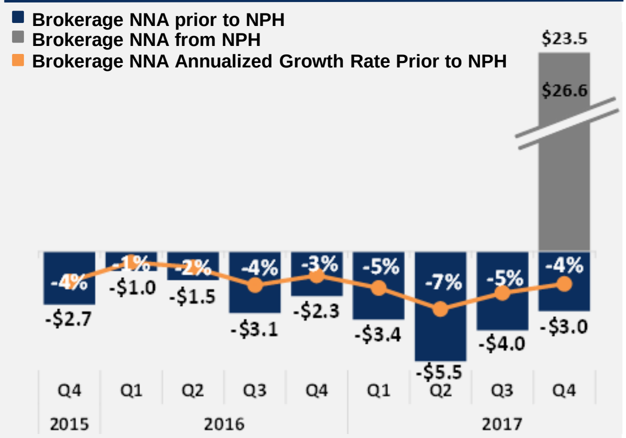
Total Net New Assets ($ billions)



Net New Advisory Assets(5) ($ billions)



Net New Brokerage Assets(6) ($ billions)



Net Brokerage to Advisory Conversions (billions)(7):	$0.8	$1.0	$1.4	$1.3	$1.7	$2.3	$2.0	$1.9	$2.1(8)

Results prior to previously announced departures and NPH (billions) (9):

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

We expect evolution in the future profile of winning advisor practices

Today: Advisor as wealth manager

Tomorrow: Advisor as personal CFO

Client management

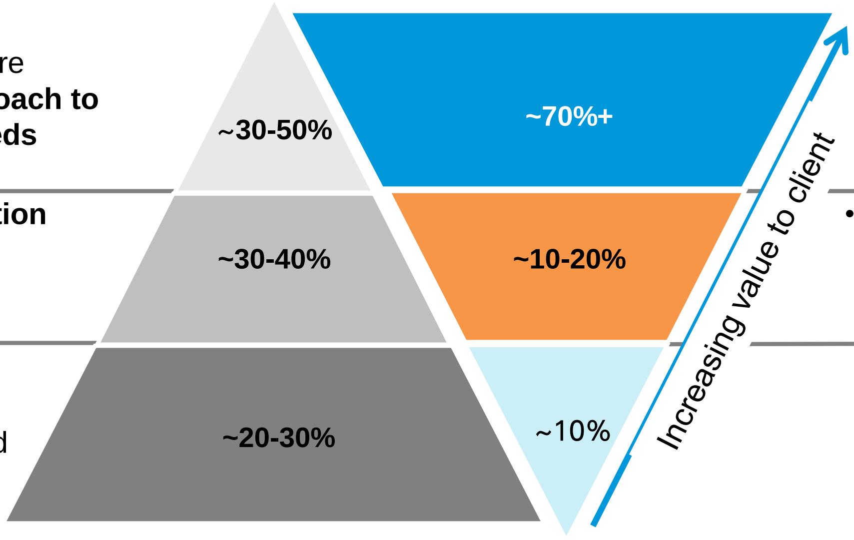
- Today: Advisors have a more **standardized approach to solving clients needs**
- Tomorrow: **Personalized approach centered on complex problem solving** and emotional management

Investment management

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

Practice management

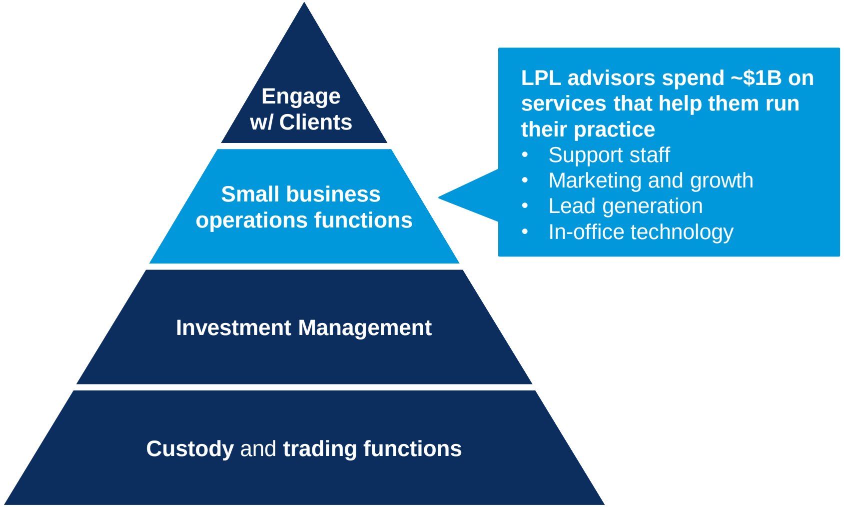
- Today: **Do-it-themselves, hire staff** and / or leverage fragmented third parties
- Tomorrow: **Outsources** to partners with scale and / or **leverage the benefits of a shared economy**



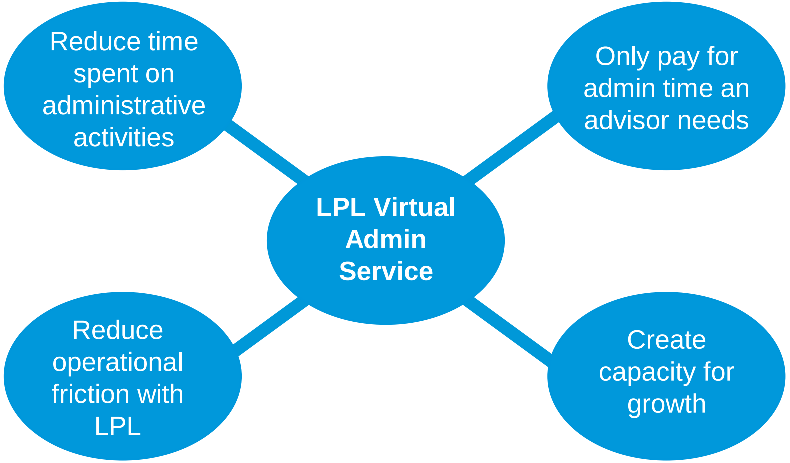
Illustrative allocation of advisors' time

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

Development of New LPL Front Office Services



Example:
LPL Virtual Admin Service launched in 2017

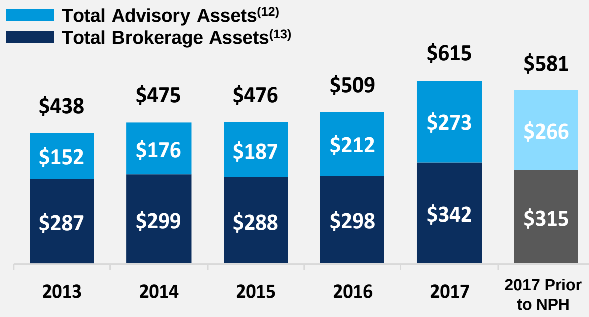


Our business continues to shift from brokerage to advisory

Key points

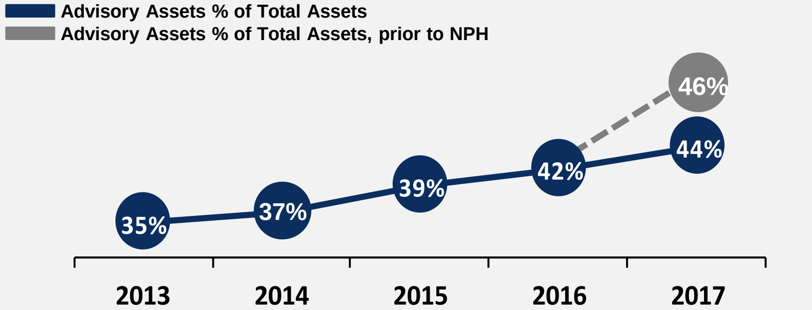
- Our business has been shifting from Brokerage to Advisory, consistent with industry trends
- While the pace of our mix shift has doubled to ~4% annually (prior to NPH), our average is still below industry levels
- Advisory ROA is ~10 bps higher than Brokerage ROA

Total assets are growing…

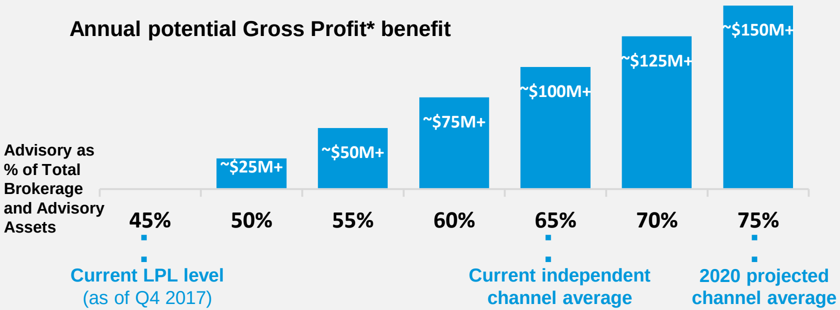


Including NPH YOY Change	Prior to NPH YOY Change
21%	14%
29%	25%
15%	6%

…And shifting towards advisory



Greater use of advisory services could drive value



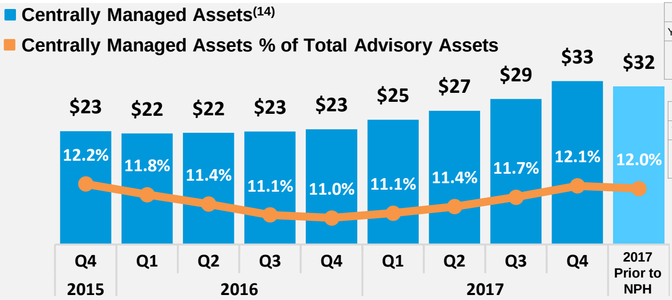
Note: Gross Profit benefit for greater use of advisory services estimated based on 5 percentage point mix shift, or ~$25B in assets, at incremental ~10 bp ROA

Centrally managed services are growing organically following pricing and capability enhancements

Key points

- Centrally managed platforms enable our advisors to outsource portfolio construction and trading to us, which can free up time to serve clients and grow their practices
- Inflows have been increasing to a ~2% annual increase as a percentage of total advisory assets
- Centrally managed ROA is ~10 bps higher than Advisory overall

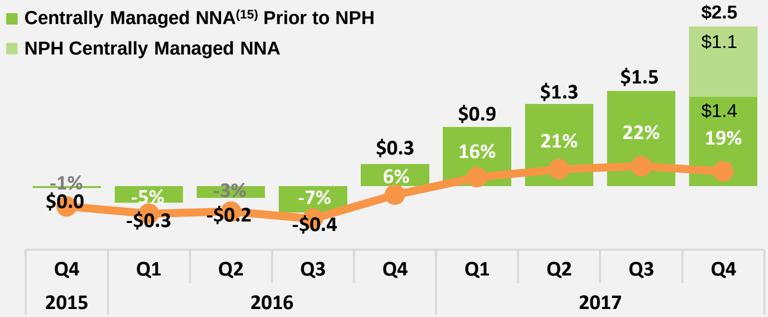
Centrally managed assets are growing



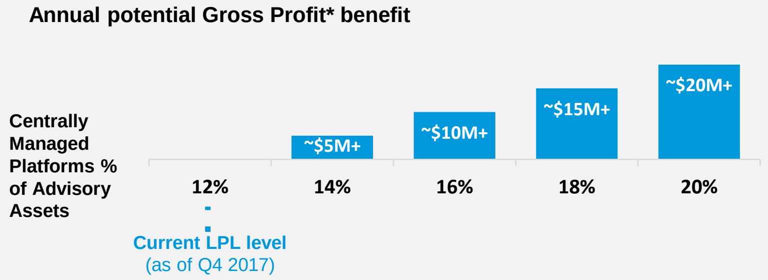
Including NPH	
YOY Change	SEQ Change
42%	12%

Prior to NPH	
YOY Change	SEQ Change
37%	9%

Organic growth has picked up



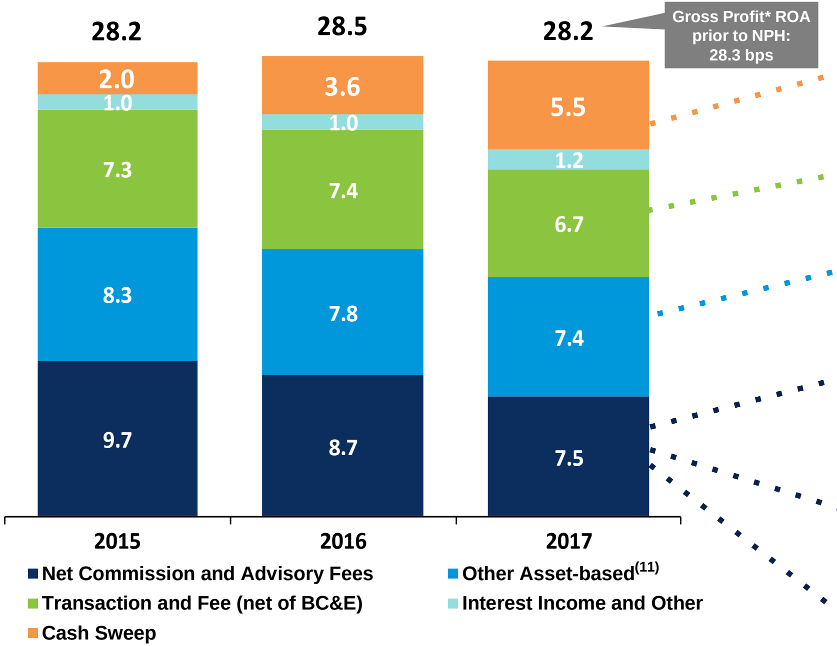
Greater use of centrally managed can create value



Note: Gross Profit benefit for greater use of centrally managed platforms estimated based on 2 percentage point mix shift, or ~$5B in assets, at incremental ~10 bp ROA

In addition to cash sweep improvements, we have several opportunities to drive organic growth in gross profit ROA

While cash sweep has been the recent driver of our Gross Profit* ROA (10) …



…We have opportunities to drive organic growth going forward

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

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

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

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

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

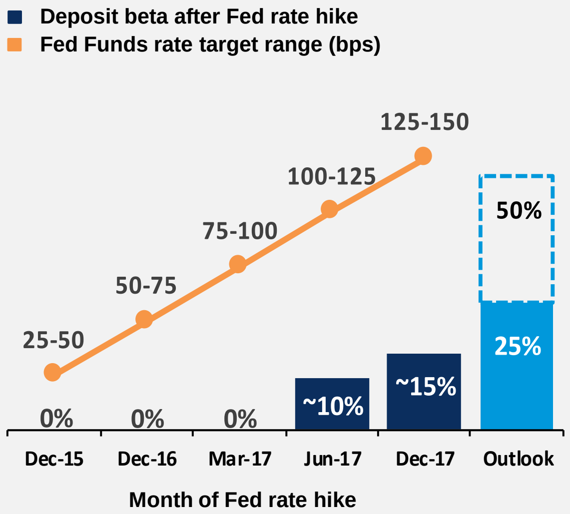
Risk Management
(e.g. aligning Corporate and Hybrid platforms with the marketplace)

We benefit from rising interest rates

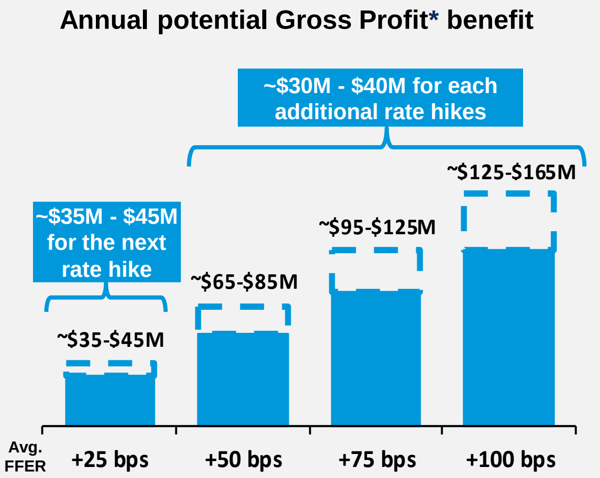
Key points

- At the end of 2017, we had ~$30B in client cash sweep balances, mostly in ICA
- While cash as a % of assets has averaged ~6% historically, high investor engagement has driven recent levels lower
- The rates on these balances are primarily indexed to the Fed Funds Effective Rate (FFER)
- Our deposit beta outlook is 25 to 50%, as cash balances tend to be relatively small, transitional and not rate-sensitive

Our deposit betas have been low through this rate cycle



Our outlook translates to gross profit* benefit from future rate hikes



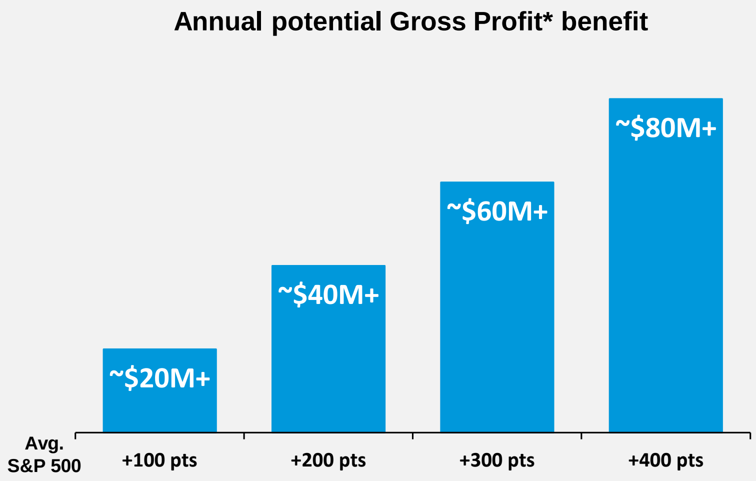
Note: Gross Profit benefit assumes ICA deposit betas of 25-50% for each rate hike plus DCA deposit beta of 50% for the first rate hike with no additional increases for further rate hikes as the product is assumed to have reached the program fee cap

We also benefit from rising market levels

Key points

- At the end of 2017, we had ~$615B of total brokerage and advisory assets invested in a mix of investment products
- The product mix leads to assets with ~60% correlation to movements in the S&P 500 index
- Additionally, our Gross Profit* is ~50% equity market-sensitive, with the rest driven by interest rates, trading, and other capabilities

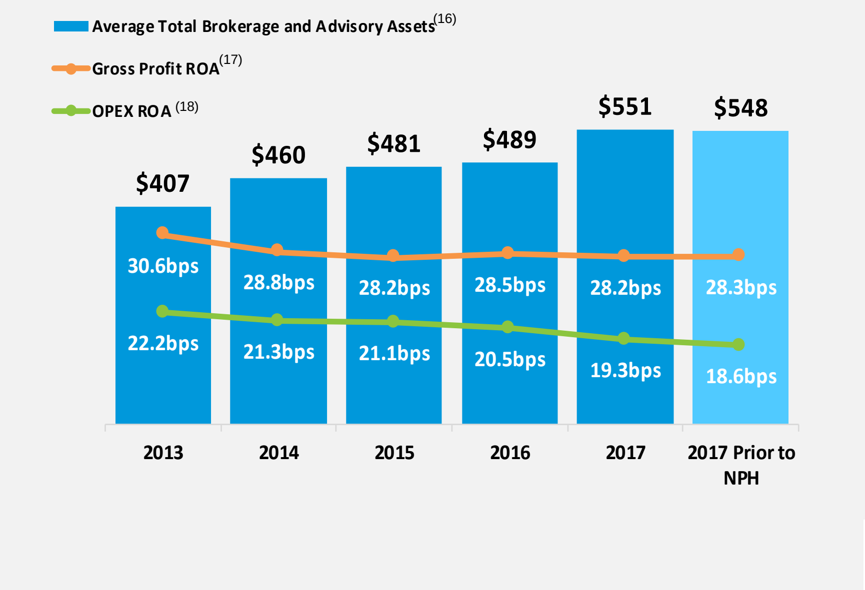
S&P growth benefits our Gross Profit*



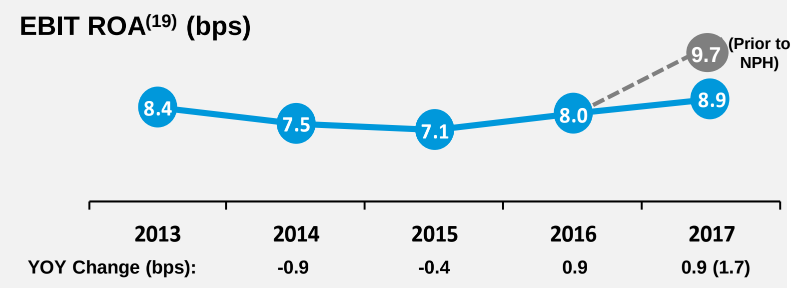
Note: Gross Profit benefit estimated based on average Gross Profit ROA of ~28 bps

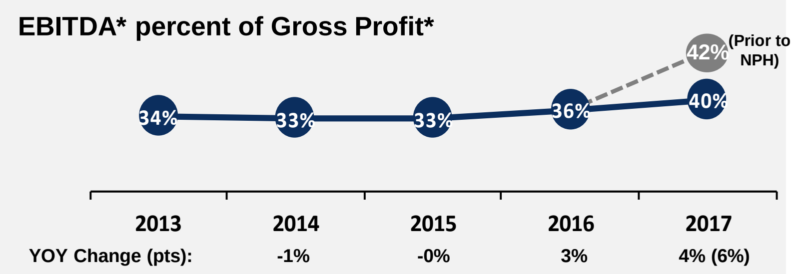
We are focused on generating operating leverage

Over the past 2 years, Gross Profit* ROA has been roughly flat while Opex ROA has declined



This operating leverage has driven improved returns and margins

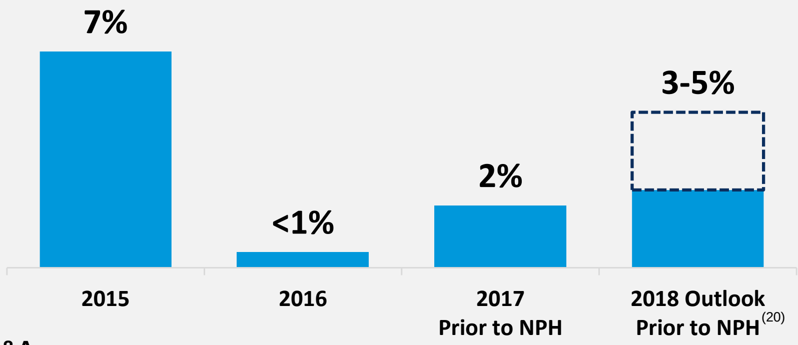




Our outlook for 2018 Core G&A* is $800 to $830 million, with most year-over-year growth driven by costs to support NPH

Lower Recent Expense Trajectory

Annual Core G&A* Growth



Core G&A ($ millions):	$695	$700	$712	$730-$750

Additional 2018 Core G&A Outlook for NPH:	**~$70-$80 million**
Total 2018 Core G&A Outlook[20]:	**~$800-$830 million**

Long-term cost strategy

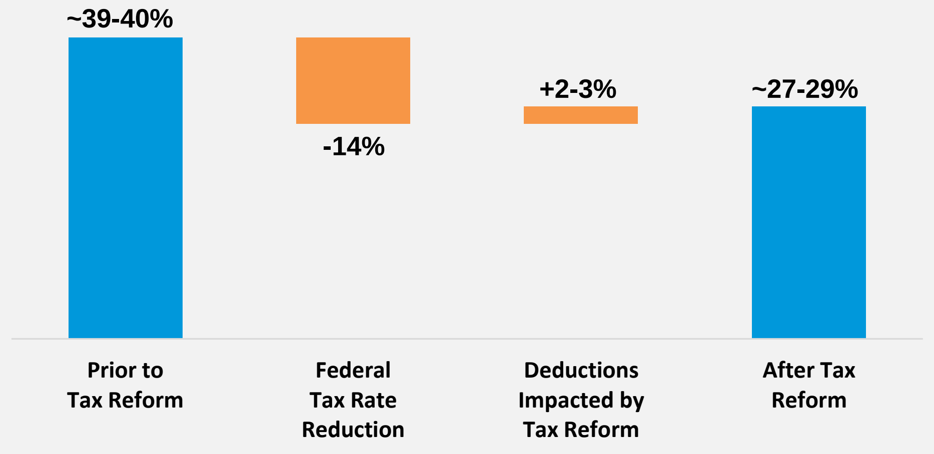
- Focus on delivering operating leverage
- Prioritize investments that drive organic growth
- Drive productivity and efficiency
- Adapt cost trajectory as environment evolves

2018 Core G&A outlook

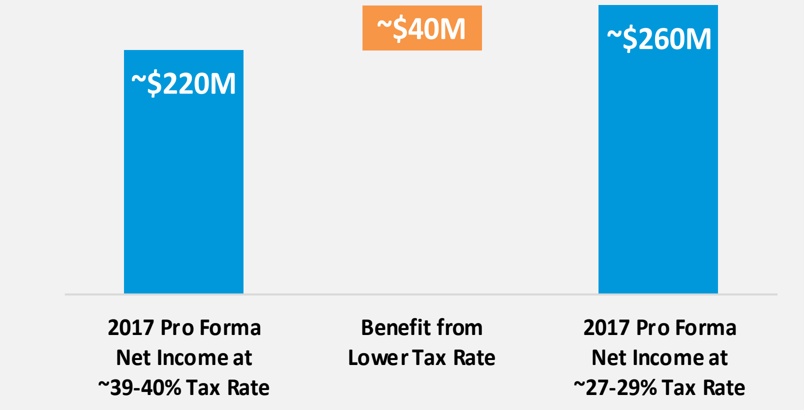
- **Core G&A outlook prior to NPH of $730-$750M**
  - We believe we have a larger set of opportunities to invest in organic growth
  - This creates a range slightly wider than we've had historically
- **Total Core G&A outlook including NPH of $800-$830M**
  - NPH expense will be inherently more variable than the rest of Core G&A given the timing of advisor and asset onboarding
  - This variability may impact the timing and amount of expense in 2018, but we do not expect it to impact our run-rate estimates for the transaction

Tax Reform lowered our estimated 2018 effective tax rate to ~27-29%

Tax Reform lowers our effective tax rate…



…And increased our cash flow



Key Points:

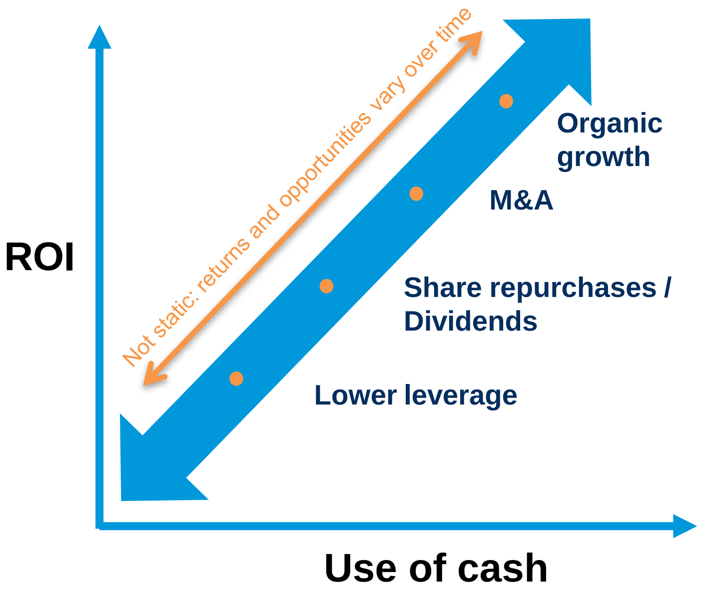
- Tax reform has lowered our federal corporate tax rate from 35% to 21%
- Tax reform also impacted some deductions, which offset the benefit of the lower rate
- While tax rates can vary over time, we estimate our new 2018 effective tax rate will be ~27-29%

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

Our capital management principles

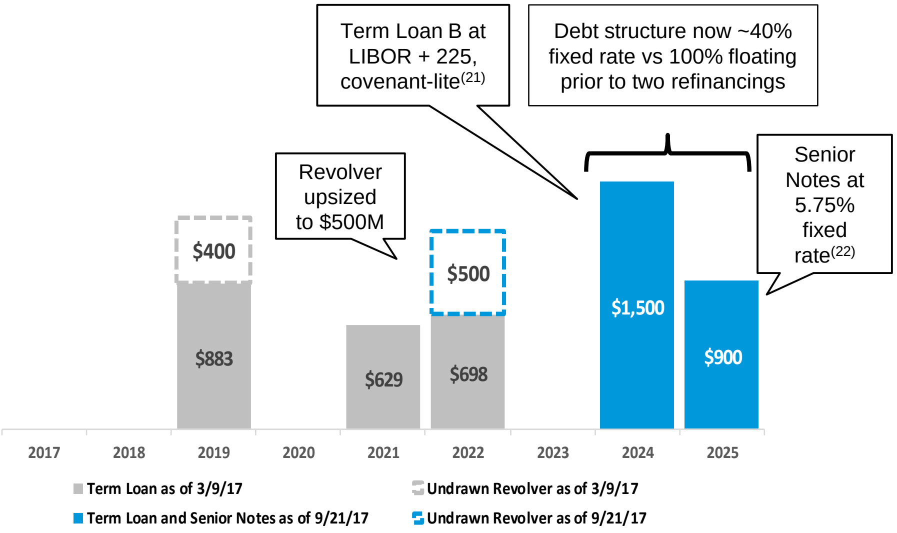
- **Disciplined capital management to drive long-term shareholder value**
- **Maintain a strong and flexible balance sheet**
  - Current management target net leverage range is 3.25x to 3.5x
  - Debt structure was refinanced to be more flexible and support growth
- **Prioritize investments that drive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

Dynamic capital allocation across options

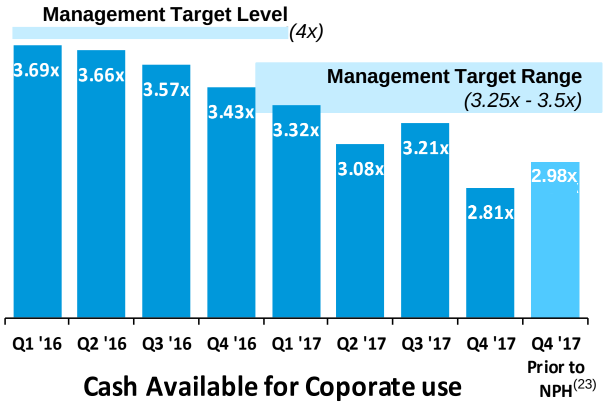


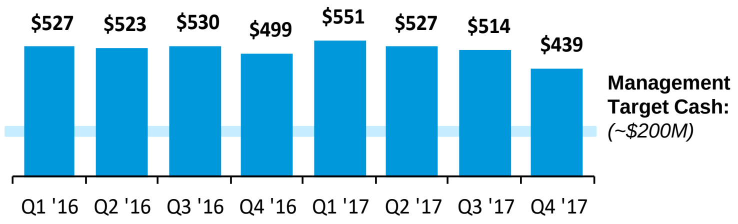
We have positioned our balance sheet to be a source of strength

Refinancings position balance sheet to support growth



We have been building capacity

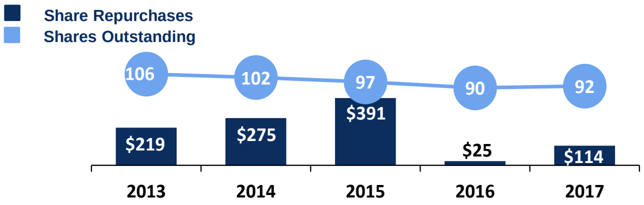




We have consistently deployed capital to growth and shareholder returns

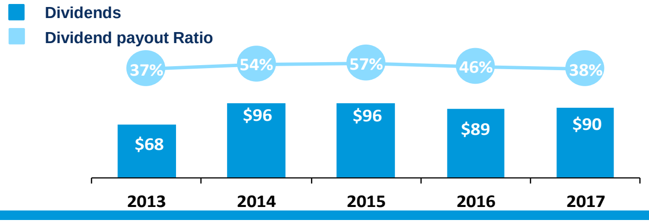
We have allocated capital across potential options

Share Repurchases



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

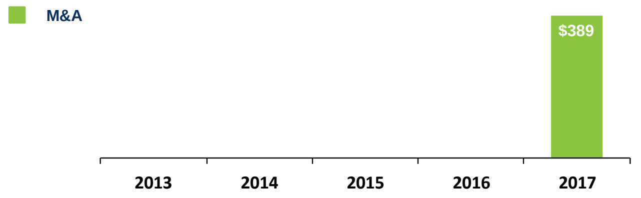
Dividends



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

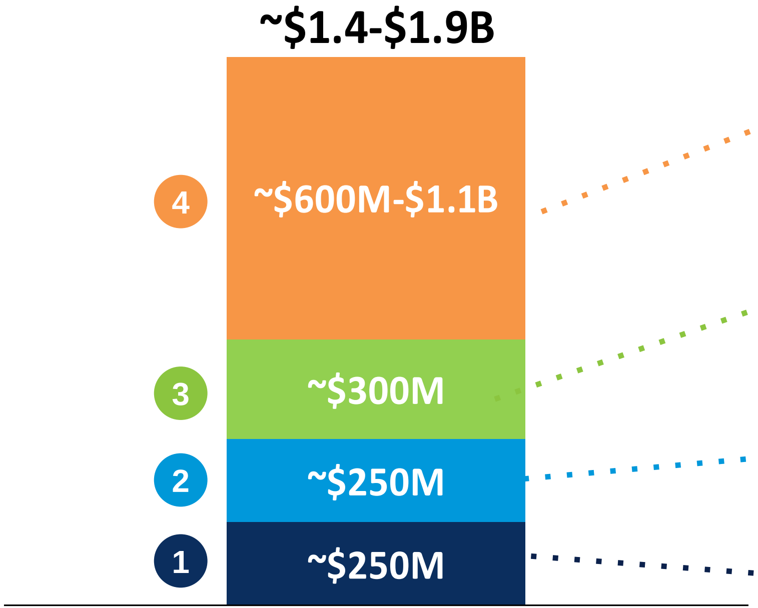
Payout ratio ~2x S&P Fins average

M&A



NPH includes $325M initial purchase price and onboarding and financial assistance of $64M in 2017 with additional capital deployment to come in 2018

We have a significant amount of capital deployment capacity



Capital Deployment Capacity
(Estimate as of Q4 2017)

Incremental M&A Leverage Capacity
Incremental capital accessible if all other capacity were deployed for M&A at a 6-8x purchase multiple[24]

NPH EBITDA* Benefit
Additional leverage capacity up to 3.5x net leverage generated by an estimated incremental $85M of NPH Run-rate EBITDA* accretion onboarding in two waves in Q4 2017 and Q1 2018[25]

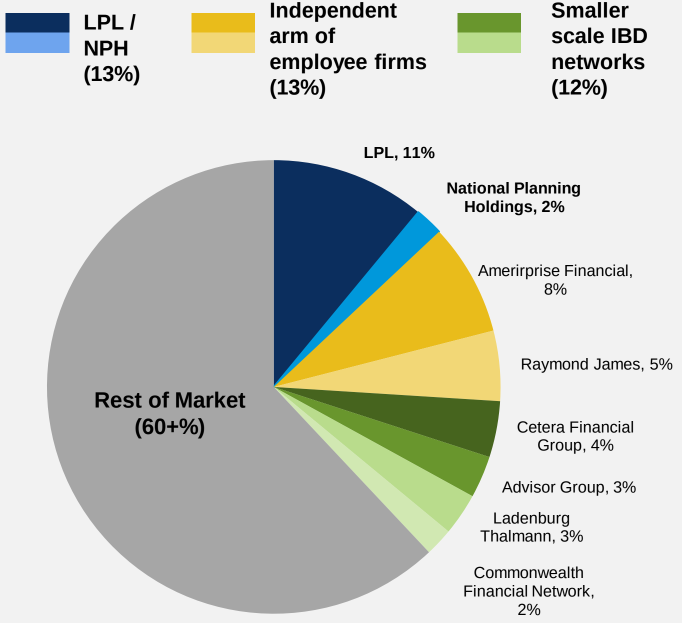
Additional Leverage Capacity, prior to NPH
Capital available to deploy up to 3.5x net leverage

Excess Cash
Cash available for corporate use above ~$200M management target as of Q4 2017

Our core markets are fragmented, with potential for consolidation

Fragmented core markets[26]

Share of Core Markets[27]



Growth potential from consolidation

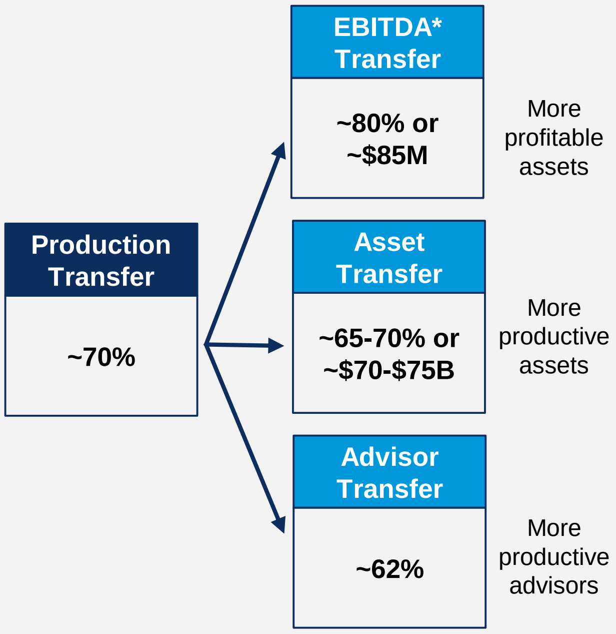
- Our scale, capabilities, and economics give us **competitive advantages in M&A**
- Our **core markets are fragmented**, with the top ~8 players comprising ~40% of the market
- **Rising cost and complexity** is making it **harder for smaller players** to compete
- Therefore, **we believe consolidation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

Recap of NPH Acquisition

We acquired NPH in August 2017 and are currently onboarding their business

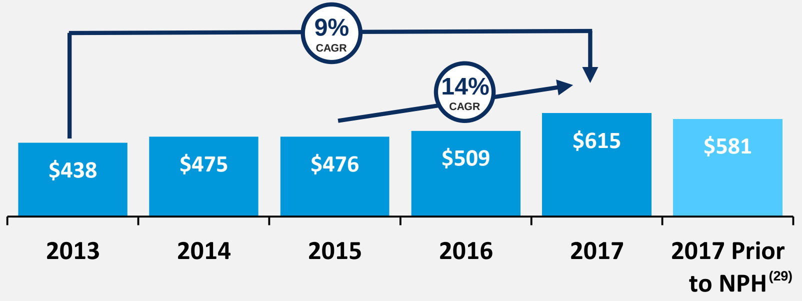
Business Overview	• Independent broker/dealer network with ~3,200 advisors serving ~$120B of client assets[28], of which ~$105B are reportable for LPL • Client asset mix: ~75% brokerage / ~25% advisory
Strategic Rationale	• Adds to LPL's size and scale and expands our leadership in core markets • LPL's scale, self-clearing, and broader capabilities can add value to NPH client assets • Creates additional resources to invest to drive growth and return to shareholders
Terms	• Transaction structured as an asset purchase • Initial purchase price of $325M and contingent payment of $0 to $123M based on production transferred ranging from 72% to 93.5% respectively • LPL is onboarding NPH advisors and client assets onto its platform in two waves – the first was in December 2017, and the second is scheduled for February 2018
Value Creation	• Estimated run-rate EBITDA* accretion of $85M by end of 2018 • Estimated run-rate accretion of ~$0.56 of EPS prior to amortization of intangible assets* by end of 2018 • Estimate purchase multiple of ~4x based on ~70% production transfer

We believe assets and advisors joining are more productive and profitable than NPH average

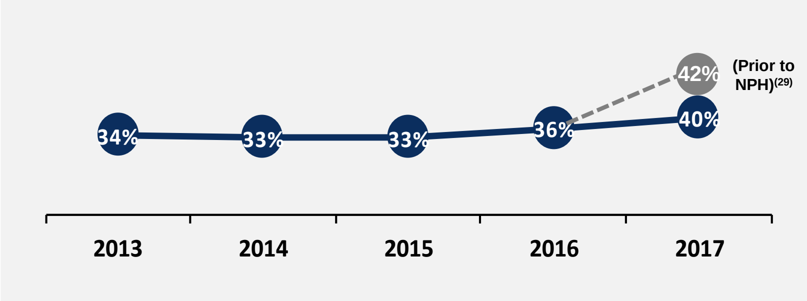


We are focused on executing our strategy and delivering results

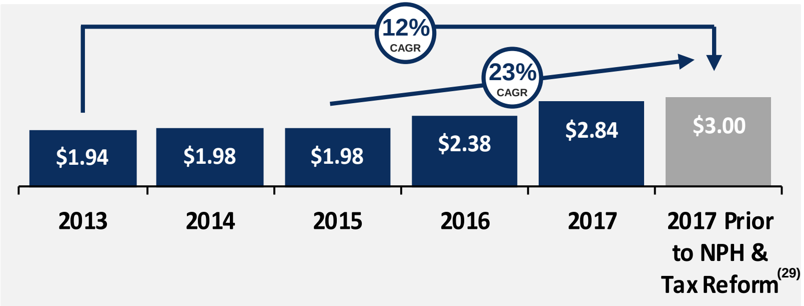
Total Brokerage and Advisory Assets ($ billions)



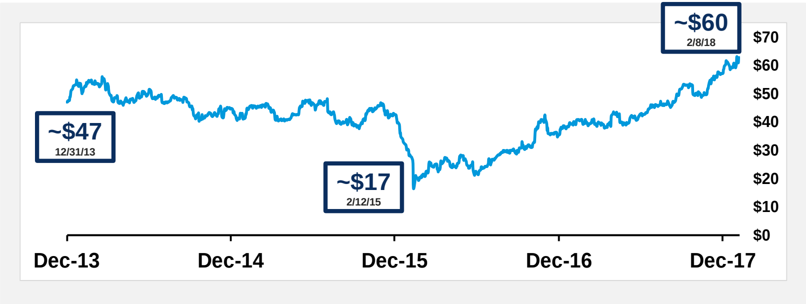
EBITDA* percent of Gross Profit*



EPS Prior to Amortization of Intangible Assets* ($)



LPLA Stock Price



Note: "CAGR" is calculated from year-end 2013 to year-end 2017 and year-end 2015 to year-end 2017 prior to NPH and tax reform, respectively

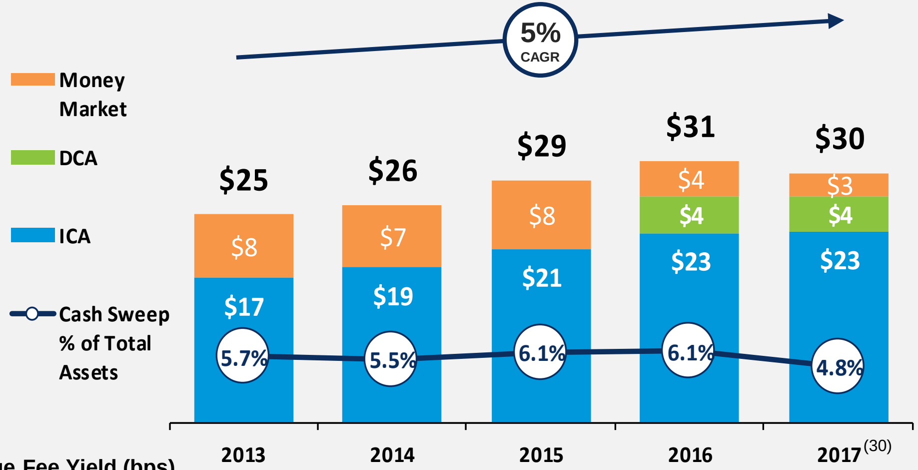
LPL Investment Highlights: Significant opportunities to grow and create long-term shareholder value

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

APPENDIX

Client cash sweep balances position us for earnings growth as rates rise

Client cash sweep end of period balances (billions)



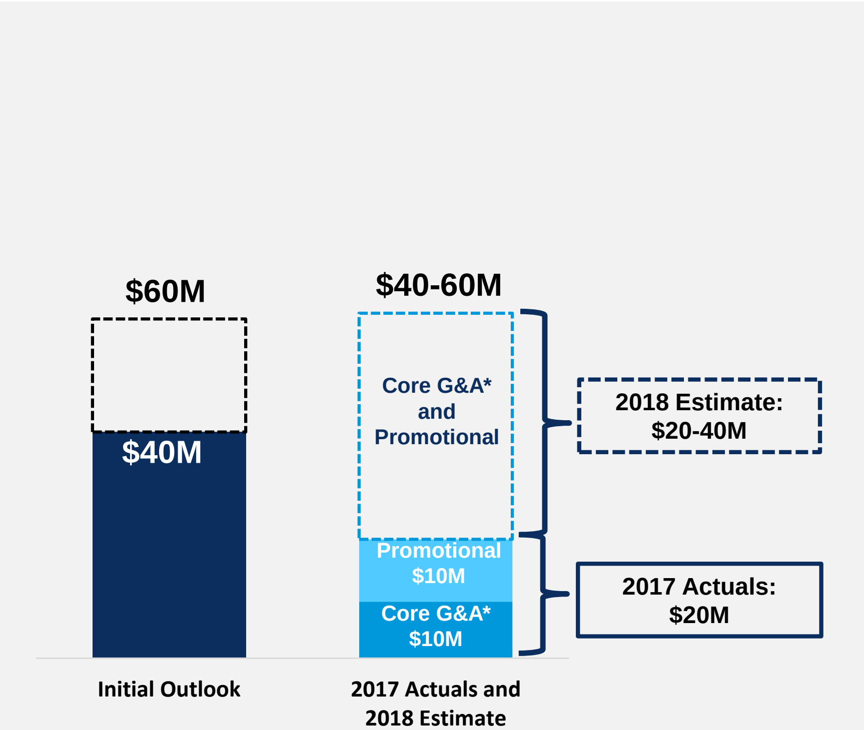
Average Fee Yield (bps)	2013	2014	2015	2016	2017(30)
ICA	68	56	47	66	113
DCA	n/a	n/a	n/a	37	90
MMK	6	7	10	38	64
Weighted Average(31)	**48**	**41**	**36**	**58**	**105**

Cash sweep product descriptions

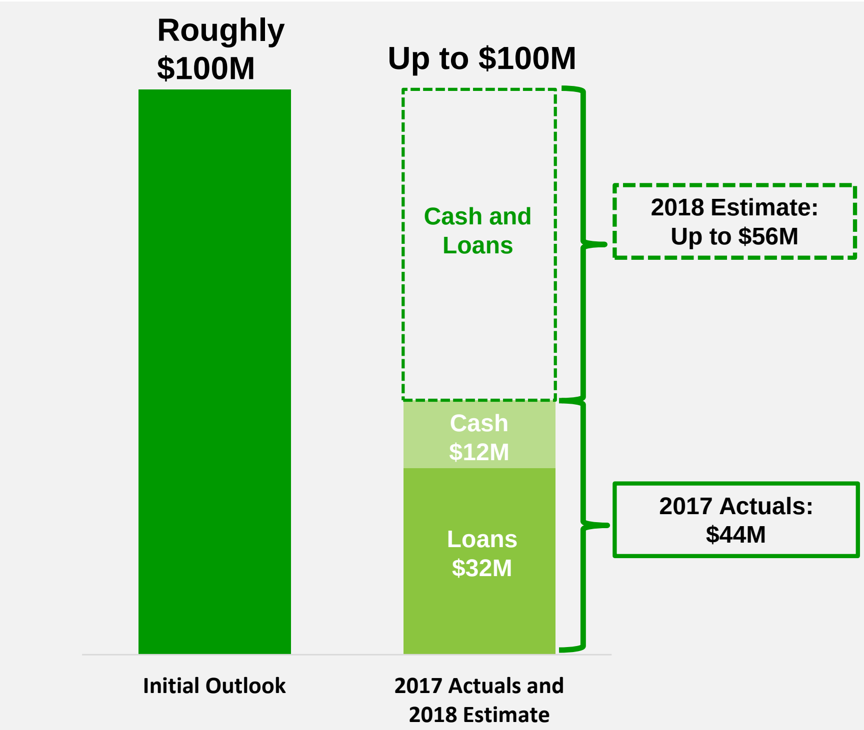
Insured Cash Account (ICA)	• FDIC insured sweep deposits • Available to brokerage, hybrid advisory, and corporate advisory taxable accounts • Actively managed portfolio of ~30 bank contracts • Yield indexed primarily to FFER but also 1ML and 3ML,with a small portion fixed
Deposit Cash Account (DCA)	• Launched July 2016 • FDIC insured sweep deposits • Available to certain advisory individual retirement accounts • Actively managed portfolio of ~25 bank contracts • Fee per account indexed to Fed Funds Target Range
Money Market (MMK)	• Third party money market funds • Most balances in government funds following money market reform • Yield determined by product manufacturers

NPH onboarding costs and financial assistance through Q4 2017 was consistent with initial outlook

Onboarding Costs ($ millions)



Financial Assistance ($ millions)



Calculation of Gross Profit

Gross profit is a non-GAAP financial measure. Please see a description of gross profit under “Non-GAAP Financial Measures” on page 3 of this release for additional information.

Set forth below is a calculation of Gross Profit for the periods presented on pages 4.

$ in millions	2017	2016	2015	2014	2013
Total Net Revenue	**$4,281**	**$4,049**	**$4,275**	**$4,374**	**$4,141**
Commission & Advisory Expense	2,670	2,601	2,865	2,999	2,848
Brokerage, Clearing and Exchange	57	55	53	49	45
Gross Profit	**$1,555**	**$1,394**	**$1,358**	**$1,326**	**$1,248**
NPH Gross Profit	4				
Gross Profit Prior to NPH	**$1,551**				

Reconciliation of Core G&A to OPEX

Core G&A is a non-GAAP financial measure. Please see a description of Core G&A under “Non-GAAP Financial Measures” on page 3 of this presentation for additional information.

Below are reconciliations of Core G&A against the Company’s total operating expense for the periods presented on pages 19, and of Core G&A, prior to the impact of the acquisition of NPH, against the Company’s total operating expense for the same periods:

$ in millions	2017	2016	2015
Core G&A	$727	$700	$695
Regulatory charges	21	17	34
Promotional	172	149	139
Employee share-based compensation	19	20	23
Other historical adjustments	-	-	13
Total G&A	**938**	**886**	**904**
Commissions and advisory	2,670	2,601	2,865
Depreciation & amortization	84	76	73
Amortization of intangible assets	38	38	38
Brokerage, clearing and exchange	57	55	53
Total operating expense	**$3,787**	**$3,655**	**$3,933**

$ in millions	2017
Core G&A	$727
NPH related Core G&A	15
Total Core G&A prior to NPH	**$712**

Reconciliation of Net Income to EBITDA

EBITDA is a non-GAAP financial measure. Please see a description of EBITDA under "Non-GAAP Financial Measures" on page 3 of this presentation for additional information.

Below are reconciliations of the Company's net income to EBITDA for the periods presented on page 4, and of the Company's net income prior to the impact of the acquisition of NPH to EBITDA for 2017, as presented on page 4:

$ in millions	2017	2016	2015	2014	2013
Net Income	$239	$192	$169	$178	$182
Non-operating interest expense	107	96	59	52	51
Provision for Income Taxes	126	106	114	117	109
Depreciation and amortization	84	76	73	58	44
Amortization of intangible assets	38	38	38	39	39
Loss on Extinguishment of debt	22	-	-	-	-
EBITDA	**$616**	**$508**	**$453**	**$443**	**$426**
NPH related EBITDA expense	35				
Total Core G&A prior to NPH	**$651**				

Reconciliation of Net Income to Credit Agreement EBITDA

Credit Agreement EBITDA is a non-GAAP financial measure. Please see a description of Credit Agreement EBITDA under "Non-GAAP Financial Measures" on page 3 of this presentation for additional information.

Set forth below is a reconciliation from the Company's net income to Credit Agreement EBITDA for the twelve months ended December 31, 2017:

$ in millions	2017
Net Income	$239
Non-operating interest expense	107
Provision for Income Taxes	126
Depreciation and amortization	84
Amortization of intangible assets	38
Loss on Extinguishment of debt	22
EBITDA	**$616**
Employee share-based compensation expense(1)	19
Advisor share-based compensation expense(2)	9
NPH run-rate EBITDA accretion(3)	43
NPH onboarding costs	32
Other(4)	26
Credit Agreement EBITDA(5)	**$745**

Credit Agreement Adjustments include:

(1) Share-based compensation for equity awards granted to employees, officers, and directors. Such awards are measured based on the grant-date fair value and recognized over the requisite service period of the individual awards, which generally equals the vesting period.

(2) Share-based compensation for equity awards granted to advisors and to financial institutions based on the fair value of the awards at each reporting period.

(3) Estimated potential future cost savings, operating expense reductions or other synergies included in Credit Agreement EBITDA in accordance with the Credit Agreement relating to the acquisition of NPH. Such amounts do not represent actual performance and there can be no assurance that any such cost savings, operating expense reductions or other synergies will be realized.

(4) Items that are adjustable in accordance with the Credit Agreement to calculate Credit Agreement EBITDA, including employee severance costs, employee signing costs, employee retention or completion bonuses, and other non-recurring costs.

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

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

EPS Prior to Amortization of Intangible Assets is a non-GAAP financial measure. Please see a description of EPS Prior to Amortization of Intangible Assets under “Non-GAAP Financial Measures” on page 3 of this presentation for additional information.

Below are the following reconciliations of EPS Prior to Amortization of Intangibles to GAAP EPS for the periods presented on page 27 of this presentation.

	2017	2016	2015	2014	2013
GAAP EPS	$2.59	$2.13	$1.74	$1.75	$1.72
Amortization of Intangible Assets ($ in millions)	38	38	38	39	39
Tax Expense ($ in millions)	(15)	(15)	(15)	(15)	(15)
Amortization of Intangible Assets Net of Tax ($ in millions)	23	23	23	24	24
Diluted Share Count	92	90	97	102	106
EPS Impact	0.25	0.26	0.24	0.23	0.22
EPS Prior to Amortization of Intangible Assets	**$2.84**	**$2.38**	**$1.98**	**$1.98**	**$1.94**
Net Income cost of NPH ($ in millions)	24				
Net Income Impact of Tax Reform ($ in millions)	(9)				
Diluted Share Count	92				
EPS Impact	$0.16				
EPS Prior to Amortization of Intangible Assets, NPH, and Tax Reform	**$3.00**				

Endnotes

(1) Based on total revenues, Financial Planning magazine June 1996-2017
(2) The Company calculates its Net Leverage Ratio in accordance with the terms of its credit agreement.
(3) The Company’s market share was calculated excluding the estimated ~$135B of Retirement Plan assets that LPL advisors advise.
(4) ~$1 Tr does not include $1 Tr of assets custodied with proprietary bank B/Ds (e.g. Wells Fargo, JP Morgan Chase, etc.)
(5) Net New Advisory Assets consists of total client deposits into advisory accounts less total client withdrawals from advisory accounts. The Company considers conversions from and to advisory accounts as deposits and withdrawals respectively. Annualized growth is calculated as the current period net new advisory assets divided by preceding period total Advisory Assets.
(6) Net New Brokerage Assets consists of total client deposits into brokerage accounts less total client withdrawals from brokerage accounts. The Company considers conversions from and to brokerage accounts as deposits and withdrawals respectively. Annualized growth is calculated as the current period net new assets divided by preceding period total Brokerage Assets.
(7) Net Brokerage to Advisory Conversions consists of existing custodied assets that converted from brokerage to advisory, less existing custodied assets that converted from advisory to brokerage.
(8) This includes $0.2 billion of assets from NPH.
(9) The Company announced anticipated client departures on both its Q3 2016 and Q4 2016 earnings calls.
(10) Represents annualized Gross Profit* for the period, divided by average month-end Total Brokerage and Advisory Assets for the period. Prior to Q4 2017 results, Management calculated Gross Profit ROA by dividing annualized Gross Profit* for the period by Total Brokerage and Advisory Assets at the end of the period.
(11) Other asset-based revenues consist of revenues from the Company's sponsorship programs with financial product manufacturers and omnibus processing and networking services, but not including fees from cash sweep programs. Other asset-based revenues are a component of asset-based revenues and are derived from the Company's Unaudited Condensed Consolidated Statements of Income.
(12) Consists of total advisory assets under custody at LPL Financial.
(13) Consists of brokerage assets serviced by advisors licensed with the Company’s broker-dealer subsidiary LPL Financial LLC (“LPL Financial”).
(14) Centrally Managed Assets represents those Advisory Assets in LPL Financial’s Model Wealth Portfolios, Optimum Market Portfolios, Personal Wealth Portfolios, and Guided Wealth Portfolios platforms.
(15) Consists of total client deposits into Centrally Managed Assets (see FN16) accounts less total client withdrawals from Centrally Managed Assets accounts.
(16) Represents the average month-end Total Brokerage and Advisory Assets for the period.
(17) Represents annualized Gross Profit* for the period, divided by average month-end Total Brokerage and Advisory Assets for the period. Prior to Q4 2017 results, Management calculated Gross Profit ROA by dividing annualized Gross Profit for the period by Total Brokerage and Advisory Assets at the end of the period.
(18) Represents annualized operating expenses for the period, excluding production-related expense (OPEX), divided by average month-end Total Brokerage and Advisory Assets for the period. Production-related expense includes commissions and advisory expense and brokerage, clearing and exchange expense. For purposes of this metric, operating expenses includes Core G&A*, Regulatory, Promotional, Employee Share Based Compensation, Depreciation & Amortization, and Amortization of Intangible Assets. Prior to Q4 2017 results, Management calculated OPEX ROA by dividing annualized operating expenses for the period by Total Brokerage and Advisory Assets at the end of the period.
(19) EBIT ROA is calculated as Gross Profit ROA less OPEX ROA.
(20) Management established the Company’s 2018 Core G&A* range at its Q4 2017 earnings call on February 1, 2018.
(21) The Company no longer has financial maintenance covenants on its Term Loan B as of March 10, 2017.
(22) Initial $500M of senior notes issued in March 2017 at 5.75%; Add-on $400M senior notes issued in September 2017 above par with yield to worst of 5.115% and coupon rate at 5.75%.
(23) Represents our Q4 2017 net leverage ratio, plus estimated incremental EBITDA* that we forecast to be provided by the acquisition of NPH, based on estimated EBITDA* transfer of ~$85 million.
(24) Additional leverage capacity is assumed to be generated by acquired EBITDA from an M&A opportunity at a 6-8x purchase multiple for which capital was deployed up to 3.5x net leverage.
(25) Represents estimated incremental EBITDA* of ~$85 million that we forecast to be provided by our acquisition of NPH based on a production transfer rate of approximately 70% with EBITDA equivalent to production transfer rate of approximately 80%.
(26) Core markets include ~$5.1T of 2016 assets in IBD, Hybrid RIA, and Bank channels as defined by Cerrulli Associates. Individual company share excludes assets in employee channel (e.g. Raymond James, Ameriprise).
(27) NPH run-rate assumes an asset transfer range of ~$70-$75 billion.
(28) Advisor headcount and asset numbers are as of June 30th, 2017, and were reported by NPH based on prior business, and have not been independently and fully verified by LPL Financial.
(29) Prior to NPH and tax reform items: Assets excludes $34B of NPH assets, EBITDA* excludes Gross Profit* and onboarding, financial assistance, and run-rate costs; EPS excludes $0.26 of NPH costs and $0.10 of tax reform benefit.
(30) These results include the Company’s NPH acquisition of $1.0 billion in cash sweep balances, including $0.4 billion of ICA balances, $0.4 billion of Money Market balances, and $0.2 billion of DCA balances.
(31) Calculated by dividing revenue for the period by the average balance during the period.