

PARKER/HUNTER ASSET MANAGEMENT, LLC

Investment Management Disclosure Brochure

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This disclosure brochure provides information about the qualifications and investment advisory business practices of Parker/Hunter Asset Management, LLC. If you have any questions about the contents of this disclosure brochure, please contact us at (412) 562-8100. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Parker/Hunter Asset Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Not applicable.

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Item 4: Investment Advisory Business

Parker/Hunter Asset Management, LLC ("Parker/Hunter", the "firm", "we" or "us") was formed on October 12, 2011 and commenced investment operations on August 1, 2012. Parker/Hunter is a wholly-owned subsidiary of Janney Montgomery Scott LLC ("Janney"), a financial services firm registered with the U.S. Securities Exchange Commission ("SEC") as both a broker-dealer and investment adviser. Janney is an indirect wholly-owned independent subsidiary of The Penn Mutual Life Insurance Company ("Penn Mutual").

Prior to August 1, 2012, Parker/Hunter operated as an asset management division of Janney and may continue to be referred to as a division of Janney. The Parker/Hunter Asset Management group was formed in 1994 as the asset management arm of Parker/Hunter Incorporated, a registered broker-dealer and investment adviser. Parker/Hunter Incorporated was acquired by, and incorporated into, Janney in 2005 and has operated as an asset management division of Janney since 2005.

Parker/Hunter provides discretionary investment management services primarily under two scenarios: (i) as part of the fee-based managed account "wrap" programs offered by Janney and (ii) for institutional clients on a separate account basis.

With respect to Janney's managed account programs, Parker/Hunter serves as investment advisor for Janney's Keystone, ETF Advantage, Alternative Focus Account and Parker/Hunter Direct programs. In providing services with respect to these programs, Parker/Hunter personnel work closely with Janney's Private Client Group, including Janney's Financial Advisors, in providing investment advisory services to clients.

Parker/Hunter provides discretionary investment management services to clients in three broad strategies: (i) equity strategies; (ii) fixed income strategies; and (iii) asset allocation strategies.

As described in Item 10 below, Parker/Hunter also shares personnel and certain investment and other resources with Janney.

There can be no assurance that any particular strategy will be successful in achieving the client's investment goals and objectives. Any investment in the securities markets involves risk, including the realization of investment loss.

Equity Strategies

Parker/Hunter's equity strategy offerings include an (i) All Cap Core Equity Strategy, (ii) Equity Income Strategy, and (iii) Active Index Strategy.

All Cap Core Strategy

The firm's All Cap Core Equity Strategy is designed to achieve competitive investment results while managing risk by investing in most major subdivisions of the equity markets. This includes large, mid and small capitalizations, growth and value, and international individual securities. Exposure to subdivisions is actively managed, and the weightings are adjusted accordingly, endeavoring to create a portfolio that seeks to protect principal while outperforming benchmarks over time. Investment decisions are executed based upon recommendations from the firm's Investment Committee which uses a combination of internal and external research, proprietary quantitative and qualitative screening and fundamental analysis. The firm uses a quantitative screen to narrow an overall market universe (both domestic and international) of securities and provide high level buy or sell intelligence and then generally employs fundamental analysis to evaluate a limited universe of opportunities. Buy or sell decisions with respect to individual securities are then determined within the firm's general strategic framework. The portfolio may also hold cash as an investment.

In implementing this strategy, the firm seeks to construct a diversified portfolio designed to deliver superior absolute and relative returns and deliver an all-weather solution. The portfolio generally consists of equity securities that the firm believes may be undervalued within their peer group and the market, reflects a broad range of market capitalizations of issuers, and is geographically diversified. The strategy is generally focused on the long-term and the firm seeks to maintain annual portfolio turnover of less than 35%.

Equity Income Strategy

The Equity Income Strategy is designed to achieve competitive investment results while managing risk by investing in most major subdivisions of the equity market. This includes large, mid and small capitalizations, growth and value and international individual securities. Exposure to subdivisions is actively managed, and the weightings are adjusted accordingly, endeavoring to create a portfolio that protects principal while outperforming benchmarks over time. The strategy seeks to generate an overall yield that is substantially higher than that of the S&P 500 Index. Investment decisions are executed based upon recommendations from the firm's Investment Committee which uses a combination of internal and external research, proprietary quantitative and qualitative screening and fundamental analysis. The portfolio may also hold cash as an investment. In implementing this strategy, the firm seeks to construct a diversified, income-oriented portfolio, with an emphasis on dividends. The strategy generally targets dividend yield twice that of the S&P 500.

Active Index Strategy

The Active Index Strategy is designed to achieve competitive equity investment results that are higher and less volatile than either single or multiple passive index funds. Active management occurs by overweighting or underweighting various exchange traded products (ETPs) including exchange-traded funds (ETFs), exchange traded notes (ETNs) and closed-end funds (CEFs) across and within industry sector and sub-sectors, style, capitalization and geography based on our market outlook. Individual security risk is greatly reduced because ETPs hold large numbers of securities that represent exposure to their respective asset classes, indexes or industries. Investment decisions are executed based upon recommendations from the firm's Investment Committee which uses a combination of internal and external research, proprietary quantitative and qualitative screening and fundamental analysis. The portfolio may also hold cash as an investment.

Fixed Income Strategies

Parker/Hunter's fixed income strategy offerings include the (i) Intermediate Government Credit Fixed Income Strategy, (ii) Tax Exempt Municipal Bond Strategy, and (iii) Active Index Fixed Income Strategy.

Intermediate Government Credit Fixed Income Strategy

The Intermediate Government Credit Fixed Income Strategy is designed to provide income by investing in high quality taxable bonds, including Treasuries, agencies, corporate, and taxable municipal bonds. The strategy does not include asset-backed or mortgage-backed securities. The firm seeks to construct a well diversified portfolio of fixed income securities by sector, maturity and issuer. Individual security selection is a reflection of a client's risk tolerance and investment policy. The firm uses economic analysis to establish an interest rate outlook, identify sector and yield curve opportunities and establish maturity targets. Credit quality and liquidity are given special consideration.

Tax Exempt Municipal Bond Strategy

The Tax Exempt Municipal Bond Strategy is designed to provide tax exempt interest income by investing in high quality tax exempt municipal bonds. The firm seeks to construct a well diversified portfolio of tax exempt municipal bonds by maturity and issuer. The firm uses economic analysis to establish an interest rate outlook, yield curve opportunities and maturity targets. Credit quality and

liquidity are given special consideration. Portfolios may be tailored for state specific strategies or may be broadly based as a national strategy.

Active Index Fixed Income Strategies

The Active Index Fixed Income Strategies are designed to achieve fixed income investment results that are higher and less volatile than either single or multiple passive index funds. Active management occurs by overweighting or underweighting various ETPs including ETFs, ETNs and CEFs. The strategy is available using either taxable income or tax exempt income securities. Investment decisions are executed through the firm's Investment Committee which uses a combination of internal and external research to select securities and establish weights in the portfolio.

Asset Allocation Strategies

The firm also offers two asset allocation strategies: (i) Dynamic Asset Strategy; and (ii) Dynamic Income Strategy. The Asset Allocation Strategies seek competitive total returns compared to the overall capital markets and do not have a predetermined asset class mix. Accounts invested in the Asset Allocation Strategies may be invested actively across asset classes but may also be concentrated in specific asset classes that Parker/Hunter believes offers the best opportunity for capital growth. Such flexibility in portfolio construction has the risk of exposing client accounts to decreases in value due to concentration in certain securities or asset classes.

Dynamic Asset Strategy

The Dynamic Asset Strategy seeks competitive total returns in combination with low-to- moderate volatility relative to the overall capital markets. The strategy attempts to deliver strong absolute and relative returns by creating a dynamic portfolio that differs from traditional policy portfolios. The strategy has no predetermined asset allocation mix and instead seeks to allocate capital to investments that appear to offer the most compelling opportunities, or at times the most protection in a given economic climate. Portfolios are allocated among equity securities, fixed income securities and cash, with the percentages of allocation to each subject to change based on market conditions. The strategy uses exchange-traded products (ETPs), including ETFs, exchange-traded notes (ETNs) and closed-end funds to invest tactically across asset classes and market categories. Investment decisions are executed based upon recommendations from the firm's Investment Committee which focuses on valuations, expected returns and correlations when developing an asset allocation. The committee also uses a combination of internal and external research, proprietary quantitative and qualitative screening and fundamental analysis.

Dynamic Income Strategy

The Dynamic Income Strategy seeks to deliver strong absolute and relative returns by creating a dynamic portfolio that differs from traditional policy portfolios. In implementing this strategy, the firm seeks a a high level of income with a goal of generating a yield that exceeds the Consumer Price Index (CPI) by two percent (2%) or more. Generally, the firm seeks to construct portfolios with a 50% weighting within a broad universe of fixed income securities. The Firm also uses (ETPs), including ETFs, ETNs and CEFs to invest tactically across asset classes and market categories. The strategy attempts to identify opportunities that offer a compelling level of income relative to what is available within the current macroeconomic environment.

The strategy has no predetermined asset allocation mix and instead seeks to allocate capital to investments that appear to offer the most compelling opportunities, or at times the most protection in a given economic climate. Portfolios are allocated among equity securities, fixed income securities and cash, with the percentages of allocation to each subject to change based on market conditions. The strategy uses exchange-traded products (ETPs), including ETFs, exchange-traded notes (ETNs) and closed-end funds to invest tactically across asset classes and market categories. Investment decisions are executed based upon recommendations from the firm's Investment Committee which focuses on

valuations, expected returns and correlations when developing an asset allocation. The committee also uses a combination of internal and external research, proprietary quantitative and qualitative screening and fundamental analysis.

Managed Account Programs Offered by Janney

Keystone

Parker/Hunter acts as the investment manager to Janney's Keystone Program. Under the Keystone program, client accounts are invested on a fully discretionary basis in a portfolio of no-load and load-waived mutual funds, ETFs and ETNs based on a strategy selected by the client and the client's Janney Financial Advisor. We may use our discretion to periodically rebalance client accounts and to make changes in the investments in the account where appropriate.

ETF Advantage

Parker/Hunter also acts as the investment manager to Janney's ETF Advantage program. Under the ETF Advantage program, client accounts are invested on a fully discretionary basis in a portfolio of exchange traded products, including but not limited to ETFs and ETNs based on a strategy selected by the client and with the advice of the client's Janney Financial Advisor. We may use our discretion to periodically rebalance client accounts and to make changes in the ETFs, ETNs and other ETPs in the account where appropriate.

Alternative Focus

Parker/Hunter acts as the investment manager to Janney's Alternative Focus Account program. Under the Alternative Focus Account program, client accounts are invested on a fully discretionary basis in a portfolio of no-load and load-waived mutual funds, ETFs and ETNs with a focus on investment strategies that are alternatives to traditional long only equity and fixed income strategies. These strategies typically have no or a low correlation to the traditional strategies. Janney will assist the client in determining if an alternative investment strategy is appropriate. We may use our discretion to periodically rebalance client accounts and to make changes in the securities in the account where appropriate.

Parker/Hunter Direct

Parker/Hunter also provides individualized and continuous investment advice and portfolio management services to individual and institutional clients of Janney through the Parker/Hunter Direct program. Asset management clients meet with their Janney Financial Advisor to establish an investment program based on the client's financial needs, objectives and risk tolerance. After the program is established, a written investment policy is prepared. Parker/Hunter's Investment Committee and portfolio managers then implement the investment strategy by making individual buy and sell transactions within the framework of the client's investment policy.

Investment portfolios are managed employing the equity, fixed income and/or asset allocation strategies discussed above. When appropriate to the needs of the client, Parker/Hunter may recommend the use of short-term trading (securities sold within 30 days), short sales, margin transactions or options writing. Because these investment strategies involve certain degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

Parker/Hunter also maintains model portfolios, on a non-discretionary basis, based on certain established guidelines, for the Unified Managed Account (UMA) program offered by Janney.

Additional Information Regarding Parker/Hunter's Investment Advisory Services

Client assets are managed differently depending upon the strategy selected.

As of August 11, 2012, Parker/Hunter manages approximately \$2 billion on a discretionary basis, primarily through its participation in the Janney managed account programs. As of August 1, 2012, Parker/Hunter does not manage any assets on a non-discretionary basis.

Item 5: Fees and Compensation

Asset-Based Management Fees

Asset-based management fees are generally charged quarterly in advance based on the market value of a client's assets under management at the beginning of the calendar quarter. Fees will generally be deducted directly from the client's account per the investment advisory agreement. In the event the client terminates the advisory relationship, the investment management fee is prorated through the effective date of termination, as defined by the investment advisory agreement, and any remaining balance shall be refunded to the client. In some cases, negotiation of fees may result in different fees being charged for similar services and may be less than the stated fee schedule.

Parker/Hunter's investment advisory fees are based on a percentage of assets in client accounts. In general, all fees are subject to negotiation based on the circumstances of the client and other factors, including but not limited to the type and size of the account and the type of advisory and client-related services to be provided to the account.

Managed Account (Wrap Fee) Programs

Clients who select managed account programs advised by Parker/Hunter, including the ETF Advantage, Keystone, Parker/Hunter Direct and Alternative Focus Account programs offered by Janney, typically do so under a "single contract" agreement.

Under the single contract, clients pay an asset-managed fee to the program sponsor and, out of that fee; the program sponsor is responsible for paying an investment advisory fee to Parker/Hunter. In these programs, the program sponsor and Parker/Hunter enter into a sub-advisory or other agreement under which Parker/Hunter agrees to manage the assets of client accounts in these programs. As part of that agreement, Parker/Hunter and the program sponsor agree on the investment advisory fees to be charged by Parker/Hunter on those assets. The fees charged by Parker/Hunter on assets of a client who chooses to participate in a managed account program advised by Parker/Hunter can be negotiable and will vary from program to program, but typically do not exceed 0.50% per year on the value of the client assets in the wrap fee program. The fees are typically charged quarterly in advance, based on the market value of the client assets as of the beginning of the quarter.

Fees with respect to Janney's managed account programs are disclosed in Janney's Form ADV Part 2A Investment Management Disclosure Brochure and Janney's Form ADV Part 2A, Appendix 1 Managed Account (Wrap Fee) Program Disclosure Brochure.

Advisory Fees Are Negotiable

Fees for any of Parker/Hunter's services are negotiable.

Brokerage and Other Transaction Costs

In addition to Parker/Hunter's advisory fees, clients may incur additional brokerage and other transaction costs in connection with securities transactions that Parker/Hunter engages in for their accounts. Such costs may include brokerage commissions, commission equivalents, mark-ups and mark-downs, odd-lot differentials, exchange fees, SEC fees, transfer taxes, stamp taxes and other transaction costs.

Other Fees and Expenses

In addition to Parker/Hunter's advisory fees and brokerage and other transaction costs, clients may pay other fees and expenses in connection with Parker/Hunter's advisory services, such as custodian fees to their custodians, wire transfer and electronic fund fees, margin interest fees, and other charges, taxes or fees mandated by any federal, state or applicable law.

Investment advisory accounts may include shares of mutual funds (including money market funds), CEFs, ETFs, or other investment companies or investment pools (collectively, "funds"). The value of these assets is considered when calculating the applicable account fees. In addition to account fees and expenses, client assets invested in funds are subject to other fees and expenses as described in the funds' prospectuses or offering document, including the management fee and other fees and charges payable by the fund. As a result, clients are bearing indirectly a portion of any investment management and other fees (such as dealer concessions, administration, custody, transfer agency, legal, audit, transaction-related and distribution) paid by a fund in addition to any account fees. These may also include payments to Parker/Hunter and its affiliates.

In addition, certain funds in which client assets are invested trade securities through an affiliate's institutional brokerage group, including both fixed and equities securities. As a result, that affiliate receives a benefit from such trades in either the commission paid for agency trades or the mark-up for principal trades. The firm's policy is to not recommend or use discretion to place investment advisory client assets in these funds simply because the managers for such funds may execute trades through an affiliate. In addition, funds typically have their own policies prohibiting the fund's manager from executing trades with a brokerage firm based on the amount of assets that firm's clients have invested in such fund.

Item 6: Performance-Based Fees and Side-by-Side Management

Parker/Hunter does not accept performance-based fees.

Item 7: Types of Clients

Parker/Hunter serves as investment advisor for several wrap fee programs offered and sponsored by Janney. These wrap fee programs may have minimum investment requirements.

Information about Janney's managed account programs can be found in Janney's Form ADV Part 2A Investment Management Disclosure Brochure and Janney's Form ADV Part 2A, Appendix 1 Managed Account (Wrap Fee) Program Disclosure Brochure.

Parker/Hunter offers investment advisory services to a broad range of individual and institutional clients including, but not limited to, individuals, families, trusts, estates, corporate and non-corporate entities, retirement plans, pension plans, profit-sharing plans, legal accounts, eleemosynary and religious organizations, and government entities. The minimum investment for a separately managed account with Parker/Hunter is generally \$200,000.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Parker/Hunter's approach to security analysis is based on fundamental research. This approach entails an examination of the operating, financial and industry conditions affecting each company whose security is under consideration, all from a long-term perspective. Parker/Hunter also strives to incorporate economic analysis into its overall market policy, employ certain relative valuation disciplines and make occasional, but limited, use of technical analysis. Parker/Hunter's investment professionals will take into

account factors such as current yield, price attractiveness, earnings and dividend growth potential, and economic, political and sociological factors. In portfolio construction, the investment managers will seek a prudent level of diversification to reduce risk.

While any or all of the sources of information may be used, Parker/Hunter's principal sources of information are: (i) issuer-prepared information (annual reports, proxy materials, press releases, etc.); (ii) SEC filings; (iii) management interviews and contacts; (iv) industry trade association statistics; (v) government data; and (vi) financial publications. Research is also obtained from equity research departments of other financial institutions and independent research services.

Asset allocation is primarily determined by analysis of the client's objectives and risk tolerance and secondarily by analysis of market and economic factors. Investment strategies recommended by Parker/Hunter are generally long-term oriented.

Parker/Hunter's investment strategies include those investing in equity securities and fixed income securities.

All investments carry the risk of loss of principal.

Risks

Parker/Hunter clients are managed independently and Parker/Hunter is under no obligation or requirement to buy or sell the same investments for accounts, even when the investment strategy may be similar. Parker/Hunter's investment strategies involve certain risks. There can be no assurance that any particular strategy will be successful in achieving the client's investment goals and objectives. Parker/Hunter does not guarantee the future performance of a client's account or any specific level of performance. The material risk for any strategy under Parker/Hunter's advice is risk of loss. Each method of analysis Parker/Hunter undertakes requires subjective assessments and decision-making by experienced investment professionals. However, there is a risk of an error in judgment. This is mitigated through an investment process and investment committees that provide thorough review of investment products and managers prior to their recommendation.

In periods of market volatility, we may be unable to invest new money contributed to an account, or proceeds from the sale of securities, as quickly as it might have been able to do under normal market conditions. Similarly, we may be unable to sell securities to raise cash, or to accommodate a terminating client's request to sell securities, as quickly, or at favorable prices, as we might have been able to do under normal market conditions. During periods of market volatility, we will use reasonable efforts to manage accounts consistent with applicable account guidelines and will take efforts to restore the account to such guidelines in a prudent manner if market volatility causes us to deviate from such account guidelines.

The following are certain important risks that should be considered by clients before investing.

Risk of Loss. Investing in securities involves risk of loss, including the risk of loss of principal.

Issuer Risk. Securities may decline in value because of changes in the financial condition of the issuer. An individual security may perform differently than the market as a whole.

Equity Risk. Investments in equity securities (e.g., common stock, preferred stocks, convertible securities, rights, warrants and depository receipts) are generally subject to greater price volatility than fixed income securities. Investments in income-producing equities are subject to the risk that the issuer may reduce or discontinue the dividend.

Market Capitalization Risk. Risks vary depending upon an issuer's market capitalization. Strategies that primarily invest in either large, mid, or small cap stocks take on the risk that one category may be out of favor. The stocks of small and mid cap companies may carry more risk

than those of large capitalization companies as their businesses may have less financial resources and their prices are often more volatile. Small and mid cap stocks may underperform larger capitalization companies and their shares may be less liquid and therefore harder to sell.

Interest Rate Risk. The markets prices of fixed income securities may decrease when interest rates rise. A rise in interest rates tends to have a greater impact on the prices of longer term or longer duration fixed income securities.

Credit Risk. If an issuer or guarantor of a security held by a client account defaults or is downgraded, or if the value of asset underlying the security declines, the value of the account's investment typically will decline.

ETPs (ETFs and ETNs) Risk. ETPs, including ETFs and ETNs, are subject to risks similar to those of stocks and may not be suitable for all investors. Shares can be bought and sold through a broker, and the selling shareholder may have to pay brokerage commissions in connection with the sale. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Shares may only be redeemed directly from the fund by Authorized Participants via Creation Units. There can be no assurance that an active trading market for the shares will develop or be maintained, and shares may trade at, above or below their NAV. Additionally, ETNs and some ETFs are not structured as investment companies and thus are not regulation under the Investment Company Act of 1940. An ETN's value generally depends on the performance of the underlying index and the credit rating of the issuer.

Closed-End Fund Risk. Shares of closed-end funds may trade at either a premium or discount to the fund's net asset value.

Foreign Investments Risk. Investments in securities of foreign issuers involve greater risk than investments in securities of U.S. issuers. Foreign countries in which an account may invest may have markets that are less liquid and more volatile than U.S. markets and may suffer from political or economic instability. In some foreign countries, less information is available about issuers and markets because of less rigorous accounting and regulatory standards in the U.S. Currency fluctuations could erase investment gains or add to investment losses.

Risks of Investing in Alternative Strategies. Alternative investment strategies may carry potentially greater and substantially different risks than those of traditional equity and fixed income investments. Clients should consider the specific risks associated with alternative investments, including fee structures, tax issues, and investment strategies. Where the client has exposure to an alternative investment strategy through a mutual fund or ETF position, the investment strategies employed and associated risks are more fully disclosed in each fund's prospectus. Alternative investments can be subject to one-time losses from rare events, and the value of the investment is not guaranteed – and the principal invested may not be returned. There are no guarantees that any investment will meet its objectives or that an investment can avoid losses.

Item 9: Disciplinary Information

There are no reportable legal or discipline events for Parker/Hunter Asset Management, LLC or its employees.

Disciplinary information about Janney can be found in Janney's Form ADV Part 2A Investment Management Disclosure Brochure and Janney's Form ADV Part 2A, Appendix 1 Managed Account (Wrap Fee) Program Disclosure Brochure.

Item 10: Other Financial Industry Activities and Affiliations

Parker/Hunter is a wholly-owned subsidiary of Janney. Janney is registered with the SEC as a broker-dealer under the Securities Exchange Act of 1934 ("Exchange Act"), as a municipal advisor under the Exchange Act, and as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"). Parker/Hunter provides various investment advisory services to clients of Janney, including providing discretionary asset management services to Janney clients through Janney's ETF Advantage, Keystone, Parker/Hunter Direct and Alternative Focus Account managed account programs, as well as providing non-discretionary model portfolios through Janney's UMA program. Parker/Hunter may give advice and take action in the performance of its duties to clients that differ from advice given, or to the timing and nature of action taken, with respect to accounts managed under Janney's managed account programs. Certain Parker/Hunter personnel are registered representatives of Janney.

Relationship with Janney

As noted in Item 4, Parker/Hunter has a strategic relationship with Janney pursuant to which we share personnel. As part of this relationship, Janney provides support for Parker/Hunter in the following functional areas: (i) operations; (ii) legal; (iii) compliance; (iv) risk management; (v) technology; (vi) finance; (vii) human resources; (viii) client services; and (ix) marketing. Parker/Hunter has implemented compliance policies and procedure substantially similar to those in place for Janney. In that way, all accounts are subject to the same policies and procedures designed to mitigate conflicts of interests and risks. Furthermore, Janney's Investment Advisory Chief Compliance Officer serves as Parker/Hunter's Chief Compliance Officer and Janney's Deputy General Counsel responsible for asset management legal and compliance matters also serves as Chief Legal Officer for Parker/Hunter. Parker/Hunter personnel may serve in various capacities with Janney including services regarding investment strategies and marketplace outlooks, trading, research and client services. Parker/Hunter personnel are subject to Janney's policies and procedures.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Parker/Hunter has adopted an Investment Advisory Code of Ethics (the "Code") that provides firm employees detailed guidelines governing their conduct including, but not limited to, the conduct of business with firm clients, knowledge and enforcement of firm privacy policies, conflicts of interest, compliance with state and federal statutes, laws and regulations, personal trading activities and possession and actions with regard to "inside information." Parker/Hunter will provide a copy of its investment advisory code of ethics to any client or prospective client upon request.

Employees of Parker/Hunter may invest in the same securities that Parker/Hunter recommends or buys or sells for clients. The conflict presented by this practice could lead to an employee purchasing or selling a security in advance of a client and receiving a better price. Personal securities transactions by Parker/Hunter portfolio managers are subject to the restrictions and procedures set forth in Code. Parker/Hunter personnel are subject to certain trading restrictions designed to mitigate conflicts of interest. These restrictions include holding periods for securities and a prohibition from purchasing initial public offerings.

Parker/Hunter will not effect "crossing" transactions (*i.e.*, transactions in which Parker/Hunter or its affiliate acts as broker for the parties on both sides of the transactions) in client accounts.

Item 12: Brokerage Practices

Generally, Parker/Hunter has discretion to select the brokers for which client trades may be executed with. With respect to Janney's managed account programs, however, clients generally authorize Janney to act as the broker for trades. A client may, however, authorize the use of another

broker. Parker/Hunter also has discretion to select another broker if it determines that better execution can be obtained through the other broker.

Research and Other Soft Dollar Benefits

In accordance with Section 28(e) of the Securities Exchange Act of 1934, Parker/Hunter and/or its affiliates may pay higher commissions to brokerage firms that provide it with investment and research information than to firms which do not provide such services if Parker/Hunter and/or its affiliates determine that such commissions are reasonable in relation to the overall services provided. Such transactions may include both equity and fixed income transactions effected on an agency basis. A potential conflict of interest exists where Parker/Hunter and/or its affiliates receive commission revenue from investment advisory firms that Parker/Hunter also recommends to clients. When Parker/Hunter uses client brokerage commissions (or markups or markdowns) to obtain research or other services, client benefits because Parker/Hunter does not have to produce or pay for the research, products, or services. Parker/Hunter may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research, products, or services, rather than the client's interest in receiving most favorable execution. Parker/Hunter does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Parker/Hunter conducts most trades through Janney, but has the right in most cases to execute through other brokers when appropriate. Considerations include cost, opportunities for best execution, and soft dollar research and services. Commissions paid to other brokers may or may not exceed commissions otherwise paid to Janney. Commissions paid when research or other services are involved may or may not exceed commissions paid when research or other services are not involved. Such research or services may benefit clients who did not incur the commission expense. Commission cost is primarily a factor for a-la-carte (fee plus commission) clients as opposed to wrap fee only clients, but may apply to wrap fee clients as well. Clients may incur transaction and execution costs for trades executed with another brokerage firm, including those for wrap fee client accounts. Soft dollar arrangements and procedures are individually reviewed and approved by Parker/Hunter's Investment Committee.

Brokerage for Client Referrals

For separately managed accounts, Parker/Hunter may select or recommend brokers for trade execution. With respect to Janney's managed account programs, clients generally authorize Janney to act as the broker for trades. Janney does not select or recommend other brokers.

Directed Brokerage

Under certain circumstances, a client may request that Parker/Hunter use a particular broker-dealer to execute transactions for the client's account under such terms and arrangements as the client may negotiate with the particular broker-dealer. However, where a client has requested the use of a particular broker-dealer, Parker/Hunter may not be in a position to freely negotiate commission rates or spreads, or to select broker-dealers on the basis of best price and execution. Additionally, transactions for a client that has requested that Parker/Hunter use a particular broker-dealer may not be commingled or "batched" for purposes of execution with orders for the same securities for other accounts managed by Parker/Hunter.

Accordingly, the request by a client of a particular broker-dealer to execute transactions for their account may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Parker/Hunter were empowered to freely negotiate commission rates or spreads, or to select broker-dealers on the basis of best price and execution.

With respect to Janney's managed account programs, clients generally authorize Janney to act as the broker for trades. Thus, trades for these clients will generally be executed with Janney. A client may, however, authorize the use of another broker. Parker/Hunter is also given the authority to select another broker if it determines that better execution can be obtained through the other broker. Not all

advisers require their clients to direct brokerage. By directing brokerage to Janney, Janney may be unable to achieve most favorable execution of client transactions. This practice may cost clients more money.

Bunched or Batched Orders

Parker/Hunter, in its sole discretion, may combine or “batch” purchases or sales of securities and allocate the securities equitably among Parker/Hunter’s clients. Under this procedure, transactions will be averaged as to price and will be allocated among client accounts in proportion to the purchase and sale orders actually placed for each client account on any given day. Parker/Hunter may also “batch” clients’ orders in the event that the availability of, or market for, certain securities is limited. Under this procedure, transactions will be allocated *pro-rata* among all client accounts. If pro rata allocation is impractical, orders may be allocated in a different manner such as based on available cash; provided, however, that the firm document its rationale.

Trade Errors

In the event of a trade error attributable to Parker/Hunter, Parker/Hunter’s general policy is to place the client in the position it would have been in absent the error unless otherwise directed by the client. When an error is identified prior to settlement, Parker/Hunter will normally move the trade to its error account. In such cases, the profit or loss resulting from the reversing transactions will be owned by Parker/Hunter.

Item 13: Review of Accounts

On a daily basis, Parker/Hunter’s portfolio managers review client accounts and approve the securities trades they initiate for client accounts. These reviews generally focus on accounts’ performance relative to applicable benchmarks and the continued investment appropriateness of the account’s composition, in light of factors such as the strategy selected and market conditions. Portfolio managers also utilize performance attribution analysis to help understand the sources of alpha (i.e., sector and stock selection components) for their investment strategies relative to applicable benchmarks and to assess portfolio diversification. The firm also reviews accounts on an ongoing basis for conformity with internal and client guidelines for the particular investment strategy or program.

Parker/Hunter communicates informally (by telephone or e-mail) and may meet with clients as per their request.

Clients are kept fully informed about their portfolio activity by receiving copies of all transaction confirmations and monthly/quarterly statements from their brokerage firms and/or custodians (note: clients have the option to suppress confirms if they so choose).

Item 14: Client Referrals and Other Compensation

Pursuant to written agreement, Parker/Hunter may occasionally refer clients to investment advisers. Parker/Hunter receives a fee equal to a stated percentage of the annual advisory fee which a solicited client pays to the other investment adviser. The fees received by Parker/Hunter are disclosed to clients at the time of engagement and solicitation arrangements are established in accordance with Rule 206(4)-3 under the Advisers Act. Parker/Hunter and the advisers may each terminate a written solicitation agreement on thirty (30) days’ notice. The agreement requires Parker/Hunter to deliver to each solicited client a copy of the other adviser’s disclosure brochure, as well as a separate disclosure statement complying with rule 206(4)-3.

Parker/Hunter or its affiliates may occasionally refer, recommend or maintain alliances with certain unaffiliated institutions that provide trust services, including arrangements with Bryn Mawr Trust

Company, the Pennsylvania Trust Company, and RBC Trust Company. These unaffiliated institutions offer various types of trust services, including trust administration, custody, tax reporting and record keeping, to Parker/Hunter clients or clients of its affiliates. Depending upon the particular arrangement, Parker/Hunter or its affiliates typically receives a fee from such unaffiliated institution based on a percentage of the assets under administration with the particular trust company from referred or recommended trust clients. In certain arrangements, the trust company may engage Parker/Hunter to manage assets of a trust, often through Janney's managed account programs, and/or provide custodial services for such trust, for which Parker/Hunter or its affiliates typically receives an asset-based fee from the trust client.

Parker/Hunter may compensate unrelated third parties for client referrals. Such arrangements are always subject to a written agreement between the parties. The agreement requires the solicitor to deliver to each solicited client a copy of Parker/Hunter's adviser's disclosure brochure, as well as a separate disclosure statement complying with Rule 206(4)-3. The solicitor will generally be compensated a portion of the client fee received by Parker/Hunter.

Item 15: Custody

We do not take physical custody of our clients' assets. Clients typically retain their own custodians under arrangements negotiated independently between them and their custodians. Although we do not have possession of client assets, under SEC rules, we may be deemed to have custody of client assets if the client directs its custodian to pay Parker/Hunter its advisory fee. In this circumstance, Parker/Hunter ascertains that the custodian sends the client an account statement at least quarterly. Clients are urged to compare their custodial statements with those provided by Parker/Hunter.

Most clients participating in the Janney managed account programs have their assets custodied with Janney as part wrap fee services provided by Janney.

Information about Janney's managed account programs can be found in Janney's Form ADV Part 2A Investment Management Brochure and Janney's Form ADV Part 2A, Appendix 1 Managed Account (Wrap Fee) Program Disclosure Brochure.

Item 16: Investment Discretion

Parker/Hunter accepts discretionary authority to manage securities accounts on behalf of its clients. Clients may place limitations on this authority. Examples include restrictions to own certain stocks and limitations on the percentage of cash held at any one time. In order for Parker/Hunter to assume discretionary authority both the client and the firm must sign a contract that explains the discretionary authority and details the restrictions or limitations, if any.

In addition to the foregoing, Parker/Hunter may provide services on a non-discretionary or model portfolio basis.

Item 17: Voting Client Securities

Parker/Hunter will deliver proxy materials for securities held in an account to the client unless the client delegates proxy voting authority to Parker/Hunter or to another client agent. In accordance with Rule 206(4)-6 under the Advisers Act, Parker/Hunter adopted and implemented written policies and procedures to govern proxy voting that are reasonably designed to ensure that it votes client securities in the best interests of clients. To assist in the proxy voting process, Parker/Hunter retains an independent third-party proxy voting service that provides various services such as research, analysis, and recommendations regarding votes as well as vote execution, reporting, auditing and consulting assistance for the handling of proxy voting responsibility. While Parker/Hunter relies upon its proxy voting

service in setting proxy voting guidelines, Parker/Hunter may deviate from these recommendations on either general policy issues or specific proxy proposals. A potential conflict of interest may occasionally arise between the nature of a proxy vote and relationship Parker/Hunter has with the subject company. In that event, the client's best interest receives foremost consideration and such proxy votes would be provided by the independent third party utilized to assist in the proxy voting process.

Parker/Hunter will furnish its proxy voting record regarding a client's securities if so requested by the client. Additionally, Parker/Hunter will provide a copy of its current proxy voting policy, without cost, upon request by the client. Requests should be submitted in writing to:

Chief Administrative Officer
Parker Hunter Asset Management, LLC
600 Grant Street
Pittsburgh, PA 19103

Where Parker/Hunter has not been given the right to vote proxies for the client, the client will be responsible for voting proxies and otherwise addressing all matters submitted for consideration by security holders, and Parker/Hunter is under no obligation to take any action or render any advice regarding such matters.

Parker/Hunter generally does not participate in securities class action claims or claims arising from bankruptcy. At a client's request, it will forward information about such claims to the client.

With respect to Janney managed account programs, Parker/Hunter does not vote proxies for such accounts.

Item 18: Financial Information

Parker/Hunter does not require or solicit prepayment of more than \$1,200 in fees per client six (6) months or more in advance.

Parker/Hunter has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

Parker/Hunter has not been the subject of a bankruptcy petition at any time during the past ten (10) years.

Item 19: Business Continuity Plan

Parker/Hunter has a business continuity plan and is prepared to implement it if necessary. Parker/Hunter intends to conduct an annual test of its business continuity plan.

Privacy Policy

Parker/Hunter collects and maintains information about our clients so that it can provide a broad range of appropriate financial services. Parker/Hunter also understands the importance of safeguarding the information in order to protect its clients' privacy rights. Parker/Hunter has established measures to protect client information that Parker/Hunter has about our clients for business purposes only. All of the Parker/Hunter employees that have access to client information are required to keep the information confidential and are subject to disciplinary action if they fail to comply with that requirement.

Parker/Hunter collects client information from the following sources: (a) account applications and related forms (e.g., online agreements and investment adviser contracts) and (b) transactions with

Parker/Hunter, its affiliates or others (e.g., investment companies, insurance companies and investment advisers). Parker/Hunter does not disclose personal information about our clients to anyone, except as requested or authorized by our clients and as required by law.