



JANNEY CAPITAL MANAGEMENT LLC

Investment Management Disclosure Brochure

One PPG Place, Suite 2200
Pittsburgh, PA 15222
Main (412) 562-8100

March 28, 2014

This disclosure brochure provides information about the qualifications and investment advisory business practices of Janney Capital 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 Janney Capital Management LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This section identifies and discusses material changes to the Form ADV Part 2 Investment Management Disclosure Brochure ("Brochure") since the version of this Brochure dated March 31, 2013, the date of the firm's last annual update to the Brochure.

On September 27, 2013, Janney Capital Management instituted a Global Small Cap Strategy.

The firm has updated the descriptions of its investment strategies to more accurately describe the strategies. No changes to the actual investment strategies have occurred.

The firm participated as a consultant and stock selector to First Trust Portfolios L.P. for the Global Equity Purchasing Power Portfolio unit investment trust series, which had an initial deposit date of June 11, 2013.

Item 3: Table of Contents

Material Changes	2
Investment Advisory Business.	4
Fees and Compensation	8
Performance-Based Fees and Side-by-Side Management.	9
Types of Clients	9
Methods of Analysis, Investment Strategies, and Risk of Loss	10
Disciplinary Information	12
Other Financial Industry Activities and Affiliations	12
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Brokerage Practices	13
Review of Accounts	14
Client Referrals and Other Compensation	15
Custody	15
Investment Discretion	16
Voting Client Securities	16
Financial Information	17
Business Continuity Plan	17
Privacy Policy	17

Item 4: Investment Advisory Business

Janney Capital Management LLC (“Janney Capital Management”, the “firm”, “we” or “us”) was formed on September 23, 2011 and commenced investment operations on September 1, 2012. The firm was originally known as Parker/Hunter Asset Management, LLC and, effective January 1, 2013, changed its name to Janney Capital Management LLC. Janney Capital Management is a wholly-owned subsidiary of Janney Montgomery Scott LLC (“Janney”), a financial services firm registered with the U.S. Securities and Exchange Commission (“SEC”) as both a broker-dealer and an investment adviser. Janney is an indirect wholly-owned independent subsidiary of The Penn Mutual Life Insurance Company (“Penn Mutual”).

Prior to September 1, 2012, Janney Capital Management (then known as Parker/Hunter Asset Management) operated as an asset management division of Janney. The original entity known as Parker/Hunter Asset Management 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 operated as an asset management group of Janney from 2005 to August 2012.

Janney Capital Management 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. The firm maintains model portfolios on a non-discretion for the unified managed account program offered by Janney. The firm also provides stock selection and consulting services in connection with unit investment trust portfolios.

With respect to Janney’s managed account “wrap” programs, Janney Capital Management serves as investment adviser for Janney’s Keystone, ETF Advantage, Alternative Focus Account and Janney Capital Management Direct programs. In providing services with respect to these programs, Janney Capital Management personnel work closely with Janney’s Private Client Group, including Janney’s Financial Advisors, in providing investment advisory services to clients.

Janney Capital Management provides discretionary investment management services to institutional clients on a separate account basis clients in three broad strategies: (i) equity strategies; (ii) fixed income strategies; and (iii) asset allocation strategies.

As described in Item 10 below, Janney Capital Management shares personnel and certain investment and other resources with Janney.

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

Equity Strategies

Janney Capital Management’s equity strategy offerings include an (i) All Cap Core Equity Strategy, (ii) Equity Income Strategy, (iii) Active Index Strategy and (iv) Global Small Cap Strategy.

All Cap Core Strategy

The primary investment objective of the firm’s All Cap Core Equity Strategy is capital appreciation. The firm’s Investment Committee (“Investment Committee”) allocates opportunistically amongst the most compelling equity securities for the strategy agnostic to market capitalization, style orientation, or geographic location. Portfolio construction is based on the Investment Committee’s macro-economic views, combined with fundamental sector and security analysis. Investment decisions are executed based upon recommendations from the Investment Committee which uses a combination of internal and external research, proprietary quantitative and qualitative screening and fundamental

analysis. A deliberate focus on risk management is applied at each step of the process; macro, portfolio construction and individual security level. The portfolio may also hold cash as an investment.

Equity Income Strategy

The Equity Income Strategy seeks a substantially higher dividend yield than the broad market, with the potential for dividend growth and long term capital appreciation. The strategy typically consists of a diversified portfolio of equity securities that reflect the Investment Committee's most compelling investment opportunities for the strategy regardless of market capitalization, style orientation or geographic location. Portfolio construction is based on the Investment Committee's macro-economic views combined fundamental sector and security analysis. We apply a deliberate focus on risk management at every step of the process; macro, portfolio construction and individual security level. Investment decisions are executed based upon recommendations from the 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.

Active Index Strategy

The Active Index Strategy seeks long-term capital appreciation. To achieve its investment objective, the strategy consists of a diversified portfolio of exchange traded products (ETPs) including exchange traded funds (ETFs), exchange traded notes (ETNs) and closed end funds (CEFs) that reflect the Investment Committee's most compelling investment opportunities for the strategy. The portfolio may also hold cash as an investment. Portfolio construction is based on the Investment Committee's macro-economic views combined with fundamental sector and security analysis. The portfolio may invest across all market cap sizes, investment styles, economic sectors and countries as deemed appropriate by the Investment Committee.

Global Small Cap Strategy

The Global Small Cap Strategy seeks to provide long-term growth by investing principally in the common stocks of companies with smaller market capitalizations. The Global Small Cap Strategy will generally be invested at least 80% in companies with market capitalizations less than \$5 billion. The Global Small Cap Strategy may be appropriate for investors with a long-term time horizon and who are willing to accept the potentially higher risks of smaller capitalization companies. In order to ensure appropriate diversification and to expand the universe of investing choices, Janney Capital Management intends to invest globally, in non-U.S. as well as U.S. small cap companies.

The GSC strategy may include shares of exchange-traded funds (ETFs) for the purpose of establishing a diversified position in a particular sector of the market or maintaining market exposure while awaiting an opportunity to purchase other securities, as well as such other purposes as may be determined by the Investment Committee from time to time. Janney Capital Management believes that purchasing ETFs in such a manner may allow the strategy to invest in a particular sector of the market more efficiently than would otherwise be possible.

Fixed Income Strategies

Janney Capital Management'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 seek current income. To achieve its investment objective, the strategy consists of a diversified portfolio of exchange traded products (ETPs) including exchange traded funds (ETFs), exchange traded notes (ETNs) and closed end funds (CEFs). The Investment Committee's economic analysis is utilized to establish an interest rate outlook, identify sector and yield curve opportunities and establish maturity, duration and credit quality ranges.

Asset Allocation Strategies

The firm offers two asset allocation strategies: (i) Dynamic Asset Strategy; and (ii) Dynamic Income Strategy. The asset allocation strategies seek either long term capital appreciation or high current income 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 the Investment Committee believes offers the best opportunity for achieving the strategy's investment objectives. 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 long term capital appreciation. To achieve its investment objective a dynamic portfolio is created that has no predetermined asset allocation mix and instead seeks to allocate capital to investments that appear to offer the most compelling opportunities for the strategy by the Investment Committee. The strategy uses ETPs, including ETFs and ETNs, and CEFs to invest tactically across asset classes and market categories. Investment decisions are executed based upon recommendations from the Investment Committee which focuses on valuations, expected returns and correlations when developing an asset allocation. The Investment 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 a high level of current income. To achieve its investment objective, the firm generally constructs portfolios with a 50% weighting in fixed income securities. The strategy uses ETPs, including ETFs and ETNs, and CEFs to invest tactically across asset classes and market categories. Investment decisions are executed based upon recommendations from the Investment Committee which focuses on valuations, expected returns and correlations when

developing an asset allocation. The Investment Committee also uses a combination of internal and external research, proprietary quantitative and qualitative screening and fundamental analysis.

Managed Account Wrap Programs Offered by Janney

Keystone

Janney Capital Management 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

Janney Capital Management 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 ETPs, including but not limited to ETFs and ETNs based on a strategy selected by the client 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 Account

Janney Capital Management 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.

Janney Capital Management Direct

Janney Capital Management provides individualized and continuous investment advice and portfolio management services to individual and institutional clients of Janney through the Janney Capital Management 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. Janney Capital Management's Investment Committee and portfolio managers then implement the investment strategy on a discretionary basis 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, Janney Capital Management 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.

Unified Managed Account (UMA) Program Offered by Janney

Janney Capital Management maintains model portfolios, on a non-discretionary basis, based on certain established guidelines, for the unified managed account (UMA) program offered by Janney.

Unit Investment Trusts (UITs)

Janney Capital Management acts as a consultant and stock selector to First Trust Portfolios L.P. in connection with the Global Equity Purchasing Power Portfolio unit investment trust series. The securities selected for inclusion within this portfolio are based on the application of a disciplined investment process that adheres to pre-determined screens and factors established by the investment professionals at Janney Capital Management. The portfolio seeks to generate: (1) an attractive level of current income; (2) an increasing dividend payout structure; and (3) capital appreciation.

Additional Information Regarding Janney Capital Management's Investment Advisory Services

Client assets are managed differently depending upon the strategy selected.

As of December 31, 2013, Janney Capital Management managed over \$3.2 billion on a discretionary basis, primarily through its participation in the Janney managed account wrap programs. As of December 31, 2013, Janney Capital Management 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 in accordance with the terms of 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. Where a client does not custody their assets at Janney, an invoice is sent to the client for payment of the fee.

Janney Capital Management'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. 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.

Managed Account (Wrap Fee) Programs

Clients who select managed account wrap programs advised by Janney Capital Management, including the ETF Advantage, Keystone, Janney Capital Management 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-based fee to Janney, as the program sponsor, and, out of that fee, Janney is responsible for paying an investment advisory fee to Janney Capital Management. In these programs, Janney, as the program sponsor, and Janney Capital Management enter into a sub-advisory or other agreement under which Janney Capital Management agrees to manage the assets of client accounts in these programs. As part of that agreement, Janney Capital Management and Janney agree on the investment advisory fees to be charged by Janney Capital Management on those assets. The fees charged by Janney Capital Management on assets of a client who chooses to participate in a managed account wrap program advised by Janney Capital Management may 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. 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. Generally, cash and cash equivalents are considered billable assets and charged the applicable asset management fee.

Fees with respect to Janney's managed account wrap 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 Janney Capital Management's investment advisory services are negotiable.

Brokerage and Other Transaction Costs

In addition to Janney Capital Management's advisory fees, clients may incur additional brokerage and other transaction costs in connection with securities transactions that Janney Capital Management 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 Janney Capital Management's advisory fees and brokerage and other transaction costs, clients may pay other fees and expenses in connection with Janney Capital Management'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 documents, 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 Janney Capital Management and its affiliates.

In addition, certain funds in which client assets are invested trade securities through an affiliate's institutional brokerage group (Janney), including both fixed income and equity securities. As a result, Janney 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.

For more information on the firm's brokerage arrangements, see Item 12 - "Brokerage Practices".

Consulting Fees

With respect to unit investment trusts for which Janney Capital Management acts as consultant or stock selector, Janney receives a licensing fee from the sponsor and provider of such unit investment

trusts based on a percentage of the assets invested in each series. In addition, Janney may also receive compensation from the sponsor and provider based on the amount of assets invested in each series.

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

Janney Capital Management does not accept performance-based fees.

Item 7: Types of Clients

Janney Capital Management offers investment advisory services to a broad range of individual and institutional clients including, but not limited to, individuals (including high net worth), families, trusts, estates, corporate and non-corporate entities, retirement plans, pension plans, profit-sharing plans, charitable and religious organizations, and government entities. The minimum investment for a separately managed account with Janney Capital Management is generally \$100,000.

Janney Capital Management also serves as investment advisor for several wrap fee programs offered and sponsored by Janney. These wrap fee programs 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.

Janney Capital Management also acts as a consultant and stock selector to a provider of unit investment trusts.

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

Janney Capital Management'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. Janney Capital Management 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. Janney Capital Management'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, as applicable. In portfolio construction, the investment managers will seek a prudent level of diversification to reduce risk.

While any or all sources of information may be used, Janney Capital Management'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. Additional research materials are obtained from equity research departments of other financial institutions and independent research services.

Asset allocation is primarily determined by conducting an analysis of the client's objectives and risk tolerance and secondarily by analyzing certain market and economic factors. Investment strategies recommended by Janney Capital Management are generally long-term oriented.

Investments in securities involve risk of loss that clients should be prepared to bear.

Risks

The accounts of Janney Capital Management clients are managed independently of one another and Janney Capital Management is under no obligation or requirement to buy or sell the same investments for all or some of the accounts, even when the investment strategy may be similar. Janney Capital Management'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. Janney Capital Management does not guarantee the future performance of a client's account or any specific level of performance. The material risk for any strategy under Janney Capital Management's advice is risk of loss. Each method of analysis Janney Capital Management 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 Committee 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.

Liquidity Risk. The ability to purchase or sell certain securities may decrease depending on the amount and availability of securities for an issuer. Particularly, the stocks of small cap and foreign issuers may be affected by this risk. Limited availability may impact the sale or purchase price of certain securities.

Interest Rate Risk. The market 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.

Call Risk. Certain debt securities have early redemption features. Issuers of callable bonds have the option of redeeming bonds prior to their stated maturity date. When a callable bond is redeemed the owner receives the stated call price, which may be higher or lower than the original purchase amount.

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 regulated 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 will be utilized in the Alternative Focus Account program and may be utilized in other programs. Generally, alternative investment strategies will occur in the client's account through the use of mutual funds and ETFs. 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, which is available from your Financial Advisor. 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 Janney Capital Management 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

Janney Capital Management 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"). Janney Capital Management provides various investment advisory services to clients of Janney, including providing discretionary asset management services to Janney clients through

Janney's ETF Advantage, Keystone, Janney Capital Management Direct and Alternative Focus managed account programs, as well as providing non-discretionary model portfolios through Janney's UMA program. Janney Capital Management 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. Several Janney Capital Management employees are registered representatives of Janney.

Relationship with Janney

As noted in Item 4, Janney Capital Management has a strategic relationship with Janney pursuant to which we share personnel. As part of this relationship, Janney provides support for Janney Capital Management 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. Janney Capital Management 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 Janney Capital Management'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 Janney Capital Management.

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

Janney Capital Management 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." Janney Capital Management will provide a copy of its investment advisory code of ethics to any client or prospective client upon request.

Employees of Janney Capital Management may invest in the same securities that Janney Capital Management 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 Janney Capital Management employees are subject to the restrictions and procedures set forth in Code. Janney Capital Management 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.

Janney Capital Management will not effect "crossing" transactions (*i.e.*, transactions in which Janney Capital Management or Janney acts as broker for the parties on both sides of the transactions) in client accounts.

Item 12: Brokerage Practices

Generally, Janney Capital Management has discretion to select the brokers that execute trades for client accounts. 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. Janney Capital Management has discretion to select another broker if it determines that better execution can be obtained through the other broker.

Where Janney Capital Management utilizes a broker other than Janney conducts most trades through Janney, but has the right 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 Janney Capital Management's Investment Committee.

Research and Other Soft Dollar Benefits

In accordance with Section 28(e) of the Exchange Act, Janney Capital Management 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 Janney Capital Management 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 Janney Capital Management and/or its affiliates receive commission revenue from investment advisory firms that Janney Capital Management also recommends to clients. When Janney Capital Management uses client brokerage commissions (or markups or markdowns) to obtain research or other services, client benefits because Janney Capital Management does not have to produce or pay for the research, products, or services. Janney Capital Management 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. Janney Capital Management does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Brokerage for Client Referrals

For separately managed accounts, Janney Capital Management may select or recommend brokers for trade execution. With respect to Janney's managed account wrap 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 Janney Capital Management 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, Janney Capital Management 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 Janney Capital Management 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 Janney Capital Management.

Accordingly, the request by a client to use 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 Janney Capital Management 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 wrap 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. Janney Capital Management 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

Janney Capital Management, in its sole discretion, may combine or “batch” purchases or sales of securities and allocate the securities equitably among Janney Capital Management’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. Janney Capital Management 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

A “trade error” is defined as (a) an error with the trading process (e.g., a buy order may be executed as a sell, or vice versa, or a security other than that which the investment manager ordered may be purchased or sold); or (b) a violation of a client’s investment restrictions (e.g., a decision may be to purchase a security or an amount of a security that is inconsistent with a client’s investment restrictions). As a fiduciary, Janney Capital Management has the responsibility to effect orders correctly, promptly and in the best interests of its clients. In the event any error occurs in the handling of any client transactions, due to the firm’s actions, or inaction, or actions of others, the firm’s policy is to notify the client of such error, ensure that its clients are treated fairly when correcting such errors, and correct the error as soon as practicable; in such a manner that clients will be in the same position they would have been if the error had not occurred.

Upon detection of a trade error, Janney Capital Management will research the trade error and determine the appropriate method for correcting the error. If the error is the responsibility of Janney Capital Management, any client transaction will be corrected and Janney Capital Management will be responsible for any Client loss resulting from an inaccurate or erroneous order. Profits and losses resulting from the correction of trade errors will be owned by Janney Capital Management.

Item 13: Review of Accounts

Account reviews are performed regularly by a portfolio manager or designee. Reviews are triggered by various factors including portfolio model changes, changes in client investment objectives, account deposits and withdrawals and volatile markets.

Janney Capital Management 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.

Item 14: Client Referrals and Other Compensation

Pursuant to written agreement, Janney Capital Management may occasionally refer clients to investment advisers. Janney Capital Management 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 Janney Capital Management 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. Janney Capital Management and the advisers may each terminate a written solicitation agreement on thirty (30) days’ notice. The agreement requires Janney Capital Management 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.

Janney and Janney Capital Management 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 Janney Capital Management clients. Depending upon the particular arrangement, Janney or Janney Capital Management may receive 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 Janney Capital Management (either directly or through a Janney managed account program) to manage assets of a trust and/or provide custodial services for such trust, for which Janney Capital Management typically receives an asset-based fee from the trust client.

Janney Capital Management 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 Janney Capital Management'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 Janney Capital Management.

With respect to unit investment trusts for which Janney Capital Management acts as consultant or stock selector, Janney receives a licensing fee from the sponsor and provider of such unit investment trusts based on a percentage of the assets invested in each series. In addition, Janney may also receive compensation from the sponsor and provider based on the amount of assets invested in each series.

Item 15: Custody

Janney Capital Management does not take physical custody of client 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 the Advisers Act, we may be deemed to have custody of client assets if the client directs its custodian to pay Janney Capital Management its advisory fee directly from its advisory account. In this circumstance, Janney Capital Management 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 Janney Capital Management.

Most clients participating in the Janney managed account programs have their assets custodied with Janney as part of the 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

Janney Capital Management accepts discretionary authority to manage securities accounts on behalf of its clients. Clients may place limitations on this authority. Examples include restrictions on investing in certain stocks and limitations on the percentage of cash held at any one time. In order for Janney Capital Management to assume discretionary authority both the client and the firm must sign a contract (i.e., investment advisory agreement) that explains the discretionary authority and details the restrictions or limitations, if any. Janney Capital Management cannot restrict specific securities that are held within an exchange traded product.

Item 17: Voting Client Securities

Janney Capital Management will deliver proxy materials for securities held in an account to the client unless the client delegates proxy voting authority to Janney Capital Management or to another client agent. In accordance with Rule 206(4)-6 under the Advisers Act, Janney Capital Management 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, Janney Capital Management 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 Janney Capital Management relies upon its proxy voting service in setting proxy voting guidelines, Janney Capital Management 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 Janney Capital Management 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.

Janney Capital Management will furnish its proxy voting record regarding a client's securities if so requested by the client. Additionally, Janney Capital Management 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
Janney Capital Management LLC
One PPG Place, Suite 2200
Pittsburgh, PA 15222

Where Janney Capital Management 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 Janney Capital Management is under no obligation to take any action or render any advice regarding such matters.

Janney Capital Management 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.

Item 18: Financial Information

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

Janney Capital Management has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

Janney Capital Management has not been the subject of a bankruptcy petition at any time during the past ten (10) years.

Business Continuity Plan

Janney Capital Management has a business continuity plan and is prepared to implement it if necessary. Janney Capital Management intends to conduct an annual test of its business continuity plan.

Privacy Policy

Janney Capital Management collects and maintains information about our clients so that it can provide a broad range of appropriate financial services. Janney Capital Management also understands the importance of safeguarding the information in order to protect its clients' privacy rights. Janney

Capital Management has established measures to protect client information that Janney Capital Management has about our clients for business purposes only. All of the Janney Capital Management 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.

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