



JANNEY CAPITAL MANAGEMENT LLC

One PPG Place, Suite 2200 | Pittsburgh, PA 15222
Main: 412.562.8100

Investment Management
Disclosure Brochure

March 31, 2020

This Brochure provides Clients (“**you**” or “**your**”) with information about the qualifications and business practices of Janney Capital Management LLC (“**Janney Capital**”, the “**firm**”, “**us**”, “**we**”, “**our**”, or “**us**”) that you should consider before becoming one of our clients. If you have any questions about the contents of this Brochure, please contact us at (412) 562-8100.

Janney Capital is an investment adviser registered with the Securities and Exchange Commission. Registration of an investment adviser does not imply a certain level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Additional information about Janney Capital also is available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

The last annual update of the Form ADV Part 2A was April 23, 2019. Since the last annual update, Janney Capital has added descriptions of two (2) socially responsible investing versions of its current equity strategies, the Global Sustainability Strategy, previously titled the All Cap Core Socially Responsible Strategy, and the Equity Income Socially Responsible Strategy to its business model that may be deemed to be a material change to our business. Information about the socially responsible strategies is provided under “Investment Advisory Business - Investment Strategies – Equity Strategies” in this Brochure.

Janney Capital also made other non-material updates throughout the Brochures to update information and disclosures. We may, at any time, update this Brochure. We will send you a copy or offer to send you a copy (either by electronic means or in hard copy form), as required by law.

If you would like another copy of this Brochure, you can either download it from the SEC website as indicated above or contact us at (412) 562-8100.

TABLE OF CONTENTS

Material Changes	2
Investment Advisory Business	5
Investment Strategies	5
Equity Strategies	5
Fixed Income Strategies	8
Laddered Fixed Income Strategies	9
Asset Allocation Strategies.....	10
Managed Account Wrap Programs Offered by Janney.....	11
Keystone Discretionary	11
ETF Advantage.....	11
Janney Capital Management Direct	12
Advisers MSP Program Offered by Janney.....	12
Third-Party Model Delivery	12
UMA Model Portfolios	12
Fees and Compensation.....	12
Brokerage and Other Transaction Costs	13
Other Fees and Expenses	13
Performance-Based Fees and Side-by-Side Management.....	14
Types of Clients	14
Minimum Investment Amounts	14
Methods of Analysis, Investment Strategies and Risk of Loss	14
Risks.....	15
Risk of Loss	15
Issuer Risk.....	15
Equity Risk	15
Fixed Income Risk.....	15
Market Liquidity Risk.....	16
Exchange Traded Product Risk	16
Closed-End Fund Risk	17
Real Estate Investment Trust (“REIT”) Risk	17
Foreign Investments Risk	17
American Depositary Receipt (“ADR”) Risk	17

Risks of Investing in Alternative Investments	17
Disciplinary Information.....	18
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	19
Brokerage Practices	19
Best Execution.....	19
Soft Dollar Arrangements	20
Brokerage for Client Referrals.....	21
Principal and Cross Transactions.....	21
Aggregated, Bunched or Batched Orders	21
Trade Order Rotation	22
Exchange Traded Funds	22
American Depository Receipts.....	22
Trade Errors.....	23
Tax Considerations	23
Review of Accounts.....	23
Client Referrals and Other Compensation	23
Custody	24
Investment Discretion.....	24
Voting Client Securities	24
Financial Information	25

INVESTMENT ADVISORY BUSINESS

Janney Capital was formed on September 23, 2011 and commenced investment operations on September 1, 2012. Janney Capital is based in Pittsburgh, Pennsylvania and organized as a limited liability company under the laws of Delaware. 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 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 a broker-dealer, municipal advisor and an investment adviser. Janney is an indirect wholly-owned subsidiary of The Penn Mutual Life Insurance Company. As of December 31, 2019, Janney Capital manages approximately \$3,027,568,819 of client assets on a discretionary basis and \$49,038,432 on a non-discretionary basis.

Prior to September 1, 2012, Janney Capital (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 provides discretionary investment management services primarily as a sub-advisor in certain fee-based managed account “wrap” programs (collectively, the “Programs”, and each a “Program”) offered by Janney. The firm also maintains model portfolios on a non-discretionary basis for the unified managed account program (*i.e.*, Adviser’s MSP) offered by Janney. In addition, Janney Capital provides model portfolios on a non-discretionary basis to certain program sponsors (or their overlay managers) for unified management accounts (“UMAs”). Each program sponsor (or overlay manager) retains investment discretion over the UMA. From time to time, the firm provides stock selection and consulting services in connection with unit investment trust portfolios.

With respect to the Programs, Janney Capital serves as the sub-advisor to Janney client accounts in the Keystone Discretionary, ETF Advantage, and Janney Capital Direct Programs offered through Janney. In providing services with respect to these Programs, Janney Capital personnel work closely with Janney’s Private Client Group, and its Financial Advisors, in providing investment advisory services to clients.

As described below, Janney Capital shares personnel, 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. In some circumstances, it may be appropriate to restrict a position(s) based on a client request.

Investment Strategies

Equity Strategies

Janney Capital’s equity strategy offerings include an (i) All Cap Core Equity Strategy, (ii) Global Sustainability Strategy, (iii) Equity Income Strategy, (iv) US Quality Dividend Strategy, (v) Global Small Cap Strategy, (vi) Active Index Strategy, (vii) Active Index Strategy – U.S. Only, (viii) Active Index Strategy – International, and (ix) JCM Direct Keystone Equity Growth Strategy.

All Cap Core Strategy

The primary investment objective of the firm’s All Cap Core Equity Strategy is capital appreciation. The strategy typically consists of a diversified portfolio of equity securities that reflect the firm’s Investment Committee’s

("Investment Committee") 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 with fundamental sector and security analysis. Investment decisions are made 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 and or American depositary receipts ("ADRs") as an investment.

Global Sustainability Strategy

The Global Sustainability Strategy is an Environmental, Social and Governance ("ESG") focused strategy with capital appreciation as its primary investment objective. ESG investing considers environmental, social and governance factors in the analysis, selection and management of investments. The strategy's security selection process is driven primarily through fundamental research with the addition of utilizing a third party quantitative model to assess ESG characteristics at the individual company level. This research ranks a company's ESG risk against industry peers and against a global universe of stocks resulting in absolute ratings that enables comparability within industries. The ESG factors are actively assessed and may result in portfolio holdings changes. No sector or industry is excluded from the ESG analysis process. A deliberate focus on risk management is applied at each step of the process including at the macro, portfolio construction and individual security level. The portfolio may also hold cash and or American depositary receipts as an investment. Examples of environmental factor rankings include business activities related to renewable and sustainability of natural resources, climate change, pollution, and water usage. Social factor rankings examples focus on human rights, health and safety, labor standards, supply chain, and social opportunities. Governance factors include items related to corporate behavior, risk management, data and cyber security.

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 with 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. The portfolio may also hold cash and or ADRs as an investment.

A socially responsible version of the Equity Income Strategy is available upon individual client request titled the Equity Income Socially Responsibility Strategy. The socially responsible version of the Equity Income Strategy considers moral, ethical or religious beliefs in the analysis, selection and management of investments. Socially Responsible Investing ("SRI") factors are integrated in the security selection process utilizing fundamental analysis to apply exclusions to specific industries and companies. The strategy avoids companies in the Alcohol, Tobacco, Gambling, Weapons, Contraception and Animal Testing related industries.

US Quality Dividend Strategy

The US Quality Dividend Strategy will be invested in equities predominately domiciled in the United States that regularly pay dividends, show potential for long-term capital growth, and are believed to be undervalued. The strategy consists of a portfolio of equity securities (US) that reflect the Investment Committee's most compelling investment opportunities. The portfolio will primarily be invested with an emphasis on large-capitalization stocks, although we may invest in US equities across all market capitalizations. Portfolio construction is based on the Investment Committee's macro-economic views combined with fundamental sector and security analysis.

Risk management is applied at every step of the process including at the macro, portfolio construction and individual security level.

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 strategy will generally be invested at least 80% in companies with market capitalizations less than \$5 billion. The strategy may be appropriate for investors with a long-term time horizon and who are willing to accept the potentially higher risks associated with smaller capitalization companies (see further discussion of such risks under “Method of Analysis, Investment Strategies and Risk of Loss – Market Liquidity Risk” below). In order to ensure appropriate diversification and to expand the universe of investing choices, the Investment Committee intends to invest globally, in non-U.S. as well as U.S. small cap companies, including the use of ADRs. The 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. Janney Capital Management believes that purchasing ETFs in such a manner will allow the strategy to invest in a particular sector of the market more efficiently than would otherwise be possible.

Active Index Strategy

The Active Index Strategy seeks to provide long-term capital appreciation. To achieve its investment objective, the strategy consists of a diversified portfolio of exchange traded products (“ETPs”) including 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.

Active Index Strategy – U.S. Only

The Active Index Strategy - U.S. Only seeks to provide long-term capital appreciation. To achieve its investment objective, the strategy consists of a diversified portfolio of ETPs including ETFs, ETNs and 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, and economic sectors in securities that are predominantly U.S. focused and deemed appropriate by the Investment Committee.

Active Index Strategy – International

The Active Index Strategy – International seeks to provide long-term capital appreciation. To achieve its investment objective, the strategy consists of a diversified portfolio of ETPs and 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 international markets and include various market cap sizes, investment styles, economic sectors and countries excluding the U.S., as deemed appropriate by the Investment Committee.

JCM Direct Keystone Equity Growth Strategy

The JCM Direct Keystone Equity Growth Strategy seeks to provide long-term capital appreciation. To achieve its investment objective, the strategy consists of a diversified portfolio of no-load mutual funds and ETPs. 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. The asset classes generally included in the strategy represent sector indexes, domestic indexes, international indexes, real estate, commodities, currencies and alternative investments.

Fixed Income Strategies

Janney Capital's fixed income strategy offerings include the (i) Core Active Bond Strategy, (ii) Core Active Municipal Strategy, (iii) Active Index Fixed Income Strategy, (iv) JCM Direct Keystone Income Strategy, (v) PurePreferred Strategy, (vi) Taxable Laddered Fixed Income Strategy, (vii) Taxable Laddered Fixed Income Plus Strategy, (viii) Taxable ETF Laddered Fixed Income Strategy, (ix) Taxable ETF Laddered Fixed Income Plus Strategy, (x) Municipal Laddered Fixed Income Strategy, and (xi) Municipal Laddered Fixed Income With High Yield Strategy.

Core Active Bond Strategy

The Core active Bond Strategy, previously titled the Intermediate Government Credit Fixed Income Strategy, seeks to provide income by investing in investment grade taxable bonds, including Treasuries, agencies, corporate bonds, and taxable municipal bonds. At the time of purchase, all bonds will have an investment grade rating as determined by at least one nationally recognized statistical rating organization. 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 objective. The firm uses economic analysis to establish an interest rate outlook, identify sector and yield curve opportunities and establish duration targets. Credit quality and liquidity are given special consideration.

Core Active Municipal Strategy

The Core Active Municipal Strategy, previously titled the Tax Exempt Municipal Bond Strategy, seeks to provide tax exempt interest income by investing in investment grade tax exempt municipal bonds. At the time of purchase, all bonds will have an investment grade rating as determined by a nationally recognized statistical rating organization. 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 to provide current income. To achieve its investment objective, the strategy consists of a diversified portfolio of ETPs, including ETFs, ETNs and CEFs. The strategy incorporates economic analysis which is utilized to establish an interest rate outlook, identify sector and yield curve opportunities and establish maturity, duration and credit quality ranges.

JCM Direct Keystone Income Strategy

The JCM Direct Keystone Income Strategy seeks to provide current income. To achieve its investment objective, the strategy's portfolio consists of no-load mutual funds and ETPs. The portfolio may also hold cash as an investment. The strategy incorporates economic analysis to establish an interest rate outlook, identify sector and yield curve opportunities and establish maturity, duration and credit quality ranges. The asset classes

generally included in the strategy represent segments of the bond market such as high yield bonds, corporate bonds, municipal bonds, and short-term instruments.

PurePreferred Strategy

The PurePreferred Strategy seeks to provide current income primarily by investing in issues of preferred securities. Individual security selection focuses on credit quality, fundamental analysis, and an issuer's corporate structure. Securities initially will be screened and then continuously monitored for potential changes in credit quality, as determined by a nationally recognized statistical rating organization. The strategy may include shares of ETFs for the purpose of establishing or maintaining market exposure while awaiting an opportunity to purchase other securities, as well as other purposes such as short-term investment and liquidity requirements.

Laddered Fixed Income Strategies

Janney Capital's laddered income strategy offerings include the (i) Taxable Laddered Fixed Income Strategy, (ii) Taxable Laddered Fixed Income Plus Strategy, (iii) Taxable ETF Laddered Fixed Income Strategy, (iv) Taxable ETF Laddered Fixed Income Plus Strategy, (v) Municipal Laddered Fixed Income Strategy, and (vi) Municipal Laddered Fixed Income With High Yield Strategy.

Taxable Laddered Fixed Income Strategy

The Taxable Laddered Fixed Income Strategy seeks to provide current income by investing in investment grade taxable corporate bonds. The laddered portfolio equally weights bonds by maturities and is diversified across sectors and issuers. Individual security selection emphasizes credit quality and liquidity. At the time of purchase all bonds will have an investment grade rating as determined by a nationally recognized statistical rating organization. Holdings are continually monitored for potential changes in credit quality. Clients have the flexibility to select from two separate levels of portfolio credit quality, high investment grade or medium investment grade (A Average or BBB+ Average) as well as two separate time ranges for bond maturities (1 – 10 years or 5 – 15 years). The strategy typically uses fixed income ETFs in two ways: one, to quickly establish market exposure for clients adding new cash to the strategy, as we await purchase of individual fixed income securities; and two, to maintain an extra liquidity buffer in accounts in order to efficiently raise cash to support client withdraw requests. Not all accounts will include ETFs, and the strategy may pause purchases of ETFs, depending on markets conditions.

Taxable Laddered Fixed Income Plus Strategy

The Taxable Laddered Fixed Income Plus Strategy seeks to provide current income by investing in investment grade taxable corporate bonds and preferred securities. The laddered bond portion of the portfolio equally weights bonds by maturities and is diversified across sectors and issuers. Individual security selection emphasizes credit quality and liquidity. At the time of purchase all bonds will have an investment grade rating as determined by a nationally recognized statistical rating organization. Holdings are continually monitored for potential changes in credit quality. Clients have the flexibility to select from two separate levels of portfolio credit quality, high investment grade or medium investment grade (A Average or BBB+ Average) as well as two separate time ranges for bond maturities (1 – 10 years or 5 – 15 years). The preferred securities portion of the portfolio emphasizes current income generation. Preferred security holdings are also continually monitored for potential changes in credit quality. The strategy typically uses fixed income ETFs in two ways: one, to quickly establish market exposure for clients adding new cash to the strategy, as we await purchase of individual fixed income securities; and two, to maintain an extra liquidity buffer in accounts in order to efficiently raise cash to support client withdraw requests. Not all accounts will include ETFs, and the strategy may pause purchases of ETFs, depending on markets conditions.

Taxable ETF Laddered Fixed Income Strategy

The Taxable ETF Laddered Fixed Income Strategy seeks current income by investing in ETFs comprised of investment grade, targeted term taxable corporate bonds. The laddered portfolio equally weights ETFs by targeted maturities.

Taxable ETF Laddered Fixed Income Plus Strategy

The Taxable ETF Laddered Fixed Income Plus Strategy seeks current income by investing in ETFs comprised of investment grade, targeted term taxable corporate bonds and ETFs comprised of preferred securities. The laddered portion of the portfolio equally weights ETFs by targeted maturities. The preferred securities portion of the portfolio emphasizes current income.

Municipal Laddered Fixed Income Strategy

The Municipal Laddered Fixed Income Strategy seeks to provide tax-efficient current income by investing in investment grade municipal bonds that typically will be held to maturity. Clients have the flexibility to select from two separate time ranges for bond maturities (2-10 years or 5-15 years). The laddered portfolio approximately weights the bonds by maturities and can be diversified across issuer type (e.g. state, city, transit authority, water and sewer authority etc.), credit ratings, revenue and general obligation (GO) bonds. Portfolios may be constructed for state preference strategies or may be broadly based as a national strategy. State preference strategies will have a greater allocation of bond issues from the designated state, but also may be comprised of bond issues from multiple states with similar risk characteristics. At the time of purchase, all bonds will have an investment grade rating as determined by a nationally recognized statistical rating organization. Holdings are continually monitored for potential changes in credit quality. The strategy typically uses fixed income ETFs in two ways: one, to quickly establish market exposure for clients adding new cash to the strategy, as we await purchase of individual fixed income securities; and two, to maintain an extra liquidity buffer in accounts in order to efficiently raise cash to support client withdraw requests. Not all accounts will include ETFs, and the strategy may pause purchases of ETFs, depending on markets conditions.

Municipal Laddered Fixed Income with High Yield Strategy

The Municipal Laddered Fixed Income with High Yield Strategy seeks to provide tax-efficient current income through a combination of investments in both investment grade and below investment grade municipal bonds that typically will be held to maturity. Investment ratings will be determined by a nationally recognized statistical rating organization and continually monitored for potential changes in credit quality. The Portfolios may also be comprised of non-rated securities. Clients have the flexibility to select from two separate time ranges for bond maturities (2-10 years or 5-15 years). The laddered portfolio approximately weights the bonds by maturities and can be diversified across issuer type (e.g. state, city, transit authority, water and sewer authority etc.), credit ratings, revenue and general obligation (GO) bonds. Portfolios may be constructed for state preference strategies or may be broadly based as a national strategy. State preference strategies will have a greater allocation of bond issues from the designated state, but also may be comprise of bond issues from multiple states with similar risk characteristics. The strategy typically uses fixed income ETFs in two ways: one, to quickly establish market exposure for clients adding new cash to the strategy, as we await purchase of individual fixed income securities; and two, to maintain an extra liquidity buffer in accounts in order to efficiently raise cash to support client withdraw requests. Not all accounts will include ETFs, and the strategy may pause purchases of ETFs, depending on markets conditions.

Asset Allocation Strategies

The firm offers two asset allocation strategies: (i) Dynamic Asset Strategy; and (ii) Dynamic Income Strategy which seek long term capital appreciation and high current income, respectively, utilizing 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 firm 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 to meet the investment objective. The strategy uses ETPs, including ETFs and ETNs, and CEFs to invest tactically across asset classes and market categories. Investment decisions are made with a focus on valuations, expected returns and correlations when developing an asset allocation.

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 investment categories such as index sectors, domestic indexes, international indexes, real estate, commodities, currencies, alternative investments and fixed income. Investment decisions are made with focus on valuations, expected returns and correlations when developing an asset allocation.

Managed Account Wrap Programs Offered by Janney

Janney Capital provides investment management services on a discretionary basis to Janney client accounts under the following Programs: (i) Keystone; (ii) ETF Advantage; and (iii) Janney Capital Direct.

Keystone Discretionary

Under the Keystone Discretionary 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 predetermined asset-mix 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 investments in the account where appropriate. The strategies offered include equity growth, diversified growth, balanced, income and diversified income. The asset classes included in equity and other asset class strategies represent index sectors, domestic indexes, international indexes, real estate commodities, currencies and alternative investments. The asset classes generally included in income strategies represent segments of the bond market such as high yield bonds, corporate bonds, municipal bonds, and short-term instruments.

ETF Advantage

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 predetermined asset-mix 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. The strategies offered include equity growth, diversified growth, balanced, income and diversified income. The asset classes included in equity and other asset class strategies represent index sectors, domestic indexes, international indexes, real estate, commodities, currencies and alternative investments. The asset classes generally included in income strategies represent segments of the bond market such as high yield bonds, corporate bonds, municipal bonds, and short-term instruments.

Janney Capital Management Direct

Under the Janney Capital Management Direct Program, client accounts may employ equity-only, balanced, fixed income-only and asset allocation strategies. Typically, individual securities, ETFs, ETNs and mutual funds are used to execute the strategies. When appropriate to the needs of the Client, Janney Capital may recommend the use of short-term trading (securities sold within 30 days), short sales, margin transactions (under limited conditions) 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.

Advisers MSP Program Offered by Janney

Janney Capital maintains model portfolios, on a non-discretionary basis, based on certain established guidelines, for the Adviser's MSP Program offered by Janney. For more information about Janney's Advisers MSP Program, please visit www.Janney.com to view Janney's Form ADV 2A Investment Management Disclosure Brochure and the Janney Wrap Fee Program Brochure.

Third-Party Model Delivery

Janney Capital maintains model portfolios separate from the Adviser's MSP Program that it distributes through third-party platforms on a non-discretionary basis. The third-party platforms provide investment advisory services to financial institutions, broker-dealers, registered investment advisors and/or entities exempt from such registration (each a "Sponsor"). Each Sponsor manages the accounts or portfolios of their respective investors. Janney Capital currently has third-party model delivery agreements with Vestmark Advisory Solutions through the Vestmark Manager Marketplace Program and Adhesion Wealth Advisory Solutions.

UMA Model Portfolios

Janney Capital provides model portfolios to certain program sponsors (or their overlay managers) for unified management accounts ("UMAs"). Each program sponsor (or overlay manager) retains investment discretion over the UMA. The program sponsor (or overlay manager) also is responsible for effecting trades resulting from these model-only recommendations. Janney Capital has no investment discretion over the program sponsor's UMAs, has no responsibility for trading, and has no specific knowledge of the program sponsor's knowledge or their circumstances.

FEES AND COMPENSATION

Janney and Janney Capital have entered into an agreement under which Janney Capital agrees to manage the assets of client accounts in the Programs. As part of that agreement, Janney Capital and Janney agree on the investment advisory fees to be charged by Janney Capital on those assets. The fees charged by Janney Capital on assets of a client who chooses to participate in a Program advised by Janney Capital typically range from 0.10% to 0.50% per year based on the value of the assets in the client's account. The fees are included in the fee charged by Janney to the client quarterly in advance, based on the market value of the client's assets on the last business day of the quarter. Janney remits payment of the fees to Janney Capital.

In the event the account is terminated, the investment advisory 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 are included in the calculation of the investment advisory fee. If a client does not custody assets at Janney, an invoice is sent to the client for payment of the fee.

Janney clients who select Programs advised by Janney Capital, including the ETF Advantage, Keystone Discretionary, and Janney Capital Management Direct Programs offered by Janney, typically do so under a single investment advisory agreement with Janney, which contains the terms described above.

Janney Capital also receives a fee from each program sponsor to which we provide UMA model portfolios. Fees generally range from 0.10% to 0.50% per year based upon the program sponsor's underlying assets managed to each model portfolio strategy.

Brokerage and Other Transaction Costs

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

These additional fees or expenses can be part of transaction fees for certain products, such as the purchase or sale of ADRs through a third party financial institution. Client's cost will be reflected as either a mark-up or mark-down (depending upon whether the transaction is a purchase or sale) in the price per ADR shares or in a separate commission or charge. In addition, investments in mutual funds and ETPs will result in the layering of expenses, resulting in a higher cost of investment than the cost of investing directly with a mutual fund or ETP.

Other Fees and Expenses

In addition to Janney Capital's advisory fees and brokerage and other transaction costs, clients may pay other fees and expenses in connection with Janney Capital'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. Additional fees may also apply to clients in certain advisory programs that opt out of electronic delivery and choose instead to receive paper statements.

Accounts that hold shares of mutual funds (including money market funds), CEFs, ETFs, or other investment companies or investment pools (collectively, "funds") include the value of these assets when calculating the applicable advisory 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 bear 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.

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. Janney Capital'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 the "Brokerage Practices" section of this Brochure. With respect to unit investment trusts for which Janney Capital 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 and Janney Capital also receive compensation from the sponsor and provider based on the amount of assets invested in each series.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Janney Capital does not charge performance-based fees.

TYPES OF CLIENTS

Janney Capital offers investment advisory services to a broad range of Janney clients through Janney's wrap Programs. Janney's clients consist 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. Janney Capital also provides investment advisory services to unified management accounts and unit investment trusts.

Minimum Investment Amounts

The minimum investment for a separately managed account with Janney Capital is generally \$100,000. The minimum investment amount for the Janney Capital strategies managed for Janney Program accounts range from \$25,000 to \$100,000. Details on those Programs and the minimums for each Program can be found in Janney's Form ADV Part 2A Investment Management Disclosure Brochure.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Janney Capital's approach to security analysis is based primarily on fundamental research. This approach entails conducting an examination of the operating, financial and industry conditions affecting each company whose security is under consideration, all from a long-term perspective. On a recurring basis, the Investment Committee, comprised of the firm's investment personnel, meets to evaluate global and domestic macroeconomic trends and the opportunities they present, and to identify asset allocation, asset class and sector weightings, strategic and tactical portfolio strategies and security selection. Investment monitoring, rebalancing, and portfolio management are an ongoing focus of the Investment Committee. The Investment Committee also strives to incorporate economic analysis into its overall views of the markets in general, to employ certain relative valuation disciplines and to utilize technical analysis as part of the overall process. Janney Capital'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'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.

Client accounts are managed independently of one another and Janney Capital 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'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 does not guarantee the future performance of a client's account or any specific level of performance.

Risks

The material risk for any strategy under Janney Capital's advice is risk of loss. Each method of analysis Janney Capital 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. All investments carry the risk of loss of principal.

Risk of Loss

All investments in securities include a risk of loss of principal (invested amount) and any profits that have not been realized (i.e., the securities were not sold to "lock in" the profit). Stock markets and bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control.

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 American 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. Under strategies utilizing equity securities, the portfolios are subject to the risk that stock prices may fall over short or extended periods of time. Individual companies may report poor results or be negatively affected by industry and/ or economic trends and developments. The price of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in equity securities.

Fixed Income Risk

Under strategies utilizing debt securities, change in interest rates could affect the value of a client's investment. Rising interest rates tend to cause debt securities' values (especially those with longer maturities) to fall. Rising interest rates may also cause borrowers to pay off mortgage-backed and asset-backed securities later than anticipated, forcing the portfolio to keep its assets invested at lower rates. Falling interest rates; however, generally cause borrowers to pay off mortgage-backed and asset-backed securities earlier than expected, forcing the portfolio to reinvest assets at a lower interest rate.

The concept of duration is useful in assessing the sensitivity of a fixed income portfolio to interest rate movements, which are the main source of risk for most fixed income securities. Duration measures price volatility by estimating the change in price of a debt security for a 1% change in its yield (e.g., a duration of five years means the price of a debt security will change about 5% for every 1% change in its yield). Accordingly, the higher the duration, the more volatile the security.

Debt securities have a stated maturity date when the issuer must repay the principal amount of the bond. Some debt securities, known as callable bonds, may repay the principal earlier than the stated maturity date. Debt securities are most likely to be called when interest rates are falling because the issuer can refinance at a lower rate. Falling market interest rates expose investors to reinvestment risk. Reinvestment risk occurs when an investor cannot reinvest the principal of a called bond or cash flows into another security at the same interest rate as the called security's current rate of return.

The credit rating or financial condition of an issuer may affect the value of a debt security. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. The issuer of an investment-grade security is more likely to pay interest and repay principal than an issuer of a lower rated bond. Credit ratings are not an absolute standard of quality, but rather general indicators that reflect only the view of the originating ratings agencies from which an explanation of the significance of such ratings may be obtained. If an issuer defaults or becomes unable to honor its financial obligations, the security may lose some or all of its value.

All debt securities carry the risk of default. Default risk is the chance that debt issuers will be unable to make the required payments on their debt obligations. Investors are exposed to default risk in almost all forms of credit extensions. In the event of a default, investors risk losing periodic interest payments and full repayment of the principal of the bond.

Market Liquidity Risk

Certain strategies will invest in small-capitalization and mid-capitalization stocks, which are often more volatile and less liquid than investments in larger companies. The frequency and volume of trading in securities of smaller and mid-size companies may be substantially less than what is typical of larger companies. Therefore, the securities of smaller and mid-size companies may be subject to greater and more abrupt price fluctuations. In addition, smaller and mid-size companies may lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure.

Exchange Traded Product Risk

ETPs such as ETFs and ETNs are subject to risks similar to those of stocks and may not be suitable for all investors. The value of the investment will fluctuate in response to the performance of the ETP's underlying index or investment methodology (collectively, a "benchmark"). ETPs can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. 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 net asset value ("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 ETP's value generally depends on the performance of the underlying benchmark and the credit rating of the issuer. Additionally, the value of the investment will fluctuate in response to the performance of the underlying benchmark. ETPs incur fees that are separate from those fees charged by Janney Capital (see the section on Fees and Compensation referenced above). Accordingly, investments in ETPs will result in the layering of expenses, resulting in a higher cost of investment than the cost of investing directly with an ETP.

Closed-End Fund Risk

CEFs are subject to market volatility and the risks of their underlying securities which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments. Investment returns will vary and an investor's shares, when sold, might be worth more or less than their original cost. CEFs with complex or specialized investment strategies may experience increased market price volatility.

Real Estate Investment Trust ("REIT") Risk

REITs trade common stock on securities exchanges. REIT share prices may decline because of adverse developments affecting the real estate industry, such as declining real estate values, changing economic conditions and increasing interest rates. The returns from REITs may trail returns from the overall market. Additionally, there is always a risk that a given REIT will fail to qualify for favorable tax treatment or may not qualify or may not remain qualified as a REIT.

Foreign Investments Risk

Investing in foreign companies poses additional risks since political and economic events unique to a country or region may affect those markets and their issuers. In addition to such general international risks, the portfolio may also be exposed to currency fluctuation risks and emerging markets risks. Changes in the value of foreign currencies compared to the U.S. dollar may affect (positively or negatively) the value of the portfolio's investments. Such currency movements may occur separately from, and in response to, events that do not otherwise affect the value of the security in the issuer's home country. Also, the value of the portfolio may be influenced by currency exchange control regulations. The currencies of emerging market countries may experience significant declines against the U.S. dollar, and devaluation may occur subsequent to investments in these currencies by the portfolio. Finally, foreign investments, especially investments in emerging markets, can be riskier and more volatile than investments in the U.S. and may be considered speculative and subject to heightened risks in addition to the general risks of investing in non-U.S. securities. Also, inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

American Depositary Receipt ("ADR") Risk

ADRs are typically issued by a U.S. bank or trust company and represent ownership of underlying foreign securities. In addition to the risks presented in any investment (e.g. changes in value, changes in demand, etc.), there are several risks unique to ADRs that must be considered. For instance, while they will react to normal market fluctuations like regular stocks, ADRs also are still vulnerable to currency risks. If the value of the company's home currency falls too much relative to the U.S. Dollar, the effect will trickle down to the ADR eventually. The same can be said for changes in the home country's government. Janney Capital may directly place ordinary share trades on foreign exchanges and convert shares to ADRs, and may settle the transactions using "step-out" trades. For more information regarding "step-out" transactions please visit the "Disclosures" page of www.Janney.com.

Risks of Investing in Alternative Investments

Alternative investments may be utilized in various strategies. Alternative investments are complex products and include liquid alternative mutual funds and leveraged and inverse ETPs. Investing in complex products carries the potential for significant loss of principal and are not appropriate for all investors. These funds are considered speculative investments, therefore, investors should fully understand the terms, investment strategy and risk associated with these securities. Aggressive investment techniques such as futures, forward contracts, swap agreements, derivatives, options, etc., can increase liquid alternative mutual fund and ETP volatility and carry a high risk of substantial loss. Leveraged ETPs "reset" daily, meaning that they are designed to achieve their stated

objectives on a daily basis. For this reason, if they are held for a period longer than one day, their performance can differ significantly from the stated performance of their underlying benchmark. Returns over longer periods of time can differ significantly in both amount and direction from the target return of the same period. The effects of compounding, aggressive techniques, and correlation errors may cause leveraged and/or inverse ETPs to experience greater losses than expected. This is especially true in volatile markets. Compounding may also cause the performance disparity to widen between the investment and its underlying benchmark. These investments may experience losses even in situations where the underlying benchmark has performed as desired. Investments in leveraged and/or inverse ETPs must be monitored on a daily basis and are typically not appropriate for a buy-and-hold strategy. Additionally, these investments typically carry higher fees than more traditional funds due to their active management. Higher fees will also negatively impact performance. Investment strategies, risks and expenses are more fully disclosed in the fund's prospectus.

DISCIPLINARY INFORMATION

Provided below are disciplinary events that we have deemed material in nature. At this time, Janney Capital does not have any material events to disclose on its own behalf. The items noted below are only relevant to Janney Capital as a wholly-owned subsidiary of Janney.

On July 12, 2011, Janney, not Janney Capital, entered into an Acceptance, Waiver and Consent Agreement ("AWC") with FINRA. Without admitting or denying any findings by our affiliate, Janney Montgomery Scott agreed to an \$850,000 monetary sanction with respect to its failure to establish, maintain and enforce policies and procedures reasonably designed, taking into consideration the nature of its business, to prevent the misuse of material nonpublic information pursuant to Section 15(G) of the Securities Exchange Act of 1934 (the "Exchange Act").

In May 2015, Janney, not Janney Capital, self-reported that some eligible customers had not received available sales charge waivers. As a result, the firm estimates that eligible customers were overcharged by approximately \$1,030,235 for mutual fund purchases made between July 1, 2009 and June 24, 2015. As part of this settlement, Janney agreed to pay restitution plus interest.

On February 2, 2016, Janney, not Janney Capital, consented to the entry of an SEC order. Without admitting or denying any findings, the firm agreed to a \$500,000 monetary sanction with respect to the firm's self-reporting of antifraud provision violations and inadequate due diligence in connection with the underwriting of certain municipal securities offerings pursuant to Section 15(C)2-12 of the Exchange Act.

In June 2018, Janney, not Janney Capital, voluntarily self-reported that some customers eligible to purchase mutual funds which did not charge 12b-1 fees did not receive the available less expensive share class. As a result, the firm estimates that eligible customers were overcharged by approximately \$253,923 for mutual fund purchases made since January 1, 2014. As part of this settlement, Janney agrees to pay restitution plus interest, as well as to review its related disclosures and procedures. Janney has had procedures in place intended to address this issue for more than a decade.

On March 12, 2019, a verdict was entered against Janney and its Financial Advisor, not Janney Capital, in an interfamilial civil proceeding related to distribution of beneficiary assets upon a client's death. The final order has not yet been entered, but the final sum assessed to Janney will be in excess of \$2,641,909. Janney believes the deceased client's instructions regarding the distribution of his assets were properly followed and this matter will continue to be defended through appeal.

Additional disciplinary information about Janney can be found in its Form ADV Part 2A Investment Management Disclosure Brochure.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Janney Capital has adopted an Investment Advisory Code of Ethics (the “Code”) that provides its personnel with a detailed guide governing general core principles, such as: (1) honesty; (2) integrity; (3) placing client interest first; and (4) avoiding conflict of interest or appearance of conflict with a client. Janney Capital will provide a copy of its code to any client or prospective client upon request.

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

BROKERAGE PRACTICES

Best Execution

As an investment adviser with discretionary authority over client accounts that we manage through the Wrap Program at Janney, Janney Capital has the ability to make decisions regarding which securities to buy and sell and with which broker-dealers we place trade orders. Under the Investment Advisers Act of 1940 (Advisers Act), Janney Capital has a fiduciary obligation to seek the most favorable terms reasonably available for the execution of its clients’ securities transactions which allows us to utilize those broker-dealers that we believe are capable of fulfilling those expectations. Janney Capital’s best execution obligation does not require us, however, to seek the lowest available cost of trade orders, so long as we believe that the broker-dealer selected can be reasonably expected to provide clients with the best qualitative execution. In assessing the broker-dealer’s ability to provide best execution, we consider the full range and quality of the broker-dealer’s services, and may place different weighting across a range of sometimes conflicting factors such as:

- the nature of the security;
- size and type of the order;
- the need for timely execution;
- availability of price improvement;
- access or potential access to blocks of a particular stock
- the market capitalization of the security being traded;
- the nature and character of relevant markets;
- the use of limit orders and the likelihood of getting within the limit or missing the desired trade if the trading process takes too long;
- liquidity of the security in the market (which may make it difficult to execute an order);
- the firm’s market making activity in a stock;
- potential price impact of the trade;
- the nature of the our portfolio managers’ desire (for example a desire for speed versus other factors, including concern with obtaining the stock within a price range for all accounts) to own the stock;

- firm reputation and the quality of brokerage services provided to us and thus our clients;
- the research services (if any) provided by the broker dealer for the benefit of our clients, otherwise known as soft dollar arrangements
- our prior experience with the firm regarding pricing and other results;
- whether the brokerage firm can and will commit its capital (if we request this) to obtain or dispose of the position for our clients;
- the level of commissions (or commission equivalents) charged by the executing firm;
- the importance of knowledge, efficiency, and consistency and anonymity provided by the executing broker; and
- additional investment opportunities.

In line with these best execution standards, Janney Capital typically executes two types of transactions on behalf of our clients. The first type of trade is called a “maintenance” trade. A maintenance trade occurs generally in response to client-directed daily workflow activities such as initial portfolio allocations, rebalancing due to deposits or withdrawals of cash or securities, liquidations or other account-specific modifications. These trades are almost always placed through the wrap program sponsor (e.g. Janney), as the circumstances considered for execution of these trades typically would not result in any added value from being placed through another broker-dealer.

The second type of trade is known as a “model” trade. Much like it sounds, model trades are purchases or sales of securities placed across all of the client accounts that subscribe to a particular model investment strategy. Due to the large size of these orders, they are most commonly aggregated together and placed as a block order in order to lessen the impact of their trading on the price of the securities and the markets in which they trade. Generally, all of these aggregated model trades are executed through a broker-dealer other than Janney (“step-out trade”). Step-out trades usually cause a client to incur trading costs in addition to the wrap program advisory fee charged for a client’s account, such as: commissions, markups, mark-downs or “spreads” paid to market makers. These additional transaction costs are charged to the client and are reflected in the “net price” a client pays or receives for the security and will not be exhibited as an independent line item on the trade confirmation.

Janney Capital believes that placing these step-out trades is consistent with its duty to seek best execution and its related policies and procedures. Janney Capital consistently finds that model trades receive more favorable execution under the circumstances as “step-out” transactions and are therefore executed in this fashion. For more detail about “step-out” transactions and the associated costs, please visit the “Disclosures” page at www.janney.com.

JCM has established a Brokerage Committee to review its brokerage capabilities and matters relating to execution quality. The Brokerage Committee meets quarterly. Among other things, the Committee reviews broker trading activity and costs, soft dollar arrangements, conflicts of interest (for example, referrals and soft dollar transactions), “step-out” trading, and best execution.

Soft Dollar Arrangements

Janney Capital 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 determines that such commissions are reasonable in relation to the overall services provided. Janney Capital seeks to comply with Section 28(e) of the Exchange Act which provides a “safe harbor” allowing investment advisers to pay more than the lowest available commission for brokerage and research services if it determines in good faith that (1) the brokerage or research products and services fall within the definitions set forth in Section 28(e)(that is, advice, analysis and

reports); (2) the brokerage or research products and services provide lawful and appropriate assistance in the investment decision-making process or trade execution; and (3) the commission paid is reasonable in relation to the brokerage and research products and services provided. Such transactions may include both equity and fixed income transactions effected on an agency basis.

Janney Capital 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. In addition, the broker-dealers used to generate soft dollars execute "step-out" trades, which contributes to clients paying higher commissions. Janney Capital does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. Commissions paid to generate soft dollars are paid by the client and are in addition to the advisory fee paid by the client. These commissions are netted into the price received for a security and will not be reflected as individual items on your client account statement. Products and services from the following vendors were acquired with client commissions (or markups or markdowns) during firm's last fiscal year:

- Barclays – Global investment research provider
- BCA Research – Global macro research provider
- Bloomberg – Technology provider for research and financial data
- Cornerstone – Global investment research provider
- Deutsche Bank – Global investment research provider
- Global Trading Analytics – 3rd party trade cost analysis
- JP Morgan – Global investment research provider
- Ned Davis – Global investment research provider
- Reuters – Research aggregator
- RBC – Global investment research provider
- UBS – Global investment research provider
- Vertical Research Partners – Global investment research provider
- Vermillion – Technical analysis in sector and industry

Brokerage for Client Referrals

Janney Capital does not currently select or recommend broker/dealers based on our interest in receiving client referrals.

Principal and Cross Transactions

Janney Capital will not effect "cross" or principal transactions in relation to client accounts. A "cross" transaction would be when Janney Capital or Janney acted as broker for the parties on both sides of the transaction. A principal trade occurs if Janney Capital or Janney purchases (or sells) a security directly from (or to) a client account from Janney's inventory rather than a third party.

Aggregated, Bunched or Batched Orders

When practical, all accounts managed under the same strategy will participate in a bunched single order when placing model trades ("block trade"), subject to customer-specific restrictions or limitations. Janney Capital shall seek to treat all advisory accounts fairly and equitably in the execution of orders and considers a variety of factors when determining whether or not a particular strategy or client may or may not participate in a block trade and/or specific allocation. These factors include, but are not limited to, cash availability, investment guideline restrictions, position weightings and account size. Any of these factors may result in differences in

invested positions and securities held which could lead to security and/or performance dispersion among customer accounts. When employing a block trade, Janney Capital shall (i) allocate shares executed to underlying accounts on a pro rata basis, adjusted as necessary to keep customer transaction costs to a minimum and in accordance with specific account guidelines, (ii) use an average price and commission for all trades filled through a block order (full or partial fill) where the order is filled at various prices over multiple trades; and (iii) combine only trades executed within the block on the single day for purposes of calculating an average price. It is expected that this trade aggregation and allocation procedure will be applied consistently. However, if application of this procedure results in unfair or inequitable treatment to some or all of Janney Capital's clients, it may deviate from this policy.

Trade Order Rotation

Janney Capital provides model portfolios to certain program sponsors (or their overlay managers) for unified management accounts ("UMAs"). Each program sponsor (or overlay manager) retains investment discretion over the UMA. The program sponsor (or overlay manager) is responsible for effecting trades resulting from these model-only recommendations. Janney Capital has no investment discretion over the program sponsor's UMAs, no responsibility for trading, and no specific knowledge of the program sponsor's clients or their circumstances.

When updating models on multiple UMA platforms, Janney Capital intends to follow a systematic methodology for contacting the sponsor firms in a pre-determined order that is fair and equitable to all clients so that no group of clients is consistently favored or disfavored over any other clients with respect to trade order rotation. The trade rotation methodology will alternate the sequential order for when each sponsor receives the details of changes to the model. Recommendations to sponsor firms will be distributed (following the rotation methodology) after Janney Capital completes all transactions for client accounts in which it exercises full investment (and thus trading) discretion. Clients participating in UMA programs may be disadvantaged by Janney Capital's policy to execute transactions first for programs over which the firm has discretionary authority before providing the firm's changes to model portfolios to UMA program sponsors.

Exchange Traded Funds

ETFs do not typically sell or redeem their individual shares ("ETF shares") at net asset value ("NAV") like mutual funds do. Instead, financial institutions may purchase and redeem ETF shares directly from the ETF, but only in large blocks called "creation units" (e.g., blocks of 50,000 or 100,000 shares). These financial institutions are generally required to enter into an agreement with the particular ETF, ETF sponsor or principal underwriter in order to effect transactions in creation units for the ETF shares (such a financial institution is referred to as an "Authorized Participant"). Since Janney Capital is not an Authorized Participant, ETF transactions may not be executed directly with the ETF. Instead, these transactions are executed through a financial institution that is an Authorized Participant with respect to the particular ETF, and the Authorized Participant will effect ETF trades through a securities exchange. In doing so, clients will generally not be able to purchase or sell ETF shares at NAV since there are additional costs associated with trading through the third party financial institution.

American Depositary Receipts

Janney Capital may purchase ADRs on a U.S. exchange, as it does for domestic equity securities. Consistent with firm policy regarding block or bunched orders, Janney Capital may from time to time effect transactions in ADRs through an intermediary. The intermediary would purchase the equity shares locally (i.e., on the foreign exchange) and then issue the ADR. Since Janney Capital typically does not serve as an intermediary with respect to such trades, it is generally unable to execute the trade on the foreign exchange and issue the ADR itself.

Instead, consistent with its obligation to seek best execution, Janney Capital may select one or more financial institutions to execute trades in ADRs in block orders, and then will allocate among clients in accordance with its procedures described under “Aggregated, Bunched or Batched Orders” above.

Trade Errors

In the event of a trade error attributable to Janney Capital, the firm’s 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, Janney Capital will move the trade to its error account. Any profit or loss resulting from the reversing transactions will be retained or borne by Janney Capital.

Tax Considerations

Program clients are responsible for all tax liabilities arising from account transactions, including transactions resulting from client instructions regarding rebalancing, automatic withdrawal or automatic contribution instructions. Clients who are not residents of the United States may experience additional adverse tax consequences. Additionally, Janney Capital may recommend that the client sell, exchange, or redeem securities either initially upon account opening or during the course of management of the client account. Client will be responsible for any tax or other liability resulting from the sale of such securities. Janney Capital does not provide tax, accounting or legal advice. Clients should seek the advice of their own tax advisor regarding the tax implications of investing in any of the Programs described in this Brochure.

REVIEW OF ACCOUNTS

Program account reviews are performed regularly by Janney Capital’s portfolio management team to ensure that they are in line with model portfolios. Moreover, Janney Capital’s Investment Committee will formally meet on a reoccurring basis to evaluate holdings, rebalancing, asset allocation and portfolio strategies. Reviews are triggered by various factors including portfolio model changes, changes in client investment objectives, account deposits and withdrawals and volatile markets. Janney Capital communicates by telephone or e-mail and holds in-person meetings with Program clients, in partnership with a Program client’s Financial Advisor, upon the request. Program clients are kept fully informed about their portfolio activity by receiving copies of all transaction confirmations and/or monthly or quarterly statements from their brokerage firms and/or custodians (e.g., Janney). Janney Capital does not issue regular reports to clients regarding their accounts.

Client Referrals and Other Compensation

Janney Capital does not participate in any client referral relationships.

As discussed in the “Other Fees and Expenses” section above, in connection with the unit investment trusts for which Janney Capital 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 and Janney Capital also receive compensation from the sponsor and provider based on the amount of assets invested in each series.

CUSTODY

Janney Capital does not have custody of client assets. The client's custodian deducts Janney Capital's fee from the client's account or related account and then sends the fee to Janney Capital. Clients will receive account statements directly from the custodians and should carefully review the statements for accuracy. Most clients participating in the Janney Programs have their assets custodied with Janney as part of the wrap fee services provided by Janney. Information about Janney's role as custodian to the Program accounts can be found in Janney's Form ADV Part 2A Investment Management Brochure.

INVESTMENT DISCRETION

Janney Capital manages accounts on a discretionary basis whereby Janney Capital will be responsible for selecting securities to be bought and sold, timing of the trades and selection of the broker-dealer to execute such trades, subject to its duty to seek best execution as described above under "Brokerage Practices". Janney Capital requires that the grant of authority to act with discretion is granted in writing by the appropriate party(ies) prior to accepting such discretion. In the case of Program accounts, clients grant investment discretion to Janney Capital in the advisory agreement with Janney. Clients may place limitations on the securities to be bought and sold. Examples of applicable restrictions include restrictions on investing in certain stocks and limitations on the percentage of cash held at any one time. Janney Capital cannot restrict specific securities that are held within an ETP, mutual fund, or any other pooled investment products. Janney Capital maintains model portfolios for Janney's Advisers MSP Program accounts, as well as for delivery to other third-party investment programs, on a non-discretionary basis

VOTING CLIENT SECURITIES

Janney Capital does not directly vote proxies for client accounts. Unless otherwise explicitly noted in the client advisory agreement, Janney, on behalf of Janney Capital, will provide proxy voting services for securities held in Janney Capital client accounts over which Janney Capital exercises investment discretion. Janney will not vote proxies for those securities for which Janney is not the custodian.

In accordance with Rule 206(4)-6 under the Advisers Act, Janney has 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. Janney closely monitors potential conflicts of interest in its proxy voting process on an ongoing basis. To assist in the proxy voting process, Janney has retained an independent third-party proxy service that provides various services such as research, analysis, and recommendations regarding votes. The independent third-party proxy voting services maintains its own policies and procedures to avoid conflicts of interest to the extent possible. In situations where a conflict is unavoidable, the independent third-party proxy service will provide a description of the exact nature of the conflict. Janney will review these conflicts to ensure the third-party proxy service is making recommendations and voting in accordance to their policy and procedures. Janney may deviate from the recommendations of the independent third-party proxy service on either general policy issues or specific proxy proposals. Janney has also retained a separate independent third-party proxy voting service that provides services such as vote execution, reporting, auditing and consulting assistance for the handling of proxy voting responsibility.

Janney, on behalf of Janney Capital, will furnish its proxy voting record regarding a client's securities if so requested by the client. Additionally, Janney will provide a copy of Janney Capital's and its current proxy voting policies, without cost, upon request by the client. Requests should be submitted in writing to:

Investment Advisory Chief Compliance Officer
Janney Montgomery Scott LLC
1717 Arch Street
Philadelphia, PA 19103

When Janney Capital has not assumed the obligation 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 is under no obligation to take any action or render any advice regarding such matters.

Janney Capital does not participate in securities class action claims or claims arising from bankruptcy with respect to securities held in client accounts. Clients should contact their Financial Advisors to request information about such claims.

FINANCIAL INFORMATION

Not applicable.