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As we look forward to a new year, it is my pleasure—on behalf of everyone at Janney—to extend to you our best wishes for a successful 2012.

While 2011 was a year that presented challenges for the economy and many financial institutions, I am pleased to report that Janney's business direction and financial stability moved steadily forward. Janney remains privately held and maintains a well-diversified business model— with strong and growing Private Client and Capital Markets businesses, consistent profitability, and the ongoing support of our parent company -- The Penn Mutual Life Insurance Company, one of the largest mutual life insurance companies in the U.S. These attributes allow us to focus on a long-term view of our business, and to ensure our investments and decisions are aligned with the evolving needs of our clients.

Our ability to maintain an unwavering focus on the needs of our clients is at the core of Janney's consistent success. We understand that our client relationships are built on a foundation of trust and integrity, and we work diligently to ensure those interests remain at the forefront as we navigate current economic conditions together.

In 2011, our Private Client Group continued to expand and improve services to meet our clients' comprehensive and diverse wealth management and financial needs. We introduced a broad range of alternative investment offerings and expanded the trust service capabilities we make available to clients. Janney also increased its role in helping a growing roster of clients with Capital Markets transactions. This important business area at Janney was recognized for its significant growth and market presence in 2011—and for the expertise of many of its experienced professionals.

The past year has garnered a lot of attention for Janney in the marketplace, and for all the right reasons. Nationally, Janney was recognized by *Barron's* as one of the Top 40 Wealth Managers in the country, and many Janney Financial Advisors continued to earn accolades in their local communities as leading wealth managers. Further, several of our research analysts were rated among the top in the U.S. by the *Financial Times* and *Starmine*—while our Parker/Hunter Asset Management unit earned recognition from the PSN database of over 2,000 investment managers as a Top 10 Manager of the Decade and a Top Guns manager of equity and ETF products. Also, our investment strategists and research analysts have been the go-to experts for perspective and advice during challenging and changing market conditions. We are proud that Janney's prominence in the news is driven by our team's quality ideas and insights—the same advice and information that is available directly to our clients through their financial advisors.

The start of a new year is always a good time to revisit your financial plan, portfolio diversification, risk tolerance, retirement and wealth transfer strategies and future goals. It is of particular importance at this point in time, because of changing financial market conditions. As you consider these items and what they mean for you in 2012, I encourage you to take full advantage of the breadth of Janney's resources, and the expertise of our team of professionals to help answer those questions and to offer quality solutions tailored to your needs and goals.



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In closing, let me thank you for your interest and your confidence in Janney. We value both greatly, and we look forward to further strengthening our relationship with you in 2012.

Best wishes for a healthy, happy and prosperous new year.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Scheve".

Timothy C. Scheve  
*President and Chief Executive Officer*