

**JANNEY MONTGOMERY SCOTT LLC**

# ERISA SECTION 408(B)(2) NOTICE

This document ("**Notice**") includes a description of the services that Janney Montgomery Scott LLC ("**Firm**") is providing to you with respect to your ERISA plan ("**Plan**") and the compensation that we receive in connection with these services.

**ERISA Plans in Brokerage Accounts**

Effective February 1, 2022

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## The Firm

The Firm provides certain services on behalf of your Plan as described below under *Description of Services*. These services are provided by your Janney financial advisor (“**Financial Advisor**”) as a registered representative of the Firm.

## Description of Services

At your direction, the Firm has opened or has facilitated the opening of a brokerage account on behalf of the Plan. If the Plan is a defined contribution plan with more than one participant, a separate brokerage account has been opened for each participant.

We provide investment-related consulting services and other related assistance (“**Investment- Related Services**”) that are intended to assist you with your duties in your capacity as the sponsor and fiduciary of your Plan. These Investment-Related Services entail making available a universe of investments available which the Plan or the Plan’s participants can select to build an investment portfolio in a brokerage account. The Firm also provides standard brokerage services, such as executing and clearing securities transactions and maintaining custody of funds and securities. These brokerage and other related services are provided in accordance with the terms of the Client Agreement and Disclosures (the “**Agreement**”) between the Firm and you.

## Status of Broker

The Firm acknowledges that it will act as a fiduciary for purposes of ERISA only when it provides the Plan fiduciary with “investment advice” as defined in ERISA and under applicable Department of Labor Regulations. This acknowledgment of fiduciary status does not apply to communications that are not reasonably intended to be viewed or construed as a suggestion for you to take a particular course of action with respect to your Plan’s assets or to any information, education, or general descriptions of our services or the products that we make available to you as a Plan investor from time to time, or about the factors a retirement investor should generally consider when deciding whether to transfer or roll over Plan assets.

## Direct Compensation Payable to the Firm from the Plan

As provided in the Agreement, the Plan pays to the Firm brokerage commissions, charges, and other fees. Your account’s transaction-based fees and other transaction-related charges for purchasing and selling individual securities, mutual funds and other types of investments varies depending upon the type of security bought or sold and the principal amount or share total of the applicable transaction. For transactions effected through the Firm, accounts pay fees per transaction in amounts agreed upon by the Plan and the Financial Advisor servicing the Plan. The fees are based on a formula taking into account the factors referenced herein and regulatory guidance so that the highest fees agreed upon would generally be within the range described below. Contact your Financial Advisor to confirm the amount of any commission before the execution of any trade on behalf of the Plan.

With respect to equity securities, these fees generally will range from a minimum of \$105 (unless waived) to a maximum of 5% of the principal amount for trades with a principal amount \$2,100 or greater. For trades with a lower principal amount, the fees generally will range from a minimum of \$105 (unless waived) to a maximum of 10% of the principal amount where the principal amount is between \$51 and \$1,050 or a maximum of \$105 for trades where the principal amount is between \$1,051 and \$2,100. The fees generally will not exceed \$1.0531 per share for trades greater than 150 shares or \$157.97 for trades of 150 shares or less. With respect to options transactions, the fee generally will range from a minimum ticket charge of \$25 for options priced under \$1 or a \$105 ticket charge for options priced over \$1 (unless waived) to a maximum of \$72.41 per option contract.

Fixed income securities are transacted on either an agency or principal basis. The fees with respect to fixed income securities transactions vary depending upon the type of fixed income security, the quantity (notional value) and maturity. The fee rate ranges from 0.50% to 1.50% for maturities up to one year, 1.25% to 2.50% for maturities greater than one year up to 10 years, and 1.75% to 2.75% for maturities over 10 years.

The fees with respect to structured products (e.g., market-linked certificate of deposit and structured note) purchase transactions vary depending upon the quantity (notional value) and maturity. The fee rate ranges from 1% to 1.50% for maturities up to one

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year, 1.5% to 2.5% for maturities greater than 1 year up to 10 years, and 2% to 2.75% for maturities over 10 years. The mark-down for all sales of structured products shall not exceed .75%.

With respect to preferred securities executed on a principal basis, fees are limited to a mark-up/mark-down not to exceed 3% of the notional value.

Other types of investments include, but are not limited to, alternative investments, exchange-traded products such as exchange-traded funds and exchange-traded notes, and unit investment trusts. To the extent the transaction is effected in the secondary market (i.e., purchased through an exchange), the Firm will generally receive commissions or other transaction-related fees. The Plan generally does not pay a separate commission with respect to these types of transactions. This fee (or selling concession) generally ranges from 1.0% to 3.0% of the amount invested.

In addition to the transaction-based fees and other transaction-related charges described above, the Plan is subject to the Schedule of Account Service Charges as described on the Firm's website located at [www.janney.com/408b2](http://www.janney.com/408b2). The Schedule of Account Service Charges lists the Plan's account maintenance fee, certain fees that apply based on the form and type of retirement vehicle adopted for the Plan, and other related service fees and charges.

### **Indirect Compensation Payable to the Firm from Sources Other Than the Plan or the Plan Sponsor**

The Firm, as a registered broker-dealer, may receive payments from the investment funds in which the Plan assets are invested (each a "Fund" and together, the "Funds") as indirect compensation for the Investment-Related Services provided on behalf of the Plan, including certain related brokerage services, such as effecting securities transactions on behalf of the Plan's account.

Such indirect compensation may include 12b-1 fees paid by the Funds for providing distribution-related services as well as administrative and informational services, as applicable, to the Plan. The 12b-1 fees paid by a specific Fund are described in its prospectus. Depending on the particular share class, the purchase of Fund shares by the Plan may be subject to a front-end sales charge, resulting in additional compensation for the Firm as described in the Fund's prospectus. Investments in the Fund may be subject to other charges that are not payable to the Firm, such as a contingent deferred sales charge payable to a Fund affiliate as described in the Fund's prospectus.

The Firm receives additional compensation directly from each Fund in exchange for tracking and maintaining records of the number of fund shares that are beneficially owned by the Plan through its brokerage account. This fee is referred to as a networking fee or omnibus fee depending upon the Fund selected. Further information regarding the networking fee and omnibus fee is described on the Firm's website located at [www.janney.com/408b2](http://www.janney.com/408b2).

For more information about 12b-1 fees or networking and omnibus fees, please refer to the relevant Fund prospectuses previously provided to you and which are generally available at the relevant Fund's website.

The Firm may receive separate compensation payable from the issuer or manager of the Fund or one of its affiliates ("Manager"). Such compensation, also referred to as revenue sharing, is paid from the Manager's assets and does not reduce the amount invested by the Plan or the Plan's investment earnings. These payments may vary depending upon the amount of assets held in a Fund by Firm clients. A Manager may also pay the Firm's expenses, or provide non-cash items and services, to facilitate training and educational meetings for the Financial Advisors, which similarly do not depend on the amount of the Plan's investment in any Fund. Further information regarding revenue sharing arrangements is described on the Firm's website located at [www.janney.com/408b2](http://www.janney.com/408b2).

With respect to annuities, the Firm will generally receive up-front commissions based on the initial purchase amount and may also receive annual trails based on the value of the assets in the annuity. Commissions may vary based on the annuity product type. Up-front commissions may range from 5% to 1% with trails ranging from 1% to 0.25% depending on annuity product type.

In addition, if the Plan holds interests in an annuity sponsored by an insurance company, the Firm may receive separate compensation payable from the insurance company sponsor in the form of revenue sharing payments paid from the insurance company. This payment does not reduce the amount invested by the Plan or the Plan's investment earning. These payments may

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vary depending upon the amount of assets held through an annuity by the Plan. For your information, the revenue sharing payments from the insurance company sponsors is described on the Firm's website located at [www.janney.com/408b2](http://www.janney.com/408b2).

### **Compensation Paid Among Related Parties**

As described in *Description of Services*, pursuant to the Agreement with the Firm, the Firm executes and clears securities transactions and holds funds and securities on behalf of the Plan's account. The Firm maintains sole custody of the assets held in the Plan's account and performs the custodial functions customarily performed with respect to securities brokerage accounts, such as crediting interest and dividends with respect to the securities held in the Plan's account. Thus, the Firm does not share any of its direct or indirect compensation from the Plan with a clearing firm, or any other third party subcontractor or affiliate.

### **Compensation for Termination of Services**

We do not receive any additional compensation in connection with the termination of the Plan's Investment-Related Services.

### **Manner of Receipt of Compensation**

As described in the Section titled *Direct Compensation Payable to the Firm from the Plan*, the Firm receives fees for maintaining the Plan's brokerage account, commissions for effecting securities transactions, and ticket charges for effecting any applicable mutual fund transactions. The amount of any fees for maintaining the Plan's brokerage account will be deducted directly from the Plan's assets in its brokerage account. The amount of any commissions and ticket charges will be deducted directly from the Plan's assets in its brokerage account at the time of the applicable transaction.

With regard to any annual 12b-1 fees and, if applicable, any front-end sales load payable to the Firm from the Funds, such amounts will be deducted directly from the Fund's assets automatically. Any revenue sharing payments made to the Firm by a Fund's Manager are paid directly from the personal assets of the Manager, and are not deducted from the Fund's assets or the Plan's account.

### **Important Information**

This Notice describes certain types of compensation payable directly or indirectly to the Firm in connection with the Investment-Related Services provided on behalf of your Plan. The information included in this Notice is intended to satisfy the disclosure requirements under Section 408(b)(2) of ERISA. The Plan may incur other services charges that are not payable to the Firm. Such charges may include legal expenses, fees and other costs payable to the Plan's administrative service providers, the cost for auditing the Plan's financial statements, and other related expenses. Information regarding these other service charges may be obtained from the applicable service provider.

The information included in this Notice, including, but not limited to, the statements under *Description of Services* and *Direct Compensation Payable to the Firm from the Plan*, is not intended to replace or modify any existing or prospective agreement or disclosure document relating to the Plan. This Notice is provided for informational purposes only, and it should not be relied upon as a legal contract or guarantee for any service that is or will be provided by the Firm or any affiliate.

*For additional information, please make a written request to [408b2@Janney.com](mailto:408b2@Janney.com). This Notice is intended for the responsible plan fiduciary – the person who has authority to engage the Firm on behalf of the Plan. If you are not the responsible plan fiduciary, please share this with the appropriate individual and notify us at the above email address*