



### LETTER FROM THE PRESIDENT

In my Janney Update letter exactly two years ago, I discussed the role that uncertainty and disruption may have on our

financial goals. I reminded you that emotional investing—which often results from times of market volatility—is not the most effective or healthiest approach. With the current turmoil in the world, smart investing begins with a financial plan that accounts for your goals, priorities, time horizon, and comfort with risk over the long term.

As your trusted advisor, Janney can help provide you with the peace of mind that comes with a plan to help you achieve financial security for you and your loved ones, now and in the future.

#### Upgrading Capabilities

One of the ways we accomplish this is through personalized financial planning that includes investment management, asset protection, retirement planning, and affordable access to borrowing. We continually upgrade our capabilities, and I am pleased to announce that in addition to securities backed-lending, Janney now offers residential real estate and unsecured loans from several industry leading lenders. Whether you're looking to purchase a second home, need a personal loan, or require financing for an unexpected cash flow need—we can connect you to a lending solution that may help.

Ensuring you make the most of tax-efficient strategies is another important component of long-term financial planning. I encourage you to read the enclosed article on tax strategies that illustrates Janney's insights into helping you manage your tax situation so you can preserve more of your earnings and wealth over time.

#### Your Digital Experience

We continue to invest in enhancing your digital experience to help you better navigate important life decisions. In the last issue of Janney Update, I introduced the new Financial Planning Resource Center available on Online Access, our secure client portal. Through the Resource Center, you can gain immediate access to your financial plan, calculators, and resources to help keep you current on economic and market news. I encourage you to visit this financial planning hub, and if you are not already enrolled in Online Access, get started today at [www.MyJanney.com](http://www.MyJanney.com).

It is easy to get caught up in the 24-hour news cycle; speaking with your Financial Advisor to make sure you are on track to achieving your financial goals is a good way to keep things in perspective. As always, thank you for putting your trust in Janney. I look forward to our bright future together. ■

— Timothy C. Scheve  
*President & Chief Executive Officer*

### Lending Solutions Tailored to Your Financial Goals

We can help you identify and connect you to a lending solution based on your specific financing needs—from a home purchase, to a personal loan, to financing that unexpected cash flow need.

**Speak with your Financial Advisor about our lending solutions including new residential real estate and unsecured loans.**





## ECONOMIC OUTLOOK

MARCH 2022



### Mark Luschini, Chief Investment Strategist

Mark serves as Janney's Chief Investment Strategist, a recognized thought leader among industry and national media with more than 30 years of investment industry experience. He is a sought-after speaker for professional conferences and events.

The Russia-Ukraine war has injected volatility into the financial markets. Specifically, it has impacted energy prices globally and inflicted economic hardship on Russia and throughout Europe. This turmoil means a large geopolitical risk premium in both oil and stock markets will likely linger over the near term. However, should tensions ease via a diplomatic resolution, or if Russia's design to change the government of Ukraine and gain access to coastal regions succeed without metastasizing into something more far-reaching, we believe equities and other risk assets will ultimately recover.

#### Refocus on Domestic Issues

That, in turn, would allow investors to refocus on domestic issues. Paramount among them is inflation, and the Federal Reserve's reaction function to it. The U.S. economy is simmering as the effects of the fiscal stimulus programs and rapid job gains have served to boost consumption at a rapid rate. Company plans to hire, expand, and raise compensation further fortify the supports that are in place to sustain a positive economic cycle.

Certainly, the demand that is driving domestic growth, along with the supply-chain bottlenecks, are helping to cause prices to surge. This, in turn, has induced the Federal Reserve to respond by reducing its bond-buying regime and likely embarking on an interest rate hiking campaign.

#### Higher Gas, Grocery Costs

Further complicating matters for monetary officials is the price response coming from the energy, grains, and metals commodity markets. The curtailment of the exports of these commodities from Russia and Ukraine contributes to higher prices at gas pumps and grocery stores. For the U.S. consumer, this adds to inflation that is already the highest in roughly 40 years. However, it does seem probable inflation will subside somewhat over the balance of this year.

Beyond the next few months, if the strife in Eastern Europe settles into a less acute phase of conflict, the resilience of financial markets to overcome dislocations such as is being experienced at this moment, should prove out.

With economic activity still robust even as it decelerates from last year's heady pace, and the Federal Reserve a long way from restricting growth by overtightening, stocks should respond favorably. Corporate profits are rising and that usually warrants positioning portfolios in a risk-friendly manner. As such, we continue to view what market volatility we may yet encounter as unwelcome, but not something that should alter an asset allocation that includes stocks in a diversified portfolio. ■

## JANNEY IN THE COMMUNITY



#### Special Olympics Polar Plunge

Janney team members in Philadelphia took part in the Special Olympics Business Polar Plunge at Citizen's Bank Park to help support local athletes in the community.



#### UNCF and Invest in Others Donation

Janney raised more than \$15,000 at our recent ELITE Financial Advisor Conference to benefit the United Negro College Fund and Invest in Others, two organizations doing great work to help support and give back to our communities.



#### Beach Clean Up in Boca Raton & Palm Beach, Florida

Team members of Janney's branch offices in Boca Raton and Palm Beach, Florida, participated in a clean-up event, picking up plastic and other trash from Juno Beach.



## FINANCIAL PLANNING SPOTLIGHT

WHEN IT COMES TO TAX STRATEGIES, ONE SIZE DOESN'T FIT ALL



### Jay Guyer, Vice President / Senior Financial Planner

*Jay is a Certified Financial Planner™ and has more than 30 years of experience in the financial services industry.*

A core component of financial planning is ensuring you make the most of tax efficient strategies to help preserve more of your earnings and wealth over time. But as in all financial recommendations, there is no 'one size fits all' approach.

Available tax strategies are fairly straightforward: delay tax where possible, reduce taxes by taking advantage of rate differences between parties in a transaction (e.g., shifting income between a parent and child), or taking advantage of tax-favored investments (e.g., qualified plans or insurance products). But I find the real "secret sauce" in planning is listening to the client to determine what tax strategies can benefit their individual situation.

Prior to preparing a financial plan, we have a very focused conversation with a client about their goals, dreams, concerns, etc. The tax strategies that we might suggest to them are driven by their particulars. In other words, we try not to approach someone with some answers already developed.

Just about every tax strategy is going to involve some tradeoffs, pluses, and minuses. You need to understand what those tradeoffs are to decide what might be appropriate in your situation.



For example, most nonlawyers think of property ownership like an on-off switch; someone either owns something or does not. Lawyers tend to look at ownership of something as a bundle of sticks where each one represents a right to do something or other. Many of the techniques that have developed involve teasing apart rights in property to get a

desired tax result. So, you can create a trust where you give up certain rights, keep others, and get a great tax outcome. At this point, you can decide if the tradeoffs are worth it.

During the financial planning process, we want to give you the information that you need to make an informed decision. While you may need legal advice, our goal is to make you an educated consumer before you sit down with someone who has a meter running.

Recommendations can change from one taxpayer to another, and annually as facts and circumstances change. Always consult a Financial Advisor or a tax professional when making any large changes to tax planning strategy and understanding new law.

#### Below are a few popular strategies to discuss with your Financial Advisor:

##### **Take advantage of the gift-tax annual exclusion**

For 2022 it's \$16,000 per donee. If married, a spouse can also gift up to \$16,000.

##### **Borrow against securities to pay any owed taxes**

Rather than liquidating investments to pay taxes, consider using a securities-based loan.

##### **Use tax-efficient wealth transfer strategies**

Asset repositioning may be a tax-efficient way to leave a larger financial legacy.

##### **Review or designate beneficiaries annually**

This helps smooth asset transfer when clients pass away, and in the case of IRAs, it allows heirs to take advantage of the tax benefits these accounts offer.

##### **Consider Roth conversions for tax-efficiency**

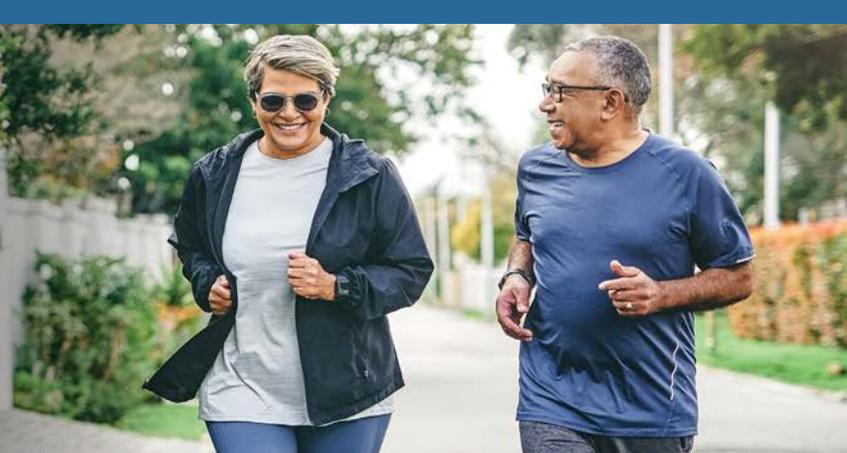
This assists with tax bracket management and as a hedge against future tax rate increases.

##### **Explore Opportunity Zone investments**

This may help spur investment in developing areas in return for substantial tax benefits.

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# YOU'RE INVITED TO Exclusive Virtual Events



## COLLEGE PLANNING ESSENTIALS

Wednesday, May 4th | 12:00 PM EST

A college diploma opens the door to higher earnings soon after graduation and throughout life. College matters, and families with a plan are better prepared for the cost than those without one. Join Kris Adrian, 529 Specialist with JP Morgan Asset Management, as she presents JP Morgan's 2022 College Planning Essentials. This presentation will provide a comprehensive guide to saving and investing for future college or higher education expenses.

Sponsored by JP Morgan.

Register Here: [Janney.com/CollegePlanningSeminar](https://janney.com/CollegePlanningSeminar)

## SOCIAL SECURITY: THE CHOICE OF A LIFETIME

Wednesday, June 22nd | 12:00 PM EST

One in four Americans underestimate their life expectancy. Your investment goal is to be certain you will have sufficient income for your retirement. Join Steven Calandra, Vice President of Nationwide Retirement Institute, for a presentation that will help you better understand your Social Security filing options, identify the most optimal filing option for you and your family, and provide context to discuss your Social Security strategy with your Financial Advisor, as part of your comprehensive retirement plan.

Sponsored by Nationwide.

Register Here: [Janney.com/SocialSecuritySeminar](https://janney.com/SocialSecuritySeminar)



ARE THERE OTHER TOPICS YOU'D LIKE TO READ ABOUT? [CONTACTUS@JANNEY.COM](mailto:CONTACTUS@JANNEY.COM)

### Statement of Financial Condition

Janney Montgomery Scott LLC ("Janney") must maintain a minimum amount of required "net capital" (which generally means net worth, subject to certain adjustments) in accordance with the U.S. Securities and Exchange Commission's (the "SEC") net capital rule. As of December 31, 2021, Janney's minimum net capital requirement was approximately \$19,244,546, and Janney maintained approximately \$102,153,448 in excess of its minimum requirement for total net capital of approximately \$121,397,994. You may obtain a copy of Janney's audited Statement of Financial Condition as of December 31, 2021 (the "2021 Financial Statement"), at no cost, by accessing our website at [www.janney.com](http://www.janney.com) or by calling our toll-free telephone number: 888.882.0012 and requesting a copy. The 2021 Financial Statement is also available for examination at Janney's main office in Philadelphia, PA and at the Philadelphia, PA regional office of the Securities and Exchange Commission (SEC). In connection therewith and related to Janney's Compliance Report of internal controls over compliance, Janney's independent public accountant, PricewaterhouseCoopers LLP, issued a report identifying a material weakness and a copy of such report is available at the principal office of the SEC in Washington, DC, the regional office of the SEC in Philadelphia, PA, or by contacting us at [requestreport@janney.com](mailto:requestreport@janney.com).

### Account Information Verification

The Financial Industry Regulatory Authority (FINRA) and other securities regulators require that broker-dealers maintain certain information about their clients and

verify this information periodically. At the time your account was established and perhaps on additional occasions since that time, you provided Janney with account information such as your name, address, investment objective, and other data. On your June 2022 client statement, this information will be listed on the last page of your statement. When you receive your June 2022 statement, please review the last page carefully, and promptly notify your financial advisor if anything is incorrect. If your information is correct, no action will be required. If you have any questions, please contact your Financial Advisor.

### Janney Montgomery Scott LLC

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For more information about Janney, please see Janney's Relationship Summary (Form CRS) on [www.janney.com/crs](http://www.janney.com/crs) which details all material facts about the scope and terms of our relationship with you and any potential conflicts of interest.