



LETTER FROM THE PRESIDENT

Continued changes in the economic landscape such as inflation, rising interest rates, and market volatility

may have you concerned about achieving your long-term financial goals.

If so, it may be a good time to speak with your Financial Advisor about refreshing your financial plan to address your concerns and provide peace of mind that you are still on track.

As part of that process, you may want to consider adjusting things you can control like diversifying your investment holdings and exploring cash alternatives. Our robust cash alternative offerings such as brokered CD and short-term fixed income instruments may provide the liquidity you need while keeping your long-term plan intact.

Clients with significant wealth often have more complex financial needs, which is why we continue to develop comprehensive capabilities and more sophisticated resources. Your Financial Advisor will help you explore your goals, offer a range of potential strategies, and discuss how they may work together to help you make sound financial decisions.

To help keep you informed, we recently expanded our educational and financial wellness resources in Janney Online Access, our secure client portal.

The new Featured Articles section provides easy access to our latest market commentary, trending topics, and educational content curated for you and your family's financial goals. In addition, we continue to make other enhancements to our digital offering, particularly in the areas of financial planning and wellness, that support your financial goals.

We are here for you to listen to what's on your mind, discuss your plan, and chart a path forward.

On a final note, our efforts to foster an inclusive firm is priority as we strive to support the unique needs of our clients, employees, and communities. You can read Janney's updated Diversity, Equity, and Inclusion statement on page 3.

As always, thank you for your trust in us. ■

— Timothy C. Scheve
President & Chief Executive Officer

Concerned About Rising Interest Rates...

...and the impact on your investment portfolio?



We offer a variety of choices for your cash, including attractive rates on brokered CDs, short-term fixed income, and more.

Call your Janney Financial Advisor for a complimentary consultation today.

When investing in a brokered CD, sales charges may apply. Some CDs are not appropriate for short-term investments, and CDs and other cash alternatives are not appropriate investments for all investors.

Risks of investment include, but are not limited to, changes in interest rates, credit quality, volatility, and durations, lack of liquidity or a secondary market, and loss of principal. Please see Janney's Fixed Income Disclosures for more information.



ECONOMIC OUTLOOK

OCTOBER 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 concern expressed by many in the news media and financial markets about the risk of a recession is palpable. Certainly, it is hard to argue that most of the recent data, particularly those that have had a propensity to be highly predictive of future economic activity, are posting worrisome signs.

The contraction in GDP over the first two quarters of this year does infer, at its core, below-trend growth at best. However, this definition of a recession is rather blunt because of the variables of inventory and trade activity which can oscillate wildly. Meanwhile, the labor market has been sturdy—job openings are roughly double the number of unemployed and wages are rising and accruing at the fastest rate to those in the lower-income cohort who are disproportionately impacted by inflation.

In addition, household debt levels are near multidecade lows and excess savings accumulated over the past several years remain abundant. Consumer confidence has also improved somewhat in the last month, as falling gas prices and some relief on other inflationary measures helped to boost real incomes into slightly positive territory. Since consumer spending drives almost 70% of economic activity in the U.S., those conditions are certainly supportive for the expansion to continue for now.

Inflation Not Going Away

Still, inflation is likely to remain a problem even if, as recent readings have indicated, it has begun to decelerate. The component of inflation related to shelter costs, which have a sizable weighting in the calculation of the Consumer Price Index (CPI), is likely to keep inflation elevated for some time.

Having said that, housing prices have begun to soften as housing affordability dropped due to price gains and higher mortgage rates. The impulse from lower shelter costs operates with a significant lag, so cooling home-buying activity that could temper shelter costs probably won't materialize for a while.

In the meantime, the Fed has embarked on an interest rate-hiking campaign at a feverish pace. We expect monetary officials to raise short-term rates over the balance of this year and possibly into next year if inflation fails to abate sufficiently for them to believe it is falling consistently toward their 2% target. The delicacy of their undertaking means doing enough to combat inflation but not inflicting so much damage to the economy, and in turn employment, that the latter suffers.

Prepare For More Volatility

We acknowledge that the current level of macroeconomic uncertainty is unusually high. The path to an outcome that averts a recession while possible, is very narrow. It seems increasingly probable that a recession will ensue, at least that which is defined more broadly than just GDP to include among other things higher unemployment and weaker overall business conditions. Under that scenario, corporate earnings could come under pressure and so would stock prices. Therefore, until there are signals that inflation is abating and the Federal Reserve is able to navigate the economy to a soft landing, investors should prepare for more volatility in the markets. Consequently, we think it is prudent to level equities at the weight that aligns with one's risk budget and yet is sufficiently proportioned to achieve longer-term investment goals. ■

JANNEY IN THE COMMUNITY



Women's Interactive Network Backpack Drive

The Southeastern Chapter of our Women's Interactive Network held a backpack drive to benefit local non-profit Bloom Our Youth, which provides resources for foster children and the families who support them in Greater Atlanta.



Early Career Professionals Clothing Donation Drive

More than 15 Branch Offices collected various clothing items for donation within local communities as part of a Spring Cleaning Clothing Drive, led by our Early Career Professionals Employee Resource Group.



Team in Naples, Florida Participates in Fitness Challenge

Our team sponsored and participated in the 36th annual Naples Fitness Challenge, where they also collected non-perishable food items for donation to Grace Place, an educational non-profit supporting children and families.

YOU'RE INVITED TO

Exclusive Virtual Client Events



FAMILY LOVE LETTER

Wednesday, October 19, 2022 | 12:00 PM EST

Register Here: www.Janney.com/FamilyLoveLetter

Sponsored By: Neuberger Berman

It's not easy to plan for the possibility of death or debilitating illness. But, anticipating the unexpected can help to lessen the burden for your loved ones after you are gone. Join us to learn how every family can prepare by properly planning, sharing those plans with loved ones, and reviewing and updating those plans as circumstances change—giving you comfort in the fact that your family will be provided for as well as possible.

LIFE HAPPENS: ADAPTING YOUR ESTATE PLAN

Wednesday, December 7, 2022 | 12:00 PM EST

Register Here: www.Janney.com/LifeHappens

Sponsored By: The Penn Mutual Life Insurance Company

Join this session to learn how life events such as marriage, birth of child, and increased wealth may require adjustments to your estate plan. Deepen your knowledge of the current estate tax environment, types of trusts, and when to use them and more.



“At Janney, we recognize the essential role that diversity plays in our ability to deliver the highest standard of success in financial relationships. I, along with the entire leadership team, remain committed to fostering a diverse, equitable, and inclusive environment that both supports our employees and meets the unique needs of our clients and communities.”

— TIM SCHEVE, President & Chief Executive Officer

JANNEY RECEIVES “BEST-IN-CLASS” RATING FROM CLIENTS

Janney partnered with Aon in an industry-wide client experience survey where clients were asked to provide feedback on their relationship with Janney. We're pleased to share the results from the financial planning category.*



94% Financial Planning Goals

“My Financial Plan is comprehensive and reflects my long-term financial goals and objectives.”



93% Financial Planning Process

“The Planning process was simple and straightforward.”



*The statistics shown above are from the 2021 Aon Client Insights Survey.

DISCLOSURES

MSRB Rule G-10

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Broker-Dealers are required to provide certain written information to their clients which include the following:

- Janney Montgomery Scott LLC is currently registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a broker-dealer.
- Within the Municipal Securities Rulemaking Board (“MSRB”) website at www.msrb.org, our clients may obtain the investor brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

Statement of Financial Condition

Janney Montgomery Scott LLC is subject to the Uniform Net Capital Rule of the Securities and Exchange Commission, and is required to maintain a minimum amount of net capital. As of June 30, 2022, Janney’s Net Capital and Net Capital Requirement were \$190,409,710 and \$23,594,407, respectively. You may obtain a copy of the Statement of Financial Condition as of June 30, 2022, at no cost by accessing our website at www.janney.com or by calling our toll-free number at 800.526.6397.

Annual Disclosure Statement To Accounts Approved For Margin

Janney is providing this disclosure to inform you of some basic facts about purchasing securities on margin and to alert you to the risks involved with trading securities in a margin account. Before trading securities in a margin account, you should carefully review the margin agreement provided by Janney. Consult your Financial Advisor or contact Janney regarding any questions or concerns you may have with your margin account(s).

When you purchase qualified securities, you may pay for the securities in full, or you may borrow part of the purchase price from Janney. If you choose to borrow funds, you must open a margin account. The securities purchased as well as other securities in your margin account are Janney’s collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and as a result, we can take action, such as issuing a margin call and/or selling securities or other assets in any of your accounts held at Janney in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional funds to Janney to avoid the forced sale of those securities or other securities or assets in your account(s).

Janney can force the sale of securities or other assets in your account(s). If the equity in your account falls below the maintenance margin requirements or Janney’s higher “house” requirements, the firm can sell the securities or other assets in any of your accounts held at Janney to cover the margin deficiency. You will also be responsible for any shortfalls in the account after such a sale.

Janney can sell your securities or other assets without contacting you. Janney will attempt to notify our clients of margin calls; however, we are not required to do so. Even if Janney has contacted a client and provided a specific date by which the client can meet a margin call, we can still take necessary steps to protect our financial interests, including immediately selling the securities without notice to the client.

In the event of a forced liquidation, you are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call. Because the securities are collateral for the margin loan, Janney maintains the right to decide which security to sell in order to protect our interests.

Janney can increase “house” maintenance margin requirements at any time, and we are not required to provide you with advance written notice.

These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Failure to satisfy the call may require Janney to liquidate or sell securities in your account(s).

You are not entitled to an extension of time on a margin call.

Janney is required to send clients with margin accounts the preceding information on an annual basis. We believe the following additional information will assist our clients in understanding the various aspects of margin borrowing, especially the risks.

Margin Interest

Janney will charge interest to margin accounts based on the Janney Base Rate. The Janney Base Rate is an internally calculated rate established by Janney and changes from time to time based on Janney’s cost of funds as well as Janney’s assessment of the rates charged in the financial markets. To determine your margin account’s interest rate, we will use the schedule below. The interest rate you will be charged for borrowing on margin will increase or decrease as the Janney Base Rate increases or decreases. The Janney Base Rate is published below and is subject to change without prior notice to you. We encourage you to check our site frequently to be sure you are aware of the current Base Rate at all times.

The following schedule of the annual interest rate that will be charged on all margin debit balances

If the Debit Balance Is:	Percentage of Interest Charged:
Less than \$25,000	Janney Base Rate Plus 5.875%
Between \$25,000 & \$49,999	Janney Base Rate Plus 5.25%
Between \$50,000 & \$99,999	Janney Base Rate Plus 4.75%
Between \$100,000 & \$249,999	Janney Base Rate Plus 4.25%
Between \$250,000 & \$499,999	Janney Base Rate Plus 4.00%
Between \$500,000 & \$999,999	Janney Base Rate Plus 3.75%
Between \$1,000,000 & Up	Janney Base Rate Plus 3.50%

The Janney Base Rate as of July 27, 2022 is 5.50%.

For example, a margin client with a debit balance or margin loan of \$300,000 will pay an interest rate of 9.50%. As the Janney Base Rate changes, so does the rate charged to the margin borrower.

Working With Janney

Depending on your financial needs and personal preferences, you may opt to engage in a brokerage relationship, an advisory relationship or a combination of both. Each time you open an account, we will make recommendations on which type of relationship is in your best interest based on the information you provide when you complete or update your client profile.

When you engage in an advisory relationship, you will pay an asset-based fee which encompasses, among other things, a defined investment strategy, ongoing monitoring, and performance reporting. Your Financial Advisor will serve in a fiduciary capacity for your advisory accounts.

For more information about Janney, please see Janney’s Relationship Summary (Form CRS) on 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.

Janney Montgomery Scott LLC

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This is for informative purposes only and in no event should be construed as a representation by us or as an offer to sell or solicitation of an offer to buy any securities. Neither Janney Montgomery Scott LLC nor its Financial Advisors are tax advisors. Please consult your tax advisor before implementing any tax-related strategies mentioned in this publication. The information given herein is taken from sources that we believe to be reliable, but is not guaranteed by us as to accuracy or completeness. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation, or needs of individual investors. ■