As we enter into the spring season, now may be a good time to refresh your financial life. Consider taking stock of your current needs and goals. Has anything changed that may be important to discuss with your Janney Financial Advisor? Making sure that your finances are aligned to help achieve your goals is critical to the success of any financial plan.

As a valued Janney client, we want to make sure you take full advantage of all the digital services we offer. To help simplify your life, Janney provides a robust suite of online resources and tools to make managing your finances easier. Our Online Access client portal, accessed via www.MyJanney.com, allows you 24/7 secure access to your Janney account information anytime, anywhere.

Within the Online Access portal are several easy-to-use tools. The My Net Worth tool allows you to see your complete financial picture in a single view, illustrating how each aspect of your finances can work together efficiently toward achieving your goals. The Document Vault provides a secure space to store and share important documents with your Janney Financial Advisor, from estate planning documents and tax forms, to insurance and retirement information.

Janney’s eDelivery service helps you save time and eliminate the clutter and waste associated with paper mailings—you can elect to receive statements and confirmations, prospectuses, performance reports, and tax forms electronically by signing up for eDelivery. Additionally, we offer digital alerts, sent according to your preferences, to help you stay informed about certain account and market-related activity. Using our eDelivery service can also help you meet the eligibility criteria to waive Janney’s Household Service Fee. Read more in this edition about our new, simplified fee schedule and opportunities to waive this fee.

We look forward to continuing to provide enhancements to our advice, services, and capabilities, both online and off, that improve your experience with us. We value your relationship, and thank you for your continued trust and business.

— Timothy C. Scheve  
President & Chief Executive Officer
While the pace of economic growth in the U.S. has softened of recent, it is most likely to remain positive for the foreseeable future. The government’s release of Gross Domestic Product (GDP) for the fourth quarter of 2018 showed the economy operating at an above trend 2.6% annualized rate and, importantly, figures for consumer and business spending were strong. In spite of soft conditions outside the U.S., uncertainty-inducing trade negotiations with China, partisan political rancor, and the concern that the U.K. will crash out of the EU in now less than a month’s time, domestic activity remains solid. In the meantime, while labor conditions continue to strengthen, benign inflationary readings have allowed the Federal Reserve to defer future rate hikes until stronger evidence reveals that additional tightening is warranted. Clearly, the rally in risk assets so far this year is queuing, at least partially, off the softer tone monetary officials have adopted regarding the fate of their policy setting.

An awful fourth quarter in the stock market, coincident to the government shutdown, undoubtedly caused some negative distortion in the economic data, but that should begin to improve. In fact, consumer confidence readings have already rebounded smartly and business activity has picked up. Additionally, the near-term impulse from government workers returning, along with the fiscal spending remaining from the Budget Act of 2018, will collectively propel consumption.

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China Stabilizing Their Economy
Meanwhile, fermenting overseas are efforts by policymakers in the world’s second-largest economy—China—to stabilize their economy. New credit formation came in well above expectations in January, and it was among many other measures taken in just the past six months to arrest the economy’s decline. Green shoots have sprouted in some areas of the Chinese economy, leading us to believe that the stimulus undertaken is taking root. Ultimately, a stable China is not only good for many emerging market countries to whom it’s closely tied through trade channels, but also the Eurozone, whose export-heavy economies will similarly benefit from the Middle Kingdom’s improvement.

Expect a Reacceleration in Global Growth
We expect to see a reacceleration in global growth in the second half of the year. What likely follows is a weaker U.S. currency, which should help boost earnings for large domestic companies whose fortunes rest disproportionately upon overseas markets. To be sure, after a fast start, equity prices are due for a pause. However, improving non-U.S. growth would help galvanize investor sentiment that the fundamentals for stocks remain on solid terra firma.
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.

How Does Margin Work?

When utilizing margin to purchase securities, borrowed money is being used to fund the transaction. While market appreciation will increase your return on an investment, a depreciation may result in an increased loss greater than the amount of money originally supplied.

<table>
<thead>
<tr>
<th>Using Cash Only</th>
<th>Using Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Purchase</td>
<td>$10,000</td>
</tr>
<tr>
<td>Investor's Cash Payment</td>
<td>$10,000</td>
</tr>
<tr>
<td>Margin Loan from Janney</td>
<td>$0</td>
</tr>
</tbody>
</table>

Assume Value Increase of $1,000

| New Value | $11,000 | $11,000 |
| Profit | $1,000 | $1,000 |
| Cash Investment | $10,000 | $5,000 |
| Return on Investment | 10% | 20% |

Assume Value Decrease of $1,000

| New Value | $9,000 | $9,000 |
| Loss | $1,000 | $1,000 |
| Cash Investment | $10,000 | $5,000 |
| Return on Investment | -10% | -20% |

The above example demonstrates that an investor who makes a cash purchase either loses or gains 10%, while the margin lender loses or gains 20%. For this reason, investors who employ margin usually have a more aggressive approach to investing with a willingness to take a larger risk. Investors who use margin will also be charged interest on the borrowed amount as explained in the section titled "Margin Interest." Before choosing to invest using margin, you should consult your Janney Financial Advisor to determine if the risk is appropriate for your investment objectives and risk tolerance.

Initial Margin Requirements and Maintenance Requirement

The initial margin requirement is the percentage amount required as initial equity from the investor. Federal Reserve Board Regulation T establishes a minimum account equity value of $10,000 when placing orders on margin. For most equity securities, which meet standards as defined in the regulation, this requirement is 50%—the investor must have 50% of the purchase amount by settlement date, plus Janney also requires the price of the stock to be above $5 per share. Some securities, including many U.S. Treasury issues, have lower margin requirements.

Your Janney Financial Advisor can provide further information upon request.

When an investor borrows on margin, there is an ongoing minimum equity requirement called the maintenance requirement, usually 30%. In some cases, Janney may have a "house" requirement that is above 30%. For example, Janney has a maintenance requirement of 75% on certain stocks and 100% on others (100% means these securities are not eligible for margin). As another example, when a stock's price falls below $4 per share, Janney applies a 100% maintenance requirement.

If the value of the securities in a margin account falls so that the equity is below the maintenance requirement, a margin call will be issued requiring the client to deposit cash or acceptable collateral into the margin account to bring the equity value up to the required maintenance level. As noted earlier, Janney can change maintenance requirements at any time without prior notification.

Consider the table below showing a decline in value. The example assumes that the maintenance level on all securities in the account is 30%. When the value of the securities in the account falls below $7,000, the equity falls below 30%, which will trigger a margin call.

<table>
<thead>
<tr>
<th>Impact of Decrease in Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Value</td>
</tr>
<tr>
<td>Margin Loan</td>
</tr>
<tr>
<td>Equity (value minus loan)</td>
</tr>
<tr>
<td>Equity Percent (equity divided by value)</td>
</tr>
</tbody>
</table>

When equity falls below the maintenance requirement and a margin call is issued, Janney will try to contact the client. As noted in the required disclosures listed at the beginning of this page, however, Janney can sell securities to meet a margin call at any time without notice. Janney can also change the maintenance requirements at any time without prior notification.

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 that changes from time to time based on Janney's cost of funds and Janney's assessment of the rates charged in the financial markets.

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 on Janney's website and is subject to change without prior notice to you. We encourage you to check our website frequently to be sure you are aware of the current Base Rate at all times. The Janney Base Rate is 5.5%.

To determine your margin account's interest rate, we will use the following schedule, which reflects the annual interest rate being charged on all margin loan balances:

<table>
<thead>
<tr>
<th>If the Debit Balance Is This:</th>
<th>Percentage of Interest Charged:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25,000</td>
<td>Janney Base Rate Plus 5.875%</td>
</tr>
<tr>
<td>Between $25,000 &amp; $49,999</td>
<td>Janney Base Rate Plus 5.25%</td>
</tr>
<tr>
<td>Between $50,000 &amp; $99,999</td>
<td>Janney Base Rate Plus 4.75%</td>
</tr>
<tr>
<td>Between $100,000 &amp; $249,999</td>
<td>Janney Base Rate Plus 4.25%</td>
</tr>
<tr>
<td>Between $250,000 &amp; $499,999</td>
<td>Janney Base Rate Plus 4.00%</td>
</tr>
<tr>
<td>Between $500,000 &amp; $999,999</td>
<td>Janney Base Rate Plus 3.75%</td>
</tr>
<tr>
<td>$1,000,000 &amp; Above</td>
<td>Janney Base Rate Plus 3.50%</td>
</tr>
</tbody>
</table>

For example, a margin client with a debit balance or margin loan of $300,000 will pay an interest rate of 5.875%. At the Janney Base Rate changes, so does the rate charged to the margin borrower. If you have any questions, please contact your Janney Financial Advisor.

Conclusion

While investors who use margin may increase the profit potential of investing, there are significant risks to margin borrowing that should be understood before embarking on a margin strategy. Your Janney Financial Advisor can provide you with further information and help guide you in making wise investment decisions. For more information on margin borrowing, there are several websites with valuable information, including the following:

Financial Industry Regulatory Authority | http://www.finra.org

As always, we welcome any comments or questions. Please contact your Janney Financial Advisor or write to us at the following address:

Margin Department/Disclosure Information
Janney Montgomery Scott LLC
1717 Arch Street, Philadelphia, PA 19103
INTRODUCING A NEW, SIMPLIFIED HOUSEHOLD SERVICE FEE POLICY

At Janney, we strive to keep our clients’ needs at the center of everything we do. As announced in last quarter’s Janney Update, we implemented a new Household Service Fee policy effective January 1, 2019 in order to simplify our fee structure, increase transparency, and provide you with choice, along with several ways to waive the Household Service Fee.

We have eliminated many fees that each individual account may have been subject to in exchange for one annual Household Service Fee for the entire group of accounts in your household.

The annual $100 Household Service Fee will not be assessed if your overall relationship meets any of the following criteria:

- **Enhanced digital capabilities:** By enrolling all household accounts in Janney’s eDelivery service accessible via Janney Online Access, you will be able to securely and conveniently access important documents online, reduce paper clutter, and increase efficiency of communications.

- **Extensive investment choices:** By choosing from among our comprehensive suite of fee-based investment offerings, you can ensure your investment strategy is professionally managed, receives ongoing monitoring, and is aligned with your financial goals and preferences.

- **Your total relationship:** The Household Service Fee will be waived for client households who meet at least $250,000 in total asset value.

If you meet any of the aforementioned criteria as of May 31, 2019, you may be eligible to have the annual Household Service Fee waived. The fee will be assessed in mid-June. For specific information regarding how the fee will be assessed and to which account, please refer to the Schedule of Account Service Charges.

Please visit www.janney.com/service-fees or contact your Janney Financial Advisor to learn more about the Household Service Fee change and waiver options.

**Household Service Fee Disclosures.**

1. Janney households are used to determine the level of benefits and fee waivers that will be applied to Janney accounts. A household is defined as a group of accounts with the same mailing address or Social Security/Taxpayer Identification Number that are serviced by the same Financial Advisor or FA Team. A household can be “linked” to another household to receive certain benefits and fee waivers. The household with the largest asset balance will set the level of benefits and fee waivers for all accounts in the linked household group. Households can only be linked together if they are part of a family relationship, defined as accounts owned by a Grandparent, Parent, Child, or Grandchild of an account owner in the household with the largest asset balance. Balance and fee waivers are not determined by the combined assets of accounts in all linked households. Some accounts, including retirement plans and business accounts, may not be eligible to be included in a household. Households are set automatically by Janney. Linking households together is at the discretion of your Janney Financial Advisor.

2. The Household Service Fee will not be prorated or rebated based on the length of time an account is with Janney, and is in addition to fees charged in connection with the management of the account such as advisory fees, commissions and other trade execution related costs, and other fees disclosed in the Schedule of Account Service Charges. Additional information regarding fees and investments costs can be found in Janney’s Form ADV Part 2 – Investment Management Disclosure Brochure and Wrap Fee Disclosure Brochure (available on Janney.com) and the agreements governing your Janney account.

3. In order to meet this criteria, at least 80% of your household assets must be held in one or more of Janney’s fee-based investment programs.

Janney Montgomery Scott LLC
1717 Arch Street, Philadelphia, PA 19103 | 1.800.JANNEYS | www.janney.com

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.

JANNEY’S NEW ACCOUNT ALERT CAPABILITIES KEEP YOU UPDATED AND INFORMED

We are pleased to introduce Janney’s new account alert capabilities to provide added convenience and choice for you as our valued client. You now have the ability to receive timely alerts on account activity and updates, market-related events, and price movements on securities you choose to track, based on your individual preferences.

You can choose how you would like to receive these alerts: via text, email, or in your Online Access messages inbox. Some alerts will be provided once per day, while others are provided in real time.

To access a list of alert options, or if you would like to begin receiving these new notifications, enroll or log in to your Janney Online Access Account via www.MyJanney.com, then under the “Profile” tab, select “Notifications and Alerts” in the drop-down menu.

**ENHANCEMENTS TO JANNEY’S MONEY TRANSFER CAPABILITIES**

Janney’s Money Transfer capabilities are now enhanced to provide you with added convenience and support, particularly as you navigate through the 2018 tax filing season. You can now easily make secure contributions into your Traditional IRA or Roth IRA electronically, and make withdrawals or take Required Minimum Distributions from your IRA without needing to sign any forms. Additional new features include the ability to make electronic transfers to and from external bank accounts, access to year-to-date contribution information, and guidance when taking an IRA distribution.

You can access Money Transfer by logging in to www.MyJanney.com, Janney’s Online Access client account portal. To learn more, refer to the Frequently Asked Questions Online Access document or contact your Janney Financial Advisor for information. Stay tuned for information on additional enhancements to Janney’s Money Transfer capabilities throughout the year.

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 December 31, 2018, Janney’s Net Capital and Net Capital Requirement were $106,687,264 and $9,318,599 respectively. You may obtain a copy of this Statement of Financial Condition as of December 31, 2018 at no cost by accessing our website at www.janney.com or by calling our toll-free number at 800-526-6397 and requesting a copy.

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 2019 client statement, this information will be listed on the last page of your statement. When you receive your June 2019 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.

Privacy Notice. Janney is committed to using your personal financial information responsibly. We understand your desire for discretion in handling your financial matters and we appreciate the trust you have placed in us to keep that information confidential. We have enclosed our Privacy Notice with your 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.

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