## Glossary of Terms

### Advisory Account
An account for which the client pays an asset-based fee for services provided such as asset allocation, investment management, rebalancing, performance monitoring, and trade execution.

### Affiliated Investment Adviser
An affiliated investment adviser refers to an investment adviser that is a separate legal entity that is directly or indirectly controlling or controlled by the firm.

### Best Interest
Refers to the responsibility of the Financial Advisor and Firm to place the best interest of the client ahead of the Financial Advisor’s or Firm’s interests when making recommendations for an account, a security, or an investment strategy involving securities.

### Brokerage Account
An account in which clients pay a commission for each transaction executed and the Financial Advisor receives a portion of that commission as their compensation.

### Cash Compensation
Cash Compensation includes any commission, asset based sales charge, concession, discount, service fee, fee, loan, override or cash received in connection with the sale and distribution of variable annuities, mutual funds, any other investment products, or sale or distribution of municipal securities.

### Commission
A commission is a service charge assessed by a broker for handling purchases and sales of securities for a client.

### Conflict of Interest
A situation where one or more persons or entities have competing interests and the serving of one interest may involve detriment to another.

### Custodial & Administrative Services
These services include, but are not limited to, holding securities for safekeeping, account administration, transaction settlements, the collection of dividends and interest payments, tax support, and foreign exchange.

### Expense Ratios
The Expense Ratio (ER), also sometimes known as the Management Expense Ratio (MER), measures how much of a fund’s assets are used for administrative and other operating expenses. An expense ratio is determined by dividing a fund’s operating expenses by the average dollar value of its assets under management.

### Fiduciary
Refers to the fundamental obligation of an investment adviser to act and provide investment advice in the best interests of our clients. As a fiduciary, one must act with care, skill and demonstrate good judgment in handling client's needs, provide advice based on the client's needs, goals, and investment objectives independent of the Financial Advisor’s or Firm’s interests; not make any materially misleading statements; provide full and fair disclosure of all material facts; and, lastly eliminate or make full disclosure of all conflicts of interests.

### FINRA
The Financial Industry Regulatory Authority (FINRA) is a self-regulatory nongovernmental organization that writes and enforces the rules governing registered brokers and broker-dealer firms in the United States.

### Form ADV Part 2A
Form ADV is a required submission to both the Securities and Exchange Commission (SEC) and state securities authorities by an investment adviser. The form consists of two parts—Part 1 and Part 2A & 2B. Part 2A is a narrative brochure that contains information such as the types of advisory services offered, the adviser’s fee schedule, disciplinary information, and conflicts of interest.
Managed Portfolios

A professionally managed account with a dedicated portfolio manager who has discretion to trade assets such as equities, bonds, mutual funds and ETFs units based on a defined investment strategy.

Mark-Ups & Mark-Downs

Mark-ups occur when brokers act as principals, buying and selling securities from their own accounts at their own risk rather than receiving a fee for facilitating a transaction. A Mark Up is the difference between the current market price and the price the customer is charged for said investment. A Mark-Down on the other hand, occurs when a broker purchases a security from a customer at a price lower than market value.

Non-cash Compensation

Non-cash compensation is any form of compensation received in connection with the sale and distribution of variable annuities, mutual funds, or any other security that is not cash compensation. Non-cash compensation includes, but is not limited to, gifts and prizes, travel expenses, meals, lodging, entertainment, client seminars, charitable contributions, and gift cards.

Principal

The original sum of money borrowed in a loan or put into an investment. In the context of investing, principal refers to the original sum committed to the purchase of assets – independent of any earnings or interest.

Principal Transactions/Trading

A principal transaction is a trade executed by a broker/dealer from its own inventory of securities.

Proprietary Trading

Proprietary trading refers to a financial firm or commercial bank that invests for direct market gain rather than earning commission dollars by trading on behalf of clients. The product can be a stock, bond, commodity, currency or other instrument of trading.

Recommendation

A communication by a Janney Financial Advisor regarding any securities transaction or investment strategy involving securities (including account type recommendations) to a client or prospective client that, based on the particular facts and circumstances, could be viewed as a “call to action” or would reasonably influence the client to buy or sell a particular security or group of securities.

Securities Investor Protection Corporation (SIPC)

SIPC provides protection if a brokerage firm fails. SIPC generally protects the securities and cash per client up to $500,000. See SIPC website for details at https://www.sipc.org/

Sponsor

A sponsor can be a range of providers and entities supporting the goals and objectives of an individual or company. Sponsors invest in private companies, create demand for publicly traded securities, underwrite mutual fund shares for public offerings, issue exchange-traded funds, offer platforms for benefits, and more.

Spreads

A spread can have several meanings in finance. Basically, however, they all refer to the difference between two prices, rates or yields. In one of the most common definitions, the spread is the gap between the bid and the ask price of a security or asset, like a stock, bond or commodity. This is known as a bid-ask spread.

Third-party Asset Managers

A company that is appointed to manage the total assets of the asset owner on an integrated basis through a combination of advisory and delegated investment services, with a view to achieving the asset owner’s overall investment objectives.

Trade Execution

The completion of a buy, sell, or exchange order.

Transfer Fees

(Balance) transfer fee is the amount of money charged by lender to transfer existing debt from another lender. The fee is usually a percentage of the total amount transferred.

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.