

UNDERSTANDING ADVISORY AND BROKERAGE RELATIONSHIPS AT JANNEY

Janney and your Janney Financial Advisor are committed to delivering the highest quality advice and services to clients and making recommendations in your best interests. One such fundamental recommendation is to choose a brokerage relationship, an investment advisory relationship, or a combination of both. These important decisions are driven by your goals, needs and preferences, and the costs associated with those services.

BROKERAGE OR ADVISORY RELATIONSHIPS: UNDERSTANDING THE DIFFERENCES

Which type of investment relationship is in your best interest? It's important to first understand the differences. Janney is registered as a broker-dealer and an investment adviser, which means that we can offer you both types of relationships. Your Financial Advisor will advise you and recommend an approach that best meets your needs, goals, and preferences.

Brokerage relationships

Brokerage relationships are more transactional. Each time you buy or sell securities within your account, you incur transaction costs, commonly called commissions. There is no ongoing monitoring of a brokerage account, although your Financial Advisor may generally review the holdings in your account when providing a recommendation to you. Janney provides custody of your assets and executes securities transactions on your behalf.

Your Janney Financial Advisor will make recommendations in your best interest based on your investment profile and the potential risks, rewards, and costs associated with the recommendation.

Your Investment Profile:

- Your age
- Assets/investments
- Financial situation and needs
- Tax status
- Investment objective
- Investment experience
- Investment time horizon
- Liquidity needs
- Risk tolerance



Advisory relationships

An advisory relationship offers you a more holistic relationship where Janney and your Financial Advisor are held to a fiduciary duty of care, which requires us to:

- Act with utmost care and good faith toward you
- Seek the best execution of transactions for you
- Avoid or disclose material conflicts of interest

Rather than paying commissions for each transaction, you pay an asset-based fee, which includes the delivery of advice and guidance, a defined investment strategy, as well as active monitoring of your investments. Advisory accounts are commonly called "fee-based" relationships.

Guidelines for using brokerage and advisory relationships

While there are no absolutes when it comes to deciding whether a brokerage or advisory relationship best meets your needs, the complexity of your financial circumstances and your goals will help determine the optimal fit. In fact, rather than choosing one or the other, many clients engage us in both—apportioning assets intended for different purposes into different relationships.

For instance, perhaps you're planning to buy a new home in the near future and want to keep a portion of your assets liquid. In that scenario, it may be in your best interest to hold those designated assets in a brokerage account. However, you may wish to hold the lion's share of your assets that are earmarked for retirement and/or legacy purposes in an advisory account where you benefit from active guidance and oversight.

Janney's financial planning services are offered as an advisory service, where your Financial Advisor is held to a fiduciary standard of care in developing a plan to help you achieve the outcomes you desire, given your goals and circumstances.

When implementing your financial plan, you may invest through an advisory or brokerage account or a combination of both.

COMMON CONSIDERATIONS WHEN CHOOSING AN ADVISORY OR BROKERAGE RELATIONSHIP

The following offers a glance into a few typical scenarios where either a brokerage or advisory relationship might be considered:

Brokerage Relationship	Advisory Relationship
“Buy and hold” strategy	Portfolio design and implementation
Low-cost basis stock	Portfolio management
Short-term cash / liquidity	Periodic portfolio review
Fixed income ladders	Regular rebalancing
Life and long-term care insurance	Investment research and due diligence
529 plans	Access to third-party managers

OUR COMMITMENT TO YOU

No matter which type of relationship you choose, we must act in your best interest and not place our interests ahead of yours when we recommend an investment or an investment strategy. Any conflicts that may arise are fully disclosed to you, and you will have access to information about any costs you may incur before you make any financial decisions.

FINANCIAL PLANNING: THE FOUNDATION TO HELPING YOU ACHIEVE YOUR GOALS

Whichever account type(s) you choose to maintain, we believe decisions about any financial transaction should be anchored in your long-term financial plan, so that your goals, objectives, priorities, and financial circumstances inform investment decision-making. Your Janney Financial Advisor will recommend what is in your best interest based on your circumstances, as you make financial decisions to help achieve your long-term goals.

NEXT STEPS

Take the next step and discuss your goals, needs, and circumstances that will shape your future with your Financial Advisor. They will help you create or update a plan to help get you there.

WORKING WITH JANNEY

Depending on your financial needs and personal preferences, as well as the fees and costs associated with those services, 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.

If you engage in a brokerage relationship, you will buy and sell securities on a transaction basis and pay a commission for these services. Our recommendations for the purchase and sale of securities will be based on what is in your best interest and reflect reasonably available alternatives at that time. If 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 relationships.

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.

By establishing a relationship with us, we can build a tailored financial plan and make recommendations about solutions that are aligned with your best interest and unique needs, goals, and preferences.

Contact us today to discuss how we can put a plan in place designed to help you reach your financial goals.

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