



STRENGTH YOU CAN COUNT ON – OUR NEW PARTNERSHIP WITH KKR

I'm pleased to share some exciting news about Janney's future. In July, we announced that

KKR, a leading global investment firm, signed a definitive agreement to acquire Janney from our parent company, The Penn Mutual Life Insurance Company. This transaction is expected to close later this year.

We could not be more excited and confident in Janney's future under this new ownership structure. KKR's support further strengthens our client-focused culture and reinforces our commitment to putting your needs at the center of everything we do.

What Does This Mean for You?

First and foremost, there is nothing you need to do. Your accounts will remain unchanged, and your advisor will continue working with you as they always have. There is no change to Janney's day-to-day operations, business processes, and client services.

Now and after the transaction closes, Janney will continue to focus on serving you, our valued clients, with the same dedication that has defined our firm for nearly 200 years.

KKR's investment is a strong endorsement of our talented team, our culture, and the quality of advice and services we offer you. Here's how our partnership with KKR will enhance our relationship with you while staying true to the values that define the firm you trust to help meet your financial goals:

- **Independently Operated with a Focus on You:** Janney will continue to operate independently, with our current management team leading the way. KKR will support strategic decisions, providing the necessary resources to help us and our clients achieve success.

- **Private Ownership with the Benefits of a Strategic Partner:** As a privately owned firm with a strategic partner, our focus is on your long-term needs, not on managing quarterly earnings expectations. You'll continue to experience the personal attention of a boutique firm, enhanced by the resources and services of a larger organization.
- **Consistent and Longstanding Financial Strength:** Choosing Janney means choosing a firm with consistent financial strength. Janney has reported steady and stable earnings, exemplified by 145 consecutive quarters of operating profitability. After the transaction closes, Janney will have even greater flexibility to reinvest our capital to improve your client experience.
- **Employee Ownership—Keeping People at the Center:** We're excited that KKR will support Janney in implementing an employee ownership plan, making all Janney employees owners. This ensures that our team is directly invested in the success that comes from meeting your needs.

Rest assured, our commitment to delivering personalized attention and trusted advice remains as strong as ever. As we look ahead, we will focus on leveraging this partnership to bring you greater value. Whether through expanded services or the security of knowing your wealth management partner is backed by a leading global investment firm, our goal is to ensure your continued success.

Thank you for being a valued client of Janney Montgomery Scott. We deeply appreciate your trust and are committed to continuing our strong relationship. ■

— Tony Miller, *President*



ECONOMIC OUTLOOK

AUTUMN 2024



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.

Sturdy, if moderating economic activity; persistent, if cooling employment growth; and dissipating, but still elevated inflation, have all contributed to a shift by the Federal Reserve to lower interest rates. This is the formula for achieving the soft landing so widely expected. Of course, that assumes these variables remain in stasis. Consider, however, that after an extended period of restrictively high interest rates and the remnant from more than three years of well-above-trend inflation in the form of costly everyday goods and services, the move to lower interest rates may not occur soon enough to avoid a more worrisome downturn in the economy. The good news is that obvious signs of one are not currently evident.

Under most circumstances, the labor market is central to determining the fate of an economic expansion. Barring the rarities of a pandemic, financial calamity, or significant geopolitical incident, growth is usually interrupted only after extended periods of excesses built up by demand exceeding supply, thereby igniting inflation. In turn, one half of the Federal Reserve's mandate—price stability—kicks policymakers into gear (the other being maximum employment), and interest rates are raised to slow demand to bring it into balance with supply. This typically happens when labor markets ease, unemployment rises, and household spending (which drives almost 70% of U.S. economic activity) wanes. Unfortunately, history is replete with cases in which such an inflation-combatting restrictive monetary setting results in recession.

The good news is that the labor market is far from icing over. Monthly job gains have been occurring at a pace that has allowed new entrants to the labor market, and those displaced from jobs to be absorbed without an accompanying spike in the unemployment rate. Indeed, the labor force participation rate for Prime Age workers (those between the ages of 25-54), a key cohort in assessing the vitality of the jobs market and amid their chief spending years, is the highest in over 20 years. The ratio of job openings to those unemployed has fallen (as has the Quits rate which is a measure of job security), but both have merely returned to levels near their pre-pandemic trends. Household surveys reporting whether jobs are hard to get or plentiful elicit a pattern that confirms softer employment conditions are developing but do not yet signal a rapid deterioration is at hand. Finally, weekly jobless claims, an efficacious real-time indicator of company layoff announcements that have converted into actual job losses, remain low.

Investors seeking to express some caution may want to consider raising exposure to defensive sectors such as Consumer Staples, Healthcare, Utilities, and REITs. Should the outcome of a soft landing be achieved, however historically improbable, abandoning growth sectors and a prudent proportion of equity exposure could carry high opportunity costs. The labor market's behavior will define the economic path forward and market implications. Stay tuned. ■

JANNEY IN THE COMMUNITY



MACWIN Shoe Garden

The Mid-Atlantic Chapter of Janney's Women's Interactive Network collected over 300 pairs of tennis shoes, benefitting Soles of Love. Team members also created affirmation cards for children to receive with their sneakers.



Pittsburgh Melanoma Foundation 5K Run/Walk

Our Canonsburg, PA, Branch Office recently sponsored and participated in the Pittsburgh Melanoma Foundation 5k Run/Walk. Team members gave away snacks and water, raffled off a prize, and offered face painting for the kids.



Hero Dogs

At our annual Wealth Management Conference, Janney raised over \$24,000 for Hero Dogs, a nonprofit that works to improve the quality of the lives of veterans of the U.S. military and first responders with disabilities.



WEALTH MANAGEMENT NEWS

Introducing Janney Unified Managed Account (UMA)

Please note that we have changed the name of the UMA program on our Advisory Platform from Adviser’s Multi Sleeve Portfolio (MSP) to Janney UMA. As a professionally managed program, Janney UMA can house many investment products (SMAs, ETFs, and Mutual Funds) in a single account. This allows for more streamlined and simplified asset management.

Expansion of Janney’s Branded Credit Cards

We are excited to announce that Janney’s credit card offering has expanded to include for-profit and non-profit credit cards. There are six cards available to match your business’s needs.

Ask your Financial Advisor for more information about these programs today. ■

THE WASHINGTON UPDATE

Year-End Planning & Election Update with Jeff Bush Wednesday, October 23 | 12:00pm ET

Jeff Bush of The Washington Update provides a unique, nonpartisan analysis of what’s going on in Washington, the potential implications of the presidential election, and how you’ll need to plan accordingly so your financial goals remain on track.

Be sure to join us—only those who register and attend can access the post-event recording.*

Save your seat now at:

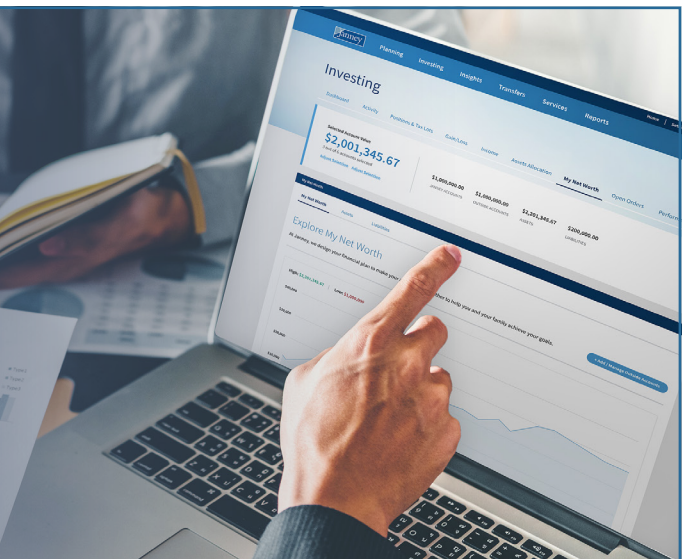
www.Janney.com/Year-EndStrategies. ■

**Registration password, if prompted, is “Janney.”*

A Comprehensive View of Your Portfolio is Just a Few Clicks Away!

My Net Worth is a tool that gives you your complete financial picture in a single online view. Not only can you review your current Janney accounts, but you can also add outside accounts to see how each aspect of your finances can work together toward your goals.

Ask your Financial Advisor how to access My Net Worth today.



Janney KKR Partnership Client Notices

Janney recently sent out communications to clients providing notice that KKR, a leading global investment firm, and The Penn Mutual Life Insurance Company (“Penn Mutual”) announced the signing of a definitive agreement under which investment funds managed by KKR will acquire Janney from Penn Mutual (the “Transaction”). The Transaction is expected to close in the fourth quarter of 2024. These client communications also included notice of an amendment to your Client Agreement and Disclosures with Janney (the “Agreement”), that allows Janney to assign its Agreement with you, including in connection with the anticipated change in ownership later this year, unless you notify Janney, in writing, of your objection to such assignment. You may ask questions of and obtain copies of these communications from your Financial Advisor.

DISCLOSURES

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, 2024, Janney's Net Capital and Net Capital Requirement were \$186,645,696 and \$16,189,777, respectively. You may obtain a copy of the Statement of Financial Condition as of June 30, 2024, at no cost by accessing our website at www.janney.com or by calling our toll-free number at 800.526.6397.

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.

Options Disclosures

Pursuant to SEC Rule 19b-1 and FINRA Rule 2360, Janney is advising clients with options accounts that the Options Clearing Corporation has issued the June 2024 Options Disclosure Document (ODD). The ODD contains general disclosures on the characteristics and risks of trading standardized options. The June 2024 ODD contains new language to update (i) the list of options markets to include MEMX, LLC and (ii) settlement information to reflect T+1 settlement. The June 2024 ODD is available to Janney options clients at [june_2024_riskstoc.pdf](#) (theocc.com).

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 on our 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 following schedule of the annual interest rate that will be charged on all margin debit balances is as of July 1, 2013:

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 the creation of this disclosure (9/12/24), is 8.5%.

For example, a margin client with a debit balance or margin loan of \$300,000 will pay an interest rate of 12.5%. 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.

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.

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. ■