JANNEY UPDATE

WINTER 2025

NEW YEAR. SAME COMMITTMENT.

At Janney, our unwavering commitment is to you. For nearly 200 years, we have delivered personalized, client-first advice to help you achieve your financial goals. Our advisors are supported by a collaborative culture and award-winning resources, ensuring we remain your trusted partner in navigating every stage of your financial journey.

We're proud of the legacy and reputation we've built. Our mission is to provide the highest standard of support as we help you navigate life's opportunities and challenges, ensuring your financial plan reflects what matters most to you and your family.

As we kick off 2025, it's a perfect time to reset and refocus on your financial goals. This year, we're making meaningful investments in our financial planning resources with the latest technology. Also, expect to hear about enhancements to our digital tools, designed to improve your experience and provide even greater visibility into your finances and progress toward your goals. These and other upgrades reflect our commitment to ensuring you have the best tools and support to stay on track.

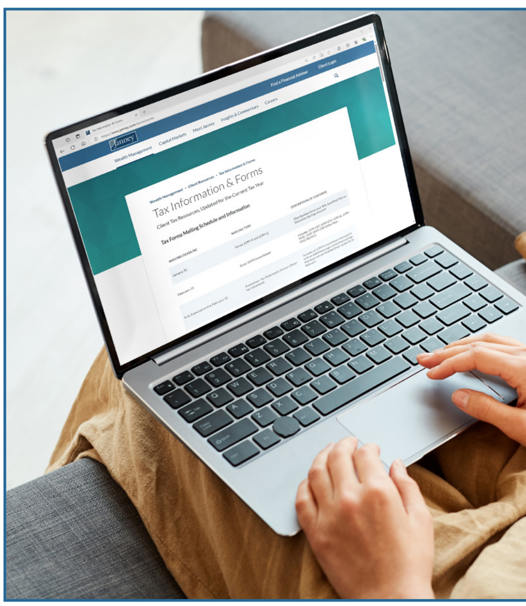
The New Year also presents an opportunity to revisit your financial plan. Your Janney Financial Advisor is here to help account for changes from the past year, such as life events or shifts in your financial priorities and prepare for upcoming opportunities. We'll guide you through solutions, including life insurance, tax planning, estate planning, and retirement planning, all of which play a critical role in the growth and protection of your finances.

If you don't yet have a financial plan, make 2025 the year to create one. Janney's financial planning process allows us to deeply understand your goals and priorities and develop a customized strategy tailored to your needs.

We encourage you to connect with your Financial Advisor to schedule an appointment for a financial refresh or to begin building your financial plan for you and others in your family. It's our privilege to serve you and your family, and we look forward to helping you achieve your goals in the year ahead.

On behalf of Janney, I wish you and your loved ones a healthy, happy, and prosperous New Year. ■

— Tony Miller, *President*



JANNEY.COM IS YOUR GO-TO DESTINATION FOR TAX INFORMATION!

Preparing for tax season is easier when you have a central place to find everything you need. Janney's Tax Resource page has a variety of useful information and resources, including:

- Tax forms mailing schedule
- Key tax numbers
- Users' guides for common tax filing software, and more!

Visit our Tax Resource page today:
www.Janney.com/TaxResources

ECONOMIC OUTLOOK
WINTER 2025

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.

As we begin the new year, lingering geopolitical risks remain a concern, but at least a uniquely domestic one has been resolved. Donald Trump's election as the 47th President of the United States closed a protracted and bumpy road to the White House. The uncertainty of the outcome didn't disrupt the U.S. economy from producing a solid pace of growth, which seems poised to continue, but it did cause some consternation among investors. Pre-election volatility, which is normal in Presidential election years, was induced by market participants rapidly shifting portfolios in anticipation of the results predicated upon signals from the betting markets, polling services, and news flow. Ultimately, the decisive victory by President-elect Trump engendered an enthusiastic response from investors, relieved over what it could mean for the financial markets and as evidenced by the stock market rally that ensued.

Clearly, if several features of the Trump campaign come to fruition, they are likely to produce a positive impulse for economic activity. An extension of the Tax Cuts and Jobs Act, which is set to expire at the end of 2025, is one. Accompanying the undertaking the new Administration is likely to exert on getting these provisions extended, there may be an effort to further lower the corporate tax rate below its current level of 21%. The investment community certainly favors that as it would improve the corporate profit picture.

The other exercise Trump has suggested post-inauguration is imposing a "regulatory recession" (a.k.a. no further regulatory measures, if not massive deregulation), which may be of even greater benefit to businesses. In fact, regulations are often cited by small companies as among the biggest challenges they face in growing their businesses. Since more than 80% of employment is hosted by companies with 500 or fewer workers, this could ignite "animal spirits" among the cohort integral to a broadly prosperous economy.

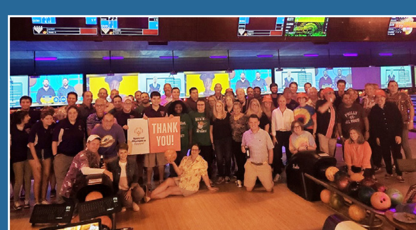
To be sure, there are concerns that the indiscriminate application of tariffs, which act as a regressive tax on consumers, and the method applied by the new Administration as it addresses immigration (illegal or otherwise) might have a deleterious effect on the economy. Sapping demand due to higher prices on imported goods, which could thwart economic activity, and the loss of labor made available by migrant workers, which could induce inflation if it forces employers to raise wages to fill openings, might counteract the aforementioned pro-growth policies.

Much depends on the sequencing of Trump's policies, some of which are predicated upon which executive orders are prioritized, and his team's ability to get much of his agenda through Congress to legislate it. Meanwhile, deciphering the rhetoric as to what is a negotiating ploy or what is reasonable to expect will likely put investors on their heels from time to time. Regardless, the solid underpinnings of the economy today give sufficient reason to think this expansion will continue and the financial markets to build on their advances, allowing time for us to better handicap the ramifications from the policy collage taking shape. ■

JANNEY IN THE COMMUNITY

Municipal Bond Women's Forum

Our Capital Markets Group was a proud sponsor of the Municipal Bond Women's Forum in New York City. This annual event empowers and connects women throughout the industry with networking, discussions, and shared insights, fostering growth and collaboration.



Special Olympics Maryland

Our Baltimore Complex held a bowling tournament to support Special Olympics Maryland, raising over $6,500 to support the cause. The event brought together over 90 participants, including 20 Special Olympics athletes and Janney employees from Maryland, Virginia, Delaware, and Philadelphia.

MANNA Philadelphia

Our Early Career Professionals ERG recently volunteered with the Metropolitan Area Neighborhood Nutrition Alliance (MANNA) in Philadelphia, supporting their mission to prepare and deliver nutritious meals to individuals facing life-threatening illnesses.

PLANNING STRATEGIES FOR REMAINING 529 BALANCES

A FINANCIAL PLANNING SPOTLIGHT

Zane Byramji, Head of Investment Company Products

Zane is a CERTIFIED FINANCIAL PLANNER™ Professional who serves as Head of Investment Company Products within Janney's Wealth Management Department.

If you saved more for college than you needed or did not use all your funds, here are two strategies to help make the most of the 529 plan balance.

Strategy 1: Spend down or transfer excess plan funds.

- **Transfer funds to another beneficiary/qualifying family member.** No taxes or penalties are incurred, and the qualifying family member may use the 529 plan funds to pay for their continuing education.
- **Use plan funds for your child's future educational needs.** If your child does not pursue a traditional four-year degree, consider making qualified withdrawals from your 529 plan for trade schools or vocational programs registered with the U.S. Department of Labor.
- **Use plan funds for student loan payments.** Principal and interest payments toward a qualified education loan are considered qualified 529 plan expenses.
- **Take advantage of penalty-free scholarship withdrawals.** If a beneficiary gets a scholarship, attends a U.S. Military Academy, becomes disabled, or passes away, you may take a non-qualified withdrawal without paying a 10% penalty on the earnings.
- **Transfer the remaining 529 balance to ABLE** (Achieving a Better Life Experience Act) accounts for children with special needs.
- **Withdraw the money and incur related costs.** You can take out the money (a non-qualified withdrawal) from the plan and pay the taxes and a 10% penalty on the earnings portion of the withdrawal. If withdrawn by the beneficiary, the earnings portion of the withdrawal will be taxed at the beneficiary's tax rate, which is likely to be relatively low for your child.
- **Rollover 529 funds, penalty-free, to the beneficiary's Roth IRA.** These are subject to annual Roth IRA contribution limits, a lifetime limit of $35,000, and other qualifying factors.

Strategy 2: Reposition funds for estate planning purposes.

- **Reduce your taxable estate and retain control over your assets.** However, earnings will be subject to income taxes and a 10% penalty if the assets are brought back into your taxable estate.
- **Bequeath the remaining 529 funds to an heir** and then continue to make annual tax-free contributions up to the gift-tax exclusion amount ($19,000 for 2025) until you pass away.
- **Leave any unused 529 plan money as an educational legacy to your grandchildren** since the value of the plan has already been removed from your estate, and there is no time limit on when to spend your leftover 529 savings.

Be sure to seek the advice of an independent tax advisor or your Financial Advisor if you wish to pursue any of these strategies. ■

THERE'S STILL TIME TO REGISTER FOR OUR NEXT CLIENT EVENT!

Janney's 2025 Market Outlook

Wednesday, January 15 | 12:00 PM ET

Register Here*: www.Janney.com/MarketOutlook

Find out what to expect from the economy and markets in the year ahead during this virtual presentation with Janney's Investment Strategy Group. You won't want to miss it!

* Registration password, if prompted, is "janney"

JANNEY LAUNCHES DONOR-ADVISED FUND

We are excited to introduce Janney's new donor-advised fund (DAF) program, the Janney Charitable Giving Fund. This fund is designed to help you support the charitable organizations you care about with the help of an easily accessible, intuitive donor portal through Janney Online Access.

Here's how it works:

- After you open a DAF account, you can contribute cash, securities, or other appreciated assets to be eligible for a current-year tax deduction. The funds cannot be returned and can only go to an IRS-approved charity. The minimum initial contribution for a JCGF is $10,000.
- Your contribution is invested based on your preferences[1], providing the potential to grow tax-free and expand your charitable impact.
- You choose[1] which charities to support, when to support them, and how much to give.

For more information, contact your Financial Advisor. ■

A simple, flexible, and tax-smart strategy to support your favorite charities.

[1] Donor retains an advisory relationship with JCGF, allowing the donor to make recommendations on how the money is invested and granted.

DISCLOSURES

The ownership of Janney has recently changed. In addition, the Firm has added Exchange Traded Funds to our revenue sharing arrangements. For updates to Janney's conflicts disclosures related to this change in ownership, as well as new revenue sharing arrangements, please visit www.janney.com.

Summary of Material Changes

Janney recently made material updates to its Disclosure Brochure and Form ADV. Janney was sold and is now owned by June Purchaser, LLC, an investment vehicle beneficially owned by investment funds and entities managed or sponsored by Kohlberg Kravis Roberts & Co. L.P., (together with their affiliates, including the KKR Stockholder and the funds and other entities that own it, "KKR"). Although Janney and KKR operate independently, their affiliation sometimes creates conflicts of interest or the appearance of conflicts of interest. A description of these conflicts of interest is provided in the Janney Montgomery Scott Disclosure Brochure and Form ADV.

Janney has also updated its Relationship Disclosures and Form CRS to reflect revenue sharing arrangements with Exchange Traded Funds.

Fee Increase for Outgoing Full Account Transfers

Effective January 1, 2025, the fee for outgoing full account transfers will increase from $100 to $125.

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.

Important Notice Regarding Privacy Policy Update

Effective November 29, 2024, Janney has been acquired by KKR, and as a result, our privacy practices may be updated. We are committed to protecting your nonpublic personal information and want to inform you about how your data will be handled under the new ownership structure.

KEY POINTS ABOUT DATA HANDLING:

- **Data collection and usage:** We will continue to collect and use your NPI for the purposes outlined in our previous privacy notice, including account management, investment advice, and marketing communications.
- **Information sharing:** We may share certain NPI with affiliated entities within the new ownership group to facilitate service delivery, but we will continue to adhere to all applicable opt-out provisions.
- **Data security:** We have implemented robust data security and privacy measures to protect your information.

HOW TO ACCESS YOUR PRIVACY POLICY AND OPT-OUT OPTIONS:

- You can review our updated privacy policy at www.janney.com/wealth-management/disclosures-agreements/account-protection-privacy/privacy-policy.

If you have any questions about this privacy policy update, please contact us at privacyofficer@janney.com.

Janney Montgomery Scott LLC

1717 Arch Street, Philadelphia, PA 19103 | 1.800.JANNEYS | www.janney.com

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