

trading investment objective. On the other hand, strategies for growth and income may vary depending on your risk tolerance.

It is important to understand that investment objectives and risk tolerances can and will change over time. For example, a younger investor may be more growth oriented, while investors approaching retirement may feel income is important. Also, the investment objective may vary by account within a household. A retirement account may have a different investment objective than an individual account. Consult with your Janney Financial Consultant if you have questions about your investment objective or if your financial situation has changed. The determination of a suitable investment objective and acceptable risk tolerance is a collaborative effort between the investor and the FC, so it is important that your FC addresses any questions you may have.

FUTURE COMMUNICATIONS

This is the first in what will be a series of regular educational communications that will be included with your account statements. Similar information is also listed on Janney's website at www.jmsonline.com. Future pamphlets will include important information about various products and services.

We encourage you to discuss this information with your financial consultant. Your comments about the usefulness of this information as well as suggestions for future communications are welcome.

You can email to: disclosure@jmsonline.com

You can write to: Disclosure Information
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INVESTMENT DISCLOSURE

COMMUNICATION

INVESTMENT OBJECTIVES AND RISK TOLERANCE



Janney Montgomery Scott LLC

A WORD ABOUT COMMUNICATION

Janney Montgomery Scott is committed to strengthening our communications with you, our customer.

Firstly, Janney values your thoughts, to be sure that we are meeting your investment needs. We know we cannot help you achieve your financial goals unless we listen first. For example, you and your financial consultant (FC) should review your account on a regular basis to ensure that your investment objective(s) matches your changing needs. In this particular communication, we hope to provide you with pertinent information concerning investment objectives and tolerance for risk, which are essential elements in determining your investment strategy.

Secondly, we want to provide you with more investor education to help you better understand the investment choices that we help you make. Janney wants you to have the opportunity to learn more about investing and how we serve you. In particular, we want to be sure you understand compensation arrangements and incentives that Janney and our FCs receive.

In the coming months, we will be providing investor education information with client statements and expanding the information on our website. Our goal is to make this information clear and useful, something that you will actually read, and not just put aside for "later." We also hope that this information encourages you to ask questions and to meet with your FC, so that we can continue this conversation in person.

INVESTMENT OBJECTIVES

Your investment objective(s) is identified in consultation with you and based on information which you provide to your financial consultant, taking into account your financial status, tax status, age, investment time horizon, specific objectives (retirement planning, educational savings, etc.) and

other important factors. Risk tolerance is also an important consideration.

Investment objectives can vary across five categories:

Preservation of capital - emphasis on preserving existing levels of assets with a preference for holding cash and/or cash equivalents. Generally, this means your risk tolerance is low and that you are willing to accept a relatively low level of income or growth in exchange for stability of your investment capital.

Income - emphasis on generating current income rather than capital appreciation. Investors with this objective may be willing to accept some risk to their capital in exchange for a relatively higher level of income.

Income and growth - emphasis on a combination of income and capital appreciation, primarily through a broad range of investments. The mix of income and growth investments and the amount of risk you are willing to accept should be chosen in consultation with your FC.

Growth - emphasis on generating capital appreciation rather than current income. Your Janney FC can assist you in determining an appropriate time horizon.

Speculation-trading - emphasis on maximizing total return through a broad range of investments and strategies which may involve a high degree of risk and/or a high level of activity.

RISK TOLERANCE

Risk tolerance is addressed with three categories: conservative, moderate and aggressive. There may be some correlation between your investment objective and risk tolerance. For example, an investor who chooses preservation of capital as an investment objective would probably choose conservative as a risk tolerance, while aggressive is probably an appropriate match for the speculation-