

JANNEY MONTGOMERY SCOTT LLC STRATEGIST REPORT:

MARKET VOLATILITY

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2007 was a year of unusually high market volatility – perhaps the highest in recent memory. In August, the market underwent a correction (a 10% drop in value), only to rise and then experience another correction (a 10% drop from the October 9th all-time high) in November, followed by further fall-offs and gyrations in December and January. Often, corrections foreshadow recessions and bear markets – historically, 40% of the time, when the markets experience a correction, a bear market and recession ensue. This report will seek to better define and explain these events through the lens of historical market behavior and economic activity.

INTRODUCTION

The reality of the markets is both plain and alternately pleasing and harsh for long-term investors: bull markets will always be enjoyed while bear markets must be periodically weathered. Many cities and countries known for unpredictable weather use a similar saying, co-opted from Mark Twain, ‘If the conditions aren’t currently appealing, then wait five minutes.’ Similarly, Standard and Poor’s research shows that investors who worry about investing at the top of a bull market usually do not have long to wait if a bear market hits before the new bull market recoups the losses experienced in said bear market. In fact, after one year of a new bull market, on average, 86% of the prior bear market’s decline has been recovered.

Looking ahead, in both this report and to the future, we will discuss the following in relation to potential market and economic conditions to come.

In terms of an approaching recession/bear market and investors’ approach to the markets:

- During these cycles, it is important to avoid rash portfolio decisions and understand that bad markets cannot be timed
- Markets have, historically, recouped losses at a faster than expected pace
- Investors putting new money to work at this time are advised to consider a dollar-cost averaging approach
- Income-oriented investors should be looking toward preferred stocks and long-term tax-exempt municipal bonds
- Overall, investors should review their long-term strategy and asset allocation to regain their perspective of their positioning in the market.



DEFINITIONS:

Correction – a 10% drop in the stock market

Bear market – a 20% or greater correction in the stock market


Recession – Defined as either a downturn in Gross Domestic Product (GDP) for two or more successive quarters in a year or, according to the National Bureau of Economic Research (NBER), a significant decline in economic activity spread across the economy, lasting more than a few months.

Why do corrections or bear markets occur? Over the long term, growth in stock prices tends to follow the growth in earnings for companies in the stock market. Corrections or bear markets, then, are disposed to happen when this earnings progression is impeded or when the perception of the earnings progression is thought to be impeded.

The table below shows the magnitude of market corrections since World War II.

| S&P 500 Declines Since 1946: Magnitudes, Durations and Recoveries | | | | | | | | | | | |
|---|----------|---------|----------|--------|----------|--------|------------|---------|--------|------------------|--------|
| Classification | High | | Low | | Declines | | Recoveries | | | Subsequent Gains | |
| | Date | Price | Date | Price | % Chg. | # Days | Date | Price | # Days | % Chg. | # Days |
| Bear | 5/29/46 | 19.25 | 6/13/49 | 13.55 | (29.6) | 1111 | 6/13/50 | 19.25 | 365 | 157.9 | 2243 |
| Correction | 8/13/50 | 19.25 | 7/17/50 | 16.68 | (13.4) | 34 | 9/15/50 | 19.29 | 60 | 5.3 | 70 |
| Correction | 1/5/53 | 26.66 | 9/14/53 | 22.71 | (14.8) | 252 | 3/11/54 | 26.69 | 178 | 40.6 | 358 |
| Correction | 9/23/55 | 45.63 | 10/11/55 | 40.80 | (10.6) | 18 | 11/14/55 | 46.41 | 34 | 0.0 | 0 |
| Bear | 8/3/56 | 49.64 | 10/22/57 | 38.98 | (21.5) | 445 | 9/24/58 | 49.78 | 337 | 45.7 | 1176 |
| Correction | 8/3/59 | 60.71 | 10/25/60 | 52.20 | (14.0) | 449 | 1/27/61 | 61.24 | 94 | 12.1 | 80 |
| Bear | 12/13/61 | 72.53 | 6/27/62 | 62.32 | (27.9) | 196 | 9/3/63 | 72.66 | 433 | 29.5 | 890 |
| Bear | 2/9/66 | 94.06 | 10/7/66 | 73.20 | (22.2) | 240 | 7/27/67 | 94.35 | 293 | 14.9 | 491 |
| Correction | 9/25/67 | 97.59 | 3/5/68 | 87.72 | (10.1) | 162 | 4/29/68 | 97.97 | 55 | 4.5 | 73 |
| Bear | 11/29/68 | 108.37 | 5/26/70 | 69.29 | (36.1) | 643 | 3/6/72 | 108.77 | 650 | 10.5 | 311 |
| Correction | 4/28/71 | 104.77 | 11/23/71 | 90.16 | (13.9) | 209 | 2/4/72 | 104.86 | 73 | 7.3 | 192 |
| Bear | 1/11/73 | 120.24 | 10/3/74 | 62.28 | (48.2) | 630 | 7/17/80 | 121.44 | 2114 | 15.7 | 134 |
| Correction | 11/11/74 | 75.15 | 12/6/74 | 65.01 | (13.5) | 25 | 1/27/75 | 75.37 | 52 | 14.1 | 49 |
| Correction | 7/15/75 | 95.61 | 9/16/75 | 82.09 | (14.1) | 63 | 1/12/76 | 96.33 | 118 | 11.9 | 253 |
| Correction | 9/21/76 | 107.83 | 3/6/78 | 86.90 | (19.4) | 531 | 8/15/79 | 108.25 | 527 | 2.8 | 51 |
| Correction | 10/5/79 | 111.27 | 11/7/79 | 99.87 | (10.2) | 33 | 1/21/80 | 112.10 | 75 | 5.7 | 23 |
| Correction | 2/13/80 | 118.44 | 3/27/80 | 98.22 | (17.1) | 43 | 7/14/80 | 120.01 | 109 | 8.7 | 70 |
| Bear | 11/28/80 | 140.52 | 8/12/82 | 102.42 | (27.1) | 622 | 11/3/82 | 142.87 | 83 | 135.7 | 1756 |
| Correction | 10/10/83 | 172.65 | 7/24/84 | 147.82 | (14.4) | 288 | 1/21/85 | 175.23 | 181 | 11.7 | 177 |
| Bear | 8/25/87 | 336.77 | 12/4/87 | 223.92 | (33.5) | 101 | 7/26/89 | 338.05 | 600 | 9.1 | 355 |
| Bear* | 7/16/90 | 368.95 | 10/11/90 | 295.46 | (19.9) | 87 | 2/13/91 | 369.02 | 125 | 313.9 | 3327 |
| Correction | 10/7/97 | 983.12 | 10/27/97 | 876.99 | (10.8) | 20 | 12/5/97 | 983.79 | 39 | 0.0 | 0 |
| Correction | 7/19/98 | 1188.75 | 8/31/98 | 957.28 | (19.3) | 43 | 11/23/98 | 1188.21 | 84 | 7.7 | 67 |
| Bear | 3/24/00 | 1527.46 | 10/9/02 | 776.76 | (49.1) | 929 | 5/30/07 | 1530.23 | 1694 | ??? | ??? |
| Correction | 11/27/02 | 938.87 | 3/11/03 | 800.73 | (14.7) | 104 | 5/12/03 | 945.11 | 62 | 22.5 | 275 |

Source: Standard & Poor's



It is important to note that earnings ‘signals’ can occur before a recession, before periods when inflation might be dramatically rising, or when investors overreact and assume that recessionary or inflationary times are at hand when, in fact, they are not. We will consider all of these factors in our discussion of recessions later in this report.

From a predictive standpoint, it is difficult to ‘call’ a bear market; and getting the call wrong can be punishing to returns. Ibbotson Associates reports that one hundred dollars invested from 1926 to 2006 in the S&P 500 would have yielded \$307,700 – but missing the 40 months with the highest returns (just 3½ years out of 80), would result in a return of a mere \$1823.

For this reason, Rob Morgan, Investment Strategist, said that most strategists never shift their asset allocation to be below 50% stocks. “No one has a crystal ball to tell them when they should be in cash,” he said. “CNBC trotted out the bears who ‘correctly’ called the 10% decline in stocks from mid-July to mid-August; but, more than likely, they had been bearish for a long time leading up to that period, reminiscent of the expression, ‘A broken clock is always right twice a day.’”

HISTORICAL PERSPECTIVE

Let us now briefly consider two bear markets which preceded – and one that failed to usher in – a recession, including their causative factors, duration and ultimate recovery.

1987: The “Black Monday” Crash

Loss: 33%

Time to S&P 500 recovery: 600 days

It is generally accepted that the stock market experiences a bear market within six to twelve months before the onset of a recession.

1987 disproved that notion.

Between August and December of 1987, stocks fell by 33%, with the infamous October 19th ‘Black Monday’ crash taking them down by 22% in a single day. Despite the dramatic prologue which more than set the stage for a recession, one never made an entrance – thanks, in part, to action by the Federal Reserve. In the period following October 19th, the Fed, concerned that the loss of confidence caused by the crash could lead the economy into a recession, cut rates three times going into 1988. Eventually, a rate-tightening campaign was initiated in mid-1988 on the heels of a strengthening economy.

1990: From Rebound to Recession

Loss: 19.9%

Time to S&P 500 recovery: 125 days

Following the lows of the stock market in 1987, investors enjoyed a roughly three year rebound that lasted until July of 1990. On August 2nd, Iraq, under the leadership of Saddam Hussein, invaded Kuwait, ultimately leading to the First Gulf War. The economy peaked that summer – and then promptly went into a recession. By October 1990, the S&P had fallen off 19.9% from its high in July, beginning a recession that continued for three quarters.

Going into 1990, the Federal Reserve had been in an easing cycle, with the Fed Funds rate at 8.25% for the first half of the year. A quarter point ease was initiated on July 13th, roughly coincident with the peak of the market. Four more quarter point eases were initiated prior to the end of the year. Ultimately, the easing strategy did not allow the economy to avoid recession.

In the end, Coalition forces were victorious in the Gulf, oil prices eased down from the highs they reached during the period and the U.S. economy pulled out of a recession.

2000 – 2002: Downturn

Loss: 49%

Time to S&P 500 recovery: 1694 days

After peaking in early 2000, the markets began a slide that did not halt until October 2002 – a total of 30 months. Coincident with the stock market slide, the economy slipped into a recession, the causes of which were numerous. However, three primary factors can claim responsibility. First, telecom capacity had been built out many times to the capacity that was actually needed by industry. Second, toward the end of the period, 9/11 dealt a severe blow that the market could not overcome. Third, the uncertainty surrounding the U.S. presidential election in 2000 also contributed to the period’s general malaise.

The Federal Reserve had a tightening bias entering 2000, raising rates three times early in the year to reach a level of 6.5% on the Fed Funds rate by May. Rates sat at that level until early 2001, when the Fed, at an emergency meeting, cut rates by 50 basis points. Ultimately, in 2001, the Fed would cut rates 10 times to end the year with the Fed Funds rate at 1.75%. Once again, though, the easing moves were not enough for the economy to avoid recession. For critics of the Fed, this period, as well as the 1990 experience, showed that the Fed can at times be ‘slow on the trigger.’ In fact, the Fed often chases economic slowdowns too late to avoid recessions.

| Stock Market Performances In Anticipation of and During US Economic Recessions | | | | | | | |
|--|-------------|------------------------|-----------------|---------------|---------------|---------------|---------------|
| Economic Recessions | | Market Decline Periods | | % Changes | | | |
| Dates | Months | Start | Finish | S&P 500 | Nasdaq | R2000* | MSCI-EAFE* |
| 2/45-10/45 | 8 | 7/12/44 | 9/14/44 | (7.0) | - | - | - |
| 11/48-10/49 | 11 | 5/29/46 | 6/13/49 | (29.6) | - | - | - |
| 7/53-5/54 | 10 | 1/5/53 | 9/14/53 | (14.8) | - | - | - |
| 8/57-4/58 | 8 | 8/3/56 | 10/22/57 | (21.5) | - | - | - |
| 4/60-2/61 | 10 | 8/3/59 | 10/25/60 | (14.0) | - | - | - |
| 12/69-11/70 | 11 | 11/29/68 | 5/26/70 | (36.1) | - | - | - |
| 11/73-3/75 | 16 | 1/11/73 | 10/3/74 | (48.2) | (59.9) | - | (26.5) |
| 1/80-7/80 | 6 | 2/13/80 | 3/27/80 | (17.1) | (24.8) | (20.2) | (11.7) |
| 7/81-11/82 | 16 | 11/28/80 | 8/12/82 | (27.1) | (23.2) | (12.0) | (21.0) |
| 7/90-3/91 | 8 | 7/16/90 | 10/11/90 | (19.9) | (30.7) | (29.7) | (9.5) |
| 3/01-11/01 | 8 | 3/24/00 | 10/9/02 | (49.1) | (77.6) | (37.3) | (46.1) |
| Averages | 10.2 | | 8.6 Mos. | (25.9) | (43.2) | (24.8) | (23.0) |

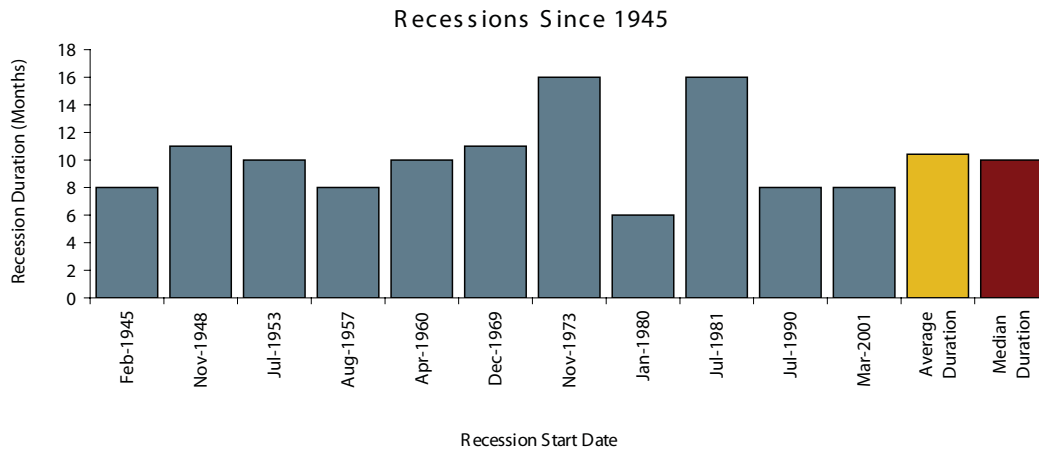
Source: Standard & Poor's Equity Research, MSCI, Russell, Yahoo!

* Results based on month-end data. Past performance is no guarantee of future results.

STRATEGIST ROUNDTABLE

What Is a Recession?

When the word ‘recession’ returns to the everyday press lexicon, concerns arise that the markets will ‘roll over’ for an extended period of time. What is ‘an extended period of time?’ Consider the chart below and that, through the 756 months since 1945, the U.S. has been in a recession for 112 months, or 14.8% of that time. Moreover, the average recession has lasted 10.4 months, with the median being roughly ten months.



Source: U.S. Commerce Dept.

As noted earlier, a recession commonly is defined as two or more consecutive quarters of negative GDP growth. Since 1945, there have been eleven recessionary periods that fit this description. However, according to the NBER, a private, non-profit organization and the largest economic research operation in the United States, the normal definition of a recession is too narrow. Rather than using an arbitrary, calendar-based definition, the NBER defines a recession as the time from when business activity peaks through the time when business activity bottoms out. Using this more precise definition, however, only adds one more recessionary period since 1930.

Greg Drahuschak, Vice President, Private Client Research, said, “Mistaken signs of a recession are so common that they have spawned a sarcastic line that claims that the stock market has discounted nine of the last two recessions.” Considering recession possibilities, however, is justified when one considers the effects recessions have had on the market.

Confusing data makes differentiating between a mere slowdown and a true recession difficult. Notable economic downturns often are the outcome of rising interest rates, deteriorating consumer spending, financial market disarray, rising inflation or political upheaval that eventually lead to a drop in corporate earnings.

Over time, the economy tends to grow and the stock market tends to go up. However, both of these trends can be interrupted from time to time by a number of events. For example, the economy can be interrupted by an oil shock, a banking crisis, or the expectation of a war. A stock market advance, too, can be affected by those events, as well as by such financial factors as increasing inflation or stock market valuations getting too high. The perception that a crisis may develop can also cause stock prices to decline.

Whether or not the U.S. economy slides into a recession in 2008, longer-term investors would be well advised to note a pattern evident in every recession during the last 65 years.

With only two exceptions in the 12 recessions since 1945, regardless of the severity of the recession or its duration, stocks bottomed halfway or three-quarters of the way through the recession and long before GDP growth returned to a non-recessionary level. In the two exceptions (1945 and 1953), market downside did not last long enough nor was deep enough to make any difference to most investors. The market's discounting mechanism typically begins to cast off the economic weakness in favor of an expected recovery.

RECOMMENDATIONS

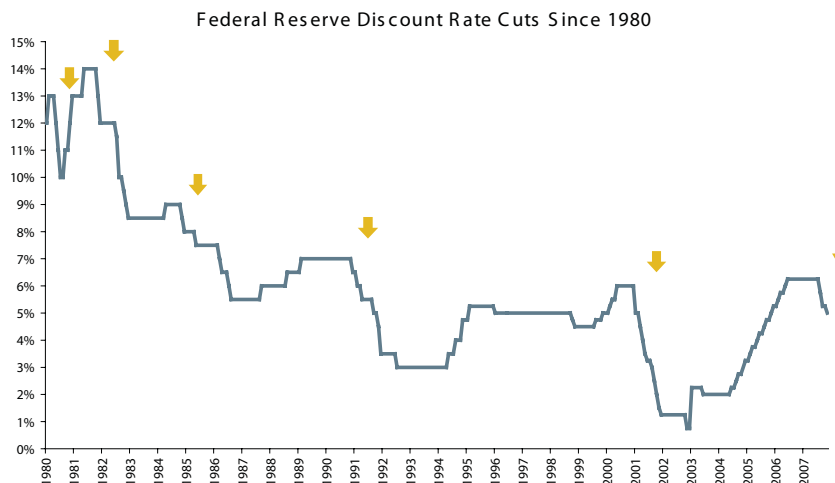
Discount Rate Cuts

As Mr. Morgan noted, "With the exception of the 2000-2002 correction, many bear markets are over before investors even realize they are in a bear market." Roy Blumberg, Director of Research, agreed. "Recent events related to the housing market, along with the sub-prime issue, have caused the stock market to be very volatile in the past several months," he said.

However, one factor that has considerable market implications is cuts to the discount rate. Mr. Blumberg said, "With some lag time, the stock market likes cuts in the discount rate by the Federal Reserve." Edson Gould, a stock market forecaster and historian who practiced his craft from the 1930s into the 1960s, coined the phrase 'two tumbles and a jump.' What Gould observed was that when the Federal Reserve cut the discount rate twice in succession, stock prices usually moved sharply higher over the next few years.

The track record is good for two cuts in the discount rate and stocks moving higher in the year. Since 1980, there have been only two cases when the S&P 500 was not higher 12 months after two successive discount rate cuts. In the case of 1981-1982, it took slightly longer than a year for the stock to begin a strong advance. In the 2000-2002 period, the 9/11 events delayed the advance; but, by 2003, stocks were again moving higher.

The following chart shows the history of discount rate changes. The down arrows (↓) note times when the Federal Reserve cut the discount rate twice in succession after the previous change had been an increase. For investors, the end result could be that if they have a time horizon of more than a year, fighting the Fed could prove to be a fruitless battle. In December, the Federal Reserve cut the discount rate a third time, continuing their attempt to add liquidity to the financial system. The stock market appears to be reaching its intermediate extreme.



Source: Federal Reserve Board

Two-year Government bonds ratio to six months ago

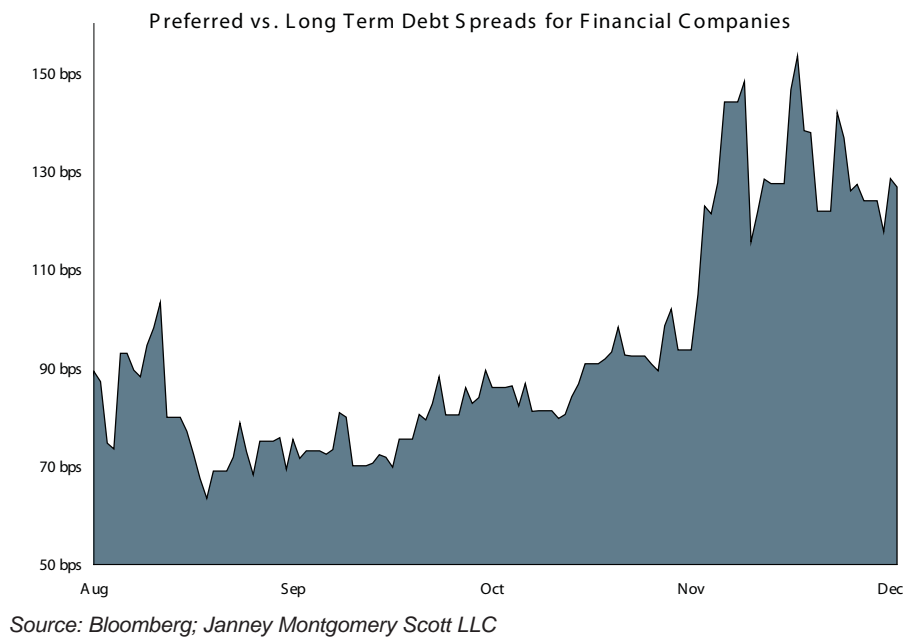
Mr. Blumberg noted that the stock market usually warms to declining interest rates, and that rates often begin their decline a few months before stock prices begin to move higher. He said, “We use a ratio of two-year Government bonds to their levels of six months ago to allow for that delay. What we have found is that, in most cases, stock prices move higher when this ratio shows that rates are lower than they were six months ago. This ratio turned favorable in August of 2007 and has remained positive since.”

A Fixed Income Perspective

Mr. LeBas stated that potentially troubling economic times have very different implications for the fixed income markets than for equities. “Traditional economic theory holds,” he said, “that as economic performance begins to fade, investors become increasingly averse to taking risks.” As a result, those investors sell equities and invest the proceeds in lower-risk bonds, driving prices of those bonds up and yields down. Acting on this theory requires investors to accept a number of assumptions, most notably that the U.S. economy is in for a rough patch in the coming months.

Between the beginning of the fourth quarter and the end of December, the ten-year Treasury note declined in yield by 0.52%, which is equivalent to an increase in price of 4.2% – a huge move for such a traditionally-stable security. Given the current economic circumstances and this sharp drop in Treasury yields, it is probable that the U.S. Treasury markets have experienced all likely price appreciation, and that more stable interest rates and bond prices should be seen for the coming months. In addition, softness in equities – the S&P 500 was down 14.1% over the same three-month time frame – and problems in the markets for high-risk sub-prime mortgage bonds have driven many investors out of competing asset classes and into the safety of default-free government bonds.

While certain areas of the fixed income markets, such as Treasuries, have lost ‘steam,’ Mr. LeBas targeted two sectors that, going into the new year, offer attractive opportunities: preferred securities issued by financial industry companies and long-dated insured tax-exempt mutual bonds.



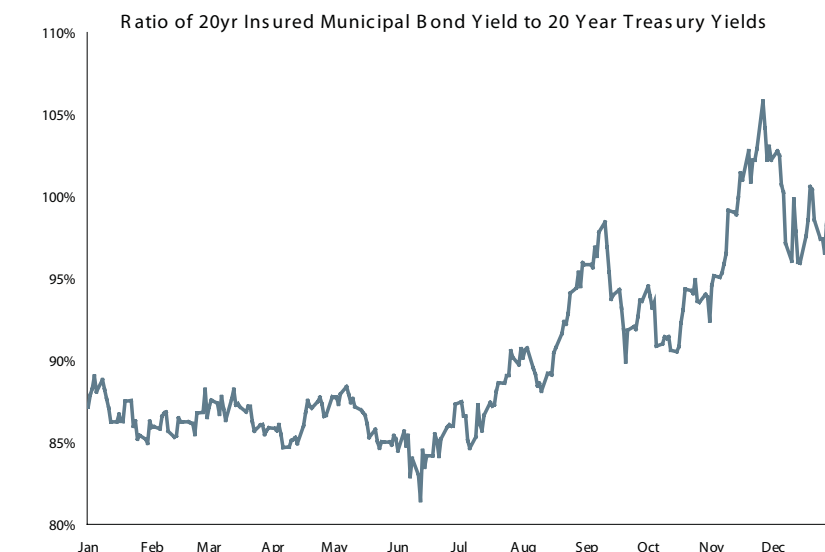
Preferreds are long-maturity securities that pay periodic interest like bonds, but rank lower in a company's capital structure (for more information, please refer to the *Janney Guide to Investing in Preferreds*). Over the past two months, a number of preferred issues have been 'beaten up' as credit-related write-downs continue to wrack the balance sheets of major financial institutions. Because preferreds have greater credit risk than traditional bonds issued by the same company, they have experienced greater price declines.

Historically, for a group of the largest financial companies, preferreds have traded with yields that average 0.82% more than yields of long-term corporate bonds from the same issuer. At the end of November, that yield differential expanded to 1.24%, meaning that financial sector preferreds are looking exceedingly cheap. This differential is likely to persist for several more months as the financial sector continues to absorb credit-related losses. However, for investors with longer horizons and some tolerance for risk taking, financial industry preferreds offer great value.

Long-term tax-exempt municipal bonds are similarly cheap, although for rather different reasons. Beyond just the flight-to-quality Treasury buying exhibited in recent months, there has also been a drying up of liquidity for different types of non-Treasury securities – and municipal bonds are no exception. As many major broker/dealers realize further credit-related write-downs, they become interested in shoring up and shrinking their balance sheets before year-end. One method of shrinking balance sheets and risk ratios is for their trading desks to own fewer bonds. This has encouraged many major dealers to 'bid to lose,' that is, to reduce the prices they are willing to pay to purchase bonds. In addition, many hedge funds are 'sitting on the sidelines' to avoid being caught on the wrong side of volatile markets.

This sum situation has led to a decline in liquidity for the bond markets as a whole and, since individual municipal bonds are relatively illiquid as a product, they are feeling some of the pain. In addition, bad press on several municipal bond insurance companies has caused insured munis to 'cheapen out' relative to their uninsured counterparts. As a result of these occurrences, 20-year and beyond insured municipal bonds are trading at yields in excess of 4.50% which, for investors in a 35% tax bracket, is equivalent to a taxable 6.92%. This 4.50% is 102% of the yield on a similar-maturity Treasury bond, which is as cheap, in relative terms, as insured munis have been in years.

As these two examples evidence, despite the recent run up in bond prices, there remain attractive sectors in the fixed income markets. While investors can barely turn around without hearing more comments about sub-prime mortgage problems or the housing markets, risk aversion has created opportunities for investors of all levels. And with risks of slowing growth making their way to the forefront, the fixed income markets will command even greater attention in the coming months.



Source: Bloomberg; Janney Montgomery Scott LLC

The Federal Reserve Responds

The Federal Open Market Committee announced on December 11th that it was cutting its target for the fed funds rate by 25 basis points to 4.25% from 4.50% which, Mr. LeBas noted, “was in line with our expectations.” In addition, the Committee also elected to reduce the discount rate 25 basis points and not the 50 basis points many had advocated to help ease funding pressures in the banking system. This policy easing follows a 25 basis point cut in October and a 50 basis point cut in September, both of which were largely attributed to turmoil in the financial markets.

Federal Reserve Chairman Ben Bernanke is increasingly working to stay one step ahead of economic troubles, though that task is notoriously tricky.

Get Down to Investment Management Basics

From late 2002 through late 2007 – roughly five years – we experienced a bull market. Perhaps the most difficult aspect of investing is to remove the emotion from the process. The ability to do so, along with managing one’s investments, is easier when the markets are rising and less so when they are declining.

From March 2002 through November 2007, the Dow Jones Industrial Average (DJIA) did not experience a decline of even 10%, making it one of the longest periods in history without a 10% correction. Now, with large swings becoming more prevalent, the key to weathering the current conditions is to rely on traditional investment philosophy rather than emotional responses that could negatively affect future prospects. As Mr. Morgan said, “In times like these, it pays to take a deep breath and carefully analyze the situation before executing a major realignment of a portfolio.”

Utilize a Variety of Investment Techniques

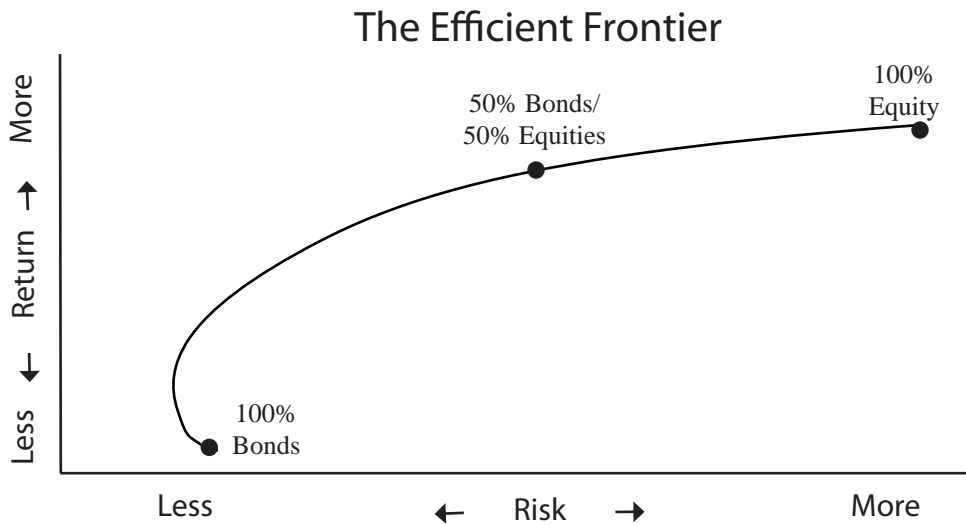
Returning to the theme of investing and emotion, Mr. Drahuschak noted that the longest recessions in the U.S. have, on average, lasted only 10 months, with the two longest lasting 16 months. “A market low halfway through those time periods only allowed investors a relatively short time to shake their recession mentality and become aggressive buyers as the averages declined,” he said. Unfortunately, emotionalism can interfere with what is a buying opportunity. “Often this psychological shift is very difficult,” said Mr. Drahuschak, “due to the pervasively negative news that is often abundant during a recession.” This makes employing the time-tested principle of dollar-cost averaging a reasonable option.

During the 1990-1991 recession, investors only had four months to average down before prices began to recover. By the end of the eight-month-long recession, the Dow was within 100 points of where it was when the recession began. Dollar-cost averaging in late 1990 to early 1991 paid off handsomely by as early as March 1, 1991.

Staying the Course

By nature, most market watchers are optimistic and could be called ‘bullish;’ and history confirms that sentiment. Looking back over the annals of the stock market, stocks are generally up two out of every three years. As Mr. Morgan put it, “If you are going to be a bear, you are betting against the house two out of every three times.” The Standard and Poor’s research referenced earlier bears repeating: after one year of a new bull market, on average, 86% of the prior bear market’s decline has been recovered. Again, investors concerned about investing at the top of a bull market often do not have long to wait from the time a bear market occurs before the next bull market recoups any losses.

As mentioned at the beginning of this report, investors can miss opportunities by not staying invested – whether fully or by a reduced amount, but still remaining in the market. It is an oft-stated phrase in financial services, but worth repeating: the rule is ‘time in the market, not timing the market.’



In response to the question of forecasts and actions for investors to take, Mr. Morgan stated it simply: “Let the dust settle.” He continued, “By the time the media frenzy has reached its peak, in many cases, stocks have often reached a bottom – but the media frenzy can prompt some investors to cash out of stocks just when they are beginning to climb out of the hole.”

Every investor has a place in the market, under all conditions. First, though, investors should understand where they fall on the efficient frontier, which is a graph that measures the trade-off between risk and return, and shows that, for investors seeking a higher return, higher risk is involved. In every market, both conservative and aggressive investors should remain consistent in their position on the efficient frontier instead of executing major portfolio realignments. This becomes especially true during times of market stress.

Again, as stated earlier, the costs of executing major moves can’t be measured and could potentially include missing out on major upward market movements, in addition to losing money being fully invested. For investors who remain unsettled by the markets or their investment choices, speaking with their Janney investment professional can provide peace of mind. Investors are further encouraged to adopt a long-term approach to investing and to accept the periodic bear market as an opportunity to take advantage of a soon-to-come bull market. To reiterate: utilizing the experience and expertise of an investment professional is an immeasurable benefit to help establish a long-term strategy and diversified asset allocation, determine risk tolerance and assign personal and professional financial goals. The key is to use all of the information and guidance available to establish an investment portfolio that will help ensure potential stability and success in both favorable and unfavorable markets.

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